

JS-6

**UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION**

IN RE SNAP INC. SECURITIES
LITIGATION

Case No. 2:17-cv-03679-SVW-AGR

CLASS ACTION

This Document Relates To: All Actions.

**JUDGMENT APPROVING
CLASS ACTION SETTLEMENT**

Courtroom: 10A, 10th Floor

Judge: Hon. Stephen V. Wilson

1 WHEREAS, a securities class action is pending in this Court entitled *In re Snap Inc.*
2 *Securities Litigation*, Case No. 2:17-cv-03679-SVW-AGR (the “Action”);

3 WHEREAS, by Order dated November 20, 2019, this Court certified the Action to
4 proceed as a class action on behalf of all persons and entities who purchased or otherwise
5 acquired Snap Inc. (“Snap”) Class A common stock (“Snap Common Stock”) between
6 March 2, 2017 and August 10, 2017, inclusive, and were damaged thereby (the “Class”);¹

7 WHEREAS, Court-appointed Class Representatives Smilka Melgoza, as trustee of
8 the Smilka Melgoza Trust U/A DTD 04/08/2014, Rediet Tilahun, Tony Ray Nelson, Rickey
9 E. Butler, Alan L. Dukes, Donald R. Allen, and Shawn B. Dandridge (collectively, the
10 “Class Representatives” or “Federal Plaintiffs”), on behalf of themselves and the other
11 members of the Court-certified Class, and defendants Snap, Evan Spiegel, Robert Murphy,
12 Andrew Vollero, Imran Khan, Joanna Coles, A.G. Lafley, Mitchell Lasky, Michael Lynton,
13 Stanley Meresman, Scott D. Miller, and Christopher Young (the “Snap Defendants”); and
14 Morgan Stanley & Co. LLC, Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC,
15 Deutsche Bank Securities Inc., Barclays Capital Inc., Credit Suisse Securities (USA) LLC,
16 and Allen & Company LLC (the “Underwriter Defendants” and, collectively with the Snap
17 Defendants, the “Defendants” and, together with the Class Representatives, the “Parties”)
18 have entered into the Stipulation and Agreement of Settlement dated March 20, 2020
19 (“Stipulation”), that provides for a complete dismissal with prejudice of the claims asserted
20 against Defendants in the Action on the terms and conditions set forth in the Stipulation,
21 subject to the approval of this Court (“Settlement”);

22 WHEREAS, unless otherwise defined in this Judgment, the capitalized terms used
23 herein shall have the same meanings as they have in the Stipulation;

24 _____
25 ¹ Included within the Class are all persons and entities who purchased shares of Snap
26 Common Stock pursuant or traceable to Snap’s Initial Public Offering (“IPO”) on or about
27 March 2, 2017 and/or on the open market. Excluded from the Class are Defendants; the
28 officers and directors of Defendants; members of Defendants’ families and their legal
representatives, heirs, successors, and assigns; and any entity in which Defendants have or
had a controlling interest. Also excluded from the Class are the persons listed on Exhibit 1
hereto who are excluded from the Class pursuant to request.

1 WHEREAS, by Order dated April 27, 2020 (the “Preliminary Approval Order”), this
2 Court: (a) found, pursuant to Rule 23(e)(1)(B)(i), that it would be likely to approve the
3 Settlement as fair, reasonable, and adequate under Rule 23(e)(2); (b) directed that notice of
4 the proposed Settlement be provided to Class Members; (c) provided Class Members with
5 the opportunity either to exclude themselves from the Class or to object to the proposed
6 Settlement; and (d) scheduled a hearing regarding final approval of the Settlement;

7 WHEREAS, due and adequate notice has been given to the Class;

8 WHEREAS, the Court has considered, among other things: (a) whether the terms and
9 conditions of the Settlement are fair, reasonable, and adequate to the Class, and should
10 therefore be approved; and (b) whether a judgment should be entered dismissing the Action
11 with prejudice as against the Defendants; and

12 WHEREAS, the Court having reviewed and considered the Stipulation, all papers
13 filed and proceedings held herein in connection with the Settlement, all written comments
14 received regarding the Settlement, and the record in the Action, and good cause appearing
15 therefor;

16 NOW THEREFORE, IT IS HEREBY ORDERED:

17 1. **Jurisdiction**—The Court has jurisdiction over the subject matter of the
18 Action, and all matters relating to the Settlement, as well as personal jurisdiction over all of
19 the Parties and each of the Class Members.

20 2. **Incorporation of Settlement Documents**—This Judgment incorporates and
21 makes a part hereof: (a) the Stipulation filed with the Court on March 20, 2020; and (b) the
22 Postcard Notice, the Notice, the Summary Notice, and the Notice Ads, all of which were
23 filed with the Court on January 11, 2020.

24 3. **Notice**—The Court finds that the dissemination of the Postcard Notice, the
25 posting of the Notice on the Settlement Website, the transmission of the Notice Ads via
26 appropriate social media platforms jointly selected by the Parties, and the publication of the
27 Summary Notice: (a) were implemented in accordance with the Preliminary Approval
28 Order; (b) constituted the best notice practicable under the circumstances; (c) constituted

1 notice that was reasonably calculated, under the circumstances, to apprise Class Members
2 of (i) the pendency of the Action, (ii) the effect of the proposed Settlement (including the
3 Releases to be provided thereunder), (iii) Class Counsel’s motion for an award of attorneys’
4 fees and Litigation Expenses, (iv) their right to object to any aspect of the Settlement, the
5 Plan of Allocation, and/or Class Counsel’s motion for attorneys’ fees and Litigation
6 Expenses, (v) their right to exclude themselves from the Class, and (vi) their right to appear
7 at the Settlement Hearing; (d) constituted due, adequate, and sufficient notice to all persons
8 and entities entitled to receive notice of the proposed Settlement; and (e) satisfied the
9 requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States
10 Constitution (including the Due Process Clause), the Private Securities Litigation Reform
11 Act of 1995, 15 U.S.C. §§ 77z-1, 78u-4, as amended, and all other applicable law and rules.

12 4. **CAFA**—The Court finds that the notice requirements set forth in the Class
13 Action Fairness Act of 2005, 28 U.S.C. § 1715, to the extent applicable to the Action, have
14 been satisfied.

15 5. **Objections**—The Court has considered each of the objections to the
16 Settlement submitted pursuant to Rule 23(e)(5) of the Federal Rules of Civil Procedure. The
17 Court finds and concludes that each of the objections is without merit, and they are hereby
18 overruled.

19 6. **Final Settlement Approval and Dismissal of Claims**—Pursuant to, and in
20 accordance with, Rule 23 of the Federal Rules of Civil Procedure, this Court hereby fully
21 and finally approves the Settlement set forth in the Stipulation in all respects (including,
22 without limitation: the amount of the Settlement; the Releases provided for therein; and the
23 dismissal with prejudice of the claims asserted against Defendants in the Action), and finds
24 that the Settlement is, in all respects, fair, reasonable, and adequate to the Class.
25 Specifically, the Court finds that (a) Class Representatives and Class Counsel have
26 adequately represented the Class; (b) the Settlement was negotiated by the Parties at arm’s
27 length; (c) the relief provided for the Class under the Settlement is adequate taking into
28 account the costs, risks, and delay of trial and appeal, the proposed means of distributing

1 the Settlement Fund to the Class, and the proposed attorneys' fee award; and (d) the
2 Settlement treats members of the Class equitably relative to each other. The Parties are
3 directed to implement, perform, and consummate the Settlement in accordance with the
4 terms and provisions contained in the Stipulation.

5 7. The Action and all of the claims asserted against Defendants in the Action by
6 Class Representatives and the other Class Members are hereby dismissed with prejudice as
7 to all Defendants. The Parties shall bear their own costs and expenses, except as otherwise
8 expressly provided in the Stipulation.

9 8. **Binding Effect**—The terms of the Stipulation and of this Judgment shall be
10 forever binding on Defendants, Class Representatives, and all other Class Members
11 (regardless of whether or not any individual Class Member submits a Claim Form or seeks
12 or obtains a distribution from the Net Settlement Fund), as well as their respective
13 successors and assigns. The persons listed on Exhibit 1 hereto are excluded from the Class
14 pursuant to request and are not bound by the terms of the Stipulation or this Judgment.

15 9. **Releases**—The Releases set forth in ¶¶ 3 through 6 of the Stipulation, together
16 with the definitions contained in ¶ 1 of the Stipulation relating thereto, are expressly
17 incorporated herein in all respects. The Releases are effective as of the Effective Date.
18 Accordingly, this Court orders that:

19 (a) Without further action by anyone, and subject to ¶ 10 below, upon the
20 Effective Date of the Settlement, Class Representatives and each of the other Class
21 Members, on behalf of themselves, and their respective heirs, executors, administrators,
22 predecessors, successors, and assigns in their capacities as such, shall be deemed to have,
23 and by operation of law and of the Judgment shall have, fully, finally, and forever
24 compromised, settled, released, resolved, relinquished, waived, and discharged each and
25 every Released Plaintiffs' Claim against the Released Defendants' Parties, and shall forever
26 be barred, enjoined, and estopped from prosecuting any or all of the Released Plaintiffs'
27 Claims against any of the Released Defendants' Parties.

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1 (b) Without further action by anyone, and subject to ¶ 10 below, upon the
2 Effective Date of the Settlement, Defendants, on behalf of themselves, and their respective
3 heirs, executors, administrators, predecessors, successors, and assigns in their capacities as
4 such, shall be deemed to have, and by operation of law and of the Judgment shall have,
5 fully, finally, and forever compromised, settled, released, resolved, relinquished, waived,
6 and discharged each and every Released Defendants' Claim against the Released Plaintiffs'
7 Parties, and shall forever be barred, enjoined, and estopped from prosecuting any or all of
8 the Released Defendants' Claims against any of the Released Plaintiffs' Parties.

9 10. Notwithstanding ¶¶ 9(a)–(b) above, nothing in this Judgment shall bar any
10 action by any of the Parties to enforce or effectuate the terms of the Stipulation or this
11 Judgment.

12 11. **Bar Order**—Upon the Effective Date of the Settlement, the Court hereby
13 permanently bars, extinguishes, and discharges to the fullest extent permitted by law any
14 and all claims for contribution or indemnification (or any other claim or claim-over,
15 however denominated on whatsoever theory, for which the injury claimed is that person's
16 or entity's alleged liability to Class Representatives or any Class Member) among and
17 against the Released Defendants' Parties arising out of the Action and the claims that were
18 asserted or could have been asserted therein, *provided however*, that nothing in this Bar
19 Order shall release or alter the contractual rights, if any, under the terms of any written
20 agreement among the Snap Defendants and the underwriters of Snap's IPO. Further, this
21 Bar Order shall not preclude the underwriters of Snap's IPO from seeking to enforce any
22 right of indemnification or contribution with respect to the payment of the Settlement
23 Amount or defense costs.

24 12. **Judgment Reduction**—Any final verdict or judgment obtained by or on
25 behalf of the Class or a Class Member against any person or entity subject to the Bar Order
26 (set forth in ¶ 11 above) based upon, arising out of, relating to, or in connection with in any
27 way in part or in whole any Released Plaintiffs' Claim shall be reduced by the greater of:
28 (a) an amount that corresponds to the percentage of responsibility of Defendants for

1 common damages; or (b) the amount paid by or on behalf of Defendants to the Class or
2 Class Member for common damages.

3 13. **Rule 11 Findings**—The Court finds and concludes that the Parties and their
4 respective counsel have complied in all respects with the requirements of Rule 11 of the
5 Federal Rules of Civil Procedure in connection with the institution, prosecution, defense,
6 and settlement of the Action.

7 14. **No Admissions**—Neither this Judgment, the Stipulation (whether or not
8 consummated), including the exhibits thereto and the Plan of Allocation contained therein
9 (or any other plan of allocation that may be approved by the Court), the negotiations leading
10 to the execution of the Term Sheet and the Stipulation, nor any proceedings taken pursuant
11 to or in connection with the Term Sheet, the Stipulation, and/or approval of the Settlement
12 (including any arguments proffered in connection therewith):

13 (a) shall be offered against any of the Released Defendants’ Parties as
14 evidence of, or construed as, or deemed to be evidence of any presumption, concession, or
15 admission by any of the Released Defendants’ Parties with respect to the truth of any fact
16 alleged by Class Representatives or the validity of any claim that was or could have been
17 asserted or the deficiency of any defense that has been or could have been asserted in this
18 Action or in any other litigation, or of any liability, negligence, fault, or other wrongdoing
19 of any kind of any of the Released Defendants’ Parties or in any way referred to for any
20 other reason as against any of the Released Defendants’ Parties, in any civil, criminal, or
21 administrative action or proceeding, other than such proceedings as may be necessary to
22 effectuate the provisions of the Stipulation;

23 (b) shall be offered against any of the Released Plaintiffs’ Parties, as
24 evidence of, or construed as, or deemed to be evidence of any presumption, concession, or
25 admission by any of the Released Plaintiffs’ Parties that any of their claims are without
26 merit, that any of the Released Defendants’ Parties had meritorious defenses, or that
27 damages recoverable under the SAC would not have exceeded the Settlement Amount or
28 with respect to any liability, negligence, fault, or wrongdoing of any kind, or in any way

1 referred to for any other reason as against any of the Released Plaintiffs' Parties, in any
2 civil, criminal, or administrative action or proceeding, other than such proceedings as may
3 be necessary to effectuate the provisions of the Stipulation; or

4 (c) shall be construed against any of the Releasees as an admission,
5 concession, or presumption that the consideration to be given hereunder represents the
6 amount which could be or would have been recovered after trial;

7 *provided, however*, that the Parties and the Releasees and their respective counsel may refer
8 to this Judgment and the Stipulation to effectuate the protections from liability granted
9 hereunder or otherwise to enforce the terms of the Settlement.

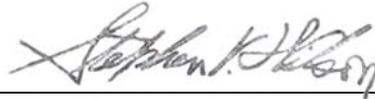
10 15. Separate orders shall be entered regarding approval of a plan of allocation and
11 the motion of Class Counsel for an award of attorneys' fees and Litigation Expenses. Such
12 orders shall in no way affect or delay the finality of this Judgment and shall not affect or
13 delay the Effective Date of the Settlement.

14 16. **Modification of the Agreement of Settlement**—Without further approval
15 from the Court, Class Representatives and Defendants are hereby authorized to agree to and
16 adopt such amendments or modifications of the Stipulation or any exhibits attached thereto
17 to effectuate the Settlement that: (a) are not materially inconsistent with this Judgment; and
18 (b) do not materially limit the rights of Class Members in connection with the Settlement.
19 Without further order of the Court, Class Representatives and Defendants may agree to
20 reasonable extensions of time to carry out any of the provisions of the Settlement.

21 17. **Termination of Settlement**—If the Settlement is terminated as provided in
22 the Stipulation or the Effective Date of the Settlement otherwise fails to occur, this
23 Judgment shall be vacated, rendered null and void, and be of no further force and effect,
24 except as otherwise provided by the Stipulation, and this Judgment shall be without
25 prejudice to the rights of Class Representatives, the other Class Members, and Defendants,
26 and the Parties shall be deemed to have reverted *nunc pro tunc* to their respective positions
27 in the Action as of the date immediately prior to the execution of the Term Sheet, as
28 provided in the Stipulation.

1 18. **Entry of Final Judgment**—There is no just reason to delay the entry of this
2 Judgment and immediate entry by the Clerk of the Court is expressly directed.

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4 SO ORDERED this 9th day of March , 2021.

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9 The Honorable Stephen V. Wilson
10 United States District Judge
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EXHIBIT 1

**List of Persons Excluded from
the Class Pursuant to Request**

1. Josh Mancell
Ham Lake, MN
2. Chee Pang
Auckland, New Zealand
3. Anibal Marrero
Coral Gables, FL
4. Jonathan Sato
Campbell, CA
5. Mohammad Abdulhadi
6. Charles Moser
7. Chia-Lin Cheng
Santa Clara, CA
8. Thomas C. Jasinski
Novelty, OH
9. Neil Clements