IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

IN RE THE ALLSTATE CORPORATION SECURITIES LITIGATION	Case No. 16-cv-10510 Hon. Robert W. Gettleman CLASS ACTION

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

TABLE OF CONTENTS

Page

TABLE OF AUTHORITIES

Page(s)

Cases

Statutes

Rules

Carpenters Pension Trust Fund for Northern California, Carpenters Annuity Trust Fund for Northern California (together, "Northern California Carpenters" or "Lead Plaintiffs") and named plaintiff City of Providence ("Providence" and, together with Northern California Carpenters, "Class Representatives"), on behalf of themselves and the members of the certified Class, respectfully submit this memorandum of law in support of their motion for: (i) final approval of the proposed Settlement of the above-captioned action (the "Action"), pursuant to Federal Rule of Civil Procedure 23 ("Rule 23"); and (ii) approval of the proposed Plan of Allocation for distribution of the Net Settlement Fund.[1]

PRELIMINARY STATEMENT

As set forth in the Stipulation, Allstate has agreed to pay, or cause the payment of, on behalf of all Defendants, $90,000,000 in cash in exchange for the release of all claims asserted in the Action, or that could have been asserted. As detailed in the accompanying Declaration of Thomas G. Hoffman, Jr.[2] and summarized below, the Settlement: (i) is the culmination of six years of highly contentious and vigorous litigation efforts, including the certification of a class and related appeals, and substantial trial preparation; (ii) is the product of hard-fought settlement negotiations

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[1] Unless otherwise noted, capitalized terms have the meanings ascribed to them in the Stipulation and Agreement of Settlement, dated as of August 11, 2023 (the "Stipulation") (ECF No. 541-1).

[2] The Declaration of Thomas G. Hoffman, Jr. in Support of (A) Class Representatives' Motion for Final Approval of Class Action Settlement and Plan of Allocation and (B) Class Counsel's Motion for an Award of Attorneys' Fees and Litigation Expenses ("Hoffman Declaration") is an integral part of this motion and is incorporated herein by reference. For the sake of brevity, the Court is respectfully referred to the Hoffman Declaration for, *inter alia*, a detailed description of the allegations and claims, the procedural history of the Action, the risks faced by the Class in pursuing litigation, the efforts that led to a settlement, and a description of the services provided by Class Counsel. Citations to "¶" in this motion refer to paragraphs of the Hoffman Declaration.

All exhibits are annexed to the Hoffman Declaration. For clarity, citations to exhibits that themselves have attached exhibits will be referenced as "Ex. ___ - ___." The first numerical reference is to the designation of the entire exhibit attached to the Hoffman Declaration and the second reference is to the exhibit designation within the exhibit itself.

under the guidance of an experienced mediator over the course of four years; and (iii) represents a meaningful percentage of the Class's estimated maximum damages.

At the time of settlement, the Parties had completed an arduous and thorough fact and expert discovery process, summary judgment motions, contested class certification proceedings and related appeals, and were preparing for trial. As a result of these efforts, Class Representatives and Class Counsel had a well-developed understanding of the strengths and weaknesses of the claims at issue in the Action.

While Class Representatives believe the Class's claims are meritorious and strong, they recognize there were substantial risks to continued litigation and trial. As discussed in detail in the Hoffman Declaration, among other things, Defendants would argue at trial that Class Representatives could not prove that Allstate made any false or misleading misrepresentations concerning claim frequency. Defendants would also seek to establish that even if misstatements were made, they were not made until later in the Class Period and the alleged corrective disclosures did not *reveal* the relevant truth because the information was already available to the market.

The Settlement avoids these risks (and others) as well as further delay and expense of continued litigation – while providing a substantial and certain benefit to the Class. Furthermore, Class Representatives, sophisticated institutional investors that were actively involved throughout the litigation, diligently represented the Class and have approved the Settlement. *See* Declaration of Bill Feyling, Administrator, on behalf of Northern California Carpenters Ex. 1; and Declaration of Jeffrey Dana, City Solicitor for the City of Providence, on Behalf of Providence, Ex. 2. Accordingly, Class Representatives respectfully request that the Court approve the Settlement.

In addition, the Plan of Allocation for the distribution of the proceeds of the Settlement, which was developed by Class Counsel with the assistance of Class Representatives' damages

expert, is a fair and reasonable method for distributing the Net Settlement Fund and should also be approved by the Court.

Given the foregoing considerations and the factors addressed below, Class Representatives submit that: (i) the Settlement meets the standard for final approval under Rule 23 and is a fair, reasonable and adequate result for the Class; and (ii) the Plan of Allocation is a fair and reasonable method for allocating the Net Settlement Fund to Class Members who submit valid Claim Forms.

ARGUMENT

I. THE SETTLEMENT WARRANTS FINAL APPROVAL

A. Standards Governing Approval of Class Action Settlements

As a matter of public policy, settlement is a strongly favored method for resolving class action litigation. *Isby v. Bayh*, 75 F.3d 1191, 1196 (7th Cir. 1996) ("Federal courts naturally favor the settlement of class action litigation.").[3]

Rule 23(e)(2) provides that a court may approve a proposed settlement that would bind class members "only after a hearing and only on finding that it is fair, reasonable, and adequate after considering whether:

(A) class representatives and counsel have adequately represented the class;

(B) the proposal was negotiated at arm's length;

(C) the relief provided for the class is 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 attorney's fees, including timing of payment; and

[3] Herein, internal citations are omitted, and all emphasis is added unless otherwise noted.

(iv) any agreement required to be identified under Rule 23(e)(3)[4]; and

(D) the proposal treats class members equitably relative to each other."

Fed. R. Civ. P. 23(e)(2). Rule 23, as amended in December 2018, has not changed the established overall standard for approving a proposed class settlement, *i.e.*, evaluating whether it is fair, adequate, and reasonable. Fed. R. Civ. P. 23(e)(2).

The Seventh Circuit has also identified the following six factors for courts to consider in deciding whether to approve a class action settlement:

> (1) the strength of the case for plaintiffs on the merits, balanced against the extent of settlement offer; (2) the complexity, length, and expense of further litigation; (3) the amount of opposition to the settlement; (4) the reaction of members of the class to the settlement; (5) the opinion of competent counsel; and (6) state of the proceedings and the amount of discovery completed."

See Wong v. Accretive Health, Inc., 773 F.3d 859, 863 (7th Cir. 2014). The Rule 23 considerations "overlap with the factors previously articulated by the Seventh Circuit." *Hale v. State Farm Mut. Auto. Ins. Co*., 2018 WL 6606079, at *2 (S.D. Ill. Dec. 16, 2018). All of these factors, whether in Rule 23 or Seventh Circuit jurisprudence, favor approval of the Settlement.[5]

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[4] Rule 23(e)(2)(C)(iv) requires the disclosure of any agreement between the parties in connection with a proposed settlement. Here, in addition to the Stipulation, on June 28, 2023, the Parties executed a settlement term sheet and, as of August 11, 2023, they entered into a confidential Supplemental Agreement Regarding Requests for Exclusion (the "Supplemental Agreement"). The Supplemental Agreement set forth the conditions under which Allstate would have the discretion to terminate the Settlement in connection with additional requests for exclusion from the Class, in the event the Court required a second opt-out opportunity. However, the Court did not re-open the opt-out period and so the Supplemental Agreement is moot. The term sheet, Stipulation, and the Supplemental Agreement are the only agreements concerning the Settlement entered into by the Parties.

[5] The Advisory Committee Notes to the 2018 amendments to Rule 23 explain that the four Rule 23(e)(2) factors 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." Fed. R. Civ. P. 23 Advisory Committee Notes to 2018 Amendments, Subdivision (e)(2). Accordingly, Class Representatives discuss below the fairness, reasonableness, and adequacy of the Settlement principally in relation to the four Rule 23(e)(2) factors, but also discuss the application of the non-duplicative factors articulated by the Seventh Circuit in *Wong*.

B. Class Representatives and Class Counsel Have Adequately Represented the Class

In determining whether to approve a class action settlement, courts consider whether "the class representative and class counsel have adequately represented the class." Fed. R. Civ. P. 23(e)(2)(A). In granting class certification, the Court found Lead Plaintiffs and Providence adequate to serve as Class Representatives, and Lead Counsel was fit to serve as Class Counsel. *See* ECF No. 172. Furthermore, since their appointment, Class Representatives and Class Counsel have adequately represented the Class in both their vigorous prosecution of the Action and in their negotiation of the Settlement.

Class Representatives, sophisticated institutional investors, have been active and informed participants in the litigation. Among other things, Class Representatives regularly communicated with Class Counsel and reviewed material filings in the case, such as the Complaint and Second Amended Complaint, the briefing on Defendants' motion to dismiss, the motion for class certification, and Defendants' Rule 23(f) Appeal; searched for and produced potentially relevant documents in response to discovery requests; prepared and sat for a deposition; actively participated in the mediation process; were aware of both side's best arguments concerning liability and damages; and reviewed and approved the terms of the Settlement. *See* Ex. 1 at ¶¶8-11; Ex. 2 at ¶¶8-11.

Likewise, Class Counsel, who is highly experienced in prosecuting and trying complex class actions, had a clear view of the strengths and risks of the case and was equipped to make an informed decision regarding the reasonableness of a potential settlement. *See Snyder v. Ocwen Loan Servicing, LLC*, 2019 WL 2103379, at *4 (N.D. Ill. May 14, 2019) (Rule 23(e)(2)(A) met where "plaintiffs participated in the case diligently" and "class counsel fought hard throughout the litigation and pursued mediation when it appeared to be an advisable and feasible alternative"). Over the course of the litigation, Class Counsel developed a deep understanding of the facts of the

case and the merits of the claims. *See generally* Hoffman Decl. at §§III-V. Class Counsel is highly qualified and experienced in securities litigation, as set forth in its firm resume (*see* Ex. 5-C), and was able to successfully conduct the litigation against skilled opposing counsel.[6] Accordingly, the Class has been, and remains, well represented.

Class Representatives and Class Counsel have carefully considered the benefits of the Settlement and believe it to be fair, reasonable, and adequate. *See* Fed. R. Civ. P. 23(e)(2)(A); *see also Wong*, 773 F. 3d at 863-64 (stating that "the opinion of competent counsel" is a relevant factor for settlement approval).

1. The Proposed Settlement Is the Result of Good Faith Arm's-Length Negotiations

Rule 23(e)(2)(B) requires courts to consider whether "the proposal was negotiated at arm's length." Fed. R. Civ. P. 23(e)(2)(B). The Parties participated in two separate mediation sessions that did not result in a resolution of the Action - one in August 2019 and the second in June 2022. ¶91. It was only after extensive litigation and a third full-day mediation session before the Honorable Layn R. Phillips (Ret.) on June 28, 2023, that the Parties agreed to settle.[7] ¶92. Accordingly, the proposed Settlement was clearly the result of extensive arm's-length negotiations among highly-experienced and informed counsel over the span of four years. This arm's-length process supports approval. *See Wong*, 773 F.3d at 864 (affirming approval of settlement and noting that "finally, and importantly, the settlement was proposed by an experienced third-party mediator after an arm's-length negotiation where the parties' positions on liability and damages were extensively briefed and debated"); *In re TikTok, Inc. Consumer Privacy Litig.*, 617 F. Supp. 3d

[6] Defendants were represented by DLA Piper, Skadden, Arps, Slate, Meagher & Flom LLP, McDermott Will & Emery, and Salvatore Prescott Porter & Porter, PLLC.

[7] *See, e.g., In re Bear Stearns Cos. Sec., Derivative, & ERISA Litig.,* 909 F. Supp. 2d 259, 265 (S.D.N.Y. 2012) (finding settlement fair when parties engaged in "arm's length negotiations . . . mediated by retired federal judge Layn R. Phillips, an experienced and well-regarded mediator of complex securities cases").

904 (N.D. Ill. 2022) (approving settlement and noting the arm's-length negotiations between counsel facilitated by two mediation sessions). Indeed, "a strong presumption of fairness attaches to a settlement agreement when it is the result of this type of negotiation." *Great Neck Cap. Appreciation Inv. P'ship, L.P. v. Pricewaterhouse Coopers, LLP*., 212 F.R.D. 400, 410 (E.D. Wis. 2002).

2. The Relief Provided by the Proposed Settlement Is Adequate

a. The Settlement Provides Significant and Certain Benefits to the Class

The Settlement also satisfies Rule 23(e)(2)(C). In determining whether a class-action settlement is "fair, reasonable, and adequate," the Court must consider whether "the relief provided for the class is adequate, taking into account . . . the costs, risks, and delay of trial and appeal." Fed. R. Civ. P. 23(e)(2)(C). This Rule 23(e)(2) factor encompasses two of the factors traditionally considered by the Seventh Circuit when evaluating a proposed settlement: "'the strength of plaintiff's case on the merits balanced against the amount offered in the settlement'" and "'the complexity, length, and expense of further litigation.'" *Wong*, 773 F.3d at 863-64.

In assessing this factor, courts balance the continuing risks of litigation against the benefits of settlement. The Settlement here provides for a certain near-term recovery of $90 million to be allocated among Class Members following the deduction of Court-approved fees and expenses. In contrast, if the Action were to continue, the hurdles faced by the Class would be substantial both in the upcoming trial and in post-trial appeals. While Class Representatives stand by their claims, further litigation – namely winning at trial—presents clear risks and difficulties. *See Retsky Fam. Ltd. P'ship v. Price Waterhouse LLP*, 2001 WL 1568856, at *2 (N.D. Ill. Dec. 10, 2001) (courts have recognized that "[s]ecurities fraud litigation is long, complex and uncertain").

b. Risks of Continued Litigation

Here, while Class Representatives remain confident in their ability to ultimately prove their claims, further litigation and trial is always a costly and risky proposition. At trial, Defendants would have strenuously argued that Class Representatives would be unable to prove that each of their statements were false and misleading. For example, Allstate has argued that the evidence at trial would show that the Class Period should begin on December 9, 2014 at the earliest because, based on the reasoning in the Court's summary judgment ruling, none of the alleged misstatements in October 2014 could provide a basis for liability under the securities laws. ECF No. 503 ("Allstate Trial Brief") at 1 n.1 (citing ECF No. 492 at 8-9, Summary Judgment Order) ("Allstate had no duty during its third-quarter earnings call to make any statements regarding a potential frequency increase in the fourth quarter, and Allstate spoke only about its third-quarter results. . . . Consequently, no reasonable jury could find the October 30, 2014, statements to be misleading, or the basis for securities fraud."). ¶¶100-01. Allstate also explicitly stated its intent to "bring an appropriate motion for partial class de-certification as to the beginning of the class period upon demonstrating this at trial." Allstate Trial Brief at 1; ¶101.

Defendants would also argue at trial, as they have throughout the litigation, that they did not make ***any*** misrepresentations concerning claim frequency. Allstate Trial Brief at 1; ¶104. To the contrary, Allstate has argued that it accurately and timely disclosed the Company's increase in claim frequency and did so with much more detail than the securities laws require. *Id*. Specifically, Allstate noted that it voluntarily disclosed substantial amounts of additional information concerning claim frequency on a quarterly basis in an "Earnings News Release" and an "Investor Supplement." *Id*. Further, Defendants would continue to argue that they would be able to prove that Allstate accurately reported its understanding of the factors that caused the increase—namely, "miles driven and precipitation." Allstate Trial Brief at 1-2; ¶104. Allstate has previously stated

its understanding "was based on Allstate's own contemporaneous, internal analyses showing that frequency was up across new and renewal business, and that Allstate's customers were driving more and in worse weather, which resulted in more accident claims." Allstate Trial Brief at 2; ¶104. Allstate further stated it would "present evidence that Allstate's competitors, including GEICO and Progressive, experienced increased claim frequency during the same period and for the same reasons." *Id.* Thus, Allstate has argued, "in every instance, Allstate told the public the truth about claim frequency in its quarterly announcements and other public statements during the Class Period." *Id.*

Allstate also would likely have sought to establish that, for the same reasons, they did not act intentionally or recklessly (*i.e.*, with scienter). *See* Allstate Trial Brief at 2 (citing *Makor Issues & Rights, Ltd. V. Tellabs, Inc.*, 513 F.3d 702, 704 (7th Cir. 2008)); ¶¶109-115. Allstate contends, for example, "In addition to being factually accurate, Allstate's public statements were and remain consistent with its internal communications and analyses. Allstate continuously analyzed changes in claim frequency and accurately updated the public on what its analyses indicated each quarter." Allstate Trial Brief at 1; ¶110.

Additionally, Allstate has contended that Class Representatives would not be able to prove loss causation, materiality, or damages at trial. *See* Allstate Trial Brief at 2; ¶116-122; *see also Dura Pharms., Inc. v. Broudo*, 544 U.S. 336, 345-46 (2005) (plaintiffs bear burden of proving "that the defendant's misrepresentations 'caused the loss for which the plaintiff seeks to recover'"). Specifically, in Allstate's Trial Brief, Allstate argued:

> Allstate warned the market that a risk of increased frequency existed when it implemented its growth initiatives before the Class Period, and Plaintiffs' experts ignore this critical factor. Plaintiffs' experts also overlook alternative causes for changes in Allstate's stock price, and use a damages theory that incorrectly assumes Allstate had a duty to engage in prognostication.

Allstate Trial Brief at 2-3; ¶117.

Allstate further argued that, while Class Representatives planned to establish reliance using the fraud-on-the-market doctrine, "they would have to establish the evidentiary prerequisites for doing so, and Defendants would be entitled to rebut reliance both on a class-wide and individual basis." *Id.* at 2 n.2 (citing *Basic Inc. v. Levinson*, 485 U.S. 224 (1988)). Allstate argued that, if the trial were bifurcated, then Defendants would be "entitled to further discovery as necessary to fully develop and present these issues." *Id.* (citing *In re Vivendi Universal, S.A. Sec. Litig.*, 765 F. Supp. 2d 512, 586 (S.D.N.Y. 2011) (absence of formal pre-trial order specifying that individual issues were reserved for after class trial did not preclude resolution of individualized issues in further proceedings after class trial); *Lawrence E. Jaffe Pension Plan v. Household Int'l, Inc.*, 2012 WL 4343223, at *5 (N.D. Ill. Sept. 21, 2012) *vacated in part by*, 02 C 5893, 2012 WL 13338798 (N.D. Ill. Dec. 6, 2012) (after Phase 1 trial, court authorized several months of discovery from class members on individual reliance and claim issues, involving depositions and culminating in a summary judgment process before a Phase 2 trial). ¶119.

In sum, Allstate argued, "As a result of these failures, Plaintiffs will be unable to prove their claims and will not recover any damages at trial." *Id.* at 2-3. Acceptance of any such arguments regarding loss causation, materiality, or damages by a jury, in whole or part, would dramatically limit any potential recovery for the Class, or eliminate it altogether. Finally, Allstate explicitly stated their intention "to move for a directed verdict at the close of evidence." *Id.* at 15. Moreover, even if the Court issued a favorable ruling, Class Representatives and the Class faced appellate risk on such a motion, the motions *in limine*, or any number of other evidentiary and legal rulings the Court would have to make during trial.

In contrast, the Settlement avoids the potential impact of each of these challenges and other risks and achieves a fair and certain result. Indeed, the Settlement represents a meaningful portion of the Class's reasonably recoverable damages, as estimated under various potential scenarios

analyzed by financial economic experts retained by Class Representatives. If the Class's claims survived trial, post-trial motions, and appeals completely intact, and liability and damages were found 100% supported at trial, then aggregate damages were estimated at approximately $556 million, making the Settlement a recovery of approximately 16% of estimated damages. ¶121. This percentage is far greater than most other court-approved securities settlements in courts within the Seventh Circuit. *See, e.g., Shah v. Zimmer Biomet Holdings, Inc.,* 2020 WL 5627171, at *5 (N.D. Ind. Sept. 18, 2020) (preliminarily approving $50 million settlement representing 8% of plaintiffs' maximum possible damages); *Schulte v. Fifth Third Bank*, 805 F. Supp. 2d 560, 583 (N.D. Ill. 2011) (approving settlement representing 10% of estimated damages and noting approval of settlements around or below this percentage). Moreover, if Defendants' arguments regarding the October 2014 misstatements prevailed and those misstatements were trimmed from the case, then the Class Period would start on December 9, 2014, and the aggregate damages were estimated at approximately $531 million. Under this scenario, the Settlement represents approximately 17% of estimated damages. ¶121.

The $90 million Settlement also far exceeds the median reported recovery in securities class actions in 2022, which was $13 million, and $10.2 million from 2017 through 2021. *See* Laarni T. Bulan and Laura E. Simmons, Securities Class Action Settlements – 2022 Review and Analysis, at 1 (Cornerstone Research 2023), attached as Exhibit 3 to the Hoffman Declaration.

C. The Effective Process for Distributing Relief to the Class

Rule 23(e)(2)(C) instructs courts to consider whether the relief provided to 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." Here, the proceeds of the Settlement will be distributed with the assistance of an experienced claims administrator, A.B. Data, Ltd., which was previously appointed by the Court to disseminate the Class Notice. The Claims

Administrator is employing a well-tested protocol for the processing of claims in a securities class action. Specifically, a Claimant will submit, either by mail or online using the Settlement website, the Court-approved Claim Form. Based on the trade information provided by Claimants, the Claims Administrator will determine each Claimant's eligibility to recover by, among other things, calculating their respective "Recognized Claims" based on the Court-approved Plan of Allocation, and ultimately determine each eligible Claimant's *pro rata* portion of the Net Settlement Fund. *See* ¶¶130-31. Class Representatives' claims will be reviewed in the same manner. Claimants will be notified of any defects or conditions of ineligibility and be given the chance to contest the rejection of their claims. Stipulation at ¶28(d)-(e). Any claim disputes that cannot be resolved will be presented to the Court. *Id*.

After the Settlement reaches its Effective Date (*id*. at ¶36) and the claims process is completed, Authorized Claimants will be issued payments. If there are un-claimed funds after the initial distribution, and it would be feasible and economical to conduct a further distribution, the Claims Administrator will conduct a further distribution of remaining funds (less the estimated expenses for the additional distribution, Taxes, and unpaid Notice and Administration Expenses). Additional distributions will proceed in the same manner until it is no longer economical to conduct further distributions. Thereafter, Class Representatives recommend that any *de minimis* balance that remains in the Net Settlement Fund, after payment of any outstanding Notice and Administration Expenses, be donated based on a 50-50 split to Consumer Federation of America and Better Markets, or such other organizations approved by the Court. *Id* at ¶28; ¶133; Ex. 4-B at ¶66.

D. The Requested Attorneys' Fees and Expenses Are Reasonable

As discussed in the accompanying Fee Memorandum, the proposed attorneys' fees of 25% of the Settlement Fund, to be paid as ordered by the Court, are reasonable in light of the efforts of

Class Counsel and the risks in the litigation. Approval of attorneys' fees is entirely separate from approval of the Settlement, is not part of any agreement with Defendants, and the Settlement cannot be terminated based on any ruling on the fees or expenses.

E. Application of the Remaining Seventh Circuit Factors

Two additional factors that courts consider in the Seventh Circuit when assessing a proposed settlement are "the amount of opposition to the settlement" and "the reaction of members of the class to the settlement." *Wong*, 773 F.3d at 863. The objection deadline is November 28, 2023. To date, there have been no objections to the Settlement. Class Representatives will address any objections received, in their reply submission to be filed on December 12, 2023.

In sum, all of the factors to be considered under Rule 23(e)(2) and Seventh Circuit case law support approving the Settlement as fair, reasonable, and adequate.

II. THE COURT SHOULD APPROVE THE PLAN OF ALLOCATION

A plan for allocating settlement proceeds should be approved if it is "fair, reasonable, and adequate." *Retsky*, 2001 WL 1568856, at *3. Further, "when formulated by competent and experienced counsel, a plan for allocation of net settlement proceeds need have only a reasonable, rational basis in order to be fair and reasonable." *Shah*, 2020 WL 5627171, at *6.

Here, the proposed Plan of Allocation ("Plan"), which was developed by Class Counsel in consultation with Class Representatives' damages expert, provides a fair and reasonable method to allocate the Net Settlement Fund among Class Members who submit valid Claim Forms. The Plan is set forth in full in the Settlement Notice. As noted above, the Plan provides for the distribution of the Net Settlement Fund based upon each Class Member's "Recognized Claim," as calculated by the formulas described in the Settlement Notice. In developing the Plan, Class Representatives' damages expert considered the amount of artificial inflation in the per share price

of Allstate common stock during the Class Period that was allegedly caused by Defendants' alleged wrongdoing. ¶129; Ex. 4-B at ¶55.

The Claims Administrator will determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's total Recognized Claim compared to the aggregate of Recognized Claims. A Claimant's total Recognized Claim will depend on, among other things, when their shares were purchased/acquired and/or sold in relation to the disclosure dates, whether the shares were held through or sold during the statutory 90-day look-back period, *see* 15 U.S.C. § 78u-4(e), and the value of the shares when they were sold or held. Overall, the Plan is designed to fairly and rationally allocate the proceeds of the Settlement. To date, no objections to the Plan of Allocation have been received.

III. NOTICE SATISFIED RULE 23 AND DUE PROCESS

In granting preliminary approval of the Settlement, the Court approved Class Representatives' proposed distribution and mailing of the Settlement Notice, which included all the information required by Rule 23 and the PSLRA. *See* ECF No. 550. Pursuant to this Court's order, and in compliance with Rule 23, Class Representatives have provided "the best notice that is practicable under the circumstances." Fed. R. Civ. P. 23(c)(2)(B). As detailed in the accompanying declaration of the Claims Administrator, as of November 13, 2023, a total of 166,620 copies of the Claim Packet have been mailed to potential Class Members, brokers, and nominees. *See* Ex. 4 at ¶12. In addition, the Summary Notice was published in *The Wall Street Journal* and transmitted over the *PR Newswire* on October 25, 2023. *Id*. at ¶13. The Claims Administrator has also established a dedicated case website, www.AllstateSecuritiesLitigation.com, to provide potential Class Members with information concerning the case, the Settlement, and access to copies of the Settlement Notice, Claim Form, Stipulation, Preliminary Approval Order, and other case-related documents. *Id*. at ¶14. This

combination of individual notice by first-class mail to Class Members who could be identified with reasonable effort, supplemented by notice in an appropriate, widely circulated publication, transmitted over a newswire, and set forth on internet websites, constitutes "the best notice . . . practicable under the circumstances." Fed. R. Civ. P. 23(c)(2)(B).

CONCLUSION

For all the foregoing reasons, Class Representatives respectfully request that this Court grant final approval to the proposed Settlement, approve the Plan of Allocation of the Net Settlement Fund, and enter the proposed Final Order and Judgment and proposed Order Approving Plan of Allocation of Net Settlement Fund. Proposed orders will be submitted with Class Representatives' reply papers, after the deadline for objecting has passed.

DATED: November 14, 2023

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on November 14, 2023, I caused the foregoing document to be electronically filed, using the Court's CM/ECF system, which will cause the document to be sent electronically to the registered participants as identified on the attached Electronic Mail Notice List.

/s/ Michael P. Canty.
Michael P. Canty