

COPY

1 ROBBINS GELLER RUDMAN
& DOWD LLP
2 THEODORE J. PINTAR (131372)
JAMES I. JACONETTE (179565)
3 655 West Broadway, Suite 1900
San Diego, CA 92101
4 Telephone: 619/231-1058
619/231-7423 (fax)
5 tedp@rgrdlaw.com
jamesj@rgrdlaw.com

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ORIGINAL FILED**
Superior Court of California
County of Los Angeles

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Sheri R. Carter, Executive Officer/Clerk of Court

6 BOTTINI & BOTTINI, INC.
7 FRANCIS A. BOTTINI, JR. (175783)
ALBERT Y. CHANG (296065)
8 YURY A. KOLESNIKOV (271173)
7817 Ivanhoe Avenue, Suite 102
9 La Jolla, CA 92037
Telephone: 858/914-2001
10 858/914-2002 (fax)
fbottini@bottinilaw.com
11 achang@bottinilaw.com
ykolesnikov@bottinilaw.com

BLOCK & LEVITON LLP
JOEL A. FLEMING (281264)
JACOB A. WALKER (271217)
260 Franklin Street, Suite 1860
Boston, MA 02110
Telephone: 617/398-5600
617/507-6020 (fax)
joel@blockesq.com
jake@blockesq.com

12 *Attorneys for Plaintiffs Chenghsin D.
Hsieh and Wei C. Hsieh*

Attorneys for Plaintiff Joseph Iuso

13 [Additional counsel appear on signature page.]

14 SUPERIOR COURT OF THE STATE OF CALIFORNIA
15 COUNTY OF LOS ANGELES

16 Coordination Proceeding)
Special Title Rule (3.550))
17)
18 SNAP INC. SECURITIES CASES)

Case No. JCCP 4960
PLAINTIFFS' REPLY IN FURTHER
SUPPORT OF MOTION FOR: (1) FINAL
APPROVAL OF CLASS ACTION
SETTLEMENT AND APPROVAL OF PLAN
OF ALLOCATION; AND (2) AN AWARD OF
ATTORNEYS' FEES AND EXPENSES AND
AWARD TO PLAINTIFFS PURSUANT TO
15 U.S.C. §77z-1(a)(4)

19 This Document Relates To:
20 ALL ACTIONS.
21)

JUDGE: Honorable Elihu M. Berle
DATE: February 25, 2021
TIME: 9:00 a.m.
DEPT: 6

Coordinated Actions:

Hsieh, et al. v. Snap Inc., et al., No. BC669394,
CA Super. Ct., Cnty. of Los Angeles
Iuso v. Snap Inc., et al., No. 17CIV03710,
CA Super. Ct., Cnty. of San Mateo

28 PLAINTIFFS' REPLY IN FURTHER SUPPORT OF MOTION FOR: (1) FINAL APPROVAL OF CLASS ACTION
SETTLEMENT AND APPROVAL OF PLAN OF ALLOCATION; AND (2) AN AWARD OF ATTORNEYS' FEES
AND EXPENSES AND AWARD TO PLAINTIFFS PURSUANT TO 15 U.S.C. §77z-1(a)(4)

1 Plaintiffs¹ Joseph Iuso, Chenghsin D. Hsieh and Wei C. Hsieh respectfully submit this reply in
2 further support of the Motion for: (1) Final Approval of Class Action Settlement and Approval of Plan
3 of Allocation; and (2) an Award of Attorneys' Fees and Expenses and Award to Plaintiffs Pursuant to
4 15 U.S.C. §77z-1(a)(4).

5 **I. Introduction**

6 The proposed Settlement provides for an all-cash payment of \$32,812,500 and is a very good
7 result for the Settlement Class. As set forth in Plaintiffs' opening papers, filed December 24, 2020, the
8 Settlement and Plan of Allocation easily satisfy all relevant factors. Plaintiffs' Counsel's motion for an
9 award of attorneys' fees, expenses and payment to Plaintiffs pursuant to 15 U.S.C. §77z-1(a)(4)
10 similarly established that such request is reasonable under the applicable factors, including the
11 exceptional result and the work performed by Plaintiffs' Counsel, the significant risks presented by this
12 litigation and that the fee request is in line with awards in similar actions. The only factor that requires
13 updating in this reply memorandum is the reaction of members of the Settlement Class.

14 Notice of the proposed Settlement, Plan of Allocation and Plaintiffs' Counsel's anticipated fee
15 and expense request to the Settlement Class was robust. Pursuant to the Court's November 12, 2020
16 Order Preliminarily Approving Settlement and Providing for Notice (the "Notice Order"), the Claims
17 Administrator, JND Legal Administration ("JND"), commenced mailing the Court-approved Postcard
18 Notice (Stipulation, Ex. A-1) to 824,038 potential Settlement Class Members and nominees on
19 November 25, 2020. *See* previously-filed Declaration of Luiggy Segura Regarding (A) Dissemination
20 of Postcard Notice, Notice and Claim Form; (B) Establishment of Call Center Services and Settlement
21 Website; (C) Posting of Notice and Claim Form on Settlement Website; (D) Publication/Transmission
22 of Summary Notice; and (E) Report on Requests for Exclusion Received to Date ("Initial Segura
23 Declaration"), ¶5; Supplemental Declaration of Luiggy Segura Regarding (A) Dissemination of
24 Postcard Notice, Notice and Claim Form; (B) Update of Call Center Services and Settlement Website;

25 _____
26 ¹ Unless otherwise defined herein, all capitalized terms have the meanings ascribed to them in the
27 Amended Stipulation of Settlement dated October 13, 2020 (the "Stipulation"), or in the previously-
filed Joint Declaration in Support of Plaintiffs' Unopposed Motion for Preliminary Approval of Class
Action Settlement, dated April 27, 2020 ("Joint Decl.").

1 and (C) Report on Requests for Exclusion Received to Date (“Supplemental Segura Declaration”), ¶3,
2 filed herewith. In addition, for the duration of 60 days JND ran an intensive social media campaign
3 utilizing the Notice Ads (Stipulation, Ex. A-4), as well as publishing the Summary Notice (Stipulation,
4 Ex. A-3) in *Investor’s Business Daily* and *The Wall Street Journal*, and transmitting it over the
5 *PRNewswire* on November 30, 2020. Initial Segura Declaration, ¶12. The dedicated Settlement
6 website (www.SnapSecuritiesLitigation.com) was updated, and relevant documents and dates were
7 posted thereon. *Id.*, ¶¶15-16; Supplemental Segura Declaration, ¶7.

8 The Postcard Notice, long-form Notice (Stipulation, Ex. A-2) and Settlement website each
9 advised Settlement Class Members of the January 25, 2021 deadline for requesting exclusion from the
10 Settlement Class and for filing objections to the proposed Settlement, the Plan of Allocation, and/or the
11 requested attorneys’ fees and expenses, including awards to the Plaintiffs. The deadlines have now
12 passed, and only 7 timely requests for exclusion from the Settlement Class were received and only two
13 objections to the Settlement and Plan of Allocation (none to the fee and expense request) were
14 submitted. The favorable reaction of the members of the Settlement Class further supports the
15 reasonableness of the Settlement, the Plan of Allocation, and Plaintiffs’ Counsel’s fee and expense
16 request. *See Nat’l Rural Telecomms. Coop. v. DIRECTV, Inc.*, 221 F.R.D. 523, 529 (C.D. Cal. 2004)
17 (absence of large number of objections raises a strong presumption that settlement is fair to the class).

18 **II. The Two Objections to the Settlement and Plan of Allocation Should Be**
19 **Overruled**

20 The positive reaction of the Settlement Class to the Settlement is a factor to be weighed in
21 considering its adequacy. *Dunk v. Ford Motor Co.*, 48 Cal. App. 4th 1794, 1802 (1996) (one of the
22 factors leading to a presumption that the settlement is fair, reasonable and adequate is that the
23 “percentage of objectors is small”); *7-Eleven Owners for Fair Franchising v. Southland Corp.*, 85 Cal.
24 App. 4th 1135, 1152-53 (2000) (finding that the response of class members was “overwhelmingly
25 positive” where “[a] mere 80 of the 5,454 national class members elected to opt out” and nine objected).
26 Moreover, the fact that only one Settlement Class Member objected to the Plan of Allocation supports
27

1 its approval. *Class Plaintiffs v. City of Seattle*, 955 F.2d 1268, 1284-85 (9th Cir. 1992) (confirming
2 district court’s approval of plan of allocation as fair, reasonable and adequate over one objection).

3 Similarly, the fact that not one Settlement Class Member objected to Plaintiffs’ Counsel’s
4 request for attorneys’ fees, expenses and payments to Plaintiffs for their efforts in representing the
5 Settlement Class weighs in favor of approval of their request. *See, e.g., In re Omnivision Techs., Inc.*,
6 559 F. Supp. 2d 1036, 1048 (N.D. Cal. 2008) (noting that class members’ reaction may be “a
7 determining factor in . . . determining the fee award” and holding that this factor supported the
8 requested award where no objection “raised any concern about the amount of the fee”); *In re Immune*
9 *Response Sec. Litig.*, 497 F. Supp. 2d 1166, 1177 (S.D. Cal. 2007) (“the lack of objection from any
10 Class Member supports the attorneys’ fees award”); *In re Heritage Bond Litig.*, No. 02-ML-1475-DT
11 (RCX), 2005 WL 1594389, at *16 (C.D. Cal. June 10, 2005) (concluding “that the lack of significant
12 objections to the requested fees” justified the requested award). The lack of any objection to Plaintiffs’
13 request for an award under 15 U.S.C. §77z-1(a)(4) also supports the approval of that request. *See*
14 *Omnivision*, 559 F. Supp. 2d at 1049 (finding it “appropriate to reimburse Lead Plaintiffs for their
15 reasonable costs and expenses” where “[t]he Notice adequately informed all potential Class Members
16 that the Lead Plaintiffs would seek to recover these costs, and no one objected”).

17 In particular, the absence of any objections from institutional investors, who possessed ample
18 means and incentive to object to any aspect of the Settlement or fee and expense request, if they deemed
19 them unsatisfactory, is further evidence of their fairness. *See, e.g., In re Facebook, Inc. IPO Sec. &*
20 *Derivative Litig.*, No. C-07-5944-JST, 343 F. Supp. 3d 394, 410 (S.D.N.Y. 2018) (“That not one
21 sophisticated institutional investor objected to the Proposed Settlement is indicia of its fairness.”); *In re*
22 *Cathode Ray Tube (CRT) Antitrust Litig.*, No. C-07-5944-JST, 2017 WL 2481782, at *4 (N.D. Cal.
23 June 8, 2017) (absence of any entity objection supports “the inference that the class approves of the
24 settlement is even stronger”).

25 Here, only two Settlement Class Members objected – one to the Settlement and Plan of
26 Allocation and the other only to the Settlement. Douglas Davis (“Davis”) submitted a letter contending
27 that the Settlement Amount and Plan of Allocation were inadequate and Shaun C. submitted an email

1 contending that his shares of Snap should be replaced. Supplemental Segura Declaration, Ex. C. Both
2 objections should be overruled.

3 As a procedural matter, objector Shaun C. fails to establish that he is a member of the Settlement
4 Class. He describes his purchases as “up to 5-10 shares during a six month period,” but without some
5 “documentation establishing membership in the Settlement Class,” as required in the long-form Notice
6 (Stipulation, Ex. A-2 at 19) and the Notice Order (¶10), Shaun C’s objection is invalid. *See In re*
7 *Hydroxycut Mktg. & Sales Practices Litig.*, No. 09md2087 BTM(KSC), 2013 WL 5275618, at *2 (S.D.
8 Cal. Sept. 17, 2013) (objectors have the “burden of establishing that they are class members and
9 therefore have standing to object to the proposed class settlement”); *Heffler v. Wells Fargo & Co.*, No.
10 16-cv-05479-JST, 2018 WL 6619983, at *9 (N.D. Cal. Dec. 18, 2018) (noting “[t]he Court could reject
11 the[] objections on this basis . . .”).²

12 Both objections similarly fail on the merits. Plaintiffs’ opening papers establish that both the
13 Settlement and Plan of Allocation are fair, reasonable and adequate and satisfy all of the relevant factors
14 set out in *Dunk v. Ford Motor Co.*, 48 Cal. App. 4th 1794, 1801(1996). *See* previously-filed Plaintiffs’
15 Memorandum of Points and Authorities in Support of Motion for Final Approval of Class Action
16 Settlement and Approval of Plan of Allocation, at 9-18. Indeed, the Parties reached the Settlement with
17 the assistance of nationally-recognized mediator, retired U.S. District Judge Layn R. Phillips, with no
18 hint of collusion. The Settlement Amount is significant and represents approximately 20% of the
19 reasonably recoverable damages – multiples above the median recovery as a percentage of damages that
20 courts have approved in cases like this only involving §§11 and/or 12(a)(2) claims. *See* Laarni T. Bulan
21 & Laura E. Simmons, *Securities Class Action Settlements – 2019 Review and Analysis* at 7, Fig. 6
22 (Cornerstone Research 2020) (analyzing 77 class action settlements asserting §§11 and/or 12(a)(2)
23 claims filed between 2010 and 2019, and finding the median settlement as a percentage of “simplified
24

25 ² *See also Feder v. Elec. Data Sys. Corp.*, 248 F. App’x 579, 581 (5th Cir. 2007) (holding that an
26 objector who produced no evidence to prove his class membership lacked standing to object to
27 settlement, and stating that “[a]llowing someone to object to settlement in a class action based on this
28 sort of weak, unsubstantiated evidence would inject a great deal of unjustified uncertainty into the
settlement process”).

1 statutory damages” was 7.4%).³ Further, the Plan of Allocation is certainly fair as it tracks the statutory
2 formula for damages under § 11(e) and allocates the Net Settlement Fund to Settlement Class Members
3 on a *pro rata* basis.

4 Objectors Davis and Shaun C. fail to address, much less rebut, *any* of the arguments in
5 Plaintiffs’ opening papers. Rather, they simply request (without support) full relief – “14.00 x (times) a
6 share loss generated” (Davis) and “5-10 shares back into my portfolio” (Shaun C.). While Settlement
7 Class Members no doubt would prefer more relief, such a request is not realistic in the context of
8 settling a securities class action case such as this, where some compromise by both sides is necessary.
9 *See, e.g., Officers for Justice v. Civil Service Comm’n of City & County of San Francisco*, 688 F.2d
10 615, 624 (9th Cir. 1982) (“Of course, the very essence of a settlement is compromise, ‘a yielding of
11 absolutes and abandoning of highest hopes.”); *see also Torrisi v. Tucson Elec. Power Co.*, 8 F.3d 1370,
12 1376 (9th Cir. 1993) (“The reality of the situation was that the settlement had to be negotiated based
13 upon assets which could be called upon to fund it.”). In addition, such conclusory objections do not
14 render the proposed Settlement inadequate. *See In re Apple iPhone/iPod Warranty Litig.*, No. CV-10-
15 01610, 2014 U.S. WL 12640497, at *10 (N.D. Cal. May 8, 2014) (overruling objection to proposed
16 settlement that “consist[ed] solely of conclusory boilerplate statements that are devoid of authority or
17 explanation”); *Nwabueze v. AT&T Inc.*, No. C-09-01529 SI, 2013 WL 6199596, at *8 (N.D. Cal. Nov.
18 27, 2013) (rejecting objections that were “largely conclusory and fail to provide legal support or
19 evidence”).

20 **III. Conclusion**

21 Plaintiffs and their counsel hereby request that the Court: (a) approve this outstanding
22 Settlement as fair, reasonable and adequate; (b) enter judgment pursuant to the Stipulation, in the form
23 of the proposed Final Judgment; (c) approve the Plan of Allocation; (d) award attorneys’ fees to
24
25

26 ³ The Cornerstone Research report is available online at: [https://www.cornerstone.com/Publications/
27 Reports/Securities-Class-Action-Settlements-2019-Review-and-Analysis.pdf](https://www.cornerstone.com/Publications/Reports/Securities-Class-Action-Settlements-2019-Review-and-Analysis.pdf).

1 Plaintiffs' Counsel in the amount of one-third of the Settlement Amount, or \$10,937,500,⁴ together with
2 expenses in the amount of \$243,511.08, plus interest on both amounts; and (e) award Plaintiffs Joseph
3 Iuso, Chenghsin D. Hsieh and Wei C. Hsieh \$5,000 each for their efforts on behalf of the Settlement
4 Class.

5 DATED: February 11, 2021

Respectfully submitted,

6 ROBBINS GELLER RUDMAN
7 & DOWD LLP
8 THEODORE J. PINTAR
9 JAMES I. JACONETTE



10 THEODORE J. PINTAR

11 655 West Broadway, Suite 1900
12 San Diego, CA 92101
13 Telephone: 619/231-1058
14 619/231-7423 (fax)

15 ROBBINS GELLER RUDMAN
16 & DOWD LLP
17 SAMUEL H. RUDMAN
18 58 South Service Road, Suite 200
19 Melville, NY 11747
20 Telephone: 631/367-7100
21 631/367-1173 (fax)

22 BOTTINI & BOTTINI, INC.
23 FRANCIS A. BOTTINI, JR.
24 ALBERT Y. CHANG
25 YURY A. KOLESNIKOV
26 7817 Ivanhoe Avenue, Suite 102
27 La Jolla, CA 92037
Telephone: 858/914-2001
858/914-2002 (fax)

Attorneys for Plaintiffs Chenghsin D. Hsieh and Wei C. Hsieh

24 ⁴ Plaintiffs' Counsel's Memorandum of Points and Authorities in Support of Motion for an Award of
25 Attorneys' Fees and Expenses and Award to Plaintiffs Pursuant to 15 U.S.C. §77z-1(a)(4) mis-
26 calculated this one-third amount as well as the lodestar multiplier, which should have been identified as
27 2.9, not 2.6. *Id.* at 13. However, a 2.9 multiplier is still well within the accepted range of between 2
and 4. *See Wershba v. Apple Comput., Inc.*, 91 Cal. App. 4th 224, 255 (2001) ("Multipliers can range
from 2 to 4 or even higher.").

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BLOCK & LEVITON LLP
JOEL A. FLEMING
JACOB A. WALKER
260 Franklin Street, Suite 1860
Boston, MA 02110
Telephone: 617/398-5600
617/507-6020 (fax)

Attorneys for Plaintiff Joseph Iuso

1 **PROOF OF SERVICE**

2 I, Katie Woods, declare:

3 I am employed in San Diego County, State of California. I am over the age of 18 years and not
4 a party to the within action. My business address is Robbins Geller Rudman & Dowd LLP, 655 West
5 Broadway, Suite 1900, San Diego, CA 92101.

6 On this date, I served:

- 7 • **PLAINTIFFS’ REPLY IN FURTHER SUPPORT OF MOTION FOR: (1) FINAL**
- 8 **APPROVAL OF CLASS ACTION SETTLEMENT AND APPROVAL OF PLAN**
- 9 **OF ALLOCATION; AND (2) AN AWARD OF ATTORNEYS’ FEES AND**
- 10 **EXPENSES AND AWARD TO PLAINTIFFS PURSUANT TO 15 U.S.C. §77z-**
- 11 **1(a)(4)**
- 12 • **SUPPLEMENTAL DECLARATION OF LUIGGY SEGURA REGARDING (A)**
- 13 **DISSEMINATION OF POSTCARD NOTICE, NOTICE AND CLAIM FORM;**
- 14 **(B) UPDATE OF CALL CENTER SERVICES AND SETTLEMENT WEBSITE;**
- 15 **AND (C) REPORT ON REQUESTS FOR EXCLUSION RECEIVED TO DATE**

13 [X] By electronic transmission via Case Anywhere LLC to all parties on the electronic
14 service list maintained for this case:

15 Matthew W. Close
16 O’Melveny & Mvers LLP
17 400 South Hope Street, 18th Floor
18 Los Angeles, CA 90071

18 Jonathan Rosenberg
19 Nate Asher
20 O’Melveny & Mvers LLP
21 Time Square Tower
22 7 Times Square
23 New York, NY 10036

22 Boris Feldman
23 Drew Liming
24 Ignacio Salceda
25 Wilson Sonsini Goodrich & Rosati
26 650 Page Mill Road
27 Palo Alto, CA 94304
28 Telephone: 650/320-4901
650/565-5100 (fax)

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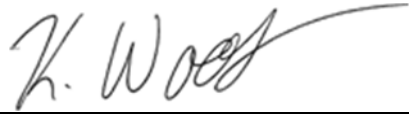
Whitney E. Street
Block & Leviton LLP
610 16th Street, Suite 214
Oakland, CA 94612

Jeffrey C. Block
Jacob A. Walker
Joel E. Fleming
Block & Leviton LLP
155 Federal Street, Suite 400
Boston, MA 02110

Francis A. Bottini, Jr.
Albert Y. Chang
Bottini & Bottini, Inc.
7817 Ivanhoe Ave., Suite 102
La Jolla, CA 9203 7

I am readily familiar with Robbin Geller Rudman & Dowd LLP's practice for collection and processing of documents for delivery according to instructions indicated above. In the ordinary course of business, documents would be handled accordingly.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 11th day of February, 2021, at San Diego, California.



KATIE WOODS