UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re GENWORTH FINANCIAL, INC. SECURITIES LITIGATION	:	Master File No. 1:14-cv-02392-AKH
	:	CLASS ACTION
This Document Relates To:	:	CLASS COUNSEL'S MEMORANDUM OF LAW IN SUPPORT OF MOTION FOR AWARD OF ATTORNEYS' FEES AND EXPENSES AND REIMBURSEMENT OF CLASS REPRESENTATIVES' EXPENSES PURSUANT TO 15 U.S.C. §78u-4(a)(4)
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I. INTRODUCTION

Court-appointed Class Counsel Robbins Geller Rudman & Dowd LLP ("Robbins Geller") and Labaton Sucharow LLP ("Labaton Sucharow") (collectively, "Class Counsel"), having recovered $20 million in cash for the Class, respectfully apply for an award of attorneys' fees in the amount of 30% of the Settlement Amount, on behalf of Plaintiffs' Counsel.[1] Class Counsel also seek $576,767.58 in expenses that Plaintiffs' Counsel reasonably and necessarily incurred to prosecute this Litigation, as well as an award of $11,548.00 for time spent by Class Representatives City of Hialeah and New Bedford (collectively, "Class Representatives" or "Lead Plaintiffs").[2]

As detailed in the accompanying Joint Declaration, Class Counsel tenaciously pursued the claims in this Litigation for over three years after filing the first complaint in April 2014, while committing the extensive resources necessary to prosecute this complex action to a successful result. Not only did the logistical hurdles and nuances of this Litigation present challenges, but from the outset Class Counsel faced difficult factual and legal questions. There were considerable hurdles at every step to establishing liability, defeating affirmative defenses, proving loss causation and damages, and establishing that a class action was appropriate for litigation purposes.

As an overview of the Litigation efforts, Class Representatives' had to prove that Defendants' statements about the stability and outlook of Genworth Financial, Inc.'s ("Genworth" or

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[1] "Plaintiffs' Counsel" refers to Robbins Geller, Labaton Sucharow, and the following additional counsel: Motley Rice LLC, which assisted with discovery efforts, research, and motion practice, as well as additional counsel for New Bedford Contributory Retirement System ("New Bedford"), the Thornton Law Firm, and fund counsel for the City of Hialeah Employees' Retirement System ("City of Hialeah"), Cypen & Cypen, which provided additional legal assistance to the Class Representatives throughout the Litigation.

[2] Class Counsel respectfully refer the Court to the accompanying Joint Declaration of Jonathan Gardner and Douglas R. Britton in Support of Class Representatives' Motion for Final Approval of Class Action Settlement and Plan of Allocation and Class Counsel's Motion for an Award of Attorneys' Fees and Payment of Litigation Expenses ("Joint Decl." or "Joint Declaration"), for a detailed description of the case and the Settlement. Unless otherwise noted, capitalized terms have the meanings set forth in the Stipulation of Settlement, dated as of June 15, 2017, and in the Joint Declaration.

the "Company") Australian mortgage insurance unit and the Company's ability to complete an initial public offering of its Australian business unit in the second quarter of 2012 ("Australian IPO") were: (i) false and misleading; (ii) material, and (iii) made with the requisite scienter. With respect to falsity, Defendants strenuously argued that their statements about the Australian IPO were true and complete when made. As to materiality, Defendants argued, among other things, that, even if Genworth was required to take a larger reserve for insurance claims that it knew were increasing in number and severity due to the low-doc lending it had promoted during 2007 and 2008, given the fact that the Company already increased its reserves during the Class Period any additional increase of such a reserve would not have been material. And scienter was hotly disputed, as Defendants took the position that they did not know of the increasing claims that were occurring at the level of Genworth's Australian subsidiary. Notably, Lead Plaintiffs also had to overcome Defendants' argument that they relied in good faith on the analysis they received from Genworth's independent actuary in Australia, as well as the Company's auditor KPMG, regarding the appropriate accounting treatment for increasing claims and establishing reserves. Moreover, even if Lead Plaintiffs were able to overcome these liability hurdles, proving loss causation and damages was equally difficult and risky.

The results achieved through the efforts of Class Counsel are particularly impressive given that: (i) no claims of any kind were ever brought by the U.S. Securities and Exchange Commission ("SEC") on behalf of Genworth investors; and (ii) the allegedly inaccurate financial results contained in Genworth's financial statements have never been restated. Class Counsel nevertheless undertook this representation on a contingency basis and advanced hundreds of thousands of dollars in litigation expenses, with no guarantee of success or recovery.

Class Counsel faced these risks head-on by devoting the necessary resources to successfully litigate this action, which was extremely hard-fought and arduous, as evidenced by the 21,481.75 hours dedicated to its prosecution by counsel and the fact that depositions of the Defendants and senior-level executives in Australia were taken before an appropriate resolution was reached. Among many other things, Class Counsel: (i) conducted a thorough investigation; (ii) filed several detailed complaints; (iii) overcame Defendants' motions to dismiss; (iv) conducted substantial fact and expert discovery, including serving non-party subpoenas, filing numerous discovery-related motions, obtaining and analyzing more than two million pages of documents, and taking or defending the depositions of nine fact witnesses; (v) engaged and worked with experts on issues such as falsity, materiality, causation and damages; (vi) obtained class certification; and (vii) successfully negotiated a very favorable settlement. *See, e.g.*, Joint Decl., ¶4.

The result of Class Counsel's hard work and perseverance is an all cash settlement of $20 million, which as of July 31, 2017, is earning interest for the benefit of the Class. Class Counsel were able to achieve this result only by being fully prepared to litigate this case, including obtaining trial testimony in Australia.

It is against this backdrop that the undersigned Court-appointed Class Counsel – with the express endorsement of the Class Representatives – respectfully request an award of attorneys' fees equal to 30% of the Settlement Amount.[3] The relevant factors articulated in the Second Circuit's *Goldberger* decision – the substantial recovery obtained for the Class, the complexity and amount of work involved, the skill and expertise required, and the significant risks that counsel undertook –

[3] *See* Declaration of Robert Williams III in Support of Motion for Final Approval of Class Action Settlement and Application for an Award of Attorneys' Fees and Expenses and Plaintiffs' Expenses Pursuant to 15 U.S.C. §78u-4(a)(4) ("Williams Decl.") and the Declaration on Behalf of New Bedford in Support of Motion for Final Approval of Class Action Settlement and Award of Attorneys' Fees and Expenses Pursuant to 15 U.S.C. §78u-4(a)(4) ("New Bedford Decl."), filed herewith.

strongly support the requested award.[4] Federal courts in this District and throughout the nation have awarded comparable percentage fees in other similarly complex class litigation. *See, e.g.*, *In re Bisys Sec. Litig.*, No. 04 Civ. 3840 (JSR), 2007 U.S. Dist. LEXIS 51087, at *9-*10 (S.D.N.Y. July 11, 2007) (Rakoff, J.) (high level of risk, extensive discovery and positive final result supported fee award of 30% of common fund with a 2.99 lodestar multiplier). Moreover, a lodestar cross-check confirms that the requested fee, which represents a fractional or "negative" multiplier of 0.56, is fair and reasonable.

For the reasons set forth below, Class Counsel respectfully request that the Court approve their application for attorneys' fees, litigation expenses, and Private Securities Litigation Reform Act of 1995 ("PSLRA") reimbursement for the Class Representatives.

II. THE REQUESTED ATTORNEYS' FEES ARE REASONABLE AND SHOULD BE GRANTED

A. Class Counsel Are Entitled to an Award of Attorneys' Fees from the Common Fund

The Supreme Court has long recognized that "a litigant or a lawyer who recovers a common fund for the benefit of persons other than himself or his client is entitled to a reasonable attorney's fee from the fund as a whole." *Boeing Co. v. Van Gemert*, 444 U.S. 472, 478 (1980); *see Goldberger*, 209 F.3d at 47. Courts in this District recognize that awards of fair "attorneys' fees from a common fund serve to encourage skilled counsel to represent those who seek redress for damages inflicted on entire classes of persons," and therefore to discourage future alleged misconduct of a similar nature.[5] Indeed, the Supreme Court has emphasized that private securities

[4] *Goldberger v. Integrated Res., Inc.*, 209 F.3d 43, 50 (2d Cir. 2000).

[5] *In re Telik, Inc. Sec. Litig.*, 576 F. Supp. 2d 570, 585 (S.D.N.Y. 2008) (McMahon, J.); *accord Hicks v. Morgan Stanley & Co.*, No. 01 Civ. 10071 (RJH), 2005 U.S. Dist. LEXIS 24890, at *27 (S.D.N.Y. Oct. 24, 2005) (Holwell, R.) ("'To make certain that the public is represented by talented and experienced trial counsel, the remuneration should be both fair and rewarding.'"). Citations are omitted throughout, unless otherwise indicated.

actions, such as this one, are "an essential supplement to criminal prosecutions and civil enforcement actions" brought by the SEC.[6] Compensating plaintiffs' counsel for the risks they take in bringing these actions is essential because "[s]uch actions could not be sustained if plaintiffs' counsel were not to receive remuneration from the settlement fund for their efforts on behalf of the class." *Hicks*, 2005 U.S. Dist. LEXIS 24890, at *26.

B. The Court Should Award a Reasonable Percentage of the Fund

Most courts find that the percentage-of-the-fund method, under which counsel is awarded a percentage of the fund that they created, is the preferred means to determine a fee because it "'directly aligns the interests of the class and its counsel and provides a powerful incentive for the efficient prosecution and early resolution of litigation.'" *Wal-Mart Stores, Inc. v. Visa U.S.A.*, 396 F.3d 96, 122 (2d Cir. 2005); *see also Hayes v. Harmony Gold Mining Co.*, 509 F. App'x 21, 24 (2d Cir. 2013) ("[A]s the district court recognized, the prospect of a percentage fee award from a common settlement fund, as here, aligns the interests of class counsel with those of the class."). The percentage approach also recognizes that the quality of counsel's services is measured best by the results achieved and is most consistent with the system typically used in the marketplace to compensate attorneys in non-class contingency cases.[7]

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[6] *Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 551 U.S. 308, 313 (2007); *accord Bateman Eichler, Hill Richards, Inc. v. Berner*, 472 U.S. 299, 310 (1985) (Private securities actions provide "'a most effective weapon in the enforcement' of the securities laws and are 'a necessary supplement to [SEC] action.'") (quoting *J. I. Case Co. v. Borak*, 377 U.S. 426, 432 (1964)).

[7] *See, e.g.*, *In re Payment Card Interchange Fee & Merch. Disc. Antitrust Litig.*, 991 F. Supp. 2d 437, 440 (E.D.N.Y. 2014) ("The percentage method better aligns the incentives of plaintiffs' counsel with those of the class members because it bases the attorneys' fees on the results they achieve for their clients, rather than on the number of motions they file, documents they review, or hours they work. The percentage method also accords with the overwhelming prevalence of contingency fees in the market for plaintiffs' counsel . . . ."); *Davis v. J.P. Morgan Chase & Co.*, 827 F. Supp. 2d 172, 184 (W.D.N.Y. 2011) ("[A]dvantages of the percentage method . . . are that it provides an incentive to attorneys to resolve the case efficiently and to create the largest common fund out of which payments to the class can be made, and that it is consistent with the system typically used by individual clients to compensate their attorneys.") (citing *Johnson v. Brennan*, No. 10 Civ. 4712 (CM), 2011 U.S. Dist. LEXIS 105775, at *41-*44 (S.D.N.Y. Sept. 16, 2011)) (McMahon, C.).

The Supreme Court has indicated that attorneys' fees in common-fund cases generally should be based on a percentage of the fund. *See Blum v. Stenson*, 465 U.S. 886, 900 n.16 (1984) ("under the 'common fund doctrine,' . . . a reasonable fee is based on a percentage of the fund bestowed on the class").

The Second Circuit has expressly approved the percentage method, recognizing that "the lodestar method proved vexing" and had resulted in "an inevitable waste of judicial resources." *Goldberger*, 209 F.3d at 48-50 (holding that either the percentage-of-the-fund method or lodestar method may be used to determine appropriate attorneys' fees); *Savoie v. Merchs. Bank*, 166 F.3d 456, 460 (2d Cir. 1999) (the "percentage-of-the-fund method has been deemed a solution to certain problems that may arise when the lodestar method is used in common fund cases"). The Second Circuit also has acknowledged that the "trend in this Circuit is toward the percentage method." *Wal-Mart*, 396 F.3d at 122; *accord In re BioScrip, Inc. Sec. Litig.*, No. 13-cv-6922 (AJN), 2017 U.S. Dist. LEXIS 118881, at *56 (S.D.N.Y. July 26, 2017) (Nathan, A.); *Johnson*, 2011 U.S. Dist. LEXIS 105775, at *41. All federal Courts of Appeal to consider the matter have approved of the percentage method, with two circuits ***requiring*** its use in common-fund cases.[8]

The PSLRA also supports use of the percentage-of-the-fund method, as it provides that "[t]otal attorneys' fees and expenses awarded by the court to counsel for the plaintiff class shall not exceed a ***reasonable percentage*** of the amount" recovered for the class. 15 U.S.C. §78u-4(a)(6) (emphasis added). Several courts have concluded that Congress, in using this language, expressed a

[8] *See In re Thirteen Appeals Arising Out of the San Juan Dupont Plaza Hotel Fire Litig.*, 56 F.3d 295, 305-07 (1st Cir. 1995); *In re AT&T Corp. Sec. Litig.*, 455 F.3d 160, 164 (3d Cir. 2006); *Union Asset Mgmt. Holding A.G. v. Dell, Inc.*, 669 F.3d 632, 642-43 (5th Cir. 2012); *Rawlings v. Prudential-Bache Props.*, 9 F.3d 513, 515-17 (6th Cir. 1993); *Harman v. Lyphomed, Inc.*, 945 F.2d 969, 975 (7th Cir. 1991); *Petrovic v. AMOCO Oil Co.*, 200 F.3d 1140, 1157 (8th Cir. 1999); *Vizcaino v. Microsoft Corp.*, 290 F.3d 1043, 1047 (9th Cir. 2002); *Gottlieb v. Barry*, 43 F.3d 474, 483 (10th Cir. 1994); *Camden I Condo. Ass'n v. Dunkle*, 946 F.2d 768, 774 (11th Cir. 1991); *Swedish Hosp. Corp. v. Shalala*, 1 F.3d 1261, 1269-71 (D.C. Cir. 1993). The Eleventh and District of Columbia Circuits have required the use of the percentage method in common fund cases. *See Camden*, 946 F.2d at 774; *Swedish Hosp.*, 1 F.3d at 1271.

preference for the percentage method when determining attorneys' fees in securities class actions. *See, e.g.*, *Telik*, 576 F. Supp. 2d at 586; *In re Hi-Crush Partners L.P. Sec. Litig.*, No. 12-Civ-8557 (CM), 2014 U.S. Dist. LEXIS 177175, at *31-*32 (S.D.N.Y. Dec. 19, 2014) (McMahon, C.); *In re WorldCom, Inc. Sec. Litig.*, 388 F. Supp. 2d 319, 355 (S.D.N.Y. 2005) (Cote, D.).

C. The Requested Attorneys' Fees Are Reasonable Under the Percentage-of-the-Fund Method

The Supreme Court has recognized that an appropriate court-awarded fee is intended to approximate what counsel would receive if they were bargaining for the services in the marketplace. *See Missouri v. Jenkins*, 491 U.S. 274, 285-86 (1989). If this were a non- representative action, the customary fee arrangement would be contingent, on a percentage basis, and in the range of 30% to 33% of the recovery. *See Blum*, 465 U.S. at 904 ("In tort suits, an attorney might receive one-third of whatever amount the plaintiff recovers. In those cases, therefore, the fee is directly proportional to the recovery.") (Brennan, J., concurring).

The requested 30% is well within the range of percentage fees awarded within the Second Circuit in other comparable securities and antitrust cases:

Case/Fee Order	Percentage of the Fund	Settlement Amount
City of Austin Police Ret. Sys. v. Kinross Gold Corp., No. 1:12-cv-01203-VEC CLASS ACTION, 2015 U.S. Dist. LEXIS 181932 (S.D.N.Y. Oct. 15, 2015) (Caproni, V.)	30%	$33 million
In re OSG Sec. Litig., No. 1:12-cv-07948-SAS, slip op. at 1 (S.D.N.Y. Dec. 2, 2015) (Scheindlin, S.)	30%	$31.6 million
In re Celestica Inc. Sec. Litig., No. 07-CV-00312-GBD, slip op. at 2 (S.D.N.Y. July 28, 2015) (Daniels, G.)	30%	$30 million
In re Sadia S.A. Sec. Litig., No. 08 Civ. 9528 (SAS), 2011 U.S. Dist. LEXIS 149107 (S.D.N.Y. Dec. 28, 2011) (Scheindlin, S.)	30%	$27 million
In re L.G. Philips LCD Co., Ltd. Sec. Litig., No. 1:07-cv-00909-RJS, slip op. at 1 (S.D.N.Y. Mar. 17, 2011) (Sullivan, R.)	30%	$18 million

Case/Fee Order	Percentage of the Fund	Settlement Amount
Taft v. Ackermans, No. 02 Civ. 7951 (PKL), 2007 U.S. Dist. LEXIS 9144 (S.D.N.Y. Jan. 31, 2007) (Leisure, P.)	30%	$15.175 million
City of Providence v. Aéropostale, Inc., No. 11 Civ. 7132 (CM) (GWG), 2014 U.S. Dist. LEXIS 64517 (S.D.N.Y. May 9, 2014), *aff'd sub nom. Arbuthnot v. Pierson*, 607 F. App'x 73 (2d Cir. 2015) (McMahon, C.)	33%	$15 million
In re LaBranche Sec. Litig., No. 03-CV-8201(RWS), slip op. at 1 (S.D.N.Y. Jan. 22, 2009) (Sweet, R.)	30%	$13 million

A review of fee awards in other securities cases and other complex class actions from other jurisdictions further confirms the reasonableness of the requested 30% award.

Case/Fee Order	Percentage of the Fund	Settlement Amount
Thacker v. Chesapeake Appalachia, L.L.C., 695 F. Supp. 2d 521, 528 (E.D. Ky. Mar. 3, 2010), *aff'd sub. nom. Poplar Creek Dev. Co. v. Chesapeake Appalachia, L.L.C.*, 636 F.3d 235 (6th Cir. 2011)	30%	$28.75 million
Thorpe v. Walter Inv. Mgmt. Corp., No. 1:14-cv-20880-UU, 2016 U.S. Dist. LEXIS 144133 (S.D. Fla. Oct. 17, 2016)	33.3%	$24 million
Beach v. Healthways Inc., No. 3:08-cv-00569, slip op. at 1 (M.D. Tenn. Sept. 27, 2010)	30%	$23.6 million
In re Prandin Direct Purchaser Antitrust Litig., No. 2:10-cv-12141-AC-DAS, 2015 U.S. Dist. LEXIS 5964, (E.D. Mich. Jan. 20, 2015)	1/3	$19 million
In re Direct Gen. Corp. Sec. Litig., No. 3:05-0077, slip op. at 1 (M.D. Tenn. July 20, 2007)	30%	$14.94 million
In re Groupon Sec. Litig. No. 12 CV 2450, 2016 U.S. Dist. LEXIS 95881 (N.D. Ill. July 13, 2016)	30%	$13.5 million

D. A Review of the *Goldberger* Factors Confirms that the Requested 30% Fee Is Fair and Reasonable

The Second Circuit has repeatedly reiterated that the appropriate criteria to consider when reviewing a request for attorneys' fees in a common-fund case include the "*Goldberger*" factors:

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

Goldberger, 209 F.3d at 50.

Consideration of these factors demonstrates that the fee requested by Class Counsel is reasonable.

1. The Time and Labor Expended Support the Requested Fee

Over the past three years, Class Counsel dedicated a considerable amount of time and money to successfully litigate this case. Class Counsel's efforts included the extensive and thorough investigation necessary to prepare complaints that would withstand the tests of the PSLRA. The investigation included, among other things, thoroughly reviewing Genworth related news and financial security industry media regarding the Australian IPO. Class Counsel scoured hundreds of news stories and analyst reports for information about the market's reaction to the Australian IPO, and investigators interviewed 35 individuals who were either former Genworth employees or other persons with potentially relevant knowledge, two of whom were cited to in the Second Amended Complaint as confidential witnesses. Class Counsel opposed two motions to dismiss, and a motion for reconsideration, which required extensive briefing and supplemental submissions. Joint Decl., ¶¶15, 19-27, 30.

Class Counsel next devoted substantial resources to developing a compelling evidentiary record to prove the Class's claims. This included serving Defendants with comprehensive discovery requests and conducting depositions in Australia. Class Counsel subpoenaed eight non-parties with relevant documents and information, including the Company's former and current employees, auditor, actuaries in Australia and lead managers for the Australian IPO. *Id.*, ¶¶54-56. In addition, in order to obtain key documents and deposition testimony over Defendants' and non-parties' many

objections, Class Counsel regularly met and conferred with Defendants' counsel and the various non-parties. *Id.*, ¶¶40-55. While the parties were able to resolve numerous disputes without assistance from the Court, Class Counsel did file discovery-related letter motions against Defendants. Dkt. Nos. 75, 138. For instance, Class Counsel sought rulings with respect to Defendants' cooperation in the development of custodians, search terms, and other retrieval methods for documents responsive to Lead Plaintiffs' request for documents. *Id.*, ¶¶40-41.

Class Counsel's robust efforts resulted in a large number of quality documents being produced. In total, Class Counsel obtained over 2 million pages of documents from Defendants and non-parties. *Id.*, ¶42. Counsel carefully analyzed these documents for use in depositions and with experts, including developing a sophisticated system to categorize the documents by issue, custodian, and relevance; identifying the key witnesses; preparing witness files for prospective deponents; and identifying the "hot" documents that supported Lead Plaintiffs' claims. This effort was substantial and ongoing throughout the Litigation. In addition to thousands of hours of attorney review, Class Counsel used forensic accountants to review documents relating to the accounting and internal controls claims and retained consultants to assist the attorneys in analyzing documents that related to regulatory and accounting issues. *Id.*, ¶43. Class Counsel also consulted with an industry expert, Jenny Boddington, on issues pertaining to the mortgage industry in Australia. Ms. Boddington reviewed and analyzed certain key documents produced by Defendants. *Id.*, ¶58. Documents developed through this review process were used to prepare for and during the depositions of the Individual Defendants and two former members of Genworth's senior management who were located in Australia. *Id.*, ¶43.

In connection with the depositions in Australia, Class Counsel retained and consulted with counsel in Australia to ensure that the depositions were conducted in accordance with Australian law. *Id.*, ¶47.

Class Counsel also worked with the Class Representatives to respond to discovery propounded by Defendants, coordinating the collection and production of responsive documents, and preparing for the five depositions taken by Defendants of Lead Plaintiffs, their advisors and the confidential witnesses they relied on in the Second Amended Complaint. *Id.*, ¶¶51-53.

In January 2016, Class Counsel moved for class certification. *Id.*, ¶31. In support, Lead Plaintiffs submitted extensive briefing, deposition testimony, documentary evidence, and the expert declaration of Professor Steven P. Feinstein.[9] Dr. Feinstein concluded that Genworth common stock traded in an efficient market during the Class Period (*id.*, ¶¶32, 57), thus supporting the presumption of reliance and hence, predominance. Following the completion of briefing and oral argument, the Court granted Lead Plaintiffs' motion on March 7, 2016. *Id.*, ¶36.

Class Counsel had also begun engaging in expert discovery, consulting with and retaining three experts for this Litigation: Dr. Feinstein (loss causation and damages expert), D. Paul Regan (accounting expert) and Jennifer Boddington (industry expert). *Id.*, ¶¶57-58.

In sum, Class Counsel devoted a large amount of time and resources to prosecuting this Litigation, all the way up to the Settlement. In total, as set forth in their respective declarations, Plaintiffs' Counsel expended 21,481.75 hours prosecuting this Litigation. *See* Declaration of Douglas R. Britton Filed on Behalf of Robbins Geller Rudman & Dowd LLP in Support of Application for Award of Attorneys' Fees and Expenses ("Robbins Geller Decl."), Ex. A; Declaration of Jonathan Gardner Filed on Behalf Labaton Sucharow LLP in Support of Application

[9] Dr. Feinstein, an Associate Professor of Finance at Babson College, has published extensively regarding corporate valuation, derivatives and investments. *Id.*, ¶32.

for Award of Attorneys' Fees and Expenses ("Labaton Sucharow Decl."), Ex. A; Declaration of James M. Hughes Filed on Behalf of Motley Rice LLC in Support of Class Counsel's Application for Award of Attorneys' Fees and Expenses ("Motley Rice Decl."), Ex. A, filed herewith. The significant amount of time and effort devoted to this case confirms that the fee requested here is reasonable.

2. The Magnitude and Complexity of the Litigation Support the Requested Fee

"[D]istrict courts in this Circuit have 'long recognized' that securities class actions are 'notably difficult and notoriously uncertain' to litigate." *Aéropostale*, 2014 U.S. Dist. LEXIS 64517, at *14 (quoting *In re Bear Stearns Cos.*, 909 F. Supp. 2d 259, 266 (S.D.N.Y. 2012) (Sweet, D.J.) and *In re Sumitomo Copper Litig.*, 189 F.R.D. 274, 281 (S.D.N.Y. 1999) (Pollack, M.)). This Litigation was no exception. It raised many unusual and difficult issues, including, for example, the specialized areas of Australia's mortgage insurance industry, initial public offerings and accounting standards for reserves. The Court previously acknowledged the complexity of loan reserve issues at the preliminary approval hearing: "This case is complex. The concept of adequacy of reserves is one of the most difficult accounting problems there are." Joint Decl., Ex. 1 (July 28, 2017 Fairness Hearing Transcript at 7:16-18).

Defendants raised compelling arguments to undermine each of the elements of the Class's claims: falsity; materiality; scienter; loss causation; and damages. Defendants consistently and forcefully argued that their statements were accurate and truthful and that even if false, they were not material or made with the requisite scienter. Defendants vigorously disputed scienter, particularly with respect to statements made early in the Class Period, and raised reliance-on-actuary defenses in response to Lead Plaintiffs' claims. With respect to loss causation and cognizable damages,

Defendants challenged the impact their statements and omissions had on Genworth's common stock price. *See generally*, Joint Decl. ¶¶75-77.

These and other issues required considerable effort by Class Counsel. Accordingly, the magnitude and complexity of this Litigation support the conclusion that the requested fee is fair and reasonable.

3. The Risks of the Litigation Support the Requested Fee

The risk undertaken in the litigation is frequently considered the most important *Goldberger* factor. *Goldberger*, 209 F.3d at 54; *Telik*, 576 F. Supp. 2d at 592; *In re Imax Sec. Litig.*, No. 06 Civ. 6128 (NRB), 2012 U.S. Dist. LEXIS 108516, at *28-*29 (S.D.N.Y. Aug. 1, 2012) (Buchwald, N.). In the words of the Second Circuit:

> "No one expects a lawyer whose compensation is contingent upon his success to charge, when successful, as little as he would charge a client who in advance had agreed to pay for his services, regardless of success. Nor, particularly in complicated cases producing large recoveries, is it just to make a fee depend solely on the reasonable amount of time expended."

Detroit v. Grinnell Corp., 495 F.2d 448, 470 (2d Cir. 1974), *abrogated on other grounds by Goldberger*, 209 F.3d 43. When considering the reasonableness of attorneys' fees in a contingency action, the Court should consider the "litigation risk" at the time the suit was brought. *See Goldberger*, 209 F.3d at 55; *Seijas v. Republic of Arg.*, No. 04-cv-400 (TPG), 2017 U.S. Dist. LEXIS 64398, at *38 (S.D.N.Y. Apr. 27, 2017) ("The risk of success is to be measured from the time the case is filed, not with the benefit of hindsight.") (Griesa, T.).

Here, as detailed in the Joint Declaration and in the Memorandum in Support of Class Representatives' Motion for Final Approval of Proposed Class Action Settlement and Plan of Allocation, the litigation risk when the case was filed was high. Since the alleged fraud was centered around Genworth's Australian mortgage insurance unit, many of the key witnesses would most

likely be (and were) in Australia. The Court would have no jurisdiction over any third-parties in Australia, so Class Counsel would only be able to obtain their testimony through consent or the Hague Convention – a costly and time-consuming process with no guarantee that any testimony obtained would support Lead Plaintiffs' allegations. Even if Class Counsel did not have the hurdle of obtaining testimony in Australia, there were myriad substantial risks here with respect to Lead Plaintiffs' ability to prove at trial that Defendants had made material misstatements or omissions with scienter which caused Lead Plaintiffs' losses.

To begin, Lead Plaintiffs had the burden of proving that Defendants made false and misleading statements about the stability and outlook of Genworth's Australian mortgage insurance unit as well as the Company's ability to timely complete its Australian IPO. In addition, Lead Plaintiffs had to prove that Defendants violated Generally Accepted Accounting Principles ("GAAP") in failing to appropriately reserve for the decreasing quality and increasing number and value of insurance claims in Australia. Joint Decl., ¶¶9-10. However, Defendants argued, among other things, that they had no duty to disclose the decreasing quality and increasing number and value of insurance claims in Australia or that the accounting and disclosure rules applicable to the expected losses associated with the insurance claims in Australia were subject to multiple interpretations. As a result, Defendants contended that Genworth's disclosure of, and accounting for, the mortgage insurance claims in Australia was correct and did not violate GAAP and that Defendants' other challenged statements were not actionable. *Id.*, ¶70. Class Counsel worked diligently to confront these arguments and amass evidence for use at summary judgment and trial to prove that Genworth was required to further increase its reserve for the increasing insurance claims in Australia and that such required additional reserve was material.

Establishing scienter is always challenging, but here it was particularly so as Defendants contended that: (i) there was no proof of scienter during the beginning of the Class Period, (ii) scienter could not be established throughout the Class Period given Defendants' reasonable reliance on the Company's independent actuary in Australia and auditor KPMG, and (iii) their prompt deep dive and actions once they were made aware of the severity of the spike in claims. For instance, with respect to statements concerning the Australian IPO, Defendants purported to rely on Genworth's disclosure process which included inside and outside counsel, inside actuary and the auditor – who all relied on the Company's independent actuary in Australia. Similarly, in defense of Lead Plaintiffs' claim that Genworth was required to reserve for the increasing insurance claims related to mortgages issued to self-employed workers and mortgages written in Queensland, Defendants contended that scienter was lacking due to their reliance on Genworth's independent actuary in Australia.

This case thus presented considerable risks and uncertainties from the outset, which made it far from certain that any recovery – let alone a recovery of $20 million in cash – would ultimately be obtained for the Class. Yet, Class Counsel undertook this case on a wholly contingent basis, knowing that this Litigation could last for years and would require them to devote substantial attorney time and significant expenses with no guarantee of compensation. *Id.*, ¶102. Of course, "[t]here are numerous class actions in which counsel expended thousands of hours and yet received no remuneration whatsoever despite their diligence and expertise." *In re Veeco Instruments Sec. Litig.*, No. 05 MDL 01695 (CM), 2007 U.S. Dist. LEXIS 85554, at *20 (S.D.N.Y. Nov. 7, 2007) (McMahon, C.). Class Counsel's assumption of this contingency-fee risk strongly supports the reasonableness of the requested fee. *See In re Flag Telecom Holdings*, No. 02-CV-3400 (CM) (PED), 2010 U.S. Dist. LEXIS 119702, at *79 (S.D.N.Y. Nov. 5, 2010) ("the risk associated with a

case undertaken on a contingent fee basis is an important factor in determining an appropriate fee award") (McMahon, C.); *In re Marsh ERISA Litig.*, 265 F.R.D. 128, 148 (S.D.N.Y. 2010) ("There was significant risk of non-payment in this case, and Plaintiffs' Counsel should be rewarded for having borne and successfully overcome that risk.") (McMahon, C.).

The willingness of Class Counsel to assume these risks with a substantial commitment of time and money demonstrates that this *Goldberger* factor weighs heavily in favor of the requested fee.

4. The Quality of Class Counsel's Representation Supports the Requested Fee

The quality of the representation is another important factor that supports the reasonableness of the requested fee. *See Goldberger*, 209 F.3d at 55; *Veeco*, 2007 U.S. Dist. LEXIS 85554, at *22; *In re Global Crossing Sec. & ERISA Litig.*, 225 F.R.D. 436, 467 (S.D.N.Y. 2004) (Lynch, G.). As a result of tenacious and thorough litigation efforts (*see generally* Joint Decl.), Class Counsel developed a strong factual record during the course of over three years of litigation. That record was critical to their efforts in obtaining class certification and this settlement. The quality of Class Counsel's efforts in this Litigation to date, together with their substantial trial and securities class action experience, their ability to marshal the necessary resources, and their commitment to the Litigation, enabled Class Counsel to negotiate the significant and meaningful $20 million Settlement.

The skill and substantial experience of counsel in the specialized field of shareholder securities litigation also support the reasonableness of the requested fee. *Teachers' Ret. Sys. of La. v. A.C.L.N., Ltd.*, No. 01-CV-11814 (MP), 2004 U.S. Dist. LEXIS 8608, at *20 (S.D.N.Y. May 14, 2004) (Pollack, M.). Class Counsel specialize in complex securities litigation and are highly experienced in such litigation, with successful track records in securities cases throughout the

country. *See* Class Counsel's firm resumes, attached to the Robbins Geller Decl. as Ex. G and the Labaton Sucharow Decl. as Ex. G.

Finally, courts repeatedly recognize that the quality of the opposition faced by plaintiffs' counsel should also be taken into consideration in assessing the quality of counsel's performance. *See, e.g.*, *BioScrip*, 2017 U.S. Dist. LEXIS 118881, at *73 ("[O]pposing counsel in this case was itself highly skilled, a factor courts have considered in approving fees.") (Nathan, A.); *Veeco*, 2007 U.S. Dist. LEXIS 85554, at *23 (finding that one of the factors supporting a 30% award of attorneys' fees was that defendants were represented by "one of the country's largest law firms"); *In re Adelphia Commc'ns Corp. Sec. & Derivative Litig.*, No. 03 MDL 1529 (LMM), 2006 U.S. Dist. LEXIS 84621, at *15 (S.D.N.Y. Nov. 16, 2006) ("The fact that the settlements were obtained from defendants represented by 'formidable opposing counsel from some of the best defense firms in the country' also evidences the high quality of lead counsels' work.") (McKenna, L.). Here, Defendants are represented by one of the highest quality defense firms, Dentons US LLP ("Dentons"). Dentons is a highly respected law firm – indeed, the world's largest law firm – whose individual attorneys presented a very skilled defense and spared no effort in representing their clients, including re-reviewing for privilege at their own expense Defendants' entire document production. Notwithstanding this formidable opposition, Class Counsel's ability to present a strong case and to demonstrate their willingness to continue vigorously prosecuting this Litigation through the rest of discovery, trial and the likely appeals, enabled Class Counsel to achieve a very favorable Settlement for the benefit of the Class.

5. Second Circuit Precedent Supports the 30% Fee as a Reasonable Percentage of the Total Recovery

Courts have interpreted the next factor – the requested fee in relation to the settlement – as requiring the review of the fee requested in terms of the percentage it represents of the total

recovery. "In determining whether the Fee Application is reasonable in relation to the settlement amount, the Court compares the Fee Application to fees awarded in similar securities class-action settlements of comparable value." *In re Marsh & McLennan Cos., Inc. Sec. Litig.*, No. 04 Civ. 8144 (CM), 2009 U.S. Dist. LEXIS 120953, at *56 (S.D.N.Y. Dec. 23, 2009) (McMahon, C.). As discussed above, the requested 30% fee is well within the range of percentage fees that courts in the Second Circuit and around the country have awarded in comparable complex cases. *Supra* at 7-8. Accordingly, the 30% fee requested is reasonable in relation to the size of the Settlement.

6. Public Policy Considerations Further Support the Requested Fee

Public policy strongly favors rewarding firms for bringing successful securities actions like this one. *See In re Merrill Lynch Tyco Research Sec. Litig.*, 249 F.R.D. 124, 141-42 (S.D.N.Y. Apr. 16, 2008) ("'In order to attract well-qualified plaintiffs' counsel who are able to take a case to trial, and who defendants understand are able and willing to do so, it is necessary to provide appropriate financial incentives.'") (Keenan, J.); *Flag Telecom*, 2010 U.S. Dist. LEXIS 119702, at *84-*85 (if the "important public policy [of privately enforcing the securities laws] is to be carried out, the courts should award fees which will adequately compensate Lead Counsel for the value of their efforts, taking into account the enormous risks they undertook"); *Fogarazzo v. Lehman Bros.*, No. 03 Civ. 5194 (SAS), 2011 U.S. Dist. LEXIS 17747, at *11 (S.D.N.Y. Feb. 23, 2011) ("With regard to the sixth *Goldberger* factor, '[p]rivate enforcement of the federal securities laws, as is the nature of the action here, is a necessary adjunct to government intervention because neither the SEC nor the Justice Department has sufficient assets to address all forms of securities fraud.'") (Scheindlin, S.). Accordingly, public policy favors granting Class Counsel's fee and expense application here.

7. Class Representatives City of Hialeah and New Bedford's Approval and the Class's Reaction Support the Requested Fee

Class Representatives City of Hialeah and New Bedford were actively involved in the prosecution and Settlement of this Litigation and have approved the requested fee. *See* Williams Decl., ¶¶3-5; New Bedford Decl., ¶¶5-7. Both are precisely the type of sophisticated and financially interested investors that Congress envisioned serving as a fiduciary for a class when it enacted the PSLRA. The PSLRA was intended to encourage institutional investors to assume control of securities class actions in order to "increase the likelihood that parties with significant holdings in issuers, whose interests are more strongly aligned with the class of shareholders, will participate in the litigation and exercise control over the selection and actions of plaintiff's counsel." H.R. Conf. Rep. No. 104-369, at 32 (1995), *reprinted in* 1995 U.S.C.C.A.N. 730, 731. Congress believed that institutions would be in the best position to monitor the prosecution and to assess the reasonableness of counsel's fee requests.

Since representatives of City of Hialeah and New Bedford played an active role and closely supervised the work of Class Counsel in this Litigation (*see* Williams Decl., ¶3; New Bedford Decl., ¶5), their endorsement of the fee request supports its approval as fair and reasonable. *See, e.g.*, *Hi-Crush*, 2014 U.S. Dist. LEXIS 177175, at *12-*13 ("[T]he recommendation of Lead Plaintiffs, which are sophisticated institutional investors, also supports the fairness of the Settlement [because a] settlement reached 'under the supervision and with the endorsement of a sophisticated institutional investor . . . is entitled to an even greater presumption of reasonableness.'") (McMahon, C.); *In re WorldCom, Inc. Sec. Litig.*, No. 02 Civ. 3288 (DLC), 2004 U.S. Dist. LEXIS 22992, at *73 (S.D.N.Y. Nov. 12, 2014) ("[T]he nation's second largest public pension fund was chosen as Lead Plaintiff [and] . . . has conscientiously supervised the work of Lead Counsel and gives its

endorsement to the fee request, which adheres in all particulars to the retainer agreement. In these circumstances, the requested fee is entitled to a presumption of reasonableness.").

The reaction of the Class also supports the requested fee. *See, e.g.*, *Hi-Crush*, 2014 U.S. Dist. LEXIS 177175, at *48 (finding that a class' reaction supported a 33 1/3% fee request where "no Class Members [] objected to the fee request"). As of October 9, 2017, the Claims Administrator has sent the Notice to over 29,000 potential Class Members and their nominees (Declaration of Carole K. Sylvester Regarding Notice Dissemination, Publication and Requests for Exclusion Received to Date ("Sylvester Decl."), ¶11), informing them that, among other things, Class Counsel intended to apply to the Court for an award of attorneys' fees in an amount not to exceed 30% of the Settlement Fund. *Id.*, Ex. A at 3. While the time to object to the fee-and-expense application does not expire until October 25, 2017, to date, not a single objection has been received. Should any objections be received, Class Counsel will address them in their reply papers.

E. A Lodestar Cross-Check Strongly Confirms the Reasonableness of the Fee Request

To ensure the reasonableness of a fee awarded under the percentage-of-the-fund method, the Second Circuit encourages district courts to cross-check the proposed award against counsel's lodestar. *See Goldberger*, 209 F.3d at 50; *BioScrip*, 2017 U.S. Dist. LEXIS 118881, at *57. In cases like this, fees representing multiples of the lodestar are regularly awarded to reflect the contingency-fee risk and other relevant factors. *See, e.g.*, *Flag Telecom*, 2010 U.S. Dist. LEXIS 119702, at *76 ("'Under the lodestar method, a positive multiplier is typically applied to the lodestar in recognition of the risk of the litigation, the complexity of the issues, the contingent nature of the engagement, the skill of the attorneys, and other factors.'").

Accordingly, in complex contingent litigation, lodestar multipliers between two and five are awarded. *See, e.g.*, *Wal-Mart*, 396 F.3d at 123 (upholding multiplier of 3.5 as reasonable on appeal);

Bisys, 2007 U.S. Dist. LEXIS 51087, at *9-*10 (awarding 30% fee representing a 2.99 multiplier and finding that the multiplier "falls well within the parameters set in this district and elsewhere"); *Maley v. Del Global Techs. Corp.*, 186 F. Supp. 2d 358, 369 (S.D.N.Y. 2002) (awarding 33 1/3% fee equal to a 4.65 multiplier, which was "well within the range awarded by courts in this Circuit and courts throughout the country") (Mahon, C.). Where the multiplier is negative, the lodestar cross-check "unquestionably supports the requested percentage fee award." *Marsh*, 2009 U.S. Dist. LEXIS 120953, at *59; *see also Bear Stearns*, 909 F. Supp. 2d at 271 (approving requested attorneys' fees with a negative multiplier which served as a "strong indication of the reasonableness of the proposed fee") (Sweet, R.).

Here, a lodestar cross-check fully supports the requested percentage fee. In this entirely contingent action that raised myriad complex legal and factual issues and was litigated for over three years, Class Counsel and additional Plaintiffs' Counsel collectively devoted 21,481.75 hours of attorney and other professional support time in the prosecution and investigation of this Litigation. Plaintiffs' Counsel's total lodestar, derived by multiplying the hours spent by each attorney and professional by their current hourly rates, is $10,717, 448.25.[10] The requested fee of 30% of the Settlement Fund represents a significant negative multiplier of 0.56 on Plaintiffs' Counsel's lodestar amount. Thus, the 30% fee requested is well within the range awarded in cases of this type. *See, e.g.*, *Fogarazzo*, 2011 U.S. Dist. LEXIS 17747, at *12 (concluding that "the lodestar 'cross-check' unquestionably supports a percentage fee award of one-third" where the "fee request amounts to a deep discount [of over half of] their lodestar"); *Imax*, 2012 U.S. Dist. LEXIS 108516, at *23-*24

[10] *See* Robbins Geller Decl., Ex. A; Labaton Sucharow Decl., Ex. A; Motley Rice Decl., Ex. A. Both the Supreme Court and courts in this Circuit have long approved the use of current hourly rates to calculate the base lodestar figure as a means of compensating for the delay in receiving payment that is inherent in class actions, inflationary losses, and the loss of access to legal and monetary capital that could otherwise have been employed had class counsel been paid on a current basis during the pendency of the litigation. *See In re Union Carbide Corp. Consumer Prods. Bus. Sec. Litig.*, 724 F. Supp. 160, 163 (S.D.N.Y. 1989); *Veeco*, 2007 U.S. Dist. LEXIS 85554, at *28; *Missouri*, 491 U.S. at 284.

(finding "a total grant for fees and expenses of 33%" reasonable given the circumstances which included "a negative multiplier in relation to counsel's lodestar fee"); *Aéropostale*, 2014 U.S. Dist. LEXIS 64517, at *38 (approving a 33% fee award where the multiplier was negative and thus "well below the parameters used throughout district courts in the Second Circuit, which affords additional evidence that the requested fee is reasonable"); *Silberblatt v. Morgan Stanley*, 524 F. Supp. 2d 425, 434 (S.D.N.Y. 2007) (awarding fees and expenses "which amount[ed] to 30% of the cash component" of the settlement where there was "a negative multiplier of the 'lodestar'") (Castel, P.).

In sum, Class Counsel's requested 30% fee award is well within the range of what courts in this Circuit and throughout the country award in complex class actions such as this one, including in other securities class actions, when calculated as a percentage of the fund, and pursuant to a lodestar cross-check.

III. PLAINTIFFS' COUNSEL'S EXPENSES ARE REASONABLE AND SHOULD BE APPROVED

Class Counsel's application includes a request for charges and expenses that were reasonably incurred in furtherance of the claims on behalf of the Class. *See, e.g.*, *In re China Sunergy Sec. Litig.*, No. 07 Civ. 7895 (DAB), 2011 U.S. Dist. LEXIS 53007, at *17-*18 (S.D.N.Y. May 13, 2011) ("'Attorneys may be compensated for reasonable out-of-pocket expenses incurred and customarily charged to their clients, as long as they were "incidental and necessary to the representation"'") (Batts, D.); *Flag Telecom*, 2010 U.S. Dist. LEXIS 119702, at *86 ("It is well accepted that counsel who create a common fund are entitled to the reimbursement of expenses that they advanced to a class.").

As set forth in detail in Plaintiffs' Counsel's fee and expense declarations, Class Counsel request $576,767.58 in expenses for prosecuting this Litigation for the benefit of the Class.[11] The expenses are the type that are necessarily incurred in litigation and charged to clients billed by the hour. These expenses and other charges include expert fees, document-management/litigation support, computerized research, mediation costs, travel expenses, duplicating, long distance telephone and facsimile charges, postage, delivery expenses, and filing fees. *See* Robbins Geller Decl., Ex. B; Labaton Sucharow Decl., Ex. B; Motley Rice Decl., Ex. B.

The Notice informed Class Members that Class Counsel would apply for expenses in an amount not to exceed $675,000 from the Settlement Fund. Sylvester Decl., Ex. A at 3. The expenses actually requested, $576,767.58, are well below that amount. To date, no one has objected to Class Counsel's request for expenses.

IV. CLASS REPRESENTATIVES CITY OF HIALEAH AND NEW BEDFORD SHOULD BE AWARDED THEIR REASONABLE TIME AND EXPENSES UNDER 15 U.S.C. §78u-4(a)(4)

Class Counsel also seek approval for an award of $4,948.00 and $6,600.00 to compensate Class Representatives City of Hialeah and New Bedford, respectively, for the time they spent directly relating to their representation of the Class. The PSLRA specifically provides that an "award of reasonable costs and expenses (including lost wages) directly relating to the representation of the class" may be made to "any representative party serving on behalf of a class." 15 U.S.C. §78u-4(a)(4). Numerous courts have approved such awards under the PSLRA to compensate class representatives for the time and effort they spent on behalf of the class. *See e.g.*, *Veeco*, 2007 U.S. Dist. LEXIS 85554, at *38 (awarding Steelworkers costs and expenses based on "over eighty hours valued at a total of $15,964.20"); *see also Hicks*, 2005 U.S. Dist. LEXIS 24890, at *30 ("Courts in

[11] *See* Robbins Geller Decl., Ex. B; Labaton Sucharow Decl., Ex. B; Motley Rice Decl., Ex. B.

this Circuit routinely award such costs and expenses both to reimburse the named plaintiffs for expenses incurred through their involvement with the action and lost wages, as well as to provide an incentive for such plaintiffs to remain involved in the litigation and to incur such expenses in the first place.").

As set forth in the Williams and New Bedford Declarations, Class Representatives City of Hialeah and New Bedford took an active role in the prosecution of this Litigation, including communicating with Class Counsel regarding issues and developments in the Litigation, reviewing pleadings, motions and other documents filed in the case, supervising the production of discovery, providing deposition testimony, and consulting with Class Counsel concerning the settlement negotiations. Williams Decl., ¶3; New Bedford Decl., ¶5. Pursuant to the PSLRA, City of Hialeah and New Bedford request $4,948.00 and $6,600.00, respectively, based on the value of their hours expended participating in and managing this Litigation on behalf of the Class. Williams Decl., ¶5 (184 hours); New Bedford Decl., ¶7 (80 hours). These are precisely the types of activities that courts have found support awards to class representatives. *See, e.g.*, *In re Am. Int'l Grp., Inc.*, No. 04 Civ. 8141 (DAB), 2010 U.S. Dist. LEXIS 129196, at *19 (S.D.N.Y. Dec. 2, 2010) (granting PSLRA award of $30,000 to institutional lead plaintiffs "to compensate them for the time and effort they devoted on behalf of a class") (Batts, D.); *Flag Telecom*, 2010 U.S. Dist. LEXIS 119702, at *89 (approving award of $100,000 to Lead Plaintiff for time spent on the litigation); *see also Aéropostale*, 2014 U.S. Dist. LEXIS 64517, at *58 (approving expense award of $11,235.04 to Lead Plaintiff and recognizing that such awards are "'routine[]'" in this Circuit).

The Notice sufficiently informed potential Class Members that such expenses would be sought. Sylvester Decl., Ex. A at 3. The modest requests by City of Hialeah and New Bedford are supported by declarations, including a description of the hours dedicated to this Litigation. Class

Representatives' requests should be granted as they are reasonable and fully justified under the PSLRA.

V. CONCLUSION

For all of these reasons, Class Counsel respectfully request that the Court award attorneys' fees of 30% of the Settlement Amount, $576,767.58 in litigation expenses, and $4,948.00 to Class Representative City of Hialeah and $6,600.00 to New Bedford for the time they spent representing the Class.

DATED: October 11, 2017

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, Douglas R. Britton, hereby certify that on October 11, 2017, I authorized a true and correct copy of CLASS COUNSEL'S MEMORANDUM OF LAW IN SUPPORT OF MOTION FOR AWARD OF ATTORNEYS' FEES AND EXPENSES AND REIMBURSEMENT OF CLASS REPRESENTATIVES' EXPENSES PURSUANT TO 15 U.S.C. §78u-4(a)(4), to be electronically filed with the Clerk of the Court using the CM/ECF system, which will send notification of such public filing to all counsel registered to receive such notice.

s/ Douglas R. Britton
DOUGLAS R. BRITTON