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**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.

**DECLARATION OF LUIGGY
SEGURA IN SUPPORT OF CLASS
REPRESENTATIVES' MOTION
FOR APPROVAL OF
DISTRIBUTION PLAN**

1 I, LUIGGY SEGURA, declare as follows pursuant to 28 U.S.C. § 1746:

2 1. I am a Vice President at JND Legal Administration (“JND”). I am over 21
3 years of age and am not a party to the above-captioned action (the “Action”).¹ I have
4 personal knowledge of the facts set forth in this declaration and, if called as a witness,
5 could and would testify competently thereto.

6 2. Pursuant to Paragraph 4 of the Court’s Order Preliminarily Approving
7 Settlement and Providing for Notice dated April 27, 2020 (ECF No. 375, the
8 “Preliminary Approval Order”), Class Counsel was authorized to retain JND as the
9 Claims Administrator in connection with the Settlement of the Action. On March 9,
10 2021, the Court entered the Judgment Approving Class Action Settlement (ECF
11 No. 398, the “Judgment”), granting final approval of the Settlement reached in the
12 Action. Pursuant to the Settlement, \$154,687,500 in cash was deposited into escrow
13 for the Class’s benefit and, now that the Effective Date of the Settlement has occurred,
14 the Net Settlement Fund is ready for distribution to Authorized Claimants pursuant to
15 Order of this Court. *See* Stipulation, ¶ 26.

16 3. As Claims Administrator, JND has, among other things: (i) mailed the
17 Postcard Notice and the Notice of (I) Pendency of Class Action and Proposed
18 Settlement of Federal Case; (II) Motion for an Award of Attorneys’ Fees and Litigation
19 Expenses; and (III) Settlement Hearing (the “Notice”) and the Proof of Claim and
20 Release form (the “Proof of Claim Form” or “Claim Form” and, together with the
21 Notice, the “Notice Packet”) to potential Class Members, brokers, and other nominees;
22 (ii) created and continues to maintain a toll-free telephone helpline for inquiries
23 regarding the Settlement and its administration; (iii) designed, implemented, and
24 continues to maintain a case-specific website which includes downloadable copies of
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26 ¹ All terms with initial capitalization not otherwise defined herein shall have the
27 meanings ascribed to them in the Stipulation and Agreement of Settlement dated
28 March 20, 2020 (ECF No. 368-3, the “Stipulation”). The Settlement (or “Federal
Settlement”) is contained in the Stipulation.

1 the Notice and Proof of Claim Form; (iv) published the Summary Notice; (v) ran the
2 Notice Ads on Google Banner Ads, Twitter, and LinkedIn; (vi) provided, upon request,
3 additional copies of the Postcard Notice and Notice Packet to potential Class Members,
4 brokers, and other nominees; (vii) received and processed Claims² submitted in
5 connection with the Settlement; (viii) reviewed submitted Claims for accuracy and
6 completeness and to ensure that they were supported by sufficient documentary
7 evidence; (ix) provided notice to Claimants whose Claims were deficient or rejected;
8 (x) assisted Claimants in curing their Claims in order to be eligible to receive a payment
9 from the Settlement; and (xi) calculated Claimants' Recognized Claim amounts, both
10 on an individual and a Class-wide basis, pursuant to the Court-approved Plan of
11 Allocation set forth in the Notice.

12 4. JND has completed processing all Claims received through October 28,
13 2021, in accordance with the terms of the Stipulation and the Court-approved Plan of
14 Allocation set forth in the Notice, and hereby submits its administrative determinations
15 accepting and rejecting the Claims in preparation for distribution of the Net Settlement
16 Fund to Authorized Claimants. JND also presents this declaration in support of Class
17 Representatives' Motion for Approval of Distribution Plan.

18 **I. DISSEMINATION OF NOTICE**

19 5. As more fully described in the Declaration of Luiggy Segura Regarding
20 (A) Dissemination of Postcard Notice and Notice Packet; (B) Establishment of Call
21 Center Services and Settlement Website; (C) Publication/Transmission of Summary
22 Notice and Notice Ads; and (D) Report on Requests for Exclusions Received to Date
23 dated January 11, 2021 (ECF No. 386-8, the "Initial Mailing Decl.") and the
24 Supplemental Declaration of Luiggy Segura Regarding (A) Continued Dissemination
25 of Postcard Notice and Notice Packet; (B) Update on Call Center Services and
26 _____

27 ² Pursuant to Paragraph 1(d) of the Stipulation, "Claim" means a paper claim
28 submitted on a Proof of Claim Form or an electronic claim that is submitted to the
Claims Administrator.

1 Settlement Website; (C) Report on Requests for Exclusion Received; and (D) Report
2 on Claims Received to Date dated February 12, 2021 (ECF No. 387-1, the
3 “Supplemental Mailing Decl.”), JND mailed a total of 824,621 Postcard Notices and
4 4,628 Notice Packets to potential Class Members and nominees as of February 10,
5 2021. Supplemental Mailing Decl., ¶ 3; *see also* Initial Mailing Decl., ¶ 12. Since then,
6 JND has mailed an additional 19 Notice Packets to potential Class Members and
7 nominees, bringing the aggregate number of Postcard Notices and Notice Packets
8 mailed to 824,621 and 4,647, respectively. Attached hereto as Exhibit A is a copy of
9 the Postcard Notice and Notice Packet.

10 6. JND established and continues to maintain a website
11 www.SnapSecuritiesLitigation.com (the “Settlement Website”) and a toll-free
12 telephone helpline (1-855-958-0630) to assist potential Class Members in obtaining
13 information about the Settlement.³ In connection with establishing and maintaining
14 the Settlement Website and toll-free telephone helpline, JND, among other things,
15 formulated a system to ensure that proper responses were provided to all telephone
16 and electronic inquiries. That work included training telephone agents to respond to
17 inquiries specific to the Settlement; developing a series of common questions and the
18 answers thereto, known as Frequently Asked Questions, or “FAQs”; loading key
19 documents onto the Settlement Website; and programming the Settlement Website to
20 permit the viewing and downloading of those documents.

21 7. In accordance with Paragraph 4 of the Preliminary Approval Order, JND
22 also caused the Summary Notice to be (i) published once in *Investor’s Business Daily*
23 and once in *The Wall Street Journal* on November 30, 2020; and (ii) transmitted once
24 over *PR Newswire* on November 30, 2020. *See* Initial Mailing Decl., ¶ 13. In addition,

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27 ³ The Settlement Website and toll-free helpline also provide information about the
28 settlement of the related State Cases in California Superior Court, Los Angeles County
 (“State Settlement”), which is being jointly administered by JND.

1 JND ran the Notice Ads for a duration of 60 days on Google Banner Ads, Twitter, and
2 LinkedIn. *Id.*

3 **II. PROCEDURES FOLLOWED IN PROCESSING CLAIMS**

4 8. Under the terms of the Preliminary Approval Order and as set forth in the
5 Postcard Notice and Notice, each Class Member who wished to be eligible to receive
6 a distribution from the Net Settlement Fund was required to complete and submit to
7 JND a properly executed Claim postmarked no later than January 25, 2021, together
8 with adequate supporting documentation for the transactions and holdings reported in
9 the Claim. Through October 28, 2021, JND has received and fully processed 69,532
10 Claims (the “Presented Claims”).⁴

11 9. In preparation for receiving and processing Claims, JND: (i) conferred
12 with Class Counsel to define the guidelines for processing Claims; (ii) created a unique
13 database to store Claim details, images of Claims, and supporting documentation (the
14 “Settlement Database”); (iii) trained staff in the specifics of the Settlement so that
15 Claims would be properly processed; (iv) formulated a system so that telephone and
16 email inquiries would be properly responded to; (v) developed various computer
17 programs and screens for entry of Class Members’ identifying information and their
18 transactional information; and (vi) developed a proprietary “calculation module” that
19 would calculate Recognized Claim amounts pursuant to the Court-approved Plan of
20 Allocation set forth in the Notice.

21 10. Class Members seeking to share in the Net Settlement Fund were directed
22 in the Notice to submit their Claims to a post office box address specifically designated
23 for the Settlement.⁵ Postcard Notices and Notice Packets returned by the United States
24 Postal Service as undeliverable were reviewed for updated addresses and, where
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26 ⁴ As explained in the notices, all Claims submitted were processed in accordance
27 with the plans of allocation for both the Federal Settlement and the State Settlement.

28 ⁵ Class Members were also able to submit their Claims via the Settlement Website.

1 available, updated addresses were entered into the Settlement Database and Postcard
2 Notices and Notice Packets were mailed to the updated addresses. Any correspondence
3 received at the post office box was reviewed and, when necessary, appropriate
4 responses were provided to the senders.

5 **III. PROCESSING CLAIMS**

6 **A. Paper Claims**

7 11. Of the 69,532 Presented Claims, 33,359 are paper Claims (including
8 Claims submitted via the Settlement Website's claims filing portal).⁶

9 12. Once received, the paper Claims were opened and prepared for scanning.
10 This process included unfolding documents, removing staples, copying
11 nonconforming-sized documents, and sorting documents. This manual task of
12 preparing the paper Claims for processing is very laborious and time-intensive. Once
13 prepared, each Claim was assigned a unique Claim number and scanned into the
14 Settlement Database together with all submitted documentation.

15 13. Once scanned, the information from each Claim (including the Claimant's
16 name, address, account number/information from his, her, its, or their supporting
17 documentation, and the Claimant's purchase/acquisition transactions, sale transactions,
18 and holdings listed on the Claim) was entered into the Settlement Database. Once
19 entered into the Settlement Database, Claims were reviewed to verify that all required
20 information had been provided. The documentation provided by the Claimant in
21 support of his, her, its, or their Claim was reviewed for authenticity and compared to
22 the information provided in the Claim to verify the Claimant's identity and the
23 purchase/acquisition transactions, sale transactions, and holdings listed on the Claim.

24 14. To process the transactions detailed in the Claims, JND utilized internal
25 messages to identify and classify deficiency or ineligibility conditions existing within
26 the Claims. Appropriate messages were assigned to the Claims as they were processed.

27 _____
28 ⁶ A total of 30,372 Claims were submitted via the Settlement Website.

1 For example, where a Claim was submitted by a Claimant who did not have any eligible
2 transactions in Snap common stock during the Class Period (*e.g.*, the Claimant
3 purchased Snap common stock only after the Class Period), that Claim would receive
4 a “Claim-level” message that denoted ineligibility. Similar Claim-level ineligible
5 messages were used to denote other ineligible conditions, such as duplicate Claims.
6 These messages would indicate to JND that the Claimant was not eligible to receive
7 any payment from the Net Settlement Fund with respect to that Claim unless the
8 deficiency was cured in its entirety. Examples of Claim-level messages are as follows:

- 9 • The Documentation provided was Inadequate
- 10 • No Documentation Provided to Support the Claim
- 11 • No Purchase/Acquisition Transaction in the Class Period

12 15. Because a Claim may be deficient only in part, but otherwise acceptable,
13 JND also utilized messages that were applied only to specific transactions within a
14 Claim. For example, if a Claimant submitted a Claim with supporting documentation
15 for all but one purchase transaction, that one transaction would receive a “transaction-
16 level” message. These messages indicated that although the transaction was deficient,
17 the Claim was otherwise eligible for payment if other transactions in the Claim
18 calculated to a Recognized Claim pursuant to the Court-approved Plan of Allocation.
19 Thus, even if the transaction-level deficiency was never cured, the Claim could still be
20 partially accepted. Examples of transaction-level messages are as follows:

- 21 • No Supporting Documentation for Specific Transaction/Position
- 22 • Inadequate Documentation for Specific Transaction/Position
- 23 • Illegible Documentation for Specific Transaction/Position

24 **B. Electronic Claims**

25 16. Of the 69,532 Presented Claims, 36,173 were submitted electronically
26 (“Electronic Claims” or “E-Claims”). Electronic Claims filers (“Electronic Claim
27 Filers” or “E-Claim Filers”) are typically banks, brokers, nominees and other third-
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1 party filers, who submit claims on behalf of numerous claimants. Because E-Claim
2 Filers typically submit a high volume (hundreds or thousands) of transactions during
3 the class period on behalf of beneficial owners, JND provides E-Claim Filers with the
4 opportunity to mail a computer disc or electronically submit a file containing all the
5 transactions—rather than provide reams of paper requiring data entry—so that JND
6 can load all transactions into the Settlement Database.

7 17. JND maintains an electronic filing operations team (“Electronic Filing
8 Team”) to coordinate and supervise the receipt and handling of all Electronic Claims.
9 In this case, the Electronic Filing Team reviewed and analyzed each electronic file to
10 ensure that it was formatted in accordance with JND’s required format and to identify
11 any potential data issues or inconsistencies within the file. If any issues or
12 inconsistencies arose, JND notified the E-Claim Filer. If the electronic file was deemed
13 to be in an acceptable format, it was then loaded into the Settlement Database.

14 18. Once each electronic file was loaded, the Electronic Claims were coded
15 with messages to denote any deficient or ineligible conditions that existed within them.
16 The messages JND used to code Electronic Claims were similar to those applied to
17 paper Claims. However, in lieu of manually applying messages, the Electronic Filing
18 Team performed programmatic reviews on Electronic Claims to identify deficient and
19 ineligible conditions (such as, but not limited to, price out-of-range issues, out-of-
20 balance conditions, transactions outside the Class Period, etc.). The output was
21 thoroughly verified and confirmed as accurate.

22 19. The review process also included message coding any Electronic Claims
23 that were not accompanied by a signed Proof of Claim Form, which serves as a “Master
24 Proof of Claim Form” for all Claims referenced on the electronic file submitted. This
25 process was reviewed by JND’s Electronic Filing Team and, when appropriate, JND
26 contacted the E-Claim Filers whose submissions were missing information. This
27 ensured that only fully completed Claims, submitted by properly authorized
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1 representatives of the Claimants, were considered eligible for payment from the Net
2 Settlement Fund.

3 20. Finally, at the end of the process, JND performed various targeted reviews
4 of Electronic Claims. Specifically, JND used criteria such as the calculated Recognized
5 Claims and other identified criteria to message code and reach out to a number of E-
6 Claim Filers and request that various sample purchases/acquisitions, sales, and
7 holdings selected by JND be documented by providing confirmation slips or other
8 transaction-specific supporting documentation. These targeted reviews help to ensure
9 that electronic data supplied by Claimants does not contain inaccurate information.

10 **C. Additional Complexities Encountered in Processing Claims**

11 21. Approximately 81% or 56,367, of the 69,532 Claims received through
12 October 28, 2021, were partially or wholly ineligible for one or more reasons, and,
13 therefore, were subjected to the additional processing, correspondence, and telephonic
14 communications described in the section below entitled “The Deficiency Process.” As
15 also addressed below, 26 Claimants are currently contesting JND’s administrative
16 rejection of their Claims.

17 22. During the processing of Claims for the Settlement, JND encountered a
18 large amount of “non-conforming” Claims, which, in general, require significantly
19 more work than standard Claims because of the information contained in or missing
20 from the Claim, or because of the manner in which the Claim was completed. Non-
21 conforming Claims include, among other conditions, Claim Forms with missing pages,
22 no name or no address, Claim Forms that are blank but submitted with documentation
23 for JND to complete, and Claims that are so materially deficient as to make what is
24 being claimed unrecognizable. In addition, JND also encountered Claims indicating
25 purchases prior to the Initial Public Offering (“IPO”). In order to determine the proper
26 treatment of such purchase transactions, JND conducted further outreach to the
27 Claimants as well as performed its own extensive research to gather additional
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1 information on the potential IPO shares at issue. A significant amount of time and
2 resources was required to hand review these “non-conforming” Claims.

3 **IV. EXCLUDED PERSONS**

4 23. JND also reviewed all Claims to ensure that they were not submitted by,
5 or on behalf of, “Excluded Persons,” to the extent that the identities of such persons or
6 entities were known to JND through the list of Defendants and other excluded persons
7 and entities set forth in the Stipulation, the Notice, and from the Claimants’
8 certifications on the Claim Forms. JND also reviewed all Claims against the list of
9 persons and entities who were excluded from the Class pursuant to request. ECF
10 No. 398, Ex. 1.

11 **V. THE DEFICIENCY PROCESS**

12 **A. Paper Claims**

13 24. Approximately 89% of the paper Claims, *i.e.*, 29,525 of the 33,359 paper
14 Claims (including Claims submitted via the Settlement Website) received through
15 October 28, 2021, were incomplete or had one or more defects or conditions of
16 ineligibility, such as the Claim not being signed, not being properly documented, or
17 indicating no eligible transactions in Snap common stock during the Class Period. The
18 “Deficiency Process,” which primarily involved mailing letters to Claimants and
19 responding to communications from Claimants by email and/or telephone, was
20 intended to assist Claimants in properly completing their otherwise deficient
21 submissions so that they could be eligible to participate in the Settlement.

22 25. If a paper Claim was determined to be defective, a Notice of
23 Deficient/Ineligible Claim Submission (“Deficiency Notice”) was sent to the Claimant
24 describing the defect(s) in the Claim and advising what, if anything, was necessary to
25 cure the defect(s) in the Claim. The Deficiency Notice advised the Claimant that
26 submission of appropriate information and/or documentary evidence to complete their
27 Claim was required to be sent to JND within twenty (20) days from the date of the
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1 Deficiency Notice or the Claim would be recommended for rejection to the extent that
2 the deficiency or condition of ineligibility was not cured. The Deficiency Notice also
3 advised Claimants that if they disagreed with JND’s administrative determination to
4 reject their Claim, they could contest JND’s determination and request Court review of
5 their Claim by submitting a written statement to JND setting forth the basis for such
6 request. JND sent a total of 29,525 Deficiency Notices to Claimants who submitted
7 paper Claims (including Claims submitted via the Settlement Website) that JND
8 determined to be defective. Attached hereto as Exhibit B is a sample Deficiency Notice.

9 26. Claimants’ responses to Deficiency Notices were scanned into the
10 Settlement Database and associated with the corresponding Claims. The responses were
11 then carefully reviewed and evaluated by JND’s team of processors. If a Claimant’s
12 response corrected the defect(s) in their Claim, JND manually updated the Settlement
13 Database to reflect the changes in the status of the Claim.

14 **B. Electronic Claims**

15 27. Approximately 74% of the E-Claims, *i.e.*, 26,842 of the 36,173 E-Claims
16 received through October 28, 2021, were incomplete or had one or more defects or
17 conditions of ineligibility. JND informed each of the E-Claim Filers of these
18 deficiencies by sending an email (“Deficiency Email”) to the email address included
19 with the respective E-Claim Filer’s Proof of Claim Form with an attached report
20 containing detailed information associated with the Claims and indicating which of
21 those Claims within the filing were deficient and/or rejected (“Deficiency
22 Spreadsheet”). Attached hereto as Exhibit C is a sample Deficiency Email and
23 Deficiency Spreadsheet.

24 28. The Deficiency Email sent to the email address of record provided with
25 the E-Claim Filer’s Proof of Claim Form:

- 1 (a) Notified the E-Claim Filer that any Claim(s) with deficiencies not
- 2 corrected within twenty (20) days from the date of the Deficiency
- 3 Email may be rejected;
- 4 (b) Advised the E-Claim Filer of his, her, its, or their right to contest
- 5 the rejection of the Claim(s) and request Court review of JND's
- 6 administrative determination(s) with respect to the Claim(s); and
- 7 (c) Provided instructions for how to submit corrections to Claim(s).

8 29. The Deficiency Spreadsheet attached to the Deficiency Email identified
9 each of the individual Claims that were found to be deficient or ineligible and the basis
10 for that deficiency or condition of ineligibility.

11 30. The E-Claim Filers' responses to the Deficiency Emails were reviewed,
12 scanned, and/or loaded into the Settlement Database, and associated with the
13 corresponding Electronic Claims. If a response corrected the defect(s) or affected an
14 Electronic Claim's status, JND manually and/or programmatically updated the
15 Settlement Database to reflect such change in the status of the Electronic Claim.

16 **C. Calling Campaign to Claimants Who Did Not Cure Deficiencies**

17 31. JND also called Claimants with still-deficient Claims to provide them
18 with a final opportunity to cure the deficiencies in their Claims.

19 32. During this calling campaign, when a JND agent spoke with a Claimant,
20 he or she explained to the Claimant that the Claim they submitted was still deficient
21 and advised the Claimant of the steps required to cure the deficiency. JND provided
22 assistance to Claimants where possible, depending on the nature of the deficiency. For
23 example, if a Claimant needed additional supporting documentation, JND explained
24 the types of documentation that would render the Claim eligible, and how the Claimant
25 could obtain the necessary documentation. JND also provided some Claimants with
26 direct phone numbers and email addresses so that they could receive continued
27 personalized attention and assistance.

1 33. If JND could not reach a Claimant to speak one-on-one, JND left a voice
2 message, when possible, requesting a return call. JND explained in the voice message
3 that it was calling to assist the Claimant in remedying the outstanding deficiencies in
4 his, her, its, or their Claim. JND also reached out to Claimants via email if a valid email
5 address was provided in their Claim submission.

6 34. If, in response to a telephone call or email, a Claimant cured the deficiency
7 in his, her, its, or their Claim by providing the appropriate information and/or
8 supporting documentation, JND updated the Settlement Database to reflect the change
9 in the status of the Claim.

10 **VI. DISPUTED CLAIMS**

11 35. As noted above, Claimants were advised that they had the right to contest
12 JND's administrative determination of deficiencies or ineligibility within twenty (20)
13 days from the date of notification and that they could request that their dispute be
14 submitted to the Court for review. More specifically, Claimants were advised in the
15 Deficiency Notice/Deficiency Email that, if they disputed JND's administrative
16 determination with respect to their Claim, they had to provide a statement of reasons
17 indicating the grounds for contesting JND's determination, along with supporting
18 documentation, and if the dispute concerning the Claim could not otherwise be
19 resolved, Class Counsel would thereafter present the request for review to the Court
20 for a final determination.

21 36. During this administration, JND received requests for Court review
22 concerning 268 Claims. JND reached out to each of the Claimants who requested Court
23 review ("Disputing Claimants") to fully explain JND's administrative determination
24 with respect to their Claim(s) and any additional documentation that had been
25 submitted. As a result of this outreach: (i) Claimants for 188 of these Claims resolved
26 the deficiencies in their Claims, withdrew their requests for Court review, and these
27 Claims are now being recommended for approval; and (ii) Claimants for 54 of these
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1 Claims understood the reason for JND’s administrative determination to reject their
2 Claims and are no longer requesting Court review of their Claims. Accordingly,
3 requests for Court review remain outstanding for 26 Claims (“Disputed Claims”). Of
4 these 26 Disputed Claims, 11 are eligible to receive a distribution from the Net
5 Settlement Fund and are being recommended for approval; however, since these
6 Claimants did not affirmatively withdraw their requests for Court review in the Federal
7 Settlement, JND has maintained their requests for Court review. The remaining 15 did
8 not resolve the deficiencies in their Claims, or their Claims are not otherwise eligible
9 under the terms of the Settlement. Attached hereto as Exhibit D is a list of the Disputing
10 Claimants, along with information regarding each Disputed Claim.⁷

11 **VII. LATE BUT OTHERWISE ELIGIBLE CLAIMS**

12 37. Of the Presented Claims, 3,545 Claims were received or postmarked
13 after the January 25, 2021 Claim-submission deadline established by the Court but
14 received on or before October 28, 2021. JND has processed all late Claims received
15 through October 28, 2021 and 1,881 of these Claims have been found to be otherwise
16 eligible in whole or in part (the “Late But Otherwise Eligible Claims”). JND has not
17 rejected any Claim received through October 28, 2021, solely based on its late
18 submission. In fact, in securities cases, it is typical for courts to accept claims
19 submitted after the claim-submission deadline but while timely claims are still being
20 processed. Therefore, to the extent these Claims are eligible but for the fact that they
21 were submitted late, they are recommended for payment by JND, subject to the
22 Court’s determination.

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25 ⁷ For privacy reasons, the documents included in Exhibit D have been redacted to
26 remove personal information such as names, street addresses, email addresses,
27 telephone numbers, account numbers, Taxpayer ID, Social Security, or Social
28 Insurance Numbers, and all financial and transaction information not related to the
Claimants’ transactions in Snap common stock purchased/acquired during the relevant
time period.

1 38. However, there must be a final cut-off date after which no more Claims
2 will be accepted so that there may be a proportional allocation of the Net Settlement
3 Fund and the distribution may be accomplished. Acceptance of additional Claims or
4 responses to Deficiency Notices/Deficiency Emails received during the finalization of
5 the administration and the preparation of this declaration would necessarily require a
6 delay in the distribution. Accordingly, JND respectfully requests that this Court order
7 that no Claim received or adjusted after October 28, 2021, be eligible for payment for
8 any reason whatsoever subject only to the provision of ¶ 49(f) of the proposed
9 distribution plan discussed below. Class Counsel approves of this Claim cut-off date.⁸
10 If the Court adopts the proposed distribution plan, then, after Class Counsel has
11 determined that further distributions are not cost-effective and before any contribution
12 of the residual funds to charity, if sufficient funds remain to warrant the processing of
13 Claims received after October 28, 2021, these Claims will be processed and, if any of
14 these Claims would have been eligible if timely received, these Claimants will be paid
15 their distribution amounts on a *pro rata* basis that would bring them into parity with
16 other Authorized Claimants who have cashed all their prior distribution checks to the
17 extent permitted by the amount of remaining funds. *See* ¶ 49(e) below. Likewise, with
18 respect to previously-submitted Claims that are cured or adjusted after October 28,
19 2021, such Claims will be reevaluated upon receipt of the adjustment and, to the extent
20 that they are found eligible for a distribution or additional distribution, they will be
21 treated in the same manner as Claims received after October 28, 2021. *See* ¶ 49(f)
22 below. Should an adjustment be received that results in a lower Recognized Claim
23 amount, however, that adjustment will be made, and the Recognized Claim amount
24 will be reduced accordingly prior to a distribution to that Claimant.

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27 ⁸ October 28, 2021 was also used as the Claims cut-off date for the State
28 Settlement.

1 **VIII. QUALITY ASSURANCE**

2 39. An integral part of the claims administration process in any settlement
3 JND handles is the Quality Assurance review. Throughout this administration, JND's
4 Quality Assurance personnel worked to verify that Claims were processed properly by
5 ensuring that information was entered correctly into the Settlement Database,
6 deficiency and/or rejection message codes were assigned accurately, and Deficiency
7 Notices/Deficiency Emails were sent appropriately. After all Claims were processed,
8 Deficiency Notices/Deficiency Emails were mailed and/or emailed, and Claimants'
9 responses to Deficiency Notices/Deficiency Emails were reviewed and processed,
10 JND's Quality Assurance personnel performed additional Quality Assurance reviews.
11 These final Quality Assurance reviews further ensured the correctness and
12 completeness of all Claims processed prior to preparing this declaration and all JND's
13 final documents in support of distribution of the Net Settlement Fund. As part of the
14 Quality Assurance reviews, JND:

- 15 (a) Verified that all Proof of Claim Forms had signatures of authorized
16 individuals;
- 17 (b) Verified that true duplicate Claims were identified, verified, and
18 rejected;
- 19 (c) Verified that persons and entities excluded from the Class did not
20 submit Claims or their Claims were rejected upon review;
- 21 (d) Performed a final Quality Assurance audit of Claims and all
22 supporting documentation to ensure completeness of Claims;
- 23 (e) Performed an audit of deficient Claims;
- 24 (f) Performed an additional review of Claims with high Recognized
25 Claim amounts;
- 26 (g) Audited Claims that were designated invalid;
- 27 (h) Audited Claims with a Recognized Claim amount equal to zero;
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- 1 (i) Performed other auditing based on Claims completion requirements
- 2 and the approved calculation specifications based on the Court-
- 3 approved Plan of Allocation; and
- 4 (j) Re-tested the accuracy of the Recognized Claim amount calculation
- 5 program.

6 40. In support of the work described above, JND's computer staff designed
7 and implemented, and the project team tested, the following programs for this
8 administration: (i) data entry screens that store Claim information (including all
9 transactional data included on each Claim) and attach messages and, where necessary,
10 text to denote conditions existing within the Claim; (ii) programs to load and analyze
11 transactional data submitted electronically for all Electronic Claims; (iii) a program to
12 compare the claimed transaction prices against the reported market prices to confirm
13 that the claimed transactions were within an acceptable range of the reported market
14 prices; (iv) a calculation program to analyze the transactional data for all Claims, and
15 calculate each Claimant's Recognized Claim amount pursuant to the Court-approved
16 Plan of Allocation; and (v) programs to generate various reports throughout and at the
17 conclusion of the administration, including lists of all eligible and ineligible Claims.

18 41. JND also used a variety of fraud protection controls throughout the
19 administration to identify potential fraudulent Claims. Duplicate Claim searches, high
20 value reviews, spot reviews, and other standard audit reports that examined the
21 information in a variety of ways were used during the Claim review process.

22 42. Also, as part of its due diligence in processing the Claims, JND reviewed
23 and compared the entire Settlement Database against its "watch list" of known
24 questionable filers that JND has developed throughout its years of experience as a
25 Claims Administrator. JND works closely with law enforcement to update its watch
26 list with the latest information available. JND performs searches based on names,
27 aliases, addresses, and city/zip codes. In addition, JND's claim processors are trained
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1 to identify any potentially inauthentic documentation when processing claims,
2 including claims submitted by claimants not previously captured on the “watch list.”
3 Processors are instructed to apply a message code to any claim that matches a record
4 on the “watch list” or any claim that appears to be potentially fraudulent and escalate
5 them to management for review. In this administration, JND’s fraud protection
6 procedures identified 29 potentially fraudulent Claims necessitating further review and
7 verification, of which a total of 25 Claims are being recommended for rejection.

8 **IX. RECOMMENDATIONS FOR APPROVAL AND REJECTION**

9 43. As noted above, JND has received a total of 69,532 Claims through
10 October 28, 2021 (*i.e.*, the Presented Claims).

11 **A. Timely Submitted and Valid Claims**

12 44. Of the Presented Claims, a total of 65,987 Claims were received or
13 postmarked on or before the Claim-submission deadline of January 25, 2021. Of these
14 65,987 Claims, 39,892 were determined by JND to be eligible and are recommended
15 for approval (“Timely Eligible Claims”). The total Recognized Claim amount for the
16 Timely Eligible Claims is \$716,815,918.74. A list of the Timely Eligible Claims
17 showing each Claimant’s Recognized Claim amount is attached hereto as Exhibit E.

18 **B. Late But Otherwise Eligible Claims**

19 45. Of the Presented Claims, a total of 3,545 Claims were received or
20 postmarked after the Claim-submission deadline of January 25, 2021 but received on
21 or before October 28, 2021. Of these 3,545 Claims, 1,881 were determined by JND to
22 be otherwise eligible and are recommended for approval (*i.e.*, the Late But Otherwise
23 Eligible Claims). The total Recognized Claim amount for the Late But Otherwise
24 Eligible Claims is \$6,742,032.53. A list of the Late But Otherwise Eligible Claims
25 showing each Claimant’s Recognized Claim amount is attached hereto as Exhibit F.

1 **C. Rejected Claims**

2 46. After the responses to Deficiency Notices/Deficiency Emails were
3 processed, a total of 27,759 Claims remain recommended for rejection (“Rejected
4 Claims”) for the following reasons:

- 5 (a) 14,081 Claims Did Not Result in a Recognized Claim pursuant to
6 the Court-approved Plan of Allocation;
- 7 (b) 3,460 Claims Did Not Fit the Definition of the Class;
- 8 (c) 9,380 Claims were Deficient and Never Cured;
- 9 (d) 409 Claims were Duplicate Claims; and
- 10 (e) 429 Claims were Withdrawn.

11 47. A list of the Rejected Claims with the reasons for rejection is attached
12 hereto as Exhibit G.

13 **X. FEES AND DISBURSEMENTS**

14 48. JND agreed to be the Claims Administrator in exchange for the payment
15 of its fees and out-of-pocket expenses. JND’s total fees and expenses for this matter
16 are \$1,179,285.12. In addition, the brokerage firms and nominees submitted charges to
17 JND for another \$248,761.78 for their work in connection with providing notice to
18 potential Class Members.⁹ To date, JND has been reimbursed the amount of
19 \$1,411,179.98, which includes broker/nominee charges to date. JND respectfully
20 requests payment of \$98,623.60, which includes \$16,866.92 for the balance of its
21 outstanding fees and expenses and \$81,756.68 for the fees and expenses JND estimates
22 it will incur for the work that will be performed in connection with the initial
23 distribution of the Net Settlement Fund. *See* Exhibit H hereto.¹⁰

24 _____
25 ⁹ Nominees were permitted to seek reimbursement of their expenses incurred in
26 connection with providing notice to potential Class Members as directed in the Notice,
27 by providing the Claims Administrator with proper documentation supporting the
28 expenses sought. Notice, ¶ 78.

¹⁰ Should the estimate of fees and expenses to conduct the initial distribution of
the Net Settlement Fund exceed the actual cost to conduct the distribution, the excess

1 **XI. DISTRIBUTION PLAN FOR THE NET SETTLEMENT FUND**

2 49. Should the Court concur with JND’s determinations concerning the
3 provisionally accepted and rejected Claims, including the Late But Otherwise Eligible
4 Claims, JND recommends the following distribution plan (the “Distribution Plan”):

5 (a) JND will conduct an initial distribution (the “Initial Distribution”) of
6 the Net Settlement Fund, after deducting all payments approved by
7 the Court, and after payment of any estimated taxes, the costs of
8 preparing appropriate tax returns, and any escrow fees while
9 maintaining a 10% reserve to address any tax liability and claims
10 administration-related contingencies that may arise following the
11 Initial Distribution, as follows:

12 (i) JND will calculate award amounts for all Authorized
13 Claimants as if the entire Net Settlement Fund were to be
14 distributed now. In accordance with the Court-approved Plan
15 of Allocation, JND will calculate each Authorized
16 Claimant’s *pro rata* share of the Net Settlement Fund based
17 on the amount of the Authorized Claimant’s Recognized
18 Claim in comparison to the total Recognized Claims of all
19 Authorized Claimants.

20 (ii) JND will, pursuant to the terms of the Court-approved Plan of
21 Allocation, eliminate from the Initial Distribution any
22 Authorized Claimant whose *pro rata* share calculates to less
23 than \$10.00. These Claimants will not receive any payment
24 from the Net Settlement Fund, and JND will send these
25 Claimants a postcard advising them of that fact.

26
27 _____
28 will be returned to the Net Settlement Fund and will be available for subsequent
distribution to Authorized Claimants.

1 (iii) After eliminating Claimants who would have received less
2 than \$10.00, JND will recalculate the *pro rata* share of the
3 Net Settlement Fund for Authorized Claimants who would
4 have received \$10.00 or more pursuant to the calculations
5 described in ¶ 49(a)(i) above. This *pro rata* share is the
6 Authorized Claimant’s “Distribution Amount.”

7 (iv) Authorized Claimants whose Distribution Amount
8 calculates to less than \$100.00 will be paid their full
9 Distribution Amount in the Initial Distribution (“Claims
10 Paid in Full”). These Authorized Claimants (*i.e.*, Claims
11 Paid in Full) will receive no additional funds in subsequent
12 distributions.

13 (v) After deducting the payments to the Claims Paid in Full, 90%
14 of the remaining balance of the Net Settlement Fund will be
15 distributed to Authorized Claimants whose Distribution
16 Amount calculates to \$100.00 or more pursuant to ¶ 49(a)(iii)
17 above, based on a *pro rata* basis based on their Distribution
18 Amounts. The remaining 10% of the Net Settlement Fund
19 will be held in reserve (the “Reserve”) to address any tax
20 liability and claims administration-related contingencies that
21 may arise following the Initial Distribution. To the extent the
22 Reserve is not depleted, the remainder will be distributed in
23 the “Second Distribution” described in subparagraph (d)
24 below.

25 (b) In order to encourage Authorized Claimants to promptly deposit
26 their payments, all distribution checks in the Initial Distribution will
27 bear a notation: “CASH PROMPTLY. VOID AND SUBJECT TO
28

1 REDISTRIBUTION IF NOT CASHED BY [DATE 90 DAYS
2 AFTER ISSUE DATE].”¹¹

3 (c) Authorized Claimants who do not cash their Initial Distribution
4 checks within the time allotted or on the conditions set forth in
5 footnote 11 will irrevocably forfeit all recovery from the
6 Settlement. The funds allocated to all such stale-dated checks will
7 be available to be redistributed to other Authorized Claimants, if
8 Class Counsel, in consultation with JND, determines that it is cost-
9 effective to conduct a second distribution. Similarly, Authorized
10 Claimants who do not cash their second or subsequent distribution
11 checks (should such distributions occur) within the time allotted or
12 on the conditions set forth in footnote 11 will irrevocably forfeit
13 any further recovery from the Net Settlement Fund.

14
15
16 ¹¹ For Authorized Claimants whose checks are returned as undeliverable, JND will
17 endeavor to locate new addresses by running the undeliverable addresses through
18 address-lookup services. Where a new address is located, JND will update the
19 Settlement Database accordingly and reissue a distribution check to the Authorized
20 Claimant at the new address. In the event an Authorized Claimant loses or damages
21 his, her, its, or their check, or otherwise requires a new check, JND will issue
22 replacements. Distribution reissues will be undertaken only upon written instructions
23 from the Authorized Claimant, provided that the Authorized Claimant returns the
24 previous check where appropriate. For all checks, JND will void the initial payment
25 prior to reissuing a payment. In order not to delay further distributions to Authorized
26 Claimants who have timely cashed their checks, JND’s outreach program, described
27 in the preceding sentences, shall end 30 days after the initial void date. Authorized
28 Claimants will be informed that, if they do not cash their Initial Distribution checks
within 90 days of the mail date, or they do not cash check reissues within 30 days of
the mailing of such reissued check, their check will lapse, their entitlement to recovery
will be irrevocably forfeited, and the funds will be reallocated to other Authorized
Claimants. Reissue requests for lost or damaged checks will be granted after the void
date on the checks as long as the request for the reissue is received no later than 45 days
prior to the next planned distribution. Requests for reissued checks in connection with
any subsequent distributions (should such distributions occur) will be handled in the
same manner.

1 (d) Consistent with the Court-approved Plan of Allocation, after JND
2 has made reasonable and diligent efforts to have Authorized
3 Claimants cash their Initial Distribution checks, which efforts shall
4 consist of the follow-up efforts described in footnote 11, but not
5 earlier than nine (9) months after the Initial Distribution, JND will,
6 if Class Counsel, in consultation with JND, determines that it is cost-
7 effective to do so, conduct a second distribution of the Net
8 Settlement Fund (the “Second Distribution”). Any amounts
9 remaining in the Net Settlement Fund after the Initial Distribution
10 (including from the Reserve and the funds for all void stale-dated
11 checks and returned funds), after deducting JND’s fees and expenses
12 incurred in connection with administering the Settlement for which
13 it has not yet been paid (including the costs for conducting the
14 Second Distribution), and after deducting any estimated taxes, the
15 costs of preparing appropriate tax returns, and any escrow fees, will
16 be distributed to all Authorized Claimants who cashed their Initial
17 Distribution check and who would receive at least \$10.00 from the
18 Second Distribution based on their *pro rata* share of the remaining
19 funds. Additional distributions, after deduction of any additional fees
20 and expenses as described above and subject to the same conditions,
21 may occur thereafter until Class Counsel, in consultation with JND,
22 determines that further distribution is not cost-effective.

23 (e) At such time as Class Counsel, in consultation with JND,
24 determines that further distribution of the funds remaining in the
25 Net Settlement Fund is not cost-effective, if sufficient funds remain
26 to warrant the processing of Claims received after October 28,
27 2021, such Claims will be processed, and any such Claims that are
28

1 otherwise valid as well as any earlier received Claims for which an
2 adjustment was received after October 28, 2021, which resulted in
3 an increased Recognized Claim, will be paid in accordance with
4 ¶ 49(f) below. If any funds remain in the Net Settlement Fund after
5 payment of such late or late-adjusted Claims, the remaining balance
6 of the Net Settlement Fund, after deducting any additional fees and
7 expenses incurred in connection with administering the Settlement
8 and after deducting any estimated taxes, the costs of preparing
9 appropriate tax returns, and any escrow fees, will be contributed to
10 non-sectarian, not-for-profit organization(s) recommended by
11 Class Counsel and approved by the Court.

12 (f) No new Claims may be accepted after October 28, 2021, and no
13 further adjustments to Claims received on or before October 28,
14 2021, that would result in an increased Recognized Claim amount
15 may be made for any reason after October 28, 2021, subject to the
16 following exception. If Claims are received after October 28, 2021
17 or modified after October 28, 2021, that would have been eligible
18 for payment or additional payment under the Plan of Allocation if
19 timely received, then, at the time that Class Counsel, in consultation
20 with JND, determines that a redistribution is not cost-effective as
21 provided in ¶ 49(e) above, and after deducting any additional fees
22 and expenses incurred in connection with administering the
23 Settlement and after deducting any estimated taxes, the costs of
24 preparing appropriate tax returns, and any escrow fees, such
25 Claimants, at the discretion of Class Counsel, may be paid their
26 distribution amounts or additional distribution amounts on a *pro*
27 *rata* basis that would bring them into parity with other Authorized
28

1 Claimants who have cashed all their prior distribution checks to the
2 extent possible.

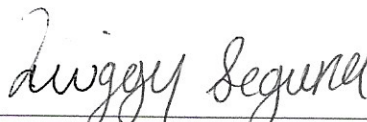
3 (g) Unless otherwise ordered by the Court, one year after the Second
4 Distribution, if that occurs, or, if there is no Second Distribution,
5 two years after the Initial Distribution, JND may destroy the paper
6 copies of the Claims and all supporting documentation, and one
7 year after all funds have been distributed, JND may destroy
8 electronic copies of the same.

9 **XII. CONCLUSION**

10 50. JND respectfully requests that the Court enter an Order approving its
11 administrative determinations accepting and rejecting the Claims submitted herein and
12 approving the proposed Distribution Plan. JND further respectfully submits that its
13 unpaid fees and expenses as well as the fees and expenses it expects to incur in
14 connection with conducting the Initial Distribution, as reflected on the invoices
15 attached hereto as Exhibit H, should be approved for payment from the Settlement
16 Fund.

17
18 I declare under penalty of perjury under the laws of the United States of America
19 that the foregoing is true and correct.

20 Executed in New Hyde Park, New York, on March 17, 2022.

21
22 
23 _____
24 Luiggy Segura