

**UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT**

IN RE TEVA SECURITIES LITIGATION	:	No. 3:17-cv-00558 (SRU)
	:	
THIS DOCUMENT RELATES TO:	:	All Class Actions
	:	

**DECLARATION OF STEPHANIE AMIN-GIWNER IN SUPPORT
OF CLASS REPRESENTATIVES’ MOTION FOR INITIAL
DISTRIBUTION OF THE NET SETTLEMENT FUND**

I, Stephanie Amin-Giwner, declare as follows:

1. I am a Director, Client Services for Epiq Class Action and Claims Solutions, Inc. (“Epiq”). Pursuant to the Court’s January 27, 2022 Order Preliminarily Approving Settlement and Providing for Class Notice (the “Preliminary Approval Order”) (ECF 929), Epiq was authorized to act as the Claims Administrator for the Settlement in the above-captioned action (the “Action”). This declaration supports Class Representatives’ Motion for Initial Distribution of the Net Settlement Fund (the “Distribution Motion”).¹

2. 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 thereto.

3. As Claims Administrator, Epiq has, among other things: (i) mailed the Notice of Proposed Settlement of Class Action to potential Settlement Class Members and brokers and other nominees; (ii) created and maintains a toll-free telephone helpline for inquiries during the course of the administration; (iii) created and maintains a case website with an online claim filing module and posted case-specific documents, including the Long-Form Notice of Pendency and Proposed Settlement of

¹ Capitalized terms that are not otherwise defined herein shall have the same meaning as set forth in the Stipulation of Settlement dated January 18, 2022 (the “Stipulation”) (ECF 919-2). Unless otherwise noted, all emphasis is added, and all internal citations and quotation marks are omitted.

Class Action and the Proof of Claim and Release Form on it; (iv) caused the Summary Settlement Notice to be published; (v) provided, upon request, additional copies of the Notice to potential Settlement Class Members, brokers and other nominees; and (vi) received and processed claims.

4. On June 2, 2022, the Court entered the Final Judgment (ECF 964), which granted final approval of the Settlement, and granted approval of the Plan of Allocation (ECF 962).

5. As of June 5, 2023, Epiq has received 413,876 Proofs of Claims and has completed processing of 413,254 (approximately 99.85%) of those Proofs of Claims. The remaining 622 received Proofs of Claim are “Claims in Process” because Epiq is actively working with these claimants to resolve their claims. So as not to delay the distribution to claimants whose claims are being recommended for acceptance and because further communication with the claimants may result in the acceptance of the Claims in Process, Epiq recommends that consideration of Claims in Process be deferred until these communications are complete. To the extent the Claims in Process are ultimately determined to be eligible to participate in the Settlement, payment for those claims shall be made in one or more follow-up distributions. Further, this staggered process is consistent with the fact that multiple distributions of a net settlement fund are customarily made in order to exhaust the settlement fund, as funds often remain after a distribution as a result of outstanding checks or tax refunds.

6. Epiq, in consultation with Lead Counsel, believes that because the overwhelming majority of the claims Epiq has received through June 5, 2023 have been processed to completion, it is appropriate to move now for approval of Epiq’s administrative determinations and for the immediate distribution of 65% of the Net Settlement Fund so that as many Authorized Claimants as possible may be paid expeditiously.

DISSEMINATION OF THE SETTLEMENT NOTICE

7. As more fully described in the Declaration of Michael McGuinness Regarding (I) Mailing of Notice; (II) Publication of Summary Notice; (III) The Settlement Website and Contact Center Services; (IV) Claim Filing; and (V) Requests for Exclusion and Objections Received to Date, dated April 27, 2022 (ECF 952-2), and the Supplemental Declaration of Michael McGuinness Regarding (I) Mailing of Notice; (II) The Settlement Website and Contact Center Services; (III) Claim Filing; and (IV) Requests for Exclusion and Objections, dated May 19, 2022 (ECF 956-1), as of May 18, 2022, Epiq had mailed 1,009,104 Notices to potential Settlement Class Members, brokers and other nominees. Since that date, 1,635 additional Notices (or less than 0.2% of the total) have been mailed. In total, Epiq has mailed 1,010,739 Notices to potential Settlement Class Members, brokers and other nominees that may have purchased domestic transactions of Teva Pharmaceutical Industries Ltd. (“Teva”) American Depositary Shares, Teva 7.00% mandatory convertible preferred shares, and/or certain Teva Pharmaceutical Finance Netherlands III B.V. (“Teva Finance”) U.S.-dollar-denominated senior notes on behalf of Settlement Class Members.

8. On February 21, 2022, Epiq caused the Court-approved Summary Notice to be published in Investor’s Business Daily and transmitted over PR Newswire. On February 22, 2022, the Summary Notice was published in The Wall Street Journal. On February 23, 2022, a Hebrew translation of the Summary Notice was published in the Globes business newspaper in Israel.

PROCEDURES FOLLOWED IN PROCESSING CLAIMS

9. Pursuant to the terms of the Preliminary Approval Order and as set forth in the Notice, each Settlement Class Member who wished to be eligible to receive a distribution from the Net Settlement Fund was required to complete and submit to Epiq a properly executed claim form postmarked no later than May 17, 2022, together with adequate supporting documentation for the

transactions and holdings reported therein. On November 18, 2022, Lead Counsel advised the Court that it intended to recommend, subject to Court approval, that claims postmarked or electronically submitted by December 9, 2022 receive payment from the initial distribution of the Net Settlement Fund (ECF 972). As of December 9, 2022, Epiq had received 413,822 claims. Claims postmarked or submitted after December 9, 2022 are not recommended herein for inclusion in the initial distribution. Claims submitted after December 9, 2022 with a written explanation for the late submission and any supporting documentation will be processed, and, if eligible, will be recommended for inclusion in a subsequent distribution. Epiq has received 54 claims between December 10, 2022 and June 5, 2023.

10. In preparation for receiving and processing claims, and consistent with its standard practices in claims administrations of this size and type, Epiq: (i) conferred with Class Counsel and The JNL Firm, LLC to define the project guidelines for processing claims; (ii) created a unique database to store claim form details and images of claim forms and supporting documentation; (iii) trained staff in the specifics of the project so that claims would be properly processed; (iv) formulated a system so that telephone and email inquiries would be properly handled; (v) developed various computer programs and screens for entry of Settlement Class Members' identifying information, as well as their transactional information; and (vi) developed a proprietary "calculation module" that would calculate claimants' Recognized Claim pursuant to the Court-approved Plan of Allocation of the Net Settlement Fund set forth in the Long-Form Notice.

11. Settlement Class Members, and their banks, brokers, and other nominees, seeking to share in the Net Settlement Fund were directed in the Notice to submit their claim forms to the post office box address specifically designated for the Settlement, or to Epiq's team that handles large electronic claims (the "Securities Team"). Any correspondence received to the post office box was reviewed and, where necessary, appropriate responses were provided to the senders.

PROCESSING PAPER CLAIM FORMS

12. Of the 413,876 claims received by Epiq through June 5, 2023, 27,405 were received via physical delivery methods (“Paper Claims”). Once received, these claims were opened and prepared for scanning. This process included unfolding documents, removing staples, copying nonconforming sized documents, and sorting documents. This manual task of preparing the Paper Claims is laborious and time-intensive. Once prepared, the Paper Claims were scanned into a database together with all submitted documentation. Each claim form was assigned a unique Claim Number. Once scanned, the information from each claim form, including the claimant’s name, address, account number/information from his, her or its supporting documentation, and the purchase/acquisition transactions, sale transactions, and holdings listed on the claim form, was entered into the database developed by Epiq to process claims submitted for the Settlement. Next, the documentation provided by each claimant in support of his, her or its claim form was reviewed to determine: (i) whether the claimant traded in Teva Pharmaceutical Industries Ltd. American Depositary Shares (“ADS”), Teva 7.00% mandatory convertible preferred shares (“Preferred Shares”), and/or certain Teva Finance U.S.-dollar-denominated senior notes during the Class Period (“Notes”); (ii) whether the transaction information entered on the claim form was supported by the documentation; (iii) that the claimant did not have any additional trades not reflected on his, her, or its claim form; (iv) that the name of the claimant matched the information on the trade documentation, or additional documentation was provided to support any name changes; and (v) that the beneficial owner on the trade documentation, or a valid representative, was the person who signed the claim form.

13. In order to process the claims, Epiq utilized internal codes to identify and classify any deficiency or ineligibility conditions that existed within the claims. The appropriate codes were assigned to the claims as they were processed. For example, where a claim form was submitted by a

claimant who did not have any eligible transactions during the Class Period (*e.g.*, the claimant purchased Teva American Depositary Shares only before or after the Class Period), that claim would receive a defect code that denoted ineligibility. Similar defect codes were used to denote other ineligible conditions, such as duplicate claims. These codes indicate to Epiq that the claimant is not eligible to receive any payment from the Net Settlement Fund with respect to that claim unless the deficiency was cured in its entirety.

14. Because a claim may be deficient only in part, but otherwise acceptable, Epiq also utilized codes that were only applied to specific transactions within a claim. For example, if a claimant submitted a claim form, which, in addition to having eligible documented purchases, also listed shares that were transferred into the account, but no supporting documentation was provided demonstrating that the transferred shares had been purchased during the Class Period, that transfer transaction would receive a transaction-specific defect code. That code indicated that the shares transferred into the account were not eligible, unless the defect was cured, but the claim was otherwise eligible for payment based on the other transactions. Thus, even if the deficiency was never cured, the claim could still be partially accepted. Epiq also performed additional targeted reviews in connection with the 70 paper claims with the largest Recognized Claims.

PROCESSING ELECTRONICALLY FILED CLAIM FORMS

15. Of the 413,876 claims received by Epiq through June 5, 2023, 386,471 were filed electronically (“Electronic Claims”). Electronic Claims are typically submitted by institutional investors who may have hundreds, thousands, or even millions of transactions. Rather than provide reams of paper requiring data entry, the institutional investors filing Electronic Claims either mail a computer disc or electronically submit a file to Epiq so that Epiq may electronically upload all transactions to its proprietary database developed for the Settlement.

16. Epiq maintains a Securities Team to coordinate and supervise the receipt and handling of all Electronic Claims. In this case, the Securities Team reviewed and analyzed each electronic file to ensure that it was formatted in accordance with Epiq's required format, and to identify any potential data issues or inconsistencies within the file. If any issues or inconsistencies arose, Epiq notified the sender. If the electronic file was deemed to be in an acceptable format, it was then loaded to Epiq's database.

17. Once the file was loaded, codes were applied to denote any deficiencies or ineligible conditions that existed within them. These codes are similar to those applied to Paper Claims. In lieu of manually applying the codes, the Securities Team performed programmatic reviews on Electronic Claims to identify deficient and ineligible conditions (such as, but not limited to, out of balance conditions, and transactions outside the Class Period, etc.). The output is then manually verified and confirmed as accurate. In addition, manual reviews are performed to identify other claim anomalies such as price per share outliers (referring to transactions outside the known range of the security's price on a given day).

18. The review process also included flagging any Electronic Claims that were not accompanied by a signed claim form, which serves as a "Master Proof of Claim Form" for all accounts referenced on the electronic file submitted. This process was reviewed by Epiq's Securities Team and, where appropriate, Epiq contacted the institutional filers whose electronic files were missing information. This ensures that all claims are submitted by properly authorized representatives of the claimants. In addition, Epiq confirmed the identify of nominee claim filers with whom Epiq was not familiar based on its claims administration experience.

19. Finally, at the end of the process, Epiq performed various targeted reviews of Electronic Claims. Specifically, Epiq used criteria such as the calculated Recognized Claim amounts and other

criteria to flag and reach out to a number of electronic filers and request that various sample purchases, sales, and holdings selected by Epiq be further supported by providing confirmation slips or other transaction-specific supporting documentation. Here, Epiq, in consultation with Lead Counsel, selected 778 claims to be included in the Data Integrity Review, comprised of (a) the 678 largest Electronic Claims that together represented approximately 80% of the total Recognized Claim of all Electronic Claims, and (b) 100 claims randomly sampled from the remaining 20% of Electronic Claims. For the claims included in the Data Integrity Review, Epiq requested documentation supporting approximately 3 transactions per claim. As of March 31, 2023, Epiq had received acceptable documentation for 546 claims representing a total Recognized Claim of approximately \$3.5 billion, 22 claims were withdrawn by the filer and 1 claim will be recommended for rejection as a duplicate. As mentioned above, Epiq is actively working with the filers of the remaining 209, who have provided no documents or unacceptable documents, to obtain acceptable documentation. Accordingly, these claims are included in the Claims in Process, and to the extent they become eligible for payment, they will be recommended for payment in a subsequent distribution.

20. In addition to the 778 claims discussed above, there are 61 claims where revisions or updates were made after December 9, 2022, that increased the Recognized Claim of the claim, such that it now fulfills the criteria for inclusion in the Data Integrity Review. Several claims submitted after December 9, 2022 also fulfill the criteria for inclusion in the Data Integrity review. Accordingly, these claims are included in the Claims in Process, and to the extent they become eligible for payment, they will be recommended for payment in a subsequent distribution.

ADDITIONAL COMPLEXITIES ENCOUNTERED IN CLAIMS PROCESSING

21. The nature of the claims and issues in the Action, and the sheer volume of Claims and transactions processed, raised several complex issues in this administration. Examples include:

Eligible Securities

22. The eligible securities in this Settlement include Teva ADSs, Preferred Shares and six different Notes. Accordingly, the number and differing types of securities significantly increased the complexity of this administration in a variety of ways. The number of securities caused a more time-consuming claims process to ensure that the proper security was identified based on the supporting documentation, and the fact that Preferred Shares were converted into ADS during the Class Period added further complexity. Supporting documentation was carefully scrutinized to ensure the proper security was accurately captured in the Settlement Database.

Plan of Allocation

23. The Court-approved Plan of Allocation in this matter was more complex than many securities administrations, for several reasons. As mentioned above, because of the number of securities, the Plan of Allocation included distinct loss calculations for ADS, Preferred Shares and Notes. Moreover, pursuant to the Plan of Allocation, a Settlement Class Member may have Recognized Loss Amounts under (i) the Securities Act of 1933 with respect to Preferred Shares, Notes, and certain ADS; and (ii) the Securities Exchange Act of 1934 with respect to the ADS. To the extent a Settlement Class Member had Recognized Loss Amounts under both the Exchange Act and the Securities Act resulting from the same purchase or acquisition of ADS, the Recognized Loss Amount for such purchase or acquisition is the greater of the two. This multi-faceted plan involving the interplay of the various calculations necessitated additional development, testing and auditing throughout the administration in order to ensure the correct calculation of Recognized Loss Amounts.

Excluded Party Review

24. Epiq reviewed all claims to ensure that they were not submitted by or on behalf of any excluded parties, as set forth in Paragraph 3 to the Final Judgment (Defendants or their affiliates), Exhibit 1 to the Final Judgment (persons and entities who were excluded from the Settlement Class pursuant to requests for exclusion), and Exhibit 2 to the Final Judgment (Direct Action Plaintiffs who did not timely dismiss their Direct Actions and submit Proof of Claim and Release forms). Pursuant to the deficiency process described below, for any claims submitted on behalf of an Excluded Party or Direct Action Plaintiff, Epiq sent a letter to the filer who submitted these claims and attorneys for the Direct Action Plaintiff/Excluded Party, if applicable, informing them that the claim will be rejected. One group of related claimants, involving 46 claims, contested Epiq's determination that the claimants are Direct Action Plaintiffs (or affiliated with Direct Action Plaintiffs). As described in more detail in the Distribution Motion, Epiq and Lead Counsel are working with this group of claimants to reach a resolution. Accordingly, these 46 claims are included in the Claims in Process.

THE DEFICIENCY PROCESS

25. Of the 413,822 Proofs of Claim received through December 9, 2022, 212,483 (or approximately 51%) were partially or wholly ineligible for one or more reasons, and therefore, were subject to additional processing, correspondence, and telephonic communications. As a result of this process, a significant number of previously defective claims have been cured and are now recommended as eligible for participation in the settlement.

26. During the processing of Proofs of Claim, Epiq encountered "non-conforming" Proofs of Claim, which, in general, require significantly more work than standard Proofs of Claim because of the information contained in or missing from the Proof of Claim, or because of the manner in which the Proof of Claim was completed. Non-conforming Claims include, among other conditions, missing

pages, no name or address, Proofs of Claim that are blank but submitted with documentation for Epiq to complete, and Proofs of Claim that are so materially deficient as to make what is being claimed unrecognizable. Again, because of the sheer number of Claims received, significant time and resources were required to review these “non-conforming” Proofs of Claim.

The Deficiency Process for Paper Claims

27. Of the 27,358 Paper Claims received as of December 9, 2022, 18,625 (or approximately 68%) were incomplete or had one or more defects or conditions of ineligibility, such as the claim form not being signed, not being properly documented, or not indicating any eligible transactions in Teva ADS, Preferred Shares, and/or Notes during the Class Period. Much of Epiq’s efforts in handling an administration involve claimant communications so that all claimants have had a sufficient opportunity to cure any deficiencies and file a complete claim. The “Deficiency Process,” which involved contacting claimants and responding to inquiries from claimants by either telephone or email, was intended to assist claimants in properly completing their otherwise deficient submissions so that they would be eligible to participate in the Settlement.

28. If a claim was determined to be defective or ineligible, a Notice of Incomplete Proof of Claim Submission (“Deficiency Notice”) was sent to the claimant describing the defect(s) or condition(s) of ineligibility in his, her, or its claim and (if applicable) describing what was necessary to cure any “curable” defect(s) in the claim. The Deficiency Notice advised the claimant that the submission of the appropriate information and/or documentary evidence to complete the claim had to be sent within twenty (20) days from the date of the letter. The Deficiency Notice further advised that if the appropriate information was not submitted in this timeframe, the claim would be recommended for rejection to the extent the deficiency or condition of ineligibility was not cured. The Deficiency Notice also advised claimants that if they desired to contest the administrative determination, they were

required to submit a written statement to Epiq within 20 days requesting Court review of the determination and setting forth the basis for their request. Attached hereto as Exhibit A is an example of the Deficiency Notice.

29. Claimants' responses to the Deficiency Notices were scanned into Epiq's database and associated with the corresponding claim form. The responses were then carefully reviewed and evaluated by Epiq's team of processors. If a claimant's response corrected the defect(s), Epiq updated the database manually to reflect the change in status of the claim.

The Deficiency Process for Electronic Claims

30. Of the 386,464 electronic claims received through December 9, 2022, 193,858 were deficient or ineligible. As to all Electronic Claims, Epiq contacted the banks, brokers, nominees, and other filers who submitted data electronically to confirm receipt of their submissions and Epiq notified the filer of any deficiencies or Electronic Claims that were ineligible, where applicable. Using the following process, Epiq provided Electronic Claim submitters whose submissions were deficient with an email attaching a Transaction Report that listed the specific Electronic Claims that were incomplete along with a list of the specific portions of the claims that were incorrect or incomplete. The Transaction Reports:

- a. identified individual transactions and entire Electronic Claims that were found to be deficient or ineligible so that the filer had the opportunity to correct the deficient condition within 20 days or contest the determination of ineligibility;
- b. stated that any deficient transactions or Electronic Claims that remained uncured after 20 days, as well as any transactions or Electronic Claims that were identified as ineligible on the Transaction Report, were rejected;

- c. notified the filer that, within 20 days, it could, on behalf of the claimant, request that the Court review Epiq's administrative determination if it wished to contest the rejection of any transactions or Electronic Claims; and
- d. provided Epiq's contact information so that the filer could contact Epiq if it had any questions or required assistance.

31. The responses to the Transaction Reports were reviewed by Epiq's Securities Team, scanned and/or loaded into Epiq's database, and associated with the corresponding Electronic Claim. If the response corrected the defect(s) or affected the Electronic Claim's status, Epiq manually and/or programmatically updated the database to reflect the change in status of the Electronic Claim.

Disputed Claims Seeking Judicial Review

32. As noted above, claimants or authorized filers were advised that they had the right to contest Epiq's administrative determination of deficiencies or ineligibility within twenty (20) days from the date of notification and that they could request that the dispute be submitted to the Court for review. More specifically, such persons were advised in the Deficiency Notice or the Transaction Reports that if they disputed Epiq's determinations, they had to provide a statement of reasons indicating the grounds for contesting the rejection, along with supporting documentation.

33. A total of 40 Claimants contested Epiq's administrative determinations and requested review by the Court. At the same time that they submitted their requests for Court review, 18 claimants also provided the necessary documentation and/or information to cure their claims. These claims are recommended for acceptance herein and the claimants have been notified in writing that their requests for dispute are considered withdrawn. To resolve the remaining disputes without the Court's intervention, Epiq contacted all persons requesting Court review, and with respect to those Claimants who were reached, Epiq answered all their questions, fully explained Epiq's determination of the

Claim's status, and facilitated the submission of missing information or documentation where applicable. As a result, 4 claimants withdrew their request for Court review. To date, there are 18 claimants whose requests for court review remain. As mentioned above, communications with these Claimants is continuing and Epiq believes these disputes may be resolved with further communication. Accordingly, these 18 claims have been included in the Claims in Process.

LATE BUT OTHERWISE ELIGIBLE CLAIM FORMS

34. Epiq has received 8,918 claims that were postmarked after the May 17, 2022 claim submission deadline established by the Court but received on or before December 9, 2022. Epiq has fully processed these claims. Of these late claims, 2,964 have been found to be otherwise eligible in whole or in part (the "Late but Otherwise Eligible Claims"). Epiq has not rejected any claim solely based on its late submission, and Epiq believes no delay or prejudice to other claimants has resulted from the provisional acceptance of these Late but Otherwise Eligible Claims. Thus, the Late but Otherwise Eligible Claims are recommended herein for payment.

FINAL BAR DATE

35. In order to allow for the complete distribution of the Net Settlement Fund, there must be a bar date for the acceptance of new claims and adjustments to claims. It has been approximately one year since the May 17, 2022 claim submission deadline and over five months since the Settlement Website was updated to advise that "Claims postmarked or submitted after December 9, 2022 will not be included in the initial distribution." (ECF 972.) The rate of new claims and adjustments to previously filed claims has significantly diminished and is currently less than ten new claims and revisions per week. Thus, Epiq, in consultation with Lead Counsel, proposes that any new claims, adjustments to previously filed claims, and responses to the Data Integrity Review that are received through and including July 7, 2023 (the "Final Bar Date") shall be treated as Claims in Process. Any

new claims, adjustments to previously filed claims, and responses to the Data Integrity Review received after July 7, 2023 shall be barred.

QUALITY ASSURANCE

36. An integral part of all of Epiq's settlement administration projects is its Quality Assurance review. This process is also labor-intensive and time-consuming. Specifically, Epiq's personnel worked throughout the entire administration process to ensure that claims were processed properly; that deficiency and ineligibility message codes were properly applied to claims; that deficiency notices were mailed to the appropriate claimants; and that Epiq's computer programs were operating properly.

37. In support of the work described above, Epiq staff designed, implemented and tested the following programs for this administration: (i) data entry screens that store claim information (including all transactional data included in each claim and in any supporting documentation), attach message codes and, where necessary, apply text to denote conditions existing within the claim; (ii) screens for the analyst to review images of the claim form and any supporting documentation provided; (iii) programs to load and analyze transactional data submitted electronically for all Electronic Claims (a load program converts the data submitted into the format required by the calculation program, and an analysis program determines if the data is consistent and complete); (iv) a program to compare the claimed transaction prices against the reported market prices to confirm that the claimed transactions were within an acceptable range of the reported market prices; (v) a calculation program to analyze the transactional data for all claims, and calculate the Recognized Claims based on the Court-approved Plan of Allocation; and (vi) programs to generate various reports throughout and at the conclusion of the administration, including lists of all eligible and ineligible claims.

38. Epiq's Securities Team performed a final quality control check once all of the accepted claims were processed, deficiency notices were mailed, and deficiency responses were reviewed and processed, to ensure the correctness and completeness of all of the processed claims before Epiq prepared its final reports to Class Counsel. Here, in connection with this Quality Assurance wrap-up, Epiq: (i) confirmed that claims that are recommended for approval have no codes denoting ineligibility; (ii) confirmed that claims that are recommended for rejection have codes denoting ineligibility; (iii) confirmed that all claims requiring "deficiency" notices were sent such notices; (iv) performed a sample review of deficient claims; (v) reviewed a sampling of claims with high Recognized Claim amounts to confirm Epiq's determinations; (vi) sampled claims that had been determined to be ineligible, including those with no Recognized Claim calculated in accordance with the Plan of Allocation, in order to verify that all transactions had been captured correctly; and (vii) retested the accuracy of the calculation program.

39. As part of its due diligence in processing the claims, Epiq also conducted a Questionable Claim Filer search of all Paper Claims and Electronic Claims filed in the Settlement as follows. Epiq maintains a database of known questionable filers. This database contains names, addresses, and aliases of individuals who have been investigated by government agencies for fraudulent claim filing, as well as the names and contact information compiled from previous settlements that Epiq has administered where fraudulent claims were received. Epiq updates the database on a regular basis. The database for the Settlement was searched for all individuals identified in our Questionable Claim Filer Database. Epiq performed searches based on name, aliases, address, and city/zip code. In addition, all of Epiq's claim processors are trained to identify any potentially inauthentic documentation when processing claims, including for claims submitted by claimants not previously captured in our database as Questionable Claim Filers. Processors are instructed to flag claims as

Questionable Claims and route them to the Project Manager and Securities Team for review. Epiq has also performed searches to identify and exclude potential payments to payees whose names may appear on the federal government's restricted persons list or who reside in countries to which payments are prohibited in accordance with the regulations and guidelines of the U.S. Treasury Department, Office of Foreign Assets Control.

DISPOSITION OF CLAIM FORMS

40. Epiq has completed the processing of 413,254²claims received through December 9, 2022 and has determined that 185,576 are acceptable in whole and 2,964 are acceptable in part. Epiq has also determined that 224,714 should be wholly rejected because they are either ineligible, wholly deficient, or have no Recognized Claim when calculated in accordance with the Court-approved Plan of Allocation. Epiq recommends that these claims be rejected for purposes of the Initial Distribution. In Epiq's experience, the number of rejected claims relative to the number of claims is typical for a case of this size and type.³

² This does not include the 622 Claim in Process, of which 568 were received prior to December 9, 2022.

³ The remaining claims received through December 9, 2022 are Claims in Process, including claims subject to the ongoing Data Integrity Review and disputed claims that Epiq continues to work to resolve without Court intervention.

41. The 224,714 wholly rejected claims are recommended for rejection by the Court for the following reasons:

Summary of Rejected Claims	
Reason for Rejection	Number of Claims
Claimant Is Not a Settlement Class Member (Excluded Parties/DAP)	369
No Eligible Purchases/Acquisitions During the Class Period	55,887
Proof of Claim Did Not Result in a Recognized Claim	108,400
Deficient Proof of Claim with Condition of Ineligibility Never Cured	23,872
Duplicate Proof of Claim	1,281
Withdrawn Proof of Claim	34,905
TOTAL	224,714

42. A list of the claims submitted through December 9, 2022 and Epiq's recommendations as to their disposition is contained in the Administrator's Report attached hereto as Exhibit B. Exhibit B-1, entitled "Timely Eligible Claims," lists all timely filed accepted claims and states their Recognized Claim. Exhibit B-2, entitled "Late but Otherwise Eligible Claims," lists all late filed, accepted claims received through December 9, 2022, and states the amount of their Recognized Claim. Exhibit B-3, entitled "Rejected Claims," lists all wholly rejected claims submitted through December 9, 2022 and states the reason for their rejection. For privacy reasons, Exhibit B provides only the claimant's Claim Number and Recognized Claim or Reason for Rejection (no names, addresses, Taxpayer ID, Social Security or Social Insurance Numbers are disclosed).

43. Epiq has determined that 188,540 claims received through December 9, 2022 should be accepted in whole or in part. The claims recommended for acceptance represent total Recognized Claims of \$4,832,167,516.79 under the Court-approved Plan of Allocation. Of that total,

\$4,646,801,255.58 is for Timely Eligible Claims and \$185,366,261.21 is for Late But Otherwise Eligible Claims.

44. According to the Court-approved Plan of Allocation, each Authorized Claimant shall be allocated a *pro rata* share of the Net Settlement Fund based on his, her, or its Recognized Claim in comparison to the total Recognized Claims of all Authorized Claimants. Upon approval by the Court, Epiq will prepare and mail checks (or wire transfers where applicable) to Authorized Claimants for their payment amount, subject to the provisions of the Court-approved distribution plan detailed below.

FEES AND DISBURSEMENTS

45. Epiq agreed to be the Claims Administrator in exchange for payment of its fees and out-of-pocket expenses. Class Counsel received regular reports of and invoices for all of the work Epiq performed with respect to provision of notice and administration of the Settlement and authorized the claims administration work performed herein. Epiq now seeks payment of a total of \$2,752,161.51 in fees and expenses for its work as Claims Administrator, including its work performed on behalf of the Settlement Class to date, as well as Epiq's estimate of fees and expenses to conduct the initial distribution of the Settlement Fund. Should the estimate of fees and expenses to conduct the initial distribution exceed actual fees and costs, Epiq shall refund the difference to the Settlement Fund once the initial distribution is completed.

DISTRIBUTION PLAN FOR THE NET SETTLEMENT FUND

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

- a. After deducting the payments previously allowed and requested in this motion, and after payment of any taxes, the costs of preparing appropriate tax returns,

and any escrow fees, Epiq will conduct an initial distribution (the “Initial Distribution”) of the remaining Net Settlement Fund as follows:

- i. Epiq will calculate award amounts to all Authorized Claimants as if the entire Net Settlement Fund were to be distributed now by calculating their *pro rata* share of the fund, in accordance with the Plan of Allocation, based on the amount of the Authorized Claimant’s Recognized Claim divided by the total of Recognized Claims of all Authorized Claimants, multiplied by the total amount in the remaining Net Settlement Fund.
- ii. Epiq will, pursuant to the terms of the Plan of Allocation, eliminate from the distribution any Authorized Claimant whose *pro rata* share of the Net Settlement Fund as calculated under subparagraph (a)(i) above is less than \$10.00. Such claimants will not receive any distribution from the Net Settlement Fund and Epiq will send letters to those Authorized Claimants advising them of that fact.
- iii. After eliminating claimants who would have received less than \$10.00, Epiq will calculate the *pro rata* share of the Net Settlement Fund for Authorized Claimants who would have received \$10.00 or more pursuant to the calculations described in subparagraph (a)(i) above (“Distribution Amount”).
- iv. Authorized Claimants whose Distribution Amount calculates to less than \$500 pursuant to subparagraph (a)(iii) above will be paid their full Distribution Amount in the Initial Distribution (“Claims Paid in Full”).

These Authorized Claimants will get no additional funds in subsequent distributions.

- v. After deducting the payments to the Claims Paid in Full, 65% of the remaining balance of the Net Settlement Fund will be distributed on a *pro rata* basis to Authorized Claimants whose Distribution Amounts calculated to \$500 or more pursuant to subparagraph (a)(iii) above. The remaining 35% of the Net Settlement Fund will be held in reserve to address the Claims in Process, as well as any contingencies that may arise, and distributed in one or more follow-up distributions.
 - vi. In order to encourage Authorized Claimants to promptly deposit their payments, all distribution checks will bear a notation “DEPOSIT PROMPTLY, VOID AND SUBJECT TO RE-DISTRIBUTION IF NOT NEGOTIATED WITHIN 90 DAYS OF ISSUE DATE.”
 - vii. Authorized Claimants who do not cash their Initial Distribution checks within the time allotted will irrevocably forfeit all recovery from the Settlement. The funds allocated to all such stale-dated checks will be available to be re-distributed to other Authorized Claimants in one or more follow-up distributions.
- b. After July 7, 2023, Epiq will not accept any new Claim Forms or further adjustments to Claim Forms that would result in an increased Recognized Claim Amount.

CONCLUSION

Epiq respectfully requests that the Court approve its administrative determinations accepting and rejecting the Claims submitted herein and approving the proposed Distribution Plan. Epiq further submits that its unpaid fees and expenses should be approved for payment from the Settlement Fund.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 12th day of June, 2023.

Stephanie Amin-Giwner
Stephanie Amin-Giwner