

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

IN RE FACEBOOK, INC. IPO SECURITIES
AND DERIVATIVE LITIGATION

MDL No. 1:12-md-02389-CM-GWG

This document relates to the
Consolidated Securities Action:

No. 12-cv-4081	No. 12-cv-4763
No. 12-cv-4099	No. 12-cv-4777
No. 12-cv-4131	No. 12-cv-5511
No. 12-cv-4150	No. 12-cv-7542
No. 12-cv-4157	No. 12-cv-7543
No. 12-cv-4184	No. 12-cv-7544
No. 12-cv-4194	No. 12-cv-7545
No. 12-cv-4215	No. 12-cv-7546
No. 12-cv-4252	No. 12-cv-7547
No. 12-cv-4291	No. 12-cv-7548
No. 12-cv-4312	No. 12-cv-7550
No. 12-cv-4332	No. 12-cv-7551
No. 12-cv-4360	No. 12-cv-7552
No. 12-cv-4362	No. 12-cv-7586
No. 12-cv-4551	No. 12-cv-7587
No. 12-cv-4648	

**DECLARATION OF ADAM D. WALTER IN SUPPORT OF
LEAD PLAINTIFFS' MOTION FOR APPROVAL OF DISTRIBUTION PLAN**

I, Adam D. Walter, declare and state as follows:

1. I am a Senior Project Manager of the Class Action Administrative Division of A.B. Data, Ltd. ("A.B. Data"), which has its corporate office in Milwaukee, Wisconsin. I am over 21 years of age and am not a party to the above-captioned action (the "Action").¹ I have personal

¹ All capitalized terms used and not otherwise defined in this Declaration have the meanings provided in the Stipulation and Agreement of Settlement dated February 26, 2018 (ECF No. 571-1) (the "Stipulation").

knowledge of the facts set forth in this declaration and, if called as a witness, could and would testify competently thereto.

2. A.B. Data was retained by Lead Counsel to serve as the Claims Administrator in connection with the Settlement of the Action. In its Order Preliminarily Approving Settlement and Providing for Notice (ECF No. 573) (the “Preliminary Approval Order”), the Court approved the retention of A.B. Data as the Claims Administrator. As Claims Administrator, A.B. Data has, among other things: (i) mailed the Notice of (I) Proposed Settlement and Plan of Allocation; (II) Settlement Fairness Hearing; and (III) Motion for an Award of Attorneys’ Fees and Litigation Expenses (the “Settlement Notice”) and the Proof of Claim and Release Form (the “Proof of Claim Form” or “Claim Form” and, collectively with the Settlement Notice, the “Settlement Notice Packet”) to potential Class Members,² brokers, and other nominees; (ii) created and continues to maintain a toll-free helpline for inquiries during the course of the administration; (iii) created and continues to maintain a website for the Action (“Case Website”) and posted case-specific documents on it; (iv) caused the Summary Settlement Notice to be published; (v) provided, upon request, additional copies of the Settlement Notice Packet to potential Class Members, brokers, and other nominees; and (vi) received and processed Claims.

3. On November 26, 2018, the Court entered the Judgment Approving Class Action Settlement (ECF No. 603) along with the Opinion & Order (ECF No. 601) and Order Approving Plan of Allocation of Net Settlement Fund (ECF No. 602). On September 23, 2020, the United States Court of Appeals for the Second Circuit issued a Summary Order (ECF No. 607) affirming the Court’s judgment. A.B. Data has completed processing of all Claims received through January

² The Class certified by the Court in its Opinion dated December 11, 2015 (ECF No. 385), consists of the Institutional Investor Subclass and the Retail Investor Subclass. *See* Settlement Notice ¶¶ 34-36.

2, 2021, in accordance with the terms of the Stipulation and the Court-approved Plan of Allocation set forth in the Settlement Notice, and hereby submits its administrative determinations accepting and rejecting the Claims in preparation for a distribution of the Net Settlement Fund to Authorized Claimants. A.B. Data will distribute the Net Settlement Fund to Authorized Claimants once the Effective Date of the Settlement has occurred. *See* Stipulation ¶ 31. A.B. Data also presents this declaration in support of Lead Plaintiffs' Motion for Approval of Distribution Plan.

DISSEMINATION OF NOTICE

4. As more fully described in the Supplemental Declaration of Adam D. Walter Regarding Mailing of the Settlement Notice and Claim Form (ECF No. 595-4) (the "Supp. Mailing Decl."), as of August 28, 2018, A.B. Data had mailed 1,387,738 Settlement Notice Packets to potential Class Members and their nominees. *See* Supp. Mailing Decl. ¶ 7. Since that date, 342 additional Settlement Notice Packets have been disseminated. In total, A.B. Data has disseminated 1,388,080 Settlement Notice Packets to potential Class Members, brokers, and other nominees.

5. A.B. Data established and continues to maintain the Case Website (www.FacebookSecuritiesLitigation.com) and a toll-free telephone helpline (1-866-963-9974) to assist potential Class Members. The Case Website (which provides access to important documents relevant to the Settlement) and the telephone helpline enable Class Members to obtain information about the Settlement.

6. As more fully described in the Declaration of Adam D. Walter Regarding (A) Mailing of the Settlement Notice and Claim Form; and (B) Publication of the Summary Settlement Notice (ECF No. 590-1) (the "Mailing Decl.") and in accordance with Paragraph 4(c) of the Preliminary Approval Order, on April 9, 2018, A.B. Data caused the Summary Settlement Notice to be published in *Investor's Business Daily* and transmitted over *PR Newswire* and *CNW Newswire*. *See* Mailing Decl. ¶ 11.

PROCEDURES FOLLOWED IN PROCESSING CLAIMS

7. Under the terms of the Preliminary Approval Order and as set forth in the Settlement Notice, each Class Member who wished to be eligible to receive a distribution from the Net Settlement Fund was required to complete and submit to A.B. Data a properly executed Claim Form postmarked no later than July 24, 2018, together with adequate supporting documentation for the transactions and holdings reported in the Claim Form. Through January 2, 2021, A.B. Data has received and fully processed 486,257 Claims.

8. In preparation for receiving and processing Claims, A.B. Data: (i) conferred with Lead Counsel to define the project guidelines for processing Claims; (ii) created a unique database to store Claim details, images of Claims, and supporting documentation; (iii) trained staff in the specifics of the project so that Claims would be properly processed; (iv) formulated a system so that telephone and email inquiries would be properly responded to; (v) developed various computer programs and screens for entry of Class Members' identifying information and their transactional information; and (vi) developed a proprietary "calculation module" that would calculate Recognized Claims pursuant to the Court-approved Plan of Allocation of the Net Settlement Fund stated in the Settlement Notice.

9. Class Members seeking to share in the Net Settlement Fund were directed in the Settlement Notice to submit their Claims to a post office box address specifically designated for the Settlement. Settlement Notice Packets returned by the United States Postal Service as undeliverable were reviewed for updated addresses and, where available, updated addresses were entered into the database and Settlement Notice Packets were mailed to the updated addresses. Any correspondence received at the post office box was reviewed and, when necessary, appropriate responses were provided to the senders.

PROCESSING CLAIMS

A. Paper Claims

10. Of the 486,257 Claims, 43,010 are paper Claims. Once received, the paper Claims were opened and prepared for scanning. This process included unfolding documents, removing staples, copying nonconforming-sized documents, and sorting documents. This manual task of preparing the paper Claims is very laborious and time-intensive. Once prepared, paper Claims were scanned into a database together with all submitted documentation. Each paper Claim was assigned a unique Claim number. Once scanned, the information from each Claim Form (including the Claimant's name, address, account number/information from the supporting documentation, and the Claimant's purchase/acquisition transactions, sale transactions, and holdings listed on the Claim Form) was entered into a database developed by A.B. Data to process Claims submitted for the Settlement. Once entered in the database, each Claim was reviewed to verify that all required information had been provided. The documentation provided by the Claimant in support of the Claim was reviewed for authenticity and compared to the information provided in the Claim to verify the Claimant's identity and the purchase/acquisition transactions, sale transactions, and holdings listed on the Claim Form.

11. To process the transactions detailed in the Claims, A.B. Data utilized internal codes ("flags") to identify and classify deficiency or ineligibility conditions existing within those Claims. Appropriate flags were assigned to the Claims as they were processed. For example, where a Claim was submitted by a Claimant who did not have any eligible transactions in Facebook common stock during the Class Period (e.g., the Claimant purchased Facebook common stock only after

the Class Period), that Claim would receive a flag that denoted ineligibility.³ Similar defect flags were used to denote other ineligible conditions, such as duplicate Claims. These flags would indicate to A.B. Data that the Claimant was not eligible to receive any payment from the Net Settlement Fund with respect to that Claim unless the deficiency was cured in its entirety. Examples of conditions of ineligibility are as follows:

MIDOC	Inadequate or Missing Documentation for Entire Claim
DUPLC	Duplicate Claim
NOPUR	No Eligible Purchase during the Class Period
MISIG	No Signature
NOLOS	No Recognized Claim

12. Because a Claim may be deficient only in part, but otherwise acceptable, A.B. Data utilized flags that were applied only to specific transactions within a Claim. For example, if a Claimant submitted a Claim with supporting documentation for all but one purchase transaction, that one transaction would receive a defect flag. The flag indicated that although the transaction was deficient, the Claim was otherwise eligible for payment if other transactions in the Claim calculated to a Recognized Claim according to the Court-approved Plan of Allocation. Thus, even if the deficiency were never cured, the Claim could still be partially accepted. Examples of transaction-specific flags are as follows:

TDOC	Missing or Inadequate Documentation for Specific Transaction
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³ See Settlement Notice ¶ 65 (“The only eligible security under the Plan of Allocation is Facebook Class A common stock (‘Facebook Common Stock’). To be eligible, you must have purchased Facebook Common Stock from May 17, 2012 through and including the close of trading on May 21, 2012 (the ‘Class Period’), whether directly in Facebook’s IPO or in the secondary market. Shares purchased directly in the IPO are considered to have been purchased on May 17, 2012, even if the order for those shares was placed before May 17, 2012.”).

INEL	Ineligible Transaction
TRN	Transfer In/Free Receipt

B. Electronic Claims

13. Of the 486,257 Claims, 443,247 were submitted electronically (“Electronic Claims”). Electronic Claims are typically submitted by institutional investors (“Electronic Claim Filers” or “E-Claim Filers”) who may have hundreds or thousands of transactions during the Class Period. Rather than provide reams of paper requiring data entry, the E-Claim Filers submitting Electronic Claims either mail a computer disc or electronically submit a file to A.B. Data so that A.B. Data can upload all transactions to its proprietary database developed for the Settlement.

14. A.B. Data maintains an Electronic Claim Filing Team (“ECF Team”) to coordinate and supervise the receipt and handling of all Electronic Claims. In this case, the ECF Team reviewed and analyzed each electronic file to ensure that it was formatted in accordance with A.B. Data’s required format and to identify any potential data issues or inconsistencies within the file. If any issues or inconsistencies arose, A.B. Data notified the filer. If the electronic file was deemed to be in an acceptable format, it was then loaded into A.B. Data’s database.

15. Once each electronic file was loaded, the Electronic Claims were flagged to denote any deficient or ineligible conditions that existed within them. These flags are similar to those applied to paper Claims. In lieu of manually applying flags, the ECF Team performed programmatic reviews on Electronic Claims to identify deficient and ineligible conditions (such as, but not limited to, price out-of-range issues, out-of-balance conditions, transactions outside the Class Period, etc.). The output was thoroughly verified and confirmed as accurate.

16. The review process also included flagging any Electronic Claims that were not accompanied by a signed Claim Form, which serves as a “Master Proof of Claim Form” for all

Claims referenced on the electronic file submitted. This process was reviewed by A.B. Data's ECF Team and, when appropriate, A.B. Data contacted the E-Claim Filers whose submissions were missing information. This ensured that only fully completed Claims, submitted by properly authorized representatives of the Claimants, were considered eligible for payment from the Net Settlement Fund.

17. Finally, at the end of the process, A.B. Data performed various targeted reviews of Electronic Claims. Specifically, A.B. Data used criteria such as the calculated Recognized Claims and other identified criteria to flag and reach out to a number of E-Claim Filers and request that various sample purchases, sales, and holdings selected by A.B. Data be documented by providing confirmation slips or other transaction-specific supporting documentation. These targeted reviews help to ensure that electronic data supplied by Claimants does not contain inaccurate information.

EXCLUDED PERSONS

18. A.B. Data also reviewed all Claims to ensure that they were not submitted by or on behalf of "Excluded Persons" to the extent that the identities of such persons or entities were known to A.B. Data through the list of Defendants and other excluded persons and entities set forth in the Stipulation and the Settlement Notice and from the Claimants' certifications on the Claim Forms. A.B. Data also reviewed all Claims against the list of persons who were excluded from the Class pursuant to request.

THE DEFICIENCY PROCESS

A. Paper Claims

19. Approximately 58% of the paper Claims, i.e., 24,946 of the 43,010 paper Claims, were incomplete or had one or more defects or conditions of ineligibility, such as the Claim not being signed, not being properly documented, or indicating no eligible transactions in Facebook common stock during the Class Period. The "Deficiency Process," which primarily involved

mailing letters to Claimants and responding to communications from Claimants by email and/or telephone, was intended to assist Claimants in properly completing their otherwise deficient submissions so that they could be eligible to participate in the Settlement.

20. For the paper Claims that were determined to be defective, letters were sent to the Claimants describing the defect(s) in these Claims and what, if anything, was necessary to cure the defect(s) in these Claims (the “Deficiency Letter”). The Deficiency Letter advised Claimants that submission of appropriate information and/or documentary evidence to complete the Claim had to be sent within twenty (20) days from the date of the Deficiency Letter, or the Claim would be recommended for rejection to the extent that the deficiency or condition of ineligibility was not cured. The Deficiency Letter also advised Claimants that if they did not agree with A.B. Data’s administrative determination(s) with respect to their Claim, they could request Court review of their Claim by submitting a written statement to A.B. Data requesting Court review of their Claim and setting forth the basis for such request. A.B. Data sent a total of 24,946 Deficiency Letters to Claimants who filed paper Claims that A.B. Data determined to be defective. Attached hereto as Exhibit A is a sample Deficiency Letter.

21. Claimants’ responses to Deficiency Letters were scanned into A.B. Data’s database and associated with the corresponding Claims. The responses were then carefully reviewed and evaluated by A.B. Data’s team of processors. If a Claimant’s response corrected the defect(s) in a Claim, A.B. Data updated the database manually to reflect the changes in the status of the Claim.

B. Electronic Claims

22. In addition, for Electronic Claims, A.B. Data used the following process to contact the banks, brokers, nominees, and other E-Claim Filers, who submitted their data electronically, to confirm receipt of their submissions and to notify the filers of any deficiencies or Electronic

Claims that were ineligible. These E-Claim Filers were sent an email to the email address included with their Claim Form (“Status Email”) with an attached Excel spreadsheet, which contained detailed information associated with the Claims and indicated which of those Claims within the filing were deficient and/or rejected (“Status Spreadsheet”).

23. The Status Email sent to the email address of record provided with the Claim Form:

- (a) Notified the filer that any Claims with deficiencies not corrected within twenty (20) days from the date of the Status Email may be rejected;
- (b) Advised the filer of the right to contest the rejection of the Claim(s) and request this Court’s review of A.B. Data’s administrative determination within twenty (20) days from the date of the Status Email; and
- (c) Provided instructions for how to submit corrections.

24. The Status Spreadsheet attached to the Status Email contained the following information:

- (a) A listing of all Claims associated with the filing and their unique identification numbers;
- (b) Identification of individual Claims that were found to be deficient or ineligible;
- (c) The current status of each Claim in A.B. Data’s database; and
- (d) The current Recognized Claim calculation associated with each Claim.

25. A.B. Data has mailed a Status Email and Status Spreadsheet to 496 E-Claim Filers. Samples of the Status Email and the Status Spreadsheet are attached hereto as Exhibit B and Exhibit C, respectively.

26. The E-Claim Filers' responses were reviewed by A.B. Data's ECF Team, scanned and/or loaded into A.B. Data's database, and associated with the corresponding Electronic Claims. If a response corrected the defect(s) or affected an Electronic Claim's status, A.B. Data manually and/or programmatically updated the database to reflect such change in status of the Electronic Claim.

DISPUTED CLAIMS

27. As noted above, Claimants were advised of their right to contest A.B. Data's administrative determination of deficiencies or ineligibility within twenty (20) days from the date of notification and that they could request that the dispute be submitted to the Court for review. More specifically, Claimants were advised in the Deficiency Letter or Status Email that if they disputed A.B. Data's determination, they had to provide a statement of the grounds for contesting the determination, along with supporting documentation, and if the dispute concerning the Claim could not otherwise be resolved, Lead Counsel would thereafter present the request for review to the Court for a final determination.

28. A total of 389 Claimants contested A.B. Data's administrative determinations and requested review by the Court. To resolve the disputes without necessitating the Court's intervention, A.B. Data contacted all persons requesting Court review and, with respect to those Claimants who were reached, A.B. Data answered all their questions, fully explained A.B. Data's determination of the Claim's status, and facilitated the submission of missing information or documentation where applicable. As a result of these efforts, 331 requests for Court review have either been cured or the request for Court review has been retracted.

29. Of the 389 Claimants that had contested A.B. Data's determination to reject their Claims, only 58 Claimants (each a "Disputing Claimant") have outstanding requests for Court review (each a "Disputed Claim"). Exhibit D attached hereto (the "Disputed Claims Chart") lists

Disputed Claims 1-58, along with the reason for rejection, a detailed explanation,⁴ and the transactional history of each Disputed Claim, which are categorized as follows:

Disputed Claims Chart See Exhibit D	Disputed Claims Category	Number of Claims
Section I: A	No Recognized Claim – All shares held as of February 23, 2018, for a Recognized Gain. ⁵	39
Section I: B	No Recognized Claim – All shares sold for a loss prior to the close of trading on May 18, 2012. ⁶	1
Section I: C	No Recognized Claim – All shares purchased during the Class Period were sold for a Recognized Gain. ⁷	13
Section I: D	No Recognized Claim – All shares were sold or held for a Net Recognized Loss of zero. ⁸	4
Section II: E	No Recognized Claim – Claimant did not provide the	1

⁴ Disputing Claimants’ supporting documentation (i.e., Claim Form, documentation of transactions in Facebook common stock, Notice of Rejection, correspondence with the Claims Administrator) is not included in Exhibit D given the volume of the materials but is available upon request.

⁵ See Plan of Allocation in Settlement Notice ¶ 67(E) (“For each share of Facebook Common Stock purchased or otherwise acquired from May 17, 2012 through and including the close of trading on May 21, 2012, and: [] E. Still held as of the close of trading on February 23, 2018, a Recognized Gain Amount shall be calculated which shall be \$183.29, the closing price of Facebook Common Stock on February 23, 2018, minus the purchase/acquisition price.”)

⁶ See *id.* ¶ 67(A) (“For each share of Facebook Common Stock purchased or otherwise acquired from May 17, 2012 through and including the close of trading on May 21, 2012, and: A. Sold at a loss prior to the close of trading on May 18, 2012, the Recognized Loss Amount shall be zero.”). Pursuant to the Plan of Allocation, “there is no recovery for shares sold before the close of trading on May 18, 2012, because the first public disclosure of information that was alleged to have revealed that statements in Facebook’s IPO offering materials were false and misleading, causing the price to drop, did not occur until after the close of trading on May 18, 2012.” See *id.* ¶ 64.

⁷ See *id.* ¶ 67(D) (“For each share of Facebook Common Stock purchased or otherwise acquired from May 17, 2012 through and including the close of trading on May 21, 2012, and: [] D. Sold for a gain at any time prior to the close of trading on February 23, 2018, a Recognized Gain Amount shall be calculated which shall be the sale price minus the purchase/acquisition price.”)

⁸ See *id.* ¶ 67(D-E) (“For each share of Facebook Common Stock purchased or otherwise acquired from May 17, 2012 through and including the close of trading on May 21, 2012, and: [] D. Sold for a gain at any time prior to the close of trading on February 23, 2018, a Recognized Gain Amount shall be calculated which shall be the sale price minus the purchase/acquisition price. E. Still held as of the close of trading on February 23, 2018, a Recognized Gain Amount shall be calculated which shall be \$183.29, the closing price of Facebook Common Stock on February 23, 2018, minus the purchase/acquisition price.”)

	final disposition of shares purchased during the Class Period.	
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30. A.B. Data recommends the rejection of Disputed Claims 1-58 because none of the Disputed Claims calculate to a Net Recognized Loss pursuant to the Plan of Allocation and, therefore, none of the Disputing Claimants are eligible to receive a distribution from the Net Settlement Fund.

LATE BUT OTHERWISE ELIGIBLE CLAIMS

31. 62,838 Claims were received or postmarked after the July 24, 2018 Claim submission deadline established by the Court. A.B. Data processed all late Claims received through January 2, 2021, and 5,028 have been found to be otherwise eligible in whole or in part (the “Late But Otherwise Eligible Claims”). A.B. Data has not rejected any Claim received through January 2, 2021, solely based on its late submission, and A.B. Data believes no delay has resulted from the acceptance of these Late But Otherwise Eligible Claims. To the extent they are eligible but for the fact that they were late, they are recommended for payment.

32. However, there must be a final cut-off date after which no more Claims will be accepted so that there may be a proportional allocation of the Net Settlement Fund and the distribution may be accomplished. Acceptance of additional Claims or responses to notices of deficiency received during the finalization of the administration and the preparation of this declaration would necessarily require a delay in the distribution. Accordingly, A.B. Data also respectfully requests that this Court order that no Claim received after January 2, 2021, or previously submitted Claim cured or adjusted within the thirty (30) days prior to the initial distribution or after the initial distribution, be eligible for payment for any reason whatsoever subject only to the provision of paragraph 41(f) of the proposed distribution plan discussed below. If the Court adopts the proposed distribution plan, then, after Lead Counsel have determined that

further distributions are not cost-effective and before any contribution of the residual funds to charity, if sufficient funds remain to warrant the processing of Claims received after January 2, 2021, these Claims will be processed and, if any would have been eligible if timely received, these Claimants may be paid the distribution amounts on a *pro rata* basis that would bring them into parity with other Authorized Claimants who have cashed all their prior distribution checks to the extent permitted by the amount of remaining funds. *See* ¶ 41(f) below. With respect to previously submitted Claims that are cured or adjusted within the thirty (30) days prior to the initial distribution or after the initial distribution, such Claims will be reevaluated upon receipt of the adjustment and, to the extent that they are found eligible for a distribution or additional distribution, they will be treated in the same manner as Claims received after January 2, 2021. However, should an adjustment be received that results in a lower Recognized Claim amount, that adjustment will be made, and the Recognized Claim amount will be reduced accordingly prior to a distribution to that Claimant.

QUALITY ASSURANCE

33. An integral part of the claims administration process is the Quality Assurance review. Throughout the administration process, A.B. Data's Quality Assurance Department worked to verify that Claims were processed properly by ensuring that information was entered correctly into the database, deficiency and/or rejection flags were assigned accurately, and deficiency and/or rejection notification was sent appropriately. After all Claims were processed, Deficiency Letters and/or Status Emails were sent, and Claimants' responses to the Deficiency Letters and/or Status Emails were reviewed and processed, the supervisors and managers in A.B. Data's Quality Assurance Department performed additional Quality Assurance reviews. These final Quality Assurance reviews further ensured the correctness and completeness of all Claims

processed prior to preparing this declaration and all A.B. Data's final documents in support of distribution of the Net Settlement Fund. As part of the Quality Assurance reviews, A.B. Data:

- (a) Verified that all Claim Forms had signatures of authorized individuals;
- (b) Verified that true duplicate Claims were identified, verified, and rejected;
- (c) Verified that Tax Identification Numbers were provided;
- (d) Verified that if persons and entities excluded from the Class filed Claims, their Claims were rejected upon review;
- (e) Performed a final Quality Assurance audit of Claims and all supporting documentation to ensure completeness of Claims;
- (f) Determined that all Claimants requiring Deficiency Letters and/or Status Emails were sent such notification;
- (g) Performed an audit of deficient Claims;
- (h) Performed additional review of Claims with high Recognized Claim amounts;
- (i) Audited Claims that were designated ineligible;
- (j) Audited Claims with a Recognized Claim amount equal to zero;
- (k) Performed other auditing based on Claim completion requirements and the calculation specifications in the Court-approved Plan of Allocation; and
- (l) Re-tested the accuracy of the Recognized Claim amount calculation program.

34. As part of its due diligence in processing the Claims, A.B. Data conducted a Questionable Claim Filer search of all Claims submitted in connection with the Settlement as follows: A.B. Data maintains a database of known questionable filers. This Questionable Claim

Filer Database contains names, addresses, and aliases of individuals or entities that have been investigated by government agencies for questionable claim filing, as well as names and contact information compiled from previous settlements administered by A.B. Data in which fraudulent claims were received. A.B. Data updates this Questionable Claim Filer Database on a regular basis. The Settlement database was searched for all individuals identified in the Questionable Claim Filer Database. A.B. Data performs searches based on names, aliases, addresses, and city/zip codes. In addition, A.B. Data's claim processors are trained to identify any potentially inauthentic documentation when processing claims, including claims submitted by Claimants not previously captured in the Questionable Claim Filer Database. Processors are instructed to flag any questionable Claims and escalate them to management for review. Two (2) Claims were identified as questionable for this Settlement. These two questionable Claims were subject to internal audit for further investigation and determination as to eligibility and rejected following further review.

RECOMMENDATIONS FOR APPROVAL AND REJECTION

35. As noted above, the number of Claims submitted for consideration in this motion is 486,257.

Timely and Valid Claims

36. A total of 423,419 Claims were received or postmarked on or before the Court-approved Claim submission deadline of July 24, 2018, of which 23,766 were determined by A.B. Data to be eligible and are recommended for approval ("Timely Eligible Claims"). The total Recognized Claim amount for these Claims is \$229,333,580.85. This amount is subject to change as A.B. Data will continue to process responses to Deficiency Letters and Status Emails up until thirty (30) days prior to the initial distribution of the Net Settlement Fund. If a Claimant whose Claim was received or postmarked on or before the Court-approved Claim submission deadline

has not cured the deficiency or condition of ineligibility by the 30-day period, the Claim will remain rejected to the extent that the deficiency or condition of ineligibility was not cured.

Late But Otherwise Eligible Claims

37. A total of 62,838 Claims were received or postmarked after July 24, 2018, the Court-approved Claim submission deadline, but received before January 2, 2021. Of those 62,838 Claims, 5,028 Claims were determined by A.B. Data to be otherwise eligible and are recommended for approval (“Late But Otherwise Eligible Claims”). The total Recognized Claim amount for these Late But Otherwise Eligible Claims is \$56,105,692.88. This amount is subject to change as A.B. Data will continue to process responses to Deficiency Letters and Status Emails up until thirty (30) days prior to the initial distribution of the Net Settlement Fund. If a Claimant with a late Claim received before January 2, 2021, has not cured the deficiency or condition of ineligibility by the 30-day period, the Claim will remain rejected to the extent that the deficiency or condition of ineligibility was not cured.

Rejected Claims

38. After the responses to Deficiency Letters and Status Emails were processed, a total of 457,463 Claims (including the Disputed Claims discussed above) remain recommended for rejection by the Court (“Rejected Claims”) for the following reasons:

- (a) 378,103 Claims (or 82.7%) had no purchase(s) of Facebook common stock during the Class Period;
- (b) 68,098 Claims (or 14.9%) did not result in a Recognized Claim;
- (c) 2 Claims were identified as questionable;
- (d) 489 Claims were submitted on behalf of an individual or entity excluded from the Class;

- (e) 90 Claims were withdrawn by the filer;
- (f) 10,667 Claims were duplicates or replaced; and
- (g) 14 Claims had uncured conditions of ineligibility.

Lists of All Claims

39. Attached hereto as Exhibits E through G are listings of all the Claims:
- (a) Exhibit E lists the Timely Eligible Claims and shows each Claimant's Recognized Claim;
 - (b) Exhibit F lists the Late But Otherwise Eligible Claims and shows each Claimant's Recognized Claim; and
 - (c) Exhibit G lists the Rejected Claims and the reasons for rejection.

FEES AND DISBURSEMENTS

40. A.B. Data agreed to be the Claims Administrator in exchange for payment of its fees and expenses. Lead Counsel received reports on and invoices for the work A.B. Data performed with respect to the provision of notice and administration of the Settlement. Because of the appeal of the Court's approval of the Settlement, which prevented the Settlement from becoming effective, A.B. Data has not received any payment for its fees and expenses in connection with the Settlement and is still owed some fees and expenses related to the notice of the pendency of the Action. Attached hereto as Exhibit H are copies of A.B. Data's outstanding invoices for its work performed on behalf of the Class, as well as an estimate for the work that will be performed and the costs that will be incurred in connection with the initial distribution of the Net Settlement Fund.⁹ As set forth in these invoices, A.B. Data's unpaid fees and expenses for its

⁹ Should the estimate of fees and expenses to conduct an initial distribution of the Net Settlement Fund exceed the actual cost to conduct the distribution, the excess will be returned to the Net Settlement Fund and will be available for subsequent distribution to Authorized Claimants.

work performed through February 24, 2021, total \$3,527,228.73,¹⁰ and the fees and expenses estimated to be performed on behalf of the Class in connection with the initial distribution are \$113,997.46.

DISTRIBUTION PLAN FOR THE NET SETTLEMENT FUND

41. Should the Court concur with A.B. Data's determinations concerning the accepted and rejected Claims, including the Late But Otherwise Eligible Claims, A.B. Data recommends the following distribution plan (the "Distribution Plan"):

(a) A.B. Data will distribute approximately 95% of the Net Settlement Fund (the "Initial Distribution"), after deducting all payments approved by the Court, and after payment of any estimated taxes, the costs of preparing appropriate tax returns, and any escrow fees, while maintaining approximately a 5% reserve to address any tax liability and claims administration-related contingencies that may arise.¹¹ Consistent with the Court-approved Plan of Allocation, the Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims, as follows:

(1) If an Authorized Claimant's Recognized Claim under the Plan of Allocation is less than \$10.00, no distribution will be made to that Authorized Claimant.

(2) A "Distribution Amount" will be calculated for all other Authorized Claimants, which shall be the Authorized Claimant's Recognized Claim divided by

¹⁰ The unpaid fees and expenses include an unpaid balance of \$10,301.36 incurred during A.B. Data's mailing of the notice of the pendency of the Action.

¹¹ To the extent the Reserve is not depleted, the remainder will be distributed in a second distribution described in subparagraph 41(d).

the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

(3) If an Authorized Claimant's Distribution Amount calculated under subparagraph (2) above calculates to less than \$100.00, the Distribution Amount for that Authorized Claimant shall be set at the lesser of (i) the Authorized Claimant's full Recognized Claim, or (ii) \$100.00. These Authorized Claimants shall be referred to as "Paid-in-Full Claimants" and will not be eligible for payment in any subsequent distributions, as described in subparagraph (d) below.

(4) After the adjustments to Distribution Amounts required by subparagraph (3) are made, the Distribution Amounts for all Authorized Claimants not included in subparagraphs (1) or (3) above will be recalculated under subparagraph (2) after deducting the Distribution Amounts paid to Paid-in-Full Claimants and based on 95% of the remaining amount available in the Net Settlement Fund. The remaining 5% of the Net Settlement Fund will be held in reserve (the "Reserve") to address any tax liability and administration-related contingencies that may arise.

(b) To encourage Authorized Claimants to deposit their payments promptly, all distribution checks will bear a notation: "CASH PROMPTLY. VOID AND SUBJECT TO REDISTRIBUTION IF NOT CASHED BY [DATE 120 DAYS AFTER ISSUE DATE]."¹²

¹² For Authorized Claimants whose checks are returned as undeliverable, A.B. Data will endeavor to locate new addresses by running the undeliverable addresses through address-lookup services. Where a new address is located, A.B. Data will update the database accordingly and reissue a distribution check to the Authorized Claimant at the new address. In the event an Authorized

(c) Authorized Claimants who do not cash their Initial Distribution checks within the time allotted or on the conditions set forth in footnote 12 will irrevocably forfeit all recovery from the Settlement. The funds allocated to all such stale-dated checks will be available to be redistributed to other Authorized Claimants in the second distribution. Similarly, Authorized Claimants who do not cash their second or subsequent distribution checks (should such distributions occur) within the time allotted or on the conditions set forth in footnote 12 will irrevocably forfeit any further recovery from the Net Settlement Fund.

(d) Consistent with the Court-approved Plan of Allocation, after A.B. Data has made reasonable and diligent efforts to have Authorized Claimants cash their Initial Distribution checks, which efforts shall consist of the follow-up efforts described in footnote 12, but not earlier than six (6) months after the Initial Distribution, A.B. Data will, after consulting with Lead Counsel, conduct a second distribution of the Net Settlement Fund (the “Second Distribution”). Any amounts remaining in the Net Settlement Fund after the Initial Distribution (including the amount remaining in the Reserve and the funds

Claimant loses or damages a distribution check or otherwise requires reissuance of a new distribution check, A.B. Data will issue replacements. Distribution reissues will be undertaken only upon written instructions from the Authorized Claimant, provided that the Authorized Claimant returns the previous check where appropriate. For all checks, A.B. Data will void the initial payment prior to reissuing a payment. In order not to delay further distributions to Authorized Claimants who have timely cashed their checks, A.B. Data’s outreach program, described in the preceding sentences, shall end thirty (30) days after the initial void date. Authorized Claimants will be informed that, if they do not cash their Initial Distribution checks within 120 days of the mail date, or they do not cash check reissues within thirty (30) days of the mailing of such reissued check, their check will lapse, their entitlement to recovery will be irrevocably forfeited, and the funds will be reallocated to other Authorized Claimants. Reissue requests for lost or damaged checks will be granted after the void date on the checks as long as the request for the reissue is received no later than forty-five (45) days prior to the next planned distribution. Requests for reissued checks in connection with any subsequent distributions (should such distributions occur) will be handled in the same manner.

allocated for all void stale-dated checks), after deducting A.B. Data's unpaid fees and expenses incurred in connection with administering the Settlement (including A.B. Data's estimated costs of the Second Distribution), and after deducting the payment of any estimated taxes, the costs of preparing appropriate tax returns, and any escrow fees, will be distributed to all Authorized Claimants (other than Paid-in-Full Claimants) who cashed their Initial Distribution check, and who would receive at least \$10.00 from such distribution. Additional distributions, after deduction of costs and expenses as described above and subject to the same conditions, may occur thereafter in six-month intervals until Lead Counsel, in consultation with A.B. Data, determine that further distribution is not cost-effective.

(e) When Lead Counsel, in consultation with A.B. Data, determine that further distribution of the funds remaining in the Net Settlement Fund is not cost-effective, if sufficient funds remain to warrant the processing of Claims received after January 2, 2021, those Claims will be processed, and any otherwise valid Claims received after January 2, 2021, as well as any earlier-received Claims for which an adjustment was received within the thirty (30) days prior to the initial distribution or after the initial distribution and which resulted in an increased Recognized Claim, will be paid in accordance with subparagraph (f) below. If any funds remain in the Net Settlement Fund after payment of these late or late-adjusted Claims, the remaining balance of the Net Settlement Fund, after payment of any unpaid fees or expenses incurred in administering the Net Settlement Fund and after the payment of any estimated taxes, the costs of preparing appropriate tax returns, and any escrow fees, will be contributed to the National Consumer Law Center ("NCLC"), a non-

sectarian, not-for-profit 501(c)(3) organization.¹³

(f) No new Claims may be accepted after January 2, 2021, and no further adjustments to Claims received on or before January 2, 2021, that would result in an increased Recognized Claim may be made within the thirty (30) days prior to the Initial Distribution or after the Initial Distribution, subject to the following exception. If Claims are received or modified that would have been eligible for payment or additional payment under the Plan of Allocation if timely received, then, at the time that Lead Counsel, in consultation with A.B. Data, determine that a redistribution is not cost-effective as provided in subparagraph (e) above, and after payment of any unpaid fees or expenses incurred in connection with administering the Net Settlement Fund and after deducting the payment of any estimated taxes, the costs of preparing appropriate tax returns, and any escrow fees, such Claimants, at the discretion of Lead Counsel, may be paid the distribution amounts or additional distribution amounts on a *pro rata* basis that would bring them into parity with other Authorized Claimants who have cashed all their prior distribution checks to the extent possible.

(g) Unless otherwise ordered by the Court, A.B. Data may destroy the paper copies of the Claims and all supporting documentation one (1) year after the Second Distribution, and one (1) year after all funds have been distributed A.B. Data may destroy the electronic copies of the same.

CONCLUSION

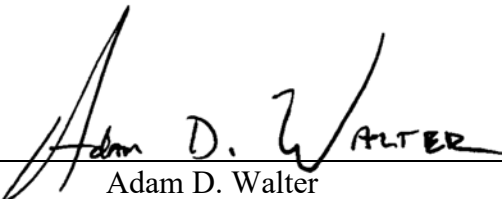
42. A.B. Data respectfully requests that the Court enter an Order approving its administrative determinations accepting and rejecting the Claims submitted herein and approving

¹³ See Settlement Notice ¶ 75.

the proposed Distribution Plan. A.B. Data further respectfully submits that its unpaid fees and expenses, as reflected on the invoices attached hereto as Exhibit H, should be approved for payment from the Settlement Fund.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge.

Executed this 18th day of March 2021.


Adam D. Walter