UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In Re: CANNTRUST HOLDINGS INC. SECURITIES LITIGATION	No. 1:19-cv-06396-JPO Judge J. Paul Oetken

DECLARATION OF JAMES W. JOHNSON IN SUPPORT OF LEAD PLAINTIFFS' MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENTS AND ALLOCATION AND DISTRIBUTION SCHEME

I, JAMES W. JOHNSON, declare as follows, pursuant to 28 U.S.C. §1746:

1. I am a member of the law firm of Labaton Sucharow LLP and am admitted to practice before this Court. Labaton Sucharow serves as Court-appointed Lead Counsel for Lead Plaintiffs Granite Point Master Fund, LP and Granite Point Capital Scorpion Focused Ideas Fund (collectively, "Lead Plaintiffs," "U.S. Class Action Lead Plaintiffs," or "Granite Point") and the proposed class in the above-captioned class action (the "U.S. Class Action" or "Action"). I have been actively involved in prosecuting and resolving the Action, am familiar with its proceedings, and have personal knowledge of the matters set forth herein based upon my supervision and participation in all material aspects of the Action.

2. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, I submit this declaration in support of Lead Plaintiffs' Motion for Final Approval of Class Action Settlements and Allocation and Distribution Scheme. The motion has the full support of Lead Plaintiffs. *See* Declaration of C. David Bushley on behalf of Granite Point, dated October 20, 2021, attached hereto as Exhibit 1.[1]

3. After extensive negotiations over the course of many months and under the auspices of a mediator appointed by the Ontario Superior Court of Justice (Commercial List) (the "Canadian Court"), defendant CannTrust Holdings Inc. ("CannTrust") and the majority of the defendants in this Action have reached a global resolution of the claims asserted against them in this case, as well as actions pending in Canada and California (the "Actions").[2] The proposed

[1] Citations to "Exhibit" or "Ex.___" herein refer to exhibits to this Declaration. For clarity, citations to exhibits that have attached exhibits will be referenced as "Ex. __-__." The first numerical reference is to the designation of the entire exhibit attached hereto and the second alphabetical reference is to the exhibit designation within the exhibit itself.

[2] The Settlements involve all defendants in this U.S. Class Action, except for KPMG LLP. Defendants CannTrust; Cannamed Financial Corp.; Cajun Capital Corporation; Mark Dawber; Greg Guyatt; John Kaden; Robert Marcovitch; Shawna Page; Mitchell Sanders; Eric Paul; Mark

Settlements, *see* §IV below, will be implemented pursuant to CannTrust's Fourth Amended & Restated Plan of Compromise, Arrangement and Reorganization, as amended and restated from time to time (the "CCAA Plan"), under Canada's Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended, which was approved by the Canadian Court by a "sanction order" entered on July 16, 2021 (the "CCAA Sanction Order").

4. The primary terms of the Settlements are set forth in the CCAA Plan, the Restructuring Support Agreement, effective as of January 19, 2021 (as amended from time to time, the "RSA"),[3] and the minutes of settlement with the other settling parties, previously filed with the Court. *See* ECF Nos. 150-3 to 150-12; *see also* Exhibit 2, attached hereto, for a list of the agreements.

I. PRELIMINARY STATEMENT

5. The CCAA Plan, and the proposed Settlements reached to date to be implemented through the CCAA Plan, will create, among other things, a Class Compensation Fund for eligible investors in the amount of approximately C$83,000,000, before the deduction of approved fees, expenses, taxes, and set-offs required by the Settlements.[4] The Class Compensation Fund will be administered by a Securities Claimant Trust for the benefit of Securities Claimants both within

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Ian Litwin; Ian Abramowitz; Peter Aceto; Canaccord Genuity LLC; Citigroup Global Markets Inc.; Credit Suisse Securities (USA) LLC; Jefferies LLC; Merrill Lynch, Pierce, Fenner & Smith Incorporated; and RBC Dominion Securities Inc. are collectively the "Settling Defendants," for purposes of this motion. U.S. Class Action Lead Plaintiffs and the Settling Defendants are collectively referred to as the "Settling Parties."

[3] All capitalized terms not defined herein have the same meanings as defined in the CCAA Plan (ECF No. 150-3), the RSA (ECF No. 150-4), the Order preliminarily approving the Settlements (the "Preliminary Approval Order") (ECF No. 153), or the proposed Allocation and Distribution Scheme governing the calculation of investors' claims ("A&DS") (ECF No. 150-5).

[4] For informational purposes, at the time the Settlements were reached (January 19, 2021 to May 24, 2021), the C$/US$ exchange rate ranged from C$1.20 to C$1.28 per US$1.00 with an average of C$1.25 per US$1.00. Accordingly, at the time of the Settlements, C$83,000,000 was equivalent to approximately US$66,400,000.

and outside the United States. Any additional settlements and recoveries obtained through ongoing claims against non-Settlement Parties will also be administered by the Securities Claimant Trust.

6. As detailed herein, Lead Plaintiffs and Lead Counsel respectfully submit that the Settlement represents a very favorable result in light of the significant risks of continuing to litigate the Action. Lead Plaintiffs and Lead Counsel are well-informed of the strengths and weaknesses of the claims being settled. In agreeing to settle, Lead Plaintiffs and Lead Counsel took into consideration, principally, CannTrust's ability to satisfy a judgment, other defendants' abilities to pay, as well as the duration and complexity of the legal proceedings that remained ahead. As discussed below, had the Settlements not been reached, there were considerable barriers to a greater recovery, or any recovery at all.

7. In contrast with the above challenges, the Settlements, in the aggregate, are well above industry trends. The C$83,000,000 recovery, equivalent to approximately US$66,400,000, is significantly above the median settlement amount of $9 million for securities class actions between 1996 and 2019, is higher than the median recovery in 2020 of $10.1 million, and is well-above the $9.4 million median recovery within the 2nd Circuit from 2011-2020. *See*, Laarni T. Bulan and Laura E. Simmons, Securities Class Action Settlements – 2020 Review and Analysis, at 1 and 20 (Cornerstone Research 2021), Ex. 3. Thus, compared to other similarly situated cases in 2020, and during the span of the PSLRA, the Settlements are a very favorable outcome for the U.S. Settlement Class.

8. Moreover, based on the allegations in this case, Lead Plaintiffs' consulting damages expert, Dr. Surana, has estimated maximum aggregate damages to Securities Claimants of approximately C$510 million. Of those damages, approximately C$48 million are attributable

to the Offering claims, and C$461.5 million are attributable to secondary market claims. Using these estimates, the Settlements represent approximately 16% of maximum damages, an amount that compares very favorably to recoveries in other securities class actions.

9. In addition to seeking approval of the Settlements, in relation to the U.S. Class Action, and certification of the U.S. Settlement Class for purposes of the Settlements, Lead Plaintiffs seek approval of the proposed allocation plan governing the calculation of claims and the distribution of the settlement proceeds. As discussed below, the proposed Allocation and Distribution Scheme ("A&DS") was developed with the assistance of Lead Plaintiffs' damages expert, and provides for the distribution of the Class Compensation Fund to claimants who submit Claim Forms that are approved for payment on a *pro rata* basis based on their losses attributable to the alleged wrongdoing.

10. It is respectfully submitted that the proposed Settlements, and the allocation plan, as they relate to this U.S. Class Action, are eminently fair, reasonable, and adequate and should be preliminarily approved by the Court.

II. HISTORY OF THE U.S. CLASS ACTION

A. Appointment of Lead Plaintiffs and Lead Counsel and the Complaint

11. During the Class Period, CannTrust was a publicly traded company and its shares primarily traded on the Toronto Stock Exchange ("TSX") and on the New York Stock Exchange ("NYSE"). (Its shares currently trade on the OTC Market.) Its share price declined following the announcement by CannTrust on July 8, 2019 that it had received a compliance report from Health Canada notifying it that its greenhouse facility in Pelham, Ontario was non-compliant with certain regulations as a result of observations by the regulator regarding the growing of cannabis in five unlicensed rooms and inaccurate information provided to the regulator by CannTrust employees. Class actions in Canada and the United States were commenced against,

among others, CannTrust, certain of its directors and officers, the underwriters of its May 2019 secondary share offering ("Offering Shares"), and its auditors, KPMG LLP.

12. Following CannTrust's disclosures on July 8, 2019, several class actions were commenced in Ontario making substantially similar allegations on behalf of CannTrust shareholders. By Order dated January 28, 2020, carriage of the CannTrust securities class actions was granted to Ontario Class Action Counsel and all other proposed class actions in Ontario relating to the same subject matter were stayed. Proposed class actions were also commenced in British Columbia, Alberta and Québec. Several individual actions were also filed in Canada.

13. On July 10, 2019, a class action complaint was filed in this Court under the caption *Huang v. CannTrust Holdings Inc., et al.*, No. 19-cv-06396-JPO. ECF No. 1. Three other class action complaints were subsequently filed setting forth substantially the same allegations against CannTrust and its officers and directors: *Alvarado v. CannTrust Holdings, Inc., et al.*, No. 19-cv-6438; *Jones v. CannTrust Holdings, Inc., et al.*, No. 19-cv-6883; and *Justiss v. CannTrust Holdings, Inc., et al.*, No. 19-cv-7164 (JPO).

14. By Order dated April 16, 2020, this Court ordered that the cases be consolidated and recaptioned as *In re CannTrust Holdings Inc. Securities Litigation,* Civil Action No. 1:19-cv-06396-JPO; appointed Granite Point Master Fund, LP and Granite Point Capital Scorpion Focused Ideas Fund as lead plaintiffs; and appointed Labaton Sucharow LLP as lead counsel for a proposed U.S. class. ECF No. 80.

15. On June 26, 2020, Lead Plaintiffs filed and served their Consolidated Class Action Complaint (the "Complaint"). ECF No. 89. The Complaint asserts claims under Section 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act allegations") against CannTrust; CannTrust's auditor, KPMG LLP; and several of CannTrust's senior executives and

directors: former Chief Executive Officer Peter Aceto, former Chief Financial Officer and current CEO Greg Guyatt, former CFO Ian Abramowitz, former President and Chief Operating Officer Brad Rogers, former Chairman of the Board and CEO Eric Paul, and members of CannTrust's Board of Directors: Mark E. Dawber, Mitchell J. Sanders, John T. Kaden, Mark I. Litwin, Shawna Page, and Robert F. Marcovitch. The Complaint separately asserts claims under Sections 11, 12(a)(2) and 15 of the Securities Act of 1933 (the "Securities Act allegations") against Defendants: CannTrust, KPMG, Paul, Aceto, Guyatt, Litwin, Sanders, Marcovitch, Dawber, Page, Kaden, as well as against Merrill Lynch, Pierce, Fenner & Smith Inc., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Jefferies LLC, RBC Dominion Securities Inc., Canaccord Genuity LLC, Cannamed Financial Corp., and Cajun Capital Corporation.

16. Among other things, the Complaint alleges that Defendants made materially false and misleading statements and omissions concerning CannTrust's compliance with relevant cannabis regulations and an alleged scheme to increase the Company's cannabis production. The Complaint's Exchange Act allegations allege that the price of CannTrust publicly traded common stock was artificially inflated as a result of Defendants' allegedly false and misleading statements, and declined when the truth was allegedly revealed from July 8, 2019 through September 17, 2019. The Complaint's Securities Act allegations allege that the Company's registration statement and related documents incorporated therein (the "Offering Documents") issued in connection with the Company's Offering Shares contained materially false and misleading statements, allegedly injuring investors when the truth was revealed.

17. As set forth below, in preparation for filing the Complaint, Lead Counsel thoroughly investigated the claims in the Action, including conducting interviews with numerous

former employees of CannTrust, and an extensive review of filings with the U.S. Securities and Exchange Commission ("SEC"), Canada's System for Electronic Document Analysis and Retrieval ("SEDAR"), news reports, press releases, transcripts, videos, social media posts, and analyst reports concerning the Company and its purported compliance with relevant Canadian cannabis regulations.

18. While Lead Plaintiffs were preparing the Complaint to be filed, CannTrust, Lead Plaintiffs and the Ontario Class Action Lead Plaintiffs began to explore the possibility of a resolution of the claims and to discuss the parameters for an early mediation, given the financial situation of the Company. On May 6, 2020, the Canadian Court overseeing CannTrust's CCAA Proceeding issued a Mediation Order and appointed the Hon. Dennis O'Connor, Q.C. as the court-appointed Mediator to mediate a settlement of the claims against CannTrust pending in Canada.

19. On June 26, 2020 Lead Plaintiffs filed the Complaint. Around the time the Complaint was filed, Lead Plaintiffs agreed to participate voluntarily in the CCAA ordered mediation on behalf of U.S. investors. On July 6, 2020, the parties to the U.S. Class Action filed a letter and stipulation with the Court requesting that the Court stay the U.S. Class Action pending ongoing mediation in the CCAA Proceeding. ECF No. 126. On July 7, 2020, the Court entered a Stipulation and Order staying the U.S. Class Action until such time as (i) the court-appointed Mediator declared that the mediation process had concluded; or (ii) the Canadian Court lifted the stay of proceedings in Canada. ECF No. 127.

B. Lead Plaintiffs' Investigation of the Claims

20. After their appointment, Lead Plaintiffs, through Lead Counsel, continued their investigation into the claims for the purpose of drafting a comprehensive consolidated complaint that would survive the strictures of the PSLRA. During this process, Lead Counsel engaged in a thorough factual investigation that included, among other things, the review and analysis of:

(i) press releases, news articles, transcripts, and other public statements issued by or concerning CannTrust and the individual defendants; (ii) research reports issued by financial analysts concerning the cannabis industry and CannTrust's business; (iii) CannTrust's filings with the SEC and SEDAR; (iv) news articles, media reports, videos, social media posts and other publications concerning CannTrust, the cannabis industry and Canadian regulations; and (v) other publicly available information and data concerning CannTrust, its securities, and the markets therefor.

21. As part of their investigation and in furtherance of the allegations against Defendants, Lead Counsel consulted with experts in accounting and auditor/underwriter due diligence policies and procedures; located 51 potential witnesses with knowledge of the alleged events; conducted interviews with eight former employees of CannTrust and others with relevant knowledge; and reviewed a significant body of Canadian rules and regulations governing the growth, storage and sale of medicinal and recreational cannabis. Counsel also conferred with experts on the issues of damages and loss causation.

22. Lead Counsel also conducted an extensive review of publicly available information regarding the individual defendants' employment and compensation agreements throughout their tenure at the Company. Counsel analyzed the individual defendants' compensation utilizing data provided by Bloomberg and engaged in a comparative analysis of their CannTrust stock sales before and during the class period in order to support Lead Plaintiffs' allegations that the Company's executive officers had motive and opportunity to misrepresent CannTrust's regulatory compliance. Lead Counsel's review of these various sources of compensation information was fruitful, difficult and time consuming.

23. Lead Counsel also reviewed numerous research reports issued by financial analysts concerning the Company's business and operations, as well as transcripts of conference calls hosted by Defendants during which analysts asked relevant questions concerning the Company's operations, production capacity, and growth prospects. Counsel also reviewed numerous presentations and publications about the cannabis industry relating to Defendants, other cannabis companies in the U.S. and Canada, and regulatory agencies. These reports, conference calls, and publications provided invaluable insight into CannTrust's cannabis operations, production capacity, growth prospects and compliance with Canadian cannabis regulations.

24. In consultation with Lead Plaintiffs' consulting damages expert, Lead Counsel reviewed statistically significant stock price movements for an extended period both before and after the class period alleged in the initial complaint. Based on this review and the ongoing review of developments in the Action, Lead Counsel identified allegedly statistically significant stock price declines and related disclosures, which were included in the consolidated complaint as allegedly corrective disclosures.

25. On June 26, 2020, Lead Plaintiffs filed their 275 page Consolidated Class Action Complaint (ECF No. 89).

III. CCAA PROCEEDINGS AND MEDIATED SETTLEMENT NEGOTIATIONS

26. The proposed Settlements resulted from a thoughtful and demanding process.

27. On March 31, 2020, defendant CannTrust and certain other related parties commenced insolvency proceedings under the Companies' Creditors Arrangement Act in the Canadian Court, and obtained an order for a stay of proceedings against them, including stays of the Action.

28. On May 8, 2020, the Canadian Court appointed the Hon. Dennis O'Connor, Q.C. as a neutral third party to mediate a global settlement of the various actions and claims made against CannTrust and others (the "Mediation Process"). More than 80 attorneys, representing 30 separate parties, participated in the Mediation Process.

29. Lead Counsel and Ontario Class Action Counsel agreed to work together as a single negotiating unit (the "Coalition") to advance the interests of all Securities Claimants represented by them in the Mediation Process. On January 29, 2021, the Canadian Court issued an order (the "CCAA Representation Order") appointing the Ontario Class Action Lead Plaintiffs and Granite Point as CCAA Representatives and their counsel as CCAA Representative Counsel.

30. In tandem with the Mediation Process, Lead Counsel and Ontario Class Action Counsel conducted an extensive legal and factual investigation, which included: (i) reviewing CannTrust's public disclosure documents and other publicly available information regarding CannTrust; (ii) holding discussions with an alleged CannTrust whistleblower and obtaining relevant emails; (iii) retaining and communicating with private "fact" investigators; (iv) identifying and interviewing potential "fact" witnesses; (v) communicating, to date, with over 1,300 individual Securities Claimants; (vi) retaining a cannabis consultant to advise counsel; (vii) considering expert opinion regarding applicable accounting standards by Cyrus Khory, managing director at Froese Forensic Partners Ltd.; (viii) considering expert opinion regarding applicable auditing standards by Professor Efrim Boritz, Ph.D., FCPA, FCA, CISA; (ix) retaining James Miller to provide an expert opinion regarding applicable underwriting standards; (x) retaining Sunita Surana, Ph.D., of Forensic Economics to provide an expert economic opinion on market efficiency, materiality, and damages; and (xi) reviewing CannTrust's

responsive insurance policies and other non-public information provided to Lead Counsel and Ontario Class Action Counsel in the course of the Mediation Process.

31. Throughout the Mediation Process, the various constituencies prepared and exchanged detailed written submissions addressing liability and damages for the parties' and Mediator's review. The exchanges allowed each side to better understand the other's positions and provided Lead Plaintiffs with valuable insight into the risks of establishing Defendants' liability and the protracted process of seeking to do so.

32. Since the beginning of the Mediation Process, counsel for the plaintiffs in the Canadian Action and the Action, on behalf of all Securities Claimants, attended more than 20 formal mediation sessions with counsel to CannTrust, co-defendants, and/or insurers and participated in countless informal discussions with the Mediator, the CCAA Monitor, and other mediation participants. In January 2021, following protracted negotiations over six months, Class Action Counsel and CannTrust reached the framework reflected in the RSA. In the ten months since then, the RSA yielded seven additional settlements as more fully set forth in §IV, *infra*.

33. On April 16, 2021, CannTrust and certain other related entities filed a plan of compromise, arrangement, and reorganization pursuant to the CCAA (the CCAA Plan) in order to, among other things, implement the global resolution of the Actions, and address other claims against the CannTrust entities.

34. By Order dated July 16, 2021, the Canadian Court entered the CCAA Sanction Order, which, among other things, authorized the implementation of the proposed Settlements, approved the A&DS, and authorized the creation of the Securities Claimant Trust.

IV. TERMS OF THE SETTLEMENTS

35. Overall, in exchange for the releases and dismissals contemplated by the CCAA Plan and the Settlements, the Settling Defendants have agreed to, among other things, cause payments totaling approximately C$83,000,000, which, along with any interest earned, will be distributed after the deduction of court-awarded attorneys' fees and litigation expenses, taxes, notice and administration expenses and fees, ongoing litigation costs, and other fees and expenses allowed by the CCAA Plan and the A&DS, to U.S. Securities Claimants and Canadian and Non-U.S. Securities Claimants (collectively, "Securities Claimants") who submit valid and timely Claim Forms and are found to be eligible to receive a distribution from the Class Compensation Fund. Certain Settling Defendants have also agreed to assign claims that they have to the Securities Claimant Trust and/or to cooperate with Class Action Counsel so that the Class Action Lead Plaintiffs can pursue litigation against, or obtain settlements with, non-settling insurers and KPMG in Canada.

36. **The RSA --** The settlement reflected in the RSA is with CannTrust and the other CCAA applicants, Mark Dawber, Greg Guyatt, John Kaden, Robert Marcovitch, Shawna Page, Ilana Platt, Mitchell Sanders and Cajun Capital Corporation ("Original Settlement Parties"). *See* ECF No. 150-4. The RSA provided an orderly mechanism for the Class Action Lead Plaintiffs and Class Action Counsel, with the Original Settlement Parties' cooperation, to obtain additional settlements and provide releases to additional parties. In exchange for releases of liability:

(a) CannTrust will pay a Cash Contribution of C$50,000,000 to the Securities Claimant Trust;

(b) the Original Settlement Parties will assign their Assigned Claims, notably certain claims against KPMG, to the Securities Claimant Trust;

(c) CannTrust will provide information and cooperation to the Class Action Plaintiffs in the prosecution of the continuing litigation; and

(d) if the aggregate amount recovered by Securities Claimants and the Securities Claimant Trust from Additional Settlement Parties and Non-Settlement Parties, whether pursuant to settlements or continued litigation, exceeds C$250 million net of litigation fees and expenses, then CannTrust Holdings will be entitled to be repaid up to C$50 million in staged amounts from the Securities Claimant Trust (such staged amounts to be agreed upon at a future date).

37. KPMG was CannTrust's auditor during the period when defendants allegedly issued false and misleading financial statements. KPMG is a defendant in the Class Actions and faces statutory claims by shareholders. During the Mediation Process, Class Action Counsel determined, in their judgment, that CannTrust also may have a potentially valuable auditor's negligence claim against KPMG. Class Action Counsel believe that CannTrust has claims against KPMG in connection with its audit of CannTrust's 2018 annual financial statements and Q1 2019 review engagement. Pursuant to the CCAA Plan and CCAA Sanction Order, claims of this nature against KPMG that are not indemnity claims, contribution claims or other claims over will be assigned to the Securities Claimant Trust and will be litigated in Canada.

38. **Paul Settling Parties Settlement -** The settlement is with defendant Eric Paul and the Paul Family Trust and provides for payment of a Cash Contribution of C$12,000,000 and assignment of Paul's claims against his Insurer to the Securities Claimant Trust in exchange for releases of liability. *See* ECF No. 150-6. As a result of the settlement and the transfer of his Assigned Claims, Paul gave up his rights to insurance coverage that would respond to regulatory or criminal proceedings. Accordingly, the settlement provides that the Securities Claimant Trust

will reserve C$1 million in respect of legal costs to defend against any such proceedings provided such proceedings are instituted no later than July 25, 2025. Any funds remaining after the final disposition of such proceedings will revert back to the Securities Claimant Trust.

39. **The Underwriters Settlement -** The settlement is with defendant Canaccord Genuity LLC, Canaccord Genuity Corp., defendant Citigroup Global Markets Inc., Citigroup Global Markets Canada Inc., Credit Suisse Securities (Canada) Inc., defendant Credit Suisse Securities (USA) LLC, Jefferies Securities, Inc, defendant Jefferies LLC, Merrill Lynch Canada Inc., defendant Merrill Lynch, Pierce, Fenner & Smith Incorporated, and defendant RBC Dominion Securities Inc. and provides for a Cash Contribution of US$8,000,000 in exchange for releases of liability. *See* ECF No. 150-7.

40. **Litwin Group Settlement** - The settlement is with defendant Mark Ian Litwin, Fred Litwin, Stan Abramowitz, defendant Cannamed Financial Corp., Forum Financial Corporation, Mar-Risa Holdings Inc., York Capital Funding Inc., and Sutton Management Limited and provides for a Cash Contribution of C$11,000,000 in exchange for releases of liability. *See* ECF No. 150-8. Fred Litwin allegedly controlled Forum Financial Corporation, which was a significant shareholder of CannTrust. Fred Litwin is not a defendant to any of the Class Actions, however, he faces a claim by the Zola Plaintiffs for negligent misrepresentation in connection with a direct sale of 1,000,000 shares to them in September 2018.

41. **Abramowitz Settlement -** The settlement is with defendant Ian Abramowitz and provides that he will provide cooperation to the Class Action Lead Plaintiffs and assignment of his claims against his Insurer to the Securities Claimant Trust, excluding any claims, rights or entitlement that he may have to insurance coverage for criminal, regulatory or administrative proceedings, in exchange for releases of liability. *See* ECF No. 150-9. The settlement provides

that the Securities Claimant Trust will pay the costs of Abramowitz's legal representation to aid his cooperation obligations up to a maximum of C$100,000. Subsequently, Class Action Lead Plaintiffs and Abramowitz reached an agreement whereby Abramowitz will release all claims to insurance coverage and the Securities Claimant Trust will provide indemnification of up to C$1 million for the costs of responding to regulatory or criminal investigations and proceedings, or certain other litigation expenses, provided such proceedings are instituted no later than July 25, 2025. *See* ECF No. 150-10.

42. **Aceto Settlement -** The Class Action Lead Plaintiffs have agreed to settle with defendant Peter Aceto and release him from liability in exchange for his cooperation. *See* ECF No. 150-11. A Cash Contribution will be made on his behalf by certain Insurers, assuming the settlement with them is finalized, and he will not be treated as a Released Party unless and until the Cash Contribution has been made. As a result of the settlement, Aceto will give up his rights to insurance coverage that would respond to regulatory or criminal proceedings. Accordingly, the settlement provides that the Securities Claimant Trust will reserve up to C$1 million in respect of legal costs to defend against any such proceedings, provided such proceedings are instituted no later than July 25, 2025.

43. **Green Settlement –** Kenneth Brady Green is a defendant in the Ontario Class Action. The Class Action Lead Plaintiffs have agreed to settle with Green and release him from liability in exchange for his cooperation.

44. **Zola Plaintiffs Settlement -** Class Action Lead Plaintiffs have entered into a settlement with opt-out plaintiff Zola Finance Holdings Ltd. and Igor Gimelshtein, who had commenced a separate action against CannTrust in Canada and elected not to be represented by the class representatives. *See* ECF No. 150-12. The Zola Plaintiffs are Securities Claimants and

fall under the definition of class members in the Ontario Class Action. However, they were excluded from the CCAA Representation Order and have their own counsel in the CCAA Proceedings. The Zola Plaintiffs filed a proof of claim in the CCAA Proceedings of C$45 million. From before the commencement of the CCAA Proceedings, the Zola Plaintiffs announced an intention to opt-out of the Ontario Class Action and pursue their own claims. The Zola Plaintiffs commenced an individual action against CannTrust and others in November of 2019. The Zola Action makes unique allegations and brings claims based on the Zola Plaintiffs' direct conversations with certain defendants, as well as its direct purchase of shares from Fred Litwin. The Zola Plaintiffs agreed to support the CCAA Plan and assign their claims to the Securities Claimant Trust, in exchange for a defined allocation from the Class Settlement Amount of C$3.25 million and a *pro rata* payment from the Class Compensation Fund, which were authorized by the CCAA Court.

45. **Dismissal of the California Action** - In light of the Settlements, the plaintiff in the California Action moved for the action to be voluntarily dismissed, and the action was dismissed with prejudice on October 13, 2021.

V. RISKS OF CONTINUED LITIGATION

46. Based on their experience and close knowledge of the facts of the case and law governing the claims, Lead Counsel and Lead Plaintiffs have determined that settlement with the Settling Defendants at this juncture is in the best interests of the U.S. Settlement Class. As described herein, at the time the Settlements were reached, there were unusual and sizable risks facing Lead Plaintiffs with respect to recovering ***anything*** from CannTrust and related defendants in light of the CCAA proceeding and CannTrust's financial situation, as well as pleading and establishing liability, loss causation, and damages.

A. Risks Concerning Ability to Pay

47. Lead Plaintiffs' ability to collect on a judgment against the Settling Defendants after trial and likely appeals, years down the road, if at all, was the primary factor militating in favor of an early settlement.

48. With respect to CannTrust, the Coalition and Lead Plaintiffs had access to ongoing financial information of the Company through periodic reports issued by Ernst & Young in its capacity as the CCAA court-appointed monitor of CannTrust. Pursuant to these reports, Lead Plaintiffs understood that CannTrust's projected ending cash balance on January 31, 2021 was approximately C$63.0 million. That amount was projected to decrease steadily until CannTrust emerged from the CCAA reorganization process. Lead Plaintiffs believe that had they not reached a settlement with CannTrust, it is certain that CannTrust would not have emerged from CCAA reorganization as a going concern, would likely cease operations (with the loss of hundreds of jobs), exhaust its remaining cash assets on litigation and litigation-related claims and would not have any resources to satisfy any judgment.

49. Since CannTrust was engaged in the CCAA Proceedings and certain of its insurers had denied coverage, any judgment after trial could result in a contested liquidation over CannTrust's remaining and dwindling assets. The individual defendants, other than defendants Paul and Litwin,[5] were believed to not be material sources of recovery because they had limited legal exposure or financial means. The extent to which investors could meaningfully collect on a judgment was therefore questionable and the time it would take to obtain a recovery was unknown.

[5] The Litwin Group will be contributing C$11 million to the Securities Claimant Trust and the Paul Settling Parties will be contributing C$12 million to the Securities Claimant Trust.

50. The RSA with CannTrust and the other Original Settlement Parties also provides an orderly mechanism for all of the Class Action Lead Plaintiffs to (i) obtain additional settlements with additional parties, and (ii) to prosecute, on an expedited basis, the remaining Class Action claims and Assigned Claims in a single forum.

51. Thus, in the event of protracted litigation—with defense costs mounting exponentially—there was no guarantee that the Settling Defendants' insurance (what might have been available given the challenges to coverage) and wasting cash reserves would be sufficient to satisfy a judgment greater than the Class Settlement Amount. Regardless of how strong a liability case is, "you can't get blood from a stone." *New England Carpenters Health Benefits Fund v. First DataBank, Inc.*, 602 F. Supp. 2d 277, 281 (D. Mass. 2009).

B. Risks Related to Liability

1. Scienter

52. In addition to the obstacles involved in continuing to litigate only against those defendants not impacted by stays in connection with the CCAA proceedings, Lead Plaintiffs anticipated that in Defendants' upcoming motions to dismiss, and during continued litigation of the Exchange Act claims, Defendants would have strenuously maintained, among other things, that they did not act with the required intent to defraud or severe recklessness necessary to establish the element of scienter. If Defendants were successful, the case could have been dismissed outright at the motion to dismiss stage. Lengthy appeals, even if Lead Plaintiffs were to have prevailed after the motions to dismiss, summary judgment and trial, could have ensued, with no certainty of any recovery for the U.S. Settlement Class, particularly given the Company's precarious financial position.

53. For instance, there would have been significant factual disputes concerning who had knowledge of the alleged unlicensed cannabis activities, the extent to which operations were not complaint with regulations, and the defendants' knowledge of compliance requirements.

54. Scienter would have remained a key issue well beyond the motions to dismiss.

2. Challenges with Respect to Securities Act Claims

55. With respect to establishing liability for the Securities Act claims, among other things, Lead Plaintiffs would need to establish that their, and the class's, purchases were pursuant or traceable to the May 2019 secondary offering, rather than an earlier offering. While tracing can be straight-forward where claims arise from an initial public offering, here the Settling Defendants would have strenuously contested Lead Plaintiffs' assertions that purchases were traceable to the offering.

56. Additionally, the Securities Act claims are subject to a "due diligence" defense. Many of the Settling Defendants, in particular the underwriter defendants, would have argued that they had no knowledge of any wrongdoing at CannTrust, that the unlicensed activities were hidden, and that they satisfied their obligations to perform the requisite due diligence, thereby immunizing them from liability. To overcome the defense, Lead Plaintiffs would have had to convince a jury that these defendants did not conduct a reasonable investigation into whether the offering documents contained misrepresentations.

C. Risks Concerning Loss Causation and Damages

57. Assuming that Lead Plaintiffs overcame the above risks at the motion to dismiss stage, summary judgment, and trial, Lead Plaintiffs would also have had the burden of proving loss causation with respect to the Exchange Act claims and damages with respect to both the Exchange Act and Securities Act claims.

58. Here, Lead Counsel and Ontario Class Action Counsel consulted with an expert on damages and loss causation who has worked on numerous securities class action matters, and who analyzed class wide damages in light of the facts and circumstances presented in the case and developed through the Mediation Process. Damages assessments are very expert driven and depend on the dates of the alleged misrepresentations and corrective disclosures, the price impacts of those events, and the existence of confounding information on the stock price reaction. Changes to the underlying assumptions, or to the misrepresentation or correction dates, could cause significant differences.

59. Based on the allegations in this case, Lead Plaintiffs' consulting damages expert, Dr. Surana, has estimated maximum aggregate damages to Securities Claimants of approximately C$510 million. Of those damages, approximately C$48 million are attributable to the Offering claims, and C$461.5 million are attributable to secondary market claims. Using these estimates, the Settlements represent approximately 16% of maximum damages.

60. As the case continued, the Parties' respective damages experts would strongly disagree with each other's assumptions and their respective methodologies, resulting in a "battle of the experts," the results of which were far from certain. The risk that the Court or a jury would credit Defendants' experts' anticipated damages positions over those of Lead Plaintiffs would have considerable consequences in terms of the amount of a recovery for the U.S. Settlement Class, even assuming liability were proven. More importantly, the protracted litigation necessary to overcome Defendants' arguments in connection with the motions to dismiss, class certification, summary judgment, and trial would be extremely costly and significantly deplete, if not entirely exhaust, available insurance policy limits.

VI. LEAD PLAINTIFFS' COMPLIANCE WITH PRELIMINARY APPROVAL ORDER AND REACTION OF THE U.S. SETTLEMENT CLASS TO DATE

61. On August 26, 2021, Lead Plaintiffs moved for preliminary approval of the proposed Settlements, as they relate to the U.S. Class Action. ECF No. 148. On September 2, 2021, the Court entered the Preliminary Approval Order, authorizing that notice of the Settlements be sent to U.S. Settlement Class Members and scheduling the Settlement Hearing for December 2, 2021 to consider whether to grant, in relation to the U.S. Class Action, final approval to the Settlements. ECF No. 153.

62. Pursuant to the Preliminary Approval Order, the Court appointed Epiq Class Action & Claims Solutions, Inc. ("Epiq") as Claims Administrator and instructed Epiq to disseminate copies of the Notice of Pendency of U.S. Class Action and Proposed Settlements (the "Notice") and Claim Form (collectively, with the Notice, the "Notice Packet") by mail and to publish the Summary Notice of Pendency of U.S. Class Action and Proposed Settlements (the "Summary Notice").

63. The Notice, attached as Exhibit A to the Declaration of Luis Granati Regarding: (A) Mailing of the Notice and Claim Form; (B) Publication of the Summary Notice; and (C) Report on Requests for Exclusion, dated October 28, 2021 ("Mailing Decl." or "Mailing Declaration") (Exhibit 4 hereto), provides potential U.S. Settlement Class Members with information about the terms of the Settlements and contains, among other things: (i) a description of the U.S. Class Action and the proposed Settlements; (ii) the terms of the proposed Allocation and Distribution Scheme for calculating claims; (iii) an explanation of U.S. Settlement Class Members' right to participate in the Settlements; (iv) an explanation of U.S. Settlement Class Members' rights to object to the Settlements or the Allocation and Distribution Scheme, or

exclude themselves from the U.S. Settlement Class; and (v) the manner for submitting a Claim Form in order to be eligible for a payment from the net proceeds of the Settlements.

64. As detailed in the Mailing Declaration, Epiq mailed and/or e-mailed Notice Packets to potential U.S. Settlement Class Members as well as banks, brokerage firms, and other third party nominees whose clients may be U.S. Settlement Class Members. Ex. 4 at ¶¶2-9. To disseminate the Notice, Epiq obtained the names and addresses of potential U.S. Settlement Class Members from data provided by CannTrust's transfer agent, Lead Counsel, Ontario Class Action Counsel, directly from interested investors, and from banks, brokers and other nominees whose clients may be U.S. Settlement Class Members. *Id.* In total, to date, Epiq has mailed 37,436 Notice Packets to potential nominees and U.S. Settlement Class Members. *Id.* at ¶9.

65. On September 28, 2021, Epiq also caused the Summary Notice to be published in *The Wall Street Journal* and to be transmitted over the internet using *PR Newswire*. *Id.* at ¶10 and Exhibit B thereto.

66. Epiq maintains and posts information regarding the Settlements on a dedicated website, www.CannTrustSecuritiesSettlement.ca, to provide investors with information concerning the Settlements, as well as downloadable copies of the Notice Packet and an online claim portal. *Id*. at ¶¶14-15. Labaton Sucharow also posted the Notice Packet on its website.

67. Pursuant to the terms of the Preliminary Approval Order, the deadline for U.S. Settlement Class Members to submit objections to the Settlements and the allocation plan, or to request exclusion from the U.S. Settlement Class is November 11, 2021. To date, no member of the U.S. Settlement Class has objected to the Settlements or the allocation plan, or has requested exclusion from the U.S. Settlement Class.

68. Should any objections or requests for exclusion be received, Lead Plaintiffs will address them in their reply papers, which are due to be filed with the Court on November 25, 2021.

VII. THE ALLOCATION AND DISTRIBUTION SCHEME GOVERNING SETTLEMENT PAYMENTS

69. Pursuant to the Preliminary Approval Order, and as set forth in the Notice, all U.S. Settlement Class Members who wish to participate in the distribution of the Class Compensation Fund must submit a valid Claim Form, including all required information, postmarked no later than March 16, 2022. After the deduction of court-awarded attorneys' fees and litigation expenses, taxes, notice and administration expenses and fees, ongoing litigation costs, and other fees, expenses, and liabilities allowed by the CCAA Plan, the Class Compensation Fund will be distributed to U.S. Settlement Class Members and Canadian and Non-U.S. Securities Claimants according to the allocation plan approved by the Courts.

70. The proposed Allocation and Distribution Scheme, which is set forth in full in the Notice (Ex. 4-A at Appendix A), was designed to achieve an equitable and rational distribution of the Class Compensation Fund. Lead Counsel and Ontario Class Action Counsel developed the allocation plan in close consultation with Lead Plaintiffs' consulting damages expert and believe that the plan provides a fair and reasonable method to equitably distribute the Class Compensation Fund among eligible Securities Claimants.

71. The plan of allocation provides for distribution of the Class Compensation Fund among eligible Securities Claimants on a *pro rata* basis based on their "Recognized Claims," calculated according to the plan's formulas, which are consistent with the theories of liability and alleged damages under the Exchange Act and Securities Act. The plan is designed to provide compensation based on: (a) the period of time during which shares were acquired; (b) the amount

of alleged artificial inflation in the prices of CannTrust shares from June 1, 2018 through September 17, 2019, as estimated by Lead Plaintiffs' expert; (c) the date on which the shares were sold or if they are still held; and (d) whether they were acquired pursuant to the May 2019 Offering or on the secondary market. Here, the alleged wrongdoing was disclosed from July 8, 2019 through September 17, 2019. Accordingly, under the plan, purchases at or after 3:13 p.m. ET on September 17, 2019 are not eligible for a recovery because the full truth about the wrongdoing alleged in this case was allegedly revealed by this point in time. The plan also provides an enhancement on losses arising from purchases in the May 2019 Offering, given that such claims do not require Lead Plaintiffs to prove that Defendants acted with scienter.

72. The Court-approved Claims Administrator, under Lead Counsel and Ontario Class Action Counsel's direction, will calculate claimants' Recognized Claims using the transactional information provided in their Claim Forms. Claims may be submitted to the Claims Administrator through the mail, e-mail, online using the settlement website, or for large investors with thousands of transactions, through Epiq's electronic filing team. (Neither the settling parties nor the Claims Administrator independently have claimants' transactional information.) The Lead Plaintiffs' losses will be calculated in the same manner.

73. Once the Claims Administrator has processed all submitted claims and provided claimants with an opportunity to cure deficiencies or challenge rejection determinations, payment distributions will be made to eligible Securities Claimants whose entitlement is equal or greater than C$50.00 using checks and, in some instances, wire transfers. After an initial distribution, if there is any balance of unclaimed funds remaining after at least six (6) months from the date of initial distribution, Lead Counsel and Ontario Class Action Counsel will, if feasible and economical, re-distribute the balance among eligible Claimants who have cashed

their initial distributions and would receive at least C$50.00. Re-distributions will be repeated until the balance is no longer economically feasible to distribute. *See* Ex. 4-A, Appendix A. Any balance that still remains in Class Compensation Fund after re-distribution(s), which is not economical to reallocate, after payment of any outstanding fees and expenses or taxes, will be donated to a non-sectarian charitable organization(s) certified under §501(c)(3) of the U.S. Internal Revenue Code and/or a Canadian charity or other non-profit group to be designated by Lead Counsel and Ontario Class Action Counsel. *Id*.

74. To date, there have been no objections to the Allocation and Distribution Scheme by any members of the U.S. Settlement Class.

75. By Order dated July 16, 2021, the Canadian Court entered the CCAA Sanction Order, which, among other things, approved the Allocation and Distribution Scheme.

76. In sum, the proposed allocation plan, developed in consultation with Lead Plaintiffs' consulting damages expert, was designed to fairly and rationally allocate the Class Compensation Fund among eligible Claimants. Accordingly, Lead Counsel respectfully submits that the proposed plan is fair, reasonable, and adequate and should also be approved by the Court.

VIII. MISCELLANEOUS EXHIBITS

77. Attached hereto as Exhibit 5 is the firm resume of Labaton Sucharow LLP.

IX. CONCLUSION

78. In view of the very favorable recovery for the U.S. Settlement Class and the substantial risks of continuing to litigate the claims against the Settling Defendants, as described above and in the accompanying memorandum of law, Lead Plaintiffs and Lead Counsel respectfully submit that the proposed Settlements should be approved as fair, reasonable, and

adequate and that the proposed Allocation and Distribution Scheme should likewise be approved as fair, reasonable, and adequate.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 28th day of October, 2021.

/s/ *James W. Johnson*
JAMES W. JOHNSON

CERTIFICATE OF SERVICE

I hereby certify that on October 28, 2021, I authorized the electronic filing of the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to all registered ECF participants.

/s/ *James W. Johnson*
JAMES W. JOHNSON

Exhibit 1

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In Re: CANNTRUST HOLDINGS INC. SECURITIES LITIGATION	No. 1:19-cv-06396-JPO Judge J. Paul Oetken

DECLARATION ON BEHALF OF GRANITE POINT
IN SUPPORT OF MOTION FOR APPROVAL OF CLASS ACTION SETTLEMENT

I, C. DAVID BUSHLEY, declare as follows pursuant to 28 U.S.C. § 1746:

1. I serve as a Principal and the Chief Compliance Officer of Granite Point Capital Management, L.P., the Investment Advisor to Granite Point Capital Master Fund, LP and Granite Point Capital Scorpion Focused Ideas Fund (collectively, "Granite Point"), the Court-appointed Lead Plaintiffs in the above-captioned proposed class action (the "U.S. Class Action"). Granite Point is a Registered Investment Advisor that manages approximately $400 million in hedge fund, which includes the two funds mentioned herein.

2. I respectfully submit this declaration in support of final approval of the proposed settlements reached to date in this action (the "Settlements"). I have personal knowledge of the matters testified to herein.

3. By Order dated April 16, 2020, the Court consolidated the U.S. Class Action, appointed Granite Point Capital Master Fund, LP and Granite Point Capital Scorpion Focused Ideas Fund as lead plaintiffs, and appointed Labaton Sucharow LLP as lead counsel for the proposed class.

4. Since that time, on behalf of Granite Point, I have monitored the progress of this litigation, as well as related proceedings before the Ontario Superior Court of Justice (Commercial List) (the "Canadian Court") pursuant to Canada's Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended, and have regularly conferred with counsel concerning the prosecution of the claims and developments in the actions. In that regard, I have reviewed the significant pleadings and memoranda filed with both the U.S. Court and the Canadian Court, communicated with counsel regarding developments and strategy, monitored and consulted with counsel during lengthy settlement discussions over the course of more than six months and ultimately reached, with our Canadian counterparts, a framework for the resolution of all Securities Claims against CannTrust Holdings Inc. ("CannTrust") and related claims against certain co-defendants.

5. On behalf of Granite Point, I authorized Lead Counsel to enter into the proposed Settlements. In making the determination that the Settlements represent a fair, reasonable, and adequate result for the proposed U.S. Settlement Class, Granite Point weighed the substantial benefits to the class against the significant risks and uncertainties of continued litigation with CannTrust and the settling defendants. After doing so, Granite Point believes that the Settlements to date represent a very favorable recovery, and believes that final approval of the Settlements is in the best interests of the U.S. Settlement Class.

6. In conclusion, Granite Point fully endorses the Settlements to date as fair, reasonable, and adequate.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge. Executed this 10/20/2021 day of October, 2021.

DocuSigned by:
David Buckley
CC86F37358BE4B3...

C Y

Exhibit 2

In re: CannTrust Holdings Inc. Securities Litigation,
No. 1:19-cv-06396-JPO (S.D.N.Y.)

SETTLEMENT AGREEMENTS

1. Restructuring Support Agreement (RSA), dated as of January 19, 2021

    a. RSA Joinder Agreement of CCAA Representatives and CCAA Representative Counsel, effective as of January 29, 2021

    b. *Confidential Supplemental Letter Agreement (SLA), dated January 19, 2021, and joined by CCAA Representatives and CCAA Representative Counsel, effective as of January 29, 2021*

    c. *Confidential Supplemental Agreement Regarding Requests for Exclusion, dated August 26, 2021*

2. Underwriters Minutes of Settlement, effective as of April 27, 2021

3. Zola Plaintiffs Restructuring Support Agreement, effective as of May 5, 2021

4. Ian Abramowitz Minutes of Settlement, effective as of May 5, 2021

    a. Ian Abramowitz Indemnity Agreement, effective as of June 14, 202

5. Eric Paul and Paul Family Trust Minutes of Settlement, effective as of May 20, 2021

6. Litwin Group Minutes of Settlement, effective as of May 24, 2021

7. Brady Green Settlement – no written agreement

8. Peter Aceto Minutes of Settlement, effective as of June 11, 2021

*Denotes a confidential document that is not being filed with the Court due to its sensitive nature. Each can be provided to the Court either *in camera* or under seal. The documents require confidentiality because they relate to matters that, if disclosed, could incentivize certain persons or entities to undertake litigation positions that would be detrimental to the interests of Lead Plaintiffs and the proposed class.

Exhibit 3

CORNERSTONE RESEARCH

Economic and Financial Consulting and Expert Testimony

Securities Class Action Settlements

2020 Review and Analysis

Table of Contents

Table of Figures and Appendices

Analyses in this report are based on 1,925 securities class actions filed after passage of the Private Securities Litigation Reform Act of 1995 (Reform Act) and settled from 1996 through year-end 2020. See page 16 for a detailed description of the research sample. For purposes of this report and related research, a settlement refers to a negotiated agreement between the parties to a securities class action that is publicly announced to potential class members by means of a settlement notice.

Highlights

The median total settlement amount dipped from a historic high in 2019, but remained 19% above the 2011–2019 median. And, continuing a trend observed in 2019, the size of issuer defendant firms (measured by median total assets) for 2020 settled cases increased 34% over the prior year.

- There were 77 settlements totaling $4.2 billion in 2020. (page 3)
- The median settlement in 2020 of $10.1 million fell 13% from 2019 (adjusted for inflation) but was still 19% higher than the prior nine-year median. (page 4)
- While the average settlement doubled from $27.8 million in 2019 to $54.5 million in 2020 (due to a few very large settlements), it was only 15% higher than the prior nine-year average. (page 4)
- There were six mega settlements (settlements equal to or greater than $100 million) in 2020, ranging from $149 million to $1.2 billion. (page 3)
- For cases with Rule 10b-5 claims, the median settlement as a percentage of "simplified tiered damages" was 5.3% in 2020, slightly higher than prior years. (page 6)
- Median "simplified statutory damages" for cases involving only Section 11 and/or Section 12(a)(2) claims ('33 Act claim cases) in 2020 was 32% lower than in 2019. (page 7)
- The proportion of settled cases alleging Generally Accepted Accounting Principles (GAAP) violations in 2020 was 42%, among the lowest of all post–Reform Act years. (page 9)
- Of settled cases in 2020, 55% involved an accompanying derivative action, the second-highest rate over the last 10 years.[1] (page 10)
- The average time from filing to settlement approval for 2020 settlements was 3.3 years. (page 13)

Figure 1: Post–Reform Act Settlement Statistics

(Dollars in millions)

	1996–2019	2019	2020
Number of Settlements	1,848	74	77
Total Amount	$107,296.4	$2,055.1	$4,199.8
Minimum	$0.2	$0.5	$0.3
Median	$9.0	$11.6	$10.1
Average	$58.1	$27.8	$54.5
Maximum	$9,285.7	$394.4	$1,210.0

Note: Settlement dollars are adjusted for inflation; 2020 dollar equivalent figures are used.

Author Commentary

2020 Findings

Despite the unprecedented economic disruption caused by the COVID-19 pandemic in 2020, settlements in securities class actions generally continued at a pace typical of recent years. The exception was a substantial drop in the number of settlements that were announced during the month of April, but this was followed by a sharp rebound in May (see Appendix 1).[2]

Additionally, as described below, in several respects settlement amounts and characteristics returned to patterns more consistent with historical trends than the results observed for 2019.

In particular, the median settlement amount in 2019 was at a historically high level, driven primarily by a reduction in the number of small settlements. The reduced level of small settlements reversed in 2020, with over 30% of cases settling for amounts less than $5 million.

In addition, public pension plan involvement as lead plaintiffs rebounded from the all-time low in 2019 to 40% of all settled cases in 2020—in line with earlier years in the last decade. Among the larger cases in 2020 (cases with "simplified tiered damages" greater than $250 million), nearly 60% had a public pension plan as lead plaintiff.

Our research also examines the number of docket entries as a proxy for the time and effort by plaintiff counsel and/or case complexity. For 2019 settled cases, average docket entries were the highest in the last 10 years. However, in 2020, this also reversed to levels consistent with prior years.

On the other hand, continuing a trend noted in our 2019 report, the size of issuer defendant firms (measured by median total assets) for 2020 settled cases increased by 34% over 2019 and more than 125% over the prior nine years. As observed in last year's report, the population of public firms has been declining, and those companies that remain are larger.[3]

In several respects, after an unusual year in 2019, settlements in 2020 represented a return to levels prevalent in prior years. However, one prominent trend continuing from 2019 is an increase in the size of issuer defendant firms.

Dr. Laarni T. Bulan
Principal, Cornerstone Research

Any disruption in settlement rates as a result of the COVID-19 pandemic appears to have been temporary, with the overall number of settlements for 2020 in line with recent years. It will likely be at least a couple of years before we learn whether COVID-19-related allegations have had an impact on other settlement trends.

Dr. Laura E. Simmons
Senior Advisor, Cornerstone Research

Looking Ahead

On average, cases take just over three years to reach settlement. Thus, trends in case filings during the last few years are relevant to anticipating developments in settlements in upcoming years.

As discussed in *Securities Class Action Filings—2020 Year in Review*, overall, both the number and size of case filings alleging Rule 10b-5 and/or Section 11 claims were elevated in 2018–2020 compared to earlier years. Thus, we anticipate relatively high levels of settlements in upcoming years in terms of the count and dollar amounts, absent an increase in dismissal rates or developments that might affect settlement size.

In recent years, several trends in nontraditional case allegations have been observed in case filings, including allegations related to cybersecurity, cryptocurrency, and special purpose acquisition companies (SPACs). A small number of these cases have reached settlement to date but a large portion remains active. Accordingly, we expect that cases involving these issues will reach the settlement stage in future years. In addition, the emergence of cases with COVID-19-related allegations in 2020 may also affect settlement trends.

Further, as discussed in this report, the proportion of settled cases involving accompanying Securities and Exchange Commission (SEC) actions declined in 2020. However, this decline may not continue given recent findings of an increase in filings of SEC actions alleging issuer reporting and disclosure issues. (See *SEC Enforcement Activity: Public Companies and Subsidiaries—Fiscal Year 2020 Update*, Cornerstone Research.)

—Laarni T. Bulan and Laura E. Simmons

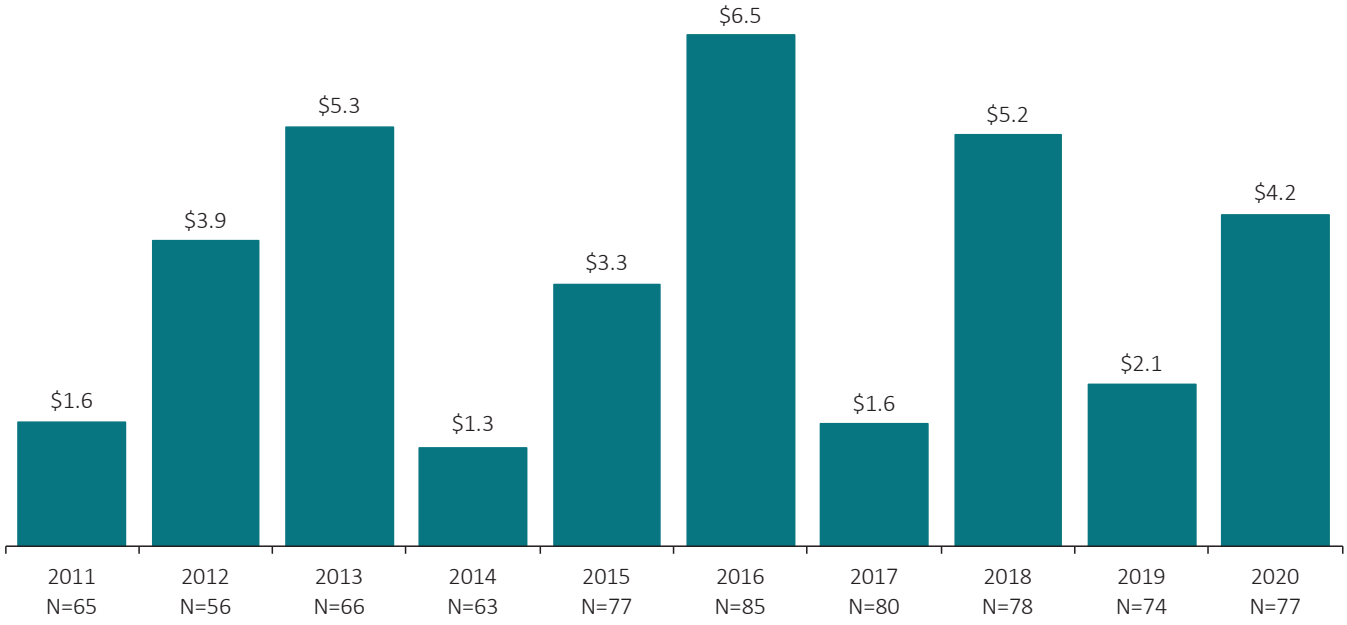
Total Settlement Dollars

- The total value of settlements approved by courts in 2020 doubled from 2019 due to the presence of a few very large settlements. However, excluding settlements over $1 billion, total settlement dollars declined 4% in 2020 over 2019 (adjusted for inflation).
- There were six mega settlements (equal to or greater than $100 million) in 2020, with settlements ranging from $149 million to $1.2 billion. *(See Appendix 6 for additional information on mega settlements.)*

75% of total settlement dollars in 2020 came from mega settlements.

- The number of settlements approved in 2020 (77 cases) represented a modest increase from the prior nine-year average (72 cases).

Figure 2: Total Settlement Dollars
2011–2020
(Dollars in billions)



Note: Settlement dollars are adjusted for inflation; 2020 dollar equivalent figures are used. N refers to the number of cases.

Settlement Size

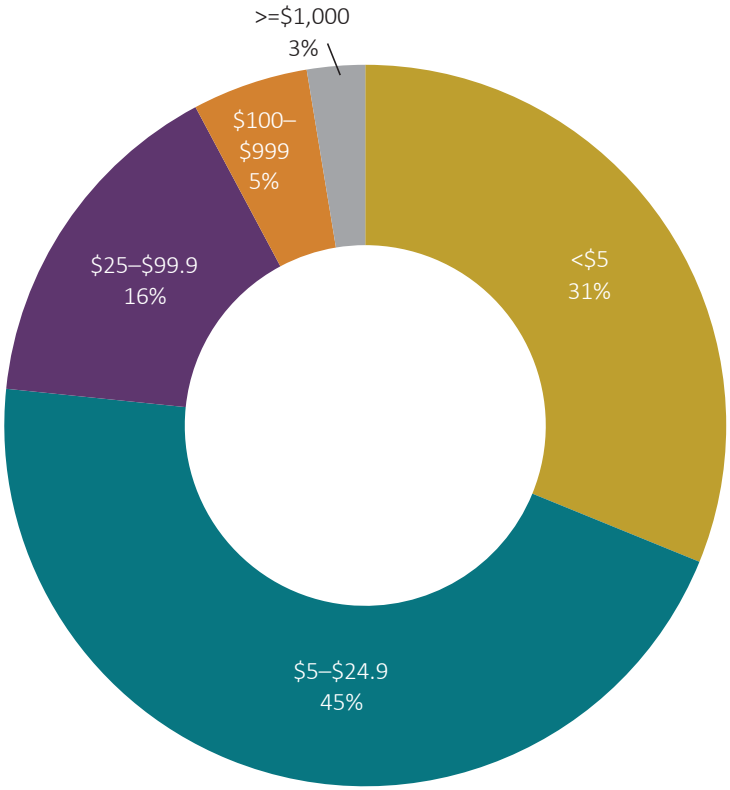
As discussed above, the median settlement amount declined from 2019. Generally, the median is more stable from year to year than the average, since the average can be affected by the presence of even a small number of large settlements.

- The median settlement amount in 2020 of $10.1 million represented a 13% decline over the historically high level observed in 2019 (adjusted for inflation), but was still elevated compared to prior years.
- The number of small settlements (less than $5 million) also increased in 2020 to 24 cases (from 16 cases in 2019). *(See Appendix 2 for additional information on distribution of settlements.)*
- While the average settlement doubled from $27.8 million in 2019 to $54.5 million in 2020 (due to a few very large settlements), it was only 15% higher than the prior nine-year average. *(See Appendix 3 for an analysis of settlements by percentiles.)*
- If settlements exceeding $1 billion are excluded, average settlement dollars in 2020 were actually 15% lower than the prior nine-year average.

The proportion of cases that settled for between $5 million and $25 million returned to pre-2019 levels.

Figure 3: Distribution of Settlements
2020

(Dollars in millions)



Damages Estimates

Rule 10b-5 Claims: "Simplified Tiered Damages"

"Simplified tiered damages" uses simplifying assumptions to estimate per-share damages and trading behavior. It provides a measure of potential shareholder losses that allows for consistency across a large volume of cases, thus enabling the identification and analysis of potential trends.[4]

Cornerstone Research's prediction model finds this measure to be the most important factor in predicting settlement amounts.[5] However, this measure is not intended to represent actual economic losses borne by shareholders. Determining any such losses for a given case requires more in-depth economic analysis.

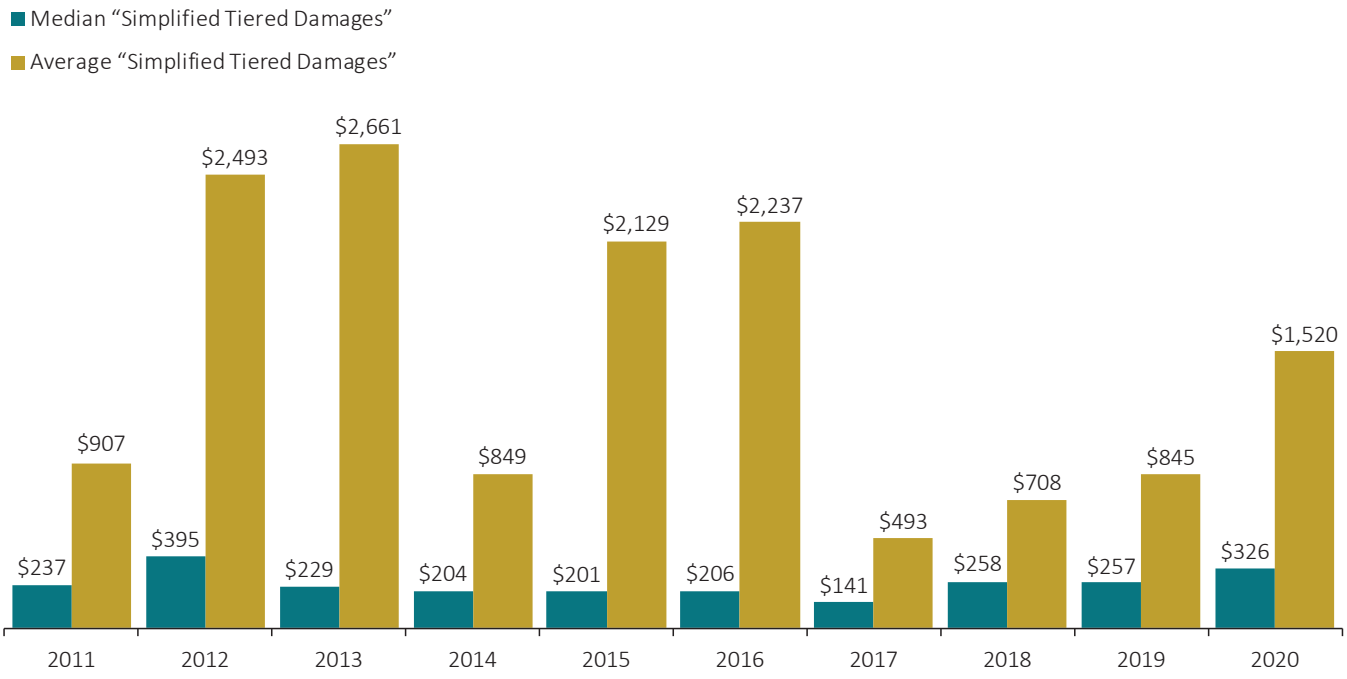
- Average "simplified tiered damages" increased for the third year in a row. *(See Appendix 7 for additional information on the median and average settlements as a percentage of "simplified tiered damages.")*

Median "simplified tiered damages" was the second highest in the last decade.

- Median values provide the midpoint in a series of observations and are less affected than averages by outlier data. The increase in median "simplified tiered damages" in 2020 indicates a higher number of larger cases relative to 2019 (e.g., cases with "simplified tiered damages" exceeding $250 million).
- Larger "simplified tiered damages" are typically associated with larger issuer defendants (measured by total assets or market capitalization of the issuer). Median total assets of issuer defendants in 2020 increased 34% from 2019 and more than 125% from the median for the prior nine years (2011–2019).

Figure 4: Median and Average "Simplified Tiered Damages" in Rule 10b-5 Cases
2011–2020

(Dollars in millions)



Note: "Simplified tiered damages" are adjusted for inflation based on class period end dates. Damages are estimated for cases alleging a claim under Rule 10b-5 (whether alone or in addition to other claims).

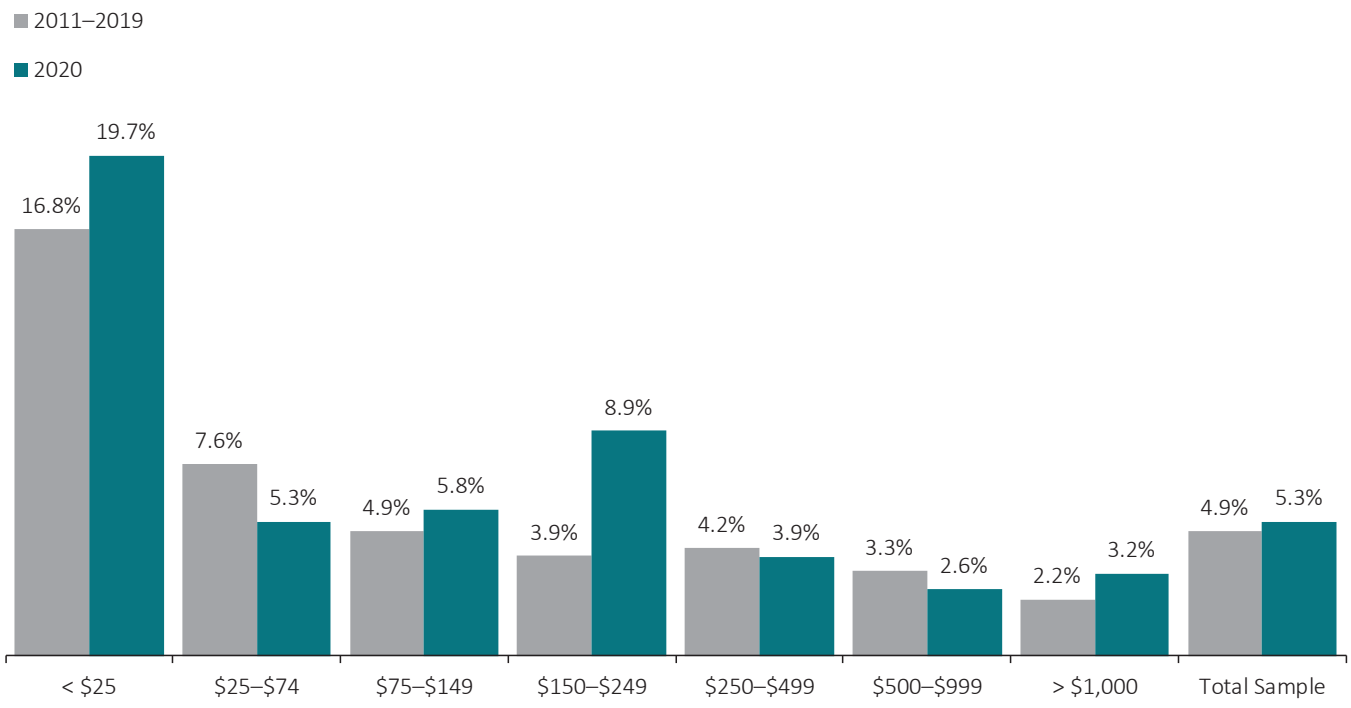
- Larger cases, as measured by "simplified tiered damages," typically settle for a smaller percentage of damages.
- Smaller cases (less than $25 million in "simplified tiered damages") typically settle more quickly. In 2020, these cases settled within 3.4 years on average, compared to 4 years for cases with "simplified tiered damages" greater than $500 million.
- Smaller cases are less likely to be associated with factors such as institutional lead plaintiffs, related actions by the SEC, or criminal charges. *(See* Analysis of Settlement Characteristics *for a detailed discussion of these factors.)*

The median settlement as a percentage of "simplified tiered damages" increased 10% over 2019.

- The unusually high median settlement as a percentage of "simplified tiered damages" (8.9%) observed among 2020 settlements with "simplified tiered damages" between $150 million and $250 million may, at least in part, reflect an increased level of public pension plans acting as lead plaintiffs for this group of cases.

Figure 5: Median Settlements as a Percentage of "Simplified Tiered Damages" by Damages Ranges in Rule 10b-5 Cases 2011–2020

(Dollars in millions)



Note: Damages are estimated for cases alleging a claim under Rule 10b-5 (whether alone or in addition to other claims).

’33 Act Claims: “Simplified Statutory Damages”

For ’33 Act claim cases—those involving only Section 11 and/or Section 12(a)(2) claims—shareholder losses are estimated using a model in which the statutory loss is the difference between the statutory purchase price and the statutory sales price, referred to here as “simplified statutory damages.”[6] Only the offered shares are assumed to be eligible for damages.

“Simplified statutory damages” are typically smaller than “simplified tiered damages,” reflecting differences in the methodologies used to estimate alleged damages per share, as well as differences in the shares eligible to be damaged (i.e., only offered shares are included).

Median “simplified statutory damages” for ’33 Act claim cases in 2020 was 32% lower than in 2019.

- Cases with only ’33 Act claims tend to settle for smaller median amounts than cases that include Rule 10b-5 claims.
- For 2020 settlements, the median length of time from filing to settlement hearing date for ’33 Act claim cases was more than 26% shorter than the duration for ’33 Act claim cases settled during 2016–2019.

Figure 6: Settlements by Nature of Claims
2011–2020
(Dollars in millions)

	Number of Settlements	Median Settlement	Median “Simplified Statutory Damages”	Median Settlement as a Percentage of “Simplified Statutory Damages”
Section 11 and/or Section 12(a)(2) Only	77	$8.0	$120.3	7.4%

	Number of Settlements	Median Settlement	Median “Simplified Tiered Damages”	Median Settlement as a Percentage of “Simplified Tiered Damages”
Both Rule 10b-5 and Section 11 and/or Section 12(a)(2)	109	$15.3	$394.9	5.4%
Rule 10b-5 Only	525	$8.1	$209.5	4.6%

Note: Settlement dollars and damages are adjusted for inflation; 2020 dollar equivalent figures are used.

- Median settlements as a percentage of "simplified statutory damages" in 2020 was 31% lower than the value in 2019.

88% of cases with only '33 Act claims involved an underwriter as a codefendant.

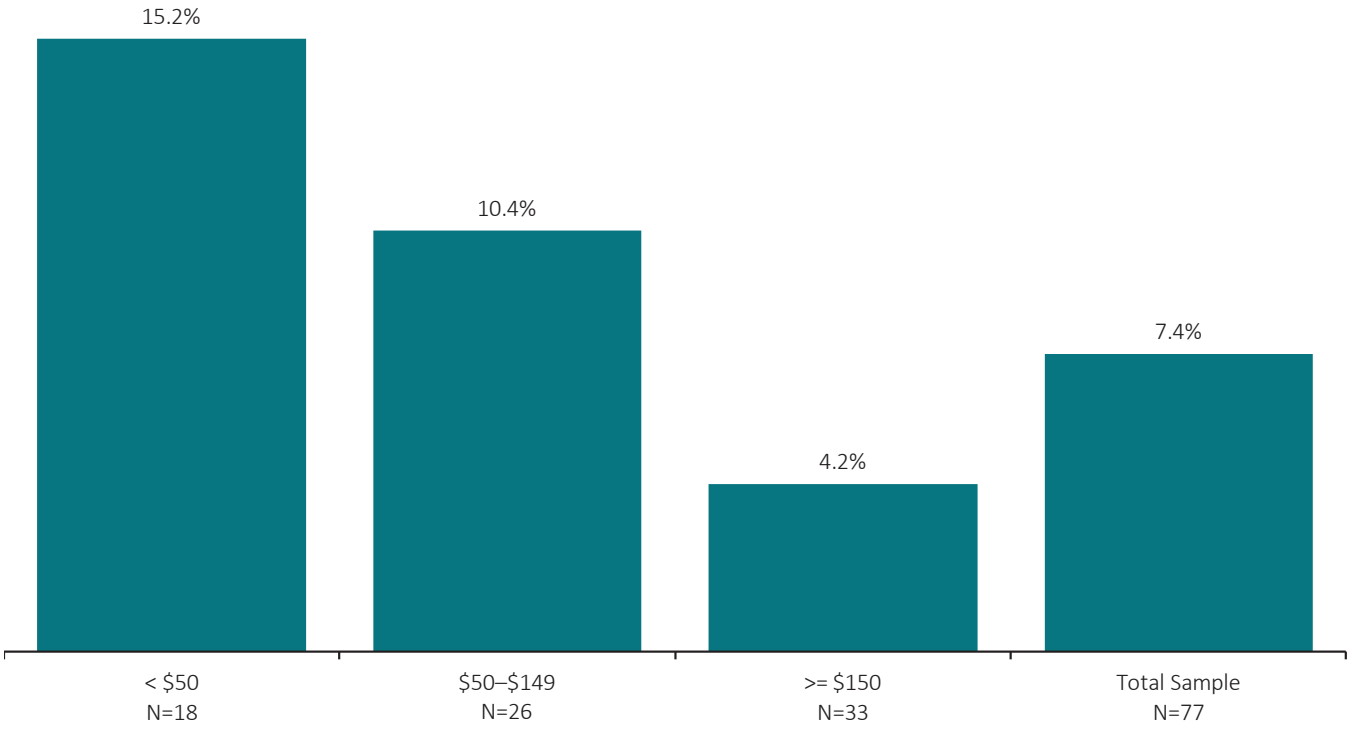
- Nearly 85% of the '33 Act claim cases settled from 2011 through 2020 involved an initial public offering (IPO).
- Among those cases with identifiable contributions, D&O liability insurance provided, on average, more than 90% of the total settlement fund for '33 Act claim cases from 2011 to 2020.[7]

The March 2018 U.S. Supreme Court decision in *Cyan Inc. v. Beaver County Employees Retirement Fund* held that '33 Act claim securities class actions can be brought in state court. While '33 Act claim cases had often been brought in state courts before *Cyan*, filing rates in state courts increased substantially following this ruling.[8]

- By year-end 2020, only six post-*Cyan* filed '33 Act claim cases had settled. Among these post-*Cyan* filed cases, four were filed in state court.
- Following the *Cyan* decision, the number of settlements with allegations in both state and federal court increased. Typically in these parallel suits, state court cases will involve '33 Act claims and the federal case will involve Rule 10b-5 claims. However, in some instances, the federal case will involve '33 Act claims as well.

Figure 7: Median Settlements as a Percentage of "Simplified Statutory Damages" by Damages Ranges in '33 Act Claim Cases 2011–2020

(Dollars in millions)



Jurisdictions of Settlements of '33 Act Claim Cases

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
State Court	0	1	1	0	2	4	5	4	5	5
Federal Court	15	3	7	2	3	6	3	4	5	2

Note: N refers to the number of cases. Table does not include parallel suits.

Analysis of Settlement Characteristics

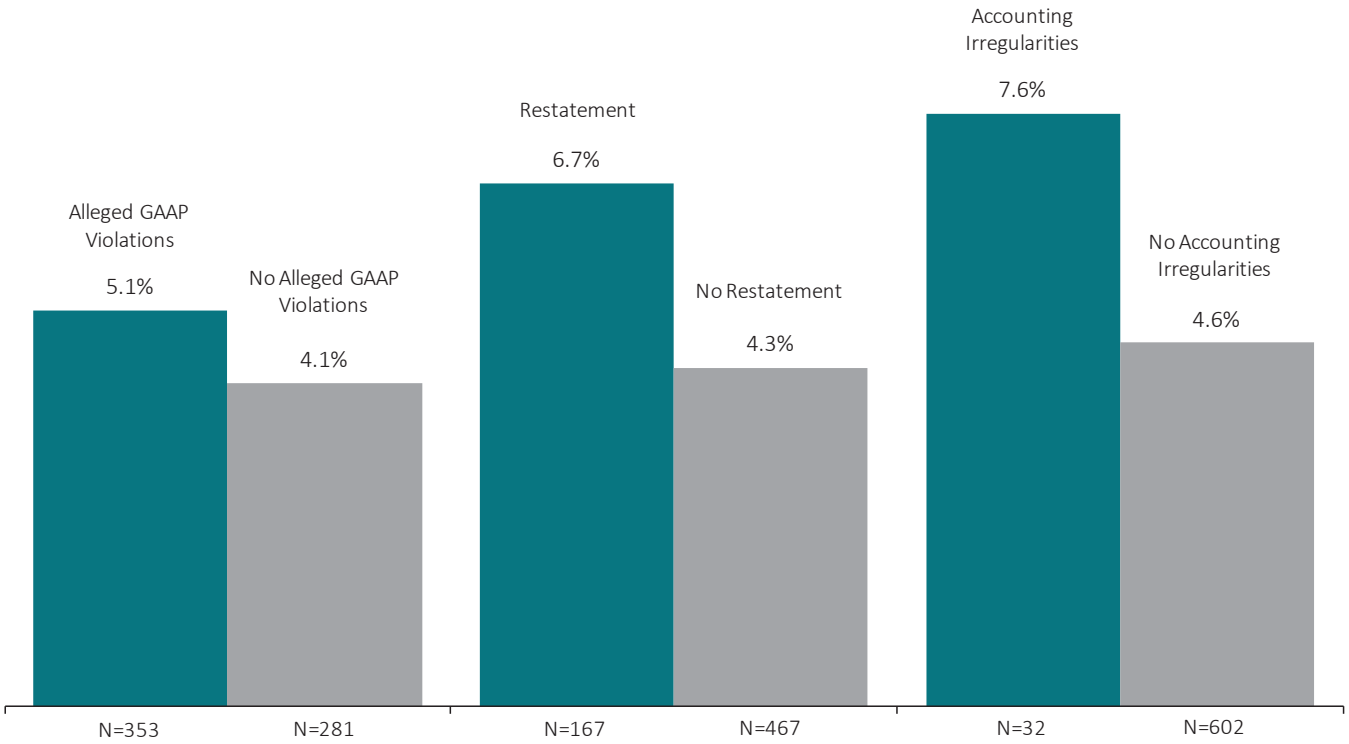
GAAP Violations

This analysis examines allegations of Generally Accepted Accounting Principles (GAAP) violations in settlements of securities class actions involving Rule 10b-5 claims.[9] For further details regarding settlements of accounting cases, see Cornerstone Research's annual report on *Accounting Class Action Filings and Settlements*.[10]

- For settlements over the last 10 years, median settlements as a percentage of "simplified tiered damages" for cases involving financial statement restatements have been higher than for non-restatement cases. However, only 14.5% of cases settled in 2020 had allegations regarding restatements, a 48% decline from the prior nine-year median.
- From 2011 to 2020, median "simplified tiered damages" for cases involving GAAP allegations were 13% lower than for cases absent such allegations.
- From 2016 to 2020, among cases settled with GAAP allegations, on average, 13% involved a named auditor codefendant compared with an average of 19% from 2011 to 2015.
- The frequency of reported accounting irregularities shrunk to just over 2.9% among 2020 settlements following a high of 9.4% in 2019.
- In 2020, the median class period length was more than two years for cases with GAAP allegations. For cases without GAAP allegations, the median class period length was just over one year.

The proportion of settled cases alleging GAAP violations in 2020 was 42%, among the lowest of all post–Reform Act years.

Figure 8: Median Settlements as a Percentage of "Simplified Tiered Damages" and GAAP Allegations
2011–2020



Note: N refers to the number of cases.

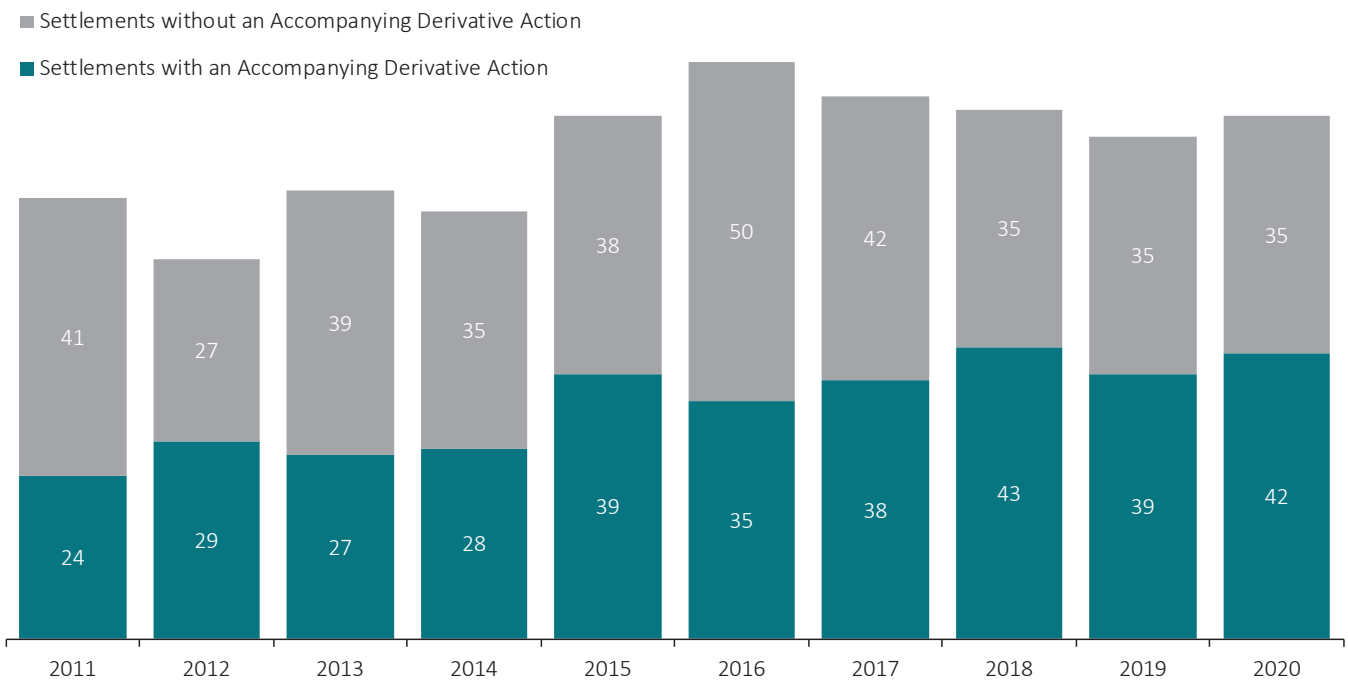
Derivative Actions

- Settled cases involving an accompanying derivative action are typically associated with both larger cases (measured by "simplified tiered damages") and larger settlement amounts.
- For the 42 case settlements in 2020 with an accompanying derivative action, the median settlement was $15.3 million compared to $8.5 million for cases without a derivative action.
- Both median total assets and median "simplified tiered damages" in cases with an accompanying derivative action were more than double the median in 2019.

In 2020, 55% of settled cases involved an accompanying derivative action, the second-highest rate over the last 10 years.

- Parallel derivative suits related to class action settlements have been filed most frequently in California, Delaware, and New York. Among 2020 settlements, parallel derivative actions filed in California declined steeply (down 66% from 2019 settlements). However, 40% of settled cases with parallel derivative actions had actions filed in Delaware, the highest proportion in the past decade.

Figure 9: Frequency of Derivative Actions
2011–2020



Corresponding SEC Actions

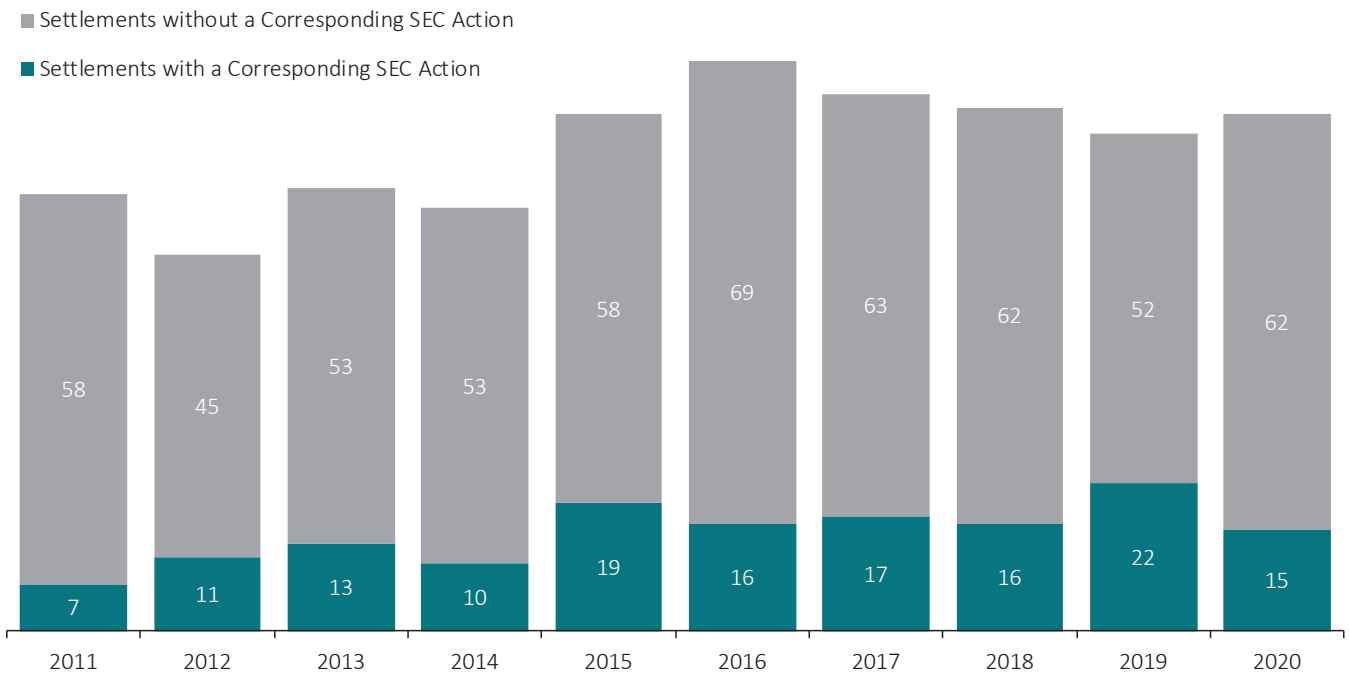
- Cases with an SEC action related to the allegations are typically associated with significantly higher settlement amounts.[11]
- From 2011 to 2020, median settlement amounts (adjusted for inflation) for cases that involved a corresponding SEC action were 11% higher than for cases without such an action.

  For cases settled during 2016–2020, 36% of cases with a corresponding SEC action involved a distressed issuer defendant, that is, an issuer that had either declared bankruptcy or was delisted from a major U.S. exchange prior to settlement.

In 2020, the rate of settled cases involving a corresponding SEC action fell 32% from the prior year.

- Settled cases with corresponding SEC actions have involved GAAP allegations less frequently in recent years. From 2011 to 2015, 85% of these cases involved GAAP allegations, compared to 70% from 2016 to 2020.
- Cases involving corresponding SEC actions may also include related criminal charges in connection with the allegations covered by the underlying class action. From 2016 to 2020, 35% of settled cases with an SEC action had related criminal charges.[12]

Figure 10: Frequency of SEC Actions
2011–2020



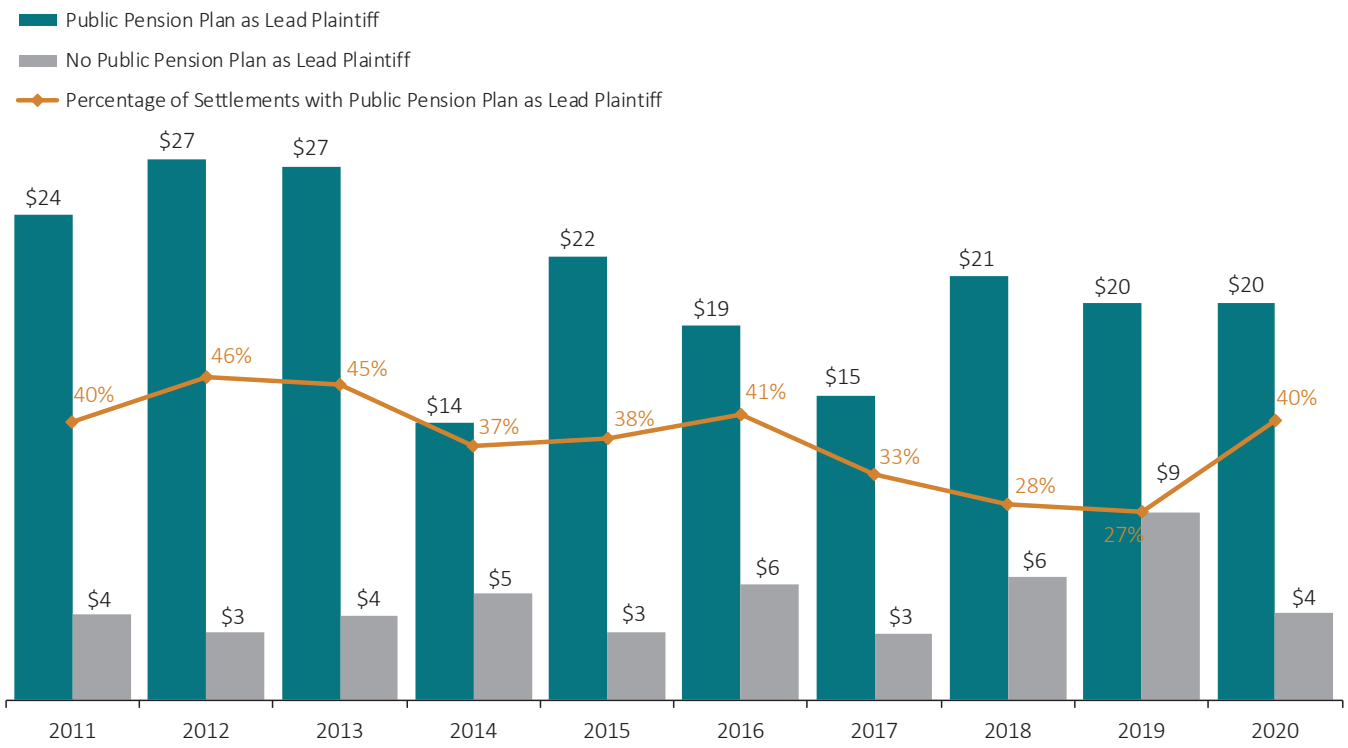
Institutional Investors

- Despite the variation in the frequency of institutional investors acting as lead or co-lead plaintiffs in any given settlement year, institutional investors, including public pension plans, are consistently involved in larger cases, that is, cases with higher "simplified tiered damages" and higher total assets.
- Median "simplified tiered damages" for cases involving an institutional investor as a lead plaintiff in 2020 were nearly seven-and-a-half times higher than for cases without institutional investor involvement in a lead role.
- Median total assets of defendant firms for 2020 case settlements in which an institutional investor was a lead or co-lead plaintiff were more than 15 times the total assets for cases without an institutional investor acting as a lead plaintiff.
- Among 2020 settled cases that had an institutional investor as a lead plaintiff, 60% had a parallel derivative action, 22% had a corresponding SEC action, and 16% involved a criminal charge.
- In 2020, the median market capitalization decline during the alleged class period in cases with a public pension as a lead plaintiff was $1.7 billion compared to $419.6 million for cases without a public pension leading the class.
- The vast majority of cases taking more than five years to resolve (measured as the duration from filing date to settlement hearing date) involved a public pension as a lead plaintiff.

The frequency of public pension plans as lead plaintiff rebounded to levels observed earlier in the last decade.

Figure 11: Median Settlement Amounts and Public Pension Plans
2011–2020

(Dollars in millions)



Note: Settlement dollars are adjusted for inflation; 2020 dollar equivalent figures are used.

Time to Settlement and Case Complexity

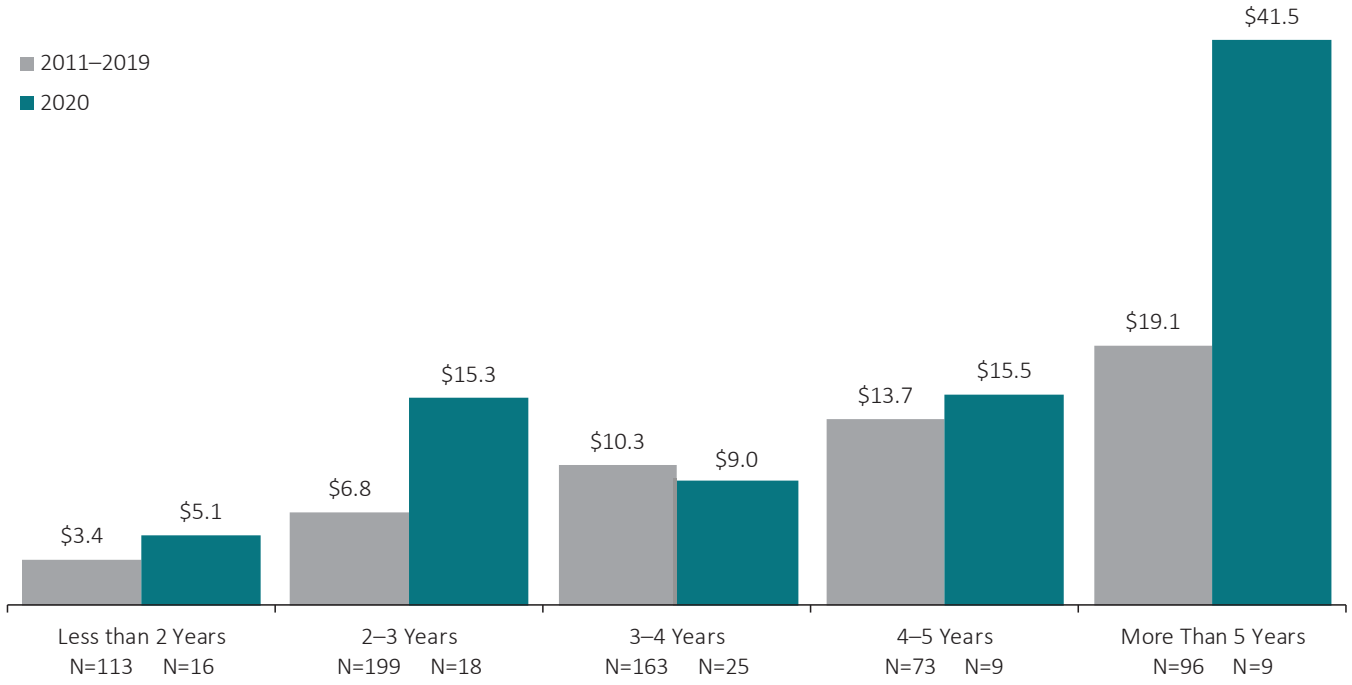
- The average time from filing to settlement in 2020 was 3.3 years, a small decrease relative to the prior nine-year average.
- Of cases in 2020 that took more than five years to settle, the median assets of the defendant firms ($7.7 billion) as well as median "simplified tiered damages" ($909 million) were substantially higher than in previous years.
- In 2020, 21% of cases settled within two years of the filing date. Of these 16 cases, nine settled before a ruling on motion to dismiss.

Cases that settled for more than $100 million in 2020 took an average of 4.6 years from filing to settlement.

- The number of docket entries at the time of the settlement may reflect case complexity. This factor has also been used in prior research as a proxy for attorney effort.[13] The average number of docket entries declined 19% in 2020 compared to 2019. Among cases that settled for more than $100 million, however, the average number of docket entries jumped 64%.

Figure 12: Median Settlement by Duration from Filing Date to Settlement Hearing Date
2011–2020

(Dollars in millions)



Note: Settlement dollars are adjusted for inflation; 2020 dollar equivalent figures are used. N refers to the number of cases.

Case Stage at the Time of Settlement

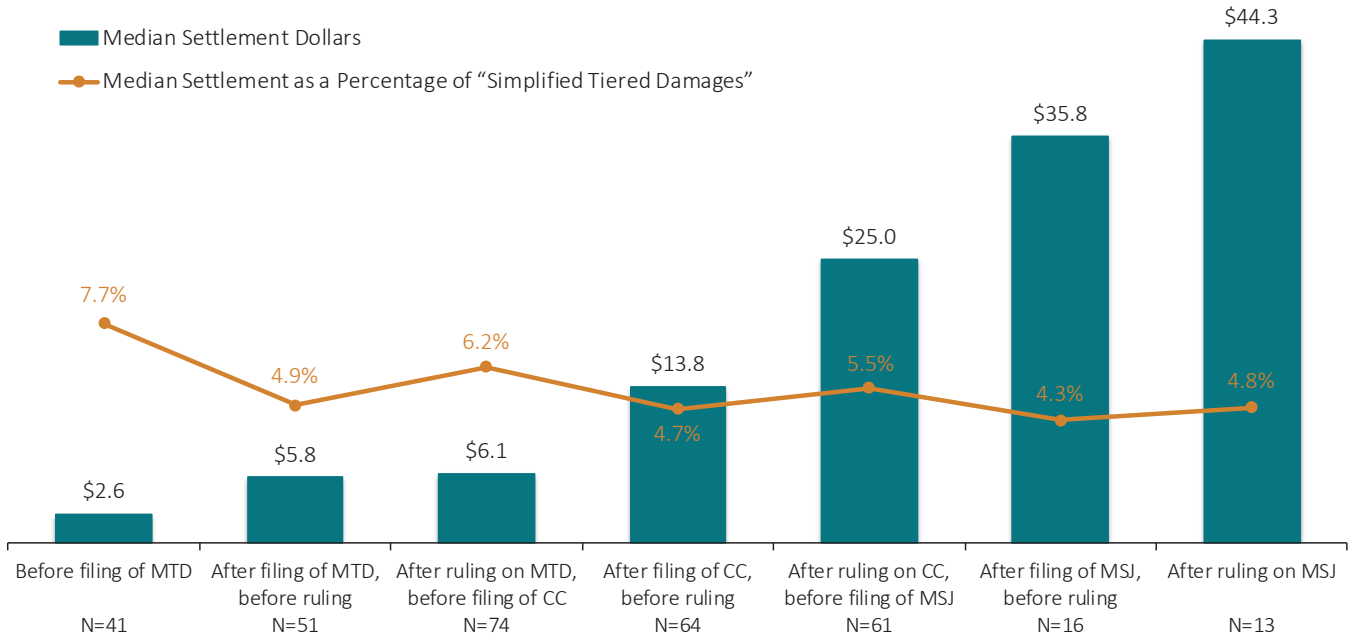
In collaboration with Stanford Securities Litigation Analytics (SSLA),[14] this report analyzes settlements in relation to the stage in the litigation process at the time of settlement.

- In 2020, 57% of cases were resolved before progressing to the stage of filing a motion for class certification.
- The proportion of cases settling sometime after a ruling on a motion for class certification was 21% in 2020 compared to 28% in the prior four years.
- In 2020, median "simplified tiered damages" was more than six times larger for cases settled following a filing for a motion for class certification than for cases that resolved prior to such a motion being filed.
- Median "simplified tiered damages" for 2020 cases that settled after the filing of a motion for summary judgment (MSJ) was more than four times the median for cases that settled before a MSJ filing.
- Cases settling further along in the litigation process are more likely to have additional characteristics frequently associated with more complex matters. Of those that settled after a MSJ filing, 71% of 2016–2020 cases had an institutional investor lead plaintiff and nearly 24% were associated with criminal charges.

The average time to reach a ruling on a motion for class certification among 2020 settlements was 2.8 years

Figure 13: Median Settlement Dollars and Resolution Stage at Time of Settlement
2016–2020

(Dollars in millions)



Note: Settlement dollars are adjusted for inflation; 2020 dollar equivalent figures are used. MTD refers to "motion to dismiss," CC refers to "class certification," and MSJ refers to "motion for summary judgment." This analysis is limited to cases alleging Rule 10b-5 claims.

Cornerstone Research's Settlement Prediction Analysis

This research applies regression analysis to examine the relationships between settlement outcomes and certain security case characteristics. Regression analysis is employed to better understand and predict the total settlement amount, given the characteristics of a particular securities case. Regression analysis can also be applied to estimate the probabilities associated with reaching alternative settlement levels. It is also helpful in exploring hypothetical scenarios, including how the presence or absence of particular factors affects predicted settlement amounts.

Determinants of Settlement Outcomes

Based on the research sample of post–Reform Act cases that settled through December 2020, the factors that were important determinants of settlement amounts included the following:

- "Simplified tiered damages"
- Maximum Dollar Loss (MDL)—market capitalization change from its peak to post-disclosure value
- Most recently reported total assets of the issuer defendant firm
- Number of entries on the lead case docket
- The year in which the settlement occurred
- Whether there were accounting allegations related to the alleged class period
- Whether a ruling on motion for class certification had occurred
- Whether there was a corresponding SEC action against the issuer, other defendants, or related parties
- Whether there were criminal charges against the issuer, other defendants, or related parties with similar allegations to those included in the underlying class action complaint
- Whether a third party, specifically an outside auditor or underwriter, was named as a codefendant
- Whether Section 11 and/or Section 12(a) claims were alleged in addition to Rule 10b-5 claims
- Whether the issuer defendant was distressed
- Whether a public pension was a lead plaintiff
- Whether the plaintiffs alleged that securities other than common stock were damaged

Regression analyses show that settlements were higher when "simplified tiered damages," MDL, issuer defendant asset size, the number of docket entries was larger, whether a ruling on a motion for class certification had occurred, or when Section 11 and/or Section 12(a) claims were alleged in addition to Rule 10b-5 claims.

Settlements were also higher in cases involving accounting allegations, a corresponding SEC action, criminal charges, a public pension involved as lead plaintiff, a third party such as an outside auditor or underwriter named as a codefendant, or securities other than common stock that were alleged to be damaged.

Settlements were lower if the settlement occurred in 2012 or later, or if the issuer was distressed.

More than 70% of the variation in settlement amounts can be explained by the factors discussed above.

Research Sample

- The database used in this report contains cases alleging fraudulent inflation in the price of a corporation's common stock (i.e., excluding cases with alleged classes of only bondholders, preferred stockholders, etc., and excluding cases alleging fraudulent depression in price and mergers and acquisitions cases).
- The sample is limited to cases alleging Rule 10b-5, Section 11, and/or Section 12(a)(2) claims brought by purchasers of a corporation's common stock. These criteria are imposed to ensure data availability and to provide a relatively homogeneous set of cases in terms of the nature of the allegations.
- The current sample includes 1,925 securities class actions filed after passage of the Reform Act (1995) and settled from 1996 through 2020. These settlements are identified based on a review of case activity collected by Securities Class Action Services LLC (SCAS).[15]
- The designated settlement year, for purposes of this report, corresponds to the year in which the hearing to approve the settlement was held.[16] Cases involving multiple settlements are reflected in the year of the most recent partial settlement, provided certain conditions are met.[17]

Data Sources

In addition to SCAS, data sources include Dow Jones Factiva, Bloomberg, the Center for Research in Security Prices (CRSP) at University of Chicago Booth School of Business, Standard & Poor's Compustat, Refinitiv Eikon, court filings and dockets, SEC registrant filings, SEC litigation releases and administrative proceedings, LexisNexis, Stanford Securities Litigation Analytics (SSLA), Securities Class Action Clearinghouse (SCAC), and public press.

Endnotes

1 Derivative settlements are the subject of our ongoing research, which will be reported on separately in the future.

2 The year designation for purposes of this research on securities class action settlements is based on the settlement hearing date (with some modifications as described in endnote 17). However, for purposes of this analysis of monthly settlement rates, the preliminary settlement announcement date (the "tentative settlement date") was used.

3 *Securities Class Action Settlements—2019 Review and Analysis*, Cornerstone Research (2020). See also "Chasing Right Stocks to Buy Is Critical with Fewer Choices but Big Winners," *Investor's Business Daily*, November 27, 2020.

4 The "simplified tiered damages" approach used for purposes of this settlement research does not examine the mix of information associated with the specific dates listed in the plan of allocation, but simply applies the stock price movements on those dates to an estimate of the "true value" of the stock during the alleged class period (or "value line"). This proxy for damages utilizes an estimate of the number of shares damaged based on reported trading volume and the number of shares outstanding. Specifically, reported trading volume is adjusted using volume reduction assumptions based on the exchange on which the issuer defendant's common stock is listed. No adjustments are made to the underlying float for institutional holdings, insider trades, or short-selling activity during the alleged class period. Because of these and other simplifying assumptions, the damages measures used in settlement outcome modeling may be overstated relative to damages estimates developed in conjunction with case-specific economic analysis.

5 Laarni T. Bulan, Ellen M. Ryan, and Laura E. Simmons, *Estimating Damages in Settlement Outcome Modeling*, Cornerstone Research (2017).

6 The statutory purchase price is the lesser of the security offering price or the security purchase price. Prior to the first complaint filing date, the statutory sales price is the price at which the security was sold. After the first complaint filing date, the statutory sales price is the greater of the security sales price or the security price on the first complaint filing date. Similar to "simplified tiered damages," the estimation of "simplified statutory damages" makes no adjustments to the underlying float for institutional holdings, insider trades, or short-selling activity. Shares subject to a lock-up period are not added to the float for purposes of this calculation.

7 Based on data for cases where the amount contributed by the D&O liability insurer was verified in settlement materials and/or the issuer defendant's SEC filings—approximately 83% of all '33 Act cases. Data supplemented with additional observations from the SSLA.

8 This increase reversed in 2020. As noted in *Securities Class Action Filings–2020 Year in Review*, Cornerstone Research (2021), this reversal was likely a result of the March 2020 Delaware Supreme Court decision in *Salzberg v. Sciabacucchi* regarding the validity and enforceability of federal forum-selection provisions in corporate charters.

9 The three categories of accounting issues analyzed in Figure 8 of this report are: (1) GAAP violations; (2) restatements—cases involving a restatement (or announcement of a restatement) of financial statements; and (3) accounting irregularities—cases in which the defendant has reported the occurrence of accounting irregularities (intentional misstatements or omissions) in its financial statements.

10 Accounting Class Action Filings and Settlements—2020 Review and Analysis, Cornerstone Research (2021), forthcoming in spring 2021.

11 As noted previously, it could be that the merits in such cases are stronger, or simply that the presence of a corresponding SEC action provides plaintiffs with increased leverage when negotiating a settlement. For purposes of this research, an SEC action is evidenced by the presence of a litigation release or an administrative proceeding posted on www.sec.gov involving the issuer defendant or other named defendants with allegations similar to those in the underlying class action complaint.

12 Identification of a criminal charge and/or criminal indictment based on review of SEC filings and public press. For purposes of this research, criminal charges and/or indictments are collectively referred to as "criminal charges."

13 Docket entries reflect the number of entries on the court docket for events in the litigation and have been used in prior research as a proxy for the amount of plaintiff attorney effort involved in resolving securities cases. See Laura Simmons, "The Importance of Merit-Based Factors in the Resolution of 10b-5 Litigation," University of North Carolina at Chapel Hill Doctoral Dissertation, 1996; Michael A. Perino, "Institutional Activism through Litigation: An Empirical Analysis of Public Pension Fund Participation in Securities Class Actions," St. John's Legal Studies Research Paper No. 06-0055, 2006.

14 Stanford Securities Litigation Analytics (SSLA) tracks and collects data on private, shareholder securities litigation and public enforcements brought by the SEC and the U.S. Department of Justice. The SSLA dataset includes all traditional class actions, SEC actions, and DOJ criminal actions filed since 2000. Available on a subscription basis at https://sla.law.stanford.edu/.

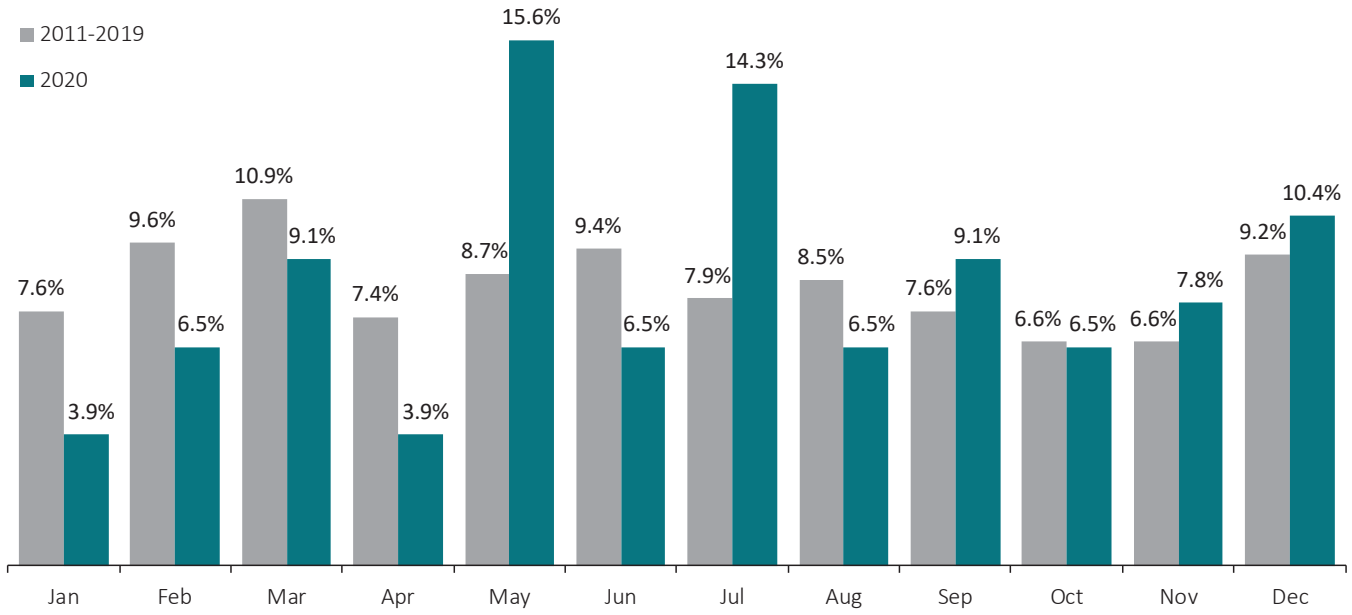
15 Available on a subscription basis. For further details see https://www.issgovernance.com/securities-class-action-services/.

16 Movements of partial settlements between years can cause differences in amounts reported for prior years from those presented in earlier reports.

17 This categorization is based on the timing of the settlement hearing date. If a new partial settlement equals or exceeds 50% of the then-current settlement fund amount, the entirety of the settlement amount is re-categorized to reflect the settlement hearing date of the most recent partial settlement. If a subsequent partial settlement is less than 50% of the then-current total, the partial settlement is added to the total settlement amount and the settlement hearing date is left unchanged.

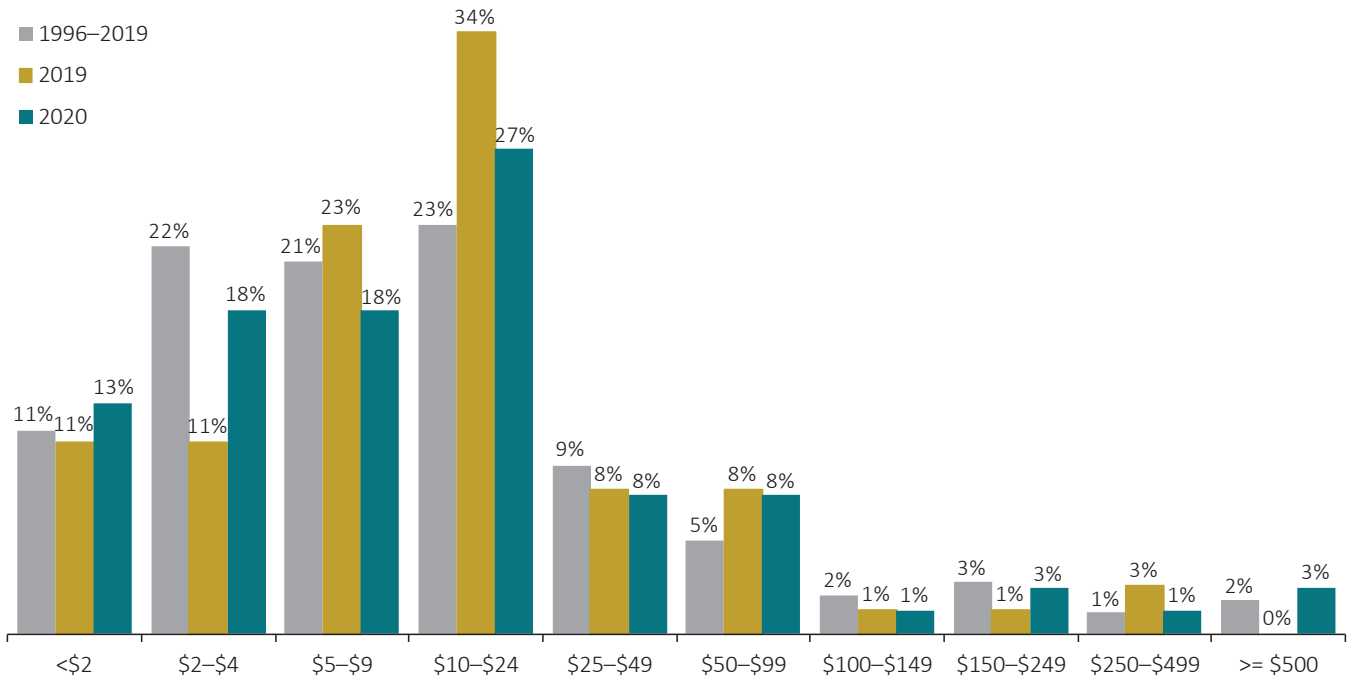
Appendices

Appendix 1: Initial Announcements of Settlements by Month



Appendix 2: Distribution of Post–Reform Act Settlements

(Dollars in millions)



Note: Settlement dollars are adjusted for inflation; 2020 dollar equivalent figures are used.

Appendix 3: Settlement Percentiles

(Dollars in millions)

	Average	10th	25th	Median	75th	90th
2011	$24.1	$2.1	$3.1	$6.6	$20.7	$74.6
2012	$69.0	$1.4	$3.0	$10.6	$40.0	$129.6
2013	$80.3	$2.1	$3.3	$7.2	$24.6	$91.7
2014	$19.9	$1.8	$3.1	$6.6	$14.4	$54.7
2015	$43.0	$1.4	$2.3	$7.1	$17.7	$102.6
2016	$76.1	$2.0	$4.5	$9.2	$35.6	$157.4
2017	$19.5	$1.6	$2.7	$5.5	$16.1	$37.4
2018	$66.9	$1.6	$3.7	$11.6	$25.5	$53.7
2019	$27.8	$1.5	$5.7	$11.6	$20.2	$50.6
2020	$54.5	$1.4	$3.3	$10.1	$20.0	$53.2

Note: Settlement dollars are adjusted for inflation; 2020 dollar equivalent figures are used.

Appendix 4: Select Industry Sectors 2011–2020

(Dollars in millions)

Industry	Number of Settlements	Median Settlement	Median "Simplified Tiered Damages"	Median Settlement as a Percentage of "Simplified Tiered Damages"
Financial	102	$17.2	$421.9	4.8%
Technology	101	$8.3	$210.0	4.9%
Pharmaceuticals	98	$6.7	$215.9	3.7%
Retail	37	$10.0	$243.3	4.1%
Telecommunications	24	$8.6	$274.1	4.3%
Healthcare	14	$12.5	$140.2	6.1%

Note: Settlement dollars and "simplified tiered damages" are adjusted for inflation; 2020 dollar equivalent figures are used. "Simplified tiered damages" are calculated only for cases involving Rule 10b-5 claims.

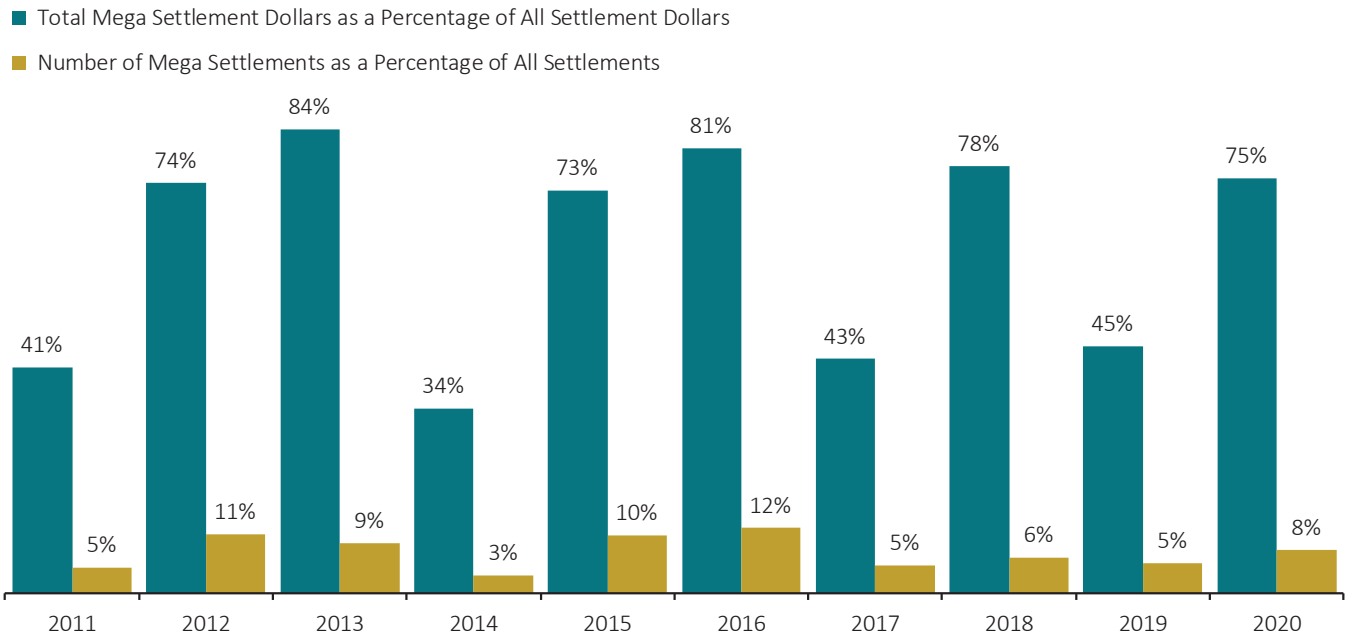
Appendix 5: Settlements by Federal Circuit Court
2011–2020

(Dollars in millions)

Circuit	Number of Settlements	Median Settlement	Median Settlement as a Percentage of "Simplified Tiered Damages"
First	22	$10.3	3.5%
Second	181	$9.4	4.7%
Third	56	$7.7	5.2%
Fourth	25	$16.9	4.0%
Fifth	34	$9.4	4.3%
Sixth	26	$12.7	6.9%
Seventh	40	$12.0	4.0%
Eighth	13	$10.0	6.1%
Ninth	178	$7.3	4.8%
Tenth	15	$6.4	5.6%
Eleventh	37	$12.8	5.1%
DC	4	$23.7	2.1%

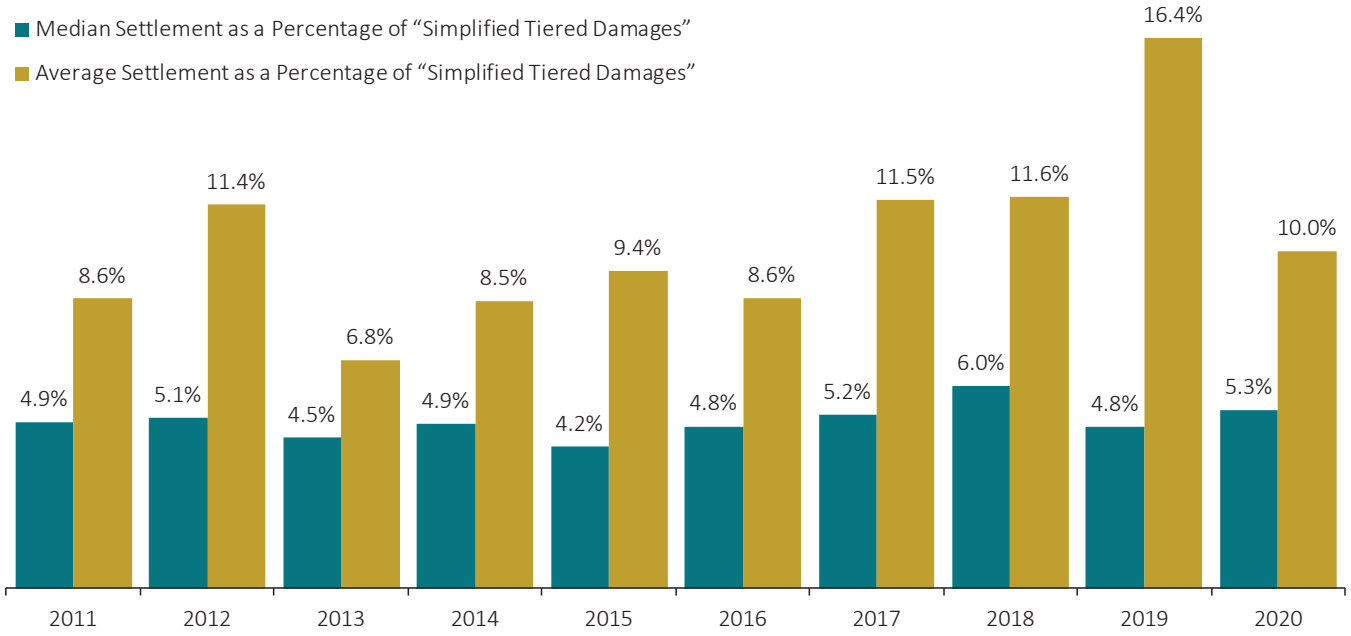
Note: Settlement dollars are adjusted for inflation; 2020 dollar equivalent figures are used. Settlements as a percentage of "simplified tiered damages" are calculated only for cases alleging Rule 10b-5 claims.

Appendix 6: Mega Settlements
2011–2020



Note: Mega settlements are defined as total settlement funds equal to or greater than $100 million. Settlement dollars are adjusted for inflation; 2020 dollar equivalent figures are used.

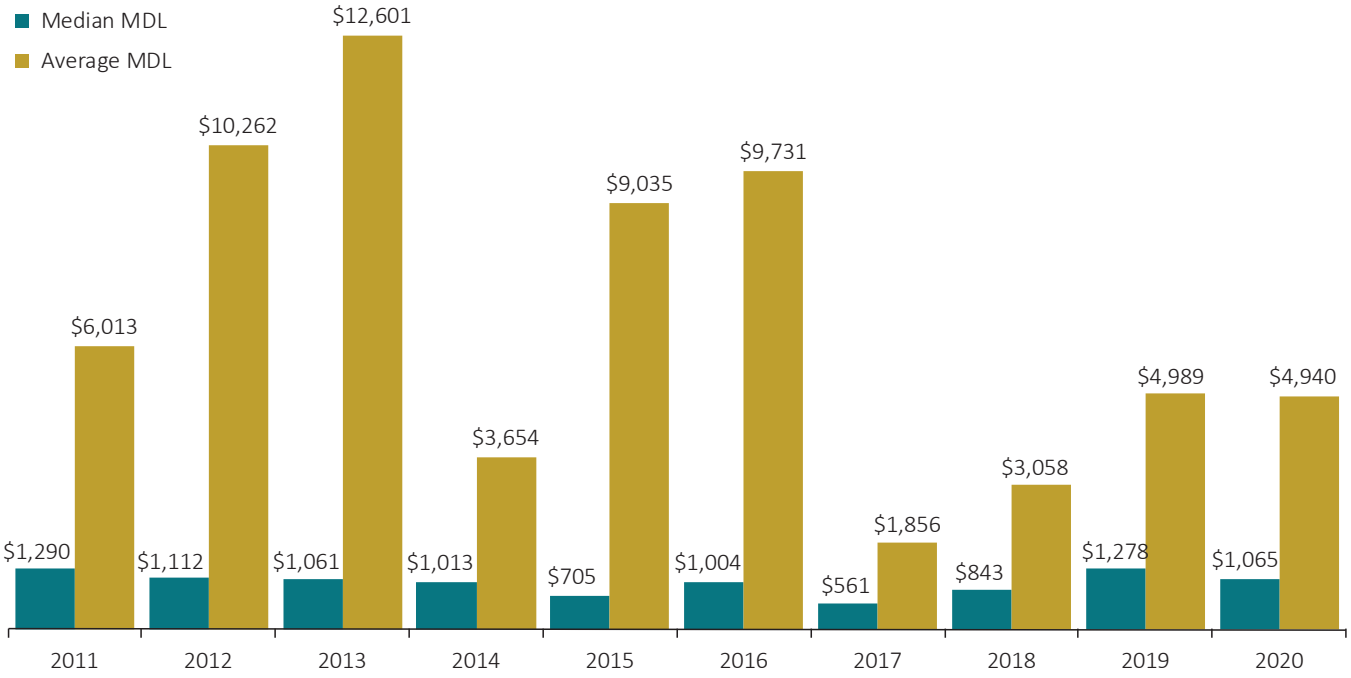
Appendix 7: Median and Average Settlements as a Percentage of "Simplified Tiered Damages" 2011–2020



Note: "Simplified tiered damages" are calculated only for cases alleging Rule 10b-5 claims.

Appendix 8: Median and Average Maximum Dollar Loss (MDL) 2011–2020

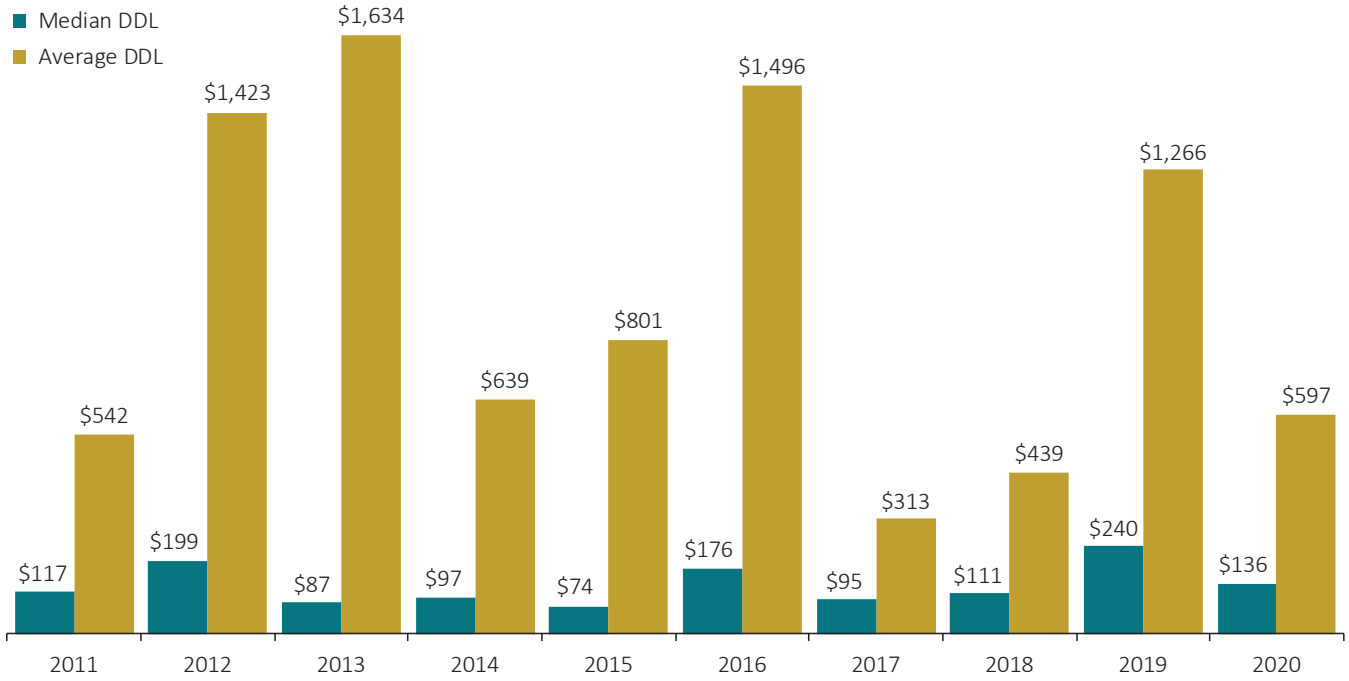
(Dollars in millions)



Note: MDL is adjusted for inflation based on class period end dates. MDL is the dollar value change in the defendant firm's market capitalization from the trading day with the highest market capitalization during the class period to the trading day immediately following the end of the class period.

Appendix 9: Median and Average Disclosure Dollar Loss (DDL) 2011–2020

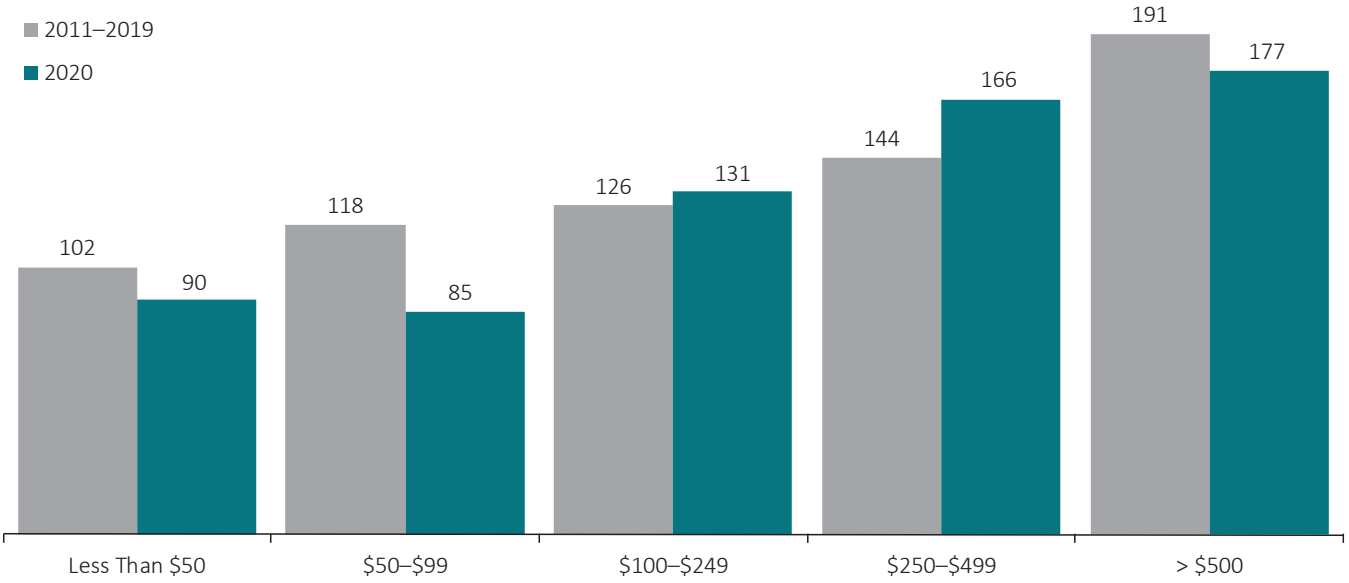
(Dollars in millions)



Note: DDL is adjusted for inflation based on class period end dates. DDL is the dollar value change in the defendant firm's market capitalization between the trading day immediately preceding the end of the class period and the trading day immediately following the end of the class period. This analysis excludes cases alleging '33 Act claims only.

Appendix 10: Median Docket Entries by "Simplified Tiered Damages" Range 2011–2020

(Dollars in millions)



Note: "Simplified tiered damages" are calculated only for cases alleging Rule 10b-5 claims.

About the Authors

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Ph.D., Columbia University; M.Phil., Columbia University; B.S., University of the Philippines

Laarni Bulan is a principal in Cornerstone Research's Boston office, where she specializes in finance. Her work has focused on securities damages, loss causation, and class certification issues, insider trading, merger and firm valuation, risk management, and corporate finance issues. She has also consulted on cases related to market manipulation and trading behavior, financial institutions and the credit crisis, derivatives, foreign exchange, and securities clearing and settlement.

Dr. Bulan has published several academic articles in peer-reviewed journals. Her research covers topics in dividend policy, capital structure, executive compensation, corporate governance, and real options. Prior to joining Cornerstone Research, Dr. Bulan had a joint appointment at Brandeis University as an assistant professor of finance in its International Business School and in the economics department.

Laura E. Simmons
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Laura Simmons is a senior advisor with Cornerstone Research. She is a certified public accountant and has more than 25 years of experience in accounting practice and economic and financial consulting. Dr. Simmons has focused on damage and liability issues in securities and ERISA litigation, as well as on accounting issues arising in a variety of complex commercial litigation matters. She has served as a testifying expert in litigation involving accounting analyses, securities case damages, ERISA matters, and research on securities lawsuits.

Dr. Simmons's research on pre– and post–Reform Act securities litigation settlements has been published in a number of reports and is frequently cited in the public press and legal journals. She has spoken at various conferences and appeared as a guest on CNBC addressing the topic of securities case settlements. She has also published in academic journals, including research focusing on the intersection of accounting and litigation. Dr. Simmons was previously an accounting faculty member at the Mason School of Business at the College of William & Mary. From 1986 to 1991, she was an accountant with Price Waterhouse.

The authors gratefully acknowledge the research efforts and significant contributions of their colleagues at Cornerstone Research in the writing and preparation of this annual update.

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Exhibit 4

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In Re: CANNTRUST HOLDINGS INC. SECURITIES LITIGATION	No. 1:19-cv-06396-JPO Judge J. Paul Oetken

DECLARATION OF LUIS GRANATI REGARDING: (A) MAILING OF THE NOTICE AND CLAIM FORM; (B) PUBLICATION OF THE SUMMARY NOTICE; AND (C) REPORT ON REQUESTS FOR EXCLUSION

I, Luis Granati, declare and state as follows:

1. I am a Project Manager employed by Epiq Class Action & Claims Solutions, Inc. ("Epiq"). Pursuant to the Court's September 2, 2021, Order Granting Preliminary Approval of Class Action Settlements, Approving Form and Manner of Notice, and Setting Date For Hearing on Final Approval of Settlements (the "Preliminary Approval Order"), Epiq was appointed to act as the Claims Administrator in connection with the Settlements of the above-captioned action.[1] The following statements are based on my personal knowledge and information provided by other Epiq employees working under my supervision and, if called on to do so, I could and would testify competently about them.

DISSEMINATION OF THE NOTICE PACKET

2. Pursuant to the Preliminary Approval Order, Epiq mailed the Notice of Pendency of U.S. Class Action and Proposed Settlements (the "Notice") and the Proof of Claim and Release

[1] Unless otherwise defined herein, all capitalized terms shall have the same meaning as set forth in the Preliminary Approval Order, dated as of September 2, 2021.

Form (the "Claim Form") (collectively, the Notice and Claim Form are referred to as the "Notice Packet"), to potential U.S. Settlement Class Members. A copy of the Notice Packet is attached as **Exhibit A.**

3. On August 30, 2021, September 2, 2021, September 3, 2021 and September 8, 2021, Epiq received Excel and PDF files from Lead Counsel Labaton Sucharow LLP ("Lead Counsel") containing names, addresses, and/or e-mails, which Lead Counsel received from: (i) potential members of the U.S. Settlement Class who had contacted Lead Counsel or Ontario Class Action Counsel; and (ii) counsel for CannTrust Holdings, Inc., obtained from CannTrust's transfer agent. Epiq extracted these records from the files and, after data clean-up and de-duplication, there remained 35,526 unique names, addresses, and/or e-mails.

4. Epiq formatted the Notice Packet, caused it to be printed and personalized with the name and address of each known potential U.S. Settlement Class Member, posted the Notice Packets for regular ground mail and mailed Notice Packets on September 17, 2021 to 34,234 potential U.S. Settlement Class Members, as well as e-mailed the Notice Packets to 1,292 potential U.S. Settlement Class members.

5. As in most class actions of this nature, the large majority of potential class members are beneficial purchasers whose securities are held in "street name" – *i.e.*, the securities are purchased by brokerage firms, banks, institutions, and other third-party nominees in the name of the nominee, on behalf of the beneficial purchasers. Epiq maintains and updates an internal list of the largest and most common banks, brokers and other nominees (the "Broker Proxy List"). At the time of the initial mailing, Epiq's internal Broker Proxy List contained 1,120 mailing records. On September 17, 2021, Epiq caused Notice Packets to be mailed to the 1,120 mailing records contained in its internal Broker Proxy List.

6. In total, 36,646 copies of the Notice Packet were mailed to potential U.S. Settlement Class Members and nominees by regular ground mail on September 17, 2021.

7. The Notice directed those who purchased or otherwise acquired publicly traded CannTrust common stock during the period from June 1, 2018 through March 31, 2020, inclusive, for the beneficial interest of a person or organization other than themselves to either: (i) provide Epiq with the names and addresses of such beneficial owners no later than ten (10) calendar days after such nominees' receipt of the Notice Packet; or (ii) request within ten (10) calendar days of receipt of the Notice Packet, additional copies of the Notice Packet from the Claims Administrator, and send a copy of the Notice Packet to such beneficial owners, no later than ten (10) calendar days after receipt of the copies.

8. Through October 27, 2021, Epiq has mailed an additional 134 Notice Packets to potential members of the U.S. Settlement Class whose names and addresses were provided to Epiq by individuals, entities or nominees requesting that Notice Packets be mailed to such persons, and has mailed another 656 Notice Packets to nominees who requested Notice Packets to forward to their customers. Each of the requests was responded to in a timely manner, and Epiq will continue to timely respond to any additional requests received.

9. As of October 27, 2021 an aggregate of 37,436 Notice Packets have been disseminated to potential U.S. Settlement Class Members and their nominees by regular ground mail. In addition, Epiq has re-mailed 928 Notice Packets to persons whose original mailing was returned by the U.S. Postal Service and for whom updated addresses were provided to Epiq by the Postal Service.

PUBLICATION OF THE SUMMARY NOTICE

10. In accordance with paragraph 11 of the Preliminary Approval Order, Epiq caused the Summary Notice of Pendency of U.S. Class Action and Proposed Settlements (the "Summary Notice") to be published once in *The Wall Street Journal* and to be transmitted over *PR Newswire* on September 28, 2021. Attached as **Exhibit B** is proof of publication of the Summary Notice in *The Wall Street Journal* and a screen shot attesting to the transmittal of the Summary Notice over the *PR Newswire*.

CALL CENTER SERVICES

11. Epiq reserved a toll-free phone number for the Settlements, 1-833-871-5359, which was set forth in the Notice, the Claim Form, the Summary Notice, and on the Settlement website.

12. The toll-free number connects callers with an Interactive Voice Recording ("IVR"). The IVR provides callers with pre-recorded information, including a brief summary about the Actions and the option to request a copy of the Notice and to speak with a representative during regular business hours (9am to 5pm New York / Eastern Time, except on holidays). The toll-free telephone line with pre-recorded information is available 24 hours a day, seven (7) days a week.

13. Epiq made the IVR available on September 17, 2021, the same date Epiq began mailing the Notice Packets.

WEBSITE

14. Epiq established and is maintaining a website dedicated to the Settlements (www.CannTrustSecuritiesSettlement.ca) to provide additional information to potential class members. Users of the website can download copies of the Notice, the Claim Form, the Preliminary Approval Order, the U.S. Class Action Complaint, the CCAA Plan, the CCAA Sanction Order, the settlement agreements, and the Allocation and Distribution Scheme, among

other relevant documents. The website also contains a claim submission portal and electronic claim filing instructions for nominees.

15. The web address was set forth in the Summary Notice, the Notice, and on the Claim Form. The website was operational beginning on September 17, 2021, and is accessible 24 hours a day, seven (7) days a week. Epiq will continue operating, maintaining and, as appropriate, updating the website until the conclusion of this administration.

EXCLUSION REQUESTS

16. Pursuant to the Preliminary Approval Order, U.S. Settlement Class Members who wish to be excluded from the U.S. Settlement Class are required to mail their written request to Epiq so that the request is received by November 11, 2021.[2] As of the date of this Declaration, Epiq has received zero (0) requests for exclusion.

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

Executed on October 28, 2021, at Ottawa, Ontario.

Luis Granati

[2] Objections are to be filed with the Court and mailed to counsel. Epiq has not received any misdirected objections.

Exhibit A

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In Re: CANNTRUST HOLDINGS INC. SECURITIES LITIGATION	No. 1:19-cv-06396-JPO

NOTICE OF PENDENCY OF U.S. CLASS ACTION AND PROPOSED SETTLEMENTS

www.CannTrustSecuritiesSettlement.ca

If you purchased the publicly traded common stock of CannTrust Holdings Inc. ("**CannTrust**") on the New York Stock Exchange or on any U.S. based trading platform or pursuant or traceable to CannTrust's May 6, 2019 secondary offering, you may be entitled to a payment from several class action settlements.

A U.S. Federal Court authorized this Notice. This is not a solicitation from a lawyer.

- After extensive negotiations under the auspices of a court-appointed mediator, defendant CannTrust and the majority of the defendants in this U.S. class action have reached a global resolution of the claims asserted against them in this case (the "**U.S. Class Action**"), as well as actions pending in Canada and California (the "**Actions**").[1] The proposed Settlements will be implemented pursuant to an amended and restated plan of compromise, arrangement and reorganization of CannTrust, CannTrust Inc. and Elmcliffe Investments Inc. (as may be further amended from time to time in accordance with its terms), pursuant to Canada's Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended, (the "**CCAA Plan**"), which was approved by the Ontario Superior Court of Justice (Commercial List) (the "**Canadian Court**") by a "sanction order" entered on July 16, 2021 (the "**CCAA Sanction Order**").
- Implementation of the CCAA Plan requires, among other things, approval of the Settlements as they relate to the U.S. Class Action by the Court overseeing this U.S. Class Action (the "**U.S. Court**"). The CCAA Plan provides for, *inter alia*, the restructuring of CannTrust so that it can emerge from insolvency, the administration of the Settlements for the benefit of CannTrust's investors, and the handling of unsettled claims related to the alleged wrongdoing at issue in the Actions.[2]
- This Notice describes important rights you may have if you are a member of the U.S. Settlement Class (defined below) and what steps you must take if you wish to receive a payment as a result of the Settlements, wish to object, or wish to seek to be excluded from the U.S. Settlement Class.
- The CCAA Plan, and the proposed Settlements reached to date to be implemented through the CCAA Plan, will create, among other things, a Class Compensation Fund (defined below) for eligible investors in the amount of approximately C$83,000,000,[3] before the deduction of approved fees, expenses, taxes, and set-offs required by the Settlements. The Class Compensation Fund will be administered by a Securities Claimant Trust for the benefit of Securities Claimants both within and outside the United States. Any additional settlements and recoveries obtained through claims against non-Settlement Parties will also be administered by the Securities Claimant Trust, and may increase the amounts available to eligible Securities Claimants.

[1] The Settlements involve all defendants in this U.S. Class Action, except for KPMG LLP. Defendants CannTrust; Cannamed Financial Corp.; Cajun Capital Corporation; Mark Dawber; Greg Guyatt; John Kaden; Robert Marcovitch; Shawna Page; Mitchell Sanders; Eric Paul; Mark Ian Litwin; Ian Abramowitz; Peter Aceto; Canaccord Genuity LLC; Citigroup Global Markets Inc.; Credit Suisse Securities (USA) LLC; Jefferies LLC; Merrill Lynch, Pierce, Fenner & Smith Incorporated; and RBC Dominion Securities Inc. are collectively the "**Settling Defendants**," for purposes of this Notice and the U.S. Class Action. U.S. Class Action Lead Plaintiffs and the Settling Defendants are collectively the "**Settling Parties**," for purposes of this Notice and the U.S. Class Action.

[2] The primary terms of the Settlements are set forth in the CCAA Plan, the Restructuring Support Agreement, effective as of January 19, 2021 (the "**RSA**"), and the minutes of settlement with the other settling parties, which can be viewed at www.CannTrustSecuritiesSettlement.ca. All capitalized terms not defined in this Notice have the same meanings as defined in the CCAA Plan, the RSA, the U.S. Court's Preliminary Approval Order, or the Allocation and Distribution Scheme governing the calculation of Securities Claimants' claims ("**A&DS**"), which is reported at the end of this Notice.

[3] For informational purposes, at the time the Settlements were reached (January 19, 2021 to May 24, 2021), the C$/US$ exchange rate ranged from C$1.20 to C$1.28 per US$1.00 with an average of C$1.25 per US$1.00. Accordingly, at the time of the Settlements, C$83,000,000 was equivalent to approximately US$66,400,000.

The proposed Settlements to date provide for an average recovery of approximately C$0.27 per allegedly damaged share before deductions for awarded attorneys' fees and litigation expenses (discussed below), taxes, notice and administration fees and expenses, ongoing litigation costs, and other fees, expenses, and liabilities allowed by the CCAA Plan and the A&DS, and C$0.20 per allegedly damaged share after deductions for awarded attorneys' fees. Plaintiffs' consulting damages expert has estimated that approximately 302,600,000 CannTrust shares were allegedly damaged, of which 152,400,000 shares were purchased in Canada on the Toronto Stock Exchange ("**TSX**") and 150,200,000 shares were purchased on the New York Stock Exchange ("**NYSE**") or other U.S. based trading platforms.

- The Settlements, among other things, will allow for the restructuring of CannTrust, the certain payment of recoveries to eligible Securities Claimants, and the assignment of potentially valuable claims held by CannTrust to a Securities Claimants Trust to allow for potential additional recoveries, while avoiding the costs and risks of continuing the U.S. Class Action against CannTrust and several other defendants. In exchange, the Settlements release the Released Parties from all liability.

IF YOU ARE A U.S. SETTLEMENT CLASS MEMBER, YOUR LEGAL RIGHTS WILL BE AFFECTED BY THE SETTLEMENTS WHETHER YOU ACT OR DO NOT ACT. PLEASE READ THIS NOTICE CAREFULLY.

YOUR LEGAL RIGHTS AND OPTIONS	
SUBMIT A CLAIM FORM BY MARCH 16, 2022	The only way to get a payment as part of the settlement of the U.S. Class Action. *See* Question 8 for details.
EXCLUDE YOURSELF FROM THE U.S. SETTLEMENT CLASS BY NOVEMBER 11, 2021	Get no payment as part of the settlement of the U.S. Class Action. This is the only option that potentially may allow you to ever bring or be part of any other lawsuit against the Released Parties (defined below) concerning the Released Securities-Related Claims (defined below). ***However, the Settlement Parties believe that the CCAA Sanction Order will operate to bar any claims by the U.S. Settlement Class Members against the Released Parties regardless of whether they request exclusion from the U.S. Settlement Class***. *See* Question 11 for details.
OBJECT BY NOVEMBER 11, 2021	Write to the U.S. Court about why you do not like the Settlements or the Allocation and Distribution Scheme for distributing the proceeds of the Settlements, as they relate to this U.S. Class Action. If you object, you will still be in the U.S. Settlement Class and you can still file a Claim Form. *See* Question 15 for details.
PARTICIPATE IN A HEARING ON DECEMBER 2, 2021 AND FILE A NOTICE OF INTENTION TO APPEAR BY NOVEMBER 11, 2021	Ask to speak to the Court at the Settlement Hearing about the Settlements. *See* Question 19 for details.
DO NOTHING	• Get no payment as part of the settlement of the U.S. Class Action. • Give up rights in relation to the U.S. Class Action. • Still be bound by the terms of the Settlements as they relate to the U.S. Class Action.

- These rights and options—**and the deadlines to exercise them**—are explained below.
- The U.S. Court in charge of this case still has to decide whether to approve the proposed Settlements, as they relate to this case. Payments will be made to Securities Claimants who timely submit valid Claim Forms, if the U.S. Court approves the Settlements, any appeals are resolved favorably, and the CCAA Plan reaches its Effective Time.

WHAT THIS NOTICE CONTAINS

PSLRA SUMMARY OF THE NOTICE

Statement of the U.S. Settlement Class's Recovery

1. U.S. Class Action Lead Plaintiffs, together with the plaintiffs in a similar class action pending in Ontario (the "Ontario Class Action Lead Plaintiffs" and, collectively with the U.S. Class Action Lead Plaintiffs, the "**Class Action Lead Plaintiffs**" or "**CCAA Representatives**"), have entered into the proposed Settlements which, if approved by the U.S. Court and if other conditions to the implementation of the CCAA Plan are satisfied, will resolve the majority of the claims in the U.S. Class Action. U.S. Class Action Lead Plaintiffs, on behalf of the U.S. Settlement Class (defined below), have agreed to the Settlements in exchange for (i) payments totaling approximately C$83,000,000 in cash, which, together with any additional settlements (collectively, the "**Class Settlement Amount**") or recoveries received, will be transferred to the Securities Claimant Trust for the benefit of Securities Claimants both within and outside the United States, and (ii) the assignment of ongoing claims that may potentially result in additional recoveries for Securities Claimants. Based on Class Action Lead Plaintiffs' consulting damages expert's estimate of the number of shares of CannTrust publicly traded common stock eligible to participate in the Settlements, and assuming that all investors eligible to participate do so, the proposed Settlements to date provide for an average recovery of approximately C$0.27 per allegedly damaged share before deductions for awarded attorneys' fees and litigation expenses (discussed below), taxes, notice and administration fees and expenses, ongoing litigation costs, and other fees, expenses, and liabilities allowed by the CCAA Plan and the A&DS. **This average recovery amount is only an estimate and individual Securities Claimants may recover more or less than this estimate.** A Securities Claimant's actual recovery will depend on, for example: (i) the number of claims submitted; (ii) the amount of the Class Compensation Fund; (iii) when and how many shares of CannTrust publicly traded common stock the Securities Claimant purchased or acquired during the Class Period; (iv) the extent to which the Securities Claimant purchased Offering Shares or Secondary Shares; and (v) whether and when the Securities Claimant sold CannTrust publicly traded common stock. *See* the Allocation and Distribution Scheme at the end of this Notice for information on the calculation of your Recognized Claim.

Statement of Potential Outcome if the Released Securities-Related Claims Continued to Be Litigated

2. The Settling Parties disagree about both liability and damages and do not agree about the amount of damages that would be recoverable if U.S. Class Action Lead Plaintiffs were to prevail on each claim. The issues that the Settling Parties disagree about include, for example: (i) whether the Settling Defendants made any statements or omitted any facts that were materially false or misleading, or otherwise actionable under the federal securities

laws; (ii) whether any such statements or omissions were made with the requisite level of intent or recklessness; (iii) the amounts by which the prices of CannTrust publicly traded common stock were allegedly artificially inflated, if at all; and (iv) the extent to which factors unrelated to the alleged fraud, such as general market, economic, and industry conditions, influenced the trading prices of CannTrust publicly traded common stock.

3. Defendants have denied and continue to deny any and all allegations of wrongdoing or fault asserted in the U.S. Class Action, deny that they have committed any act or omission giving rise to any liability or violation of law, and deny that U.S. Class Lead Plaintiffs and the U.S. Settlement Class have suffered any loss attributable to defendants' actions or omissions.

Statement of Attorneys' Fees and Expenses to Be Sought

4. As discussed more below, at a future date, counsel for the U.S. Class Action Lead Plaintiffs ("**U.S. Class Action Counsel**") and counsel for the Ontario Class Action Lead Plaintiffs ("**Ontario Class Action Counsel**" and collectively with the U.S. Class Action Counsel, "**Class Action Counsel**") will apply to the Canadian Court for attorneys' fees from the Securities Claimant Trust in an amount not to exceed 25% of the aggregate Class Settlement Amount, plus accrued interest and taxes. Class Action Counsel will make additional fee applications if additional recoveries as a result of ongoing litigation are obtained. Class Action Counsel will also apply for payment of their litigation expenses incurred in prosecuting the Actions, in an amount to be determined, which may also include reimbursement to the Class Action Lead Plaintiffs for their reasonable costs and expenses (including lost wages) related to their representation of the Securities Claimants. If the Canadian Court approves Class Action Counsel's fee application, assuming that the Class Settlement Amount totals approximately C$83,000,000, the average amount of fees is estimated to be approximately C$0.07 per allegedly damaged share of CannTrust publicly traded common stock.

Reasons for the Settlements

5. For U.S. Class Action Lead Plaintiffs, the principal reason for entering into the Settlements is the guaranteed cash benefit to the U.S. Settlement Class. This benefit must be compared to the uncertainty of: (i) being able to recover from the CannTrust-related defendants given CannTrust's financial state, liquidation value, the CCAA proceedings, and insurers' denials of coverage; (ii) being able to prove the allegations in the Complaint; (iii) the risk that the Court may grant some or all of the anticipated motions to dismiss or summary judgment motions to be filed by Defendants; (iv) the uncertainty of a greater recovery after a trial and appeals; and (v) the difficulties and delays inherent in such litigation.

6. For the Settling Defendants, who deny all allegations of wrongdoing or liability whatsoever and deny that U.S. Settlement Class Members were damaged, the principal reasons for entering into the Settlements are to end the burden, expense, uncertainty, and risk of further litigation.

Identification of Representatives

7. U.S. Class Action Lead Plaintiffs and the U.S. Settlement Class are represented by Lead Counsel, James W. Johnson, Labaton Sucharow LLP, 140 Broadway, New York, NY 10005, 888-219-6877, www.labaton.com, settlementquestions@labaton.com.

8. Further information regarding the U.S. Class Action, the Settlements, and this Notice may be obtained by contacting the Claims Administrator at:

CannTrust Securities Settlements
c/o Epiq Class Action Services Canada Inc.
P.O. Box 507 STN B
Ottawa ON K1P 5P6
www.CannTrustSecuritiesSettlement.ca
info@CannTrustSecuritiesSettlement.ca
1-833-871-5359

Please Do Not Call the Court or CannTrust with Questions about the Settlements.

BASIC INFORMATION

1. Why did I get this Notice?

9. The U.S. Court authorized that this Notice be sent to you because you or someone in your family may have purchased or otherwise acquired CannTrust publicly traded common stock on the New York Stock Exchange or on any U.S. based trading platform during the period from June 1, 2018 through March 31, 2020, inclusive (the "**Claim Period**")[4] or pursuant or traceable to CannTrust's offering materials issued in connection with the Company's secondary offering, completed on or about May 6, 2019. **Receipt of this Notice does not mean that you are a member of the U.S. Settlement Class or that you will be entitled to receive a payment. The Settling Parties do not have access to your individual investment information. If you wish to be eligible for a payment, you are required to submit the Claim Form that is being distributed with this Notice. *See* Question 8 below.**

10. The U.S. Court directed that this Notice be sent to U.S. Settlement Class Members because they have a right to know about the proposed Settlements, and about all of their options, before the U.S. Court decides whether to approve the Settlements, as they relate to this case.

11. The Court in charge of the U.S. Class Action is the United States District Court for the Southern District of New York, and the case is known as *In Re: CannTrust Holdings Inc. Securities Litigation,* Civil Action No. 1:19-cv-06396-JPO. The U.S. Class Action is assigned to the Honorable J. Paul Oetken, United States District Judge.

12. The Canadian Court in charge of the Ontario Class Action and the CCAA Proceedings is the Ontario Superior Court of Justice (Commercial List).

2. How do I know if I am part of the U.S. Settlement Class?

13. The U.S. Court directed, for the purposes of the proposed Settlements only, that everyone who fits the following description is a member of the U.S. Settlement Class[5] and subject to the Settlements, unless they are an Excluded Person (*see* Question 3 below) or take steps to exclude themselves from the U.S. Settlement Class (*see* Question 11 below):

> **(i) all persons and entities who or which purchased the publicly traded common stock of CannTrust Holdings Inc. on the New York Stock Exchange (NYSE) or on any U.S. based trading platform during the period from June 1, 2018 through March 31, 2020, inclusive (the Claim Period); and/or**
>
> **(ii) all persons and entitles who or which purchased or otherwise acquired CannTrust Holdings Inc. common stock pursuant or traceable to the Offering Materials (as defined in the Complaint) issued in connection with the secondary public offering, completed on or about May 6, 2019.**

14. If one of your mutual funds purchased CannTrust publicly traded common stock during the Claim Period, that does not make you a U.S. Settlement Class Member (U.S. Securities Claimant), although your mutual fund may be. You are a U.S. Settlement Class Member (U.S. Securities Claimant) only if you individually purchased or acquired CannTrust publicly traded common stock on the NYSE or any U.S. based trading platform, or pursuant or traceable to the Offering Materials, during the Claim Period. Check your investment records or contact your broker to see if you have any eligible purchases or acquisitions. The Settling Parties do not independently have access to your trading information.

15. If you are **not** a member of the U.S. Settlement Class (U.S. Securities Claimant), you may be a "**Canadian and Non-U.S. Securities Claimant**," which means all Securities Claimants other than U.S. Securities Claimants. Canadian and Non-U.S. Securities Claimants may also submit the enclosed Claim Form.

3. Are there exceptions to being included?

16. Yes. There are some individuals and entities who are excluded from the U.S. Settlement Class by definition. Excluded from the U.S. Settlement Class are: (i) CannTrust, Cannamed Financial Corp, Cajun Capital Corporation, KPMG LLP, Merrill Lynch, Pierce, Fenner & Smith Inc., Merrill Lynch Canada Inc., Citigroup Global Markets Inc., Citigroup Global Markets Canada Inc., Credit Suisse Securities (USA) LLC, Credit Suisse Securities

[4] It is alleged that Defendants made false and misleading statements and omissions during the period from June 1, 2018 through September 17, 2019. The Claim Period then extends from September 18, 2019 through March 31, 2020, the date when the CannTrust Group commenced insolvency proceedings under the CCAA.

[5] Members of the U.S. Settlement Class are also called U.S. Securities Claimants in the Definitive Documents.

(Canada) Inc., RBC Dominion Securities Inc., Jefferies LLC, Jefferies Securities Inc., Canaccord Genuity LLC, Canaccord Genuity Corp., Paul Family Trust, Mar-Risa Holdings Inc., York Capital Funding Inc., Sutton Management Limited (the "**Corporate Defendants**"); (ii) Eric Paul, Peter Aceto, Greg Guyatt, Ian Abramowitz, Mark Dawber, John Kaden, Mark Ian Litwin, Fred Litwin, Robert Marcovitch, Mitchell J. Sanders, Stan Abramowitz, Brad Rogers, Michael Ravensdale, Shawna Page, Ilana Platt, Graham Lee, Kenneth Brady Green, Andrea Kirk, Norman Paul ("**Individual Defendants**"), any member of an Individual Defendant's immediate family, and any company under the control of an Individual Defendant; and (iii) the past and present subsidiaries, affiliates, officers, directors, senior employees, legal representatives, heirs, predecessors, successors and assigns of any such excluded person, *provided, however*, for the avoidance of doubt, that any "Investment Vehicle" shall not be excluded from the U.S. Settlement Class. Investment Vehicle means any investment company or pooled investment fund, including but not limited to, mutual fund families, exchange traded funds, fund of funds, and hedge funds, in which Defendants, or any of them, have, has, or may have a direct or indirect interest, or as to which its affiliates may act as an investment advisor, but in which any defendant alone or together with its, his or her respective affiliates is not a majority owner or does not hold a majority beneficial interest.

17. Also excluded from the U.S. Settlement Class is anyone who timely and validly seeks exclusion from the U.S. Settlement Class in accordance with the procedures described in Question 11 below. ***However, please be advised that the Settlement Parties believe that the CCAA Sanction Order will operate to bar any claims by the U.S. Settlement Class Members against the Released Parties regardless of whether they request exclusion from the U.S. Settlement Class.***

4. Why is this a class action?

18. In a class action, one or more persons or entities (in this case, U.S. Class Action Lead Plaintiffs), sue on behalf of people and entities who have similar claims. Together, these people and entities are a "class," and each is a "class member." A class action allows one court to resolve, in a single case, many similar claims that, if brought separately by individual people, might be too small economically to litigate. One court resolves the issues for all class members at the same time, except for those who exclude themselves, or "opt-out," from the class. In this case, the U.S. Court has appointed Granite Point Master Fund, LP and Granite Point Capital Scorpion Focused Ideas Fund to serve as lead plaintiffs and has appointed Labaton Sucharow LLP to serve as lead counsel.

5. What is this case about and what has happened so far?

19. CannTrust is a publicly traded company and its shares were primarily traded on the Toronto Stock Exchange ("**TSX**") and on the New York Stock Exchange ("**NYSE**"). Its share price declined following the announcement by CannTrust on July 8, 2019 that it had received a compliance report from Health Canada notifying it that its greenhouse facility in Pelham, Ontario was non-compliant with certain regulations as a result of observations by the regulator regarding the growing of cannabis in five unlicensed rooms and inaccurate information provided to the regulator by CannTrust employees. Class actions in Canada and the United States were commenced against, among others, CannTrust, certain of its directors and officers, the underwriters of its May 2019 initial share offering ("**Offering Shares**"), and its auditors, KPMG LLP.

The Canadian Actions

20. Following CannTrust's disclosures on July 8, 2019, several class actions were commenced in Ontario making substantially similar allegations on behalf of CannTrust shareholders. By Order dated January 28, 2020, carriage of the CannTrust securities class actions was granted to Ontario Class Action Counsel and all other proposed class actions in Ontario relating to the same subject matter were stayed. Proposed class actions were also commenced in British Columbia, Alberta and Québec. Several individual actions were also filed in Canada.

The U.S. Class Action

21. On July 10, 2019, a class action complaint was filed in the U.S. Court under the caption *Huang v. CannTrust Holdings Inc., et al.*, No. 19-cv-06396-JPO. Three other class action complaints were subsequently filed setting forth substantially the same allegations against CannTrust and its officers and directors: *Alvarado v. CannTrust Holdings, Inc., et al.*, No. 19-cv-6438; *Jones v. CannTrust Holdings, Inc., et al.*, No. 19-cv-6883; and *Justiss v. CannTrust Holdings, Inc., et al.*, No. 19-cv-7164 (JPO).

22. By Order dated April 16, 2020, the U.S. Court ordered that the cases be consolidated and recaptioned as *In re CannTrust Holdings Inc. Securities Litigation*, Civil Action No. 1:19-cv-06396-JPO; appointed Granite Point Master Fund, LP and Granite Point Capital Scorpion Focused Ideas Fund as lead plaintiffs; and appointed Labaton Sucharow LLP as lead counsel for a proposed U.S. class.

23. On June 26, 2020, U.S. Class Action Lead Plaintiffs filed and served their Consolidated Class Action Complaint (the "**Complaint**"). The Complaint asserts claims under Section 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "**Exchange Act allegations**") against CannTrust; CannTrust's auditor, KPMG LLP; and several of CannTrust's senior executives and directors: former Chief Executive Officer Peter Aceto, former Chief Financial Officer and current CEO Greg Guyatt, former CFO Ian Abramowitz, former President and Chief Operating Officer Brad Rogers, former Chairman of the Board and CEO Eric Paul, and members of CannTrust's Board of Directors: Mark E. Dawber, Mitchell J. Sanders, John T. Kaden, Mark I. Litwin, Shawna Page, and Robert F. Marcovitch. The Complaint separately asserts claims under Sections 11, 12(a)(2) and 15 of the Securities Act of 1933 (the "**Securities Act allegations**") against Defendants: CannTrust, KPMG, Paul, Aceto, Guyatt, Litwin, Sanders, Marcovitch, Dawber, Page, Kaden, as well as against Merrill Lynch, Pierce, Fenner & Smith Inc., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Jefferies LLC, RBC Dominion Securities Inc., Canaccord Genuity LLC, Cannamed Financial Corp. and Cajun Capital Corp.

24. Among other things, the Complaint alleges that Defendants made materially false and misleading statements and omissions concerning CannTrust's compliance with relevant cannabis regulations and an alleged scheme to increase the Company's cannabis production. The Complaint's Exchange Act allegations allege that the price of CannTrust publicly traded common stock was artificially inflated as a result of Defendants' allegedly false and misleading statements, and declined when the truth was allegedly revealed from July 8, 2019 through September 17, 2019. The Complaint's Securities Act allegations allege that the Company's registration statement and related documents incorporated therein (the "**Offering Documents**") issued in connection with the Company's Offering Shares contained materially false and misleading statements, allegedly injuring investors when the truth was revealed.

25. On July 6, 2020, the parties to the U.S. Class Action filed a letter and stipulation with the U.S. Court requesting that the Court stay the U.S. Class Action pending ongoing mediation in the CCAA Proceeding. On July 7, 2020, the U.S. Court entered a Stipulation and Order staying the U.S. Class Action until such time as (a) the court-appointed Mediator declared that the mediation process had concluded; or (b) the Canadian Court lifted the stay of proceedings in Canada.

CCAA Proceedings

26. On March 31, 2020, defendant CannTrust and certain other related parties commenced insolvency proceedings under the Companies' Creditors Arrangement Act in the Canadian Court, and obtained an order for a stay of proceedings against them, including stays of the Actions.

27. On May 8, 2020, the Canadian Court appointed the Hon. Dennis O'Connor, Q.C. (the "**Court-Appointed Mediator**") as a neutral third party to mediate a global settlement of the various actions and claims made against CannTrust and others (the "**Mediation Process**").

28. Ontario and U.S. Class Action Counsel agreed to work together as a single negotiating unit (the "**Coalition**") to advance the interests of all Securities Claimants represented by them in the Mediation Process. On January 29, 2021, the Canadian Court issued an order (the "**CCAA Representation Order**") appointing the Ontario Class Action and U.S. Class Action Lead Plaintiffs as CCAA Representatives and their counsel as CCAA Representative Counsel.

29. In tandem with the Mediation Process, CCAA Representative Counsel conducted an extensive legal and factual investigation, which included: (i) reviewing CannTrust's public disclosure documents and other publicly available information regarding CannTrust; (ii) holding discussions with an alleged CannTrust whistleblower and obtaining relevant emails; (iii) retaining and communicating with private "fact" investigators; (iv) identifying and interviewing potential "fact" witnesses; (v) communicating, to date, with over 1,300 individual Securities Claimants; (vi) retaining a cannabis consultant to advise counsel; (vii) considering expert opinion regarding applicable accounting standards by Cyrus Khory, managing director at Froese Forensic Partners Ltd.; (viii) considering expert opinion regarding applicable auditing standards by Professor Efrim Boritz, Ph.D., FCPA, FCA, CISA; (ix) retaining James Miller to provide an expert opinion regarding applicable underwriting standards; (x) retaining Sunita Surana, Ph.D., of Forensic Economics to provide an expert economic opinion on market efficiency, materiality, and damages; (xi) reviewing CannTrust's responsive insurance policies and other non-public information provided to CCAA Representative Counsel in the course of the Mediation Process; and (xii) considering the written mediation briefs and positions taken by the parties during the Mediation Process and the CCAA Proceedings.

30. In January 2021, following protracted negotiations over six months, the CCAA Representatives and CannTrust reached a framework for the resolution of all Securities Claims against CannTrust and related claims against co-defendants, which is reflected in the RSA. In the eight months since then, seven additional settlements have been reached.

31. On April 16, 2021, CannTrust and certain other related entities filed a plan of compromise, arrangement and reorganization pursuant to the CCAA (the CCAA Plan) in order to, among other things, implement a global resolution of the Actions and address other claims against the CannTrust entities.

32. By Order dated July 16, 2021, the Canadian Court entered the CCAA Sanction Order, which, among other things, authorized the implementation of the proposed Settlements, approved the A&DS, and authorized the creation of the Securities Claimant Trust.

The California State Court Action

33. On August 5, 2019, a proposed shareholder class action entitled *Owens v. CannTrust Holdings Inc., et al*., Court File No. 19CV352374, was filed in California Superior Court, Santa Clara County (the "**California Action**"). The California Action alleges claims under the Securities Act against CannTrust, Merrill Lynch, Pierce, Fenner & Smith Inc., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, RBC Dominion Securities Inc., Jefferies LLC, Canaccord Genuity LLC, Peter Aceto, Greg Guyatt, and Eric Paul, arising out of CannTrust's May 6, 2019 secondary offering as a result of the alleged wrongdoing that is the subject of the Class Actions. On November 14, 2019, the California Action was stayed, pending further resolution of proceedings in the U.S. Class Action.

6. What are the reasons for the Settlements?

34. The U.S. Court did not finally decide in favor of U.S. Class Action Lead Plaintiffs or the Settling Defendants. Instead, all Settling Parties agreed to settle.

35. U.S. Class Action Lead Plaintiffs and U.S. Class Action Counsel believe that the claims asserted in the U.S. Class Action are strong, however in agreeing to the Settlements, they considered a variety of factors and were informed by a detailed factual investigation of public and non-public information, the advice of accounting, auditing, underwriting, and financial economics expert, and information and documents provided through the Mediation Process. Key considerations included: (i) estimates of damages under Ontario and U.S. securities laws; (ii) the potential value of CannTrust Holdings' claim against KPMG; (iii) the value of claims against Insurers; and (iv) the risks and challenges of continuing litigation, including, principally, CannTrust's ability to satisfy a judgment and substantive and procedural legal issues. A key consideration was that since CannTrust was engaged in CCAA proceedings and certain of its insurers had denied coverage, any judgment after trial could result in a contested liquidation over CannTrust's assets. The extent to which investors could collect on a judgment was therefore questionable and the time it would take to obtain a recovery was unknown. In light of the Settlements and the guaranteed cash recovery to the U.S. Settlement Class, U.S. Class Action Lead Plaintiffs and U.S. Class Action Counsel believe that the proposed Settlements are fair, reasonable, and adequate, and in the best interests of the U.S. Settlement Class.

36. Settling Defendants have denied and continue to deny each and every one of the claims alleged in the U.S. Class Action, including all claims in the Complaint, and specifically deny any wrongdoing and that they have committed any act or omission giving rise to any liability or violation of law. Settling Defendants deny that any member of the U.S. Settlement Class has suffered damages; that the prices of CannTrust publicly traded common stock were artificially inflated by reason of the alleged misrepresentations, omissions, or otherwise; or that members of the U.S. Settlement Class were harmed by the conduct alleged. Nonetheless, Settling Defendants have concluded that continuation of the claims in the U.S. Class Action would be protracted and expensive, and have taken into account the uncertainty and risks inherent in any litigation, especially a complex case like this U.S. Class Action.

THE SETTLEMENT BENEFITS

7. What do the Settlements provide?

37. In exchange for the releases and dismissals contemplated by the CCAA Plan and the Settlements (*see* Question 10 below), the Settling Defendants have agreed to, among other things, cause payments totaling approximately C$83,000,000 (to date), which, along with any interest earned, will be distributed after the deduction of court-awarded attorneys' fees and litigation expenses, taxes, notice and administration expenses and fees, ongoing litigation costs, and other fees, expenses, and liabilities allowed by the CCAA Plan and the A&DS (the "**Class Compensation Fund**"), to U.S. Securities Claimants and Canadian and Non-U.S. Securities Claimants (collectively, "**Securities Claimants**") who submit valid and timely Claim Forms and are found to be eligible to receive a distribution from the Class Compensation Fund. The Class Compensation Fund will be administered as part of the Securities Claimant Trust.

38. Certain Settling Defendants have agreed to assign claims that they have to the Securities Claimant Trust and to cooperate with Class Action Counsel so that the Class Action Lead Plaintiffs can pursue litigation against, or obtain settlements with, non-settling insurers and KPMG in Canada. Additionally, in light of the Settlements, the parties to the California Action will take action to cause the voluntary dismissal of the California Action.

39. Since the beginning of the Mediation Process, counsel for the plaintiffs in the Canadian Action and the U.S. Class Action, on behalf of all Securities Claimants, attended numerous formal mediation sessions with counsel to CannTrust, co-defendants, and insurers and participated in countless informal discussions with the Mediator, the CCAA Monitor, and other mediation participants.

40. In January 2021, following protracted negotiations over six months, Class Action Counsel and CannTrust reached the framework reflected in the RSA. In the months since then, seven additional settlements have been reached. (If any further settlements are reached or the Settlements are amended, updates will be posted on the website www.CannTrustSecuritiesSettlement.ca.):

- defendant Eric Paul and the Paul Family Trust (the "**Paul Settling Parties Settlement**");
- defendant Canaccord Genuity LLC, Canaccord Genuity Corp., defendant Citigroup Global Markets Inc., Citigroup Global Markets Canada Inc., Credit Suisse Securities (Canada) Inc., defendant Credit Suisse Securities (USA) LLC, Jefferies Securities, Inc, defendant Jefferies LLC, Merrill Lynch Canada Inc., defendant Merrill Lynch, Pierce, Fenner & Smith Incorporated, and defendant RBC Dominion Securities Inc. (the "**Underwriters Settlement**");
- defendant Mark Ian Litwin, Fred Litwin, Stan Abramowitz, defendant Cannamed Financial Corp., Forum Financial Corporation, Mar-Risa Holdings Inc., York Capital Funding Inc., and Sutton Management Limited (the "**Litwin Group Settlement**");
- defendant Ian Abramowitz ("**Abramowitz Settlement**");
- defendant Peter Aceto ("**Aceto Settlement**");
- Kenneth Brady Green ("**Green Settlement**"); and
- Class Action Lead Plaintiffs also entered into a settlement with opt-out plaintiff Zola Finance Holdings Ltd. and Igor Gimelshtein (the "**Zola Plaintiffs Settlement**"), who had commenced a separate action against CannTrust in Canada and elected not to be represented by the class representatives.

41. **The RSA** - On January 19, 2021, defendants CannTrust and others entered into the RSA with the Class Action Plaintiffs in the Canadian Action and the U.S. Class Action, through their counsel, which created a framework for the settlement of all securities claims against CannTrust and certain of its officers and directors. The settlement reflected in the RSA is with CannTrust and the other CCAA applicants, Mark Dawber, Greg Guyatt, John Kaden, Robert Marcovitch, Shawna Page, Ilana Platt, Mitchell Sanders and Cajun Capital Corporation ("**Original Settlement Parties**"). The RSA provided an orderly mechanism for the Class Action Lead Plaintiffs and Class Action Counsel, with the Original Settlement Parties' help, to obtain additional settlements and provide releases to additional parties. In exchange for releases of liability (*see* Question 10 below):

(a) CannTrust will pay a Cash Contribution of C$50,000,000 to the Securities Claimant Trust;

(b) the Original Settlement Parties will assign their Assigned Claims, notably claims against Insurers and KPMG, to the Securities Claimant Trust;

(c) CannTrust will provide information and cooperation to the Class Action Plaintiffs in the prosecution of the continuing litigation; and

(d) if the aggregate amount recovered by Securities Claimants and the Securities Claimant Trust from Additional Settlement Parties and Non-Settlement Parties, whether pursuant to settlements or continued litigation, exceeds C$250 million net of litigation fees and expenses, then CannTrust Holdings will be entitled to be repaid up to C$50 million in staged amounts from the Securities Claimant Trust (such staged amounts to be agreed upon at a future date).

42. **Assignment of CannTrust's Claim Against KPMG** - KPMG was CannTrust's auditor during the period when defendants allegedly issued false and misleading financial statements. KPMG is a defendant in the Class Actions and faces statutory claims by shareholders. During the Mediation Process, Class Action Counsel determined, in their judgment, that CannTrust also may have a potentially valuable auditor's negligence claim against KPMG.

43. Class Action Counsel believe that CannTrust has claims against KPMG in connection with its audit of CannTrust's 2018 annual financial statements and Q1 2019 review engagement. Pursuant to the CCAA Plan and CCAA Sanction Order, claims of this nature against KPMG that are not indemnity claims, contribution claims or other claims over will be assigned to the Securities Claimant Trust and will be litigated in Canada.

44. **Paul Settling Parties Settlement** - The settlement provides for payment of a Cash Contribution of C$12,000,000 and assignment of Paul's claims against his Insurer to the Securities Claimant Trust. As a result of the settlement and the transfer of his Assigned Claims, Paul gave up his rights to insurance coverage that would respond to regulatory or criminal proceedings. Accordingly, the settlement provides that the Securities Claimant Trust will reserve C$1 million in respect of legal costs to defend against any such proceedings. Any funds remaining after the final disposition of such proceedings will revert back to the Securities Claimant Trust.

45. **The Underwriters Settlement** - The settlement provides for a Cash Contribution of US$8,000,000.

46. **Litwin Group Settlement** - The settlement provides for a Cash Contribution of C$11,000,000. Fred Litwin was a significant shareholder of CannTrust, and allegedly controlled Forum Financial Corporation, which was an insider of CannTrust. Fred Litwin is not a defendant to any of the Class Actions, however, he faces a claim by the Zola Plaintiffs for negligent misrepresentation in connection with a direct sale of 1,000,000 shares to them in September 2018. As part of the Zola Plaintiffs Settlement, the Securities Claimant Trust will acquire the rights to those claims.

47. **Abramowitz Settlement** - The settlement provides that Abramowitz will provide cooperation to the Class Action Lead Plaintiffs and assignment of his claims against his Insurer to the Securities Claimant Trust, excluding any claims, rights or entitlement that he may have to insurance coverage for criminal, regulatory or administrative proceedings. The settlement provides that the Securities Claimant Trust will pay the costs of Abramowitz's legal representation to aid his cooperation obligations up to a maximum of C$100,000. Subsequently, Class Action Lead Plaintiffs and Abramowitz reached an agreement whereby Abramowitz will release all claims to insurance coverage and the Securities Claimant Trust will provide indemnification of up to C$1 million for the costs of responding to regulatory or criminal investigations and proceedings, or certain other litigation expenses.

48. **Aceto Settlement** - The Class Action Lead Plaintiffs agreed to settle with Aceto in exchange for his cooperation. A Cash Contribution will be made on his behalf by certain Insurers, assuming the settlement with them is finalized, and he will not be treated as a Released Party unless and until the Cash Contribution has been made. As a result of the settlement, Aceto will give up his rights to insurance coverage that would respond to regulatory or criminal proceedings. Accordingly, the settlement provides that the Securities Claimant Trust will reserve up to C$1 million in respect of legal costs to defend against any such proceedings.

49. **Green Settlement** – Green is a defendant in the Ontario Class Action. The Class Action Lead Plaintiffs agreed to settle with Brady Green in exchange for his cooperation.

50. **Zola Plaintiffs Settlement** - The Zola Plaintiffs are Securities Claimants and fall under the definition of class members in the Ontario Class Action. However, they were excluded from the CCAA Representation Order and have their own counsel in the CCAA Proceedings. The Zola Plaintiffs filed a proof of claim in the CCAA Proceedings of C$45 million. From before the commencement of the CCAA Proceedings, the Zola Plaintiffs announced an intention to opt out of the Ontario Class Action and pursue their own claims. The Zola Plaintiffs commenced an individual action against CannTrust and others in November of 2019. The Zola Action makes unique allegations and claims based on the Zola Plaintiffs' direct conversations with certain defendants, as well as its direct purchase of shares from Fred Litwin. The Zola Plaintiffs agreed to support the CCAA Plan and assign their claims to the Securities Claimant Trust, in exchange for a defined allocation from the Class Settlement Amount of C$3.25 million and a *pro rata* payment from the Class Compensation Fund, which were authorized by the CCAA Court.

51. **Dismissal of the California Action** - In light of the Settlements, the plaintiff in the California Action will take action to cause the action to be voluntarily dismissed.

8. How can I receive a payment?

52. To qualify for a payment from the Cash Compensation Fund in relation to the U.S. Class Action, you must submit a timely and valid Claim Form. A Claim Form is included with this Notice. You may also obtain one from the website dedicated to the Settlements: www.CannTrustSecuritiesSettlement.ca, or from Labaton Sucharow's website: www.labaton.com, or submit a claim online at www.CannTrustSecuritiesSettlement.ca. You can also request that a Claim Form be mailed or e-mailed to you by calling the Claims Administrator toll-free at 1-833-871-5359 or e-mailing them at info@CannTrustSecuritiesSettlement.ca.

53. Please read the instructions contained in the Claim Form carefully, fill out the Claim Form, include all the documents the form requests, sign it, and mail or submit it electronically to the Claims Administrator so that it is **postmarked or received no later than March 16, 2022.** (Any extensions of this deadline will be posted on the website for the Settlements: www.CannTrustSecuritiesSettlement.ca.)

9. How will my claim be calculated?

54. The Allocation and Distribution Scheme set forth at the end of this Notice is the plan for calculating claims and distributing the proceeds of the Settlements that is being proposed by U.S. Class Action Lead Plaintiffs and U.S. Class Action Counsel to the U.S. Court for approval. On July 16, 2021, it was approved by the CCAA Court. The U.S. Court may approve this A&DS or modify it, as it relates to members of the U.S. Settlement Class, without additional individual notice to the U.S. Settlement Class. Any order modifying the A&DS will be posted on the Settlement website at: www.CannTrustSecuritiesSettlement.ca and at www.labaton.com.

55. As noted above, the Class Settlement Amount, after deductions for awarded attorneys' fees and litigation expenses, taxes, notice and administration fees and expenses, ongoing litigation costs, and other fees, expenses, and liabilities allowed by the CCAA Plan and the A&DS, will be distributed to Securities Claimants who timely submit valid Claim Forms that show a "Recognized Claim" according to the A&DS (or any other plan of distribution approved by the courts). Under the federal securities laws, damages are determined through applying a variety of metrics, including considering when the alleged wrongdoing was disclosed (which in this case allegedly was from July 8, 2019 through September 17, 2019) or the trading price of the security at issue when a lawsuit seeking redress is filed (which in this case was July 10, 2019). Under the A&DS, purchases at or after 3:13 p.m. ET on September 17, 2019 are not eligible for a recovery because the full truth about the wrongdoing alleged in this case was allegedly revealed by this point in time.

56. Securities Claimants who do not timely submit valid Claim Forms will not share in the Class Compensation Fund, but will still be bound by the Settlements.

10. What am I giving up to receive a payment and by staying in the U.S. Settlement Class?

57. If you are a U.S. Settlement Class Member, upon the "Effective Time" of the CCAA Plan, you will release all "Released Securities-Related Claims" against the "Released Parties." All of the U.S. Court's orders about the Settlement, whether favorable or unfavorable, will apply to you and legally bind you, as will the CCAA Sanction Order and CCAA Plan. The main defined terms are stated below. The definitions of all terms can be found in the CCAA Plan and/or the RSA, which are available at www.CannTrustSecuritiesSettlement.ca.

(a) "**Additional Settlement Parties**" means each of: (i) Brady Green; (ii) Ian Abramowitz; (iii) the Underwriters; (iv) Eric Paul and the Paul Family Trust; (v) Mark Ian Litwin, Fred Litwin, Stan Abramowitz, Cannamed Financial Corp., Forum Financial Corporation, Mar-Risa Holdings Inc., York Capital Funding Inc. and Sutton Management Limited; (vi) the Insurers listed in Schedule E of the RSA (in their capacity as an Insurer in relation to the Insurance Policies) who have executed and delivered to CannTrust Holdings and the CCAA Representatives the Additional RSA for the applicable group of Insurers prior to the Plan Implementation Date; (vii) Peter Aceto, provided that he has executed and delivered his Additional RSA to CannTrust Holdings and the CCAA Representatives prior to the Plan Implementation Date; and (viii) any Co-Defendant or Insurer that has been designated as an Additional Settlement Party in accordance with Section 7.1 of the CCAA Plan.

(b) "**Co-Defendant**" means, at the relevant time: (i) any Person named as a defendant in an Action that is not a Settlement Party, and (ii) any Person that could be named as a co-defendant in an Action based on or arising out of the Securities-Related Matters who is not a Settlement Party and has or could have a Securities-Related Indemnity Claim against a Released Party.

(c) "**Original Settlement Parties**" means each member of the CannTrust Group, Mark Dawber, Greg Guyatt, John Kaden, Robert Marcovitch, Shawna Page, Ilana Platt, Mitchell Sanders and Cajun Capital Corporation.

(d) "**Released Additional Settlement Parties**" means the Additional Settlement Parties and their respective Representatives.

(e) "**Released CannTrust Parties**" means the Original Settlement Parties, the other entities in which CannTrust Holdings owns directly or indirectly not less than 50% of the common equity, the Monitor, and their respective Representatives, but excluding the Directors named as defendants in one or more of the Actions who are not Settlement Parties and the Representatives of each such excluded Director.

(f) "**Released Parties**" means the Released CannTrust Parties and the Released Additional Settlement Parties.

(g) "**Released Securities-Related Claims**" means (A) any and all Securities Claims and Securities-Related Claims against any of the Released Parties, (B) any and all Securities-Related Indemnity Claims against any of the Released Parties, and (C) any and all other demands, claims (including claims for contribution or indemnity), actions, causes of action, counterclaims, suits, debts, sums of money, liabilities, accounts, covenants, damages, judgments, orders (including orders for injunctive relief or specific performance and compliance orders), expenses, executions, encumbrances and recoveries on account of any liability, obligation, demand or cause of action of whatever nature (including for, alleged oppression, misrepresentation, wrongful conduct, fraud or breach

of fiduciary duty by any Settlement Party) that any Securities Claimant, Co-Defendant or other Person has or may be entitled to assert against any of the Released Parties, whether known or unknown, matured or unmatured, contingent or actual, direct, indirect or derivative, at common law, in equity or under contract or statute, foreseen or unforeseen, existing or hereafter arising, in any jurisdiction, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing, matter or occurrence existing or taking place at or prior to the Effective Time that in any way relate to or arise out of or in connection with: (i) any of the Actions; (ii) any of the Securities Claims, Securities-Related Claims, Securities-Related Indemnity Claims or Securities-Related Matters; or (iii) the CCAA Proceedings or any matter or transaction involving any member of the CannTrust Group occurring in or in connection with the CCAA Proceedings (including the CCAA Plan and the development of it), but excluding Non-Released CannTrust Claims and Channelled Claims.

(h) "**Representatives**" means, in relation to a Person, such Person's current and former directors, officers, partners, employees, consultants, legal counsel, advisers and agents, including their respective heirs, executors, administrators and other legal representatives, successors and assigns, and each of their respective employees and partners.

(i) "**Securities Claim**" means: (i) any Claim against CannTrust Holdings asserted by a plaintiff or putative plaintiff in an Action; and (ii) any other Claim against CannTrust Holdings that has been or could be asserted by or on behalf of a current or former shareholder of CannTrust Holdings or another Person in relation to the purchase, sale or ownership by such Person (including as a legal, registered or beneficial purchaser, seller or owner) on or before the Filing Date of an equity interest (as defined in the CCAA) in CannTrust Holdings, other than a Securities-Related Indemnity Claim.

(j) "**Securities-Related Claim**" means: (i) any claim against a Settlement Party or Co-Defendant asserted by a plaintiff or putative plaintiff in an Action; and (ii) any other claim against a Settlement Party or a Co-Defendant that has been or could be asserted by or on behalf of a current or former shareholder of CannTrust Holdings or another Person in relation to the purchase, sale or ownership by such Person (including as a legal, registered or beneficial purchaser, seller or owner) on or before the Filing Date of an equity interest (as defined in the CCAA) in CannTrust Holdings, other than a Securities Claim or Securities-Related Indemnity Claim.

(k) "**Securities-Related Indemnity Claim**" means any claim of any Person that has been or could be asserted against a Settlement Party (whether pursuant to an agreement, under applicable law or otherwise) for indemnity, advancement, contribution, reimbursement, set-off or otherwise, arising from or in connection with any Securities Claim or Securities-Related Claim asserted or that could be asserted against such Person or arising from or in connection with any other claim asserted or that could be asserted against such Person by any other Person that is not a Settlement Party in relation to a Securities-Related Matter, including, for greater certainty, a Defence Costs Indemnity Claim.

(l) "**Underwriters**" means Canaccord Genuity LLC, Canaccord Genuity Corp., Citigroup Global Markets Inc., Citigroup Global Markets Canada Inc., Credit Suisse Securities (Canada) Inc., Credit Suisse Securities (USA) LLC, Jefferies Securities, Inc, Jefferies LLC, Merrill Lynch Canada Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, and RBC Dominion Securities Inc.

58. Unless any conditions are waived, the "**Effective Time**" of the CCAA Plan will occur when, among other things, the Conditions to implementation of the CCAA Plan have been completed, including that an Order entered by the U.S. Court approving the Settlements has become final and is not subject to appeal and the California Action has been dismissed.

EXCLUDING YOURSELF FROM THE U.S. SETTLEMENT CLASS

59. If you are a member of the U.S. Settlement Class and want the potential to keep any right you may have to sue or continue to sue the Settling Defendants and the other Released Parties on your own concerning the Released Securities-Related Claims (if any), then you must take steps to remove yourself from the U.S. Settlement Class. This is called excluding yourself or "opting out." **PLEASE BE ADVISED:** If you decide to exclude yourself from the U.S. Settlement Class, there is a risk that any lawsuit you may file to pursue claims alleged in the U.S. Class Action or in connection with a Released Securities-Related Claim will be dismissed, including because the suit is barred by the CCAA Sanction Order. ***The Settlement Parties believe that the CCAA Sanction Order will operate to bar any claims by the U.S. Settlement Class Members against the Released Parties regardless of whether they request exclusion from the U.S. Settlement Class***.

60. CannTrust, CannTrust Inc., CTI Holdings (Osoyoos) Inc., Elmcliffe Investments Inc. and the Class Action Lead Plaintiffs have also entered into confidential agreements concerning requests for exclusion and ongoing litigation against the Original Settlement Parties, which provide, *inter alia*, the option to terminate the RSA if a certain amount of U.S. Settlement Class Members request exclusion. If the RSA is terminated, the CCAA Plan will not be implemented and the Settlements will be terminated.

11. How do I exclude myself from the U.S. Settlement Class?

61. To exclude yourself from the U.S. Settlement Class, you must mail a signed letter stating that you request to be "excluded from the U.S. Settlement Class in *In re CannTrust Holdings Inc. Sec. Litig.*, No. 1:19-cv-06396-JPO (S.D.N.Y.)." You cannot exclude yourself by telephone or e-mail. Each request for exclusion must also: (i) state the name, address, e-mail, and telephone number of the person or entity requesting exclusion; (ii) state the number of shares of CannTrust publicly traded common stock the person or entity purchased, acquired, and sold during the Claim Period; the dates and prices of all purchases, acquisitions, and sales; and documentation of each trade; and (iii) be signed by the person or entity requesting exclusion. A request for exclusion must be mailed so that it is **received no later than November 11, 2021** to:

CannTrust Securities Settlements
c/o Epiq Class Action Services Canada Inc.
P.O. Box 507 STN B
Ottawa ON K1P 5P6

62. This information is needed to determine whether you are a member of the U.S. Settlement Class. Your exclusion request must comply with these requirements in order to be valid.

63. If you ask to be excluded, do not submit a Claim Form because you cannot receive any payment from the Class Compensation Fund in relation to the U.S. Class Action. Also, you cannot object to the Settlements because you will not be a U.S. Settlement Class Member any longer.

12. If I do not exclude myself, can I sue the Settling Defendants and the other Released Parties for the same reasons later?

64. No. If you are a member of the U.S. Settlement Class, unless you properly exclude yourself, you will give up any rights to sue the Settling Defendants and the other Released Parties for any and all Released Securities-Related Claims. If you have a pending lawsuit against any of the Released Parties, **speak to your lawyer in that case immediately**. Remember, the exclusion deadline is **November 11, 2021.**

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

65. Labaton Sucharow LLP is U.S. Class Counsel in the U.S. Class Action and represents all U.S. Settlement Class Members. Labaton Sucharow was assisted in the U.S. Class Action by Levi & Korsinksy LLP. In addition, the U.S. Class Action Lead Plaintiffs and U.S. Securities Claimants have been represented in the CCAA Proceedings by Labaton Sucharow and Weisz Fell Kour LLP. Ontario Class Action Lead Plaintiffs and Canadian and Non-U.S. Securities Representatives have been represented by Dimitri Lascaris Law Professional Corporation, Henein Hutchinson LLP, Kalloghlian Myers LLP and Strosberg Sasso Sutts LLP. You will not be separately charged for these lawyers. The Canadian Court will determine the amount of attorneys' fees, litigation expenses, costs, and taxes payable to counsel, which will be paid from the Class Settlement Amount. If you want to be represented by your own lawyer, you may hire one at your own expense.

14. How will the lawyers be paid?

66. U.S. Class Action Counsel, Levi & Korsinsky, and Ontario Class Action Counsel have been pursuing the claims and rights of Securities Claimants on a contingent basis and have not been paid for any of their work. At a future date, U.S. Class Action Counsel and Ontario Class Action Counsel will apply to the Canadian Court for attorneys' fees in an amount not to exceed 25% of the aggregate Class Settlement Amount, plus applicable taxes and accrued interest, if any. U.S. Class Action Counsel, in its sole discretion, may allocate a portion of its fee award to Levi & Korsinksy, additional counsel in the U.S. Class Action, and Girard Sharp LLP and Gibbs Law Group LLP, counsel in the California Action. Class Action Counsel will make additional fee applications if additional recoveries are obtained as a result of litigation.

67. Class Action Counsel will also apply for payment of their litigation expenses and costs incurred in prosecuting and settling the Actions, including the hourly legal fees charged by Weisz Fell Kour LLP and incurred by Labaton Sucharow and reimbursement to the Class Action Lead Plaintiffs for their reasonable costs and expenses (including lost wages) related to their representation of the Securities Claimants. Any attorneys' fees and expenses awarded by the Canadian Court will be paid from the Class Settlement Amount. Securities Claimants are not personally liable for any such fees or expenses.

OBJECTING TO THE SETTLEMENTS OR THE ALLOCATION AND DISTRIBUTION SCHEME AS THEY RELATE TO THIS CASE

15. How do I tell the Court that I do not like something about the proposed Settlements?

68. If you are a U.S. Settlement Class Member, you can object to the Settlements, any of their terms, or the Allocation and Distribution Scheme (as they relate to the U.S. Class Action). You may write to the U.S. Court about why you think the Court should not approve any or all of the Settlement terms or related relief. If you would like the Court to consider your views, you must file a proper objection within the deadline, and according to the following procedures.

69. To object, you must send a signed letter stating that you object to the proposed Settlements and/or the Allocation and Distribution Scheme in "*In re CannTrust Holdings Inc. Sec. Litig..,* No. 1:19-cv-06396-JPO (S.D.N.Y.)." The objection must also: (i) state the name, address, telephone number, and e-mail address of the objector and must be signed by the objector; (ii) state the objection(s) and the specific reasons for each objection, as they relate to this case, including whether the objection applies only to the objector, to a specific subset of the U.S. Settlement Class, or to the entire U.S. Settlement Class, and any legal and evidentiary support, and witnesses the U.S. Settlement Class Member wishes to bring to the Court's attention; and (iii) include documents sufficient to prove the objector's membership in the U.S. Settlement Class, such as the number of shares of publicly traded common stock of CannTrust purchased, acquired, and sold during the Claim Period, as well as the dates and prices of each such purchase, acquisition, and sale. Unless otherwise ordered by the U.S. Court, any U.S. Settlement Class Member who does not object in the manner described in this Notice will be deemed to have waived any objection and will be foreclosed from making any objection to the proposed Settlements or the Allocation and Distribution Scheme, as they relate to this case.

70. Your objection must be filed with the U.S. Court **no later than November 11, 2021 and** be mailed or delivered to the following counsel so that it is received no later than **November 11, 2021:**

Court	**U.S. Class Action Counsel**	**Defendants' Counsel Representative**
Clerk of the Court United States District Court Southern District of New York U.S. Courthouse 40 Foley Square New York, NY 10007	**Labaton Sucharow LLP** James W. Johnson, Esq. 140 Broadway New York, NY 10005	**Skadden, Arps, Slate, Meagher & Flom LLP** Susan L. Saltzstein, Esq. One Manhattan West New York, NY 10001

71. You do not need to attend the Settlement Hearing to have your written objection considered by the U.S. Court. However, any U.S. Settlement Class Member who has complied with the procedures described in this Question 15 and below in Question 19 may participate at the Settlement Hearing and be heard, to the extent allowed by the Court. An objector may participate individually or arrange, at his, her, or its own expense, for a lawyer to represent him, her, or it at the Settlement Hearing.

16. What is the difference between objecting and seeking exclusion?

72. Objecting is telling the U.S. Court that you do not like something about the proposed Settlements or the Allocation and Distribution Scheme (as they relate to the U.S. Class Action). You can still recover money from the Settlement. You can object only if you stay in the U.S. Settlement Class. Excluding yourself is telling the U.S. Court that you do not want to be part of the U.S. Settlement Class. If you exclude yourself from the U.S. Settlement Class, you have no basis to object.

THE SETTLEMENT HEARING

17. When and where will the U.S. Court decide whether to approve the Settlements, as they relate to this U.S. Class Action?

73. The U.S. Court will hold the Settlement Hearing by telephone on **Thursday, December 2, 2021, at 12:30 p.m. New York time**. Interested parties should check the Settlement website at www.CannTrustSecuritiesSettlement.ca for dial-in information.

74. At this hearing, the Honorable J. Paul Oetken will consider whether, in relation to the U.S. Class Action: (i) the Settlements are fair, reasonable, adequate, and should be approved; and (ii) the Allocation and Distribution Scheme is fair and reasonable as to members of the U.S. Settlement Class, and should be approved. The U.S. Court will take into consideration any written objections filed by members of the U.S. Settlement Class in accordance with the instructions in Question 15 above. We do not know how long it will take the U.S. Court to make these decisions.

75. The U.S. Court may change the date and time of the Settlement Hearing without another individual notice being sent to U.S. Settlement Class Members. If you want to participate in the hearing, you should check with Labaton Sucharow beforehand to be sure that the date and/or time has not changed, or periodically check the Settlement website at www.CannTrustSecuritiesSettlement.ca to see if the Settlement Hearing stays as scheduled or is changed.

18. Do I have to come to the Settlement Hearing?

76. No. U.S. Class Action Counsel will answer any questions the U.S. Court may have. But, you are welcome to participate at your own expense. If you submit a valid and timely objection, the Court will consider it and you do not have to come to Court to discuss it. You may have your own lawyer participate (at your own expense), but it is not required. If you do hire your own lawyer, he or she must file and serve a Notice of Appearance in the manner described in the answer to Question 19 below **no later than November 11, 2021.**

19. May I speak at the Settlement Hearing?

77. You may ask the U.S. Court for permission to speak at the Settlement Hearing. To do so, you must, **no later than November 11, 2021,** submit a statement that you, or your attorney, intend to appear in "*In re CannTrust Holdings Inc. Sec. Litig.,* No. 1:19-cv-06396-JPO (S.D.N.Y.)." If you intend to present evidence at the Settlement Hearing, you must also include in your objections (prepared and submitted according to the answer to Question 15 above) the identities of any witnesses you may wish to call to testify and any exhibits you intend to introduce into evidence at the Settlement Hearing. You may not speak at the Settlement Hearing if you exclude yourself from the U.S. Settlement Class or if you have not provided written notice of your intention to speak at the Settlement Hearing in accordance with the procedures described in this Question 19 and Question 15 above.

IF YOU DO NOTHING

20. What happens if I do nothing at all?

78. If you do nothing and you are a member of the U.S. Settlement Class, you will receive no money from the Settlements in relation to the U.S. Class Action and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against Defendants and the other Released Parties concerning the Released Securities-Related Claims. To share in the Class Compensation Fund in relation to the U.S. Class Action, you must submit a Claim Form (*see* Question 8 above). To start, continue, or be a part of any other lawsuit against the Settling Defendants and the other Released Parties concerning the Released Securities-Related Claims, you must exclude yourself from the U.S. Settlement Class (*see* Question 11 above).

GETTING MORE INFORMATION

21. Are there more details about the Settlements?

79. This Notice summarizes the proposed Settlements. More details are contained in the CCAA Plan, the RSA, and the other Definitive Documents. You may review the Definitive Documents filed with the U.S. Court or other documents in the case during business hours at the Office of the Clerk of the United States District Court, Southern District of New York, Thurgood Marshall United States Courthouse, 40 Foley Square, New York, NY 10007. (Please check the Court's website, www.nysd.uscourts.gov, for information about Court closures before visiting.) Subscribers to PACER, a fee-based service, can also view the papers filed publicly in the U.S. Class Action through the U.S. Court's on-line Case Management/Electronic Case Files System at https://www.pacer.gov.

80. You can also get a copy of the CCAA Plan, the RSA, and other documents related to the Settlements, as well as additional information about the Settlements by visiting the website dedicated to the Settlements, www.CannTrustSecuritiesSettlement.ca, or the website of U.S. Class Action Counsel, www.labaton.com. You may also call the Claims Administrator toll free number at 1-833-871-5359 or write to the Claims Administrator at info@CannTrustSecuritiesSettlement.ca. **Please do not call the Court with questions about the Settlement.**

SPECIAL NOTICE TO SECURITIES BROKERS AND NOMINEES

81. If you purchased or otherwise acquired CannTrust publicly traded common stock (CNTTF, CTST, CNTTQ, CUSIP: 137800207) **on the New York Stock Exchange or on any U.S. based trading platform**, or pursuant or traceable to CannTrust's secondary public offering, completed on or about May 6, 2019, during the period from June 1, 2018 through March 31, 2020, inclusive, for the beneficial interest of a person or entity other than yourself, the U.S. Court has directed that **WITHIN TEN (10) CALENDAR DAYS OF YOUR RECEIPT OF THIS NOTICE, YOU MUST EITHER**: (a) provide a list of the names and addresses of all such beneficial owners to the Claims Administrator and the Claims Administrator is ordered to send the Notice promptly to such identified beneficial owners; or (b) request additional copies of this Notice and the Claim Form from the Claims Administrator, which will be provided to you free of charge, and **WITHIN TEN (10) CALENDAR DAYS** of receipt, mail the Notice and Claim Form directly to all the beneficial owners of those securities. If you choose to follow procedure (b), the U.S. Court has also directed that, upon making that mailing, **YOU MUST SEND A STATEMENT** to the Claims Administrator confirming that the mailing was made as directed and keep a record of the names and mailing addresses used. Nominees shall also provide email addresses for all such beneficial owners to the Claims Administrator, to the extent they are available. You are entitled to reimbursement from the Class Compensation Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation and timely compliance with the above directives. All communications concerning the foregoing should be addressed to the Claims Administrator:

CannTrust Securities Settlements
c/o Epiq Class Action Services Canada Inc.
P.O. Box 507 STN B
Ottawa ON K1P 5P6

Dated: September 17, 2021

BY ORDER OF THE UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

APPENDIX A

ALLOCATION AND DISTRIBUTION SCHEME
DISTRIBUTION OF CLASS COMPENSATION FUND TO MEMBERS

I. DEFINITIONS

1. The following definitions apply in this Allocation and Distribution Scheme:

(a) **"CannTrust"** means CannTrust Holdings, Inc;

(b) **"CannTrust Group"** means CannTrust, CannTrust Inc., CTI Holdings (Osoyoos) Inc. and Elmcliffe Investments Inc;

(c) **"Claim Form"** means a written claim in the provided form for seeking compensation from the Class Compensation Fund;

(d) **"Claimant"** means any Person making a claim as purporting to be a Class Member or on behalf of a Class Member;

(e) **"Claims Administrator"** means the claims administrator appointed for the purposes of the Allocation and Distribution Scheme, whose appointment will be confirmed by the Court;

(f) **"Class Compensation Fund"** means the Class Settlement Amount less the Zola Payment, Class Counsel Fees, and all fees, disbursements, expenses, costs, taxes, any other amounts incurred or payable relating to approval, implementation and administration of the settlement including, without limitation, the costs, fees, and expenses of notice to class members, and the fees, expenses, disbursements and taxes paid to the Claims Administrator for administration of the Class Settlement Amount, the Holdback and any other expenses ordered by the courts;

(g) **"Class Counsel"** means Ontario Class Action Counsel and U.S. Class Action Counsel;

(h) **"Class Counsel Fees"** means the aggregate fees and expense disbursements (including taxes) of Class Counsel;

(i) **"Class Member(s)"** means any Person that acquired Shares during the Class Period;

(j) **"Class Period"** means the time period from June 1, 2018 through September 17, 2019, inclusive;

(k) **"Class Settlement Amount"** means CAD $50,000,000 to be contributed to the Securities Claimant Trust by CannTrust pursuant to the Plan, together with the cash contributions of any other Additional Settlement Parties (as defined in the Plan) pursuant to the applicable Additional RSA (as defined in the Plan), plus any accrued interest;

(l) **"Eligible Securities"** means Shares acquired by a Class Member during the Class Period. The date of purchase or acquisition shall be the "contract" or "trade" date as opposed to the "settlement" or "payment" date;

(m) **"Excluded Claim"** means any of the following:

(i) a claim in respect of a purchase or acquisition of securities that are not Eligible Securities; or

(ii) a claim by or on behalf of any Excluded Person;

(n) **"Excluded Person(s)"** means

(i) CannTrust, Cannamed Financial Corp, Cajun Capital Corporation, KPMG LLP, Merrill Lynch Canada Inc., Citigroup Global Markets Canada Inc., Credit Suisse Securities (Canada) Inc., RBC Dominion Securities Inc., Jefferies Securities Inc., Canaccord Genuity Corp., Merrill Lynch, Pierce, Fenner & Smith Inc., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Jefferies LLC, Canaccord Genuity LLC, Paul Family Trust, Mar-Risa Holdings Inc., York Capital Funding Inc., Sutton Management Limited, and their past and present subsidiaries, affiliates, officers, directors, senior employees, legal representatives, heirs, predecessors, successors and assigns (the "**Corporate Defendants**"); and

(ii) Eric Paul, Peter Aceto, Greg Guyatt, Ian Abramowitz, Mark Dawber, John Kaden, Mark Ian Litwin, Fred Litwin Robert Marcovitch, Mitchell J. Sanders, Stan Abramowitz, Brad Rogers, Michael Ravensdale, Shawna Page, Ilana Platt, Graham Lee, Kenneth Brady Green, Andrea Kirk, Norman Paul and any member of their families ("**Individual Defendants**") and any company under the control of an Individual Defendant;

(o) **"FIFO"** means the method applied to the holdings of Class Members who made multiple purchases/acquisitions or sales. If a Class Member has more than one purchase/acquisition or sale of CannTrust common stock, purchases/acquisitions and sales will be matched on a First In, First Out ("**FIFO**") basis. Class Period sales will be matched first against any holdings at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period. A purchase/acquisition or sale of Shares shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. Option contracts are not securities eligible to participate in the Settlement. With respect to shares of CannTrust common stock purchased or sold through the exercise of an option, the purchase/sale date of the CannTrust common stock is the exercise date of the option and the purchase/sale price of the CannTrust common stock is the exercise price of the option;

(p) **"Holdback"** is the amount held back, at the discretion of the Trustees, to fund litigation expenses, disbursements, taxes, adverse costs awards, and/or other liabilities;

(q) **"Ontario Class Action Counsel"** means Dimitri Lascaris Law Professional Corporation, Henein Hutchinson LLP, Kalloghlian Myers LLP and Strosberg Sasso Sutts LLP;

(r) **"Person"** means any individual, corporation (including all divisions and subsidiaries), general or limited partnership, association, joint stock company, joint venture, limited liability company, professional corporation, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any other business or legal entity;

(s) **"Plan"** means the plan of compromise, arrangement and reorganization of the CannTrust Group pursuant to the Companies' Creditors Arrangement Act;

(t) **"Purchase Price"** means the price at which the Claimant purchased or acquired Shares, excluding commissions, taxes, or fees paid in respect of the purchase/acquisition;

(u) **"Recognized Claim"** means a Claimant's nominal losses as calculated pursuant to the formulas set forth herein and which forms the basis for each Claimant's *pro rata* share of the Class Compensation Fund;

(v) **"Recognized Loss Amount"** is the amount calculated pursuant to paragraph 10(c);

(w) **"Risk Adjusted Loss"** is the amount calculated pursuant to paragraph 10(d);

(x) **"Sale Price"** means the price at which the Claimant disposed of Shares, excluding commissions, taxes, or fees paid in respect of the disposition;

(y) **"Securities Claimant Trust"** has the meaning ascribed to it in the Plan;

(z) **"Share(s)"** means common stock shares of CannTrust;

(aa) **"Share Inflation"** means the artificial inflation per share found in Table C;

(bb) **"Trustees"** has the meaning ascribed to it in the Plan;

(cc) **"U.S. Class Action Counsel"** means Labaton Sucharow LLP and Weisz Fell Kour LLP; and

(dd) **"Zola Payment"** means, subject to the authorization by the court supervising the CCAA Proceedings of the CannTrust Group, the payment to be made by the Trustees to Zola Finance Holdings Ltd. and Igor Gimelshtein (together, **"Zola"**) pursuant to the agreement to be entered into between the Trustees and Zola on or before the date that the Plan is implemented, and as contemplated by the Restructuring Support Agreement between Zola, the CannTrust Group, and the CCAA Representatives (as defined in the Plan) dated May 5, 2021.

2. The Claims Administrator shall distribute the Class Compensation Fund as set out below.

II. OBJECTIVE

3. The objective of this Allocation and Distribution Scheme is to equitably distribute the Class Compensation Fund among Class Members that submit valid and timely claims for Eligible Securities.

III. DEADLINE FOR CLAIMS

4. Any Person that wishes to claim compensation from the Class Compensation Fund shall deliver to, or otherwise provide, the Claims Administrator a Claim Form by the date set by the Court. If the Claims Administrator does not receive a Claim Form from a Claimant by the deadline, then the Claimant shall not be eligible for any compensation whatsoever from the Class Compensation Fund. Notwithstanding the foregoing, the Claims Administrator shall have the discretion to permit otherwise-valid late claims without further order of the Court, but only if doing so will not materially delay the distribution of the Class Compensation Fund.

IV. PROCESSING CLAIM FORMS

5. The Claims Administrator shall review each Claim Form and verify that the Claimant is eligible for compensation from the Class Compensation Fund, as follows:

(a) for a Claimant claiming as a Class Member, the Claims Administrator shall be satisfied that:

(i) the Claimant is a Class Member; and

(ii) the claim is not an Excluded Claim;

(b) for a Claimant claiming on behalf of a Class Member or a Class Member's estate, the Claims Administrator shall be satisfied that:

(i) the Claimant has authority to act on behalf of the Class Member or the Class Member's estate in respect of financial affairs;

(ii) the Person or estate on whose behalf the claim was submitted was a Class Member; and

(iii) the claim is not an Excluded Claim.

(c) the Claimant has provided all supporting documentation required by the Claim Form or alternative documentation that is acceptable to the Claims Administrator.

6. The Claims Administrator shall take reasonable measures to verify that the Claimants are eligible for compensation and that the information in the Claims Forms is accurate. The Claims Administrator may make inquiries of the Claimants in the event of any concerns, ambiguities or inconsistencies in the Claim Forms and disallow claims that are not eligible.

V. ALLOCATION OF CLASS COMPENSATION FUND

7. Only Claimants that the Claims Administrator has determined to be eligible for compensation as set forth herein are entitled to recover compensation from the Class Compensation Fund.

8. Only claims in respect of Eligible Securities are entitled to receive compensation from the Class Compensation Fund.

9. As soon as possible after (i) all timely Claim Forms have been processed (and those otherwise-valid late Claim Forms that the Claims Administrator has exercised its discretion to permit); (ii) the time to request a reconsideration for disallowed claims under paragraphs 26-27 has expired; and (iii) all administrative reviews under paragraphs 28-29 have concluded, the Claims Administrator shall distribute the Class Compensation Fund to eligible Claimants.

10. The Claims Administrator shall determine each Claimant's Recognized Claim as follows, subject to the Additional Rules set out at paragraphs 14-19.

(a) Purchase/acquisition and sale amounts in currencies other than Canadian dollars will be converted to equivalent Canadian dollar amounts as needed using publicly available currency exchange rates and in consultation with Class Counsel.[6]

(b) Eligible Securities are those purchased in CannTrust's May 2019 share offering ("**Offering Shares**") and those purchased on the secondary market ("**Secondary Shares**").

(c) The "**Recognized Loss Amount**" per Offering Share and Secondary Share purchased/acquired during the Class Period is calculated as follows, with reference to the Share Inflation as set out in Table C at paragraph 11. The Recognized Loss Amount for any particular disposition of Eligible Securities shall be no less than zero.

[6] For informational purposes, during the Class Period, the USD/CAD exchange rate ranged from CAD$1.28 to CAD$1.36 per US$1.00 with an average of CAD$1.32 per US$1.00. After the Class Period and through March 4, 2021, the USD/CAD exchange rate ranged from CAD$1.25 to CAD$1.45 per US$1.00 with an average of CAD$1.33 per US$1.00.

TABLE A

Date of Sale of Shares acquired during the Class Period	Recognized Loss Amount per Share
June 1, 2018 – July 7, 2019	$0
July 8, 2019 – September 16, 2019	The lesser of: (i) the Share Inflation on the date of purchase minus the Share Inflation on the date of sale; or (ii) the Purchase Price minus the Sale Price.
September 17, 2019 – September 30, 2019	The lesser of: (i) the Share Inflation on the date of purchase; or (ii) the Purchase Price minus the Sale Price.
October 1, 2019 – March 5, 2021	The lesser of: (i) the Share Inflation on the date of purchase; (ii) the Purchase Price minus CAD$1.70; or (iii) the Purchase Price minus the Sale Price.
Held as of the closing on March 5, 2021	The lesser of: (i) the Share Inflation on date of purchase; or (ii) the Purchase Price minus CAD$1.70.

(d) The Recognized Loss Amounts for Offering Shares and Secondary Shares are multiplied by the risk adjustment in the following chart to obtain the **"Risk Adjusted Loss"**:

TABLE B

Type of Share	Risk Adjustment
Offering Share	1
Secondary Share	0.8

(e) A Claimant's Recognized Claim is equal to the sum of the Risk Adjusted Loss for each type of share.

11. The applicable Share Inflation amounts are as follows:

TABLE C – SHARE INFLATION

June 1, 2018 – September 30, 2018	CAD$1.29
October 1, 2018 – July 7, 2019	CAD$5.02
July 8, 2019 – July 9, 2019	CAD$3.57
July 10, 2019 – July 11, 2019	CAD$3.05
July 12, 2019 – July 15, 2019	CAD$2.57
July 16, 2019 – July 23, 2019	CAD$2.09
July 24, 2019 – August 11, 2019	CAD$1.41
August 12, 2019 – September 16, 2019	CAD$0.24
September 17, 2019 before 3:13 p.m. ET[7]	CAD$0.24
September 17, 2019 at or after 3:13 p.m. ET and thereafter	CAD$0.00

[7] Trading at prices at or below CAD$1.85 will be deemed to have occurred after 3:13 p.m. ET.

12. The Claims Administrator shall allocate the Class Compensation Fund on a *pro rata* basis to eligible Claimants based upon each eligible Claimant's Recognized Claim.

13. The Claims Administrator shall make payments to the eligible Claimants based on the allocation under paragraph 12, subject to the Additional Rules set forth below.

VI. ADDITIONAL RULES

14. The Claims Administrator shall not make payments to eligible Claimants whose *pro rata* entitlement under this Allocation and Distribution Scheme is less than CAD$50.00. Such amounts shall instead be allocated *pro rata* to other eligible Claimants whose *pro rata* entitlement under this Allocation and Distribution Scheme is equal or greater than CAD$50.00.

15. To the extent a Claimant had an aggregate market gain from his, her or its transactions in Eligible Securities, the value of his, her or its total Recognized Claim will be zero. To the extent that a Claimant suffered an aggregate market loss on transactions in Eligible Securities, but the aggregate market loss was less than the Recognized Claim calculated above, then the Recognized Claim shall be limited to the amount of the aggregate market loss. For purposes of determining whether a Claimant had a market gain with respect to his, her, or its aggregate transactions in CannTrust common stock during the Class Period or suffered a market loss, the Claims Administrator will determine the difference between (i) the Total Purchase Amount and (ii) the sum of the Total Sales Proceeds and Holding Value.[8] This difference will be deemed a Claimant's market gain or loss with respect to his, her, or its aggregate transactions in CannTrust common stock during the Class Period.

16. There shall be no Recognized Loss Amount on (a) short sales of Eligible Securities during the Class Period or (b) purchases/acquisitions during the Class Period that were used to cover short sales; however, the short sale transactions shall be part of the calculation of a Claimant's aggregate market gain or loss.

17. The receipt or grant by gift, devise or inheritance of Shares during the Class Period shall not be deemed to be a purchase or acquisition of Shares for the calculation of a Claimant's Recognized Loss Amount if the Person from which the Shares were acquired did not themselves acquire the Shares during the Class Period, nor shall it be deemed an assignment of any claim relating to the purchase or acquisition of such Shares unless specifically provided in the instrument or gift or assignment.

18. Shares transferred between accounts belonging to the same Claimant during the Class Period shall not be deemed to be Eligible Securities for the purpose of calculating a Recognized Loss Amount unless those Shares were initially purchased by the Claimant during the Class Period. The share price for such securities shall be calculated based on the share price initially paid for the Eligible Securities.

19. The Claims Administrator shall make payment to an eligible Claimant by either bank transfer or by cheque to the Claimant at the address provided by the Claimant or the last known postal address for the Claimant.

VII. REMAINING UNCLAIMED AMOUNTS

20. If, for any reason, a Claimant does not cash a cheque within six months after the date on which the cheque was sent to the Claimant, the Claimant shall forfeit the right to compensation and the funds shall be distributed in accordance with paragraphs 21-22.

21. If funds remain in the Class Compensation Fund by reason of uncashed distributions or otherwise, then after the Claims Administrator has made reasonable and diligent efforts to have eligible Claimants cash their distributions, and after the payment of any taxes and outstanding fees and expenses of the Claims Administrator, including any fees and expenses to conduct an additional distribution, any balance remaining in the Class Compensation Fund at least six (6) months after the initial distribution of such funds shall be redistributed, if it is economically feasible to do so, to eligible Claimants who have cashed their initial distributions and would receive at least $50.00 in such additional redistribution, in a manner consistent with this Allocation and Distribution Scheme.

22. Class Counsel shall, if feasible, continue to reallocate any further balance remaining in the Class Compensation Fund after the redistribution is completed among eligible Claimants in the same manner and time frame as provided for above. In the event that Class Counsel determine that further redistribution of any balance remaining (following the

[8] The "Total Purchase Amount" is the total amount the Claimant paid (excluding commissions, taxes, and fees) for CannTrust common stock purchased or acquired during the Class Period. The Claims Administrator will match any sales of CannTrust common stock during the Class Period first against the Claimant's opening position (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received (excluding commissions, taxes, and fees) for the remaining sales of CannTrust common stock sold during the Class Period will be the "Total Sales Proceeds". The Claims Administrator will ascribe a value of CAD$1.70 per share for CannTrust common stock purchased during the Class Period and still held as of the close of trading on September 17, 2019 (the "**Holding Value**"). The Holding Value is based on the closing price of CannTrust common stock on September 17, 2019, the last day of the Class Period.

initial distribution and redistribution) is no longer feasible, thereafter, Class Counsel shall donate the remaining funds, if any, to a non-sectarian charitable organization(s) certified under the United States Internal Revenue Code § 501(c)(3) and/or a Canadian charity or other non-profit group to be designated by Class Counsel.

VIII. IRREGULAR CLAIMS

23. The claims process is intended to be expeditious, cost effective and "user friendly" and to minimize the burden on Claimants. The Claims Administrator shall, in the absence of reasonable grounds to the contrary, assume the Claimant to be acting honestly and in good faith.

24. Where a Claim Form contains minor omissions or errors, the Claims Administrator shall correct such omissions or errors if the information necessary to correct the error or omission is readily available to the Claims Administrator.

25. The claims process is also intended to prevent fraud, abuse, and the payment of ineligible Claim Forms. If, after reviewing any Claim Form, the Claims Administrator believes that the claim contains errors which cannot be readily corrected with information readily available to the Claims Administrator, then the Claims Administrator may disallow the claim in its entirety or pay it only in part so that an appropriate Recognized Claim is awarded to the Claimant. If the Claims Administrator believes that the claim is fraudulent or contains intentional errors which would materially exaggerate the Recognized Loss to be awarded to the Claimant, then the Claims Administrator shall disallow the claim in its entirety.

26. Where the Claims Administrator disallows a claim, the Claims Administrator shall send to the Claimant at the address provided by the Claimant or the Claimant's last known email or postal address, a notice advising the Claimant that the claim will be disallowed unless it is corrected and that he, she, or it may request the Claims Administrator to reconsider its decision. For greater certainty, a Claimant is not entitled to a notice or a review where a claim is allowed but the Claimant disputes the determination of the Recognized Claim or his or her individual compensation.

27. Any request for reconsideration must be received by the Claims Administrator within 21 days of the date of the notice advising of the disallowance. If no request for reconsideration is received within this time period, the Claimant shall be deemed to have accepted the Claims Administrator's determination and the determination shall be final and not subject to further review by any court or other tribunal.

28. Where a Claimant submits a request for reconsideration with the Claims Administrator, the Claims Administrator shall advise Class Counsel of the request and conduct an administrative review of the Claimant's request.

29. Following its determination in an administrative review, the Claims Administrator shall advise the Claimant of its determination. In the event the Claims Administrator reverses a disallowance, the Claims Administrator shall send the Claimant at the Claimant's last known postal address, a notice specifying the revision to the Claims Administrator's disallowance.

30. The determination of the Claims Administrator in an administrative review is final and is not subject to further review by any court or other tribunal.

31. Data from each Claim Form shall be retained such that a Claimant will not be required to file further claim forms in any future distributions, except where the Claims Administrator, in consultation with Class Counsel, determines that further claim forms or information are necessary or desirable for efficient claims administration.

32. The failure to file a valid Claim Form shall not prejudice any Person's ability to file a claim form in any future distribution.

33. The Claims Administrator's fees and costs shall be paid from the Class Compensation Fund subject to the approval of Class Counsel, without Court approval.

34. Any matter not referred to above shall be determined by analogy by the Claims Administrator in consultation with Class Counsel.

Must be Submitted
No Later Than
11:59 PM (Eastern time)
on March 16, 2022

CannTrust Securities Settlements
c/o Epiq Class Action Services Canada Inc.
info@CannTrustSecuritiesSettlement.ca
P.O. Box 507 STN B
Ottawa ON K1P 5P6

Claim Number (for Internal Purposes Only):

SECURITIES CLAIMANT PROOF OF CLAIM AND RELEASE FORM

If you purchased or otherwise acquired the common stock of CannTrust Holdings Inc. ("CannTrust") during the period from June 1, 2018 through September 17, 2019, inclusive ("Class Period"), you may be entitled to share in certain settlement proceeds.

Please note, your rights under the *Personal Information Protection and Electronic Documents Act* (PIPEDA) require private-sector organizations, such as Epiq Class Action Services Canada Inc. ("**Epiq**"), the Claims Administrator, to seek your consent to collect, use and disclose your personal information only for the purposes that are stated and reasonable.

To that end, we will collect, use or disclose your personal information in accordance with our privacy notice to determine whether you are an eligible claimant in the Settlements. We may share your personal information with our affiliated and third-party Canadian based companies, and the Courts and counsel in the Actions, in accordance with our privacy notice for purposes of determining your eligibility to receive a payment from the Settlements. For more information concerning our collection, use or disclosure of your personal information, please review our privacy notice available at **https://www.canntrustsecuritiessettlement.ca/en/privacy.**

Unless otherwise provided by Canadian federal or provincial law, you may withdraw your consent at any time and such withdrawal shall be effective upon receipt by the Claims Administrator, but will not have any effect on actions taken by the Claims Administrator before it receives such revocation. If you choose to withdraw your consent, the Claims Administrator may be unable to determine your eligibility to receive a payment from the Settlements.

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Visit www.CannTrustSecuritiesSettlement.ca

Important - *This form should be completed IN CAPITAL LETTERS using BLACK or DARK BLUE ballpoint/fountain pen. Characters and marks used should be similar in the style to the following:*

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z 1 2 3 4 5 6 7 0

SECTION I – GENERAL INSTRUCTIONS

A. Eligible Securities Claimants who wish to obtain payment pursuant to the Settlements of the Actions and all other Securities Claims against CannTrust, and related claims against others, including in the class actions styled *Hrusa et al. v. CannTrust Holdings Inc. et al.*, Court File No. CV-19-00623567-00CP (ONSC) and *In Re: CannTrust Holdings Inc. Sec. Litig.*, No. 1:19-cv-06396-JPO (S.D.N.Y.), must complete and, on page 7 below, sign this Securities Claimant Proof of Claim and Release Form ("**Claim Form**"). If you fail to submit a timely and properly addressed (as explained in paragraph E below) Claim Form, your claim may be rejected and you may not receive any recovery from the Class Compensation Fund created in connection with the above-referenced proceedings.

B. All capitalized terms used in this Claim Form that are not otherwise defined below have the meanings given in the plan of compromise, arrangement and reorganization of the CannTrust Group pursuant to the Companies' Creditors Arrangement Act (Canada) (the "**CCAA Plan**"), the settlement agreements entered into in the above-referenced proceedings (collectively, with the CCAA Plan and the related CCAA Sanction Order, the "**Settlements**"), or the Allocation and Distribution Scheme ("**A&DS**"), each of which are available at **www.CannTrustSecuritiesSettlement.ca**.

C. **Submission of this Claim Form, however, does not assure that you will share in the Class Compensation Fund**. A Securities Claimant must have a "Recognized Claim" in order to be eligible to receive a payment from the Class Compensation Fund. A Securities Claimant that has not suffered a Recognized Claim, as calculated under the Allocation and Distribution Scheme, will not be entitled to receive any portion of the Class Compensation Fund.

D. This Claim Form is directed to Securities Claimants who purchased or otherwise acquired the common stock of CannTrust during the period from June 1, 2018 through September 17, 2019, inclusive. Purchases after September 17, 2019 are not eligible for a recovery from the Class Compensation Fund because they were made after the full truth about CannTrust was allegedly disclosed to the market.

E. **THIS CLAIM FORM MUST BE SUBMITTED ONLINE AT WWW.CANNTRUSTSECURITIESSETTLEMENT.CA OR BE EMAILED TO INFO@CANNTRUSTSECURITIESSETTLEMENT.CA NO LATER THAN MARCH 16, 2022 OR, IF MAILED, BE POSTMARKED NO LATER THAN MARCH 16, 2022, ADDRESSED AS FOLLOWS:**

CannTrust Securities Settlements
c/o Epiq Class Action Services Canada Inc.
P.O. Box 507 STN B
Ottawa ON K1P 5P6

F. If you are a Securities Claimant, you are bound by and subject to the terms of the CCAA Plan, the related CCAA Sanction Order and any judgment or order entered in the Actions, including the releases provided for therein, **WHETHER OR NOT YOU SUBMIT A CLAIM FORM OR RECEIVE A PAYMENT**.

G. If you purchased or otherwise acquired CannTrust common stock and held the stock in your name, you are the beneficial owner as well as the record owner. If, however, you purchased or otherwise acquired CannTrust common stock through a third party, such as a brokerage firm, you are the beneficial owner and the third party is the record owner.

H. Use **Section II** of this form entitled "Claimant Identification" to identify each beneficial owner of the CannTrust common stock that is the subject of this Claim Form. THIS CLAIM FORM MUST BE SUBMITTED BY THE ACTUAL BENEFICIAL OWNERS OR THE LEGAL REPRESENTATIVE OF SUCH OWNERS. All joint beneficial owners must sign this claim.

I. Separate Claim Forms should be submitted for each legal entity that is a claimant (*e.g.*, a claim for joint owners should not include the transactions of just one of the joint owners, and an individual should not combine his or her RRSP or IRA transactions with transactions made solely in the individual's name). Conversely, a single Claim Form should be submitted on behalf of one legal entity including all transactions made by that legal entity on one Claim Form, no matter how many separate accounts that legal entity has (*e.g.*, an individual with multiple accounts should include all transactions made in all accounts on one Claim Form).

SECTION I – GENERAL INSTRUCTIONS (CONTINUED)

J. Executors, administrators, guardians, conservators, and trustees must complete and sign this Claim Form on behalf of persons represented by them and their authority must accompany this Claim Form and their titles or capacities must be stated. The telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

K. Use **Section III** of this form entitled "Schedule of Transactions in CannTrust Common Stock" to supply all required details of your transaction(s) in CannTrust common stock. If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet. On the schedules, provide all of the requested information with respect to your holdings, purchases/acquisitions, and sales of CannTrust common stock, whether the transactions resulted in a profit or a loss. Failure to report all such transactions may result in the rejection of your claim.

L. The date of covering a "short sale" is deemed to be the date of purchase of CannTrust common stock. The date of a "short sale" is deemed to be the date of sale.

M. **You are required to submit genuine and sufficient documentation** for all of your transaction(s) in and holdings of CannTrust common stock, as requested in Section III of this Claim Form. Documentation may consist of copies of broker confirmation slips, broker account statements or an authorized statement from your broker containing the transactional information found in a broker confirmation slip. The Parties do not have information about your transactions in CannTrust common stock. **IF SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN COPIES OR EQUIVALENT CONTEMPORANEOUS DOCUMENTS FROM YOUR BROKER. FAILURE TO SUPPLY THIS DOCUMENTATION COULD DELAY VERIFICATION OF YOUR CLAIM OR COULD RESULT IN REJECTION OF YOUR CLAIM. Please keep a copy of all documents that you send to the Claims Administrator, do not send original documents.**

N. **NOTICE REGARDING ELECTRONIC FILES:** Certain claimants with large numbers of transactions may request to, or may be requested to, submit information regarding their transactions in electronic files. (This is different than the online claim portal on the settlement website.) To obtain the mandatory electronic filing requirements and file layout, please visit the website **www.CannTrustSecuritiesSettlement.ca** or you may email the Claims Administrator's electronic filing department at **info@CannTrustSecuritiesSettlement.ca.** Any file not in accordance with the required electronic filing format will be subject to rejection. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues an email after processing your file containing your claim numbers and respective account information. Do not assume that your file has been received or processed until you receive this email.

O. **If you are a nominee (institution) submitting a claim on your own behalf or on behalf of other beneficial owners, or a claim preparer** submitting on behalf of beneficial owners, you **must** also provide the following five (5) documents:

- **a.** One (1) "Master" Claim Form
- **b.** One (1) Signature Verification Document
- **c.** One (1) Data Verification Document
- **d.** One (1) Authorization Document (if filing on behalf of clients or customers)
- **e.** One (1) Excel Spreadsheet Containing Transactions and Holdings

P. When filling out this Claim Form, type or print in the boxes below in CAPITAL LETTERS; do not use red ink, pencil or staples. If you have questions concerning the Claim Form, or need additional copies of the Claim Form, you may contact the Claims Administrator, using the above contact information or by toll-free phone at **1-833-871-5359,** or you may download the documents from **www.CannTrustSecuritiesSettlement.ca.**

SECTION II – CLAIMANT IDENTIFICATION

The Claims Administrator will use this information for all communications.

If this information changes, you MUST notify the Claims Administrator in writing at the address above. Complete names of all persons and entities must be provided.

Beneficial Owner's Name(s) (as you would like the name(s) to appear on the payment, if eligible for one)

Joint Beneficial Owner's Name(s) (as you would like the name(s) to appear on the payment, if eligible for one)

Entity Name (if claimant is not an individual)

Representative or Custodian Name (if different from Beneficial Owner(s) listed above)

Address1 (street name and number)

Address2 (apartment, unit, or box number)

City

ZIP/Postal Code

Province/Territory/State

Country

Telephone Number (home)

Telephone Number (work)

Email address (By providing an email address you authorize the Claims Administrator to use it in providing you with information relevant to this claim and the Settlements.)

Account Number(s) (list all relating to this claim)

Claimant Account Type (check appropriate box):

- o Individual (includes joint owner accounts)
- o Corporation
- o Trust
- o Pension Plan
- o Estate
- o Other _____ (please specify)
- o IRA/401K
- o RRSP/RRIF/RESP

SECTION III – SCHEDULE OF TRANSACTIONS IN CANNTRUST COMMON STOCK

1. BEGINNING HOLDINGS – State the total number of shares of CannTrust common stock held as of the opening of trading on June 1, 2018. If none, write "0" or "Zero." **(Must submit documentation.)**	

PRIMARY MARKET TRANSACTIONS (excluding shares purchased on a secondary market exchange from Section III.3)

2. PURCHASES/ACQUISITIONS OF SHARES IN MAY 2019 OFFERING – Separately list each and every purchase/acquisition of CannTrust common stock pursuant or traceable to CannTrust's May 6, 2019 Secondary Offering. **(Must submit documentation.)**

Trade Date(s) List Chronologically (MM/DD/YY)	Number of Shares Purchased or Acquired	Price Per Share ($)	Total Purchase Price ($) (excluding taxes, commissions, and fees)	Currency Type CAD/USD/EUR/ GBP
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SECONDARY MARKET TRANSACTIONS (excluding primary market purchases from Section III.2)

3. PURCHASES/ACQUISITIONS DURING THE CLASS PERIOD – Separately list each and every purchase/acquisition of CannTrust common stock on the secondary market from after the opening of trading on June 1, 2018 through and including the close of trading on September 17, 2019. **(Must submit documentation.)**

Trade Date(s) List Chronologically (MM/DD/YY)	Number of Shares Purchased or Acquired	Price Per Share ($)	Total Purchase Price ($) (excluding taxes, commissions, and fees)	Currency Type CAD/USD/EUR/ GBP	Transaction Type (P/R) *
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*** P=Purchase, R=Free Receipt (transfer in)**

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS YOU MUST PHOTOCOPY THIS PAGE AND CHECK THIS BOX ☐

SECTION III – SCHEDULE OF TRANSACTIONS IN CANNTRUST COMMON STOCK (CONTINUED)

4. PURCHASES/ACQUISITIONS AFTER CLASS PERIOD – State the total number of shares of CannTrust common stock purchased/acquired from after the opening of trading on September 18, 2019 through and including the close of trading on March 5, 2021.[1] **(Must submit documentation.)**	

5. SALES – Separately list each and every sale/disposition of CannTrust common stock from after the opening of trading on June 1, 2018 through and including the close of trading on March 5, 2021. **(Must submit documentation.)**

Trade Date(s) List Chronologically (MM/DD/YY)	Number of Shares Sold or Disposed of	Price Per Share ($)	Total Sale Price ($) (excluding taxes, commissions, and fees)	Currency Type CAD/USD/EUR/ GBP	Transaction Type (S/D) *
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*** S=Sale, D=Delivery (transfer out)**

6. ENDING HOLDINGS – State the total number of shares of CannTrust common stock held as of the close of trading on March 5, 2021. If none, write "0" or "Zero." **(Must submit documentation.)**	

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS YOU MUST PHOTOCOPY THIS PAGE AND CHECK THIS BOX ☐

[1] Information requested on this Claim Form with respect to your purchases after the opening of trading on September 18, 2019 through and including the close of trading on March 5, 2021 is needed in order for the Claims Administrator to confirm that you have reported all transactions. Purchases/acquisitions during this period, however, are not eligible for a recovery because such purchases/acquisitions were made after the alleged wrongdoing was allegedly fully disclosed. They will not be used for purposes of calculating your Recognized Claim pursuant to the A&DS.

SECTION IV – ACKNOWLEDGEMENTS

YOU MUST READ THE ACKNOWLEDGEMENTS BELOW AND SIGN

By signing and submitting this Claim Form, the claimant(s) or the person(s) acting on behalf of the claimant(s) certify(ies) that:

I (We) submit this Claim Form under the terms of the Allocation and Distribution Scheme (A&DS) governing the distribution of the Class Compensation Fund to Securities Claimants.

I (We) agree to furnish additional information to the Claims Administrator to support this claim, such as additional documentation for transactions in CannTrust common stock, if required to do so.

I (We) have not submitted any other claim covering the same transactions in CannTrust common stock and know of no other person having done so on my (our) behalf.

I (We) hereby warrant and represent that I am (we are) a Class Member, as defined in the A&DS, and are not an Excluded Person, as defined in the A&DS.

I (We) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter relating to my investments in CannTrust or any other part or portion thereof.

I (We) hereby warrant and represent that I (we) have included information about all of my (our) purchases, acquisitions, and sales of CannTrust common stock that occurred during the relevant periods and the number of shares held by me (us), to the extent requested.

The A&DS is available at **www.CannTrustSecuritiesSettlement.ca.**

I (WE) DECLARE UNDER PENALTY OF PERJURY THAT ALL OF THE FOREGOING INFORMATION SUPPLIED BY THE UNDERSIGNED IS TRUE AND CORRECT.

Executed this _____ *day of* _____, _____.

_____ Signature of Claimant

_____ Type or print name of Claimant

_____ Signature of Joint Claimant, if any

_____ Type or print name of Joint Claimant

Important: If claimant is other than an individual, or is not the person completing this form, the following MUST also be provided:

_____ Signature of person signing on behalf of Claimant

_____ Type or print name of person signing on behalf of Claimant

_____
Capacity of person signing on behalf of Claimant, if other than an individual
(*e.g.*, Administrator, Executor, Trustee, President, Custodian, Power of Attorney, etc.)

Proof of Authority to file is attached to this Claim Form	☐ YES	☐ NO

REMINDER CHECKLIST:

1. Please sign this Claim Form.

2. DO NOT HIGHLIGHT THE CLAIM FORM OR YOUR SUPPORTING DOCUMENTATION.

3. Attach only copies of supporting documentation as these documents will not be returned to you.

4. Keep a copy of your Claim Form for your records.

5. The Claims Administrator will acknowledge receipt of your Claim Form by mail or email, within 60 days. **Your claim is not deemed submitted until you receive an acknowledgment postcard or email.** If you do not receive an acknowledgment within 60 days, please call the Claims Administrator toll free at **1-833-871-5359**.

6. If you move after submitting this Claim Form please notify the Claims Administrator of the change in your address, otherwise you may not receive additional notices or payment.

Exhibit B

CONFIRMATION OF PUBLICATION

IN THE MATTER OF: ***CannTrust Securities***

I, Kathleen Komraus, hereby certify that

(a) I am the Media & Design Manager at Epiq Class Action & Claims Solutions, a noticing administrator, and;
(b) The Notice of which the annexed is a copy was published in the following publications on the following dates:

9.28.2021 – Wall Street Journal
9.28.2021 – PR Newswire

X Kathleen Komraus
(Signature)

Media & Design Manager
(Title)

Commodities Traders Face a Squeeze

Surging prices have caused a credit crunch that is pressuring smaller players

By Joe Wallace And Julie Steinberg

It has been a banner year for fossil-fuel, metals and agricultural markets. For many commodity traders, the boom in prices has had an unexpected effect: a credit crunch that is reshaping the industry in favor of the largest players.

Higher prices are requiring traders to borrow more money to finance the same volume of oil, copper or coffee. In some instances, extreme or unusual weather is causing gyrations in commodity prices, prompting traders to amass cash in a pinch.

For many traders, funding has rarely been harder to come by. Banks including ABN Amro Bank NV have scaled back their lending to commodities firms, while others such as ING Groep NV have doubled down on due diligence following a spate of trader blowups. Banks are also feeling pressure from shareholders to cut back on lending to companies involved in fossil fuels.

Big traders such as **Trafigura Group** Pte. Ltd., **Vitol Group** and **Glencore** PLC have had few problems securing funding thanks to established relationships with banks and a cascade of profits when markets went haywire during the pandemic. Smaller traders are experiencing difficulties, adding to the separate challenge posed by scrambled supply chains.

It is an "unusual situation," said Janina Taneva, a member of the Commodity Trading Association committee. Banks reduced credit lines when prices were lower and have been slow to scale them back up now that prices are on the rise, Ms. Taneva said.

That is particularly challenging for small traders because lenders have imposed more stringent capital requirements on new customers, she added.

ANDREY RUDAKOV/BLOOMBERG NEWS

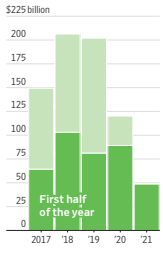
The funding squeeze, which began before Covid-19 and has worsened during the pandemic, stands to widen the gap between the haves and have-nots in commodity markets.

Oil and copper markets are already dominated by a clutch of merchants and the trading arms of energy producers such as **BP** PLC and **Royal Dutch Shell** PLC. This group is likely to sweep more market share as financing difficulties crimp profits at firms that lack its ready access to banks and capital markets.

"We benefit from the current trend," said Christophe Salmon, Trafigura's group chief financial officer. Mr. Salmon said banks are unlikely to relax their stance soon.

Banks grew cautious about financing the industry after firms including oil trader **Hin Leong Trading** Pte. Ltd. and **Agritrade International** Pte. Ltd. collapsed in the early months of Covid-19. Traders and producers borrowed just under $49 billion in commodity-finance deals in the first half of 2021, according to TXF, which mainly tracks transactions involving banks. That marked a 45% decline from the same period of 2020 and a 40% drop from the first half of 2019.

Value of commodity-finance deals



Source: TXF

Banks fund traders through traditional forms of trade finance such as letters of credit—a payment guarantee to suppliers—as well as revolving-credit and borrowing-base facilities. Traders run on thin margins, so higher funding costs can pose problems.

Lenders have pushed up borrowing costs and are unwilling to take on new borrowers, said Ilya Treshchalov, a member of the management board of MBR Metals OÜ, an Estonia-based trader.

Higher borrowing costs will eat into profits in the near future and have prompted MBR to find different ways of raising cash, such as repurchase agreements for inventory, Mr. Treshchalov said. For now, demand for molybdenum and other metals is strong enough that rising interest rates aren't making a meaningful dent in earnings.

Dramatic market moves, some caused by the weather, also are fueling demand for funding.

Olivier Bazin, a partner at law firm HFW, said one of his trader clients this summer needed to cobble together $100 million in a week when frosts in Brazil pushed coffee prices to six-year highs.

Some traders are turning to specialist trade-finance asset managers to fund their activities. The catch is that investors charge up to double the borrowing costs that banks charge, Mr. Erbek said.

One fund, Scipion Capital Ltd., has received 24 inquiries from traders in metals and energy this year, compared with 15 in all of 2020, said Chief Investment Officer Nicolas Clavel.

In agriculture, the number of prospective borrowers has risen to 24 from 10. That excludes inquiries that Scipion dismisses without consideration in commodities such as raw cashew nuts.

Even big traders are looking beyond traditional trade-finance instruments, particularly Trafigura, which turned to nonbank lenders to help fund its rapid growth over the past decade. This month, Trafigura issued a $400 million perpetual bond, and by the end of March the trader had raised more than $4.5 billion through two securitization programs for its receivables, or claims for payment.

Spotify Sets Push To Court Marketers

By Megan Graham And Anne Steele

Spotify Technology SA began its first global brand campaign designed to court marketers as the audiostreaming giant tries to expand the revenue it collects from advertising.

The company is also changing the name of its advertising business to Spotify Advertising from Spotify for Brands in an attempt to attract small and medium-size businesses beyond the major brands it has traditionally focused on. And it is trying to attract more podcast publishers and creators to its ad marketplace, after saying earlier this year that its advertising growth has been hindered by limited inventory.

"It's not just kind of the largest of brands and the biggest of shows, it's also small- and medium-sized businesses and DIY creators," said Jay Richman, vice president and head of global advertising business and platform at Spotify.

The campaign will run in markets including the U.S., Canada, the U.K., Australia, Spain and New Zealand, using digital video, social media and audio ads on and off Spotify.

The company worked with creative agency FCB New York, part of Interpublic Group of Cos., on the campaign.

The effort comes as Spotify is poised to overtake **Apple** Inc. in podcast listenership. Spotify is on pace for 28.2 million monthly podcast listeners by the end of 2021, besting Apple's likely 28 million, according to forecasts from research firm eMarketer.

U.S. ad revenue from podcasts grew 19% to $842 million in 2020, is set to top $1 billion this year and will reach $2 billion by 2023, according to trade group Interactive Advertising Bureau.

China Power Curbs Threaten Chip Supply

Government efforts to curb energy consumption and reduce carbon emissions, along with surging coal prices, are leading to power outages across many of China's manufacturing hubs, threatening to further disrupt strained global supply chains for semiconductors and other vital goods.

By Stella Yifan Xie, Yang Jie and Stephanie Yang

Over the past week, local officials have forced factories in China's Guangdong and Jiangsu provinces to curtail operation hours or shut down temporarily as officials try to rein in energy use, according to company filings and interviews with company officials by The Wall Street Journal.

Factories are cutting production because coal has become too expensive.

In other areas, factories are cutting production because coal has become too expensive, a problem exacerbated by a Chinese ban on imports of the commodity from Australia since last year after a diplomatic brawl over Canberra's call for an independent global inquiry into the origins of Covid-19.

In one of the most affected areas, Kunshan, a city in China's eastern Jiangsu province near Shanghai, more than 10 Taiwan-based semiconductor-related companies filed announcements with the Taiwan Stock Exchange this week saying they are temporarily closing local facilities until the end of September.

Several **Apple** Inc. suppliers are affected, such as mechanical-parts maker Eson Precision Engineering Co. and **Unimicron Technology** Corp., a printed-circuit-board maker.

An Apple spokeswoman didn't immediately reply to a request for comment.

Another affected company, **Chang Wah Technology** Co., supplies chip-packaging material to automotive chip makers such as **NXP Semiconductors** NV and **Infineon Technologies** AG. Although chip testing and assembly is usually less technologically complex than wafer fabrication, any interruption to the final stage of semiconductor production could add problems in a supply chain that has been tested this year by natural disasters and surging demand.

"If they stop for any amount of time there could be delays in products getting out," said Stewart Randall, head of electronics at the Intralink consulting firm in Shanghai.

Other affected manufacturing companies include Taiwan-based **Tung Thih Electronic** Co., an electrical-equipment supplier to auto companies such as **Ford Motor** Co. and **Volkswagen** AG, which have struggled to keep up vehicle production amid a shortage of components.

People familiar with the matter said many of the industrial plants in the area were affected by the mandated power cuts and it is still too early to estimate the loss. Calls to the Kunshan government office went unanswered late Monday.

For companies operating in Kunshan and other similar areas, the problems have stemmed largely from China's efforts to curb energy consumption as the country tries to burnish its climate credentials ahead of a climate summit in Glasgow this November.

The country's powerful economic-planning agency has set a target to cut energy intensity per unit of gross domestic product by about 3% from last year, as part of a bid by Beijing to reach peak emissions before 2030.

The policy means, in effect, that electricity use has to grow at a lower rate than GDP. In the first half of 2021, however, electricity use rose 16.2%, while GDP increased 12.7%, with GDP expected to slow further in the second half of the year.

—Sha Hua contributed to this article.

◆ Heard on the Street: China's electric curbs risk damage...B10

Labaton Sucharow LLP Announces a U.S. Class Action Settlement Involving Purchasers of CannTrust Common Stock

NEWS PROVIDED BY
Labaton Sucharow LLP →
Sep 28, 2021, 08:00 ET

NEW YORK, Sept. 28, 2021 /PRNewswire/ --

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In Re: CANNTRUST HOLDINGS INC. SECURITIES LITIGATION	No. 1:19-cv-06396-JPO

SUMMARY NOTICE OF PENDENCY OF U.S.
CLASS ACTION AND PROPOSED SETTLEMENTS

www.CannTrustSecuritiesSettlement.ca

If you purchased the publicly traded common stock of CannTrust Holdings Inc. ("CannTrust") on the New York Stock Exchange or on any U.S. based trading platform or pursuant or traceable to CannTrust's May 6, 2019 secondary offering, you may be entitled to a payment from several class action settlements.

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Southern District of New York, that Court-appointed U.S. Class Action Lead Plaintiffs, on behalf of themselves and all members of the proposed U.S. Settlement Class, and defendant CannTrust and several other defendants in this proposed class action lawsuit (collectively, "Settling Defendants"), have reached eight proposed settlements of the majority of the claims in the

above-captioned U.S. class action (the "U.S. Class Action"), as well as actions pending in Canada and California (collectively with the U.S. Class Action, the "Actions"), in amounts totaling approximately C$83,000,000[1] in exchange for releases of liability (the "Settlements").

The proposed Settlements will be implemented pursuant to an amended and restated plan of compromise, arrangement and reorganization of CannTrust, CannTrust Inc. and Elmcliffe Investments Inc. (as may be further amended from time to time in accordance with its terms), pursuant to Canada's Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended, (the "CCAA Plan"), which was approved by the Ontario Superior Court of Justice (Commercial List) by a "sanction order" entered on July 16, 2021 (the "CCAA Sanction Order"). Implementation of the CCAA Plan requires, among other things, approval of the Settlements as they relate to the U.S. Class Action by the U.S. Court. The CCAA Plan provides for, *inter alia*, the restructuring of CannTrust so that it can emerge from insolvency, the administration of the Settlements for the benefit of CannTrust's investors, and the handling of unsettled claims related to the alleged wrongdoing at issue in the Actions.

A telephonic hearing will be held before the Honorable J. Paul Oetken **on Thursday, December 2, 2021, at 12:30 p.m. New York time** (the "Settlement Hearing") to determine whether the Court should: (i) approve the proposed Settlements, as they relate to the U.S. Class Action, as fair, reasonable, and adequate; and (ii) approve the proposed Allocation and Distribution Scheme for distribution of the proceeds of the Settlements to U.S. Settlement Class Members. The Court may change the date of the Settlement Hearing without providing another notice. You do NOT need to attend the Settlement Hearing to receive a payment.

IF YOU ARE A MEMBER OF THE U.S. SETTLEMENT CLASS, YOUR RIGHTS WILL BE AFFECTED BY THE PROPOSED SETTLEMENTS AND YOU MAY BE ENTITLED TO A MONETARY PAYMENT. If you purchased the publicly traded common stock of CannTrust on the New York Stock Exchange or on any U.S. based trading platform or pursuant or traceable to CannTrust's May 6, 2019 secondary offering and have not yet received a full Notice and Claim Form, you may obtain copies of these documents by visiting the website for the Settlements, www.CannTrustSecuritiesSettlement.ca, or by contacting the Claims Administrator at:

CannTrust Securities Settlements
c/o Epiq Class Action Services Canada Inc.
P.O. Box 507 STN B
Ottawa ON K1P 5P6
www.CannTrustSecuritiesSettlement.ca
info@CannTrustSecuritiesSettlement.ca
1-833-871-5359

Inquiries about the U.S. Class Action, other than requests for information about the status of a claim, may also be made to U.S. Class Action Counsel:

LABATON SUCHAROW LLP
James W. Johnson, Esq.
140 Broadway
New York, NY 10005
www.labaton.com
settlementquestions@labaton.com
1-888-219-6877

If you are a U.S. Settlement Class Member, to be eligible to share in the distribution of the proceeds from the Settlements, you must submit a Claim Form ***postmarked or submitted online no later than March 16, 2022.*** (Any extensions of this deadline will be posted on the website for the Settlements: www.CannTrustSecuritiesSettlement.ca). If you are a U.S. Settlement Class Member and do not timely submit a valid Claim Form, you will not be eligible to share in the distribution of the proceeds from the Settlements, but you will nevertheless be bound by the terms of the Settlements as they relate to the U.S. Class Action, all of the U.S. Court's orders about the Settlements, whether favorable or unfavorable, the CCAA Sanction Order and CCAA Plan.

If you are a U.S. Settlement Class Member and wish to exclude yourself from the U.S. Settlement Class, you must submit a written request for exclusion in accordance with the instructions in the Notice so that it is ***received no later than November 11, 2021.*** This is the only option that potentially may allow you to ever bring or be part of any other lawsuit against the Settling Defendants and their related parties about the released claims. However, the Settlement Parties believe that the CCAA Sanction Order will operate to bar any claims by the U.S. Settlement Class Members against the Settling Defendants and their related parties regardless of whether they request exclusion from the U.S. Settlement Class. If you exclude yourself from the U.S. Settlement Class, you will not be eligible to share in the distribution of the proceeds of the Settlements.

Any objections to the proposed Settlements and/or the proposed Allocation and Distribution Scheme must be filed with the U.S. Court, either by mail or in person, and be mailed to counsel in accordance with the instructions in the Notice, such that they are ***received no later than November 11, 2021***.

PLEASE DO NOT CONTACT THE COURT, DEFENDANTS, OR DEFENDANTS' COUNSEL REGARDING THIS NOTICE.

DATED: September 28, 2021

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

URL// www.CannTrustSecuritiesSettlement.ca

[1] For informational purposes, at the time the Settlements were reached (January 19, 2021 to May 24, 2021), the C$/US$ exchange rate ranged from C$1.20 to C$1.28 per US$1.00 with an average of C$1.25 per US$1.00. Accordingly, at the time of the Settlements, C$83,000,000 was equivalent to approximately US$66,400,000.

SOURCE Labaton Sucharow LLP

Related Links

https://www.labaton.com/

Exhibit 5

Labaton Sucharow

Labaton Sucharow Credentials

2021

Labaton Sucharow

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Labaton Sucharow

ABOUT THE FIRM

Labaton Sucharow has recovered billions of dollars for investors, businesses, and consumers

Founded in 1963, Labaton Sucharow LLP has earned a reputation as one of the leading plaintiffs' firms in the United States. For more than half a century, Labaton Sucharow has successfully exposed corporate misconduct and recovered billions of dollars in the United States and around the globe on behalf of investors and consumers. Our mission is to continue this legacy and to continue to advance market fairness and transparency in the areas of securities, antitrust, corporate governance and shareholder rights, and data privacy and cybersecurity litigation, as well as whistleblower representation. Our Firm has recovered significant losses for investors and secured corporate governance reforms on behalf of the nation's largest institutional investors, including public pension, Taft-Hartley, and hedge funds, investment banks, and other financial institutions.

Along with securing newsworthy recoveries, the Firm has a track record for successfully prosecuting complex cases from discovery to trial to verdict. As *Chambers and Partners* has noted, the Firm is *"considered one of the greatest plaintiffs' firms,"* and *The National Law Journal* "Elite Trial Lawyers" recently recognized our attorneys for their *"cutting-edge work on behalf of plaintiffs."* Our appellate experience includes winning appeals that increased settlement values for clients and securing a landmark U.S. Supreme Court victory in 2013 that benefited all investors by reducing barriers to the certification of securities class action cases.

Our Firm provides global securities portfolio monitoring and advisory services to more than 250 institutional investors, including public pension funds, asset managers, hedge funds, mutual funds, banks, sovereign wealth funds, and multi-employer plans—with collective assets under management (AUM) in excess of $2.5 trillion. We are equipped to deliver results due to our robust infrastructure of more than 70 full-time attorneys, a dynamic professional staff, and innovative technological resources. Labaton Sucharow attorneys are skilled in every stage of business litigation and have challenged corporations from every sector of the financial market. Our professional staff includes financial analysts, paralegals, e-discovery specialists, certified public accountants, certified fraud examiners, and a forensic accountant. We have one of the largest in-house investigative teams in the securities bar.

Labaton Sucharow

SECURITIES LITIGATION: As a leader in the securities litigation field, the Firm is a trusted advisor to more than 250 institutional investors with collective assets under management in excess of $2.5 trillion. Our practice focuses on portfolio monitoring and domestic and international securities litigation for sophisticated institutional investors. Since the passage of the Private Securities Litigation Reform Act of 1995, we have recovered more than $12.5 billion in the aggregate. Our success is driven by the Firm's robust infrastructure, which includes one of the largest in-house investigative teams in the plaintiffs' bar.

CORPORATE GOVERNANCE AND SHAREHOLDER RIGHTS LITIGATION: Our breadth of experience in shareholder advocacy has also taken us to Delaware, where we press for corporate reform through our Wilmington office. These efforts have already earned us a string of enviable successes, including one of the largest derivative settlements ever achieved in the Court of Chancery, a $153.75 million settlement on behalf of shareholders in *In re Freeport-McMoRan Copper & Gold Inc. Derivative Litigation.*

ANTITRUST AND COMPETITION: Labaton Sucharow has a well-earned reputation for successfully investigating and litigating complex antitrust multi-district litigation class actions. Regularly appointed lead counsel by courts throughout the nation, we have led the charge in some of the most significant private antitrust litigation in recent years challenging national and international price-fixing cartels, including *In re Air Cargo Shipping Services Antitrust Litigation* ($1.2+ billion in settlements from over 30 global airlines). In particular, we are at the forefront in challenging anticompetitive conduct in the financial and pharmaceutical industries. Whether a case involves complex financial instruments and commodities or branded and generic drugs, Labaton Sucharow has the industry-specific expertise to achieve positive results for the class.

CONSUMER, CYBERSECURITY, AND DATA PRIVACY PRACTICE: Labaton Sucharow is dedicated to putting our expertise to work on behalf of consumers who have been wronged by fraud in the marketplace. Built on our world-class litigation skills, deep understanding of federal and state rules and regulations, and an unwavering commitment to fairness, our Consumer, Cybersecurity, and Data Privacy Practice focuses on protecting consumers and improving the standards of business conduct through litigation and reform. Our team achieved a historic $650 million settlement in the *In re Facebook Biometric Information Privacy Litigation* matter—the largest consumer data privacy settlement ever, and one of the first cases asserting biometric privacy rights of consumers under Illinois' Biometric Information Privacy Act (BIPA).

WHISTLEBLOWER LITIGATION: Our Whistleblower Representation Practice leverages the Firm's securities litigation expertise to protect and advocate for individuals who report violations of the federal securities laws. Jordan A. Thomas, former Assistant Director and Assistant Chief Litigation Counsel in the Division of Enforcement at the SEC, leads the practice.

"Labaton Sucharow is 'superb' and 'at the top of its game.' The Firm's team of 'hard-working lawyers…push themselves to thoroughly investigate the facts' and conduct 'very diligent research.'"

– The Legal 500

Labaton Sucharow

SECURITIES CLASS ACTION LITIGATION

Labaton Sucharow is a leader in securities litigation and a trusted advisor to more than 250 institutional investors. Since the passage of the Private Securities Litigation Reform Act of 1995 (PSLRA), the Firm has recovered more than $12.5 billion in the aggregate for injured investors through securities class actions prosecuted throughout the United States and against numerous public corporations and other corporate wrongdoers.

These notable recoveries would not be possible without our exhaustive case evaluation process. The Firm has developed a proprietary system for portfolio monitoring and reporting on domestic and international securities litigation, and currently provides these services to more than 250 institutional investors, which manage collective assets of more than $2.5 trillion. The Firm's in-house investigators also gather crucial details to support our cases, whereas other firms rely on outside vendors or fail to conduct any confidential investigation at all.

As a result of our thorough case evaluation process, our securities litigators can focus solely on cases with strong merits. The benefits of our selective approach are reflected in the low dismissal rate of the securities cases we pursue, a rate well below the industry average. Over the past decade, we have successfully prosecuted headline-making class actions against AIG, Bear Stearns, Massey Energy, Schering-Plough, Fannie Mae, Amgen, Facebook, and SCANA, among others.

NOTABLE SUCCESSES

Labaton Sucharow has achieved notable successes in financial and securities class actions on behalf of investors, including the following:

In re American International Group, Inc. Securities Litigation, No. 04-cv- 8141 (S.D.N.Y.)

In one of the most complex and challenging securities cases in history, Labaton Sucharow secured more than $1 billion in recoveries on behalf of lead plaintiff Ohio Public Employees' Retirement System in a case arising from allegations of bid rigging and accounting fraud. To achieve this remarkable recovery, the Firm took over 100 depositions and briefed 22 motions to dismiss. The full settlement entailed a $725 million settlement with American International Group (AIG), $97.5 million settlement with AIG's auditors, $115 million settlement with former AIG officers and related defendants, and an additional $72 million settlement with General Reinsurance Corporation, which was approved by the Second Circuit on September 11, 2013.

In re Countrywide Financial Corp. Securities Litigation, No. 07-cv-05295 (C.D. Cal.)

Labaton Sucharow, as lead counsel for the New York State Common Retirement Fund and the five New York City public pension funds, sued one of the nation's largest issuers of mortgage loans for credit risk misrepresentations. The Firm's focused investigation and discovery efforts uncovered incriminating evidence that led to a $624 million settlement for investors. On February 25, 2011,

the court granted final approval to the settlement, which is one of the top 20 securities class action settlements in the history of the PSLRA.

In re HealthSouth Corp. Securities Litigation, No. 03-cv-01500 (N.D. Ala.)

Labaton Sucharow served as co-lead counsel to New Mexico State Investment Council in a case stemming from one of the largest frauds ever perpetrated in the healthcare industry. Recovering $671 million for the class, the settlement is one of the top 15 securities class action settlements of all time. In early 2006, lead plaintiffs negotiated a settlement of $445 million with defendant HealthSouth. On June 12, 2009, the court also granted final approval to a $109 million settlement with defendant Ernst & Young LLP. In addition, on July 26, 2010, the court granted final approval to a $117 million partial settlement with the remaining principal defendants in the case—UBS AG, UBS Warburg LLC, Howard Capek, Benjamin Lorello, and William McGahan.

In re Schering-Plough/ENHANCE Securities Litigation, No. 08-cv-00397 (D. N.J.)

As co-lead counsel, Labaton Sucharow obtained a $473 million settlement on behalf of co-lead plaintiff Massachusetts Pension Reserves Investment Management Board. After five years of litigation, and three weeks before trial, the settlement was approved on October 1, 2013. This recovery is one of the largest securities fraud class action settlements against a pharmaceutical company. The Special Masters' Report noted, "The outstanding result achieved for the class is the direct product of outstanding skill and perseverance by Co-Lead Counsel . . . no one else . . . could have produced the result here—no government agency or corporate litigant to lead the charge and the Settlement Fund is the product solely of the efforts of Plaintiffs' Counsel."

In re Waste Management, Inc. Securities Litigation, No. H-99-2183 (S.D. Tex.)

In 2002, the court approved an extraordinary settlement that provided for the recovery of $457 million in cash, plus an array of far-reaching corporate governance measures. Labaton Sucharow represented lead plaintiff Connecticut Retirement Plans and Trust Funds. At that time, this settlement was the largest common fund settlement of a securities action achieved in any court within the Fifth Circuit and the third largest achieved in any federal court in the nation. Judge Harmon noted, among other things, that Labaton Sucharow "obtained an outstanding result by virtue of the quality of the work and vigorous representation of the class."

In re General Motors Corp. Securities Litigation, No. 06-cv-1749 (E.D. Mich.)

As co-lead counsel in a case against automotive giant General Motors (GM) and its auditor Deloitte & Touche LLP (Deloitte), Labaton Sucharow obtained a settlement of $303 million—one of the largest settlements ever secured in the early stages of a securities fraud case. Lead plaintiff Deka Investment GmbH alleged that GM, its officers, and its outside auditor overstated GM's income by billions of dollars and GM's operating cash flows by tens of billions of dollars, through a series of accounting manipulations. The final settlement, approved on July 21, 2008, consisted of a cash payment of $277 million by GM and $26 million in cash from Deloitte.

Wyatt v. El Paso Corp., No. H-02-2717 (S.D. Tex.)

Labaton Sucharow secured a $285 million class action settlement against the El Paso Corporation on behalf of the co-lead plaintiff, an individual. The case involved a securities fraud stemming from

the company's inflated earnings statements, which cost shareholders hundreds of millions of dollars during a four-year span. On March 6, 2007, the court approved the settlement and also commended the efficiency with which the case had been prosecuted, particularly in light of the complexity of the allegations and the legal issues.

In re Bear Stearns Cos., Inc. Securities, Derivative & ERISA Litigation, No. 08-cv-2793 (S.D.N.Y.)

Labaton Sucharow served as co-lead counsel, representing lead plaintiff State of Michigan Retirement Systems and the class. The action alleged that Bear Stearns and certain officers and directors made misstatements and omissions in connection with Bear Stearns' financial condition, including losses in the value of its mortgage-backed assets and Bear Stearns' risk profile and liquidity. The action further claimed that Bear Stearns' outside auditor, Deloitte & Touche LLP, made misstatements and omissions in connection with its audits of Bear Stearns' financial statements for fiscal years 2006 and 2007. Our prosecution of this action required us to develop a detailed understanding of the arcane world of packaging and selling subprime mortgages. Our complaint has been called a "tutorial" for plaintiffs and defendants alike in this fast- evolving area. After surviving motions to dismiss, on November 9, 2012, the court granted final approval to settlements with the defendant Bear Stearns for $275 million and with Deloitte for $19.9 million.

In re Massey Energy Co. Securities Litigation, No. 10-CV-00689 (S.D. W.Va.)

As co-lead counsel representing the Commonwealth of Massachusetts Pension Reserves Investment Trust, Labaton Sucharow achieved a $265 million all-cash settlement in a case arising from one of the most notorious mining disasters in US history. On June 4, 2014, the settlement was reached with Alpha Natural Resources, Massey's parent company. Investors alleged that Massey falsely told investors it had embarked on safety improvement initiatives and presented a new corporate image following a deadly fire at one of its coalmines in 2006. After another devastating explosion, which killed 29 miners in 2010, Massey's market capitalization dropped by more than $3 billion. Judge Irene C. Berger noted, "Class counsel has done an expert job of representing all of the class members to reach an excellent resolution and maximize recovery for the class."

Eastwood Enterprises, LLC v. Farha (WellCare Securities Litigation), No. 07-cv-1940 (M.D. Fla.)

On behalf of the New Mexico State Investment Council and the Public Employees Retirement Association of New Mexico, Labaton Sucharow served as co-lead counsel and negotiated a $200 million settlement over allegations that WellCare Health Plans, Inc., a Florida-based healthcare service provider, disguised its profitability by overcharging state Medicaid programs. Further, under the terms of the settlement approved by the court on May 4, 2011, WellCare agreed to pay an additional $25 million in cash if, at any time in the next three years, WellCare was acquired or otherwise experienced a change in control at a share price of $30 or more after adjustments for dilution or stock splits.

In re SCANA Corporation Securities Litigation, No. 17-cv-2616 (D.S.C.)

Labaton Sucharow served as co-lead counsel in this matter against a regulated electric and natural gas public utility, representing the class and co-lead plaintiff West Virginia Investment Management

Board. The action alleges that for a period of two years, the company and certain of its executives made a series of misstatements and omissions regarding the progress, schedule, costs, and oversight of a key nuclear reactor project in South Carolina. Labaton Sucharow conducted an extensive investigation into the alleged fraud, including by interviewing 69 former SCANA employees and other individuals who worked on the nuclear project. In addition, Labaton Sucharow obtained more than 1,500 documents from South Carolina regulatory agencies, SCANA's state-owned junior partner on the nuclear project, and a South Carolina newspaper, among others, pursuant to the South Carolina Freedom of Information Act (FOIA). This information ultimately provided the foundation for our amended complaint and was relied upon by the Court extensively in its opinion denying defendants' motion dismiss. In late 2019, we secured a $192.5 million recovery for investors—the largest securities fraud settlement in the history of the District of South Carolina.

In re Bristol-Myers Squibb Securities Litigation, No. 00-cv-1990 (D.N.J.)

Labaton Sucharow served as lead counsel representing the lead plaintiff, union-owned LongView Collective Investment Fund of the Amalgamated Bank (LongView), against drug company Bristol-Myers Squibb (BMS). LongView claimed that the company's press release touting its new blood pressure medication, Vanlev, left out critical information— that undisclosed results from the clinical trials indicated that Vanlev appeared to have life-threatening side effects. The FDA expressed serious concerns about these side effects and BMS released a statement that it was withdrawing the drug's FDA application, resulting in the company's stock price falling and losing nearly 30 percent of its value in a single day. After a five-year battle, we won relief on two critical fronts. First, we secured a $185 million recovery for shareholders, and second, we negotiated major reforms to the company's drug development process that will have a significant impact on consumers and medical professionals across the globe. Due to our advocacy, BMS must now disclose the results of clinical studies on all of its drugs marketed in any country.

In re Fannie Mae 2008 Securities Litigation, No. 08-cv-7831 (S.D.N.Y.)

As co-lead counsel representing co-lead plaintiff Boston Retirement System, Labaton Sucharow secured a $170 million settlement on March 3, 2015, with Fannie Mae. The lead plaintiffs alleged that Fannie Mae and certain of its current and former senior officers violated federal securities laws, by making false and misleading statements concerning the company's internal controls and risk management with respect to Alt-A and subprime mortgages. The lead plaintiffs also alleged that defendants made misstatements with respect to Fannie Mae's core capital, deferred tax assets, other-than- temporary losses, and loss reserves. Labaton Sucharow successfully argued that investors' losses were caused by Fannie Mae's misrepresentations and poor risk management, rather than by the financial crisis. This settlement is a significant feat, particularly following the unfavorable result in a similar case involving investors in Fannie Mae's sibling company, Freddie Mac.

In re Broadcom Corp. Class Action Litigation, No. 06-cv-05036 (C.D. Cal.)

Labaton Sucharow served as lead counsel on behalf of lead plaintiff New Mexico State Investment Council in a case stemming from Broadcom Corp.'s $2.2 billion restatement of its historic financial statements for 1998-2005. In August 2010, the court granted final approval of a $160.5 million settlement with Broadcom and two individual defendants to resolve this matter. It is the second largest up-front cash settlement ever recovered from a company accused of options backdating.

Following a Ninth Circuit ruling confirming that outside auditors are subject to the same pleading standards as all other defendants, the district court denied the motion by Broadcom's auditor, Ernst & Young, to dismiss on the ground of loss causation. This ruling is a major victory for the class and a landmark decision by the court—the first of its kind in a case arising from stock-options backdating. In October 2012, the court approved a $13 million settlement with Ernst & Young.

In re Satyam Computer Services Ltd. Securities Litigation, No. 09-md-2027 (S.D.N.Y.)

Satyam Computer Services Ltd. (Satyam), referred to as "India's Enron," engaged in one of the most egregious frauds on record. In a case that rivals the Enron and Bernie Madoff scandals, the Firm represented lead plaintiff UK-based Mineworkers' Pension Scheme, which alleged that Satyam, related entities, Satyam's auditors, and certain directors and officers made materially false and misleading statements to the investing public about the company's earnings and assets, artificially inflating the price of Satyam securities. On September 13, 2011, the court granted final approval to a settlement with Satyam of $125 million and a settlement with the company's auditor, PricewaterhouseCoopers, in the amount of $25.5 million. Judge Barbara S. Jones commended lead counsel during the final approval hearing, noting the "quality of representation[,] which I found to be very high."

In re Mercury Interactive Corp. Securities Litigation, No. 05-cv-3395 (N.D. Cal.)

Labaton Sucharow served as co-lead counsel on behalf of co-lead plaintiff Steamship Trade Association/International Longshoremen's Association Pension Fund, which alleged that Mercury Interactive Corp. (Mercury) backdated option grants used to compensate employees and officers of the company. Mercury's former CEO, CFO, and General Counsel actively participated in and benefited from the options backdating scheme, which came at the expense of the company's shareholders and the investing public. On September 25, 2008, the court granted final approval of the $117.5 million settlement.

In re Oppenheimer Champion Fund Securities Fraud Class Actions, No. 09- cv-525 (D. Colo.) and *In re Core Bond Fund*, No. 09-cv-1186 (D. Colo.)

Labaton Sucharow served as lead counsel and represented individuals and the proposed class in two related securities class actions brought against Oppenheimer Funds, Inc., among others, and certain officers and trustees of two funds—Oppenheimer Core Bond Fund and Oppenheimer Champion Income Fund. The lawsuits alleged that the investment policies followed by the funds resulted in investor losses when the funds suffered drops in net asset value although they were presented as safe and conservative investments to consumers. In May 2011, the Firm achieved settlements amounting to $100 million: $52.5 million in *In re Oppenheimer Champion Fund Securities Fraud Class Actions* and a $47.5 million settlement in *In re Core Bond Fund*.

In re Computer Sciences Corporation Securities Litigation, No. 11-cv-610 (E.D. Va.)

As lead counsel representing Ontario Teachers' Pension Plan Board, Labaton Sucharow secured a $97.5 million settlement in this "rocket docket" case involving accounting fraud. The settlement was the third largest all-cash recovery in a securities class action in the Fourth Circuit and the second largest all-cash recovery in such a case in the Eastern District of Virginia. The plaintiffs

alleged that IT consulting and outsourcing company, Computer Sciences Corporation (CSC), fraudulently inflated its stock price by misrepresenting and omitting the truth about the state of its most visible contract and the state of its internal controls. In particular, the plaintiffs alleged that CSC assured the market that it was performing on a $5.4 billion contract with the UK National Health Service when CSC internally knew that it could not deliver on the contract, departed from the terms of the contract, and as a result, was not properly accounting for the contract. Judge T.S. Ellis III stated, "I have no doubt—that the work product I saw was always of the highest quality for both sides."

Public Employees' Retirement System of Mississippi v. Endo Int'l plc, et al., No. 2017-02081-MJ (Pa. Ct. of C.P. Montgomery Cty.)

Labaton Sucharow served as lead counsel in a securities class action against Endo Pharmaceuticals. The case settled for $50 million, the largest class settlement obtained in any court pursuant to the Securities Act of 1933 in connection with a secondary public offering. The action alleged that Endo failed to disclose adverse trends facing its generic drugs division in advance of a secondary public offering that raised $2 billion to finance the acquisition of Par Pharmaceuticals in 2015. The Firm overcame several procedural hurdles to reach this historic settlement, including successfully opposing defendants' attempts to remove the case to federal court and to dismiss the class complaint in state court.

City of Warren Police and Fire Retirement System v. World Wrestling Entertainment, Inc. et al., No. 20-cv-02031 (S.D.N.Y.)

Labaton Sucharow served as court-appointed lead counsel in a securities class action against World Wrestling Entertainment, Inc. ("WWE"). The Firm represented Firefighters Pension System of the City of Kansas City Missouri Trust in the action alleging WWE defrauded investors by making false and misleading statements in connection with certain of its key overseas businesses in the Middle East North Africa region ("MENA") from February 7, 2019, through February 5, 2020. The lead plaintiff further alleged that the price of WWE publicly traded common stock was artificially inflated as a result of the company's allegedly false and misleading statements and omissions, and that the price declined when the truth was allegedly revealed through a series of partial revelations. The parties reached an agreement to settle the action for in November 2020, and on June 30, 2021, the court granted final approval of the $39 million settlement.

Pension Trust Fund for Operating Engineers v. DeVry Education Group, Inc., No. 16-cv-05198 (N.D. Ill.)

In a case that underscores the skill of our in-house investigative team, Labaton Sucharow secured a $27.5 million recovery in an action alleging that DeVry Education Group, Inc. issued false statements to investors about employment and salary statistics for DeVry University graduates. The Firm took over as lead counsel after a consolidated class action complaint and an amended complaint were both dismissed. Labaton Sucharow filed a third amended complaint on January 29, 2018, which included additional allegations based on internal documents obtained from government entities through the Freedom of Information Act and allegations from 13 new confidential witnesses who worked for DeVry. In denying defendants' motion to dismiss, the court concluded that the "additional allegations . . . alter[ed] the alleged picture with respect to scienter" and showed "with a degree of

particularity . . . that the problems with DeVry's [representations] . . . were broad in scope and magnitude."

Vancouver Alumni Asset Holdings Inc. v. Daimler A.G., et al., No. 16-cv-2942 (C.D. Cal)

Serving as lead counsel on behalf of Public School Retirement System of Kansas City, Missouri, Labaton Sucharow secured a $19 million settlement in a class action against automaker Daimler AG. The action arose out of Daimler's misstatements and omissions touting its Mercedes-Benz diesel vehicles as "green" when independent tests showed that under normal driving conditions the vehicles exceeded the nitrous oxide emissions levels set by U.S. and E.U. regulators. Defendants lodged two motions to dismiss the case. However, the *Daimler* litigation team was able to overcome both challenges, and on May 31, 2017, the court granted in part and denied in part Defendants' motions and allowed the case to proceed to discovery. The court then stayed the action after the U.S. Department of Justice intervened. The *Daimler* litigation team worked with the DOJ and defendants to partially lift the stay in order to allow lead plaintiffs to seek limited discovery. Thereafter, in December 2019, the parties agreed to settle the action for $19 million.

Avila v. LifeLock, Inc., No. 15-cv-1398 (D. Ariz.)

As co-lead counsel representing Oklahoma Police Pension and Retirement System and Oklahoma Firefighters Pension and Retirement System, the Firm secured a $20 million settlement in a securities class action against LifeLock. The action alleged that LifeLock misrepresented the capabilities of its identity theft alerts to investors. While LifeLock repeatedly touted the "proactive," "near real-time" nature of its alerts, in reality the timeliness of such alerts to customers did not resemble a near real-time basis. The LifeLock litigation team played a critical role in securing the $20 million settlement. After being dismissed by the District Court twice, the LifeLock team was able to successfully appeal the case to the Ninth Circuit and secured a reversal of the District Court's dismissals. The case settled shortly after being remanded to the District Court. On July 22, 2020, the court issued an order granting final approval of the settlement.

In re Prothena Corporation PLC Securities Litigation, No. 18-cv-6425 (S.D.N.Y)

Labaton Sucharow, as co-lead counsel, secured a $15.75 million recovery in a securities class action against development-stage biotechnology company, Prothena Corp. The action alleged that Prothena and certain of its senior executives misleadingly cited the results of an ongoing clinical study of NEOD001—a drug designed to treat amyloid light chain amyloidosis and one of Prothena's principal assets. Despite telling investors that early phases of testing were successful, Defendants later revealed that the drug was "substantially less effective than a placebo." Upon this news, Prothena's stock price dropped nearly 70 percent. On August 26, 2019, the parties executed a Stipulation and Agreement of Settlement for $15.75 million. Final Judgment was entered on December 4, 2019.

Ronge v. Camping World Holdings, Inc., No. 18-cv-7030 (N.D. Ill.)

In a securities class action against Camping World Holdings, Labaton Sucharow achieved a multi-million dollar settlement for investors. The action alleged that, for a period of two years, the recreational vehicle company and certain of its executives made materially false and misleading

statements regarding its financial results, internal controls, and success of its integration of an acquired company. The Firm conducted an extensive investigation into the alleged fraud, including by reviewing public filings and statements and interviewing several former employees. This investigation provided the foundation for our amended complaint and ultimately resulted in $12.5 million recovery for investors through a mediated settlement with defendants. The court granted final approval of the settlement on August 5, 2020.

In re BrightView Holdings, Inc. Securities Litigation, No. 2019-07222 (Pa. Ct. of C.P. Montgomery Cty.)

Labaton Sucharow, as co-lead counsel, secured an $11.5 million recovery in a securities class action against commercial landscaping services company BrightView Holdings, Inc. The action alleged that the registration statement used to conduct BrightView's June 2018 IPO contained material misstatements and omissions in violation of Sections 11 and 15 of the Securities Act of 1933. Notably, less than a year following its IPO, BrightView's stock price had fallen 42%. After successfully defending against defendants' preliminary objections and motion to dismiss, our team was able to secure an $11.5 million settlement for BrightView investors, which was approved the court on December 17, 2020.

In re Dr. Reddy's Laboratories Limited Securities Litigation, No. 17-06436 (D.N.J.)

Labaton Sucharow served as lead counsel in a Section 10(b) securities class action against Dr. Reddy's Laboratories Ltd., an Indian pharmaceutical manufacturer that misled investors about having robust quality processes and systems in place at their manufacturing facilities. Dr. Reddy's shares dropped after a series of disclosures by the FDA and other regulators revealed that conditions at three key Indian manufacturing facilities violated FDA regulations. These violations included the use of an undisclosed and uncontrolled facility for doctoring quality control tests, ultimately causing the company to delay production of a key product and miss earnings. Labaton Sucharow was involved in litigating the case through the amended complaint, motions to dismiss, discovery, and settlement negotiations. In December 2020, the court granted final approval of the $9 million settlement.

Plymouth County, et al. v. HRG Group, Inc., et al (Spectrum Brands), No. 2019-CV-000982 (Wis. Cir. Ct. Dane Cty.)

Serving as lead counsel on behalf of Plymouth County Retirement Association, Labaton Sucharow secured a $9 million settlement in one of the first post-*Cyan* Securities Act class actions brought in Wisconsin state court. The complaint alleged that the registration statement issued in connection with the merger of Spectrum Brands Legacy, Inc. and HRG Group Inc. contained false statements and omissions of material fact concerning undisclosed materially adverse conditions, trends, and uncertainties, which resulted in the company taking a $92.5 million write-off for impairment of goodwill a few months after the merger. Labaton Sucharow initiated the action, filed an amended complaint with allegations supported by statements from several confidential witnesses, opposed defendants' motion to dismiss, and agreed to mediation on the eve of oral argument.

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LEAD COUNSEL APPOINTMENTS IN ONGOING LITIGATION

Labaton Sucharow's institutional investor clients are regularly chosen by federal judges to serve as lead plaintiffs in prominent securities litigations brought under the PSLRA. Dozens of public pension funds and union funds have selected Labaton Sucharow to represent them in federal securities class actions and advise them as securities litigation/investigation counsel.

In re AT&T/DirecTV Now Securities Litigation, No. 19-cv-2892 (S.D.N.Y.)

Labaton Sucharow represents Steamfitters Local 449 Pension Plan in this securities class action against AT&T and multiple executives and directors of the company alleging wide- ranging fraud, abusive sales tactics, and misleading statements to the market in regards to the streaming service, DirecTV Now.

In re PG&E Corporation Securities Litigation, No. 18-cv-03509 (N.D. Cal.)

Labaton Sucharow represents the Public Employees Retirement Association of New Mexico in a securities class action lawsuit against PG&E related to wildfires that devastated Northern California in 2017.

Murphy v. Precision Castparts Corp., No. 16-cv-00521 (D. Or.)

Labaton Sucharow represents Oklahoma Firefighters Pension and Retirement System in a securities class action against Precision Castparts Corp., an aviation parts manufacturing conglomerate that produces complex metal parts primarily marketed to industrial and aerospace customers.

In re Goldman Sachs Group, Inc. Securities Litigation, No. 10-cv-03461 (S.D.N.Y.)

Labaton Sucharow represents Arkansas Teacher Retirement System in a high-profile litigation based on the scandals involving Goldman Sachs' sales of the Abacus CDO.

Meitav Dash Provident Funds and Pension Ltd., et al. v. Spirit AeroSystems Holdings, Inc. et al., No. 20-cv-00054 (N.D. Okla.)

Labaton Sucharow represents Meitav Dash Provident Funds and Pension Ltd. in a securities class action against Spirit AeroSystems Holdings alleging misrepresentation of production rates and the effectiveness of its internal controls over financial reporting relating to production of Boeing planes.

Boston Retirement System v. Uber Technologies, Inc., et al., No. 19-cv-6361-RS (N.D. Cal.)

Labaton Sucharow serves as lead counsel in a securities class action against Uber Technologies, Inc., arising in connection with the company's more than $8 billion IPO. The action alleges that Uber's IPO registration statement and prospectus made material misstatements and omissions in violation of Sections 11, 12(a)(2), and 15 of the Securities Act of 1933.

Oklahoma Firefighters Pension and Retirement System v. Peabody Energy Corporation et al., No. 20-cv-8024 (S.D.N.Y.)

Labaton Sucharow represents Oklahoma Firefighters Pension and Retirement System in a securities class action against Peabody Energy Corp arising from inadequate safety practices at the company's north Australian mine.

Hill v. Silver Lake Group, L.L.C. (Intelsat S.A.), No. 20-CV-2341 (N.D. Cal.)

The court appointed Labaton Sucharow as lead counsel in the *Intelsat* securities litigation, noting that the Firm "has strong experience prosecuting securities class actions and has served as lead counsel in many high-profile securities actions.

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OUR CLIENTS

Labaton Sucharow represents and advises the following institutional investor clients, among others:

- Arkansas Public Employees Retirement System
- Arkansas Teacher Retirement System
- Boston Retirement System
- Bristol County Retirement System
- Cambridge Retirement Board
- Detroit Police & Firemen Retirement System
- El Paso Firemen & Policemen Pension Fund
- Hollywood Employees' Retirement Fund System
- Houston Municipal Employees Pension System
- Public Employee Retirement System of Idaho
- Jackson County Revised Pension Plan
- Kansas City Employees' Retirement System
- Firefighters' Pension System of the City of Kansas City, Missouri Trust
- Public School Retirement System of the School District of Kansas City, Missouri
- Public School Teachers Pension & Retirement Fund of Chicago
- Indiana Public Retirement System
- Public Employees' Retirement System of Mississippi
- Public School and Education Employee Retirement Systems of Missouri
- Nebraska State Investment Council
- New Mexico Public Employees Retirement Association
- Educational Retirement Board of New Mexico
- Norfolk County Retirement System
- Oklahoma City Employee Retirement System
- Oklahoma Firefighters Pension and Retirement System
- Oklahoma Police Pension & Retirement System
- Omaha Police & Fire Retirement System
- Oregon Public Employees Retirement System
- Pittsburgh Pension
- Providence Board of Investment Commissioners
- Plymouth County Retirement System
- Rhode Island State Investment Commission
- St. Louis Police Retirement System
- St. Louis Firemen's Retirement System
- St. Paul Teachers Retirement Fund
- Utah Retirement Systems
- Warwick Retirement System
- Wayne County Employees' Retirement System
- West Palm Beach Police Pension Fund
- West Virginia Investment Management Board

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AWARDS AND ACCOLADES

CONSISTENTLY RANKED AS A LEADING FIRM:

The National Law Journal "2021 Elite Trial Lawyers" recognized Labaton Sucharow as **2021 Class Action Law Firm of the Year**. The Firm was also recognized as a finalist in the **Diversity Initiative** category. Additionally, Labaton Sucharow was named the **2020 Law Firm of the Year for Securities Litigation**.

Benchmark Litigation recognized Labaton Sucharow both nationally and regionally, in New York and Delaware, in its 2022 edition and named 12 Partners as **Litigation Stars** and **Future Stars** across the U.S. The Firm received top rankings in the **Securities** and **Dispute Resolution** categories. The publication also named the Firm a **"Top Plaintiffs Firms"** in the nation.

Labaton Sucharow is recognized by *Chambers USA 2021* among the leading plaintiffs' firms in the nation, receiving a total of five practice group rankings and nine individual rankings. *Chambers* notes that the Firm is **"top flight all-round," a "very high-quality practice," with "good, sensible lawyers."**

Labaton Sucharow has been recognized as one of the **Nation's Best Plaintiffs' Firms** by *The Legal 500*. In 2021, the Firm earned a **Tier 1 ranking in Securities Litigation** and was also ranked for its excellence in the **Antitrust** and **M&A Litigation**. 10 Labaton Sucharow Partners were ranked or recommended in the 2020 guide noting **"Labaton Sucharow has a deep group of litigators who are enormously experienced in securities litigation who do exceptionally good work."**

Labaton Sucharow was named a finalist for *Euromoney* LMG's **Women in Business Law Awards 2021** in the North America Women in Business Law: Firm of the Year, Gender Diversity Initiative, and Talent Management categories. *Euromoney's* WIBL Awards recognizes firms advancing diversity in the profession.

Lawdragon recognized 17 Labaton Sucharow attorneys among the "500 Leading Plaintiff Financial Lawyers" in the country in their 2021 guide. The guide recognizes attorneys that are "the best in the nation – many would say the world – at representing plaintiffs in securities and other business litigation, antitrust, whistleblower claims and increasingly complex financial litigation and data privacy invasions." *Lawdragon* also included three of our Partners in their Hall of Fame.

Labaton Sucharow was recognized as finalist for *Chambers'* **2020 Diversity and Inclusion Awards** in the category of Inclusive Firm of the Year.

Labaton Sucharow

PRO BONO AND COMMUNITY INVOLVEMENT

It is not enough to achieve the highest accolades from the bench and bar, and demand the very best of our people. At Labaton Sucharow, we believe that community service is a crucial aspect of practicing law and that pursuing justice is at the heart of our commitment to our profession and the community at large. As a result, we shine in pro bono legal representation and as public and community volunteers.

Our Firm has devoted significant resources to pro bono legal work and public and community service. In fact, our Pro Bono practice is recognized by *The National Law Journal* as winner of the **"Law Firm of the Year"** in Immigration for 2019 and 2020. We support and encourage individual attorneys to volunteer and take on leadership positions in charitable organizations, which have resulted in such honors as the Alliance for Justice's **"Champion of Justice"** award, a tenant advocacy organization's **"Volunteer and Leadership Award,"** and board participation for the Ovarian Cancer Research Fund.

Our continued support of charitable and nonprofit organizations, such as the Legal Aid Society, City Bar Justice Center, Public Justice Foundation, Change for Kids, Sidney Hillman Foundation, and various food banks and other organizations, embodies our longstanding commitment to fairness, equality, and opportunity for everyone in our community, which is manifest in the many programs in which we participate.

Immigration Justice Campaign

Our attorneys have scored numerous victories on behalf of asylum seekers around the world, particularly from Cuba and Uganda, as well as in reuniting children separated at the border. Our Firm also helped by providing housing, clothing, and financial assistance to those who literally came to the U.S. with only the clothes on their back.

Advocacy for the Mentally Ill

Our attorneys have provided pro bono representation to mentally ill tenants facing eviction and worked with a tenants' advocacy organization defending the rights of city residents.

Federal Pro Se Legal Assistance Project

We represented pro se litigants who could not afford legal counsel through an Eastern District of New York clinic. We assisted those pursuing claims for racial and religious discrimination, helped navigate complex procedural issues involving allegations of a defamatory accusation made to undermine our client's disability benefits, and assisted a small business owner allegedly sued for unpaid wages by a stranger.

New York City Bar Association Thurgood Marshall Scholar

We are involved in the Thurgood Marshall Summer Law Internship Program, which places diverse New York City public high school students with legal employers for the summer. This program runs

annually, from April through August, and is part of the City Bar's continuing efforts to enhance the diversity of the legal profession.

Diversity Fellowship Program

We provide a fellowship as a key component of the Firm's objective to recruit, retain, and advance diverse law students. Positions are offered to exceptional law students who can contribute to the diversity of our organization and the broader legal community.

Brooklyn Law School Securities Arbitration Clinic

Our Firm partnered with Brooklyn Law School to establish a securities arbitration clinic. The program, which ran for five years, assisted defrauded individual investors who could not otherwise afford to pay for legal counsel and provided students with real-world experience in securities arbitration and litigation.

Change for Kids

We support Change for Kids (CFK) as a strategic partner of P.S. 182 in East Harlem. One school at a time, CFK rallies communities to provide a broad range of essential educational opportunities at under-resourced public elementary schools, as well as enables students to discover their unique strengths and develop the requisite confidence to achieve.

Lawyers' Committee for Civil Rights Under Law

We are long-time supporters of the Lawyers' Committee for Civil Rights Under Law, a nonpartisan, nonprofit organization formed in 1963 at the request of President John F. Kennedy. The Lawyers' Committee involves the private bar in providing legal services to address racial discrimination. We have been involved at the federal level on U.S. Supreme Court nominee analyses and national voters' rights initiatives. Edward Labaton is a member of the Board of Directors.

Sidney Hillman Foundation

Our Firm supports the Sidney Hillman Foundation. Created in honor of the first president of the Amalgamated Clothing Workers of America, Sidney Hillman, the foundation supports investigative and progressive journalism by awarding monthly and yearly prizes.

Labaton Sucharow

COMMITMENT TO DIVERSITY, EQUITY, AND INCLUSION

Labaton Sucharow DEI DIVERSITY EQUITY & INCLUSION

"In the legal industry and private practice in particular, diversity is a challenge. At Labaton Sucharow, there is undeniable strength, limitless creativity, and steadfast momentum for diversity and inclusion. We believe a multitude of perspectives, backgrounds, and points of view improves the quality of our work and makes us better advisers to those we serve." ***– Gregory Asciolla, Partner and Chair of the Diversity, Equity, and Inclusion Committee***

Over half a century, Labaton Sucharow has earned global recognition for its success in securing historic recoveries and reforms for investors and consumers. We strive to attain the same level of achievement in promoting fairness and equality within our practice and throughout the legal profession and believe this can be realized by building and maintaining a team of professionals with a broad range of backgrounds, orientations, and interests.

As a national law firm serving a global clientele, diversity is vital to reaching the right result and provides us with distinct points of view from which to address each client's most pressing needs and complex legal challenges. Problem solving is at the core of what we do...and equity and inclusion serve as a catalyst for understanding and leveraging the myriad strengths of our diverse workforce.

Research demonstrates that diversity in background, gender, and ethnicity leads to smarter and more informed decision-making, as well as positive social impact that addresses the imbalance in business today—leading to generations of greater returns for all. We remain committed to developing initiatives that focus on tangible diversity, equity, and inclusion goals involving recruiting, professional development, retention, and advancement of diverse and minority candidates, while also raising awareness and supporting real change inside and outside our Firm.

In recognition of our efforts, we have been honored and shortlisted by *Chambers & Partners* as Inclusive Firm of the Year and by *Euromoney* as the Best National Firm for Women in Business Law, Best Gender Diversity Initiative, and Best for Talent Management, as well as for *The National Law Journal* "Elite Trial Lawyers" inaugural Diversity Initiative Award. Our Firm understands the importance of extending leadership positions to diverse lawyers and is committed to investing time and resources to develop the next generation of leaders and counselors. We actively recruit, mentor, and promote to partnership minority and female lawyers.

WOMEN IN BUSINESS LAW AWARDS 2021 AMERICAS

Chambers Diversity & Inclusion Shortlisted North America 2020

Chambers Diversity & Inclusion

THE NATIONAL LAW JOURNAL ELITE TRIAL LAWYERS

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WOMEN'S INITIATIVE

WOMEN'S INITIATIVE

Women's Networking and Mentoring Initiative

Labaton Sucharow is the first securities litigation firm with a dedicated program to foster growth, leadership, and advancement of female attorneys. Established more than a decade ago, our Women's Initiative has hosted seminars, workshops, and networking events that encourage the advancement of female lawyers and staff, and bolster their participation as industry collaborators and celebrated thought innovators. We engage important women who inspire us by sharing their experience, wisdom, and lessons learned. We offer workshops on subject matter that ranges from professional development, negotiation, and public speaking, to business development and gender inequality in the law today.

Institutional Investing in Women and Minority-Led Investment Firms

Our Women's Initiative hosts an annual event on institutional investing in women and minority-led investment firms that was shortlisted for a *Chambers & Partners'* Diversity & Inclusion award. By bringing pension funds, diverse managers, hedge funds, investment consultants, and legal counsel together and elevating the voices of diverse women, we address the importance and advancement of diversity investing. Our 2018 inaugural event was shortlisted among *Euromoney*'s Best Gender Diversity Initiative.

MINORITY SCHOLARSHIP AND INTERNSHIP

To take an active stance in introducing minority students to our practice and the legal profession, we established the Labaton Sucharow Minority Scholarship and Internship years ago. Annually, we present a grant and Summer Associate position to a first-year minority student from a metropolitan New York law school who has demonstrated academic excellence, community commitment, and unwavering personal integrity. Several past recipients are now full-time attorneys at the Firm. We also offer two annual summer internships to Hunter College students.

WHAT THE BENCH SAYS ABOUT US

On October 13, 2020, the Honorable Judge Lewis Liman of the Southern District of New York, upon appointing Labaton Sucharow as co-lead counsel (with two female lawyers) to the end-payor class in the pay-for-delay case involving the drug Bystolic, noted:

"Historically, there has been a dearth of diversity within the legal profession. Although progress has been made…still just one tenth of lawyers are people of color and just over a third are women. A firm's commitment to diversity…demonstrate[s] that it shares with the courts a commitment to the values of equal justice under law…[and] is one that is able to attract, train, and retain lawyers with the most latent talent and commitment regardless of race, ethnicity, gender, or sexual orientation."

Labaton Sucharow

PROFESSIONAL PROFILES

Labaton Sucharow

Christopher J. Keller Chairman

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Christopher J. Keller is Chairman of Labaton Sucharow LLP and head of the Firm's Executive Committee. He is based in the Firm's New York office. Chris focuses on complex securities litigation cases and works with institutional investor clients, including some of the world's largest public and private pension funds with tens of billions of dollars under management.

Chris's distinction in the plaintiffs' bar has earned him recognition from *Lawdragon* as an "Elite Lawyer in the Legal Profession" and "Leading Plaintiff Financial Lawyer" *and Chambers & Partners USA* as a "Noted Practitioner," as well as recommendations from *The Legal 500* for excellence in the field of securities litigation.

Described by *The Legal 500* as a "sharp and tenacious advocate" who "has his pulse on the trends," Chris has been instrumental in the Firm's appointments as lead counsel in some of the largest securities matters arising out of the financial crisis, such as actions against Countrywide ($624 million settlement), Bear Stearns ($275 million settlement with Bear Stearns Companies and $19.9 million settlement with Deloitte & Touche LLP, Bear Stearns' outside auditor), and Goldman Sachs.

Chris has been integral in the prosecution of traditional fraud cases such as *In re Schering-Plough Corporation/ENHANCE Securities Litigation*; *In re Massey Energy Co. Securities Litigation*, where the Firm obtained a $265 million all-cash settlement with Alpha Natural Resources, Massey's parent company; as well as *In re Satyam Computer Services, Ltd. Securities Litigation*, where the Firm obtained a settlement of more than $150 million. Chris was also a principal litigator on the trial team of *In re Real Estate Associates Limited Partnership Litigation*. The six-week jury trial resulted in a $185 million plaintiffs' verdict, one of the largest jury verdicts since the passage of the Private Securities Litigation Reform Act.

In addition to his active caseload, Chris holds a variety of leadership positions within the Firm, including serving on the Firm's Executive Committee. In response to the evolving needs of clients, Chris also established, and currently leads, the Case Development Group, which is composed of attorneys, in-house investigators, financial analysts, and forensic accountants. The group is responsible for evaluating clients' financial losses and analyzing their potential legal claims both in and outside of the U.S. and tracking trends that are of potential concern to investors.

Educating institutional investors is a significant element of Chris's advocacy efforts for shareholder rights. He is regularly called upon for presentations on developing trends in the law and new case theories at annual meetings and seminars for institutional investors.

Chris is a member of several professional groups, including the New York State Bar Association and the New York County Lawyers' Association. He is a prior member of the Board of Directors of the City

Bar Fund, the nonprofit 501(c)(3) arm of the New York City Bar Association aimed at engaging and supporting the legal profession in advancing social justice.

Labaton Sucharow

Eric J. Belfi Partner

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Eric J. Belfi is a Partner in the New York office of Labaton Sucharow LLP and a member of the Firm's Executive Committee. An accomplished litigator with a broad range of experience in commercial matters, Eric represents many of the world's leading pension funds and other institutional investors. Eric actively focuses on domestic and international securities and shareholder litigation, as well as direct actions on behalf of governmental entities. As an integral member of the Firm's Case Development Group, Eric has brought numerous high-profile domestic securities cases that resulted from the credit crisis, including the prosecution against Goldman Sachs. Along with his domestic securities litigation practice, Eric leads the Firm's Non-U.S. Securities Litigation Practice, which is dedicated exclusively to analyzing potential claims in non-U.S. jurisdictions and advising on the risks and benefits of litigation in those forums. Additionally, Eric oversees the Financial Products and Services Litigation Practice, focusing on individual actions against malfeasant investment bankers, including cases against custodial banks that allegedly committed deceptive practices relating to certain foreign currency transactions.

Lawdragon has recognized Eric as one of the country's "500 Leading Plaintiff Financial Lawyers" as the result of their research into top verdicts and settlements, and input from "lawyers nationwide about whom they admire and would hire to seek justice for a claim that strikes a loved one."

In his work with the Case Development Group, Eric was actively involved in securing a combined settlement of $18.4 million in *In re Colonial BancGroup, Inc. Securities Litigation*, regarding material misstatements and omissions in SEC filings by Colonial BancGroup and certain underwriters. Eric's experience includes noteworthy M&A and derivative cases such as *In re Medco Health Solutions Inc. Shareholders Litigation* in which he was integrally involved in the negotiation of the settlement that included a significant reduction in the termination fee.

Under Eric's direction, the Firm's Non-U.S. Securities Litigation Practice—one of the first of its kind—also serves as liaison counsel to institutional investors in such cases, where appropriate. Eric represents nearly 30 institutional investors in over a dozen non-U.S. cases against companies including SNC-Lavalin Group Inc. in Canada, Vivendi Universal, S.A. in France, OZ Minerals Ltd. in Australia, Lloyds Banking Group in the U.K., and Olympus Corporation in Japan. Eric's international experience also includes securing settlements on behalf of non-U.S. clients including the U.K.-based Mineworkers' Pension Scheme in *In re Satyam Computer Securities Services Ltd. Securities Litigation*, an action related to one of the largest securities frauds in India, which resulted in $150.5 million in collective settlements. While representing two of Europe's leading pension funds, Deka Investment GmbH and Deka International S.A., Luxembourg, in *In re General Motors Corp. Securities Litigation*, Eric was integral in securing a $303 million settlement in relation to multiple accounting manipulations and overstatements by General Motors.

As head of the Financial Products and Services Litigation Practice, Eric served as lead counsel to Arkansas Teacher Retirement System in a class action against State Street Corporation and certain affiliated entities alleging misleading actions in connection with foreign currency exchange trades, which resulted in a $300 million recovery. He has also represented the Commonwealth of Virginia in its False Claims Act case against Bank of New York Mellon, Inc.

Prior to joining Labaton Sucharow, Eric served as an Assistant Attorney General for the State of New York and as an Assistant District Attorney for the County of Westchester. As a prosecutor, Eric investigated and prosecuted white-collar criminal cases, including many securities law violations. He presented hundreds of cases to the grand jury and obtained numerous felony convictions after jury trials.

Eric is a member of the National Association of Public Pension Attorneys (NAPPA) Securities Litigation Working Group and the Cold Spring Harbor Laboratory Corporate Advisory Board. He has spoken publicly on the topics of shareholder litigation and U.S.-style class actions in European countries and has also discussed socially responsible investments for public pension funds.

Eric earned his Juris Doctor from St. John's University School of Law and received his bachelor's degree from Georgetown University.

Labaton Sucharow

Michael P. Canty Partner

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Michael P. Canty is a Partner in the New York office of Labaton Sucharow LLP, where he serves as General Counsel and head of the Firm's Consumer Cybersecurity and Data Privacy group. Michael's practice focuses on complex fraud cases on behalf of institutional investors and consumers.

Recommended by *The Legal 500* and *Benchmark Litigation* as an accomplished litigator, Michael has more than a decade of trial experience in matters relating to national security, white collar crime, and cybercrime. Michael has been recognized as a Plaintiffs' Trailblazer and a NY Trailblazer by the *National Law Journal* and the *New York Law Journal*, respectively, for his impact on the practice and business of law. *Lawdragon* has also recognized Michael as one of the "500 Leading Plaintiff Financial Lawyers in America," as the result of their research into the country's top verdicts and settlements.

Michael has successfully prosecuted a number of high-profile securities matters involving technology companies. Most notably, Michael is part of the litigation team that recently achieved a historic $650 million settlement in the *In re Facebook Biometric Information Privacy Litigation* matter—the largest consumer data privacy settlement ever and one of the first cases asserting consumers' biometric privacy rights under Illinois' Biometric Information Privacy Act (BIPA). Michael has also led cases against AMD, a multi-national semiconductor company, and Ubiquiti Networks, Inc., a global software company. In both cases, Michael played a pivotal role in securing favorable settlements for investors.

Prior to joining Labaton Sucharow, Michael served as an Assistant U.S. Attorney in the U.S. Attorney's Office for the Eastern District of New York, where he was the Deputy Chief of the Office's General Crimes Section. During his time as a federal prosecutor, Michael also served in the Office's National Security and Cybercrimes Section. Prior to this, he served as an Assistant District Attorney for the Nassau County District Attorney's Office, where he handled complex state criminal offenses and served in the Office's Homicide Unit.

Michael has extensive trial experience both from his days as a prosecutor in New York City for the U.S. Department of Justice and as a Nassau County Assistant District Attorney. Michael served as trial counsel in more than 35 matters, many of which related to violent crime, white-collar, and terrorism-related offenses. He played a pivotal role in *United States v. Abid Naseer*, where he prosecuted and convicted an al-Qaeda operative who conspired to carry out attacks in the United States and Europe. Michael also led the investigation in *United States v. Marcos Alonso Zea*, a case in which he successfully prosecuted a citizen for attempting to join a terrorist organization in the Arabian Peninsula and for providing material support for planned attacks.

Labaton Sucharow

Michael also has extensive experience investigating and prosecuting cases involving the distribution of prescription opioids. In January 2012, Michael was assigned to the U.S. Attorney's Office Prescription Drug Initiative to mount a comprehensive response to what the Centers for Disease Control and Prevention (CDC) has called an epidemic increase in the abuse of so-called opioid analgesics. As a member of the initiative, in *United States v. Conway* and *United States v. Deslouche*, Michael successfully prosecuted medical professionals who were illegally prescribing opioids. In *United States v. Moss et al*., he was responsible for dismantling one of the largest oxycodone rings operating in the New York metropolitan area at the time. In addition to prosecuting these cases, Michael spoke regularly to the community on the dangers of opioid abuse as part of the Office's community outreach.

Before becoming a prosecutor, Michael worked as a Congressional Staff Member for the U.S. House of Representatives. He primarily served as a liaison between the Majority Leader's Office and the Government Reform and Oversight Committee. During his time with the House of Representatives, Michael managed congressional oversight of the United States Postal Service and reviewed and analyzed counter-narcotics legislation as it related to national security matters.

He is a member of the Federal Bar Council American Inn of Court, which endeavors to create a community of lawyers and jurists and promotes the ideals of professionalism, mentoring, ethics, and legal skills.

Michael earned his Juris Doctor, *cum laude*, from St. John's University's School of Law. He received his Bachelor of Arts, *cum laude*, from Mary Washington College.

Labaton Sucharow

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Thomas A. Dubbs is a Partner in the New York office of Labaton Sucharow LLP. Tom focuses on the representation of institutional investors in domestic and multinational securities cases. Tom serves or has served as lead or co-lead counsel in some of the most important federal securities class actions in recent years, including those against American International Group, Goldman Sachs, the Bear Stearns Companies, Facebook, Fannie Mae, Broadcom, and WellCare.

Tom is highly-regarded in his practice. He has been named a top litigator by *Chambers & Partners USA* for more than 10 consecutive years and has been consistently ranked as a Leading Lawyer in Securities Litigation by *The Legal 500*. *Law360* named him an MVP of the Year for distinction in class action litigation, and he has been recognized by *The National Law Journal*, *Lawdragon*, and *Benchmark Litigation* for excellence in securities litigation. Tom has also received a rating of AV Preeminent from the publishers of the Martindale-Hubbell directory. In addition, *The Legal 500* has inducted Tom into its Hall of Fame—an honor presented to only four plaintiffs' securities litigators "who have received constant praise by their clients for continued excellence."

Tom has played an integral role in securing significant settlements in several high-profile cases, including *In re American International Group, Inc. Securities Litigation* (settlements totaling more than $1 billion); *In re Bear Stearns Companies, Inc. Securities Litigation* ($275 million settlement with Bear Stearns Companies plus a $19.9 million settlement with Deloitte & Touche LLP, Bear Stearns' outside auditor); *In re HealthSouth Securities Litigation* ($671 million settlement); *Eastwood Enterprises LLC v. Farha et al.* (WellCare Securities Litigation) (over $200 million settlement); *In re Fannie Mae 2008 Securities Litigation* ($170 million settlement); *In re Broadcom Corp. Securities Litigation* ($160.5 million settlement with Broadcom, plus $13 million settlement with Ernst & Young LLP, Broadcom's outside auditor); *In re St. Paul Travelers Securities Litigation* ($144.5 million settlement); *In re Amgen Inc. Securities Litigation* ($95 million settlement); and *In re Vesta Insurance Group, Inc. Securities Litigation* ($78 million settlement).

Representing an affiliate of the Amalgamated Bank, Tom successfully led a team that litigated a class action against Bristol-Myers Squibb, which resulted in a settlement of $185 million as well as major corporate governance reforms. He has argued before the U.S. Supreme Court and has argued 10 appeals dealing with securities or commodities issues before the U.S. Courts of Appeals.

Due to his reputation in securities law, Tom frequently lectures to institutional investors and other groups, such as the Government Finance Officers Association, the National Conference on Public Employee Retirement Systems, and the Council of Institutional Investors. He is a prolific author of articles related to his field, including "Textualism and Transnational Securities Law: A Reappraisal of Justice Scalia's Analysis in *Morrison v. National Australia Bank*," which he penned for the

Southwestern Journal of International Law. He has also written several columns in U.K. publications regarding securities class actions and corporate governance.

Prior to joining Labaton Sucharow, Tom was Senior Vice President & Senior Litigation Counsel for Kidder, Peabody & Co. Incorporated, where he represented the company in many class actions, including the *First Executive* and *Orange County* litigation and was first chair in many securities trials. Before joining Kidder, Tom was head of the litigation department at Hall, McNicol, Hamilton & Clark, where he was the principal partner representing Thomson McKinnon Securities Inc. in many matters, including the *Petro Lewis* and *Baldwin-United* class actions.

Tom serves as a FINRA Arbitrator and is an Advisory Board Member for the Institute for Transnational Arbitration. He is a member of the New York State Bar Association and the Association of the Bar of the City of New York, as well as a patron of the American Society of International Law. Tom is an active member of the American Law Institute and is currently an adviser on the proposed Restatement of the Law Third, Conflict of Laws; he was also a member of the Consultative Groups for the Restatement of the Law Fourth, U.S. Foreign Relations Law, and the Principles of Law, Aggregate Litigation. Tom also serves on the Board of Directors for The Sidney Hillman Foundation.

Tom earned his Juris Doctor and his bachelor's degree from the University of Wisconsin-Madison. He received his master's degree from the Fletcher School of Law and Diplomacy, Tufts University.

Labaton Sucharow

Alfred L. Fatale III Partner

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Alfred L. Fatale III is a Partner in the New York office of Labaton Sucharow LLP and currently leads a team of attorneys focused on litigating securities claims arising from initial public offerings, secondary offerings, and stock-for-stock mergers.

Alfred's success in moving the needle in the legal industry has earned him recognition from the *National Law Journal* as a "Plaintiffs' Lawyer Trailblazer" and *The American Lawyer* as a "Northeast Trailblazer."

Alfred represents individual and institutional investors in cases related to the protection of the financial markets and public securities offerings in trial and appellate courts throughout the country. In particular, he is leading the Firm's efforts to litigate securities claims against several companies in state courts following the U.S. Supreme Court's decision in *Cyan, Inc. v. Beaver County Employees Retirement Fund*. This includes prosecuting such claims against Lyft, CVS, Restaurant Brands International, Venator Materials PLC, and SciPlay Corporation.

Since joining the Firm in 2016, Alfred has lead the investigation and prosecution of several successful cases, including *In re ADT Inc. Securities Litigation*, resulting in a $30 million recovery; *In re CPI Card Group Inc. Securities Litigation*, resulting in a $11 million recovery; *In re BrightView Holdings, Inc. Securities Litigation*, resulting in a $11.5 million recovery; and *Plymouth County Retirement Association v. Spectrum Brands Holdings Inc*., resulting in a $9 million recovery. Alfred's recoveries include obtaining more than $50 million for investors in cases litigated in state courts.

Alfred also regularly represents investors in cases alleging fraud-related conduct. Alfred is actively involved in *Murphy v. Precision Castparts Corp*., a case against a major aerospace parts manufacturer that allegedly misled investors about its market share and demand for its products, and Boston Retirement System v. Alexion Pharmaceuticals Inc., a class action arising from the company's conduct in connection with sales of Soliris—a drug that costs between $500,000 and $700,000 a year.

Prior to joining Labaton Sucharow, Alfred was an Associate at Fried, Frank, Harris, Shriver & Jacobson LLP, where he advised and represented financial institutions, investors, officers, and directors in a broad range of complex disputes and litigations including cases involving violations of federal securities law and business torts.

Alfred is an active member of the American Bar Association and the New York City Bar Association.

Alfred earned his Juris Doctor from Cornell Law School, where he was a member of the *Cornell Law Review* as well as the Moot Court Board. He also served as a Judicial Extern under the Honorable

Robert C. Mulvey. He received his bachelor's degree, *summa cum laude*, from Montclair State University.

Labaton Sucharow

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Christine M. Fox is a Partner in the New York office of Labaton Sucharow LLP. With more than 20 years of securities litigation experience, Christine prosecutes complex securities fraud cases on behalf of institutional investors.

Christine is recognized by *Lawdragon* as one of the "500 Leading Plaintiff Financial Lawyers in America."

Christine is actively involved in litigating matters against Peabody Energy, Nielsen, Hain Celestial, Adient, Abiomed, AT&T, and Uniti Group. She has played a pivotal role in securing favorable settlements for investors in class actions against Barrick Gold Corporation, one of the largest gold mining companies in the world ($140 million recovery); CVS Caremark, the nation's largest pharmacy retail chain ($48 million recovery); Nu Skin Enterprises, a multilevel marketing company ($47 million recovery); and Intuitive Surgical, a manufacturer of robotic-assisted technologies for surgery ($42.5 million recovery); and World Wrestling Entertainment, a media and entertainment company ($39 million recovery).

Christine is actively involved in the Firm's pro bono immigration program and reunited a father and child separated at the border. She is currently working on their asylum application.

Prior to joining the Firm, Christine worked at a national litigation firm focusing on securities, antitrust, and consumer litigation in state and federal courts. She played a significant role in securing class action recoveries in a number of high-profile securities cases, including *In re Merrill Lynch Co., Inc. Research Reports Securities Litigation* ($475 million recovery); *In re Informix Corp. Securities Litigation* ($136.5 million recovery); *In re Alcatel Alsthom Securities Litigation* ($75 million recovery); and *In re Ambac Financial Group, Inc. Securities Litigation* ($33 million recovery).

She is a member of the American Bar Association, New York State Bar Association, and Puerto Rican Bar Association.

Christine earned her Juris Doctor from the University of Michigan Law School and received her bachelor's degree from Cornell University.

Christine is conversant in Spanish.

Labaton Sucharow

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Jonathan Gardner is a Partner in the New York office of Labaton Sucharow LLP and serves as Head of Litigation for the Firm. With more than 30 years of experience, Jonathan oversees all of the Firm's litigation matters, including prosecuting complex securities fraud cases on behalf of institutional investors.

A *Benchmark Litigation* "Star" acknowledged by his peers as "engaged and strategic," Jonathan has also been named an MVP by *Law360* for securing hard-earned successes in high-stakes litigation and complex global matters. He is recommended by *Chambers & Partners USA* as well as *The Legal 500*, whose sources remarked on Jonathan's ability to "understand the unique nature of complex securities litigation and strive for practical yet results-driven outcomes" and his "considerable expertise and litigation skill and practical experience that helps achieve terrific results for clients." Jonathan is also recognized by *Lawdragon* as one of the "500 Leading Plaintiff Financial Lawyers in America."

Jonathan has played an integral role in securing some of the largest class action recoveries against corporate offenders since the global financial crisis. He led the Firm's team in the investigation and prosecution of *In re Barrick Gold Securities Litigation*, which resulted in a $140 million recovery. He has also served as the lead attorney in several cases resulting in significant recoveries for injured class members, including *In re Hewlett-Packard Company Securities Litigation* ($57 million recovery); *Public Employees' Retirement System of Mississippi v. Endo International PLC (*$50 million recovery); *Medoff v. CVS Caremark Corporation* ($48 million recovery); *In re Nu Skin Enterprises, Inc., Securities Litigation*, ($47 million recovery); *In re Intuitive Surgical Securities Litigation* ($42.5 million recovery); *In re Carter's Inc. Securities Litigation* ($23.3 million recovery against Carter's and certain officers, as well as its auditing firm PricewaterhouseCoopers); *In re Aeropostale Inc. Securities Litigation* ($15 million recovery); *In re Lender Processing Services Inc*. ($13.1 million recovery); and *In re K-12, Inc. Securities Litigation* ($6.75 million recovery).

Jonathan has led the Firm's representation of investors in many high-profile cases including *Rubin v. MF Global Ltd*., which involved allegations of material misstatements and omissions in a Registration Statement and Prospectus issued in connection with MF Global's IPO. The case resulted in a recovery of $90 million for investors. Jonathan also represented lead plaintiff City of Edinburgh Council as Administering Authority of the Lothian Pension Fund in *In re Lehman Brothers Equity/Debt Securities Litigation*, which resulted in settlements exceeding $600 million against Lehman Brothers' former officers and directors, Lehman's former public accounting firm, as well the banks that underwrote Lehman Brothers' offerings. In representing lead plaintiff Massachusetts Bricklayers and Masons Trust Funds in an action against Deutsche Bank, Jonathan secured a $32.5 million recovery for a class of investors injured by the bank's conduct in connection with certain residential mortgage-backed securities.

Jonathan has also been responsible for prosecuting several of the Firm's options backdating cases, including *In re Monster Worldwide, Inc. Securities Litigation* ($47.5 million settlement); *In re SafeNet, Inc. Securities Litigation* ($25 million settlement); *In re Semtech Securities Litigation* ($20 million settlement); and *In re MRV Communications, Inc. Securities Litigation* ($10 million settlement). He also was instrumental in *In re Mercury Interactive Corp. Securities Litigation*, which settled for $117.5 million, one of the largest settlements or judgments in a securities fraud litigation based on options backdating. Jonathan also represented the Successor Liquidating Trustee of Lipper Convertibles, a convertible bond hedge fund, in actions against the fund's former independent auditor and a member of the fund's general partner as well as numerous former limited partners who received excess distributions. He successfully recovered over $5.2 million for the Successor Liquidating Trustee from the limited partners and $29.9 million from the former auditor.

Jonathan is a member of the Federal Bar Council, New York State Bar Association, and the Association of the Bar of the City of New York.

Jonathan earned his Juris Doctor from St. John's University School of Law. He received his bachelor's degree from American University.

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Thomas G. Hoffman, Jr. is a partner in the New York office of Labaton Sucharow LLP. Thomas focuses on representing institutional investors in complex securities actions. He is currently prosecuting cases against BP and Allstate.

Thomas was instrumental in securing a $1 billion recovery in the eight-year litigation against AIG and related defendants. He also was a key member of the Labaton Sucharow team that recovered $170 million for investors in *In re 2008 Fannie Mae Securities Litigation*.

Thomas earned his Juris Doctor from UCLA School of Law, where he was Editor-in-Chief of the *UCLA Entertainment Law Review* and served as a Moot Court Executive Board Member. In addition, he served as a judicial extern to the Honorable William J. Rea, United States District Court for the Central District of California. Thomas received his bachelor's degree, with honors, from New York University.

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James W. Johnson is a Partner in the New York office of Labaton Sucharow LLP. Jim focuses on litigating complex securities fraud cases. In addition to his active caseload, Jim holds a variety of leadership positions within the Firm, including serving on the Firm's Executive Committee. He also serves as the Executive Partner overseeing firm-wide issues.

Jim has been recognized by *Lawdragon* as one of the "500 Leading Lawyers in America" and one of the country's top "Plaintiff Financial Lawyers," and *Benchmark Litigation* has named him a "Litigation Star." He has also received a rating of AV Preeminent from the publishers of the *Martindale-Hubbell* directory.

In representing investors who have been victimized by securities fraud and breaches of fiduciary responsibility, Jim's advocacy has resulted in record recoveries for wronged investors. Currently, he is prosecuting the high-profile case against financial industry leader Goldman Sachs—*In re Goldman Sachs Group, Inc. Securities Litigation*.

A recognized leader in his field, Jim has successfully litigated a number of complex securities and RICO class actions. These include *In re HealthSouth Corp. Securities Litigation* ($671 million settlement); *Eastwood Enterprises LLC v. Farha et al. (WellCare Securities Litigation)* ($200 million settlement); *In re Amgen Inc. Securities Litigation* ($95 million settlement); *In re Vesta Insurance Group, Inc. Securities Litigation* ($79 million settlement); and *In re SCANA Securities Litigation* ($192.5 million settlement). Other notably successes include *In re National Health Laboratories, Inc. Securities Litigation*, which resulted in a recovery of $80 million in the federal action and a related state court derivative action, and *In re Bristol Myers Squibb Co. Securities Litigation*, in which the court approved a $185 million settlement including significant corporate governance reforms and recognized plaintiff's counsel as "extremely skilled and efficient."

Jim also represented lead plaintiffs in *In re Bear Stearns Companies, Inc. Securities Litigation*, securing a $275 million settlement with Bear Stearns Companies, plus a $19.9 million settlement with Deloitte & Touche LLP, Bear Stearns' outside auditor. In *County of Suffolk v. Long Island Lighting Co.*, Jim represented the plaintiff in a RICO class action, securing a jury verdict after a two-month trial that resulted in a $400 million settlement. The Second Circuit quoted the trial judge, the Honorable Jack B. Weinstein, as stating, "Counsel [has] done a superb job [and] tried this case as well as I have ever seen any case tried." On behalf of the Chugach Native Americans, he also assisted in prosecuting environmental damage claims resulting from the Exxon Valdez oil spill.

Jim is a Member of the American Bar Association and the Association of the Bar of the City of New York, where he served on the Federal Courts Committee. He is also a Fellow in the Litigation Council of America and a Member of the Advisory Board of the Institute for Law and Economic Policy.

Jim earned his Juris Doctor from New York University School of Law and his bachelor's degree from Fairfield University.

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Edward Labaton is a Partner in the New York office of Labaton Sucharow LLP. An accomplished trial and appellate lawyer, Ed has devoted his 50 years of practice to representing a full range of clients in class action and complex litigation matters in state and federal court.

Ed's distinguished career has won his recognition from *The National Law Journal* as a "Plaintiffs' Lawyer Trailblazer" and from *Lawdragon* one of the country's "500 Leading Plaintiff Financial Lawyers," as well as recommendations from *The Legal 500* for excellence in the field of securities litigation. Notably, Ed is the recipient of the Alliance for Justice's "Champion of Justice Award," given to outstanding individuals whose life and work exemplifies the principle of equal justice.

Ed has played a leading role as plaintiffs' class counsel in a number of successful, high-profile cases involving companies such as PepsiCo, Dun & Bradstreet, Financial Corporation of America, ZZZZ Best, Revlon, GAF Co., American Brands, Petro Lewis, and Jim Walter, as well as several Big Eight (now Big Four) accounting firms. He has also argued appeals in state and federal courts, achieving results with important precedential value.

Ed's commitment to the bar extends far beyond the courtroom. For more than 30 years, he has lectured on a variety of topics, including federal civil litigation, securities litigation, and corporate governance. Ed is a founder of the Institute for Law and Economic Policy (ILEP), a research and educational foundation dedicated to enhancing investor and consumer access to the civil justice system. Each year, ILEP co-sponsors symposia with major law schools to address issues relating to civil justice; Ed currently serves as its President Emeritus. In 2010, Ed was appointed to the newly-formed Advisory Board of George Washington University's Center for Law, Economics, & Finance, a think tank within the Law School, for the study and debate of major issues in economic and financial law confronting the United States and the globe. In addition, Ed has served on the Executive Committee and has been an officer of the Ovarian Cancer Research Fund since its inception.

Ed is an Honorary Lifetime Member of the Lawyers' Committee for Civil Rights Under Law, a Member of the American Law Institute, and a Life Member of the ABA Foundation. Ed is a past Chairman of the Federal Courts Committee of the New York County Lawyers Association and was a member of the organization's Board of Directors. He is active in the New York City Bar Association, where he was previously Chair of the Senior Lawyers' Committee and served on its Task Force on the Role of Lawyers in Corporate Governance. He has also served on its Federal Courts, Federal Legislation, Securities Regulation, International Human Rights, and Corporation Law Committees. Ed previously served as Chair of the Legal Referral Service Committee, a joint committee of the New York County Lawyers' Association and the New York City Bar Association. In addition, he has been an active Member of the American Bar Association, the Federal Bar Council, and the New York State Bar Association, where was a Member of the House of Delegates.

Ed earned his Bachelor of Laws from Yale University. He received his Bachelor of Business Administration from City College of New York.

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Francis P. McConville is a Partner in the New York office of Labaton Sucharow LLP. Francis focuses on prosecuting complex securities fraud cases on behalf of institutional investor clients. As a lead member of the Firm's Case Development Group, he focuses on the identification, investigation, and development of potential actions to recover investment losses resulting from violations of the federal securities laws and various actions to vindicate shareholder rights in response to corporate and fiduciary misconduct.

Francis has been named a "Rising Star" of securities litigation in *Law360*'s list of attorneys under 40 whose legal accomplishments transcend their age.

Francis has played a key role in filing several matters on behalf of the Firm, including *In re PG&E Corporation Securities Litigation*; *In re SCANA Securities Litigation* ($192.5 million settlement); *Steamfitters Local 449 Pension Plan v. Skechers U.S.A., Inc.*; and *In re Nielsen Holdings PLC Securities Litigation*.

Prior to joining Labaton Sucharow, Francis was a Litigation Associate at a national law firm primarily focused on securities and consumer class action litigation. Francis has represented institutional and individual clients in federal and state court across the country in class action securities litigation and shareholder disputes, along with a variety of commercial litigation matters. He assisted in the prosecution of several matters, including *Kiken v. Lumber Liquidators Holdings, Inc.* ($42 million recovery); *Hayes v. MagnaChip Semiconductor Corp.* ($23.5 million recovery); and *In re Galena Biopharma, Inc. Securities Litigation* ($20 million recovery).

Francis received his Juris Doctor, *magna cum laude*, from New York Law School, where he was named a John Marshall Harlan Scholar, and received a Public Service Certificate. Francis served as Associate Managing Editor of the *New York Law School Law Review* and worked in the Urban Law Clinic. He earned his Bachelor of Arts degree from the University of Notre Dame.

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Domenico "Nico" Minerva is a Partner in the New York office of Labaton Sucharow LLP. A former financial advisor, his work focuses on securities, antitrust, and consumer class actions and shareholder derivative litigation, representing Taft-Hartley and public pension funds across the country. Nico advises leading pension funds and other institutional investors on issues related to corporate fraud in the U.S. securities markets.

Nico is described by clients as "always there for us" and known to provide "an honest answer and describe all the parameters and/or pitfalls of each and every case." As a result of his work, the Firm has received a Tier 2 ranking in Antitrust Civil Litigation and Class Actions from *Legal 500*.

Nico's extensive securities litigation experience includes the case against global security systems company Tyco and co-defendant PricewaterhouseCoopers (*In re Tyco International Ltd., Securities Litigation*), which resulted in a $3.2 billion settlement—the largest single-defendant settlement in post-PSLRA history. He also has counseled companies and institutional investors on corporate governance reform.

Nico has also done substantial work in antitrust class actions. These include pay-for-delay or "product hopping" cases in which pharmaceutical companies allegedly obstructed generic competitors in order to preserve monopoly profits on patented drugs, such as *Mylan Pharmaceuticals Inc. v. Warner Chilcott Public Limited Co.*, *In re Lidoderm Antitrust Litigation*, *In re Solodyn (MinocyclineHydrochloride) Antitrust Litigation*, *In re Niaspan Antitrust Litigation*, *In re Aggrenox Antitrust Litigation*, and *Sergeants Benevolent Association Health & Welfare Fund et al. v. Actavis PLC et al.* In the anticompetitive matter *The Infirmary LLC vs. National Football League Inc et al.*, Nico played an instrumental part in challenging an exclusivity agreement between the NFL and DirectTV over the service's "NFL Sunday Ticket" package. He also litigated on behalf of indirect purchasers in a case alleging that growers conspired to control and suppress the nation's potato supply, *In re Fresh and Process Potatoes Antitrust Litigation*.

On behalf of consumers, Nico represented a plaintiff in *In Re ConAgra Foods Inc.,* over misleading claims that Wesson-brand vegetable oils are 100% natural.

An accomplished speaker, Nico has given numerous presentations to investors on topics related to corporate fraud, wrongdoing, and waste. He is also an active member of the National Association of Public Pension Plan Attorneys.

Nico earned his Juris Doctor from Tulane University Law School, where he completed a two-year externship with the Honorable Kurt D. Engelhardt of the United States District Court for the Eastern District of Louisiana. He received his bachelor's degree from the University of Florida.

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Corban S. Rhodes is a Partner in the New York office of Labaton Sucharow LLP. Corban focuses on prosecuting consumer cybersecurity and data privacy litigation, as well as complex securities fraud cases on behalf of institutional investors.

Corban has been recognized as a "Rising Star" in Consumer Protection Law by *Law360* and a New York Metro "Rising Star" by *Super Lawyers*, a Thomson Reuters publication, noting his experience and contributions to the securities litigation field. *Benchmark Litigation* has recognized him as a "Future Star" and, in 2020, selected him to the "40 & Under Hot List," which includes "the best and brightest law firm partners who stand out in their practices" and are "ready to take the reins."

Corban is actively pursuing a number of matters involving consumer data privacy, including cases of alleged misuse or misappropriation of consumer data. Most notably, Corban is part of the litigation team that recently achieved a historic $650 million settlement in the *In re Facebook Biometric Information Privacy Litigation* matter—the largest consumer data privacy settlement ever, and one of the first cases asserting biometric privacy rights of consumers under Illinois' Biometric Information Privacy Act (BIPA). Corban has also litigated cases of negligence or other malfeasance leading to data breaches, including the largest known data breach in history, *In re Yahoo! Inc. Customer Data Breach Security Litigation*, affecting nearly 3 billion consumers.

Corban maintains an active practice representing shareholders litigating fraud-based claims and has successfully litigated dozens of cases against most of the largest Wall Street banks in connection with their underwriting and securitization of mortgage-backed securities leading up to the financial crisis. Currently, Corban is litigating the massive high frequency trading scandal in *City of Providence, et al. v. BATS Global Markets, et al.*, alleging preferential treatment of trading orders for certain customers of the large securities exchanges. Corban is also actively prosecuting several securities fraud actions against pharmaceutical giant AbbVie Inc., stemming from alleged misrepresentations in connection with their failed $54 billion merger with U.K.-based Shire.

Prior to joining Labaton Sucharow, Corban was an Associate at Sidley Austin LLP where he practiced complex commercial litigation and securities regulation and served as the lead associate on behalf of large financial institutions in several investigations by regulatory and enforcement agencies related to the financial crisis.

Corban has served on the Securities Litigation Committee of the New York City Bar Association and is also a past recipient of the Thurgood Marshall Award for his pro bono representation on a habeas petition of a capital punishment sentence.

Corban received a Juris Doctor, *cum laude*, from Fordham University School of Law, where he received the Lawrence J. McKay Advocacy Award for excellence in oral advocacy and was a board member of the Fordham Moot Court team. He earned his Bachelor of Arts, *magna cum laude*, in History from Boston College.

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Mark D. Richardson is a Partner in the Delaware office of Labaton Sucharow LLP. Mark focuses on representing shareholders in corporate governance and transactional matters, including class action and derivative litigation.

Mark is recommended by *The Legal 500* for the excellence of his work in the Chancery. Clients highlighted his team's ability to "generate strong cases and take creative and innovative positions."

Mark is actively prosecuting, among other matters, *In re Straight Path Communications Inc. Consol. Stockholder Litigation*; *In re Dell Technologies Inc. Class V Stockholders Litigation*; and *In re AmTrust Financial Services, Inc. Stockholder Litigation*—three class actions pending in the Delaware Court of Chancery. He recently served as Co-Lead Counsel in a derivative action on behalf of stockholders of AGNC Investment Corp., which challenged excessive payments under an external management agreement and in connection with a subsequent internalization transaction. The case settled for $35.5 million.

Prior to joining Labaton Sucharow, Mark was an Associate at Schulte Roth & Zabel LLP, where he gained substantial experience in complex commercial litigation within the financial services industry and advised and represented clients in class action litigation, expedited bankruptcy proceedings and arbitrations, fraudulent transfer actions, proxy fights, internal investigations, employment disputes, breaches of contract, enforcement of non-competes, data theft, and misappropriation of trade secrets.

In addition to his active caseload, Mark has contributed to numerous publications and is the recipient of *The Burton Award*s Distinguished Legal Writing Award for his article published in the *New York Law Journal*, "Options When a Competitor Raids the Company."

Mark earned his Juris Doctor from Emory University School of Law, where he served as the President of the Student Bar Association. He received his Bachelor of Science from Cornell University.

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Michael H. Rogers is a Partner in the New York office of Labaton Sucharow LLP. An experienced litigator, Mike focuses on prosecuting complex securities fraud cases on behalf of institutional investors.

He is actively involved in prosecuting *In re Goldman Sachs, Inc. Securities Litigation*; *Murphy v. Precision Castparts Corp.*; *In re Acuity Brands, Inc. Securities Litigation*; *In re CannTrust, Inc. Securities Litigation*; and *In re Jen-Weld Holding, Inc. Securities Litigation*.

Mike has been a member of the lead counsel teams in many successful class actions, including those against Countrywide Financial Corp. ($624 million settlement), HealthSouth Corp. ($671 million settlement), State Street ($300 million settlement), SCANA Corp ($192.5 million settlement), Mercury Interactive Corp. ($117.5 million settlement), Computer Sciences Corp. ($97.5 million settlement), and Virtus Investment Partners ($20 million settlement).

Prior to joining Labaton Sucharow, Mike was an attorney at Kasowitz, Benson, Torres & Friedman LLP, where he practiced securities and antitrust litigation, representing international banking institutions bringing federal securities and other claims against major banks, auditing firms, ratings agencies and individuals in complex multidistrict litigation. He also represented an international chemical shipping firm in arbitration of antitrust and other claims against conspirator ship owners. Mike began his career as an attorney at Sullivan & Cromwell, where he was part of Microsoft's defense team in the remedies phase of the Department of Justice antitrust action against the company.

Mike earned his Juris Doctor, *magna cum laude*, from the Benjamin N. Cardozo School of Law, Yeshiva University, where he was a member of the *Cardozo Law Review*. He earned his bachelor's degree, *magna cum laude*, from Columbia University.

Mike is proficient in Spanish.

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Ira A. Schochet is a Partner in the New York office of Labaton Sucharow LLP. A seasoned litigator with three decades of experience, Ira focuses on class actions involving securities fraud. Ira has played a lead role in securing multimillion dollar recoveries in high-profile cases such as those against Countrywide Financial Corporation ($624 million), Weatherford International Ltd ($120 million), Massey Energy Company ($265 million), Caterpillar Inc. ($23 million), Autoliv Inc. ($22.5 million), and Fifth Street Financial Corp. ($14 million).

A highly regarded industry veteran, Ira has been recommended in securities litigation by *The Legal 500*, named a "Leading Plaintiff Financial Lawyer" by *Lawdragon* and been awarded an AV Preeminent rating, the highest distinction, from Martindale-Hubbell.

Ira is a longtime leader in the securities class action bar and represented one of the first institutional investors acting as a lead plaintiff in a post-Private Securities Litigation Reform Act case and ultimately obtained one of the first rulings interpreting the statute's intent provision in a manner favorable to investors in *STI Classic Funds, et al. v. Bollinger Industries, Inc.* His efforts are regularly recognized by the courts, including in *Kamarasy v. Coopers & Lybrand*, where the court remarked on "the superior quality of the representation provided to the class." In approving the settlement he achieved in *In re InterMune Securities Litigation*, the court complimented Ira's ability to secure a significant recovery for the class in a very efficient manner, shielding the class from prolonged litigation and substantial risk.

Ira has also played a key role in groundbreaking cases in the field of merger and derivative litigation. In *In re Freeport-McMoRan Copper & Gold Inc. Derivative Litigation*, he achieved the second largest derivative settlement in the Delaware Court of Chancery history, a $153.75 million settlement with an unprecedented provision of direct payments to stockholders by means of a special dividend. In another first-of-its-kind case, Ira was featured in *The AmLaw Litigation Daily* as Litigator of the Week for his work in *In re El Paso Corporation Shareholder Litigation*. The action alleged breach of fiduciary duties in connection with a merger transaction, including specific reference to wrongdoing by a conflicted financial advisory consultant, and resulted in a $110 million recovery for a class of shareholders and a waiver by the consultant of its fee.

From 2009-2011, Ira served as President of the National Association of Shareholder and Consumer Attorneys (NASCAT), a membership organization of approximately 100 law firms that practice class action and complex civil litigation. During this time, he represented the plaintiffs' securities bar in meetings with members of Congress, the Administration, and the SEC.

From 1996 through 2012, Ira served as Chairman of the Class Action Committee of the Commercial and Federal Litigation Section of the New York State Bar Association. During his tenure, he served

on the Executive Committee of the Section and authored important papers on issues relating to class action procedure including revisions proposed by both houses of Congress and the Advisory Committee on Civil Procedure of the United States Judicial Conference. Examples include "Proposed Changes in Federal Class Action Procedure," "Opting Out on Opting In," and "The Interstate Class Action Jurisdiction Act of 1999." Ira has also lectured extensively on securities litigation at seminars throughout the country.

Ira earned his Juris Doctor from Duke University School of Law and his bachelor's degree, *summa cum laude*, from the State University of New York at Binghamton.

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David J. Schwartz is a Partner in the New York office of Labaton Sucharow LLP. David focuses on event-driven and special situation litigation using legal strategies to enhance clients' investment returns.

David has been named a "Future Star" by *Benchmark Litigation*. He was also selected, three years in a row, to *Benchmark*'s "40 & Under Hot List," which recognized him as one of the nation's most accomplished partners attorneys.

David's extensive experience includes prosecuting, as well as defending against, securities and corporate governance actions for an array of domestic and international clients, including retail investors, hedge funds, merger arbitrage investors, pension funds, mutual funds, and asset management companies. He played a pivotal role in several securities class action cases, including against real estate service provider Altisource Portfolio Solutions, where he helped achieve a $32 million cash settlement, and investment management firm Virtus Investment Partners, which resulted in a $22 million settlement. David has also done substantial work in mergers and acquisitions appraisal litigation, and direct action/opt-out litigation.

Among other cases, David is currently prosecuting *In re Silver Lake Group, L.L.C. Securities Litigation*; *In re Mindbody, Inc. Securities Litigation*; and several international appraisal actions.

David earned his Juris Doctor from Fordham University School of Law, where he served on the *Urban Law Journal*. He received his bachelor's degree in economics, graduating with honors, from The University of Chicago.

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Irina Vasilchenko is a Partner in the New York office of Labaton Sucharow LLP and head of the Firm's Associate Training Program. Irina focuses on prosecuting complex securities fraud cases on behalf of institutional investors and has over a decade of experience in such litigation.

Irina is recognized as an up-and-coming litigator whose legal accomplishments transcend her age. She has been named repeatedly to *Benchmark Litigation's* "40 & Under Hot List" and also has been recognized as a "Future Star" by *Benchmark Litigation* and a "Rising Star" by *Law360*, one of only six securities attorneys in its 2020 list. Additionally, *Lawdragon* has named her one of the "500 Leading Plaintiff Financial Lawyers in America."

Currently, Irina is involved in prosecuting the high-profile case against financial industry leader Goldman Sachs, *In re Goldman Sachs Group, Inc. Securities Litigation*, arising from its Abacus and other subprime mortgage-backed CDOs during the Financial Crisis, including defending against an appeal of the class certification order to the U.S. Supreme Court and to the Second Circuit. She is also actively prosecuting *In re Acuity Brands, Inc. Securities Litigation*; *Meitav Dash Provident Funds and Pension Ltd. v. Spirit AeroSystems Holdings, Inc.*; and *Perrelouis v. Gogo Inc*.

Recently, Irina played a pivotal role in securing a historic $192.5 million settlement for investors in energy company SCANA Corp. over a failed nuclear reactor project in South Carolina, as well as a $19 million settlement in a shareholders' suit against Daimler AG over its Mercedes Benz diesel emissions scandal. Since joining Labaton Sucharow, she also has been a key member of the Firm's teams that have obtained favorable settlements for investors in numerous securities cases, including *In re Massey Energy Co. Securities Litigation* ($265 million settlement); *In re Fannie Mae 2008 Securities Litigation* ($170 million settlement); *In re Amgen Inc. Securities Litigation* ($95 million settlement); *In re Hewlett-Packard Company Securities Litigation* ($57 million settlement); and *In re Extreme Networks, Inc. Securities Litigation* ($7 million settlement).

Irina maintains a commitment to pro bono legal service, including representing an indigent defendant in a criminal appeal case before the New York First Appellate Division, in association with the Office of the Appellate Defender. As part of this representation, she argued the appeal before the First Department panel. Prior to joining Labaton Sucharow, Irina was an Associate in the general litigation practice group at Ropes & Gray LLP, where she focused on securities litigation.

She is a member of the New York State Bar Association and New York City Bar Association.

Irina received her Juris Doctor, *magna cum laude*, from Boston University School of Law, where she was an editor of the *Boston University Law Review* and was the G. Joseph Tauro Distinguished Scholar, the Paul L. Liacos Distinguished Scholar, and the Edward F. Hennessey Scholar. Irina

earned a Bachelor of Arts in Comparative Literature, *summa cum laude* and Phi Beta Kappa, from Yale University.

Irina is fluent in Russian and proficient in Spanish.

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Carol C. Villegas is a Partner in the New York office of Labaton Sucharow LLP. Carol focuses on prosecuting complex securities fraud and consumer cases on behalf of institutional investors and individuals. Leading one of the Firm's litigation teams, she is actively overseeing litigation against AT&T, Marriott, Nielsen Holdings, Mindbody, Danske Bank, Peabody Energy, Flo Health, Amazon, and Hain. In addition to her litigation responsibilities, Carol holds a variety of leadership positions within the Firm, including serving on the Firm's Executive Committee, as Chair of the Firm's Women's Networking and Mentoring Initiative, and as the Chief of Compliance.

Carol's development of innovative case theories in complex cases, her skillful handling of discovery work, and her adept ability during oral argument has earned her accolades from *The National Law Journal* as a "Plaintiffs' Trailblazer" and the *New York Law Journal* as a "Top Woman in Law" and a "New York Trailblazer." *The National Law Journal* recognized Carol's superb ability to excel in high-stakes matters on behalf of plaintiffs and selected her to its 2020 class of "Elite Women of the Plaintiffs Bar." She has also been recognized as a "Future Star" by *Benchmark Litigation* and a "Next Generation Partner" by *The Legal 500*, where clients praised her for helping them "better understand the process and how to value a case." *Lawdragon* has named her one of the "500 Leading Plaintiff Financial Lawyers in America," and *Crain's New York Business* selected Carol to its list of "Notable Women in Law."

Carol has played a pivotal role in securing favorable settlements for investors, including DeVry, a for-profit university; AMD, a multi-national semiconductor company; Liquidity Services, an online auction marketplace; Aeropostale, a leader in the international retail apparel industry; Vocera, a healthcare communications provider; Prothena, a biopharmaceutical company; and World Wrestling Entertainment, a media and entertainment company, among others. Carol has also helped revive a securities class action against LifeLock after arguing an appeal before the Ninth Circuit. The case settled shortly thereafter.

Prior to joining Labaton Sucharow, Carol served as the Assistant District Attorney in the Supreme Court Bureau for the Richmond County District Attorney's office, where she took several cases to trial. She began her career as an Associate at King & Spalding LLP, where she worked as a federal litigator.

Carol is an active member of the New York State Bar Association's Women in the Law Section and Chair of the Board of Directors of the City Bar Fund, the nonprofit 501(c)(3) arm of the New York City Bar Association. She is also a member of the National Association of Public Pension Attorneys, the National Association of Women Lawyers, and the Hispanic National Bar Association. In addition, Carol currently serves on *Law360's* Securities Editorial Board.

Carol earned her Juris Doctor from New York University School of Law, where she was the recipient of The Irving H. Jurow Achievement Award for the Study of Law and received the Association of the Bar of the City of New York Diversity Fellowship. She received her bachelor's degree, with honors, from New York University.

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Ned Weinberger is a Partner in the Delaware office of Labaton Sucharow LLP and is Chair of the Firm's Corporate Governance and Shareholder Rights Litigation Practice. An experienced advocate of shareholder rights, Ned focuses on representing investors in corporate governance and transactional matters, including class action and derivative litigation.

Highly regarded in his practice, Ned has been recognized by *Chambers & Partners USA* in the Delaware Court of Chancery and was named "Up and Coming" for three consecutive years—the by-product of his impressive range of practice areas. After being named a "Future Star" earlier in his career, Ned is now recognized by *Benchmark Litigation* as a "Litigation Star" and has been selected to *Benchmark*'s "40 & Under Hot List." He has also been named a "Leading Lawyer" by *The Legal 500*, whose sources remarked that he "is one of the best plaintiffs' lawyers in Delaware," who "commands respect and generates productive discussion where it is needed."

Ned is actively prosecuting, among other matters, *In re Straight Path Communications Inc. Consolidated Stockholder Litigation*, which alleges breaches of fiduciary duty by the controlling stockholder of Straight Path Communications, Howard Jonas, in connection with the company's sale to Verizon Communications Inc. He recently led a class and derivative action on behalf of stockholders of Providence Service Corporation—*Haverhill Retirement System v. Kerley*—that challenged an acquisition financing arrangement involving Providence's board chairman and his hedge fund. The case settled for $10 million.

Ned was part of a team that achieved a $12 million recovery on behalf of stockholders of ArthroCare Corporation in a case alleging breaches of fiduciary duty by the ArthroCare board of directors and other defendants in connection with Smith & Nephew, Inc.'s acquisition of ArthroCare. Other recent successes on behalf of stockholders include *In re Vaalco Energy Inc. Consolidated Stockholder Litigation*, which resulted in the invalidation of charter and bylaw provisions that interfered with stockholders' fundamental right to remove directors without cause.

Prior to joining Labaton Sucharow, Ned was a Litigation Associate at Grant & Eisenhofer P.A., where he gained substantial experience in all aspects of investor protection, including representing shareholders in matters relating to securities fraud, mergers and acquisitions, and alternative entities. Representative of Ned's experience in the Delaware Court of Chancery is *In re Barnes & Noble Stockholders Derivative Litigation*, in which Ned assisted in obtaining approximately $29 million in settlements on behalf of Barnes & Noble investors. Ned was also part of the litigation team in *In re Clear Channel Outdoor Holdings, Inc. Shareholder Litigation*, the settlement of which provided numerous benefits for Clear Channel Outdoor Holdings and its shareholders, including, among other things, a $200 million cash dividend to the company's shareholders.

Ned is a Member of the Advisory Board of the Institute for Law and Economic Policy (ILEP), a research and educational foundation dedicated to enhancing investor and consumer access to the civil justice system.

Ned earned his Juris Doctor from the Louis D. Brandeis School of Law at the University of Louisville, where he served on the Journal of Law and Education. He received his bachelor's degree, *cum laude*, from Miami University.

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Mark S. Willis is a Partner in the D.C. office of Labaton Sucharow LLP. With more than three decades of experience, Mark's practice focuses on domestic and international securities litigation. Mark advises leading pension funds, investment managers, and other institutional investors from around the world on their legal remedies when impacted by securities fraud and corporate governance breaches. Mark represents clients in U.S. litigation and maintains a significant practice advising clients on the pursuit of securities-related claims abroad.

Mark is recommended by *The Legal 500* for excellence in securities litigation and has been named one of *Lawdragon's* "500 Leading Plaintiff Financial Lawyer in America." Under his leadership, the Firm has been awarded *Law360* Practice Group of the Year Awards for Class Actions and Securities.

Mark represents institutions from the United Kingdom, Spain, the Netherlands, Denmark, Germany, Belgium, Canada, Japan, and the United States in a novel lawsuit in Texas against BP plc to salvage claims that were dismissed from the U.S. class action because the claimants' BP shares were purchased abroad (thus running afoul of the Supreme Court's *Morrison* rule that precludes a U.S. legal remedy for such shares). These previously dismissed claims have now been sustained and are being pursued under English law in a Texas federal court.

Mark also represents the Utah Retirement Systems in a shareholder action against the DeVry Education Group, and he represented the Arkansas Public Employees Retirement System in a shareholder action against The Bancorp (which settled for $17.5 million), and Caisse de dépôt et placement du Québec, one of Canada's largest institutional investors, in a U.S. shareholder class action against Liquidity Services (which settled for $17 million).

In the *Converium* class action, Mark represented a Greek institution in a nearly four-year battle that eventually became the first U.S. class action settled on two continents. This trans-Atlantic result saw part of the $145 million recovery approved by a federal court in New York, and the rest by the Amsterdam Court of Appeal. The Dutch portion was resolved using the Netherlands then newly enacted Act on Collective Settlement of Mass Claims. In doing so, the Dutch Court issued a landmark decision that substantially broadened its jurisdictional reach, extending jurisdiction for the first time to a scenario in which the claims were not brought under Dutch law, the alleged wrongdoing took place outside the Netherlands, and none of the potentially liable parties were domiciled in the Netherlands.

In the corporate governance arena, Mark has represented both U.S. and overseas investors. In a shareholder derivative action against Abbott Laboratories' directors, he charged the defendants with mismanagement and fiduciary breaches for causing or allowing the company to engage in a 10-year off-label marketing scheme, which had resulted in a $1.6 billion payment pursuant to a Justice

Department investigation—at the time the second largest in history for a pharmaceutical company. In the derivative action, the company agreed to implement sweeping corporate governance reforms, including an extensive compensation clawback provision going beyond the requirements under the Dodd-Frank Act, as well as the restructuring of a board committee and enhancing the role of the Lead Director. In the *Parmalat* case, known as the "Enron of Europe" due to the size and scope of the fraud, Mark represented a group of European institutions and eventually recovered nearly $100 million and negotiated governance reforms with two large European banks who, as part of the settlement, agreed to endorse their future adherence to key corporate governance principles designed to advance investor protection and to minimize the likelihood of future deceptive transactions. Securing governance reforms from a defendant that was not an issuer was a first at that time in a shareholder fraud class action.

Mark has also represented clients in opt-out actions. In one, brought on behalf of the Utah Retirement Systems, Mark negotiated a settlement that was nearly four times more than what its client would have received had it participated in the class action.

On non-U.S. actions Mark has advised clients, and represented their interests as liaison counsel, in more than 30 cases against companies such as Volkswagen, Olympus, the Royal Bank of Scotland, the Lloyds Banking Group, and Petrobras, and in jurisdictions ranging from the UK to Japan to Australia to Brazil to Germany.

Mark has written on corporate, securities, and investor protection issues—often with an international focus—in industry publications such as *International Law News, Professional Investor, European Lawyer, and Investment & Pensions Europe*. He has also authored several chapters in international law treatises on European corporate law and on the listing and subsequent disclosure obligations for issuers listing on European stock exchanges. He also speaks at conferences and at client forums on investor protection through the U.S. federal securities laws, corporate governance measures, and the impact on shareholders of non-U.S. investor remedies.

Mark earned his Juris Doctor from the Pepperdine University School of Law and his master's degree from Georgetown University Law Center.

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Nicole M. Zeiss is a Partner in the New York office of Labaton Sucharow. A litigator with two decades of experience, Nicole leads the Firm's Settlement Group, which analyzes the fairness and adequacy of the procedures used in class action settlements. Her practice focuses on negotiating and documenting complex class action settlements and obtaining the required court approval of the settlements, notice procedures, and payments of attorneys' fees.

Nicole was part of the Labaton Sucharow team that successfully litigated the $185 million settlement in *In re Bristol-Myers Squibb Securities Litigation*. She played a significant role in *In re Monster Worldwide, Inc. Securities Litigation* ($47.5 million settlement). Nicole also litigated on behalf of investors who have been damaged by fraud in the telecommunications, hedge fund, and banking industries. Over the past decade, Nicole has been actively involved in finalizing the Firm's securities class action settlements, including in cases against Massey Energy Company ($265 million), SCANA ($192.5 million), Fannie Mae ($170 million), and Schering-Plough ($473 million), among many others.

Prior to joining Labaton Sucharow, Nicole practiced poverty law at MFY Legal Services. She also worked at Gaynor & Bass practicing general complex civil litigation, particularly representing the rights of freelance writers seeking copyright enforcement.

Nicole is a member of the New York City Bar Association and the New York State Bar Association. Nicole also maintains a commitment to pro bono legal services.

She received a Juris Doctor from the Benjamin N. Cardozo School of Law, Yeshiva University, and earned a Bachelor of Arts in Philosophy from Barnard College.

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Among his many efforts to protect his clients' interests and maximize shareholder value, Mark recently helped bring claims against and secure a settlement with Abbott Laboratories' directors, whereby the company agreed to implement sweeping corporate governance reforms, including an extensive compensation clawback provision going beyond the requirements under the Dodd-Frank Act.

Mark has written weekly legal columns for the Sun-Sentinel, one of the largest daily newspapers circulated in Florida. He has been legal counsel to the American Association of Professional Athletes, an association of over 4,000 retired professional athletes. He has also served as an Assistant State Attorney and as a Special Assistant to the State Attorney's Office in the State of Florida.

Mark earned his Juris Doctor from Loyola University School of Law. He received his bachelor's degree from the University of Illinois.

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Derick was part of the team that represented lead plaintiff City of Edinburgh Council as Administering Authority of the Lothian Pension Fund in *In re Lehman Brothers Equity/Debt Securities Litigation*, which resulted in settlements totaling $516 million against Lehman Brothers' former officers and directors as well as most of the banks that underwrote Lehman Brothers' offerings.

Prior to joining Labaton Sucharow, Derick was a litigation attorney at Kirkland & Ellis LLP, where he practiced complex civil litigation. Earlier in his litigation career, he worked on product liability class actions with Hughes Hubbard & Reed LLP.

Derick earned his Juris Doctor and Master of Business Administration from Rutgers University and received his bachelor's degree in Finance from Boston College.

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Jeffrey A. Dubbin is Of Counsel in the New York office of Labaton Sucharow LLP. Jeff focuses on representing institutional investors in complex securities fraud cases. He also advises public and private pension funds and asset managers on disclosure, regulatory, and litigation matters.

Jeff is currently prosecuting *In re Goldman Sachs Group, Inc. Securities Litigation*; *City of Providence, Rhode Island v. BATS Global Markets, Inc. et al* (the "High Frequency Trading" securities litigation); *In re The Allstate Corporation Securities Litigation*; and *In re PG&E Corporation Securities Litigation*. He was a key member of the litigation team that recovered $95 million for investors in *In re Amgen Inc. Securities Litigation*.

Jeff joined Labaton Sucharow following clerkships with the Honorable Marilyn L. Huff and the Honorable Larry Alan Burns in the U.S. District Court for the Southern District of California. Prior to that, he worked as legal counsel for the investment management firm Matrix Capital Management.

Jeff received his Juris Doctor from the University of Pennsylvania Law School and his bachelor's degree, *magna cum laude*, from Harvard University. As a member of Penn Law's Supreme Court Clinic, Jeff drafted portions of successful merits briefs to the U.S. Supreme Court.

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Joseph H. Einstein is Of Counsel in the New York office of Labaton Sucharow LLP. A seasoned litigator, Joe represents clients in complex corporate disputes, employment matters, and general commercial litigation. He has litigated major cases in state and federal courts and has argued many appeals, including appearing before the U.S. Supreme Court.

Joe has an AV Preeminent rating, the highest distinction, from the publishers of the Martindale-Hubbell directory.

His experience encompasses extensive work in the computer software field including licensing and consulting agreements. Joe also counsels and advises business entities in a broad variety of transactions.

Joe serves as a Mediator for the U.S. District Court for the Southern District of New York. He has served as a Commercial Arbitrator for the American Arbitration Association and currently is a FINRA Arbitrator and Mediator. Joe is a former member of the New York State Bar Association Committee on Civil Practice Law and Rules, and the Council on Judicial Administration of the Association of the Bar of the City of New York. He also is a former member of the Arbitration Committee of the Association of the Bar of the City of New York.

Joe received his Bachelor of Laws and Master of Laws from New York University School of Law. During his time at NYU, Joe was a Pomeroy and Hirschman Foundation Scholar and served as an Associate Editor of the *New York University Law Review*.

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Derrick Farrell is Of Counsel in the Delaware office of Labaton Sucharow LLP. He focuses his practice on representing shareholders in appraisal, class, and derivative actions.

Derrick has substantial trial experience as both a petitioner and a respondent on a number of high-profile matters, including *In re Appraisal of Ancestry.com, Inc.*; *IQ Holdings, Inc. v. Am. Commercial Lines Inc.*; and *In re Cogent, Inc. Shareholder Litigation*. He has also argued before the Delaware Supreme Court on multiple occasions.

Prior to joining Labaton Sucharow, Derrick practiced with Latham & Watkins LLP, where he gained substantial insight into the inner workings of corporate boards and the role of investment bankers in a sale process. Derrick started his career as a Clerk for the Honorable Donald F. Parsons, Jr., Vice Chancellor, Court of Chancery of the State of Delaware.

He has guest lectured at Harvard University and co-authored numerous articles for publications including the *Harvard Law School Forum on Corporate Governance and Financial Regulation* and *PLI*.

Derrick received his Juris Doctor, *cum laude*, from the Georgetown University Law Center. At Georgetown, he served as an advocate and coach to the Barrister's Council (Moot Court Team) and was Magister of Phi Delta Phi. He received his Bachelor of Science in Biomedical Science from Texas A&M University.

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Mark S. Goldman is Of Counsel in the New York office of Labaton Sucharow LLP. Mark has 30 years of experience in commercial litigation, primarily litigating class actions involving securities fraud, consumer fraud, and violations of federal and state antitrust laws.

Mark has been awarded an AV Preeminent rating, the highest distinction, from the publishers of the Martindale-Hubbell directory.

Mark is currently prosecuting securities fraud claims on behalf of institutional and individual investors against the manufacturer of communications systems used by hospitals that allegedly misrepresented the impact of the ACA and budget sequestration of the company's sales, and a multi-layer marketing company that allegedly misled investors about its business structure in China. Mark is also participating in litigation brought against international air cargo carriers charged with conspiring to fix fuel and security surcharges, and domestic manufacturers of various auto parts charged with price-fixing.

Mark successfully litigated a number of consumer fraud cases brought against insurance companies challenging the manner in which they calculated life insurance premiums. He also prosecuted a number of insider trading cases brought against company insiders who, in violation of Section 16(b) of the Securities Exchange Act, engaged in short swing trading. In addition, Mark participated in the prosecution of *In re AOL Time Warner Securities Litigation*, a massive securities fraud case that settled for $2.5 billion.

Mark is a member of the American Bar Association.

Mark earned his Juris Doctor from the University of Kansas. He earned his Bachelor of Arts from Pennsylvania State University.

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Lara Goldstone is Of Counsel in the New York office of Labaton Sucharow LLP. Lara advises leading pension funds and other institutional investors in the United States and Canada on issues related to corporate fraud in the U.S. securities markets. Her work focuses on monitoring the well-being of institutional investments and counseling clients on best practices in securities, antitrust, corporate governance and shareholder rights and consumer class action litigation.

Lara has achieved significant settlements on behalf of clients. She represented investors in high-profile cases against LifeLock, KBR, Fifth Street Finance Corp., NII Holdings, Rent-A-Center, and Castlight Health. Lara has also served as legal adviser to clients who have pursued claims in state court, derivative actions in the form of serving books and records demands, non-U.S. actions and antitrust class actions including pay-for-delay or "product hopping" cases in which pharmaceutical companies allegedly obstructed generic competitors in order to preserve monopoly profits on patented drugs, such as *In re Generic Pharmaceuticals Pricing Antitrust Litigation*.

Before joining Labaton Sucharow, Lara worked as a Legal Intern in the Larimer County District Attorney's Office and the Jefferson County District Attorney's Office. She also volunteered at Crossroads Safehouse, which provided legal representation to victims of domestic violence. Prior to her legal career, Lara worked at Industrial Labs where she worked closely with Federal Drug Administration standards and regulations. In addition, she was a teacher in Irvine, California.

She is a member of the Firm's Women's Initiative.

Lara earned her Juris Doctor from the University of Denver Sturm College of Law, where she was a judge of the Providence Foundation of Law & Leadership Mock Trial and a competitor of the Daniel S. Hoffman Trial Advocacy Competition. She received her bachelor's degree from George Washington University, where she was a recipient of a Presidential Scholarship for academic excellence.

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Ross Kamhi is Of Counsel in the New York office of Labaton Sucharow LLP. Ross focuses on prosecuting complex securities fraud cases on behalf of institutional investors, as well as on consumer cybersecurity and data privacy litigation. He has also focused his practice on the identification and analysis of emerging cases.

Ross has been recognized as a "Rising Star of the Plaintiffs Bar" by *The National Law Journal* Elite Trial Lawyers.

Ross is part of the litigation team that recently achieved a historic $650 million settlement in the *In re Facebook Biometric Information Privacy Litigation* matter—the largest consumer data privacy settlement ever, and one of the first cases asserting biometric privacy rights of consumers under Illinois' Biometric Information Privacy Act (BIPA).

Prior to joining Labaton Sucharow, Ross was a Litigation Associate at Shearman & Sterling LLP, where he represented multinational corporations and global financial institutions in securities class actions, regulatory proceedings, and general commercial disputes.

Ross serves on the Information Technology and Cyber Law Committee of the New York City Bar Association.

Ross earned his Juris Doctor, *cum laude*, from Fordham University School of Law, where he was a member of the *Fordham Law Review* and served a Teaching Assistant in the Legal Writing Program. While in law school, Ross served as a Judicial Intern for the Honorable Colleen McMahon in the United States District Court for the Southern District of New York. He received his bachelor's degree in Philosophy from the University of Michigan.

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James McGovern is Of Counsel in the New York office of Labaton Sucharow LLP. He advises leading pension funds and other institutional investors on issues related to corporate fraud in domestic and international securities markets. James' work focuses primarily on securities litigation and corporate governance, representing Taft-Hartley and public pension funds and other institutional investors in domestic securities actions. James also advises clients regarding potential claims tied to securities-related actions in foreign jurisdictions.

James has worked on a number of significant securities class actions, including *In re Worldcom, Inc. Securities Litigation* ($6.1 billion recovery), the second-largest securities class action settlement since the passage of the PSLRA; *In re Parmalat Securities Litigation* ($90 million recovery); *In re American Home Mortgage Securities Litigation* (opt-out client's recovery is confidential); *In re The Bancorp Inc. Securities Litigation* ($17.5 million recovery); *In re Pozen Securities Litigation* ($11.2 million recovery); *In re Cabletron Systems, Inc. Securities Litigation* ($10.5 million settlement); *In re UICI Securities Litigation* ($6.5 million recovery); and *In re SCANA Securities Litigation* ($192.5 million recovery).

In the corporate governance arena, James helped bring claims against Abbott Laboratories' directors for mismanagement and breach of fiduciary duties in allowing the company to engage in a 10-year off-label marketing scheme. Upon settlement of this action, the company agreed to implement sweeping corporate governance reforms, including an extensive compensation clawback provision going beyond the requirements under the Dodd-Frank Act.

Following the unprecedented takeover of Fannie Mae and Freddie Mac by the federal government in 2008, James was retained by a group of individual and institutional investors to seek recovery of the massive losses they incurred when the value of their shares in these companies was essentially destroyed. He brought and continues to litigate a complex takings class action against the federal government for depriving Fannie Mae and Freddie Mac shareholders of their property interests in violation of the Fifth Amendment and for causing tens of billions of dollars in damages.

Prior to focusing his practice on plaintiffs' securities litigation, James was an attorney at Latham & Watkins where he worked on complex litigation and FIFRA arbitrations, as well as matters relating to corporate bankruptcy and project finance.

James is also an accomplished public speaker and has addressed members of several public pension associations, including the Texas Association of Public Employee Retirement Systems and the Michigan Association of Public Employee Retirement Systems, on how institutional investors can guard their assets against the risks of corporate fraud and poor corporate governance.

James earned his Juris Doctor, *magna cum laude*, from Georgetown University Law Center. He received his bachelor's and master's degrees from American University, where he was awarded a Presidential Scholarship and graduated with high honors.

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Elizabeth Rosenberg is Of Counsel in the New York office of Labaton Sucharow LLP. Elizabeth focuses on litigating complex securities fraud cases on behalf of institutional investors, with a focus on obtaining court approval of class action settlements, notice procedures and payment of attorneys' fees.

Prior to joining Labaton Sucharow, Elizabeth was an Associate at Whatley Drake & Kallas LLP, where she litigated securities and consumer fraud class actions. Elizabeth began her career as an Associate at Milberg LLP where she practiced securities litigation and was also involved in the pro bono representation of individuals seeking to obtain relief from the World Trade Center Victims' Compensation Fund.

Elizabeth earned her Juris Doctor from Brooklyn Law School. She received her bachelor's degree from the University of Michigan.

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William “Bill” Schervish is Of Counsel in the New York office of Labaton Sucharow LLP and serves as the Firm's Director of Financial Research. As a key member of the Firm’s Case Development Group, Bill identifies, analyzes, and develops cases alleging securities fraud and other forms of corporate misconduct that expose the Firm's institutional clients to legally recoverable losses. Bill is also a member of the Firm's SEC Whistleblower Group, where he evaluates and develops cases on behalf of confidential whistleblowers for the Securities and Exchange Commission. Bill has recently concentrated his practice on developing securities fraud cases in connection with Special Purpose Acquisition Companies (SPACs).

Bill has been practicing securities law for more than 14 years. As a complement to his legal experience, Bill is a Certified Public Accountant (CPA), a CFA® Charterholder, and a Certified Fraud Examiner (CFE) with extensive work experience in accounting and finance.

Prior to joining the Firm, Bill worked as a finance attorney at Mayer Brown LLP, where he drafted and analyzed credit default swaps, indentures, and securities offering documents on behalf of large banking institutions. Bill's professional background also includes positions in controllership, securities analysis, and commodity trading. He began his career as an auditor at PricewaterhouseCoopers.

Bill earned a Juris Doctor, *cum laude*, from Loyola University and received a Bachelor of Science, *cum laude*, in Business Administration from Miami University, where he was a member of the Business and Accounting Honor Societies.

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Lawrence A. Sucharow is a Senior Advisor to Labaton Sucharow LLP. Larry served as Chairman of the Firm for more than 20 years and, under his guidance, the Firm has earned its position as one of the top plaintiffs' securities and antitrust class action firms in the world. Larry's practice focused on counseling the Firm's large institutional clients, developing creative and compelling strategies to advance and protect clients' interests, and prosecuting and resolving many of the Firm's leading cases. With more than four decades of experience, Larry is an internationally recognized trial lawyer and a leader of the class action bar.

In recognition of his career accomplishments and standing in the securities bar, Larry was selected by *Law360* as one the 10 Most Admired Securities Attorneys in the United States and as a Titan of the Plaintiffs Bar. Larry was honored with the *National Law Journal's* Elite Trial Lawyers Lifetime Achievement Award, and he is one of a small handful of plaintiffs' securities lawyers in the United States recognized by *Chambers & Partners USA*, *The Legal 500*, and *Benchmark Litigation* for his successes in securities litigation. Larry has been consistently recognized by *Lawdragon* as one of the country's leading lawyers, and in 2020, Larry was inducted in the Hall of Fame in recognition of his outstanding contributions as a leader and litigator. Referred to as a "legend" by his peers in *Benchmark Litigation*, *Chambers* describes him as an "immensely respected plaintiff advocate" and a "renowned figure in the securities plaintiff world…[that] has handled some of the most high-profile litigation in this field." According to *The Legal 500*, clients characterize Larry as "a strong and passionate advocate with a desire to win." In addition, Brooklyn Law School honored Larry as Alumni of the Year Award in 2012 for his notable achievements in the field.

Over the course of his career, Larry has prosecuted hundreds of cases and the Firm has recovered billions in groundbreaking securities, antitrust, business transaction, product liability, and other class actions. In fact, a landmark case tried in 2002—*In re Real Estate Associates Limited Partnership Litigation*—was the very first securities action successfully tried to a jury verdict following the enactment of the Private Securities Litigation Reform Act (PSLRA).

Other representative matters include: *Arkansas Teacher Retirement System v. State Street Corporation* ($300 million settlement); *In re CNL Resorts, Inc. Securities Litigation* ($225 million settlement); *In re Paine Webber Incorporated Limited Partnerships Litigation* ($200 million settlement); *In re Prudential Securities Incorporated Limited Partnerships Litigation* ($110 million partial settlement); *In re Prudential Bache Energy Income Partnerships Securities Litigation* ($91 million settlement); and *Shea v. New York Life Insurance Company* (over $92 million settlement).

Larry's consumer protection experience includes leading the national litigation against the tobacco companies in *Castano v. American Tobacco Co.,* as well as litigating *In re Imprelis Herbicide Marketing, Sales Practices and Products Liability Litigation*. Larry played a key role in *In re Takata*

Airbag Products Liability Litigation and a nationwide consumer class action against Volkswagen Group of America, Inc., arising out of the wide-scale fraud concerning Volkswagen's "Clean Diesel" vehicles. Larry further conceptualized the establishment of two Dutch foundations, or "Stichtingen" to pursue settlement of claims against Volkswagen on behalf of injured car owners and investors in Europe.

In 2018, Larry was appointed to serve on Brooklyn Law School's Board of Trustees. He has served a two-year term as President of the National Association of Shareholder and Consumer Attorneys, a membership organization of approximately 100 law firms that practice complex civil litigation including class actions. A longtime supporter of the Federal Bar Council, Larry serves as a trustee of the Federal Bar Council Foundation. He is a member of the Federal Bar Council's Committee on Second Circuit Courts, and the Federal Courts Committee of the New York County Lawyers' Association. He is also a member of the Securities Law Committee of the New Jersey State Bar Association and was the Founding Chairman of the Class Action Committee of the Commercial and Federal Litigation Section of the New York State Bar Association, a position he held from 1988-1994. In addition, Larry serves on the Advocacy Committee of the World Federation of Investors Corporation, a worldwide umbrella organization of national shareholder associations. In May 2013, Larry was elected Vice Chair of the International Financial Litigation Network (IFLN), a network of law firms from 15 countries seeking international solutions to cross-border financial problems.

Larry earned his Juris Doctor, *cum laude*, from Brooklyn Law School. He received his bachelor's degree from Baruch School of the City College of the City University of New York.