

**UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT**

IN RE TEVA SECURITIES LITIGATION	:	No. 3:17-cv-00558 (SRU)
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THIS DOCUMENT RELATES TO:	:	All Class Actions
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**MEMORANDUM IN SUPPORT OF CLASS REPRESENTATIVES' MOTION
FOR FINAL DISTRIBUTION OF THE NET SETTLEMENT FUND**

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Class Representatives Ontario Teachers' Pension Plan Board and Anchorage Police & Fire Retirement System (together, "Class Representatives") respectfully submit this memorandum in support of their motion for entry of the Proposed Order Authorizing Final Distribution of the Net Settlement Fund (the "Final Distribution Order").¹

This motion seeks to conclude the administration of the parties' class settlement with the distribution of the approximately \$2,202,114.45 (the "Remainder") that remains in the Net Settlement Fund after distributions pursuant to the Court's Initial Distribution Order (ECF 999) and Reserve Distribution Order (ECF 1001), and payment of Lead Counsel's fees and expenses.

The Remainder exists because certain checks previously sent to Authorized Claimants were undeliverable or have expired. In consultation with Lead Counsel, the Claims Administrator, Epiq, has determined that the Remainder should be used to pay certain outstanding claims, primarily consisting of late claims that were submitted, cured, or revised after the Final Bar Date of July 7, 2023 (ECF 999 ¶5.b). These claims have (i) not yet received payment from the Net Settlement Fund, or (ii) received payments based on Recognized Claim amounts that have increased after the Final Bar Date. Distributing the Remainder to these remaining claims is more efficient than a further distribution to previously approved claims, ensures that the remaining claimants who submitted late (but otherwise valid claims) will receive some recovery, and will facilitate the prompt conclusion of this settlement administration.

First, this motion seeks the Court's approval of Epiq's administrative recommendations for claims that were inadvertently omitted from prior distributions or submitted, cured, or revised after

¹ Capitalized terms not defined herein shall have the meanings specified in Class Representatives' Motion for Initial Distribution of the Net Settlement Fund (ECF 998) and the supporting papers filed therewith, Class Representatives Motion for Reserve Distribution of the Net Settlement Fund (ECF 1000), and the supporting papers filed therewith, or the Stipulation of Settlement, dated January 18, 2022 (the "Stipulation," ECF 919-2). Emphasis is added, and citations omitted, unless otherwise noted.

the Final Bar Date. Specifically, these claims: (a) timely submitted documentation pursuant to Epiq’s data integrity review that Epiq inadvertently did not process, and as a result were previously recommended for rejection by Epiq and rejected by the Court; (b) were submitted after the Final Bar Date of July 7, 2023 (ECF 999 ¶5.b); (c) were previously rejected by the Court on Epiq’s recommendation but cured after the Final Bar Date; or (d) were previously approved by the Court but revised through additional information provided after the Final Bar Date, resulting in increased Recognized Claims. The August 26, 2024 Declaration of Stephanie Amin-Giwner (the “Amin-Giwner Decl.”) details Epiq’s recommendations to accept these claims. The 53 claims now recommended for acceptance (the “Remaining Claims”) represent a total of \$87,515,149.90 in Recognized Claims that have not previously been submitted to the Court for approval.

Second, this motion seeks the Court’s authorization for the Final Distribution to the Remaining Claims. The two claims that timely submitted data integrity review documentation will receive payments calculated using the same *pro rata* percentage used in the Initial and Reserve Distributions. The other Remaining Claims (which were untimely) will receive payments using a *pro rata* percentage that is consistent within this group of claims, but lower than the percentage used in the Initial and Reserve Distributions due to the amount of the Remainder relative to the amount of Recognized Claims. To the extent that any checks from the Final Distribution are not timely cashed, any unclaimed funds will be donated to the Connecticut Food Bank, as provided in the Stipulation (ECF 919-2 ¶5.11), to bring the administration of this settlement to its conclusion.

I. BACKGROUND

A. The Distribution Orders and Final Bar Date

The Court entered the Initial Distribution Order on June 26, 2023 (ECF 999), and the Reserve Distribution Order on September 18, 2023 (ECF 1001). Those Orders (1) approved Epiq’s recommendation to accept and reject a total of 415,059 claims; (2) directed the initial and reserve

distribution of the Net Settlement Fund to the Authorized Claimants approved by the Court; (3) set a Final Bar Date of July 7, 2023; and (4) approved Epiq's and JNL's fees and expenses to date. (ECF 999 and 1000.)

B. The Initial and Reserve Distributions and Epiq's Efforts to Complete Payments

Pursuant to the Distribution Orders, Epiq distributed the Net Settlement Fund to the Authorized Claimants approved by the Court. In accordance with Epiq's practice in claims administration, payments for many claims were made by checks sent via the United States Postal Service ("USPS"). (Amin-Giwner Decl. ¶6.) Although these checks were each mailed to the address provided with the corresponding claim, certain checks were returned to Epiq by USPS as undeliverable. (*Id.*) Epiq conducted outreach efforts to claimants and nominees whose returned checks were for payment of more than \$1,000. (*Id.* ¶7.) As a result of these efforts, Epiq wired certain payments and reissued checks and sent them to corrected addresses, and many of the reissued checks were cashed by Authorized Claimants. (*Id.*) Nonetheless, after these efforts, 2,318 checks with a total value of approximately \$358,020.23 were deemed undeliverable. (*Id.*)

Consistent with the Court's Distribution Orders, (ECF 999 ¶5.a.vi; ECF 1001 ¶5.vi), all checks bore the following notation: "DEPOSIT PROMPTLY, VOID AND SUBJECT TO RE-DISTRIBUTION IF NOT NEGOTIATED WITHIN 90 DAYS OF ISSUE DATE." (Amin-Giwner Decl. ¶8.) As is common in class action distributions, certain checks expired without having been cashed by Authorized Claimants. (*Id.*) Epiq conducted outreach efforts to claimants and nominees whose expired checks were for payment of more than \$10,000. (*Id.* ¶9.) These efforts resulted in Epiq successfully delivering payment to numerous Authorized Claimants via wire or reissued checks. (*Id.*) In addition, Epiq reissued checks to all claimants and nominees who contacted Epiq to request reissuance. (*Id.*) However, 6,731 checks (including reissued

checks) with a total value of \$1,700,725.07 have not been cashed by Authorized Claimants and have now expired. (*Id.*)

Due to the undeliverable and uncashed checks, there remains approximately \$2,202,114.45 in the Net Settlement Fund. (*Id.* ¶10.)

C. The Remaining Claims

Since the Reserve Distribution, Epiq discovered two claims where the claimants timely provided responses to Epiq's Data Integrity Review but Epiq inadvertently did not process those responses and, therefore, the claims were recommended for rejection and excluded from the prior distributions. (*Id.* ¶14.) Epiq now recommends that the Court accept these claims.

Epiq has continued to receive and process claims submitted after the Final Bar Date, and has determined that 13 of these claims are untimely but otherwise valid. (Amin-Giwner Decl. ¶16.) Since the Final Bar Date, Epiq has also received documentation that cured the deficiencies for 31 claims previously rejected by the Court. (*Id.* ¶18.) Epiq now recommends that the Court accept these claims.

In addition, two nominees who submitted claims that were rejected or previously approved by the Court, Institutional Protection and ISS Securities Class Action Services, have contacted Epiq and provided information that increased the Recognized Claim amounts for seven claims. (*Id.* ¶¶20-29.) Having reviewed this information and the documentation submitted with these seven claims, as described below, Epiq now recommends that the Court accept the revisions, which result in larger Recognized Claims than previously approved by the Court.

II. THE COURT SHOULD ACCEPT EPIQ'S RECOMMENDATIONS TO APPROVE THE REMAINING CLAIMS

Lead Counsel respectfully requests that the Court approve Epiq's administrative recommendations to accept the 53 Remaining Claims that Epiq recommends for acceptance, which are listed in Exhibits A-E to the Amin-Giwner Declaration and summarized below:

CLAIM CATEGORY	No. of Claims	Recognized Claim
1. Timely Claims Erroneously Excluded from Prior Distributions	2	\$11,310,105.56
2. Claims Submitted After the July 7, 2023 Final Bar Date	13	\$7,737,853.57
3. Rejected Claims Cured After the July 7, 2023 Final Bar Date	31	\$11,879,011.72
4. Institutional Protection Revised Claims	3	\$4,081,764.69 ²
5. ISS Securities Class Action Services Revised Claims	4	\$52,506,414.36 ³
TOTAL:	53	\$87,515,149.90

Each claim category is detailed below.

A. Category 1: Timely Claims Erroneously Excluded from Prior Distributions

After the Initial and Reserve Distributions, Epiq discovered two claims where the claimants timely provided responses to Epiq's Data Integrity Review, but Epiq inadvertently did not process those responses. (Amin-Giwner Decl. ¶14.) Accordingly, Epiq recommended those claims for rejection and they were excluded from prior distributions. (*Id.*) Epiq has now processed that supporting documentation and recommends that these two claims, with a total Recognized Claim of \$11,310,105.56, be accepted. (*Id.* and Ex. A.) These claims will be paid using the same *pro rata* percentage as was used to calculate awards in the Initial and Reserve Distributions. In other words, these claims will be treated as if they had been timely paid in the prior distributions.⁴

² The Recognized Claim amount for this category reflects the increase above the Recognized Claim amount previously approved for these claims.

³ The Recognized Claim amount for this category reflects the increase above the Recognized Claim amount previously approved for these claims.

⁴ The other 51 Remaining Claims will receive payments using a *pro rata* percentage lower than the percentage used in the Initial and Reserve Distributions due to the amount of the Remainder and the amount of the other Recognized Claims submitted herewith for Court approval.

B. Category 2: Claims Submitted After the July 7, 2023 Final Bar Date

Between July 8, 2023, and August 2, 2024, Epiq received thirteen claims with a total Recognized Claim of \$7,737,853.57 that are eligible in whole or in part for payment. (Amin-Giwner Decl. ¶16.) Epiq recommends approving these claims for payment. (*Id.* & Ex. B.)

C. Category 3: Rejected Claims Cured After the July 7, 2023 Final Bar Date

Epiq recommends for payment 31 claims with a total Recognized Claim of \$11,879,011.72 that were previously rejected by the Court due to one or more uncured defects (*see* ECF 999 ¶4; ECF 1000 ¶4). The defects in these claims were cured after July 7, 2023. (Amin-Giwner Decl. ¶18.) As a result of curing the defects, Epiq now recommends these claims for payment. (*Id.* & Ex. C.)

D. Category 4: Institutional Protection Revised Claims

After the Final Bar Date, Institutional Protection, a nominee who submitted claims on behalf of its clients, contacted Epiq regarding proposed revisions to three claims previously approved by the Court and paid. Specifically, Institutional Protection identified that it had failed to affirmatively indicate in these claims that certain Teva ADS were purchased in the ADS Offering and thus eligible for a higher Securities Act Recognized Loss Amount, rather than an Exchange Act Recognized Loss Amount. (Amin-Giwner Decl. ¶21.) Upon review of these claims and accompanying documentation, Epiq confirmed that these claims are eligible for a Securities Act Recognized Loss Amount larger than the Exchange Act Recognized Loss Amount approved by the Court for these claims. (*Id.*) The revisions to these three claims result in a total Recognized Claim of \$4,081,764.69 in excess of the previously approved Recognized Claim for these claims, and Epiq recommends these revised claims for payment. (*Id.* ¶22 & Ex. D.)

E. Category 5: ISS Securities Class Action Services Revised Claims

ISS Securities Class Action Services, another nominee, also contacted Epiq after the Final Bar Date regarding proposed revisions to certain claims. Specifically, ISS Securities Class Action Services identified several claims where they believed the Recognized Claim amounts should have been higher because certain internal movements of Teva Securities between different prime brokerage accounts for the same beneficial owner should not have been treated as transfers. (Amin-Giwner Decl. ¶25.) Upon review, Epiq reprocessed these claims without taking into account these internal share movements, which resulted in greater Recognized Claim amounts. (*Id.*) One of these claims had previously been rejected by the Court because it did not result in a Recognized Claim, and now results in a Recognized Claim of \$6,508,068.97. (*Id.* ¶26.) Three of these claims had previously been approved by the Court and received payments based on a lesser Recognized Claim amount. (*Id.* ¶27.) The revisions result in a total Recognized Claim of \$52,506,414.36 in excess of the total Recognized Claim previously approved by the Court for these claims, and Epiq recommends these revised claims for payment. (*Id.* ¶28 & Ex. E.)

III. FINAL DISTRIBUTION OF THE NET SETTLEMENT FUND

As shown above, Epiq has determined that 53 Remaining Claims, with a total Recognized Claim of \$87,515,149.90 that has not previously been submitted to the Court, are acceptable in whole or in part.

First, the two claims that timely submitted data integrity review documentation will receive payments using the same *pro rata* percentage used in the Initial and Reserve Distributions. This ensures that these timely claims will receive the same payment amounts they would have received if they had been included in the prior distributions.

Second, in consultation with Lead Counsel, Epiq has determined that, after deducting the payments to the two Category 1 claims, the Remainder should be distributed to the other 51

Remaining Claims as a fair and efficient alternative to making a further distribution to previously approved claims. This will ensure that these Remaining Claimants—who submitted late, but otherwise valid, claims—will receive some recovery, though at a lower *pro rata* percentage than previously approved claims given the size of these 51 untimely claims relative to the amount of remaining funds (which reflects undeliverable and expired checks, as described above).

Thus, upon entry of the Final Distribution Order, Epiq will execute the following final distribution plan (the “Final Distribution Plan”) (Amin-Giwner Decl. ¶30):

- i. Pursuant to the Final Distribution Order, Epiq will calculate award amounts for the two Authorized Claimants whose data integrity responses were timely submitted by calculating their *pro rata* share of the Net Settlement Fund, in accordance with the Plan of Allocation, using the same *pro rata* percentage that would have been applied had these claims been included in the Initial and Reserve Distributions. Each of these Authorized Claimants will receive their respective award amount.
- ii. After deducting the awards to those two Authorized Claimants, Epiq will calculate award amounts to the other 51 Authorized Claimants pursuant to the Final Distribution Order by calculating their *pro rata* share of the Remainder of the Net Settlement Fund, in accordance with the Plan of Allocation, based on the (a) amount of the Authorized Claimant’s Recognized Claim that has not previously been submitted to the Court for approval divided by (b) the total of Recognized Claims of all of the other 51 Authorized Claimants that have not previously been

submitted to the Court for approval, multiplied by (c) the total amount in the Remainder of the Net Settlement Fund at the time of the Final Distribution (after deducting the payments to the claims described in subparagraph (i) above and any further payments for taxes, the costs of preparing appropriate tax returns, and any escrow fees).

- iii. Epiq will eliminate from the Final Distribution any Authorized Claimant whose *pro rata* share of the Remainder of the Net Settlement Fund as calculated under subparagraph (ii) above is less than \$10.00. Such claimants will not receive any distribution from the Remainder of the Net Settlement Fund and Epiq will send letters to those Authorized Claimants (if not already sent) advising them of that fact.
- iv. After eliminating claimants who would have received less than \$10.00, Epiq will calculate the *pro rata* share for each remaining Authorized Claimant pursuant to the calculations described in subparagraph (ii) above (the “Final Distribution Amount”).
- v. Each remaining Authorized Claimant will receive the Final Distribution Amount.
- vi. In order to encourage Authorized Claimants to promptly deposit their payments, all Final Distribution checks will bear the following notation:
“DEPOSIT PROMPTLY, VOID AND SUBJECT TO RE-DISTRIBUTION IF NOT NEGOTIATED WITHIN 90 DAYS OF ISSUE DATE.”

- vii. Authorized Claimants who do not cash their Final Distribution checks within the time allotted will irrevocably forfeit all recovery from the Settlement. The funds allocated to all such stale-dated checks will be available to be re-distributed to other Authorized Claimants or donated to the Connecticut Food Bank, as provided in the Stipulation (ECF 919-2 ¶5.11), without further notice.

IV. CONCLUSION

For the foregoing reasons, Class Representatives respectfully request that the Court enter the Final Distribution Order submitted herewith.

Dated: New York, New York
August 26, 2024

Respectfully submitted,

/s/ Joseph A. Fonti

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