

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS**

IN RE KRAFT HEINZ SECURITIES
LITIGATION

Case No. 1:19-cv-01339

Honorable Jorge L. Alonso

**NOTICE OF PRESENTMENT OF PLAINTIFFS' MOTION
FOR APPROVAL OF DISTRIBUTION PLAN**

TO: ALL PARTIES AND THEIR ATTORNEYS OF RECORD

PLEASE TAKE NOTICE that on Tuesday, March 4, 2025, at 9:30 a.m. Central time, or as soon thereafter as this Motion may be heard, Lead Plaintiffs Sjunde AP-Fonden and Union Asset Management Holding AG, and additional named plaintiff Booker Enterprises Pty Ltd. (collectively, "Plaintiffs"), individually and on behalf of the Settlement Class in the above-captioned action, shall appear before the Honorable Jorge L. Alonso in Courtroom 1903 of the Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, IL 60604 and present Plaintiffs' Motion for Approval of Distribution Plan.

Dated: January 27, 2025

Respectfully submitted,

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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS**

IN RE KRAFT HEINZ SECURITIES
LITIGATION

C.A. No. 1:19-cv-01339

Honorable Jorge L. Alonso

**PLAINTIFFS' MOTION FOR
APPROVAL OF DISTRIBUTION PLAN**

Lead Plaintiffs Sjunde AP-Fonden and Union Asset Management Holding AG, and additional named plaintiff Booker Enterprises Pty Ltd. (collectively, "Plaintiffs"), on behalf of themselves and the Settlement Class, by and through their attorneys, hereby move this Court for approval of their proposed distribution plan pursuant to Federal Rule of Civil Procedure 23(e) and this Court's Order Approving Plan of Allocation of Net Settlement Fund (ECF No. 491) and Judgment Approving Class Action Settlement (ECF No. 490), and for entry of the accompanying [Proposed] Order Approving Distribution Plan ("Class Distribution Order"). This Motion is based upon (i) the Declaration of Luiggy Segura in Support of Plaintiffs' Motion for Approval of Distribution Plan ("Segura Declaration") submitted on behalf of the Court-authorized Claims Administrator, JND Legal Administration ("JND"); (ii) the Memorandum of Law in Support of Plaintiffs' Motion for Approval of Distribution Plan ("Memorandum"); and (iii) all other papers and proceedings herewith.¹

Among other things, the Class Distribution Order will: (i) approve the administrative determinations of JND accepting and rejecting the Claims submitted in connection with the Settlement reached in the above-captioned Action; (ii) direct the Initial Distribution of the Net

¹ All terms with initial capitalization not otherwise defined herein shall have the meanings ascribed to them in the Segura Declaration or the Stipulation and Agreement of Settlement dated May 2, 2023 (ECF No. 475-3) ("Stipulation").

Settlement Fund to Claimants whose Claims are accepted by JND as valid and approved by the Court (“Authorized Claimants”), while maintaining a Reserve for any tax liability or claims administration-related contingencies that may arise following the Initial Distribution; (iii) direct that distribution checks state that the check must be cashed within 90 days after the issue date; (iv) direct that Authorized Claimants will forfeit all recovery from the Settlement if they fail to cash their distribution checks in a timely manner; (v) approve the recommended plan for any funds remaining after the Initial Distribution; (vi) approve JND’s fees and expenses incurred and estimated to be incurred in the administration of the Settlement and the Initial Distribution; (vii) release claims related to the administration process; and (viii) authorize the destruction of Claim Forms and supporting documents at an appropriate time.

As set forth in the Segura Declaration, there are currently five (5) Claimants with outstanding requests for Court review of JND’s administrative determination with respect to their Claims (“Disputed Claims”). Upon the filing of this Motion, Lead Counsel will send each Claimant with a Disputed Claim a copy of this Motion, the Memorandum, the Segura Declaration, Exhibit D to the Segura Declaration along with the supporting documentation that relates to the Claimant’s Disputed Claim, and the proposed Class Distribution Order. Lead Counsel will inform these Claimants that they do not need to take any further action to have the Court consider their dispute; however, if these Claimants wish to make an additional submission, they should direct it to the Court’s attention with a copy to Lead Counsel postmarked no later than February 11, 2025. If any such submission is made, Lead Counsel will submit a reply by February 18, 2025 addressing such submission.

Defendants have stated that they take no position on the Motion and, pursuant to the terms of the Stipulation, Defendants have no interest in the relief sought by the Motion.

Dated: January 27, 2025

Respectfully submitted,

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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS**

IN RE KRAFT HEINZ SECURITIES
LITIGATION

C.A. No. 1:19-cv-01339

Honorable Jorge L. Alonso

**MEMORANDUM OF LAW IN SUPPORT OF PLAINTIFFS'
MOTION FOR APPROVAL OF DISTRIBUTION PLAN**

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Court-appointed Lead Plaintiffs Sjunde AP-Fonden and Union Asset Management Holding AG, and additional named plaintiff Booker Enterprises Pty Ltd. (collectively, “Plaintiffs”), respectfully move for entry of the [Proposed] Order Approving Distribution Plan (“Class Distribution Order”) for the net proceeds of the Settlement in the above-captioned securities class action (“Action”). The proposed Distribution Plan is included in the accompanying Declaration of Luiggy Segura (“Segura Declaration” or “Segura Decl.”), submitted on behalf of the Court-authorized Claims Administrator, JND Legal Administration (“JND”).¹

Plaintiffs agreed to settle the Action in exchange for a cash payment of \$450,000,000 for the benefit of the Settlement Class, which has been deposited into an escrow account and is earning interest for the benefit of the Settlement Class. The Claims Administrator has completed processing the Claims received for the Settlement and, through their current Motion, Plaintiffs seek the Court’s approval to distribute the Net Settlement Fund to Settlement Class Members who submitted eligible Claims.

The Class Distribution Order will, upon being entered by the Court, permit JND to make an Initial Distribution of the Settlement proceeds to eligible Claimants. Among other things, the Class Distribution Order will: (i) approve JND’s administrative determinations accepting and rejecting the Claims submitted in connection with the Settlement; (ii) direct the Initial Distribution of the Net Settlement Fund to Claimants whose Claims are accepted by JND as valid and approved by the Court (“Authorized Claimants”), while maintaining a Reserve for any tax liability and claims administration-related contingencies that may arise following the Initial Distribution; and

¹ Unless otherwise indicated in this Memorandum, all terms with initial capitalization shall have the meanings ascribed to them in the Segura Declaration or the Stipulation and Agreement of Settlement dated as of May 2, 2023 (ECF No. 475-3) (“Stipulation”).

(iii) approve JND's fees and expenses incurred and estimated to be incurred in the administration of the Settlement and the Initial Distribution.

As discussed below, there are five Claimants with outstanding requests for Court review of JND's administrative determination to reject their Claims ("Disputed Claims"). Upon the filing of the Motion, Lead Counsel will send each Claimant with a Disputed Claim a copy of the Motion, this Memorandum, the Segura Declaration, Exhibit D to the Segura Declaration, the supporting documentation that relates to the Claimant's Disputed Claim, and the proposed Class Distribution Order. Lead Counsel will inform these Claimants that they do not need to take any further action to have the Court consider their dispute; however, if these Claimants wish to make an additional submission, they should direct it to the Court's attention with a copy to Lead Counsel postmarked no later than February 11, 2025. If any such submission is made, Lead Counsel will submit a reply by February 18, 2025 addressing such submission.

Pursuant to the Stipulation, Defendants have no role in or responsibility for the administration of the Settlement Fund or processing of Claims, including determinations as to the validity of Claims or the distribution of the Net Settlement Fund. *See* Stipulation ¶¶ 19, 23, 25; *see also* Notice ¶ 40. Nonetheless, Lead Counsel have conferred with Defendants' Counsel and Defendants state that they take no position on the Motion.

I. BACKGROUND

On September 12, 2023, the Court entered the Judgment Approving Class Action Settlement (ECF No. 490) approving the \$450 million all-cash Settlement of this Action and entered an Order Approving Plan of Allocation of Net Settlement Fund (ECF No. 491) approving the plan for allocating the Net Settlement Fund to the Settlement Class. The Settlement's "Effective Date" under paragraph 33 of the Stipulation has now occurred, and accordingly the Net

Settlement Fund may now be distributed to Authorized Claimants. In accordance with paragraph 28 of the Stipulation, Plaintiffs respectfully request that the Court enter the Class Distribution Order and approve the proposed Distribution Plan.

In accordance with the Court's Order Preliminarily Approving Settlement and Providing for Notice (ECF No. 478) ("Preliminary Approval Order"), JND mailed the Postcard Notice and/or the Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for Attorneys' Fees and Litigation Expenses ("Notice") and the Proof of Claim and Release Form ("Claim Form" and, collectively with the Notice, the "Notice Packet") to potential Settlement Class Members, brokers, and other nominees. Segura Decl. ¶ 2. In total, JND has disseminated 1,665,281 Postcard Notices and 5,611 Notice Packets to potential Settlement Class Members, brokers, and other nominees. *Id.* ¶ 4. The notices informed Settlement Class Members that if they wished to be eligible to participate in the distribution of the Net Settlement Fund, they were required to submit a properly executed Claim Form postmarked no later than October 10, 2023. *Id.* ¶ 7.

II. CLAIMS ADMINISTRATION

As set forth in the Segura Declaration, through January 16, 2025, JND received and processed 592,618 Claims. Segura Decl. ¶ 7. All Claims received through January 16, 2025, have been fully processed in accordance with the Stipulation and the Court-approved Plan of Allocation included in the Notice (*see id.*), and JND has worked with Claimants to help them perfect their Claims in order to be eligible to receive a payment from the Settlement. *See id.* ¶¶ 19-32. Many of the Claims received were initially deficient or ineligible for one or more reasons, including being incomplete, not signed, not properly documented, or otherwise deficient, which required substantial follow-up work by JND. *Id.* ¶¶ 19, 22.

If JND determined a Claim to be defective or ineligible, JND sent a letter (if the Claimant or filer submitted a paper Claim or a Claim via the Settlement Website) or an email (if the Claimant or filer submitted an Electronic Claim) to the Claimant or filer, as applicable, describing the defect(s) or condition(s) of ineligibility in the Claim and the steps necessary to cure any curable defect(s) in the Claim (“Deficiency Notices”). *Id.* ¶¶ 20, 22. The Deficiency Notices advised the Claimant or filer that the appropriate information or documentary evidence to complete the Claim had to be sent within twenty (20) days from the date of the Deficiency Notice or JND would recommend the Claim for rejection to the extent the deficiency or condition of ineligibility was not cured. *Id.* ¶¶ 20, 23. Example Deficiency Notices are attached as Exhibits A, B, and C to the Segura Declaration.

Of the 592,618 Claims that are the subject of Plaintiffs’ Motion, JND has determined that 280,309 Claims are acceptable in whole or in part, and that 312,309 Claims should be rejected because they are ineligible for payment from the Net Settlement Fund, largely because their trading patterns did not calculate to a Recognized Claim under the Court-approved Plan of Allocation. Segura Decl. ¶¶ 39-42. Plaintiffs respectfully request that the Court approve JND’s administrative determinations accepting and rejecting the Claims as set forth in the Segura Declaration.

A. Disputed Claims

JND carefully reviewed Claimants’ and filers’ responses to the Deficiency Notices and worked with them to resolve deficiencies where possible. *Id.* ¶¶ 21, 26. Consistent with paragraph 26(e) of the Stipulation, the Deficiency Notices specifically advised the Claimant or filer of their right, within twenty (20) days after the mailing or emailing of the Deficiency Notice, to contest the rejection of their Claim and request Court review of JND’s administrative determination of the Claim. *Id.* ¶¶ 20, 23, and Exhibits A and B.

With respect to the fully processed Claims, JND received thirty-two (32) requests for Court review of its administrative determinations. To resolve these disputes without necessitating the Court's intervention, JND contacted the Claimants requesting Court review and attempted to answer all questions, to explain JND's administrative determination with respect to their Claim, and to facilitate the submission of missing information or documentation where applicable. *Id.* ¶ 32. As a result of these efforts, twenty (20) of these Claimants resolved their deficiencies, withdrew their requests for Court review, and their Claims are recommended for approval. *Id.* Seven (7) more of these Claimants withdrew their requests for Court review after receiving further explanation of the reasons for JND's determination. *Id.* Currently five (5) Claims remain disputed and are being submitted to the Court for resolution (i.e., the Disputed Claims). *Id.*

Exhibit D of the Segura Declaration contains a copy of each Disputed Claim with its supporting documentation and sets forth the reasons for JND's rejection of each Disputed Claim. *Id.* For privacy reasons, the documents included in Exhibit D have been redacted to remove personal information such as street addresses, email addresses, telephone numbers, account numbers, Taxpayer ID, Social Security, or Social Insurance Numbers, and all financial and transaction information not related to the Claimants' transactions in Kraft Heinz common stock or options purchased/acquired/sold during the Class Period.

JND recommends the five (5) Disputed Claims for rejection. *Id.* Specifically, Disputed Claim Nos. 1 and 2 (Exhibits D-1 and D-2) are recommended for rejection because the Claimants sold all of the shares of Kraft Heinz common stock they purchased during the Class Period before the first alleged corrective disclosure on November 2, 2018, and thus were not damaged by the alleged fraud. According to the Plan of Allocation, for shares of common stock sold prior to November 2, 2018, the "Recognized Loss Amount will be \$0.00." *See* Notice ¶¶ 70, 72(A).

Disputed Claim No. 3 (Exhibit D-3) is recommended for rejection because the Claimant purchased and sold their shares of Kraft Heinz common stock between February 22, 2019 and March 13, 2019, during a period between two consecutive alleged corrective disclosure dates (from February 22, 2019 through August 7, 2019) when the alleged artificial inflation in the stock remained constant. According to the Plan of Allocation, in order to have a Recognized Loss Amount the Claimant must have “held Kraft Heinz common stock...over at least one of the days when corrective information was released to the market...”; therefore, the Claim does not calculate to a Recognized Loss. *See* Notice ¶¶ 70, 72(B), Table A.

Disputed Claim Nos. 4 and 5 (Exhibits D-4 and D-5) are recommended for rejection because the Claimant who submitted both of these Claims failed to provide documentation of any purchase of Kraft Heinz common stock or call options, or sale of Kraft Heinz put option contracts during the Class Period, which is needed to calculate a Recognized Loss Amount/Recognized Claim. *See* Notice ¶ 71.

The Segura Declaration explains in detail the calculations JND conducted that demonstrate the Disputed Claims do not calculate to a Recognized Claim. *Id.* Lead Counsel have reviewed the Disputed Claims and JND’s determinations and concur that the Disputed Claims should be rejected for the reasons set forth in the Segura Declaration.

B. Late Claims and Final Cut-Off Date

The 592,618 Claims received through January 16, 2025 include 23,958 Claims that were postmarked or received after October 10, 2023, the Court-approved Claim submission deadline. *Id.* ¶¶ 33, 41. These late Claims have been fully processed, and 8,862 of them are, but for their late submission, otherwise eligible to participate in the Settlement. *Id.* Although these 8,862 Claims were late, they were received while the processing of timely Claims was ongoing. *Id.* Due to the

amount of time needed to process the timely Claims received, the processing of these late Claims did not delay the completion of the administration process or the distribution of the Net Settlement Fund. *Id.* ¶ 33. The Court has discretion to accept Claims received after the Claim submission deadline. *See* Preliminary Approval Order ¶ 11; Notice ¶ 41. Plaintiffs respectfully submit that, when the equities are balanced, it would be unfair to prevent an otherwise eligible Claim from participating in the distribution of the Net Settlement Fund solely because it was received after the Court-approved Claim submission deadline if it were submitted while timely Claims were still being processed.

To facilitate the efficient distribution of the Net Settlement Fund, however, there must be a final cut-off date after which no other Claims may be accepted. Accordingly, Plaintiffs respectfully request that the Court order that any *new* late Claims (and any requested adjustments to previously submitted Claims that would result in an increased Recognized Claim) received after January 16, 2025, shall be barred (*see also* Segura Decl. ¶45(f)) – subject to the proviso that if Lead Counsel later determine that an additional distribution is not cost-effective (*see* Segura Decl. ¶45(e)), then any post-January 16, 2025 Claimants may, at the discretion of Lead Counsel (and to the extent possible after paying remaining administrative fees and expenses owed), be paid on their new (or adjusted) Claims on a *pro rata* basis so as to bring them into parity with other Authorized Claimants who have cashed their distribution checks.

III. FEES AND EXPENSES OF CLAIMS ADMINISTRATOR

The Court-approved Claims Administrator for the Settlement, JND, was responsible for, among other things, disseminating notice of the Settlement to the Settlement Class, creating and maintaining a website and toll-free telephone helpline, processing Claims, and allocating and distributing the Net Settlement Fund to Authorized Claimants. Segura Decl. ¶ 2. JND's fees and

expenses for its work performed through December 31, 2024, are \$2,308,151.69, and its estimated fees and expenses for the work to be performed in connection with the Initial Distribution are \$169,798.81, which together total \$2,477,950.50. *Id.* ¶ 44.² The brokerage firms and nominees charged JND another \$676,841.94 for their work providing names and addresses of potential Settlement Class Members and forwarding notices to their clients. *Id.* To date, JND has received payment in the amount of \$2,124,462.99 for its fees and expenses. *Id.* Accordingly, there is an outstanding balance of \$1,030,329.45 payable to JND, which amount includes the estimated fees and expenses to be incurred by JND in connection with the Initial Distribution. *Id.* Lead Counsel reviewed JND's invoices and respectfully request on behalf of Plaintiffs that the Court approve all of JND's fees and expenses.

IV. DISTRIBUTION PLAN FOR THE NET SETTLEMENT FUND

A. Initial Distribution of the Net Settlement Fund

Under the proposed Distribution Plan, JND will distribute 90% of the Net Settlement Fund after deducting (i) all payments previously allowed, (ii) payments approved by the Court on this Motion, and (iii) any estimated taxes, the costs of preparing appropriate tax returns, and any escrow fees (i.e., the Initial Distribution). *See Segura Decl.* ¶ 45(a). In the Initial Distribution, JND will calculate award amounts for all Authorized Claimants as if the entire Net Settlement Fund were to be distributed now. *Id.* ¶ 45(a)(1). JND will first determine each Authorized Claimant's *pro rata* share of the total Net Settlement Fund based on the Claimant's Recognized Claim in comparison to the total Recognized Claims of all Authorized Claimants. *Id.* JND will eliminate from the Initial Distribution any Authorized Claimant whose *pro rata* share calculates to less than \$10.00, as these

² Should the estimate of fees and expenses to conduct the Initial Distribution of the Net Settlement Fund exceed the actual cost, the excess will be returned to the Net Settlement Fund and will be available for subsequent distributions to Authorized Claimants. *Id.*

Claimants will not receive any payment from the Net Settlement Fund and will be so notified by JND. *Id.* ¶ 45(a)(2). JND will then recalculate the *pro rata* share of the Net Settlement Fund for Authorized Claimants who would have received \$10.00 or more based on the amount of the Authorized Claimant's Recognized Claim in comparison to the total Recognized Claims of all Authorized Claimants who would have received \$10.00 or more. *Id.* ¶ 45(a)(3). This *pro rata* share is the Authorized Claimant's Distribution Amount. *Id.* Authorized Claimants whose Distribution Amount calculates to less than \$200.00 will be paid their full Distribution Amount in the Initial Distribution ("Claims Paid in Full"). *Id.* ¶ 45(a)(4). These Authorized Claimants will receive no additional funds in subsequent distributions. *Id.* After deducting the payments to the Claims Paid in Full, 90% of the remaining balance of the Net Settlement Fund will be distributed *pro rata* to Authorized Claimants whose Distribution Amount calculates to \$200.00 or more. *Id.* ¶ 45(a)(5). The remaining 10% of the Net Settlement Fund will be held in reserve (the "Reserve") to address any tax liability and claims administration-related contingencies that may arise following the Initial Distribution. *Id.* To the extent the Reserve is not depleted, the remainder will be distributed in the Second Distribution. *Id.*

To encourage Authorized Claimants to cash their checks promptly, Plaintiffs propose that all distribution checks bear the notation, "CASH PROMPTLY. VOID AND SUBJECT TO REDISTRIBUTION IF NOT CASHED BY [DATE 90 DAYS AFTER ISSUE DATE]." *Id.* ¶ 45(b). Authorized Claimants who do not cash their checks within the time allotted or on the conditions stated in paragraph 45(b) of the Segura Declaration will irrevocably forfeit all recovery from the Settlement, and the funds allocated to these stale-dated checks will be available to be redistributed to other Authorized Claimants in a subsequent distribution, as described below. *Id.* ¶ 45(c).

B. Additional Distribution(s) of the Net Settlement Fund

After JND has made reasonable and diligent efforts to have Authorized Claimants cash their Initial Distribution checks, but not earlier than seven (7) months after the Initial Distribution, JND will, after consulting with Lead Counsel, conduct the Second Distribution of the Net Settlement Fund. *Id.* ¶ 45(d). In the Second Distribution, any amount remaining in the Net Settlement Fund, after deducting any unpaid fees and expenses incurred, will be distributed to all Authorized Claimants (other than Claims Paid in Full) who cashed their Initial Distribution checks and would receive at least \$10.00 from the Second Distribution based on their *pro rata* share of the remaining funds. *Id.* If any funds remain in the Net Settlement Fund after the Second Distribution, and if cost-effective, subsequent distributions will take place at six-month intervals. *Id.* When Lead Counsel, in consultation with JND, determine that a further distribution is not cost-effective, if sufficient funds remain to warrant the processing of Claims received after January 16, 2025, JND will process the Claims. *Id.* ¶ 45(e). Any of these Claims that are otherwise valid, as well as any earlier received Claims for which an upward adjustment was received after January 16, 2025, may be paid in accordance with paragraph 45(f) of the Segura Declaration. *Id.* If any funds remain in the Net Settlement Fund after payment of these Claims and any unpaid fees or expenses, Lead Counsel propose that such remaining funds (if there are any) be contributed to the National Consumer Law Center (“NCLC”). Typically, distribution of residual funds has been found to be no longer “cost-effective” where residual funds are \$30,000 or less, and in most cases *cy pres* distributions in other comparable cases have been even smaller (under \$10,000).

Lead Counsel propose that the NCLC be designated as the “non-sectarian, not-for-profit 501(c)(3) organization to be recommended by Lead Counsel” referenced in the Court-approved Plan of Allocation. *See* Notice ¶ 90.

NCLC is a private, non-partisan, non-profit organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. *See Financials*, National Consumer Law Center, <https://nclc.org/about-us/financials/> (last visited Jan. 23, 2025). For over 50 years, NCLC has worked to build and strengthen a legal network to provide legal services addressed to two main goals: improving access to the legal system for all people and enabling advocates to seek remedies for low-income people where needed. *See History*, National Consumer Law Center, <https://nclc.org/about-us/history/> (last visited Jan. 23, 2025). NCLC’s lawyers provide policy analysis, advocacy, litigation, expert-witness services, and training for consumer advocates throughout the United States. *See Mission*, National Consumer Law Center, <https://nclc.org/about-us/mission/> (last visited Jan. 23, 2025). “NCLC uses its unmatched expertise in consumer law to protect consumers from exploitation and expand access to fair credit by advocating for laws, rules, and regulations that benefit real people: those with low incomes, older people, students, people of color, and others who have been abused, deceived, discriminated against, or left behind in our economy.” *See About Us*, National Consumer Law Center, <https://nclc.org/about-us/> (last visited Jan. 23, 2025). NCLC has received “the highest ratings from charity watchdogs” and “welcomes *cy pres* designations of unclaimed settlement funds from class action lawsuits, which are used to support [its] consumer rights work advancing the core interests of underlying class members.” *See History*, National Consumer Law Center, <https://nclc.org/about-us/history/> (last visited Jan. 23, 2025); *Cy Pres*, National Consumer Law Center, <https://nclc.org/get-involved/ways-to-give/cy-pres/> (last visited Jan. 23, 2025). Federal courts have approved NCLC as a *cy pres* recipient of residual balances of net settlement funds in other settlements. *See, e.g.*, Memorandum of Law in Support of Lead Plaintiffs’ Motion for Approval of Distribution Plan, *In re Stericycle, Inc. Sec. Litig.*, No. 1:16-cv-07145 (N.D. Ill. December 15, 2023), ECF No. 185 & Order Approving

Distribution Plan, *In re Stericycle, Inc. Sec. Litig.*, No. 1:16-cv-07145 (N.D. Ill. August 27, 2024), ECF No. 188, attached hereto as Exhibit 1; Memorandum of Law in Support of Lead Plaintiffs' Unopposed Motion for Approval of Distribution Plan, *In re Baxter International, Inc. Sec. Litig.*, No. 1:19-cv-07786 (N.D. Ill. July 7, 2022), ECF No. 77 & Order Approving Distribution Plan, *In re Baxter International, Inc. Sec. Litig.*, No. 1:19-cv-07786 (N.D. Ill. August 5, 2022), ECF No. 80, attached hereto as Exhibit 2; *Spann v. J.C. Penney Corp.*, 211 F. Supp. 3d 1244, 1261 (C.D. Cal. 2016), *appeal dismissed*, 2016 WL 9778633 (9th Cir. Nov. 7, 2016); *Perkins v. Am. Nat'l Ins. Co.*, 2012 WL 2839788, at *5 (M.D. Ga. July 10, 2012) ("The Court is also satisfied that The National Consumer Law Center's mission, reputation and established track record will ensure that it will be a good steward of the grant award made to it.").

V. RELEASE OF CLAIMS

In order to allow the full and final distribution of the Net Settlement Fund, it is necessary to (i) bar any further claims against the Net Settlement Fund beyond the amounts allocated to Authorized Claimants, and (ii) provide that all persons involved in any aspect of Claims processing, or who are involved in the administration or taxation of the Settlement Fund or the Net Settlement Fund, be released and discharged from all claims arising out of that involvement. *See* Stipulation ¶ 30. Accordingly, Plaintiffs respectfully request that the Court release and discharge all persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the Claims submitted in connection with the Settlement, or who are otherwise involved in the administration or taxation of the Settlement Fund or the Net Settlement Fund from all claims arising out of that involvement, and bar all Settlement Class Members and other Claimants, whether or not they receive payment from the Net Settlement Fund, from making any further claims against the Net Settlement Fund, Plaintiffs, Lead Counsel, the Claims

Administrator, the Escrow Agent or any other agent retained by Plaintiffs or Lead Counsel in connection with the administration or taxation of the Settlement Fund or the Net Settlement Fund, or any other person released under the Settlement beyond the amounts allocated to Authorized Claimants.

Courts have repeatedly approved similar releases in connection with the distribution of settlement proceeds. *See, e.g.*, Class Distribution Order at 9, *Pierrelouis v. Gogo Inc.*, No.1:18-cv-04473 (N.D. Ill. June 20, 2024), ECF No.175, attached hereto as Exhibit 3 (“All persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the claims submitted herein, or otherwise involved in the administration or taxation of the Settlement Fund or the Net Settlement Fund, are released and discharged from any and all claims arising out of such involvement, and all Settlement Class Members and other Claimants, whether or not they are to receive payment from the Net Settlement Fund, are barred from making any further claim against the Net Settlement Fund, Lead Plaintiff, Plaintiff’s Counsel, the Claims Administrator, the Escrow Agent, or any other agent retained by Lead Plaintiff or Plaintiff’s Counsel in connection with the administration or taxation of the Settlement Fund or the Net Settlement Fund, or any other person released under the Settlement, beyond the amounts allocated to them pursuant to the terms of the Class Distribution Order, provided that such released persons acted in accordance with the Stipulation, the Judgment, and this Order.”); Order Approving Distribution of Net Settlement Fund at 4, *Boutchard v. Gandhi*, No. 1:18-cv-07041 (N.D. Ill. April 18, 2024), ECF No. 163, attached hereto as Exhibit 4 (approving substantially similar language in order authorizing distribution of settlement proceeds); *Shah v. Zimmer Biomet Holdings, Inc.*, 2020 WL 7392796, at *2 (N.D. Ind. Dec. 14, 2020) (same).

VI. CONCLUSION

For the foregoing reasons, Plaintiffs respectfully request that the Court grant their Motion for Approval of Distribution Plan and enter the [Proposed] Order Approving Distribution Plan.

Dated: January 27, 2025

Respectfully submitted,

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EXHIBIT 1

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re Stericycle, Inc. Securities Litigation

Civ. A. No. 1:16-cv-07145
Hon. Andrea R. Wood

CLASS ACTION

ECF CASE

**MEMORANDUM OF LAW IN SUPPORT OF LEAD PLAINTIFFS'
MOTION FOR APPROVAL OF DISTRIBUTION PLAN**

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*Lead Counsel for Lead Plaintiffs the Public Employees' Retirement System of Mississippi
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Lead Plaintiffs, the Public Employees' Retirement System of Mississippi ("Mississippi") and the Arkansas Teacher Retirement System ("Arkansas Teacher") (collectively, "Lead Plaintiffs"), respectfully move for entry of the proposed Order Approving Distribution Plan ("Class Distribution Order") for the proceeds of the Settlement in the above-captioned securities class action (the "Action"). The Distribution Plan is included in the accompanying Declaration of Luiggy Segura in Support of Lead Plaintiffs' Motion for Approval of Distribution Plan ("Segura Declaration" or "Segura Decl."),¹ submitted on behalf of the Court-approved Claims Administrator, JND Legal Administration ("JND").

The Class Distribution Order will, upon being entered by the Court, permit JND to make an Initial Distribution of the Settlement proceeds to eligible Claimants. Among other things, the Class Distribution Order will: (i) affirm the revised fee award to Plaintiffs' Counsel, the fee award to counsel for Objector Mark G. Petri and the incentive award to Objector Petri, as set forth in the Court's January 30, 2023 Order (ECF No. 182); (ii) approve JND's administrative determinations accepting and rejecting Claims submitted in connection with the Settlement; (iii) direct the Initial Distribution of the Net Settlement Fund to Claimants whose Claims are accepted by JND as valid and approved by the Court ("Authorized Claimants"), while maintaining a Reserve for any tax liability and claims administration-related contingencies that may arise; and (iv) approve JND's fees and expenses incurred and estimated to be incurred in the administration of the Settlement and the Initial Distribution.

There are no disputed Claims by any Settlement Class Member requiring Court review. Further, under the Stipulation, Defendants have no role in or responsibility for the administration

¹ Unless otherwise indicated in this memorandum, all terms with initial capitalization shall have the meanings ascribed to them in the Segura Declaration or the Stipulation and Agreement of Settlement dated February 14, 2019 (ECF No. 108-1) ("Stipulation"). The Settlement is contained in the Stipulation.

of the Settlement Fund or processing of Claims, including determinations as to the validity of Claims or the distribution of the Net Settlement Fund. *See* Stipulation ¶¶ 18, 22, 24; *see also* Notice ¶¶ 45, 74. As such, the motion is ripe for determination and Lead Counsel respectfully submits that a hearing on this motion is not required.

I. BACKGROUND

On August 12, 2019, the Court entered its Judgment Approving Class Action Settlement (ECF No. 142) approving the \$45 million all-cash Settlement of this Action and entered an Order Approving Plan of Allocation of Net Settlement Fund (ECF No. 143). The Settlement’s “Effective Date” under paragraph 32 of the Stipulation has now occurred, and accordingly the Net Settlement Fund may be distributed to Authorized Claimants. In accordance with paragraphs 27 and 28 of the Stipulation, Lead Plaintiffs respectfully request that the Court enter the Class Distribution Order and approve the Distribution Plan.

In accordance with the Court’s Order Preliminarily Approving Settlement and Authorizing Dissemination of Notice of Settlement (ECF No. 111) (“Preliminary Approval Order”), JND mailed the Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses (“Notice”) and the Proof of Claim and Release (“Claim Form” and, collectively with the Notice, the “Notice Packet”) to potential Settlement Class Members, brokers, and other nominees. Segura Decl. ¶ 2. JND has disseminated 308,589 Notice Packets to potential Settlement Class Members, brokers and nominees. *Id.* ¶ 4. The Notice informed Settlement Class Members that if they wished to be eligible to participate in the distribution of the Net Settlement Fund, they were required to submit a properly executed Claim Form postmarked no later than August 7, 2019. *Id.* ¶ 7.

The Effective Date of the Settlement has occurred, and the Claims Administrator has completed its processing of Claims received. Accordingly, Lead Plaintiffs now request that the Court enter the proposed Class Distribution Order, which will approve the Claims Administrator's administrative determinations accepting and rejecting Claims submitted in connection with the Settlement, direct the distribution of the Net Settlement Fund to eligible Claimants, approve the recommended plan for any funds remaining after the distribution, and approve the Claims Administrator's fees and expenses. Lead Plaintiffs, Lead Counsel, and the Claims Administrator have diligently overseen the claims administration process, all requirements and conditions for the distribution of the Settlement proceeds have been met or occurred, and entry of the Class Distribution Order is appropriate and warranted.

The distribution of the Settlement Fund in this case has been delayed by the appeal to the Seventh Circuit. On January 30, 2023, following remand from the Seventh Circuit, the Court entered an order awarding revised attorneys' fees to Lead Counsel as well as attorneys' fees to Objector Mark Petri and an incentive award to Mr. Petri, resolving all issues from the appeal. *See* ECF No. 182. However, the Court also asked that the Parties submit a proposed order by email implementing that fee order. *See* ECF No. 182, at 1. The Parties submitted their proposed order to the Court as requested on February 6, 2023 and submitted it again by Court filing and email on November 9, 2023 (ECF No. 183), but the proposed order has not yet been entered. In order to allow for calculation of the full amount of the Net Settlement Fund available for distribution to Settlement Class Members in connection with the proposed distribution, Lead Plaintiffs respectfully request that the Court affirm the awards of attorneys' fees and the incentive award as set forth in its January 30, 2023 Order as part of the Class Distribution Order.

II. CLAIMS ADMINISTRATION

As set forth in the Segura Declaration, through December 1, 2023, JND received and processed 138,227 Claims. Segura Decl. ¶ 7. All Claims received through December 1, 2023, have been fully processed in accordance with the Stipulation and the Court-approved Plan of Allocation included in the Notice (*see id.*), and JND has worked with Claimants to help them perfect their Claims. *See id.* ¶¶ 19-30. Many of the Claims were initially deficient or ineligible for one or more reasons, including being incomplete, not signed, not properly documented, or otherwise deficient, which required substantial follow-up work by JND. *Id.* ¶¶ 19, 22.

If JND determined a Claim to be defective or ineligible, JND sent a letter (if the Claimant or filer filed a paper Claim) or an email (if the Claimant or filer filed an electronic Claim) to the Claimant or filer, as applicable, describing the defect(s) or condition(s) of ineligibility in the Claim and the steps necessary to cure any curable defect(s) in the Claim (“Deficiency Notices”). *Id.* ¶¶ 20, 22. The Deficiency Notices advised the Claimant or filer that the appropriate information or documentary evidence to complete the Claim had to be sent within 20 days from the date of the Deficiency Notice or JND would recommend the Claim for rejection to the extent the deficiency or condition of ineligibility was not cured. *Id.* ¶¶ 20, 23. Examples of the Deficiency Notices are attached as Exhibits A, B, and C to the Segura Declaration.

Of the 138,227 Claims that are the subject of this motion, JND has determined that 70,830 Claims are acceptable in whole or in part, and that 67,397 Claims should be rejected because they are ineligible for payment from the Net Settlement Fund. *Id.* ¶¶ 39-42. Lead Plaintiffs respectfully request that the Court approve JND’s administrative determinations accepting and rejecting Claims as stated in the Segura Declaration.

A. No Disputed Claims

JND carefully reviewed Claimants' and filers' responses to the Deficiency Notices and worked with them to resolve deficiencies where possible. Segura Decl. ¶¶ 21, 26. Consistent with paragraph 25(e) of the Stipulation, the Deficiency Notices specifically advised the Claimant or filer of the right, within 20 days after the mailing or emailing of the Deficiency Notice, to contest the rejection of the Claim and request Court review of JND's administrative determination of the Claim. Segura Decl. ¶¶ 20, 23 and Exhibits A and B.

With respect to the fully processed Claims, JND received nine (9) requests for Court review of its administrative determinations. To resolve these disputes without necessitating the Court's intervention, JND contacted the Claimants requesting Court review and attempted to answer all questions, to explain JND's administrative determination of the Claim's status, and to facilitate the submission of missing information or documentation where applicable. *Id.* ¶ 32. As a result of these efforts, seven (7) Claimants resolved their deficiencies, withdrew their requests for Court review, and their Claims are recommended for approval. *Id.* Two (2) Claimants understood the reasons for JND's determinations and withdrew their requests for Court review. *Id.* Accordingly, there are no outstanding requests for Court review by any Claimants. *Id.*

B. Late Claims and Final Cut-Off Date

The 138,227 Claims received through December 1, 2023, include 3,078 Claims that were postmarked or received after August 7, 2019, the Court-approved Claim submission deadline. *Id.* ¶¶ 33, 41. Those late Claims have been fully processed, and 1,664 of them are, but for their late submission, otherwise eligible to participate in the Settlement. *Id.* Although these 1,664 Claims were late, they were received while the processing of timely Claims was ongoing. *Id.* Due to the amount of time needed to process the timely Claims received and delays resulting from the appeal, the processing of these late Claims did not delay the completion of the Claims

administration process or the distribution of the Net Settlement Fund. *Id.* ¶ 33. The Court has discretion to accept Claims received after the Claim submission deadline. *See* Preliminary Approval Order ¶ 10. Lead Plaintiffs respectfully submit that, when the equities are balanced, it would be unfair to prevent an otherwise eligible Claim from participating in the distribution of the Net Settlement Fund solely because it was received after the Court-approved Claim submission deadline if it were submitted while timely Claims were still being processed.

To facilitate the efficient distribution of the Net Settlement Fund, however, there must be a final cut-off date after which no other Claims may be accepted. Accordingly, Lead Plaintiffs respectfully request that the Court order that any *new* late Claims (and any requested adjustments to previously filed Claims that would result in an increased Recognized Claim Amount) received after December 1, 2023, shall be barred (*see also* Segura Decl. ¶ 45(f)) – subject to the proviso that if Lead Counsel later determines that an additional distribution is not cost-effective (*see* Segura Decl. ¶ 45(e)), then any post-December 1, 2023 Claimants may, at the discretion of Lead Counsel (and to the extent possible after paying remaining administrative fees and expenses owed), be paid on their new (or adjusted) Claims on a *pro rata* basis so as to bring them into parity with other Authorized Claimants who have cashed their distribution checks. Segura Decl. ¶ 45(f).

III. FEES AND EXPENSES OF CLAIMS ADMINISTRATOR

The Court-approved Claims Administrator for the Settlement, JND, was responsible for, among other things, disseminating notice of the Settlement to the Classes, creating and maintaining a website and toll-free helpline, processing Claims, and allocating and distributing the Net Settlement Fund to Authorized Claimants. Segura Decl. ¶ 2. JND’s fees and expenses for

its work performed through February 28, 2020, are \$1,046,706.27², and its estimated fees and expenses for work to be performed in connection with the Initial Distribution are \$86,838.19, which together total \$1,133,544.46. *Id.* ¶ 44. Should the estimate of fees and expenses to conduct the Initial Distribution of the Net Settlement Fund exceed the actual cost, the excess will be returned to the Net Settlement Fund and will be available for subsequent distribution to Authorized Claimants. *Id.* The brokerage firms and nominees charged JND another \$185,597.04 for their work providing names and addresses to potential Settlement Class Members and forwarding notices to their clients. *Id.* These Notice and Administration Costs are consistent with the amounts charged in comparable cases. The attorneys' fees awarded to Plaintiffs' Counsel will be paid net of these total Notice and Administration Costs (as well as Litigation Expenses previously awarded).

To date, JND has received payment in the amount of \$900,000 for its fees and expenses. *Id.* Accordingly, there is an outstanding balance of \$419,141.50 payable to JND, which amount includes the estimated fees and expenses to be incurred by JND in connection with the Initial Distribution. *Id.* Lead Counsel reviewed JND's invoices and respectfully requests on behalf of Lead Plaintiffs that the Court approve all of JND's fees and expenses.

IV. DISTRIBUTION PLAN FOR THE NET SETTLEMENT FUND

A. Initial Distribution of the Net Settlement Fund

Under the proposed Distribution Plan, JND will distribute 95% of the Net Settlement Fund after deducting (i) all payments previously allowed, (ii) payments approved by the Court

² JND also incurred another \$336,000 in fees and expenses between March 1, 2020 and September 30, 2023. JND has agreed not to seek reimbursement for that amount at this time. Segura Decl. ¶ 44. However, Lead Plaintiffs propose that, if any funds remain after the Initial Distribution or subsequent distributions, as a result of uncashed checks or returned funds, these or any additional unpaid invoices of JND may be paid from the Net Settlement Fund. *See Proposed Order* ¶ 6(j).

on this motion, and (iii) any estimated taxes, the costs of preparing appropriate tax returns, and any escrow fees (i.e., the Initial Distribution). *See* Segura Decl. ¶45(a). In the Initial Distribution, JND will calculate award amounts for all Authorized Claimants as if the entire Net Settlement Fund were to be distributed now. *Id.* ¶ 45(a)(1). JND will first determine each Authorized Claimant’s *pro rata* share of the total Net Settlement Fund based on the Claimant’s Recognized Claim in comparison to the total Recognized Claims of all Authorized Claimants. *Id.* JND will eliminate from the Initial Distribution any Authorized Claimant whose *pro rata* share calculates to less than \$10.00, as these Claimants will not receive any payment from the Net Settlement Fund and will be so notified by JND. *Id.* ¶ 45(a)(2). JND will then recalculate the *pro rata* share of the Net Settlement Fund for Authorized Claimants who would have received \$10.00 or more based on the amount of the Authorized Claimant’s Recognized Claim in comparison to the total Recognized Claims of all Authorized Claimants who would have received \$10.00 or more. *Id.* ¶ 45(a)(3). This *pro rata* share is the Authorized Claimant’s Distribution Amount. *Id.* Authorized Claimants whose Distribution Amount calculates to less than \$200.00 will be paid their full Distribution Amount in the Initial Distribution (“Claims Paid in Full”). *Id.* ¶ 45(a)(4). These Authorized Claimants will receive no additional funds in subsequent distributions. *Id.* After deducting the payments to the Claims Paid in Full, 95% of the remaining balance of the Net Settlement Fund will be distributed *pro rata* to Authorized Claimants whose Distribution Amount calculates to \$200.00 or more. *Id.* ¶ 45(a)(5). The remaining 5% of the Net Settlement Fund will be held in reserve (the “Reserve”) to address any tax liability and claims administration-related contingencies that may arise. *Id.* To the extent the Reserve is not depleted, the remainder will be distributed in the Second Distribution. *Id.*

To encourage Authorized Claimants to cash their checks promptly, Lead Plaintiffs propose that all distribution checks bear the notation, “CASH PROMPTLY. VOID AND SUBJECT TO REDISTRIBUTION IF NOT CASHED BY [DATE 90 DAYS AFTER ISSUE DATE].” *Id.* ¶ 45(b). Authorized Claimants who do not cash their checks within the time allotted or on the conditions stated in paragraph 45(b) of the Segura Declaration will irrevocably forfeit all recovery from the Settlement, and the funds allocated to these stale-dated checks will be available to be redistributed to other Authorized Claimants in a subsequent distribution, as described below. *Id.* ¶ 45(c).

B. Additional Distribution(s) of the Net Settlement Fund

After JND has made reasonable and diligent efforts to have Authorized Claimants cash their Initial Distribution checks, but not earlier than nine (9) months after the Initial Distribution, JND will, after consulting with Lead Counsel, conduct the Second Distribution of the Net Settlement Fund. *Id.* ¶ 45(d). In the Second Distribution, any amount remaining in the Net Settlement Fund, after deducting any unpaid fees and expenses incurred, will be distributed to all Authorized Claimants (other than Claims Paid in Full) who cashed their Initial Distribution checks and would receive at least \$10.00 from the Second Distribution based on their *pro rata* share of the remaining funds. *Id.* If any funds remain in the Net Settlement Fund after the Second Distribution, and if cost-effective, subsequent distributions will take place at six-month intervals. *Id.* When Lead Counsel, in consultation with JND, determines that a further distribution is not cost-effective, if sufficient funds remain to warrant the processing of Claims received after December 1, 2023, JND will process those Claims. *Id.* ¶ 45(e). Any of these Claims that are otherwise valid, as well as any earlier received Claims for which an upward adjustment was received after December 1, 2023, may be paid in accordance with paragraph 45(f) of the Segura Declaration. *Id.* If any funds remain in the Net Settlement Fund after payment of these Claims

and any unpaid fees or expenses, Lead Counsel proposes that such remaining funds (if there are any) be contributed to the National Consumer Law Center (“NCLC”). Lead Counsel proposes that the NCLC be designated as the “non-sectarian, not-for-profit, 501(c)(3) organization(s), to be recommended by Lead Counsel” referenced in the Court-approved Plan of Allocation. *See* Notice ¶ 73.

NCLC is a private, non-sectarian, non-profit organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. *Financials*, National Consumer Law Center, <https://nclc.org/about-us/financials/> (last visited Dec. 5, 2023). For over 50 years, NCLC has worked to build and strengthen a legal network to provide legal services addressed to two main goals: improving access to the legal system for all people and enabling advocates to seek remedies for low-income people where needed. *See History*, National Consumer Law Center, <https://nclc.org/about-us/history/> (last visited Dec. 5, 2023). NCLC’s lawyers provide policy analysis, advocacy, litigation, expert-witness services, and training for consumer advocates throughout the United States. *See Mission*, National Consumer Law Center, <https://nclc.org/about-us/mission/> (last visited Dec. 5, 2023). “NCLC uses its unmatched expertise in consumer law to protect consumers from exploitation and expand access to fair credit by advocating for laws, rules, and regulations that benefit real people: those with low incomes, older people, students, people of color, and others who have been abused, deceived, discriminated against, or left behind in our economy.” *About Us*, National Consumer Law Center, nclc.org/about-us/ (last visited Dec. 5, 2023). NCLC has received “the highest ratings from charity watchdogs” and “welcomes *cy pres* designations of unclaimed settlement funds from class action lawsuits, which are used to support our consumer rights work advancing the core interests of underlying class members.” *History*, National Consumer Law Center,

<https://nclc.org/about-us/history/> (last visited Dec. 5, 2023), & *Cy Pres*, National Consumer Law Center, nclc.org/get-involved/ways-to-give/cy-pres/ (last visited Dec. 5, 2023). Federal courts have approved NCLC as a *cy pres* recipient of residual balances of net settlement funds in other settlements. *See, e.g.*, Lead Plaintiff’s Motion for Authorization to Distribution Net Settlement Fund and Supporting Memorandum, *In re Nu Skin Enters., Inc., Sec. Litig.*, No. 14-cv-00033 (D. Utah Aug. 10, 2018), ECF No. 152 & Order Authorizing Distribution of Net Settlement Fund to Authorized Claimants and Related Relief, *In re Nu Skin Enters., Inc., Sec. Litig.*, No. 14-cv-00033 (D. Utah Aug. 30, 2018), ECF No. 154, attached hereto as Exhibit 1; *Spann v. J.C. Penney Corp.*, 211 F. Supp. 3d 1244, 1261 (C.D. Cal. 2016), *appeal dismissed*, 2016 WL 9778633 (9th Cir. Nov. 7, 2016); *Perkins v. Am. Nat’l Ins. Co.*, 2012 WL 2839788, at *5 (M.D. Ga. July 10, 2012) (“The Court is also satisfied that The National Consumer Law Center’s mission, reputation and established track record will ensure that it will be a good steward of the grant award made to it.”).

V. RELEASE OF CLAIMS

In order to allow the full and final distribution of the Net Settlement Fund, it is necessary to (i) bar any further claims against the Net Settlement Fund beyond the amounts allocated to Authorized Claimants, and (ii) provide that all persons involved in any aspect of Claims processing, or who are involved in the administration or taxation of the Settlement Fund or the Net Settlement Fund, be released and discharged from all claims arising out of that involvement. *See* Stipulation ¶ 29. Accordingly, Lead Plaintiffs respectfully request that the Court release and discharge all persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the Claims submitted in connection with the Settlement, or who are otherwise involved in the administration or taxation of the Settlement Fund or the Net Settlement Fund from all claims arising out of that involvement, and bar all Settlement Class Members and

other Claimants, whether or not they receive payment from the Net Settlement Fund, from making any further claims against the Net Settlement Fund, Lead Plaintiffs, Lead Counsel, the Claims Administrator, the Escrow Agent or any other agent retained by Lead Plaintiffs or Lead Counsel in connection with the administration or taxation of the Settlement Fund or the Net Settlement Fund, or any other person released under the Settlement beyond the amounts allocated to Authorized Claimants.

Courts have repeatedly approved similar releases in connection with the distribution of settlement proceeds. *See, e.g., Shah v. Zimmer Biomet Holdings, Inc.*, 2020 WL 7392796, at *2 (N.D. Ind. Dec. 14, 2020) (“All persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the claims submitted herein, or otherwise involved in the administration or taxation of the Settlement Fund or the Net Settlement Fund, are released and discharged from any and all claims arising out of such involvement, and all Settlement Class Members, whether or not they are to receive payment from the Net Settlement Fund, are barred from making any further claim against the Net Settlement Fund, Plaintiffs, Plaintiffs’ Counsel, the Claims Administrator, the Escrow Agent or any other agent retained by Plaintiffs or Lead Counsel in connection with the administration or taxation of the Settlement Fund or the Net Settlement Fund beyond the amounts allocated to them pursuant to this Order.”); Order Approving Distribution Plan at 7, *In re Cobalt Int’l Energy, Inc. Sec. Litig.*, No. 4:14-cv-3428 (S.D. Tex. Nov. 17, 2020), ECF No. 384, attached hereto as Exhibit 2 (approving substantially similar language in order authorizing distribution of settlement proceeds); *In re Eletrobras Sec. Litig.*, 467 F. Supp. 3d 149, 151 (S.D.N.Y. 2020) (same).

VI. CONCLUSION

For the foregoing reasons, Lead Plaintiffs respectfully request that the Court grant their Motion for Approval of Distribution Plan and enter the [Proposed] Order Approving Distribution Plan.

Dated: December 15, 2023

Respectfully submitted,

By: /s/ Adam H. Wierzbowski

Adam H. Wierzbowski (admitted *pro hac vice*)

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CERTIFICATE OF SERVICE

I, Adam H. Wierzbowski, an attorney, hereby certify that a copy of the foregoing **“MEMORANDUM OF LAW IN SUPPORT OF LEAD PLAINTIFFS’ MOTION FOR APPROVAL OF DISTRIBUTION PLAN”** was served on counsel for all parties electronically via the CM/ECF system on December 15, 2023.

Dated: December 15, 2023

By: /s/ Adam H. Wierzbowski
Adam H. Wierzbowski

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re Stericycle, Inc. Securities Litigation

No. 16-cv-07145
Judge Andrea R. Wood

CLASS ACTION

ECF CASE

ORDER APPROVING DISTRIBUTION PLAN

WHEREAS, Lead Plaintiffs moved this Court for an order approving a distribution plan for the Net Settlement Fund in the above-captioned securities class action (the “Action”). Having reviewed and considered all the materials and arguments submitted in support of the motion, including the Memorandum in Support of Lead Plaintiffs’ Motion for Approval of Distribution Plan and the Declaration of Luiggy Segura in Support of Lead Plaintiffs’ Motion for Approval of Distribution Plan (the “Segura Declaration”);

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. This Order incorporates by reference the definitions in the Stipulation and Agreement of Settlement dated February 14, 2019 (ECF No. 108-1) (“Stipulation”) and the Segura Declaration, and all terms in this Order shall have the same meanings as defined in the Stipulation and Segura Declaration;

2. The Court has jurisdiction to enter this Order and over the subject matter of the Action, as well as personal jurisdiction over all of the Parties and each of the Settlement Class Members, for purposes of this Settlement.

Fee Awards and PSLRA Award

3. For the reasons set forth in the Court's January 30, 2023 Order (ECF No. 182), Lead Counsel (on behalf of all Plaintiffs' Counsel) are hereby awarded attorneys' fees in the amount of 17.5% of the Net Settlement Fund. The Net Settlement Fund means the Settlement Fund (\$45 million Settlement Amount plus interest accrued at the same rate as the Settlement Fund), *less* Notice and Administration Costs incurred and the Litigation Expenses and PSLRA awards awarded by the Court in its May 19, 2020 Order (ECF No. 150).

4. Objector Mark Petri's counsel, Hamilton Lincoln Law Institute Center for Class Action Fairness, is hereby awarded attorneys' fees in the amount of \$575,000 to be paid from the Escrow Account and Objector Mark Petri is hereby awarded an incentive award of \$1,000 to be paid from the Escrow Account. Lead Counsel shall cause the Escrow Agent to pay the attorneys' fee award and incentive award referenced in this Paragraph to be paid within ten (10) business days after this Order becomes Final, and only after receiving from Petri and/or his counsel the necessary wire instructions and a Form W-9.

5. Any appeal or any challenge affecting this Court's approval of these attorneys' fees awards or the incentive award to Petri shall in no way disturb or affect the finality of the Judgment Approving Class Action Settlement entered on August 12, 2019 (ECF No. 142).

Approval of Distribution Plan

6. Lead Plaintiffs' plan for distribution of the Net Settlement Fund to Authorized Claimants is **APPROVED**. Accordingly:

(a) The administrative determinations of the Court-approved Claims Administrator, JND Legal Administration ("JND"), to accept the Timely Eligible Claims

stated in Exhibit D to the Segura Declaration and the Late But Otherwise Eligible Claims stated in Exhibit E to the Segura Declaration, are adopted.

(b) The Claims Administrator's administrative determinations to reject the Rejected Claims, as stated in Exhibit F to the Segura Declaration, are adopted.

(c) JND is directed to conduct the Initial Distribution of the Net Settlement Fund after deducting all payments previously allowed, payments approved by this Order, and any estimated taxes, the costs of preparing appropriate tax returns, and any escrow fees, while maintaining a 5% reserve from the Net Settlement Fund to address any tax liability or claims administration-related contingencies that may arise. Specifically, as stated in paragraph 45(a) of the Segura Declaration:

(1) JND will calculate award amounts for all Authorized Claimants as if the entire Net Settlement Fund were to be distributed now. JND will calculate each Authorized Claimant's *pro rata* share of the Net Settlement Fund based on the amount of the Authorized Claimant's Recognized Claim in comparison to the total Recognized Claims of all Authorized Claimants; (2) JND will then eliminate from the Initial Distribution any Authorized Claimant whose total *pro rata* share of the Net Settlement Fund is less than \$10.00. These Claimants will not receive any payment from the Net Settlement Fund and will be so notified by JND; (3) After eliminating Claimants who would have received less than \$10.00, JND will recalculate the *pro rata* shares of the Net Settlement Fund for Authorized Claimants who would have received \$10.00 or more based on the amount of the Authorized Claimant's Recognized Claim in comparison to the total

Recognized Claims of all Authorized Claimants who would have received \$10.00 or more. This *pro rata* share is the Authorized Claimant's "Distribution Amount"; (4) Authorized Claimants whose Distribution Amount calculates to less than \$200.00 will be paid their full Distribution Amount in the Initial Distribution ("Claims Paid in Full"). These Authorized Claimants will receive no additional funds in subsequent distributions; and (5) 95% of the remaining balance of the Net Settlement Fund will be distributed *pro rata* to Authorized Claimants whose Distribution Amount calculates to \$200.00 or more. The remaining 5% of the Net Settlement Fund will be held in the Reserve to address any tax liability or claims administration-related contingencies that may arise following the Initial Distribution. To the extent the Reserve is not depleted, the remainder will be distributed in the Second Distribution described in subparagraph (f) below.

(d) To encourage Authorized Claimants to cash their checks promptly, all distribution checks will bear the following notation: "CASH PROMPTLY. VOID AND SUBJECT TO REDISTRIBUTION IF NOT CASHED BY [DATE 90 DAYS AFTER ISSUE DATE]." Lead Counsel and JND are authorized to take appropriate action to locate and contact Authorized Claimants who have not cashed their checks within said time as detailed in paragraph 45(b) of the Segura Declaration.

(e) Authorized Claimants who do not cash their Initial Distribution checks within the time allotted or on the conditions stated in paragraph 45(b) of the Segura Declaration will irrevocably forfeit all recovery from the Settlement, and the funds

allocated to these stale-dated checks will be available to be distributed to other Authorized Claimants in the Second Distribution. Similarly, Authorized Claimants who do not cash their distribution checks in the Second Distribution or subsequent distributions, should such distributions occur, within the time allotted or on the conditions stated in paragraph 45(b) of the Segura Declaration will irrevocably forfeit any further recovery from the Net Settlement Fund.

(f) After JND has made reasonable and diligent efforts to have Authorized Claimants cash their Initial Distribution checks (as provided in paragraph 45(b) of the Segura Declaration), but not earlier than nine (9) months after the Initial Distribution, JND will, after consulting with Lead Counsel, conduct the Second Distribution, in which any amount remaining in the Net Settlement Fund, after deducting any unpaid fees and expenses incurred, will be distributed to all Authorized Claimants (other than Claims Paid in Full) who cashed their Initial Distribution check and are entitled to receive at least \$10.00 from the Second Distribution based on their *pro rata* share of the remaining funds. If any funds remain in the Net Settlement Fund after the Second Distribution, and if cost-effective, subsequent distributions will take place at six-month intervals.

(g) When Lead Counsel, in consultation with JND, determines that further distribution of the funds remaining in the Net Settlement Fund is not cost-effective, if sufficient funds remain to warrant the processing of Claims received after December 1, 2023, those Claims will be processed, and any otherwise valid Claims received after December 1, 2023, as well as any earlier received Claims for which an upward adjustment was received after December 1, 2023, will be paid in accordance with subparagraph (h) below. If any funds remain in the Net Settlement Fund after payment of these Claims and

unpaid fees or expenses, the remaining funds will be contributed to the National Consumer Law Center (“NCLC”).

(h) No new Claims may be accepted after December 1, 2023, and no further adjustments to Claims received on or before December 1, 2023, that would result in an increased Recognized Claim amount may be made for any reason after December 1, 2023, subject to the following exception. If Claims are received or modified after December 1, 2023, that would have been eligible for payment or additional payment under the Court-approved Plan of Allocation if timely received, then, at the time that Lead Counsel, in consultation with JND, determines a distribution is not cost-effective as provided in subparagraph (g) above, and after payment of any unpaid fees or expenses incurred in connection with administering the Net Settlement Fund and after deducting the payment of any estimated taxes, the costs of preparing appropriate tax returns, and any escrow fees, these Claimants, at the discretion of Lead Counsel and to the extent possible, may be paid their distribution amounts or additional distribution amounts on a *pro rata* basis that would bring them into parity with other Authorized Claimants who have cashed all their prior distribution checks.

(i) The Court finds that the administration of the Settlement and the proposed distribution of the Net Settlement Fund comply with the terms of the Stipulation and Plan of Allocation approved by this Court and that all persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the Claims submitted, or who are otherwise involved in the administration or taxation of the Settlement Fund or the Net Settlement Fund, are hereby released and discharged from any and all claims arising out of that involvement, and all Settlement Class Members and other

Claimants, whether or not they receive payment from the Net Settlement Fund, are hereby barred from making any further claims against the Net Settlement Fund, Lead Plaintiffs, Lead Counsel, the Claims Administrator, the Escrow Agent or any other agent retained by Lead Plaintiffs or Lead Counsel in connection with the administration or taxation of the Settlement Fund or the Net Settlement Fund, or any other person released under the Settlement beyond the amounts allocated to Authorized Claimants.

(j) All of JND's fees and expenses incurred in the administration of the Settlement and estimated to be incurred in connection with the Initial Distribution of the Net Settlement Fund as stated in the invoices attached as Exhibit G to the Segura Declaration are approved, and Lead Counsel is directed to pay the outstanding balance of \$419,141.50 out of the Settlement Fund to JND. If any funds remain after the Initial Distribution or subsequent distributions as a result of uncashed checks or returned funds, additional unpaid invoices of JND may be paid from the Net Settlement Fund.

(k) Unless otherwise ordered by the Court, JND may destroy the paper copies of the Claims and all supporting documentation one (1) year after the Initial Distribution, and one (1) year after all funds have been distributed may destroy the electronic copies of the same.

7. This Court retains jurisdiction to consider any further applications concerning the administration of the Settlement, and any other and further relief that this Court deems appropriate.

SO ORDERED this 27th day of August 2024.



Andrea R. Wood
United States District Judge

EXHIBIT 2

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS**

IN RE BAXTER INTERNATIONAL INC.
SECURITIES LITIGATION

Case No. 1:19-cv-07786

District Judge Sara L. Ellis

Magistrate Judge Jeffrey I. Cummings

**MEMORANDUM OF LAW IN SUPPORT OF LEAD PLAINTIFFS'
UNOPPOSED MOTION FOR APPROVAL OF DISTRIBUTION PLAN**

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Lead Plaintiffs Louisiana Municipal Police Employees' Retirement System and Varma Mutual Pensions Insurance Company (together, "Lead Plaintiffs"), respectfully move for entry of the proposed Order Approving Distribution Plan ("Class Distribution Order") for the proceeds of the Settlement in the above-captioned securities class action ("Action"). The Distribution Plan is included in the accompanying Declaration of Alexander P. Villanova ("Villanova Declaration" or "Villanova Decl."),¹ submitted on behalf of the Court-authorized Claims Administrator, Epiq Class Action & Claims Solutions, Inc. ("Epiq").

If entered by the Court, the Class Distribution Order would permit Epiq to make an Initial Distribution of Settlement proceeds to eligible Claimants. Among other things, the Class Distribution Order would: (i) approve Epiq's administrative determinations accepting and rejecting Claims submitted in connection with the Settlement; (ii) direct the Initial Distribution of the Net Settlement Fund to Claimants whose Claims are accepted by Epiq as valid and approved by the Court ("Authorized Claimants"), while maintaining a Reserve for any tax liability and claims administration-related contingencies that may arise; and (iii) approve Epiq's fees and expenses incurred and estimated to be incurred in the administration of the Settlement and the Initial Distribution.

While the Stipulation provides for a process that allows Claimants to submit any disputes concerning the administration of their claims to the Court for further review, there are no such disputed Claims for the Court to review. The Stipulation further provides that Defendants have no role in or responsibility for the administration of the Settlement Fund or processing of Claims,

¹ Unless otherwise indicated in this memorandum, all terms with initial capitalization shall have the meanings ascribed to them in the Villanova Declaration or the Stipulation and Agreement of Settlement dated as of April 1, 2021 (ECF No. 57-1) ("Stipulation"). The Settlement is contained in the Stipulation.

including determinations as to the validity of Claims or the distribution of the Net Settlement Fund. *See* Stipulation ¶¶ 25, 29, 31. *See also* Appendix A to Notice ¶ 1. Lead Counsel have communicated with counsel for Defendants, who do not oppose this motion. Given the absence of any disputed Claims or opposition by Defendants, this Motion is ripe for determination.

I. BACKGROUND

As the Court is aware, this Action was settled for \$16 million in cash. On August 13, 2021, the Court granted final approval of the Plan of Allocation in its Order Approving Plan of Allocation of Net Settlement Fund (ECF No. 72) and entered the Judgment Approving Class Action Settlement (ECF No. 71) (“Judgment”). The Effective Date of the Settlement has now occurred. *See* Stipulation ¶ 39. Accordingly, the Net Settlement Fund may be distributed to Authorized Claimants. In accordance with paragraph 34 of the Stipulation, Lead Plaintiffs respectfully request that the Court enter the Class Distribution Order approving the Distribution Plan. *See* Judgment ¶ 14.

In accordance with the Court’s Order Preliminarily Approving Settlement and Providing for Notice (ECF No. 59) (“Preliminary Approval Order”), Epiq mailed the Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for Attorneys’ Fees and Litigation Expenses (“Notice”) and the Proof of Claim and Release Form (“Claim Form” and, collectively with the Notice, the “Notice Packet”) to potential Settlement Class Members, brokers, and other nominees. Villanova Decl. ¶ 2. Epiq has disseminated 193,278 Notice Packets to potential Settlement Class Members, brokers, and nominees. *Id.* ¶ 4. The Notice informed Settlement Class Members that if they wished to be eligible to participate in the distribution of the Net Settlement Fund, they were required to submit a properly executed Claim Form received or postmarked no later than September 16, 2021. *Id.* ¶ 7.

II. CLAIMS ADMINISTRATION

As detailed in the Villanova Declaration, through July 5, 2022, Epiq received and processed 141,003 Claims. Villanova Decl. ¶ 7. All Claims received through July 5, 2022, have been fully processed in accordance with the Stipulation and the Court-approved Plan of Allocation included in the Notice (*see id.*), and Epiq has worked with Claimants to help them perfect their Claims. *See id.* ¶¶ 19-32.

Many of the Claims were initially deficient or ineligible for one or more reasons, including being incomplete, not signed, not properly documented, or otherwise deficient, which required substantial follow-up work by Epiq. *Id.* ¶¶ 19, 22. If Epiq determined a Claim to be defective or ineligible, a Deficiency Letter (if the Claimant or filer filed a paper Claim) or a Status Email with an attached Transaction Report (if the Claimant or E-Filer filed an Electronic Claim) was sent by Epiq to the Claimant or filer, as applicable, describing the defect(s) or condition(s) of ineligibility in the Claim and the steps necessary to cure any curable defect(s) in the Claim. *Id.* ¶¶ 20, 22. The Deficiency Letter or Status Email advised the Claimant or filer that the appropriate information or documentary evidence to complete the Claim had to be sent within 20 days from the date of the Deficiency Letter or Status Email, or Epiq would recommend the Claim for rejection to the extent the deficiency or condition of ineligibility was not cured. *Id.* ¶¶ 20, 23. Examples of a Deficiency Letter, Status Email, and Transaction Report are attached as Exhibits A, B, and C to the Villanova Declaration.

Of the 141,003 Claims that are the subject of this Motion, Epiq has determined that 63,806 Claims (including the Late But Otherwise Eligible Claims discussed below) are acceptable in whole or in part to participate in the distribution of the Net Settlement Fund, and that 77,197 Claims should be wholly rejected because they are ineligible for payment from the Net Settlement

Fund. *See id.* ¶¶ 34-37. Lead Plaintiffs respectfully request that the Court approve Epiq's administrative determinations accepting and rejecting Claims as stated in the Villanova Declaration.

A. No Disputed Claims

Epiq carefully reviewed Claimants' and filers' responses to the Deficiency Letters and Status Emails and worked with them to resolve deficiencies where possible. *Id.* ¶¶ 21, 26. Consistent with paragraph 32(e) of the Stipulation, the Deficiency Letters and Status Emails specifically advised Claimants and filers of their right, within 20 days after the mailing of the Deficiency Letter or emailing of the Status Email, to contest the rejection of their Claims and request Court review of Epiq's administrative determinations of the Claims. *Id.* ¶¶ 20, 23, and Exhibits A and B.

With respect to the fully processed Claims, Epiq received two (2) requests for Court review of its administrative determinations. *Id.* ¶ 28. Epiq contacted the two Claimants requesting Court review and attempted to answer all questions and fully explain Epiq's administrative determination of the Claim's status and facilitate the submission of missing information or documentation where applicable. *Id.* As a result of these efforts, the two Claimants resolved their deficiencies and withdrew their requests for Court review, and their Claims are now recommended for approval. *Id.* Accordingly, there are no outstanding requests for Court review by any Claimants and the motion is ripe for determination. *Id.*

B. Late Claims and Final Cut-Off Date

The 141,003 Claims received through July 5, 2022, include 2,419 Claims that were postmarked or received after September 16, 2021, the Court-approved Claim submission deadline, but received before July 5, 2022. *Id.* ¶¶ 29, 35. Those late Claims have been fully processed, and

783 of them are, but for their late submission, otherwise eligible to participate in the Settlement. *Id.* Although these 783 Claims were late, they were received while the processing of timely Claims was ongoing. *Id.* ¶ 29. Due to the amount of time needed to process the timely Claims received, the processing of these late Claims did not delay the completion of the Claims administration process or the distribution of the Net Settlement Fund. *Id.* The Court has discretion to accept Claims received after the Claim submission deadline. *See* Notice ¶ 42. Lead Plaintiffs respectfully submit that, when the equities are balanced, it would be unfair to prevent an otherwise eligible Claim from participating in the distribution of the Net Settlement Fund solely because it was received after the Court-approved Claim submission deadline if it were submitted while timely Claims were still being processed.

To facilitate the efficient distribution of the Net Settlement Fund, however, there must be a final cut-off date after which no other Claims may be accepted. Accordingly, Lead Plaintiffs respectfully request that the Court order that any new Claims and any adjustments to previously filed Claims that would result in an increased Recognized Claim received after July 5, 2022, be barred, subject to the provisions of paragraph 39(f) of the Villanova Declaration. Paragraph 39(f) applies to any Claims received or modified after July 5, 2022, that would have been eligible for payment or additional payment under the Court-approved Plan of Allocation if timely received. At the time when Lead Counsel, in consultation with Epiq, determine that a further distribution is not cost-effective as provided in paragraph 39(e) of the Villanova Declaration, the post-July 5, 2022 Claimants, after payment of fees and expenses as provided in paragraph 39(f) of the Villanova Declaration, at the discretion of Lead Counsel, and to the extent possible, may be paid their distribution amounts or additional distribution amounts on a *pro rata* basis that would bring them into parity with other Authorized Claimants who have cashed all their prior distribution checks.

III. FEES AND EXPENSES OF CLAIMS ADMINISTRATOR

In accordance with Epiq's agreement with Lead Counsel to act as the Claims Administrator for the Settlement, Epiq was responsible for, among other things, disseminating notice of the Settlement to the Settlement Class, creating and maintaining a website and toll-free telephone helpline, processing Claims, and allocating and distributing the Net Settlement Fund to Authorized Claimants. Villanova Decl. ¶ 2. Epiq's fees and expenses for its work performed through May 31, 2022, are \$950,742.15, and its estimated fees and expenses for work to be performed on behalf of the Settlement Class in connection with the Initial Distribution are \$36,034.12, which together total \$986,776.27. *Id.* ¶ 38. Should the estimate of fees and expenses to conduct the Initial Distribution of the Net Settlement Fund exceed the actual cost, the excess will be returned to the Net Settlement Fund and will be available for subsequent distribution to Authorized Claimants. *Id.* To date, Epiq has received no payment for its fees and expenses. *Id.* Accordingly, there is an outstanding balance of \$986,776.27 payable to Epiq, which amount includes the estimated fees and expenses to be incurred by Epiq in connection with the Initial Distribution. *Id.* Lead Counsel reviewed Epiq's invoices and respectfully request on behalf of Lead Plaintiffs that the Court approve all Epiq's fees and expenses.

IV. DISTRIBUTION PLAN FOR THE NET SETTLEMENT FUND

A. Initial Distribution of the Net Settlement Fund

Under the proposed Distribution Plan, Epiq will distribute 95% of the Net Settlement Fund, after deducting: (i) all payments previously allowed, (ii) payments approved by the Court on this motion, and (iii) any estimated taxes, the costs of preparing appropriate tax returns, and any escrow fees (i.e., the Initial Distribution). *See* Villanova Decl. ¶ 39(a). In the Initial Distribution, Epiq will calculate award amounts for all Authorized Claimants as if the entire Net Settlement Fund

were to be distributed now. *Id.* ¶ 39(a)(1). Epiq will first determine each Authorized Claimant’s *pro rata* share of the total Net Settlement Fund based on the Claimant’s Recognized Claim in comparison to the total Recognized Claims of all Authorized Claimants. *Id.* Epiq will eliminate from the Initial Distribution any Authorized Claimant whose *pro rata* share calculates to less than \$10.00, as these Claimants will not receive any payment from the Net Settlement Fund and will be so notified by Epiq. *Id.* ¶ 39(a)(2). Epiq will then recalculate the *pro rata* share of the Net Settlement Fund for Authorized Claimants who would have received \$10.00 or more based on the amount of the Authorized Claimant’s Recognized Claim in comparison to the total Recognized Claims of all Authorized Claimants who would have received \$10.00 or more. *Id.* ¶ 39(a)(3). This *pro rata* share is the Authorized Claimant’s Distribution Amount. *Id.* Authorized Claimants whose Distribution Amount calculates to less than \$200.00 will be paid their full Distribution Amount in the Initial Distribution (“Claims Paid in Full”). *Id.* ¶ 39(a)(4). These Authorized Claimants will receive no additional funds in subsequent distributions. *Id.* After deducting the payments to the Claims Paid in Full, 95% of the remaining balance of the Net Settlement Fund will be distributed *pro rata* to Authorized Claimants whose Distribution Amount calculates to \$200.00 or more. *Id.* ¶ 39(a)(5). The remaining 5% of the Net Settlement Fund will be held in reserve (the “Reserve”) to address any tax liability and claims administration-related contingencies that may arise. *Id.* To the extent the Reserve is not depleted, the remainder will be distributed in the Second Distribution. *Id.*

To encourage Authorized Claimants to cash their checks promptly, Lead Plaintiffs propose that all distribution checks bear the notation, “CASH PROMPTLY. VOID AND SUBJECT TO REDISTRIBUTION IF NOT CASHED BY [DATE 90 DAYS AFTER ISSUE DATE].” *Id.* ¶ 39(b). Authorized Claimants who do not cash their checks within the time allotted or on the

conditions stated in paragraph 39(b) of the Villanova Declaration will irrevocably forfeit all recovery from the Settlement, and the funds allocated to these stale-dated checks will be available to be redistributed to other Authorized Claimants in a subsequent distribution, as described below.

Id. ¶ 39(c).

B. Additional Distribution(s) of the Net Settlement Fund

After Epiq has made reasonable and diligent efforts to have Authorized Claimants cash their Initial Distribution checks, but not earlier than seven (7) months after the Initial Distribution, Epiq will, after consulting with Lead Counsel, conduct the Second Distribution of the Net Settlement Fund. *Id.* ¶ 39(d). In the Second Distribution, any amount remaining in the Net Settlement Fund, after deducting any unpaid fees and expenses incurred, will be distributed to all Authorized Claimants who cashed their Initial Distribution checks and would receive at least \$10.00 from the Second Distribution based on their *pro rata* share of the remaining funds. *Id.* After the Second Distribution, if any funds remain in the Net Settlement Fund, and if cost-effective, subsequent distributions will take place at six (6)-month intervals. *Id.* When Lead Counsel, in consultation with Epiq, determine that further distribution is not cost-effective, if sufficient funds remain to warrant the processing of Claims received after July 5, 2022, Epiq will process those Claims. *Id.* ¶ 39(e). Any of these Claims that are otherwise valid, as well as any earlier received Claims for which an adjustment was received after July 5, 2022, that resulted in an increased Recognized Claim amount, may be paid in accordance with paragraph 39(f) of the Villanova Declaration. *Id.* If any funds remain in the Net Settlement Fund after payment of these Claims and unpaid fees or expenses, the remaining funds will be contributed to the National Consumer Law Center (“NCLC”). *Id.*; *see also* Appendix A to Notice ¶ 14.

NCLC is a private, non-sectarian, not-for-profit organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. *See About Us*, National Consumer Law Center, nclc.org/about-us/about-us.html (last visited July 7, 2022). NCLC was founded in 1969 through a federal grant to provide legal services addressed to two main goals: improving the access of low-income people to the legal system and enabling advocates to seek remedies where needed. *See Our Story*, National Consumer Law Center, nclc.org/about-us/our-story.html (last visited July 7, 2022). Today, NCLC continues to advocate for low-income consumers and provides many resources to civil legal aid and private attorneys representing low-income consumers. *See id.* NCLC’s lawyers provide policy analysis, advocacy, litigation, expert-witness services, and training for consumer advocates throughout the United States. *See id.* “NCLC works to ensure a fair marketplace and access to justice for all consumers, including low-income people, older Americans, students, military service members and veterans,” and its “work covers a broad range of consumer issues, including consumer protection, fair credit, debt collection, student loans, mortgages and foreclosures, financial services, bankruptcy, [and] unfair and deceptive acts and practices. . . .” *See Cy Pres Awards*, National Consumer Law Center, nclc.org/about-us/cy-pres-awards.html (last visited July 7, 2022). Federal courts have approved NCLC as a *cy pres* recipient of residual balances of net settlement funds in other settlements. *See, e.g., In re Nu Skin Enters., Inc., Sec. Litig.*, No. 14-cv-00033-JNP-BCW, ECF Nos. 152-154 (D. Utah Aug. 30, 2018); *Spann v. J.C. Penney Corp.*, 211 F. Supp. 3d 1244, 1261 (C.D. Cal. 2016), *appeal dismissed*, 2016 WL 9778633 (9th Cir. Nov. 7, 2016); *Perkins v. Am. Nat’l Ins. Co.*, 2012 WL 2839788, at *5 (M.D. Ga. July 10, 2012) (“The Court is also satisfied that The National Consumer Law Center’s mission, reputation and established track record will ensure that it will be a good steward of the grant award made to it.”).

V. RELEASE OF CLAIMS

In order to allow the full and final distribution of the Net Settlement Fund, it is necessary to (i) bar any further claims against the Net Settlement Fund beyond the amounts allocated to Authorized Claimants, and (ii) provide that all persons involved in any aspect of Claims processing or who are involved in the administration or taxation of the Settlement Fund or the Net Settlement Fund be released and discharged from all claims arising out of that involvement. *See* Stipulation ¶ 36 and Appendix A to Notice ¶ 15. Accordingly, Lead Plaintiffs respectfully request that the Court release and discharge all persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the Claims submitted in connection with the Settlement, or who are otherwise involved in the administration or taxation of the Settlement Fund or the Net Settlement Fund from all claims arising out of that involvement, and bar all Settlement Class Members and other Claimants, whether or not they receive payment from the Net Settlement Fund, from making any further claims against the Net Settlement Fund, Lead Plaintiffs, Lead Counsel, the Claims Administrator, the Escrow Agent or any other agent retained by Lead Plaintiffs or Lead Counsel in connection with the administration or taxation of the Settlement Fund or the Net Settlement Fund, or any other person released under the Settlement beyond the amounts allocated to Authorized Claimants.

Courts have repeatedly approved similar releases in connection with the distribution of settlement proceeds. *See, e.g., Shah v. Zimmer Biomet Holdings, Inc.*, 2020 WL 7392796, at *2 (N.D. Ind. Dec. 14, 2020) (“All persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the claims submitted herein, or otherwise involved in the administration or taxation of the Settlement Fund or the Net Settlement Fund, are released and discharged from any and all claims arising out of such involvement, and all Settlement

Class Members, whether or not they are to receive payment from the Net Settlement Fund, are barred from making any further claim against the Net Settlement Fund, Plaintiffs, Plaintiffs' Counsel, the Claims Administrator, the Escrow Agent or any other agent retained by Plaintiffs or Lead Counsel in connection with the administration or taxation of the Settlement Fund or the Net Settlement Fund beyond the amounts allocated to them pursuant to this Order.”); *In re Cobalt Int’l Energy, Inc. Sec. Litig.*, Lead Case No. 1:14-cv-3428 (NFA), ECF No. 384, at *7 (S.D. Tex. Nov. 17, 2020) (approving substantially similar language in order authorizing distribution of settlement proceeds); *In re Eletrobras Sec. Litig.*, 467 F.Supp.3d 149, 151 (S.D.N.Y. 2020) (same).

VI. CONCLUSION

For the foregoing reasons, Lead Plaintiffs respectfully request that the Court grant their Unopposed Motion for Approval of Distribution Plan and enter the [Proposed] Order Approving Distribution Plan.

Dated: July 7, 2022

Respectfully submitted,

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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS**

IN RE BAXTER INTERNATIONAL INC.
SECURITIES LITIGATION

Case No. 1:19-cv-07786

District Judge Sara L. Ellis

Magistrate Judge Jeffrey I. Cummings

ORDER APPROVING DISTRIBUTION PLAN

Lead Plaintiffs moved this Court for an order approving a distribution plan for the Net Settlement Fund in the above-captioned securities class action (“Action”). Having reviewed and considered all the materials and arguments submitted in support of the motion, including the Memorandum of Law in Support of Lead Plaintiffs’ Unopposed Motion for Approval of Distribution Plan and the Declaration of Alexander P. Villanova in Support of Lead Plaintiffs’ Unopposed Motion for Approval of Distribution Plan (“Villanova Declaration”),

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. This Order incorporates by reference the definitions in the Stipulation and Agreement of Settlement dated as of April 1, 2021 (ECF No. 57-1) (“Stipulation”) and the Villanova Declaration, and all capitalized terms used in this Order shall have the same meanings as defined in the Stipulation and the Villanova Declaration.

2. This Court has jurisdiction over the subject matter of the Action and over all Parties to the Action, including all Settlement Class Members.

3. Lead Plaintiffs' plan for distribution of the Net Settlement Fund to Authorized Claimants is **APPROVED**. Accordingly:

(a) The administrative determinations of the Court-authorized Claims Administrator, Epiq Class Action & Claims Solutions, Inc. ("Epiq"), to accept the Timely Eligible Claims stated in Exhibit D to the Villanova Declaration and the Late But Otherwise Eligible Claims stated in Exhibit E to the Villanova Declaration are adopted.

(b) The Claims Administrator's administrative determinations to reject the Rejected Claims, as stated in Exhibit F to the Villanova Declaration, are adopted.

(c) Epiq is directed to conduct the Initial Distribution of the Net Settlement Fund, after deducting all payments previously allowed and the payments approved by this Order and after deducting the payment of any estimated taxes, the costs of preparing appropriate tax returns, and any escrow fees, while maintaining a 5% reserve from the Net Settlement Fund to address any tax liability or claims administration-related contingencies that may arise. Specifically, as stated in paragraph 39(a) of the Villanova Declaration:

(1) Epiq will calculate award amounts for all Authorized Claimants as if the entire Net Settlement Fund were to be distributed now. Epiq will calculate each Authorized Claimant's *pro rata* share of the Net Settlement Fund based on the amount of the Authorized Claimant's Recognized Claim in comparison to the total Recognized Claims of all Authorized Claimants; (2) Epiq will then eliminate from the Initial Distribution any Authorized Claimant whose total *pro rata* share of the Net Settlement Fund is less than \$10.00. These Claimants will not receive any payment from the Net Settlement Fund and will be so notified by Epiq; (3) After

eliminating Claimants who would have received less than \$10.00, Epiq will recalculate the *pro rata* shares of the Net Settlement Fund for Authorized Claimants who would have received \$10.00 or more based on the amount of the Authorized Claimant's Recognized Claim in comparison to the total Recognized Claims of all Authorized Claimants who would have received \$10.00 or more. This *pro rata* share is the Authorized Claimant's "Distribution Amount"; (4) Authorized Claimants whose Distribution Amount calculates to less than \$200.00 will be paid their full Distribution Amount in the Initial Distribution ("Claims Paid in Full"). These Authorized Claimants will receive no additional funds in subsequent distributions; and (5) 95% of the remaining balance of the Net Settlement Fund will be distributed *pro rata* to Authorized Claimants whose Distribution Amount calculates to \$200.00 or more. The remaining 5% of the Net Settlement Fund will be held in the Reserve to address any tax liability or claims administration-related contingencies that may arise following the Initial Distribution. To the extent the Reserve is not depleted, the remainder will be distributed in the Second Distribution described in subparagraph (f) below.

(d) To encourage Authorized Claimants to cash their checks promptly, all distribution checks will bear the following notation: "CASH PROMPTLY. VOID AND SUBJECT TO REDISTRIBUTION IF NOT CASHED BY [DATE 90 DAYS AFTER ISSUE DATE]." Lead Counsel and Epiq are authorized to take appropriate action to locate and contact Authorized Claimants who have not cashed their checks within said time as detailed in paragraph 39(b) of the Villanova Declaration.

(e) Authorized Claimants who do not cash their Initial Distribution checks within the time allotted or on the conditions stated in paragraph 39(b) of the Villanova Declaration will irrevocably forfeit all recovery from the Settlement, and the funds allocated to these stale-dated checks will be available to be distributed to other Authorized Claimants in the Second Distribution. Similarly, Authorized Claimants who do not cash their distribution checks in the Second Distribution or subsequent distributions, should such distributions occur, within the time allotted or on the conditions stated in paragraph 39(b) of the Villanova Declaration will irrevocably forfeit any further recovery from the Net Settlement Fund.

(f) After Epiq has made reasonable and diligent efforts to have Authorized Claimants cash their Initial Distribution checks (as provided in paragraph 39(b) of the Villanova Declaration), but not earlier than seven (7) months after the Initial Distribution, Epiq will, after consulting with Lead Counsel, conduct the Second Distribution, in which any amount remaining in the Net Settlement Fund after the Initial Distribution, including from the Reserve and the funds for all void stale-dated checks, after deducting Epiq's unpaid fees and expenses incurred in administering the Settlement, including Epiq's estimated costs of conducting the Second Distribution, and after deducting the payment of any estimated taxes, the costs of preparing appropriate tax returns, and any escrow fees, will be distributed to all Authorized Claimants in the Initial Distribution who cashed their Initial Distribution check and are entitled to receive at least \$10.00 from the Second Distribution based on their *pro rata* share of the remaining funds. Additional distributions, after deduction of costs and expenses as described above and subject to the same

conditions, may occur thereafter in six (6)-month intervals until Lead Counsel, in consultation with Epiq, determine that further distribution is not cost-effective.

(g) When Lead Counsel, in consultation with Epiq, determine that further distribution of the funds remaining in the Net Settlement Fund is not cost-effective, if sufficient funds remain to warrant the processing of Claims received after July 5, 2022, those Claims will be processed, and any otherwise valid Claims received after July 5, 2022, as well as any earlier-received Claims for which an adjustment was received after July 5, 2022, that resulted in an increased Recognized Claim, will be paid in accordance with subparagraph (h) below. If any funds remain in the Net Settlement Fund after payment of these late or late-adjusted Claims, the remaining balance of the Net Settlement Fund, after payment of any unpaid fees or expenses incurred in administering the Net Settlement Fund and after the payment of any estimated taxes, the costs of preparing appropriate tax returns, and any escrow fees, will be contributed to the National Consumer Law Center (“NCLC”).

(h) No new Claims may be accepted after July 5, 2022, and no further adjustments to Claims received on or before July 5, 2022, that would result in an increased Recognized Claim may be made for any reason after July 5, 2022, subject to the following exception. If Claims are received or modified after July 5, 2022, that would have been eligible for payment or additional payment under the Court-approved Plan of Allocation if timely received, then, at the time that Lead Counsel, in consultation with Epiq, determine a distribution is not cost-effective as provided in subparagraph (g) above, and after payment of any unpaid fees or expenses incurred in connection with administering the Net Settlement Fund and after deducting the payment of any estimated taxes, the costs of

preparing appropriate tax returns, and any escrow fees, these Claimants, at the discretion of Lead Counsel and to the extent possible, may be paid their distribution amounts or additional distribution amounts on a *pro rata* basis that would bring them into parity with other Authorized Claimants who have cashed all their prior distribution checks.

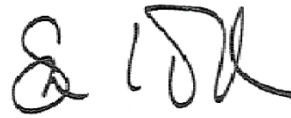
4. The Court finds that the administration of the Settlement and the proposed distribution of the Net Settlement Fund comply with the terms of the Stipulation and Plan of Allocation approved by this Court and that all persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the Claims submitted, or who are otherwise involved in the administration or taxation of the Settlement Fund or the Net Settlement Fund, are hereby released and discharged from any and all claims arising out of that involvement, and all Settlement Class Members and other Claimants, whether or not they receive payment from the Net Settlement Fund, are hereby barred from making any further claims against the Net Settlement Fund, Lead Plaintiffs, Lead Counsel, the Claims Administrator, the Escrow Agent or any other agent retained by Lead Plaintiffs or Lead Counsel in connection with the administration or taxation of the Settlement Fund or the Net Settlement Fund, or any other person released under the Settlement beyond the amounts allocated to Authorized Claimants.

5. All of Epiq's fees and expenses incurred in the administration of the Settlement and estimated to be incurred in connection with the Distribution of the Net Settlement Fund as stated in the invoices attached as Exhibit G to the Villanova Declaration are approved, and Lead Counsel are directed to pay the outstanding balance of \$986,776.27 out of the Settlement Fund to Epiq.

6. Unless otherwise ordered by the Court, Epiq may destroy the paper copies of the Claims and all supporting documentation one year after the Initial Distribution, and one year after all funds have been distributed may destroy the electronic copies of the same.

7. This Court retains jurisdiction to consider any further applications concerning the administration of the Settlement, and any other and further relief that this Court deems appropriate.

SO ORDERED this 5 day of August 2022.



The Honorable Sara L. Ellis
United States District Judge

EXHIBIT 3

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

ASHLEY PIERRELOUIS, Individually and
On Behalf of All Others Similarly Situated,

Plaintiff,

v.

GOGO INC., MICHAEL J. SMALL,
NORMAN SMAGLEY, BARRY ROWAN,
and JOHN WADE,

Defendants.

Civil Action No.: 18-cv-04473

Honorable Jorge L. Alonso

CLASS DISTRIBUTION ORDER

Having considered all materials and arguments submitted in support of Lead Plaintiff's Unopposed Motion for Class Distribution Order (the "Motion"), including the Memorandum of Law in Support of the Motion, the Declaration of Adam D. Walter in Support of Lead Plaintiff's Unopposed Motion for Class Distribution Order (the "Walter Declaration"), and the Declaration of F. Paul Bland, Jr., of the Public Justice Foundation,

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. This Class Distribution Order incorporates by reference the definitions in the Stipulation and Agreement of Settlement dated April 12, 2022 (ECF No. 150-1) (the "Stipulation"). All terms not otherwise defined shall have the same meaning as set forth in the Stipulation or the Walter Declaration.

2. This Court has jurisdiction over the subject matter of the Action and over all parties to the Action, including all Settlement Class Members.

3. As set forth in the Walter Declaration, the administrative determinations of the Claims Administrator in accepting and rejecting Claims are approved. Specifically, the administrative determinations of the Claims Administrator accepting those Claims set forth in Exhibits D and E of the Walter Declaration are approved. Likewise, the administrative determinations of the Claims Administrator rejecting those Claims set forth in Exhibits F of the Walter Declaration are approved.

4. As set forth in the Walter Declaration, no new Claims or responses to deficiency and/or rejection letters received after March 29, 2024, may be included in the distribution.

5. The Court authorizes payment of \$17,421.19 from the Settlement Fund to the Claims Administrator for the balance of the fees and expenses incurred and to be incurred in connection with the claims administration process, as described in the Walter Declaration.

6. The Distribution Plan for the Net Settlement Fund as set forth in the Walter Declaration and accompanying exhibits is approved. Walter Declaration, ¶39. The balance of the Net Settlement Fund shall be distributed to Authorized Claimants. To encourage Authorized Claimants to promptly deposit their payments, all distribution checks will bear a notation: “DEPOSIT PROMPTLY; VOID AND SUBJECT TO REDISTRIBUTION IF NOT NEGOTIATED WITHIN 120 DAYS OF DISTRIBUTION.” Authorized Claimants who fail to negotiate a distribution check within the time allotted or consistent with the terms outlined in the Walter Declaration will irrevocably forfeit all recovery from the Settlement.

7. After the Initial Distribution of the Net Settlement Fund, the Claims Administrator shall make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the fund nine (9) months after the Initial Distribution, if Lead Counsel, in consultation with the Claims Administrator, determines that it is cost-effective

to do so, the Claims Administrator shall conduct a redistribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such redistribution, to Authorized Claimants who have cashed their Initial Distributions and who would receive at least \$10.00 from such redistribution. Additional redistributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 on such additional redistributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determines that additional redistributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such redistributions, would be cost-effective.

8. At such time as Lead Counsel, in consultation with the Claims Administrator, determine that no additional distributions are cost-effective, then the funds will be donated to Public Justice, a non-sectarian, not-for-profit organization devoted to, among other things, investor education and advocacy.

9. All persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the claims submitted herein, or otherwise involved in the administration or taxation of the Settlement Fund or the Net Settlement Fund, are released and discharged from any and all claims arising out of such involvement, and all Settlement Class Members and other Claimants, whether or not they are to receive payment from the Net Settlement Fund, are barred from making any further claim against the Net Settlement Fund, Lead Plaintiff, Plaintiff's Counsel, the Claims Administrator, the Escrow Agent, or any other agent retained by Lead Plaintiff or Plaintiff's Counsel in connection with the administration or taxation of the Settlement Fund or the Net Settlement Fund, or any other person released under the Settlement, beyond the amounts

allocated to them pursuant to the terms of the Class Distribution Order, provided that such released persons acted in accordance with the Stipulation, the Judgment, and this Order.

10. The Claims Administrator is authorized to destroy: (a) paper or hard copies of the Claims and all supporting documentation one year after the Second Distribution, if that occurs, or, if there is no Second Distribution, two years after the Initial Distribution; and (b) electronic copies of the Claims and all supporting documentation one year after all funds have been distributed.

SO ORDERED this 20th day of June, 2024.

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by 'L. A.' and a horizontal line through the middle.

The Honorable Jorge L. Alonso
United States District Judge

EXHIBIT 4

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

GREGORY BOUTCHARD and SYNOVA
ASSET MANAGEMENT, LLC, individually and
on behalf of all others similarly situated,

Plaintiffs,

v.

KAMALDEEP GANDHI, YUCHUN MAO a/k/a
BRUCE MAO, KRISHNA MOHAN, TOWER
RESEARCH CAPITAL LLC, and JOHN DOE
Nos. 1 – 5,

Defendants.

Case No. 1:18-cv-07041

Judge John J. Tharp, Jr.

ORDER APPROVING DISTRIBUTION OF THE NET SETTLEMENT FUND

Plaintiffs Gregory Boutchard (“Boutchard”) and Synova Asset Management, LLC (“Synova” and, collectively with Boutchard, “Class Plaintiffs”) by and through their undersigned counsel, Lowey Dannenberg, P.C. (“Class Counsel”), having applied for an order approving the distribution of the Net Settlement Fund of the Settlement previously approved in the above-captioned action (the “Action”); the Court having read and considered all materials and arguments submitted in support of Class Plaintiffs’ motion, including but not limited to the Declaration of Jack Ewashko in Support of Class Plaintiffs’ Motion for Entry of an Order Approving Distribution of the Net Settlement Fund to Authorized Claimants (the “Ewashko Declaration”), and the Memorandum of Law in Support of Class Plaintiffs’ Motion for Entry of an Order Approving Distribution of the Net Settlement Fund to Authorized Claimants;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. This Order adopts and incorporates the definitions in the Stipulation and Agreement of Settlement (“Settlement Agreement”) filed in this Action in connection with the Settlement with Tower Research Capital, LLC (“Tower”), and all capitalized terms, unless otherwise defined herein, have the same meanings as set forth in the Settlement Agreement, or if not defined therein, as set forth in the Ewashko Declaration.

2. The Court has subject matter jurisdiction over this Action and over all parties to the Action, including all Claimants.

3. Class Plaintiffs’ Motion for Entry of an Order Approving Distribution of the Net Settlement Fund to Authorized Claimants is **GRANTED**. Accordingly:

a. The administrative recommendations of the Court-approved Settlement Administrator, A.B. Data, Ltd. (“A.B. Data”) to accept the Timely Eligible Claims set forth in

Exhibit A to the Ewashko Declaration and the Late But Otherwise Eligible Claims set forth in Exhibit B to the Ewashko Declaration are approved.

b. A.B. Data's administrative recommendations to reject the Rejected Claims set forth in Exhibit C to the Ewashko Declaration are approved;

c. A.B. Data will calculate award amounts for all Authorized Claimants (Exhibits A and B to the Ewashko Declaration) as if the Net Settlement Fund was to be distributed now, after deducting all payments of fees and expenses incurred in connection with administering the Net Settlement Fund and previously approved by the Court, any estimated future payments for such fees and expenses, as well as any further payments for escrow fees, taxes, and costs of preparing appropriate tax returns, by calculating each Authorized Claimant's *pro rata* share of the Net Settlement Fund in accordance with the Court-approved Distribution Plan (an Authorized Claimant's "Distribution Amount").

d. A.B. Data will then conduct a "Primary Distribution" of the Net Settlement Fund as follows:

i. Authorized Claimants whose Distribution Amounts are less than \$15 will be paid \$15 (the "Minimum Payment") in full.

ii. Authorized Claimants whose Distribution Amounts calculates to between \$15 and less than \$20,000 will be paid in full.

iii. After deducting the payments to Authorized Claimants receiving the Minimum Payments and Authorized Claimants receiving less than \$20,000, 90% of the remaining balance of the Net Settlement Fund will be distributed *pro rata* to Authorized Claimants whose Distribution Amounts calculate to \$20,000 or more.

iv. The remaining 10% of the payments will be held in reserve (the “Reserve”) to address any contingencies that may arise after the distribution with respect to claims and/or to pay for any future fees or expenses incurred in connection with administering the Net Settlement Fund that are authorized by the Court, as well as any further escrow fees, taxes, and the cost of preparing appropriate tax returns. To the extent the Reserve is not depleted, the remainder will be distributed in subsequent distribution(s) of the Settlement.

e. To encourage Authorized Claimants to promptly deposit distribution checks, and to avoid or reduce future expenses relating to unpaid distribution checks, all distribution checks will bear the notation, **“CASH PROMPTLY. VOID AND SUBJECT TO REDISTRIBUTION IF NOT CASHED BY [DATE 90 DAYS AFTER ISSUE DATE].”**

A.B. Data is authorized to take appropriate action to locate and/or contact any Authorized Claimant who or which has not negotiated his, her, or its payment within said time, as detailed in paragraph 42(c) of the Ewashko Declaration.

f. Authorized Claimants who or which do not negotiate their Primary Distribution payments (or subsequent distribution payments should such distributions occur) within the time allotted will irrevocably forfeit all recovery from the Net Settlement Fund (or in the case of Authorized Claimants who or which do not negotiate a subsequent distribution payment, will irrevocably forfeit any further recovery from the Net Settlement Fund, but not the original Primary Distribution payment). The funds allocated to all such unnegotiated payments will be available for redistribution to other Authorized Claimants, if Class Counsel, in consultation with A.B. Data, determines that it is cost-effective to conduct a subsequent distribution.

g. After A.B. Data has made reasonable and diligent efforts to have Authorized Claimants negotiate their payments, A.B. Data shall, if Class Counsel, in consultation with A.B. Data, determines that it is cost-effective to do so, conduct a second distribution (the “Secondary Distribution”), pursuant to which any amount remaining in the Net Settlement Fund after the Primary Distribution (including the Reserve and any funds from void, stale-dated, or returned checks or failed wire transfers), after deducting A.B. Data’s fees and expenses incurred in connection with administering the Settlement for which it has not yet been paid (including estimated costs of such Secondary Distribution, subject to Court approval), escrow fees, taxes, and the costs of preparing appropriate tax returns. The Secondary Distribution, if it occurs, would be distributed to all Authorized Claimants from the Primary Distribution that: (a) have a Distribution Amount of \$20,000 or more; (b) negotiated their first distribution payments; and (c) who are entitled to at least \$15 from such redistribution based on their *pro rata* share of the remaining funds.

h. Additional distributions, after deduction of costs and expenses, as described above and subject to the same conditions, may occur thereafter until Class Counsel, in consultation with A.B. Data, determines that further redistribution is not cost-effective.

4. Unless otherwise ordered by the Court, no Claim received after March 22, 2024, is eligible for payment from the Net Settlement Fund for this Settlement for any reason whatsoever, and no further adjustments or corrections to Claims submitted after March 22, 2024 may be accepted for any reason. All Persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the Claims submitted herein, or otherwise involved in the administration or taxation of the Settlement Fund or the Net Settlement Fund, are hereby released and discharged from any and all claims arising from such involvement, and all Class Members,

regardless whether they receive payment from the Net Settlement Fund, are hereby banned from making any further claims against the Net Settlement Fund, Class Plaintiffs, Class Counsel, the Settlement Administrator, the Escrow Agent, or any other agent retained by Class Plaintiffs or Class Counsel in connection with the administration or taxation of the Settlement Fund or the Net Settlement Fund, or any other person released pursuant to the Settlement Agreement, beyond the amounts allocated to Authorized Claimants.

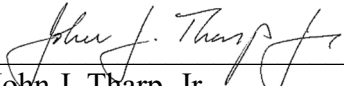
5. Unless otherwise ordered by the Court, the Settlement Administrator shall destroy the paper and electronic copies of Claims and all supporting documents one year after (a) all funds have been distributed in connection with the Settlement with Tower; and (b) the Action has finally terminated.

6. The Settlement Administrator may be paid up to an additional \$36,560.36 from the Settlement Fund for estimated fees and expenses expected to be incurred in connection with the distribution of the Net Settlement Fund. Any costs or expenses in excess of \$36,560.36 may be paid from the Settlement Fund upon approval of the Court.

7. This Court retains jurisdiction to consider any further applications concerning the administration of the Settlement with Tower, and such other further relief as this Court deems appropriate.

IT IS SO ORDERED.

Signed this 18th day of April, 2024.



John J. Tharp, Jr.
United States District Judge

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS**

IN RE KRAFT HEINZ SECURITIES
LITIGATION

C.A. No. 1:19-cv-01339

Honorable Jorge L. Alonso

**DECLARATION OF LUIGGY SEGURA IN SUPPORT OF PLAINTIFFS'
MOTION FOR APPROVAL OF DISTRIBUTION PLAN**

I, LUIGGY SEGURA, hereby declare under penalty of perjury as follows:

1. I am the Vice President of Securities Class Actions at JND Legal Administration (“JND”). I am over 21 years of age and am not a party to the above-captioned action (“Action”).¹ I have personal knowledge of the facts set forth in this declaration and, if called as a witness, could and would testify competently thereto.

2. Pursuant to the Court’s May 11, 2023 Order Preliminarily Approving Settlement and Providing for Notice (ECF No. 478) (“Preliminary Approval Order”), JND was retained by Lead Counsel to serve as the Claims Administrator in connection with the Settlement of the Action. As Claims Administrator, JND has, among other things: (i) mailed the Postcard Notice and/or the Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for Attorneys’ Fees and Litigation Expenses (“Notice”) and the Proof of Claim and Release Form (“Claim Form” and together with the Notice, the “Notice Packet”) to potential Settlement Class Members, brokers, and other nominees; (ii) created and continues to maintain a toll-free telephone helpline for inquiries during the course of the administration; (iii) created and continues

¹ All terms with initial capitalization not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement dated as of May 2, 2023 (ECF No. 475-3) (“Stipulation”). The Settlement is contained in the Stipulation.

to maintain a website for the Settlement (“Settlement Website”) and posted case-specific documents on it; (iv) caused the Summary Notice to be published; (v) provided, upon request, additional copies of the Notice Packet to potential Settlement Class Members, brokers, and other nominees; and (vi) received and processed each Claim Form received by the Claims Administrator (a “Claim”).

3. On September 12, 2023, the Court granted final approval of the Settlement in its Judgment Approving Class Action Settlement (ECF No. 490) and entered the Order Approving Plan of Allocation of Net Settlement Fund (ECF No. 491). JND has completed processing all Claims received through January 16, 2025, in accordance with the terms of the Stipulation and the Court-approved Plan of Allocation set forth in the Notice, and hereby submits its administrative determinations accepting and rejecting the Claims in preparation for a distribution of the Net Settlement Fund to Authorized Claimants. JND also presents this declaration in support of Plaintiffs’ Motion for Approval of Distribution Plan.

DISSEMINATION OF NOTICE

4. As more fully described in the Declaration of Luiggy Segura Regarding: (A) Dissemination of Postcard Notice and Notice Packet; (B) Publication of the Summary Notice; (C) Establishment of Call Center Services and Settlement Website; and (D) Report on Requests for Exclusion Received to Date (ECF No. 484-5) (“Mailing Decl.”) and the Supplemental Declaration of Luiggy Segura Regarding: (A) Continued Dissemination of Notice; (B) Update on Call Center Services and Settlement Website; and (C) Report on Requests for Exclusion Received (ECF No. 488-1) (“Supp. Mailing Decl.”), as of September 1, 2023, JND had mailed a total of 1,665,136 Postcard Notices and 5,611 Notice Packets to potential Settlement Class Members and nominees. Supp. Mailing Decl. ¶ 3. Since that date, 145 additional Postcard Notices have been disseminated.

In total, JND has disseminated 1,665,281 Postcard Notices and 5,611 Notice Packets to potential Settlement Class Members, brokers, and other nominees.

5. JND established and continues to maintain the Settlement Website (www.KraftHeinzSecuritiesLitigation.com) and a toll-free telephone helpline (844-798-0760) to assist potential Settlement Class Members. The Settlement Website, which provides access to important documents relevant to the Settlement, and the telephone helpline enable Settlement Class Members to obtain information about the Settlement. In connection with establishing and maintaining the Settlement Website and toll-free telephone helpline, JND, among other things, formulated a system to ensure that proper responses were provided to all telephone and electronic inquiries. That work included training telephone agents to respond to inquiries specific to the Settlement; developing a series of common questions and the answers thereto known as Frequently Asked Questions or “FAQs”; loading key documents onto the Settlement Website; and programming the Settlement Website to permit the viewing and downloading of those documents.

6. In accordance with paragraph 7(d) of the Preliminary Approval Order, on June 22, 2023, JND caused the Summary Notice to be published in *The Wall Street Journal* and released via *PR Newswire*. Mailing Decl. ¶ 12.

PROCEDURES FOLLOWED IN PROCESSING CLAIMS

7. Under the terms of the Preliminary Approval Order and as set forth in the Notice, each Settlement Class Member who wished to be eligible to receive a distribution from the Net Settlement Fund was required to complete and submit to JND a properly executed Claim Form postmarked (if mailed) or online no later than October 10, 2023, together with adequate supporting documentation for the transactions and holdings reported in the Claim Form. Through January 16, 2025, JND has received and fully processed 592,618 Claims (“Presented Claims”).

8. In preparation for receiving and processing Claims, JND: (i) conferred with Lead Counsel to define the guidelines for processing Claims; (ii) created a unique database to store Claim details, images of Claims, and supporting documentation (“Settlement Database”); (iii) trained staff in the specifics of the Settlement so that Claims would be properly processed; (iv) formulated a system so that telephone and email inquiries would be properly responded to; (v) developed various computer programs and screens for entry of Settlement Class Members’ identifying information and their transactional information; and (vi) developed a proprietary “calculation module” to calculate Recognized Claims pursuant to the Court-approved Plan of Allocation for the Net Settlement Fund set forth in the Notice.

9. Settlement Class Members seeking to share in the Net Settlement Fund were directed in the Notice to submit their Claims to a post office box address specifically designated for the Settlement or to submit their Claims online through the Settlement Website. Notices returned by the United States Postal Service as undeliverable were reviewed for updated addresses and, where available, updated addresses were entered into the Settlement Database and notices were mailed to the updated addresses. Any correspondence received at the post office box was reviewed and, when necessary, appropriate responses were provided to the senders.

PROCESSING CLAIMS

A. Paper Claims and Claims Submitted Via the Settlement Website

10. Of the 592,618 Presented Claims, 25,433 Claims were submitted on paper (10,879) or via the online filing component of the Settlement Website provided for individual investors (14,554). Once received, paper Claims were opened and prepared for scanning. This process included unfolding documents, removing staples, copying nonconforming-sized documents, and sorting documents. This manual task of preparing the paper Claims is very laborious and time intensive. Once prepared, paper Claims were scanned into the Settlement Database together with

all submitted documentation. Subsequently, each Claim was assigned a unique Claim number. Once scanned, the information from each Claim Form, including the Claimant's name, address, and account number/information from the supporting documentation, and the Claimant's purchase/acquisition transactions, sale transactions, and holdings listed on the Claim Form, was entered into the Settlement Database. Once entered into the Settlement Database, each Claim was reviewed to verify that all required information had been provided. The documentation provided by the Claimant in support of the Claim was reviewed for authenticity and compared to the information provided in the Claim to verify the Claimant's identity and the purchase/acquisition transactions, sale transactions, and holdings listed on the Claim Form.

11. To process the transactions detailed in the Claims, JND utilized internal messages to identify and classify deficiency or ineligibility conditions existing within those Claims. Appropriate messages were assigned to the Claims as they were processed. For example, where a Claim was submitted by a Claimant who did not have any eligible transactions in Kraft Heinz securities during the Class Period (e.g., the Claimant purchased Kraft Heinz securities only before or after the Class Period or the Claimant had no sale transactions in put options during the Class Period), that Claim would receive a "Claim-level" message that denoted ineligibility. Similar Claim-level ineligible messages were used to denote other ineligible conditions, such as duplicate Claims. These messages would indicate to JND that the Claimant was not eligible to receive any payment from the Net Settlement Fund with respect to that Claim unless the deficiency was cured in its entirety. Examples of Claim-level messages are as follows:

- Inadequate Documentation Submitted for Entire Claim
- No Supporting Documentation Submitted for Entire Claim
- No Purchase Transaction in the Class Period

12. Because a Claim may be deficient only in part, but otherwise acceptable, JND utilized messages that were applied only to specific transactions within a Claim. For example, if a Claimant submitted a Claim with supporting documentation for all but one purchase transaction, that one transaction would receive a “transaction-level” message. The message indicated that although the transaction was deficient, the Claim was otherwise eligible for payment if other transactions in the Claim calculated to a Recognized Claim pursuant to the Court-approved Plan of Allocation. Thus, even if the transaction-level deficiency was never cured, the Claim could still be partially accepted. Examples of transaction-level messages are as follows:

- No Supporting Documentation for Specific Transaction/Position
- Inadequate Documentation for Specific Transaction/Position
- Illegible Documentation for Specific Transaction/Position

B. Electronic Claims

13. Of the 592,618 Presented Claims, 567,185 Claims were submitted electronically (“Electronic Claims”). Electronic Claims are typically submitted by institutional investors who may have hundreds or thousands of transactions during the Class Period or by filers submitting Claims on behalf of multiple beneficial owners (“Electronic Claim Filers” or “E-Claim Filers”). Rather than provide reams of paper requiring data entry, the E-Claim Filers either mail a computer disc or electronically submit a file to JND so that JND can upload all transactions to the Settlement Database.

14. JND maintains an electronic filing operations team (“Electronic Filing Team”) to coordinate and supervise the receipt and handling of all Electronic Claims. In this case, the Electronic Filing Team reviewed and analyzed each electronic file received to ensure that it was formatted in accordance with JND’s required format and to identify any potential data issues or inconsistencies within the file. If any issues or inconsistencies arose, JND notified the E-Claim

Filer. If the electronic file was deemed to be in an acceptable format, it was then loaded into the Settlement Database.

15. Once each electronic file was loaded, the Electronic Claims were coded with messages to denote any deficient or ineligible conditions that existed within them. These messages are similar to those applied to paper Claims. In lieu of manually applying messages, the Electronic Filing Team performed programmatic reviews on Electronic Claims to identify deficient and ineligible conditions (such as, but not limited to, price out-of-range issues, out-of-balance conditions, transactions outside the Class Period, etc.). The output was thoroughly verified and confirmed as accurate.

16. The review process also included message coding any Electronic Claims that were not accompanied by a signed Claim Form, which serves as a “Master Proof of Claim Form” for all Claims referenced on the electronic file submitted. This process was reviewed by JND’s Electronic Filing Team and, when appropriate, JND contacted the E-Claim Filers whose submissions were missing information. This ensured that only fully completed Electronic Claims, submitted by properly authorized representatives of the Claimants, were considered eligible to participate in the Settlement.

17. Finally, at the end of the process, JND performed various targeted reviews of the Electronic Claims. Specifically, JND used criteria such as the calculated Recognized Claim amounts and other identified criteria to message code and reach out to a selection of E-Claim Filers to request that various sample purchases, sales, and holdings selected by JND be documented by providing confirmation slips or other transaction-specific supporting documentation. These targeted reviews help to ensure that the electronic data supplied by Claimants does not contain inaccurate information.

EXCLUDED PERSONS

18. JND also reviewed all Claims to ensure that they were not submitted by or on behalf of “Excluded Persons” to the extent that the identities of such persons or entities were known to JND through the list of Defendants and other excluded persons and entities set forth in the Stipulation and the Notice and from the Claimants’ certifications on the Claim Forms. JND also reviewed all Claims against the list of thirty-seven (37) persons and entities who were excluded from the Settlement Class pursuant to request. *See* ECF No. 490, Ex. 1.

THE DEFICIENCY PROCESS

A. Paper Claims and Online Claims

19. Approximately 36.2% of the paper and online Claims, i.e., 9,207 of the 25,433 Claims submitted either on paper or via the Settlement Website, were incomplete or had one or more defects or conditions of ineligibility, such as the Claim not being signed, not being properly documented, or indicating no eligible transactions in Kraft Heinz securities during the Class Period. The “Deficiency Process,” which primarily involved mailing letters to Claimants and responding to communications from Claimants by email and/or telephone, was intended to assist Claimants in properly completing their otherwise deficient submissions so that they could be eligible to participate in the Settlement.

20. If a paper or online Claim was determined to be defective, a Notice of Deficient/Ineligible Claim Submission (“Deficiency Letter”) was sent to the Claimant describing the defect(s) in the Claim and what steps, if any, were necessary to cure the defect(s) in the Claim. The Deficiency Letter advised the Claimant that submission of appropriate information and/or documentary evidence to complete the Claim had to be sent within twenty (20) days from the date of the Deficiency Letter or the Claim would be recommended for rejection to the extent that the deficiency or condition of ineligibility was not cured. The Deficiency Letter also advised the

Claimant of their right to contest JND's administrative determination(s) with respect to their Claim, and that if they wished to contest the administrative determination(s), they were required to submit a written statement to JND requesting Court review of the Claim and setting forth the basis for such request. During this administration, JND sent a total of 9,209 Deficiency Letters to Claimants who submitted paper or online Claims that JND determined to be defective.² Attached hereto as Exhibit A is an example of a Deficiency Letter.

21. Claimants' responses to Deficiency Letters were scanned into the Settlement Database and associated with the corresponding Claims. The responses were then carefully reviewed and evaluated by JND's team of processors. If a Claimant's response corrected the defect(s) in a Claim, JND manually updated the Settlement Database to reflect the changes in the status of the Claim.

B. Electronic Claims

22. For Electronic Claims, JND used the following process to contact the banks, brokers, nominees, and other E-Claim Filers to confirm receipt of their submissions and to notify the Electronic Claim Filers of any deficiencies or Electronic Claims that were ineligible. Each E-Claim Filer was sent an email to the email address included with the Claim Form(s) ("Deficiency Email") with an attached report containing detailed information associated with the Electronic Claim(s) and indicating which Electronic Claim(s) within the filing were deficient and/or rejected ("Deficiency Spreadsheet").

23. The Deficiency Email sent to the email address of record provided with the Claim Form:

² Certain Claimants were sent more than one Deficiency Letter. For this reason, the number of Deficiency Letters referenced in paragraph 20 exceeds the number of deficient Claims discussed in paragraph 19.

- (a) Notified the filer that any Electronic Claims with deficiencies not corrected within twenty (20) days from the date of the Deficiency Email may be rejected;
- (b) Advised the filer of the right to contest the rejection of the Electronic Claim(s) and request this Court's review of JND's administrative determination(s) within twenty (20) days from the date of the Deficiency Email; and
- (c) Provided the filer with instructions for how to submit corrections.

24. The Deficiency Spreadsheet attached to the Deficiency Email identified each of the individual Electronic Claims that were found to be deficient or ineligible and the basis for that deficiency or condition of ineligibility.

25. JND sent 77 emails, attaching a Deficiency Email and a Deficiency Spreadsheet to 71 unique E-Claim Filers representing 326,163 Electronic Claims. Examples of a Deficiency Email and Deficiency Spreadsheet are attached hereto as Exhibits B and C, respectively.

26. The E-Claim Filers' responses were reviewed by the Electronic Filing Team, scanned and/or loaded into the Settlement Database, and associated with the corresponding Electronic Claims. If a response corrected the defect(s) or affected an Electronic Claim's status, JND manually and/or programmatically updated the Settlement Database to reflect such change in the status of the Electronic Claim.

C. Calling Campaign to Claimants Who Did Not Cure Deficiencies

27. After responses to the Deficiency Letters and Deficiency Emails were received and evaluated, and the Settlement Database updated, JND called Claimants with still-deficient Claims to provide them with a final opportunity to cure the deficiencies in their Claims.

28. During this calling campaign, JND's agents explained to contacted Claimants that their Claims remained deficient, advised Claimants of the steps required to cure the deficiencies, and provided assistance to Claimants where possible, depending on the nature of the deficiency. For example, if a Claimant needed additional supporting documentation, JND explained the types of documentation that would render the Claim eligible and how the Claimant could obtain the necessary documentation. Where appropriate, JND also provided Claimants with direct phone numbers and email addresses so that Claimants could receive continued personalized attention and assistance.

29. If JND could not reach a Claimant to speak one-on-one, JND left a voice message, when possible, requesting a return call. JND explained in the voice message that it was calling to assist the Claimant in remedying outstanding deficiencies in their Claim. JND also reached out to Claimants via email if a valid email address was provided in their Claim submission.

30. If, in response to a telephone call or email, a Claimant cured the deficiency in their Claim by providing the appropriate information and/or supporting documentation, JND updated the Settlement Database to reflect the change in the status of the Claim.

DISPUTED CLAIMS

31. As noted above, Claimants were advised that they had the right to contest JND's administrative determination of deficiencies or ineligibility within twenty (20) days from the date of notification and that they could request that their dispute be submitted to the Court for review. More specifically, Claimants were advised in the Deficiency Letter or Deficiency Email that, if they disputed JND's determination, they had to provide a statement of reasons indicating the grounds for contesting the determination, along with supporting documentation, and if the dispute concerning the Claim could not otherwise be resolved, Lead Counsel would thereafter present the request for review to the Court for a final determination.

32. During this administration, JND received thirty-two (32) requests for Court review. To resolve these disputes without necessitating the Court's intervention, JND reached out to each Claimant requesting Court review and attempted to answer all questions, fully explain JND's administrative determination with respect to their Claim, and facilitate the submission of missing information or documentation where applicable. As a result of these efforts, twenty (20) Claimants resolved their deficiencies and their Claims are recommended for approval, and seven (7) Claimants withdrew their requests for Court review after receiving further explanation of the reasons for JND's determination. Five (5) requests for Court review remain outstanding. Attached hereto as Exhibit D are the pending requests for Court review. These Claims are recommended for rejection for the reasons set forth in the chart included at the beginning of Exhibit D and summarized below:³

- (a) **Claimant Sold All Shares Before the Initial Corrective Disclosure.** Claim Nos. P52MVHL9GE and PB3AVWE6S2 (Exhibits D-1 and D-2) are recommended for rejection because the Claimants sold their shares of Kraft Heinz common stock on April 12, 2018, September 4, 2018, and September 26, 2018, prior to the First Corrective Disclosure on November 2, 2018. According to the Court-approved Plan of Allocation, for shares of common stock sold prior to November 2, 2018, the "Recognized Loss Amount will be \$0.00." *See* Notice ¶¶ 70, 72 (A).
- (b) **Claimant Purchased and Sold All Shares Within the Same Disclosure Period.** Claim No. PG6S4BQ9KT (Exhibit D-3) is recommended for

³ Exhibit D also provides the Claims, supporting documentation, and relevant correspondence (with all personal information redacted).

rejection because the Claimant purchased and sold their shares of Kraft Heinz common stock between February 22, 2019 and March 13, 2019, during the same Estimated Artificial Inflation Period of February 22, 2019 through August 7, 2019. According to the Court-approved Plan of Allocation, in order to have a Recognized Loss Amount the Claimant must have “held Kraft Heinz common stock...over at least one of the days when corrective information was released to the market...” therefore the Claim does not calculate to a Recognized Loss. *See* Notice ¶¶ 70, 72 (B), Table A.

- (c) **Claimant Did Not Confirm Purchases/Acquisitions of Kraft Heinz Securities During the Class Period.** Claim Nos. DKGDT5REZF and D63DUSXMGV (Exhibits D-4 and D-5) are recommended for rejection because the Claims do not calculate to a Recognized Claim under the Court-approved Plan of Allocation. The single Claimant associated with Claim Nos. DKGDT5REZF and D63DUSXMGV failed to provide documentation of any purchase of Kraft Heinz common stock or call options, or sale of Kraft Heinz put option contracts during the Class Period, which is needed to calculate a Recognized Loss Amount/Recognized Claim. *See* Notice ¶ 71.

LATE BUT OTHERWISE ELIGIBLE CLAIMS

33. Of the 592,618 Presented Claims, 23,958 Claims were received or postmarked after October 10, 2023, the Claim submission deadline established by the Court. JND processed all late Claims received through January 16, 2025, and 8,862 of these Claims have been found to be otherwise eligible in whole or in part (“Late But Otherwise Eligible Claims”). JND has not rejected

any Claim received through January 16, 2025, solely based on its late submission, and JND believes no delay has resulted from the provisional acceptance of these Late But Otherwise Eligible Claims. To the extent these Claims are eligible but for the fact that they were late, they are recommended for payment.

34. However, there must be a final cut-off date after which no more Claims will be accepted so that there may be a proportional allocation of the Net Settlement Fund and the distribution may be accomplished. Acceptance of additional Claims or responses received during the finalization of the administration and the preparation of this declaration would necessarily require a delay in the distribution. Accordingly, JND respectfully requests that this Court order that no Claim received after January 16, 2025, or Claim cured or adjusted after January 16, 2025, be eligible for payment for any reason whatsoever subject only to the provision of paragraph 45(f) of the proposed distribution plan discussed below. If the Court adopts the proposed distribution plan, then, after Lead Counsel have determined that further distributions are not cost-effective and before any contribution of the residual funds to charity, if sufficient funds remain to warrant the processing of Claims received after January 16, 2025, these Claims will be processed and, if any would have been eligible if timely received, the Claimants may be paid their distribution amounts, to the extent permitted by the amount of remaining funds, on a *pro rata* basis that would bring them into parity with other Authorized Claimants who have cashed all their prior distribution checks. *See* ¶ 45(f) below. With respect to previously submitted Claims that are cured or adjusted after January 16, 2025, such Claims will be reevaluated upon receipt of the adjustment and, to the extent that they are found eligible for a distribution or additional distribution, they will be treated in the same manner as Claims received after January 16, 2025. However, should an adjustment

result in a lower Recognized Claim amount, the Recognized Claim amount will be reduced accordingly prior to a distribution to that Claimant.

QUALITY ASSURANCE

35. An integral part of the claims administration process is the Quality Assurance review. Throughout the administration process, JND's Quality Assurance personnel worked to verify that Claims were processed properly by ensuring that information was entered correctly into the Settlement Database, deficiency and/or rejection message codes were assigned accurately, and Deficiency Letters and Deficiency Emails were sent appropriately. After all Claims were processed, Deficiency Letters and Deficiency Emails were sent, and Claimants' responses to Deficiency Letters and Deficiency Emails were reviewed and processed, JND's Quality Assurance personnel performed additional Quality Assurance reviews. These final Quality Assurance reviews further ensured the correctness and completeness of all Claims processed prior to preparing this declaration and all JND's final documents in support of distribution of the Net Settlement Fund. As part of the Quality Assurance reviews, JND:

- (a) Verified that Claim Forms had signatures of authorized individuals;
- (b) Verified that true duplicate Claims were identified, verified, and rejected;
- (c) Verified that persons and entities excluded from the Settlement Class did not file Claims or their Claims were rejected upon review;
- (d) Performed a final Quality Assurance audit of Claims and all supporting documentation to ensure completeness of Claims;
- (e) Determined that Claimants requiring Deficiency Letters and Deficiency Emails were sent such notification;
- (f) Performed an audit of deficient Claims;

- (g) Performed additional review of Claims with high Recognized Claim amounts;
- (h) Audited Claims that were designated invalid;
- (i) Audited Claims with a Recognized Claim amount equal to zero;
- (j) Performed other auditing based on Claim completion requirements and the approved calculation specifications based on the Court-approved Plan of Allocation; and
- (k) Re-tested the accuracy of the Recognized Claim amount calculation program.

36. In support of the work described above, JND's computer staff designed and implemented, and the project team tested, the following programs for this administration: (i) data entry screens that store Claim information, including all transactional data included on each Claim, and attach messages and, where necessary, text to denote conditions existing within the Claim; (ii) programs to load and analyze transactional data submitted electronically for all Electronic Claims; (iii) a program to compare the claimed transaction prices against the reported market prices to confirm that the claimed transactions were within an acceptable range of the reported market prices; (iv) a calculation program to analyze the transactional data for all Claims, and calculate each Claimant's Recognized Claim pursuant to the Court-approved Plan of Allocation; and (v) programs to generate various reports throughout and at the conclusion of the administration, including lists of all eligible and ineligible Claims.

37. JND also used a variety of fraud protection controls throughout the administration process to identify potential fraudulent Claims. Duplicate Claim searches, high value reviews, spot

reviews, and other standard audit reports that examined the information in a variety of ways were used during the Claim review process.

38. As part of its due diligence in processing Claims, JND reviewed and compared the entire Settlement Database against the “watch list” of known questionable filers that JND has developed throughout its years of experience as a claims administrator. JND has worked closely with law enforcement to update the watch list with the latest information available. JND performs searches based on names, aliases, addresses, and city/zip codes. In addition, JND’s claim processors are trained to identify any potentially inauthentic documentation when processing claims, including claims submitted by claimants not previously captured in the “watch list.” Processors are instructed to apply internal message codes to any claim that matches to a record on the “watch list” and escalate them to management for review. During this administration, JND’s Fraud Protection procedures identified four (4) potentially fraudulent Claims that were identified as having been submitted by someone on the “watch list.” After being identified, these Claims were reviewed by management to consider the documentation submitted with each Claim in conjunction with other factors, including a review of the Claimant’s website registration, address, and registration with the SEC or asset management organizations, and were determined to be potentially fraudulent. JND sent these Claimants Deficiency Letters and/or Deficiency Emails notifying the Claimants that additional documentation was required for the Claims to be eligible to participate in the Settlement. No additional documentation has been received supporting these potentially fraudulent Claims and all four (4) potentially fraudulent Claims are being recommended for rejection for failure to cure their conditions of inadequate documentation.

RECOMMENDATIONS FOR APPROVAL AND REJECTION

39. As noted above, the number of Presented Claims is 592,618.

A. Timely Submitted and Valid Claims

40. A total of 568,660 Claims were received or postmarked on or before October 10, 2023, the Court-approved Claim submission deadline, of which 271,447 were determined by JND to be eligible to participate in the Settlement and are recommended for approval (“Timely Eligible Claims”). The total Recognized Claim amount for these Timely Eligible Claims is \$3,126,811,170.32, of which \$3,107,994,565.41 represents common stock losses and \$18,816,604.91 represents option losses.

B. Late But Otherwise Eligible Claims

41. A total of 23,958 Claims were received or postmarked after October 10, 2023, but received on or before January 16, 2025. Of those 23,958 late Claims, 8,862 were determined by JND to be otherwise eligible and are recommended for approval (i.e., the Late But Otherwise Eligible Claims). The total Recognized Claim amount for the Late But Otherwise Eligible Claims is \$170,745,794.63, of which \$170,689,793.63 represents common stock losses and \$56,001.00 represents option losses.

C. Rejected Claims

42. After the responses to Deficiency Letters and Deficiency Emails were processed, a total of 312,309 Claims (including the Disputed Claims discussed above) remain recommended for rejection (“Rejected Claims”) for the following reasons:

- (a) 185,488 Claims Did Not Result in a Recognized Claim Pursuant to the Court-Approved Plan of Allocation;
- (b) 46,508 Claims Did Not Fit the Definition of the Settlement Class;
- (c) 79,098 Claims Were Deficient and Never Cured;
- (d) 1,105 Claims Were Duplicates of Other Submitted Claims; and
- (e) 110 Claims Were Withdrawn.

D. Lists of All Presented Claims.

43. Attached hereto as Exhibits D through G are listings of all the Presented Claims:
- (a) Exhibit D lists the five (5) Disputed Claims recommended for rejection for failure to calculate to a Recognized Claim pursuant to the Court-approved Plan of Allocation;
 - (b) Exhibit E lists the Timely Eligible Claims and shows each Claimant's Recognized Claim;
 - (c) Exhibit F lists the Late But Otherwise Eligible Claims and shows each Claimant's Recognized Claim; and
 - (d) Exhibit G lists the Rejected Claims and the reasons for rejection.

FEES AND DISBURSEMENTS

44. JND agreed to be the Claims Administrator in exchange for payment of its fees and out-of-pocket expenses. Lead Counsel received reports on and invoices for the work JND performed with respect to the provision of notice and administration of the Settlement. Attached hereto as Exhibit H are copies of JND's invoices for its work performed on behalf of the Settlement Class as well as an estimate for the work that will be performed and the costs that will be incurred in connection with the initial distribution of the Net Settlement Fund. Should the estimate of fees and expenses to conduct the initial distribution of the Net Settlement Fund exceed the actual cost, the excess will be returned to the Net Settlement Fund and will be available for subsequent distributions to Authorized Claimants. As set forth in the attached invoices, JND's total fees and expenses for this matter through December 31, 2024, are \$2,308,151.69. The brokerage firms and nominees charged JND another \$676,841.94 for their work providing names and addresses of potential Settlement Class Members and forwarding notices to their clients. JND estimates that it will incur \$169,798.81 for the initial distribution of the Net Settlement Fund. To date JND has

been reimbursed \$2,124,462.99. Accordingly, there is an outstanding balance of \$1,030,329.45 payable to JND from the Settlement Fund, which includes the estimate for completing the initial distribution.

DISTRIBUTION PLAN FOR THE NET SETTLEMENT FUND

45. Should the Court concur with JND's determinations concerning the provisionally accepted and rejected Claims, including the Late But Otherwise Eligible Claims, JND recommends the following distribution plan ("Distribution Plan"):

(a) JND will conduct an initial distribution ("Initial Distribution") of the Net Settlement Fund, after deducting all payments approved by the Court, and after payment of any estimated taxes, the costs of preparing appropriate tax returns, and any escrow fees, while maintaining a 10% reserve to address any tax liability and claims administration-related contingencies that may arise following the Initial Distribution, as follows:

(1) JND will calculate award amounts for all Authorized Claimants as if the entire Net Settlement Fund were to be distributed now. In accordance with the Court-approved Plan of Allocation, JND will calculate each Authorized Claimant's *pro rata* share of the Net Settlement Fund based on the amount of the Authorized Claimant's Recognized Claim in comparison to the total Recognized Claims of all Authorized Claimants. *See Notice ¶ 87.*

(2) JND will, pursuant to the terms of the Plan of Allocation, eliminate from the Initial Distribution any Authorized Claimant whose *pro rata* share calculates to less than \$10.00. *See Notice ¶ 89.* These

Claimants will not receive any payment from the Net Settlement Fund and will be so notified by JND.

- (3) After eliminating Claimants who would have received less than \$10.00, JND will recalculate the *pro rata* share of the Net Settlement Fund for Authorized Claimants who would have received \$10.00 or more. A “Distribution Amount” will be calculated for each of these Authorized Claimants, which shall be the Authorized Claimant’s Recognized Claim divided by the total Recognized Claims of all Authorized Claimants who would have received \$10.00 or more, multiplied by the total amount in the Net Settlement Fund.
- (4) Authorized Claimants whose Distribution Amount calculates to less than \$200.00 will be paid their full Distribution Amount in the Initial Distribution (“Claims Paid in Full”). These Authorized Claimants will receive no additional funds in subsequent distributions.
- (5) After deducting the payments to the Claims Paid in Full, 90% of the remaining balance of the Net Settlement Fund will be distributed *pro rata* to Authorized Claimants whose Distribution Amount calculates to \$200.00 or more. The remaining 10% of the Net Settlement Fund will be held in reserve (the “Reserve”) to address any tax liability and claims administration-related contingencies that may arise following the Initial Distribution. To the extent the Reserve is not depleted, the remainder will be included in the “Second Distribution” described in subparagraph (d) below.

- (b) To encourage Authorized Claimants to deposit their payments promptly, all distribution checks will bear a notation: “CASH PROMPTLY. VOID AND SUBJECT TO REDISTRIBUTION IF NOT CASHED BY [DATE 90 DAYS AFTER ISSUE DATE].” For Authorized Claimants whose checks are returned as undeliverable, JND will endeavor to locate new addresses through reasonable methods. Where a new address is located, JND will update the Settlement Database accordingly and reissue a distribution check to the Authorized Claimant at the new address. In the event a distribution check is lost or damaged or otherwise requires reissuance, JND will issue replacements. Distribution reissues will be undertaken only upon written instructions from the Authorized Claimant, provided that the Authorized Claimant returns the previous check where appropriate. For all checks, JND will void the initial payment prior to reissuing a payment. In order not to delay further distributions to Authorized Claimants who have timely cashed their checks, JND’s outreach program shall end thirty (30) days after the initial void date. Authorized Claimants will be informed that, if they do not cash their Initial Distribution checks within ninety (90) days of the mail date, or they do not cash check reissues within thirty (30) days of the mailing of such reissued check, their check will lapse, their entitlement to recovery will be irrevocably forfeited, and the funds will be reallocated to other Authorized Claimants. Reissue requests for lost or damaged checks will be granted after the void date on the checks as long as the request for the

reissue is received no later than forty-five (45) days prior to the next planned distribution. Requests for reissued checks in connection with any subsequent distributions (should such distributions occur) will be handled in the same manner.

- (c) Authorized Claimants who do not cash their Initial Distribution checks within the time allotted or on the conditions set forth above will irrevocably forfeit all recovery from the Settlement. The funds allocated to all such stale-dated checks will be available for distribution to other Authorized Claimants in the Second Distribution. Similarly, Authorized Claimants who do not cash their second or subsequent distribution checks, should such distributions occur, within the time allotted or on the conditions set forth above will irrevocably forfeit any further recovery from the Net Settlement Fund.
- (d) Consistent with the Court-approved Plan of Allocation, after JND has made reasonable and diligent efforts to have Authorized Claimants cash their Initial Distribution checks, which efforts shall consist of the follow-up efforts described above, but not earlier than seven (7) months after the Initial Distribution, JND will, after consulting with Lead Counsel, conduct a second distribution of the Net Settlement Fund (“Second Distribution”). *See Notice* ¶ 90. Any amounts remaining in the Net Settlement Fund after the Initial Distribution, including from the Reserve and the funds allocated for all void stale-dated checks, after deducting JND’s unpaid fees and expenses incurred in connection with

administering the Settlement, including JND's estimated costs of the Second Distribution, and after deducting the payment of any estimated taxes, the costs of preparing appropriate tax returns, any escrow fees, and appropriate reserves, will be distributed to all Authorized Claimants in the Initial Distribution (other than Claims Paid in Full) who cashed their distribution checks and who would receive at least \$10.00 in the Second Distribution based on their *pro rata* share of the remaining funds. *See id.* Additional distributions, after deduction of costs and expenses as described above and subject to the same conditions, may occur thereafter at six-month intervals until Lead Counsel, in consultation with JND, determine that further distribution is not cost-effective. *See id.*

- (e) At such time as Lead Counsel, in consultation with JND, determine that further distribution of the funds remaining in the Net Settlement Fund is not cost-effective, if sufficient funds remain to warrant the processing of Claims received after January 16, 2025, those Claims will be processed, and any otherwise valid Claims received after January 16, 2025, as well as any earlier-received Claims for which an adjustment was received after January 16, 2025, that resulted in an increased Recognized Claim, will be paid in accordance with subparagraph (f) below. If any funds remain in the Net Settlement Fund after payment of these late or late-adjusted Claims, the remaining balance of the Net Settlement Fund, after payment of any unpaid fees or expenses incurred in connection with administering the Settlement and after the payment of any estimated taxes, the costs of

preparing appropriate tax returns, and any escrow fees, will be contributed to the National Consumer Law Center (“NCLC”), a non-sectarian, not-for-profit 501(c)(3) organization. *See id.*

- (f) No new Claims may be accepted after January 16, 2025, and no further adjustments to Claims received on or before January 16, 2025, that would result in an increased Recognized Claim may be made for any reason after January 16, 2025, subject to the following exception. If Claims are received or modified after January 16, 2025, that would have been eligible for payment or additional payment under the Plan of Allocation if timely received, then at the time that Lead Counsel, in consultation with JND, determine that an additional distribution is not cost-effective as provided in subparagraph (e) above, and after payment of any unpaid fees or expenses incurred in connection with administering the Settlement and after deducting the payment of any estimated taxes, the costs of preparing appropriate tax returns, and any escrow fees, such Claimants, at the discretion of Lead Counsel and to the extent possible, may be paid their distribution amounts or additional distribution amounts on a *pro rata* basis that would bring them into parity with other Authorized Claimants who have cashed all their prior distribution checks.
- (g) Unless otherwise ordered by the Court, JND may destroy the paper copies of the Claims and all supporting documentation one (1) year after the Initial Distribution, and one (1) year after all funds have been distributed may destroy the electronic copies of the same.

CONCLUSION

46. JND respectfully requests that the Court enter the Class Distribution Order approving its administrative determinations accepting and rejecting the Claims submitted herein and approving the proposed Distribution Plan. JND further respectfully submits that its unpaid fees and expenses and its fees and expenses expected to be incurred in connection with the Initial Distribution, as reflected on the invoices attached hereto as Exhibit H, should be approved for payment from the Settlement Fund.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge.

Executed on January 27, 2025



LUIGGY SEGURA

EXHIBIT D
DISPUTED
CLAIMS

SECTION I: Claims Determined Not to Have a Recognized Claim		
A. All Shares Sold Before the Initial Corrective Disclosure (Notice ¶¶ 70, 72(A))		
Disputed Claim No.	Claim Number	Claim Determination
1	P52MVHL9GE	<p><u>Reason for Rejection:</u> <i>Claim Does not Calculate to a Recognized Loss under the Plan of Allocation</i></p> <p>The Claimant purchased and sold their shares of Kraft Heinz common stock prior to the first corrective disclosure.</p> <p><u>Explanation:</u> Disputing Claimant No. 1 submitted a timely Claim with supporting documentation showing one purchase of 113 shares of Kraft Heinz common stock during the Class Period on October 3, 2016 with a purchase price of \$88.85 per share. These shares were sold on September 4, 2018, for the price of \$58.45 per share. No additional transactions were made during the relevant period.</p> <p>As set forth in the Plan of Allocation, “a Settlement Class Member must have held Kraft Heinz common stock or call options purchased or acquired during the Class Period over at least one of the days when corrective information was released to the market.” Notice ¶ 70. Additionally, “[f]or each share of Kraft Heinz common stock purchased or otherwise acquired during the period from November 6, 2015 through the close of trading on August 7, 2019, and...[s]old before November 2, 2018, the Recognized Loss Amount will be \$0.00.” Notice ¶ 72(A). Specifically, the Claimant purchased and sold all their shares prior to November 2, 2018.</p> <p>On or about March 7, 2024, JND mailed a Deficiency Notice to the Claimant advising that the Claim did not calculate to a Recognized Claim under the Court-approved Plan of Allocation. On March 16, 2024, JND received an email from the Claimant with an attached letter requesting Court review of JND’s determination as well as a copy of the Claimant’s online Claim Form and additional documentation showing the transactions previously stated. On March 25, 2024, JND received another letter from the Claimant with the same information as the previous communication on March 16, 2024.</p>

		<p>On March 28, 2024, JND called and emailed the Claimant to explain the Plan of Allocation and ultimate determination of the Claim. During the call, the Claimant stated they wished to continue their request for Court review.</p> <p>JND has carefully evaluated Disputing Claimant No. 1’s Claim and request for Court review. JND recommends that Claim Number P52MVHL9GE be rejected as it does not calculate to a Recognized Claim pursuant to the Court-approved Plan of Allocation as set forth above.</p> <p><u>Transaction History:</u></p> <table border="1" data-bbox="590 527 1297 711"> <thead> <tr> <th>Transaction Type</th> <th>Trade Date</th> <th>Number of Shares</th> <th>Price Per Share</th> <th>Total Price</th> </tr> </thead> <tbody> <tr> <td>Purchase</td> <td>10/3/2016</td> <td>113</td> <td>\$88.85</td> <td>\$10,040.05</td> </tr> <tr> <td>Sale</td> <td>9/4/2018</td> <td>113</td> <td>\$58.45</td> <td>\$6,604.85</td> </tr> </tbody> </table>	Transaction Type	Trade Date	Number of Shares	Price Per Share	Total Price	Purchase	10/3/2016	113	\$88.85	\$10,040.05	Sale	9/4/2018	113	\$58.45	\$6,604.85
Transaction Type	Trade Date	Number of Shares	Price Per Share	Total Price													
Purchase	10/3/2016	113	\$88.85	\$10,040.05													
Sale	9/4/2018	113	\$58.45	\$6,604.85													
2	PB3AVWE6S2	<p><u>Reason for Rejection:</u> <i>Claim Does not Calculate to a Recognized Loss under the Plan of Allocation</i></p> <p>The Claimant purchased and sold their shares of Kraft Heinz common stock prior to the first corrective disclosure.</p> <p><u>Explanation:</u> Disputing Claimant No. 2 submitted a timely Claim with supporting documentation for five purchases of Kraft Heinz common stock from March 13, 2017 through December 19, 2017, including: 233 shares with a purchase price of \$91.32, 48 shares with a purchase price of \$92.81, 30 shares with a purchase price of \$91.41, 44 shares with a purchase price of \$88.27, and 55 shares with a purchase price of \$78.67. In addition, the Claimant indicated two sales of Kraft Heinz common stock, including: 215 shares sold on April 12, 2018 with a sale price of \$55.58 and 209 shares sold on September 26, 2018 with a sale price of \$61.03. According to the information provided in the Claim, the Claimant sold 14 more shares than they had purchased. The share discrepancy is immaterial as the Claim still would not calculate to a Recognized Claim.</p> <p>As set forth in the Plan of Allocation, “a Settlement Class Member must have held Kraft Heinz common stock or call options purchased or acquired during the Class Period over at least one of the days when corrective information was released to the market.” Notice ¶ 70. Additionally, “[f]or each share of Kraft Heinz common stock purchased or otherwise acquired during the period from November 6, 2015 through the close of trading on August 7, 2019, and... [s]old before November 2, 2018, the Recognized Loss Amount will be \$0.00.” Notice ¶ 72(A). Specifically, the Claimant purchased and sold all their shares prior to November 2, 2018.</p>															

On or about March 7, 2024, JND mailed a Deficiency Notice to the Claimant advising that the Claim did not calculate to a Recognized Claim under the Court-approved Plan of Allocation. On March 28, 2024, JND received a mailed response from the Claimant requesting Court review of JND’s determination as well as providing documentation of the transactions listed previously. On April 10, 2024, and April 17, 2024, JND attempted to reach the Claimant by phone to explain the Plan of Allocation and ultimate determination of the Claim. On April 19, 2024, the Claimant confirmed on the phone that they wanted to maintain their Court review request and asked for the Notice to be sent via email. As requested, JND provided the Notice via email and, to date, no further communication has taken place.

JND has carefully evaluated Disputing Claimant No. 2’s Claim and request for Court review. JND recommends that Claim Number PB3AVWE6S2 be rejected as it does not calculate to a Recognized Claim pursuant to the Court-approved Plan of Allocation as set forth above.

Transaction History:

Transaction Type	Trade Date	Number of Shares	Price Per Share	Total Price
Purchase	3/13/2017	233	\$91.3245	\$21,278.61
Purchase	3/17/2017	48	\$92.817	\$4,455.22
Purchase	4/17/2017	30	\$91.4199	\$2,742.60
Purchase	6/27/2017	44	\$88.2736	\$3,884.04
Purchase	12/19/2017	55	\$78.67	\$4,327.13
Sale	4/12/2018	209	\$61.0332	\$12,755.94
Sale	9/26/2018	215	\$55.5815	\$11,950.02

SECTION I: Claims Determined Not to Have a Recognized Claim		
B. All Shares Purchased and Sold Within the Same Disclosure Period (Notice ¶¶ 70, 72(B), Table A)		
Disputed Claim No.	Claim Number	Claim Determination
3	PG6S4BQ9KT	<p><u>Reason for Rejection:</u> <i>Claim Does not Calculate to a Recognized Loss under the Plan of Allocation</i></p> <p>The Claimant purchased and sold their shares of Kraft Heinz common stock during the same Disclosure/Estimated Artificial Inflation period.</p> <p><u>Explanation:</u> Disputing Claimant No. 3 submitted a timely Claim with supporting documentation for a total of 13,500 shares of Kraft Heinz common stock purchased and sold between February 22, 2019 and March 13, 2019.</p> <p>As set forth in the Plan of Allocation, “a Settlement Class Member must have held Kraft Heinz common stock or call options purchased or acquired during the Class Period over at least one of the days when corrective information was released to the market.” Notice ¶ 70. Additionally, “[f]or each share of Kraft Heinz common stock purchased or otherwise acquired during the period from November 6, 2015 through the close of trading on August 7, 2019, and...[s]old from November 2, 2018 through the close of trading on August 7, 2019, the Recognized Loss Amount will be the <i>lesser of</i>: (i) the amount of artificial inflation per share on the date of purchase/acquisition as stated in Table A below <i>minus</i> the amount of artificial inflation per share on the date of sale as stated in Table A; or (ii) the purchase/acquisition price <i>minus</i> the sale price.” Notice ¶ 72(B). Specifically, all of Claimant’s purchases and sales included in their Claim occurred between February 22, 2019 and March 13, 2019 – i.e., during the same estimated artificial inflation period in Table A of the Plan of Allocation. Therefore, the artificial inflation on the date of purchase and the artificial inflation on the date of sale was the same (\$4.04) for each of these transactions, <i>see</i> Notice Table A, and the Recognized Loss Amount for each transaction was zero under Notice ¶ 72(B)(i).</p> <p>On or about February 16, 2024, the Claimant called JND to inquire about the status of their Claim. On or about March 20, 2024, JND advised the Claimant via email that the Claim did not calculate to a Recognized Claim under the Court-approved Plan of Allocation. On March 25, 2024 and August 7, 2024, the Claimant sent emails to JND expressing his dissatisfaction with the resolution of his Claim. Between February 16, 2024 and August 8, 2024, JND and Class Counsel emailed and called the Claimant several times to explain the calculation of the Claim and the overall determination.</p>

JND has carefully evaluated Disputing Claimant No. 3's Claim and request for Court review. JND recommends that Claim Number PG6S4BQ9KT be rejected as it does not calculate to a Recognized Claim pursuant to the Court-approved Plan of Allocation for the reasons set forth above.

Transaction History:

Transaction Type	Trade Date	Number of Shares	Price Per Share	Total Price ¹
Purchase	2/28/2019	310	\$36.81	\$11,412.43
Purchase	3/5/2019	190	\$33.89	\$6,439.70
Purchase	3/5/2019	500	\$36.03	\$18,014.94
Purchase	2/28/2019	310	\$37.40	\$11,593.16
Purchase	3/3/2019	190	\$35.93	\$6,827.01
Purchase	3/2/2019	500	\$36.24	\$18,120.53
Purchase	2/27/2019	500	\$36.72	\$18,360.41
Purchase	2/26/2019	500	\$36.82	\$18,410.71
Purchase	2/26/2019	139	\$37.06	\$5,151.15
Purchase	3/3/2019	361	\$33.63	\$12,139.67
Purchase	2/25/2019	450	\$36.26	\$16,317.14
Purchase	2/25/2019	50	\$36.42	\$1,821.07
Purchase	2/25/2019	1,000	\$37.13	\$37,129.09
Purchase	2/22/2019	329	\$37.58	\$12,364.69
Purchase	2/25/2019	166	\$35.35	\$5,867.69
Purchase	2/25/2019	505	\$34.86	\$17,601.75
Purchase	2/25/2019	1,000	\$35.33	\$35,328.96
Purchase	2/22/2019	500	\$35.67	\$17,836.30
Purchase	2/22/2019	19	\$35.75	\$679.21
Purchase	2/25/2019	481	\$34.64	\$16,661.79
Purchase	2/22/2019	500	\$34.83	\$17,412.55
Purchase	2/22/2019	704	\$35.11	\$24,717.04

¹ The total price as reflected in the documentation submitted by Disputing Claimant No. 3 may deviate slightly from the Price Per Share multiplied by the Number of Shares due to rounding the Price Per Share and initial Total Price figures, to two decimal places.

		Purchase	2/22/2019	296	\$34.65	\$10,256.47
		Purchase	2/22/2019	296	\$35.32	\$10,454.59
		Purchase	2/22/2019	204	\$34.89	\$7,117.56
		Purchase	2/22/2019	204	\$35.35	\$7,211.31
		Purchase	2/22/2019	296	\$34.92	\$10,336.32
		Purchase	2/22/2019	500	\$35.62	\$17,811.44
		Purchase	2/22/2019	500	\$35.79	\$17,892.74
		Purchase	2/22/2019	500	\$35.06	\$17,530.07
		Purchase	2/22/2019	500	\$35.46	\$17,732.48
		Purchase	2/22/2019	500	\$35.19	\$17,595.00
		Purchase	2/22/2019	500	\$35.01	\$17,505.00
		Sale	3/13/2019	310	\$32.21	\$9,983.95
		Sale	3/13/2019	190	\$32.21	\$6,119.20
		Sale	3/13/2019	500	\$32.21	\$16,103.13
		Sale	3/13/2019	310	\$32.21	\$9,983.95
		Sale	3/13/2019	190	\$32.21	\$6,119.19
		Sale	3/12/2019	500	\$31.97	\$15,987.32
		Sale	3/12/2019	500	\$31.97	\$15,987.31
		Sale	3/11/2019	500	\$31.79	\$15,897.31
		Sale	3/11/2019	139	\$31.79	\$4,419.46
		Sale	3/11/2019	361	\$31.79	\$11,477.86
		Sale	3/7/2019	450	\$32.28	\$14,527.15
		Sale	3/7/2019	50	\$32.28	\$1,614.13
		Sale	3/7/2019	1,000	\$32.28	\$32,282.58
		Sale	3/7/2019	329	\$32.28	\$10,620.97
		Sale	3/5/2019	166	\$32.97	\$5,473.19
		Sale	3/5/2019	505	\$32.97	\$16,650.38
		Sale	3/5/2019	1,000	\$32.97	\$32,971.02
		Sale	3/5/2019	500	\$32.97	\$16,485.51
		Sale	3/5/2019	19	\$32.97	\$626.45
		Sale	2/25/2019	481	\$34.15	\$16,424.85
		Sale	2/25/2019	500	\$34.15	\$17,073.65
		Sale	2/25/2019	704	\$34.15	\$24,039.70
		Sale	2/25/2019	296	\$34.74	\$10,284.39
		Sale	2/25/2019	296	\$34.74	\$10,284.40

		Sale	2/25/2019	204	\$34.74	\$7,087.90	
		Sale	2/25/2019	204	\$34.74	\$7,087.90	
		Sale	2/25/2019	296	\$35.19	\$10,417.22	
		Sale	2/25/2019	500	\$35.19	\$17,596.66	
		Sale	2/25/2019	500	\$35.17	\$17,584.30	
		Sale	2/25/2019	500	\$35.17	\$17,584.29	
		Sale	2/25/2019	500	\$34.74	\$17,369.82	
		Sale	2/25/2019	500	\$34.74	\$17,369.82	
		Sale	2/22/2019	500	\$35.24	\$17,619.82	

SECTION II: Deficient Claim Never Cured

A. Claimant Did Not Confirm Purchases/Acquisitions of Kraft Heinz Securities During the Class Period (Notice ¶ 71)

Disputed Claim No.	Claim Number	Claim Determination
4	DKGDT5REZF	<p><u>Reason for Rejection:</u> <i>Deficient Claim Never Cured</i></p> <p>The Claimant did not provide evidence of any purchase of Kraft Heinz common stock, purchase of Kraft Heinz call option contracts, or sale of Kraft Heinz put option contracts during the Class Period.</p> <p><u>Explanation:</u> Disputing Claimant No. 4 submitted a timely Claim with supporting documentation showing a transfer in of 200 shares of Kraft Heinz common stock during the Class Period. These shares were sold on February 19, 2016, for the price of \$73.17 per share. No additional transactions were provided during the relevant period.</p> <p>As set forth in the Plan of Allocation, a “Recognized Loss Amount’ will be calculated for each purchase or acquisition of Kraft Heinz common stock and call option and each sale (writing) of Kraft Heinz put options during the Class Period that is listed on the Claim Form and for which adequate documentation is provided.” Notice ¶ 71. Pursuant to the Plan of Allocation, the Claimant did not provide the relevant information needed to calculate their Recognized Loss Amount.</p> <p>Specifically, the Claimant did not provide documentation showing an actual purchase or acquisition of Kraft Heinz common stock during the Class Period. The “transfer in” or “free delivery” of shares during the Class Period is not an eligible acquisition under the Plan. <i>See</i> Notice ¶ 81 (“The receipt or grant by gift, inheritance, or operation of law of Kraft Heinz Securities during the Class Period shall not be deemed a purchase, acquisition, or sale of such Kraft Heinz Securities for the calculation of a Claimant’s Recognized Loss Amount, . . . unless [among other things] (i) the donor or decedent purchased or otherwise acquired or sold such Kraft Heinz Securities during the Class Period”).</p> <p>On or about March 7, 2024, JND mailed a Deficiency Notice to the Claimant advising that the Claim did not balance and could not be calculated under the Court-approved Plan of Allocation. On March 15, 2024, JND received a written response from the Claimant requesting a review of JND’s determination as well as providing documentation of the sale listed previously.</p>

		<p>Between April 4, 2024, and May 7, 2024, JND made additional attempts to reach the Claimant by phone, and left several voicemails, to further discuss the determination. To date, the Claimant has not responded to JND’s additional attempts to contact them.</p> <p>JND has carefully evaluated Disputing Claimant No. 4’s Claim and request for Court review. JND recommends that Claim Number DKGDT5REZF be rejected because the Claimant did not confirm that it had any eligible purchase or acquisition transaction during the Class Period.</p> <p><u>Transaction History:</u></p> <table border="1" data-bbox="596 527 1304 837"> <thead> <tr> <th>Transaction Type</th> <th>Trade Date</th> <th>Number of Shares</th> <th>Price Per Share</th> <th>Total Price</th> </tr> </thead> <tbody> <tr> <td>Beginning</td> <td></td> <td>0</td> <td></td> <td></td> </tr> <tr> <td>Transfer In</td> <td>2/19/2016</td> <td>200</td> <td>\$0.00</td> <td>\$0.00</td> </tr> <tr> <td>Sale</td> <td>2/19/2016</td> <td>200</td> <td>\$73.17</td> <td>\$14,634.00</td> </tr> <tr> <td>Lookback</td> <td></td> <td>0</td> <td></td> <td></td> </tr> <tr> <td>Ending</td> <td></td> <td>0</td> <td></td> <td></td> </tr> </tbody> </table>	Transaction Type	Trade Date	Number of Shares	Price Per Share	Total Price	Beginning		0			Transfer In	2/19/2016	200	\$0.00	\$0.00	Sale	2/19/2016	200	\$73.17	\$14,634.00	Lookback		0			Ending		0		
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Beginning		0																														
Transfer In	2/19/2016	200	\$0.00	\$0.00																												
Sale	2/19/2016	200	\$73.17	\$14,634.00																												
Lookback		0																														
Ending		0																														
5	D63DUSXMGV	<p><u>Reason for Rejection:</u> <i>Deficient Claim Never Cured</i></p> <p>The Claimant did not provide evidence of any purchase of Kraft Heinz common stock, purchase of Kraft Heinz call option contracts, or sale of Kraft Heinz put option contracts during the Class Period.</p> <p><u>Explanation:</u> Disputing Claimant No. 5 submitted a timely Claim with supporting documentation showing a transfer in of 200 shares of Kraft Heinz common stock during the Class Period. These shares were sold on February 19, 2016, for the price of \$73.17 per share. No additional transactions were provided during the relevant period. Secondly, this Claim appears to be duplicative of Claim DKGDT5REZF, which was submitted by the same Claimant.</p> <p>As set forth in the Plan of Allocation, a “Recognized Loss Amount’ will be calculated for each purchase or acquisition of Kraft Heinz common stock and call option and each sale (writing) of Kraft Heinz put options during the Class Period that is listed on the Claim Form and for which adequate documentation is provided.” Notice ¶ 71. Pursuant to the Plan, the Claimant did not provide the relevant information needed to calculate their Recognized Loss Amount.</p>																														

Specifically, the Claimant did not provide documentation showing an actual purchase or acquisition of Kraft Heinz common stock during the Class Period. The “transfer in” or “free delivery” of shares during the Class Period is not an eligible acquisition under the Plan. *See* Notice ¶ 81 (“The receipt or grant by gift, inheritance, or operation of law of Kraft Heinz Securities during the Class Period shall not be deemed a purchase, acquisition, or sale of such Kraft Heinz Securities for the calculation of a Claimant’s Recognized Loss Amount,...unless [among other things] (i) the donor or decedent purchased or otherwise acquired or sold such Kraft Heinz Securities during the Class Period”).

On March 7, 2024, JND mailed a Deficiency Notice to the Claimant advising that the Claim did not balance and could not be calculated under the Court-approved Plan of Allocation. On March 15, 2024, JND received a written response from the Claimant requesting a review of JND’s determination for Disputing Claim No. 4 and No. 5 (since both Claims are for the same Claimant) as well as providing documentation of the sale listed previously. Between April 4, 2024, and May 7, 2024, JND made additional attempts to reach the Claimant by phone, and left several voicemails, to further discuss the determination. To date, the Claimant has not responded to JND’s additional attempts to contact them.

JND has carefully evaluated Disputing Claimant No. 5’s Claim and request for Court review. JND recommends that Claim Number D63DUSXMGV be rejected because the Claimant did not confirm that it had any eligible purchase or acquisition transaction during the Class Period.

Transaction History:

Transaction Type	Trade Date	Number of Shares	Price Per Share	Total Price
Beginning		0		
Transfer In	2/19/2016	200	\$0.00	\$0.00
Sale	2/19/2016	200	\$73.17	\$14,634.00
Lookback		0		
Ending		0		