

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

IN RE PPD AI GROUP INC. SECURITIES  
LITIGATION

Case No: 1:18-cv-06716-LDH-TAM

CLASS ACTION

**NOTICE OF UNOPPOSED MOTION FOR DISTRIBUTION OF CLASS ACTION  
SETTLEMENT FUND**

PLEASE TAKE NOTICE that pursuant to Federal Rule of Civil Procedure 23(e), Lead Plaintiff Golden Section Holding Corporation and Named Plaintiff Weichen Lai (“Federal Court Plaintiffs”),<sup>1</sup> along with State Court Plaintiffs Yizhong Huang and Ravindra Vora in the parallel State Court Action (Federal Court Plaintiffs and State Court Plaintiffs are collectively the “Plaintiffs”), through the undersigned Class Counsel, hereby move this Court for entry of the [Proposed] Order Granting Distribution of Class Action Settlement Fund (“Class Distribution Order”). Among other things, the Class Distribution Order: (i) approves the Claims Administrator’s recommendations accepting and rejecting Claims submitted in the Actions; and (ii) directs distribution of the Net Settlement Fund to Authorized Claimants whose Claims have been accepted as valid and approved by the Court.

In support of this Motion, Plaintiffs submit the accompanying Memorandum of Law, the Declaration of Jack Ewashko on Behalf of A.B. Data, Ltd. in Support of Plaintiffs’ Motion for Distribution of Class Action Settlement Fund, and the exhibits thereto.

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<sup>1</sup> Unless otherwise defined, all capitalized terms used herein have the meanings ascribed to them in the Stipulation of Settlement dated June 11, 2021 (the “Stipulation”) (ECF No. 64).

Defendants take no position on this Motion. Accordingly, Plaintiffs respectfully request that the Court decide the Motion on the papers, and enter the Class Distribution Order.

Dated: August 12, 2022

Respectfully submitted,

/s/ Laurence M. Rosen

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**CERTIFICATE OF SERVICE**

I hereby certify that on August 12, 2022, a true and correct copy of the foregoing document was served by CM/ECF to the parties registered to the Court's CM/ECF system.

/s/ Laurence M. Rosen  
Laurence M. Rosen

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

IN RE PPD AI GROUP INC. SECURITIES  
LITIGATION

Case No: 1:18-cv-06716-LDH-TAM

CLASS ACTION

**PLAINTIFFS' MEMORANDUM OF LAW IN SUPPORT OF UNOPPOSED  
MOTION FOR DISTRIBUTION OF CLASS ACTION SETTLEMENT FUND**

## **I. INTRODUCTION**

On August 13, 2021, the Court entered the Order Granting Plaintiffs' Unopposed Motion for Preliminary Approval of Class Action Settlement ("Preliminary Approval Order") (ECF No. 70).

On January 21, 2022, the Court issued its Opinion Approving Final Settlement (ECF No. 84) and entered the Order and Final Judgment ("Final Judgment") (ECF No. 84-1).

The Court-appointed Claims Administrator,<sup>1</sup> A.B. Data, Ltd. ("A.B. Data"), has advised Plaintiffs' Counsel that it has completed all analyses and accounting procedures in connection with the proofs of claim submitted by those persons and entities who responded to the Notice Packet and has determined which of those persons and entities are Authorized Claimants. *See* Declaration of Jack Ewashko on Behalf of A.B. Data, Ltd. in Support of Plaintiffs' Motion for Distribution of Class Action Settlement Fund ("Ewashko Decl.") at ¶4.

All that remains to complete the Settlement process is to distribute the Net Settlement Fund to the Authorized Claimants. Thus Plaintiffs, by and through Plaintiffs' Counsel, request that the Court authorize the distribution of the Net Settlement Amount to the Authorized Claimants.

## **II. DETERMINATION OF AUTHORIZED CLAIMS**

Pursuant to the Preliminary Approval Order, all Claims were to be submitted to the Claims Administrator, online or postmarked no later than December 2, 2021. Preliminary Approval Order ¶14. As of June 15, 2022, A.B. Data received and fully processed 916 claims. Ewashko Decl. ¶5.

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<sup>1</sup> All capitalized terms herein, unless otherwise indicated, have the same meaning and definition as given to them in the Stipulation of Settlement dated June 11, 2021 (the "Stipulation") (ECF No. 64).

**A. Properly Documented Claims**

A.B. Data identified 339 properly-documented claims that were received on or before December 2, 2021. Ewashko Decl. ¶33. These valid and timely claims represent total Recognized Losses of \$49,550,282.74. *Id.* AB Data also received 11 properly-documented claims after December 2, 2021 but before June 15, 2022. Ewashko Decl. ¶34. These late but otherwise eligible claims represent total Recognized Losses of \$5,098,497.43. *Id.* To enable as many Settlement Class Members as possible to participate, Plaintiffs respectfully request that the Court accept these otherwise valid claims received after the December 2, 2021 deadline but before June 15, 2022, because none has caused a delay to the distribution of the Net Settlement Fund, or otherwise prejudiced any Authorized Claimant. *Id.*; *See In re “Agent Orange” Product Liability Litig.*, 689 F.Supp. 1250, 1261-63 (E.D.N.Y. 1988) (court permitting the qualifying late claimants and opt-out claimants to participate in the settlement distribution because “[t]he cost to the fund of admitting late claimants and readmitting the opt-out claimants to the class action should be relatively small. No significant administrative costs need be incurred to allow the late claims and opt-out claims.”); *see also In re Crazy Eddie Securities Litigation*, 906 F.Supp. 840, 845 (E.D.N.Y. 1995) (court allowing late claims postmarked within one month and four days of original deadline to participate in the distribution of settlement funds).

Plaintiffs respectfully request that the Court approve the 350 properly-documented claims as listed in Exhibits D and E of the Ewashko Decl.

**B. Ineligible Claims**

A.B. Data identified 556 claims that it has recommended for rejection. Ewashko Decl. ¶35. Included in this category are: (a) 45 claims with no purchases of PPD AI ADSs during the Settlement Class Period; (b) 499 claims that had no Recognized Losses pursuant to the Court-approved Plan of Allocation; (c) 14 claims that were duplicates of other submitted claims; (d) 8

claims that were deficient or missing documentation and which were not cured after given an opportunity to do so. *Id.* The claims that A.B. Data has recommended for rejection are listed in Exhibit F of the Ewashko Decl.

Each of these claimants were notified of A.B. Data's determination of ineligibility. ¶25. To date, no claimant has contested A.B. Data's determination. *Id.*

### **III. DISTRIBUTION OF THE NET SETTLEMENT AMOUNT**

Consistent with the Plan of Allocation and with the Court's approval, the Claims Administrator will conduct an initial distribution of the Net Settlement Fund to all Authorized Claimants on a *pro rata* basis whose distribution payments calculate to \$10.00 or more (the "Initial Distribution"). Ewashko Decl. ¶37. Based on the substantial experience of Plaintiffs' Counsel and A.B. Data in similar distributions, it can be expected that a certain number of the payments to be distributed to Settlement Class Members who filed valid claims will not be cashed promptly. To encourage Authorized Claimants to promptly cash their distribution checks and to avoid or reduce future expenses relating to unpaid distributions, Plaintiffs' Counsel and A.B. Data propose that all the distribution checks bear a notation "DEPOSIT PROMPTLY; VOID AND SUBJECT TO RE-DISTRIBUTION IF NOT NEGOTIATED WITHIN 120 DAYS OF DISTRIBUTION." *Id.*

The Claims Administrator will make reasonable and diligent efforts to encourage Authorized Claimants who are received a distribution from the Net Settlement Fund to cash their distribution checks. If, however, after nine (9) months any funds remain in the Net Settlement Fund, by reason of uncashed checks or otherwise, the Claims Administrator will conduct a redistribution if Plaintiffs' Counsel, in consultation with the Claims Administrator, determines that it is cost-effective to do so. As part of the redistribution, any amounts remaining in the Net Settlement Fund after the Initial Distribution, after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, will be distributed to



all Authorized Claimants who cashed their distribution checks from the Initial Distribution and would receive at least \$10.00 from the second distribution. Ewashko Decl. ¶37

Additional re-distributions to Authorized Claimants who have cashed their prior checks may occur thereafter if Plaintiffs' Counsel, in consultation with the Claims Administrator, determines that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. *Id.* At such time as it is determined that the redistribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance shall be contributed to the Investor Protection Trust, a non-sectarian, nonprofit organization dedicated to investor education. *Id.* Similar distribution plans, including the selection of the Investor Protection Trust as a recipient of residual settlement funds, have been repeatedly approved by courts in other securities class actions. *See e.g., In re Patriot National, Inc. Sec. Litig.*, 2021 WL 1040462, at \*1-2 (S.D.N.Y. Mar. 18, 2021); *In re Forterra Inc. Sec. Litig.*, 2021 WL 3464255, at \*1-2 (N.D. Tex. Aug. 4, 2021).

#### **IV. RELEASE OF CLAIMS**

In order to allow the full and final distribution of the Net Settlement Fund, it is necessary to bar any further claims against the Net Settlement Fund beyond the amounts allocated to Authorized Claimants, and to provide that all persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the Claims submitted herein, or otherwise involved in the administration or taxation of the Settlement Fund or the Net Settlement Fund, be released and discharged from any and all claims arising out of such involvement. Accordingly, Plaintiffs respectfully requests the Court to release and discharge all persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the Claims submitted herein, or otherwise involved in the administration or taxation of the

Settlement Fund or the Net Settlement Fund from any and all claims arising out of such involvement and bar all Settlement Class Members, whether or not they receive payment from the Net Settlement Fund, from making any further claims against the Net Settlement Fund, Plaintiffs, Plaintiffs' Counsel, the Claims Administrator, the Escrow Agent or any other agent retained by Plaintiffs or Plaintiffs' Counsel in connection with the administration or taxation of the Settlement Fund or the Net Settlement Fund beyond the amounts allocated to them pursuant to the terms of the Distribution Order. *See In re Patriot National*, 2021 WL 1040462, at \*2; *In re Merrill Lynch & Co., Inc. Sec., Derivative and ERISA Litig.*, 2010 WL 11595033 at \*2 (S.D.N.Y. Dec. 23, 2010).<sup>2</sup>

#### V. RECORDS RETENTION AND DESTRUCTION

Plaintiffs respectfully requests the Court order that: (a) in no less than one (1) year after the Initial Distribution, the Claims Administrator may destroy the paper copies of the Claims and all supporting documentation; and (b) in no less than one (1) year after all funds have been distributed from the Net Settlement Fund, the Claims Administrator may destroy electronic copies of all Claims and supporting documentation.

#### VI. CONCLUSION

For the foregoing reasons, Plaintiffs respectfully request the Court enter the Class Distribution Order submitted herewith, so that Settlement Class Members who submitted valid claims may receive their *pro rata* share of the Net Settlement Fund.

Dated: August 12, 2022

Respectfully submitted,

/s/ Laurence M. Rosen

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<sup>2</sup> *See also In re Miva, Inc.*, 2015 WL 12834962, at \*2 (M.D. Fla. Sept. 23, 2015); *In re Friedman's, Inc. Sec. Litig.*, 2009 WL 10671836, at \*2 (N.D. Ga. July 23, 2009).

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**CERTIFICATE OF SERVICE**

I hereby certify that on this 12th day of August, 2022, a true and correct copy of the foregoing document was served by CM/ECF to the parties registered to the Court's CM/ECF system.

/s/ Laurence Rosen  
Laurence Rosen

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

IN RE PPD AI GROUP INC. SECURITIES  
LITIGATION

Case No: 1:18-cv-06716-LDH-TAM

CLASS ACTION

**[PROPOSED] ORDER GRANTING DISTRIBUTION OF CLASS ACTION  
SETTLEMENT FUND**

Having considered all materials and arguments submitted in support of Plaintiffs' Unopposed Motion for Distribution of Class Action Settlement Fund (the "Motion"), including the Memorandum of Law in Support of the Motion, and the Declaration of Jack Ewashko on Behalf of A.B. Data, Ltd. in Support of Plaintiffs' Motion for Distribution of Class Action Settlement Fund (the "Ewashko Declaration"),

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. This Class Distribution Order incorporates by reference the definitions in the Stipulation of Settlement dated June 11, 2021 (the "Stipulation") (ECF No. 64). All terms not otherwise defined shall have the same meaning as set forth in the Stipulation or the Ewashko Declaration.
3. As set forth in in the Ewashko Declaration, the administrative determinations of the Claims Administrator, A.B. Data, Ltd. ("A.B. Data"), in accepting and rejecting Claims are approved. Specifically, the administrative determinations of the Claims Administrator accepting those Claims set forth in Exhibits D and E to the Ewashko Declaration are approved. Likewise,

the administrative determinations of the Claims Administrator rejecting those Claims set forth in Exhibit F of the Ewashko Declaration are approved.

4. Any person submitting Claims received after June 15, 2022, and any responses to rejected or deficient Claims received after June 15, 2022, the date used to finalize the administration by A.B. Data, are finally and forever barred from asserting such Claims.

5. The funds that are currently in the Net Settlement Fund (less any necessary amounts to be withheld for payment of potential tax liabilities and related fees and expenses) shall be distributed on a *pro rata* basis to the Authorized Claimants identified in Exhibits D and E to the Ewashko Declaration. The funds shall be distributed pursuant to the Stipulation and the Plan of Allocation of the Net Settlement Fund set forth in the Notice Packet.

6. The distribution plan for the Net Settlement Fund as set forth in the Ewashko Declaration and accompanying exhibits is approved. The balance of the Net Settlement Fund shall be distributed to Authorized Claimants. The checks for distribution to Authorized Claimants shall bear the notation “DEPOSIT PROMPTLY; VOID AND SUBJECT TO RE-DISTRIBUTION IF NOT NEGOTIATED WITHIN 120 DAYS OF DISTRIBUTION.” Plaintiffs’ Counsel and A.B. Data are authorized to locate and/or contact any Authorized Claimant who has not cashed his, her, or its check within said time. Authorized Claimants who fail to negotiate a distribution check within the time allotted or consistent with the terms outlined in the Ewashko Declaration will irrevocably forfeit all recovery from the Settlement.

7. If any funds remain in the Net Settlement Fund by reason of uncashed checks, or otherwise, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants who are entitled to participate in the distribution of the Net Settlement Fund cash their distribution checks, then any balance remaining in the Net Settlement Fund nine

months after the initial distribution of such funds shall be used to: (i) pay any additional Notice and Administration Costs incurred in administering the Settlement; and (ii) to make a second distribution to Authorized Claimants who cashed their checks from the initial distribution and who would receive at least \$10.00 from such second distribution, after payment of the estimated costs or fees to be incurred in administering the Net Settlement Fund and in making this second distribution, if such second distribution is economically feasible. Additional redistributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 on such additional redistributions may occur thereafter if Plaintiffs' Counsel, in consultation with the Claims Administrator, determines that additional redistributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such redistributions, would be cost-effective.

8. At such time as Plaintiffs' Counsel, in consultation with the Claims Administrator, determined that the redistribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance shall be contributed to the Investor Protection Trust, a non-sectarian, non-for-profit organization.

9. The Court finds that the administration of the Settlement and proposed distribution of the Net Settlement Fund comply with the terms of the Stipulation and the Plan of Allocation. All persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the Claims submitted herein, or otherwise involved in the administration or taxation of the Settlement Fund or the Net Settlement Fund, are released and discharged from any and all claims arising out of such involvement, and all Settlement Class Members, whether or not they are to receive payment from the Net Settlement Fund, are barred

from making any further claim against the Net Settlement Fund or the released persons beyond the amount allocated to them pursuant to this Order.

10. A.B. Data is hereby ordered to discard paper or hard copies of claims and all supporting documents no less than one year after the initial distribution of the Net Settlement Fund to eligible claimants, and electronic copies of the same no less than one year after all funds from the Net Settlement Fund have been distributed.

11. This Court retains jurisdiction over any further application or matter which may arise in connection with this Action.

Dated: \_\_\_\_\_, 2022

\_\_\_\_\_  
The Honorable Taryn A. Merkl  
United States Magistrate Judge