**UNITED STATES DISTRICT COURT**
**SOUTHERN DISTRICT OF NEW YORK**

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| IN RE HUB CYBER SECURITY LTD. | Master File No. 1:23-cv-05764-AS |

**MEMORANDUM OF LAW IN SUPPORT OF LEAD COUNSEL'S MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

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Lead counsel Glancy Prongay Wolke & Rotter LLP (f/k/a Glancy Prongay & Murray LLP; "GPWR") and the Law Offices of Jacob Sabo ("Sabo Law"; and together with GPWR, "Lead Counsel"), on behalf of all Plaintiffs' Counsel,[1] respectfully submit this memorandum of law in support of their request for attorneys' fees of 33⅓% the Settlement Fund net of Litigation Expenses (or $3,666,666, plus interest at the same rate as the Settlement Fund). Lead Counsel also seek reimbursement of $96,092.83 in out-of-pocket expenses advanced by counsel, as well as $30,000 in total to the four Plaintiffs, as authorized by the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), 15 U.S.C. § 77z-1(a)(4).

## I. INTRODUCTION

The proposed Settlement provides for a non-reversionary cash payment of $11,000,000 in exchange for the resolution of the Action. This is an outstanding result for the Settlement Class, particularly considering the significant risks Plaintiffs faced in this complex securities fraud case.

Achieving the Settlement was not easy. Lead Counsel faced numerous hurdles and risks from the outset, including the PSLRA's automatic stay of discovery, the high cost of experts and investigators needed to litigate a complex securities fraud case, and a substantial risk of non-payment. *See* 15 U.S.C. §§ 77z-1(b)(1). "To be successful, a securities class action plaintiff must thread the eye of a needle made smaller and smaller over the years by judicial decree and congressional action." *Alaska Elec. Pension Fund v. Flowserve Corp.*, 572 F.3d 221, 235 (5th Cir. 2009) (O'Connor, J., by designation).[2] As a result, a significant number of cases are dismissed at

[1] Unless otherwise noted, capitalized terms have the meanings set forth in the Stipulation and Agreement of Settlement dated December 9, 2025 (the "Stipulation"; ECF No. 138-1), or in the concurrently filed Declaration of Casey E. Sadler ("Sadler Declaration" or "Sadler Decl."). Citations to "¶__" or "Ex. __" in this memorandum refer to paragraphs in, or exhibits to, the Sadler Declaration.

[2] Unless otherwise noted, all internal citations and quotations have been omitted, and emphasis has been added.

the pleading stage.[3]

The risks end at the pleading stage. Even when a plaintiff is successful at trial, payment is far from guaranteed.[4] There was, therefore, a significant possibility that the case would yield little or no recovery after many years of costly litigation. *See Silverman v. Motorola Sols., Inc.*, 739 F.3d 956, 958 (7th Cir. 2013) (observing that "Defendants prevail outright in many securities suits."); *In re Ocean Power Tech., Inc., Sec. Litig.*, 2016 WL 6778218, at *28 (D.N.J. Nov. 15, 2016) ("The risk of non-payment is especially high in securities class actions, as they are notably difficult and notoriously uncertain."); *see also In re Xcel Energy, Inc., Sec., Deriv. & "ERISA" Litig.*, 364 F. Supp. 2d 980, 994 (D. Minn. 2005) ("Precedent is replete with situations in which attorneys representing a class have devoted substantial resources in terms of time and advanced costs yet have lost the case despite their advocacy.").

Despite facing long odds, Plaintiffs' Counsel vigorously pursued this case for approximately two and a half years, working more than 2,224.73 hours and advancing $96,092.83 in out-of-pocket expenses, all on a *fully* contingent basis. *See* ¶¶75-76, 90-99; *see also* § III.D.1., *infra* (summarizing work performed by Lead Counsel). As compensation for Plaintiffs' Counsel's

[3] *See* Ex. 4, excerpt from Edward Flores, Svetlana Starykh, and Ivelina Velikova, *Recent Trends in Securities Class Action Litigation, 2025 Full-Year Review* (NERA, Jan. 21, 2026)) ("NERA Report") at 18, Fig. 15 (motion to dismiss filed in 96% of the securities class action cases in the last ten years, and in cases where the motion was decided, 62% were granted with or without prejudice, 21% were partially granted, and only 17% denied in full); *see also Bray v. Rocket Lab USA, Inc.,* 2026 WL 1102830 (C.D. Cal. Apr. 14, 2026) (tentative ruling dismissing securities class action complaint with prejudice where GPWR was lead counsel) *adopted by Bray v. Rocket Lab USA, Inc.*, 2026 WL 1102785, at *1 (C.D. Cal. Apr. 16, 2026).

[4] *See, e.g.*, *Glickenhaus & Co. v. Household Int'l, Inc.*, 787 F.3d 408 (7th Cir. 2015) (reversing jury verdict awarding investors $2.46 billion on loss causation and damages grounds, and remanding for new trial on these issues), *reh'g denied* (July 1, 2015); *Robbins v. Koger Props., Inc.*, 116 F.3d 1441 (11th Cir. 1997) (reversing jury verdict of $81 million for plaintiffs); *In re Apple Computer Sec. Litig.*, 1991 WL 238298 (N.D. Cal. Sept. 6, 1991) ($100 million jury verdict vacated on post-trial motions).

considerable efforts on behalf of the Settlement Class, Lead Counsel respectfully requests a fee award in the amount of 33⅓% of the Settlement Fund on behalf of all Plaintiffs' Counsel. The requested fee is consistent with fee awards in comparable class action settlements, whether considered as a percentage of the Settlement or in relation to Plaintiffs' Counsel's lodestar. The requested fee represents a modest multiplier of 1.69 on Plaintiffs' Counsel's lodestar, which is well within the range of multipliers typically awarded in class actions with substantial contingency risks such as this one. *See In re Signet Jewelers Limited Sec. Litig.*, 2020 WL 4196468, at *16 (S.D.N.Y. July 21, 2020) ("In complex litigation, lodestar multipliers between 2 and 5 are commonly awarded, and fee awards resulting in multipliers as high as 6 have also been approved.").

Lead Counsel also seek reimbursement of $96,092.83 in out-of-pocket litigation expenses on behalf of all Plaintiffs' Counsel. *See* ¶¶90-99. This amount is below the $205,000 limit on Litigation Expenses ($175,000 for Plaintiffs' Counsel's out of pocket expenses and $30,000 for the Plaintiffs pursuant to the PSLRA) disclosed in the Notice. The expenses are reasonable in amount and were necessarily incurred in the successful prosecution of the Action. Accordingly, they should be approved.

Finally, Plaintiffs respectfully request PSLRA awards totaling $30,000 ($10,000 each to Court-appointed Lead Plaintiffs Aryeh Agam and Shimon Aharon, and $5,000 each to additional named Plaintiffs Rodrigue Fodjo and Dustin Green), to compensate them for the time and effort they expended on behalf of the Settlement Class. Each Plaintiff, *inter alia*: reviewed the pleadings and briefs filed in the Action, as well as significant court orders; communicated with Lead Counsel about the litigation and the posture and progress of the case; responded to interrogatories and document requests; was involved in settlement negotiations; and, after discussions with Lead

Counsel, authorized settlement of the case. But for their "commitment to pursuing these claims, the successful recovery for the [Settlement] Class would not have been possible." *Bell v. Pension Comm. of ATH Holding Co., LLC*, 2019 WL 4193376, at *6 (S.D. Ind. Sept. 4, 2019).

For the reasons set forth herein and in the Sadler Declaration, Lead Counsel respectfully request the Court award attorneys' fees, approve reimbursement of Plaintiffs' Counsel's out-of-pocket litigation expenses, and grant PSLRA awards to the four Plaintiffs.

## II. FACTUAL AND PROCEDURAL HISTORY OF THE LITIGATION

The Sadler Declaration is an integral part of this submission and, for the sake of brevity, the Court is respectfully referred to it for a discussion of, *inter alia*, the history of the Action; the claims asserted; the mediation and negotiations leading to the Settlement; the risks of continued litigation; the services Plaintiffs' Counsel provided; and additional information that support the fee and expense application.

## III. ARGUMENT

### A. The Common Fund Doctrine Applies To The Settlement

The Supreme Court and the Second Circuit have long recognized that attorneys whose efforts create a "common fund" are entitled to a reasonable attorneys' fee from that fund. *See Boeing Co. v. Van Gemert*, 444 U.S. 472, 478 (1980); *Goldberger v. Integrated Res., Inc.*, 209 F.3d 43, 47 (2d Cir. 2000). "The rationale for the doctrine is an equitable one: it prevents unjust enrichment of those benefitting from a lawsuit without contributing to its cost." *Goldberger*, 209 F.3d at 47. Awarding reasonable attorneys' fees from a common fund also serves an important policy goal: it encourages "skilled counsel to represent those who seek redress for damages inflicted on entire classes of persons," and thus discourages "future misconduct of a similar nature." *In re Veeco Instruments Inc. Sec. Litig.*, 2007 WL 4115808, at *2 (S.D.N.Y. Nov. 7, 2007); *see also Hicks v. Morgan Stanley & Co.*, 2005 WL 2757792, at *9 (S.D.N.Y. Oct. 24,

2005).

For the common fund doctrine to apply, "the applicant's efforts must confer a 'substantial benefit on the members of an ascertainable class, and where the court's jurisdiction over the subject matter of the suit makes possible an award that will operate to spread costs proportionately among them,' an award of attorneys' fees must operate to shift the costs of litigation to that group." *Maley v. Del Global Techs. Corp.*, 186 F. Supp. 2d 358, 369 (S.D.N.Y. 2002) (quoting *Mills v. Elec. Auto-Lite Co.*, 396 U.S. 375, 393-94 (1970)). These elements are all present here. Plaintiffs' Counsel's efforts conferred a substantial benefit—$11 million in cash—on an ascertainable class. A fee award from the common fund will equitably shift the costs of litigation to the group benefitting from the Settlement, *i.e.*, the Settlement Class. Accordingly, the Court should award attorneys' fees from the Settlement Fund. *See Maley*, 186 F. Supp. 2d at 369.

**B. The Court Should Award A Reasonable Percentage Of The Common Fund**

In the Second Circuit, "both the lodestar and the percentage of the fund methods are available to district judges in calculating attorneys' fees." *Goldberger*, 209 F.3d at 50. However, "[t]he trend in the Second Circuit is to use the percentage of the fund method . . . as it directly aligns the interests of the class and its counsel, mimics the compensation system actually used by individual clients to compensate their attorneys, provides a powerful incentive for the efficient prosecution and early resolution of litigation, and preserves judicial resources." *Monzon v. 103W77 Partners, LLC*, 2015 WL 993038, at *2 (S.D.N.Y. Mar. 5, 2015); *Wal-Mart Stores, Inc. v. Visa U.S.A., Inc.*, 396 F.3d 96, 121 (2d Cir. 2005) ("The trend in this Circuit is toward the percentage method, which directly aligns the interests of the class and its counsel and provides a powerful incentive for the efficient prosecution and early resolution of litigation.").[5] The

[5] *See also Athale v. Sinotech Energy Ltd.*, 2013 WL 11310686, at *7 (S.D.N.Y. Sept. 4, 2013) ("the trend in this Circuit has been toward the use of a percentage of recovery as the preferred

percentage-of-the-fund method is also supported by the PSLRA. *See* 15 U.S.C. § 77z-1(a)(6) ("Total attorneys' fees and expenses awarded by the court to counsel for the plaintiff class shall not exceed a *reasonable percentage* of the amount of any damages and prejudgment interest actually paid to the class.").[6]

Use of the percentage method does not, however, render the lodestar irrelevant. Rather, part of the reasonableness inquiry is a comparison of the lodestar to the fee awarded pursuant to the percentage of the fund method "[a]s a 'cross-check.'" *Id.* at 123 (quoting *Goldberger*, 209 F.3d at 50). "[W]here [the lodestar method is] used as a mere cross-check, the hours documented by counsel need not be exhaustively scrutinized by the district court." *Goldberger*, 209 F.3d at 50. "Instead, the reasonableness of the claimed lodestar can be tested by the court's familiarity with the case," *id*., or "[t]he district courts . . . may rely on summaries submitted by the attorneys and need not review actual billing records." *In re Rite Aid Corp. Sec. Litig.*, 396 F.3d 294, 306-07 (3d Cir. 2005); *Davis v. J.P. Morgan Chase & Co.*, 827 F. Supp. 2d 172, 184 (W.D.N.Y. 2011); *Johnson v. Brennan*, 2011 WL 4357376, at *14-15 (S.D.N.Y. Sept. 16, 2011).

The weight of authority supports the use of the percentage-of-recovery method, with a lodestar cross-check, in determining a reasonable attorneys' fee. *See In re Bristol-Myers Squibb Sec. Litig.*, 361 F. Supp. 2d 229, 233 (S.D.N.Y. 2005) ("Typically, courts utilize the percentage method and then 'cross-check' the adequacy of the resulting fee by applying the lodestar

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method of calculating the award for class counsel in common fund cases, particularly in complex securities class actions.").

[6] *See also Yang v. Focus Media Holding Ltd.*, 2014 WL 4401280, at *15 (S.D.N.Y. Sept. 4, 2014) (percentage of the fund method is "consistent with the PSLRA, which expressly provides that class counsel are entitled to attorneys' fees that represent a 'reasonable percentage' of the damages recovered by the class."); *In re Telik, Inc. Sec. Litig.*, 576 F. Supp. 2d 570, 586 (S.D.N.Y. 2008) ("Congress plainly contemplated that percentage-of-recovery would be the primary measure of attorneys' fees awards in federal securities class actions.").

method."); *Bellifemine v. Sanofi-Aventis U.S. LLC*, 2010 WL 3119374, at *6 (S.D.N.Y. Aug. 6, 2010) ("applying a lodestar 'cross-check'").

### C. The Requested Attorneys' Fees Are Reasonable

#### 1. The Requested Attorneys' Fees Are Reasonable Under The Percentage-Of-The-Fund Method

The fee requested by Lead Counsel is well within the range of percentage fees awarded in the Second Circuit in comparable complex class actions. *See Maley*, 186 F. Supp. 2d at 370 (finding 33⅓% fee request of settlement fund valued at $11.5 million "falls comfortably within the range of fees typically awarded in securities class actions"); *Nichols v. Noom, Inc.*, 2022 WL 2705354, at *10 (S.D.N.Y. July 12, 2022) (awarding one-third of $56 million cash settlement fund and stating that "[a] fee equal to one-third of a settlement fund is routinely approved in this Circuit."); *In re Lloyd's Am. Trust Fund Litig.*, 2002 WL 31663577, at *26 (S.D.N.Y. Nov. 26, 2002) (collecting cases and stating "[i]n this district alone, there are scores of common fund cases where fees alone (*i.e.,* where expenses are awarded in addition to the fee percentage) were awarded in the range of 33-1/3% of the settlement fund."); *Kelwin Inkwel, LLC v. PNC Merchant Services Company, L.P.*, 2022 WL 3127633, at *4 (E.D.N.Y. Apr. 12, 2022) (awarding one-third of $10 million recovery, "which the Court finds to be reasonable and consistent with awards in similar cases in this Circuit."); *Toure v. Amerigroup Corp.*, 2012 WL 3240461, at *5 (E.D.N.Y. Aug. 6, 2012) (awarding one-third of $4,450,000 settlement fund and noting that a "request for one-third of the fund is reasonable and consistent with the norms of class litigation in this circuit.").[7]

[7] *Mohney v. Shelly's Prime Steak, Stone Crab & Oyster Bar*, 2009 WL 5851465, at *5 (S.D.N.Y. Mar. 31, 2009) (collecting cases and noting that "Class Counsel's request for 33% of the Settlement Fund is typical in class action settlements in the Second Circuit."); *Lea v. Tal Educ. Grp.*, 2021 WL 5578665, at *11 (S.D.N.Y. Nov. 30, 2021) (awarding 33⅓% $7.5 million gross settlement fund and stating: "[t]he percentage of the fund request[ed] – one-third – is a percent that has been approved as reasonable in this Circuit.").

The requested fee is, therefore, consistent with awards in other complex cases. *See* Ex. 14 (Table of Select Second Circuit Cases with 33% or Higher Fee Awards); *see also In re XL Fleet Corp. Sec. Litig.*, 2024 WL 1884483, at *1-2 (S.D.N.Y. Apr. 30, 2024) (awarding 33⅓% of $19.5 million and stating: "[t]he amount of attorneys' fees awarded and expenses to be reimbursed from the Settlement Fund are fair and reasonable and consistent with awards in similar cases.); *In re Tenaris S.A. Sec. Litig.*, 2024 WL 1719632, at *10, 12 (E.D.N.Y. Apr. 22, 2024) (awarding 33⅓% of $9.5 million settlement fund, collecting cases, and stating: "[d]istrict courts within the Second Circuit routinely approve attorneys' fees awards of one third or 33 1/3% as reasonable."); *Pearlstein v. BlackBerry Ltd.*, 2022 WL 4554858, at *10 (S.D.N.Y. Sept. 29, 2022) (awarding 33-1/3% of $165 million and stating: "[c]lass counsel's request for one-third of the gross settlement fund is reasonable within this circuit.").

**2. The Lodestar Cross-Check Strongly Supports The Reasonableness Of The Requested Fee**

A lodestar cross-check confirms the requested fee's reasonableness. *See Goldberger*, 209 F.3d at 50. The lodestar is calculated by multiplying the number of hours expended by each attorney or para-professional by their current reasonable and customary hourly rate and totaling the amounts for all timekeepers.[8] Additionally, "[u]nder the lodestar method of fee computation, a multiplier is typically applied to the lodestar." *In re Global Crossing Sec. & ERISA Litig.*, 225 F.R.D. 436, 468

[8] "[T]he use of current rates to calculate the lodestar figure has been endorsed repeatedly by the Supreme Court, the Second Circuit and district courts within the Second Circuit as a means of accounting for the delay in payment inherent in class actions and for inflation." *In re Hi-Crush Partners L.P. Sec. Litig.*, 2014 WL 7323417, at *15 (S.D.N.Y. Dec. 19, 2014); *Missouri v. Jenkins*, 491 U.S. 274, 283-84 (1989); *LeBlanc-Sternberg v. Fletcher*, 143 F.3d 748, 764 (2d Cir. 1998) ("[C]urrent rates, rather than historical rates, should be applied in order to compensate for the delay in payment.").

(S.D.N.Y. 2004). "The multiplier represents the risk of the litigation, the complexity of the issues, the contingent nature of the engagement, the skill of the attorneys, and other factors." *Id.* (citing *Goldberger*, 209 F.3d at 47); *Savoie v. Merchants Bank*, 166 F.3d 456, 460 (2d Cir. 1999). Thus, "[w]here, as here, counsel has litigated a complex case under a contingency fee arrangement, they are entitled to a fee in excess of the lodestar." *In re Comverse Tech., Inc. Sec. Litig.*, 2010 WL 2653354, at *5 (E.D.N.Y. June 24, 2010).

Plaintiffs' Counsel (including attorneys, paralegals, and professional support staff), collectively devoted 2,224.73 hours[9] to prosecuting this Action, resulting in a lodestar of $2,170,890.50. ¶78.[10] Based on a 33⅓% fee , this lodestar yields a multiplier of 1.69. This multiplier is at the lower end of the range commonly awarded in securities class actions and other complex litigation. *See Wal-Mart*, 396 F.3d at 123 (upholding multiplier of 3.5 as reasonable on appeal); *Maley*, 186 F. Supp. 2d at 369 (awarding fee equal to a 4.65 multiplier, which was "well within the range awarded by courts in this Circuit and courts throughout the country"); *Burns v. FalconStor Software, Inc.*, 2014 WL 12917621, at *10 (E.D.N.Y. Apr. 10, 2014) (finding 33.3% fee award "reasonable" based on cross-check multiplier of 4.75); *In re Bisys Sec. Litig.*, 2007 WL 2049726, at *3 (S.D.N.Y July 16, 2007) (awarding 30% fee, equating to a 2.99 multiplier and finding that the multiplier "falls well within the parameters set in this district and elsewhere");

[9] Lead Counsel are not including the time of the Sabo Law in the lodestar cross check as it does not keep daily time records consistent with the practice of many law firms in Israel. Sabo Law estimates that it spent approximately 350 hours working on the ligation and has summarized the work it performed in the Action. Ex. 7, ¶¶2-4.

[10] Plaintiffs' Counsel's rates range from $450-$900 per hour for non-partner attorneys and $1,000-$1,390 per hour for partners (¶79) and "are reasonable and commensurate with attorneys of similar experience in this geographic region." *Fernandez v. DouYu Int'l Holdings Ltd.*, 2025 WL 3564643, at *7 (D.N.J. Dec. 12, 2025) (commenting on GPWR's 2025 rates); *Tenaris.*, 2024 WL 1719632, at *10 (finding GPWR's 2023 rates "are comparable to peer law firms in recent years."); *see also* Ex. 6 (chart of rates charged by peer plaintiff and defense counsel in complex litigation).

*Davis*, 827 F. Supp. 2d at 185 (awarding fee representing a multiplier of 5.3, which was "not atypical"); *Velez v. Novartis Pharm. Corp.*, 2010 WL 4877852, at *23 (S.D.N.Y. Nov. 30, 2010) (recognizing a "multiplier of 2.4 times the hourly fees already incurred.... [as] well within (indeed, at the lower end) of the range of multipliers accepted within the Second Circuit.").[11]

"The fact that [Lead] Counsel's fee award will not only compensate them for time and effort already expended, but for the time that they will be required to spend administering the settlement going forward, also supports their fee request." *Leach v. NBC Universal Media, LLC*, 2017 WL 10435878 at ¶49 (S.D.N.Y. Aug. 24, 2017). Among other things, Lead Counsel will oversee the claims administration process, respond to shareholder inquiries, and prepare and present a Motion for Distribution of the Net Settlement Fund to the Court. The multiplier will, therefore, diminish as the case moves forward because Lead Counsel will not seek any additional compensation for this work.

"In sum, Lead Counsel's requested fee award is well within the range of what courts in this Circuit regularly award in class actions such as this one, whether calculated as a percentage of the fund or in relation to Plaintiff's Counsel's lodestar." *Signet*, 2020 WL 4196468, at *17 (awarding

[11] *See also Sinotech*, 2013 WL 11310686, at *8 (stating that courts routinely award lodestar multipliers of "between four and five"); *In re Interpublic Sec. Litig.*, 2004 WL 2397190, at *12 (S.D.N.Y. Oct. 26, 2004) ("In recent years multipliers of between 3 and 4.5 have been common in federal securities cases.") (quoting *In re Sumitomo Copper Litig.*, 74 F. Supp. 2d 393, 399 (S.D.N.Y. 1999)); *In re Colgate-Palmolive Co. ERISA Litig.*, 36 F. Supp. 3d 344, 353 (S.D.N.Y. 2014) (awarding fee representing a multiplier of 5.2, which was "large, but not unreasonable."); *In re Deutsche Telekom AG Sec. Litig.*, 2005 WL 7984326 at *4 (S.D.N.Y. June 14, 2005) (awarding fee representing a 3.96 multiplier); *Asare v. Change Group of New York, Inc.*, 2013 WL 6144764, at *19 (S.D.N.Y. Nov. 18, 2013) ("Typically, courts use multipliers of 2 to 6 times the lodestar"); *Cornwell v. Credit Suisse Grp.*, 2011 WL 13263367, at *2 (S.D.N.Y. July 18, 2011) (awarding fee representing a 4.7 multiplier); *In re Deutsche Telekom AG Sec. Litig.*, 2005 WL 7984326 at *4 (S.D.N.Y. June 14, 2005) (awarding fee representing a 3.96 multiplier); *Woburn Ret. Sys. v. Salix Pharm., Ltd.*, 2017 WL 3579892, at *6 (S.D.N.Y. Aug. 18, 2017) (awarding fee representing a 3.14 multiplier).

25% of $240 million settlement, equating to 1.98 lodestar multiplier, and collecting cases showing that "[i]n complex litigation, lodestar multipliers between 2 and 5 are commonly awarded"); *see also Guevoura Fund Ltd. v. Sillerman*, 2019 WL 6889901, at *18 (S.D.N.Y. Dec. 18, 2019) ("multipliers of between three and four times . . . have been routinely awarded in this Circuit."); *Telik,* 576 F. Supp. 2d at 590 ("In contingent litigation, lodestar multiples of over 4 are routinely awarded by courts, including this Court.").

### D. Factors Considered By Courts In The Second Circuit Confirm The Requested Fee Is Reasonable

The Second Circuit has held that, under both the lodestar and percentage-of-the-fund methods, "district courts should continue to be guided by the traditional criteria in determining a reasonable common fund fee, including: (1) the time and labor expended by counsel; (2) the magnitude and complexities of the litigation; (3) the risk of the litigation; (4) the quality of representation; (5) the requested fee in relation to the settlement; and (6) public policy considerations." *Goldberger*, 209 F.3d at 50 (cleaned up). Consideration of these factors, together with the percentage and lodestar analyses above, demonstrates that the requested fee is reasonable.

#### 1. Time And Labor Expended Support The Requested Fee

The time and effort expended by Plaintiffs' Counsel in prosecuting the Action and achieving the Settlement supports the requested fee. Among other things, Plaintiffs' Counsel:

- moved for the appointment of Lead Plaintiffs pursuant to the PSLRA;
- conducted a comprehensive investigation into Defendants' allegedly wrongful acts, which included, among other things: (i) reviewing and analyzing (a) Hub's filings with the U.S. Securities and Exchange Commission, as well as Legacy Hub's filings with the Tel Aviv Stock Exchange, (b) public reports, blog posts, research reports prepared by securities and financial analysts, and news articles concerning Hub, and (c) Hub's investor call transcripts, press releases and other public statements made by Defendants prior to, during, and after the Settlement Class Period; (ii) retaining and working with a private investigator who conducted an investigation in Israel that involved, *inter alia*, numerous interviews of former Hub employees and other sources of relevant information;

and (iii) consulting with an expert on negative causation and damages;

- drafted the comprehensive 54-page (154-paragraph) Amended Class Action Complaint for Violations of the Federal Securities Laws ("Complaint") (ECF No. 45) based on this investigation, which was subsequently served on certain Defendants in Israel;
- researched, drafted, and filed (i) oppositions to two motions to dismiss the Complaint (ECF Nos. 95-96); and (ii) a letter responding the Judge Subramanian's questions regarding certain issues in the Action (ECF Nos. 109, 112), after which the Court granted in part and denied in part Defendants' motions (ECF No. 105; *In re Hub Cyber Security Ltd.*, 2025 WL 872078 (S.D.N.Y. Mar. 20, 2025));
- negotiated a protective order and ESI protocol, both of which were subsequently entered by the Court (ECF Nos. 125, 126);
- engaged in fact discovery, which entailed, *inter alia*, (i) exchanging initial disclosures; (ii) serving and responding document requests (Plaintiffs produced 262 pages of documents); (iii) negotiating over date ranges, search terms, and custodians for Defendants' ESI; (iv) serving requests for admissions; and (v) conducting targeted review and analysis of over 88,000 pages of documents produced by Defendants, many of which were in Hebrew;
- participated with Defendants' counsel in a mediation process overseen by a highly experienced third-party mediator, Jed Melnick, Esq., of JAMS, which involved, *inter alia*: (i) an exchange of written submissions concerning the facts of the case, liability and damages; (ii) a full-day formal mediation session; (iii) consultation with Plaintiffs' expert on damages and loss causation; and (iv) a mediator's recommendation to globally settle the Action for a total of $11 million, which was accepted by the Parties;
- prepared the initial draft and then negotiated the detailed confidential settlement term sheet with counsel for Defendants;
- prepared the first draft of the Stipulation and exhibits thereto, and then negotiated the terms of the Stipulation and Supplemental Agreement; and
- worked with a damages expert to craft a plan of allocation that treats Plaintiffs and all other members of the proposed Settlement Class fairly. ¶¶12-33.

Moreover, as discussed above, Lead Counsel's work will not end with the Court's approval of the proposed Settlement. Additional hours and resources will be expended assisting Settlement Class Members with their Claim Forms, responding to Settlement Class Members' inquiries, shepherding the claims process to conclusion, and filing a distribution motion. No additional compensation will be sought for this work, which further supports the reasonableness of Lead

Counsel's fee request. *See In re Facebook, Inc. IPO Sec. & Deriv. Litig.*, 2015 WL 6971424, at *10 (S.D.N.Y. Nov. 9, 2015) ("Considering that the work in this matter is not yet concluded for Plaintiffs' counsel who will necessarily need to oversee the claims process, respond to inquiries, and assist Class Members in submitting their Proof of Claims, the time and labor expended by counsel in this matter support a conclusion that a 33% fee award in this matter is reasonable."). Accordingly, this factor supports the requested fee.

**2. The Risks Of Litigation Support The Requested Fee**

"[T]he risk of success [is] perhaps the foremost factor to be considered in determining" a reasonable award of attorneys' fees. *Goldberger*, 209 F.3d at 54; *see also Shapiro v. JPMorgan Chase & Co.*, 2014 WL 1224666, at *21 (S.D.N.Y. Mar. 24, 2014) ("The Second Circuit long ago recognized that courts should consider the risks associated with lawyers undertaking a case on a contingent fee basis."); *In re Dairy Farmers of Am., Inc. Cheese Antitrust Litig.*, 80 F. Supp. 3d 838, 847-48 (N.D. Ill. 2015) ("When determining the reasonableness of a fee request, courts put a fair amount of emphasis on the severity of the risk (read: financial risk) that class counsel assumed in undertaking the lawsuit."). This because:

> No one expects a lawyer whose compensation is contingent upon his success to charge, when successful, as little as he would charge a client who in advance had agreed to pay for his services, regardless of success. Nor, particularly in complicated cases producing large recoveries, is it just to make a fee depend solely on the reasonable amount of time expended.

*City of Detroit v. Grinnell Corp.*, 495 F.2d 448, 470 (2d Cir. 1974). In applying this factor, "'litigation risk must be measured as of when the case is filed,' rather than with the hindsight benefit of subsequent events." *Global Crossing*, 225 F.R.D. at 467 (quoting *Goldberger*, 209 F.3d at 55).[12] The many substantial risks that Plaintiffs' Counsel faced in prosecuting this suit more

[12] *See also In re NASDAQ Market-Makers*, 187 F.R.D. 465, 488 (S.D.N.Y. 1998) ("Risk, of course, must be judged as it appeared to counsel at the outset of the case, when they committed

than justify the requested fee. *See* ¶¶34-48.

Numerous courts have recognized that "class actions confront even more substantial risks than other forms of litigation[,]" *Comverse*, 2010 WL 2653354, at *5, and that "[s]ecurities class actions such as this are notably difficult and notoriously uncertain." *In re Flag Telecom Holdings, Ltd. Sec. Litig.*, 2010 WL 4537550, at *27 (S.D.N.Y. Nov. 8, 2010).[13] This case was no exception. From the outset, Plaintiffs' Counsel understood that they were embarking on a complex, expensive, and potentially lengthy litigation with no guarantee of being compensated for their substantial investment of time and money. In undertaking that responsibility, "plaintiffs' counsel were obligated to assure that sufficient attorney and para-professional resources were dedicated to the prosecution of the action; counsel also faced the responsibility of advancing litigation and overhead expenses on this case for [many] years." *In re Giant Interactive Grp., Inc. Sec. Litig.*, 279 F.R.D. 151, 164 (S.D.N.Y. 2011). "Unlike counsel for Defendants, who are paid substantial hourly rates and reimbursed for their expenses on a regular basis, [Plaintiffs'] Counsel have not been compensated for any time or expenses since this case began more than [two] years ago." *Flag Telecom*, 2010 WL 4537550, at *27.

Plaintiffs' Counsel's commitment was substantial, *i.e.*, $2,170,890.50 in lodestar (¶75), and $96,092.83 in out-of-pocket hard costs (¶91). Had they not obtained a recovery it would have all been lost, which Lead Counsel knew from experience was a distinct possibility despite their diligent and committed prosecution of the Action. *See Gross v. GFI Group, Inc.*, 784 F. App'x 27, 28 (2d

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their capital (human and otherwise).").

[13] *See also Teachers' Ret. Sys. of La. v. A.C.L.N., Ltd.*, 2004 WL 1087261, at *3 (S.D.N.Y. May 14, 2004) ("Little about litigation is risk-free, and class actions confront even more substantial risks."); *Great Neck Capital Appreciation Inv. P'ship, L.P. v. PricewaterhouseCoopers, L.L.P.*, 212 F.R.D. 400, 409 (E.D. Wis. 2002) ("Shareholder class actions are difficult and unpredictable, and skepticism about optimistic forecasts of recovery is warranted.").

Cir. 2019) (affirming grant of summary judgment against plaintiffs in securities fraud class action, where GPWR served as one of lead plaintiff's counsel, on the alternative ground that Defendant's "statement did not, as a matter of law, amount to a material misrepresentation or omission actionable under section 10(b)," despite the trial court twice finding the statement actionable); *In re: Korean Ramen Antitrust Litig.*, No. 13-cv-04115 (N.D. Cal.) (GPWR lost a six-week antitrust jury trial after five years of litigation, which included many overseas depositions, the expenditure of millions of dollars of attorney and paralegal time, and the expenditure of more than a million dollars in hard costs).[14] In sum,, complex litigation is not risk free, and this case was no different.[15]

"One proxy for assessing risk is whether the litigation followed on the heels of some prior criminal or civil proceeding involving the same parties or subject matter." *Dairy Farmers,* 80 F. Supp. 3d at 848; *see also Grinnell*, 495 F.2d at 471 (factors that comprise "risk of litigation" include whether "a relevant government action [has] been instituted or, perhaps, even successfully concluded against the defendant"). This is because the risk is not uniform in all class actions, and the risk of nonpayment is higher in cases where there has been no government action. *See In re Peanut Farmers Antitrust Litig.*, 2021 WL 9494033, at *3 (E.D. Va. Aug. 10, 2021); *In re Auto. Refinishing Paint Antitrust Litig.*, 2008 WL 63269, at *5 (E.D. Pa. Jan. 3, 2008) ("The risk of nonpayment is even higher when a defendants' *prima facie* liability has not been established by

[14] *See also Veeco*, 2007 WL 4115808, at *6 ("There are numerous class actions in which counsel expended thousands of hours and yet received no remuneration whatsoever despite their diligence and expertise.").

[15] For a detailed discussion of the numerous litigation risks in this case, the Court is respectfully referred to the concurrently filed Final Approval Memorandum and Sadler Declaration. *See* Final Approval Memorandum § IV.A.3.; ¶¶34-48. While Lead Counsel believes those risks are important in assessing a reasonable attorneys' fee, this memorandum focuses on what made this Action riskier than other securities class actions. *See City of Birmingham Ret. & Relief Sys. v. Credit Suisse Group AG*, 2020 WL 7413926, at *3 (S.D.N.Y. Dec. 20, 2020) ("[G]reater risks undertaken by counsel who accept a case on a contingent fee basis support a higher settlement percentage.").

the government in a criminal action."). Here, no civil or criminal charges have been filed by the SEC or DOJ. Rather, "Plaintiffs' [C]ounsel (and their teams and experts) were truly the authors of the favorable outcome for the [ ] class." *Meredith Corp. v. SESAC, LLC*, 87 F. Supp. 3d 650, 670 (S.D.N.Y. 2015); *see also Maley*, 186 F. Supp. 2d at 371 (awarding one-third of settlement fund and noting that "[i]n this Action, Plaintiffs' Class Counsel did not 'piggy back' on any prior governmental action."); *In re Gulf Oil/Cities Serv. Tender Offer Litig.*, 142 F.R.D. 588, 597 (S.D.N.Y. 1992) (awarding 30% fee and stating that "[t]his is not a case where plaintiffs' counsel can be cast as jackals to the government's lion, arriving on the scene after some enforcement or administrative agency has made the kill.").[16]

Another *indicium* of risk is the fact that this was not a restatement case. *See Xcel Energy*, 364 F. Supp. 2d at 995 (noting that one of the many hurdles plaintiffs faced was the fact that the case did not involve a restatement of financials). When companies restate their financials, they admit to a material misstatement of their financial reporting and thus the misstatement and materiality elements of a securities fraud claim are already met. *See In re Schering-Plough Corp. Enhance Sec. Litig.*, 2013 WL 5505744 at *47 (D.N.J. Oct. 1, 2013) (that plaintiffs' counsel were "unaided by any other contributing factors like indictments or restatements that would be expected to enhance the likelihood of recovery—strongly supports a higher award"); *Schwartz v. TXU Corp.*, 2005 WL 3148350, at *29 (N.D. Tex. Nov. 8, 2005) ("From the outset, this post-PSLRA action was an especially difficult and highly uncertain securities case, which did not involve restatement of TXU's previously issued financial statements or any other

[16] *See also Silverman v. Motorola, Inc.*, 2012 WL 1597388, at *3 (N.D. Ill. May 7, 2012) (fee request supported by fact that "there were no governmental investigations or prosecutions related to the alleged fraud . . . . Rather, [class counsel] investigated the facts and developed their theory of liability from scratch, involving significant time and expense.").

acknowledgments of wrongdoing.").[17]

The risks inherent in the case were further magnified by the fact that Hub is an Israeli company, and the conduct at issue occurred in Israel. The majority of the Individual Defendants and third-party witnesses are located in Israel, and much of the relevant documentary evidence was written in Hebrew. To obtain documents and take depositions outside the U.S., Plaintiffs would have to follow appropriate international conventions and/or apply to this Court for letters rogatory (or Letter of Request). "Courts in the Second Circuit have widely recognized that obtaining evidence through the Hague Convention and letters rogatory are cumbersome and inefficient, and hardly make litigation in the United States convenient." *Rabbi Jacob Joseph Sch. v. Allied Irish Banks, P.L.C.*, 2012 WL 3746220, at *7 (E.D.N.Y. Aug. 27, 2012). As a result, there was a risk that Plaintiffs may not have been able to obtain the necessary evidence to prove their case; and even if they could do so, it would be expensive, time-consuming and complicated. *See* Final Approval Brief, Sec. IV.A.3(a). (discussing Complexity, Expense and Duration of Litigation); *Thorn v. Novartis Pharm. Corp.*, 2005 WL 8162566, at *3 (E.D. Tenn. Aug. 30, 2005) ("discovery from third parties in Israel and Denmark would need to be obtained through the Hague Convention, a process that is difficult and expensive."); *In re China Sunergy Sec. Litig.*, 2011 WL 1899715, at *5 (S.D.N.Y. May 13, 2011) ("[T]he Company's location in China would have posed a barrier that would have increased the difficulty and expense of discovery, and might have made it impossible to collect some of the evidence or take depositions necessary to prove Plaintiffs'

[17] *See also Destefano v. Zynga, Inc.*, 2016 WL 537946, at *17 (N.D. Cal. Feb. 11, 2016) (awarding requested fee and noting that the "risks were particular high here because … there was no government investigation or accounting restatement—ordinarily, hallmarks of securities fraud that might suggest a case has merit"); *Signet*, 2020 WL 4196468, at *7 ("This was not a case with a parallel SEC action or a restatement of financial results to support Lead Plaintiff's claims and provide a roadmap for discovery. On the contrary, absent a settlement, Lead Plaintiff would have faced several significant risks at each stage of the case.").

claims.").

In sum, "[t]here was significant risk of non-payment in this case, and Plaintiffs' Counsel should be rewarded for having borne and successfully overcome that risk." *In re Marsh ERISA Litig.*, 265 F.R.D. 128, 148 (S.D.N.Y. 2010).

**3. The Magnitude And Complexity Of The Action Support The Requested Fee**

Courts have repeatedly recognized the "notorious complexity" of securities class action litigation. *In re AOL Time Warner, Inc. Sec. & "ERISA" Litig.*, 2006 WL 903236, at *8 (S.D.N.Y. Apr. 6, 2006); *Tal Educ.*, 2021 WL 5578665, at *9 ("Class action suits have a well-deserved reputation as being most complex, and securities class actions are notably difficult and notoriously uncertain to litigate."); *La. Mun. Police Emps. Ret. Sys. v. Sealed Air Corp.*, 2009 WL 4730185, at *8 (D.N.J. Dec. 4, 2009) ("securities class actions are inherently complex"). Moreover, "securities actions have become more difficult from a plaintiff's perspective in the wake of the PSLRA," and other changes in the law. *In re Ikon Office Solutions, Inc. Sec. Litig.*, 194 F.R.D. 166, 194 (E.D. Pa. 2000); *see also AOL Time Warner*, 2006 WL 903236, at *9 ("[T]he legal requirements for recovery under the securities laws present considerable challenges, particularly with respect to loss causation and the calculation of damages.").

As noted above and in the Sadler Declaration, this case raised a number of complex questions concerning liability and damages that required great skill and extensive efforts to litigate. The complexities were especially acute given the case's international dimension, involving foreign parties and witnesses, foreign-language documents, and testing Lead Counsel's ability to collect evidence in Israel. To successfully plead and prosecute this case that led to the settlement, Lead Counsel had to, *inter alia*: (i) review and analyze (a) Hub's filings with the Tel Aviv Stock Exchange, (b) court filings in Israeli litigation, and (c) many other Israeli sources of information

concerning Hub and the Individual Defendants; (ii) interface with attorneys in Israel with respect to other litigation against Defendants; (iii) review documents written in Hebrew; and (iv) work with an Israeli private investigator who conducted an investigation in Israel that involved, among other things, numerous interviews of former Hub employees and other sources of relevant information. Thus, this was an incredibly complex matter, even by the standards of securities class actions. *See Giant Interactive*, 279 F.R.D. at 164 ("A securities case, by its very nature, is a complex animal … and counsel faced the additional challenges that many documents needed translation, that evidence, witnesses and depositions were overseas, and that discovery motions were heavily contested"); *In re PPDAI Grp. Inc. Sec. Litig.*, 2022 WL 198491, at *9 (E.D.N.Y. Jan. 21, 2022) ("Litigating this action is also made significantly more complex, expensive, and risky by virtue of the fact that Defendants are based in China. This facet adds complications, requiring Plaintiffs to follow international conventions to retrieve documents and elicit testimony and imposing the expense and complication of obtaining translation services and retaining bilingual or other specialized attorneys to facilitate document review.").

The magnitude of this Action similarly weighs in favor of Lead Counsel's fee request. This was hard-fought litigation, with over almost $180 million dollars of damages potentially at stake. ¶5. It required considerable skill, and Plaintiffs' Counsel's commitment of substantial resources, to litigate. Consequently, the magnitude and complexity of the litigation support the requested fee. *See City of Providence v. Aeropostale, Inc.*, 2014 WL 1883494, at *16 (S.D.N.Y. May 9, 2014) ("[T]he complex and multifaceted subject matter involved in a securities class action such as this supports the fee request.") *aff'd sub nom. Arbuthnot v. Pierson*, 607 F. App'x 73 (2d Cir. 2015).

**4. The Quality Of Representation Supports The Requested Fee**

"To determine the 'quality of the representation,' courts review, among other things, the recovery obtained and the backgrounds of the lawyers involved in the lawsuit." *Taft v. Ackermans*,

2007 WL 414493, at *10 (S.D.N.Y. Jan. 31, 2007); *see also Veeco*, 2007 WL 4115808, at *7. Both of these factors support the conclusion that the requested fee award is reasonable here.

Plaintiffs' damages expert estimates that *if* Plaintiffs had fully prevailed on all their claims at summary judgment and after a jury trial, *if* the Court certified the same class period as the Settlement Class Period, and *if* the Court and jury accepted Plaintiffs' damages theory, *i.e.*, Plaintiffs' *best case scenario*, the total *maximum* damages *potentially* available in this Action would be approximately $178.5 million. ¶5. Thus, the $11 million Settlement Amount equates to approximately 6.2% of total *maximum* damages *potentially* available in the Action, which exceeds the 3.2% median settlement value for securities class actions with comparable maximum damages. *See* Ex. 4 (NERA Report) at 27, Fig. 23 (median recovery for securities class actions that settled in the last ten years was 3.2% for cases with estimated damages between $100-$199 million).

Had Defendants prevailed on any of their liability or damages arguments, damages would have been substantially reduced, or eliminated. *See In re Facebook, Inc. IPO Sec. & Deriv. Litig.*, 343 F. Supp. 3d 394, 414 (S.D.N.Y. 2018) ("Because Plaintiffs face serious challenges to establishing liability, consideration of Plaintiffs' best possible recovery must be accompanied by the risk of non-recovery."). Plaintiffs anticipated, for example, that Defendants would have asserted that the Settlement Class's damages were limited because traceability ended once the PIPE shares were issued and entered the market on March 14, 2023. Defendants could have argued that Plaintiffs did not bring claims on behalf of the PIPE shareholders, and as of March 14, 2023, it is impossible to trace trades in the marketplace to the Registration Statement (as opposed to the PIPE shares). If Defendants were to prevail on this argument, *maximum* recoverable damages would drop to $66.5 million, before any other potential adjustments (*e.g.,* for negative causation or to prevent duplicative payments to investors also claiming damages in the Israeli action). ¶50.

Under this damages approach, the $11 million Settlement Amount equates to a recovery of approximately 16.5%, which significantly exceeds the 4.4% the median recovery in securities class action settlements with similar potential damages. *See* Ex. 4 (NERA Report, at 27, Fig. 23) (median recovery for securities class actions that settled in the last ten years was 4.4% for cases with estimated damages between $50-$99 million).

Accordingly, the result here weighs in favor of finding that Plaintiffs' Counsel provided a high quality of representation and supports the requested fees. *See Tenaris,* 2024 WL 1719632, at *11-12 (recovery that was "significantly higher than the … average settlement recovery rate for similar securities class actions between 2011 and 2022" represented "a favorable outcome for the class" and supported 33⅓ attorneys' fee award).

Plaintiffs' Counsel's significant experience in prosecuting securities class action claims, vigorous representation, and commitment to providing the Settlement Class with the best possible representation were major factors in obtaining the exceptional result. Ex. 9-C (GPWR firm résumé); Ex. 8-C (Pomerantz firm résumé); *Wilson v. LSB Indus., Inc.*, 2019 WL 3542844, at *2 (S.D.N.Y. June 28, 2019) ("Lead Counsel [GPWR] has conducted the litigation and achieved the Settlement with skill, perseverance and diligent advocacy."); *see also Edmonds v. U.S.*, 658 F. Supp. 1126, 1137 (D.S.C. 1987) ("prosecution and management of a complex national class action requires unique legal skills and abilities."). Indeed, "[n]ot only did [Lead] Counsel's skill and expertise contribute to the favorable settlement for the class, it contributed to the overall efficiency of the case." *Veeco*, 2007 WL 4115808, at *7.

"Courts have [also] recognized that the quality of the opposition should also be taken into consideration in assessing the quality of the counsel's performance." *Signet*, 2020 WL 4196468, at *20. Here, Defendants were vigorously represented by experienced, aggressive, and highly skilled

counsel from Pillsbury Winthrop Shaw Pittman LLP and Pierson Ferdinand LLP, both of which aggressively represented the interests of their clients throughout this Action. ¶86. Notwithstanding this capable opposition, Plaintiffs' Counsel's ability to present a strong case, and demonstrated willingness to vigorously prosecute the Action, enabled it to obtain an outstanding result for the Settlement Class. Consequently, this factor too weighs in favor of the requested fee. *See Veeco*, 2007 WL 4115808, at *7 ("That Plaintiffs' Counsel was able to obtain a substantial settlement from these Defendants confirms the quality of Plaintiffs' Counsel's representation . . . and is a factor in determining the reasonableness of the fee request.").

**5. The Requested Fee In Relation To The Settlement Amount**

Courts have interpreted this factor as requiring the review of the fee requested in terms of the percentage it represents of the total recovery. "When determining whether a fee request is reasonable in relation to a settlement amount, the court compares the fee application to fees awarded in similar securities class-action settlements of comparable value." *Comverse*, 2010 WL 2653354, at *3. As discussed in detail in Section III.C.1., *supra*, the requested fee is consistent with percentage fees that courts in the Second Circuit have awarded in comparable complex cases. Accordingly, the requested fee is reasonable in relation to the Settlement.

**6. Public Policy Considerations Support The Requested Fee**

"[The Supreme] Court has long recognized that meritorious private actions to enforce federal antifraud securities laws are an essential supplement to criminal prosecutions and civil enforcement actions." *Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 551 U.S. 308, 313 (2007). If the "important public policy [of enforcing the securities laws] is to be carried out, the courts should award fees which will adequately compensate Lead Counsel for the value of their efforts, taking into account the enormous risks they undertook." *Flag Telecom*, 2010 WL 4537550, at *29. "[As a practical matter, l]awsuits such as this one can only be maintained if competent counsel can be

retained to prosecute them. This will occur if courts award reasonable and adequate compensation for such services where successful results are achieved." *Aeropostale*, 2014 WL 1883494, at *18.

Plaintiffs' Counsel invested substantial amounts of time and money pursuing Defendants' alleged misconduct on a fully contingent basis. Had Plaintiffs' Counsel not done so, the Settlement Class would have received no compensation. Accordingly, public policy considerations favor Lead Counsel's fee request. *See City of Birmingham*, 2020 WL 7413926, at *2 ("Protecting investors from fraudulent or misleading investments serves the public interest, and Lead Counsel's fees should reflect the important goal of serv[ing] as an inducement for lawyers to make similar efforts in the future.").

### E. Plaintiffs' Counsel's Expenses Are Reasonable And Were Necessary To Achieve The Settlement

Lead Counsel also request reimbursement of $96,092.83 in expenses incurred by Plaintiffs' Counsel while prosecuting the Action. *See Flag Telecom*, 2010 WL 4537550, at *30 ("It is well accepted that counsel who create a common fund are entitled to the reimbursement of expenses that they advanced to a class"); *In re Indep. Energy Holdings PLC Sec. Litig.*, 302 F. Supp. 2d 180, 183 n.3 (S.D.N.Y. 2003) ("Attorneys may be compensated for reasonable out-of-pocket expenses incurred and customarily charged to their clients, as long as they were incidental and necessary to the representation of those clients.").

Here, a significant portion of the expenses were incurred for services rendered by Plaintiffs' experts, the investigator, the mediator and translation services, and the remaining expenses are attributable to other ordinary litigation expenses, such as use of an online discovery platform, travel, and on-line legal research. ¶¶95-99. These expenses were critical to Plaintiffs' success in achieving the proposed Settlement, are reasonable in amount, and are customary and necessary expenses for a complex securities action. They should, therefore, be reimbursed. *See*

*Flag Telecom*, 2010 WL 4537550, at *30; *Global Crossing*, 225 F.R.D. at 468 ("The expenses incurred – which include investigative and expert witnesses, filing fees, service of process, travel, legal research and document production and review – are the type for which 'the paying, arms' length market' reimburses attorneys. For this reason, they are properly chargeable to the Settlement fund.").

### F. Plaintiffs Should Be Awarded Their Reasonable Costs And Expenses Under 15 U.S.C. § 77z-1(a)(4)

Lead Counsel also moves for PSLRA awards totaling $30,000 ($10,000 each to Court-appointed Lead Plaintiffs Aryeh Agam and Shimon Aharon, and $5,000 each to additional named plaintiffs Rodrigue Fodjo and Dustin Green), to compensate them for the time and effort they expended on behalf of the Settlement Class. ¶100. "Court[s] have found that the PSLRA permits courts to award lead plaintiffs in federal securities actions reimbursement for their time devoted to participating in and directing the litigation on behalf of the class." *Sillerman*, 2019 WL 6889901, at *22; *In re Health Ins. Innovations Sec. Litig.*, 2021 WL 1341881, at *13 (M.D. Fla. Mar. 23, 2021) (PSLRA award to lead plaintiff "for his time"). Such reimbursement "encourages participation of plaintiffs in the active supervision of their counsel." *Varljen v. H.J. Meyers & Co., Inc.*, 2000 WL 1683656, at *5 n.2 (S.D.N.Y. Nov. 8, 2000).

Here, Plaintiffs took an active role in the litigation by, among other things: (i) communicating with their counsel regarding the case; (ii) producing trading records to their attorneys; (iii) reviewing significant court filings, as well as Court orders; (iv) responding to discovery, which included the production of documents; (v) consulting with their attorneys regarding the settlement negotiations; and (vi) evaluating and approving the proposed Settlement. *See* ¶101 (citing declaration for Plaintiffs). These are "precisely the types of activities that support awarding reimbursement of expenses to class representatives" (*In re Marsh & McLennan Cos.,*

*Inc. Sec. Litig.*, 2009 WL 5178546, at *21 (S.D.N.Y. 2009). Consequently, Lead Counsel respectfully requests that the Court grant Plaintiffs' request for reimbursement of their "reasonable costs and expenses incurred in managing this litigation and representing the Class." *Id.* at *21 (approving $214,657 total award to two lead plaintiffs); *In re Qudian Inc. Sec. Litig.*, 2021 WL 2328437, at *2 (S.D.N.Y. June 8, 2021) (awarding lead plaintiff $25,000, and class representative $12,500, for "reasonable costs and expenses directly related to [their] representation of the Class").[18]

## IV. CONCLUSION

For the foregoing reasons, Lead Counsel respectfully requests the Court grant the motion.

[18] *See also Veeco*, 2007 WL 4115808, at *12 (PSLRA award of $15,964 to lead plaintiff, and characterizing such awards as "routine" in this Circuit); *XL Fleet,* 2024 WL 1884483, at *2 (PSLRA award of $25,000 to Lead Plaintiff and $15,000 each to the four additional named plaintiffs); *In re Alibaba Grp. Holding Ltd. Sec. Litig.*, 2025 WL 933955, at *2 (S.D.N.Y. Mar. 27, 2025) (PSLRA awards of $25,000 to Lead Plaintiff and $25,000 to each of the three additional named plaintiffs); *Signet*, 2020 WL 4196468, at *24 (collecting cases and awarding $25,410 to lead plaintiff); *Christine Asia Co., Ltd. v. Yun Ma*, 2019 WL 5257534, at *1 (S.D.N.Y. Oct. 16, 2019) (PSLRA awards of $12,500 for each of the five representative Plaintiffs).

Dated: May 22, 2026

Respectfully yours,

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**RULE 7.1 CERTIFICATION**

The undersigned counsel certifies that this document has been prepared with Times New Roman font and 12-point size selection approved as per Court Local Rule 7.1(b).

This brief complies with the type–volume limitations of Local Rule 7.1(c) because it contains 8,630 words, excluding the parts of the brief exempted by Local Rule 7.1(c), as calculated by the word–counting feature of Microsoft Office 2019.

*/s/ Daniella Quitt*
Daniella Quitt

**CERTIFICATE OF SERVICE**

I hereby certify that on this 22nd day of May 2026, I caused a true and correct copy of the foregoing Memorandum of Law In Support of Lead Counsel's Motion For An Award Of Attorneys' Fees and Reimbursement of Litigation Expenses to be e-filed by CM/ECF to the parties registered to the Court's CM/ECF system.

*/s/ Daniella Quitt*
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