UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

CITY OF WESTLAND POLICE AND FIRE RETIREMENT SYSTEM, Individually and on Behalf of All Others Similarly Situated, Plaintiff, vs. METLIFE INC., et al., Defendants.	Civil Action No. 1:12-cv-00256-LAK CLASS ACTION DECLARATION OF SHAWN A. WILLIAMS IN SUPPORT OF (1) FINAL APPROVAL OF SETTLEMENT; (2) APPROVAL OF PLAN OF ALLOCATION; AND (3) AN AWARD OF ATTORNEYS' FEES AND EXPENSES AND AN AWARD TO LEAD PLAINTIFF

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I, SHAWN A. WILLIAMS, declare as follows:

1. I am a member of Robbins Geller Rudman & Dowd LLP ("Robbins Geller" or "Lead Counsel"), the Court-appointed Lead Counsel for Lead Plaintiff in this action.[1] I was actively involved in the prosecution of this action (hereinafter, the "Litigation"), am familiar with its proceedings, and have personal knowledge of the matters set forth herein based upon my supervision of, and participation in, all material aspects of the Litigation.[2]

2. I submit this Declaration in support of Lead Plaintiff's application, pursuant to Rule 23 of the Federal Rules of Civil Procedure, for final approval of: (i) the $84 million cash settlement on behalf of the Classes (the "Settlement Amount"); (ii) the proposed Plan of Allocation of settlement proceeds; and (iii) the application for attorneys' fees and expenses and an award to Lead Plaintiff.

I. PRELIMINARY STATEMENT

3. This Litigation was brought against Defendants MetLife, Inc. ("MetLife" or the "Company"), C. Robert Henrikson, William J. Wheeler, Peter M. Carlson, Steven A. Kandarian, William J. Mullaney, Sylvia Mathews Burwell, Eduardo Castro-Wright, Cheryl W. Grisé, R. Glenn Hubbard, John M. Keane, Alfred F. Kelly, Jr., James M. Kilts, Catherine R. Kinney, Hugh B. Price, David Satcher, Kenton J. Sicchitano and Lulu C. Wang (the "Individual Defendants" and with MetLife, the "MetLife Defendants"), as well as Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Goldman Sachs & Co. LLC, HSBC Securities (USA) Inc., Merrill Lynch,

[1] Lead Plaintiff and Class Representative Central States, Southeast and Southwest Areas Pension Fund ("Central States") is referred to as Lead Plaintiff.

[2] Unless otherwise defined herein, capitalized terms have the meaning ascribed to them in the Stipulation of Settlement dated June 8, 2020, and filed on June 17, 2020 (ECF No. 403) (the "Stipulation").

Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC (the "Underwriter Defendants," and with the MetLife Defendants, "Defendants") (and together with Lead Plaintiff, the "Parties"). The Litigation was brought on behalf of the Classes for violations of §§11, 12(a)(2) and 15 of the Securities Act of 1933 (the "1933 Act") and §§10(b) and 20(a) of the Securities Exchange Act of 1934 (the "1934 Act").[3] The alleged violations of the 1933 Act are brought against MetLife, certain of MetLife's current and former officers and directors, and certain of the underwriters involved in two common stock Offerings of MetLife stock on August 3, 2010 and March 4, 2011. The alleged violations of the 1934 Act are brought against MetLife and certain of MetLife's current and former officers and directors for alleged misrepresentations and omissions between February 9, 2011 and October 6, 2011, inclusive (the "1934 Act Class Period").

4. Lead Plaintiff alleges that Defendants violated the 1933 Act and/or the 1934 Act by publicly issuing materially false statements and omitting material information concerning the Company's financial condition. Specifically, Lead Plaintiff alleges that the Company materially overstated net income, understated liabilities and misrepresented the adequacy of its Incurred But Not Reported ("IBNR") reserves to meet policyholder obligations. Lead Plaintiff alleges that the Company had access to and used the Social Security Administration Death Master File ("SSA-DMF"), a database maintained by the Social Security Administration that contains a list of deaths in the United States that have been reported to that agency, and that the Company knew but failed

[3] The "Classes" consist of all Persons who purchased or acquired MetLife common stock in the Company's August 3, 2010 Offering at $42.00 per share or the Company's March 4, 2011 Offering at $43.25 per share (the "1933 Act Class") and all persons or entities who purchased or otherwise acquired MetLife common stock between February 9, 2011 after the publication of MetLife's fourth quarter and full year 2010 results, and October 6, 2011, inclusive, and who were damaged by certain Defendants' alleged violations of the Securities Exchange Act of 1934 (the "1934 Act Class") (collectively, the "Classes").

to disclose that its methodology for calculating IBNR reserves failed to account for money owed to policyholder beneficiaries or states under relevant state escheatment laws. By failing to account for known liabilities, the Company's public financial statements materially overstated reported income and understated reported expenses. In addition, Lead Plaintiff alleges that Defendants failed to adequately disclose ongoing regulatory investigations into MetLife's abandoned property practices, including its use, or non-use of the SSA-DMF. When the true facts concerning the nature, scope and financial impact of these alleged misrepresentations and omissions were revealed, the Company's stock price declined and Members of the Classes suffered economic losses.

5. Defendants deny Lead Plaintiff's allegations. They contend that they did not make any false or misleading statements and that they disclosed all information required to be disclosed by the federal securities laws. Defendants also contend that any decline in the MetLife stock price was due to reasons other than the disclosures related to the alleged false or misleading statements, and that they have other valid defenses to Lead Plaintiff's claims.

6. This Litigation was vigorously fought for eight years from commencement to resolution with strong advocacy from all sides at every stage, including the filing of several detailed amended complaints; briefing multiple motions to dismiss and related reconsideration motions; extensive fact and expert discovery; retention of numerous experts; class certification; summary judgment; *Daubert* motions; trial preparation, including the filing of a proposed joint pretrial order identifying proposed trial witnesses, trial exhibits and stipulations; and participation in three extensive, hard-fought mediations. The Litigation has also generated numerous motion to dismiss rulings by the Honorable Judge Lewis A. Kaplan as well as an adopted report and recommendation on class certification by then Magistrate Judge Andrew J. Peck. Lea

7. In summary, the Settlement was only reached after Lead Plaintiff and Lead Counsel:

(a) Thoroughly investigated the facts and transactions giving rise to this Litigation and drafted multiple complaints sufficient to comply with the 1933 Act, the 1934 Act and the Private Securities Litigation Reform Act of 1995's ("PSLRA") heightened pleading standards;

(b) Drafted four comprehensive amended complaints that addressed shortcomings identified by the Court in its motion to dismiss opinions; and opposed four motions to dismiss those complaints;

(c) Aggressively pursued discovery, including the review and analysis of more than 837,000 pages of documents produced by Defendants and third parties;

(d) Secured an order certifying the 1933 Act Class pursuant to Fed. R. Civ. P. 23, defeating Defendants' challenge to the adequacy of Central States and Article III standing;

(e) Secured an order certifying the 1934 Act Class pursuant to Fed. R. Civ. P. 23;

(f) Took 12 fact depositions, designated and disclosed three experts and related reports, took one and defended two expert depositions and moved to exclude each of the three experts Defendants designated;

(g) Moved for partial summary judgment for Lead Plaintiff's claims brought under the 1933 Act, and defended against the MetLife Defendants' and the Underwriter Defendants' respective motions for summary judgment;

(h) Filed a substantive proposed joint pretrial order with witness lists, exhibit lists, evidentiary objections and stipulations, and began substantial preparation for trial; and

(i) Prepared for and participated in three private mediations with the assistance of a former federal judge.

8. The cash settlement of $84,000,000 is the product of eight years of hard-fought litigation and negotiations and fully takes into consideration the risks specific to this case. The Settlement, which represents approximately 32% of Lead Plaintiff's estimated recoverable damages of approximately $263 million, and far in excess of Defendants' estimated recoverable damages, is an excellent result for the Classes. Lead Plaintiff and Lead Counsel gained knowledge about the strengths and weaknesses of the case through extensive investigation and the Parties vigorously litigated every aspect of the case through summary judgment, *Daubert* motions and trial preparation as reflected in the over 400 docket entries the Litigation has generated.

9. At every stage of the Litigation, Defendants aggressively sought to defeat Lead Plaintiff's claims. Defendants consistently maintained that Lead Plaintiff could not plead or prove its claims because MetLife did not make any material misrepresentations or omissions. And with respect to the 1934 Act claim, Defendants maintained that even if they had made material misrepresentations, there was no scienter and Lead Plaintiff suffered no damages because Defendants would prove through expert testimony that the alleged price declines in MetLife stock was caused by factors other than the misrepresentations, making damages nominal, if not zero. Accordingly, on the issue of damages alone, Defendants maintained that: (i) they had and could prove the affirmative defense of negative causation for the 1933 Act claim; (ii) the October 6, 2011 disclosure did not cause a statistically significant price decline on October 7, 2011; and (iii) that Lead Plaintiff had not sufficiently disaggregated fraud and non-fraud related disclosures for purposes of loss causation.

10. It was not until after Lead Counsel had conducted extensive document discovery, took and defended fact and expert depositions, obtained class certification over vigorous opposition from Defendants on both the 1933 Act claims and 1934 Act claims, briefed and opposed summary judgment and *Daubert* motions that an agreement-in-principle to settle the Litigation was reached.

11. Even with the proffered testimony of eminently qualified experts, there was no guarantee that Lead Plaintiff would prevail on liability or damages, as Defendants had presented equally-qualified experts to counter Lead Plaintiff's experts. If Defendants' arguments were accepted in whole or in part, it could eliminate or dramatically reduce any potential recovery. Finally, even if Lead Plaintiff prevailed on any or all of its claims at trial and was awarded damages, there was a substantial risk that Defendants would appeal any verdict or award, a process that could take years, during which time the Classes would receive no distribution at all.

12. Lead Plaintiff and Lead Counsel believe that the claims alleged in the Litigation have merit and that the evidence uncovered to date supports these claims. Lead Plaintiff and Lead Counsel also recognize, however, the challenges and risks associated with continuing litigation, including the complexity of calculating insurance reserve estimates and the challenges of proof in connection with loss causation, negative causation, damages and other aspects of the claims most vigorously in dispute.

13. In short, Lead Plaintiff faced numerous obstacles in proving Defendants were liable and establishing loss causation and damages. Considering all the circumstances and risks both sides faced at trial, Lead Plaintiff believes that settlement on the agreed-upon terms is an excellent result and in the best interest of the Classes. The Settlement confers a substantial benefit on the

Classes now and eliminates the significant risks of summary judgment and trial, the outcome of which is uncertain.

14. The Settlement was negotiated by experienced counsel for Lead Plaintiff and Defendants with a comprehensive understanding of both the strengths and weaknesses of their respective positions and with the assistance and oversight of a respected mediator, the Hon. Layn R. Phillips (Ret.), a former federal judge with substantial experience in mediating claims arising under the federal securities laws.

15. Lead Counsel has, as described below, aggressively prosecuted this Litigation on a wholly-contingent basis and has advanced or incurred significant litigation expenses. Lead Counsel has long borne the high risk of an unfavorable result, having not received any compensation for its substantial efforts or any payment for expenses. Specifically, Lead Counsel has incurred expenses to date of more than $1.85 million. This amount includes: (a) the substantial fees and expenses of consultants and experts whose services were required in the successful prosecution and resolution of this case; (b) travel, document management and court reporter expenses; (c) online factual and legal research expenses; and (d) mediation fees.

16. As set forth in more detail in my accompanying declaration in support of the fee and expense award, each of the requested expenses was reasonably and necessarily incurred to plead Lead Plaintiff's claims with particularity, conduct discovery, certify the Classes and prepare this case with an eye towards winning at trial.

17. The fee application for 25% of the Settlement Fund is fair both to the Classes and Lead Counsel and has been recommended by Lead Plaintiff and warrants this Court's approval. *See* Declaration of Charles Lee in Support of Lead Plaintiff and Class Representative Central States, Southeast and Southwest Areas Pension Fund's Motion for Final Approval of Settlement

and Award of Attorneys' Fees and Expenses ("Lee Declaration" or "Lee Decl."), submitted herewith. This fee request is within the range of fees frequently awarded in these types of actions and is justified in light of the substantial benefits conferred on the Classes, the risks undertaken, the quality of representation and the nature and extent of legal services performed.

18. Lead Plaintiff Central States should also be awarded compensation for time spent over the last eight years pursuing recovery for the Classes in the Litigation. As detailed in the accompanying Lee Declaration, Central States actively monitored and participated in the prosecution of this lawsuit. The requested award of $10,880 is reasonable given the time and attention expended which was necessary to the successful prosecution of the Litigation.

19. Accordingly, it is respectfully submitted that the Settlement and Plan of Allocation should be approved as fair, reasonable and adequate, and Lead Counsel should be awarded attorneys' fees in the amount of 25% of the Settlement Fund and expenses in the amount of $1,856,169.03.

II. THE LITIGATION

A. Central States Appointed Lead Plaintiff, Files Comprehensive Complaint, and Defeats Multiple Motions to Dismiss

20. On January 12, 2012, Plaintiff City of Westland Police & Fire Retirement System filed the initial complaint in this action alleging that Defendants violated §§10(b) and 20(a) of the 1934 Act by issuing materially false and misleading statements and omissions during the period between February 2, 2010 through October 6, 2011, inclusive. ECF No. 1.

21. On March 12, 2012, Central States moved for appointment as Lead Plaintiff and approval of its selection of counsel as Lead Counsel. ECF No. 7. On March 29, 2012, the Court entered an order appointing Lead Plaintiff and approving its selection of Lead Counsel. ECF No. 14.

1. The Amended Complaint

22. On May 29, 2012, after conducting an extensive factual investigation, reviewing and analyzing MetLife's SEC filing, other public disclosures, media, analyst reports, trading data and unclaimed property materials, Lead Plaintiff filed an Amended Complaint ("AC") alleging violations of federal securities laws, specifically §§11, 12(a)(2) and 15 of the 1933 Act and §§10(b) and 20(a) of the 1934 Act. ECF No. 20. The AC alleged that MetLife used the Social Security Administration's Death Master File ("SSA-DMF") – a government-maintained database of deaths recorded in the United States containing demographic information about decedents such as their social security number, name, date of birth, and date of death – when beneficial to its bottom-line, for example, to determine whether annuitants had died so that it could limit expenses, stop payments and terminate annuity contracts, but ignored the deaths of life insurance policyholders reported in the SSA-DMF for purposes of identifying and paying beneficiaries, recording liabilities, or escheating monies to the states pursuant to unclaimed property laws. ¶¶4, 86(c), (k), (o), 116, 122-123, 140, 148.

23. Based, in part, on the Company's use of the SSA-DMF, the AC alleged, at the time of each of the common stock offerings and throughout the alleged class period, Defendants knew of or had access to credible proof of policyholder deaths but ignored that proof to the extent that it would require MetLife to record liabilities, increase reserves, report lower net income and less favorable mortality ratios. The AC alleged MetLife affirmatively used the same credible evidence of policyholder deaths to inflate the Company's bottom-line by draining annuity balances of policyholders known to be deceased to apply to premiums even when the Company knew that the liabilities were incurred and beneficiaries were due a death benefit. In truth, the AC alleged that Defendants knew, or recklessly disregarded, that MetLife's reported earnings, income and

mortality ratios were false because known deaths of policyholders and thus liabilities and expenses were being understated. These misrepresentations and omissions caused the Company's stock price to trade at artificially inflated prices, and when the truth began to be disclosed on August 5, 2011, and ultimately on October 6, 2011, that the Company would incur up to a $135 million after-tax charge to adjust reserves in connection with the Company's use of the SSA-DMF, MetLife's stock price declined. ¶135.

24. On August 3, 2012, Defendants filed motions to dismiss the AC (ECF Nos. 39, 43), which Lead Plaintiff opposed on September 17, 2012, in a consolidated opposition that asserted the adequacy of the amended complaint in alleging the facts and circumstances of Defendants' material misrepresentations with sufficient particularity to meet the 1933 Act standards, and the heightened pleading standards under the PSLRA (ECF No. 45).

25. On February 28, 2013, the Court issued an Order granting in part and denying in part Defendants' motions to dismiss the AC. ECF No. 52. The February 28 Order granted the MetLife Defendants' motion to dismiss Lead Plaintiff's 1934 Act claims for failure to adequately allege loss causation. *Id.* at 14-16. The February 28 Order granted the Individual Defendants' motion to dismiss Lead Plaintiff's claims under §12 of the 1933 Act for failure to adequately plead the requisite solicitation. *Id.* at 25. With respect to misrepresentations concerning the Company's unclaimed property and reserve practices, the Court denied the MetLife Defendants' motion to dismiss Lead Plaintiff's claims under §§11 and 15 of the 1933 Act, and denied the Underwriter Defendants' motion to dismiss claims under §§11 and 12 of the 1933 Act (except as to Underwriter Defendants Goldman Sachs and Citigroup). *Id.* at 24-25.

2. The Second Amended Complaint

26. On March 15, 2013, Lead Plaintiff filed a motion for leave to amend which included a Proposed Second Amended Complaint. ECF Nos. 57, 59. Among other facts, the Proposed Second Amended Complaint ("SAC") integrated event study analysis to allege that the October 7, 2011 price decline following MetLife's October 6, 2011 disclosure was statistically significant and thus, directly addressing the Court's February 28, 2013 Order regarding loss causation. ECF No. 59-1.

27. On March 28, 2013, Defendants filed a motion opposing Lead Plaintiff's motion for leave to amend (ECF No. 62). On July 9, 2013, the Court granted Lead Plaintiff's motion for leave to amend, deemed the proposed SAC served and filed as of that day. ECF No. 67.

28. On August 23, 2013, Defendants filed motions to dismiss the SAC, ECF Nos. 70, 73, again arguing that Lead Plaintiff had failed to adequately allege falsity and scienter and attacking Lead Plaintiff's event study (analysis). On October 7, 2013, Lead Plaintiff filed a consolidated opposition. ECF No. 77.

29. On March 24, 2015, shortly after the Supreme Court issued an opinion in *Omnicare, Inc. v. Laborers Dist. Council Constr. Indus. Pension Fund*, 575 U.S. 175, 188 (2015), clarifying the pleading standard for falsity with respect to statements of opinion, the Court issued an Order directing Lead Plaintiff (if it chose) to file a third amended complaint, limiting any amendments to those that would address *Omnicare*. ECF No. 84. After fully considering the facts alleged and the implications of the Supreme Court's ruling in *Omnicare*, Lead Plaintiff elected to stand on the SAC.

30. On May 21, 2015, Defendants renewed their motions to dismiss the SAC and filed a single supplemental consolidated memorandum addressing the sufficiency of that complaint in

light of *Omnicare*. ECF Nos. 85-86. On June 18, 2015, Lead Plaintiff opposed Defendants' supplemental consolidated memorandum. ECF No. 88.

31. On September 11, 2015, the Court issued an order granting in part and denying in part Defendants' renewed motion to dismiss the SAC. ECF No. 90. The September 11, 2015 Order significantly revised the February 28, 2013 Order, granting the motion with respect to the opinion based statements and concluding that while Lead Plaintiff had adequately alleged that there were material false statements and omissions in connection with its Securities Act claims, the August 3, 2010 Offering and the March 4, 2011 Offering, those claims were limited to alleged misrepresentations concerning MetLife's mortality ratios. *Id.* at 68. The September 11 Order also found that while Lead Plaintiff had sufficiently amended its loss causation allegations to adequately allege loss causation under Rule 10b-5 with respect to the October 6, 2011 disclosure, Lead Plaintiff had not cured its loss causation allegations for the August 5, 2011 disclosure. *Id.* at 60-63. Because the Court concluded that Lead Plaintiff had failed to adequately allege scienter, all claims under the 1934 Act were dismissed and all claims under §§11, 12 and 15 of the 1933 Act were dismissed to the extent they were grounded in anything other than the Company's reported mortality ratios. *Id.* at 68.

3. The Third Amended Complaint

32. On October 17, 2015, Lead Plaintiff filed a motion seeking leave to file a third amended complaint ("TAC"). ECF No. 92. The TAC added facts establishing that MetLife knew, based upon its cross-check of individual life insurance policies against the SSA-DMF for unreported claims as early as 2007 and discovery of $80 million in unclaimed benefits, that MetLife's IBNR reserves were insufficient. And, the TAC alleged, that because in the same year the Company had to and did increase reserves by $25 million in its life insurance business to

account for unreported claims, they knew that the Company's IBNR reserves, previously found to be inactionable opinions, were not sufficient to meet policyholder obligations. On October 22, 2015, Defendants consented pursuant to Fed. R. Civ. P. 15(a)(2) to the amendment. ECF No. 95.

33. On November 23, 2015, Defendants filed motions to dismiss the TAC (ECF Nos. 96, 99), which Lead Plaintiff opposed on December 23, 2015 (ECF No. 102).

34. On November 10, 2016, the Court issued an order granting in part and denying in part, Defendants' motions to dismiss the TAC. ECF No. 115. The Court acknowledged that the TAC alleged new, significant allegations establishing facts sufficient to draw an inference that: (i) MetLife did not believe that its reserves were adequate, but nevertheless implied they were; (ii) MetLife's implicit representations about the adequacy of its reserves did not rest on a meaningful inquiry; (iii) the alleged misrepresentations and omissions were material; (iv) MetLife omitted material facts about the state investigations into its accounting practices, which it had a duty to disclose under Regulation S-K Item 303; and (v) the allegations were sufficient to infer that MetLife knew that its method for setting reserves over several decades had not accounted adequately for all deceased policy holders and, in consequence, that MetLife knew that its estimated reserves were insufficient to meet its life insurance policy obligations. *Id.* at 19-22. The November 10 order dismissed claims under the 1934 Act and Rule 10b-5 because, the Court found, Lead Plaintiff still had failed to adequately allege scienter. *Id.* at 25-29.

4. The Fourth Amended Complaint

35. As detailed below at §III A-C, *infra*, following the Court's November 10, 2016 order, Lead Plaintiff aggressively pursued discovery to advance its claims. On June 30, 2017, based on documents uncovered during discovery, Lead Plaintiff filed a motion seeking leave to file a fourth amended complaint ("FAC") to address the key issues identified in the Court's

November 10, 2016 order. ECF No. 162. In support of the motion, Lead Plaintiff explained that it had uncovered facts supporting allegations of scienter during the period between February 2, 2010, to October 6, 2011. ECF Nos. 163-164. These facts were drawn from Lead Plaintiff's detailed review and analysis of documents produced in discovery and testimony from depositions. Lead Plaintiff alleged that the MetLife Defendants had access to reports and knew of facts contrary to their statements, including that by 2006, MetLife's Internal Audit department had identified an increase in audits by state regulators resulting in large assessments for businesses from the trend of using the SSA-DMF, which was likely to continue as other states audit abandoned property procedures.

36. Additionally, the FAC added that a 2006 Internal Audit Report and its findings triggered a one-time match of the Company's individual life business against the SSA-DMF, resulting in a $25 million charge to earnings in 2007 and plans to execute such matches more frequently. The FAC also alleged that despite the knowledge of the regulatory trend, and the financial impact of the one-time match on the Company's 2007 financial statements, MetLife and Company's executives cancelled further planned sweeps. Further still, the FAC alleged, based on a January 2011 PowerPoint presentation to MetLife's Board of Directors, a one-time reserve adjustment with an estimated order of magnitude of approximately $100 million after-tax was likely from matching its records against the SSA-DMF. ¶116.[4]

37. On November 10, 2017, the MetLife Defendants filed a motion to dismiss the FAC. ECF No. 180. The MetLife Defendants argued that the FAC failed to adequately allege scienter because it rested on the fundamental misunderstanding of IBNR reserves, failed to adequately

[4] On October 27, 2017, the Court granted Lead Plaintiff's motion for leave to the FAC. ECF No. 179.

allege loss causation because MetLife had previously disclosed the results of its 2007 SSA-DMF cross-check, and MetLife did not and could not have known the results of a SSA-DMF cross-check during the relevant time before analyzing its results. *Id.*

38. On August 28, 2018, the Court issued an order denying Defendants' motion to dismiss the FAC and concluded that the fourth amended complaint sufficiently alleged scienter against MetLife, Henrikson, Wheeler, Carlson, and Mullaney. ECF No. 211. The Court also concluded that loss causation was adequately alleged under the 1934 Act.

III. FACT DISCOVERY

A. Discovery Overview

39. Throughout the Litigation, Lead Counsel spent dozens of hours in meet-and-confer discussions concerning Lead Plaintiff's demands for the production of evidence necessary for the effective prosecution of this Litigation. Immediately after the issuance of the Court's November 10, 2016 motion to dismiss Opinion, Lead Plaintiff analyzed the opinion and began preparing an aggressive discovery plan for the case. ECF No. 115.

40. On November 29, 2016, the Parties held their Fed. R. Civ. P. Rule 26(f) conference. Over the following weeks, the Parties negotiated, among other matters, discovery and pre-trial scheduling, electronic discovery matters such as the form of production and proposed deadlines. After spending significant time meeting and conferring to negotiate its terms, the Parties submitted a Rule 26(f) discovery plan which, among other matters, set forth a detailed summary of the factual allegations, described the principal legal issues in dispute, and detailed the anticipated scope of discovery as well as a proposed discovery and pretrial schedule. ECF No. 119.

B. Lead Plaintiff's Discovery Demanded from Defendants

1. Lead Plaintiff's Fed. R. Civ. P. 34 Requests for the Production of Documents

41. On December 20, 2016, following the Parties' Fed. R. Civ. P. 26(f) conference, Lead Plaintiff served the MetLife Defendants with a first set of document requests. The first set of document requests sought 45 subjects of information relating to the central claims and key issues in the case, including, but not limited to, the MetLife's use (or non-use) of the SSA-DMF, Verus's audit of and state investigations into MetLife's unclaimed property practices, the financial impact of the same, including on the Company's reserves, the Company's alleged non-compliance with GAAP, the Company's August 2010 and March 2011 secondary offerings as well as documents related to the MetLife Defendants' asserted affirmative defenses.

42. On December 29, 2016, Lead Plaintiff served the Underwriter Defendants with a first set of document requests, seeking among other things, the work the underwriters performed and the communications they had regarding both the August 2010 and the March 4, 2011 offerings, MetLife's unclaimed property practices including its use (or non-use) of the SSA-DMF, Verus's audit of and state investigations into MetLife's unclaimed property practices, the financial impact of the same including on the Company's reserves, the Company's alleged non-compliance with GAAP and documents related to the Underwriter Defendants' asserted affirmative defenses.

43. As discovery and Lead Plaintiff's evaluation of the facts progressed, on May 4, 2017, Lead Plaintiff served the Underwriter Defendants with a second set of document requests seeking the files of the analysts working for each of the Underwriter Defendants who followed MetLife, documents and communications exchanged between the Underwriter Defendants and MetLife or the Individual Defendants, documents concerning the August 2010 and March 2011

Offerings and documents concerning the state investigations into MetLife's unclaimed property practices.

44. As part of the work to get relevant documents from Defendants, Lead Counsel spent a substantial amount of time identifying appropriate search terms and custodians, negotiating the same in numerous meet and confers and considering alternative approaches proposed by Defendants to facilitate document production in a timely and efficient manner. Lead Counsel also reviewed and analyzed the documents produced by all Defendants and unearthed important evidence in the prosecution of this Litigation, including with respect to seeking leave to amend the complaint to address the shortcomings identified by the Court with respect to scienter. The documents uncovered through this effort were crucial to the taking of depositions and obtaining testimony, moving for and responding to summary judgment and identifying trial exhibits in connection with the joint pretrial order. At the time the Parties reached a settlement in the Litigation, Lead Counsel had received more than 590,000 pages of documents from the MetLife Defendants and the Underwriter Defendants.

2. Lead Plaintiff's Fed. R. Civ. P. 33 Interrogatories

45. On July 19, 2017, Lead Plaintiff its first set of interrogatories to MetLife. This set of interrogatories was tailored to extract specific details concerning MetLife's contentions in its affirmative defenses that: the August 2010 and March 2011 Offering materials did not contain a material misrepresentation or omission; after conducting a reasonable investigation MetLife believed that the August 2010 and March 2011 Offering materials were true and did not omit material facts; the alleged misrepresentations were not material; Lead Plaintiff knew of the alleged misrepresentations; and the alleged damages were not caused by the alleged misrepresentations.

On July 27, 2017, Lead Plaintiff served its first set of interrogatories to the Underwriter Defendants similarly seeking, among other matters, facts and documents supporting its affirmative defenses.

46. On August 18, 2017, MetLife served responses and objections to Lead Plaintiff's first set of interrogatories and on August 28, 2017, the Underwriter Defendants served responses and objections to Lead Plaintiff's first set of interrogatories. Lead Plaintiff met and conferred extensively with Defendants regarding their objections and responses to Lead Plaintiff's interrogatories and demanding further responses necessary to prepare the case for summary judgment and trial, particularly because certain of their affirmative defenses, *i.e.*, negative causation, would be a key issue for expert analysis and *Daubert* motions.

3. Lead Plaintiff's Fed. R. Civ. P. 30 Depositions

47. In addition to written discovery, during the course of discovery, Lead Counsel deposed 12 fact witnesses. To prepare for and efficiently conduct these depositions, Lead Counsel spent an enormous amount of time reviewing, analyzing, categorizing and organizing pertinent documents in preparation for depositions.

48. At the outset of fact discovery, on January 23, 2017, Lead Plaintiff noticed, pursuant to Fed. R. Civ. P. 30(b)(6), MetLife's deposition for topics that were central to Lead Plaintiff's allegations, including: (i) MetLife's current and historical use or non-use of the SSA-DMF; (ii) the expected or actual impact of the state investigations on MetLife's financial condition and statements; (iii) MetLife's reserve setting methodology and the expected or actual effect of unreported death claims or the use of the SSA-DMF on the adequacy of its IBNR reserves; (iv) MetLife's compliance with GAAP and SEC disclosure requirements regarding the state investigations; (v) the state investigations into MetLife's unclaimed property practices; (vi) internal audits into MetLife's unclaimed property practices and its use of the SSA-DMF; (vii)

MetLife's disclosures and omissions in its August 2010 and March 2011 Offering Materials; (viii) mortality ratios; and (ix) MetLife's electronic databases and document retention.

49. On May 11, 2017, Lead Plaintiff took the deposition of MetLife's corporate representative, Lawrence A. Vranka, former Vice President, Corporate Ethics and Compliance. On May 19, 2017, Lead Counsel took the deposition of MetLife's corporate representative, Kevin Finnegan, Associate General Counsel.

50. On June 9, 2017, Lead Plaintiff took the deposition of MetLife's corporate representative Frank Cassandra, Senior Vice President, MetLife Holdings. Mr. Cassandra was a key figure in the Company's internal investigations into its unclaimed property practices and its correspondence with regulators concerning the state investigations.

51. In addition, Lead Plaintiff took the deposition of top executives at the Company, including defendant and former Chief Financial Officer, William Wheeler, Chief Accounting Officer, Peter Carlson and the heads of the Company's U.S. insurance operations.

52. Lead Plaintiff expended substantial effort reviewing and analyzing documents to determine which MetLife witnesses to depose. And in preparation for each deposition Lead Plaintiff took, it spent considerable effort reviewing, analyzing and organizing documents for use as potential deposition exhibits. In connection with the depositions of MetLife witnesses, Lead Plaintiff entered 259 deposition exhibits, culled from thousands of documents.

53. By the time a settlement in principle was reached on March 12, 2020, Lead Counsel had deposed 10 witnesses from MetLife (including the three MetLife corporate representatives designated under Fed. R. Civ. P. 30(b)(6)). The table below sets forth the depositions of MetLife employees:

Date	Deponent	Position
May 11, 2017	Lawrence A. Vranka	Former Vice President, Corporate Ethics and Compliance
May 19, 2017	Kevin Finnegan	Associate General Counsel
June 9, 2017	Frank Cassandra	Senior Vice President, MetLife Holdings
July 19, 2017	Joseph Docar	Assistant Vice President, Life Financial Analysis
July 20, 2017	William Wheeler	Former President of Americas Division and former Executive Vice President and Chief Financial Officer
August 4, 2017	William Mullaney	Former President of U.S. Business Insurance Products
August 11, 2017	Todd Katz	Executive Vice President, Group Voluntary Worksite Benefits
August 18, 2017	Lily Kuo	Director, Audit - Individual Business/Client Services
August 22, 2017	Paul Cellupica	Former Chief Counsel, U.S. Business Law Group
August 30, 2017	Peter Carlson	Executive Vice President, Finance Operations and Chief Accounting Officer

C. Defendants' Discovery Directed at Lead Plaintiff

1. Defendants' Fed. R. Civ. P. 34 Requests for the Production of Documents

54. On February 8, 2017, the MetLife Defendants propounded their first set of requests for the production of documents on Lead Plaintiff. Those requests sought, among other things, production of all documents pertaining to Lead Plaintiff's: (i) purchase and sale of MetLife common stock; (ii) decision to purchase or to sell MetLife common stock; and (iii) investment in any security relating to MetLife. After responding and objecting to these discovery requests and engaging in lengthy meet and confers regarding the requests, my firm reviewed, analyzed and produced numerous documents, including trading records, brokerage statements, and investment

management agreements. In total, Lead Plaintiff produced 461 pages of documents in response to Defendants' document requests.

2. Defendants' Fed. R. Civ. P. 33 Interrogatories

55. On July 31, 2017, the Underwriter Defendants propounded their first set of interrogatories on Lead Plaintiff. The four interrogatories they propounded sought, among other matters, information concerning the basis of Lead Plaintiff's contention that the Underwriter Defendants failed to conduct an adequate due diligence investigation in connection with the August 2010 and March 2011 Offerings; and Lead Plaintiff's standing to sue the Underwriter Defendants under the 1933 Act in connection with the August 2010 and March 2011 Offerings.

56. On August 1, 2017, the MetLife Defendants propounded their first set of interrogatories on Lead Plaintiff. The MetLife Defendants' interrogatories sought, among other matters, information concerning Lead Plaintiff's contentions that: MetLife's IBNR reserves were not in accord with GAAP; MetLife's methodology for setting IBNR reserves should have accounted for all deceased policyholders; MetLife's IBNR reserves should not be entirely based on paid claim experience; MetLife made explicit and implicit representations concerning the adequacy of its IBNR reserves and its IBNR reserve methodology; MetLife was aware of non-public information that when disclosed damaged Lead Plaintiff; MetLife had a duty to disclose the state investigations under Item 303 in connection with the August 2010 and March 2011 Offerings; and MetLife knew information concerning its exposure from its disregard of the SSA-DMF in connection with the August 2010 and March 2011 Offerings.

57. Lead Plaintiff spent considerable time reviewing and analyzing the MetLife Defendants' and the Underwriter Defendants' first set of interrogatories to Lead Plaintiff, including reviewing numerous documents in order to draft substantive responses and served

responses and objections to the Underwriter Defendants' and MetLife Defendants' first set of interrogatories, on August 30, 2017, and August 31, 2017, respectively.

3. Defendants' Fed. R. Civ. P. 30 Depositions of Lead Plaintiff's Witnesses

58. On April 11, 2017, the MetLife Defendants noticed, pursuant to Fed. R. Civ. P. 30(b)(6), Central State's deposition on, among other matters, the following topics: the September 22, 1982 Consent Decree in *Donovan v. Fitzsimmons*, 78 Civ. 342 (N.D. Ill.) between the United States Department of Labor and Central States, including the identities of the named fiduciary and investment advisers; Central State's compliance with ERISA and the consent decree; audits or investigations related to any alleged failure to comply with fiduciary duties; instances where Central State sought but was not appointed as lead plaintiff or class representative; Central State's decision to purchase or acquire MetLife common stock in the August 2010 or March 2011 Offerings and any decision to sell such shares; the investment managers involved in the purchase of MetLife shares for Central States; and Section 11(e) damages.

59. Lead Counsel and Lead Plaintiff expended substantial effort in reviewing and analyzing information concerning the subjects of testimony in preparation for Central State's Rule 30(b)(6) deposition. On May 3, 2017, Central State's Rule 30(b)(6) designee, Jim Condon, testified in a deposition that lasted for approximately eight-and-a-half hours.

D. Lead Plaintiff's Discovery Sought from Third Parties

60. During the course of the Litigation, Lead Plaintiff issued subpoenas and demanded documents and/or testimony from the following non-parties including Verus Financial LLC ("Verus"), MetLife's outside auditor Deloitte and Touche ("Deloitte"), and numerous Wall Street analysts.

1. Verus

61. On December 28, 2016, Lead Plaintiff served a subpoena on Verus, a private forensic investigation firm that conducted an unclaimed property audit and market conduct examinations of MetLife and other insurers on behalf of various state regulators. Verus had been retained by dozens of states to audit insurance companies, including MetLife, to audit the life insurance industry's policies, practices and procedures regarding claims settlement and unclaimed property. Accordingly, Verus was an important witness with critical information relating to MetLife's use and non-use of the SSA-DMF as well as the state investigations. The subpoena sought, among other things, documents relating to: (i) the state investigations into and settlement of the Company's unclaimed property practices; (ii) MetLife's use and non-use of the SSA-DMF; (iii) communications with MetLife; (iv) MetLife's accounting for IBNR reserves; and (v) document retention policies.

62. On February 22, 2017, Verus served objections and responses to the subpoena claiming, among other matters, that documents were exempt from disclosure under state laws and privileges as well as by contracts Verus had with various states. Lead Counsel spent considerable time researching the issues raised by Verus and negotiating the scope of the subpoena. Verus ultimately produced 584 pages of documents and on May 16, 2017, pursuant to Rule 30(b)(6), Lead Counsel deposed Verus's corporate designee, Caroline Marshall, on issues concerning the state investigations into MetLife's unclaimed property practices, including estimates or actual payments resulting therefrom, communications regarding the same, as well as Verus's electronic databases.

2. Deloitte

63. On December 20, 2016, Lead Plaintiff served a subpoena on Deloitte, MetLife's auditor, for the production of documents. The subpoena sought, among other things, documents relating to: (i) Deloitte's audit of MetLife and MetLife's accounting for reserves; (ii) MetLife's unclaimed property practices and state investigations into those practices; (iii) mortality experience and mortality ratios; (iv) disclosure assessments and loss contingencies; (v) accounting policies; and (vi) the state investigations and communications with regulators. Lead Counsel and its forensic accountants met and conferred extensively with Deloitte on numerous occasions, again memorializing disputes and agreements in many detailed letters.

64. On March 8, 2017, Deloitte produced 3,054 pages, then approximately one month later, Deloitte produced another 27,227 pages. As a result of extensive meet-and-confers based on analyzing Deloitte's production and Lead Counsel's aggressive discovery, Deloitte ultimately produced 3,948 documents constituting 245,143 pages of responsive documents concerning MetLife's reserves, unclaimed property practices and internal controls, among other matters. These documents enabled Lead Plaintiff to develop substantial evidence supporting its claims under SEC disclosure rules ASC 944 and ASC 450, including that MetLife violated Generally Accepted Accounting Principles.

65. On September 5, 2017, pursuant to Rule 30(b)(6), Lead Counsel took the deposition of Deloitte's corporate designee, Adam Van Wagner. In preparation for the deposition, Lead Counsel, assisted by in-house forensic accountants, reviewed and analyzed the entirety of Deloitte's production.

3. Financial Analyst Firms

66. During the Litigation, Lead Plaintiff served third-party subpoenas for the production of documents upon the following securities analysts: (1) Deutsche Bank Securities, Inc.; (2) AllianceBernstein; (3) Ameriprise Advisor Services Inc.; (4) Ameriprise Financial Services, Inc.; (5) Argus Research, LLC; (6) Argus Research Group, LLC; (7) Barclays Capital Inc.; (8) Credit Suisse Securities (USA), LLC; (9) EVA Dimensions, LLC; (10) Evercore Group, LLC; (11) FBR Capital Markets & Co.; (12) Goldman, Sachs & Co.; (13) Janney Montgomery Scott LLC; (14) JP Morgan Securities. LLC; (15) Keefe, Bruyette & Woods, Inc.; (16) Morgan Stanley & Co. LLC; (17) Portales Partners, LLC; (18) Raymond James & Associates, Inc.; (19) RBC Capital Markets; (20) Scotia Capital (USA) Inc.; (21) Sterne, Agee & Leach, Inc.; (22) UBS Securities, LLC; and (23) Wells Fargo Securities. The analyst subpoenas requested, among other things: (i) documents related to the preparation of analyst reports on MetLife and documents relied on in issuing such reports; (ii) documents related to MetLife from the files of the analysts who followed the Company; (iii) communications with or regarding MetLife; (iv) documents concerning MetLife's secondary offerings; and (v) documents concerning the state investigations, Verus or the SSA-DMF.

67. The analysis of documents produced in response to these subpoenas helped uncover important evidence relevant to materiality, market efficiency, loss causation and damages, and provided additional evidentiary support for the opinions of Lead Plaintiff's economic expert. Indeed, Lead Plaintiff's economic expert integrated published reports from financial analysts.

68. As a result of Lead Plaintiff's subpoenas and meet-and-confers, Lead Plaintiff obtained and reviewed at least 500 documents from financial analysts, constituting over 3,987 pages of documents.

E. Defendants' Discovery Sought from Third Parties

69. On April 4, 2017, the MetLife Defendants served a document subpoena pursuant to Fed. R. Civ. P. 45 on each Cohen & Steers Capital Management, Inc., Institutional Capital Corporation, Northern Trust Institutional, State Street State Street Bank and Trust Company and Westfield Capital Management Company, L.P. The subpoenas sought, among other matters, documents concerning: the purchase or acquisition of MetLife common stock, on behalf of Central States, in the August 2010 or the March 2011 Offerings; the details of any transfer, sale or disposition of MetLife common stock; Central State's holdings of MetLife common stock; the cost basis, return or loss for each sale or disposition of MetLife common stock; and whether sales or dispositions were made on a FIFO or LIFO basis or some other convention. Between April and May 2017, Institutional Capital, Northern Trust and State Street produced 203 pages of documents in response to the MetLife Defendants' subpoenas.

70. On April 10, 2017, the MetLife Defendants served a document subpoena pursuant to Fed. R. Civ. P. 45 on BNY Mellon. The subpoena sought the same documents from BNY Mellon as those sought by subpoena from Cohen & Steers. On May 4, 2017, BNY Mellon produced 56 pages of documents in response to the MetLife Defendants' subpoena. Lead Counsel thoroughly analyzed all of these documents as they were the source material and evidence of Central States trading history and data that would be the subject of depositions of the then proposed class representative, Central States.

F. Lead Plaintiff Obtains Certification of Both the 1933 Act Class and the 1934 Act Class

1. Certification of the 1933 Act Class

71. On March 15, 2017, Lead Plaintiff filed a motion to certify a class of all persons who purchased or acquired MetLife, Inc. common stock in the Company's August 3, 2010

Offering or the Company's March 4, 2011 Offering, appoint Central States as class representative for that class and appoint Robbins Geller as class counsel. ECF No. 122. Lead Plaintiff supported its motion for class certifications with declarations from Shawn A. Williams, counsel of record, and James P. Condon, then Deputy Chief Legal Officer of Central States. ECF Nos. 124-125. Defendants opposed Lead Plaintiff's motion for class certification on May 15, 2017, asserting that Central States was not an adequate class representative and that the class definition included persons lacking Article III standing. ECF No. 134. In substance, Defendants argued that a consent decree entered into by Central States in 1982, precluded its appointment as a class representative and the likely insolvency the fund made its interest in the case antagonistic to the remainder of the class. On June 14, 2017, Lead Counsel crafted strong arguments to the contrary, supported by the Second Circuit in *Flag Telecom Holdings, Ltd. Sec. Litig.*, 1574 F.3d 29 (2d Cir. 2009), and the Supreme Court in *Amchem Prods. v. Windsor*, 521 U.S. 591, 625, 117 S. Ct. 2231, 2250 (1997). ECF No. 156.

72. On August 22, 2017, Magistrate Judge Peck issued a Report and Recommendation rejecting Defendants' contentions and recommending the Court grant Lead Plaintiff's motion to certify the 1933 Act Class of all persons who purchased or acquired MetLife common stock in the Company's August 3, 2010 Offering or the March 4, 2011 Offering, the appointment of Central States as Class Representative and Robbins Geller as Class Counsel. ECF No. 176.

73. On September 22, 2017, this Court granted Lead Plaintiff's motion to certify the 1933 Act Class for the reasons set forth in Magistrate Judge Peck's August 22, 2017 Report and Recommendation. ECF No. 178.

2. Certification of the 1934 Act Class

74. Following the Court's August 28, 2018 Order granting in part and denying in part Defendants' motion to dismiss the FAC, as discussed *supra*, and further analyzing the facts supporting their 1934 Act claims, on October 12, 2018, Lead Plaintiff filed a supplemental motion to certify the class, appoint a class representative and appoint class counsel for the 1934 Act Class of all persons or entities who purchased or otherwise acquired the publicly traded, MetLife common stock between December 6, 2010 and October 6, 2011, inclusive, and who were damaged by Defendants' alleged violations of §§10(b) and 20(a) of the 1934 Act. ECF No. 218. Lead Plaintiff's supplemental motion was supported by the expert report of Professor Steven P. Feinstein, Ph.D, CFA, dated October 12, 2018, on market efficiency, loss causation and damages. ECF No. 220-6. The supplemental motion was also supported by the Declaration of James P. Condon of Central States. ECF No. 220-4.

75. On October 19, 2018, Defendants filed a motion to amend the September 18, 2018 scheduling order by setting a deadline for Lead Plaintiff to file either: (i) a revised motion to certify a class for its 1934 Act claims that did not rely on any new allegations; or (ii) a motion for leave to amend the Fourth Amended Complaint. ECF Nos. 224-225.

76. On December 13, 2018, Lead Plaintiff filed a revised supplemental motion to certify the class, appoint a class representative and appoint class counsel for the 1934 Act Class of all persons or entities who purchased or otherwise acquired the publicly traded MetLife common stock between February 9, 2011, after the publication of MetLife's Fourth Quarter and Fully Year 2010 Results, and October 6, 2011, inclusive, and who were damaged by Defendants' alleged violations of §§10(b) and 20(a) of the 1934 Act. ECF No. 234.

77. On January 4, 2019, Lead Plaintiff and the MetLife Defendants submitted a stipulation and proposed order certifying the 1934 Act Class of "'[a]ll persons or entities who purchased or otherwise acquired MetLife, Inc. common stock between February 9, 2011, after the publication of MetLife's Fourth Quarter and Full Year 2010 Results, and October 6, 2011, inclusive, and who were damaged by Defendants' alleged violations of the Exchange Act.'" ECF No. 238. On January 7, 2019, the Court entered Lead Plaintiff and the MetLife Defendants' stipulation. ECF No. 239. The Court also appointed Central States as Class Representative and Robbins Geller as Class Counsel for the 1934 Act Class. *Id.*

IV. EXPERT WITNESSES AND CONSULTANTS

78. As part of the Litigation and due to the complexity of the issues in dispute, Lead Plaintiff and Lead Counsel retained experts and consultants, including economists and forensic accountants to help analyze facts, obtain discovery, certify the Classes, move for and oppose summary judgment and prepare for trial. This work provided valuable insight and perspective to Lead Plaintiff and Lead Counsel in evaluating the costs and benefits of settlement.

79. On October 19, 2017, the Parties exchanged expert disclosures and reports pursuant to Fed. R. Civ. P. Rule 26(a)(2). Specifically, Lead Plaintiff disclosed D. Paul Regan, CPA/CFF, and Professor Steven P. Feinstein, as its expert witnesses, and served copies of their respective expert reports. The same date, the MetLife Defendants disclosed Professor Allen Ferrell and John M. Riley as their expert witnesses, and served copies of their respective expert reports. Also on October 19, 2017, the Underwriter Defendants disclosed Gary M. Lawrence as their expert witness and served a copy of his expert report.

80. On November 30, 2017, Lead Plaintiff served rebuttal expert reports from, Steven P. Feinstein, Frank Partnoy and D. Paul Regan. The same day, the MetLife Defendants served rebuttal expert reports from Professor Allen Ferrell and John M. Riley.

A. Professor Steven P. Feinstein of Crowninshield Financial Research

81. Lead Plaintiff retained the services of Steven P. Feinstein, Associate Professor of Finance at Babson College, and the founder and president of Crowninshield Financial Research ("CFR"), Inc., a highly-regarded economic consulting firm, to proffer three expert reports.[5] His reports provided important evidence and analysis in support of Lead Plaintiff's claims as each of the issues of materiality, loss causation, negative causation and damages were highly contested by Defendants.

82. In his October 19, 2017 expert report in connection with class certification, Professor Feinstein assessed the economic materiality of the information allegedly misrepresented and omitted from the August 2010 and March 2011 Offerings; and explained and demonstrated the methodology to compute damages under §§11 and 12(a)(2) of the 1933 Act. Applying fundamental principles of finance and valuation, as well as a thorough analysis of news articles, analyst reports, and Company statements, Professor Feinstein concluded that the alleged misrepresentations and omissions in the Company's August 2010 and March 2011 Offering materials concerning IBNR reserves, reported earnings, operating income and overall financial

[5] Professor Feinstein is the founder and President of CFR. He received a Ph.D. in Economics from Yale University, an M.A. in Economics from Yale University and a B.A. in Economics from Pomona College. He is an Associate Professor of Finance at Babson College in Massachusetts, where he held the Chair in Applied Investments and served as the Director of the Stephen D. Cutler Investment Management Center. Professor Feinstein also served as an economist at the Federal Reserve Bank of Atlanta and holds a Chartered Financial Analyst designation from the CFA Institute.

performance failed to account for liabilities owed to the beneficiaries of deceased policyholders, or the states, and omitted the existence and substantial risks of state investigations, among other matters, were important factors in the valuation of the Company's stock, and were therefore material. Further, he concluded that 1933 Act damages suffered by investors who purchased MetLife common stock in the August 2010 and March 2011 Offerings could be computed in common for all investors by applying statutory formulas.

83. In his November 30, 2017 rebuttal report, Professor Feinstein responded to Professor Allen Ferrell's October 19, 2017 Report, submitted on the MetLife Defendants' behalf. Professor Ferrell had concluded that that the economic evidence did not support that the alleged misstatements caused MetLife's stock price to decline and opined that MetLife's stock price declined due to other factors, including adverse changes in market and industry conditions that occurred after the August 2010 and March 2011 Offerings. Professor Feinstein provided a strong critique of Professor Ferrell's conclusions for, among other matters, misinterpreting the allegations, engaging in data-mining to justify an inappropriate heteroscedasticity analysis, and for fallaciously equating the absence of statistical significance with the absence of causation.

84. In his December 13, 2018 report, Professor Feinstein opined on market efficiency, loss causation and out-of-pocket damages. Professor Feinstein concluded that the market for MetLife common stock was efficient during the proposed class period by analyzing the *Cammer* and *Krogman* factors. Additionally, Professor Feinstein concluded that the alleged misrepresentations and omissions, which overstated the Company's reported earnings, operating income and overall financial performance by failing to account for liabilities owed to the beneficiaries of deceased policyholders or the states, and omitted the existence and material risks of the state investigations, artificially inflated MetLife's stock price. Relatedly, Professor

Feinstein concluded, based on fundamental principles of finance and valuation, and an exhaustive analysis of news articles, analyst reports, Company statements and an event study, that the corrective disclosure at the end of the proposed class period dissipated the artificial inflation, which caused MetLife's stock price to decline, thereby damaging investors. Applying this analysis and methodology, Professor Feinstein concluded that MetLife's stock price was inflated by $0.69 per share at the start of the proposed class period, and that investors suffered losses upon the disclosure that MetLife would take a post-tax charge of up to $135 million to increase reserves in connection with its use of the SSA-DMF to identify unreported deceased policyholders.

B. D. Paul Regan of Hemming Morse, LLP

85. Because of complexity embedded in the accounting for insurance reserves, including IBNR reserves, it was necessary for Lead Plaintiff to retain a highly competent accounting expert to analyze the issues and the documents produced and provide expert testimony as necessary. Accordingly, Lead Plaintiff retained the services of D. Paul Regan of Hemming Morse, LLP ("Hemming Morse"), a highly respected firm of Certified Public Accountants ("CPA") and forensic accountants providing financial, economic and accounting expertise in complex business disputes, litigation and financial fraud litigation in the United States and internationally.[6]

86. Mr. Regan and his team from Hemming Morse assisted in examining MetLife's financial disclosures and documents obtained in discovery to help Lead Counsel prepare for the continued litigation with an eye toward prevailing at summary judgment and trial. Hemming

[6] Mr. Regan has been a CPA for more than 50 years, is designated by the AICPA as a Certified Financial Forensic and was a Certified Fraud Examiner for nearly 20 years who has provided expert testimony on behalf of, among others, the SEC, the California Department of Insurance, the Federal Deposit Insurance Corporation and the Public Company Accounting Standards Board.

Morse's analysis was focused on the specifics of MetLife's reserve practices, disclosures and compliance with GAAP and the Company's internal controls. Relatedly, Mr. Regan also proffered an expert report on October 19, 2017. He concluded that MetLife violated GAAP by using an accounting methodology for estimating reserves for IBNR life insurance claims and related unclaimed property that failed to properly consider information available on the SSA-DMF indicating that policyholders had died, and that MetLife materially understated its IBNR reserves, thereby overstating income and earnings per share in violation of GAAP and SEC Accounting Rules by failing to properly disclose contingencies relating to those reserve and known uncertainties pertaining to the state investigations. Mr. Regan and his team also reviewed Defendants' accounting expert's report and assisted Lead Counsel with its motion to exclude Mr. Riley's report and related briefing.

87. On February 9, 2018, Defendants deposed Mr. Regan in a full-day deposition. Lead Counsel and Mr. Regan spent considerable time preparing for and defending Mr. Regan's deposition.

C. Professor Frank Partnoy of the University of California, Berkeley

88. The Underwriter Defendants advanced a due diligence defense to Lead Plaintiff's 1933 Act claims. Lead Plaintiff retained the services of Frank Partnoy, a highly respected professor of law at the University of California, Berkeley, School of Law, and previously a professor of law and finance at the University of San Diego, to rebut the testimony of the Underwriter Defendants' expert, Gary M. Lawrence ("Lawrence"), a law professor and former lawyer, who opined that the Underwriter Defendants' due diligence was consistent with industry standards and, with respect to the alleged misstatements and omissions. Professor Partnoy's rebuttal of Professor Lawrence's opinions concluded that they constituted generic conclusions that

do not meaningfully address the relevant context consistent with law of and the academic literature on due diligence. In this regard, Professor Partnoy opined that Professor Lawrence's testimony improperly failed to address the essential documents and allegations in this case (the same ones the Court relied on in denying Defendants' motions to dismiss) concerning MetLife's 2007 cross-check of the SSA-DMF and its resulting $25 million increase in the Company's IBNR reserves; failed to examine the existence of red flags that should have put the Underwriter Defendants on notice of misleading statements or omissions; and failed to address relevant facts and evidence with respect to the nature of the Offerings, the Underwriters' role in the Offerings and industry practices.

89. On February 27, 2018, the Underwriter Defendants deposed Professor Partnoy in a deposition. Lead Counsel and Professor Partnoy spent considerable time preparing for his deposition.

D. Bjorn I. Steinholt

90. As part of Lead Plaintiff's initial investigation into the claims and economic issues in this action, Lead Plaintiff retained the services of Bjorn I. Steinholt ("Steinholt") of Caliber Advisors ("Caliber"), an economic consulting firm, to assist in analysis of materiality, loss causation, market efficiency and damages. Caliber specializes in financial analyses and related economic consulting services regarding expert testimony and economic issues that typically arise in securities class actions. In this case, Mr. Steinholt was retained to provide consulting services in connection with materiality, loss causation and potential damages. Mr. Steinholt's services in these proceedings were necessary and contributed materially to the benefits achieved by the Classes. Mr. Steinholt provided Lead Plaintiff with substantial assistance in the factual and economic analysis in the initial investigation phase of the Litigation as well as the event study

analysis in the SAC, which found that the October 7, 2020 price decline following MetLife's October 6, 2011 disclosure was statistically significant. ECF No. 59-1, ¶¶149-150, n.12, n.13. While the Court's February 28, 2013 Order had dismissed Lead Plaintiff's 1934 Act claims for failure to plead loss causation, in its September 11, 2015 Order, the Court found that Lead Plaintiff had sufficiently pleaded loss causation based on the October 6, 2011 disclosure. ECF No. 90 at 62.

E. In-House Forensic Accountants

91. In addition to retaining outside experts and consultants in order to analyze the financial and accounting issues and conduct effective discovery, Lead Counsel used specialized in-house forensic accounting professionals to provide investigative accounting, auditing and financial expertise throughout the Litigation. Brad Sader,[7] CPA and Terry Koelbl,[8] CPA (collectively, the "Forensic Accountants"), provided forensic accounting assessments in this case. My firm's forensic accountants assisted in investigating, evaluating and effectively negotiating discovery requests with MetLife's outside auditors, preparing for Deloitte's Rule 30(b)(6) deposition and analyzing the expert report of MetLife's accounting expert.

92. The accounting issues in this case were technical and complex. The Forensic Accountants helped assess and analyze the accounting issues, including requirements under GAAP and SEC rules for loss contingencies for adequately recording unclaimed property liabilities. The

[7] Mr. Sader is a forensic accountant at Robbins Geller, has a CPA, is a Certified Fraud Examiner ("CFE") and also holds the CFF (certified in financial forensics) credential. Mr. Sader has 17 years of professional experience, including forensic accounting consulting in numerous complex litigation matters and auditing and internal control compliance experience at a national CPA firm.

[8] Mr. Koelbl is a forensic accountant at Robbins Geller. Mr. Koelbl is a CPA, a CFE and holds the CFF credential. Mr. Koelbl has 18 years of public accounting, auditing and forensic accounting experience, including over ten years of experience investigating securities fraud.

Forensic Accountants assisted counsel in understanding and interpreting complicated financial and accounting work papers, concepts and testimony throughout the pendency of the Litigation. The Forensic Accountants, among other matters, assisted in the following respects:

(a) Initial case investigation, including helping counsel investigate, analyze and evaluate the complex financial, accounting and disclosure issues in the case.

(b) Document discovery, including participating in numerous meet and confers targeting discovery necessary to investigate and prosecute accounting and disclosure claims, as well as evaluating and negotiating document productions.

(c) Compiling and analyzing the documentary evidence to support Lead Counsel's accounting allegations and preparing for depositions of MetLife's outside auditor, key executives, and finance and accounting personnel. To this end, the Forensic Accountants reviewed, analyzed and cataloged thousands of complex financial documents and auditor workpapers. The Forensic Accountants performed extensive research of authoritative literature and industry trends and practices relating to insurance claim liabilities and loss contingencies.

V. SUMMARY JUDGMENT AND *DAUBERT* MOTIONS

A. Lead Plaintiff's Motion for Partial Summary Judgment and Motions to Exclude

93. On February 1, 2019, Lead Plaintiff filed a motion for partial summary judgment for claims brought under the 1933 Act. ECF No. 273. Lead Plaintiff's motion synthesized the evidence gathered in discovery, arguing that such evidence resoundingly established, as matter of law, that MetLife and the Underwriter Defendants omitted material information from the Offering materials. Lead Plaintiff further contended that it was also undisputed that following the Company's disclosure that it would take a charge up to $135 million to increase reserves in connection with expanded use of the SSA-DMF, MetLife's stock price declined. In addition to

the offensive motion for partial summary judgment, Lead Plaintiff also filed motions to exclude the testimony of Defendants' accounting expert John M. Riley, their economic expert Allen Ferrell and the Underwriter Defendants' due diligence expert Gary M. Lawrence. ECF Nos. 242, 258, 280, 281.

1. Defendants' Motions for Summary Judgment

94. In addition to offensively filing a motion for partial summary judgment, Lead Plaintiff aggressively defended against Defendants' dispositive motions. On February 1, 2019, the MetLife Defendants and the Underwriter Defendants each filed motions for summary judgment. ECF Nos. 257, 259. The MetLife Defendants challenged falsity related to Lead Plaintiff's 1933 Act and 1934 Act claims by arguing, among other things, that the alleged misrepresentations were opinions governed by *Omnicare* and that GAAP simply did not require MetLife to establish IBNR reserves for claims that are never reported and for which no payment was expected. *Id.* at 29-33. And, because the Company's reported income was derivative of the opinion based reserves estimates, the financial statements were opinions as well. Defendants argued that therefore Lead Plaintiff could not prove that MetLife affirmatively or implicitly misrepresented the sufficiency of its IBNR reserves or its financial statements. *Id.* at 33-35. Without primary liability, the MetLife Defendants contended they were entitled to summary judgment under §20(a). *Id.* at 35.

95. Defendants' summary judgment motions also aggressively challenged loss causation arguing not only would Lead Plaintiff be unable to prove loss causation but that they had proven negative causation. For example, as to the 1934 Act claims, the MetLife Defendants' contended that there was no triable issue as to loss causation because according to Professor Ferrell's event study, there was no statistically significant price decline following any alleged corrective disclosure. ECF No. 260 at 10-15. Further, Defendants challenged Professor

Feinstein's event study as unreliable and excludable under *Daubert* claiming that he failed to take heteroscedasticity into account. *Id.* at 15-19. Defendants also argued that Lead Plaintiff's failure to disaggregate confounding information related to the two other charges to earnings announced by the Company on October 6, 2011 was total to proving loss causation. *Id.* at 19-21.

96. As to the 1933 Act claims, the MetLife Defendants similarly contended that based on their proof of negative causation, they were entitled to summary judgment because, according to their economic expert, there was no statistically significant stock price decline following any alleged corrective disclosure and thus no recoverable damages under the statutory formula set forth in Section 11(e). *Id.* at 22-26.

97. In connection with their motions for summary judgment, the MetLife Defendants also filed *Daubert* motions to exclude the testimony of Lead Plaintiff's experts Paul D. Regan and Steven Feinstein, which the Underwriter Defendants joined. ECF Nos. 246, 248, 252-253. The Underwriter Defendants filed a motion to exclude the testimony of Lead Plaintiff's expert Frank Partnoy. ECF No. 292.

98. On March 1, 2019, Lead Plaintiff filed substantive oppositions to Defendants' summary judgment and *Daubert* motions, and related exhibits and excerpts of deposition testimony, and on March 1, 2019, Defendants opposed Lead Plaintiff's February 1, 2019 summary judgment and *Daubert* motions.

99. On August 5, 2019, the Court issued an order denying without prejudice all Parties' motions to exclude expert testimony. ECF No. 385. The Court stated that to promote efficient adjudication, it would resolve any material questions of admissibility to the extent that the expert testimony subject to challenge proved material to the disposition of any pending summary judgment motions. *Id.* (citing ECF Nos. 242, 246, 248, 258, 280 and 292).

100. During the pendency of the Parties' cross-motions for summary judgment, Lead Plaintiff began preparing for a trial on the merits and complying with the Court's pretrial order. Specifically, Lead Plaintiff identified trial witnesses, culled thousands of documents to identify trial exhibits and excerpts of deposition testimony and prepared objections to Defendants' trial exhibits and potential trial stipulations.

101. On May 6, 2019, the Parties filed a proposed joint pretrial order which included hundreds of trial exhibits, deposition designations, witness lists and evidentiary objections. ECF No. 376. The Court entered the joint pretrial order on May 9, 2019 (ECF No. 378), and modified it on June 28, 2019 (ECF No. 384).

VI. MEDIATION AND SETTLEMENT EFFORTS

102. The proposed $84,000,000 Settlement was the product of vigorous, arm's-length negotiations between the Parties and reflects the strengths and weakness of the case. Settlement on the terms proposed would not have been achieved absent the extensive efforts to plead facts sufficient to satisfy the rigorous pleading standards and obtain the evidence necessary to prosecute Lead Plaintiff's claims, as described above. Nor would settlement have been achieved without the substantial participation and assistance of a strong mediator with extensive experience in negotiating resolutions of complex actions of this type.

103. As noted above, on March 9, 2017, the Parties engaged in an in-person mediation with the Hon. Layn R. Phillips (Ret.), a nationally-recognized mediator and former federal district court judge. In preparation for the mediation, Lead Counsel prepared a comprehensive confidential mediation statement detailing the strength of its case. During the mediation, counsel for all Parties engaged in an extensive exchange of the perceived strengths and weaknesses of their

respective cases and addressed challenges presented by Judge Phillips. The case, however, did not settle at the March 9, 2017 mediation.

104. On February 2, 2018**,** the Parties engaged in a second in-person mediation with Judge Phillips. In preparation for the second mediation, Lead Counsel prepared supplementary confidential mediation statement detailing the strength of its case and developments during the prior year. And like the first mediation, counsel for each party analyzed strengths and weaknesses of their respective case and answered challenging questions raised by Judge Phillips. Again, the case did not settle.

105. On September 9, 2019, after the Parties filed their summary judgment and *Daubert* motions and the joint pretrial order, the Parties attended a third in-person mediation with Judge Phillips. Like the prior two mediations, at the close of the third mediation, no settlement was reached. However, Judge Phillips continued to monitor the litigation and on March 7, 2020, Judge Phillips issued a "Mediator's Recommendation" for resolution for the action which all Parties accepted on March 12, 2020. *See* Declaration of Layn R. Phillips in Support of Final Approval of Class Action Settlement, ¶¶14-15, submitted herewith.

106. Following agreement upon settlement terms, the parties worked diligently to document the Settlement and prepare preliminary settlement approval papers, negotiating the details of a stipulation of settlement, plan of allocation and notice to the Classes. The Stipulation resolves the claims of the Classes against all Defendants and settles this Litigation for $84,000,000 in cash.

VII. THE SETTLEMENT IS FAIR, REASONABLE AND ADEQUATE

A. The Strengths and Weaknesses of the Case Favor Settlement

107. Based on over eight years of litigation, including briefing multiple rounds of motions to dismiss the Classes' claims, extensive fact, class-related and expert discovery, the exchange and analysis of hundreds of thousands of pages of documents and the taking and defending of fact and expert depositions, briefing motions for summary judgment, motions to exclude expert testimony and beginning to prepare for trial, Lead Counsel and Lead Plaintiff have a thorough understanding of the issues and risks present in this case. Lead Plaintiff believes it could have ultimately prevailed on the merits of the case. Indeed, Lead Plaintiff's perseverance throughout the Litigation resulted in the discovery of substantial evidence in support of the alleged claims. However, it was also the case that Defendants had presented credible arguments supported by evidence that created substantial risks to Lead Plaintiff's ability to prove all the necessary elements of its claims.

1. Risks Related to Proving Material Misrepresentations and Omissions

108. Despite the strength of the evidence developed in discovery, Defendants were equally confident they would defeat Lead Plaintiff's claims. Indeed, Defendants vigorously contested each of Lead Plaintiff's allegations, and intended to marshal evidence at trial they hoped would convince the jury that Defendants did not make any false or misleading statements and that they disclosed all information required to be disclosed by the federal securities laws. For example, Defendants maintained throughout the Litigation – up to and through the pending summary judgment motions – that the alleged misrepresentations and omissions central to the action were primarily statements of opinion subject to the standards set by the Supreme Court in *Omnicare*. Accordingly, Defendants argued that Lead Plaintiff would not be able to prove the alleged

actionable omissions were anything more than Defendants' reasonable opinions on highly complex matters of insurance reserves for which they disclosed all the materially known facts.

2. Risks Related to Negative Causation Loss Causation, and Damages

109. In addition to risks related to proving falsity, there was a substantial risk that Lead Plaintiff might not be able to prove loss causation and damages at trial. Defendants argued that with respect to Lead Plaintiff's 1934 Act claims, because the MetLife Defendants, through their expert, could establish a lack of statistically significant price declines, recoverable damages were either much lower than Lead Plaintiff had estimated or zero. For substantially the same reasons, Defendants contended that they would prove their affirmative defense of negative causation, thereby eliminating the potential recovery on Lead Plaintiff's 1933 Act claims. If any of these arguments were to be accepted in whole or in part, it could eliminate or dramatically reduce any potential recovery.

110. The loss causation and damages issues in this Litigation were indeed particularly complex and novel. Defendants' economic expert Professor Allen Ferrell opined, contrary to Lead Plaintiff's expert Professor Feinstein, that the stock price decline on October 7, 2011 was not statistically significant. According to Defendants and Professor Ferrell, volatility post-August 5, 2011, resulted in the market for MetLife shares being "heteroscedastic," and required a modification to the traditional event study; with this modification the October 7, 2011 decline was not statistically significant. According to Professor Ferrell, MetLife's stock price experienced no statistically significant price declines following any allegation-related disclosures. Defendants' motion to exclude Professor Feinstein centered on his purported failure to account for heteroscedasticity. Relying on the Second Circuit's decision in *In re Barclays Bank PLC Securities Litigation*, the MetLife Defendants argued that that the absence of any statistically

significant stock price declines from allegation-related disclosures satisfied their burden of establishing negative causation on the §11 claims. While Lead Plaintiff believed it had compelling responses to this evidence, including the expert testimony of Professor Feinstein, if the Court excluded Professor Feinstein's testimony or if the jury disagreed, the damages recoverable at trial could have been significantly reduced or eliminated altogether.

111. Each of these issues pertaining to causation and damages were anticipated to be a battle of the experts at trial just as they were at summary judgment. Lead Plaintiff and Defendants retained experts who would offer contradictory testimony regarding the information that was available to and relied upon by market analysts and investors, the reasons for the price movement in MetLife's securities and the existence and amount of damages suffered by members of the Classes. Even having retained an expert who is among the most respected in the field, Lead Plaintiff was not guaranteed a victory on the issues of damages and loss causation, as Defendants had also hired a respected expert to refute Lead Plaintiff's position. Indeed, a trial in this case would likely hinge on expert testimony on *Daubert* limitations on such testimony. Therefore, a substantial risk existed of a party prevailing not on the merits, but instead on the jury's impression of the experts.

3. Trial, Post-Trial and Appellate Risks

112. Assuming Lead Plaintiff defeated Defendants' motion for summary judgment, and the case proceeded to trial, Lead Plaintiff faced the real risk that the jury might not be convinced by the evidence presented in support of its complex financial fraud allegations. *See, e.g.*, *In re JDS Uniphase Corp. Sec. Litig.*, No. 02-cv-01486, Corrected Final Judgment (N.D. Cal. Mar. 28, 2008) (Dkt. No. 1422) (case dismissed and judgment entered in favor of Defendants after jury trial

rejecting plaintiffs' federal securities laws violations). Lead Plaintiff thus faced the risk of failing to convince jurors at trial of a required element under the 1933 Act and 1934 Act claims at issue.

113. Even if Lead Plaintiff succeeded in establishing Defendants' liability, Lead Plaintiff faced serious risks that could reduce the amount of damages if Lead Plaintiff prevailed on some, but not all, of its alleged claims. For example, if jurors found that some of the 1934 Act Class Period statements were not proven to be false or were not made with requisite scienter, the 1934 Act Class Period could be shortened, further eliminating claims for some Class Members and reducing the overall amount of damages recoverable in this Litigation.

114. There was also the risk that even if Lead Plaintiff prevailed at trial, Defendants would seek to set aside the verdict or appeal it. For example, in *In re BankAtlantic Bancorp Sec. Litig.*, No. 07 61542-CIV-UINGARO (S.D. Fla.), the plaintiffs convinced the jury at trial that defendants' misrepresentations caused BankAtlantic's stock price to be artificially inflated and obtained a jury award for damages. Thereafter, defendants filed a motion for judgment as a matter of law arguing that plaintiffs failed to include sufficient proof of loss causation and damages. The court, agreeing with BankAtlantic, granted BankAtlantic's motion for judgment as a matter of law and entered judgment. *In re BankAtlantic Bancorp, Sec. Litig.* 2011 U.S. Dist. LEXIS 48057, at *69-*72, *125-*126 (S.D. Fla. Apr. 25, 2011). Therefore, Lead Plaintiff considered the risk of no recovery a real possibility.

115. If Lead Plaintiff prevailed, there was a substantial risk that Defendants would appeal any verdict achieved in Lead Plaintiff's favor. *See, e.g.*, *Apollo*, 2008 U.S. Dist. LEXIS 61995. The appeals process could span years, during which time the Classes would receive no recovery. Any appeal would also create the risk of reversal, in which case the Classes would receive nothing even after having prevailed on the claims at trial. In *Jaffe v. Household Int'l, Inc.*,

No. 1:02-cv-05893 (N.D. Ill.), a securities class action filed in 2002, plaintiffs won a verdict after trial in 2009. After post-trial proceedings, the District Court entered a $2.4 billion judgment in 2013. Defendants appealed to the United States Court of Appeals for the Seventh Circuit arguing, among other things, that plaintiffs' proof of loss causation at trial was insufficient to support the jury verdict. Six years after the jury verdict and 13 years after the case was initially filed, the Seventh Circuit vacated the judgment, finding that plaintiffs' expert on loss causation failed to account for firm-specific non-fraud factors that may have influenced the company's stock price and reversed, granting defendants a new trial on loss causation and whether certain defendants "made" the actionable statements. *Glickenhaus & Co. v. Household Int'l, Inc.*, 787 F.3d 408, 423 (7th Cir. 2015). Similarly, in *In re Pfizer Sec. Litig.*, 2014 U.S. Dist. LEXIS 92951 (S.D.N.Y. July 8, 2014), that court, just weeks before trial, dismissed plaintiffs' §10b-5-based claims after eight years of intense litigation.

116. Having considered the foregoing, as well as Defendants' defenses at summary judgment, it was the informed judgment of Lead Plaintiff and Lead Counsel, based upon all proceedings to date and their extensive experience in litigating shareholder class actions, that the proposed Settlement of this matter for $84,000,000 in exchange for a mutual release of all claims, and including the other terms set forth in the Stipulation, provides fair, reasonable and adequate consideration, and is in the best interests of the Classes.

B. The Plan of Allocation Is Fair and Reasonable

117. Upon approval of the Stipulation by the Court and entry of a judgment, and upon satisfaction of the other conditions to the Settlement, the Settlement Fund will cover certain administrative expenses, including the cost of providing notice to the Classes; the cost of publishing notice; payment of taxes assessed against the Settlement Fund; costs associated with

the processing of claims submitted; and Lead Counsel's approved fees and expenses. The balance of the Settlement Fund (the "Net Settlement Fund") plus accumulated interest will be distributed to Class Members who submit valid and timely Proofs of Claim.

118. As detailed in the Notice, the Plan of Allocation will govern how the proceeds of the Net Settlement Fund will be distributed among Class Members who submit timely and valid Proofs of Claim. Lead Plaintiff, with the assistance of its damages expert, developed the Plan of Allocation. As explained in the Notice, the Plan of Allocation apportions the recovery among eligible Class Members based on the timing of purchases and sales of MetLife's common stock.

119. In accordance with the Plan of Allocation, the Claims Administrator shall determine each Member of the Classes' share of the Net Settlement Fund based upon the recognized loss formula (the "Recognized Loss"). A Recognized Loss will be calculated for each share of MetLife common stock purchased or otherwise acquired in the Offerings in connection with the 1933 Act claims or during the 1934 Act Class Period. The Recognized Loss is not intended to estimate the amount a Member of the Classes might have been able to recover after a trial, nor to estimate the amount that will be paid to a Member of the Classes pursuant to the Settlement. The Recognized Loss is the basis upon which the Net Settlement Fund will be proportionately allocated to Members of the Classes.

120. In sum, the Plan of Allocation represents a method to fairly and equitably weigh the claims of claimants against one another for the purposes of making pro rata allocations of the Net Settlement Fund.

121. To date, no written objections have been filed by any potential Class Member to the Plan of Allocation.

C. Lead Counsel's Request for Attorney's Fees and Expenses IEs Reasonable

122. Based on the extensive efforts on behalf of the Classes, as described above, Lead Counsel is applying for compensation from the Settlement Fund on a percentage basis, and has requested a fee in the amount of 25% of the Settlement Fund, plus payment of Lead Counsel's costs, charges and expenses incurred in connection with this Litigation of $1,856,169.03. In addition, Lead Plaintiff requests an award of $10,880 pursuant to 15 U.S.C. §77z-1(a)(4) or 15 U.S.C. §78u-4(a)(4) in connection with its representation of the Classes. The attorneys' fees and costs, charges and expenses requested will be the only payment to Lead Counsel for its efforts in achieving this outstanding Settlement and for its risk in undertaking this representation for over eight years on a wholly contingent basis. In light of the nature and extent of the Litigation, the diligent prosecution of the Litigation, the complexity of the factual and legal issues presented and the other factors described above and in the accompanying motion for approval of the fee award, Lead Plaintiff and Lead Counsel believe that the requested fee of 25% of the Settlement Fund is fair and reasonable.

123. A 25% fee award is justified by the specific facts and circumstances in this case and the substantial risks that Lead Plaintiff had to overcome at the pleading, class certification, discovery and summary judgment phases of the Litigation, all with an eye to winning at trial, as set forth herein. Indeed, the Settlement Amount, $84,000,000, represents approximately 32% of Lead Plaintiff's estimated recoverable damages of approximately $263 million and far exceeds Defendants' estimated recoverable damages. The 25% requested fee is well within the range of reasonable attorneys' fees and percentage awarded in the Second Circuit.

124. Lead Counsel is among the most experienced and skilled securities litigation law firms in the field. The expertise and experience of its partners are described in Exhibit G to the

Robbins Geller Declaration. Robbins Geller has served as lead counsel in scores of class actions throughout the United States and some of the most significant federal securities class actions recovering billions for defrauded investors including: *In re Enron Corp. Sec. Litig.*, No. H-01-3624 (S.D. Tex.) (recovering in excess of $7.2 billion for investors); *Lawrence E. Jaffe Pension Plan v. Household Int'l, Inc., et al.*, No. 02-C- 05893 (N.D. Ill.) (largest securities class action settlement following a trial: $1.575 billion); *In re American Realty Capital Properties, Inc.*, No. 15-CV-00040 (recovering $1.025 billion for investors); *In re UnitedHealth Group, Inc. PSLRA Litig.*, No. 06-CV-1691 (D. Minn.) (recovering over $925 million); *In re Cardinal Health, Inc. Sec. Litig.*, No. C2-04-575 (S.D. Ohio) (recovering $600 million for investors); *In re HealthSouth Corp. Sec. Litig.*, No. CV-03-BE-1500-S (N.D. Ala.) (representing Central States and others and obtaining a combined recovery of $671 million).

125. Furthermore, the recovery in this case was not without formidable well-accomplished adversaries as the MetLife Defendants were represented by Debevoise & Plimpton and the Underwriter Defendants were represented by DLA Piper. Despite Defendants' zealous representation on every aspect of the Litigation, Lead Counsel secured the $84,000,000 settlement even as the Parties fully briefed motions for summary judgment and prepared for trial.

126. This Litigation was prosecuted by Lead Counsel on an "at-risk" contingent-fee basis. Lead Counsel fully assumed the risk of an unsuccessful result and has received no compensation for services rendered or the significant expenses incurred in litigating this action for the benefit of the Classes. Any fees or expenses awarded to Lead Counsel have always been at risk and completely contingent on the result achieved. Because the fee to be awarded in this matter is entirely contingent, the only certainty from the outset was that there would be no fee without a successful result and that such a result would be realized only after a lengthy and difficult effort.

127. Finally, this Litigation could not have been successfully prosecuted without the substantial participation and assistance of Lead Plaintiff, whose representatives spent significant time monitoring the Litigation, consulting with Lead Counsel regarding case developments and prospects for settlement and participating in discovery to demonstrate the typicality of its claims, the adequacy of its representation and the suitability of this case for litigation on a class-wide basis. The time spent by Lead Plaintiff in doing so, as reflected in the accompanying Declaration of Charles Lee submitted contemporaneously herewith, was both reasonable and necessary to the prosecution of this case.

VIII. CONCLUSION

128. For all of the foregoing reasons, Lead Counsel respectfully requests the Court to approve the Settlement and Plan of Allocation and to approve the fee and expense application and award Lead Counsel 25% of the Settlement Fund plus $1,856,169.03 in expenses, and to approve the reimbursement requested by Lead Plaintiff.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 1st day of February, 2021, at San Francisco, California.

s/Shawn A. Williams
SHAWN A. WILLIAMS

CERTIFICATE OF SERVICE

I hereby certify under penalty of perjury that on February 1, 2021, I authorized the electronic filing of the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the e-mail addresses on the attached Electronic Mail Notice List, and I hereby certify that I caused the mailing of the foregoing via the United States Postal Service to the non-CM/ECF participants indicated on the attached Manual Notice List.

s/ Shawn A. Williams

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Mailing Information for a Case 1:12-cv-00256-LAK City of Westland Police and Fire Retirement System v. Metlife, Inc. et al

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Manual Notice List

The following is the list of attorneys who are **not** on the list to receive e-mail notices for this case (who therefore require manual noticing). You may wish to use your mouse to select and copy this list into your word processing program in order to create notices or labels for these recipients.

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Thomas              C. Michaud
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