

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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IN RE VIRTUS INVESTMENT  
PARTNERS, INC. SECURITIES LITIGATION

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Case No. 15-cv-1249 (WHP)

**ORDER APPROVING SETTLEMENT DISTRIBUTION PLAN**

Lead Plaintiff has moved this Court for an order approving a distribution plan for the Net Settlement Fund in the above-captioned class action (the “Action”). Having reviewed and considered all the materials and arguments submitted in support of the motion, including the Memorandum in Support of Lead Plaintiff’s Motion for Approval of Settlement Distribution Plan and the Declaration of Stephanie Amin-Giwner in Support of Lead Plaintiff’s Motion for Approval of Distribution Plan (the “Amin-Giwner Declaration”),

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. This Order incorporates by reference the definitions in the Stipulation and Agreement of Settlement, dated May 18, 2018 (ECF No. 143-1) (the “Stipulation”), and the Amin-Giwner Declaration, and all terms used in this Order shall have the same meanings as defined in the Stipulation or in the Amin-Giwner Declaration.
2. This Court has jurisdiction over the subject matter of the Action and over all parties to the Action, including all Class Members.
3. Lead Plaintiff’s plan for distribution of the Net Settlement Fund to Authorized Claimants is **APPROVED**. Accordingly, *inter alia*:

(a) The administrative recommendations of the Court-approved Claims Administrator, Garden City Group, LLC (“GCG”) (n/k/a Epiq Class Action & Claims Solutions, Inc.), to accept the Timely Eligible Claims stated in Exhibit D to the Amin-Giwner Declaration and the Late But Otherwise Eligible Claims stated in Exhibit E to the Amin-Giwner Declaration, are adopted;

(b) The Claims Administrator’s administrative recommendations to reject wholly ineligible Claims, as stated in Exhibit F to the Amin-Giwner Declaration, are adopted;

(c) GCG is directed to distribute 100% of the Net Settlement Fund, after deducting all payments previously allowed and the payments approved by this Order, and after deducting the payment of any estimated taxes, the costs of preparing appropriate tax returns, and any escrow fees, to Authorized Claimants who would receive at least \$10.00 based on their Recognized Claim in comparison to the total Recognized Claims of all Authorized Claimants, as further detailed in paragraph 40(a) of the Amin-Giwner Declaration (the “Initial Distribution”). GCG shall notify Authorized Claimants who do not satisfy the \$10.00 *de minimis* requirement that they will not be receiving any distribution from the proceeds of the Settlement;

(d) In order to encourage Authorized Claimants to promptly deposit their payments, all distribution checks will bear the following notation: “CASH PROMPTLY. VOID AND SUBJECT TO REDISTRIBUTION IF NOT CASHED BY [DATE 90 DAYS AFTER ISSUE DATE]”;

(e) Authorized Claimants who do not cash their Initial Distribution checks within the time allotted or on the conditions stated in paragraph 40(b) footnote 4 of the Amin-Giwner Declaration will irrevocably forfeit all recovery from the Settlement, and the funds

allocated to all stale-dated checks will be available to be distributed to other Authorized Claimants, if Co-Lead Counsel, in consultation with GCG, determine that it is cost-effective to conduct a second distribution. Similarly, Authorized Claimants who do not cash their second or subsequent distributions (should such distributions occur) within the time allotted or on the conditions stated in paragraph 40(b) footnote 4 of the Amin-Giwner Declaration will irrevocably forfeit any further recovery from the Net Settlement Fund;

(f) After GCG has made reasonable and diligent efforts to have Authorized Claimants cash their Initial Distribution checks (as provided in paragraph 40(b) footnote 4 of the Amin-Giwner Declaration), but not earlier than nine (9) months after the Initial Distribution, GCG will, if Co-Lead Counsel, in consultation with GCG, determine that it is cost-effective to do so, conduct a second distribution (the “Second Distribution”), in which any amount remaining in the Net Settlement Fund after the Initial Distribution, after deducting GCG’s fees and expenses incurred in administering the Settlement for which it has not yet been paid (including GCG’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 in the Initial Distribution who cashed their Initial Distribution check and are entitled to receive at least \$10.00 from the Second Distribution based on their *pro rata* share of the remaining funds. 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 Co-Lead Counsel, in consultation with GCG, determine that further distribution is not cost-effective;

(g) At such time as Co-Lead Counsel, in consultation with GCG, 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 February 26, 2019, such Claims will be processed, and any such Claims that are otherwise valid, as well as any previously received Claims for which an adjustment was received after the submission of Lead Plaintiff's motion that resulted in an increased Recognized Claim, will be paid in accordance with subparagraph (h) below. If any funds remain in the Net Settlement Fund after payment of such late or late-adjusted Claims, the remaining balance of the Net Settlement Fund, after payment of any unpaid fees or expenses incurred in connection with 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 non-sectarian, not-for-profit 501(c)(3) organization(s), to be recommended by Co-Lead Counsel and approved by the Court; and

(h) No new Claims may be accepted after February 26, 2019, and no further adjustments to previously received Claims that would result in an increased Recognized Claim amount may be made, 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 Co-Lead Counsel, in consultation with GCG, determine that a redistribution is not cost-effective as provided in subparagraph (g) 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 Co-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.

4. All persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the Claims submitted, or who are otherwise involved in the administration or taxation of the Settlement Fund, are hereby released and discharged from any and all claims arising out of that involvement, and all Class Members and other Claimants, whether or not they receive payment from the Net Settlement Fund, are hereby barred from making any further claims against the Net Settlement Fund, Lead Plaintiff, Co-Lead Counsel, the Claims Administrator, the Escrow Agent or any other agent retained by Lead Plaintiff or Co-Lead Counsel in connection with the administration or taxation of the Settlement Fund, or any other person released under the Settlement, beyond the amounts allocated to Authorized Claimants.

5. The Court has previously authorized the payment of GCG's invoices through November 30, 2018. The remainder of GCG's fees and expenses incurred in the administration of the Settlement and estimated to be incurred in connection with the Initial Distribution of the Net Settlement Fund, as stated in the outstanding invoices attached as Exhibit G to the Amin-Giwner Declaration, are hereby approved. The Court hereby authorizes the deduction of \$143,697.44 out of the Settlement Fund held in the Court's CRIS account. Payment of this amount shall be made by check payable to "Epiq Class Action & Claims Solutions, Inc.," which shall be mailed to: Michael H. Rogers, Esq., Labaton Sucharow LLP, 140 Broadway, New York, NY 10005 for prompt forwarding to the Claims Administrator.

6. Pursuant to this Court's Memorandum & Order dated December 4, 2018, (ECF No. 162), Co-Lead Counsel were awarded attorneys' fees in the amount of \$5.5 million, payable from the CRIS account once 75% of the Net Settlement Fund has been distributed. The Court also

awarded litigation expenses and a Lead Plaintiff award in the amount of \$904,146.69, which have already been disbursed to Co-Lead Counsel. (ECF No. 167.) The Court now wishes to approve a distribution to Authorized Claimants. Accordingly, the Court hereby authorizes that the balance of the Settlement Fund remaining in the CRIS account (after the payment to the Claims Administrator pursuant to paragraph 5 above and a hold-back of the \$5.5 million fee award), including any accrued interest and less a fee equal to the lesser of (i) 10% of the income earned on the money in the Settlement Fund or (ii) the fee authorized by the Judicial Conference of the United States as currently set by the Director of the Administrative Office (the “Distributable Amount”), shall be deducted from the CRIS account. Payment of the Distributable Amount shall be made by check payable to “Virtus Securities Litigation Settlement Fund,” which shall be mailed to: Michael H. Rogers, Esq., Labaton Sucharow LLP, 140 Broadway, New York, NY 10005 for prompt forwarding to the Claims Administrator for distribution.

7. Unless otherwise ordered by the Court, one year after the Second Distribution, if that occurs, or, if there is no Second Distribution, two years after the Initial Distribution, GCG may destroy the paper copies of the Claim Forms and all supporting documentation, and one year after all funds have been distributed, GCG may destroy electronic copies of the same.

8. This Court retains jurisdiction to consider any further applications concerning the administration of the Settlement, and any other and further relief that this Court deems appropriate.

SO ORDERED this 1 day of October 2019.

SO ORDERED:

  
WILLIAM H. PAULEY III  
U.S.D.J.