

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

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PETER IKAI VAN NOPPEN, Individually	)	
and On Behalf of All Others Similarly	)	
Situated,	)	Case No. 1:14-cv-01416
	)	
Plaintiff,	)	Hon. John Robert Blakey
	)	
vs.	)	
	)	
INNERWORKINGS, INC., ERIC D.	)	CLASS ACTION
BELCHER, and JOSEPH M. BUSKY,	)	
	)	
Defendants.	)	

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**DECLARATION OF JONATHAN GARDNER IN SUPPORT OF LEAD PLAINTIFF'S  
MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT  
AND PLAN OF ALLOCATION AND LEAD COUNSEL'S MOTION FOR AN  
AWARD OF ATTORNEYS' FEES AND PAYMENT OF LITIGATION EXPENSES**

I, JONATHAN GARDNER, declare as follows pursuant to 28 U.S.C. §1746:

1. I am a member of Labaton Sucharow LLP (“Labaton Sucharow” or “Lead Counsel”), counsel for Lead Plaintiff Plymouth County Retirement System (“Lead Plaintiff” or “Plymouth County”) and the Settlement Class.<sup>1</sup> I have been actively involved in prosecuting and resolving this action, am familiar with its proceedings, and have personal knowledge of the matters set forth herein based upon my supervision and participation in all material aspects of the action.

2. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, I submit this declaration in support of Lead Plaintiff’s Motion for Final Approval of Class Action Settlement and Plan of Allocation as well as Lead Counsel’s Motion for an Award of Attorneys’ Fees and Payment of Litigation Expenses. Both motions have the full support of Lead Plaintiff. *See* Declaration of David Sullivan, Executive Director of Plymouth County Retirement System, attached hereto as Exhibit 1.<sup>2</sup>

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<sup>1</sup> References to “Settlement Class” are to the class preliminarily certified by the Court for settlement purposes only, defined as: “all persons and entities that purchased the publicly traded common stock and/or call options, and/or sold the put options, of InnerWorkings, Inc. during the period from February 15, 2012 through November 6, 2013, inclusive, and who were allegedly damaged thereby.” *See* Preliminary Approval Order at ¶ 2 (ECF No. 95). Excluded from the Settlement Class are: “(i) the Defendants; (ii) the officers and directors of the Company during the Class Period; (iii) members of the immediate families of the Individual Defendants and the officers and directors of the Company during the Class Period; (iv) Productions Graphics and its officers and directors during the Class Period; (v) any entity in which any Defendant has or had a controlling interest, including but not limited to Productions Graphics; and (vi) the legal representatives, heirs, successors, assigns, and affiliates of any such excluded party. Also excluded from the Settlement Class will be any Person that timely and validly seeks exclusion from the Settlement Class.” *Id.*

All capitalized terms not otherwise defined herein have the same meaning as that set forth in the Stipulation and Agreement of Settlement, dated as of May 11, 2016 (the “Stipulation”, ECF No. 91-1).

<sup>2</sup> Citations to “Exhibit” or “Ex. \_\_\_” herein refer to exhibits to this Declaration. For clarity, citations to exhibits that themselves have attached exhibits will be referenced as “Ex. \_\_\_ - \_\_\_.” The first numerical reference refers to the designation of the entire exhibit attached hereto and the second alphabetical reference refers to the exhibit designation within the exhibit itself.

**I. PRELIMINARY STATEMENT: THE SIGNIFICANT RECOVERY ACHIEVED**

3. This case has been vigorously litigated from its commencement in February 2014 through the execution of the Stipulation. The Settlement of \$6,025,000 was achieved only after Lead Counsel, *inter alia*: (a) reviewed and analyzed publicly available information concerning Defendants, including press releases, news articles, and other public statements issued by or concerning Defendants; (b) conducted an exhaustive pre-filing investigation that included approximately 40 interviews of former InnerWorkings employees and other persons with relevant knowledge, 14 of whom provided information as confidential witnesses, including the former Chief Executive Officer of Productions Graphics Christophe Delaune (“Delaune”); (c) prepared and filed a detailed amended class action complaint (“Complaint”); (d) successfully opposed Defendants’ comprehensive motion to dismiss and rebutted a motion to stay; (e) reviewed InnerWorkings’ entire informal production of documents made available to the French prosecutors relating to the alleged fraud at InnerWorkings; (f) engaged in thorough mediation efforts; and (g) conferred with an expert on damages. Having done so, Lead Counsel was in a position to fully evaluate the strengths and weaknesses of the claims of Lead Plaintiff and the Settlement Class.

4. The Complaint was brought against InnerWorkings and certain of its officers, Eric D. Belcher (Chief Executive Officer) and Joseph M. Busky (Chief Financial Officer), for violations of §§10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), 15 U.S.C. §§78j(b), 78t(a), and Rule 10b-5 promulgated thereunder, 17 C.F.R. §240.10b-5. Lead Plaintiff alleges that during the Class Period, Defendants fraudulently concealed serious problems affecting the growth of InnerWorkings, including its expansion into Europe and its inability to meet its 2012 targets. In particular, the Complaint alleged that Defendants made material misstatements and omissions about: (1) the revenue growth from InnerWorkings’ middle market “Inside Sales” group; (2) the revenue

growth of Productions Graphics, a company acquired by InnerWorkings in October 2011; (3) the internationalization of a proprietary sales technology called PPM4; (4) the enterprise client retention rate; and (5) InnerWorkings' putative class period financials. The Complaint further alleged that as a result of Defendants' conduct, InnerWorkings' securities traded at artificially inflated prices during the Class Period and that shortly after November 6, 2013, when InnerWorkings announced lower profits than expected for the quarter and slashed its revenue guidance for 2013, InnerWorkings' stock price suffered, causing damage to investors.

5. The Settlement is a favorable result for the Settlement Class and the product of hard-fought litigation and tenacious arm's-length negotiations between the Parties. The Settlement was facilitated by a respected and experienced mediator, Mr. Robert A. Meyer, of JAMS. The negotiations were conducted by experienced counsel with a full understanding of both the strengths and weaknesses of their respective cases.

6. The \$6,025,000 Settlement Amount is in-line with the median reported settlement amount in similar securities class actions in 2015, which was \$6.1 million. *See* Laarni T. Bulan, Ellen M. Ryan, and Laura E. Simmons, *Securities Class Action Settlements - 2015 Review and Analysis* (Cornerstone Research 2016), Ex. 2 at 1.

7. Further, as discussed below, Lead Plaintiff also retained an expert to analyze loss causation issues and estimate potential damages. Lead Plaintiff's expert's analysis centered on the corrective disclosure made at the end of the Class Period, after the market closed on November 6, 2013 (*i.e.* that InnerWorkings lowered its revenue guidance for 2013 and would report lower profits than expected that quarter), which allegedly caused a statistically significant stock drop on November 7, 2013. According to analyses prepared by Lead Plaintiff's consulting damages expert, the maximum aggregate damages Lead Plaintiff could have obtained for the Settlement Class at trial,

assuming liability and loss causation were established, is estimated to be in the range of approximately \$75 million to \$90 million, depending on the amount of the November 7, 2013 stock drop that can be attributed to the alleged fraud. The \$6,025,000 settlement thus represents approximately 7% to 8% of this best case scenario—a favorable recovery in light of the countervailing legal and factual arguments and litigation risks. *See, e.g., In re Omnivision Techs., Inc.*, 559 F. Supp. 2d 1036, 1042 (N.D. Cal. 2008) (\$13.75 million settlement yielding 6% of potential damages was “higher than the median percentage of investor losses recovered in recent shareholder class action settlements”). Further, Defendants would argue that Lead Plaintiff could not establish liability and that any damages were substantially below the figures set forth by Lead Plaintiff’s expert. Indeed, given that most of the alleged fraudulent statements (i.e., statements regarding middle market inside sales growth, internationalization of PPM4 technology, and enterprise client retention rate) did not survive the motion to dismiss, Defendants would likely argue that significantly less than 50% of the stock price drop was caused by allegations related to Productions Graphics. If only 50% of the drop was caused by the Productions Graphics-related fraud, aggregate damages would be approximately \$45 million. Assuming this were the case, recovery would amount to over 13%. *See also* Lead Plaintiff’s Memorandum of Law in Support of Motion for Final Approval of Class Action Settlement and Plan of Allocation (“Approval Brief”), §II.A.2.

8. In reaching the settlement, Lead Plaintiff and Lead Counsel took into consideration the significant risks associated with advancing the claims alleged in the Complaint, as well as the duration and complexity of the legal proceedings that remained ahead. As discussed in more detail in §VI, *infra*, there were risks that at the summary judgment stage the Court could find as a matter of law that Lead Plaintiff’s evidence in support of scienter, loss causation, or damages did not create

genuine issues of material fact. In addition, Lead Plaintiff faced additional trial-related risks. There was a significant risk that a jury could find that during the Class Period Defendants did not act with the required state of mind, *i.e.*, with scienter. For example, a jury might discredit the testimony of Delaune, the former CEO of Productions Graphics, concerning the involvement of the Defendants in devising and directing the false invoicing scheme. Issues relating to loss causation and damages would likely have come down to an inherently unpredictable and hotly disputed “battle of the experts,” with Defendants’ experts focusing heavily on other confounding factors that may have contributed to the decline in InnerWorkings stock price on November 7, 2013, including disclosures concerning categories of statements that were dismissed from the Action at the motion to dismiss stage. Accordingly, in the absence of a settlement, there was a very real risk that the Settlement Class could have recovered nothing or an amount significantly less than the negotiated Settlement.

9. Lead Plaintiff and Lead Counsel carefully considered all of these issues in deciding to settle the Action for \$6,025,000. On balance, considering all the circumstances and risks both sides faced if the Parties had continued to trial, both Lead Plaintiff, for itself and the Settlement Class, and Defendants concluded that settlement on the terms agreed upon was in their respective best interests.

10. Lead Counsel, and Liaison Counsel, Cohen Milstein Sellers & Toll PLLC (collectively, “Plaintiff’s Counsel”), prosecuted this Action on a wholly contingent basis and advanced and incurred sizable litigation expenses. By doing so, Plaintiff’s Counsel shouldered the risk of an unfavorable result. Plaintiff’s Counsel has not received any compensation for their efforts, nor have they been paid for their expenses incurred to date, which amounted to more than 2,400 hours of attorney and other professional and paraprofessional time, as well as expenses of \$124,535.43.

11. Lead Counsel's fee application for 30% of the Settlement Fund is fair both to the Settlement Class and to Lead Counsel, and warrants the Court's approval. This fee request is in-line with fee percentages frequently awarded in this type of action and, under the particular facts of this case, is fully justified in light of the substantial benefits that Lead Counsel conferred on the Settlement Class, the risks it undertook, the quality of its representation, the nature and extent of the legal services, and the fact that counsel pursued the case at financial risk.

## **II. FACTUAL BACKGROUND**

### **A. Summary of Lead Plaintiff's Claims**

12. InnerWorkings is an Illinois-based company, formed in 2001, which provides print procurement services for the business process outsourcing market, including global print management and promotional solutions for corporate clients across a wide range of industries, including retail, financial services, hospitality, non-profits, healthcare, food and beverage, broadcasting and cable, education, transportation and utilities. Compl. ¶¶ 2, 16, 30. During the Class Period, the Company set out a new growth strategy focused on increasing its middle market business (one of their three "key pillars" of growth) in order to complement growth driven by the other two key pillars, the Company's enterprise—or large—clients, comprising 70-75% of total revenue, and the Company's global mergers and acquisitions of print brokers. *Id.* ¶¶ 3, 5, 45, 50. Part of the Company's growth strategy emphasized an expansion of the middle market sales force, including a direct sales (also known as "Inside Sales") call center occupying a newly leased floor in InnerWorkings' headquarters. *Id.* ¶¶ 6, 53. Lead Plaintiff alleged that, during the Class Period, Defendants fraudulently concealed serious problems affecting growth, including that Productions Graphics, the Company's recent acquisition and main expansion into Europe, could not meet its 2012 targets and that the heavily promoted Inside Sales initiative was a failure. *See, e.g., id.* ¶¶ 9-14, 61-71.

13. Lead Plaintiff alleged that Defendants devised a false-invoicing scheme, executed by Productions Graphics' former Chief Executive Officer Delaune, in which Productions Graphics would appear to meet its targets, thus artificially inflating Company revenues. *Id.* ¶132. Delaune has acknowledged his role in the fraud but also has implicated InnerWorkings' CEO Eric Belcher ("Belcher") and CFO Joseph Busky ("Busky") as devising the scheme and acting as co-participants. *Id.* ¶¶ 132-34, 139-48, 154-58. In addition, Lead Plaintiff alleged that Defendants misrepresented the continued success and prospects for the new telesales project dubbed "Inside Sales," as well as its efforts to integrate its PPM4 data system globally. *Id.* ¶191.

14. Lead Plaintiff alleged that statements by Defendants about Productions Graphics' growth prospects were false and misleading because Defendants failed to disclose that Productions Graphics could not legitimately meet its forecasts, and also failed to disclose their fraudulent invoicing scheme to enable Productions Graphics to meet those targets and appear a successful acquisition. *See, e.g., id.* ¶¶ 120-158. In particular, Lead Plaintiff alleged that Defendants' statements regarding expected profitability from Productions Graphics in the final quarter of 2013 based on similar 2012 seasonality, and regarding the Company's internal forecasts' "full[] support" of Productions Graphics' continued progress and success in meeting its aggressive earn-out target, were misleading because the ramp-up in revenue in the second half of 2012 was due entirely to the fraudulent invoicing scheme directed by Belcher and Busky. *See id.* ¶¶120-158, 227. In addition, Lead Plaintiff alleged that through 2012 and during the first half of 2013, InnerWorkings falsely asserted the continued success of its investment in Inside Sales despite knowing that large segments of the Inside Sales division were significantly missing targets and that the Company was pulling back on its investment in the division. *See, e.g., id.* ¶¶ 72-92, 183, 187, 194, 202-203, 206, 216. Lead Plaintiff alleged three other categories of false or misleading statements or omissions:

statements about the internationalization of PPM4 (a proprietary technology used by InnerWorkings to leverage internal data, including specifications and equipment information for over 10,000 print suppliers), the enterprise client retention rate, and InnerWorkings' putative class period financials. *See id.* ¶¶ 68-77, 80, 162-169, 179-190, 202-203, 205-230.

### **III. PROCEDURAL HISTORY**

15. The first complaint was filed on February 27, 2014. ECF No. 1.

16. Pursuant to Section 21D(a)(3) of the Exchange Act, 15 U.S.C. §78u-4(a)(3), as amended by the PSLRA, on April 28, 2014, Plymouth County moved for an order appointing Plymouth County as Lead Plaintiff on behalf of a class of all purchasers of the securities of InnerWorkings during the Class Period and approving its selection of Labaton Sucharow as Lead Counsel for the Class and Cohen Milstein Sellers & Toll PLLC ("Cohen Milstein") as Liaison Counsel for the Class. ECF No. 15. On April 29, 2014, Peter Ikai Van Noppen ("Van Noppen") moved for an order appointing Van Noppen as Lead Plaintiff and approving his selection of the law firm of Pomerantz LLP ("Pomerantz") as Lead Counsel for the Class. ECF No. 18. On May 9, 2014, the Court appointed Plymouth County as Lead Plaintiff and approved its selection of Labaton Sucharow as Lead Counsel and Cohen Milstein Sellers & Toll PLLC as Liaison Counsel. ECF No. 27. Van Noppen's motion for appointment as lead plaintiff and approval of selection of counsel was withdrawn on that same day. *Id.*

#### **A. The Amended Class Action Complaint**

17. On July 28, 2014, after Lead Counsel conducted a well-developed and extensive pre-filing factual investigation, including an in-person interview with Delaune, Lead Plaintiff filed the Amended Class Action Complaint ("Complaint"). *See* ECF No. 38. The Complaint was the result of a significant effort by Lead Counsel that included, among other things: (i) documents filed publicly by the Company with the U.S. Securities and Exchange Commission ("SEC"); (ii) publicly

available information, including press releases and news articles; (iii) research reports issued by financial analysts concerning the Company; and (iv) other public statements issued by or concerning the Company and the Defendants. Lead Counsel also consulted with a damages and loss causation expert.

18. Notably, Lead Counsel contacted more than 100 potential witnesses, and interviewed approximately 40 former employees of InnerWorkings and other persons with knowledge of the matters alleged. The Complaint included the confidential witness accounts of 14 of those interviewed, each of whom were employed by or affiliated with InnerWorkings at some point during the class period.

19. Lead Counsel interviewed 10 former employees of InnerWorkings specifically responsible for sales and included their accounts in the Complaint. These individuals were responsible for sales accounts with customers from both categories of InnerWorkings' clients: its enterprise business and its middle market business. The sales personnel interviewed by Lead Counsel represented various levels of seniority within InnerWorkings, from junior sales and account managers to a senior vice president. In particular, Lead Counsel included the confidential witness accounts of sales personnel involved with the commencement of the Inside Sales initiative as well as those involved with training and supervision of sales personnel within the Inside Sales division.

20. Lead Counsel also interviewed and included the accounts of two managers involved with InnerWorkings' proprietary PPM4 technology as well as personnel involved in and familiar with management of expenses, purchase orders, and credits related to InnerWorkings' enterprise and middle market accounts. Lead Counsel also interviewed personnel knowledgeable about InnerWorkings' acquisition of Productions Graphics, including its former CEO Delaune.

21. As noted above, the Complaint asserted claims under §§10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder, and named InnerWorkings, Belcher, and Busky as Defendants. The Complaint alleged that Defendants knowingly or recklessly made false and misleading statements and concealed the true condition of InnerWorkings' business, Inside Sales division, and Productions Graphics subsidiary from the investing public. The Complaint alleged that as a result of Defendants' conduct, InnerWorkings' securities traded at artificially inflated prices during the Class Period and that when InnerWorkings announced lower profits than expected for the fourth quarter of 2013 and cut its revenue guidance for the year, InnerWorkings' stock price suffered, causing damage to investors.

**B. Defendants' Motion to Dismiss the Complaint**

22. On September 29, 2014, Defendants moved to dismiss the Complaint. ECF No. 41. Defendants' memoranda of law accompanying their motion spanned 40 pages, citing several dozen cases and raising numerous legal issues and sub-issues aimed at undermining Lead Plaintiff's claims and allegations. *Id.* Defendants argued that: (a) Lead Plaintiff lacks standing to assert claims with respect to statements made after February 5, 2013, when Lead Plaintiff last purchased InnerWorkings stock; (b) Lead Plaintiff failed to allege any false or misleading statements because, *inter alia*, (i) Lead Plaintiff neglected its obligation under the PSLRA to specify which statements were allegedly false or misleading; (ii) Defendants' statements are protected by the PSLRA safe harbor provision; (iii) Defendants' statements are inactionable puffery; (iv) Lead Plaintiff's confidential witnesses did not establish that any of the Defendants' statements were false when made; and (c) Lead Plaintiff failed to adequately allege scienter because, *inter alia*, (i) allegations of Belcher's stock sales themselves do not demonstrate scienter; (ii) allegations that Belcher and Busky received company stock and were eligible for performance bonuses did not establish scienter; and (iii) Lead Plaintiff could not establish scienter relying solely on the allegations of its confidential

witnesses. They also argued that Lead Plaintiff failed to establish control-person liability under §20(a).

23. On November 14, 2014, Lead Plaintiff filed an opposition to Defendants' motion. ECF No. 47. Lead Plaintiff's comprehensive brief argued that the Complaint adequately stated a claim for relief under the applicable statutes. Lead Plaintiff argued, *inter alia*, that: (a) the Complaint establishes Lead Plaintiff's standing to prosecute the case; (b) the Complaint identifies the material misstatements and omissions with the requisite particularity; and (c) the Complaint sufficiently pleads falsity in that, *inter alia*, Defendants' statements were not protected by the statutory safe harbor and were not puffery. Lead Plaintiff also responded that the Complaint raised a strong inference of scienter given that: (a) Delaune, Productions Graphics' former CEO, implicated the Defendants as architects of the false invoicing scheme; (b) multiple former Inside Sales employees, including sales representatives and their managers, provided corroborating accounts about the failures of Inside Sales; (c) Belcher's Class Period stock sales were wholly inconsistent with his prior trading history, and netted him over \$1.5 million in proceeds; and (d) Belcher and Busky each had motive to represent higher prospects for growth in revenue in order to achieve their bonuses, 40% of which depended on the Company's revenue growth.

24. On December 19, 2014, Defendants filed a reply brief in further support of their motion to dismiss. ECF No. 48. Defendants urged the Court to weigh the plausibility of Delaune's assertions against the inference that Defendants were the victims of Delaune's fraud, of which Defendants promptly notified investors and authorities upon discovery.

**C. The Court Denies Defendants' Motion to Dismiss the Complaint**

25. On September 30, 2015, the Court issued an Order denying Defendants' motion in part and granting it in part. ECF No. 69. The Court concluded that: (a) the Complaint cured the standing defect by naming State-Boston Retirement System as an additional plaintiff; (b) Lead

Plaintiff did not meet its burden of pleading falsity, materiality, or scienter with respect to statements about the Inside Sales group, the internationalization of PPM4, and the enterprise client retention rate; and (c) Lead Plaintiff had adequately pled allegations with respect to statements regarding Productions Graphics and InnerWorkings' putative class action financials. *Id.* at 10, 29, 34, 39, 48-53.

26. In holding that Lead Plaintiff had adequately pled allegations with respect to statements about InnerWorkings' putative class action financials, the Court noted that the factual allegations were "just barely" sufficient to survive dismissal at that stage because, although Lead Plaintiff had pled that the aggregate net impact of the corrections to the financial statements across all affected periods was a net decrease in income before taxes of \$2.2 million, it failed to plead what the restated revenue and gross margin numbers were for each period and facts showing that those restatements were material in light of InnerWorkings' overall financial figures. *Id.* at 51-52.

27. Finally, the Court held that because Lead Plaintiff pled a primary securities violation as to the statements about Productions Graphics and InnerWorkings' putative class period financials only, and Defendants did not challenge the Section 20(a) claims on any other grounds, the Section 20(a) claim stands as to those claims. *Id.* at 53-54. Conversely, the Court dismissed Lead Plaintiff's Section 20(a) claims with respect to the other allegedly false or misleading statements or omissions for which Plaintiff had failed to plead a primary securities law violation: statements about the Inside Sales group, the internationalization of PPM4, and the enterprise client retention rate. *Id.*

**D. Defendants' Motion to Stay Proceedings, or, in the Alternative, Bifurcate Discovery**

28. On January 20, 2016, Defendants requested that the Court exercise its discretion and stay the proceedings until the conclusion of a related set of proceedings in France or, in the alternative, that the Court bifurcate discovery between certification of the class and the merits of the

case. ECF No. 80. Defendants represented that InnerWorkings had filed a criminal complaint in France (“Criminal Complaint”) seeking redress from the fraud caused by Delaune. Defendants added that those proceedings were pending. The Defendants argued that, because those proceedings involved the same underlying facts as those alleged in the Complaint, and because the French investigation would significantly inform and narrow the issues in this case without prejudicing the Lead Plaintiff, the Court should stay the matter until the completion of the French investigation. In the alternative, the Defendants argued that the sensible approach to discovery would be to limit initial discovery to the narrow issues relevant to class certification and stay discovery on all other issues until the Court determined whether this matter could proceed as a class action. The Defendants contended that to proceed with merits discovery before the Court even decided the threshold certification question would be inefficient, burdensome, and expensive.

29. On February 10, 2016, Lead Plaintiff filed its opposition to Defendants’ motion to stay proceedings, or, in the alternative, bifurcate discovery. ECF No. 82. Lead Plaintiff argued, *inter alia*, that Defendants’ motion amounted to a request that the Court exercise its discretion to stay the action in deference to the criminal proceeding in France that *Defendants* initiated, based on *Defendants’* Criminal Complaint, which naturally adopted Defendants’ view that Delaune acted on his own. *Id.* These proceedings constituted an action in which Lead Plaintiff was not a party, not in privity with any party, and had no access to the docket and files. In addition, Lead Plaintiff questioned whether the French investigation was active, arguing that it would be prejudiced by a stay because the French investigation was “progressing so slowly” that a stay “accomplishes nothing but delay.” Further, Lead Plaintiff distinguished the caselaw relied upon by Defendants as inapposite, arguing that factors considered in those cases weighed heavily against a stay. Lead Plaintiff also argued that the Court should deny Defendants’ motion to bifurcate discovery because (1) Defendants

failed to make a specific factual showing that merits discovery would be burdensome; (2) class determination generally involves considerations that are enmeshed in the factual and legal issues comprising the plaintiff's cause of action; and (3) bifurcation would likely lead to additional discovery disputes regarding permissible and impermissible discovery, thus weighing against expedient litigation.

30. On February 19, 2016, the Defendants submitted their reply to Lead Plaintiff's opposition. ECF No. 83. The Defendants argued that the French investigation was not dormant, noting that French police searched Delaune's house on the very day Lead Plaintiff filed its brief in opposition. Defendants further asserted that the French investigation was active and proceeding, evidence was being obtained, and the investigative file would serve only to benefit the litigants to this action.

31. On February 25, 2016, the Court granted Defendants' motion in part, as to bifurcating discovery with respect to the determination of the adequacy of representation issue for class certification, and denied the motion with respect to all other aspects. ECF No. 84; *see also* ECF No. 85.

#### **IV. SETTLEMENT NEGOTIATIONS**

##### **A. The Action is Adjourned for 90 Days Pending Mediation**

32. On October 7, 2015, the Court, without formally entering a stay with respect to discovery or setting any discovery deadlines, scheduled a status hearing in 90 days to allow the parties to engage in informal discovery and private mediation. ECF No. 71; *see also* ECF No. 72. The Court stayed "[a]ll pending deadlines to file an answer or other responsive pleading or an amended complaint" pending further Court order. ECF No. 71.

**B. Document Production in Connection with the Mediation**

33. As part of the parties' informal discovery, Defendants agreed to produce documents they had previously produced to (1) the French authorities as part of the Company's legal proceedings against Delaune in France, including correspondence between Defendant Busky and Delaune; and (2) the SEC during its investigation into the restatement of the Company's Class Period financials. Lead Plaintiff also reviewed documents relating to the Company's insurance policies.

**C. Mediation**

34. Defendants and Lead Plaintiff engaged Mr. Robert A. Meyer, Esq. of JAMS, a well-respected and highly experienced mediator who has successfully mediated numerous securities claims involving Fortune 500 companies and major financial institutions and professional firms, to assist them in a potential negotiated resolution of the claims in the Action. On January 5, 2016, Lead Counsel, Defendants, and Defendants' Counsel met with Mr. Meyer in an attempt to reach a settlement. In connection with the mediation session, the Parties exchanged detailed mediation materials setting forth their respective positions on the strengths and weaknesses of the claims and defenses.

35. The Parties were not able to reach a resolution at the January 5, 2016 mediation session. However, after the mediation, with the assistance of Mr. Meyer, the Parties continued to engage in productive settlement discussions and ultimately accepted a mediator's proposal to settle the action on March 18, 2016.

36. Following the Parties' agreement to settle, they engaged in further negotiations concerning the terms of the Stipulation, which was filed with the Court on May 11, 2016. ECF No. 91-1.

37. On May 11, 2016, Lead Plaintiff also moved for preliminary approval of the Settlement. ECF No. 89. The Court granted the motion by Order entered May 25, 2016. ECF No. 95.

**V. LEAD PLAINTIFF'S COMPLIANCE WITH PRELIMINARY APPROVAL ORDER AND REACTION OF THE SETTLEMENT CLASS TO DATE**

38. Pursuant to the Preliminary Approval Order, the Court appointed The Garden City Group ("GCG") as Claims Administrator in the Action and instructed GCG to disseminate copies of the Notice of Pendency of Class Action, Proposed Settlement, and Motion for Attorneys' Fees and Expenses as well as the Proof of Claim and Release form (collectively the "Claim Packet") by first-class mail, postage prepaid, on or before June 8, 2016, to all Settlement Class Members who could be identified with reasonable effort. The Court directed Lead Counsel to publish the Summary Notice in *Investor's Business Daily* and to transmit the Summary Notice over *PR Newswire* on or before June 22, 2016. The Court further directed Lead Counsel to file with the Court, at or before the Settlement Hearing, proof of publication of the Summary Notice.

39. The Notice, attached as Exhibit A to the Affidavit of Jose C. Fraga Regarding (A) Mailing of the Notice and Proof of Claim Form; (B) Publication of Summary Notice; (C) Website and Telephone Helpline; and (D) Report on Requests for Exclusions and Objections Received to Date, dated September 2, 2016 ("Mailing Affidavit") (attached as Exhibit 3 hereto), provides potential Settlement Class Members with the terms of the Settlement and, among other things: their right to exclude themselves from the Settlement Class; their right to object to any aspect of the Settlement, the Plan of Allocation, or the fee and expense application; and the manner for submitting a Claim Form in order to be eligible for a payment from the net proceeds of the Settlement. The Notice also informs Settlement Class Members of Lead Counsel's intention to apply for an award of

attorneys' fees of no more than 30% of the Settlement Fund and for payment of litigation expenses in an amount not to exceed \$225,000.

40. As detailed in the Mailing Affidavit, on June 8, 2016, GCG began mailing Claim Packets to potential Settlement Class Members as well as banks, brokerage firms, and other third party nominees whose clients may be Settlement Class Members. Mailing Aff. ¶¶2-3. In total, to date, GCG has mailed 19,772 Claim Packets to potential nominees and Settlement Class Members by first-class mail, postage prepaid. *Id.* ¶6. To disseminate the Notice, GCG obtained the names and addresses of potential Settlement Class Members from listings provided by InnerWorkings and its transfer agent and from banks, brokers and other nominees. *Id.* ¶¶3-5.

41. On June 20, 2016, GCG caused the Summary Notice to be published in *Investor's Business Daily* and to be transmitted over *PR Newswire*. *Id.* ¶7, and Exhibits B and C thereto.

42. GCG also maintains and posts information regarding the Settlement on a dedicated website established for the Action, [www.innerworkingsclasssettlement](http://www.innerworkingsclasssettlement), to provide Settlement Class Members with information concerning the Settlement, as well as downloadable copies of the Claim Packet and the Stipulation. *Id.* ¶8. In addition, Lead Counsel has made relevant documents concerning the Settlement available on its firm website.

43. Pursuant to the terms of the Preliminary Approval Order, the deadline for Settlement Class Members to submit objections to the Settlement, the Plan of Allocation, or the fee and expense application, or to request exclusion from the Settlement Class is September 21, 2016. To date, Lead Counsel has not received any objections and the Claims Administrator has not received any requests for exclusion from the Settlement Class. *Id.* ¶¶11-13.

## **VI. RISKS FACED BY LEAD PLAINTIFF IN THE ACTION**

44. Based on publicly available documents, information and internal documents obtained through their own investigation and from Defendants, and on discussions with consultants and

experts, Lead Counsel believes that the Settlement is fair, reasonable, and adequate. Lead Plaintiff faced considerable risks and obstacles to achieving a greater recovery were the case to continue. Lead Plaintiff and Lead Counsel carefully considered these challenges during the months leading up to the Settlement and during the settlement discussions with Defendants.

**A. Risks of Proving Defendants' Scienter**

45. In order for Lead Plaintiff to prevail on its Exchange Act claims, it would have to establish that Defendants acted with scienter: with knowledge of or severe recklessness as to the alleged falsity of their statements and omissions. Throughout the course of the litigation Defendants argued, and would undoubtedly raise at summary judgment and trial, that Lead Plaintiff cannot establish that Defendants acted with scienter.

46. A defendant's state of mind in a securities case is often the most difficult element of proof and one that is rarely supported by direct evidence or an admission. In its Complaint, Lead Plaintiff alleged that Belcher and Busky directed Delaune to inflate Productions Graphics' perceived performance by conducting a false-invoicing scheme. Principally, Defendants would likely argue that Lead Plaintiff could not prove scienter because its claims regarding Productions Graphics rely on the assertions of an individual who (1) had the only clear financial motive to commit the fraud and fabricate accusations against Belcher and Busky, (2) admitted to defrauding the Company, and (3) gave an internally inconsistent and implausible account of how Belcher and Busky directed him to commit a fraud that required InnerWorkings to lose money to Delaune.

47. First, Defendants would likely argue that only Delaune had a clear financial motive to commit the fraud. Under the terms of the October 24, 2011 stock purchase agreement ("SPA"), through which InnerWorkings acquired all of the securities of Productions Graphics, Delaune was paid less than 10% of the consideration upfront. The remainder was to be paid over time in the form of "earn-outs" if Productions Graphics met certain earning target milestones over a four-year period.

In addition, the earn-out payments Delaune stood to receive substantially exceeded the earnings targets required to trigger his payments, and the annual increases in the earn-out payments substantially outpaced the corresponding increases in the earnings targets. For example, if Productions Graphics achieved EBITDA of €1,000,000 or more during 2011, then Delaune and an affiliated entity would be entitled to receive €1,200,000; the earn-out payment for the following year would more than double the target. Given the escalating rate of increase in earn-out payments, Defendants would also likely argue that Delaune stood to gain much more than InnerWorkings, had he succeeded with the alleged scheme.

48. Second, Defendants would vigorously assert that they did not have knowledge of the false invoicing scheme, and that Delaune's allegations were the sole basis for Lead Plaintiff's claim that Defendants knew about, and directed, the allegedly fraudulent scheme. Defendants would likely argue that Delaune was completely incredible, having admitted to conducting the fraud and having the motive to do so. They could argue that it is inexplicable that Belcher and Busky would engage in a scheme that hurt the Company's bottom line (given the escalating sums required to be paid to Delaune). The more plausible scenario, they would likely maintain, was instead that it was Delaune himself who defrauded InnerWorkings, that Delaune was fired by them, and that his allegations are retribution and self-serving. They could also point to the fact that that upon revelation of the fraud, InnerWorkings referred Delaune to authorities for criminal prosecution in France. Defendants would likely argue in summary judgment and trial that the Action represents Delaune's attempt to deflect blame from himself to Belcher and Busky in connection with the French inquiry into his actions at Productions Graphics. As further detailed in §VI.C, *infra*, Defendants would also point to any deficiencies in documentary or other corroboration for his allegations, and argue that his allegations

contradict facts pled elsewhere in the complaint and defy common sense. Moreover, the SEC closed its investigation of the Company's restatement without initiating proceedings against Defendants.

49. Though Defendants would likely assert that Delaune was the only party with incentive to engage in fraud, Lead Plaintiff would counter that Defendants had detailed reporting obligations as a publicly listed company and were thus motivated to meet, at least on paper, its earnings targets in order to continue its global mergers and acquisitions of print brokers. Further, Lead Plaintiff would likely contest the admissibility of the allegations in the Criminal Complaint. Accordingly, Lead Plaintiff had difficult factual hurdles to overcome in connection with proving scienter, and the result of asking a jury to interpret and apply these facts to the law remained uncertain.

**B. Risks of Proving Loss Causation and Damages**

50. In addition to contesting scienter, Defendants would likely assert that, because Lead Plaintiff's surviving fraud theory is based solely on statements made about the profitability of its acquisition of Productions Graphics, Lead Plaintiff bore the burden of tying its damages calculation to the disaggregated effect of those statements on the InnerWorkings stock price drop. Defendants would argue that the stock price drop was caused, in large part, by other factors independent of the revelation that Productions Graphics had "not acquired and retained customers as planned, and as a result, has significantly missed its internal forecast."

51. In October of 2013, InnerWorkings announced the removal of Delaune from his position. After the market closed on November 6, 2013, InnerWorkings announced lower profits than expected that quarter and slashed its revenue guidance for 2013. Compl. ¶¶ 232-32. In particular, CEO Belcher stated, "We have already taken action to proactively address these areas of our business. In Europe, we have installed new leadership and, with our Inside Sales division, we are pivoting towards a new customer acquisition strategy through a channel partnership." *Id.* ¶ 231. On

the 3Q 2013 earnings call the same day, Defendants drastically reduced guidance from \$910-940 million to \$865-880 million, lowered GAAP diluted earnings per share guidance from a range of \$0.45 to \$0.50 to a range of \$0.16 to \$0.20. During the call, Defendants disclosed additional details, including (1) that Productions Graphics had “not acquired and retained customers as planned, and as a result, has significantly missed its internal forecast,” and that “our revised forecast for this business had a meaningful impact on our Q3 results and Q4 projections”; (2) that the “revised guidance for Q4 contemplates the impact of the Productions Graphics and our US permanent display business issues already discussed”; (3) that InnerWorkings expected a slower ramp-up in revenue of the larger new enterprise deals landed earlier in 2013; (4) that InnerWorkings reduced the size of its Inside Sales cold calling staff by 50% and restructured their compensation plans; and (5) that “if you factor in the guidance that we just updated for Q4, we’re going to be short of the \$100 million+ of new enterprise growth goal that we put out at the beginning of the year, but it’s driven by ... the Productions Graphics business and that former owner’s ability to land and ramp new deals that we expected to land this year, as well as the slower ramp in the US of a couple of those larger enterprise deals.” *Id.* ¶¶ 232-233. The next day, InnerWorkings’ stock price fell 40.57 percent in a day marked by heavy trading volume. *Id.* ¶ 234.

52. Defendants would argue that the relevant InnerWorkings’ disclosures related to Productions Graphics either (i) occurred contemporaneously with other, confounding negative news about InnerWorkings that needed to be disaggregated, or (ii) did not cause a statistically significant drop in InnerWorkings’ stock price. Defendants would point to the announcement that InnerWorkings was experiencing a slower than expected ramp-up in revenue from enterprise clients and that InnerWorkings was expecting to alter its strategy with Inside Sales in order to improve its

prospects. Both of these categories of disclosures were barred by the Court's order on Defendants' motion to dismiss. *See* ECF No. 69.

53. Additionally, Defendants may argue that the only other category of false or misleading statements or omissions—of the five originally pled—that survived the motion to dismiss, the Defendants' statement and omissions concerning InnerWorkings' putative class period financials, did not cause any investor losses. Specifically, the Defendants would argue that the restatement of InnerWorkings' financials was announced after the market closed on February 18, 2014, more than three months after InnerWorkings' November 6, 2013 disclosures. The Defendants would likely point out that InnerWorkings stock return on February 19 was positive and not statistically different from zero, indicating that this restatement announcement did not cause investor losses.

54. Proof of loss causation and the technical aspects of damages would require significant expert testimony and analysis, as well as fact-intensive evidence. Because establishing these elements would involve a "battle of experts," as well as highly complex financial issues for the jury to sift through and weigh, the outcome of summary judgment and trial was and remains impossible to predict.

### **C. Evidentiary Risks**

55. Defendants would undoubtedly vigorously challenge the credibility of Delaune, arguing that he has admitted to being a fraudster and that he had "an axe to grind" against InnerWorkings because it fired him and exposed him to criminal fraud charges in France. During trial, Defendants would likely introduce competing testimony from Belcher and Busky that they would not have risked criminal penalties and the loss of their livelihoods to participate in a scheme in which the Company implausibly paid out more in connection with the invoicing scheme than it could have gained from the fictional results. Although Lead Plaintiff believed that Delaune has

provided a strong and credible account to establish scienter, it is far from certain that a jury would agree.

56. Lead Plaintiff faced the risk that the Criminal Complaint filed at the behest of InnerWorkings in France would be deemed admissible at trial. The Criminal Complaint arguably cast Delaune in a bad light. For example, it alleged that Mr. Delaune had fraudulently secured an earn-out for 2011 and 2012 from his sale of Productions Graphics by artificially inflating the Productions Graphics group's revenues. The Criminal Complaint detailed fictitious invoices for at least nine separate entities for which services were never provided by Productions Graphics, and described how Delaune manipulated approximately €4,984,000 in funds for sixteen other entities over the course of 180 transactions in order to conceal the fraudulent nature of his activities. Lead Plaintiff would vigorously contest the admissibility of the statements in the Criminal Complaint as hearsay, but even without the statements there was a significant risk that a jury could be persuaded by these other facts and not find Delaune credible.

**D. Risks Concerning Appeals**

57. Even if Lead Plaintiff were successful in proving liability on any or all of its claims at trial, the verdict itself would establish only a per-share value that the stock was inflated due to the Defendants' allegedly false and misleading statements. Each individual claimant thus bore the risk after trial that proof of ownership would be challenged. Indeed, Defendants would very likely appeal a verdict and award of damages, if achieved. The appeals process would likely span several years, during which time the Settlement Class would receive no distribution on any damage award. In addition, an appeal would carry with it the risk of reversal, in which case the Settlement Class would receive no recovery despite having prevailed on the claims at trial. *See also* §VIII.A.2., *infra*.

58. In summary, there are multiple procedural hurdles, as well as significant merit-based risks involved in proceeding with the Action, each of which was carefully considered by Lead

Counsel and Lead Plaintiff in making the determination to settle with Defendants on the agreed terms.

**E. Risks Concerning Maintaining Class Certification Through Trial**

59. At the time of settlement, Lead Plaintiff had not yet moved for class certification. While Lead Plaintiff believes it would prevail in a contested class certification proceeding given *Halliburton Co. v. Erica P. John Fund Inc.*, 134 S. Ct. 2398 (2014), however, Defendants would likely have tenaciously argued and presented expert testimony seeking to demonstrate a lack of price impact on InnerWorkings' securities' prices on relevant days during the Class Period or argued that the market for InnerWorkings securities was not efficient during the class period. Accordingly, even if Lead Plaintiff prevailed at the class certification stage, Defendants would likely have continued to challenge the efficiency of the market for InnerWorkings' securities, as well as the presumption of reliance through all subsequent stages and before the jury. Decertification after trial also remained a significant risk.

**VII. THE PLAN OF ALLOCATION**

60. Pursuant to the Preliminary Approval Order, and as set forth in the Notice, all Settlement Class Members who wish to participate in the distribution of the Net Settlement Fund must submit a valid Claim Form, including all required information, postmarked no later than October 8, 2016. As provided in the Notice, the Net Settlement Fund will be distributed according to the Plan of Allocation approved by the Court.

61. The proposed Plan of Allocation, which is set forth in full in the Notice, was designed to achieve an equitable and rational distribution of the Net Settlement Fund, but it is not a formal damages analysis that would be submitted at trial. Lead Counsel developed the Plan of Allocation in close consultation with Lead Plaintiff's consulting damages expert and believes that the plan

provides a fair and reasonable method to equitably distribute the Net Settlement Fund among Authorized Claimants.

62. The Plan of Allocation provides for distribution of the Net Settlement Fund among Authorized Claimants on a *pro rata* basis based on “Recognized Loss” formulas tied to liability and damages. These formulas consider the amount of alleged artificial inflation in the prices of InnerWorkings publicly traded common stock and/or call options (or deflation in the prices of put options), as quantified by Lead Plaintiff’s consulting damages expert. Lead Plaintiff’s expert analyzed the movement in the prices of InnerWorkings securities and took into account the portion of the price drop allegedly attributable to the alleged fraud.

63. GCG, under Lead Counsel’s direction, will determine each Authorized Claimant’s *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant’s total Recognized Loss compared to the aggregate Recognized Losses of all Authorized Claimants. Calculation of Recognized Loss will depend upon several factors, including the type of InnerWorkings security purchased, when the claimants purchased the securities, whether the securities were sold during the Class Period, and if so, when.<sup>3</sup>

64. In sum, the proposed Plan of Allocation, developed in consultation with Lead Plaintiff’s consulting damages expert, was designed to fairly and rationally allocate the Net

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<sup>3</sup> After the claims administration process is complete and rejected claimants have been given an opportunity to contest the determination of their claims, Lead Plaintiff will file a motion seeking the Court’s approval of the Claims Administrator’s findings and authority to distribute the Net Settlement Fund. *See* Stipulation ¶¶ 22-23. Pursuant to the Stipulation, the Claims Administrator will continue to distribute the Net Settlement Fund to Authorized Claimants until it is no longer economically feasible to do so. *Id.* ¶ 26. At that point, Lead Plaintiff will seek the Court’s approval to donate the remainder to the Legal Aid Society of Metropolitan Family Services, a non-sectarian, not-for-profit charitable organization serving the public interest. *Id.*

Settlement Fund among Authorized Claimants. Accordingly, Lead Counsel respectfully submits that the proposed Plan of Allocation is fair, reasonable, and adequate and should be approved.

### **VIII. LEAD COUNSEL'S APPLICATION FOR ATTORNEYS' FEES AND EXPENSES**

#### **A. Consideration of Relevant Factors Justify an Award of a 30% Fee in This Case**

65. Consistent with the Notice to the Settlement Class, Lead Counsel seeks a fee award of 30% of the Settlement Fund. Lead Counsel also requests payment of expenses incurred in connection with the prosecution of the Action from the Settlement Fund in the amount of \$124,535.43, plus accrued interest at the same rate as is earned by the Settlement Fund. Lead Counsel submits that, for the reasons discussed below and in the accompanying Memorandum of Law in Support of Lead Counsel's Motion for an Award of Attorneys' Fees and Payment of Litigation Expenses ("Fee Brief"), such awards would be reasonable and appropriate under the circumstances before the Court.

#### **1. Lead Plaintiff Supports the Fee and Expense Application**

66. Lead Plaintiff is an institutional investor established in 1937 to provide retirement benefit for employees of Plymouth County, Massachusetts. Lead Plaintiff serves approximately 12,000 active and retired members of the county and its assets are approximately \$800 million. Ex. 1 ¶1.

67. Lead Plaintiff has evaluated and fully supports the Fee and Expense Application. *Id.* ¶6. In coming to this conclusion, Lead Plaintiff—which was substantially involved in the prosecution of the Action and negotiation of the Settlement—considered the recovery obtained as well as Lead Counsel's substantial effort in obtaining the recovery. Particularly in light of the considerable risks of litigation, Plymouth County agreed to allow Lead Counsel to apply for 30% of the Settlement Fund. *Id.* Plymouth County takes its role as Lead Plaintiff seriously to ensure that

Lead Counsel's fee request is fair in light of work performed and the result achieved for the Settlement Class. *Id.*

**2. The Risks and Unique Complexities of Contingent Class Action Litigation**

68. This Action presented substantial challenges from the outset of the case. The specific risks Lead Plaintiff faced in proving Defendants' liability and damages are detailed in paragraphs 44 to 58, above. These case-specific risks are in addition to the more typical risks accompanying securities class action litigation, such as the fact that this Action was undertaken on a contingent basis and is governed by stringent PSLRA requirements and case law interpreting the federal securities laws.

69. From the outset, Lead Counsel understood that it was embarking on a complex, expensive, and lengthy litigation with no guarantee of ever being compensated for the substantial investment of time and money the case would require. In undertaking that responsibility, Lead Counsel was obligated to ensure that sufficient resources were dedicated to the prosecution of the Action, and that funds were available to compensate staff and to cover the considerable costs that a case such as this requires. With an average lag time of several years for these cases to conclude, the financial burden on contingent-fee counsel is far greater than on a firm that is paid on an ongoing basis. Indeed, Plaintiff's Counsel received no compensation during the course of the Action but have dedicated 2,424 hours of time for a total lodestar of \$1,542,726.00 and have incurred \$124,535.43 in expenses in prosecuting the Action for the benefit of the Settlement Class. *See* §VIII.A.3., *infra*.

70. Lead Counsel also bore the risk that no recovery would be achieved (or that a judgment could not be collected, in whole or in part). Even with the most vigorous and competent of efforts, success in contingent-fee litigation, such as this, is never assured.

71. Lead Counsel knows from experience that the commencement of a class action does not guarantee a settlement. To the contrary, it takes hard work and diligence by skilled counsel to develop the facts and theories that are needed to sustain a complaint or win at trial, or to convince sophisticated defendants to engage in serious settlement negotiations at meaningful levels.

72. Lead Counsel is aware of many hard-fought lawsuits where, because of the discovery of facts unknown when the case was commenced, or changes in the law during the pendency of the case, or a decision of a competent judge or jury following a trial on the merits, excellent professional efforts of members of the plaintiffs' bar produced no fee for counsel.

73. Federal appellate reports are filled with opinions affirming dismissals with prejudice in securities cases. The many appellate decisions affirming summary judgments and directed verdicts for defendants show that surviving a motion to dismiss is not a guarantee of recovery. *See, e.g., Fannon v. Guidant Corp.*, 583 F.3d 995 (7th Cir. 2009); *In re Oracle Corp., Sec. Litig.*, 627 F.3d 376 (9th Cir. 2010); *In re Silicon Graphics Sec. Litig.*, 183 F.3d 970 (9th Cir. 1999); *Phillips v. Scientific-Atlanta, Inc.*, 489 F. App'x. 339 (11th Cir. 2012); *In re Smith & Wesson Holding Corp. Sec. Litig.*, 669 F.3d 68 (1st Cir. 2012); *McCabe v. Ernst & Young, LLP*, 494 F.3d 418 (3d Cir. 2007); *In re Digi Int'l Inc. Sec. Litig.*, 14 F. App'x. 714 (8th Cir. 2001); *Geffon v. Micrion Corp.*, 249 F.3d 29 (1st Cir. 2001).

74. Successfully opposing a motion for summary judgment is also not a guarantee that plaintiffs will prevail at trial. Indeed, while only a few securities class actions have been tried before a jury, several have been lost in their entirety, such as *In re JDS Uniphase Securities Litigation*, Case No. C-02-1486 CW (EDL), slip op. (N.D. Cal. Nov. 27, 2007), litigated by Lead Counsel, or substantially lost as to the main case, such as *In re Clarent Corp. Sec. Litig.*, Case No. C-01-3361 CRB, slip op. (N.D. Cal. Feb. 16, 2005).

75. Even plaintiffs who succeed at trial may find their verdict overturned on appeal. *See, e.g., Glickenhau & Co., et al. v. Household Int'l, Inc., et al.*, 787 F.3d 408 (7th Cir. 2015) (reversing and remanding jury verdict of \$2.46 billion after 13 years of litigation on loss causation grounds and error in jury instruction under *Janus Capital Grp, Inc. v. First Derivative Traders*, 131 S.Ct. 2296 (2011)); *Ward v. Succession of Freeman*, 854 F.2d 780 (5th Cir. 1998) (reversing plaintiffs' jury verdict for securities fraud); *Robbins v. Koger Props., Inc.*, 116 F.3d 1441 (11th Cir. 1997) (reversing \$81 million jury verdict and dismissing case with prejudice); *Anixter v. Home-Stake Prod. Co.*, 77 F.3d 1215 (10th Cir. 1996) (overturning plaintiffs' verdict obtained after two decades of litigation). And, the path to maintaining a favorable jury verdict can be arduous and time consuming. *See, e.g., In re Apollo Grp., Inc. Sec. Litig.*, Case No. CV-04-2147-PHX-JAT, 2008 WL 3072731 (D. Ariz. Aug. 4, 2008), *rev'd*, No. 08-16971, 2010 WL 5927988 (9th Cir. June 23, 2010) (trial court tossing unanimous verdict for plaintiffs, which was later reinstated by the Ninth Circuit Court of Appeals and judgment re-entered (*Id.*) after denial by the Supreme Court of the United States of defendants' Petition for Writ of Certiorari (*Apollo Grp. Inc. v. Police Annuity and Benefit Fund*, 562 U.S. 1270 (2011))).

76. Losses such as those described above are exceedingly expensive for plaintiff's counsel to bear. The fees that are awarded in successful cases are used to cover enormous overhead expenses incurred during the course of litigations and are taxed by federal, state, and local authorities.

77. As discussed in greater detail above, this case was fraught with significant risk factors concerning liability and damages. Lead Plaintiff's success was by no means assured. Defendants disputed whether Lead Plaintiff could establish each element of liability and would no doubt contend, as the case proceeded to trial, that even if liability existed, the amount of damages was

substantially lower than Lead Plaintiff alleged. Were this Settlement not achieved, and even if Lead Plaintiff prevailed at trial, Lead Plaintiff and Lead Counsel faced potentially years of costly and risky appellate litigation against Defendants, with ultimate success far from certain and the prospect of no recovery significant. It is also possible that a jury could have found no liability or no damages. Lead Counsel therefore respectfully submits that based upon the considerable risk factors present, this case involved a very substantial contingency risk to counsel.

### **3. The Work of Lead Counsel and the Lodestar Cross-Check**

78. The work undertaken by Lead Counsel in investigating and prosecuting this case and arriving at the present Settlement in the face of serious hurdles has been time-consuming and challenging. As more fully set forth above, Lead Counsel investigated and prosecuted this Action for two years and settled only after Lead Counsel overcame multiple legal and factual challenges. Among other efforts, Lead Counsel conducted a comprehensive investigation into the class's claims; researched and prepared a detailed Complaint; briefed a thorough opposition to Defendants' motion to dismiss; obtained and reviewed core documents from Defendants; consulted with an expert on loss causation and damages; and engaged in a hard-fought settlement process with experienced defense counsel.

79. At all times throughout the pendency of the Action, Lead Counsel's efforts were driven and focused on advancing the litigation to bring about the most successful outcome for the Settlement Class, whether through settlement or trial, by the most efficient means necessary.

80. Attached hereto are declarations from Plaintiff's Counsel, which are submitted in support of the request for an award of attorneys' fees and payment of litigation expenses. *See* Declaration of Jonathan Gardner on Behalf of Labaton Sucharow LLP, dated September 1, 2016 (attached as Exhibit 4 hereto) and the Declaration of Carol V. Gilden on Behalf of Cohen Milstein Sellers & Toll PLLC, dated August 31, 2016 (attached as Exhibit 5 hereto).

81. Included with these declarations are schedules that summarize the time of each firm, as well as the expenses incurred by category (the “Fee and Expense Schedules”).<sup>4</sup> The attached declarations and the Fee and Expense Schedules (Exhibits A and B to the declarations), report the amount of time spent by each attorney and professional support staff employed by Plaintiff’s Counsel and the “lodestar” calculations, *i.e.*, their hours multiplied by their billing rates. As explained in each declaration, they were prepared from contemporaneous daily time records regularly prepared and maintained by the respective firms, which are available at the request of the Court.

82. The hourly billing rates of Plaintiff’s Counsel here range from \$845 to \$945 for partners, \$550 to \$775 for of counsels, and \$335 to \$725 for other attorneys. *See* Ex. 4–A and Ex. 5–A. It is respectfully submitted that the hourly rates for attorneys and professional support staff included in these schedules are reasonable and customary. Exhibit 7, attached hereto, is a table of billing rates for defense firms compiled by Labaton Sucharow from fee applications submitted by such firms nationwide in bankruptcy proceedings in 2015. The analysis shows that across all types of attorneys, Plaintiff’s Counsel’s rates here are consistent with, or lower than, the firms surveyed.

83. Plaintiff’s Counsel have collectively expended more than 2,400 hours in the prosecution and investigation of the Action. *See* Ex. 6. The resulting collective lodestar is \$1,542,726.00. *Id.* Pursuant to a lodestar “cross-check,” applied within the Seventh Circuit, the requested fee of 30% of the Settlement Fund (\$1,807,500) results in a “multiplier” of 1.2 on the lodestar, which does not include any time that will necessarily be spent from this date forward administering the Settlement, preparing for and attending the Settlement Hearing, assisting class members, and moving for a distribution order.

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<sup>4</sup> Attached hereto as Exhibit 6 is a summary table of the lodestars and expenses of Plaintiff’s Counsel.

#### 4. The Skill Required and Quality of the Work

84. Lead Counsel Labaton Sucharow is among the most experienced and skilled securities litigation law firms in the field. The expertise and experience of its attorneys involved in this litigation are described in Exhibit 4-C annexed hereto. Since the passage of the PSLRA, Labaton Sucharow has been approved by courts to serve as lead counsel in numerous securities class actions throughout the United States, and in several of the most significant federal securities class actions in history. Here, Labaton Sucharow attorneys have devoted considerable time and effort to this case, thereby greatly benefiting the outcome by bringing to bear years of collective experience.

85. For example, Labaton has served as lead counsel in a number of high profile matters, for example: *In re Am. Int'l Grp., Inc. Sec. Litig.*, No. 04-8141 (S.D.N.Y.) (representing the Ohio Public Employees Retirement System, State Teachers Retirement System of Ohio, and Ohio Police & Fire Pension Fund and reaching settlements of \$1 billion); *In re HealthSouth Corp. Sec. Litig.*, No. 03-1500 (N.D. Ala.) (representing the State of Michigan Retirement System, New Mexico State Investment Council, and the New Mexico Educational Retirement Board and securing settlements of more than \$600 million); *In re Countrywide Sec. Litig.*, No. 07-5295 (C.D. Cal.) (representing the New York State and New York City Pension Funds and reaching settlements of more than \$600 million); *In re Schering-Plough Corp. / ENHANCE Sec. Litig.*, Civil Action No. 08-397 (DMC) (JAD) (D.N.J.) (representing Massachusetts Pension Reserves Investment Management Board and reaching a settlement of \$473 million). *See* Ex. 4-C hereto.

86. This depth of experience was called upon here given the unique facts underlying the claims and defenses in the Action.

**B. Request for Litigation Expenses**

87. Lead Counsel seeks payment from the Settlement Fund of \$124,535.43 in litigation expenses reasonably and necessarily incurred by Plaintiff's Counsel in connection with commencing and prosecuting the claims against Defendants.

88. From the beginning of the case, Lead Counsel was aware that it might not recover any of its expenses, and, at the very least, would not recover anything until the Action was successfully resolved. Thus, Lead Counsel was motivated to, and did, take steps to minimize expenses whenever practicable without jeopardizing the vigorous and efficient prosecution of the case.

89. As set forth in the Fee and Expense Schedules and the Summary Table of Lodestar and Expenses, Plaintiff's Counsel have incurred a total of \$124,535.43 in litigation expenses in connection with the prosecution of the Action. *See* Exs. 4-B and 5-B. As attested to, these expenses are reflected on the books and records maintained by each firm. These books and records are prepared from expense vouchers, check records, and other source materials, and are an accurate record of the expenses incurred. These expenses are set forth in detail in Plaintiff's Counsel's declarations, which identify the specific category of expense—*e.g.*, experts' fees, travel costs, costs related to discovery, photocopying, telephone, fax and postage expenses.

90. Of the total amount of expenses, more than \$76,000, or approximately 60% of total litigation expenses, was expended on experts. As discussed above, Lead Plaintiff consulted extensively with its loss causation and damages expert.

91. Additionally, Lead Counsel paid almost \$5,000 in mediation fees assessed by the mediator in this matter, and incurred expenses in connection with work-related travel (including traveling to Paris to meet with Delaune and court hearings, any First Class Airfare was reduced to Economy rates) and working meals totaling \$20,023.

92. The other expenses for which Lead Counsel seeks payment are the types of expenses that are necessarily incurred in litigation and routinely charged to clients billed by the hour. These expenses include, among others, legal and factual research, expenses related to electronic discovery and Lead Counsel's factual investigation, duplicating costs, long distance telephone and facsimile charges, and postage and delivery expenses.

93. All of the litigation expenses incurred, which total \$124,535.43, were necessary to the successful prosecution and resolution of the claims against Defendants.

#### **IX. THE REACTION OF THE SETTLEMENT CLASS TO THE FEE AND EXPENSE APPLICATION**

94. As mentioned above, consistent with the Preliminary Approval Order, a total of 19,772 Notices have been mailed to potential Settlement Class Members advising them that Lead Counsel would seek an award of attorneys' fees not to exceed 30% of the Settlement Fund, and payment of expenses in an amount not greater than \$225,000. *See* Ex. 3 ¶6. Additionally, the Summary Notice was published in *Investor's Business Daily*, and disseminated over *PR Newswire*. *Id.* ¶7. The Notice and the Stipulation have also been available on the settlement website maintained by the Claims Administrator. *Id.* ¶8.<sup>5</sup> While the deadline set by the Court for Settlement Class Members to object to the requested fees and expenses has not yet passed, to date Lead Plaintiff has received no objections. Lead Counsel will respond to any objections received in its reply papers, which are due October 5, 2016.

#### **X. CONCLUSION**

95. In view of the significant recovery to the Settlement Class and the substantial risks of this litigation, as described above and in the accompanying memorandum of law, Lead Plaintiff and

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<sup>5</sup> Lead Plaintiff's motion for approval of the Settlement and Lead Counsel's motion for an award of attorneys' fees and expenses will also be posted on the Settlement website.

Lead Counsel respectfully submit that the Settlement should be approved as fair, reasonable, and adequate and that the proposed Plan of Allocation should likewise be approved as fair, reasonable, and adequate. In view of the significant recovery in the face of substantial risks, the quality of work performed, the contingent nature of the fee, and the standing and experience of Lead Counsel, as described above and in the accompanying memorandum of law, Lead Counsel respectfully submits that a fee in the amount of 30% of the Settlement Fund be awarded and that litigation expenses in the amount of \$124,535.43 be paid in full.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 6th day of September, 2016.



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JONATHAN GARDNER

**CERTIFICATE OF SERVICE**

I hereby certify that I am a member of Labaton Sucharow LLP, and on the 6th day of September 2016, I caused to be electronically filed the Declaration of Jonathan Gardner in Support of Lead Plaintiff's Motion for Final Approval of Proposed Class Action Settlement and Plan of Allocation and Lead Counsel's Motion for an Award of Attorneys' Fees and Expenses, using ECF. Accordingly, I also certify that the Declaration was served on counsel of record via transmission of Notices of Electronic Filing generated by CM/ECF.

/s/ Jonathan Gardner  
Jonathan Gardner

**Mailing Information for a Case 1:14-cv-01416**

*Van Noppen v. InnerWorkings, Inc. et al.*

**Electronic Mail Notice List**

The following are those who are currently on the list to receive e-mail notices for this case.

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**Manual Notice List**

The following is the list of attorneys who are **not** on the list to receive e-mail notices for this case (who therefore require manual noticing). You may wish to use your mouse to select and copy this list into your word processing program in order to create notices or labels for these recipients.

- (No manual recipients)

# **Exhibit 1**



2. I submit this Declaration in support of (a) Lead Plaintiff's motion for approval of the proposed Settlement and Plan of Allocation and (b) Lead Counsel's motion for an award of attorneys' fees and payment of litigation expenses. I have personal knowledge of the matters set forth in this Declaration as I, or my predecessor William Farmer and others working closely with me or under my direction, have been directly involved in monitoring and overseeing the prosecution of the Action, and I could and would testify competently thereto.

### **I. Oversight by Plymouth County Retirement System**

3. In fulfillment of its responsibilities as Court-appointed lead plaintiff, Plymouth endeavored to protect the interests of the class and to vigorously pursue a favorable result in this Action.

4. Since being appointed, it has monitored and been engaged in all material aspects of the prosecution and resolution of this Action. Specifically, throughout this Action, I or my predecessor William Farmer:

- Conferred with Lead Counsel on the overall strategies for the prosecution of the Action and on developments in the case;
- Responded to Defendants' discovery requests;
- Coordinated closely with Lead Counsel regarding settlement strategy, including discussions with counsel relating to the reasonableness of the proposed Settlement and related risks of continued litigation;

### **II. Plymouth Strongly Endorses Approval of the Settlement by the Court**

5. Based on its involvement throughout the prosecution and resolution of the claims, Plymouth believes that the proposed Settlement is fair, reasonable and adequate. We believe that the proposed Settlement represents a very favorable recovery for the Settlement Class, particularly in light of the substantial risks of continued litigation, including the risks of establishing scienter, loss causation and the class's alleged damages. Therefore, Plymouth

strongly endorses approval of the Settlement by the Court.

**III. Plymouth Supports Lead Counsel's Motion for an Award of Attorneys' Fees and Payment of Litigation Expenses**

6. Lead Counsel's request for an award of attorneys' fees in the amount of 30% of the Settlement Fund and expenses of no more than \$225,000 has been authorized by Plymouth as fair and reasonable in light of the work Counsel performed on behalf of the Settlement Class. Plymouth evaluated the fee request by considering the quality and scope of the work performed by Lead Counsel, the substantial recovery obtained, and the obstacles and challenges faced by Counsel. Plymouth further believes that the litigation expenses being requested by Lead Counsel are also reasonable, and that they represent the costs and expenses necessary for the prosecution and resolution of the claims. Based on the foregoing, and consistent with its obligation to the class to obtain the best result at the most efficient cost, we fully support Lead Counsel's motion for an award of attorneys' fees and payment of litigation expenses.

**IV. Conclusion**

7. In conclusion, Plymouth County Retirement System, Court-appointed Lead Plaintiff that was closely involved throughout the prosecution and settlement of the claims, strongly endorses the Settlement as fair, reasonable and adequate, and believes it represents a very favorable recovery for the Settlement Class. We further support Lead Counsel's attorneys' fee and litigation expense application, and believe that it represents fair and reasonable compensation for Counsel in light of the recovery obtained for the Settlement Class and the quality of the work conducted.

8. Accordingly, we respectfully request that the Court approve Lead Plaintiff's motion for final approval of the proposed Settlement and Lead Counsel's motion for an award of attorneys' fees and payment of expenses.

I declare under penalty of perjury that that the foregoing is true and correct, and that I have authority to execute this Declaration on behalf of Plymouth County Retirement System.

Executed this August 30, 2016.

  
\_\_\_\_\_  
DAVID SULLIVAN

# **Exhibit 2**

# CORNERSTONE RESEARCH

Economic and Financial Consulting and Expert Testimony



## Securities Class Action Settlements

2015 Review and Analysis

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This report analyzes 1,537 securities class actions filed after passage of the Private Securities Litigation Reform Act of 1995 (Reform Act) and settled from 1996 through year-end 2015, and explores a variety of factors that influence settlement outcomes. The sample includes cases alleging fraudulent inflation in the price of a corporation’s common stock (i.e., excluding cases with alleged classes of only bondholders, preferred stockholders, etc., and excluding cases alleging fraudulent depression in price and M&A cases). See page 24 for a detailed description of the research sample. For purposes of this report and related research, a settlement refers to a negotiated agreement between the parties to the securities class action that is publicly announced to potential class members by means of a settlement notice.

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## HIGHLIGHTS

- There were 80 securities class action settlements approved in 2015, representing a 27 percent rise in the number of settlements over 2014 and the highest number since 2010. (page 3)
- Total settlement dollars in 2015 increased substantially over the 2014 historic low to \$3 billion and were 9 percent higher than the average for the prior five years. (page 3)
- In 2015, there were eight mega settlements (those greater than or equal to \$100 million), up from just one in 2014. (page 4)
- The average settlement size climbed from \$17 million in 2014 to \$37.9 million in 2015 (an increase of 123 percent), while the median settlement amount (representing the typical case) remained relatively flat (\$6.0 million in 2014 and \$6.1 million in 2015). (page 6)
- Average “estimated damages” rose 151 percent from 2014. Since “estimated damages,” the simplified damages calculation used in this research, is the most important factor in predicting settlement amounts, this increase contributed to the substantially higher average settlement amounts in 2015. (page 7)
- Median settlements as a percentage of “estimated damages” decreased to historic low levels in 2015. (page 8)
- In 2015, 35 percent of accounting-related cases had a named auditor defendant, representing a 50 percent increase over the prior 10-year average. Underwriter defendants were named in 76 percent of cases with Section 11 claims. (page 15)
- Although the proportion of securities class action settlements involving financial sector firms was lower in 2014 and 2015 compared to prior years, these cases continue to be some of the largest when measured by “estimated damages.” In 2015, 55 percent of financial sector settlements involved “estimated damages” of greater than \$1 billion. (page 21)

### FIGURE 1: SETTLEMENT STATISTICS

(Dollars in Millions)

	1996–2014	2014	2015
Minimum	\$0.1	\$0.3	\$0.4
Median	\$8.2	\$6.0	\$6.1
Average	\$55.6	\$17.0	\$37.9
Maximum	\$8,503.8	\$265.3	\$970.5
Total Amount	\$80,944.5	\$1,069.3	\$3,034.2
Number of Settlements	1,457	63	80

Note: Settlement dollars are adjusted for inflation; 2015 dollar equivalent figures are used.

## 2015 FINDINGS—PERSPECTIVE AND DEVELOPING TRENDS

The number of settlements approved in 2015 increased to 80, reversing four years of relatively low settlement volume. This surge can be attributed, at least in part, to three consecutive year-over-year increases in the number of case filings.<sup>1</sup> Since many cases take three to four years to settle, the increased number of case filings in 2015 may suggest that higher numbers of settlements will persist in the near future.

There were eight mega settlements (equal to or greater than \$100 million) in 2015, compared to only one in 2014. Reflecting that analyses show that the most important factor affecting settlement amounts is a proxy for shareholder damages, this increase was likely driven by a corresponding uptick in cases with very high “estimated damages.” In fact, median “estimated damages” for mega settlements in 2015 was the second highest over the last 10 years.

While larger damages appear to have driven up settlement values for some cases in 2015, other factors that are also associated with higher settlements were less prevalent in 2015. For example, the proportion of mega settlements involving financial statement restatements, public pension plan lead plaintiffs, and/or SEC actions was lower. Consistent with this, the median settlement as a percentage of “estimated damages” for mega settlements reached a historical low.

At the opposite end of the spectrum, the proportion of settlements for \$2 million or less was the highest in 18 years. The increased number of settlements of cases related to Chinese reverse mergers contributed to the growth in very small settlements, as these cases tend to involve relatively low “estimated damages” and settle for comparatively low amounts.

The number of cases settling within two years from filing date increased to 16 cases in 2015, more than two-and-a-half times the number in 2014. Cases that settle within two years tend to be smaller (indicated by asset size of the defendant company and “estimated damages”) and less likely to be characterized by indicators associated with higher settlements (e.g., restatement or reported accounting irregularity, parallel SEC action or companion derivative action, or public pension as a lead or co-lead plaintiff).

Overall, while a handful of very large settlements produced a higher average settlement value in 2015, the size of the typical settlement (as represented by the median) was similar to 2014, and the median “estimated damages” was lower. Looking ahead, the most recent data on case filings provide a mixed outlook for the size of settlements. In particular, Cornerstone Research’s [Securities Class Action Filings—2015 Year in Review](#) reported a substantial increase in the average size of case filings but a decrease in the median filing size.<sup>2</sup>

---

“The increases in case filings may suggest that higher numbers of settlements will persist in the near future.”

Dr. Laura Simmons  
Cornerstone Research  
Senior Advisor

---

## NUMBER AND SIZE OF SETTLEMENTS

### TOTAL SETTLEMENT DOLLARS

- The total value of settlements approved by courts in 2015 was \$3 billion, similar to the annual average of \$2.8 billion for the prior five years but a substantial increase over the unusually low level for 2014.
- Contributing to the rise in total settlement dollars in 2015 was the notable increase in mega settlements (see page 4).
- The increased total settlement value in 2015 was also due to the 27 percent rise in the number of settlements over 2014.
- While substantially higher than 2014, the total settlement value in 2015 did not approach the levels reached in 2006 and 2007.

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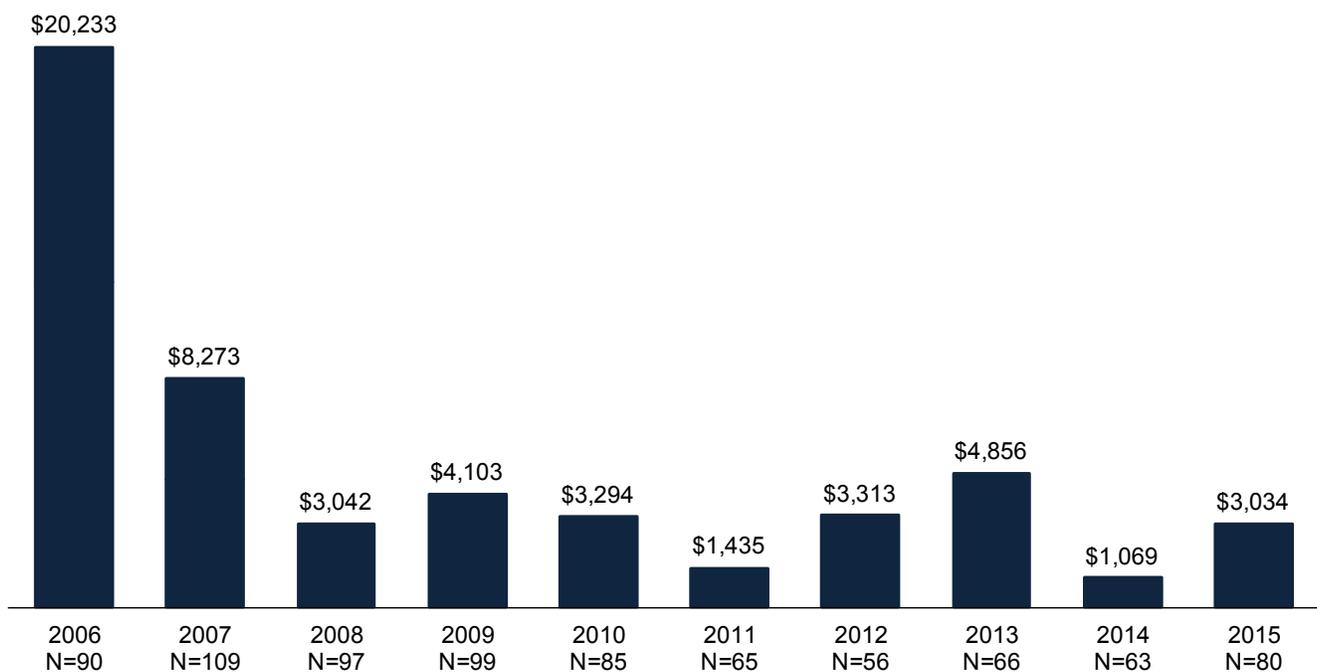
Total settlement dollars in 2015 rebounded from a historic low in 2014.

---

**FIGURE 2: TOTAL SETTLEMENT DOLLARS**

**2006–2015**

(Dollars in Millions)



Note: Settlement dollars are adjusted for inflation; 2015 dollar equivalent figures are used.

## MEGA SETTLEMENTS

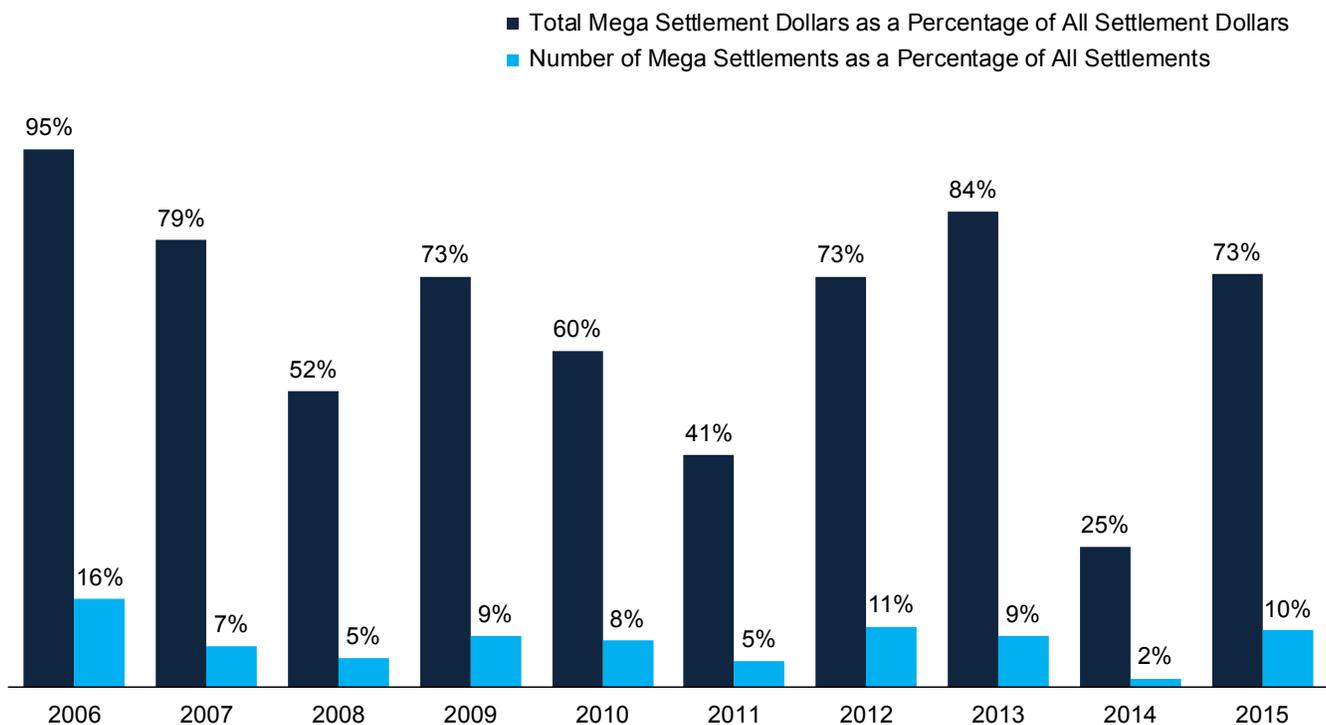
- In 2015, the percentage of settlement dollars from mega settlements (those greater than or equal to \$100 million) returned to historical levels.
- The eight mega settlements in 2015 represented a dramatic increase over the one mega settlement approved in 2014.
  - In 2015, six of the eight mega settlements approved were between \$100 million and \$200 million.
  - There was one case with a settlement of more than \$970 million, which drove up both settlement totals and the average settlement in 2015.

---

Over the last decade, mega settlements have generally accounted for more than 50 percent of settlement dollars.

---

**FIGURE 3: MEGA SETTLEMENTS**  
2006–2015



## SETTLEMENT SIZE

- The proportion of cases settling for \$2 million or less (often referred to as “nuisance suits”) in 2015 was 26 percent, the highest single-year proportion since 1997.
- In 2015, 29 percent of cases that settled for \$2 million or less were Chinese reverse merger cases, which historically have settled for very small amounts.
- There were fewer settlements in the \$5 million to \$50 million range in 2015 compared to prior years, while more occurred in the \$100 million to \$150 million range.

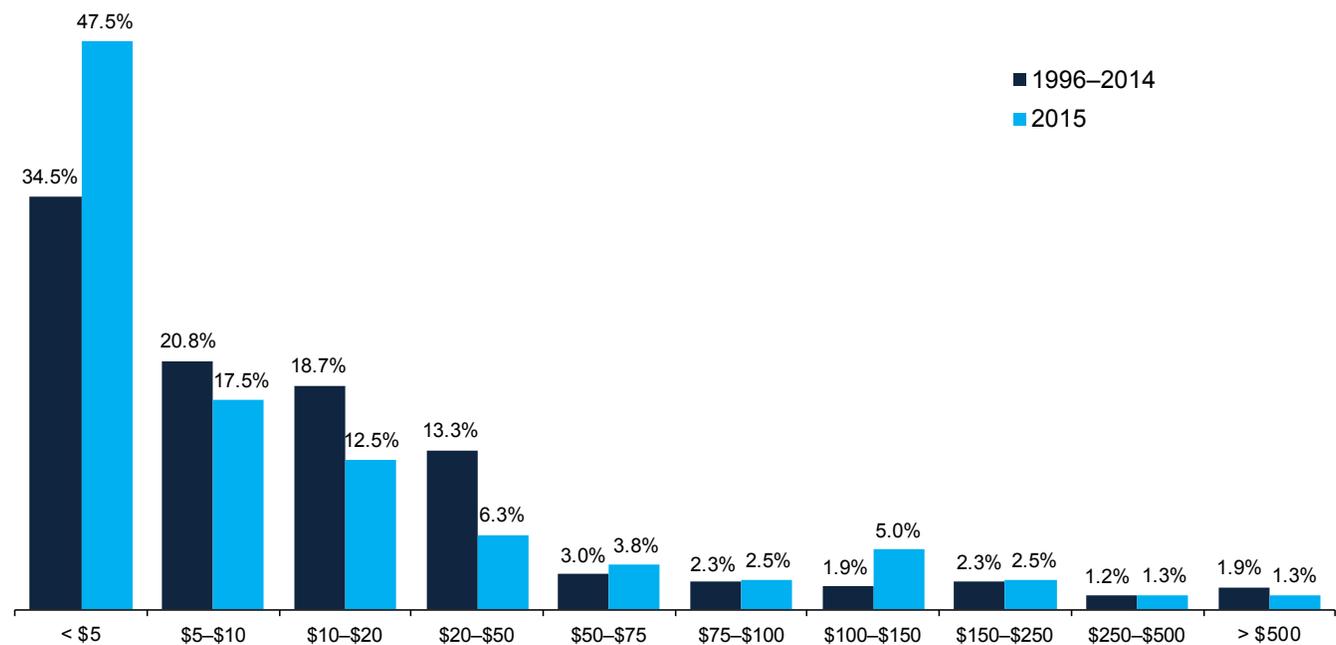
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Since 1996, the vast majority of securities class actions have settled for less than \$25 million.

---

**FIGURE 4: DISTRIBUTION OF POST-REFORM ACT SETTLEMENTS 1996–2015**

(Dollars in Millions)



Note: Settlement dollars are adjusted for inflation; 2015 dollar equivalent figures are used.

**SETTLEMENT SIZE** *continued*

- The average settlement amount in 2015 was 123 percent higher than the average in 2014, but was still 25 percent lower than the average for all prior post–Reform Act years.
- The median settlement amount in 2015 was also lower than the median for all prior post–Reform Act years.
- Nearly 50 percent of settlements approved in 2015 settled for less than \$5 million; 80 percent settled for less than \$25 million; and 90 percent settled for less than \$100 million.
- Average settlements have varied widely over the last 10 years, while median settlements have fluctuated within a narrower range.

---

The median settlement amount has remained largely unchanged in the last three years.

---

**FIGURE 5: SETTLEMENT PERCENTILES****2006–2015**

(Dollars in Millions)

Year	Average	10th	25th	Median	75th	90th
2015	\$37.9	\$1.3	\$2.0	\$6.1	\$15.3	\$91.0
2014	\$17.0	\$1.7	\$2.9	\$6.0	\$13.2	\$39.9
2013	\$73.6	\$1.9	\$3.1	\$6.6	\$22.6	\$83.9
2012	\$59.2	\$1.2	\$2.8	\$9.5	\$36.6	\$118.7
2011	\$22.1	\$1.9	\$2.6	\$6.1	\$19.0	\$44.0
2010	\$38.8	\$2.2	\$4.6	\$12.2	\$27.2	\$86.5
2009	\$41.4	\$2.6	\$4.2	\$8.8	\$22.1	\$73.4
2008	\$31.4	\$2.2	\$4.1	\$8.8	\$20.9	\$55.5
2007	\$75.9	\$1.7	\$3.4	\$10.3	\$20.0	\$91.3
2006	\$131.8	\$2.0	\$3.7	\$8.2	\$27.3	\$268.5

Note: Settlement dollars are adjusted for inflation; 2015 dollar equivalent figures are used.

## DAMAGES ESTIMATES AND MARKET CAPITALIZATION LOSSES

### “ESTIMATED DAMAGES”

For purposes of this research, the use of a consistent method for estimating potential shareholder losses allows for the identification and analysis of potential trends. A simplified measure, referred to here as “estimated damages,” is used as a proxy for potential shareholder losses. “Estimated damages” are the most important factor in predicting settlement amounts. These “estimated damages” are not necessarily linked to the allegations included in the associated court pleadings.<sup>3</sup> The damages estimates presented in this report are not intended to be indicative of actual economic damages borne by shareholders.

- Average “estimated damages” for 2015 increased 151 percent from 2014.
- While average “estimated damages” increased, median “estimated damages” (representing the midpoint) were 30 percent lower in 2015 than in 2014.
- In 2015, 23 percent of settlements involved “estimated damages” of \$1 billion or more, the lowest percentage in the last seven years. This suggests that a small number of cases with very large “estimated damages” contributed to the relatively high average “estimated damages” in 2015.

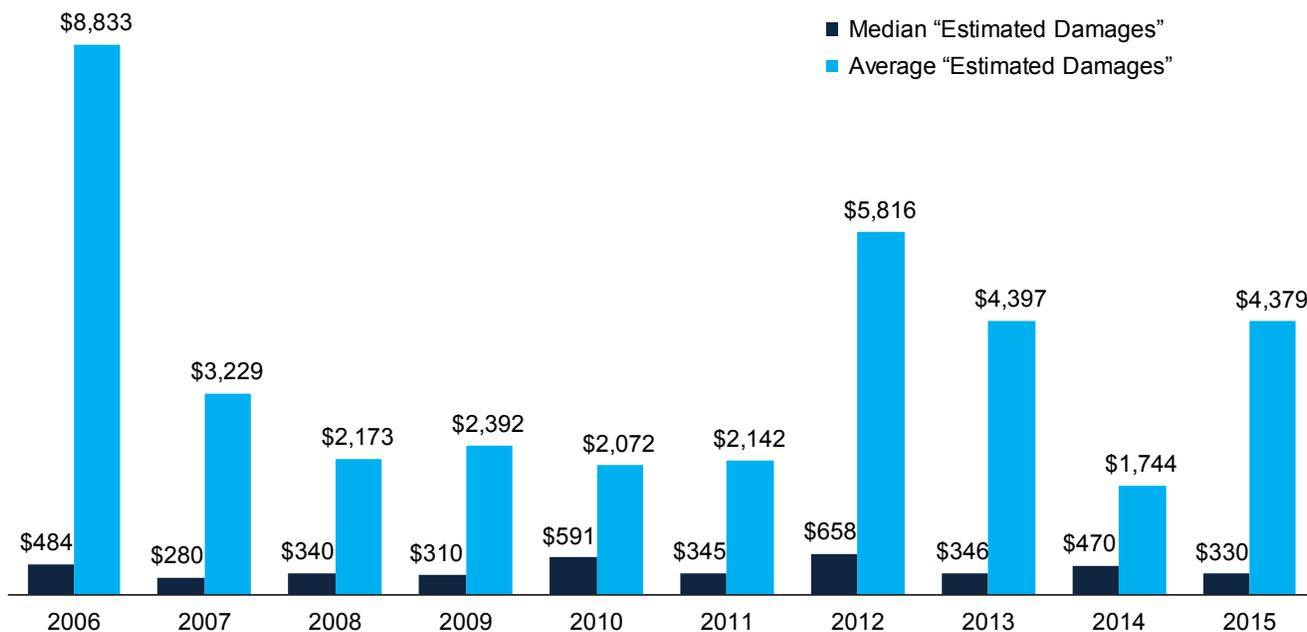
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A small number of cases contributed to the relatively high average “estimated damages” in 2015.

---

**FIGURE 6: MEDIAN AND AVERAGE “ESTIMATED DAMAGES”  
2006–2015**

(Dollars in Millions)



Note: “Estimated damages” are adjusted for inflation based on class period end dates.

**“ESTIMATED DAMAGES”** *continued*

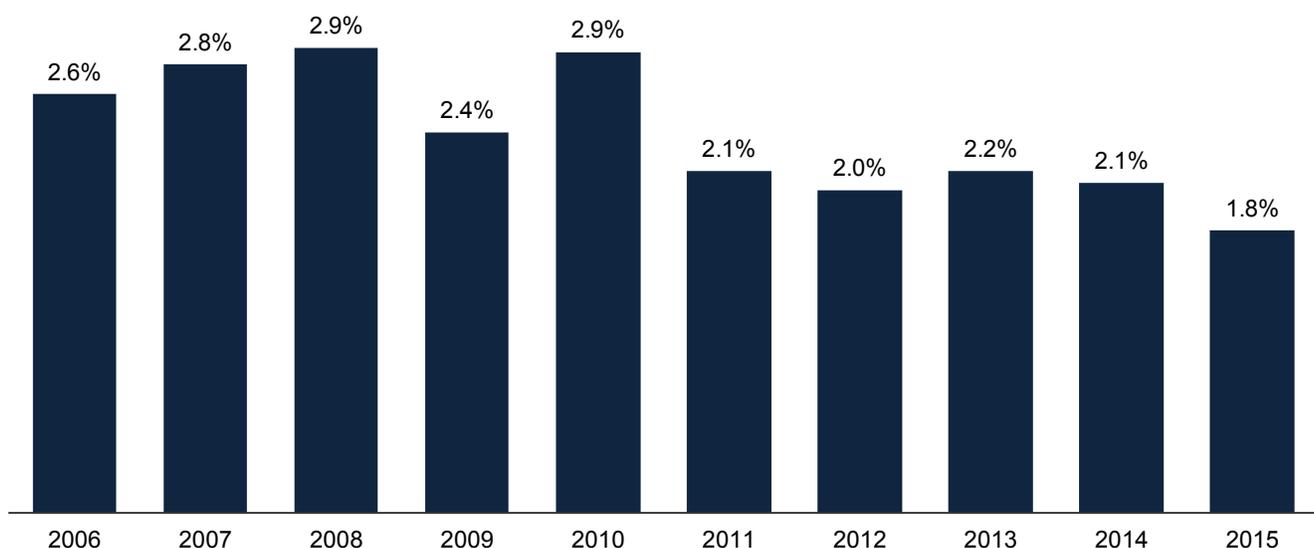
- In 2015, median “estimated damages” and median settlements as a percentage of “estimated damages” both decreased compared to 2014.
- In contrast to the typical pattern observed for prior years, in 2015, the median settlement as a percentage of “estimated damages” was similar for non-mega settlements and mega settlements. Typically, mega settlements occur at lower percentages of “estimated damages” but, in 2015, non-mega settlements also settled for a relatively low percentage of “estimated damages.”
- Overall, the combination of lower median “estimated damages” and lower settlements as a percentage of “estimated damages” suggests that other factors, including those discussed in the following pages, may have contributed to lower median settlements as a percentage of “estimated damages” in 2015.

---

In 2015, median settlements as a percentage of “estimated damages” decreased to historic low levels.

---

**FIGURE 7: MEDIAN SETTLEMENTS AS A PERCENTAGE OF “ESTIMATED DAMAGES” 2006–2015**



**“ESTIMATED DAMAGES” continued**

- Median settlements as a percentage of “estimated damages” decreased 29 percent from the 2006–2014 median.
- In 2015, smaller cases continued to settle for substantially higher percentages of “estimated damages,” although the median settlement of very small cases—those with “estimated damages” less than \$50 million—declined sharply in 2015 compared with the 2006–2014 median.

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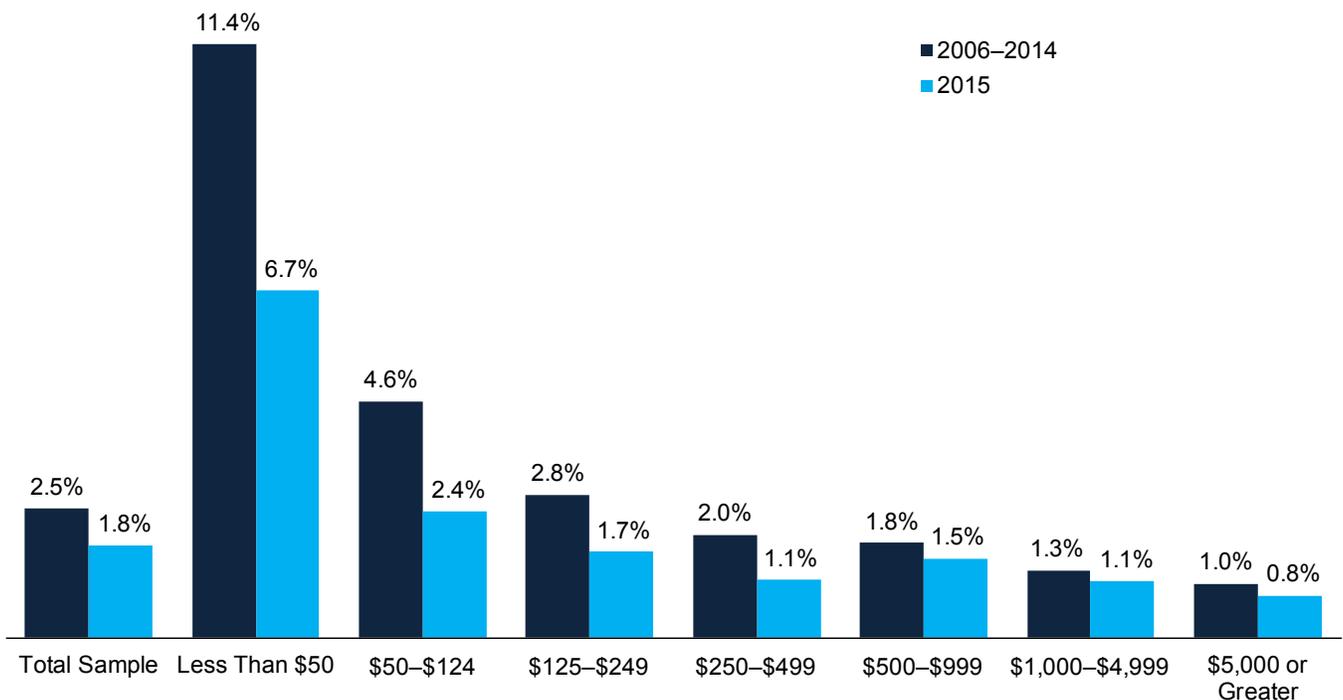
Median settlements declined across all damages ranges in 2015.

---

**FIGURE 8: MEDIAN SETTLEMENTS AS A PERCENTAGE OF “ESTIMATED DAMAGES” BY DAMAGES RANGES**

**2006–2015**

(Dollars in Millions)



**“ESTIMATED DAMAGES” continued**

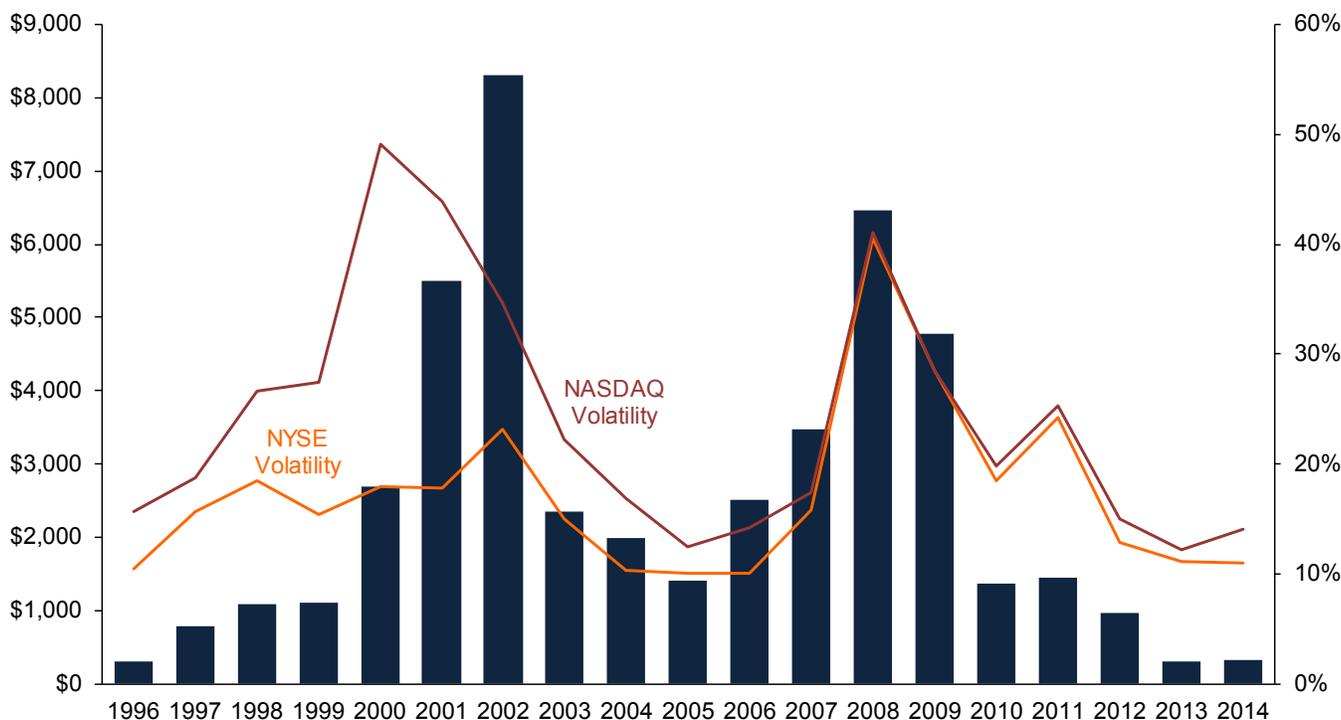
- The size of “estimated damages” is correlated with market volatility around the time of a case filing, which tends to occur two to four years before the settlement.
- In the past decade, NYSE and NASDAQ volatility peaked in 2008. Consistent with this, “estimated damages” for settled cases filed in 2008 and 2009 were the highest since 2002.
- For cases filed in more recent years (2010 through 2014), market volatility has generally been trending downward, which may have contributed to the reduction in median “estimated damages” and Disclosure Dollar Loss (DDL) for cases settled in 2015 (see page 11).

---

Continued low market volatility was tied to smaller median “estimated damages” among 2015 settlements.

---

**FIGURE 9: AVERAGE “ESTIMATED DAMAGES” FOR SETTLED CASES BY FILING YEAR 1996–2014**  
 (Dollars in Millions)



Note: “Estimated damages” are adjusted for inflation; 2014 dollar equivalent figures are used. Volatility is calculated as the annualized standard deviation of daily market returns. Chart shows filing years for settled cases through December 2014.

## DISCLOSURE DOLLAR LOSS

Disclosure Dollar Loss (DDL) captures the stock price reaction to the disclosure that resulted in the first filed complaint. DDL is calculated as the decline in the market capitalization of the defendant firm from the trading day immediately preceding the end of the class period to the trading day immediately following the end of the class period.<sup>4</sup>

- Unlike the pattern observed with “estimated damages” in 2015 (where the average increased and the median decreased from 2014), both the average and median DDL decreased in 2015, with the median DDL declining 29 percent and average DDL declining 10 percent.
- Total DDL associated with settlements approved in 2015 was \$61.2 billion, 30 percent below the average from 2006 through 2014.

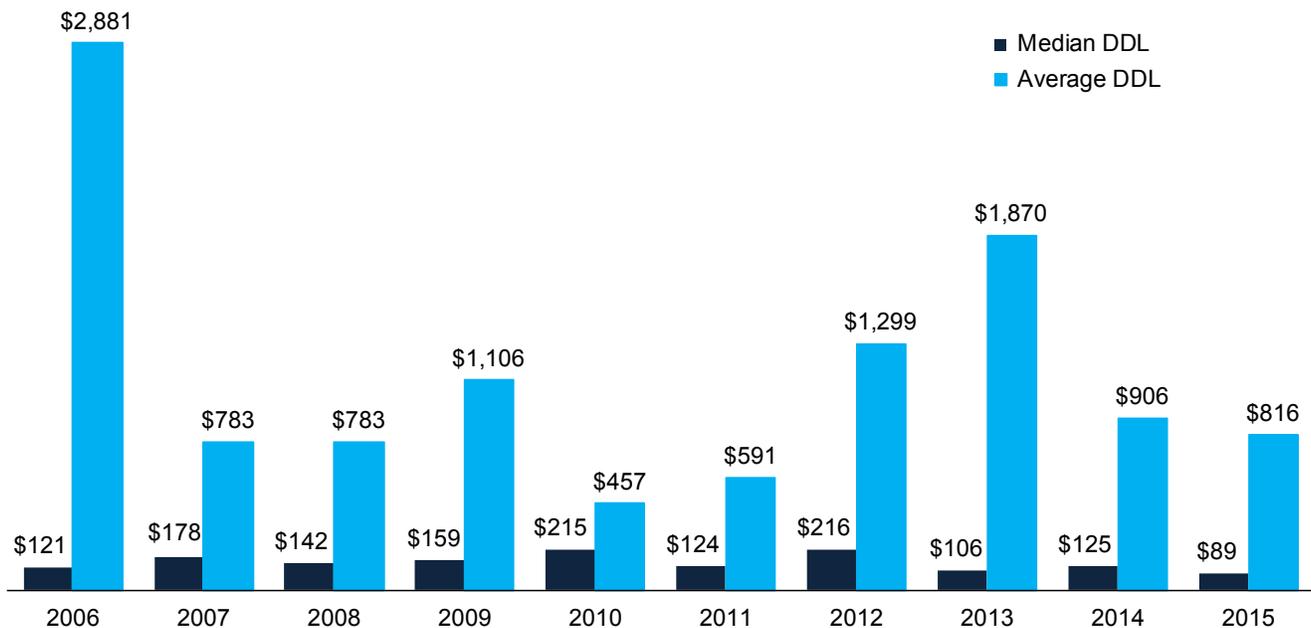
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**Median DDL  
in 2015 was  
the lowest  
since 1999.**

---

**FIGURE 10: MEDIAN AND AVERAGE DISCLOSURE DOLLAR LOSS  
2006–2015**

(Dollars in Millions)



Note: DDL is adjusted for inflation based on class period end dates.

## TIERED ESTIMATED DAMAGES

This research also considers an alternative measure of damages to account for the U.S. Supreme Court’s 2005 landmark decision in *Dura*, which states that damages cannot be associated with shares sold before information regarding the alleged fraud reaches the market.<sup>5</sup> This alternative damages measure is referred to as tiered estimated damages and is based on the stock-price drops on alleged corrective disclosure dates as described in the settlement plan of allocation.<sup>6</sup>

As noted in past reports, this measure has not yet surpassed “estimated damages” in terms of its power as a predictor of settlement outcomes. However, it is highly correlated with settlement amounts and provides an alternative measure of investor losses for more recent securities class action settlements.

- While median “estimated damages” declined, median tiered “estimated damages” increased in 2015.
- The median settlement as a percentage of tiered “estimated damages” declined 19 percent in 2015 from 2014.
- Median settlements as a percentage of tiered estimated damages are higher than median settlements as a percentage of “estimated damages,” as tiered estimated damages are typically lower than “estimated damages.”<sup>7</sup>

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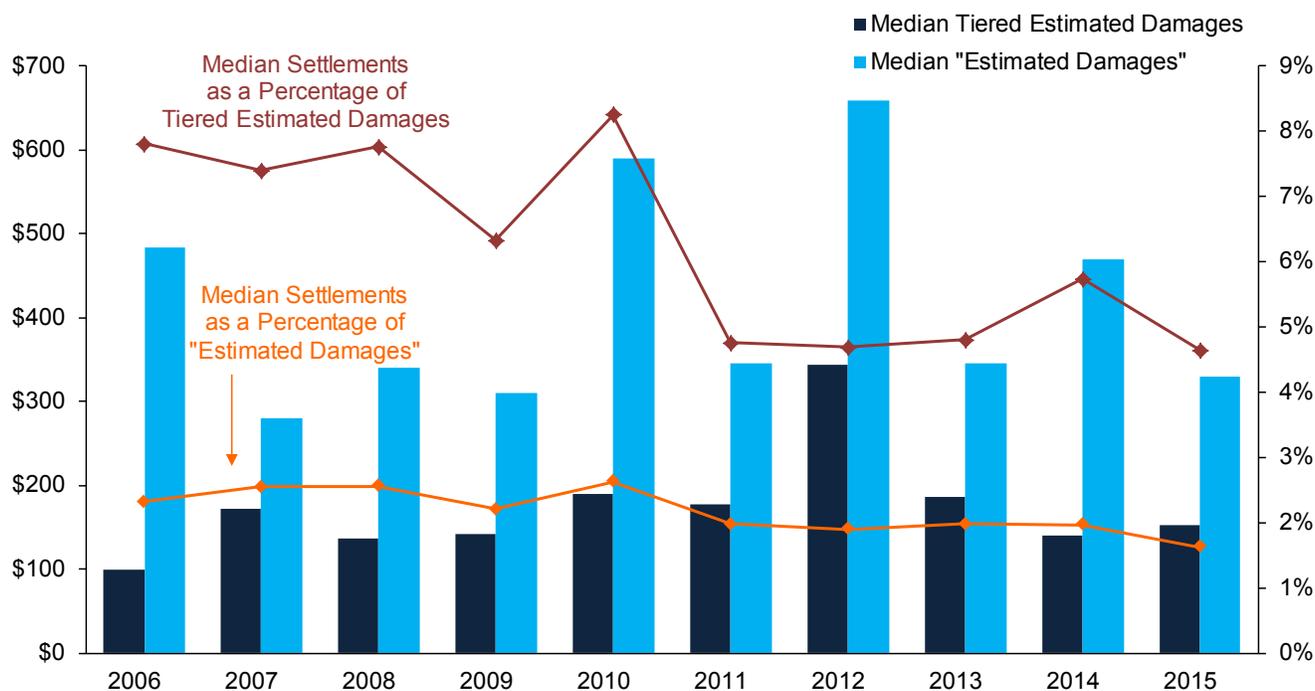
Tiered estimated damages are highly correlated with settlement amounts.

---

FIGURE 11: TIERED ESTIMATED DAMAGES

2006–2015

(Dollars in Millions)



Note: Damages figures are adjusted for inflation based on class period end dates.

## ANALYSIS OF SETTLEMENT CHARACTERISTICS

### NATURE OF CLAIMS

- In 2015, there were five settlements involving Section 11 and/or Section 12(a)(2) claims that did not involve Rule 10b-5 allegations. This is consistent with the historical rate of 6 percent of settlements with only Section 11 claims
- Intensified activity in the U.S. IPO market in recent years, in tandem with the increase in filings involving Section 11 claims (either alone or together with Rule 10b-5 claims),<sup>8</sup> suggests that these cases are likely to be more prevalent in the near future. However, a slowdown in IPO activity reported in 2015 may contribute to a reduction in Section 11–only cases in the long term.
- Settlements and “estimated damages” are considerably higher for cases involving Section 11 and/or Section 12(a)(2) claims in addition to Rule 10b-5 claims. These cases are more likely to include allegations related to other securities of the defendant company in addition to common stock in the alleged class. The cases may also represent more complex matters.
- On average, from 2011 through 2015, cases with combined claims took four years from filing date to the settlement hearing date compared to 3.6 years for cases with only Rule 10b-5 claims. Cases with only Section 11 and/or Section 12(a)(2) claims had settlement hearing dates, on average, 3.4 years after filing. (See page 19 for additional discussion on time to settlement.)

---

Settlements are considerably higher for cases involving combined Section 11 and/or Section 12(a)(2) claims and Rule 10b-5 claims.

---

### FIGURE 12: SETTLEMENTS BY NATURE OF CLAIMS

1996–2015

(Dollars in Millions)

	Number of Settlements	Median Settlements	Median "Estimated Damages"	Median Settlements as a Percentage of "Estimated Damages"
Section 11 and/or 12(a)(2) Only	87	\$4.0	\$54.9	7.6%
Both Rule 10b-5 and Section 11 and/or 12(a)(2)	265	\$13.5	\$532.8	3.2%
Rule 10b-5 Only	1,162	\$7.9	\$367.6	2.7%
All Post–Reform Act Settlements	1,514	\$8.2	\$335.5	3.0%

Note: Settlement dollars and “estimated damages” are adjusted for inflation; 2015 dollar equivalent figures are used. “Estimated damages” are adjusted for inflation based on class period end dates.

## ACCOUNTING ALLEGATIONS

This research examines three types of accounting allegations among settled cases: (1) alleged GAAP violations, (2) restatements, and (3) reported accounting irregularities.<sup>9</sup> For further details regarding settlements of accounting cases, see Cornerstone Research’s annual report, *Accounting Class Action Filings and Settlements*.

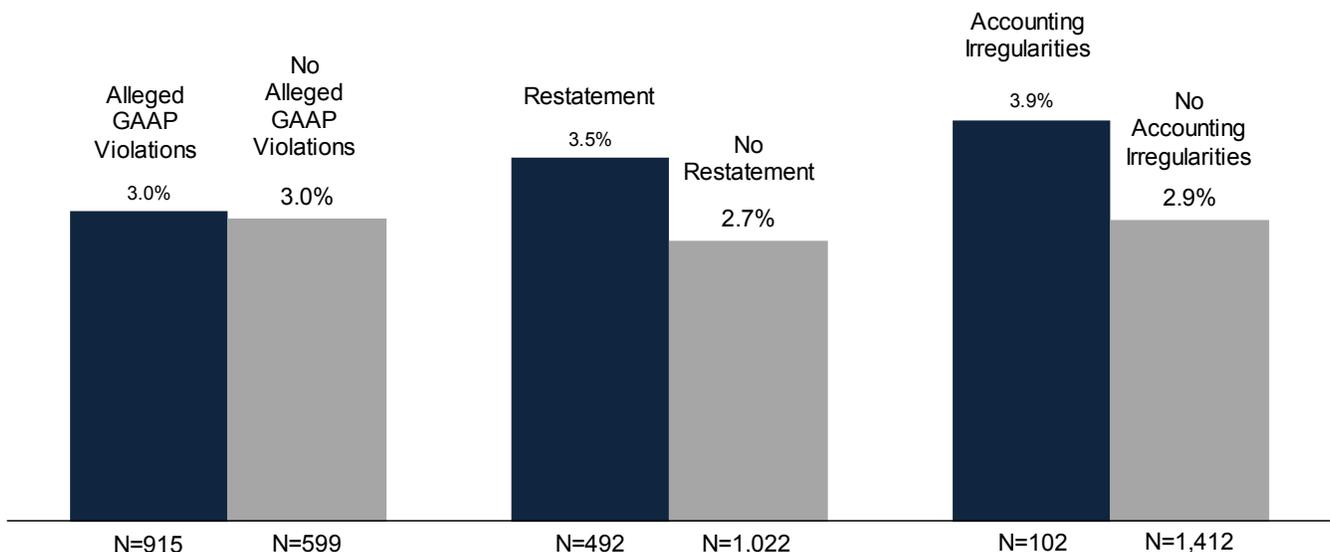
- In early post–Reform Act years, cases involving GAAP allegations were associated with higher settlements as a percentage of “estimated damages,” but this pattern has not been consistent in recent years.
- Restatements were involved in 22 percent of cases settled in 2015 and were associated with higher settlements as a percentage of “estimated damages” compared to cases without restatements.
- Of the cases approved for settlement in 2015, only one involved reported accounting irregularities, well below the rate of 7 percent for prior years. These cases continued to settle for the highest amounts in relation to “estimated damages.”

---

In 2015,  
52 percent of  
settled cases  
alleged GAAP  
violations, a  
decrease from  
67 percent  
in 2014.

---

**FIGURE 13: MEDIAN SETTLEMENTS AS A PERCENTAGE OF “ESTIMATED DAMAGES” AND ACCOUNTING ALLEGATIONS 1996–2015**



### THIRD-PARTY CODEFENDANTS

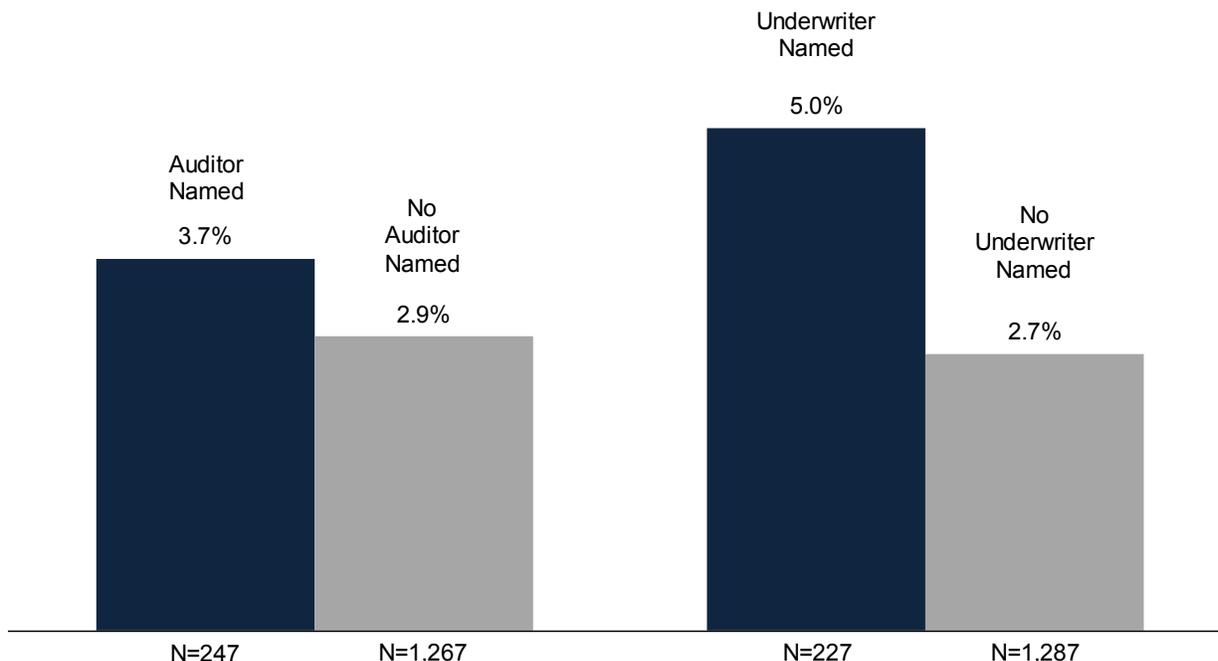
- Third parties, such as an auditor or an underwriter, are often named as codefendants in larger, more complex cases and can provide an additional source of settlement funds.
- Historically, cases with third-party codefendants have settled for substantially higher amounts as a percentage of “estimated damages.” In 2015, however, cases with third-party defendants settled for lower percentages of “estimated damages,” and the difference in the median settlement amount with and without a third-party named defendant was one of the lowest in the last 10 years.
- The presence of outside auditor defendants is typically associated with cases involving GAAP violations; the presence of underwriter defendants is highly correlated with Section 11 claims.
- In 2015, 35 percent of accounting-related cases had a named auditor defendant, representing a 50 percent increase over the prior 10-year average. Underwriter defendants were named in 76 percent of cases with Section 11 claims.

---

Overall,  
30 percent of settlements in 2015 involved a named auditor or underwriter codefendant.

---

**FIGURE 14: MEDIAN SETTLEMENTS AS A PERCENTAGE OF “ESTIMATED DAMAGES” AND THIRD-PARTY CODEFENDANTS 1996–2015**



## INSTITUTIONAL INVESTORS

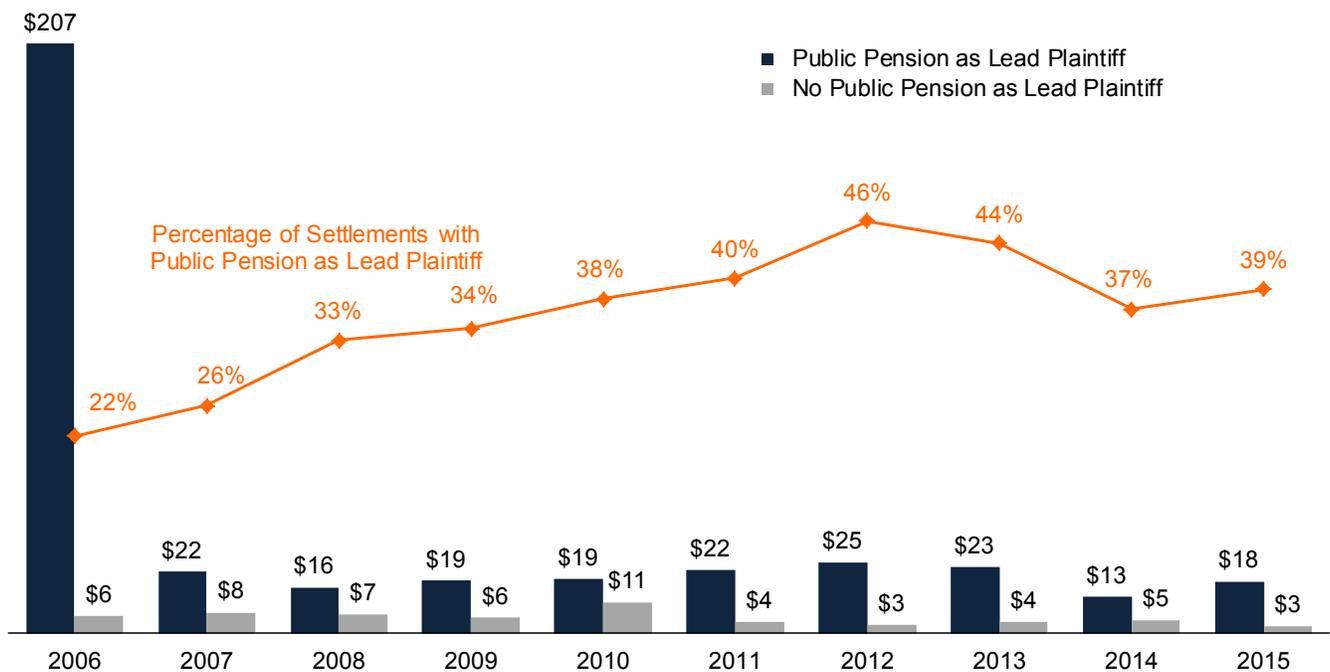
- Public pension plans (a subset of institutional investors) tend to be involved as plaintiffs in larger cases (i.e., cases with higher “estimated damages”). In 2015, 64 percent of settlements with “estimated damages” greater than \$500 million involved a public pension plan as lead plaintiff, compared to 23 percent for cases with “estimated damages” of \$500 million or less.
- The median settlement in 2015 for cases with a public pension as a lead plaintiff was \$18 million. This compares to a median settlement of \$6.4 million for cases with non-public pension lead plaintiff institutional investors and \$2.7 million for cases where the lead plaintiff was not an institutional investor.
- While public pension participation in 2015 settlements was up compared with 2014, as a group, public pensions were involved in fewer settled cases in 2015 than in 2012 and 2013.

---

In 2015,  
64 percent of  
cases approved  
for settlement  
had institutional  
investor lead  
plaintiffs.

---

**FIGURE 15: MEDIAN SETTLEMENT AMOUNTS AND PUBLIC PENSIONS**  
**2006–2015**  
(Dollars in Millions)



Note: Settlement dollars are adjusted for inflation; 2015 dollar equivalent figures are used.

## DERIVATIVE ACTIONS

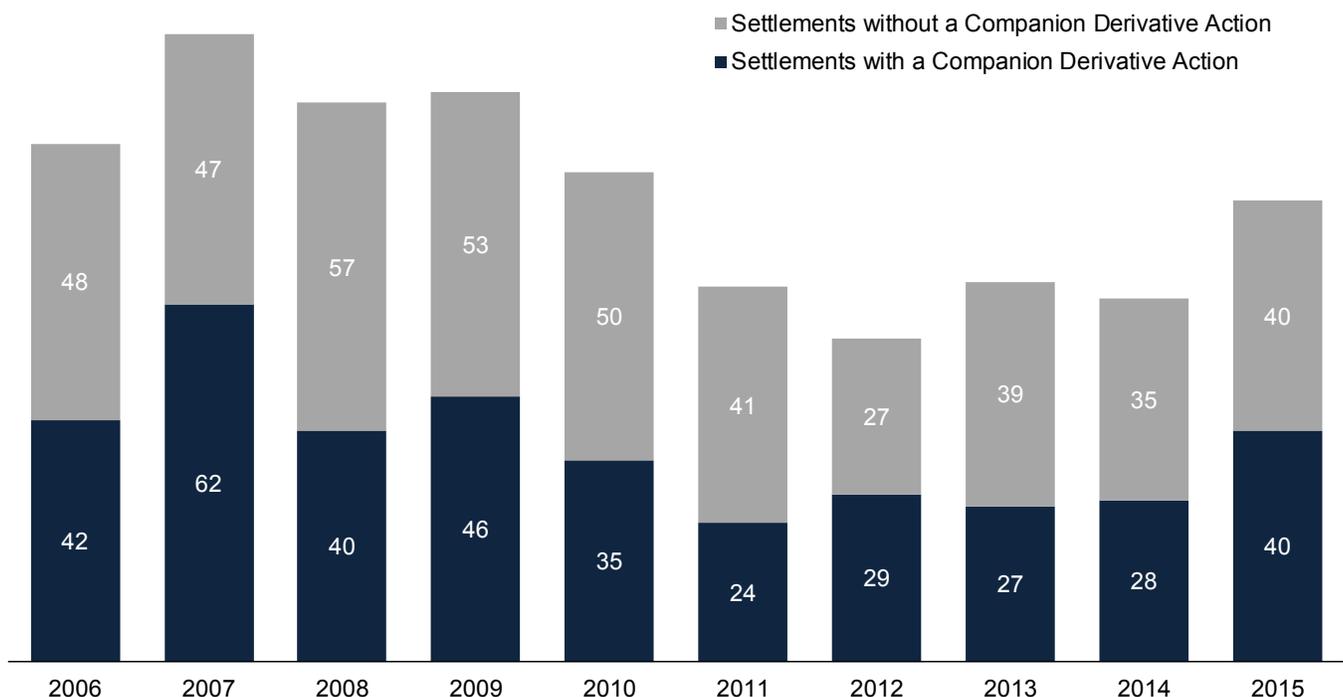
- In 2015, 50 percent of settled cases were accompanied by derivative actions. For the past nine years, derivative actions have accompanied an average of 46 percent of settlements.
- Historically, accompanying derivative actions have been associated with relatively large securities class actions.<sup>10</sup> In 2015, 64 percent of cases with “estimated damages” of more than \$500 million involved a companion derivative action, compared to 40 percent for cases with damages of \$500 million or less.
- Median “estimated damages” for settlements in 2015 with an accompanying derivative action were two-and-a-half times larger than for settlements without an accompanying derivative action.

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In 2015, the median settlement for a case with a companion derivative action was \$8.3 million versus \$3.1 million for those without.

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FIGURE 16: FREQUENCY OF DERIVATIVE ACTIONS  
2006–2015



## CORRESPONDING SEC ACTIONS

Cases with a corresponding SEC action related to the allegations (evidenced by the filing of a litigation release or administrative proceeding prior to settlement) are associated with significantly higher settlement amounts and have higher settlements as a percentage of “estimated damages.”<sup>11</sup>

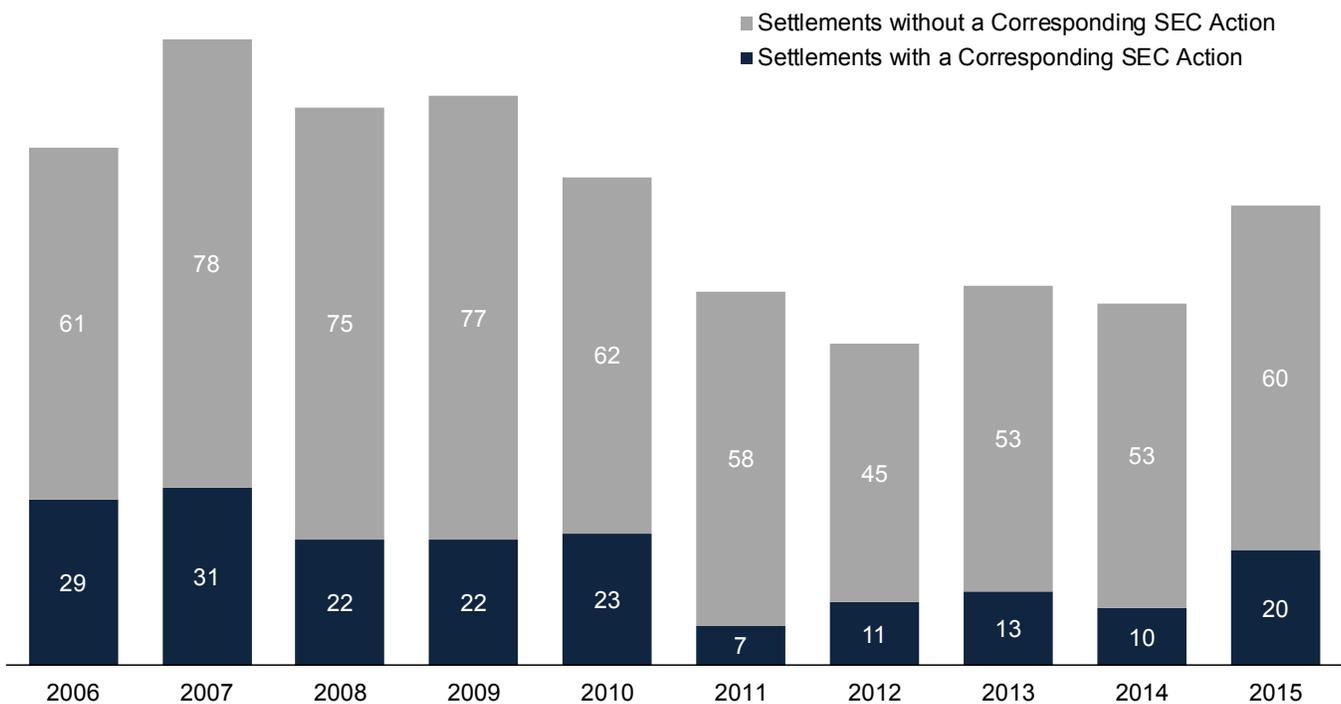
- The median settlement for all post–Reform Act cases with an SEC action (\$12.1 million) was more than twice the median settlement for cases without a corresponding SEC action (\$6 million).
- In 2015, however, the median settlement for cases with a corresponding SEC action was only \$5.3 million, while cases without an associated SEC action had a higher median settlement of \$6.1 million.
- Closely related to the increased proportion of settlements with corresponding SEC actions in 2015, recent data indicate an increase in the volume of SEC enforcement actions involving financial reporting allegations over the last few years.<sup>12</sup>

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In 2015,  
institutional  
investors were  
involved as lead  
plaintiffs in 15 out  
of 20 cases with a  
corresponding  
SEC action.

---

**FIGURE 17: FREQUENCY OF SEC ACTIONS  
2006–2015**



## TIME TO SETTLEMENT AND CASE COMPLEXITY

- In 2015, 20 percent of settlements occurred within two years after the filing date, up considerably from 10 percent of settlements in 2014.
  - Median settlements were 67 percent lower for cases settling within two years than for cases taking longer to settle.
  - Cases settling within two years were also less likely to include allegations of GAAP violations or corresponding SEC actions or have a public pension as a lead plaintiff.
- Overall, larger cases (as measured by “estimated damages”) and cases involving larger firms tend to take longer to reach settlement.
- In 2015, settlement amounts for cases that took five years or longer to finalize were substantially higher than those that reached quicker settlements.

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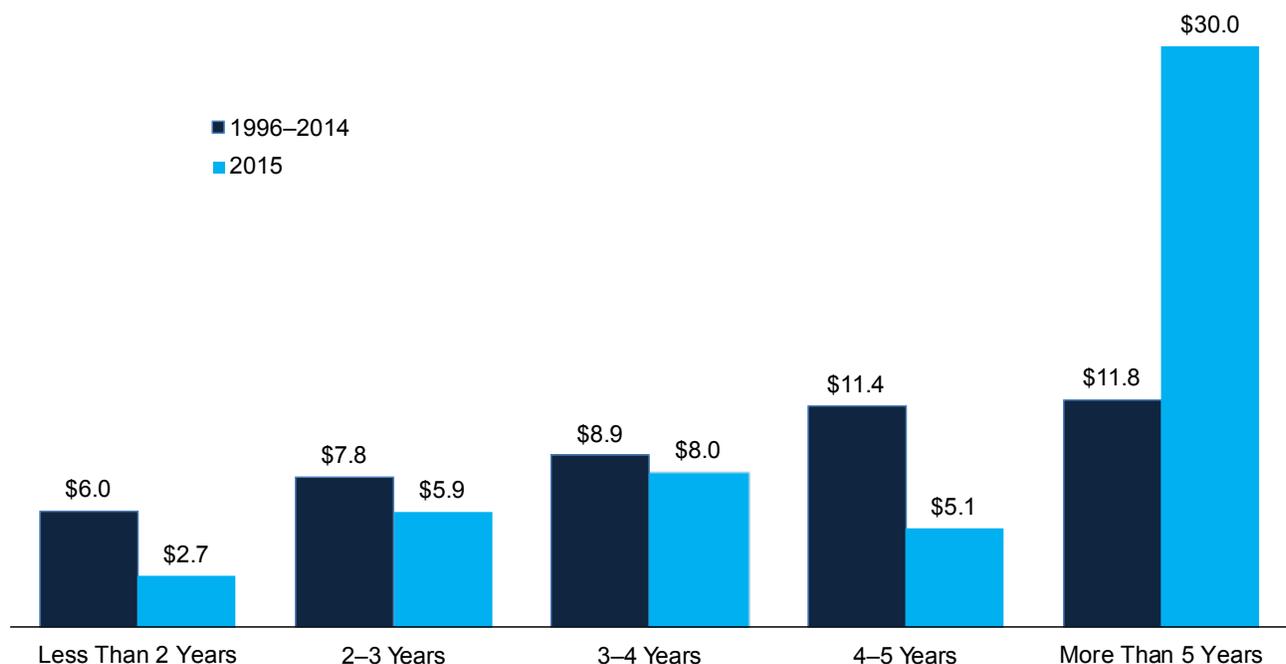
In 2015, the median time from filing date to settlement was three years.

---

**FIGURE 18: MEDIAN SETTLEMENT BY DURATION FROM FILING DATE TO SETTLEMENT HEARING DATE**

**1996–2015**

(Dollars in Millions)



Note: Settlement dollars are adjusted for inflation; 2015 dollar equivalent figures are used.

## LITIGATION STAGES

This report studies three stages in the litigation process that may be considered an indication of the strength of the merits of a case (e.g., surviving a motion to dismiss) and/or the time and effort invested by the lead plaintiff counsel:

Stage 1: Settlement before the first ruling on a motion to dismiss

Stage 2: Settlement after a ruling on motion to dismiss, but before a ruling on motion for summary judgment

Stage 3: Settlement after a ruling on motion for summary judgment<sup>13</sup>

- In 2015, 30 percent of settlements occurred in Stage 1, compared to 26 percent for cases settled in 1996–2014.
- Larger cases, denoted by “estimated damages,” tend to settle at more advanced stages of litigation and tend to take longer to reach settlement.
  - Cases settling in Stage 3 had median “estimated damages” that were three-and-a-half times higher than the median “estimated damages” of cases settling in Stage 1.
  - Cases settling in Stage 1 had the lowest dollar amount but the highest percentage of “estimated damages.”

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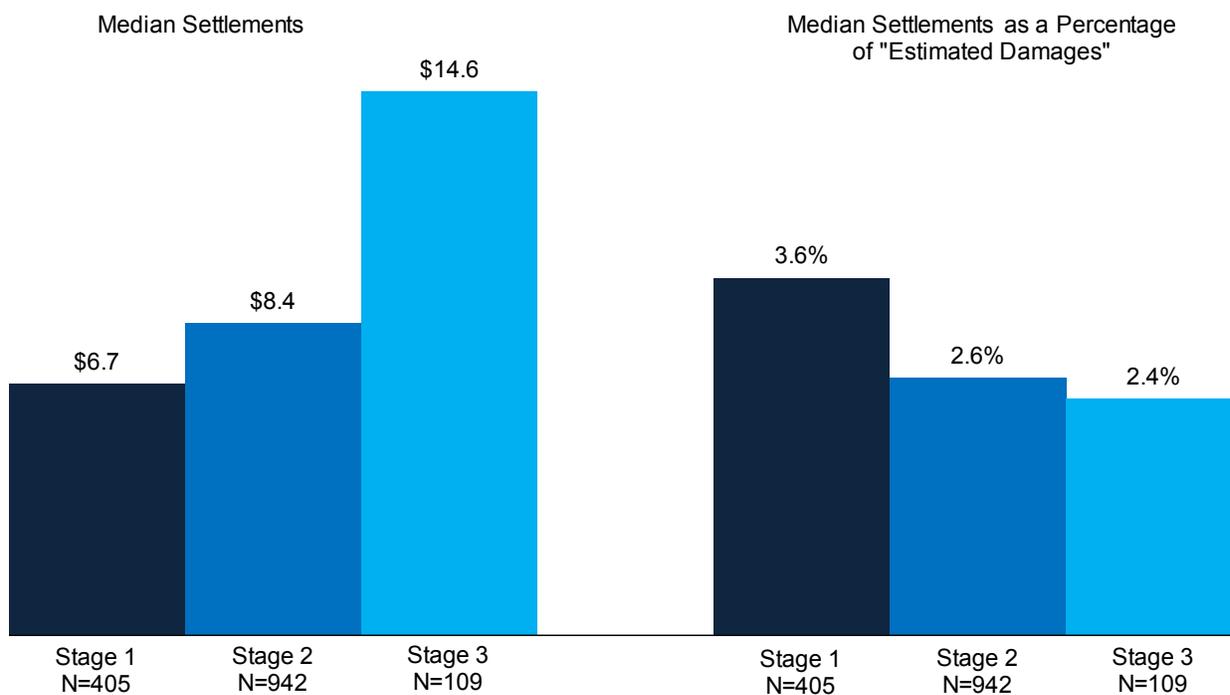
Settlement amounts tend to increase the longer a case continues.

---

**FIGURE 19: LITIGATION STAGES**

**1996–2015**

(Dollars in Millions)



Note: Settlement dollars are adjusted for inflation; 2015 dollar equivalent figures are used.

## INDUSTRY SECTORS

- There were 11 settled cases in the financial sector in 2015, up 57 percent over 2014 but lower than in earlier years. This is consistent with the resolution of a majority of the credit crisis–related cases filed since 2007 and the absence of securities class actions related to the credit crisis filed since 2012.<sup>14</sup>
- Reflecting their larger “estimated damages,” cases in the financial sector have settled for the highest amounts among all post–Reform Act cases. In 2015, 55 percent of financial sector settlements involved “estimated damages” of greater than \$1 billion.
- The proportion of settled cases involving pharmaceutical firms rose 40 percent in 2015 from 2014 (from 10 percent to 14 percent of cases).
- Industry sector is not a significant determinant of settlement amounts when controlling for other variables that influence settlement outcomes (such as “estimated damages,” asset size, and other factors discussed on page 23).

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The proportion of settled cases in 2015 involving technology firms reached 18 percent.

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**FIGURE 20: SELECT INDUSTRY SECTORS  
1996–2015**

(Dollars in Millions)

Industry	Number of Settlements	Median Settlements	Median "Estimated Damages"	Median Settlements as a Percentage of "Estimated Damages"
Technology	345	\$7.8	\$327.7	2.9%
Financial	186	\$13.6	\$762.6	2.7%
Telecommunications	147	\$9.4	\$495.5	2.4%
Retail	126	\$6.6	\$231.2	4.1%
Pharmaceuticals	111	\$8.2	\$460.3	2.6%
Healthcare	62	\$8.2	\$283.6	3.5%

Note: Settlement dollars and “estimated damages” adjusted for inflation; 2015 dollar equivalent figures used. “Estimated damages” are adjusted for inflation based on class period end dates.

## FEDERAL COURT CIRCUITS

- In 2015, 53 percent of settlements occurred in the Second or Ninth Circuits
- Reflecting the concentration of financial industry cases in the Second Circuit, median “estimated damages” of cases filed in this circuit were more than two times the median for all settlements in 2015.
- Cases in the DC and Sixth Circuits have settled for the highest dollar amounts and also relatively high median settlements as a percentage of “estimated damages.”

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The Second and Ninth Circuits continued to lead other circuits in the number of settlements.

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**FIGURE 21: SETTLEMENTS BY FEDERAL COURT CIRCUIT  
2006–2015**

(Dollars in Millions)

Circuit	Number of Settlements	Median Number of Docket Entries	Median Duration from Tentative Settlement to Approval Hearing (in months)	Median Settlements	Median Settlements as a Percentage of "Estimated Damages"
First	37	140	6.4	\$6.9	2.7%
Second	201	113	6.5	\$12.0	2.3%
Third	75	121	6.3	\$8.9	2.8%
Fourth	30	118	4.8	\$8.4	1.9%
Fifth	49	107	5.3	\$6.6	2.3%
Sixth	37	142	4.5	\$17.1	3.0%
Seventh	41	149	5.2	\$9.8	2.5%
Eighth	22	195	5.9	\$8.1	3.6%
Ninth	211	165	6.4	\$7.5	2.3%
Tenth	24	153	6.4	\$8.2	1.5%
Eleventh	56	133	5.4	\$5.2	2.6%
DC	4	190	6.5	\$31.2	3.7%

Note: Settlement dollars adjusted for inflation; 2015 dollar equivalent figures used.

## CORNERSTONE RESEARCH'S SETTLEMENT PREDICTION ANALYSIS

This research applies regression analysis to examine which characteristics of securities cases were associated with settlement outcomes. Based on the research sample of post-Reform Act cases that settled through December 2015, the factors that were important determinants of settlement amounts included the following:

- “Estimated damages”
- Disclosure Dollar Loss (DDL)
- Most recently reported total assets of the defendant firm
- Number of entries on the lead case docket
- The year in which the settlement occurred
- Whether the issuer reported intentional misstatements or omissions in financial statements
- Whether a restatement of financials related to the alleged class period was announced
- Whether there was a corresponding SEC action against the issuer, other defendants, or related parties
- Whether the plaintiffs named an auditor and/or underwriter as a codefendant
- Whether the issuer defendant was distressed
- Whether a companion derivative action was filed
- Whether a public pension was a lead plaintiff
- Whether noncash components, such as common stock or warrants, made up a portion of the settlement fund
- Whether the plaintiffs alleged that securities other than common stock were damaged
- Whether criminal charges/indictments were brought with similar allegations to the underlying class action
- Whether the issuer traded on a nonmajor exchange

Settlements were higher when “estimated damages,” DDL, defendant asset size, or the number of docket entries were larger. Settlements were also higher in cases involving intentional misstatements or omissions in financial statements reported by the issuer, a restatement of financials, a corresponding SEC action, an underwriter and/or auditor named as codefendant, an accompanying derivative action, a public pension involved as lead plaintiff, a noncash component to the settlement, filed criminal charges, or securities other than common stock alleged to be damaged. Settlements were lower if the settlement occurred in 2009 or later, if the issuer was distressed, or if the issuer traded on a nonmajor exchange.

The regression analysis is designed to better understand and predict the total settlement amount, given the characteristics of a particular securities case. This analysis can also be applied to estimate the probabilities associated with reaching alternative settlement levels. These probability estimates can be useful for clients in considering the different layers of insurance coverage available and likelihood of contributing to the settlement fund. Regression analysis can also be used to explore hypothetical scenarios, including, but not limited to, the effects on settlement amounts given the presence or absence of particular factors found to significantly affect settlement outcomes.

## RESEARCH SAMPLE

- The database used in this report focuses on cases alleging fraudulent inflation in the price of a corporation's common stock (i.e., excluding cases with alleged classes of only bondholders, preferred stockholders, etc., and excluding cases alleging fraudulent depression in price and M&A cases).
- The sample is limited to cases alleging Rule 10b-5, Section 11, and/or Section 12(a)(2) claims brought by purchasers of a corporation's common stock. These criteria are imposed to ensure data availability and to provide a relatively homogeneous set of cases in terms of the nature of the allegations.
- The current sample includes 1,537 securities class actions filed after passage of the Reform Act (1995) and settled from 1996 through 2015. These settlements are identified based on a review of case activity collected by Securities Class Action Services LLC (SCAS).<sup>15</sup>
- The designated settlement year, for purposes of this report, corresponds to the year in which the hearing to approve the settlement was held.<sup>16</sup> Cases involving multiple settlements are reflected in the year of the most recent partial settlement, provided certain conditions are met.<sup>17</sup>

## DATA SOURCES

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

## ENDNOTES

- <sup>1</sup> See [Securities Class Action Filings—2015 Year in Review](#), Cornerstone Research, 2016, page 4.
- <sup>2</sup> See [Securities Class Action Filings—2015 Year in Review](#), Cornerstone Research, 2016, page 30.
- <sup>3</sup> The simplified “estimated damages” model is applied to common stock only. For all cases involving Rule 10b-5 claims, damages are calculated using a market-adjusted, backward-pegged value line. For cases involving only Section 11 and/or Section 12(a)(2) claims, damages are calculated using a model that caps the purchase price at the offering price. Volume reduction assumptions are based on the exchange on which the issuer’s common stock traded. Finally, no adjustments for institutions, insiders, or short sellers are made to the underlying float.
- <sup>4</sup> This measure does not incorporate additional stock price declines during the alleged class period that may affect certain purchasers’ potential damages claims. As this measure does not isolate movements in the defendant’s stock price that are related to case allegations, it is not intended to represent an estimate of investor losses. The DDL calculation also does not apply a model of investors’ share-trading behavior to estimate the number of shares damaged.
- <sup>5</sup> Tiered estimated damages are calculated for cases that settled after 2005. The calculation of tiered estimated damages utilizes a single value line when there is one alleged corrective disclosure date (at the end of the class period) or a tiered value line when there are multiple alleged corrective disclosure dates.
- <sup>6</sup> The dates used to identify the applicable inflation bands may be supplemented with information from the operative complaint at the time of settlement.
- <sup>7</sup> Tiered estimated damages applies inflation bands to specific date intervals during the alleged class period. As such, it does not reflect all declines during the alleged class period as captured by “estimated damages.”
- <sup>8</sup> See [Securities Class Action Filings—2015 Year in Review](#), Cornerstone Research, 2016, page 10.
- <sup>9</sup> The three categories of accounting allegations analyzed in this report are: (1) GAAP violations—cases with allegations involving Generally Accepted Accounting Principles (GAAP); (2) restatements—cases involving a restatement (or announcement of a restatement) of financial statements; and (3) accounting irregularities—cases in which the defendant has reported the occurrence of accounting irregularities (intentional misstatements or omissions) in its financial statements.
- <sup>10</sup> This is true whether or not the settlement of the derivative action coincides with the settlement of the underlying class action, or occurs at a different time.
- <sup>11</sup> It could be that the merits in such cases are stronger, or simply that the presence of an accompanying SEC action provides plaintiffs with increased leverage when negotiating a settlement.
- <sup>12</sup> See [SEC Enforcement Activity against Public Company Defendants, Fiscal Years 2010–2015](#), Cornerstone Research, 2016.
- <sup>13</sup> Litigation stage data obtained from Stanford Law School’s Securities Class Action Clearinghouse. Sample does not add to 100 percent as there is a small sample of cases with other litigation stage classifications.
- <sup>14</sup> See [Securities Class Action Filings—2015 Year in Review](#), Cornerstone Research, 2016.
- <sup>15</sup> Available on a subscription basis.
- <sup>16</sup> Movements of partial settlements between years can cause differences in amounts reported for prior years from those presented in earlier reports.
- <sup>17</sup> This categorization is based on the timing of the settlement approval. If a new partial settlement equals or exceeds 50 percent of the then-current settlement fund amount, the entirety of the settlement amount is recategorized to reflect the settlement hearing date of the most recent partial settlement. If a subsequent partial settlement is less than 50 percent of the then-current total, the partial settlement is added to the total settlement amount and the settlement hearing date is left unchanged.

## ABOUT THE AUTHORS

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Laarni Bulan is a senior manager in Cornerstone Research's Boston office, where she specializes in finance. She has consulted on cases related to financial institutions and the credit crisis, municipal bond mutual funds, merger valuations, insider trading, asset-backed commercial paper conduits, real estate markets, credit default swaps, foreign exchange, securities damages, and class certification issues. Dr. Bulan has published several academic articles in peer-reviewed journals. Her research covers topics in dividend policy, capital structure, executive compensation, corporate governance, and real options. Prior to joining Cornerstone Research, Dr. Bulan had a joint appointment at Brandeis University as an assistant professor of finance in its International Business School and in the economics department.

### **Ellen M. Ryan**

M.B.A., American Graduate School of International Management; B.A., Saint Mary's College

Ellen Ryan is a director in Cornerstone Research's Boston office, where she works in the securities practice. Ms. Ryan has consulted on economic and financial issues in a variety of cases, including securities class actions, financial institution breach of contract matters, and antitrust litigation. She also has worked with testifying witnesses in corporate governance and breach of fiduciary duty matters. Prior to joining Cornerstone Research, Ms. Ryan worked for Salomon Brothers in New York and Tokyo. Currently she focuses on post-Reform Act settlement research as well as general practice area business and research.

### **Laura E. Simmons**

Ph.D., University of North Carolina at Chapel Hill; M.B.A., University of Houston; B.B.A., University of Texas at Austin

Laura Simmons is a senior advisor in Cornerstone Research's Washington, DC, office. She is a certified public accountant (CPA) and has more than 20 years of experience in accounting practice and economic and financial consulting. Dr. Simmons has focused on damages and liability issues in litigation, as well as on accounting issues arising in a variety of complex commercial litigation matters. She has served as a testifying expert in cases involving accounting analyses, securities case damages, research on securities lawsuits, and other issues involving empirical analyses.

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

The authors acknowledge the research efforts and significant contributions of their colleagues at Cornerstone Research. Please direct any questions and requests for additional information to the settlement database administrator at [settlement.database@cornerstone.com](mailto:settlement.database@cornerstone.com).

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# **Exhibit 3**



**A. MAILING OF THE NOTICE AND PROOF OF CLAIM FORM**

2. Pursuant to the Preliminary Approval Order, GCG disseminated the Notice of Pendency of Class Action, Proposed Settlement, and Motion for Attorneys' Fees and Expenses (the "Notice") and the Proof of Claim and Release Form (the "Proof of Claim" and, collectively with the Notice, the "Claim Packet") to potential Settlement Class Members. A copy of the Claim Packet is attached hereto as Exhibit A.

3. As in most class actions of this nature, the majority of potential Settlement Class Members are beneficial purchasers whose securities are held in "street name"- i.e., the securities are purchased by brokerage firms, banks, institutions and other third-party nominees in the name of the nominee, on behalf of the beneficial purchasers. GCG maintains a proprietary database with names and addresses of the largest and most common banks, brokerage firms, and nominees, including national and regional offices of certain nominees (the "Nominee Database"). The Nominee Database is updated from time to time as new nominees are identified, and others go out of business. At the time of the initial mailing, the Nominee Database contained 1,954 mailing records. On June 8, 2016, GCG caused the Claim Packet, to be mailed to the 1,954 mailing records contained in the Nominee Database (the "Initial Mailing").

4. GCG also received the names and addresses of 182 record holders of InnerWorkings, Inc. ("InnerWorkings") common stock during the Class Period from American Stock Transfer & Trust Company, LLC and from Computershare, the transfer agents for InnerWorkings. GCG loaded these 182 names and addresses into a database that GCG created and now maintains for the purposes of administering this Settlement (the "Settlement

Database”). On June 14, 2016, GCG mailed by first-class mail, postage prepaid, a Claim Packet to each of these 182 record holders.

5. Since June 8, 2016, GCG has received from nominee holders and others additional names and addresses of potential Settlement Class Members. GCG promptly sent, and continues to promptly send, a Claim Packet to each such name and address. In addition, during this same time period, GCG received requests from nominee holders for Claim Packets to be forwarded by the nominee holders to their clients who may be potential Settlement Class Members. GCG promptly provided the requested Claim Packets to the nominee holders.

6. In the aggregate, to date, GCG has mailed 19,772 Claim Packets to potential nominees and Settlement Class Members by first-class mail, postage prepaid.

#### **B. PUBLICATION OF THE SUMMARY NOTICE**

7. Pursuant to the Preliminary Approval Order, GCG Media, GCG’s legal notice team, caused the Summary Notice of Pendency of Class Action, Proposed Settlement, and Motion for Attorneys’ Fees and Expenses (“Summary Notice”) to be published on June 20, 2016 in *Investor’s Business Daily*. Attached hereto as Exhibit B is the affidavit of Kathleen Murray, attesting to publication of the Summary Notice in *Investor’s Business Daily*. On June 20, 2016, the Summary Notice was also issued over the *PR Newswire*. Attached hereto as Exhibit C is a Confirmation Report for the *PR Newswire*, attesting to that issuance.

#### **C. WEBSITE AND TELEPHONE HELPLINE**

8. In coordination with Lead Counsel, GCG designed, implemented, and maintains a website dedicated to this Settlement (the “Settlement Website”). The Settlement Website is located at [www.innerworkingsclasssettlement.com](http://www.innerworkingsclasssettlement.com). The homepage of the Settlement Website contains a general overview of the Action. The Settlement Website contains links to the Notice,

Proof of Claim, Stipulation and Agreement of Settlement, the Preliminary Approval Order, and other relevant documents. These links became accessible on June 8, 2016. The Settlement Website is accessible 24 hours a day, seven days a week.

9. On June 8, 2016, GCG established and continues to maintain a toll-free telephone hotline with operators available during business hours, 9:00 am to 5:00 pm ET, to accommodate potential Settlement Class Members. As of August 31, 2016, GCG has received a total of 61 calls to the telephone hotline.

10. GCG also established an email address, Questions@innerworkingsclasssettlement.com, to allow potential Settlement Class Members to obtain information about the Settlement, request a Claim Packet, and/or seek assistance with their claim.

**D. REPORT ON REQUESTS FOR EXCLUSIONS AND OBJECTIONS RECEIVED**

11. The Notice informs potential Settlement Class Members that they may elect to exclude themselves from the Settlement Class. Written requests for exclusion must be submitted to *InnerWorkings Securities Litigation*, c/o Garden City Group, LLC, P.O. Box 10291, Dublin, Ohio 43017-5891 and received by September 21, 2016. The Notice also sets forth the information that must be included in each request for exclusion. GCG has been monitoring all mail delivered to that Post Office Box.

12. As of August 31, 2016, GCG has not received any requests for exclusion.

13. The Notice also informs potential Settlement Class Members that they may object to the Settlement or any of its terms, the proposed Plan of Allocation, and/or Lead Counsel's Fee and Expense Application. Written objections must be filed with the Clerk of Court and

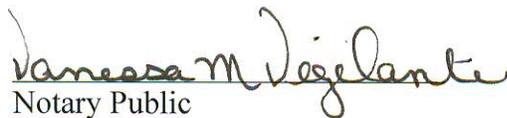
mailed or delivered to counsel for the parties so that it is received on or before September 21, 2016.

14. As of August 31, 2016, GCG has not received any objections.

  
Jose C. Fraga

Sworn to before me this

2<sup>nd</sup> day of September, 2016

  
Notary Public

**VANESSA M VIGILANTE**  
Notary Public, State of New York  
No. 01VI6143817  
Qualified in Nassau County  
Commission Expires April 17, 2018

# **EXHIBIT A**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

PETER IKAI VAN NOPPEN, Individually  
and On Behalf of All Others Similarly  
Situating,

Plaintiff,

vs.

INNERWORKINGS, INC., ERIC D.  
BELCHER, and JOSEPH M. BUSKY,

Defendants.

Case No. 1:14-cv-01416

Hon. John Robert Blakey

CLASS ACTION

**NOTICE OF PENDENCY OF CLASS ACTION,  
PROPOSED SETTLEMENT, AND MOTION  
FOR ATTORNEYS' FEES AND EXPENSES**

**If you purchased the publicly traded common stock and/or call options, and/or sold the put options, of InnerWorkings, Inc. during the period from February 15, 2012 through November 6, 2013, inclusive, (the "Class Period") and were allegedly damaged thereby, you may be entitled to a payment from a class action settlement.**

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

- The purpose of this Notice is to inform you of: (a) the pendency of the Action; (b) the proposed settlement of the Action on the terms in the Stipulation and Agreement of Settlement, dated as of May 11, 2016 (the "Stipulation");<sup>1</sup> and (c) a hearing to be held by the Court (the "Settlement Hearing"). At the Settlement Hearing, the Court will consider: (a) whether the Settlement should be approved; (b) whether the Plan of Allocation for the net proceeds of the Settlement should be approved; (c) the application of Lead Counsel for attorneys' fees and expenses; and (d) certain other matters. This Notice describes important rights you may have and what steps you must take if you wish to participate in the Settlement or wish to be excluded from the Settlement Class.
- If approved by the Court, the Settlement will create a \$6,025,000 cash fund for the benefit of eligible investors, less any attorneys' fees and expenses awarded by the Court, Notice and Administration Expenses, and Taxes.
- The Settlement resolves claims by Plymouth County Retirement System ("Plymouth" or "Lead Plaintiff") that have been asserted on behalf of the Settlement Class against InnerWorkings, Inc. ("InnerWorkings" or the "Company"), Eric D. Belcher and Joseph M. Busky (the "Individual Defendants" and, collectively with InnerWorkings, the "Defendants"); avoids the costs and risks of continuing the litigation; pays money to Settlement Class Members; and releases the Released Defendant Parties (defined below) from liability.
- **If you are a Settlement Class Member, your legal rights will be affected by this Settlement whether you act or do not act. Please read this Notice carefully.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
<b>SUBMIT A CLAIM FORM BY OCTOBER 8, 2016</b>	The <u>only</u> way to get a payment.
<b>EXCLUDE YOURSELF BY SEPTEMBER 21, 2016</b>	You will get no payment. This is the only option that, assuming your claim is timely brought, might allow you to ever bring or be part of any other lawsuit against Defendants and/or the other Released Defendant Parties concerning the Released Claims. See Question 13 for details.
<b>OBJECT BY SEPTEMBER 21, 2016</b>	Write to the Court about why you do not like the Settlement, the Plan of Allocation, and/or the Fee and Expense Application. You will still be a member of the Settlement Class. See Question 18 for details.
<b>FILE A NOTICE OF APPEARANCE BY SEPTEMBER 21, 2016 AND GO TO A HEARING ON OCTOBER 13, 2016</b>	Ask to speak in Court about the Settlement. See Question 22 for details.
<b>DO NOTHING</b>	You will get no payment, you will give up rights, and you will still be bound by the Settlement.

<sup>1</sup> The Stipulation and all of its exhibits can be viewed at [www.InnerWorkingsClassSettlement.com](http://www.InnerWorkingsClassSettlement.com) and at [www.labaton.com](http://www.labaton.com). All capitalized terms not otherwise defined in this Notice have the same meanings as are set forth in the Stipulation.

- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made to Settlement Class Members who timely submit a valid Proof of Claim and Release form ("Claim Form"), if the Court approves the Settlement and after any appeals are resolved. Please be patient.

## SUMMARY OF THE NOTICE

### **Statement of Plaintiffs' Recovery**

Lead Plaintiff has entered into a proposed Settlement with Defendants that, if approved by the Court, will resolve the Action in its entirety. Pursuant to the Settlement, a Settlement Fund consisting of \$6,025,000, which may accrue interest, has been established. Based on Lead Plaintiff's consulting expert's estimate of the number of shares of InnerWorkings common stock entitled to participate in the Settlement, and assuming that all investors entitled to participate do so, Lead Plaintiff's expert estimates that the average recovery, before the deduction of any Court-approved fees and expenses, such as attorneys' fees, litigation expenses, taxes and administrative costs, would be approximately \$0.23 per allegedly damaged share.<sup>2</sup> After deduction of the attorneys' fees and litigation expenses discussed below, the average recovery would be approximately \$0.15 per allegedly damaged share. A Settlement Class Member's actual recovery will be a portion of the Net Settlement Fund, determined by comparing his, her, or its "Recognized Claim" to the total Recognized Claims of all Settlement Class Members who timely submit valid Claim Forms, as described more fully below. An individual Settlement Class Member's actual recovery will depend on, for example: (a) the total number of claims submitted; (b) the amount in the Net Settlement Fund; (c) when the Settlement Class Member purchased, acquired, or held InnerWorkings common stock or options during the Class Period; and (d) whether and when the Settlement Class Member sold his, her, or its shares or options. See the Plan of Allocation beginning on page 9 for information on your Recognized Claim.

### **Statement of Potential Outcome of Case**

The Parties disagree about both liability and the damages that would be recoverable if Lead Plaintiff were ultimately to prevail on each claim asserted against Defendants. The issues on which the Parties disagree include, for example: (a) whether the statements made or facts allegedly omitted were materially false or misleading, or otherwise actionable under the federal securities laws; (b) whether any allegedly material false or misleading statements by Defendants were made with the requisite level of fraudulent intent or recklessness; (c) whether Lead Plaintiff would be able to demonstrate loss causation; (d) the amount by which the prices of InnerWorkings common stock and options were allegedly artificially inflated (or deflated in the case of put options), if at all, during the Class Period; and (e) the extent to which external factors or confounding Company-related information influenced the trading prices of InnerWorkings common stock or options at various times during the Class Period.

Defendants have denied and continue to deny any wrongdoing, deny that they have committed any act or omission giving rise to any liability or violation of law, and deny that Lead Plaintiff and the Settlement Class have suffered any loss attributable to Defendants' actions. While Lead Plaintiff believes it has meritorious claims, it recognizes that there are significant obstacles in the way to recovery.

### **Statement of Attorneys' Fees and Expenses Sought**

Lead Counsel will make an application to the Court for an award of attorneys' fees from the Settlement Fund in an amount not to exceed 30% of the Settlement Fund, which includes any accrued interest. Lead Counsel will also apply for payment of litigation expenses incurred in prosecuting the Action in an amount not to exceed \$225,000, plus any interest earned on such amount at the same rate as earned by the Settlement Fund. If the Court approves the Fee and Expense Application in full, the average amount of attorneys' fees and litigation expenses, assuming all claims are filed for all allegedly damaged securities, will be approximately \$0.08 per allegedly damaged share.

### **Further Information**

Further information regarding the Action, the Settlement, and this Notice may be obtained by contacting the Claims Administrator: *InnerWorkings Securities Litigation*, c/o Garden City Group, LLC, P.O. Box 10291, Dublin, OH 43017-5891, (855) 907-3241, [www.InnerWorkingsClassSettlement.com](http://www.InnerWorkingsClassSettlement.com), [questions@InnerWorkingsClassSettlement.com](mailto:questions@InnerWorkingsClassSettlement.com); or Lead Counsel: Jonathan Gardner, Esq., Labaton Sucharow LLP, 140 Broadway, New York, NY 10005, (888) 219-6877, [www.labaton.com](http://www.labaton.com), [settlementquestions@labaton.com](mailto:settlementquestions@labaton.com).

**Please Do Not Call the Court With Questions About the Settlement**

### **Reasons for the Settlement**

For Lead Plaintiff, the principal reason for the Settlement is the guaranteed cash benefit to the Settlement Class. This benefit must be compared to the uncertainty of being able to prove the allegations in the Complaint; the risk that the Court may grant some or all of the anticipated motions for summary judgment to be filed by Defendants; the uncertainty inherent in the Parties' competing theories of liability, loss causation and damages; and the attendant risks of litigation, especially in complex actions such as this, as well as the difficulties and delays inherent in such litigation (including any appeals).

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<sup>2</sup> An allegedly damaged share might have been traded more than once during the Class Period, and the average recovery indicated above represents the estimated average for each purchase of a share that allegedly incurred damages.

For Defendants, who deny all allegations of wrongdoing or liability whatsoever and deny that Settlement Class Members were damaged, the principal reason for entering into the Settlement is to bring to an end the burden, expense, uncertainty, and risk of further litigation.

[END OF PSLRA COVER PAGE]

## BASIC INFORMATION

### 1. Why did I get this Notice?

The Court authorized the mailing of this Notice to you because you or someone in your family may have purchased or acquired the common stock of InnerWorkings or options on such common stock during the period from February 15, 2012 through November 6, 2013, inclusive. Receipt of this Notice does not mean that you are a Settlement Class Member. Settlement Class Members have a right to know about the proposed Settlement of this class action lawsuit, and about all of their options, before the Court decides whether to approve the Settlement.

The Court in charge of the Action is the United States District Court for the Northern District of Illinois, Eastern Division, and the case is known as *Van Noppen, et al. v. InnerWorkings, Inc., et al.*, No. 14-01416 (N.D. Ill.). The Action is assigned to the Honorable John Robert Blakey, United States District Judge. The people who have sued are called plaintiffs, and the company and persons they have sued are called defendants. Lead Plaintiff Plymouth County Retirement System represents the Settlement Class. Defendants are InnerWorkings, Eric Belcher and Joseph Busky.

This Notice explains the lawsuit, the Settlement, Settlement Class Members' legal rights, what benefits are available, who is eligible for them, and how to get them.

### 2. What is this lawsuit about?

InnerWorkings is a leading marketing execution firm that provides global print management and promotional solutions to corporate clients across a wide range of industries. As alleged in Lead Plaintiff's Complaint, the core metric that investors used to assess InnerWorkings' performance was revenue growth. The alleged Class Period statements identified InnerWorkings' enterprise (*i.e.*, large client) business and its M&A strategy as "key pillars" or "engines" of growth. Accordingly, Lead Plaintiff alleges that the ability to fund acquisitions and foster growth was critical to the Company's financial health. During the Class Period, however, Defendants allegedly concealed a serious problem affecting growth: that Productions Graphics, the Company's recent acquisition and main expansion into Europe, could not meet its 2012 targets.

On November 6, 2013, InnerWorkings issued a press release and Form 8-K after the market closed that stated, among other things, that the performance of Productions Graphics in Europe and the restructuring of its Inside Sales division resulted in lower profitability for the quarter. On the Third Quarter 2013 earnings call the same day, Defendants reduced the Company's guidance and disclosed further details concerning Production Graphics and its business forecast. In response to the November 6, 2013 disclosures, InnerWorkings' stock price allegedly fell on heavy volume.

On February 27, 2014, this putative class action was filed in the U.S. District Court for the Northern District of Illinois (the "Court"). On May 9, 2014, the Court issued an Order appointing Plymouth as Lead Plaintiff, pursuant to the Private Securities Litigation Reform Act of 1995 ("PSLRA"), and Labaton Sucharow LLP as Lead Counsel and Cohen Milstein Sellers & Toll PLLC as Liaison Counsel to represent the putative class.

On July 28, 2014, Lead Plaintiff filed the operative Amended Class Action Complaint (the "Complaint") asserting claims under Sections 10(b) of the Securities Exchange Act of 1934, 15 U.S.C. §§ 78j(b) (the "Exchange Act") against Defendants and claims under Section 20(a) of the Exchange Act, 15 U.S.C. § 78t(a) against the Individual Defendants. The Complaint alleges, among other things, that Defendants fraudulently concealed that Productions Graphics, a French company and InnerWorkings' recent acquisition and main expansion into Europe, could not meet 2012 targets. The Complaint alleges that Defendants devised a false-invoicing scheme, which was executed by Productions Graphics' former Chief Executive Officer, Christopher Delaune ("Delaune"), wherein Productions Graphics would appear to meet its targets, thus allegedly artificially inflating Company revenues. The Complaint further alleges that Defendants' false or misleading statements and omissions caused the prices of InnerWorkings' common stock and options to be artificially inflated during the Class Period and the prices of InnerWorkings' securities declined when the truth was allegedly disclosed.

The Complaint was based on Lead Counsel's extensive factual investigation, which included, among other things, the review and analysis of: (a) documents filed publicly by the Company with the U.S. Securities and Exchange Commission ("SEC"); (b) publicly available information, including press releases and news articles; (c) research reports issued by financial analysts concerning the Company; and (d) other public statements issued by or concerning the Company and Defendants. In addition, Lead Counsel interviewed approximately 40 former employees of InnerWorkings and other persons with relevant knowledge, such as former officers of Productions Graphics (including Delaune), reviewed documents produced by Defendants, and consulted with an expert on loss causation and damages issues.

On September 29, 2014, Defendants filed a motion to dismiss the Complaint, which Lead Plaintiff opposed on November 14, 2014. On September 30, 2015, the Court issued a Memorandum Opinion and Order granting in part and denying in part, Defendants' motion to dismiss. In particular, the Court denied Defendants' motion with respect to the statements concerning Productions Graphics and InnerWorkings' Class Period financials but granted the motion with respect to allegations concerning the status and prospects for a new telesales project dubbed "Inside Sales," as well as the Company's efforts to integrate its PPM4 data system globally.

On October 7, 2015, the Court held a Status Hearing and stayed all pending deadlines and formal discovery in order to enable the Parties to engage in private mediation to explore the possibility of a negotiated resolution. The Court permitted the Parties to conduct informal discovery to assist in mediation efforts, including the production of core documents by Defendants.

Defendants and Lead Plaintiff engaged Robert A. Meyer, a well-respected mediator, to assist them in exploring a potential resolution of the claims in the Action. On January 5, 2016, the Parties met with Mr. Meyer in an attempt to reach a settlement, however they were unable to do so. Following the mediation, Mr. Meyer continued his efforts to facilitate discussions among the Parties.

On January 20, 2016, Defendants moved to further stay the proceedings pending resolution of civil and criminal proceedings initiated by InnerWorkings in France in which InnerWorkings alleges it was the victim of fraud perpetrated by Delaune, who was a source for allegations in the Complaint. Alternatively, Defendants requested that the case be bifurcated so that merits discovery be stayed pending a determination of Lead Plaintiff's motion for class certification. Lead Plaintiff opposed the motion. On February 25, 2016, following oral argument, the Court denied Defendants' motion to stay but granted the request to bifurcate discovery, allowing discovery only as to class certification adequacy issues to proceed.

As a result of the Parties' ongoing discussions concerning settlement, facilitated by Mr. Meyer, Defendants and Lead Plaintiff ultimately reached an agreement-in-principle to settle the Action on March 18, 2016. On May 25, 2016, the Court entered the Preliminary Approval Order, authorizing that this Notice be sent to potential Settlement Class Members and scheduling the Settlement Hearing.

**3. Why is this a class action?**

In a class action, one or more persons or entities (in this case, Lead Plaintiff), sue on behalf of people and entities who have similar claims. Together, these people and entities are a "class," and each is a "class member." Bringing a case as a class action allows the adjudication of many similar claims that might be too small to bring economically as individual actions. One court resolves the issues for all class members at the same time, except for those who exclude themselves, or "opt-out," from the class. In this Action, the Court has appointed Plymouth to serve as Lead Plaintiff and has appointed Labaton Sucharow LLP to serve as Lead Counsel.

**4. How do I know if I am part of the Settlement Class?**

The Court has directed, for the purpose of the proposed Settlement, that everyone who fits this description is a Settlement Class Member and subject to the Settlement, unless they are an excluded person (see Question 5 below) or take steps to exclude themselves (see Question 13 below):

All persons and entities that purchased the publicly traded common stock and/or call options, and/or sold the put options, of InnerWorkings, Inc. during the period from February 15, 2012 through November 6, 2013, inclusive, and who were allegedly damaged thereby.

If one of your mutual funds purchased InnerWorkings common stock and/or options during the Class Period, that alone does not make you a Settlement Class Member. You are a Settlement Class Member only if you individually purchased or acquired InnerWorkings common stock and/or options during the Class Period. Check your investment records or contact your broker to see if you have any eligible purchases, acquisitions, or sales.

**5. Are there exceptions to being included in the Settlement Class?**

Yes. There are some people who are excluded from the Settlement Class by definition. Excluded from the Settlement Class are: (i) the Defendants; (ii) the officers and directors of the Company during the Class Period; (iii) members of the immediate families of the Individual Defendants and the officers and directors of the Company during the Class Period; (iv) Productions Graphics and its officers and directors during the Class Period; (v) any entity in which any Defendant has or had a controlling interest, including but not limited to Productions Graphics; and (vi) the legal representatives, heirs, successors, assigns, and affiliates of any such excluded party. Also excluded from the Settlement Class is anyone who timely and validly seeks exclusion from the Settlement Class in accordance with the procedures in Question 13 below.

**6. What if I am still not sure if I am included?**

If you are still not sure whether you are included in the Settlement, you can ask for free help. You can call the Claims Administrator toll-free at (855) 907-3241, send an e-mail to the Claims Administrator at [questions@InnerWorkingsClassSettlement.com](mailto:questions@InnerWorkingsClassSettlement.com), or write to the Claims Administrator at *InnerWorkings Securities Litigation*, c/o Garden City Group, LLC, P.O. Box 10291, Dublin, OH 43017-5891. Or you can fill out and return the Claim Form described in Question 10, to see if you qualify.

**7. What are the reasons for the Settlement?**

The Court did not finally decide in favor of Lead Plaintiff or Defendants. Instead, both sides agreed to a settlement.

Lead Plaintiff and Lead Counsel believe that the claims asserted in the Action have merit. They recognize, however, the expense and length of continued proceedings necessary to pursue the claims through trial and appeals, as well as the difficulties in establishing liability. Lead Plaintiff and Lead Counsel have considered the uncertain outcome and the risk of litigation, especially in complex lawsuits like this one, as well as the difficulties and delays inherent in such litigation. For example, Defendants have raised a

number of arguments and defenses (which they would raise at summary judgment and trial) asserting that Defendants did not knowingly make false and misleading statements in violation of the federal securities laws, that Lead Plaintiff would not be able to establish that Defendants acted with the requisite fraudulent intent, that Defendants were equally misled by Delaune, and that Settlement Class Members' losses on their InnerWorkings common stock and options were caused by factors other than the allegedly false and misleading statements and omissions by Defendants. Even assuming Lead Plaintiff could establish liability, Defendants maintained that the class would have difficulty establishing loss causation and damages, particularly given the Court's dismissal of claims concerning Inside Sales and PPM4. Lead Plaintiff would need to disaggregate price reaction related to the dismissed claims in order to establish loss causation and damages. In the absence of a settlement, Defendants likely would have asserted some or all of these arguments in favor of summary judgment, which the Court may have resolved, in whole or in part, in favor of Defendants. Assuming the matter proceeded to trial, the Parties would present factual and expert testimony on each of these issues, and there is risk that the Court or jury would resolve these issues unfavorably against Lead Plaintiff and the Settlement Class. In light of the Settlement and the guaranteed cash recovery to the Settlement Class, Lead Plaintiff and Lead Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Settlement Class.

Defendants have denied and continue to deny any wrongdoing and deny that they have committed any act or omission giving rise to any liability or violation of law. Defendants deny the allegations that they knowingly, or otherwise, made any material misstatements or omissions; that any member of the Settlement Class has suffered damages; that the prices of InnerWorkings common stock and/or options were artificially inflated (or deflated) by reason of the alleged misrepresentations, omissions or otherwise; or that members of the Settlement Class were harmed by the conduct alleged in the Complaint. Defendants have denied and continue to deny each and every one of the claims alleged on behalf of the Settlement Class and maintain that they have meritorious defenses to all claims alleged in the Complaint. Nonetheless, Defendants have concluded that continuation of the Action would be protracted and expensive, and have taken into account the uncertainty and risks inherent in any litigation, especially a complex case like this Action.

### THE SETTLEMENT BENEFITS

#### 8. What does the Settlement provide?

In exchange for the Settlement and the release of the Released Claims against the Released Defendant Parties, Defendants have agreed to create a \$6,025,000 cash fund, which will earn interest and be distributed, after deduction of Court-approved attorneys' fees and expenses, Notice and Administration Expenses, and any applicable Taxes (the "Net Settlement Fund"), among Settlement Class Members who submit valid Claim Forms and are found by the Court to be entitled to a distribution from the Net Settlement Fund ("Authorized Claimants").

#### 9. How much will my payment be?

If you are an Authorized Claimant entitled to a payment, your share of the Net Settlement Fund will depend on several things, including for instance, how many Settlement Class Members timely send in valid Claim Forms; the amount of the Net Settlement Fund; the amount of InnerWorkings common stock and options you purchased; the prices and dates of those purchases; and the prices and dates of your sales of InnerWorkings common stock or options.

You can calculate your Recognized Claim using the Plan of Allocation explained below. However, it is unlikely that you will receive a payment for all of your Recognized Claim. See the Plan of Allocation of Net Settlement Fund on pages 9-14 for more information on your Recognized Claim.

### HOW TO RECEIVE A PAYMENT: SUBMITTING A PROOF OF CLAIM FORM

#### 10. How can I receive a payment?

To qualify for a payment, you must submit a timely and valid Claim Form. A Claim Form is included with this Notice. If you did not receive a Claim Form, you can obtain one on the Internet at the website for the Claims Administrator: [www.InnerWorkingsClassSettlement.com](http://www.InnerWorkingsClassSettlement.com), or Lead Counsel: [www.labatton.com](http://www.labatton.com). You can also ask for a Claim Form by calling the Claims Administrator toll-free at (855) 907-3241.

Please read the instructions carefully, fill out the Claim Form, include all the documents the form requests, sign it, and mail or submit it to the Claims Administrator so that it is **postmarked or received on or before October 8, 2016**.

#### 11. When will I receive my payment?

The Court will hold a Settlement Hearing on **October 13, 2016** to decide, among other things, whether to finally approve the Settlement. Even if the Court approves the Settlement, there may be appeals which can take time to resolve, perhaps more than a year. It also takes a long time for all of the Claim Forms to be accurately reviewed and processed. Please be patient.

#### 12. What am I giving up to receive a payment or by staying in the Settlement Class?

If you are a member of the Settlement Class, unless you exclude yourself, you will stay in the Settlement Class and that means that upon the "Effective Date" you will release all "Released Claims" against the "Released Defendant Parties."

**“Released Claims”** means any and all claims and causes of action of every nature and description, including both known claims and Unknown Claims (defined below), whether arising under federal, state, common or foreign law, or any other law, whether class or individual in nature, that Lead Plaintiff or any other Settlement Class Member (i) asserted in the Action; or (ii) could have asserted in the Action, or any other action, or in any forum, that arise from both (a) the purchase of InnerWorkings’ publicly traded common stock and/or call options and/or the sale of InnerWorkings’ put options by the Settlement Class Member during the Class Period and (b) the facts, matters, allegations, transactions, events, disclosures, representations, statements, acts, or omissions or failures to act that were alleged or that could have been alleged in the Action against the Released Defendant Parties. For the avoidance of doubt, Released Claims do not include (i) claims relating to the enforcement of the Settlement; or (ii) potential claims on behalf of the Company contained in the December 2014 derivative demand letter that the Company received from Tom Turberg.

**“Released Defendant Parties”** means Defendants, Defendants’ Counsel, and each of their respective past or present subsidiaries (including, without limitation Productions Graphics), parents, affiliates, principals, successors and predecessors, assigns, officers, directors, shareholders, trustees, partners, agents, fiduciaries, contractors, employees, attorneys, auditors, insurers; the spouses, members of the immediate families, representatives, and heirs of the Individual Defendants, as well as any trust of which any Individual Defendant is the settlor or which is for the benefit of any of their immediate family members; any firm, trust, corporation, or entity in which any Defendant has a controlling interest; and any of the legal representatives, heirs, successors in interest or assigns of Defendants.

**“Unknown Claims”** means any and all Released Claims that Lead Plaintiff or any other Settlement Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Defendant Parties, and any and all Released Defendants’ Claims that any Defendant does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Plaintiff Parties, which if known by him, her, or it might have affected his, her, or its decision(s) with respect to the Settlement, including the decision to object to the terms of the Settlement or to exclude himself, herself, or itself from the Settlement Class. With respect to any and all Released Claims and Released Defendants’ Claims, the Parties stipulate and agree that, upon the Effective Date, Lead Plaintiff and Defendants shall expressly, and each other Settlement Class Member shall be deemed to have, and by operation of the Judgment or Alternative Judgment shall have, to the fullest extent permitted by law, expressly waived and relinquished any and all provisions, rights and benefits conferred by any law of any state or territory of the United States or foreign law, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

**A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.**

Lead Plaintiff, other Settlement Class Members, or Defendants may hereafter discover facts, legal theories, or authorities in addition to or different from those which any of them now knows or believes to be true with respect to the subject matter of the Released Claims and the Released Defendants’ Claims, but Lead Plaintiff and Defendants shall expressly, fully, finally, and forever settle and release, and each Settlement Class Member shall be deemed to have settled and released, and upon the Effective Date and by operation of the Judgment or Alternative Judgment shall have settled and released, fully, finally, and forever, any and all Released Claims and Released Defendants’ Claims as applicable, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. Lead Plaintiff and Defendants acknowledge, and other Settlement Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Released Claims and Released Defendants’ Claims was separately bargained for and was a material element of the Settlement.

The “Effective Date” will occur when an Order entered by the Court approving the Settlement becomes final and is not subject to appeal.

If you remain a member of the Settlement Class, all of the Court’s orders, whether favorable or unfavorable, will apply to you and legally bind you.

### **EXCLUDING YOURSELF FROM THE SETTLEMENT CLASS**

If you do not want a payment from this Settlement, and you want to keep any right you may have to sue or continue to sue Defendants and the other Released Defendant Parties on your own concerning the Released Claims, then you must take steps to remove yourself from the Settlement Class. This is called excluding yourself or “opting out.” **Please note:** if you decide to exclude yourself, there is a risk that any lawsuit you may file to pursue the claims alleged in the Action may be dismissed, including because your lawsuit was not filed within the applicable time periods for filing suit. Also, Defendants may terminate the Settlement if Settlement Class Members who purchased or acquired in excess of a certain number of shares of common stock seek exclusion from the Settlement Class.

### **13. How do I exclude myself from the Settlement Class?**

To exclude yourself from the Settlement Class, you must mail a signed letter stating that you “request to be excluded from the Settlement Class in *Van Noppen, et al. v. InnerWorkings, Inc., et al.*, No. 14-01416 (N.D. Ill.)” You cannot exclude yourself by telephone or e-mail. Your letter must state the amount of InnerWorkings common stock and options that you purchased, acquired, and/or sold, as well as the dates and prices of each such purchase, acquisition, and/or sale. Your letter must include your name, mailing address, telephone number, e-mail address, and your signature. You must submit your exclusion request so that it is **received on or before September 21, 2016** to:

InnerWorkings Securities Litigation  
c/o Garden City Group, LLC  
P.O. Box 10291  
Dublin, OH 43017-5891

Your exclusion request must comply with these requirements in order to be valid. If you ask to be excluded, do not submit a Claim Form because you cannot receive any payment from the Net Settlement Fund. Also, you cannot object to the Settlement because you will not be a Settlement Class Member. However, if you submit a valid exclusion request, you will not be legally bound by anything that happens in connection with this Settlement, and you may be able to sue (or continue to sue) Defendants and the other Released Defendant Parties in the future.

**14. If I do not exclude myself, can I sue Defendants and the other Released Defendant Parties for the same thing later?**

No. Unless you properly exclude yourself, you remain in the Settlement Class and you give up any rights to sue Defendants and the other Released Defendant Parties for any and all Released Claims. If you have a pending lawsuit against the Released Defendant Parties, **speak to your lawyer in that case immediately**. You must exclude yourself from this Settlement Class to continue your own lawsuit. Remember, the exclusion deadline is **September 21, 2016**.

**15. If I exclude myself, can I get money from the proposed Settlement?**

No. If you exclude yourself, do not send in a Claim Form. But, you may exercise any right you may have to sue, continue to sue, or be part of a different lawsuit against Defendants and the other Released Defendant Parties.

**THE LAWYERS REPRESENTING YOU**

**16. Do I have a lawyer in this case?**

The Court appointed the law firm of Labaton Sucharow LLP to represent all Settlement Class Members. These lawyers are called Lead Counsel. You will not be separately charged for these lawyers. The Court will determine the amount of attorneys' fees and expenses, which will be paid from the Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

**17. How will the lawyers be paid?**

Plaintiffs' counsel have not been paid for any of their work. Lead Counsel will ask the Court to award, on behalf of all plaintiffs' counsel, attorneys' fees of no more than 30% of the Settlement Fund, which will include any accrued interest. Lead Counsel will also seek payment of litigation expenses incurred by plaintiffs' counsel in connection with the Action of no more than \$225,000, plus interest on such expenses at the same rate as earned by the Settlement Fund.

**OBJECTING TO THE SETTLEMENT, THE PLAN OF ALLOCATION, OR THE FEE AND EXPENSE APPLICATION**

**18. How do I tell the Court that I do not like something about the proposed Settlement?**

If you are a Settlement Class Member, you can object to the Settlement or any of its terms, the proposed Plan of Allocation, and/or the Fee and Expense Application. If you would like the Court to consider your views, you must file a proper objection within the deadline and according to the following procedures.

To object, you must send a signed letter stating that you object to the proposed Settlement in "*Van Noppen, et al. v. InnerWorkings, Inc., et al.*, No. 14-01416 (N.D. Ill.)." You must include your name, address, telephone number, e-mail address, and signature; identify the amount of InnerWorkings common stock and options purchased, acquired, and/or sold during the Class Period, and the date(s) and price(s) of each such purchase, acquisition, or sale; and state the reasons why you object and include any legal support and/or evidence, including witnesses that support your objection. Unless otherwise ordered by the Court, any Settlement Class Member who does not object in the manner described in this Notice will be deemed to have waived any objection and shall be forever barred from making any objection to the proposed Settlement, the Plan of Allocation, and/or the Fee and Expense Application. Your objection must be filed with the Court **and** mailed or delivered to the following counsel so that it is **received on or before September 21, 2016**:

**Court**  
**Clerk of the Court**  
United States District Court  
Northern District of Illinois  
United States Courthouse  
219 South Dearborn Street  
Chicago, IL 60604

**Lead Counsel**  
**Labaton Sucharow LLP**  
Jonathan Gardner, Esq.  
140 Broadway  
New York, NY 10005

**Defendants' Counsel**  
**Jenner & Block LLP**  
Elizabeth Coleman, Esq.  
353 N. Clark Street  
Chicago, IL 60654

You do not need to attend the Settlement Hearing to have your written objection considered by the Court. However, any Settlement Class Member who has complied with the procedures set out in this Question 18 and below in Question 22 may appear at

the Settlement Hearing and be heard, to the extent allowed by the Court, about their objection. Any such objector may appear in person or arrange, at his, her, or its own expense, for a lawyer to represent him, her, or it at the Settlement Hearing.

**19. What is the difference between objecting and seeking exclusion?**

Objecting is telling the Court that you do not like something about the proposed Settlement, Plan of Allocation, or the Fee and Expense Application. You can still recover money from the Settlement. You can object *only* if you remain in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the Settlement no longer affects you.

**THE SETTLEMENT HEARING**

**20. When and where will the Court decide whether to approve the proposed Settlement?**

The Court will hold the Settlement Hearing on **October 13, 2016 at 9:45 a.m.**, in Courtroom 1725 at the United States District Court, Northern District of Illinois, United States Courthouse, 219 South Dearborn Street, Chicago, IL 60604.

At this hearing, the Court will consider whether: (a) the Settlement is fair, reasonable, and adequate and should be finally approved; (b) the Plan of Allocation is fair, reasonable, and adequate and should be approved; and (c) the application of Lead Counsel for an award of attorneys' fees and payment of expenses is reasonable and should be approved. The Court will take into consideration any written objections filed in accordance with the instructions in Question 18. We do not know how long it will take the Court to make these decisions.

You should be aware that the Court may change the date and/or time of the Settlement Hearing without another notice being sent to Settlement Class Members. If you want to attend the hearing, you should check with Lead Counsel beforehand to be sure that the date and/or time has not changed.

**21. Do I have to come to the Settlement Hearing?**

No. Lead Counsel will answer any questions the Court has. But, you are welcome to attend at your own expense. If you submit a valid and timely objection, you do not have to come to Court to discuss it. You may have your own lawyer attend (at your own expense), but it is not required. If you do hire your own lawyer, he or she must file and serve a Notice of Appearance in the manner described in the answer to Question 22 below.

**22. May I speak at the Settlement Hearing?**

If you object to the Settlement or any aspect of it, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must include with your objection (see Question 18), **on or before September 21, 2016**, a statement that you, or your attorney, intend to appear in "*Van Noppen, et al. v. InnerWorkings, Inc., et al.*, No. 14-01416 (N.D. Ill.)." Persons who intend to object to the Settlement, the Plan of Allocation, or Lead Counsel's Fee and Expense Application and desire to present evidence at the Settlement Hearing must also include in their objections (prepared and submitted in accordance with the answer to Question 18 above) the identity of any witness they may wish to call to testify and any exhibits they intend to introduce into evidence at the Settlement Hearing. You may not speak at the Settlement Hearing if you exclude yourself from the Settlement Class or if you have not provided written notice of your objection and intention to speak at the Settlement Hearing in accordance with the procedures described in Questions 18 and 22.

**IF YOU DO NOTHING**

**23. What happens if I do nothing at all?**

If you do nothing and you are a member of the Settlement Class, you will receive no money from this Settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against Defendants and the other Released Defendant Parties concerning the Released Claims. To share in the Net Settlement Fund, you must submit a Claim Form (see Question 10). To start, continue or be a part of any other lawsuit against Defendants and the other Released Defendant Parties concerning the Released Claims in this case, you must exclude yourself from the Settlement Class (see Question 13).

**GETTING MORE INFORMATION**

**24. Are there more details about the Settlement?**

This Notice summarizes the proposed Settlement. More details are in the Stipulation. You may review the Stipulation filed with the Court or documents in the case during business hours at the Office of the Clerk of the United States District Court, Northern District of Illinois, United States Courthouse, 219 South Dearborn Street, Chicago, IL 60604. Subscribers to PACER, a fee-based service, can also view the papers filed publicly in the Action through the Court's on-line Case Management/Electronic Case Files System at <https://www.pacer.gov>.

You can also get a copy of the Stipulation or other documents by calling the Claims Administrator toll free at (855) 907-3241 or Lead Counsel at (888) 219-6877; writing to the Claims Administrator at *InnerWorkings Securities Litigation*, c/o Garden City Group, LLC, P.O. Box 10291, Dublin, OH 43017-5891; or visiting the websites of the Claims Administrator at [www.InnerWorkingsClassSettlement.com](http://www.InnerWorkingsClassSettlement.com) or Lead Counsel at [www.labaton.com](http://www.labaton.com). **Please do not Call the Court with Questions about the Settlement.**

## PLAN OF ALLOCATION OF THE NET SETTLEMENT FUND

### 25. How will my claim be calculated?

As discussed above, the Settlement provides \$6,025,000 in cash for the benefit of the Settlement Class. The Settlement Amount and any interest it earns constitutes the "Settlement Fund." The Settlement Fund, after deduction of Court-approved attorneys' fees and litigation expenses, Notice and Administration Expenses, Taxes, and any other fees or expenses approved by the Court is the Net Settlement Fund. The Net Settlement Fund will be distributed to Authorized Claimants – *i.e.*, members of the Settlement Class who timely submit valid Claim Forms that show Recognized Claims pursuant to the Plan of Allocation and are approved by the Court. Settlement Class Members who do not timely submit valid Claim Forms will not share in the Net Settlement Fund, but will otherwise be bound by the terms of the Settlement. The Court may approve this Plan of Allocation ("Plan of Allocation" or "Plan"), or modify it, without additional notice to the Settlement Class. Any order modifying the Plan of Allocation will be posted on the settlement website at [www.InnerWorkingsClassSettlement.com](http://www.InnerWorkingsClassSettlement.com) and at [www.labaton.com](http://www.labaton.com).

The objective of this Plan of Allocation is to equitably distribute the Net Settlement Fund among Authorized Claimants who allegedly suffered economic losses as a result of the alleged violations of the federal securities laws, as opposed to losses caused by market or industry factors or Company-specific factors unrelated to the alleged violations of law. The Plan of Allocation reflects Lead Plaintiff's damages expert's analysis undertaken to that end, including a review of publicly available information regarding InnerWorkings and statistical analysis of the price movements of InnerWorkings securities and the price performance of relevant market and peer indices during the Class Period. The Plan, however, is not a formal damages analysis.

For losses to be compensable under the federal securities laws, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of the security. In this case, Lead Plaintiff alleges that Defendants issued false statements and omitted material facts from February 15, 2012, through November 6, 2013, which inflated the price of InnerWorkings common stock and InnerWorkings call options (and artificially deflated the price of InnerWorkings put options). It is alleged that the corrective information released to the market on November 6, 2013, impacted the market price of InnerWorkings securities in a statistically significant manner and removed the alleged artificial inflation (or deflation for put options) from the security prices on November 7, 2013. Accordingly, in order to have a compensable loss, InnerWorkings common stock or InnerWorkings call options must have been purchased or otherwise acquired during the Class Period and held through the alleged corrective disclosure listed above, and, with respect to put options, those options must have been sold (written) during the Class Period and not closed through the alleged corrective disclosure.

Because the Net Settlement Fund is less than the total losses alleged to be suffered by Settlement Class Members, the formulas described in this Notice for calculating Recognized Loss Amounts and Recognized Claims are not intended to estimate the amount that will actually be paid to Authorized Claimants. Rather, these formulas provide the basis on which the Net Settlement Fund will be distributed on a *pro rata* basis among Authorized Claimants. An Authorized Claimant's *pro rata* share of the Net Settlement Fund will be the Authorized Claimant's Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. If the Net Settlement Fund exceeds the total Recognized Claims of all Authorized Claimants, the excess amount in the Net Settlement Fund will be distributed *pro rata* to all Authorized Claimants.

Defendants, their counsel, and all other Released Defendant Parties will have no responsibility or liability whatsoever for the investment of the Settlement Fund, the distribution of the Net Settlement Fund, the Plan of Allocation, or the payment of any claim. Lead Plaintiff, Lead Counsel, and their agents, likewise will have no liability for their reasonable efforts to execute and administer the Settlement and distribute the Net Settlement Fund.

#### **A. Eligible Securities**

The InnerWorkings securities for which a claimant may be entitled to receive a distribution from the Net Settlement Fund consist of the publicly traded common stock of InnerWorkings and the publicly traded call and put options on such InnerWorkings common stock. With respect to InnerWorkings common stock purchased or sold through the exercise of an option, the purchase/sale date of the InnerWorkings common stock is the exercise date of the option and the purchase/sale price is the exercise price of the option.

#### **B. Calculation of Recognized Loss Amounts**

For purposes of determining whether a claimant has a "Recognized Claim," purchases, acquisitions, and sales of each respective eligible security will first be matched on a First In/First Out ("FIFO") basis. If a claimant has more than one purchase/acquisition or sale of an eligible security during the Class Period, all purchases/acquisitions and sales of each respective eligible security will be matched on a FIFO basis. With respect to InnerWorkings common stock and call options, Class Period sales will be matched first against any holdings at the beginning of the Class Period and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period. For InnerWorkings put options, Class Period purchases will be matched first to close out positions open at the beginning of the Class Period, and then against put options sold (written) during the Class Period in chronological order.

A “Recognized Loss Amount” will be calculated as described below for each respective purchase/acquisition (or sale in the case of put options) of an eligible security during the Class Period that is listed in the Claim Form and for which adequate documentation is provided. To the extent that the calculation of a claimant’s Recognized Loss Amount results in a negative number, reflecting a gain on the transaction, that number shall be set to zero. The sum of a claimant’s Recognized Loss Amounts across all purchases/acquisitions of an eligible security will be the claimant’s “Recognized Claim.”

Based on the foregoing, and for purposes of this Settlement only, Recognized Loss Amounts will be calculated as follows:

**COMMON STOCK RECOGNIZED LOSS CALCULATIONS**

1. For each share of InnerWorkings common stock purchased or otherwise acquired during the Class Period and sold before the close of trading on February 4, 2014, an “Out of Pocket Loss” will be calculated. Out of Pocket Loss is defined as the purchase price (excluding all fees, taxes, and commissions) minus the sale price (excluding all fees, taxes, and commissions). To the extent that the calculation of the Out of Pocket Loss results in a negative number, reflecting a gain on the transaction, that number shall be set to zero.

2. For each share of InnerWorkings common stock purchased or otherwise acquired from February 15, 2012 through and including November 6, 2013, and:

- (a) Sold before the close of trading on November 6, 2013, the Recognized Loss Amount for each such share shall be zero.
- (b) Sold after the close of trading on November 6, 2013, and before the close of trading on February 4, 2014, the Recognized Loss Amount for each such share shall be **the least of**:
  - (i) \$3.66;
  - (ii) the actual purchase/acquisition price of each such share *minus* the average closing price from November 7, 2013, up to the date of sale as set forth in **Table 1** below; or
  - (iii) the Out of Pocket Loss.
- (c) Held as of the close of trading on February 4, 2014, the Recognized Loss Amount for each such share shall be **the lesser of**:
  - (i) \$3.66; or
  - (ii) the actual purchase/acquisition price of each such share *minus* \$7.14.<sup>3</sup>

**CALL AND PUT OPTIONS RECOGNIZED LOSS CALCULATIONS**

3. Publicly traded options are traded in units called “contracts,” which entitle the holder to buy (in the case of a call option) or sell (in the case of a put option) 100 shares of the underlying security, which in this case is InnerWorkings common stock. Throughout this Plan of Allocation, all price quotations are per share of the underlying security (*i.e.*, 1/100 of a contract in the case of options).

4. Each option contract specifies a strike price and an expiration date. Contracts with the same strike price and expiration date are referred to as a “series” and each series represents a different security that trades in the market and has its own market price (and thus artificial inflation or deflation). Under the Plan of Allocation, the dollar amount of artificial inflation per share (*i.e.*, 1/100 of a contract) for each series of InnerWorkings call options and the dollar amount of artificial deflation per share (*i.e.*, 1/100 of a contract) for each series of InnerWorkings put options has been calculated by Lead Plaintiff’s damages expert. **Table 2** below sets forth the dollar amount of artificial inflation per share in InnerWorkings call options during the Class Period. **Table 3** below sets forth the dollar artificial deflation per share in InnerWorkings put options during the Class Period. **Table 2** and **Table 3** list only series of InnerWorkings options that expired on or after November 7, 2013 – the date of the alleged corrective disclosure. Transactions in InnerWorkings options that expired before the close of trading on November 6, 2013 have a Recognized Loss Amount of zero under the Plan of Allocation.

5. Maximum Recovery for options: The Settlement proceeds available for InnerWorkings call options purchased during the Class Period and InnerWorkings put options sold (written) during the Class Period shall be limited to a total amount of up to 2% of the Net Settlement Fund.

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<sup>3</sup> Pursuant to Section 21(D)(e)(1) of the PSLRA, “in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day look-back period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.” Consistent with the requirements of the PSLRA, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of InnerWorkings common stock during the 90-day look-back period, November 7, 2013 through February 4, 2014. The mean (average) closing price for InnerWorkings common stock during this 90-day look-back period was \$7.14.

6. For each InnerWorkings call option purchased or otherwise acquired from February 15, 2012 through and including November 6, 2013, and:

- (a) Closed (through sale, exercise, or expiration) before the close of trading on November 6, 2013, the Recognized Loss Amount for each such share shall be zero.
- (b) Open after the close of trading on November 6, 2013, the Recognized Loss Amount for each such share shall be **the lesser of:**
  - (i) the dollar artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in **Table 2** below; or
  - (ii) the actual purchase/acquisition price of each such share minus the closing price on November 7, 2013, (i.e., the "Holding Price") as set forth in **Table 2** below.

7. For each InnerWorkings put option sold (written) from February 15, 2012 through and including November 6, 2013, and:

- (a) Closed (through purchase, exercise, or expiration) before the close of trading on November 6, 2013, the Recognized Loss Amount for each such share shall be zero.
- (b) Open after the close of trading on November 6, 2013, the Recognized Loss Amount for each such share shall be **the lesser of:**
  - (i) the dollar artificial deflation applicable to each such share on the date of sale (writing) as set forth in **Table 3** below; or
  - (ii) the closing price on November 7, 2013, (i.e., the "Holding Price") as set forth in **Table 3** below minus the sale (writing) price.

### **C. Additional Provisions**

Purchases or acquisitions and sales of eligible InnerWorkings securities shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, inheritance or operation of law of eligible securities during the Class Period shall not be deemed a purchase, acquisition or sale for the calculation of Recognized Loss Amounts, unless (i) the donor or decedent purchased or otherwise acquired such eligible securities during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such eligible securities; and (iii) it is specifically so provided in the instrument of gift or assignment.

The Recognized Loss Amount on any portion of a purchase or acquisition that matches against (or "covers") a "short sale" is zero. The Recognized Loss Amount on a "short sale" that is not covered by a purchase or acquisition is also zero.

In the event that a claimant has an opening short position in InnerWorkings common stock at the start of the Class Period, the earliest Class Period purchases or acquisitions shall be matched against such opening short position in accordance with the FIFO matching described above and any portion of such purchase or acquisition that covers such short sales will not be entitled to a recovery. In the event that a claimant newly establishes a short position during the Class Period, the earliest subsequent Class Period purchase or acquisition shall be matched against such short position on a FIFO basis and will not be entitled to a recovery.

If a claimant has "written" call options, thereby having a short position in the call options, the date of covering such a written position is deemed to be the date of purchase or acquisition of the call option. The date on which the call option was written is deemed to be the date of sale of the call option. The earliest Class Period purchases or acquisitions shall be matched against such short positions in accordance with the FIFO matching described above and any portion of such purchase or acquisition that covers such short positions will not be entitled to a recovery.

If a claimant has purchased or acquired put options, thereby having a long position in the put options, the date of purchase/acquisition is deemed to be the date of purchase/acquisition of the put option. The date on which the put option was sold, exercised, or expired is deemed to be the date of sale of the put option. The earliest sales or dispositions of like put options during the Class Period shall be matched against such long positions in accordance with the FIFO matching described above and any portion of the sales that covers such short positions shall not be entitled to a recovery.

The Net Settlement Fund will be allocated among all Authorized Claimants whose prorated payment is \$10.00 or greater, given the fees and expenses associated with printing and mailing payments. If the prorated payment to any Authorized Claimant calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

Payment according to this Plan of Allocation will be deemed conclusive against all claimants. Recognized Claims will be calculated as defined in this Notice by the Claims Administrator and cannot be less than zero.

Distributions to eligible Authorized Claimants will be made after all claims have been processed and after the Court has approved the Claims Administrator's determinations. After an initial distribution of the Net Settlement Fund, if there is any balance

remaining in the Net Settlement Fund (whether by reason of tax refunds, uncashed checks or otherwise) after at least six (6) months from the date of initial distribution of the Net Settlement Fund, Lead Counsel shall, if feasible and economical after payment of Notice and Administration Expenses, Taxes, and any outstanding attorneys' fees and expenses, redistribute such balance among Authorized Claimants who have cashed their checks in an equitable and economic fashion. Any balance that still remains in the Net Settlement Fund after re-distribution(s), which is not feasible or economical to reallocate, after payment of Notice and Administration Expenses, Taxes, and any outstanding attorneys' fees and expenses, shall be contributed to Legal Aid Society of Metropolitan Family Services.

Each claimant is deemed to have submitted to the jurisdiction of the United States District Court for the Northern District of Illinois with respect to his, her, or its claim.

**TABLE 1**

**InnerWorkings Average Closing Price  
November 7, 2013 – February 4, 2014**

Date	Average Closing Price Between November 7, 2013 and Date Shown	Date	Average Closing Price Between November 7, 2013 and Date Shown	Date	Average Closing Price Between November 7, 2013 and Date Shown
11/7/2013	\$5.64	12/6/2013	\$6.56	1/7/2014	\$7.02
11/8/2013	\$5.69	12/9/2013	\$6.58	1/8/2014	\$7.03
11/11/2013	\$5.80	12/10/2013	\$6.59	1/9/2014	\$7.04
11/12/2013	\$5.87	12/11/2013	\$6.61	1/10/2014	\$7.05
11/13/2013	\$5.96	12/12/2013	\$6.62	1/13/2014	\$7.06
11/14/2013	\$6.01	12/13/2013	\$6.65	1/14/2014	\$7.07
11/15/2013	\$6.09	12/16/2013	\$6.67	1/15/2014	\$7.07
11/18/2013	\$6.18	12/17/2013	\$6.69	1/16/2014	\$7.08
11/19/2013	\$6.24	12/18/2013	\$6.71	1/17/2014	\$7.08
11/20/2013	\$6.30	12/19/2013	\$6.73	1/21/2014	\$7.09
11/21/2013	\$6.36	12/20/2013	\$6.76	1/22/2014	\$7.10
11/22/2013	\$6.40	12/23/2013	\$6.80	1/23/2014	\$7.11
11/25/2013	\$6.44	12/24/2013	\$6.83	1/24/2014	\$7.11
11/26/2013	\$6.48	12/26/2013	\$6.85	1/27/2014	\$7.11
11/27/2013	\$6.51	12/27/2013	\$6.88	1/28/2014	\$7.12
11/29/2013	\$6.54	12/30/2013	\$6.90	1/29/2014	\$7.12
12/2/2013	\$6.53	12/31/2013	\$6.93	1/30/2014	\$7.13
12/3/2013	\$6.53	1/2/2014	\$6.95	1/31/2014	\$7.14
12/4/2013	\$6.54	1/3/2014	\$6.97	2/3/2014	\$7.14
12/5/2013	\$6.55	1/6/2014	\$7.00	2/4/2014	\$7.14

**TABLE 2**

**InnerWorkings Call Options Artificial Inflation  
For Purposes of Calculating Purchase and Sale Inflation**

Expiration Date	Strike Price	Call Option Artificial Inflation per Share During Trading Period: February 15, 2012 – November 6, 2013	Holding Price
11/16/2013	\$2.50	\$3.61	\$3.20
11/16/2013	\$5.00	\$3.66	\$0.65
11/16/2013	\$7.50	\$1.88	\$0.03
11/16/2013	\$10.00	\$0.24	\$0.03
11/16/2013	\$12.50	\$0.02	\$0.13
11/16/2013	\$15.00	\$0.00	\$0.13
11/16/2013	\$17.50	\$0.00	\$0.13
11/16/2013	\$20.00	\$0.00	\$0.13

**TABLE 2 (continued)**

**InnerWorkings Call Options Artificial Inflation  
For Purposes of Calculating Purchase and Sale Inflation**

Expiration Date	Strike Price	Call Option Artificial Inflation per Share During Trading Period: February 15, 2012 – November 6, 2013	Holding Price
12/21/2013	\$2.50	\$3.66	\$3.15
12/21/2013	\$5.00	\$3.47	\$0.85
12/21/2013	\$7.50	\$1.88	\$0.10
12/21/2013	\$10.00	\$0.31	\$0.13
12/21/2013	\$12.50	\$0.02	\$0.13
12/21/2013	\$15.00	\$0.00	\$0.13
12/21/2013	\$17.50	\$0.00	\$0.13
1/18/2014	\$2.50	\$3.59	\$3.23
1/18/2014	\$5.00	\$3.40	\$0.93
1/18/2014	\$7.50	\$1.97	\$0.10
1/18/2014	\$10.00	\$0.52	\$0.05
1/18/2014	\$12.50	\$0.05	\$0.13
1/18/2014	\$15.00	\$0.02	\$0.13
1/18/2014	\$17.50	\$0.02	\$0.13
1/18/2014	\$20.00	\$0.00	\$0.13
4/19/2014	\$2.50	\$3.42	\$3.40
4/19/2014	\$5.00	\$3.14	\$1.20
4/19/2014	\$7.50	\$2.07	\$0.28
4/19/2014	\$10.00	\$0.78	\$0.18
4/19/2014	\$12.50	\$0.14	\$0.15
4/19/2014	\$15.00	\$0.02	\$0.15
4/19/2014	\$17.50	\$0.02	\$0.13
4/19/2014	\$20.00	\$0.02	\$0.13
4/19/2014	\$22.50	\$0.00	\$2.50

**TABLE 3**

**InnerWorkings Put Options Artificial Deflation  
For Purposes of Calculating Purchase and Sale Deflation**

Expiration Date	Strike Price	Put Option Artificial Inflation per Share During Trading Period: February 15, 2012 – November 6, 2013	Holding Price
11/16/2013	\$2.50	\$0.00	\$0.03
11/16/2013	\$5.00	\$0.00	\$0.03
11/16/2013	\$7.50	\$1.62	\$1.85
11/16/2013	\$10.00	\$3.45	\$4.40
11/16/2013	\$12.50	\$3.61	\$6.80
11/16/2013	\$15.00	\$3.52	\$9.30
11/16/2013	\$17.50	\$3.61	\$11.80
11/16/2013	\$20.00	\$3.57	\$14.25
12/21/2013	\$2.50	\$0.00	\$0.13
12/21/2013	\$5.00	\$0.00	\$0.10
12/21/2013	\$7.50	\$1.62	\$1.88
12/21/2013	\$10.00	\$3.26	\$4.40
12/21/2013	\$12.50	\$3.54	\$6.80
12/21/2013	\$15.00	\$3.57	\$9.35
12/21/2013	\$17.50	\$3.57	\$11.75
1/18/2014	\$2.50	\$0.00	\$0.13
1/18/2014	\$5.00	\$0.14	\$0.30
1/18/2014	\$7.50	\$1.66	\$1.93
1/18/2014	\$10.00	\$3.16	\$4.40
1/18/2014	\$12.50	\$3.52	\$6.80
1/18/2014	\$15.00	\$3.57	\$9.35
1/18/2014	\$17.50	\$3.57	\$11.75
1/18/2014	\$20.00	\$3.61	\$14.30
4/19/2014	\$2.50	\$0.02	\$0.15
4/19/2014	\$5.00	\$0.36	\$0.53
4/19/2014	\$7.50	\$1.59	\$2.15
4/19/2014	\$10.00	\$2.85	\$4.50

**TABLE 3 (continued)**

**InnerWorkings Put Options Artificial Deflation  
For Purposes of Calculating Purchase and Sale Deflation**

Expiration Date	Strike Price	Put Option Artificial Inflation per Share During Trading Period: February 15, 2012 – November 6, 2013	Holding Price
4/19/2014	\$12.50	\$3.33	\$6.85
4/19/2014	\$15.00	\$3.57	\$9.35
4/19/2014	\$17.50	\$3.61	\$11.80
4/19/2014	\$20.00	\$3.66	\$14.35
4/19/2014	\$22.50	\$3.71	\$16.85

**SPECIAL NOTICE TO SECURITIES BROKERS AND NOMINEES**

If you purchased or otherwise acquired InnerWorkings common stock (CUSIP: 45773Y10) and/or options on InnerWorkings common stock during the Class Period for the beneficial interest of a person or entity other than yourself, the Court has directed that **WITHIN SEVEN (7) DAYS OF YOUR RECEIPT OF THIS NOTICE, YOU MUST EITHER:** (a) provide to the Claims Administrator the name and last known address of each person or entity for whom or which you purchased such InnerWorkings eligible security during the Class Period; or (b) request additional copies of this Notice and the Claim Form from the Claims Administrator, which will be provided to you free of charge, and **WITHIN SEVEN (7) DAYS** of receipt mail the Notice and Claim Form directly to the beneficial owners of those securities. If you choose to follow procedure (b), the Court has also directed that, upon such mailing, **YOU MUST SEND A STATEMENT** to the Claims Administrator confirming that the mailing was made as directed and keep a record of the names and mailing addresses used. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation and timely compliance with the above directives. All communications concerning the foregoing should be addressed to the Claims Administrator:

*InnerWorkings Securities Litigation*  
c/o Garden City Group, LLC  
P.O. Box 10291  
Dublin, OH 43017-5891

Dated: June 8, 2016

BY ORDER OF THE  
UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS

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Must be  
Postmarked or Received  
on or Before  
October 8, 2016

InnerWorkings Securities Litigation  
c/o Garden City Group, LLC  
P.O. Box 10291  
Dublin, OH 43017-5891  
855-907-3241  
Questions@InnerWorkingsClassSettlement.com



IWK



ID Number:

Control Number:

**PROOF OF CLAIM AND RELEASE**

TO BE ELIGIBLE TO RECEIVE A SHARE OF THE NET SETTLEMENT FUND IN CONNECTION WITH THE SETTLEMENT OF THIS ACTION, YOU MUST MAIL YOUR COMPLETED AND SIGNED CLAIM FORM TO THE CLAIMS ADMINISTRATOR BY FIRST-CLASS MAIL, POSTAGE PREPAID, POSTMARKED OR RECEIVED BY **OCTOBER 8, 2016**, TO THE ADDRESS SET FORTH AT THE TOP OF THIS PAGE.

IF YOU FAIL TO SUBMIT A TIMELY, PROPERLY ADDRESSED, AND COMPLETED CLAIM FORM, YOUR CLAIM MAY BE REJECTED AND YOU MAY BE PRECLUDED FROM RECEIVING ANY PROCEEDS FROM THE SETTLEMENT.

**DO NOT MAIL OR DELIVER YOUR CLAIM FORM TO THE COURT, THE PARTIES OR THEIR COUNSEL. SUBMIT YOUR CLAIM FORM ONLY TO THE CLAIMS ADMINISTRATOR AT THE ADDRESS SET FORTH ABOVE.**

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

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



**PART II - GENERAL INSTRUCTIONS**

1. Capitalized terms not defined in this Proof of Claim and Release form ("Claim Form") have the same meanings as explained in the Notice of Pendency of Class Action, Proposed Settlement, and Motion for Attorneys' Fees and Expenses ("Notice") that accompanies this Claim Form and in the Stipulation and Agreement of Settlement, dated as of May 11, 2016 (the "Stipulation").

2. To be eligible to recover from the Net Settlement Fund in the action entitled *Van Noppen, et al., v. InnerWorkings, Inc., et al.*, Case No. 1:14-cv-01416 (N.D. Ill.) (the "Action"), you must complete and, on page 8, sign this Claim Form, and submit your Claim Form to the Claims Administrator as instructed below. If you fail to submit a properly completed and addressed Claim Form by the date specified below, your claim may be rejected and you may be precluded from any recovery from the Net Settlement Fund created in connection with the Settlement of the Action.

3. Submission of this Claim Form, however, does not ensure that you will share in the Net Settlement Fund.

4. **YOU MUST MAIL OR SUBMIT YOUR COMPLETED AND SIGNED CLAIM FORM SO THAT IT IS POSTMARKED OR RECEIVED ON OR BEFORE OCTOBER 8, 2016, ADDRESSED AS FOLLOWS:**

***InnerWorkings Securities Litigation***  
**c/o Garden City Group, LLC**  
**P.O. Box 10291**  
**Dublin, OH 43017-5891**

To be considered timely, your Claim Form must be postmarked or received by the deadline above. Unless your Claim Form is submitted with a postmark, it will be deemed to have been submitted when actually received by the Claims Administrator.

5. You must submit supporting documentation for the transactions reported on this Claim Form, such as broker confirmation slips, broker account statements, an authorized statement from your broker reporting information about your transactions, or other similar documents. The Parties and the Claims Administrator do not independently have information about your investment in InnerWorkings securities. IF SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN COPIES OR EQUIVALENT DOCUMENTS FROM YOUR BROKER. FAILURE TO SUBMIT THIS DOCUMENTATION MAY RESULT IN THE REJECTION OF YOUR CLAIM. DO NOT SEND ORIGINAL DOCUMENTS.

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

7. All joint beneficial owners must each sign this Claim Form and their names must appear as "Claimants" in Part I of this Claim Form. If you purchased InnerWorkings common stock or options during the Class Period and held them in your name, you are the beneficial owner as well as the record owner and you must sign this Claim Form to participate in the Settlement. If, however, you purchased InnerWorkings securities during the relevant time period and the securities were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial owner of these shares, but the third party is the record owner. You, as the beneficial owner, must sign this Claim Form to be eligible to participate in the Settlement.

8. Agents, executors, administrators, guardians, and trustees must complete and sign the Claim Form on behalf of persons represented by them, and they must:

- a. expressly state the capacity in which they are acting;
- b. identify the name, account number, Social Security Number (or taxpayer identification number), address



PART II - GENERAL INSTRUCTIONS (CONTINUED)

and telephone number of the beneficial owner of (or other person or entity on whose behalf they are acting with respect to) the InnerWorkings securities; and

- c. furnish herewith evidence of their authority to bind to the Claim Form the person or entity on whose behalf they are acting. (Authority to complete and sign a Claim Form cannot be established by stockbrokers demonstrating only that they have discretionary authority to trade securities in another person's accounts.)

9. If you are NOT a Settlement Class Member (as defined in the Notice), or are excluded by the definition of the Settlement Class, DO NOT submit a Claim Form.

10. If you are a Settlement Class Member and have not requested exclusion, you will be bound by the terms of the Settlement and any judgment entered in this Action, WHETHER OR NOT YOU SUBMIT A CLAIM FORM OR RECEIVE A PAYMENT.

11. You should be aware that it will take a significant amount of time to fully process all of the submitted Claim Forms and to administer the Settlement. This work will be completed as promptly as time permits, given the need to review and tabulate each Claim Form. Please notify the Claims Administrator of any changes of address.



**PART III - TRANSACTIONS IN PUBLICLY TRADED INNERWORKINGS COMMON STOCK**

<b>A. BEGINNING HOLDINGS:</b> State the total number of shares of InnerWorkings Common Stock held as of the opening of trading on <b>February 15, 2012</b> . If none, write "0" or "Zero." (Must be documented.)	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> Shares	Proof of Holdings Enclosed <input type="checkbox"/> Yes <input type="checkbox"/> No
--	--	--

<b>B. PURCHASES/ACQUISITIONS:</b> Separately list each and every purchase/acquisition of InnerWorkings Common Stock from after the opening of trading on <b>February 15, 2012</b> through and including the close of trading on <b>February 4, 2014</b> . <sup>1</sup> (Must be documented.) (Free Deliveries or Transfers In are not eligible transactions – provide the original purchase transaction of the transferred shares.)	<b>IF NONE, CHECK HERE</b> <input type="checkbox"/>
---	--

Date of Purchase/ Acquisition (List Chronologically) (Month/Day/Year)	Number of Shares Purchased/ Acquired	Purchase/ Acquisition Price Per Share	Total Purchase/ Acquisition Price (excluding taxes, commissions and fees)	Proof of Purchase/ Acquisition Enclosed
<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No

<b>C. SALES:</b> Separately list each and every sale/disposition of InnerWorkings Common Stock from after the opening of trading on <b>February 15, 2012</b> through and including the close of trading on <b>February 4, 2014</b> . (Must be documented.) (Free Receipts or Transfers Out are not eligible transactions – provide ultimate disposition of transferred shares.)	<b>IF NONE, CHECK HERE</b> <input type="checkbox"/>
---	--

Date of Sale (List Chronologically) (Month/Day/Year)	Number of Shares Sold	Sale Price Per Share	Total Sale Price (excluding taxes, commissions and fees)	Proof of Sale Enclosed
<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No

<b>D. ENDING HOLDINGS:</b> State the total number of shares of InnerWorkings Common Stock held as of the close of trading on <b>February 4, 2014</b> . If none, write "0" or "Zero." (Must be documented.)	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> Shares	Proof of Holdings Enclosed <input type="checkbox"/> Yes <input type="checkbox"/> No
--	--	--

<sup>1</sup> Information requested with respect to your purchases/acquisitions of common stock from November 7, 2013 through February 4, 2014 is needed in order to balance your claim; purchases/acquisitions during this period, however, are not eligible to participate in the Settlement as these purchases/acquisitions are outside the Class Period and will not be used for purposes of calculating your Recognized Claim pursuant to the Plan of Allocation.

**IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS YOU MUST  
 PHOTOCOPY THIS PAGE AND CHECK THIS BOX**   
**IF YOU DO NOT CHECK THIS BOX THESE ADDITIONAL PAGES WILL NOT BE REVIEWED**



**PART IV - TRANSACTIONS IN PUBLICLY TRADED INNERWORKINGS CALL OPTIONS**

**A. BEGINNING HOLDINGS:** At the opening of trading on **February 15, 2012**, I owned the following call option contracts on InnerWorkings common stock. (Must be documented):

Date of Purchase (Month/Day/Year)	Number of Contracts	Expiration Month and Year & Strike Price of Options (i.e. March 2012/\$40)	Purchase Price Per Contract	Amount Paid (Excluding taxes, fees, and commissions.)	Exercised "E" or Expired "X" (leave blank if neither)	Exercise Date (Month/Day/Year)
/  /		/  .	.	.		/  /
/  /		/  .	.	.		/  /

**B. PURCHASES/ACQUISITIONS:** I made the following purchases/acquisitions of call option contracts on InnerWorkings common stock between **February 15, 2012** and **November 6, 2013**, inclusive. (Must be documented):

Date of Purchase (Month/Day/Year)	Number of Contracts	Expiration Month and Year & Strike Price of Options (i.e. March 2012/\$40)	Purchase Price Per Contract	Amount Paid (Excluding taxes, fees, and commissions.)	Exercised "E" or Expired "X" (leave blank if neither)	Exercise Date (Month/Day/Year)
/  /		/  .	.	.		/  /
/  /		/  .	.	.		/  /

**C. SALES:** I made the following sales, regardless of when they occurred, of the above call options on InnerWorkings common stock that were purchased between **February 15, 2012** and **November 6, 2013**. (Must be documented):

Date of Sale (Month/Day/Year)	Number of Contracts	Expiration Month and Year & Strike Price of Options (i.e. March 2012/\$40)	Sale Price Per Contract	Amount Received (Excluding taxes, fees, and commissions)
/  /		/  .	.	.
/  /		/  .	.	.

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS YOU **MUST** PHOTOCOPY THIS PAGE AND CHECK THIS BOX  IF YOU DO NOT CHECK THIS BOX THESE ADDITIONAL PAGES WILL **NOT** BE REVIEWED

**PART V - TRANSACTIONS IN PUBLICLY TRADED INNERWORKINGS PUT OPTIONS**



**A. BEGINNING HOLDINGS:** At the opening of trading on **February 15, 2012**, I was obligated on the following put option contracts on InnerWorkings common stock. (Must be documented):

Number of Contracts	Expiration Month and Year & Strike Price of Options (i.e. March 2012/\$40)	Sale Price Per Contract	Amount Received (Excluding taxes, fees, and commissions.)	Assigned "A" or Expired "E" (leave blank if neither)	Assign Date (Month/Day/Year)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**B. SALES (WRITING) OF PUT OPTIONS:** I wrote (sold) put option contracts on InnerWorkings common stock between **February 15, 2012** and **November 6, 2013**, inclusive, as follows. (Must be documented):

Date of Writing (Sale) (Month/Day/Year)	Number of Contracts	Expiration Month and Year & Strike Price of Options (i.e. March 2012/\$40)	Sale Price Per Contract	Amount Received (Excluding taxes, fees, and commissions.)	Assigned "A" or Expired "E" (leave blank if neither)	Assign Date (Month/Day/Year)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**C. COVERING TRANSACTIONS (REPURCHASES):** I made the following repurchases, regardless of when they occurred, of the above put option contracts on InnerWorkings common stock that were written (sold) on or before **November 6, 2013**. (Must be documented):

Date of Repurchase (Month/Day/Year)	Number of Contracts	Expiration Month and Year & Strike Price of Options (i.e. March 2012/\$40)	Price Paid Per Contract	Aggregate Cost (Excluding taxes, fees, and commissions)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS YOU **MUST** PHOTOCOPY THIS PAGE AND CHECK THIS BOX  IF YOU DO NOT CHECK THIS BOX THESE ADDITIONAL PAGES WILL **NOT** BE REVIEWED



**PART VI - SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS**

By signing and submitting this Proof of Claim and Release form, the claimant(s) or the person(s) acting on behalf of the claimant(s) certify(ies) that: I (We) submit this Claim Form under the terms of the Plan of Allocation of Net Settlement Fund described in the accompanying Notice. I (We) also submit to the jurisdiction of the United States District Court for the Northern District of Illinois with respect to my (our) claim as a Settlement Class Member(s) and for purposes of enforcing the releases set forth in the Settlement. I (We) further acknowledge that I (we) will be bound by the terms of any judgment entered in connection with the Settlement in the Action, including the releases set forth therein. I (We) agree to furnish additional information to the Claims Administrator to support this claim, such as additional documentation for transactions in InnerWorkings securities, if required to do so. I (We) have not submitted any other claim covering the same transactions in InnerWorkings common stock or InnerWorkings options during the Class Period and know of no other person having done so on my (our) behalf.

**PART VII - RELEASES, WARRANTIES, AND CERTIFICATION**

1. I (We) hereby warrant and represent that I am (we are) a Settlement Class Member as defined in the Notice, that I am (we are) not excluded from the Settlement Class, that I am (we are) not one of the excluded Persons, as defined in the accompanying Notice, and that I (we) believe I am (we are) eligible to receive a distribution from the Net Settlement Fund under the terms and conditions of the Plan of Allocation, as set forth in the Notice.

2. I (We) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any other part or portion thereof.

3. I (We) hereby warrant and represent that I (we) have included information about all of my (our) purchases, acquisitions and sales and other transactions in publicly traded InnerWorkings common stock and InnerWorkings options that occurred during the Class Period and the number of InnerWorkings securities held by me (us), to the extent requested.

4. I (We) certify that I am (we are) NOT subject to backup tax withholding. (If you have been notified by the Internal Revenue Service that you are subject to backup withholding, please strike out the prior sentence.)

I (We) declare that all of the foregoing information supplied by the undersigned is true and correct.

Executed this \_\_\_\_\_ day of \_\_\_\_\_ in \_\_\_\_\_  
(Month) (Year) (City, State, Country)

**Signature of Claimant (if this claim is being made on behalf of Joint Claimants, then each must sign.)**

\_\_\_\_\_  
Signature of Claimant

\_\_\_\_\_  
Print Name of Claimant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Joint Claimant, if any

\_\_\_\_\_  
Print Name of Joint Claimant, if any

\_\_\_\_\_  
Date

***If Claimant is other than an individual, or is not the person completing this form, the following also must be provided:***

\_\_\_\_\_  
Signature of Person Completing Form

\_\_\_\_\_  
Print Name of Person Completing Form

\_\_\_\_\_  
Date

\_\_\_\_\_  
Capacity of person signing on behalf of claimant, if other than an individual, e.g., executor, president, trustee, custodian, etc.



REMINDER CHECKLIST

1. Please sign this Claim Form on Page 8.
2. Remember to attach supporting documentation, if available. DO NOT HIGHLIGHT ANY PORTION OF THE CLAIM FORM OR YOUR SUPPORTING DOCUMENTATION.
3. Do NOT send original stock certificates or original brokerage statements. These items cannot be returned to you by the Claims Administration.
4. Keep a copy of your Claim Form and all documents submitted for your records.
5. The Claims Administrator will acknowledge receipt of your Claim Form by mail, within 60 days. Your claim is not deemed submitted until you receive an acknowledgment postcard. If you do not receive an acknowledgment postcard within 60 days, please call the Claims Administrator toll free at 855-907-3241.
6. If you move after submitting this Claim Form, please notify the Claims Administrator of the change in your address. If you change your name, please notify the Claims Administrator
7. If you have any questions or concerns regarding your Claim Form, please contact the Claims Administrator at the address below or toll free at 855-907-3241, or visit [www.InnerWorkingsClassSettlement.com](http://www.InnerWorkingsClassSettlement.com)

THIS CLAIM FORM MUST BE POSTMARKED OR RECEIVED ON OR BEFORE  
**OCTOBER 8, 2016.**

**InnerWorkings Securities Litigation  
c/o Garden City Group, LLC  
P.O. Box 10291  
Dublin, OH 43017-5891  
855-907-3241  
[Questions@InnerWorkingsClassSettlement.com](mailto:Questions@InnerWorkingsClassSettlement.com)**

# **EXHIBIT B**

# INVESTOR'S BUSINESS DAILY®

## Affidavit of Publication

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Name of Publication: Investor's Business Daily  
 Address: 12655 Beatrice Street  
 City, State, Zip: Los Angeles, CA 90066  
 Phone #: 310.448.6700  
 State of: California  
 County of: Los Angeles

I, Kathleen Murray for the publisher of Investor's Business Daily, published in the city of Los Angeles, state of California, county of Los Angeles hereby certify that the attached notice(s) for Garden City Group – InnerWorkings, Inc, was printed in said publication on the following date(s):

**JUNE 20, 2016**

State of California

County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this 20th day of June, 2016, by \_

Kathleen Murray, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature Richard C. Brand II (Seal)



# **EXHIBIT C**

**Katie Sparks**

---

**From:** sfhubs@prnewswire.com  
**Sent:** Monday, June 20, 2016 6:00 AM  
**To:** GCGBuyers; Katie Sparks  
**Subject:** PR Newswire: Press Release Clear Time Confirmation for LABATON SUCHAROW LLP.  
ID#1611442-1-1

**PR NEWSWIRE EDITORIAL**

Hello

Here's the clear time\* confirmation for your news release:

Release headline: Labaton Sucharow LLP Announces Summary Notice of Pendency of Class Action, Proposed Settlement, and Motion for Attorney's Fees and Expenses in Van Noppen, et al. v. InnerWorkings, Inc., et al.  
Word Count: 831  
Product Summary:  
US1  
Visibility Reports Email  
Complimentary Press Release Optimization  
PR Newswire's Editorial Order Number: 1611442-1-1

Release clear time: 20-Jun-2016 09:00:00 AM ET

View your release: [http://www.prnewswire.com/news-releases/labaton-sucharow-llp-announces-summary-notice-of-pendency-of-class-action-proposed-settlement-and-motion-for-attorneys-fees-and-expenses-in-van-noppen-et-al-v-innerworkings-inc-et-al-300285264.html?tc=eml\\_cleartime](http://www.prnewswire.com/news-releases/labaton-sucharow-llp-announces-summary-notice-of-pendency-of-class-action-proposed-settlement-and-motion-for-attorneys-fees-and-expenses-in-van-noppen-et-al-v-innerworkings-inc-et-al-300285264.html?tc=eml_cleartime)

\* Clear time represents the time your news release was distributed to the newswire distribution you selected.

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# **Exhibit 4**



3. The schedule attached hereto as Exhibit A is a summary indicating the amount of time spent by each attorney and professional support staff-member of my firm who was involved in the prosecution of the Action, and the lodestar calculation based on my firm's current billing rates. For personnel who are no longer employed by my firm, the lodestar calculation is based upon the billing rates for such personnel in his or her final year of employment by my firm. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by my firm, which are available at the request of the Court. Time expended in preparing this application for fees and payment of expenses has not been included in this request.

4. The hourly rates for the attorneys and professional support staff of my firm included in Exhibit A are the same as my firm's regular rates charged for their services, which have been accepted in other securities or shareholder litigations.

5. The total number of hours expended on this litigation by my firm during the Time Period is 2,338.0 hours. The total lodestar for my firm for those hours is \$1,469,556.00.

6. My firm's lodestar figures are based upon the firm's billing rates, which rates do not include charges for expenses items. Expense items are billed separately and such charges are not duplicated in my firm's billing rates.

7. As detailed in Exhibit B, my firm has incurred a total of \$124,413.33 in expenses in connection with the prosecution of the Action. The expenses are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

8. With respect to the standing of my firm, attached hereto as Exhibit C is a brief biography of my firm as well as biographies of the firm's partners, senior counsel and of counsels.

I declare under penalty of perjury that the foregoing is true and correct. Executed on  
September 1, 2016.



JONATHAN GARDNER

## **Exhibit A**

**EXHIBIT A****VAN NIPPEN, ET AL. V. INNERWORKINGS, INC., ET AL.  
Case No. 1:14-cv-01416 (N.D. Ill.)****LODESTAR REPORT****FIRM: LABATON SUCHAROW LLP  
REPORTING PERIOD: INCEPTION THROUGH AUGUST 20, 2016**

<b>PROFESSIONAL</b>	<b>STATUS</b>	<b>HOURLY RATE</b>	<b>CURRENT HOURS</b>	<b>CURRENT LODESTAR</b>
Gardner, J.	P	\$925	276.5	\$255,762.50
Belfi, E.	P	\$875	25.5	\$22,312.50
Stocker, M.	P	\$875	5.6	\$4,900.00
Zeiss, N.	P	\$850	51.5	\$43,775.00
Nguyen, A.	OC	\$775	838.5	\$649,837.50
Scarlato, P.	OC	\$775	19.7	\$15,267.50
Goldman, M.	OC	\$775	12.2	\$9,455.00
Fox, C.	OC	\$750	7.7	\$5,775.00
Einstein, J.	OC	\$550	4.2	\$2,310.00
Wierzbowski, E.	A	\$725	53.5	\$38,787.50
Avan, R.	A	\$600	31.9	\$19,140.00
Cividini, D.	A	\$560	16.1	\$9,016.00
Buell, G.	A	\$550	26.1	\$14,355.00
Coquin, A.	A	\$425	12.5	\$5,312.50
Yamada, R.	SA	\$335	110.1	\$36,883.50
Schervish, W.	LA	\$550	8.9	\$4,895.00
Ahn, E.	RA	\$325	6.2	\$2,015.00
Capuozzo, C.	RA	\$325	4.5	\$1,462.50
Pontrelli, J.	I	\$495	19.6	\$9,702.00
Greenbaum, A.	I	\$455	271.9	\$123,714.50
Wroblewski, R.	I	\$425	87.7	\$37,272.50
Clark, J.	I	\$400	161.0	\$64,400.00
Malonzo, F.	PL	\$340	200.0	\$68,000.00
Carpio, A.	PL	\$325	36.7	\$11,927.50
Boria, C.	PL	\$325	14.5	\$4,712.50
Mehringer, L.	PL	\$325	10.1	\$3,282.50
Rogers, D.	PL	\$325	8.5	\$2,762.50
Pontrelli, J.J.	PL	\$150	16.8	\$2,520.00
<b>TOTAL</b>			<b>2,338.0</b>	<b>\$1,469,556.00</b>

Partner (P) Associate (A) Research Analyst (RA)  
Of Counsel (OC) Staff Attorney (SA) Investigator (I)  
Paralegal (PL)

## **Exhibit B**

**EXHIBIT B*****VAN NOPPEN, ET AL. V. INNERWORKINGS, INC., ET AL.***  
**Case No. 1:14-cv-01416 (N.D. Ill.)****EXPENSE REPORT****FIRM: LABATON SUCHAROW LLP****REPORTING PERIOD: INCEPTION THROUGH AUGUST 20, 2016**

<b>EXPENSE</b>		<b>TOTAL AMOUNT TO DATE</b>
Duplicating		\$3,797.60
Long-Distance Telephone / Fax / Conference Calls		\$232.67
Filing / Service /Witness Fees		\$255.00
Court Hearing & Deposition Transcripts		\$9.60
Online Legal and Financial Research		\$9,520.63
Overnight Delivery Services		\$537.11
Expert / Consultants		\$76,702.90
Loss Causation/Damages	\$75,215.40	
Accounting	\$1,487.50	
Litigation Support / Electronic Discovery		\$1,940.10
Epiq Discovery Solutions, Inc	\$1,705.80	
eDiscovery Solutions	\$234.30	
Work-Related Transportation / Meals / Lodging*		\$19,988.54
Notice to Class		\$239.53
Translation Fees (Transperfect Translations International)		\$2,200.00
Mediation Fees (JAMS)		\$4,650.00
Investigation Expense (Talent Development Support Ltd)		\$4,339.65
<b>TOTAL</b>		<b>\$124,413.33</b>

\*\$2,650 in estimated travel costs has been included for representatives of Labaton Sucharow to attend the final approval hearing. If less than \$2,650 is incurred, the actual amount incurred will be deducted from the Settlement Fund upon Court approval of the expense request. If more than \$2,650 is incurred, \$2,650 will be the cap and only that amount will be deducted from the Settlement Fund.

## **Exhibit C**



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# Firm Resume

## Securities Class Action Litigation

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## About the Firm

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Founded in 1963, Labaton Sucharow LLP has earned a reputation as one of the leading plaintiffs firms in the United States. We have recovered more than \$10 billion and secured corporate governance reforms on behalf of the nation's largest institutional investors, including public pension and Taft-Hartley funds, hedge funds, investment banks, and other financial institutions. These recoveries include more than \$1 billion in *In re American International Group, Inc. Securities Litigation*, \$671 million in *In re HealthSouth Securities Litigation*, \$624 million in *In re Countrywide Financial Corporation Securities Litigation*, and \$473 million in *In re Schering-Plough/ENHANCE Securities Litigation*.

As a leader in the field of complex litigation, the Firm has successfully conducted class, mass, and derivative actions in the following areas: securities; antitrust; financial products and services; corporate governance and shareholder rights; mergers and acquisitions; derivative; REITs and limited partnerships; consumer protection; and whistleblower representation.

Along with securing newsworthy recoveries, the Firm has a track record for successfully prosecuting complex cases from discovery to trial to verdict. In court, as *Law360* has noted, our attorneys are known for "fighting defendants tooth and nail." Our appellate experience includes winning appeals that increased settlement value for clients, and securing a landmark 2013 U.S. Supreme Court victory benefitting all investors by reducing barriers to the certification of securities class action cases.

Our Firm is equipped to deliver results with a robust infrastructure of more than 60 full-time attorneys, a dynamic professional staff, and innovative technological resources. Labaton Sucharow attorneys are skilled in every stage of business litigation and have challenged corporations from every sector of the financial markets. Our professional staff includes paralegals, financial analysts, e-discovery specialists, a certified public accountant, a certified fraud examiner, and a forensic accountant. With seven investigators, including former members of federal and state law enforcement, we have one of the largest in-house investigative teams in the securities bar. Managed by a law enforcement veteran who spent 12 years with the FBI, our internal investigative group provides us with information that is often key to the success of our cases.

Outside of the courtroom, the Firm is known for its leadership and participation in investor protection organizations, such as the Council for Institutional Investors, World Federation of Investors, National Association of Shareholder and Consumer Attorneys, as well as serving as a patron of the John L. Weinberg Center for Corporate Governance of the University of Delaware. The Firm shares these groups' commitment to a market that operates with greater transparency, fairness, and accountability.

Labaton Sucharow has been consistently ranked as a top-tier firm in leading industry publications such as *Chambers & Partners USA*, *The Legal 500*, and *Benchmark Litigation*. For the past decade, the Firm was listed on *The National Law Journal's* Plaintiffs' Hot List and was inducted to the Hall of Fame for successive honors. The Firm has also been featured as one of *Law360's* Most Feared Plaintiffs Firms and Class Action Practice Groups of the Year.

Visit [www.labaton.com](http://www.labaton.com) for more information about our Firm.

## Securities Class Action Litigation

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Labaton Sucharow is a leader in securities litigation and a trusted advisor to more than 200 institutional investors. Since the passage of the Private Securities Litigation Reform Act of 1995 (PSLRA), the Firm has recovered more than \$8 billion in the aggregate for injured investors through securities class actions prosecuted throughout the United States and against numerous public corporations and other corporate wrongdoers.

These notable recoveries would not be possible without our exhaustive case evaluation process. The Firm has developed a proprietary system for portfolio monitoring and reporting on domestic and international securities litigation, and currently provides these services to more than 160 institutional investors, which manage collective assets of more than \$2 trillion. The Firm's in-house licensed investigators also gather crucial details to support our cases, whereas other firms rely on outside vendors, or conduct no confidential investigation at all.

As a result of our thorough case evaluation process, our securities litigators can focus solely on cases with strong merits. The benefits of our selective approach are reflected in the low dismissal rate of the securities cases we pursue, which is well below the industry average. In the last five years alone, we have successfully prosecuted headline-making class actions against AIG, Countrywide, Fannie Mae, and Bear Stearns, among others.

### Notable Successes

Labaton Sucharow has achieved notable successes in major securities litigations on behalf of investors, including the following:

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

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

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

Labaton Sucharow, as lead counsel for the New York State Common Retirement Fund and the five New York City public pension funds, sued one of the nation's largest issuers of mortgage loans for credit risk misrepresentations. The Firm's focused investigation and discovery efforts uncovered incriminating evidence that led to a \$624 million settlement for investors. On February 25, 2011, the court granted final approval to the settlement, which is one of the top 20 securities class action settlements in the history of the PSLRA.

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

Labaton Sucharow served as co-lead counsel to New Mexico State Investment Council in a case stemming from one of the largest frauds ever perpetrated in the healthcare industry. Recovering \$671 million for the class, the settlement is one of the top 15 securities class action settlements of all time. In

early 2006, lead plaintiffs negotiated a settlement of \$445 million with defendant HealthSouth. On June 12, 2009, the court also granted final approval to a \$109 million settlement with defendant Ernst & Young LLP. In addition, on July 26, 2010, the court granted final approval to a \$117 million partial settlement with the remaining principal defendants in the case, UBS AG, UBS Warburg LLC, Howard Capek, Benjamin Lorello, and William McGahan.

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

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

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

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

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

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

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

Labaton Sucharow secured a \$285 million class action settlement against the El Paso Corporation on behalf of co-lead plaintiff, an individual. The case involved a securities fraud stemming from the company's inflated earnings statements, which cost shareholders hundreds of millions of dollars during a four-year span. On March 6, 2007, the court approved the settlement and also commended the efficiency with which the case had been prosecuted, particularly in light of the complexity of the allegations and the legal issues.

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

As co-lead counsel representing the Commonwealth of Massachusetts Pension Reserves Investment Trust, Labaton Sucharow achieved a \$265 million all-cash settlement in a case arising from one of the most notorious mining disasters in U.S. history. On June 4, 2014, the settlement was reached with Alpha Natural Resources, Massey's parent company. Investors alleged that Massey falsely told investors it had embarked on safety improvement initiatives and presented a new corporate image

following a deadly fire at one of its coal mines in 2006. After another devastating explosion which killed 29 miners in 2010, Massey's market capitalization dropped by more than \$3 billion. Judge Irene C. Berger noted that "**Class counsel has done an expert job of representing all of the class members to reach an excellent resolution and maximize recovery for the class.**"

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

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

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

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

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

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

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

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

other defendants, the district court denied Broadcom's auditor Ernst & Young's motion to dismiss on the ground of loss causation. This ruling is a major victory for the class and a landmark decision by the court—the first of its kind in a case arising from stock-options backdating. In October 2012, the court approved a \$13 million settlement with Ernst & Young.

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

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

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

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

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

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

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

As lead counsel representing Ontario Teachers' Pension Plan Board, Labaton Sucharow secured a \$97.5 million settlement in this "rocket docket" case involving accounting fraud. The settlement was the third largest all cash recovery in a securities class action in the Fourth Circuit and the second largest all cash recovery in such a case in the Eastern District of Virginia. The plaintiffs alleged that IT consulting and outsourcing company Computer Sciences Corporation (CSC) fraudulently inflated its stock price by misrepresenting and omitting the truth about the state of its most visible contract and the state of its internal controls. In particular, the plaintiffs alleged that CSC assured the market that it was performing on a \$5.4 billion contract with the UK National Health Services when CSC internally knew that it could not deliver on the contract, departed from the terms of the contract, and as a result, was not properly accounting for the contract. Judge T.S. Ellis, III stated, "**I have no doubt—that the work product I saw was always of the highest quality for both sides.**"

## Lead Counsel Appointments in Ongoing Litigation

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

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

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

- ***In re Facebook, Inc., IPO Securities and Derivative Litigation, No. 12-md-02389 (S.D.N.Y.)***

Labaton Sucharow represents North Carolina Department of State Treasurer and Arkansas Teacher Retirement System in this securities class action that involves one of the largest initial public offerings for a technology company.

- ***3226701 Canada Inc. v. Qualcomm, Inc., No. 15-cv-2678 (S.D. Cal.)***

Labaton Sucharow represents The Public Employees Retirement System of Mississippi in this securities class action against a leader in 3G and next-generation mobile technologies.

- ***Plumbers and Steamfitters Local 137 Pension Fund v. American Express Co., No. 15-cv-05999 (S.D.N.Y.)***

Labaton Sucharow represents Pipefitters Union Local 537 Pension Fund in this class action against one of the country's largest credit card lenders to reveal the company's hidden cost of losing its Costco partnership.

- ***Avila v. LifeLock, Inc., No. 15-cv-01398 (D. Ariz.)***

Labaton Sucharow represents Oklahoma Firefighters Pension and Retirement System in the securities class action against LifeLock, Inc., an identity theft protection company, alleging major security flaws.

- ***In re Intuitive Surgical Securities Litigation, No. 13-cv-01920 (N.D. Cal.)***

Labaton Sucharow represents the Employees' Retirement System of the State of Hawaii in this securities class action alleging violations of securities fraud laws by concealing FDA regulations violations and a dangerous defect in the company's primary product, the da Vinci Surgical System.

- ***In re KBR, Inc. Securities Litigation, No. 14-cv-01287 (S.D. Tex.)***

Labaton Sucharow represents the IBEW Local No. 58 / SMC NECA Funds in this securities class action alleging misrepresentation of certain Canadian construction contracts.

## Innovative Legal Strategy

Bringing successful litigation against corporate behemoths during a time of financial turmoil presents many challenges, but Labaton Sucharow has kept pace with the evolving financial markets and with corporate wrongdoer's novel approaches to committing fraud.

Our Firm's innovative litigation strategies on behalf of clients include the following:

- **Mortgage-Related Litigation**

In *In re Countrywide Financial Corporation Securities Litigation*, No. 07-cv-5295 (C.D. Cal.), our client's claims involved complex and data-intensive arguments relating to the mortgage securitization process and the market for residential mortgage-backed securities (RMBS) in the United States. To prove that defendants made false and misleading statements concerning Countrywide's business as an issuer of residential mortgages, Labaton Sucharow utilized both in-house and external expert analysis. This included state-of-the-art statistical analysis of loan level data associated with the creditworthiness of individual mortgage loans. The Firm recovered \$624 million on behalf of investors.

Building on its experience in this area, the Firm has pursued claims on behalf of individual purchasers of RMBS against a variety of investment banks for misrepresentations in the offering documents associated with individual RMBS deals.

- **Options Backdating**

In 2005, Labaton Sucharow took a pioneering role in identifying options-backdating practices as both damaging to investors and susceptible to securities fraud claims, bringing a case, *In re Mercury Interactive Securities Litigation*, No. 05-cv-3395 (N.D. Cal.), that spawned many other plaintiff recoveries.

Leveraging its experience, the Firm went on to secure other significant options backdating settlements, in, for example, *In re Broadcom Corp. Class Action Litigation*, No. 06-cv-5036 (C.D. Cal.), and in *In re Take-Two Interactive Securities Litigation*, No. 06-cv-0803 (S.D.N.Y.). Moreover, in *Take-Two*, Labaton Sucharow was able to prompt the SEC to reverse its initial position and agree to distribute a disgorgement fund to investors, including class members. The SEC had originally planned for the fund to be distributed to the U.S. Treasury. As a result, investors received a very significant percentage of their recoverable damages.

- **Foreign Exchange Transactions Litigation**

The Firm has pursued or is pursuing claims for state pension funds against BNY Mellon and State Street Bank, the two largest custodian banks in the world. For more than a decade, these banks failed to disclose that they were overcharging their custodial clients for foreign exchange transactions. Given the number of individual transactions this practice affected, the damages caused to our clients and the class were significant. Our claims, involving complex statistical analysis, as well as *qui tam* jurisprudence, were filed ahead of major actions by federal and state authorities related to similar allegations commenced in 2011. Our team favorably resolved the BNY Mellon matter in 2012. The case against State Street Bank is still ongoing.

## Appellate Advocacy and Trial Experience

When it is in the best interest of our clients, Labaton Sucharow repeatedly has demonstrated our willingness and ability to litigate these complex cases all the way to trial, a skill unmatched by many firms in the plaintiffs bar.

Labaton Sucharow is one of the few firms in the plaintiffs securities bar to have prevailed in a case before the U.S. Supreme Court. In *Amgen v. Connecticut Retirement Plans & Trust Funds*, 133 S. Ct. 1184 (Feb. 27, 2013), the Firm persuaded the court to reject efforts to thwart the certification of a class of investors seeking monetary damages in a securities class action. This represents a significant victory for all plaintiffs in securities class actions.

In *In re Real Estate Associates Limited Partnership Litigation*, Labaton Sucharow's advocacy significantly increased the settlement value for shareholders. The defendants were unwilling to settle for an amount the Firm and its clients viewed as fair, which led to a six-week trial. The Firm and co-counsel ultimately obtained a landmark \$184 million jury verdict. The jury supported the plaintiffs' position that the defendants knowingly violated the federal securities laws, and that the general partner had breached his fiduciary duties to shareholders. The \$184 million award was one of the largest jury verdicts returned in any PSLRA action and one in which the class, consisting of 18,000 investors, recovered 100 percent of their damages.

## Our Clients

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

- Arkansas Teacher Retirement System
- Baltimore County Retirement System
- Boston Retirement System
- California Public Employees' Retirement System
- California State Teachers' Retirement System
- City of New Orleans Employees' Retirement System
- Connecticut Retirement Plans & Trust Funds
- Division of Investment of the New Jersey Department of the Treasury
- Genesee County Employees' Retirement System
- Illinois Municipal Retirement Fund
- Teachers' Retirement System of Louisiana
- Macomb County Employees Retirement System
- Metropolitan Atlanta Rapid Transit Authority
- Michigan Retirement Systems
- Mississippi Public Employees' Retirement System
- New York City Pension Funds
- New York State Common Retirement Fund
- Norfolk County Retirement System
- Office of the Ohio Attorney General and several of its Retirement Systems
- Oklahoma Firefighters Pension and Retirement System
- Plymouth County Retirement System
- Office of the New Mexico Attorney General and several of its Retirement Systems
- Public Employee Retirement System of Idaho
- Rhode Island State Investment Commission
- San Francisco Employees' Retirement System
- Santa Barbara County Employees' Retirement System
- State of Oregon Public Employees' Retirement System
- State of Wisconsin Investment Board
- Virginia Retirement System

## Awards and Accolades

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Industry publications and peer rankings consistently recognize the Firm as a respected leader in securities litigation.

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### Chambers & Partners USA

Leading Plaintiffs Securities Litigation Firm (2009-2016)

“effective and greatly respected...a bench of partners who are highly esteemed by competitors and adversaries alike”

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### The Legal 500

Leading Plaintiffs Securities Litigation Firm and also recognized in Antitrust (2010-2016) and M&A Litigation (2013, 2015-2016)

“'Superb' and 'at the top of its game.' The Firm's team of 'hard-working lawyers, who push themselves to thoroughly investigate the facts' and conduct 'very diligent research.'”

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### Benchmark Litigation

Highly Recommended, top recognition, in Securities and Antitrust Litigation (2012-2016)

“clearly living up to its stated mission 'reputation matters'...consistently earning mention as a respected litigation-focused firm fighting for the rights of institutional investors”

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### Law360

Most Feared Plaintiffs Firm (2013-2015) and Class Action Practice Group of the Year (2012 and 2014-2015)

“known for thoroughly investigating claims and conducting due diligence before filing suit, and for fighting defendants tooth and nail in court”

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### The National Law Journal

Winner of the Elite Trial Lawyers Award in Securities Law (2015), Hall of Fame Honoree, and Top Plaintiffs' Firm on the annual Hot List (2006-2016)

“definitely at the top of their field on the plaintiffs' side”

## Community Involvement

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To demonstrate our deep commitment to the community, Labaton Sucharow devotes significant resources to pro bono legal work and public and community service.

### Firm Commitments

#### **Brooklyn Law School Securities Arbitration Clinic**

**Mark S. Arisohn, Adjunct Professor and Joel H. Bernstein, Adjunct Professor**

Labaton Sucharow has partnered with Brooklyn Law School to establish a securities arbitration clinic. The program serves a dual purpose: to assist defrauded individual investors who cannot otherwise afford to pay for legal counsel; and to provide students with real-world experience in securities arbitration and litigation. Partners Mark S. Arisohn and Joel H. Bernstein lead the program as adjunct professors.

#### **Change for Kids**

Labaton Sucharow supports Change for Kids (CFK) as a leading sponsor of P.S. 182 in East Harlem. One school at a time, CFK rallies communities to provide a broad range of essential educational opportunities at under-resourced public elementary schools. By creating inspiring learning environments at our partner schools, CFK enables students to discover their unique strengths and develop the confidence to achieve.

#### **The Lawyers' Committee for Civil Rights Under Law**

**Edward Labaton, Member, Board of Directors**

The Firm is a long-time supporter of The Lawyers' Committee for Civil rights Under Law, a nonpartisan, nonprofit organization formed in 1963 at the request of President John F. Kennedy. The Lawyers' Committee involves the private bar in providing legal services to address racial discrimination.

Labaton Sucharow attorneys have contributed on the federal level to U.S. Supreme Court nominee analyses (analyzing nominees for their views on such topics as ethnic equality, corporate diversity, and gender discrimination) and national voters' rights initiatives.

#### **Sidney Hillman Foundation**

Labaton Sucharow supports the Sidney Hillman Foundation. Created in honor of the first president of the Amalgamated Clothing Workers of America, Sidney Hillman, the foundation supports investigative and progressive journalism by awarding monthly and yearly prizes. Partner Thomas A. Dubbs is frequently invited to present these awards.

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## Individual Attorney Commitments

Labaton Sucharow attorneys have served in a variety of pro bono and community service capacities:

- Pro bono representation of mentally ill tenants facing eviction, appointed as Guardian *ad litem* in several housing court actions.
- Recipient of a Volunteer and Leadership Award from a tenants' advocacy organization for work defending the rights of city residents and preserving their fundamental sense of public safety and home.
- Board Member of the Ovarian Cancer Research Fund—the largest private funding agency of its kind supporting research into a method of early detection and, ultimately, a cure for ovarian cancer.
- Director of the BARKA Foundation, which provides fresh water to villages in Burkina Faso.
- Founder of the Lillian C. Spencer Fund—a charitable organization that provides scholarships to underprivileged American children and emergency dental care to refugee children in Guatemala.

Our attorneys have also contributed to or continue to volunteer with the following charitable organizations, among others:

- American Heart Association
- Big Brothers/Big Sisters of New York City
- Boys and Girls Club of America
- Carter Burden Center for the Aging
- City Harvest
- City Meals-on-Wheels
- Coalition for the Homeless
- Cycle for Survival
- Cystic Fibrosis Foundation
- Dana Farber Cancer Institute
- Food Bank for New York City
- Fresh Air Fund
- Habitat for Humanity
- Lawyers Committee for Civil Rights
- Legal Aid Society
- Mentoring USA
- National Lung Cancer Partnership
- National MS Society
- National Parkinson Foundation
- New York Cares
- New York Common Pantry
- Peggy Browning Fund
- Sanctuary for Families
- Sandy Hook School Support Fund
- Save the Children
- Special Olympics
- Toys for Tots
- Williams Syndrome Association

## Commitment to Diversity

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Recognizing that business does not always offer equal opportunities for advancement and collaboration to women, Labaton Sucharow launched its Women's Networking and Mentoring Initiative in 2007.

The Women's Initiative, led by partner and Executive Committee member Martis Alex, reflects our commitment to the advancement of women professionals. The goal of the Initiative is to bring professional women together to collectively advance women's influence in business. Each event showcases a successful woman role model as a guest speaker. We actively discuss our respective business initiatives and hear the guest speaker's strategies for success. Labaton Sucharow mentors young women inside and outside of the firm and promotes their professional achievements. The Firm also is a member of the National Association of Women Lawyers (NAWL). For more information regarding Labaton Sucharow's Women's Initiative, please visit [www.labaton.com/en/about/women/Womens-Initiative.cfm](http://www.labaton.com/en/about/women/Womens-Initiative.cfm).

Further demonstrating our commitment to diversity in the legal profession and within our Firm, in 2006, we established the Labaton Sucharow Minority Scholarship and Internship. The annual award—a grant and a summer associate position—is presented to a first-year minority student who is enrolled at a metropolitan New York law school and who has demonstrated academic excellence, community commitment, and personal integrity.

Labaton Sucharow has also instituted a diversity internship which brings two Hunter College students to work at the Firm each summer. These interns rotate through various departments, shadowing Firm partners and getting a feel for the inner workings of the Firm.

## Securities Litigation Attorneys

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Our team of securities class action litigators includes:

### Partners

Lawrence A. Sucharow (Chairman)

Martis Alex

Mark S. Arisohn

Christine S. Azar

Eric J. Belfi

Joel H. Bernstein

Thomas A. Dubbs

Jonathan Gardner

David J. Goldsmith

Louis Gottlieb

Serena Hallowell

Thomas G. Hoffman, Jr.

James W. Johnson

Christopher J. Keller

Edward Labaton

Christopher J. McDonald

Michael H. Rogers

Ira A. Schochet

Michael W. Stocker

Carol C. Villegas

Ned Weinberger

Nicole M. Zeiss

### Of Counsel

Garrett J. Bradley

Marisa N. DeMato

Joseph H. Einstein

Christine M. Fox

Mark Goldman

Lara Goldstone

Domenico Minerva

Barry M. Okun

### Senior Counsel

Richard T. Joffe

Detailed biographies of the team's qualifications and accomplishments follow.

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#### **Lawrence A. Sucharow, Chairman** [lsucharow@labaton.com](mailto:lsucharow@labaton.com)

With nearly four decades of experience, the Firm's Chairman, Lawrence A. Sucharow is an internationally recognized trial lawyer and a leader of the class action bar. Under his guidance, the Firm has grown into and earned its position as one of the top plaintiffs securities and antitrust class action firms in the world. As Chairman, Larry focuses on counseling the Firm's large institutional clients, developing creative and compelling strategies to advance and protect clients' interests, and the prosecution and resolution of many of the Firm's leading cases.

Over the course of his career, Larry has prosecuted hundreds of cases and the Firm has recovered billions in groundbreaking securities, antitrust, business transaction, product liability, and other class actions. In fact, a landmark case tried in 2002—*In re Real Estate Associates Limited Partnership Litigation*—was the very first securities action successfully tried to a jury verdict following the enactment of the Private Securities Litigation Reform Act (PSLRA). Experience such as this has made Larry uniquely qualified to evaluate and successfully prosecute class actions.

Other representative matters include: *In re CNL Resorts, Inc. Securities Litigation* (\$225 million settlement); *In re Paine Webber Incorporated Limited Partnerships Litigation* (\$200 million settlement); *In re Prudential Securities Incorporated Limited Partnerships Litigation* (\$110 million partial settlement); *In re Prudential Bache Energy Income Partnerships Securities Litigation* (\$91 million settlement) and *Shea v. New York Life Insurance Company* (over \$92 million settlement).

Larry's consumer protection experience includes leading the national litigation against the tobacco companies in *Castano v. American Tobacco Co.*, as well as litigating *In re Imprelis Herbicide Marketing, Sales Practices and Products Liability Litigation*. Currently, he plays a key role in *In re Takata Airbag Products Liability Litigation* and a nationwide consumer class action against Volkswagen Group of America, Inc., arising out of the wide-scale fraud concerning Volkswagen's "Clean Diesel" vehicles. Larry further conceptualized the establishment of two Dutch foundations, or "Stichtingen" to pursue settlement of claims against Volkswagen on behalf of injured car owners and investors in Europe.

In recognition of his career accomplishments and standing in the securities bar at the Bar, Larry was selected by *Law360* as one the 10 Most Admired Securities Attorneys in the United States and as a Titan of the Plaintiffs Bar. Further, he is one of a small handful of plaintiffs' securities lawyers in the United States independently selected by each of *Chambers & Partners USA*, *The Legal 500*, *Benchmark Litigation*, and *Lawdragon 500* for their respective highest rankings. Referred to as a "legend" by his peers in *Benchmark Litigation*, *Chambers* describes him as an "an immensely respected plaintiff advocate" and a "renowned figure in the securities plaintiff world...[that] has handled some of the most high-profile litigation in this field." According to *The Legal 500*, clients characterize Larry as a "a strong and passionate advocate with a desire to win." In addition, Brooklyn Law School honored Larry with the 2012 Alumni of the Year Award for his notable achievements in the field.

Larry has served a two-year term as President of the National Association of Shareholder and Consumer Attorneys, a membership organization of approximately 100 law firms that practice complex civil litigation including class actions. A longtime supporter of the Federal Bar Council, Larry serves as a trustee of the Federal Bar Council Foundation. He is a member of the Federal Bar Council's Committee on Second Circuit Courts, and the Federal Courts Committee of the New York County Lawyers' Association. He is also a member of the Securities Law Committee of the New Jersey State Bar Association and was the Founding Chairman of the Class Action Committee of the Commercial and Federal Litigation Section of the New York State Bar Association, a position he held from 1988-1994. In addition, Larry serves on the Advocacy Committee of the World Federation of Investors Corporation, a worldwide umbrella organization of national shareholder associations. In May 2013, Larry was elected Vice Chair of the International Financial Litigation Network, a network of law firms from 15 countries seeking international solutions to cross-border financial problems.

Larry is admitted to practice in the States of New York, New Jersey, and Arizona, as well as before the Supreme Court of the United States, the United States Court of Appeals for the Second Circuit, and the United States District Courts for the Southern and Eastern Districts of New York, and the District of New Jersey.

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**Martis Alex, Partner**  
[malex@labaton.com](mailto:malex@labaton.com)

Martis Alex prosecutes complex litigation on behalf of consumers as well as domestic and international institutional investors. She has extensive experience litigating mass tort and class action cases nationwide, specifically in the areas of consumer fraud, products liability, and securities fraud. She has successfully represented consumers and investors in cases that achieved cumulative recoveries of hundreds of millions of dollars for plaintiffs.

Named one of *Benchmark Litigation's* Top 250 Women in Litigation, Martis is an elected member of the Firm's Executive Committee and chairs the Firm's Consumer Protection Practice as well as the Women's Initiative. Martis is also an Executive Council member of Ellevest, a global professional network dedicated to advancing women's leadership across industries.

Martis leads the Firm's team litigating the consumer class action against auto manufacturers over keyless ignition carbon monoxide deaths, as well as the first nationwide consumer class action concerning defective Takata-made airbags.

Martis was a court-appointed member of the Plaintiffs' Steering Committees in national product liability actions against the manufacturers of orthopedic bone screws (*In re Orthopedic Bone Screw Products Liability Litigation*), atrial pacemakers (*In re Telectronics Pacing Systems, Inc. Accufix Atrial "J" Leads Product Liability Litigation*), latex gloves (*In re Latex Gloves Products Liability Litigation*), and suppliers of defective auto paint (*In re Ford Motor Company Vehicle Paint*). She played a leadership role in the national litigation against the tobacco companies (*Castano v. American Tobacco Co.*) and in the prosecution of the national breast implant litigation (*In re Silicone Gel Breast Implant Products Liability Litigation*).

In her securities practice, Martis represents several foreign financial institutions seeking recoveries of more than a billion dollars in losses in their RMBS investments.

Martis played a key role in litigating *In re American International Group, Inc. Securities Litigation*, recovering more than \$1 billion in settlements for investors. She was an integral part of the team that successfully litigated *In re Bristol-Myers Squibb Securities Litigation*, which resulted in a \$185 million settlement for investors and secured meaningful corporate governance reforms that will affect future consumers and investors alike.

Martis acted as Lead Trial Counsel and Chair of the Executive Committee in the *Zenith Laboratories Securities Litigation*, a federal securities fraud class action which settled during trial and achieved a significant recovery for investors. In addition, she served as co-lead counsel in several securities class actions that attained substantial awards for investors, including *Cadence Design Securities Litigation*, *Halsey Drug Securities Litigation*, *Slavin v. Morgan Stanley*, *Lubliner v. Maxtor Corp.*, and *Baden v. Northwestern Steel and Wire*.

Martis began her career as a trial lawyer with the Sacramento, California District Attorney's Office, where she tried over 30 cases to verdict. She has spoken on various legal topics at national conferences and is a recipient of the American College of Trial Lawyers' Award for Excellence in Advocacy.

Martis founded the Lillian C. Spencer Fund, a charitable organization that provides scholarships to underprivileged American children and emergency dental care to refugee children in Guatemala. She is a Director of the BARKA Foundation, which provides fresh water to villages in Burkina Faso, West Africa, and she contributes to her local community through her work with Coalition for the Homeless and New York Cares.

Martis is admitted to practice in the States of California and New York as well as before the Supreme Court of the United States, the United States Court of Appeals for the Second Circuit, and the United States District Courts for the Western District of Washington, the Southern, Eastern and Western Districts of New York, and the Central District of California.

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**Mark S. Arisohn, Partner**  
[marisohn@labaton.com](mailto:marisohn@labaton.com)

Mark S. Arisohn focuses on prosecuting complex securities fraud cases on behalf of institutional investors. Mark is an accomplished litigator, with nearly 40 years of extensive trial experience in jury and non-jury matters in the state and federal courts nationwide. He has also argued in the New York Court of Appeals, the United States Court of Appeals for the Second Circuit and appeared before the United States Supreme Court in the landmark insider trading case of *Chiarella v. United States*.

Mark's wide-ranging practice has included prosecuting and defending individuals and corporations in cases involving securities fraud, mail and wire fraud, bank fraud, and RICO violations. He has represented public officials, individuals, and companies in the construction and securities industries as well as professionals accused of regulatory offenses and professional misconduct. He also has appeared as trial counsel for both

plaintiffs and defendants in civil fraud matters and corporate and commercial matters, including shareholder litigation, business torts, unfair competition, and misappropriation of trade secrets.

Mark is one of the few litigators in the plaintiffs' bar to have tried two securities fraud class action cases to a jury verdict.

Mark is an active member of the Association of the Bar of the City of New York and has served on its Judiciary Committee, the Committee on Criminal Courts, Law and Procedure, the Committee on Superior Courts, and the Committee on Professional Discipline. He serves as a mediator for the Complaint Mediation Panel of the Association of the Bar of the City of New York where he mediates attorney client disputes and as a hearing officer for the New York State Commission on Judicial Conduct where he presides over misconduct cases brought against judges.

Mark also co-leads Labaton Sucharow's Securities Arbitration pro bono project in conjunction with Brooklyn Law School where he serves as an adjunct professor. Mark, together with Labaton Sucharow associates and Brooklyn Law School students, represents aggrieved and defrauded individual investors who cannot otherwise afford to pay for legal counsel in financial industry arbitration matters against investment advisors and stockbrokers.

Mark was named to the recommended list in the field of Securities Litigation by *The Legal 500* and recognized by Benchmark Litigation as a Securities Litigation Star. He has also received a rating of AV Preeminent from publishers of the Martindale-Hubbell directory.

Mark is admitted to practice in the State of New York and the District of Columbia as well as before the Supreme Court of the United States, the United States Court of Appeals for the Second Circuit, and the United States District Courts for the Southern, Eastern and Northern Districts of New York, the Northern District of Texas, and the Northern District of California.

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**Christine S. Azar, Partner**  
[cazar@labaton.com](mailto:cazar@labaton.com)

Christine S. Azar is the Chair of the Firm's Corporate Governance and Shareholder Rights Litigation Practice. A longtime advocate of shareholder rights, Christine prosecutes complex derivative and transactional litigation in the Delaware Court of Chancery and throughout the United States.

In recognition of her accomplishments, Christine was most recently named one of the "25 Most Influential Women in Securities Law" by *Law360*. *Chambers & Partners USA* ranked her as a Leading Lawyer in Delaware, noting she is "well known for her knowledge of complex shareholder claims as well as M&A and other transactional work." *Chambers'* sources also defined her as "terrific," noting, "when it comes to Delaware law and corporate governance matters, Christine's advice and guidance is gold." In addition to her *Chambers* recognition, Christine was named a Leading Lawyer by *The Legal 500* who described her as "smart, pragmatic and level-headed—a dedicated advocate who gets things done." She was also featured on *The National Law Journal's* Plaintiffs' Hot List, named a Securities Litigation Star in Delaware by *Benchmark Litigation*, and one of *Benchmark's* Top 250 Women in Litigation for three consecutive years.

Christine's caseload represents some of the most sophisticated litigation in her field. Currently, she is representing California State Teachers' Retirement System as co-lead counsel in *In re Wal-Mart Derivative Litigation*. The suit alleges that Wal-Mart's board of directors and management breached their fiduciary duties owed to shareholders and the company as well as violated the company's own corporate governance guidelines, anti-corruption policy, and statement of ethics.

Christine has worked on some of the most groundbreaking cases in the field of M&A and derivative litigation. In *In re Freeport-McMoRan Copper & Gold Inc. Derivative Litigation*, she achieved the second largest derivative settlement in the Delaware Court of Chancery history, a \$153.75 million settlement with an

unprecedented provision of direct payments to stockholders by means of a special dividend. As co-lead counsel in *In re El Paso Corporation Shareholder Litigation*, which shareholders alleged that acquisition of El Paso by Kinder Morgan, Inc. was improperly influenced by conflicted financial advisors and management, Christine helped secure a \$110 million settlement. Acting as co-lead counsel in *In re J.Crew Shareholder Litigation*, Christine helped secure a settlement that increased the payment to J.Crew's shareholders by \$16 million following an allegedly flawed going-private transaction. Christine also assisted in obtaining \$29 million in settlements on behalf of Barnes & Noble investors in *In re Barnes & Noble Stockholders Derivative Litigation* which alleged breaches of fiduciary duties by the Barnes & Noble management and board of directors. In *In re The Student Loan Corporation*, Christine was part of the team that successfully protected the minority shareholders in connection with a complex web of proposed transactions that ran contrary to shareholders' interest by securing a recovery of nearly \$10 million for shareholders.

Acting as co-lead counsel in *In re RehabCare Group, Inc. Shareholders Litigation*, Christine was part of the team that structured a settlement that included a cash payment to shareholders as well as key deal reforms such as enhanced disclosures and an amended merger agreement. Representing shareholders in *In re Compellent Technologies, Inc. Shareholder Litigation*, regarding the proposed acquisition of Compellent Technologies Inc. by Dell, Inc., Christine was integral in negotiating a settlement that included key deal improvements including elimination of the "poison pill" and standstill agreement with potential future bidders as well as a reduction of the termination fee amount. In *In re Walgreen Co. Derivative Litigation*, Christine negotiated significant corporate governance reforms on behalf of West Palm Beach Police Pension Fund and the Police Retirement System of St. Louis, requiring Walgreens to extend its Drug Enforcement Agency commitments in this derivative action related to the company's Controlled Substances Act violation.

In addition to her active legal practice, Christine serves as a Volunteer Guardian Ad Litem in the Office of the Child Advocate. In this capacity, she has represented children in foster care in the state of Delaware to ensure the protection of their legal rights. Christine is also a member of the Advisory Committee of the Weinberg Center for Corporate Governance of the University of Delaware.

Christine is admitted to practice in the States of Delaware, New Jersey, and Pennsylvania as well as before the United States Court of Appeals for the Third Circuit and the United States District Courts for the District of Delaware, the District of New Jersey, and the Eastern District of Pennsylvania.

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**Eric J. Belfi, Partner**  
[ebelfi@labaton.com](mailto:ebelfi@labaton.com)

Representing many of the world's leading pension funds and other institutional investors, Eric J. Belfi is an accomplished litigator with experience in a broad range of commercial matters. Eric focuses on domestic and international securities and shareholder litigation. He serves as a member of the Firm's Executive Committee.

As an integral member of the Firm's Case Evaluation group, Eric has brought numerous high-profile domestic securities cases that resulted from the credit crisis, including the prosecution against Goldman Sachs. In *In re Goldman Sachs Group, Inc. Securities Litigation*, he played a significant role in the investigation and drafting of the operative complaint. Eric was also actively involved in securing a combined settlement of \$18.4 million in *In re Colonial BancGroup, Inc. Securities Litigation*, regarding material misstatements and omissions in SEC filings by Colonial BancGroup and certain underwriters.

Along with his domestic securities litigation practice, Eric leads the Firm's Non-U.S. Securities Litigation Practice, which is dedicated exclusively to analyzing potential claims in non-U.S. jurisdictions and advising on the risk and benefits of litigation in those forums. The practice, one of the first of its kind, also serves as liaison counsel to institutional investors in such cases, where appropriate. Currently, Eric represents nearly 30 institutional investors in over a dozen non-U.S. cases against companies including SNC-Lavalin Group Inc. in Canada, Vivendi Universal, S.A. in France, OZ Minerals Ltd. in Australia, Lloyds Banking Group in the UK, and Olympus Corporation in Japan.

Eric's international experience also includes securing settlements on behalf of non-U.S. clients including the UK-based Mineworkers' Pension Scheme in *In re Satyam Computer Securities Services Ltd. Securities Litigation*, an action related to one of the largest securities fraud in India which resulted in \$150.5 million in collective settlements. Representing two of Europe's leading pension funds, Deka Investment GmbH and Deka International S.A., Luxembourg, in *In re General Motors Corp. Securities Litigation*, Eric was integral in securing a \$303 million settlement in a case regarding multiple accounting manipulations and overstatements by General Motors.

Additionally, Eric oversees the Financial Products & Services Litigation Practice, focusing on individual actions against malfeasant investment bankers, including cases against custodial banks that allegedly committed deceptive practices relating to certain foreign currency transactions. He currently serves as lead counsel to Arkansas Teacher Retirement System in a class action against the State Street Corporation and certain affiliated entities, and he has represented the Commonwealth of Virginia in its False Claims Act case against Bank of New York Mellon, Inc.

Eric's M&A and derivative experience includes noteworthy cases such as *In re Medco Health Solutions Inc. Shareholders Litigation*, in which he was integrally involved in the negotiation of the settlement that included a significant reduction in the termination fee.

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

Eric is a frequent speaker on the topic of shareholder litigation and U.S.-style class actions in European countries. He also has spoken on socially responsible investments for public pension funds.

Eric is admitted to practice in the State of New York as well as before the United States District Courts for the Southern and Eastern Districts of New York, the Eastern District of Michigan, the District of Colorado, the District of Nebraska, and the Eastern District of Wisconsin.

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**Joel H. Bernstein, Partner**  
[jbernstein@labaton.com](mailto:jbernstein@labaton.com)

With nearly four decades of experience in complex litigation, Joel H. Bernstein's practice focuses on the protection of victimized individuals. Joel advises large public and labor pension funds, banks, mutual funds, insurance companies, hedge funds, and other institutional and individual investors with respect to securities-related litigation in the federal and state courts, as well as in arbitration proceedings before the NYSE, FINRA, and other self-regulatory organizations. His experience in the area of representing plaintiffs in complex litigation has resulted in the recovery of more than a billion dollars in damages to wronged class members.

For several years Joel led the Firm's Residential Mortgage-Backed Securities team, a group of more than 20 legal professionals representing large domestic and foreign institutional investors in 75 individual litigations involving billions of dollars lost in fraudulently marketed investments at the center of the subprime crisis and has successfully recovered hundreds of millions of dollars on their behalf thus far. He also currently serves as lead counsel in class actions, including *In re NII Holdings, Inc. Securities Litigation*, *Norfolk County Retirement System v. Solazyme, Inc.*, and *In re Facebook Biometric Information Privacy Litigation*.

Joel recently led the team that secured a \$265 million all-cash settlement for a class of investors in *In re Massey Energy Co. Securities Litigation*, a matter that stemmed from the 2010 mining disaster at the company's Upper Big Branch coal mine. Joel also led the team that achieved a \$120 million recovery with one of the largest global providers of products and services for the oil and gas industry, Weatherford International in 2015. As lead counsel for one of the most prototypical cases arising from the financial crisis, *In re Countrywide*

*Corporation Securities Litigation*, he obtained a settlement of \$624 million for co-lead plaintiffs, New York State Common Retirement Fund and the New York City Pension Funds.

In the past, Joel has played a central role in numerous high profile cases, including *In re Paine Webber Incorporated Limited Partnerships Litigation* (\$200 million settlement); *In re Prudential Securities Incorporated Limited Partnerships Litigation* (\$130 million settlement); *In re Prudential Bache Energy Income Partnerships Securities Litigation* (\$91 million settlement); *Shea v. New York Life Insurance Company* (\$92 million settlement); and *Saunders et al. v. Gardner* (\$10 million—the largest punitive damage award in the history of NASD Arbitration at that time). In addition, Joel was instrumental in securing a \$117.5 million settlement in *In re Mercury Interactive Securities Litigation*, the largest settlement at the time in a securities fraud litigation based upon options backdating. He also has litigated cases which arose out of deceptive practices by custodial banks relating to certain foreign currency transactions.

Joel has been recommended by *The Legal 500* in the field of Securities Litigation, where he was described by sources as a “formidable adversary,” and by *Benchmark Litigation* as a Securities Litigation Star. He was also featured in *The AmLaw Litigation Daily* as Litigator of the Week for his work on *In re Countrywide Financial Corporation Securities Litigation*. Joel has received a rating of AV Preeminent from the publishers of the Martindale-Hubbell directory.

In addition to his active legal practice, Joel co-leads Labaton Sucharow’s Securities Arbitration pro bono project in collaboration with Brooklyn Law School where he serves as an adjunct professor. Together with Labaton Sucharow partner Mark Arisohn, firm associates, and Brooklyn Law School students, he represents aggrieved and defrauded individual investors who cannot otherwise afford to pay for legal counsel in financial industry arbitration matters against investment advisors and stockbrokers.

As a recognized leader in his field, Joel is frequently sought out by the press to comment on legal matters and has also authored numerous articles and lectured on related issues. He is a member of the American Bar Association, the Association of the Bar of the City of New York, the New York County Lawyers’ Association, and the Public Investors Arbitration Bar Association (PIABA).

He is admitted to practice in the State of New York as well as before the United States Courts of Appeals for the First, Second, Third, Fourth, Fifth, and Ninth Circuits and the United States District Courts for the Southern and Eastern Districts of New York.

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**Thomas A. Dubbs, Partner**  
[tdubbs@labaton.com](mailto:tdubbs@labaton.com)

Thomas A. Dubbs focuses on the representation of institutional investors in domestic and multinational securities cases. Recognized as a leading securities class action attorney, Tom has been named as a top litigator by *Chambers & Partners* for seven consecutive years.

Tom has served or is currently serving as lead or co-lead counsel in some of the most important federal securities class actions in recent years, including those against American International Group, Goldman Sachs, the Bear Stearns Companies, Facebook, Fannie Mae, Broadcom, and WellCare. Tom has also played an integral role in securing significant settlements in several high-profile cases including: *In re American International Group, Inc. Securities Litigation* (settlements totaling more than \$1 billion); *In re Bear Stearns Companies, Inc. Securities Litigation* (\$275 million settlement with Bear Stearns Companies, plus a \$19.9 million settlement with Deloitte & Touche LLP, Bear Stearns' outside auditor); *In re HealthSouth Securities Litigation* (\$671 million settlement); *Eastwood Enterprises LLC v. Farha et al. (WellCare Securities Litigation)* (over \$200 million settlement); *In re 2008 Fannie Mae Securities Litigation* (\$170 million settlement pending final court approval); *In re Broadcom Corp. Securities Litigation* (\$160.5 million settlement with Broadcom, plus \$13 million settlement with Ernst & Young LLP, Broadcom's outside auditor); *In re St. Paul Travelers Securities Litigation* (\$144.5 million settlement); and *In re Vesta Insurance Group, Inc. Securities Litigation* (\$79 million settlement).

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

Due to his reputation in securities law, Tom frequently lectures to institutional investors and other groups such as the Government Finance Officers Association, the National Conference on Public Employee Retirement Systems, and the Council of Institutional Investors. He is a prolific author of articles related to his field, and he recently penned "Textualism and Transnational Securities Law: A Reappraisal of Justice Scalia's Analysis in *Morrison v. National Australia Bank*," *Southwestern Journal of International Law* (2014). He has also written several columns in UK-wide publications regarding securities class action and corporate governance.

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

In addition to his *Chambers & Partners* recognition, Tom was named a Leading Lawyer by *The Legal 500*, an honor presented to only eight U.S. plaintiffs' securities attorneys. *Law360* also named him an "MVP of the Year" for distinction in class action litigation in 2012 and 2015, and he has been recognized by *The National Law Journal*, *Lawdragon 500*, and *Benchmark Litigation* as a Securities Litigation Star. Tom has received a rating of AV Preeminent from the publishers of the Martindale-Hubbell directory.

Tom serves as a FINRA Arbitrator and is an Advisory Board Member for the Institute for Transnational Arbitration. He is a member of the New York State Bar Association, the Association of the Bar of the City of New York, the American Law Institute, and he is a Patron of the American Society of International Law. He was previously a member of the Members Consultative Group for the Principles of the Law of Aggregate Litigation and the Department of State Advisory Committee on Private International Law. Tom also serves on the Board of Directors for The Sidney Hillman Foundation.

Tom is admitted to practice in the State of New York as well as before the Supreme Court of the United States, the United States Courts of Appeals for the Second, Third, Ninth and Eleventh Circuits, and the United States District Court for the Southern District of New York.

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**Jonathan Gardner, Partner**  
[jgardner@labaton.com](mailto:jgardner@labaton.com)

Jonathan Gardner's practice focuses on prosecuting complex securities fraud cases on behalf of institutional investors. An experienced litigator, he has played an integral role in securing some of the largest class action recoveries against corporate offenders since the onset of the global financial crisis.

Most recently, Jonathan was the lead attorney in several matters that resulted in significant recoveries for injured class members, including: *In re Hewlett-Packard Company Securities Litigation*, resulting in a \$57 million recovery; *Medoff v. CVS Caremark Corporation*, resulting in a \$48 million recovery; *In re Nu Skin Enterprises, Inc., Securities Litigation*, resulting in a \$47 million recovery; *In re Carter's Inc. Securities Litigation* resulting in a \$23.3 million recovery against Carter's and certain of its officers as well as PricewaterhouseCoopers, its auditing firm; *In re Aeropostale Inc. Securities Litigation*, resulting in a \$15 million recovery; *In re Lender Processing Services Inc.*, involving claims of fraudulent mortgage processing which resulted in a \$13.1 million recovery; and *In re K-12, Inc. Securities Litigation*, resulting in a \$6.75 million recovery.

Recommended and described by *The Legal 500* as having the "ability to master the nuances of securities class actions," Jonathan has led the Firm's representation of investors in many recent high-profile cases including *Rubin v. MF Global Ltd.*, which involved allegations of material misstatements and omissions in a Registration Statement and Prospectus issued in connection with MF Global's IPO in 2007. In November 2011, the case resulted in a recovery of \$90 million for investors. Jonathan also represented lead plaintiff City of Edinburgh Council as Administering Authority of the Lothian Pension Fund in *In re Lehman Brothers Equity/Debt Securities Litigation*, which resulted in settlements totaling exceeding \$600 million against Lehman Brothers' former officers and directors, Lehman's former public accounting firm as well as the banks that underwrote Lehman Brothers' offerings. In representing lead plaintiff Massachusetts Bricklayers and Masons Trust Funds in an action against Deutsche Bank, Jonathan secured a \$32.5 million dollar recovery for a class of investors injured by the Bank's conduct in connection with certain residential mortgage-backed securities.

Jonathan has also been responsible for prosecuting several of the Firm's options backdating cases, including *In re Monster Worldwide, Inc. Securities Litigation* (\$47.5 million settlement); *In re SafeNet, Inc. Securities Litigation* (\$25 million settlement); *In re Semtech Securities Litigation* (\$20 million settlement); and *In re MRV Communications, Inc. Securities Litigation* (\$10 million settlement). He also was instrumental in *In re Mercury Interactive Corp. Securities Litigation*, which settled for \$117.5 million, one of the largest settlements or judgments in a securities fraud litigation based upon options backdating.

Jonathan also represented the Successor Liquidating Trustee of Lipper Convertibles, a convertible bond hedge fund, in actions against the fund's former independent auditor and a member of the fund's general partner as well as numerous former limited partners who received excess distributions. He successfully recovered over \$5.2 million for the Successor Liquidating Trustee from the limited partners and \$29.9 million from the former auditor.

He is a member of the Federal Bar Council, New York State Bar Association, and the Association of the Bar of the City of New York.

Jonathan is admitted to practice in the State of New York as well as before the United States Court of Appeals for the Ninth and Eleventh Circuits and the United States District Courts for the Southern and Eastern Districts of New York, and the Eastern District of Wisconsin.

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**David J. Goldsmith, Partner**  
[dgoldsmith@labaton.com](mailto:dgoldsmith@labaton.com)

David J. Goldsmith has more than 15 years of experience representing public and private institutional investors in a wide variety of securities and class action litigations. In recent years, David's work has directly led to record recoveries against corporate offenders in some of the most complex and high-profile securities class actions.

David has also been designated as "recommended" by *The Legal 500* as part of the Firm's recognition as a top-tier plaintiffs' firm in securities class action litigation.

David was an integral member of the team representing the New York State Common Retirement Fund and New York City pension funds as lead plaintiffs in *In re Countrywide Financial Corporation Securities Litigation*, which settled for \$624 million. David successfully represented these clients in an appeal brought by Countrywide's 401(k) plan in the Ninth Circuit concerning complex settlement allocation issues. David also represented a hedge fund and individual investors as lead plaintiffs in an action concerning the well-publicized collapse of four Regions Morgan Keegan closed-end investment companies, in which the court approved a \$62 million settlement.

Current matters include representation of a state pension fund in a class action alleging deceptive acts and practices by State Street Bank in connection with foreign currency exchange trades executed for its custodial clients; representations of state and county pension funds in securities class actions arising from the initial

public offerings of Model N, Inc. and A10 Networks, Inc.; representations of a large German banking institution and a significant Irish special-purpose vehicle in actions alleging fraud in connection with residential mortgage-backed securities; and representation of a state pension fund in a securities class action against Neustar, Inc. concerning the bidding and selection process for its key contract.

David has regularly represented the Genesee County (Michigan) Employees' Retirement System in securities and shareholder matters, including settled actions against CBeyond, Compellent Technologies, Merck, Spectranetics, and Transaction Systems Architects.

During law school, David was Managing Editor of the *Cardozo Arts & Entertainment Law Journal* and served as a judicial intern to the Honorable Michael B. Mukasey, then a United States District Judge for the Southern District of New York.

For many years, David has been a member of AmorArtis, a renowned choral organization with a diverse repertoire.

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**Louis Gottlieb, Partner**  
**lgottlieb@labaton.com**

Louis Gottlieb focuses on representing institutional and individual investors in complex securities and consumer class action cases. He has played a key role in some of the most high-profile securities class actions in recent history, securing significant recoveries for plaintiffs and ensuring essential corporate governance reforms to protect future investors, consumers, and the general public.

Lou was integral in prosecuting *In re American International Group, Inc. Securities Litigation* (settlements totaling more than \$1 billion) and *In re 2008 Fannie Mae Securities Litigation* (\$170 million settlement pending final approval). He also helped lead major class action cases against the company and related defendants in *In re Satyam Computer Services, Ltd. Securities Litigation* (\$150.5 million settlement). He has led successful litigation teams in securities fraud class action litigations against Metromedia Fiber Networks and Pricemart, as well as consumer class actions against various life insurance companies.

In the Firm's representation of the Connecticut Retirement Plans and Trust Funds in *In re Waste Management, Inc. Securities Litigation*, Lou's efforts were essential in securing a \$457 million settlement. The settlement also included important corporate governance enhancements, including an agreement by management to support a campaign to obtain shareholder approval of a resolution to declassify its board of directors, and a resolution to encourage and safeguard whistleblowers among the company's employees. Acting on behalf of New York City pension funds in *In re Orbital Sciences Corporation Securities Litigation*, Lou helped negotiate the implementation of measures concerning the review of financial results, the composition, role and responsibilities of the Company's Audit and Finance committee, and the adoption of a Board resolution providing guidelines regarding senior executives' exercise and sale of vested stock options.

Lou was a leading member of the team in the *Napp Technologies Litigation* that won substantial recoveries for families and firefighters injured in a chemical plant explosion. Lou has had a major role in national product liability actions against the manufacturers of orthopedic bone screws and atrial pacemakers, and in consumer fraud actions in the national litigation against tobacco companies.

A well-respected litigator, Lou has made presentations on punitive damages at Federal Bar Association meetings and has spoken on securities class actions for institutional investors.

Lou brings a depth of experience to his practice from both within and outside of the legal sphere. He graduated first in his class from St. John's School of Law. Prior to joining Labaton Sucharow, he clerked for the Honorable Leonard B. Wexler of the Eastern District of New York, and he worked as an associate at Skadden Arps Slate Meagher & Flom LLP.

Lou is admitted to practice in the States of New York and Connecticut as well as before the United States Courts of Appeals for the Fifth and Seventh Circuits and the United States District Courts for the Southern and Eastern Districts of New York.

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**Serena Hallowell, Partner**  
[shallowell@labaton.com](mailto:shallowell@labaton.com)

Serena Hallowell focuses on prosecuting complex securities fraud cases on behalf of institutional investors. Currently, she is actively prosecuting *In re Intuitive Surgical Securities Litigation* and *In re Barrick Gold Securities Litigation*.

Recently, Serena was named as a 2016 Class Action Rising Star by *Law360* and recommended by *The Legal 500* in the field of Securities Litigation. Playing a principal role in prosecuting *In re Computer Sciences Corporation Securities Litigation* (CSC) in a "rocket docket" jurisdiction, she helped secure a settlement of \$97.5 million on behalf of lead plaintiff Ontario Teachers' Pension Plan Board, the third largest all cash settlement in the Fourth Circuit. She was also instrumental in securing a \$48 million recovery in *Medoff v. CVS Caremark Corporation*, as well as a \$41.5 million settlement in *In re NII Holdings, Inc. Securities Litigation*.

Serena also has broad appellate and trial experience. Most recently, Serena participated in the successful appeal of the CVS matter before the U.S. Court of Appeals for the First Circuit, and she is currently participating in an appeal pending before the U.S. Court of Appeals for the Tenth Circuit. In addition, she has previously played a key role in securing a favorable jury verdict in one of the few securities fraud class action suits to proceed to trial.

Prior to joining Labaton Sucharow, Serena was an attorney at Ohrenstein & Brown LLP, where she participated in various federal and state commercial litigation matters. During her time there, she also defended financial companies in regulatory proceedings and assisted in high profile coverage litigation matters in connection with mutual funds trading investigations.

Serena received a J.D. from Boston University School of Law, where she served as the Note Editor for the *Journal of Science & Technology Law*. She earned a B.A. in Political Science from Occidental College.

Serena is a member of the Association of the Bar of the City of New York, the Federal Bar Council, and the National Association of Women Lawyers (NAWL), where she serves on the Women's Initiatives Leadership Boot Camp Planning Committee. She also devotes time to pro bono work with the Securities Arbitration Clinic at Brooklyn Law School and is a member of the Firm's Women's Initiative.

She is conversational in Urdu/Hindi.

She is admitted to practice in the State of New York as well as before the United States Court of Appeals for the First and Eleventh Circuits and the United States District Courts for the Southern and Eastern Districts of New York.

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**Thomas G. Hoffman, Jr., Partner**  
[thoffman@labaton.com](mailto:thoffman@labaton.com)

Thomas G. Hoffman, Jr. focuses on representing institutional investors in complex securities actions.

Thomas was instrumental in securing a \$1 billion recovery in the eight-year litigation against AIG and related defendants. He also was a key member of the Labaton Sucharow team that recovered \$170 million for investors in *In re 2008 Fannie Mae Securities Litigation*. Currently, Thomas is prosecuting cases against BP, Facebook, and American Express.

Thomas received a J.D. from UCLA School of Law, where he was Editor-in-Chief of the UCLA *Entertainment Law Review*, and he served as a Moot Court Executive Board Member. In addition, he was a judicial extern to the Honorable William J. Rea, United States District Court for the Central District of California. Thomas earned a B.F.A., with honors, from New York University.

Thomas is admitted to practice in the State of New York as well as before the United States District Courts for the Southern and Eastern Districts of New York.

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**James W. Johnson, Partner**  
[jjohnson@labaton.com](mailto:jjohnson@labaton.com)

James W. Johnson focuses on complex securities fraud cases. In representing investors who have been victimized by securities fraud and breaches of fiduciary responsibility, Jim's advocacy has resulted in record recoveries for wronged investors. Currently, he is prosecuting high-profile cases against financial industry leader Goldman Sachs in *In re Goldman Sachs Group, Inc., Securities Litigation*, and the world's most popular social network, in *In re Facebook, Inc., IPO Securities and Derivative Litigation*. In addition to his active caseload, Jim holds a variety of leadership positions within the Firm, including serving on the Firm's Executive Committee and acting as the Firm's Hiring Partner. He also serves as the Firm's Executive Partner overseeing firmwide issues.

A recognized leader in his field, Jim has successfully litigated a number of complex securities and RICO class actions including: *In re Bear Stearns Companies, Inc. Securities Litigation* (\$275 million settlement with Bear Stearns Companies, plus a \$19.9 million settlement with Deloitte & Touche LLP, Bear Stearns' outside auditor); *In re HealthSouth Corp. Securities Litigation* (\$671 million settlement); *Eastwood Enterprises LLC v. Farha et al. (WellCare Securities Litigation)* (\$200 million settlement); *In re Vesta Insurance Group, Inc. Securities Litigation* (\$79 million settlement); *In re Bristol Myers Squibb Co. Securities Litigation* (\$185 million settlement), in which the court also approved significant corporate governance reforms and recognized plaintiff's counsel as "extremely skilled and efficient"; and *In re National Health Laboratories, Inc., Securities Litigation*, which resulted in a recovery of \$80 million in the federal action and a related state court derivative action.

In *County of Suffolk v. Long Island Lighting Co.*, Jim represented the plaintiff in a RICO class action, securing a jury verdict after a two-month trial that resulted in a \$400 million settlement. The Second Circuit quoted the trial judge, Honorable Jack B. Weinstein, as stating "counsel [has] done a superb job [and] tried this case as well as I have ever seen any case tried." On behalf of the Chugach Native Americans, he also assisted in prosecuting environmental damage claims resulting from the Exxon Valdez oil spill.

Jim is a member of the American Bar Association and the Association of the Bar of the City of New York, where he served on the Federal Courts Committee, and he is a Fellow in the Litigation Council of America.

Jim has received a rating of AV Preeminent from the publishers of the Martindale-Hubbell directory.

He is admitted to practice in the States of New York and Illinois as well as before the Supreme Court of the United States, the United States Courts of Appeals for the Second, Third, Fourth, Fifth, Seventh and Eleventh Circuits, and the United States District Courts for the Southern, Eastern and Northern Districts of New York, and the Northern District of Illinois.

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**Christopher J. Keller, Partner**  
[ckeller@labaton.com](mailto:ckeller@labaton.com)

Christopher J. Keller focuses on complex securities litigation. His clients are institutional investors, including some of the world's largest public and private pension funds with tens of billions of dollars under management.

Described by *The Legal 500* as a "sharp and tenacious advocate" who "has his pulse on the trends," Chris has been instrumental in the Firm's appointments as lead counsel in some of the largest securities matters arising

out of the financial crisis, such as actions against Countrywide (\$624 million settlement), Bear Stearns (\$275 million settlement with Bear Stearns Companies, plus a \$19.9 million settlement with Deloitte & Touche LLP, Bear Stearns' outside auditor), Fannie Mae (\$170 million settlement), and Goldman Sachs.

Chris has also been integral in the prosecution of traditional fraud cases such as *In re Schering-Plough Corporation / ENHANCE Securities Litigation*; *In re Massey Energy Co. Securities Litigation*, where the Firm obtained a \$265 million all-cash settlement with Alpha Natural Resources, Massey's parent company; as well as *In re Satyam Computer Services, Ltd. Securities Litigation*, where the Firm obtained a settlement of more than \$150 million. Chris was also a principal litigator on the trial team of *In re Real Estate Associates Limited Partnership Litigation*. The six-week jury trial resulted in a \$184 million plaintiffs' verdict, one of the largest jury verdicts since the passage of the Private Securities Litigation Reform Act.

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

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

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

He is admitted to practice in the State of New York as well as before the Supreme Court of the United States and the United States District Courts for the Southern and Eastern Districts of New York, the Eastern District of Wisconsin, and the District of Colorado.

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**Edward Labaton, Partner**  
[elabaton@labaton.com](mailto:elabaton@labaton.com)

An accomplished trial lawyer and partner with the Firm, Edward Labaton has devoted 50 years of practice to representing a full range of clients in class action and complex litigation matters in state and federal court. He is the recipient of the Alliance for Justice's 2015 Champion of Justice Award, given to outstanding individuals whose life and work exemplifies the principle of equal justice.

Ed has played a leading role as plaintiffs' class counsel in a number of successfully prosecuted, high-profile cases, involving companies such as PepsiCo, Dun & Bradstreet, Financial Corporation of America, ZZZZ Best, Revlon, GAF Co., American Brands, Petro Lewis and Jim Walter, as well as several Big Eight (now Four) accounting firms. He has also argued appeals in state and federal courts, achieving results with important precedential value.

Ed has been President of the Institute for Law and Economic Policy (ILEP) since its founding in 1996. Each year, ILEP co-sponsors at least one symposium with a major law school dealing with issues relating to the civil justice system. In 2010, he was appointed to the newly formed Advisory Board of George Washington University's Center for Law, Economics, & Finance (C-LEAF), a think tank within the Law School, for the study and debate of major issues in economic and financial law confronting the United States and the globe. Ed is an Honorary Lifetime Member of the Lawyers' Committee for Civil Rights under Law, a member of the American Law Institute, and a life member of the ABA Foundation. In addition, he has served on the Executive Committee and has been an officer of the Ovarian Cancer Research Fund since its inception in 1996.

Ed is the past Chairman of the Federal Courts Committee of the New York County Lawyers Association, and was a member of the Board of Directors of that organization. He is an active member of the Association of the Bar of the City of New York, where he was Chair of the Senior Lawyers' Committee and served on its Task Force on the Role of Lawyers in Corporate Governance. He has also served on its Federal Courts, Federal Legislation, Securities Regulation, International Human Rights, and Corporation Law Committees. He also served as Chair of the Legal Referral Service Committee, a joint committee of the New York County Lawyers' Association and the Association of the Bar of the City of New York. He has been an active member of the American Bar Association, the Federal Bar Council, and the New York State Bar Association, where he has served as a member of the House of Delegates.

For more than 30 years, he has lectured on many topics including federal civil litigation, securities litigation, and corporate governance.

He is admitted to practice in the State of New York as well as before the Supreme Court of the United States, the United States Courts of Appeals for the Second, Fifth, Sixth, Seventh, Ninth, Tenth, and Eleventh Circuits, and the United States District Courts for the Southern and Eastern Districts of New York, and the Central District of Illinois.

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**Christopher J. McDonald, Partner**  
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Christopher J. McDonald focuses on prosecuting complex securities fraud cases. Chris also works with the Firm's Antitrust & Competition Litigation Practice, representing businesses, associations, and individuals injured by anticompetitive activities and unfair business practices.

In the securities field, Chris is currently lead counsel in *In re Amgen Inc. Securities Litigation*. Most recently, he was co-lead counsel in *In re Schering-Plough Corporation / ENHANCE Securities Litigation*, which resulted in a \$473 million settlement, one of the largest securities class action settlements ever against a pharmaceutical company and among the ten largest recoveries ever in a securities class action that did not involve a financial reinstatement. He was also an integral part of the team that successfully litigated *In re Bristol-Myers Squibb Securities Litigation*, where Labaton Sucharow secured a \$185 million settlement, as well as significant corporate governance reforms, on behalf of Bristol-Myers shareholders.

In the antitrust field, Chris was most recently co-lead counsel in *In re TriCor Indirect Purchaser Antitrust Litigation*, obtaining a \$65.7 million settlement on behalf of the class.

Chris began his legal career at Patterson, Belknap, Webb & Tyler LLP, where he gained extensive trial experience in areas ranging from employment contract disputes to false advertising claims. Later, as a senior attorney with a telecommunications company, Chris advocated before government regulatory agencies on a variety of complex legal, economic, and public policy issues. Since joining Labaton Sucharow, Chris' practice has developed a focus on life sciences industries; his cases often involve pharmaceutical, biotechnology, or medical device companies accused of wrongdoing.

During his time at Fordham University School of Law, Chris was a member of the *Law Review*. He is currently a member of the New York State Bar Association and the Association of the Bar of the City of New York.

Chris is admitted to practice in the State of New York as well as before the United States Courts of Appeals for the Second, Third, Ninth, and Federal Circuits and the United States District Courts for the Southern and Eastern Districts of New York, and the Western District of Michigan.

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**Michael H. Rogers, Partner**  
[mrogers@labaton.com](mailto:mrogers@labaton.com)

Michael H. Rogers focuses on prosecuting complex securities fraud cases on behalf of institutional investors. Currently, Mike is actively involved in prosecuting *In re Goldman Sachs, Inc. Securities Litigation*; *Arkansas Teacher Retirement System v. State Street Corp*; *3226701 Canada, Inc. v. Qualcomm, Inc.*; *Public Employees' Retirement System of Mississippi v. Sprouts Farmers Markets, Inc.*; and *In re Virtus Investment Partners, Inc. Securities Litigation*.

Since joining Labaton Sucharow, Mike has been a member of the lead or co-lead counsel teams in federal securities class actions against Countrywide Financial Corp. (\$624 million settlement), HealthSouth Corp. (\$671 million settlement), Mercury Interactive Corp. (\$117.5 million settlement), and Computer Sciences Corp. (\$97.5 million settlement).

Prior to joining Labaton Sucharow, Mike was an attorney at Kasowitz, Benson, Torres & Friedman LLP, where he practiced securities and antitrust litigation, representing international banking institutions bringing federal securities and other claims against major banks, auditing firms, ratings agencies and individuals in complex multidistrict litigation. He also represented an international chemical shipping firm in arbitration of antitrust and other claims against conspirator ship owners.

Mike began his career as an attorney at Sullivan & Cromwell, where he was part of Microsoft's defense team in the remedies phase of the Department of Justice antitrust action against the company.

Mike received a J.D., *magna cum laude*, from the Benjamin N. Cardozo School of Law, Yeshiva University, where he was a member of the *Cardozo Law Review*. He earned a B.A., *magna cum laude*, in Literature-Writing from Columbia University.

Mike is proficient in Spanish.

He is admitted to practice in the State of New York as well as before the United States District Courts for the Southern and Eastern Districts of New York.

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**Ira A. Schochet, Partner**  
[ischochet@labaton.com](mailto:ischochet@labaton.com)

A seasoned litigator with three decades of experience, Ira A. Schochet focuses on class actions involving securities fraud. Ira has played a lead role in securing multimillion dollar recoveries and major corporate governance reforms in high-profile cases such as those against Countrywide Financial, Boeing, Massey Energy, Caterpillar, Spectrum Information Technologies, InterMune, and Amkor Technology.

A longtime leader in the securities class action bar, Ira represented one of the first institutional investors acting as a lead plaintiff in a post-Private Securities Litigation Reform Act case and ultimately obtained one of the first rulings interpreting the statute's intent provision in a manner favorable to investors. His efforts are regularly recognized by the courts, including in *Kamarasy v. Coopers & Lybrand*, where the court remarked on "the superior quality of the representation provided to the class." Further, in approving the settlement he achieved in the *InterMune* litigation, the court complimented Ira's ability to secure a significant recovery for the class in a very efficient manner, shielding the class from prolonged litigation and substantial risk.

Ira has also played a key role in groundbreaking cases in the field of merger and derivative litigation. In *In re Freeport-McMoRan Copper & Gold Inc. Derivative Litigation*, he achieved the second largest derivative settlement in the Delaware Court of Chancery history, a \$153.75 million settlement with an unprecedented provision of direct payments to stockholders by means of a special dividend. In another first-of-its-kind case, Ira was featured in *The AmLaw Litigation Daily* as Litigator of the Week for his work in *In re El Paso Corporation Shareholder Litigation*. The action alleged breach of fiduciary duties in connection with a merger

transaction, including specific reference to wrongdoing by a conflicted financial advisory consultant, and resulted in a \$110 million recovery for a class of shareholders and a waiver by the consultant of its fee.

From 2009-2011, Ira served as President of the National Association of Shareholder and Consumer Attorneys (NASCAT), a membership organization of approximately 100 law firms that practice class action and complex civil litigation. During this time, he represented the plaintiffs' securities bar in meetings with members of Congress, the Administration, and the SEC.

From 1996 through 2012, Ira served as Chairman of the Class Action Committee of the Commercial and Federal Litigation Section of the New York State Bar Association. During his tenure, he has served on the Executive Committee of the Section and authored important papers on issues relating to class action procedure including revisions proposed by both houses of Congress and the Advisory Committee on Civil Procedure of the United States Judicial Conference. Examples include: "Proposed Changes in Federal Class Action Procedure," "Opting Out On Opting In," and "The Interstate Class Action Jurisdiction Act of 1999."

He also has lectured extensively on securities litigation at continuing legal education seminars. He has also been awarded an AV Preeminent rating, the highest distinction, from the publishers of the Martindale-Hubbell directory.

He is admitted to practice in the State of New York as well as before the United States Court of Appeals for the Second, Fifth and Ninth Circuits and the United States District Courts for the Southern and Eastern Districts of New York, the Central District of Illinois, the Northern District of Texas, and the Western District of Michigan.

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**Michael W. Stocker, Partner**  
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As General Counsel to the Firm and a lead strategist on Labaton Sucharow's Case Evaluation Team, Michael W. Stocker is integral to the Firm's investigating and prosecuting securities, antitrust, and consumer class actions.

Mike represents institutional investors in a broad range of class action litigation, corporate governance, and securities matters. In one of the most significant securities class actions of the decade, Mike played an instrumental part of the team that took on American International Group, Inc. and 21 other defendants. The Firm negotiated a recovery of more than \$1 billion. He was also key in litigating *In re Bear Stearns Companies, Inc. Securities Litigation*, where the Firm secured a \$275 million settlement with Bear Stearns, plus a \$19.9 million settlement with the company's outside auditor, Deloitte & Touche LLP.

In a case against one of the world's largest pharmaceutical companies, *In re Abbott Laboratories Norvir Antitrust Litigation*, Mike played a leadership role in litigating a landmark action arising at the intersection of antitrust and intellectual property law. The novel settlement in the case created a multimillion dollar fund to benefit nonprofit organizations serving individuals with HIV. In recognition of his work on *Norvir*, *The National Law Journal* named the Firm to the prestigious Plaintiffs' Hot List, and he received the 2010 Courage Award from the AIDS Resource Center of Wisconsin. Mike has also been recognized by *The Legal 500* in the field of Securities, M&A, and Antitrust Litigation and was named a Securities Litigation Star by *Benchmark Litigation*.

Earlier in his career, Mike served as a senior staff attorney with the United States Court of Appeals for the Ninth Circuit and completed a legal externship with federal Judge Phyllis J. Hamilton, currently sitting in the U.S. District Court for the Northern District of California. He earned a B.A. from the University of California, Berkeley, a Master of Criminology from the University of Sydney, and a J.D. from University of California's Hastings College of the Law.

He is an active member of the National Association of Public Pension Plan Attorneys (NAPPA), the New York State Bar Association, and the Association of the Bar of the City of New York. Since 2013, Mike has served on

Law360's Securities Editorial Advisory Board, advising on timely and interesting topics warranting media coverage. For two consecutive years (2015-2016), the Council of Institutional Investors has appointed Mike to the Markets Advisory Council, which provides input on legal, financial reporting, and investment market trends. In 2016, he was elected as a member of The American Law Institute, the leading independent organization in the United States producing scholarly work to clarify, modernize, and otherwise improve the law.

In addition to his litigation practice, Mike mentors youth through participation in Mentoring USA. The program seeks to empower young people with the guidance, skills, and resources necessary to maximize their full potential.

He is admitted to practice in the States of California and New York as well as before the United States Courts of Appeals for the Second, Eighth and Ninth Circuits and the United States District Courts for the Northern and Central Districts of California and the Southern and Eastern Districts of New York.

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**Carol C. Villegas, Partner**  
[cvillegas@labaton.com](mailto:cvillegas@labaton.com)

Carol C. Villegas focuses on prosecuting complex securities fraud cases on behalf of institutional investors. Currently, she is litigating cases against Intuitive Surgical and Advanced Micro Devices, where she also serves as the lead discovery attorney.

Carol played a pivotal role in securing favorable settlements for investors from Aeropostale, a leader in the international retail apparel industry, ViroPharma Inc., a biopharmaceutical company, and Vocera, a healthcare communications provider. A true advocate for her clients, Carol's most recent argument in the case against Vocera resulted in a ruling from the bench, denying defendants' motion to dismiss in that case. Carol works on developing innovative case theories in complex cases, and particularly those cases involving complex regulatory schemes.

Prior to joining Labaton Sucharow, Carol served as the Assistant District Attorney in the Supreme Court Bureau for the Richmond County District Attorney's office. During her tenure at the District Attorney's office, Carol took several cases to trial. She began her career as an associate at King & Spalding LLP where she worked as a federal litigator in the Intellectual Property practice group.

Carol received a J.D. from New York University School of Law, and she was the recipient of The Irving H. Jurow Achievement Award for the Study of Law and selected to receive the Association of the Bar of the City of New York Minority Fellowship. Carol served as the Staff Editor, and later the Notes Editor, of the *Environmental Law Journal*. She earned a B.A., with honors, in English and Politics from New York University.

Carol is a member of the Association of the Bar of the City of New York and a member of the Executive Council for the New York State Bar Association's Committee on Women in the Law. She also devotes time to pro bono work with the Securities Arbitration Clinic at Brooklyn Law School and is a member of the Firm's Women's Initiative.

She is fluent in Spanish.

Carol is admitted to practice in the States of New York and New Jersey as well as before the United States Courts of Appeals for the Tenth and Eleventh Circuits and the United States District Courts for the Southern and Eastern Districts of New York, the District of New Jersey, the District of Colorado, and the Eastern District of Wisconsin.

**Ned Weinberger, Partner**  
[nweinberger@labaton.com](mailto:nweinberger@labaton.com)

Ned Weinberger focuses on representing investors in corporate governance and transactional matters, including class action and derivative litigation. Ned was recognized by *Chambers & Partners USA* in the Delaware Court of Chancery as an "Associate to Watch," noting his impressive range of practice areas.

Recently, Ned was part of a team that achieved a \$12 million recovery on behalf of stockholders of ArthroCare Corporation in a case alleging breaches of fiduciary duty by the ArthroCare board of directors and other defendants in connection with Smith & Nephew, Inc. acquisition of ArthroCare.

Prior to joining Labaton Sucharow, Ned was a litigation associate at Grant & Eisenhofer P.A. where he gained substantial experience in all aspects of investor protection, including representing shareholders in matters relating to securities fraud, mergers and acquisitions, and alternative entities. Representative of Ned's experience in the Delaware Court of Chancery is *In re Barnes & Noble Stockholders Derivative Litigation*, in which Ned assisted in obtaining approximately \$29 million in settlements on behalf of Barnes & Noble investors. Ned was also part of the litigation team in *In re Clear Channel Outdoor Holdings, Inc. Shareholder Litigation*, the settlement of which provided numerous benefits for Clear Channel Outdoor Holdings and its shareholders, including, among other things, a \$200 million cash dividend to the company's shareholders.

Ned received his J.D. from the Louis D. Brandeis School of Law at the University of Louisville where he served on the *Journal of Law and Education*. He earned his B.A. in English Literature, *cum laude*, at Miami University.

Ned is admitted to practice in the States of Delaware, Pennsylvania, and New York as well as before the United States District Court for the District of Delaware.

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**Nicole M. Zeiss, Partner**  
[nzeiss@labaton.com](mailto:nzeiss@labaton.com)

A litigator with nearly two decades of experience, Nicole M. Zeiss leads the Settlement Group at Labaton Sucharow, analyzing the fairness and adequacy of the procedures used in class action settlements. Her practice includes negotiating and documenting complex class action settlements and obtaining the required court approval of the settlements, notice procedures, and payments of attorneys' fees.

Over the past year, Nicole was actively involved in finalizing settlements with Massey Energy Company (\$265 million), Fannie Mae (\$170 million), and Hewlett-Packard Company (\$57 million), among others.

Nicole was part of the Labaton Sucharow team that successfully litigated the \$185 million settlement in *In re Bristol-Myers Squibb Securities Litigation*, and she played a significant role in *In re Monster Worldwide, Inc. Securities Litigation* (\$47.5 million settlement). Nicole also litigated on behalf of investors who have been damaged by fraud in the telecommunications, hedge fund, and banking industries.

Prior to joining Labaton Sucharow, Nicole practiced in the area of poverty law at MFY Legal Services. She also worked at Gaynor & Bass practicing general complex civil litigation, particularly representing the rights of freelance writers seeking copyright enforcement.

Nicole maintains a commitment to pro bono legal services by continuing to assist mentally ill clients in a variety of matters—from eviction proceedings to trust administration.

She received a J.D. from the Benjamin N. Cardozo School of Law, Yeshiva University, and earned a B.A. in Philosophy from Barnard College.

Nicole is a member of the Association of the Bar of the City of New York.

She is admitted to practice in the State of New York as well as before the United States District Courts for the Southern and Eastern Districts of New York.

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**Garrett J. Bradley, Of Counsel**  
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With more than 20 years of experience, Garrett J. Bradley focuses on representing leading pension funds and other institutional investors. Garrett has experience in a broad range of commercial matters, including securities, antitrust and competition, consumer protection, and mass tort litigation.

Prior to Garrett's career in private practice, he worked as an Assistant District Attorney in the Plymouth County District Attorney's office.

Garrett is a member of the Public Justice Foundation and the Million Dollar Advocates Forum, an exclusive group of trial lawyers who have secured multimillion dollar verdicts for clients.

Garrett is admitted to practice in the States of New York and Massachusetts, the United States Court of Appeals for the First Circuit, and the United States District Court of Massachusetts.

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**Marisa N. DeMato, Of Counsel**  
[mdemato@labaton.com](mailto:mdemato@labaton.com)

Marisa N. DeMato advises leading pension funds and other institutional investors in the United States and Canada on issues related to corporate fraud in the U.S. securities markets. Her work focuses on complex securities class actions, counseling clients on best practices in the corporate governance of publicly traded companies, and advising foundations and endowment funds on monitoring the well-being of their investments. Marisa also advises municipalities and health plans on issues related to U.S. antitrust law and potential violations.

Marisa recently served as legal adviser to the West Palm Beach Police Pension Fund in *In re Walgreen Co. Derivative Litigation*, which obtained significant corporate governance reforms and required Walgreens to extend its Drug Enforcement Agency commitments as part of the settlement related to the company's Controlled Substances Act violation.

Prior to joining Labaton Sucharow, Marisa devoted a substantial portion of her time litigating securities fraud, derivative, mergers and acquisitions, consumer fraud, and qui tam actions. During her eight years as a litigator, Marisa was an integral member of the legal teams that helped secure multimillion dollar settlements on behalf of aggrieved investors and defrauded consumers.

Marisa has been invited to speak on shareholder litigation-related matters, frequently lecturing on topics pertaining to securities fraud litigation, fiduciary responsibility, and corporate governance issues. Most recently, she testified before the Texas House of Representatives Pensions Committee to address the changing legal landscape public pensions have faced since the Supreme Court's *Morrison* decision and highlighted the best practices for non-U.S. investment recovery. During the 2008 financial crisis, Marisa spoke widely on the subprime mortgage crisis and its disastrous effect on the pension fund community at regional and national conferences, and addressed the crisis' global implications and related fraud to institutional investors internationally in Italy, France, and the United Kingdom. Marisa has also presented on issues pertaining to the federal regulatory response to the 2008 crisis, including implications of the Dodd-Frank legislation and the national debate on executive compensation and proxy access for shareholders.

In the spring of 2006, Marisa was selected over 250,000 applicants to appear on the sixth season of *The Apprentice*, which aired on January 7, 2007, on NBC. As a result of her role on *The Apprentice*, Marisa has appeared in numerous news media outlets, such as *The Wall Street Journal*, *People* magazine, and various national legal journals.

Marisa is admitted to practice in the State of Florida and the District of Columbia as well as before the United States District Courts for the Northern, Middle, and Southern Districts of Florida.

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**Joseph H. Einstein, Of Counsel**  
[jeinstein@labaton.com](mailto:jeinstein@labaton.com)

A seasoned litigator, Joseph H. Einstein represents clients in complex corporate disputes, employment matters, and general commercial litigation. He has litigated major cases in the state and federal courts and has argued many appeals, including appearing before the United States Supreme Court.

His experience encompasses extensive work in the computer software field including licensing and consulting agreements. Joe also counsels and advises business entities in a broad variety of transactions.

Joe serves as an official mediator for the United States District Court for the Southern District of New York. He is an arbitrator for the American Arbitration Association and FINRA. Joe is a former member of the New York State Bar Association Committee on Civil Practice Law and Rules and the Council on Judicial Administration of the Association of the Bar of the City of New York. He currently is a member of the Arbitration Committee of the Association of the Bar of the City of New York.

During Joe's time at New York University School of Law, he was a Pomeroy and Hirschman Foundation Scholar, and served as an Associate Editor of the *Law Review*.

Joe has been awarded an AV Preeminent rating, the highest distinction, from the publishers of the Martindale-Hubbell directory.

He is admitted to practice in the State of New York as well as before the Supreme Court of the United States, the United States Courts of Appeals for the First and Second Circuits, and the United States District Courts for the Southern and Eastern Districts of New York.

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**Christine M. Fox, Of Counsel**  
[cfox@labaton.com](mailto:cfox@labaton.com)

Christine M. Fox focuses on prosecuting complex securities fraud cases on behalf of institutional investors. Currently, Christine is actively involved in prosecuting cases against Nu Skin Enterprises, Inc., Conn's, Inc., Intuitive Surgical, and Horizon Pharma.

Prior to joining Labaton Sucharow, Christine worked at a national litigation firm focusing on securities, antitrust, and consumer litigation in state and federal courts.

Christine received her J.D. from the University of Michigan Law School and her B.A. from Cornell University. She is a member of the American Bar Association, the New York State Bar Association, and the Puerto Rican Bar Association.

Christine is conversant in Spanish.

Christine is admitted to the practice in the State of New York as well as before the United States District Courts for the Southern and Eastern Districts of New York.

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**Mark Goldman, Of Counsel**  
[mgoldman@labaton.com](mailto:mgoldman@labaton.com)

Mark S. Goldman has 30 years of experience in commercial litigation, primarily litigating class actions involving securities fraud, consumer fraud, and violations of federal and state antitrust laws.

Mark is currently prosecuting securities fraud claims on behalf of institutional and individual investors against the manufacturer of communications systems used by hospitals that allegedly misrepresented the impact of the ACA and budget sequestration of the company's sales, and a multi-layer marketing company that allegedly misled investors about its business structure in China. Mark is also participating in litigation brought against international air cargo carriers charged with conspiring to fix fuel and security surcharges, and domestic manufacturers of various auto parts charged with price-fixing.

Mark successfully litigated a number of consumer fraud cases brought against insurance companies challenging the manner in which they calculated life insurance premiums. He also prosecuted a number of insider trading cases brought against company insiders who, in violation of Section 16(b) of the Securities Exchange Act, engaged in short swing trading. In addition, Mark participated in the prosecution of *In re AOL Time Warner Securities Litigation*, a massive securities fraud case that settled for \$2.5 billion.

He is admitted to the state of Pennsylvania, the Third, Ninth, and Eleventh Circuits of the U.S. Court of Appeals, the Eastern District of Pennsylvania, the District of Colorado, and the Eastern District of Wisconsin.

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**Lara Goldstone, Of Counsel**  
[lgoldstone@labaton.com](mailto:lgoldstone@labaton.com)

Lara Goldstone advises pension funds and other institutional investors on issues related to corporate fraud in the U.S. securities markets. Before joining Labaton Sucharow, Lara worked as a legal intern in the Larimer County District Attorney's Office and the Jefferson County District Attorney's Office.

Prior to her legal career, Lara worked at Industrial Labs where she worked closely with Federal Drug Administration standards and regulations. In addition, she was a teacher in Irvine, California.

Lara received a J.D. from University of Denver Sturm College of Law, where she was a judge of The Providence Foundation of Law & Leadership Mock Trial and a competitor of the Daniel S. Hoffman Trial Advocacy Competition. She earned a B.A. from The George Washington University where she was a recipient of a Presidential Scholarship for academic excellence. She earned a B.A. from The George Washington University where she was a recipient of a Presidential Scholarship for academic excellence.

Lara is admitted to practice in the State of Colorado.

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**Domenico Minerva, Of Counsel**  
[dminerva@labaton.com](mailto:dminerva@labaton.com)

Domenico "Nico" Minerva advises leading pension funds and other institutional investors on issues related to corporate fraud in the U.S. securities markets. A former financial advisor, his work focuses on securities, antitrust, and consumer class action litigation and shareholder derivative litigation, representing Taft-Hartley and public pension funds across the country.

Nico's extensive experience litigating securities cases includes those against global securities systems company Tyco and co-defendant PricewaterhouseCoopers (*In re Tyco International Ltd., Securities Litigation*), which resulted in a \$3.2 billion settlement, achieving the largest single defendant settlement in post-PSLRA history. He also has counseled companies and institutional investors on corporate governance reform.

Nico has also done substantial work in antitrust class actions in pay-for-delay or "product hopping" cases in which pharmaceutical companies allegedly obstructed generic competitors in order to preserve monopoly profits on patented drugs, including *Mylan Pharmaceuticals Inc. v. Warner Chilcott Public Limited Co.*, *In re Lidoderm Antitrust Litigation*, *In re Solodyn (MinocyclineHydrochloride) Antitrust Litigation*, *In re Niaspan Antitrust Litigation*, *In re Aggrenox Antitrust Litigation*, and *Sergeants Benevolent Association Health & Welfare Fund et al. v. Actavis PLC et al.* In an anticompetitive antitrust matter, *The Infirmary LLC vs. National Football League Inc et al.*, Nico played a part in challenging an exclusivity agreement between the NFL and

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DirectTV over the service's "NFL Sunday Ticket" package, and he litigated on behalf of indirect purchasers of potatoes in a case alleging that growers conspired to control and suppress the nation's potato supply *In re Fresh and Process Potatoes Antitrust Litigation*.

On behalf of consumers, Nico represented a plaintiff in *In Re ConAgra Foods Inc.* over its claims that Wesson-brand vegetable oils are 100 percent natural.

An accomplished speaker, Nico has given numerous presentations to investors on a variety of topics of interest regarding corporate fraud, wrongdoing, and waste. He is also an active member of the National Association of Public Pension Plan Attorneys (NAPPA).

Nico obtained his J.D. from Tulane University Law School, where he also completed a two-year externship with the Honorable Kurt D. Engelhardt of the United States District Court for the Eastern District of Louisiana. He earned his B.S. in Business Administration from the University of Florida.

Nico is admitted to practice in the state courts of New York and Delaware, as well as the United States District Courts for the Eastern and Southern Districts of New York.

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**Barry M. Okun, Of Counsel**  
[bokun@labaton.com](mailto:bokun@labaton.com)

Barry M. Okun is a seasoned trial and appellate lawyer with more than 30 years of experience in a broad range of commercial litigation. Currently, Barry is actively involved in prosecuting *In re Goldman Sachs Group, Inc. Securities Litigation*. Most recently, he was part of the Labaton Sucharow team that recovered more than \$1 billion in the eight-year litigation against American International Group, Inc. Barry also played a key role representing the Successor Liquidating Trustee of Lipper Convertibles LP and Lipper Fixed Income Fund LP, failed hedge funds, in actions against the Fund's former auditors, overdrawn limited partners, and management team. He helped recover \$5.2 million from overdrawn limited partners and \$30 million from the Fund's former auditors.

Barry has litigated several leading commercial law cases, including the first case in which the United States Supreme Court ruled on issues relating to products liability. He has argued appeals before the United States Court of Appeals for the Second and Seventh Circuits and the Appellate Divisions of three out of the four judicial departments in New York State. Barry has appeared in numerous trial courts throughout the country.

He received a J.D., *cum laude*, from Boston University School of Law, where he was the Articles Editor of the *Law Review*. Barry earned a B.A., with a citation for academic distinction, in History from the State University of New York at Binghamton.

Barry has received an AV Preeminent rating, the highest distinction, from the publishers of the Martindale-Hubbell directory.

He is admitted to practice in the State of New York as well as before the Supreme Court of the United States, the United States Courts of Appeals for the First, Second, Seventh and Eleventh Circuits, and the United States District Courts for the Southern and Eastern Districts of New York.

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**Richard T. Joffe, Senior Counsel**  
[rjoffe@labaton.com](mailto:rjoffe@labaton.com)

Richard Joffe's practice focuses on class action litigation, including securities fraud, antitrust, and consumer fraud cases. Since joining the Firm, Rich has represented such varied clients as institutional purchasers of corporate bonds, Wisconsin dairy farmers, and consumers who alleged they were defrauded when they purchased annuities. He played a key role in shareholders obtaining a \$303 million settlement of securities claims against General Motors and its outside auditor.

Prior to joining Labaton Sucharow, Rich was an associate at Gibson, Dunn & Crutcher LLP, where he played a key role in obtaining a dismissal of claims against Merrill Lynch & Co. and a dozen other of America's largest investment banks and brokerage firms, who, in *Friedman v. Salomon/Smith Barney, Inc.*, were alleged to have conspired to fix the prices of initial public offerings.

Rich also worked as an associate at Fried, Frank, Harris, Shriver & Jacobson where, among other things, in a case handled pro bono, he obtained a successful settlement for several older women who alleged they were victims of age and sex discrimination when they were selected for termination by New York City's Health and Hospitals Corporation during a city-wide reduction in force.

Long before becoming a lawyer, Rich was a founding member of the internationally famous rock and roll group, Sha Na Na.

He is admitted to practice in the State of New York as well as before the United States Courts of Appeals for the Second, Third, Ninth and Eleventh Circuits, and the United States District Courts for the Southern and Eastern Districts of New York.

# **Exhibit 5**



are available at the request of the Court. Time expended in preparing this application for fees and payment of expenses has not been included in this request.

4. The hourly rates for the attorneys in my firm included in Exhibit A are the same as my firm's regular rates charged for their services, which have been accepted in other securities or shareholder litigations.

5. The total number of hours expended on this litigation by my firm during the Time Period is 86 hours. The total lodestar for my firm for those hours is \$73,170.00.

6. My firm's lodestar figures are based upon the firm's billing rates, which rates do not include charges for expenses items. Expense items are billed separately and such charges are not duplicated in my firm's billing rates.

7. As detailed in Exhibit B, my firm has incurred a total of \$122.10 in expenses in connection with the prosecution of the Action. The expenses are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

8. With respect to the standing of my firm, attached hereto as Exhibit C is a brief biography of my firm as well as biographies of the firm's partners who were involved in this litigation.

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

August 31, 2016.

  
CAROL V. GILDEN

## **Exhibit A**

**EXHIBIT A**

***VAN NOPPEN, ET AL. V. INNERWORKINGS, INC., ET AL.***  
**Case No. 1:14-cv-01416 (N.D. Ill.)**

**LODESTAR REPORT**

**FIRM: COHEN MILSTEIN SELLERS & TOLL PLLC**  
**REPORTING PERIOD: INCEPTION THROUGH AUGUST 20, 2016**

<b>PROFESSIONAL</b>	<b>STATUS*</b>	<b>HOURLY RATE</b>	<b>TOTAL HOURS TO DATE</b>	<b>TOTAL LODESTAR TO DATE</b>
Steven J. Toll	P	\$945	5	\$ 4,725.00
Carol V. Gilden	P	\$845	81	68,445.00
<b>TOTAL</b>			<b>86</b>	<b>\$73,170.00</b>

Partner (P)	Paralegal (PL)
Of Counsel (OC)	Investigator (I)
Associate (A)	Research Analyst (RA)
Staff Attorney (SA)	

## **Exhibit B**

**EXHIBIT B**

***VAN NOPPEN, ET AL. V. INNERWORKINGS, INC., ET AL.***  
**Case No. 1:14-cv-01416 (N.D. Ill.)**

**EXPENSE REPORT**

**FIRM: COHEN MILSTEIN SELLERS & TOLL PLLC**  
**REPORTING PERIOD: INCEPTION THROUGH AUGUST 20, 2016**

<b>EXPENSE</b>	<b>TOTAL AMOUNT</b>
Court Hearing & Deposition Transcripts	\$ 80.90
Online Legal and Financial Research	16.10
Transportation/Working Meals/Lodging	25.10
<b>TOTAL</b>	<b>\$122.10</b>

## **Exhibit C**

**COHENMILSTEIN**

# COHENMILSTEIN

## COHEN MILSTEIN SELLERS & TOLL PLLC

For decades, Cohen Milstein Sellers & Toll PLLC has represented individuals, small businesses, institutional investors, and employees in many of the major class action cases litigated in the United States for violations of the antitrust, securities, consumer protection, civil rights/discrimination, ERISA, employment, and human rights laws. Cohen Milstein is also at the forefront of numerous innovative legal actions that are expanding the quality and availability of legal recourse for aggrieved individuals and businesses both domestic and international. Over its history, Cohen Milstein has obtained many landmark judgments and settlements for individuals and businesses in the United States and abroad. The firm's most significant past and present cases include:

- In re Urethane Antitrust Litigation (Polyether Polyol Cases) (D. Kan.). Cohen Milstein serves as co-lead counsel on behalf of a class of direct purchasers of chemicals used to make many everyday products, from mattress foam to carpet cushion, who were overcharged as a result of a nationwide price-fixing conspiracy. On February 25, 2016, Cohen Milstein reached an agreement with The Dow Chemical Company to settle the case against Dow for \$835 million. Combined with earlier settlements obtained from Bayer, Huntsman, and BASF, the Dow settlement pushed the total settlements in the case to \$974 million.
- In re: Bear Stearns Mortgage Pass-Through Certificates Litigation (No. 08-08093, U.S. District Court for the Southern District of New York). On May 27, 2015, U.S. District Judge Laura Taylor Swain finally approved a class action settlement with JPMorgan Chase & Co., which agreed to pay \$500 million and up to an additional \$5 million in litigation-related expenses to resolve claims arising from the sale of \$27.2 billion of mortgage-backed securities issued by Bear Stearns & Co. during 2006 and 2007 in 22 separate public offerings.
- Countrywide MBS Litigation, (2:10-cv-00302, U.S. District Court in the Central District of California). In April 2013, Plaintiffs in the landmark mortgage-backed securities (MBS) class action litigation against Countrywide Financial Corporation and others, led by Lead Plaintiff, the Iowa Public Employees' Retirement System (IPERS), agreed to a \$500 million settlement. It is the nation's largest MBS-federal securities class action settlement. The settlement was approved in December 2013 and brings to a close the consolidated class action lawsuit brought in 2010 by multiple retirement funds against Countrywide and other defendants for securities violations involving the packaging and sale of MBS. The settlement is also one of the largest (top 20) class action securities settlements of all time.
- RALI MBS Litigation, (Civ. No. 08-8781, U.S. District Court for the Southern District of New York). In July 2015 On July 31, 2015, Judge Katherine Failla gave final approval to a \$235 million settlement with underwriters Citigroup Global Markets Inc., Goldman Sachs & Co., and UBS Securities LLC. She also approved a plan for distribution to investors of those funds as well as the previously approved \$100 million settlement with RALI, its affiliates, and the individual Defendants that was reached in in 2013. This global settlement marks an end to a long and complicated class action over MBS offerings that RALI and certain of its affiliates issued and sold to the New Jersey Carpenters Health Fund and other investors from 2006 through 2007. The case took seven years of intense litigation to resolve.

- Harborview MBS Litigation, (No. 08-5093, U.S. District Court for the Southern District of New York). In February 2014, Cohen Milstein reached a settlement with the Royal Bank of Scotland (RBS) in the Harborview MBS Litigation, resolving claims that RBS duped investors into buying securities backed by shoddy home loans. The \$275 million settlement is the fifth largest class action settlement in a federal MBS case. This case is one of eight significant MBS actions that Cohen Milstein has been named lead or co-lead counsel by courts and one of three that were nearly thrown out by the court, only to be revived in 2012.
- In Re Electronic Books Antitrust Litigation, (No. 11-md-02293, U.S. District Court for the Southern District of New York). In August 2014, a New York federal judge approved a \$400 million antitrust settlement in the hotly contested ebooks price-fixing suit against Apple Inc. Combined with \$166 million in previous settlements with five defendant publishing companies, consumers could receive more than \$560 million. The settlement resolves damages claims brought by a class of ebook purchasers and attorneys general from 33 U.S. states and territories.
- In re Beacon Associates Litigation (No. 09-cv-0777, United States District Court for the Southern District of New York). Class action settlement of \$219 million for trustees and participants in ERISA-covered employee benefit plans whose assets were lost through investments made on their behalf by Beacon Associates LLC I & II in the investment schemes of Bernard Madoff.
- In re Plasma-Derivative Protein Therapies Antitrust Litigation (No. 09 C 7666, United States District Court for the Northern District of Illinois). After four years of litigation, in October of 2013, CSL Limited, CSL Behring LLC, CSL Plasma, Inc. (collectively, "CSL"), and the Plasma Protein Therapeutics Association ("PPTA") agreed to pay \$64 million dollars to settle a lawsuit brought by the University of Utah Hospital and other health care providers alleging that CSL, the PPTA, and Baxter agreed between 2003-2009 to restrict the supply of immunoglobulin and albumin, and thereby increase the prices of those therapies. Two months later, Baxter International Inc. and Baxter Healthcare Corp. (collectively "Baxter") agreed to pay an additional \$64 million to settle these claims – bringing the total recovery to the class to \$128 million.
- Keepseagle v. Vilsack, Civil Action No. 1:99CV03119 (D.D.C.). A class of Native American farmers and ranchers allege that they have been systematically denied the same opportunities to obtain farm loans and loan servicing that have been routinely afforded white farmers by the USDA. A class was certified in 2001 by Judge Emmet Sullivan, District Judge for the U.S. District Court for the District of Columbia, and the D.C. Circuit declined USDA's request to review that decision. On October 19, 2010, the case reached a historic settlement, with the USDA agreeing to pay \$680 million in damages to thousands of Native American farmers and ranchers and forgive up to \$80 million worth of outstanding farm loan debt.
- In re Parmalat Securities Litigation, No. 04 MD 1653 (S.D.N.Y.). In this securities litigation case, Cohen Milstein has successfully negotiated two partial settlements totaling approximately \$90 million. At the second partial settlement hearing, Judge Lewis A. Kaplan remarked that plaintiffs counsel "did a wonderful job here for the class and were in all respects totally professional and totally prepared. I wish I had counsel this good in front of me in every case." Our clients, four large European institutional investors, were appointed as co-lead plaintiffs and we were appointed as co-lead counsel. Most

notably, this case allowed us the opportunity to demonstrate our expertise in the bankruptcy area. During the litigation, the company subsequently emerged from bankruptcy and we added "New Parmalat" as a defendant because of the egregious fraud committed by the now-bankrupt old Parmalat. New Parmalat strenuously objected and Judge Kaplan of the Southern District of New York ruled in the class plaintiffs' favor, a ruling which was affirmed on appeal. This innovative approach of adding New Parmalat enabled the class to obtain an important additional source of compensation, as we subsequently settled with New Parmalat.

- Dukes v. Wal-Mart Stores, Inc., No. C-01-2252 (N.D. Cal.). Cohen Milstein is co-lead counsel in this sex discrimination case. In 2004, the U.S. District Court certified a nationwide class action lawsuit for all female employees of Wal-Mart who worked in U.S. stores anytime after December 26, 1998. This was the largest civil rights class action ever certified against a private employer, including approximately 1.5 million current and former female employees. That ruling was appealed, and while affirmed by the Ninth Circuit, was reversed by the Supreme Court in June 2011. Cohen Milstein argued the case for the plaintiffs-respondents in the Supreme Court. Since then, the *Dukes* action has been amended to address only the Wal-Mart regions that include stores in California, and other regional class cases have been or are soon to be filed. This litigation to resolve the merits of the claims – whether Wal-Mart discriminates against its female retail employees in pay and promotions – continues.
- Rubin v. MF Global, Ltd. (08-CV-02233, S.D.N.Y.). Acting as co-lead counsel in this class action, the Firm represented the Central States, Southeast and Southwest Areas Pension Fund which was one of the co-lead plaintiffs in the case. In September 2010, as a result of Plaintiffs' decision to appeal, the U.S. Second Circuit Court of Appeals vacated in part the lower court's dismissal of the case and remanded the case for further proceedings. In overturning the District Court decision, the Second Circuit issued a decision which differentiated between a forecast or a forward looking statement accompanied by cautionary language -- which the Appellate Court said would be insulated from liability under the bespeaks caution doctrine -- from a factual statement, or non-forward-looking statement, for which liability may exist. Importantly, the Second Circuit accepted Plaintiffs' position that where a statement is mixed, the court can sever the forward-looking aspect of the statement from the non-forward looking aspect. The Court further stated that statements or omissions as to existing operations (and present intentions as to future operations) are not protected by the bespeaks caution doctrine. Mediation followed this decision and resulted in a settlement comprised of \$90 million in cash.
- Hughes v. Huron Consulting Group (09-CV-04734, N.D. Ill.). Cohen Milstein represented lead plaintiffs the Public School Teachers' Pension & Retirement Fund of Chicago and the Arkansas Public Employees Retirement System ("APERS") in this case against Huron Consulting Group, founded by former Arthur Anderson personnel following its collapse in the wake of the Enron scandal. In August 2010, the District Court for the Northern District of Illinois denied defendants' motions to dismiss in their entirety and upheld plaintiffs' allegations that defendants intentionally improperly accounted for acquisition-related payments, which allowed plaintiffs to move forward with discovery. The case was settled for \$40 million, comprised of \$27 million in cash and 474,547 shares in Huron common stock, with an aggregate value at the time of final approval in 2011 of approximately \$13 million.
- In re Lucent Technologies Securities Litigation, Civ. Action No. 00-621 (JAP) (D.N.J.). A settlement in this massive securities fraud class action was reached in late March 2003. The class portion of the settlement amounts to over \$500 million in cash, stock and warrants and ranks as the second largest securities class action settlement ever completed. Cohen Milstein represented one of the co-lead

plaintiffs in this action, a private mutual fund.

- Nate Pease, et al. v. Jasper Wyman & Son, Inc., et al., Civil Action No. 00-015 (Knox County Superior Court, Me.). In 2004, a state court jury from Maine found three blueberry processing companies liable for participating in a four-year price-fixing and non-solicitation conspiracy that artificially lowered the prices defendants paid to approximately 800 growers for wild blueberries. The jury ordered defendants Cherryfield Foods, Inc., Jasper Wyman & Son, Inc., and Allen's Blueberry Freezer, Inc. to pay \$18.68 million in damages, the amount which the growers would have been paid absent the defendants' conspiracy. After a mandatory trebling of this damage figure under Maine antitrust law, the total amount of the verdict for the plaintiffs is just over \$56 million. The Firm served as co-lead counsel.
- In re StarLink Corn Products, Liability Litigation, MDL No. 1403. (N.D. Ill.). Cohen Milstein successfully represented U.S. corn farmers in a national class action against Aventis CropScience USA Holding and Garst Seed Company, the manufacturer and primary distributor of StarLink corn seeds. StarLink is a genetically modified corn variety that the United States government permitted for sale as animal feed and for industrial purposes, but never approved for human consumption. However, StarLink was found in corn products sold in grocery stores across the country and was traced to widespread contamination of the U.S. commodity corn supply. The Firm, as co-lead counsel, achieved a final settlement providing more than \$110 million for U.S. corn farmers, which was approved by a federal district court in April 2003. This settlement was the first successful resolution of tort claims brought by farmers against the manufacturers of genetically modified seeds.
- Snyder v. Nationwide Mutual Insurance Company, No. 97/0633 (Sup. Ct. N.Y. Onondaga Cty.). Cohen Milstein served as one of plaintiffs' principal counsel in this case on behalf of persons who held life insurance policies issued by Nationwide through its captive agency force. The action alleged consumer fraud and misrepresentations. Plaintiffs obtained a settlement valued at more than \$85 million. The judge praised the efforts of Cohen Milstein and its co-counsel for having done "a very, very good job for all the people." He complimented "not only the manner" in which the result was arrived at, but also the "time ... in which it was done."
- Oncology & Radiation Associates, P.A. v. Bristol Myers Squibb Co., et al., No. 1:01CV02313 (D.D.C.). Cohen Milstein has been co-lead counsel in this case since its inception in 2001. Plaintiffs alleged that Bristol-Myers Squibb unlawfully monopolized the United States market for paclitaxel, a cancer drug discovered and developed by the United States government, which Bristol sells under the brand name Taxol. Bristol's scheme included a conspiracy with American BioScience, Inc., a generic manufacturer, to block generic competition. Cohen Milstein's investigation and prosecution of this litigation on behalf of direct purchasers of Taxol led to a settlement of \$65,815,000 that was finally approved by U.S. District Judge Emmet G. Sullivan on August 14, 2003 and preceded numerous Taxol-related litigations brought by the Federal Trade Commission and State Attorneys General offices.
- Kruman v. Christie's International PLC, et al., Docket No. 01-7309. A \$40 million settlement on behalf of all persons who bought or sold items through Christie's or Sotheby's auction houses in non-internet actions was approved in this action. Cohen Milstein served as one of three leading counsel on behalf of foreign plaintiffs. The Court noted that approval of the settlement was particularly appropriate, given the significant obstacles that faced plaintiffs and plaintiffs' counsel in the litigation. The settlement marked the first time that claims on behalf of foreign plaintiffs under U.S. antitrust laws

have been resolved in a U.S. court, a milestone in U.S. antitrust jurisprudence.

- Roberts v. Texaco, Inc., 94-Civ. 2015 (S.D.N.Y.). Cohen Milstein represented a class of African-American employees in this landmark litigation that resulted in the then-largest race discrimination settlement in history (\$176 million in cash, salary increases and equitable relief). The Court hailed the work of class counsel for, *inter alia*, “framing an imaginative settlement, that may well have important ameliorative impact not only at Texaco but in the corporate context as a whole ...”.
- Trotter v. Perdue Farms, Inc., Case No. 99-893 (RRM) (JJF) (MPT), D. Del. This suit on behalf of hourly workers at Perdue’s chicken processing facilities – which employ approximately 15,000 people – forced Perdue to pay employees for time spent “donning and doffing,” that is, obtaining, putting on, sanitizing and removing protective equipment that they must use both for their own safety and to comply with USDA regulations for the safety of the food supply. The suit alleged that Perdue’s practice of not counting donning and doffing time as hours worked violated the Fair Labor Standards Act and state law. In a separate settlement with the Department of Labor, Perdue agreed to change its pay practices. In addition, Perdue is required to issue retroactive credit under one of its retirement plans for “donning and doffing” work if the credit would improve employees’ or former employees’ eligibility for pension benefits. Cohen Milstein was co-lead counsel.

### Awards & Recognition

In 2016, Cohen Milstein is named to the National Law Journal's "Plaintiffs Hot List" for the fifth time in six years.

In 2016, Law360 names Cohen Milstein as one of the top firms for female attorneys.

In 2016, Cohen Milstein Partner Carol V. Gilden was selected as a 2016 Illinois Super Lawyer. She has been selected repeatedly since 2005.

In 2016, Law360 named Cohen Milstein Partner Julie Goldsmith Reiser one of the 25 Most Influential Women in Securities Law.

In 2015, Cohen Milstein Partner Steven J. Toll named a Law360 MVP in Securities Law.

In 2015, Law360 selects Cohen Milstein as the sole plaintiff firm to be selected in two "Practice Groups of the Year" categories and one of only five class action firms recognized.

In 2015, Cohen Milstein was named an Elite Trial Lawyer Firm by the National Law Journal for the second year in a row.

In 2015, Cohen Milstein is selected as a "Most Feared Plaintiffs Firm" by Law360 for the third year in a row.

In 2015, Partner Richard Koffman was named, for the fifth consecutive year, in the Legal 500 United States "Leading Lawyers" list under the category of "Litigation - Mass Tort and Class Action: Plaintiff Representation - Antitrust".

In 2015, Cohen Milstein Attorney Jeffrey Dubner was named a National Law Journal D.C. Rising Star.

In 2015, five Cohen Milstein Attorneys were named to the 2016 The Best Lawyers in America© list.

In 2015, Cohen Milstein's Denver office was named "Antitrust Law Firm of the Year – Colorado" by Global Law Experts.

In 2015, Partners Theodore J. Leopold and Leslie M. Kroeger and Of Counsel Attorney Stephan A. LeClainche were selected to the 2015 Florida Super Lawyers list and Adam J. Langino was selected to the Florida Rising Stars list.

In 2015, Cohen Milstein attorneys R. Joseph Barton, Andrew Friedman, Agnieszka Fryszman, Karen Handorf, Kit A. Pierson, Julie Reiser, Joseph M. Sellers, Linda Singer, Daniel A. Small, Daniel S. Sommers, Steven J. Toll and Christine E. Webber were selected as Washington DC Super Lawyers.

In 2015, Cohen Milstein attorneys Laura Alexander, Monya Bunch, S. Douglas Bunch, Joshua S. Devore, Jeffrey Dubner, Johanna Hickman, Kalpana Kotagal, Emmy Levens, and David Young were selected as Washington DC Rising Stars by Super Lawyers.

In 2015, for the fourth time in five years, Cohen Milstein was selected to the *National Law Journal Plaintiffs' Hot List*

In 2015, Cohen Milstein Partner Carol V. Gilden was selected as "Pension Funds Litigation Attorney of the Year in Illinois" for the second year in a row by the Corporate INTL Legal Awards.

In 2014, Cohen Milstein's Antitrust Practice was selected as a Practice Group of the Year by Law360.

In 2014, Cohen Milstein Partner Kit Pierson was selected as an MVP by Law360.

In 2014, Cohen Milstein was named a "**Most Feared Plaintiffs Firm**" by Law360 for the second year in a row.

In 2014, Cohen Milstein was selected as an **Elite Trial Lawyer** firm by the National Law Journal.

Cohen Milstein Partners Steven J. Toll, Joseph M. Sellers, Kit A. Pierson, and Agnieszka M. Fryszman Selected to the **2014 Lawdragon 500**.

Joseph M. Sellers, Theodore J. Leopold, and Leslie M. Kroeger Make "**Best Lawyers'** List" for 2015.

Released in 2014, the 2013 SCAS 50 Report on Total Securities Class Action Settlements once again ranked Cohen Milstein as a top firm.

In 2014, Theodore J. Leopold, a partner at Cohen Milstein, was been selected to the Top 100 Miami Florida Super Lawyers list. Partner Leslie M. Kroeger was selected to the **2014 Florida Super Lawyers** list and Diana L. Martin was selected to the **Florida Rising Stars** list.

In 2014, Cohen Milstein attorneys Leslie M. Kroeger and Adam J. Langino were both recognized in the 2014 edition of **Florida Trend's Florida Legal Elite™**. Kroeger is recognized as Legal Elite and Langino is listed as an Up-and-Comer.

In 2014, Cohen Milstein was selected to the selected to the **National Law Journal's Midsize Hot List**.

In 2014, Cohen Milstein was recognized as a "**Highly Recommended Washington, DC Litigation Firm**" by Benchmark Plaintiff: The Definitive Guide to America's Leading Plaintiff Firms and Attorneys.

In 2014, Cohen Milstein was ranked as a **Leading Plaintiff Class Action Antitrust Firm in the United States by the Legal 500** for the sixth year in a row.

In 2014, Partner Richard Koffman was named, for the fourth consecutive year, in the Legal 500 United States "**Leading Lawyers**" list under the category of "Litigation - Mass Tort and Class Action: Plaintiff Representation - Antitrust".

In 2014, Cohen Milstein attorneys Christopher Cormier, Agnieszka Fryszman, Julie Goldsmith Reiser, Joseph Sellers, Daniel Sommers, and Steven Toll were recognized as **Local Litigation Stars** by Benchmark Plaintiff: The Definitive Guide to America's Leading Plaintiff Firms and Attorneys.

In 2014, Cohen Milstein attorneys R. Joseph Barton, Andrew Friedman, Agnieszka Fryszman, Karen Handorf, Kit A. Pierson, Julie Reiser, Joseph M. Sellers, Linda Singer, Daniel A. Small, Daniel S. Sommers, Steven J. Toll and Christine E. Webber were selected as **Washington DC Super Lawyers**.

In 2014, Cohen Milstein attorneys Laura Alexander, Monya Bunch, S. Douglas Bunch, Joshua S. Devore, Jeffrey Dubner, Johanna Hickman, Joshua Kolsky, Kalpana Kotagal, Emmy Levens, Michelle Yau and David Young were selected as **Washington DC Rising Stars** by Super Lawyers.

In 2014, Cohen Milstein Partner Carol V. Gilden was selected as the Illinois Pension Fund Attorney of the Year.

In 2014, Best Lawyers named Cohen Milstein Partner Joseph Sellers D.C. Litigation - Labor & Employment Lawyer of the Year.

In 2013, for the third-year in a row, Cohen Milstein was selected to the *National Law Journal* **Plaintiffs' Hot List**.

In 2013, Cohen Milstein was named a "**Most Feared Plaintiffs Firm**" by Law360.

In 2013, Cohen Milstein was ranked as a Leading Plaintiff Class Action Antitrust Firm in the United States by the Legal 500 for the fifth year in a row.

In 2013, Cohen Milstein attorneys Joseph Barton, Andrew Friedman, Agnieszka Fryszman, Karen Handorf, Kit A. Pierson, Julie G. Reiser, Joseph M. Sellers, Daniel A. Small, Daniel S. Sommers, Steven J. Toll, and Christine E. Webber were selected as **Washington DC Super Lawyers**.

In 2013, Cohen Milstein attorneys Joshua Devore and Michelle Yau were selected as **Washington DC Rising Stars** by Super Lawyers.

In 2012, for the second-year in a row, Cohen Milstein was selected to the *National Law Journal* **Plaintiffs' Hot List**.

In 2012, Cohen Milstein was the recipient of the Judith M. Conti Pro Bono Law Firm of the Year Award from the Employment Justice Center.

In 2012, Cohen Milstein was recognized as a "Highly Recommended Washington, DC Litigation Firm" by Benchmark Plaintiff: The Definitive Guide to America's Leading Plaintiff Firms and Attorneys.

In 2012, Cohen Milstein was ranked as a top firm by the 2011 SCAS Report on Total Securities Class Action Settlements.

In 2012, Cohen Milstein was ranked as a Leading Plaintiff Class Action Antitrust Firm in the United States by the Legal 500 for the fourth year in a row.

In 2012, Partner Joseph M. Sellers was selected as a **Washington DC Super Lawyer**. Mr. Sellers was also selected for this prestigious award in 2007, 2008, 2009, 2010, and 2012.

In 2012, Partner Steven J. Toll was selected as a **Washington DC Super Lawyer**. Mr. Toll was also selected for this prestigious award in 2007, 2009, 2010, and 2011.

In 2012, Partner Daniel S. Sommers was selected as a **Washington DC Super Lawyer**. Mr. Sommers was also selected for this prestigious award in 2011.

In 2012, Partner Christine E. Webber was selected as a **Washington DC Super Lawyer**. Ms. Webber was also selected for this prestigious award in 2007.

In 2012, Partner Agnieszka M. Fryszman was selected as a **Washington DC Super Lawyer**.

In 2012, Partner Kit A. Pierson was selected as a **Washington DC Super Lawyer**.

In 2011, Cohen Milstein was selected to the *National Law Journal* **Plaintiffs' Hot List**.

In 2011, Partner Joseph M. Sellers was selected as a "**Visionary**" by *The National Law Journal*.

In 2011, Partner J. Douglas Richards, Of Counsel Joel Laitman, and Of Counsel Christopher Lometti were selected as **New York - Metro Super Lawyers**.

In 2011, Partner Joseph M. Sellers and the *Keepseagle v. Vilsack* team were selected as a finalist for the **2011 Trial Lawyer of the Year Award** from the Public Justice Foundation.

In 2011, **Cohen Milstein was ranked as a Leading Plaintiff Class Action Antitrust Firm in the United States** by the Legal 500 for the third year in a row.

In 2011, Partners Steven Toll, Joseph Sellers, and Daniel Sommers were selected as **Washington DC Super Lawyers**. Partner J. Douglas Richards, Of Counsel Joel Laitman and Christopher Lometti were selected as **New York - Metro Super Lawyers**. Partner Carol Gilden was selected as an **Illinois Super Lawyer**.

In 2011, Cohen Milstein was a recipient of *The National Law Journal's* **Pro Bono Award**. The Firm was named one of the "six firms that best reflect the pro bono tradition."

In 2010, Partner Joseph M. Sellers was selected as one of "**The Decade's Most Influential Lawyers**" by *The National Law Journal*.

In 2010, Partner Steven J. Toll was named one of Law360's "**Most Admired Attorneys**".

In 2010, Partner Andrew N. Friedman was selected as a **Washington DC Super Lawyer**.

In 2010, Partner Linda Singer was selected as one of "**Washington's Most Influential Women Lawyers**" by *The National Law Journal*.

In 2010, Partner Agnieszka M. Fryszman was selected as a finalist for the **Trial Lawyer of the Year Award** from the Public Justice Foundation.

In 2010, Partners Joseph M. Sellers and Agnieszka M. Fryszman were both selected as one of the **Lawdragon 500 Leading Lawyers in America**.

In 2010, Cohen Milstein was once again ranked as a **Leading Plaintiff Class Action Antitrust Firm in the United States** by the Legal 500.

In 2009, Partner Steven J. Toll was named a **Top Attorney in Corporate Litigation for Securities Litigation** by Super Lawyers.

In 2009, Partners Joseph M. Sellers and Christine E. Webber were named as **Top Washington Lawyers** by the Washingtonian Magazine.

In 2009, Cohen Milstein was recognized as **one of the top 50 law offices in Washington D.C. for diversity efforts.**

In 2009, Cohen Milstein was nominated for the prestigious **Class Action Law Firm of the Year** award by Global Pensions magazine for the third year in a row.

Cohen Milstein ranked as a **2009 Leading Plaintiff Class Action Antitrust Firm in the United States** by *The Legal500*.

The **2008 SCAS Report on Total Securities Class Action Settlements** ranked Cohen Milstein as a top firm for the second year in a row.

In 2008, Cohen Milstein was nominated for the prestigious **Class Action Law Firm of the Year** award by Global Pensions magazine for the second year in a row.

In 2008, Managing Partner Steven J. Toll was named one of Lawdragon's **100 Lawyers You Need to Know in Securities Litigation.**

In 2008, Steven J. Toll and Joseph M. Sellers were both named as one of Lawdragon's **"500 Leading Lawyers in America."**

**500 Leading Plaintiffs' Lawyers in America**

Lawdragon

January-February, 2007

**Top Antitrust Plaintiffs' Firm**

Competition Law 360

February 14, 2007

Cohen Milstein named #1

**Beacon of Justice Award** - For Cohen Milstein's work on the Guantanamo cases.

From the National Legal Aid and Defender Association

Summer 2007

**Fierce Sister Award** - For Cohen Milstein's work on the comfort woman case.

Summer 2007

**Attorney Profiles – Partners**

**Steven J. Toll**

Steven J. Toll is Managing Partner at Cohen Milstein, a member of the Executive Committee, and Co-Chair of the firm's Securities Fraud & Investor Protection practice group. In this role, Mr. Toll guides the firm's mediation efforts and strategy, and has been lead or principal counsel on some of the most high-profile stock fraud lawsuits in the past 30 years, arguing important matters before the highest courts in the land.

Mr. Toll has built a distinguished career and reputation as a fierce advocate of the rights of shareholders and has guided mediation efforts on the firm's largest and most important matters (both securities fraud and other consumer type cases), a role in which he has earned the trust of mediators, as well as the respect of defense counsel. Mr. Toll has been involved in settling some of the most important mortgage-backed securities (MBS) class-action lawsuits in the aftermath of the financial crisis, including: Countrywide Financial Corp., which settled for \$500 million in 2013; Residential Accredited Loans Inc. (RALI), which settled for \$335 million in 2014; and the Harborview MBS suit, which settled for \$275 million. He also negotiated a \$90 million settlement of a suit against MF Global.

Among Mr. Toll's current matters is the Harman class action suit, where Mr. Toll argued and won an important ruling from the U.S. Court of Appeals for the District of Columbia Circuit. The Circuit Court reinstated the suit against electronics maker Harman International Industries; the ruling is significant in that it places limits on the protection allowed by the safe harbor rule for forward-looking statements.

Currently, Mr. Toll is also co-lead counsel in the BP Securities class action securities fraud lawsuit that arose from the devastating Deepwater oil spill in the Gulf of Mexico. The Fifth Circuit Court of Appeals recently affirmed the certification of the class of investors alleged to have been injured by BP's misrepresenting the amount of oil spilling into the Gulf of Mexico, and thus minimizing the extent of the cost and financial impact to BP of the clean up and resulting damages.

Mr. Toll is co-lead counsel in the consumer class action suit against Lumber Liquidators, a lawsuit that alleges the nationwide retailer sold Chinese-made laminate flooring containing hazardous levels of the carcinogen formaldehyde while falsely labeling their products as meeting or exceeding California emissions standards, a story that was profiled twice on 60 Minutes in 2015.

Mr. Toll is also leading Cohen Milstein's efforts in a \$400 million derivative shareholder suit brought against the directors and officers of Bank Leumi, an Israeli bank, asserting that bank officers violated their fiduciary duties in conspiring to aid American taxpayers in hiding income from the IRS.

Mr. Toll has provided a great deal of pro bono legal work during a career at Cohen Milstein that spans more than three decades. In addition, he has been an active supporter of Children's Hospital National Medical Center for decades, setting up an endowment in his daughter's name to help the Hospital's leukemia patients and their families (his daughter passed away from leukemia in 1987), plus more recently establishing regular programs for music and laughter for the children during their hospital stays. He and his family also founded Lolly's Locks, a nonprofit organization that provides high-quality wigs to women cancer patients suffering from hair loss as a side effect of chemotherapy. Lolly's Locks was established in memory of Mr. Toll's late wife, Lolly, who passed away in 2012, after a 15-month battle with cancer.

Mr. Toll is a graduate of the Wharton School of the University of Pennsylvania, earning a B.S. cum laude, and received his J.D. from Georgetown University Law Center, where he was Special Project Editor of *The Tax Lawyer*. His name has appeared regularly on Law360's annual lists of MVP's, Leading Attorneys, and Most Admired Attorneys.

#### **Carol V. Gilden**

Carol V. Gilden is a Partner in the Securities Litigation & Investor Protection Practice Group at Cohen Milstein. She represents public pension funds, Taft-Hartley pension and health and welfare funds, and other institutional investors in securities class actions, transaction and derivative litigation, and individual actions, as well as in foreign securities litigation. She also litigates other types of complex litigation matters and class action cases in state and federal courts nationwide.

Ms. Gilden began her career at the Securities and Exchange Commission (SEC), in the Enforcement Division, spending five years investigating and litigating cases involving securities fraud. Prior to joining Cohen Milstein in 2007, Ms. Gilden served as the head of the securities class action practice at a prominent mid-sized Chicago law firm and the vice chair of its class action department. Ms. Gilden's guiding principle is that those who commit fraud on the financial markets should be held accountable. She is a strong advocate for investors and pension funds who have been defrauded by deceptive practices that permeate the financial markets. Her special focus is on complex litigation calling for strategic thinking, tenacity and the ability to persevere through the many stages of litigation. Over the course of her 30-year career in the profession, she has successfully litigated and worked on cases that have resulted in aggregate recoveries in excess of several billion dollars for investors.

Ms. Gilden is an accomplished litigator, with extensive experience handling all phases in a case, including investigative, motion practice (lead plaintiff motions, motions to dismiss, class certification and summary judgment), discovery (fact and expert), oral argument, appeal, and settlement negotiations. She has been lead and co-lead counsel in many notable matters, including the *MF Global* litigation (\$90 million settlement), a precedent-setting case in which the U.S. Court of Appeals for the Second Circuit sided with the plaintiffs and held that companies cannot make false or misleading statements in their offering documents, and then hide behind risk disclosures related to those facts in their attempt to escape liability. The *National Law Journal* singled out Ms. Gilden's work on the case in connection with its selection of Cohen Milstein as a Hot Plaintiffs' Firm for that year.

Another notable case in which Ms. Gilden served as lead counsel, the *IntraLinks* Litigation, was one of the first securities class actions to be certified following the Supreme Court's decision in *Halliburton II*. That case was successfully resolved for \$14 million. Other recent cases that she has led and which have been successfully resolved, include the *Huron* Securities Litigation (\$40 million settlement), the *ITT Securities Litigation* (\$16.96 million settlement) and *In re RehabCare Group, Inc. Shareholders Litigation*, where Ms. Gilden was co-lead counsel and settled the case for a cash payment to shareholders and significant deal reforms including enhanced disclosures and an amended merger agreement.

Ms. Gilden has been on the Executive Committee of other high-profile cases, including the *Global Crossing Securities Litigation* (settlements of \$448 million) and the *Merrill Lynch Analyst* cases (\$125 million settlement), as well as on the litigation team of the *Waste Management Litigation* (\$220 million settlement). Under her leadership, her former firm was an active member of the litigation teams in the *AOL Time Warner Securities litigation* (\$2.5 billion settlement), *CMS Securities Litigation* (\$200 million settlement) and

the *Salomon Analyst Litigation/In re AT&T* (\$75 million settlement). Further, Ms. Gilden was lead counsel in an opt-out securities litigation action in connection with the McKesson/HBOC merger, *Pacha, et al. v. McKesson Corporation, et al.*, which settled for a substantial, confidential sum.

Ms. Gilden has earned the trust of her clients who know she will go to the mat for them, from start to finish in their cases. She draws respect from colleagues as well as adversaries who perennially have placed her in the highest ranks of the profession, including being named an Illinois Super Lawyer repeatedly over the last 10 years, "Pension Fund Attorney of the Year, Illinois" by the Global Corporate International Magazine in 2014 and 2015 and being recognized for Excellence in Law by the Worldwide Registry. She has been featured on the cover of the Chicago Lawyer in connection with a feature article on securities class actions. She is a much sought-after speaker at legal and pension fund conferences and has been frequently quoted in the national media on market scandals, recent developments and trends in securities law and high profile securities fraud cases.

Ms. Gilden is currently representing the Chicago Public School Teachers' Pension Fund, along with other institutions, in a high profile lawsuit charging 12 Wall Street banks with conspiring to engineer and maintain a collusive and anti-competitive stranglehold over the market for interest rate swaps in violation of the antitrust laws—an action that harms investors in one of the world's biggest financial markets. She also is representing the Cleveland Bakers and Teamsters Pension and Health and Welfare Funds and other institutions in another, high profile antitrust action alleging that two dozen financial institutions with an inside role at the auction for United States Treasuries conspired to manipulate yields and prices to their own benefit.

In addition, Ms. Gilden serves as co-lead counsel in *City of Chicago v. Hotels.com, et al*, a high-profile and much-watched lawsuit in Cook County Circuit Court, alleging that online travel companies, Expedia, Hotels.com, Orbitz, Priceline and Travelocity failed to properly remit hotel taxes to the City of Chicago for hotel bookings. Ms. Gilden has argued and won numerous motions at the trial level on behalf of the City of Chicago, including the parties' cross motions for summary judgment, which involved six days of argument on liability and another half day of argument on damages. Settlements have been obtained from three of the four defendant groups. A judgment has been entered in the case on behalf of the City of Chicago for approximately \$29 million against the remaining defendant group, Expedia. The case is currently on appeal.

Ms. Gilden served as the first (and to this day, only) woman President of the National Association of Shareholder and Consumer Attorneys, the preeminent trade association for securities class action attorneys, as well as the organization's first woman Treasurer. As President of NASCAT, Ms. Gilden made repeated visits to Capitol Hill advocating for strong investor protection. . She also engaged in outreach to the institutional investor community on needed reforms to reverse the erosion of investor rights. Under Ms. Gilden's leadership, NASCAT also filed amicus briefs in connection with major securities cases before the Supreme Court and other courts. Prior to becoming President, she served as the President-Elect. She continues to serve on NASCAT's Executive Committee.

Ms. Gilden was selected to serve on the Corporate Governance and Markets Advisory Councils to the Board of Directors for the Council for Institutional Investors (CII) during 2013-2015. CII is a nonprofit association of pension and other employee benefits funds, endowments and foundations and a voice for effective corporate governance and strong shareholder rights.

Ms. Gilden regularly lectures at legal conferences around the country on securities litigation and class action law, and is a frequent speaker at institutional investor conferences and symposiums regarding securities law developments, shareholder rights and regulatory reform. She has authored and co-authored numerous scholarly articles and course materials on securities fraud cases, class actions, derivative litigation and related topics.

Ms. Gilden attended the University of Illinois, earning a B.S. in Business Administration, and received her J.D. from Chicago-Kent College of Law, where she graduated with honors and was a member of the *Chicago-Kent Law Review*.

# **Exhibit 6**

***VAN NOPPEN, ET AL. V. INNERWORKINGS, INC., ET AL.***  
**Case No. 1:14-cv-01416 (N.D. Ill.)**

**SUMMARY OF LODESTARS AND EXPENSES**

<b>FIRM</b>	<b>HOURS</b>	<b>LODESTAR</b>	<b>EXPENSES</b>
Labaton Sucharow LLP	2,338	\$1,469,556.00	\$124,413.33
Cohen Milstein Sellers & Toll PLLC	86	\$73,170.00	\$122.10
<b>TOTALS</b>	<b>2,424</b>	<b>\$1,542,726.00</b>	<b>\$124,535.43</b>

# **Exhibit 7**

	Count	Low		25th Percentile		Median		75th Percentile		High	
		Rate	(%Diff.)	Rate	(%Diff.)	Rate	(%Diff.)	Rate	(%Diff.)	Rate	(%Diff.)
<b>All Partners</b>											
All Firms Sampled	206	\$675	(-12%)	\$876	(+8%)	\$975	(+15%)	\$1,102	(+19%)	\$1,400	(+44%)
Labaton Sucharow LLP	23	\$765		\$813		\$850		\$925		\$975	
<b>Senior Partners</b>											
All Firms Sampled	141	\$700	(-8%)	\$900	(+9%)	\$975	(+5%)	\$1,125	(+22%)	\$1,400	(+44%)
Labaton Sucharow LLP	19	\$765		\$825		\$925		\$925		\$975	
<b>Mid-Level Partners</b>											
All Firms Sampled	23	\$675	(-16%)	\$848	(+6%)	\$895	(+12%)	\$955	(+18%)	\$1,245	(+51%)
Labaton Sucharow LLP	3	\$800		\$800		\$800		\$813		\$825	
<b>Junior Partners</b>											
All Firms Sampled	23	\$700	(-13%)	\$825	(+3%)	\$880	(+10%)	\$915	(+14%)	\$995	(+24%)
Labaton Sucharow LLP	1	\$800		\$800		\$800		\$800		\$800	
<b>Of Counsel</b>											
All Firms Sampled	53	\$500	(+0%)	\$695	(+18%)	\$778	(+12%)	\$875	(+13%)	\$1,125	(+41%)
Labaton Sucharow LLP	11	\$500		\$588		\$695		\$775		\$800	

	Count	Low Rate (%Diff.)	25th Percentile Rate (%Diff.)	Median Rate (%Diff.)	75th Percentile Rate (%Diff.)	High Rate (%Diff.)
<b>All Associates</b>						
All Firms Sampled	320	\$225 (-44%)	\$480 (+4%)	\$585 (+15%)	\$725 (+32%)	\$875 (+25%)
Labaton Sucharow LLP	29	\$400	\$460	\$510	\$550	\$700
<b>Senior Associates</b>						
All Firms Sampled	53	\$395 (-1%)	\$650 (+18%)	\$730 (+26%)	\$780 (+19%)	\$850 (+21%)
Labaton Sucharow LLP	12	\$400	\$550	\$580	\$654	\$700
<b>Mid-Level Associates</b>						
All Firms Sampled	104	\$325 (-26%)	\$508 (+9%)	\$635 (+34%)	\$710 (+39%)	\$845 (+61%)
Labaton Sucharow LLP	14	\$440	\$464	\$475	\$510	\$525
<b>Junior Associates</b>						
All Firms Sampled	88	\$225 (-44%)	\$449 (+9%)	\$480 (+13%)	\$531 (+25%)	\$695 (+64%)
Labaton Sucharow LLP	3	\$400	\$413	\$425	\$425	\$425
<b>Paralegals</b>						
All Firms Sampled	117	\$112 (-64%)	\$230 (-26%)	\$280 (-10%)	\$320 (+3%)	\$495 (+32%)
Labaton Sucharow LLP	13	\$310	\$310	\$310	\$310	\$375