

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

IN RE HUB CYBER SECURITY LTD.

Master File No. 1:23-cv-05764-AS

**MEMORANDUM OF LAW IN SUPPORT OF PLAINTIFFS' MOTION FOR FINAL
APPROVAL OF CLASS ACTION SETTLEMENT AND
PLAN OF ALLOCATION**

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Court-appointed lead plaintiffs Aryeh Agam and Shimon Aharon (collectively, “Lead Plaintiffs”),¹ and named plaintiffs Rodrigue Fodjo and Dustin Green (collectively, with Lead Plaintiffs, “Plaintiffs”), on behalf of themselves and the Settlement Class, respectfully submit this memorandum in support of their motion for final approval of the proposed Settlement and Plan of Allocation.

I. PRELIMINARY STATEMENT

Plaintiffs and Defendants have agreed to settle all claims in the Action in exchange for a non-reversionary, all cash payment of \$11,000,000 (the “Settlement Amount”) for the benefit of the Settlement Class. This is an extremely favorable result for the Settlement Class under the circumstances, and it was secured in a procedurally fair manner.

Substantively, the \$11 million represents a recovery of approximately 6.2% of the \$178.5 million in *maximum* recoverable damages related to the pending claims, or 16.5% of Lead Counsel’s estimate of the \$66.5 million in *maximum* recoverable damages if Defendants were to prevail on certain traceability arguments. *See infra* Sec. IV.A.3(e); ¶¶49-50. Under either scenario, the recovery is substantially higher than the median settlement value for securities class actions with comparable maximum damages. *See* Ex. 4, NERA Report excerpts at p. 27 (Fig. 23). When balanced against the many risks of continued litigation, including, but not limited to, the limited sources of recovery in the Action, there can be no doubt that the Settlement is substantively fair, reasonable, and adequate.

¹ Unless otherwise defined herein, all capitalized terms are defined 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 in Support of: (I) Plaintiffs’ Motion for Final Approval of Class Action Settlement and Plan of Allocation; and (II) Lead Counsel’s Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses (the “Sadler Declaration”). Unless otherwise noted, all citations to “¶” and “Ex.” refer, respectively, to paragraphs in, and exhibits to, the Sadler Declaration.

The Settlement is also the product of a procedurally fair process. It was negotiated by experienced securities class action litigators, after approximately two and a half years of hard-fought litigation. Prior to reaching the Settlement, Lead Counsel, *inter alia*:

- 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 Lead Counsel then served on numerous Defendants that were located abroad in Israel;
- researched, drafted, and filed (i) oppositions to two motions to dismiss the Complaint (ECF Nos. 95-96), and (ii) a letter responding to 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. March 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 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, which was executed on October 9, 2025;

- 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, 64-70.

The Settlement is, therefore, the result of arms-length negotiations, conducted by informed and experienced counsel, in conjunction with an experienced neutral.

As discussed in greater detail below and in the Sadler Declaration, Plaintiffs and Lead Counsel believe the proposed Settlement meets the standards for final approval and is in the best interests of the Settlement Class. Accordingly, Plaintiffs respectfully request that the Court grant final approval to the Settlement.

Plaintiffs also move for approval of the proposed Plan of Allocation of the Net Settlement Fund. The Plan of Allocation was developed in conjunction with Plaintiffs' consulting damages expert and is designed to distribute the proceeds of the Net Settlement Fund fairly and equitably to Settlement Class Members. No Settlement Class Member is favored over another under the proposed Plan; rather, all Settlement Class Members—including Plaintiffs—are treated in the same manner. *See* ¶¶64-70. Because the Plan of Allocation is fair and reasonable, it too should be approved.

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 detailed description of, *inter alia*: the factual background and procedural history of the Action; the nature of the claims asserted; the negotiations leading to the Settlement; the risks and uncertainties of continued litigation; the services Lead Counsel provided; and terms of the Plan of Allocation of the Net Settlement Fund.

III. STANDARDS FOR FINAL APPROVAL OF A CLASS ACTION SETTLEMENT

Rule 23(e) of the Federal Rules of Civil Procedure provides that a class action settlement

must be presented to the Court for approval and should be approved if the Court finds it “fair, reasonable, and adequate.” FED. R. CIV. P. 23(e)(2). Rule 23(e)(2)—which governs final approval—requires courts to consider the following in determining whether a proposed settlement is fair, reasonable, and adequate:

- (A) have the class representatives and class counsel adequately represented the class;
- (B) was the proposal negotiated at arm’s length;
- (C) is the relief provided for the class adequate, taking into account:
 - (i) the costs, risks, and delay of trial and appeal;
 - (ii) the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims;
 - (iii) the terms of any proposed award of attorneys’ fees, including timing of payment; and
 - (iv) any agreement required to be identified under Rule 23(e)(3); and
- (D) does the proposal treat class members equitably relative to each other.

Factors (A) and (B) “identify matters . . . described as procedural concerns, looking to the conduct of the litigation and of the negotiations leading up to the proposed settlement,” while factors (C) and (D) “focus on . . . a substantive review of the terms of the proposed settlement” (*i.e.*, “[t]he relief that the settlement is expected to provide to class members”). Advisory Committee Notes to 2018 Amendments (324 F.R.D. 904, at 919); *see also In re 3D Sys. Sec. Litig.*, 2024 WL 50909, at *5 (E.D.N.Y. Jan. 4, 2024) (“In conducting this inquiry, courts consider the substantive and procedural fairness of a proposed settlement to determine whether the terms of the settlement and the negotiation process leading up to it are fair.”).²

These factors are not, however, exclusive. The four factors set forth in Rule 23(e)(2) are not intended to “displace” any factor previously adopted by the courts, but “rather to focus the court and the lawyers on the core concerns of procedure and substance that should guide the decision whether to approve the proposal.” Advisory Committee Notes to 2018 Amendments (324

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

F.R.D. 904, at 919); *see also In re Payment Card Interchange Fee & Merchant Discount Antitrust Litig.*, 330 F.R.D. 11, 29 (E.D.N.Y. 2019) (Rule 23(e)(2) factors “add to, rather than displace, the *Grinnell* factors”). The Second Circuit’s *Grinnell* factors (certain of which overlap with Rule 23(e)(2)) are, therefore, still relevant:

(1) the complexity, expense and likely duration of the litigation; (2) the reaction of the class to the settlement; (3) the stage of the proceedings and the amount of discovery completed; (4) the risks of establishing liability; (5) the risks of establishing damages; (6) the risks of maintaining the class action through the trial; (7) the ability of the defendants to withstand a greater judgment; (8) the range of reasonableness of the settlement fund in light of the best possible recovery; [and] (9) the range of reasonableness of the settlement fund to a possible recovery in light of all the attendant risks of litigation.

City of Detroit v. Grinnell Corp., 495 F.2d 448, 463 (2d Cir. 1974); *see also Beach v. JPMorgan Chase Bank, N.A.*, 2020 WL 6114545 (S.D.N.Y. Oct. 7, 2020) (evaluating settlement based on factors set forth in Fed. R. Civ. P. 23(e)(2) and *Grinnell*).³ As set forth below, the proposed Settlement satisfies the criteria for final approval under the Rule 23(e)(2) factors, as well as the relevant, non-duplicative *Grinnell* factors.

IV. ARGUMENT

A. The Settlement Is Fair, Reasonable, And Adequate In Light Of The Factors Outlined By Rule 23(E)(2) And The Remaining *Grinnell* Factors

1. Plaintiffs And Lead Counsel Adequately Represented The Class

Rule 23(e)(2)(A) requires the Court to consider whether the “class representatives and class counsel have adequately represented the class.” “Determination of adequacy typically entails inquiry as to whether: 1) plaintiff’s interests are antagonistic to the interest of other members of the class and 2) plaintiff’s attorneys are qualified, experienced and able to conduct the litigation.”

³ Plaintiffs will address the Settlement Class’s reaction in their reply brief, which is due on June 22, 2026, after the objection and opt-out deadlines have passed.

Cordes & Co. Fin. Servs., Inc. v. A.G. Edwards & Sons, Inc., 502 F.3d 91, 99 (2d Cir. 2007); *In re GSE Bonds Antitrust Litig.*, 414 F. Supp. 3d 686, 692 (S.D.N.Y. 2019); *see also Denney v. Deutsche Bank AG*, 443 F.3d 253, 268 (2d Cir. 2006) (“the proposed class representative must have an interest in vigorously pursuing the claims of the class, and must have no interests antagonistic to the interests of other class members.”).

Here, Plaintiffs have no interests antagonistic to other class members; rather, their interest in obtaining the largest possible recovery is aligned with other Settlement Class Members’ interests since they all suffered the same injuries—monetary losses resulting from Defendants’ alleged violations of the federal securities laws. *See GSE Bonds*, 414 F. Supp. 3d at 692; *Lea v. Tal Educ. Grp.*, 2021 WL 5578665, at *6 (S.D.N.Y. Nov. 30, 2021) (“Plaintiffs interests are directly aligned with the interests of the Settlement Class as they all involved purchased TAL’s ADSs during the Class Period and allegedly suffered harm as a result of Defendants’ alleged misdeeds.”). “Because of these injuries, plaintiffs have an interest in vigorously pursuing the claims of the class.” *GSE Bonds*, 414 F. Supp. 3d at 692. Furthermore, Plaintiffs have *proven* their commitment to the litigation by, *inter alia*: moving to serve as lead plaintiffs; overseeing the litigation and communicating with their counsel; providing written responses to document requests and producing documents; and participating in settlement discussions with Plaintiffs’ Counsel. Exs. 10, at ¶¶3-6; 11, at ¶¶3-6; 12, at ¶¶3-6; 13, at ¶¶3-6.

Plaintiffs have also “demonstrated their commitment to this litigation by retaining qualified and experienced counsel.” *Tal Educ. Grp.*, 2021 WL 5578665, at *6. Glancy Prongay Wolke & Rotter LLC (“GPWR”) has substantial experience prosecuting securities class actions (*see* Ex. 9-C (GPWR firm résumé)), and the Law Offices of Jacob Sabo (“Sabo Law”), an Israeli based firm, has significant commercial and securities litigation experience in Israel and securities experience

in the United States. *See A.F.I.K. Holding SPRL v. Fass*, 216 F.R.D. 567, 577 (D.N.J. Sept. 4, 2003) (appointing predecessor firms to GPWR and Sabo Law lead counsel in securities class action); ECF No. 40 (granting motion to appoint GPWR and Sabo Law as Lead Counsel). The combination of U.S. and Israel based counsel provided a huge benefit to the Settlement Class given that: (i) the litigation involved an Israeli company; (ii) the alleged wrongdoing took place in Israel; and (iii) virtually all documents were in Hebrew. Moreover, as noted above and discussed in detail in the Sadler Declaration, Lead Counsel vigorously prosecuted the Settlement Class's claims.

2. The Settlement Is The Result Of Good Faith Arm's-Length Negotiations By Informed Counsel Who Were Aware Of The Risks Of The Litigation

Rule 23(e)(2)(B) requires the Court to consider whether “the proposal was negotiated at arm's length.” FED. R. CIV. P. 23(e)(2)(B). Here, following an extensive investigation of the alleged wrongdoing by Lead Counsel, full briefing and a decision on the motions to dismiss, an exchange of mediation briefs, and the production and targeted review of more than 88,000 pages of documents, the Parties engaged in a comprehensive mediation process overseen by Mr. Melnick. ¶¶13-33. The arm's length nature of the settlement negotiations by informed counsel, and the involvement of a mediator with substantial experience mediating complex securities class actions, support the conclusion that the Settlement is fair and was achieved free of collusion. *See Shapiro v. JPMorgan Chase & Co.*, 2014 WL 1224666, at *7 (S.D.N.Y. Mar. 24, 2014) (“highly experienced counsel on both sides, all with a strong understanding of the strengths and weaknesses of each party's respective potential claims and defenses, vigorously negotiated the Settlement at arm's-length”); *see also D'Amato v. Deutsche Bank*, 236 F.3d 78, 85 (2d Cir. 2001) (a “mediator's involvement in . . . settlement negotiations helps to ensure that the proceedings were free of collusion and undue pressure”); *Yang v. Focus Media Holding Ltd.*, 2014 WL 4401280, at *5 (S.D.N.Y. Sept. 4, 2014) (“The participation of this highly qualified mediator [Jed D. Melnick,

Esq.] strongly supports a finding that negotiations were conducted at arm’s length and without collusion.”); *In re China Med. Corp. Sec. Litig.*, 2014 WL 12581781, at *4 (C.D. Cal. Jan. 7, 2014) (“Mr. Melnick’s involvement in the settlement supports the argument that it is non-collusive.”).⁴ And, finally, “[t]he fact . . . that the Settlement is based on a mediator’s proposal further supports a finding that the settlement agreement is not the product of collusion.” *Lusk v. Five Guys Enters. LLC*, 2022 WL 4791923, at *9 (E.D. Cal. Sept. 30, 2022).

3. The Settlement Is A Fair And Reasonable Result For The Settlement Class In Light Of The Benefits Of The Settlement And The Risks Of Continued Litigation

Under Rule 23(e)(2)(C), when evaluating the fairness, reasonableness, and adequacy of a settlement, the Court must also consider whether “the relief provided for the class is adequate, taking into account . . . the costs, risks, and delay of trial and appeal” along with other relevant factors. FED. R. CIV. P. 23(e)(2)(C).⁵ As discussed below, each supports final approval.

(a) Complexity, Expense And Duration Of Litigation

“As a general matter, the more complex, expensive, and time consuming the future litigation, the more beneficial settlement becomes as a matter of efficiency to the parties and to the Court.” *In re Citigroup Inc. Sec. Litig.*, 965 F. Supp. 2d 369, 381-82 (S.D.N.Y. 2013); *see also Gordon v. Vanda Pharm. Inc.*, 2022 WL 4296092, at *4 (E.D.N.Y. Sept. 15, 2022) (“settlement is

⁴ *See also Brightk Consulting Inc. v. BMW of N. Am., LLC*, 2023 WL 2347446, at *6 (C.D. Cal. Jan. 3, 2023) (noting that Mr. Melnick is “an experienced complex business litigation mediator who has resolved over 1,000 disputes in his career.”).

⁵ Rule 23(e)(2)(C)(i) essentially incorporates six of the *Grinnell* factors: complexity, expense, and likely duration of the litigation (first factor); risks of establishing liability and damages (fourth and fifth factors); risks of maintaining class action status through trial (sixth factor); and range of reasonableness of the settlement fund in light of the best possible recovery and the attendant risks of litigation (eighth and ninth factors). *See Grinnell*, 495 F.2d at 463; *see also GSE Bonds*, 414 F. Supp. 3d at 693 (“This inquiry overlaps significantly with a number of *Grinnell* factors, which help guide the Court’s application of Rule 23(e)(2)(C)(i).”).

avored when the alternative—litigating the case—will be long, complex, and expensive.”). “[S]ecurities class actions are by their very nature complicated and district courts in this Circuit have long recognized that securities class actions are notably difficult and notoriously uncertain to litigate.” *City of Providence v. Aeropostale, Inc.*, 2014 WL 1883494, at *5 (S.D.N.Y. May 9, 2014); *Strougo v. Bassini*, 258 F. Supp. 2d 254, 258 (S.D.N.Y. 2003) (it is “beyond cavil that continued litigation in this multi-district securities class action would be complex, lengthy, and expensive, with no guarantee of recovery by the class members.”).

This case was no exception; in fact, it was significantly more complex, expensive, and risky because the majority of Defendants and evidence is located Israel. While Israel is a signatory to the Hague Convention, “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).

In addition, even if the Court grants a letter rogatory (or Letter of Request), it is not clear to what extent it would be executed in Israel. “Individuals to whom a Letter of Request is directed have the right to refuse to give evidence to the extent they are protected by a privilege under either the law of the State of execution or the State of origin.” *Pronova BioPharma Norge AS v. Teva Pharm. USA, Inc.*, 708 F. Supp. 2d 450, 452 (D. Del. 2010). A potential witness may, therefore, oppose a Letter of Request by claiming that the discovery sought is impermissible under Israeli law—for instance Israeli privacy or attorney-client privilege laws—and there is no guarantee that the letter rogatory will be enforced. Lead Counsel would need to thread the needle of both U.S. and Israeli law in order to obtain documentary and testimonial evidence from third parties. *See Gap, Inc. v. Stone Intern. Trading, Inc.*, 1994 WL 38651, at *2 (S.D.N.Y. Feb. 4, 1994) (“an

American court must first issue a Letter of Request to the appropriate Israeli official ... it will be up to an Israeli tribunal to determine whether any privilege exists or whether to compel him to respond.”). The need to effectuate discovery via lengthy Hague Convention procedures would, without doubt, increase the complexity, expense and duration of the litigation. *See 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.”).

Even if documents were produced, many would be written in Hebrew and the prosecution of the Action would have required a team of attorneys who are both fluent in Hebrew and familiar with U.S. securities laws. Review of Hebrew documents is expensive, and time consuming. *See e.g., Monsanto Intern. Sales Co., Inc. v. Hanjin Container Lines, Ltd.*, 770 F. Supp. 832, 836 (S.D.N.Y. 1991) (recognizing difficulties of trying a case with translated documents and testimony, including “significant cost”). To the extent documents would then be used in the U.S., they would need to be translated from Hebrew to English, and translation accuracy can be contentious because a word or phrase may have multiple meanings or a different context-specific meaning, which can lead to evidentiary disputes and increased cost. *See id.*; *see also In re Vitamin C Antitrust Litig.*, 2013 WL 6858853, at *2 (E.D.N.Y. Dec. 30, 2013) (noting that case involved “extensive Chinese documents that had to be translated with concomitant disputes over the accuracy of the translations”).

Depositions would also be far from routine, given that Defendants and most non-party witnesses reside in Israel. Every deposition would entail either trans-Atlantic travel, or multi-day videoconferences, and the extensive (and expensive) use of translators would be unavoidable.

It is also important to note that this case has been pending for approximately 2 1/2 years.

Assuming Plaintiffs' claims were certified under Rule 23 (and not reversed on a Rule 23(f) interlocutory appeal), and survived summary judgment, litigating the Action through trial and post-trial appeals would undoubtedly be a long and expensive endeavor. *GSE Bonds*, 414 F. Supp. 3d at 693 ("even if plaintiffs were to prevail at trial, post-trial motions and the potential for appeal could prevent the class members from obtaining any recovery for several years, if at all.").

In short, the complexity, cost, and potential duration of continued litigation strongly favors final approval. *See In re Giant Interactive Grp., Inc. Sec. Litig.*, 279 F.R.D. 151, 164 (S.D.N.Y. 2011) ("A securities case, by its very nature, is a complex animal ... and counsel faced the additional challenges that many documents needed translation, [and] that evidence, witnesses and depositions were overseas").

(b) Risks Of Establishing Liability And Damages

In considering these factors, "a court should balance the benefits afforded the Class, including immediacy and certainty of recovery, against the continuing risks of litigation." *GSE Bonds*, 414 F. Supp. 3d at 694. While Plaintiffs and Lead Counsel believe that the claims asserted against Hub are meritorious, they recognize that this Action presented a number of substantial risks to establishing both liability and damages. When compared to the certainty of the significant, immediate benefit conferred by the Settlement, these risks militate against further litigation and support final approval.

Establishing Liability: The claims here resulted from an alleged scheme orchestrated by the Individual Defendants to pump up the prospects of Hub in order to complete the Business Combination and get unsuspecting investors to invest in the Company. While Plaintiffs prevailed at the pleading stage, this Court's decision on the motion to dismiss demonstrates that this case was far from a "slam dunk." The Court recognized that there were standing issues with respect to

the Section 12 claims, finding that only the Plaintiffs who purchased Mount Rainier Acquisition Corp. (“Mount Rainier”) shares had standing. With respect to the Section 11 claims, the Court held that Plaintiffs had not adequately plead that the PIPE investors were not irrevocably committed at the time the registration statement became effective. Whether Hub’s PIPE investors were irrevocably committed would have been open questions at summary judgment and/or trial.

Moreover, Plaintiffs still needed to *prove* their case, and documents and deposition testimony may have supported Hub’s narrative of the case. Although Plaintiffs have built a strong circumstantial case, there is simply no guarantee that the evidence would support their theory. Hub argued in its motion to dismiss, and would undoubtedly continue to assert at summary judgment, trial, and/or on appeal, that Hub made no actionable misrepresentations under the federal securities law. For instance, Hub would continue to argue that the claims sustained with respect to the lack of internal controls were not material and that Hub did in fact have a mature product. The resolution of these issues would largely depend on the fruits of discovery, and success was not a forgone conclusion. *See Gross v. GFI Group, Inc.*, 784 F. App’x 27, 28 (2d Cir. 2019) (affirming grant of summary judgment against plaintiffs in securities fraud class action 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 Judge Pauley twice finding the statement actionable).

Risks Related to Causation and Damages: Although Plaintiffs were confident that they could establish damages assuming a finding of liability, Plaintiffs faced a risk that the Court or jury would substantially reduce or even eliminate damages. Under §§11(e) and 12(a)(2) of the Securities Act, (15 U.S.C. §§77k(e) and 77l(b)), a defendant can reduce or eliminate damages through a showing that the false or misleading statements or omissions were not the cause, in

whole or in part, of the loss sustained by the class. Here, Defendants were likely to argue “negative causation” at both summary judgment and trial, and that cognizable class-wide damages would be a small fraction of the damages claimed by Plaintiffs. They would also most likely argue that Plaintiffs’ §11 claims overlap with claims brought in Israel on behalf of shareholders of Legacy Hub that allege misrepresentations about the PIPE financing and, as such, the Court should exclude that amount as duplicative to the shareholders who receive damages in Israel. While Plaintiffs believe they had the stronger argument, the issue still presented very real risks. *See Christine Asia Co., Ltd. v. Yun Ma*, 2019 WL 5257534, at *13 (S.D.N.Y. Oct. 16, 2019) (“While Plaintiffs proceeded as though they had the better arguments, the risk remained that Defendants could have defeated loss causation, or significantly diminished damages, for the one remaining alleged corrective disclosure date.”); *see also Robbins v. Koger Props., Inc.*, 116 F.3d 1441 (11th Cir. 1997) (overturning jury verdict of \$81 million for plaintiffs against an accounting firm on loss causation grounds and entering judgment for defendants).

In addition, the Parties’ respective experts would offer sharply divergent testimony on these issues both at summary judgment and trial, resulting in a “battle of the experts.” *See In re Facebook, Inc. IPO Sec. & Derivative Litig.*, 2015 WL 6971424, at *5 (S.D.N.Y. Nov. 9, 2015) (“[D]amages would be subject to a battle of the experts, with the possibility that a jury could be swayed by experts for Defendants, who could minimize or eliminate the amount Plaintiffs’ losses. Under such circumstances, a settlement is generally favored over continued litigation.”); *In re Telik, Inc. Sec. Litig.*, 576 F. Supp. 2d 570, 579-80 (S.D.N.Y. 2008) (with a “battle of experts, it is virtually impossible to predict with any certainty which testimony would be credited, and ultimately, which damages would be found”).

Post-Trial/Appellate Risk: Even if Plaintiffs were to obtain 100% of their damages, the

risks would not end there. There are numerous cases in which a successful verdict has been overturned either by motion after trial or on appeal. In *In re Apple Comput. Sec. Litig.*, 1991 WL 238298, at *1 (N.D. Cal. Sept. 6, 1991), for example, the jury rendered a verdict for plaintiffs after an extended trial. Based upon the jury's findings, recoverable damages would have exceeded \$100 million. The court, however, overturned the verdict, entered judgment for the individual defendants, and ordered a new trial with respect to the corporate defendant. *See also Glickenhau & Co. v. Household Int'l, Inc.*, 787 F.3d 408, 433 (7th Cir. 2015) (reversing and remanding jury verdict of \$2.46 billion after 13 years of litigation on loss causation grounds and error in jury instruction under *Janus Cap. Grp., Inc. v. First Derivative Traders*, 564 U.S. 135 (2011)); *In re BankAtlantic Bancorp, Inc.*, 2011 WL 1585605, at *20 (S.D. Fla. Apr. 25, 2011) (after plaintiffs' jury verdict, court granted defendants' motion for judgment as a matter of law and entered judgment for defendants), *aff'd on other grounds*, 688 F.3d 713 (11th Cir. 2012) (finding trial court erred, but defendants nevertheless entitled to judgment as a matter of law based on lack of loss causation).

(c) Risk Of Maintaining Class Action Status

While Plaintiffs and Lead Counsel are confident that the Settlement Class meets the requirements for certification (*see* ECF No. 137, Sec. IV.B.), a class had not yet been certified, and there was a risk the Court could disagree. Even if the Court were to certify a class, there is always a risk that it could be decertified at a later stage in the proceedings. *See Ark. Teacher Ret. Sys. v. Goldman Sachs Grp., Inc.*, 77 F.4th 74 (2d Cir. 2023) (decertifying a class of investors after 12 years of litigation); *Chatelain v. Prudential-Bache Sec., Inc.*, 805 F. Supp. 209, 214 (S.D.N.Y. 1992) ("Even if certified, the class would face the risk of decertification."). Thus, the risks and uncertainty surrounding certification also support approval of the Settlement, as Defendants

undoubtedly would have challenged class certification. *See GSE Bonds*, 414 F. Supp. 3d at 694 (“Although the risk of maintaining a class through trial is present in [every] class action ... this factor [nevertheless] weighs in favor of settlement where it is likely that defendants would oppose class certification if the case were to be litigated.”).

(d) Collection Risk

“Courts must also consider the serious risk that even if Plaintiffs were successful in all aspects of their claims they may be unable to collect a judgment.” *In re Stable Road Acquisition Corp. Sec. Litig.*, 2024 WL 3643393, at *8 (C.D. Cal. Apr. 23, 2024) (cleaned up). Here, even if Plaintiffs were successful in certifying the class, establishing liability and damages at trial, and were awarded a substantial monetary verdict, there would have been additional risks related to the collectability of any monetary judgment. As Hub stated its May 1, 2025 Form 20-F SEC filing, it is “*a company with a history of net losses ... that ... may incur net losses for the foreseeable future and may never be profitable.*” Ex. 1 at 3 (emphasis in the original). And, as noted by Hub’s independent registered public accounting firm in that same filing, “the Company has incurred accumulated losses in the amount of \$226,245 thousand, has negative working capital in the amount of \$87,672 thousand, has not complied with certain covenants of a loan agreement with a bank, is currently in default on covenants and payments required under other debt facilities it currently has outstanding, has net cash used from operating activities in the amount of \$17,110 thousand for the year ended on December 31, 2024, and has stated that *substantial doubt exists about the Company’s ability to continue as a going concern.*” *Id.* at F-2 (emphasis added). Hub readily admits that it can only survive by raising additional capital,⁶ and its ability to do so could

⁶ *See id.* at 93 (“Our ability to continue as a going concern is contingent upon, among other factors, the sale of ordinary shares to obtain additional funding to support our operations and/or obtaining

be threatened by its potential delisting from NASDAQ for failing to meet the exchange’s \$35 million market value requirement (*see* Ex. 2 (1/27/2026 press release)), the Company’s poor financial condition,⁷ and low stock price. *See* ¶46 (on May 19, 2026, Hub’s stock closed at \$0.13 per share (*following reverse stock splits of 15-1 in January 2026 and 50-1 in April 2026*)).

Similarly, there is no guarantee that the Individual Defendants, many of whom reside outside of the United States, would have sufficient funds to pay a substantial judgment. While Hub has insurance policies that may contribute to payment of a judgment, the amounts available under those policies were being continually reduced by Defendants’ expenses from the ongoing litigation. As a result, there are very real collectability issues. *See Cullen v. Whitman Med. Corp.*, 197 F.R.D. 136, 149 (E.D. Pa. 2000) (“[t]he risk of nonpayment in this case was acute” where, *inter alia*, the corporate defendant “lacked significant unencumbered hard assets against which plaintiffs could levy had a judgment been obtained” and there was “the risk that the wasting policy would run out by the time a trial was over”).

(e) Range Of Reasonableness In Light Of The Best Possible Recovery And Attendant Risks Of Litigation

“Courts typically analyze the last two *Grinnell* factors together.” *Pearlstein v. BlackBerry*, 2022 WL 4554858, at*6 (S.D.N.Y. Sept. 29, 2022) (citing *Grinnell*, 495 F.2d at 463). In so doing, the adequacy of the amount offered in settlement must be judged “not in comparison with the possible recovery in the best of all possible worlds, but rather in light of the strengths and weaknesses of plaintiffs’ case.” *In re “Agent Orange” Prod. Liab. Litig.*, 597 F. Supp. 740, 762

alternate financing. Management currently believes that it will be necessary for us to secure additional funds to continue our existing business operations and to fund our obligations.”).

⁷ *See* Ex. 3 (Hub Form 6-K filed on 12/31/2025) (Hub’s financial statements for the six months ended June 30, 2025 report \$917,000 of cash and cash equivalents on its balance sheet, as compared to a net loss from continuing operations of \$41,774,000 for the six months ended June 30, 2025).

(E.D.N.Y. 1984), *aff'd*, 818 F.2d 145 (2d Cir. 1987).

Here, the proposed Settlement provides a cash payment of \$11 million. This is a highly favorable result in light of the significant risks of continued litigation as set forth herein. 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. Thus, the Settlement represents a recovery of 6.2% of maximum potential damages.

Of course, no litigation is risk free. Plaintiffs anticipated, for example, that Defendants would have asserted that the 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 such a scenario, the \$11 million recovery equates to 16.5% of total potential damages.

A recovery of 6.2 to 16.5% of maximum recoverable damages is well-within the range of reasonableness. In fact, when compared to the median recovery in securities class action settlements with similar potential damages, it is an outstanding result. *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, and 4.4% for cases with

estimated damages between \$50-\$99 million).

In sum, the risks posed by continued litigation were substantial, and they would be present at every step of the litigation if it were to continue.⁸ Accordingly, this factor weighs in favor of approving the Settlement. *See In re Mfrs. Life Ins. Co. Premium Litig.*, 1998 WL 1993385, at *5 (S.D. Cal. Dec. 21, 1998) (“[E]ven if it is assumed that a successful outcome for plaintiffs at summary judgment or at trial would yield a greater recovery than the Settlement – which is not at all apparent – there is easily enough uncertainty in the mix to support settling the dispute rather than risking no recovery in future proceedings.”).

4. Rule 23(e)(2)(C)

Under Rule 23(e)(2)(C), courts also must consider whether the relief provided for the class is adequate in light of “the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims;” “the terms of any proposed award of attorney’s fees, including timing of payment;” and “any agreement required to be identified under Rule 23(e)(3).” FED. R. CIV. P. 23(e)(2)(C)(ii)-(iv). Each of these factors either supports final approval of the Settlement or is neutral and does not suggest any basis for inadequacy.

Rule 23(e)(2)(C)(ii): The method for processing Settlement Class Members’ claims and distributing relief to eligible claimants includes well-established, effective procedures for processing claims and distributing the Net Settlement Fund. The Claims Administrator will

⁸ Even if Plaintiffs were successful at trial, Defendants could have challenged the damages of every class member in post-trial proceedings, substantially reducing any aggregate recovery. *See In re Signet Jewelers Ltd. Sec. Litig.*, 2020 WL 4196468, at *5 (S.D.N.Y. July 21, 2020) (“In the absence of the Settlement, the continued litigation of the Action likely would have required the Parties to ... submit post-trial motions, including a contested individual claims procedure”); *see also In re Vivendi Universal, S.A. Sec. Litig.*, 284 F.R.D. 144, 155 (S.D.N.Y. 2012) (establishing a preliminary framework for a post-trial claims administration whereby class members could submit claims against Vivendi and Vivendi could interpose individualized challenges, including on the basis of a claimant’s lack of reliance or damages).

process claims, under Lead Counsel’s guidance, allow Claimants an opportunity to cure claim deficiencies or request the Court to review their claim denial, and mail Authorized Claimants their *pro rata* share of the Net Settlement Fund (per the Plan of Allocation), after Court approval. This proposed claims-processing method is standard in securities class action settlements. It has been long found to be effective, as well as necessary as neither Plaintiffs nor Defendants possess the individual investor trading data required to distribute the Net Settlement Fund on a claims-free basis.⁹ *See Lea*, 2021 WL 5578665, at *11 (approving settlement with a nearly identical distribution process); *see also Becker v. Bank of New York Mellon Trust Co., N.A.*, 2018 WL 6727820, at *7 (E.D. Pa. Dec. 21, 2018) (“The requirement that class members submit documentation to substantiate their holdings . . . will facilitate the filing of legitimate claims, yet is not overly demanding given the range of permissible documentation.”).

Rule 23(e)(2)(C)(iii): The relief provided for the Settlement Class is also adequate when the terms of the proposed award of attorneys’ fees is considered. As detailed in the accompanying fee and expenses memorandum, a proposed attorneys’ fee of 33⅓% of the Settlement Fund (which, by definition, includes interest earned on the Settlement Amount) is reasonable in light of the work performed and the results obtained. It is also consistent with awards in similar complex class action cases. *See In re Tenaris S.A. Sec. Litig.*, 2024 WL 1719632, at *10 (E.D.N.Y. Apr. 22, 2024) (awarding “one third or 33⅓% of the \$9,500,000 settlement fund, plus interest” and noting that “District courts within the Second Circuit routinely approve attorneys’ fees awards of one third or 33 1/3% as reasonable.”); *Maley v. Del Global Techs. Corp.*, 186 F. Supp. 2d 358, 370 (S.D.N.Y. 2002) (“Petitioners’ request [for 33⅓% of the Class Settlement Fund] falls comfortably

⁹ This is not a claims-made settlement. If the Settlement is approved, Defendants will not have any right to the return of a portion of the Settlement based on the number or value of the claims submitted. *See Stipulation* ¶32.

within the range of fees typically awarded in securities class actions.”). More importantly, approval of the requested attorneys’ fees is separate from approval of the Settlement, and the Settlement may not be terminated based on any fee ruling. *See* Stipulation, ¶16.

Rule 23(e)(2)(C)(iv): Finally, in accordance with Rules 23(e)(2)(C)(iv) and 23(e)(3), the Parties entered into a confidential agreement establishing certain conditions under which Defendants may terminate the Settlement if Settlement Class Members who collectively purchased a Hub securities in excess of a certain threshold request exclusion from the Settlement. “This type of agreement is standard in securities class action settlements and has no negative impact on the fairness of the Settlement.” *Yun Ma*, 2019 WL 5257534, at *15.

5. The Settlement Treats All Members Of The Settlement Class Equitably Relative To Each Other

Rule 23(e)(2)(D) requires courts to evaluate whether the settlement treats class members equitably relative to one another. The Settlement easily satisfies this standard. Under the proposed Plan of Allocation, each Authorized Claimant will receive his, her, or its *pro rata* share of the Net Settlement Fund. Specifically, an Authorized Claimant’s *pro rata* share shall be the Authorized Claimant’s Recognized Claim divided by the total of Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. Courts have repeatedly approved similar plans. *See In re Citigroup.*, 965 F. Supp. 2d at 386-87; *In re Marsh ERISA Litig.*, 265 F.R.D. 128, 145-46 (S.D.N.Y. 2010).

6. Remaining *Grinnell* Factors Weigh In Favor Of Final Approval

The Stage of the Proceedings and the Amount of Discovery Completed: This factor examines “whether the parties had adequate information about their claims such that their counsel can intelligently evaluate the merits of plaintiff’s claims, the strengths of the defenses asserted by defendants, and the value of plaintiffs’ causes of action for purposes of settlement.” *In re Bear*

Stearns Cos., Inc. Sec., Deriv., & ERISA Litig., 909 F. Supp. 2d 259, 267 (S.D.N.Y. 2012). Here, Plaintiffs conducted an extensive investigation into Hub prior to filing the Complaint, including, *inter alia*: interviewing former employees; analyzing the Company's SEC filings and Legacy Hub's filings with the Tel Aviv Stock Exchange; and consulting with a loss causation and damages expert. The Parties submitted substantial briefing relating to the motion to dismiss, exchanged detailed mediation briefs, and Plaintiffs obtained over 88,000 pages of documents from Defendants concerning the matters alleged in the Complaint prior to the mediation. The fact that there has been only a small amount of formal discovery in the Action does not weigh against final approval, especially given the PSLRA discovery stay in securities class actions. *See In re Gilat Satellite Networks, Ltd.*, 2007 WL 2743675, at *10 (E.D.N.Y. Sept. 18, 2007) ("Although little formal discovery has been completed, Lead Counsel has interviewed several former employees of [Defendant] and obtained a number of internal documents, and all parties have conducted extensive research[.]").

The Ability of Defendants to Withstand a Greater Judgment: "Courts have recognized that the defendant's ability to pay is much less important than other factors, especially where the other *Grinnell* factors weigh heavily in favor of settlement approval." *In re Metlife Demutualization Litig.*, 689 F. Supp. 2d 297, 339 (E.D.N.Y. 2010). Here, collecting a large judgment after trial and appeals, however, was not a foregone conclusion. The D&O policies were wasting, Hub's business is struggling, the Company has repeatedly issued going concern warnings, HUB does not have substantial assets in the U.S., and the Individual Defendants neither reside nor are domiciled in the U.S. Under these circumstances, ability to pay weighs in favor of final approval. *See Maley*, 186 F. Supp. 2d at 365 (approving settlement where the individual

defendants' D&O insurance "would be significantly depleted by defense costs").¹⁰

* * *

Accordingly, the aforementioned factors heavily favor final approval of the Settlement.

B. The Notice Program Satisfies The Requirements Of Due Process And Rule 23

The Court approved the proposed notice program in the Preliminary Approval Order (*see* ECF No. 140, ¶¶7-9), and Plaintiffs executed the notice program in accordance with the provisions therein. ¶¶51-63; Ex. 5 (Bravata Decl.), ¶¶3-17. Notice was given to potential Settlement Class Members via mail, email, publication and the Settlement Website (www.HubSecuritiesSettlement.com).¹¹ Bravata Decl. at ¶¶3-17. As of May 18, 2026, a copy of the Postcard Notice was mailed, or the Notice and Claim Form emailed, to 35,297 potential Settlement Class Members or their nominees. *Id.* at ¶9.

On January 26, 2026, the Court-approved Summary Notice was published in *Investors' Business Daily* and transmitted once over the *PR Newswire*. *Id.* at ¶12. The published Summary Notice clearly and concisely provided information concerning the Settlement and the means to obtain a copy of the Notice. *See id.* at Ex. A.

Courts routinely find that comparable notice programs meet the requirements of due process and Rule 23. *See In re Advanced Battery Techs., Inc. Secs. Litig.*, 298 F.R.D. 171, 182-83 n.3 (S.D.N.Y. 2014) (collecting cases and stating that "[t]he use of a combination of a mailed postcard directing class members to a more detailed online notice has been approved by courts");

¹⁰ *See also In re Tenaris*, 2024 WL 1719632, at *8 ("Tenaris has very few assets within the United States, which would significantly complicate enforcement efforts and could result in continued litigation in foreign courts arising out of enforcement efforts even if Tenaris's international operations are able to withstand judgment.").

¹¹ From this website, potential Settlement Class Members can, *inter alia*, download copies of the Notice, Claim Form, Complaint, Preliminary Approval Order, and Stipulation, as well as submit claims online. Bravata Decl. at ¶¶14-15.

Mauss v. NuVasive, Inc., 2018 WL 6421623, at *2-3 (S.D. Cal. Dec. 12, 2018) (combination of mailed notice, publication of summary notice in *Investor's Business Daily* and over a newswire, and posting on website satisfied requirements of “Rule 23, the [PSLRA], and due process.”).

C. Class Certification Remains Appropriate

The Court’s December 10, 2025 Preliminary Approval Order certified the Settlement Class for settlement purposes only under Fed. R. Civ. P. 23(a) and (b)(3). *See* ECF No. 140, ¶¶1-3. There have been no changes to alter the propriety of class certification for settlement purposes. Thus, for the reasons stated in Plaintiffs’ Preliminary Approval Motion (*see* ECF No. 137, at Sec. IV.B), Plaintiffs respectfully request that the Court affirm its determinations in the Preliminary Approval Order certifying the Settlement Class under Rules 23(a) and (b)(3). *See Bear Stearns*, 909 F. Supp. 2d at 264 (“Since there have been no material changes to alter the propriety of these findings regarding the Settlement Class, this action is hereby finally certified, for the purposes of settlement only, as a class action pursuant to Fed. R. Civ. P. 23(a) and 23(b)(3) . . . In addition, the determinations in the Preliminary Approval Orders regarding Lead Plaintiff and Class Counsel are affirmed.”); *Stable Road*, 2024 WL 3643393, at *11 (“Since there have been no changes to alter the propriety of class certification for settlement purposes, the Court affirms its determinations in the Preliminary Approval Order certifying the Settlement Class under Rules 23(a) and (b)(3).”).

D. The Plan Of Allocation Is Fair And Reasonable And Should Be Approved

“To warrant approval, the plan of allocation must also meet the standards by which the settlement was scrutinized – namely, it must be fair and adequate.” *In re WorldCom, Inc. Sec. Litig.*, 388 F. Supp. 2d 319, 344 (S.D.N.Y. 2005). “As numerous courts have held, a plan of allocation need not be perfect.” *Yun Ma*, 2019 WL 5257534, at *15. Rather, “[w]hen formulated

by competent and experienced counsel, a plan for allocation of net settlement proceeds need have only a reasonable, rational basis.” *In re IMAX Sec. Litig.*, 283 F.R.D. 178, 192 (S.D.N.Y. 2012) *see also Yun Ma*, 2019 WL 5257534, at *15-16. Thus, “[i]n determining whether a plan of allocation is fair, courts look largely to the opinion of counsel.” *In re Marsh & McLennan*, 2009 WL 5178546, at *13 (S.D.N.Y. Dec. 23, 2019) .

The proposed Plan of Allocation was developed by Plaintiffs’ damages consultant in conjunction with Lead Counsel, and is based on a theory of damages consistent with Section 11 of the Securities Act, including its statutory damages formula, and reflects an assessment of the damages that Plaintiffs contend could have been recovered under the theories of liability asserted in the Action.¹² The objective of the Plan of Allocation is to equitably distribute the Settlement proceeds to those Settlement Class Members who suffered economic losses as a proximate result of the alleged wrongdoing. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover after a trial.

Under the Plan of Allocation, a “Recognized Loss Amount” will be calculated for each purchase or acquisition of Hub common stock pursuant or traceable to the Offering Documents. An individual Claimant’s recovery will depend on a number of factors, including, *inter alia*: (i) how many shares of publicly traded Hub common stock the Claimant purchased, acquired, or sold during the Settlement Class Period (*i.e.*, March 1, 2023 through July 31, 2023, both dates inclusive); (ii) whether the Hub common stock was acquired through the Business Combination between Hub Cyber Security (Israel) Ltd. (“Legacy Hub”) and Mount Rainier or purchased on the open market during the Settlement Class Period; (iii) when that Claimant bought, acquired, or sold

¹² The Plan of Allocation is detailed in the Notice. *See* Ex. 5-C (Notice) at ¶¶50-66.

the stock; and (iv) the number of valid claims filed by other Claimants.

For purposes of the Plan of Allocation, it is assumed that Plaintiffs would prevail on their claims under Sections 11 and 12(a)(2) of the Securities Act, including being able to prove that the Offering Documents contained material misstatements or omissions at the time the Offering Documents became effective. The Plan of Allocation further assumes that investors who held public Mount Rainier shares that were converted into Hub stock in the Business Combination are entitled to an upward adjustment to their Recognized Loss Amount because the Court ruled that only holders of Mount Rainier shares had standing to bring 12(a)(2) claims. Accordingly, the Recognized Loss Amount for such Mount Rainier shares will be increased by fifty percent (50%) by multiplying the Recognized Loss Amount by 1.5. *See In re Omnivision Tech., Inc.*, 559 F. Supp. 2d 1036, 1045 (N.D. Cal. 2008) (“It is reasonable to allocate the settlement funds to class members based on the extent of their injuries or the strength of their claims on the merits.”).

Under the Plan of Allocation, the sum of a Claimant’s Recognized Loss Amounts will be the Claimant’s “Recognized Claim,” and the Net Settlement Fund will be allocated to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims, subject to a \$10.00 minimum distribution. ¶¶64-70; Ex. 5-C (Notice) at ¶¶58, 63. More precisely, an Authorized Claimant’s *pro rata* share shall be the Authorized Claimant’s Recognized Claim divided by the total of Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. ¶64-70; Ex. 5-C (Notice) at ¶63.

If any funds remain after an initial distribution to Authorized Claimants, because of uncashed or returned checks or other reasons, subsequent distributions will be conducted as long as they are cost effective. ¶69 n.9; Ex 5-C (Notice) at ¶64. At such time at which it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the

remaining balance shall be contributed to non-sectarian, not-for-profit organization(s), to be recommended by Lead Counsel and approved by the Court. *Id.*

Lead Counsel believe the Plan of Allocation will result in a fair and equitable distribution of the Settlement proceeds among Settlement Class Members who submit valid claims, and, as such, respectfully request that the Court approve the proposed Plan of Allocation. *See Schueneman v. Arena Pharm., Inc.*, 2020 WL 3129566, at *7 (S.D. Cal. June 12, 2020) (“A plan which fairly treats class members by awarding a *pro rata* share to every Authorized Claimant, even as it sensibly makes interclass distinctions based upon, *inter alia*, the relative strengths and weaknesses of class members’ individual claims and the timing of purchases of the securities at issue should be approved as fair and reasonable.” (cleaned up)); *Rodriguez v. CPI Aerostructures, Inc.*, 2023 WL 2184496, at *12 n.14 (E.D.N.Y. Feb. 16, 2023).

V. CONCLUSION

For the foregoing reasons, Plaintiffs respectfully request that the Court grant their motion.¹³

¹³ A proposed Final Judgment and Order of Dismissal with Prejudice and a proposed Order Approving Plan of Allocation will be submitted with Plaintiffs’ reply papers on June 22, 2026, after the deadline for objecting to the motion and requesting exclusion from the Settlement Class.

Dated: May 22, 2026

Respectfully yours,

**GLANCY PRONGAY WOLKE &
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s/ Daniella Quitt

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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 8,678 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 Plaintiffs' Motion For Final Approval of Class Action Settlement and Plan of Allocation to be e-filed by CM/ECF to the parties registered to the Court's CM/ECF system.

/s/ Daniella Quitt _____

Daniella Quitt