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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

STEVEN LEVENTHAL, Individually and
on Behalf of All Others Similarly Situated,

Plaintiff,

vs.

CHEGG, INC., DANIEL L.
ROSENSWEIG, ANDREW J. BROWN,
and NATHAN SCHULTZ,

Defendants.

Case No.: 5:21-cv-09953-PCP

**LEAD PLAINTIFFS' UNOPPOSED
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT AND
MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT
THEREOF**

Hearing Date: December 19, 2024

Time: 10:00 a.m.

Dept: Courtroom 8

Judge: Hon. P. Casey Pitts

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1 **LEAD PLAINTIFFS’ UNOPPOSED MOTION FOR PRELIMINARY APPROVAL OF**
2 **CLASS ACTION SETTLEMENT**

3 **TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

4 **PLEASE TAKE NOTICE**, that on December 19, 2024, at 10:00 a.m., before the
5 Honorable P. Casey Pitts, at the United States District Court for the Northern District of California,
6 Courtroom 8, 4th Floor, 280 South First Street, San Jose, CA 95113, Lead Plaintiffs Pompano
7 Beach Police and Firefighters’ Retirement System and KBC Asset Management NV (together,
8 “Lead Plaintiffs”) will and hereby do respectfully move this Court, under Rule 23(e)(1) of the
9 Federal Rules of Civil Procedure, for entry of an order: (i) preliminarily approving the proposed
10 \$55 million cash Settlement of this Action; (ii) approving the form and manner of notice of the
11 proposed Settlement to the Settlement Class; (iii) appointing A.B. Data Ltd. (“A.B. Data”) as the
12 Claims Administrator for the Settlement; (iv) provisionally certifying a settlement class; and (v)
13 scheduling a hearing to consider final approval of the Settlement and approval of the Plan of
14 Allocation, and Lead Counsel’s motion for attorneys’ fees and litigation expenses.

15 This motion is supported by the Stipulation and Agreement of Settlement dated November
16 5, 2024 (the “Stipulation” or “Stip.”)¹ and its exhibits, attached to the Declaration of David R.
17 Kaplan (“Kaplan Decl.”) as Exhibit 1; the accompanying memorandum of law; the Schedule for
18 Settlement-Related Events, Exhibit 5 to the Kaplan Decl.; the Appendix Regarding Court’s
19 Procedural Guidance for Class Action Settlements (“Appendix Re N.D. Cal. Guidance” or
20 “Appendix”), Exhibit 4 to the Kaplan Decl.,² and all other papers and proceedings herein. In
21 accordance with the terms of the Stipulation, Defendants do not oppose the Motion. A proposed
22 Order is submitted herewith.

23 The Parties wish to inform the Court they believe the Motion is appropriate for resolution
24 without a hearing but are pleased to proceed as the Court deems fit.

25 _____
26 ¹ All capitalized terms used herein that are not otherwise defined herein have the meanings ascribed
27 to them in the Stipulation. Unless otherwise noted, all emphasis is added, and all internal citations
28 and quotation marks have been omitted.

² The Appendix identifies preliminary approval criteria under the N.D. Cal. Procedural Guidance
for Class Action Settlements, how the Settlement meets these criteria, and the relevant sections of
the preliminary approval submissions where relevant information can be found.

1 **STATEMENT OF ISSUES TO BE DECIDED**

2 (1) Whether the Court should preliminarily approve the Settlement on the terms set
3 forth in the Stipulation and schedule a Final Approval Hearing to determine whether the Settlement
4 should receive final approval as fair, adequate, and reasonable.

5 (2) Whether the Court should preliminarily certify the Settlement Class pursuant to
6 Rule 23 of the Federal Rules of Civil Procedure for purposes of the Settlement only.

7 (3) Whether the Court should approve the form and content of the Notice, the Postcard
8 Notice and the Summary Notice, the methods for the dissemination of the Notice, the Postcard
9 Notice and the Summary Notice to Settlement Class Members, and the selection of A.B. Data as
10 Claims Administrator.

11 **MEMORANDUM OF POINTS AND AUTHORITIES**

12 **I. INTRODUCTION**

13 Lead Plaintiffs present to the Court for preliminary approval a proposed Settlement, which,
14 in exchange for \$55,000,000 in cash, resolves all claims against Defendants in this securities class
15 action. The proposed Settlement is the result of nearly three years of litigation and extensive
16 negotiation, including a full day of formal mediation facilitated by a former federal judge and
17 highly experienced mediator of complex securities litigation, the Hon. Layn Phillips (Fmr.). The
18 terms of the Settlement are set forth in the Stipulation. As discussed below, the \$55 million all-
19 cash, non-reversionary settlement represents an excellent result for the Settlement Class, as it
20 secures a substantial and immediate monetary recovery well within (or above) that of similar
21 securities class action settlements, in the face of significant legal risks and practical
22 considerations—including the risk of a significantly lower recovery, or no recovery at all, had this
23 case been prosecuted any further.

24 The recovery was possible only after Lead Plaintiffs and Lead Counsel engaged in
25 extensive litigation efforts, including: (i) thoroughly evaluating their claims and Defendants’
26 defenses, which included the receipt and review of over 120,000 pages of documents obtained via
27 requests made under FOIA and similar state laws, subpoenas served on over thirty relevant
28 nonparties, and internal Chegg documents; (ii) interviews of numerous former Chegg employees;

1 (iii) interviews of scores of university professors, deans, and other faculty; (iv) the filing of a
2 detailed 126-page Complaint; (v) defeating Defendants’ Motion to Dismiss and Motion for
3 Reconsideration; (vi) consultation with multiple financial and industry experts; (vii) exchanging
4 comprehensive mediation statements with Defendants setting forth the Parties’ positions on highly
5 disputed issues in the case; and (viii) engaging in a full-day mediation session overseen by Judge
6 Phillips, before the Parties accepted his mediator’s recommendation.

7 The Settlement is a particularly excellent result when considering Chegg’s business
8 operations and financial condition, which made a larger recovery improbable and
9 speculative. Plaintiffs also understand that Defendants were prepared to vigorously defend the
10 case on the merits and would have made numerous arguments regarding both liability and damages
11 had the litigation continued. Accordingly, the risk of a smaller recovery—or no recovery at all—
12 is especially salient here, which weighs heavily in favor of settlement approval. Finally, the
13 Settlement represents a significant recovery that falls well within the range courts regularly
14 approve. Indeed, the \$55 million recovery also far exceeds the \$9 million median settlement
15 amount in securities class actions in the Ninth Circuit over the past decade. It also represents
16 nearly all the Company’s available insurance, which may have been rapidly consumed by defense
17 costs and expenses had the Action been further litigated.

18 At this stage, only “a preliminary fairness evaluation” of the proposed Settlement, such
19 that the Settlement Class should be notified of the Settlement, is required. *See Ziegler v. GW*
20 *Pharms., PLC*, 2024 WL 1470532, at *3 (S.D. Cal. Apr. 3, 2024). Lead Plaintiffs respectfully
21 request that the Court enter the Preliminary Approval Order, which will, among other things:

- 22 (i) preliminarily approve the Settlement on the terms set forth in the Stipulation;
- 23 (ii) approve the form and content of the Notice, Postcard Notice, and Summary Notice;
- 24 (iii) find that the procedures for distribution of the Notice and Postcard Notice and
25 publication of the Summary Notice in the manner and form set forth in the
26 Preliminary Approval Order constitute the best notice practicable under the
27 circumstances, and comply with the notice requirements of due process, Rule 23 of
28 the Federal Rules of Civil Procedure, and the Private Securities Litigation Reform
Act of 1995 (“PSLRA”);
- (iv) set a schedule and procedures for: (1) disseminating the Postcard Notice and Notice
and publication of the Summary Notice; (2) requesting exclusion from the

1 Settlement Class; (3) objecting to the Settlement, the Plan of Allocation, Lead
2 Counsel's application for an award of attorneys' fees and reimbursement of
3 litigation expenses, or Lead Plaintiffs' representative reimbursement; (4)
4 submitting papers in support of final approval of the Settlement; and (5) the Final
5 Approval Hearing; and

6 (v) certify the Settlement Class.

7 **II. FACTUAL AND PROCEDURAL HISTORY OF THE LITIGATION**

8 The Action was initiated on December 22, 2021. On September 7, 2022, the Court
9 appointed Pompano Beach Police and Firefighters' Retirement System ("Pompano P&F") and
10 KBC Asset Management NV ("KBC") as Lead Plaintiffs and Motley Rice LLC ("Motley Rice")
11 and Saxena White P.A. ("Saxena White") as Lead Counsel. ECF No. 105.

12 On December 8, 2022, Lead Plaintiffs filed the 126-page Consolidated Complaint,
13 asserting claims under Sections 10(b), 20(a) and 20A of the Exchange Act and Rule 10b-5
14 promulgated thereunder, for a class period of May 5, 2020, and November 1, 2021, inclusive (the
15 "Settlement Class Period" or "Class Period"). ECF No. 115. The Consolidated Complaint alleges
16 that throughout the Class Period, Defendants made misrepresentations and omitted material
17 information concerning the source of Chegg's significant growth during the pandemic and the
18 extent to which its platform was used by students to cheat during the period of distance learning
19 caused by the COVID-19 pandemic. The Consolidated Complaint further alleges that when the
20 truth was revealed on November 1, 2021, the price of Chegg common stock fell precipitously.

21 Thereafter, the Parties fully briefed Defendants' Motion to Dismiss (ECF Nos. 122, 128,
22 133), and on December 7, 2023, the Court heard oral argument on this motion. On March 4, 2024,
23 the Court entered an Order denying Defendants' Motion to Dismiss in its entirety. *See Leventhal*
24 *v. Chegg, Inc.*, 2024 WL 924484 (N.D. Cal. Mar. 4, 2024); ECF No. 150.³ Lead Plaintiffs
25 thereafter promptly commenced formal discovery by serving multiple sets of interrogatories,
26 requests for production, and requests for admission on the Company and the Individual

27 ³ On April 22, 2024, Defendants moved for leave to file a motion for reconsideration of the Mo-
28 tion to Dismiss order, or in the alternative, to certify the order for interlocutory appeal (ECF No.
155), which the Court granted. ECF No. 158. Following full briefing (ECF Nos. 160, 163), on
July 17, 2024, the Court denied Defendants' reconsideration motion. *See Leventhal v. Chegg, Inc.*,
2024 WL 3447516 (N.D. Cal. July 17, 2024); ECF No. 172.

1 Defendants, including requests targeting both merits and class certification issues. As part of their
2 extensive discovery efforts, Lead Plaintiffs also served over thirty non-party subpoenas, including
3 to the financial media, securities analysts, dozens of colleges and universities, and Chegg's e-
4 discovery vendor.

5 Lead Plaintiffs' extensive discovery efforts built upon their voluminous existing informal
6 discovery, including extensive internal university documents, the detailed accounts of dozens of
7 percipient witnesses, and the empirical analysis of Chegg's online platform performed by Lead
8 Plaintiffs, which was described with great particularity in the Consolidated Complaint and cited
9 by the Court in denying Defendants' Motion to Dismiss. *See Chegg*, 2024 WL 924484, at *2
10 (collecting sources of substantive factual allegations cited in the Consolidated Complaint,
11 including "documents from universities nationwide," "statements from high-level university
12 officials," "accounts from former Chegg employees," and "an empirical analysis by lead counsel
13 ... finding that approximately 25% of [] questions [submitted to the Chegg's platform] exhibited
14 indicia of cheating").

15 While Lead Plaintiffs' written discovery requests to Defendants remained outstanding, the
16 Parties agreed to engage in mediation informed by expedited discovery targeting the principal
17 issues, individuals, and conduct underlying Lead Plaintiffs' claims. Between July 9, 2024 and
18 August 30, 2024, Defendants produced, and Lead Counsel reviewed, approximately 77,000 pages
19 of documents, including emails produced from the custodial files of the Individual Defendants
20 (among others) and extensive user engagement metrics covering date ranges before, during, and
21 after the Class Period. Meanwhile, Lead Plaintiffs also negotiated with numerous subpoenaed
22 non-parties regarding the scope and pace of their productions, and ultimately obtained and
23 reviewed approximately 47,000 pages of documents from those non-parties. Lead Plaintiffs also
24 provided Defendants with over 1,000 pages of documents produced by universities and colleges
25 in response to FOIA and other public records requests.

26 On August 2, 2024, the Parties filed a Joint Motion for Initial Case Management
27 Conference informing the Court that the Parties had agreed to private mediation. ECF No. 175.
28 On September 26, 2024, following the conclusion of the Parties' private mediation, they filed a

1 Joint Case Management Statement informing the Court that an agreement in principle to settle the
2 Action had been reached. ECF No. 179.

3 **III. SUMMARY OF SETTLEMENT NEGOTIATIONS**

4 On September 26, 2024, the Parties and representatives from Defendants' D&O insurance
5 carriers participated in a full-day, in-person mediation session under the supervision of Judge
6 Phillips of Phillips ADR Enterprises, and two of his colleagues. Each side submitted
7 comprehensive mediation statements setting forth their respective positions on various legal and
8 factual issues and nearly 100 exhibits obtained through pre-mediation discovery. The Parties
9 provided their respective views on liability and damages and engaged in vigorous settlement
10 discussions during the mediation. After a full day of negotiations, the Parties accepted the
11 mediator's proposal to settle the Action for \$55 million, and thereafter immediately notified the
12 Court regarding their agreement in principle to settle the Action. ECF No. 179.

13 **IV. SETTLEMENT TERMS⁴**

14 The Settlement requires Defendants to cause to be paid \$55,000,000 into the Escrow
15 Account, which amount, plus any interest accrued thereon, comprises the Settlement Fund.⁵
16 Notice and Administration Costs will be funded by the Settlement Fund. Lead Plaintiffs propose
17 A.B. Data, a nationally recognized class action settlement administrator, to be retained as Claims
18 Administrator here subject to the Court's approval.⁶ The proposed notice plan and plan for claims
19 processing is discussed below and detailed in the declaration submitted on behalf of A.B. Data
20

21 ⁴ The full terms and conditions of the Settlement are set forth in the Stipulation.

22 ⁵ No monies shall revert to the Defendants or their insurers once the Settlement and Judgment
become Final. *See* Stip. at ¶¶ 2.8, 2.10; Appendix at ¶ 1(g).

23 ⁶ Courts have routinely approved A.B. Data as the claims administrator in securities class action
24 settlements, including throughout the Ninth Circuit and nationwide. *See* A.B. Data Decl. at ¶2;
25 *see also, e.g., Hampton v. Aqua Metals, Inc.*, 2021 WL 4553578, at *11 (N.D. Cal. Oct. 5, 2021)
26 (“The Court finds that A.B. Data has extensive experience implementing notification . . . programs
27 in class actions.”); *In re Qualcomm Inc., Sec. Litig.*, 2024 WL 3209339 (S.D. Cal. June 27, 2024);
28 *Lavigne v. Herbalife LTD*, 18-07480 (C.D. Cal. April 6, 2023) (ECF No. 396) (all appointing A.B.
Data claims administrator for securities class action settlements). Before selecting A.B. Data,
Lead Plaintiffs requested and received proposals from five settlement administration firms. A.B.
Data's submission was determined to be superior after taking into account a variety of factors,
including cost and experience. Lead Counsel have collectively engaged or worked with A.B. Data
in 12 securities class action settlements in the last two years. *See* A.B. Data Decl., ¶3; Appendix
at ¶2 (a).

1 (“A.B. Data Decl.”).

2 The Postcard Notice and Notice state that Lead Counsel will move for final approval of the
3 Settlement and approval of an award of attorneys’ fees in the amount of no more than 25% of the
4 Settlement Amount, as well as reimbursement of litigation expenses not to exceed \$490,000, plus
5 any interest on such amounts at the same rate and for the same period as earned by the Settlement
6 Fund. The Notice further explains that such fees and litigation expenses shall be paid from the
7 Settlement Fund, and that Lead Plaintiffs intend to request an amount not to exceed \$20,000,
8 pursuant to 15 U.S.C. §78u-4(a)(4), in connection with their representation of the Class.

9 Once Notice and Administration Costs, Taxes, Tax Expenses, and Court-approved
10 attorneys’ fees and expenses and any award to the Lead Plaintiffs have been paid from the
11 Settlement Fund, the remaining amount, the Net Settlement Fund, shall be distributed pursuant to
12 the Court-approved Plan of Allocation⁷ (set forth in the Notice) to Authorized Claimants who are
13 entitled to a distribution of at least \$10.⁸ The Plan of Allocation treats all Settlement Class
14 Members equitably based on the timing of their purchases, acquisitions, and sales of Chegg
15 common stock. Any amount remaining following this distribution shall then be redistributed in an
16 economically feasible manner. Any *de minimis* balance that remains after such reallocation(s) and
17 payment(s) that is not feasible or economical to reallocate shall be donated (subject to Court
18 approval) to the Investor Protection Trust (“IPT”), a non-profit dedicated to investor education and
19 support of investor protection efforts that benefit the investing public. *See, e.g., In re Alphabet,*
20

21 ⁷ The proposed Plan of Allocation is comparable to plans of allocation approved in numerous other
22 securities class actions. *See, e.g., Abadilla v. Precigen, Inc.*, 2023 WL 7305053, at *11 (N.D. Cal.
23 Nov. 6, 2023) (finding similar “[p]lan of [a]llocation to be a fair, reasonable, adequate, and
24 equitable method to allocate the [n]et [s]ettlement [f]und” in securities class action); *Wong v. Arlo
25 Techs., Inc.*, 2021 WL 1531171, at *8 (N.D. Cal. Apr. 19, 2021) (approving plan of allocation
26 under which “class members who have submitted a Proof of Claim will have their trade
27 information evaluated against the Class definition and the Plan of Allocation to determine their
28 ‘Recognized Loss’ in order to receive payments on a *pro rata* portion of the Net Settlement Fund”).

⁸ It is standard practice in securities class actions to utilize a \$10 minimum check threshold. *See,*
e.g., Destefano v. Zynga, Inc., 2016 WL 537946, at *4 (N.D. Cal. Feb. 11, 2016) (“[N]o Settlement
Class Member will be issued a check for a Recognized Loss of less than \$10.00 due to the expenses
associated with administering the claims”); *Hefler v. Wells Fargo & Co.*, 2018 WL 4207245, at
*12 (N.D. Cal. Sept. 4, 2018) (“*Wells Fargo I*”) (approving \$10 minimum and noting that
“numerous cases ... have approved similar or higher minimum thresholds”). Lead Plaintiffs
weighed the costs of sending checks and administering these claims in determining the \$10
minimum. *See* A.B. Data Decl. at ¶23 n.6.

1 *Inc. Sec. Litig.*, 2024 WL 4354988, at *3 (N.D. Cal. Sept. 30, 2024); *In re Capstone Turbine Corp.*
2 *Sec. Litig.*, 2020 WL 7889062, at *2 (C.D. Cal. Aug. 26, 2020); *Hefler v. Wells Fargo & Co.*, 2018
3 WL 6619983, at *11 (N.D. Cal. Dec. 18, 2018) (all approving distribution plans for securities class
4 action settlements where IPT was designated as the *cy pres* beneficiary).

5 The Parties have also entered into a Supplemental Agreement, which provides that if, prior
6 to the Final Approval Hearing, Settlement Class Members representing a certain threshold of
7 Chegg common stock purchased or acquired during the Settlement Class Period request exclusion
8 from the Class, Chegg shall have the option to terminate the Settlement.⁹

9 Finally, in exchange for the benefits provided under the Stipulation, Settlement Class
10 Members will release the “Released Plaintiffs’ Claims.” Stip. ¶ 1.40. The release provision in the
11 Stipulation is tailored to the Settlement Class’s claims.¹⁰ Specifically, the release is limited to
12 claims which “arise out of, are based upon, or relate in any way to the factual predicate of the
13 Action, including, but not limited to, (i) any of the allegations, facts, transactions, events, matters,
14 occurrences, acts, disclosures, oral or written statements, representations, omissions, failures to
15 act, filings, publications, disseminations, press releases, or presentations involved, set forth,
16 alleged or referred to in the Action; and (ii) all claims that arise out of, are based upon, or relate in
17 any way to the purchase, acquisition, holding, sale, or disposition of any Chegg securities during
18 the Settlement Class Period.” *See id.* In addition, that release provision does not cover “(i) any
19 claims asserted in the Derivative Actions or any other derivative or ERISA action based on similar
20 allegations as those set forth in the Consolidated Complaint; and (ii) any claims of any person or
21 entity who or which submits a request for exclusion that is accepted by the Court.” *Id.* at ¶1.18.

22
23 ⁹ This type of agreement is standard in securities class actions and does not bear on the fairness of
24 the Settlement. *See, e.g., Wells Fargo I*, 2018 WL 4207245, at *11 (“The existence of a
25 termination option triggered by the number of class members who opt out of the Settlement does
26 not by itself render the Settlement unfair.”); *In re Carrier IQ, Inc. Consumer Privacy Litig.*, 2016
27 WL 4474366, at *5 (N.D. Cal. Aug. 25, 2016) (“opt-out deals are not uncommon as they are
28 designed to ensure than an objector cannot try to hijack a settlement in his or her own self-
interest”).

¹⁰ The proposed release is consistent with release provisions approved by courts in this Circuit.
See, e.g., Hefler v. Wells Fargo & Co., 2018 WL 6619983, at *3 (N.D. Cal. Dec. 18, 2018) (“*Wells*
Fargo II”) (approving similar release language); *Mandalevy v. BofI Holding, Inc.*, 2022 WL
4474263, at *3 (S.D. Cal. Sept. 26, 2022) (same).

V. THE PROPOSED SETTLEMENT MERITS PRELIMINARY APPROVAL

Courts within the Ninth Circuit and around the country recognize that there is a “strong judicial policy that favors settlements, particularly where complex class action litigation is concerned.” *In re BofI Holding, Inc. Sec. Litig.*, 2022 WL 9497235, at *4 (S.D. Cal. Oct. 14, 2022); *Lea v. Tal Educ. Grp.*, 2021 WL 5578665, at *4 (S.D.N.Y. Nov. 30, 2021) (same). “Settlement is the offspring of compromise; the question [that courts] address is not whether the final product could be prettier, smarter or snazzier, but whether it is fair, adequate and free from collusion.” *Wells Fargo I*, 2018 WL 4207245, at *8.

Approval of a proposed class action settlement is a two-step process. *Id.* at *7. First, the Court performs a preliminary review of the terms of the proposed settlement to determine whether to send notice of the proposed settlement to the class; second, after notice and a hearing, the Court determines whether to approve the settlement as “fair, reasonable, and adequate.” Fed. R. Civ. P. 23(e)(2). Pursuant to Rule 23(e)(1), preliminary approval is appropriate where “the parties show[] that the Court will likely be able to: (i) approve the proposal under Rule 23(e)(2); and (ii) certify the class for purposes of judgment on the proposal.”¹¹ Rule 23(e)(2) identifies factors that courts must consider at final approval in determining whether the settlement is “fair, reasonable, and adequate,” including whether:

- (A) the class representatives and class counsel have adequately represented the class;
- (B) the proposal was negotiated at arm’s length;
- (C) the relief provided for the class is adequate, taking into account:
 - (i) the costs, risks, and delay of trial and appeal;
 - (ii) the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims;
 - (iii) the terms of any proposed award of attorney’s fees, including timing of payment; and
 - (iv) any agreement required to be identified under Rule 23(e)(3); and

¹¹ This standard effectively codifies prior case law, which provided that courts should grant preliminary approval after considering whether the settlement: (1) appears to be the product of serious, informed, non-collusive negotiations; (2) has no obvious deficiencies; (3) does not improperly grant preferential treatment to class representatives or segments of the class; and (4) falls within the range of possible approval. *See, e.g., Wells Fargo I*, 2018 WL 4207245, at *8. Accordingly, these factors are addressed in Lead Plaintiffs’ analysis of Rule 23(e)(2).

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

2 The Court may also consider the factors identified by the Ninth Circuit in *Hanlon v.*
3 *Chrysler Corp.*, 150 F.3d 1011, 1026 (9th Cir. 1998),¹² and *In re Bluetooth Headset Products*
4 *Liability Litigation*, 654 F.3d 935, 946-47 (9th Cir. 2011),¹³ many of which overlap with the Rule
5 23(e) factors. As summarized below, and as will be detailed further in Lead Plaintiffs’ motion for
6 final approval of the Settlement, all of these factors support approval of the Settlement.

7 **A. Lead Plaintiffs and Lead Counsel Have Adequately Represented the Class**

8 In determining whether to approve a class action settlement, courts consider whether Lead
9 Plaintiffs and Lead Counsel “have adequately represented the class.” Fed. R. Civ. P. 23(e)(2)(A).
10 Here, Lead Plaintiffs and their counsel diligently prosecuted this Action for nearly three years.
11 Lead Plaintiffs’ and Lead Counsel’s extensive litigation efforts included: (i) a thorough
12 investigation, including locating and interviewing numerous percipient witnesses (including
13 multiple former Chegg employees and scores of university professors, deans, and faculty from
14 universities across the country), obtaining and analyzing over 1,000 pages of documents produced
15 in response to FOIA requests by some of the nation’s most respected institutions of higher learning,
16 and conducting a comprehensive empirical analysis of archived Chegg Expert Q&A data; (ii) the
17 filing of a detailed Consolidated Complaint; (iii) consultation with various financial and industry
18 experts; (iv) successfully opposing Defendants’ Motion to Dismiss and related Motion for
19 Reconsideration; (v) engaging in extensive discovery, including obtaining, reviewing, and
20

21 ¹² The *Hanlon* factors are: (1) the strength of the plaintiffs’ case; (2) the risk, expense, complexity,
22 and likely duration of further litigation; (3) the risk of maintaining class action status throughout
23 the trial; (4) the amount offered in settlement; (5) the extent of discovery completed and the stage
24 of the proceedings; (6) the experience and views of counsel; (7) the presence of a governmental
25 participant; and (8) the reaction of the class members to the proposed settlement. *See Hanlon*, 150
26 F.3d at 1026. Lead Plaintiffs address *Hanlon* factors 1-6 in the analysis of Rule 23(e)(2). *See*
27 *Loomis v. Slendertone Distribution, Inc.*, 2021 WL 873340, at *4, n.4 (S.D. Cal. Mar. 9, 2021)
28 (“Because of the overlap [], the Court folds the Ninth Circuit’s factors into its analysis of Rule
23(e)(2)”). Regarding *Hanlon* factor 7, the reaction of the Settlement Class cannot be properly
gauged until notice is given. Regarding *Hanlon* factor 8, no governmental body is a party to this
Action. *Shvager v. ViaSat, Inc.*, 2014 WL 12585790, at *11 (C.D. Cal. Mar. 10, 2014) (“This
factor is inapplicable and neutral because no government entity participated in the case.”).

¹³ As explained herein, “[n]one of the potential signs of collusion enumerated by the Ninth Circuit
[in *In re Bluetooth*] are present here—the 25% fee request sought by counsel is reasonable under
the Ninth Circuit benchmark, rather than disproportionate; there is no ‘clear sailing’ provision; and
no funds revert to Defendants.” *Precigen*, 2023 WL 7305053, at *9.

1 analyzing over 120,000 pages of documents from Defendants and relevant non-parties;¹⁴ (vi)
2 producing over 40,000 pages of documents to Defendants as part of the pre-mediation process;
3 (vii) the submission of a detailed mediation statement along with extensive evidentiary support;
4 and (viii) participating in a formal mediation session before a former federal District Judge and
5 highly experienced mediator of complex securities litigation.

6 **B. The Settlement Results from Good-Faith, Arm’s-Length Negotiations**

7 The fact that the Parties reached the Settlement after arm’s-length negotiations between
8 experienced counsel and with the assistance of an experienced mediator creates a presumption of
9 its fairness. *See In re MGM Mirage Sec. Litig.*, 708 F. App’x 894, 897 (9th Cir. 2017) (noting
10 district court approved settlement reached “after extensive negotiations before a nationally
11 recognized mediator, retired U.S. District Judge Layn R. Phillips”).

12 Here, counsel engaged in a mediation process supervised by Judge Phillips. As part of the
13 mediation process, Lead Counsel and Defendants’ Counsel prepared and presented submissions
14 concerning their respective views on the merits of the Action, including Defendants’ defenses and
15 issues relating to causation and damages, along with supporting evidence obtained through
16 discovery. The negotiations were at all times adversarial with Judge Phillips providing his input
17 on the pertinent issues and the strengths and challenges of the Parties’ various claims and defenses.
18 Simply put, the mediator’s involvement in the settlement negotiations helped to ensure that the
19 proceedings were free of collusion and undue pressure and is evidence that the Settlement was
20 reached at arm’s length. *See, e.g., Precigen*, 2023 WL 7305053, at *2 (final approval granted
21 where “the parties settled the case with the aid of the Honorable Layn Phillips (Ret.), a highly
22 experienced and respected mediator in the securities field”); *In re Alphabet, Inc. Sec. Litig.*, 2024
23 WL 4354988, at *2 (N.D. Cal. Sept. 30, 2024) (settlement approved where “the parties reached a
24 settlement prior to class certification with the assistance of an experienced mediator at arm’s-
25 length under the supervision of the Hon. Layn R. Phillips (Ret.) of Phillips ADR”).

26 Additionally, “[t]he fact that experienced counsel involved in the case approved the
27

28 ¹⁴ These nonparties include financial media, market analysts, Chegg’s document management vendor, and dozens of universities and colleges that reported cheating on Chegg.

1 settlement after hard-fought negotiations is entitled to considerable weight.” *Baron v. HyreCar*
2 *Inc.*, 2024 WL 3504234, at *6 (C.D. Cal. July 19, 2024). Here, Lead Counsel Motley Rice and
3 Saxena White are experienced class action litigators, and their substantial experience in cases of
4 this nature gives further weight to their judgment that the Settlement is fair and reasonable. *See*,
5 *e.g.*, *In re Twitter, Inc. Sec. Litig.*, No. 16-cv-05314 (N.D. Cal.) (Motley Rice, as sole lead counsel
6 and co-class counsel, reached an \$809.5 million settlement agreement in favor of the investor class
7 in 2021 on the eve of trial); *In re Wells Fargo & Co. S'holder Derivative Litig.*, No. 4:16-cv-05541-
8 JST, ECF No. 274 at 13 (N.D. Cal. May 14, 2019) (granting preliminary approval of \$240 million
9 cash payment from Defendants’ insurers, the then largest insurance-funded monetary component
10 of any shareholder derivative settlement, and noting Saxena White’s “significant experience
11 obtaining favorable results as lead counsel” in shareholder litigation). Similarly, the fact that Lead
12 Plaintiffs are sophisticated institutional investors, favored by Congress when it passed the PSLRA,
13 lends credibility to their recommendation that the Settlement be approved.¹⁵ *See In re Extreme*
14 *Networks, Inc. Sec. Litig.*, 2019 WL 3290770, at *7 (N.D. Cal. July 22, 2019) (granting final
15 approval where lead plaintiff “actively participated in the prosecution of this case, including
16 reviewing filings and discovery, and attending and participating in settlement negotiations”).

17 **C. The Relief Provided for the Settlement Class Is Adequate**

18 **1. The Amount Offered in the Settlement Favors Approval**

19 “To evaluate the adequacy of the settlement amount, courts primarily consider plaintiffs’
20 expected recovery balanced against the value of the settlement offer.” *Wells Fargo I*, 2018 WL
21 4207245, at *9. “[I]t is well-settled law that a cash settlement amounting to only a fraction of the
22 potential recovery does not per se render the settlement inadequate or unfair.” *Fleming v. Impax*
23 *Lab’ys Inc.*, 2022 WL 2789496, at *6 (N.D. Cal. July 15, 2022); *see also Patel v. TransUnion,*
24 *LLC*, 2018 WL 1258194, at *4 (N.D. Cal. Mar. 11, 2018) (the “court need not ask whether the
25 proposed settlement is ideal or the best possible”; rather, “it determines only whether the settlement
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27
28 ¹⁵ Indeed, in appointing KBC as co-Lead Plaintiff in this Action, Judge Davila noted that it is “a
sophisticated institutional investor that manages over \$100 billion in assets.” *Leventhal v. Chegg,*
Inc., 2022 WL 4099454, at *3, n.1 (N.D. Cal. Sept. 7, 2022); ECF No. 105 at 5 n.1.

1 is fair, free of collusion, and consistent with the named plaintiffs’ fiduciary obligations”).

2 Here, the \$55 million Settlement Amount is an excellent result for the Settlement Class, as
3 it would have ranked in the top 17% of all securities class action settlements in 2023, and the top
4 15% of all securities class action settlements between 2014-2022.¹⁶ Moreover, this Settlement is
5 nearly **four times** the median recovery of \$15 million for securities class action settlements in
6 2023, and over **five times** the \$10.4 million mediation recovery for securities class action
7 settlements between 2014-2022. It is also nearly **seven times** the \$9 million median recovery in
8 securities class action settlements in the Ninth Circuit from 2014 through 2023—an exemplary
9 result compared to the 190 cases surveyed.¹⁷

10 The percentage recovery achieved on behalf of the Settlement Class also exceeds the
11 typical recovery in similar cases. Lead Plaintiffs’ expert, Dr. Matthew Cain, has calculated the
12 maximum possible value of the recovery if Lead Plaintiffs were to fully prevail on all of their
13 claims as \$1.4 billion, which assumes that they were successful on every issue and also considers
14 inflationary gains on pre-class period holdings. *See* Cain Decl. at ¶¶6, 17.

15 Thus, the \$55 million Settlement Amount constitutes approximately 4% of Lead Plaintiffs’
16 maximum possible trial damages, which is nearly double the 2% median percentage recovery in
17 similarly sized cases with over \$1 billion in damages.¹⁸ Courts have routinely approved similar
18 recoveries as fair and reasonable. *See, e.g., HyreCar*, 2024 WL 3504234, at *8 (recovery of 2%
19 “is in line with percentage recoveries other courts have found to be fair and adequate” in securities
20 class action cases); *Arlo Techs.*, 2021 WL 1531171, at *9 (recovery of 2.35% “weighs in favor of
21 approval”); *In re Broadcom Corp. Sec. Litig.*, 2005 WL 8153007, at *6 (C.D. Cal. Sept. 14, 2005)
22 (recovery of 2.7% “would not be inconsistent with the average recovery in securities class action
23 cases”). Moreover, these figures represent estimates of whether Lead Plaintiffs were successful
24

25 ¹⁶ *See* Cornerstone Research, *Securities Class Action Settlements, 2023 Review and Analysis*, at 4
26 (March 2024), available at www.cornerstone.com/wp-content/uploads/2024/03/Securities-Class-Action-Settlements-2023-Review-and-Analysis.pdf.

27 ¹⁷ *Id.* at 4, 20.

28 ¹⁸ *See Securities Class Action Settlements, 2023 Review and Analysis* at 6 (finding that the median
recovery for settlements in 2023 with over \$1 billion in damages was 2.0%, and noting the figure
was only slightly higher (2.6%) from 2014 to 2022).

1 on all (or nearly all) of their claims at trial. And Lead Plaintiffs had not yet filed their motion for
2 class certification or, if the case were certified, briefed summary judgment. It is unknown whether
3 the Court would certify the class (including for the full Class Period) or uphold all of Lead
4 Plaintiffs' claims and alleged misstatements at summary judgment. Indeed, Defendants advanced
5 several credible arguments that could have potentially reduced damages materially—or eliminated
6 them altogether.

7 Finally, the Settlement is an excellent result after taking into account Chegg's declining
8 operations, precarious financial condition, extremely limited resources, and available D&O
9 insurance that, in the event of further litigation, would have been rapidly consumed. *See HyreCar*,
10 2024 WL 3504234, at *9 (“It is not unreasonable for counsel and the class representative to prefer
11 the bird in hand, given concerns about Diamond's strained financial state and its ability to pay a
12 judgment following further litigation”).

13 **2. The Settlement Weighs the Strength of Lead Plaintiffs' Claims with** 14 **the Substantial Risks of Continuing Litigation**

15 “In assessing the costs, risks, and delay of trial and appeal, Fed R. Civ. P. 23(e)(2)(C)(i),
16 courts in the Ninth Circuit evaluate ‘the strength of the plaintiffs’ case; the risk, expense,
17 complexity, and likely duration of further litigation; [and] the risk of maintaining class action status
18 throughout the trial.’” *Extreme Networks*, 2019 WL 3290770, at *8 (citing *Hanlon*, 150 F.3d at
19 1026). Courts favor settlement as it conserves valuable resources and avoids further “protracted
20 and uncertain litigation” and “subsequent appeals.” *Katz v. China Century Dragon Media, Inc.*,
21 2013 WL 11237202, at *5 (C.D. Cal. Oct. 10, 2013). “In most situations, unless the settlement is
22 clearly inadequate, its acceptance and approval are preferable to lengthy and expensive litigation
23 with uncertain results.” *Rieckborn v. Velti PLC*, 2015 WL 468329, at *4 (N.D. Cal. Feb. 3, 2015).

24 Here, Lead Plaintiffs have considered the difficulties inherent in litigating a securities fraud
25 class action to a jury verdict. As an initial matter, securities fraud class actions such as this one
26 “are complex cases that are time-consuming and difficult to prove.” *Cheng Jiangchen v. Rentech*,
27 *Inc.*, 2019 WL 5173771, at *6 (C.D. Cal. Oct. 10, 2019). Indeed, complex securities fraud class
28 actions present myriad risks that plaintiffs must overcome to ultimately secure a recovery. *See*,
e.g., *In re Oracle Corp. Sec. Litig.*, 627 F.3d 376, 395 (9th Cir. 2010) (affirming summary

1 judgment in favor of defendants); *In re Tesla Inc. Sec. Litig.*, 2023 WL 4032010, at *1 (N.D. Cal.
2 June 14, 2023) (jury returned verdict for defendants despite grant of partial summary judgment in
3 plaintiff’s favor); *In re JDS Uniphase Corp. Sec. Litig.*, 2007 WL 4788556 (N.D. Cal. Nov. 27,
4 2007) (jury verdict in defendants’ favor). The uncertainty created by these circumstances weighs
5 in favor of approval.

6 While Lead Plaintiffs at all times remained confident in their ability to ultimately succeed
7 at trial, they would be required to prove all elements of their claims to prevail, while Defendants
8 needed to succeed on only one defense to potentially defeat the entire action. Indeed, Defendants
9 made several credible arguments which the Court at summary judgment, a jury at trial, or an
10 appellate court could have accepted. For example, had the Action continued, Defendants would
11 have likely continued to vigorously contest the core claim elements of falsity and scienter. *See,*
12 *e.g., In re Immune Response Sec. Litig.*, 497 F. Supp. 2d 1166, 1172 (S.D. Cal. 2007) (“[T]he
13 issue[] of scienter . . . [is] complex and difficult to establish at trial.”). Defendants likely would
14 have continued to argue at summary judgment or trial that Lead Plaintiffs could not prove their
15 claims because they cannot quantify—in any meaningful manner—the extent of cheating that may
16 have occurred on Chegg’s platform during the Class Period, much less that such cheating drove
17 Chegg’s subscriber and revenue growth during that time. Indeed, Defendants have repeatedly
18 asserted that Lead Plaintiffs cannot “quantify the number or percentage of subscribers that used
19 Chegg to cheat before, during, or after the class period.” *See* ECF No. 122 at 11. While the Court
20 rejected this argument at the pleading stage, Defendants unquestionably would have raised it again
21 at summary judgment or at trial—and had the opportunity to provide contrary evidence, including
22 their internal analyses concluding that misuse of the platform represented less than 1% of overall
23 subscribers during the Class Period.

24 Likewise, Defendants likely would have vigorously contested loss causation and price
25 impact at class certification, summary judgment, and trial for the sole alleged corrective disclosure.
26 Defendants undoubtedly would have argued that the stock price decline following the November
27 2021 announcement of third quarter financial results and downward revenue guidance revision
28 was not corrective of any statements regarding cheating on the platform and did not reveal that

1 any of Defendants’ prior statements were false. Indeed, Defendants would have asserted that most
2 securities analysts accepted Chegg’s explanation that the earning shortfall and reduced guidance
3 were attributable to industrywide and macroeconomic factors. Further, as Defendants had
4 previously asserted, Lead Plaintiffs’ theory that Chegg reported disappointing financial results,
5 declining subscribership, and reduced guidance because students began to return to campus in Q3
6 2021, and could no longer easily use Chegg to cheat on exams, was undermined by the data
7 showing that: (i) college students began returning to campus over a year before Chegg revised
8 guidance *without* impacting Chegg’s growth, and (ii) Chegg’s subscribers and revenues *increased*
9 after the end of the Class Period. *See* ECF No. 122 at 24. An adverse ruling on this issue would
10 have precluded any recovery for the Settlement Class.

11 Defendants likewise had numerous challenges with respect to damages. *See In re Zynga*
12 *Inc. Sec. Litig.*, 2015 WL 6471171, at *10 (N.D. Cal. Oct. 27, 2015) (“[I]n ‘any securities litigation
13 case, it [is] difficult for [plaintiff] to prove . . . damages at trial.’”). For example, Defendants likely
14 would have argued that the Class Period should be truncated to begin on February 8, 2021, when
15 Defendant Rosensweig directly addressed and refuted media reports about academic cheating
16 fueling Chegg’s growth. Even then, Defendants would have disputed what portion (if any) of
17 Chegg’s stock price decline following the alleged corrective disclosure was attributed to the
18 disclosure as opposed to other factors affecting the Company’s business, a critical
19 “disaggregation” issue on which Lead Plaintiffs bore the burden of proof. *See, e.g., In re Sci.*
20 *Atlanta, Inc. Sec. Litig.*, 754 F. Supp. 2d 1339, 1376 (N.D. Ga. 2010) (“[I]n order to defeat
21 summary judgment, plaintiffs in a securities fraud case must present evidence disaggregating the
22 fraud and non-fraud-related causes of the plaintiff’s loss.”). Defendants also would likely have
23 presented evidence from a well-qualified expert who would opine that the Settlement Class’s
24 damages were small or non-existent. As such, the trial likely would involve “a battle of experts,”
25 with “no guarantee whom the jury would believe” and the possibility of damages materially
26 reduced or eliminated. *Davis v. Yelp, Inc.*, 2022 WL 21748777, at *4 (N.D. Cal. Aug. 1, 2022)
27 (“*Yelp I*”). In sum, Defendants had “plausible defenses that could have ultimately left class
28 members with a reduced or non-existent recovery,” which weighs in favor of approving the

1 Settlement. *In re TracFone Unlimited Serv. Plan Litig.*, 112 F. Supp. 3d 993, 999 (N.D. Cal.
2 2015). Indeed, absent settlement now, the Parties would face years litigating this Action to a final
3 resolution, including further discovery, class certification, dispositive motions, trial, and likely
4 post-trial appeals. *See Rentech*, 2019 WL 5173771, at *6 (addressing another securities class
5 action in which shareholders had still not received any recovery “two years after jury verdict in
6 plaintiffs’ favor and ten years after the case was filed”).

7 Finally, even had Lead Plaintiffs fully prevailed on all of their claims and secured a
8 judgment for maximum damages, there was a significant risk that they would have been unable to
9 collect more than the Settlement Amount, and possibly nothing at all, due to the Company’s
10 struggles and uncertain future.¹⁹ On September 26, 2024, the date of the Settlement was reached,
11 Chegg’s stock price closed at approximately \$1.63 per share, giving the Company a market
12 capitalization of approximately \$170 million—a small fraction of Lead Plaintiffs’ maximum
13 estimated potential damages—meaning the Settlement Amount represents nearly *one-third* of
14 Chegg’s entire market capitalization as of that date. Lead Plaintiffs were and are also cognizant of
15 the fact that the Company has practically no ability to fund a substantial settlement or judgment.
16 Indeed, on August 5, 2024, Chegg reported only approximately \$133 million in cash and cash
17 equivalents as of June 30, 2024, a net loss for the three months ended June 30, 2024 of
18 approximately \$617 million, and total outstanding debt of approximately \$601 million (including
19 \$357 million in convertible notes maturing in 2025)—leaving the Company with a net cash balance
20 of only \$4.5 million. As a practical matter, the only funds available to fund the Settlement was
21 therefore Chegg’s D&O insurance. *See, e.g., HyreCar*, 2024 WL 3504234, at *9 (noting that
22 “recovery may become difficult or impossible because Defendants’ resources are rapidly
23 depleting”); *Guevoura Fund Ltd. v. Sillerman*, 2019 WL 6889901, at *9 (S.D.N.Y. Dec. 18, 2019)
24 (“Here, the D&O [I]nsurance coverage is a wasting asset as it pays legal fees of the [] Defendants,
25 as well as providing coverage for the claims asserted in the Action”; “each day that the Action was
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27 ¹⁹ In this respect, on June 17, 2024, Chegg announced a restructuring plan which included the
28 closure of two offices and other cost-cutting measures. *See* <https://investor.chegg.com/Press-Releases/press-release-details/2024/Chegg-Announces-Restructuring-Plan-and-New-Vision-for-Growth/default.aspx>.

1 not settled would take away money available for the Class for settlement.”). Here, the Settlement
2 Amount constitutes *nearly all* of Chegg’s D&O insurance available for Lead Plaintiffs’ claims.

3 In view of the foregoing, the Settlement constitutes an outstanding result and is deserving
4 of preliminary approval. *See Velti*, 2015 WL 468329, at *6 (finding company’s “precarious
5 financial condition . . . highlights the reasonableness of the settlement amount”); *Brown v. China*
6 *Integrated Energy Inc.*, 2016 WL 11757878, at *7 (C.D. Cal. July 22, 2016) (settlement reasonable
7 where company’s only domestic “asset is its Directors and Officers Insurance Policy—an eroding
8 policy that decreases as it pays defense costs, leaving less available to satisfy any judgment”); *In*
9 *re Immune Response*, 497 F. Supp. 2d at 1172 (finding “significant collectability issues” supported
10 settlement where company “had no money to fund a judgment or settlement [and] the only
11 available source of funds was wasting insurance policies”).

12 **3. The Proposed Method for Distributing Relief Is Effective**

13 Under Rule 23(e)(2), courts consider “the effectiveness of [the] proposed method of
14 distributing relief to the class.” Fed. R. Civ. P. 23(e)(2)(C)(ii). Here, the method for processing
15 Settlement Class Members’ claims and distributing relief to eligible claimants include well-
16 established, effective procedures for processing claims submitted by potential Settlement Class
17 Members. *See* A.B. Data Decl. at ¶¶20-23. A.B. Data, if approved by the Court as Claims
18 Administrator, will process claims under the supervision of Lead Counsel, allow claimants an
19 opportunity to cure any deficiencies in their claims or request the Court to review a denial of their
20 claims, and, lastly, mail Authorized Claimants their *pro rata* share of the Net Settlement Fund (per
21 the Plan of Allocation), after Court approval. The claims administration process being proposed
22 here is standard in securities class action settlements and has long been found to be effective. *See,*
23 *e.g., Wells Fargo II*, 2018 WL 6619983, at *7 (“The Court further finds that the proposed claims
24 process provides an effective method of implementing that plan by ensuring that the claimant
25 provides sufficient information to calculate the recognized loss amount. Therefore, this factor
26 weighs in favor of approval”).

27 **4. Lead Counsel’s Fee and Expense Request Is Fair and Reasonable**

28 Rule 23(e)(2)(C)(iii) addresses “the terms of any proposed award of attorney’s fees,

1 including timing of payment.” As disclosed in the Notice, Lead Plaintiffs intend to seek an award
 2 of attorneys’ fees of no more than 25% of the Settlement Fund, or \$13,750,000 before interest, and
 3 up to \$490,000 in litigation expenses, including for such items as e-discovery costs and
 4 expert/consultant fees.²⁰ This request squares with the 25% benchmark rate for attorney’s fee
 5 awards in the Ninth Circuit and is consistent with awards in similar complex class action cases.
 6 *See, e.g., In re Vocera Commc’ns, Inc., Sec. Litig.*, 2016 WL 8201593, at *2 (N.D. Cal. July 29,
 7 2016) (awarding 25% attorneys’ fees as “fair and reasonable and consistent with fee awards
 8 approved in cases within the Ninth Circuit”); *Impax*, 2022 WL 2789496, at *9 (awarding 30% fees
 9 on \$33 million securities class action settlement); *Davis v. Yelp, Inc.*, 2023 WL 3063823, at *2
 10 (N.D. Cal. Jan. 27, 2023) (“*Yelp II*”) (awarding 33.3% attorneys’ fees and reimbursing over
 11 \$930,000 in litigation expenses).

12 Moreover, Lead Counsel’s current estimated lodestar is approximately \$8.4 million and
 13 would therefore represent a modest multiplier of approximately 1.6—far below the range
 14 commonly approved in comparable cases.²¹ “In similar cases, courts in this Circuit have approved
 15 multipliers ranging from 1.0 to 4.0.” *Impax*, 2022 WL 2789496, at *9 (approving fees equal to a
 16 lodestar multiplier of 2.6 given “numerous decisions from this [D]istrict approving multipliers
 17 ranging from 2.5 to 4.3”). Accordingly, a lodestar cross-check would support the reasonableness
 18 of such a fee request. *See, e.g., Destefano v. Zynga, Inc.*, 2016 WL 537946, at *21 (N.D. Cal. Feb.
 19 11, 2016) (noting that the 1.7 multiplier was “towards the lower end of the Ninth Circuit’s scale”);
 20 *In re VeriFone Holdings, Inc. Sec. Litig.*, 2014 WL 12646027, at *2 (N.D. Cal. Feb. 18, 2014)
 21 (noting “over 80% of multipliers fall between 1.0 and 4.0”).

22 5. The Parties Have No Side Agreements Besides Opt-Outs

23 Rule 23(e)(2)(C)(iv) requires the disclosure of any side agreement. As detailed above, the
 24

25 ²⁰ Further, as explained in the Notice and consistent with the PSLRA, Lead Plaintiffs also intend
 26 to request an award for reimbursement for their time and expenses in representing the Class in an
 27 amount not to exceed, in aggregate, \$20,000. *See, e.g., In re Omnivision Techs., Inc.*, 559 F. Supp.
 28 2d 1036, 1049 (N.D. Cal. 2008) (reimbursing lead plaintiffs for “costs and expenses” in the amount
 of \$29,913.80); *Yelp II*, 2023 WL 3063823, at *2 (approving \$15,000 award to one lead plaintiff).

²¹ If preliminary approval is granted, Lead Counsel will present its total lodestar in connection
 with its fee application at the final approval stage, after further detailed review and adjustment of
 its time entries to account for reasonable billing judgment.

1 Parties have entered into a confidential supplemental agreement pursuant to which Defendants
2 may terminate the Settlement if requests for exclusion from the Settlement Class reach a certain
3 threshold—generally called a “blow provision.” *See* Stip. ¶ 9.2. Such an agreement is standard in
4 securities class action settlements; is kept confidential to prevent objectors from threatening to
5 trigger the blow provision to obtain self-interested payments at the expense of the Settlement
6 Class; and has no negative impact on fairness. *See, e.g., Wells Fargo I*, 2018 WL 4207245, at *7
7 (finding “compelling reasons to keep this information confidential in order to prevent third parties
8 from utilizing it for the improper purpose of obstructing the settlement”). Lead Plaintiffs are
9 willing to submit the agreement for *in camera* review should the Court so request.

10 **6. All Settlement Class Members Are Treated Equitably**

11 Rule 23(e)(2)(D) requires courts to evaluate whether the settlement treats class members
12 equitably relative to one another. Here, the proposed Plan of Allocation is fair, reasonable, and
13 adequate because it does not treat Lead Plaintiffs (or any other Settlement Class Member)
14 preferentially. *See* Appendix at 1(e); *In re Zynga Inc.*, 2015 WL 6471171, at *10 (finding plan of
15 allocation “distributes the funds without giving undue preferential treatment to any class
16 members”). The Plan of Allocation, which is set out in the Notice, explains how the Settlement
17 proceeds will be distributed among Authorized Claimants. Each eligible Settlement Class
18 Member, including Lead Plaintiffs, will be subject to the same formulas for distribution of the
19 Settlement. *See Rentech*, 2019 WL 5173771, at *7 (“[T]he [c]ourt sees no significant indication
20 of preferential treatment” where the “[n]et [s]ettlement [f]und will be distributed to [a]uthorized
21 [c]laimants on a *pro rata* basis based on the relative size of their [r]ecognized [c]laims”). Courts
22 have found similar plans that award *pro rata* shares of a settlement fund to each class member to
23 be fair and reasonable. *See, e.g., Vataj v. Johnson*, 2021 WL 1550478, at *10 (N.D. Cal. Apr. 20,
24 2021) (“The Settlement Fund will thus be distributed on a *pro rata* basis according to each class
25 member’s recognized loss”).

26 **VI. THE SETTLEMENT CLASS SHOULD BE CERTIFIED**

27 Defendants have agreed, for the sole purpose of settlement, to certification of the following
28 Settlement Class: “all persons who purchased, or otherwise acquired Chegg common stock

1 between May 5, 2020, and November 1, 2021, inclusive, and who were damaged thereby.” The
2 proposed Settlement Class is the same as that alleged in the Consolidated Complaint and satisfies
3 all of the applicable requirements of Rule 23(a) and Rule 23(b)(3). Accordingly, certification of
4 the Settlement Class is appropriate. *See, e.g., Anderson v. Davis Wright Tremaine LLP*, 2024 WL
5 2941531, at *9 (D. Or. Apr. 29, 2024). Indeed, certification of a settlement class “has been
6 recognized throughout the country as the best, most practical way to effectuate settlements
7 involving large numbers of claims by relatively small claimants.” *In re Giant Interactive Grp.,*
8 *Inc. Sec. Litig.*, 279 F.R.D. 151, 158 (S.D.N.Y. 2011).

9 In deciding whether to certify a settlement class, courts consider the same factors as would
10 be relevant in connection with the certification of a proposed litigation class, except that the Court
11 need not consider the manageability of a potential trial, since the settlement, if approved, would
12 obviate the need for a trial. *See Saliba v. KS Statebank Corp.*, 2021 WL 2105608, at *2 (D. Ariz.
13 May 25, 2021). In this Circuit, “Rule 23 is to be liberally construed in a securities fraud context
14 because class actions are particularly effective in serving as private policing weapons against
15 corporate wrongdoing.” *In re Cooper Cos. Sec. Litig.*, 254 F.R.D. 628, 642 (C.D. Cal. 2009).

16 **A. Numerosity**

17 A class may be properly certified only if “the class is so numerous that joinder of all
18 members is impracticable.” Fed. R. Civ. P. 23(a)(1); *HyreCar*, 2024 WL 3504234, at *12.
19 Because Chegg was publicly traded on the New York Stock Exchange, Lead Plaintiffs estimate
20 that the Settlement Class will encompass “hundreds, if not thousands” of putative class members.
21 *Id.* “Given the substantial scope of the expected class size in this case” (*id.*), Lead Plaintiffs
22 contend that joinder of all class members would be impracticable, and therefore, that the
23 numerosity requirement is met.

24 **B. Commonality**

25 A class action requires “questions of law or fact common to the class.” Fed. R. Civ. P.
26 23(a)(2); *HyreCar*, 2024 WL 3504234, at *12. “An individual question is one where members of
27 a proposed class will need to present evidence that varies from member to member, while a
28 common question is one where the same evidence will suffice for each member to make a prima

1 facie showing [or] the issue is susceptible to generalized, class-wide proof.” *Tyson Foods, Inc. v.*
2 *Bouaphakeo*, 577 U.S. 442, 453 (2016). Plaintiffs in securities fraud litigation generally satisfy
3 this prerequisite “very easily.” *Brown v. China Integrated Energy Inc.*, 2015 WL 12720322, at
4 *14 (C.D. Cal. Feb. 17, 2015). Here, too, this Action presents numerous factual questions common
5 to the Class, including: (i) whether Defendants omitted or misrepresented material facts; (ii)
6 whether Defendants acted with scienter; (iii) whether the price of Chegg’s common stock was
7 artificially inflated or maintained during the Class Period; and (iv) whether disclosure of the truth
8 caused Settlement Class members to suffer economic loss and damages. *See HyreCar*, 2024 WL
9 3504234, at *12; *Lamartina v. VMware, Inc.*, 2024 WL 3286059, at *3 (N.D. Cal. July 2, 2024).

10 C. Typicality

11 Under Rule 23(a)(3), “the claims or defenses of the representative parties must be typical
12 of the claims or defenses of the class.” Representative claims are “typical” if they are “reasonably
13 co-extensive with those of absent class members; they need not be substantially identical.”
14 *HyreCar*, 2024 WL 3504234, at *13. The typicality element is met here. As with the other
15 members of the Settlement Class, Lead Plaintiffs allege that they purchased Chegg common stock
16 during the Settlement Class Period and were subsequently damaged due to Defendants’ conduct.
17 Lead Plaintiffs “share[] identical interests with the Settlement Class in obtaining a fair, reasonable,
18 and adequate settlement of the claims asserted,” and “will receive the same *pro rata* share of the
19 Settlement Fund as the rest of the Settlement Class.” *Id.*

20 D. Adequacy

21 With respect to the final element of Fed. R. Civ. P. 23(a), “the representative parties” in a
22 class action must “fairly and adequately protect the interests of the class” they represent. Fed. R.
23 Civ. P. 23(a)(4). “To determine whether named plaintiffs will adequately represent a class, courts
24 must resolve two questions: (1) do the named plaintiffs and their counsel have any conflicts of
25 interest with other class members and (2) will the named plaintiffs and their counsel prosecute the
26 action vigorously on behalf of the class?” *Id.*; *see also Ellis v. Costco Wholesale Corp.*, 657 F.3d
27 970, 985 (9th Cir. 2011) (quoting *Hanlon*, 150 F.3d at 1020).

28 As detailed above, Lead Plaintiffs and Lead Counsel readily satisfy the adequacy

1 requirement. First, based upon their purchases of Chegg stock during the Settlement Class Period
2 and their alleged losses, Lead Plaintiffs' interests are directly aligned with the interests of other
3 Settlement Class Members, who were injured by the same alleged materially false and misleading
4 statements and omissions as Lead Plaintiffs. Second, there are no conflicts between Lead Plaintiffs
5 and the Settlement Class. *See In re Juniper Networks, Inc. Sec. Litig.*, 264 F.R.D. 584, 590 (N.D.
6 Cal. 2009) (finding that the class representatives were adequate because there was no evidence of
7 conflicts of interest with the class).

8 Lead Plaintiffs have also retained highly proficient counsel. As discussed above, Lead
9 Counsel Motley Rice and Saxena White are two nationally recognized and experienced securities
10 fraud class action firms with substantial experience in cases such as this one. Lead Plaintiffs and
11 Lead Counsel have demonstrated their willingness to commit considerable resources to
12 prosecuting this Action, and have vigorously represented the Settlement Class's interests. Thus,
13 the adequacy requirement is satisfied.

14 **E. The Settlement Class Satisfies Rule 23(b)(3)**

15 Rule 23(b)(3) requires that common questions of law or fact predominate over individual
16 questions, and that a class action is superior to other available methods of adjudication. *See Erica*
17 *P. John Fund, Inc. v. Halliburton Co.*, 563 U.S. 804, 809 (2011). Here, there are numerous
18 common questions of law and fact that predominate, including whether Defendants' statements
19 were false or misleading, whether Defendants acted with scienter, and whether, and to what extent,
20 Settlement Class Members suffered damages caused by the revelation of Defendants' alleged
21 fraud. Moreover, a class action is the superior method available to fairly and efficiently adjudicate
22 this Action. The superiority of class actions to resolve the claims of a large, geographically
23 dispersed class of investors in securities fraud cases is well recognized. *See Amchem Prods., Inc.*
24 *v. Windsor*, 521 U.S. 591, 625 (1997). The geographically dispersed nature of the Settlement
25 Class, the inefficiency of multiple lawsuits, and the size of individual recoveries in comparison to
26 the cost of litigation strongly support a finding of superiority here.

27 Thus, all of the requirements of Rule 23(a) and (b)(3) are satisfied. Accordingly, this Court
28 should certify the Settlement Class, appoint Lead Plaintiffs as class representatives, and appoint

1 Lead Counsel as class counsel for the Settlement Class.

2 **VII. NOTICE TO THE SETTLEMENT CLASS IS WARRANTED**

3 In order to comport with due process, “[t]he Court must direct notice in a reasonable
4 manner to all class members who would be bound by the proposal.” *Impax*, 2022 WL 2789496,
5 at *5. Additionally, the “notice must clearly and concisely state in plain, easily understood
6 language the nature of the action, the class definition, and the class members’ right to exclude
7 themselves from the class.” *Id.*

8 As outlined in the agreed-upon form of proposed Preliminary Approval Order and
9 described above, Lead Counsel will cause the Claims Administrator to notify Settlement Class
10 Members of the Settlement by emailing or mailing, by first class mail, individual copies of the
11 Postcard Notice (Exhibit A-4 to the Stipulation) to all Settlement Class Members who can be
12 identified with reasonable effort, as well as to the thousands of brokerage firms and other nominees
13 who regularly act as nominees for beneficial purchasers of stock. *See* A.B. Data Decl. at ¶8;
14 Appendix at §3. Contemporaneously with the emailing or mailing of the Postcard Notice, as
15 applicable, copies of the (long-form) Notice (Exhibit A-1 to the Stipulation) and the Claim Form
16 (Exhibit A-2 to the Stipulation) will be posted on a website to be developed for the Settlement,
17 from which copies of the Notice and Claim Form can be downloaded, and where claims can be
18 submitted online. The Claims Administrator will also mail copies of the Notice and/or Claim Form
19 upon request. No more than ten (10) business days after mailing the Postcard Notice, the Summary
20 Notice (Exhibit A-3 to the Stipulation) will also be published in *Investor’s Business Daily* and
21 transmitted over *PR Newswire*.

22 The Postcard Notice, Summary Notice, and long-form Notice will advise Settlement Class
23 Members of: (i) the pendency of the class action; (ii) the essential terms of the Settlement; and (iii)
24 information regarding Lead Counsel’s application for an award of attorneys’ fees and
25 reimbursement of litigation expenses. *See generally* Stip., Exs. A-1, A-3, A-4. They also will
26 provide specifics on the date, time, and place of the Final Approval Hearing and set forth the
27 procedures, as well as deadlines, for opting out of the Settlement Class, for objecting to the
28 Settlement, the proposed Plan of Allocation and/or the application for attorneys’ fees and

1 Litigation Expenses, and for submitting a Claim Form. *Id.* Courts regularly hold that this form
2 and manner of providing notice to the Settlement Class satisfies the requirements of due process,
3 Rule 23, and the PSLRA.²²

4 **VIII. NORTHERN DISTRICT OF CALIFORNIA PROCEDURAL GUIDANCE**

5 The Procedural Guidance for class action settlements has been satisfied and weighs in favor
6 of approving the Settlement. *See generally* Appendix; A.B. Data Decl.

7 **IX. PROPOSED SCHEDULE OF EVENTS**

8 Lead Plaintiffs propose the schedule for the Settlement-related events in this case as set
9 forth in the attached Exhibit 5.

10 **X. CONCLUSION**

11 For the foregoing reasons, Lead Plaintiffs respectfully request that the Court grant
12 preliminary approval of the Settlement and enter the accompanying Preliminary Approval Order.

13 Dated: November 6, 2024

Respectfully submitted,

14 */s/ David R. Kaplan*

15 David R. Kaplan

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19 Marti L. Worms (SBN 205552)

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Maya Saxena (*pro hac vice*)

25 ²² *See, e.g., Bos. Ret. Sys. v. Uber Techs., Inc.*, No. 19-cv-06361, slip op. at 5 (N.D. Cal. Aug. 9,
26 2024) (“The Court approves the form, substance and requirements of . . . the Settlement Postcard”);
27 *In re Dropbox, Inc. Sec. Litig.*, No. 19-cv-06348, at 5 (N.D. Cal. Aug. 3, 2021) (finding that a
28 combination of postcard notice, summary notice, and a detailed notice available online “is the best
notice practical under the circumstances” in securities class action); *Utne v. Home Depot U.S.A., Inc.*,
2018 WL 11373654, at *1 (N.D. Cal. Aug. 21, 2018) (“[D]irect mail postcard notice
supplemented with additional information accessible via the internet fully meets the requirements
of Rule 23”).

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*Additional Counsel for Lead Plaintiff
Pompano Beach Police and Firefighters'
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CERTIFICATE OF SERVICE

I hereby certify under penalty of perjury that on November 6, 2024, 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 all counsel or parties of record.

Dated: November 6, 2024

SAXENA WHITE P.A.

/s/ David R. Kaplan

David R. Kaplan

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10 *Counsel for Lead Plaintiffs*
11 *and Lead Counsel for the Settlement Class*

12
13 **UNITED STATES DISTRICT COURT**
NORTHERN DISTRICT OF CALIFORNIA

14 STEVEN LEVENTHAL, Individually and
15 on Behalf of All Others Similarly Situated,

16 Plaintiff,

17 vs.

18 CHEGG, INC., DANIEL L.
ROSENSWEIG, ANDREW J. BROWN,
19 and NATHAN SCHULTZ,

20 Defendants.

Case No.: 5:21-cv-09953-EJD

**DECLARATION OF DAVID R.
KAPLAN IN SUPPORT OF LEAD
PLAINTIFFS' UNOPPOSED
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT**

1 I, David R. Kaplan, hereby declare as follows:

2 1. I am a Director of the law firm Saxena White P.A., Co-Lead Counsel for the Court-
3 appointed Lead Plaintiffs, Pompano Beach Police and Firefighters' Retirement System and KBC
4 Asset Management NV (together, "Lead Plaintiffs"). I am a member in good standing of the Bar
5 of the State of California and am admitted to practice in this District. I respectfully submit this
6 declaration in support of Lead Plaintiffs' Unopposed Motion for Preliminary Approval of Class
7 Action Settlement. The statements made herein are made of my own personal knowledge and, if
8 called upon, I could and would testify competently thereto under oath.

9 2. Attached hereto as Exhibit 1 is a true and correct copy of the Stipulation and
10 Agreement of Settlement, dated November 5, 2024.

11 3. Attached hereto as Exhibit 2 is the Declaration of Matthew D. Cain, Ph.D.
12 Regarding Calculation of Settlement Class's Estimated Damages, dated November 6, 2024.

13 4. Attached hereto as Exhibit 3 is the Declaration of Eric A. Nordskog in Support of
14 Lead Plaintiffs' Unopposed Motion for Preliminary Approval of Class Action Settlement, dated
15 November 6, 2024.

16 5. Attached hereto as Exhibit 4 is the Appendix Addressing the Northern District of
17 California's Procedural Guidance for Class Action Settlements.

18 6. Attached hereto as Exhibit 5 is the Proposed Schedule of Events.

19
20 Executed this 6th day of November, 2024.

21
22 
23 DAVID R. KAPLAN

EXHIBIT 1

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*Counsel for Defendants Chegg, Inc.,
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and Nathan Schultz*

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

STEVEN LEVENTHAL, Individually and on
Behalf of All Others Similarly Situated,

Plaintiff,

vs.

CHEGG, INC., DANIEL L. ROSENSWEIG,
ANDREW J. BROWN, and NATHAN
SCHULTZ,

Defendants.

Case No. 5:21-cv-09953-PCP

CLASS ACTION

**STIPULATION AND AGREEMENT OF
SETTLEMENT**

Hon. P. Casey Pitts

1 This Stipulation and Agreement of Settlement dated as of November 5, 2024 (the
 2 “Stipulation”) is made pursuant to Rule 23(e) of the Federal Rules of Civil Procedure. Subject to
 3 the approval of the United States District Court for the Northern District of California (the “Court”),
 4 this Stipulation is entered into by and among the following parties to the above-captioned action
 5 (the “Action”) by and through their counsel of record in the Action: (a) (i) Pompano Beach Police
 6 and Firefighters’ Retirement System (“Pompano P&F”); and (ii) KBC Asset Management NV
 7 (“KBC”), as Court-appointed lead plaintiffs (“Lead Plaintiffs” or “Plaintiffs”), on behalf of
 8 themselves and the other members of the Settlement Class (defined below); and (b) (i) defendant
 9 Chegg, Inc. (“Chegg” or the “Company”); and (ii) defendants Daniel L. Rosensweig
 10 (“Rosensweig”), Andrew J. Brown (“Brown”), and Nathan Schultz (“Schultz”) (the “Individual
 11 Defendants,” and, together with Chegg, the “Defendants,” and, together with Lead Plaintiffs, the
 12 “Parties”).¹ This Stipulation is intended to fully, finally, and forever compromise, settle, release,
 13 resolve, and dismiss with prejudice all claims arising from, or based upon, or relating in any way
 14 to any of the allegations, acts, transactions, facts, events, matters, representations, or omissions
 15 involved, set forth, alleged, or referred to in the Action, or which could have been alleged in the
 16 Action.

17 **I. THE ACTION**

18 **A. Overview of Plaintiffs’ Claims**

19 The original securities class action complaint in the Action was filed in this District on
 20 December 22, 2021, alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act
 21 of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder. On September 7, 2022, the
 22 Court appointed Pompano P&F and KBC as Lead Plaintiffs pursuant to the requirements of the
 23 Private Securities Litigation Reform Act of 1995 and approved Lead Plaintiffs’ selection of Lead
 24 Counsel (defined below). ECF No. 105. On December 8, 2022, Plaintiffs filed their Consolidated
 25 Class Action Complaint for Violations of the Federal Securities Laws and Jury Trial Demand
 26 (“Consolidated Complaint”), asserting claims under Section 10(b) of the Exchange Act and Rule
 27

28 ¹ All terms with initial capitalization not otherwise defined herein shall have the meanings ascribed to them in ¶1 herein. The singular forms of nouns and pronouns include the plural and vice versa.

1 10b-5 promulgated thereunder, and Sections 20(a) and 20A of the Exchange Act, for a class period
2 of May 5, 2020, and November 1, 2021, inclusive (“Class Period” or “Settlement Class Period”).
3 ECF No. 115.

4 The Consolidated Complaint alleges, among other things, that throughout the Class Period,
5 Chegg and its executives made materially false and misleading statements regarding the extent to
6 which Chegg’s platform was used by students to cheat during the period of distance learning
7 following the COVID-19 pandemic and the reasons for the Company’s unprecedented growth
8 during this time. The Consolidated Complaint further alleges that in reality, the Company’s record
9 growth was largely due to rampant use of its platform to cheat while students were learning
10 remotely. The Consolidated Complaint also alleges that Chegg’s stock price was artificially
11 inflated as a result of Defendants’ alleged false and misleading statements, and that Chegg’s stock
12 price declined when the truth regarding Defendants’ alleged misrepresentations was revealed on
13 November 1, 2021.

14 **B. The Pleading Stage**

15 On February 16, 2023, Defendants filed their motion to dismiss the Consolidated Complaint
16 (“Motion to Dismiss”) and a Request for Judicial Notice and Incorporation by Reference in Support
17 of Defendants’ Motion to Dismiss (“RJN”). ECF Nos. 122, 123. On April 27, 2023, Lead Plaintiffs
18 filed their opposition to Defendants’ Motion to Dismiss and RJN, and filed a Motion to Strike
19 Paragraphs 34–39 of the Declaration of Heather Speers (“Motion to Strike”). ECF Nos. 128-30.
20 On May 11, 2023, Defendants filed their Opposition to the Motion to Strike. ECF No. 131. On
21 May 18, 2023, Lead Plaintiffs filed their Reply in Support of their Motion to Strike. ECF No. 132.
22 On June 8, 2023, Defendants filed their Reply in Support of their Motion to Dismiss and RJN.
23 ECF Nos. 133, 134.²

24 On March 4, 2024, the Court entered an Order denying Defendants’ Motion to Dismiss.
25 ECF No. 150 at 4-6, 11, 14. The Court also denied the Motion to Strike. *Id.* at 15-16.

26 On April 22, 2024, Defendants moved for leave to file a motion for reconsideration of the
27 Court’s order denying their Motion to Dismiss, or in the alternative, to certify the order for

28 ² On August 18, 2023, this case was reassigned from the Honorable Edward J. Davila to the Honorable P. Casey Pitts. ECF No. 138.

1 interlocutory appeal (“Motion for Reconsideration”). ECF No. 155. Defendants moved for
2 reconsideration on falsity, scienter, and loss causation grounds. The Court granted Defendants’
3 request for leave, and the Parties fully briefed Defendants’ Motion for Reconsideration. ECF Nos.
4 158, 160, 163. On April 24, 2024, Defendants filed their Answer to Lead Plaintiffs’ Consolidated
5 Complaint. ECF No. 156. On July 17, 2024, the Court denied Defendants’ Motion for
6 Reconsideration. ECF No. 172.

7 **C. Discovery Proceedings**

8 Counsel for the Parties held a Rule 26(f) conference telephonically on April 23, 2024.
9 Following the Rule 26(f) conference, the Parties continued to meet and confer on certain discovery-
10 related issues in accordance with the Northern District of California’s Guidelines for the Discovery
11 of Electronically Stored Information. On May 7, 2024, the Parties filed their Joint Case
12 Management Conference Statement. ECF No. 159. Following the Court’s denial of Defendants’
13 Motion to Dismiss and the lifting of the statutory discovery stay, Lead Plaintiffs propounded
14 extensive discovery on Defendants and relevant non-parties, as described below.

15 Specifically, Lead Plaintiffs served their Rule 26(a)(1) Initial Disclosures on April 25, 2024.
16 Lead Plaintiffs served their First Requests for Production of Documents and their First Set of
17 Interrogatories to Defendants on April 25, 2024. Lead Plaintiffs served their Second Set of
18 Requests for Production of Documents to Defendants on May 24, 2024. Defendants served their
19 Rule 26(a)(1) Initial Disclosures on May 29, 2024. Lead Plaintiffs served their Second Set of
20 Interrogatories, their First and Second Sets of Requests for Admissions, and their Third Set of
21 Requests for Production of Documents to Defendants on May 31, 2024. Defendants took the
22 position that discovery was stayed pending resolution of their Motion for Reconsideration.
23 Plaintiffs took the position that discovery was not stayed.

24 While Lead Plaintiffs’ written discovery requests to Defendants were outstanding, and after
25 the Parties had agreed to an in-person mediation on September 26, 2024, the Parties agreed to
26 exchange certain materials in advance of the mediation, as part of a pre-mediation discovery
27 process, to assist the Parties in better evaluating the relative strengths and weaknesses of their
28 respective claims and defenses. Defendants agreed to expedite their production of core relevant

1 documents responsive to Lead Plaintiffs’ document requests and provide substantive responses to
2 Lead Plaintiffs’ Interrogatories and Requests for Admissions. Lead Plaintiffs, in turn, agreed to
3 provide Defendants with certain documents relevant to Lead Plaintiffs’ claims, including
4 documents produced by colleges, universities, and other institutions of higher learning in response
5 to Freedom of Information Act (“FOIA”) requests referenced in the Consolidated Complaint.
6 Accordingly, Defendant Chegg served its Responses to Lead Plaintiffs’ First Set of Requests for
7 Admission on August 28, 2024, and its Responses to Lead Plaintiffs’ Second Set of Requests for
8 Admission on August 30, 2024. In addition, Defendants produced approximately 77,000 pages of
9 documents in four separate productions between July and August 2024. These productions
10 included organizational charts, emails from the custodial files of the three Individual Defendants
11 plus an additional relevant Chegg employee referenced in the Consolidated Complaint responsive
12 to agreed-upon search terms, and spreadsheets of subscriber and user engagement data for Chegg’s
13 platform.

14 In May and June 2024, Plaintiffs also served approximately 51 non-party Subpoenas to
15 Produce Documents, Information, or Objects or to Permit Inspection of Premises (“Subpoena” or
16 “Subpoenas”) on: (1) media outlets that reported on Chegg’s alleged cheating, including *The Boston*
17 *Globe*, *The Washington Post*, *The New York Times*, *The Hechinger Report*, and *Barron’s*, (2)
18 Exterro, Inc., an e-discovery and data management support services vendor that Chegg engaged to
19 implement litigation holds, including in this Action; (3) approximately two dozen colleges,
20 universities, and service academies across the United States, including Arizona State University,
21 Boise State University, Boston University, Brown University, California State University
22 (Fullerton), the College of San Mateo (California), Columbia University, Duke University, George
23 Washington University, the Georgia Institute of Technology, North Carolina State University,
24 Princeton University, Purdue University, the State University of New York (Binghamton, Buffalo,
25 and Oswego), Texas A&M University, the United States Air Force Academy, the University of
26 California, the University of Minnesota, the University of Nebraska System, the University of
27 Oregon, and the University of Portland; (4) securities analysts that issued reports on Chegg during
28 the Class Period, including Bank of America Securities, Inc., Bank of Montreal (aka BMO Global

1 Capital Solutions, Inc.), Citigroup Global Markets Inc., Exane Inc. (aka BNP Baribas), Goldman
2 Sachs & Co. LLC, Jefferies LLC, JP Morgan Securities, LLC, KeyBanc Capital Markets, Lake
3 Street Capital Markets LLC, Morgan Stanley & Co. LLC, Needham & Company LLC, Northland
4 Securities Inc., Raymond James & Associates Inc., and William Blair & Company LLC. Together,
5 these non-parties produced, and Lead Plaintiffs reviewed, approximately 47,000 pages of
6 documents.

7 Finally, as part of the Parties' pre-mediation agreement, Lead Plaintiffs reproduced to
8 Defendants approximately 40,600 pages of documents that had previously been produced by
9 colleges, universities, and other institutions of higher learning in response to FOIA requests and/or
10 other public records requests made during Lead Plaintiffs' pre-suit investigation, including
11 documents referenced in the Consolidated Complaint and the Court's Orders denying Defendants'
12 Motion to Dismiss and Motion for Reconsideration.

13 On August 2, 2024, the Parties filed a Joint Motion for Initial Case Management Conference
14 informing the Court that the Parties had agreed to private mediation under the oversight of the Hon.
15 Layn Phillips (Fmr.), a highly experienced mediator of complex securities and shareholder
16 litigation. ECF No. 175. On August 5, 2024, the Court granted the Parties' Stipulated Protective
17 Order (as Modified) and the Stipulated Order Re: Discovery of Electronically Stored Information
18 (as Modified). ECF Nos. 177, 178. The Court also scheduled an Initial Case Management
19 Conference for October 10, 2024. ECF No. 176.

20 **D. Settlement Negotiations**

21 On September 26, 2024, the Parties and Defendants' directors' and officers' liability
22 insurance carriers (the "D&O Insurers") participated in a full day, in-person mediation session in
23 San Francisco, California conducted by Judge Phillips and two of his colleagues. Prior to the
24 mediation, each side submitted comprehensive mediation statements setting forth their respective
25 positions on various legal and factual issues, supported by voluminous exhibits, which included
26 detailed information obtained through the pre-mediation discovery discussed above. During the
27 mediation, the Parties provided their respective views on, *inter alia*, liability, damages, and Chegg's
28 financial condition and outlook.

1 After a full day of negotiations that included numerous offers and counteroffers, the Parties
2 ultimately agreed to an agreement in principle to settle Plaintiffs' claims for \$55 million in cash.
3 On that same date, the Parties filed a Joint Case Management Statement to inform the Court that
4 the Parties had participated in mediation and had reached an agreement in principle to settle the
5 Action. ECF No. 179.

6 **II. CLAIMS OF LEAD PLAINTIFFS AND BENEFITS OF SETTLEMENT**

7 Based on their evaluation, Lead Plaintiffs and their counsel have determined that the terms
8 set forth in this Stipulation are fair, reasonable, adequate, and in the best interests of the Settlement
9 Class. Based upon their investigation and prosecution of the case, Lead Plaintiffs believe that the
10 claims asserted in the Action have merit and that the evidence developed to date supports those
11 claims.

12 The Stipulation shall not be construed as or received in evidence as an admission,
13 concession or presumption against Lead Plaintiffs or any of the Settlement Class Members that any
14 of their claims are without merit, that any defenses asserted by Defendants have merit, or that the
15 damages recoverable in the Action would not have exceeded the Settlement Fund (as defined
16 herein). However, Lead Plaintiffs recognize and acknowledge the potential expense and length of
17 continued proceedings necessary to prosecute the Action against Defendants through trial and
18 through appeals.

19 Lead Plaintiffs have also taken into account the uncertain outcome and risk of any litigation,
20 especially in complex actions such as this Action, as well as the difficulties and delays of such
21 litigation. Furthermore, Lead Plaintiffs took into account Chegg's ability to pay a more sizable
22 settlement, considering the Company's current financial condition, balance sheet, and the
23 availability of Chegg's D&O liability insurance. Lead Plaintiffs are also mindful of the inherent
24 difficulties of proof associated with, and possible defenses to, the securities law violations asserted
25 in the Action. Lead Plaintiffs believe that the terms set forth in this Stipulation confer substantial
26 benefits upon the Settlement Class.

27
28

1 **III. DEFENDANTS’ DENIALS OF WRONGDOING AND LIABILITY**

2 Throughout this Action, Defendants have denied, and continue to deny, any and all
3 allegations of fault, liability, wrongdoing, or damages whatsoever arising out of any of the conduct,
4 statements, acts, or omissions alleged, or that could have been alleged, in the Action. Defendants
5 have denied, and continue to deny, the allegations that Lead Plaintiffs or any Settlement Class
6 Members have suffered damages or were harmed by any of the conduct alleged in the Action or
7 that could have been alleged as part of the Action. Defendants maintain that they have meritorious
8 defenses to all claims in the Action.

9 Although Defendants continue to believe the claims asserted against them in the Action are
10 without merit, they have agreed to enter into the Settlement set forth in this Stipulation solely to
11 avoid the expense, distraction, time, and uncertainty associated with the Action. Having taken into
12 account the risks inherent in any litigation, especially in complex cases such as this Action,
13 Defendants have concluded that it is desirable and beneficial that the Action be fully and finally
14 settled in the manner and upon the terms and conditions set forth in this Stipulation.

15 **IV. SETTLEMENT TERMS**

16 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and among Lead
17 Plaintiffs (individually and on behalf of all other members of the Settlement Class) and Defendants,
18 by and through their respective undersigned attorneys and subject to the approval of the Court
19 pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, that, in consideration of the benefits
20 flowing to the Parties from the Settlement, all Released Plaintiffs’ Claims as against the Defendant
21 Releasees and all Released Defendants’ Claims as against the Plaintiff Releasees shall be settled
22 and released, and the Action shall be dismissed with prejudice, upon and subject to the terms and
23 conditions set forth below.

24 **1. Definitions**

25 As used in this Stipulation, the following terms have the meanings specified below:

26 1.1 “Action” means the securities class action styled *Leventhal v. Chegg, Inc., et al.*,
27 Case No. 5:21-cv-09953-PCP (N.D. Cal).

1 1.2 “Authorized Claimant” means a Settlement Class Member who submits a Proof of
2 Claim Form to the Claims Administrator that is approved by the Court for payment from the Net
3 Settlement Fund.

4 1.3 “Chegg” or “the Company” means Chegg, Inc.

5 1.4 “Claim” means a Proof of Claim Form or electronic claim submitted by a Claimant
6 or Settlement Class Member to the Claims Administrator.

7 1.5 “Claim Form” or “Proof of Claim Form” means in the form attached hereto as
8 Exhibit A-2, or in such other form as may be approved in writing by all of the Parties acting by and
9 through their respective counsel of record in the Action and approved by the Court, that a Claimant
10 or Settlement Class Member must complete and submit should that Claimant or Settlement Class
11 Member seek to share in a distribution of the Net Settlement Fund.

12 1.6 “Claimant” means a person or entity who or which submits a Claim to the Claims
13 Administrator seeking to be eligible to share in the proceeds of the Net Settlement Fund.

14 1.7 “Claims Administrator” means A.B. Data Ltd., the firm retained by Lead Plaintiffs
15 and Lead Counsel, subject to approval of the Court, to provide all notices approved by the Court to
16 potential Settlement Class Members and to administer the Settlement.

17 1.8 “Class Distribution Order” means an order entered by the Court authorizing and
18 directing that the Net Settlement Fund be distributed, in whole or in part, to Authorized Claimants.

19 1.9 “Court” means the United States District Court for the Northern District of
20 California.

21 1.10 “Defendants” means Chegg and the Individual Defendants.

22 1.11 “Defendants’ Counsel” means Cooley LLP.

23 1.12 “Defendant Releasees” means each and all Defendants, Defendants’ Counsel, the
24 D&O Insurers, and their respective Related Persons.

25 1.13 “Derivative Actions” means the cases captioned as *In re Chegg, Inc. Derivative*
26 *Litigation*, Lead Case No. 5:22-cv-00217 (N.D. Cal.) and *Stein v. Rosensweig, et al.*, Case No.
27 2023-0244 (Del. Ch.).
28

1 1.14 “Effective Date” means the first date by which all of the conditions specified in
2 Paragraph 8.1 below have been met and have occurred or have been waived.

3 1.15 “Escrow Account” means an account maintained at Huntington Bank, wherein the
4 Settlement Amount shall be deposited and held in escrow under the control of Lead Counsel.

5 1.16 “Escrow Agent” means Huntington Bank.

6 1.17 “Escrow Agreement” means the agreement between Lead Counsel and the Escrow
7 Agent setting forth the terms under which the Escrow Agent shall maintain the Escrow Account.

8 1.18 “Excluded Claims” means (i) any claims asserted in the Derivative Actions or any
9 other derivative or ERISA action based on similar allegations as those set forth in the Consolidated
10 Complaint; and (ii) any claims of any person or entity who or which submits a request for exclusion
11 that is accepted by the Court.

12 1.19 “Final,” with respect to the Judgment, or any other court order, means: (i) if no
13 appeal is filed, the expiration date of the time provided for filing or noticing any appeal under the
14 Federal Rules of Appellate Procedure, *i.e.*, thirty (30) days after entry of the judgment or order; or
15 (ii) if there is an appeal from the judgment or order: (a) the date of final dismissal of all such
16 appeals, or the final dismissal of any proceeding on certiorari or otherwise; or (b) the date the
17 judgment or order is finally affirmed on an appeal, the expiration of the time to file a petition for a
18 writ of certiorari or other form of review, or the denial of a writ of certiorari or other form of review,
19 and, if certiorari or other form of review is granted, the date of final affirmance following review
20 pursuant to that grant. However, any appeal or proceeding seeking subsequent judicial review
21 pertaining solely to an order issued with respect to (i) attorneys’ fees, costs or expenses; (ii) the
22 plan of allocation of Settlement proceeds (as submitted or subsequently modified); or (iii) the
23 procedures for determining Authorized Claimants’ recognized claims, or distribution of the Net
24 Settlement Fund to Authorized Claimants, shall not in any way delay or affect the time set forth
25 above for the Judgment to become Final, or otherwise preclude a judgment from becoming Final.

26 1.20 “Immediate Family” means children, stepchildren, parents, stepparents, spouses,
27 siblings, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-law, brothers-in-law, and
28

1 sisters-in-law. As used in this paragraph, “spouse” shall mean a husband, a wife, or a partner in a
2 state-recognized domestic relationship or civil union.

3 1.21 “Individual Defendants” means Daniel L. Rosensweig, Andrew J. Brown, and
4 Nathan Schultz.

5 1.22 “Judgment” means the Final Judgment Approving Class Action Settlement and
6 Order of Dismissal with Prejudice to be rendered by the Court, substantially in the form attached
7 hereto as Exhibit B, as well as any form of final judgment that may be entered by the Court in a
8 form other than the form attached hereto as Exhibit B and where none of the Parties elects to
9 terminate this Settlement by reason of such variance, consistent with the terms of this Stipulation.

10 1.23 “Lead Counsel” means Motley Rice LLC and Saxena White P.A.

11 1.24 “Lead Plaintiffs” mean KBC Asset Management, NV and Pompano Beach Police
12 and Firefighters’ Retirement System.

13 1.25 “Litigation Expenses” means costs and expenses incurred in connection with
14 commencing, prosecuting and settling the Action (which may include the reimbursement of time,
15 costs and expenses of Lead Plaintiffs directly related to their representation of the Settlement Class
16 as permitted by the PSLRA), for which Lead Counsel intend to apply to the Court for
17 reimbursement from the Settlement Fund.

18 1.26 “Net Settlement Fund” means the Settlement Fund less: (i) any Taxes and Tax
19 Expenses; (ii) any Notice and Administration Costs; (iii) any Litigation Expenses awarded by the
20 Court; (iv) any attorneys’ fees awarded by the Court; and (v) other Court-approved deductions.

21 1.27 “Notice” means the Notice of (i) Pendency of Class Action, Certification of
22 Settlement Class, and Proposed Settlement and Plan of Allocation; (ii) Settlement Fairness Hearing;
23 and (iii) Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses,
24 substantially in the form attached hereto as Exhibit A-1, or in such other form as may be approved
25 in writing by all of the Parties acting by and through their respective counsel of record in the Action
26 and approved by the Court, which shall be made available online at a website maintained by the
27 Claims Administrator or mailed to Settlement Class Members upon request.

1 1.28 “Notice and Administration Costs” means the reasonable costs, fees and expenses
2 that are actually incurred by the Claims Administrator and/or Lead Counsel in connection with: (i)
3 providing Notice of the Settlement to the Settlement Class, including through distribution of the
4 Notice, Summary Notice, and Postcard Notice by mail, publication, and other means of locating
5 potential Settlement Class Members; and (ii) administering the Settlement, including, but not
6 limited to, the Claims process, as well as the costs, fees, and expenses incurred in connection with
7 the Escrow Account.

8 1.29 “Officer” means any officer as that term is defined in Securities and Exchange Act
9 Rule 16a-1(f).

10 1.30 “Parties” means Defendants and Lead Plaintiffs, on behalf of themselves and the
11 Settlement Class.

12 1.31 “Plaintiffs’ Counsel” means Lead Counsel and all other legal counsel who, at the
13 direction and under the supervision of Lead Counsel, performed services on behalf of the
14 Settlement Class in the Action.

15 1.32 “Plaintiff Releasees” means Lead Plaintiffs, all other plaintiffs in the Action,
16 Plaintiffs’ Counsel, and all other Settlement Class Members, as well as each of their respective
17 current and former Officers, directors, agents, parents, affiliates, subsidiaries, successors,
18 predecessors, assigns, assignees, employees, and attorneys, in their capacities as such.

19 1.33 “Plan of Allocation” means the proposed plan or formula for allocation of the Net
20 Settlement Fund to Authorized Claimants as set forth in the Notice. Any Plan of Allocation is not
21 part of the Stipulation, and Defendant Releasees shall have no responsibility for the Plan of
22 Allocation or its implementation and no liability with respect thereto. Any order or proceeding
23 relating to the Plan of Allocation shall not operate to terminate or cancel this Stipulation or affect
24 the finality of the Judgment or any other orders entered by the Court pursuant to this Stipulation.

25 1.34 “Postcard Notice” means the Postcard Notice of (i) Pendency of Class Action,
26 Certification of Settlement Class, and Proposed Settlement and Plan of Allocation; (ii) Settlement
27 Fairness Hearing; and (iii) Motion for an Award of Attorneys’ Fees and Reimbursement of
28 Litigation Expenses, substantially in the form attached hereto as Exhibit A-4, or in such other form

1 as may be approved in writing by all of the Parties acting by and through their respective counsel
2 of record in the Action and approved by the Court, which is to be mailed or emailed to Settlement
3 Class Members. The Postcard Notice shall direct Class Members to the Settlement website to
4 access the Claim Form and the Notice, which shall contain the general terms of the Settlement set
5 forth in the Stipulation, the proposed Plan of Allocation, the general terms of the fee and expense
6 application, and the date of the Settlement Hearing.

7 1.35 “Preliminary Approval Order” means the order to be entered by the Court
8 preliminarily approving the Settlement and directing that Postcard Notice of the Settlement be
9 provided to the Settlement Class, in the form attached hereto as Exhibit A, or in such other form as
10 may be approved by the Court.

11 1.36 “PSLRA” means the Private Securities Litigation Reform Act of 1995, 15 U.S.C. §
12 78u-4, as amended.

13 1.37 “Related Persons” means (i) with respect to Defendants, Defendants’ Counsel, and
14 the D&O Insurers, each of their respective current and former, Officers, directors, agents, parents,
15 affiliates, subsidiaries, reinsurers, successors, predecessors, assigns, assignees, employees, and
16 attorneys, in their capacities as such; and (ii) with respect to the Individual Defendants, their
17 respective spouses, Immediate Family members, heirs, successors, executors, estates,
18 administrators, attorneys, agents, accountants, insurers or reinsurers, personal representatives,
19 trusts, community property, and any other entity in which any of them has a controlling interest,
20 and as to such entities, each and all of their predecessors, successors, past, present or future parents,
21 subsidiaries, affiliates, and each of their respective past or present Officers, directors, shareholders,
22 agents, partners, principals, members, employees, attorneys, advisors, trustees, auditors and
23 accountants, insurers and reinsurers.

24 1.38 “Released Claims” means all Released Defendants’ Claims and all Released
25 Plaintiffs’ Claims.

26 1.39 “Released Defendants’ Claims” means all claims, demands, losses, rights, liability,
27 or causes of action, in law or in equity, accrued or unaccrued, fixed or contingent, direct, individual
28 or representative, of every nature and description whatsoever, whether known or unknown, or based

1 on federal, state, local, statutory, or common law or any other law, rule, or regulation (including
2 the law of any jurisdiction outside the United States), that were or could have been asserted in the
3 Action or could in the future be asserted in any forum, whether foreign or domestic, against Plaintiff
4 Releasees by Defendants or any member of Defendant Releasees, or their successors, assigns,
5 executors, administrators, representatives, attorneys, and agents in their capacity as such, which
6 arise out of, relate to, or are based upon, the institution, prosecution, or settlement of the claims
7 asserted in the Action against Defendants. Released Defendants' Claims do not include any claims
8 relating to the enforcement of the Settlement and any Excluded Claims.

9 1.40 "Released Plaintiffs' Claims" means all claims, demands, losses, rights, liability, or
10 causes of action, in law or in equity, accrued or unaccrued, fixed or contingent, direct, individual
11 or representative, of every nature and description whatsoever, whether known or unknown, or based
12 on federal, state, local, statutory, or common law or any other law, rule, or regulation (including
13 the law of any jurisdiction outside the United States), that were or could have been asserted in the
14 Action or could in the future be asserted in any forum, whether foreign or domestic, against
15 Defendant Releasees by Lead Plaintiffs or any member of the Settlement Class, or their successors,
16 assigns, executors, administrators, representatives, attorneys, and agents in their capacity as such,
17 which arise out of, are based upon, or relate in any way to the factual predicate of the Action,
18 including, but not limited to, (i) any of the allegations, facts, transactions, events, matters,
19 occurrences, acts, disclosures, oral or written statements, representations, omissions, failures to act,
20 filings, publications, disseminations, press releases, or presentations involved, set forth, alleged or
21 referred to in the Action; and (ii) all claims that arise out of, are based upon, or relate in any way
22 to the purchase, acquisition, holding, sale, or disposition of any Chegg securities during the
23 Settlement Class Period. "Released Plaintiffs' Claims" shall not include any claims to enforce this
24 Settlement or Excluded Claims.

25 1.41 "Releasee(s)" means each and any of the Defendant Releasees and each and any of
26 the Plaintiff Releasees.

27 1.42 "Releases" means the releases set forth in ¶¶5.2-5.5 of this Stipulation.
28

1 1.43 “Settlement” means the settlement of the Action between Lead Plaintiffs, on behalf
2 of themselves and the Settlement Class, and each of the Defendants on the terms and conditions set
3 forth in this Stipulation.

4 1.44 “Settlement Amount” means fifty-five million dollars (\$55,000,000.00) in cash to
5 be paid by Defendants’ insurers.

6 1.45 “Settlement Class” or “Class” means all persons who purchased, or otherwise
7 acquired Chegg common stock between May 5, 2020, and November 1, 2021, inclusive, and who
8 were damaged thereby. Excluded from the Settlement Class are: (1) Defendants; (2) the Officers
9 or directors of Chegg during the Settlement Class Period; (3) the Immediate Family members of
10 any Defendant or any Officer or director of Chegg during the Settlement Class Period; and (4) any
11 entity that any Defendant owns or controls, or owned or controlled, during the Settlement Class
12 Period. Also excluded from the Settlement Class are those persons who file valid and timely
13 requests for exclusion in accordance with the Preliminary Approval Order.

14 1.46 “Settlement Class Period” or “Class Period” means the time period between May 5,
15 2020, and November 1, 2021, inclusive.

16 1.47 “Settlement Class Member” means each person or entity who or which is a member
17 of the Settlement Class.

18 1.48 “Settlement Fund” means the Settlement Amount plus any and all interest earned
19 thereon.

20 1.49 “Settlement Hearing” or “Final Approval Hearing” means the hearing set by the
21 Court under Rule 23(e)(2) of the Federal Rules of Civil Procedure to consider final approval of the
22 Settlement.

23 1.50 “Stipulation” or “Settlement Agreement” means this Stipulation of Settlement,
24 including the recitals and exhibits hereto (the “Exhibits”), each of which is incorporated by
25 reference as though set forth in the Stipulation itself.

26 1.51 “Summary Notice” means the Summary Notice of (i) Pendency of Class Action,
27 Certification of Settlement Class, and Proposed Settlement and Plan of Allocation; (ii) Settlement
28 Fairness Hearing; and (iii) Motion for an Award of Attorneys’ Fees and Reimbursement of

1 Litigation Expenses, substantially in the form attached hereto as Exhibit A-3, to be published as set
2 forth in the Preliminary Approval Order, or in such other form as may be approved in writing by
3 all of the Parties acting by and through their respective counsel of record in the Action and approved
4 by the Court.

5 1.52 “Tax” or “Taxes” means: (i) all federal, foreign, state, and/or local taxes of any kind,
6 fees, levies, duties, tariffs, imposts, and other charges of any kind (including any interest or
7 penalties thereon) on any income earned by the Settlement Fund; (ii) the expenses and costs
8 incurred by Lead Counsel and/or the Escrow Agent in connection with determining the amount of,
9 and paying, any taxes owed by the Settlement Fund (including, without limitation, expenses of tax
10 attorneys and accountants); and (iii) all taxes imposed on payments by the Settlement Fund,
11 including withholding taxes.

12 1.53 “Tax Expenses” means any expenses and costs incurred in connection with the
13 calculation and payment of Taxes or the preparation of tax returns and related documents including,
14 without limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs
15 and expenses relating to filing (or failing to file) the returns described in ¶¶2.6-2.7.

16 1.54 “Unknown Claims” means any Released Plaintiffs’ Claims that Lead Plaintiffs or
17 any other Settlement Class Member does not know or suspect to exist in his, her, or its favor at the
18 time of the release of such claims, and any Released Defendants’ Claims that any Defendant or any
19 other Defendant Releasee does not know or suspect to exist in his, her, or its favor at the time of
20 the release of such claims, which, if known by him, her, or it might have affected his, her, or its
21 decision(s) with respect to this Settlement including, but not limited to, whether or not to object to
22 this Settlement or to the release of any Released Claims. With respect to any and all Released
23 Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Lead
24 Plaintiffs and Defendants shall expressly waive, and each of the other Plaintiff Releasees and
25 Defendant Releasees shall be deemed to have waived, and by operation of the Judgment, shall have
26 expressly waived, any and all provisions, rights, and benefits conferred by California Civil Code §
27 1542 and any law of any state or territory of the United States, or principle of common law or
28

1 foreign law, which is similar, comparable, or equivalent to California Civil Code § 1542, which
2 provides:

3 **A general release does not extend to claims that the creditor or releasing party**
4 **does not know or suspect to exist in his or her favor at the time of executing**
5 **the release and that, if known by him or her, would have materially affected**
6 **his or her settlement with the debtor or released party.**

7 The Releasees acknowledge that they may hereafter discover facts in addition to or different
8 from those which he, she, it, or their counsel now knows or believes to be true with respect to the
9 subject matter of the Released Claims but they are, notwithstanding this potential, entering into the
10 Stipulation and intend it to be a full, final, and permanent resolution of the matters at issue in this
11 Action. Lead Plaintiffs and Defendants acknowledge, and each of the other Settlement Class
12 Members and each of the other Plaintiff Releasees and Defendant Releasees shall be deemed by
13 operation of law to have acknowledged, that the foregoing waiver was separately bargained for and
14 a key element of the Settlement.

15 **2. The Settlement**

16 **a. The Settlement Fund**

17 2.1 Subject to the terms of this Stipulation, Defendants shall cause the Settlement
18 Amount to be paid into the Escrow Account designated by the Escrow Agent within twenty (20)
19 business days after the later of: (a) entry of an order preliminarily approving the Settlement, or (b)
20 Chegg's receipt of all information necessary to effectuate a transfer of funds, including the bank
21 name and ABA routing number, address, account name and number, a signed W-9, banking
22 verification, any forms reasonably required by any payor of a portion of the settlement amount, and
23 a contact person from Lead Counsel with a phone number who can verbally verify the payment
24 instructions and verbal verification of the payment instructions by the contact provided.

25 2.2 The payments described in ¶2.1 are the only payments to be made by or on behalf
26 of any and all of the Defendant Releasees in connection with this Settlement. All fees, costs, and
27 expenses incurred by or on behalf of Lead Plaintiffs and members of the Settlement Class
28 associated with this Settlement, including, but not limited to, (a) any Taxes or Tax Expenses; (b)
any Notice and Administration Costs; (c) any Litigation Expenses awarded by the Court; (d) any

1 attorneys' fees awarded by the Court; and (e) other Court-approved deductions, shall be paid from
2 the Settlement Fund, and in no event shall any Defendant Releasee bear any responsibility or
3 liability for any such fees, costs, or expenses.

4 **b. Use of Settlement Fund**

5 2.3 Subject to the terms and conditions of this Stipulation and the Settlement, the
6 Settlement Fund shall be used to pay: (a) any Taxes or Tax Expenses; (b) any Notice and
7 Administration Costs; (c) any Litigation Expenses awarded by the Court; and (d) any attorneys'
8 fees awarded by the Court. The balance remaining in the Settlement Fund, that is, the Net
9 Settlement Fund, shall be distributed to Authorized Claimants as provided in ¶¶4.1-4.14 below, or
10 as otherwise ordered by the Court.

11 2.4 Except as provided herein or pursuant to orders of the Court, the Net Settlement
12 Fund shall remain in the Escrow Account prior to the Effective Date. All funds held by the Escrow
13 Agent shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction
14 of the Court until such time as the funds shall be distributed or returned pursuant to the terms of
15 this Stipulation or further order(s) of the Court. At the written direction of Lead Counsel, the
16 Escrow Agent shall invest the Settlement Fund exclusively in instruments, funds, or accounts
17 backed by the full faith and credit of the United States Government or fully insured by the United
18 States Government or an agency thereof, including a U.S. Treasury Fund or a bank account. All
19 risks related to the investment of the Settlement Fund shall be borne by the Escrow Agent, and the
20 Defendant Releasees shall have no responsibility for, interest in, or liability whatsoever with respect
21 to any investment decisions or actions taken, or any transactions executed by, the Escrow Agent.

22 2.5 The Escrow Agent shall not disburse the Settlement Fund except as provided in the
23 Stipulation or by an order of the Court.

24 2.6 The Parties agree that the Settlement Fund is intended to be a Qualified Settlement
25 Fund within the meaning of Treasury Regulation § 1.468B-1 and that Lead Counsel, as
26 administrators of the Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3),
27 shall be solely responsible for filing or causing to be filed all informational and other tax returns as
28 may be necessary or appropriate (including, without limitation, the returns described in Treasury

1 Regulation § 1.468B-2(k)) for the Settlement Fund. Lead Counsel shall also be responsible for
2 causing payment to be made from the Settlement Fund of any Taxes owed with respect to the
3 Settlement Fund. Defendant Releasees shall not have any liability or responsibility for any such
4 Taxes. Upon written request, Defendants will provide to Lead Counsel the statement described in
5 Treasury Regulation § 1.468B-3(e). Lead Counsel, as administrators of the Settlement Fund within
6 the meaning of Treasury Regulation § 1.468B-2(k)(3), shall timely make such elections as are
7 necessary or advisable to carry out this paragraph, including, as necessary, making a “relation back
8 election,” as described in Treasury Regulation § 1.468B-1(j), to cause the Qualified Settlement
9 Fund to come into existence at the earliest allowable date, and shall take or cause to be taken all
10 actions as may be necessary or appropriate in connection therewith. Such elections shall be made
11 in compliance with procedures and requirements contained in such regulations. It shall be the
12 responsibility of Lead Counsel to timely and properly prepare and deliver the necessary
13 documentation for signature by all necessary parties, and thereafter to cause the appropriate filing
14 to timely occur.

15 2.7 All Taxes and Tax Expenses shall be paid out of the Settlement Fund and shall be
16 timely paid by the Escrow Agent pursuant to the disbursement instructions to be set forth in the
17 Escrow Agreement, and without further order of the Court. Any tax returns prepared for the
18 Settlement Fund (as well as the election set forth therein) shall be consistent with the previous
19 paragraph and in all events shall reflect that all Taxes on the income earned by the Settlement Fund
20 shall be paid out of the Settlement Fund as provided herein. Defendant Releasees shall have no
21 responsibility or liability for the acts or omissions of the Claims Administrator, the Escrow Agent,
22 Lead Counsel, or their agents with respect to the payment of Taxes, as described herein, or the
23 filing of any tax returns or other documents in connection with the Settlement Fund.

24 2.8 The Settlement is not a claims-made settlement. Upon the occurrence of the
25 Effective Date, no Defendant Releasee, or any person or entity who or which paid any portion of
26 the Settlement Amount, shall have any right to the return of the Settlement Fund or any portion
27 thereof for any reason whatsoever, including without limitation, the number of Claim Forms
28 submitted, the collective amount of recognized claims of Authorized Claimants, the percentage of

1 recovery of losses, or the amounts to be paid to Authorized Claimants from the Net Settlement
2 Fund. In no instance shall any Defendant Releasee be required to pay any amount other than as
3 specified in Paragraph 2.1.

4 2.9 Notwithstanding the fact that the Effective Date of the Settlement has not yet
5 occurred, Lead Counsel may pay from the Settlement Fund, without further approval from
6 Defendants or further order of the Court, reasonable Notice and Administration Costs actually
7 incurred and paid or payable. Such costs and expenses shall include, without limitation, the actual
8 costs of publication, printing, emailing, and/or mailing the Postcard Notice, publishing the
9 Summary Notice, reimbursements to nominee owners for forwarding the Postcard Notice to their
10 beneficial owners, the administrative expenses incurred and fees charged by the Claims
11 Administrator in connection with providing notice, administering the Settlement (including
12 processing the submitted Claims), and the fees, if any, of the Escrow Agent. In the event that the
13 Settlement is terminated pursuant to the terms of this Stipulation, all Notice and Administration
14 Costs paid or incurred, including any related fees, shall not be returned or repaid to any of the
15 Defendant Releasees, or any person or entity who or which paid any portion of the Settlement
16 Amount.

17 2.10 If there is any balance remaining in the Net Settlement Fund (whether by reason of
18 tax refunds, uncashed checks, or otherwise) after at least six (6) months from the date of an initial
19 distribution of the Net Settlement Fund, the Claims Administrator shall, if feasible and economical
20 and after payment of Notice and Administration Costs, Taxes, and attorneys' fees and Litigation
21 Expenses, if any, redistribute such balance among Authorized Claimants who have cashed their
22 checks in an equitable and economic fashion. Once it is no longer feasible or economical to make
23 further distributions, any unclaimed balance that still remains in the Net Settlement Fund, after
24 payment of Notice and Administration Costs and Taxes, shall be contributed to Investor Protection
25 Trust, a non-profit, non-sectarian 501(c)(3) organization dedicated to investor education and
26 protection, or as ordered by the Court.

1 **3. Class Certification and Preliminary Approval Order**

2 3.1 Solely for the purposes of the Settlement and for no other purpose, the Parties
3 stipulate and agree to (a) certification of the Action as a class action pursuant to Rules 23(a) and
4 23(b)(3) of the Federal Rules of Civil Procedure on behalf of the Settlement Class; (b) certification
5 of Lead Plaintiffs as class representatives for the Settlement Class; and (c) appointment of Lead
6 Counsel as class counsel for the Settlement Class pursuant to Rule 23(g) of the Federal Rules of
7 Civil Procedure.

8 3.2 As soon as practicable after execution of the Stipulation, Lead Plaintiffs will move
9 for preliminary approval of the Settlement and certification of the Settlement Class for settlement
10 purposes only, which motion shall be unopposed by Defendants. Lead Counsel shall submit the
11 Stipulation together with its Exhibits to the Court. Concurrently with the motion for preliminary
12 approval, Lead Plaintiffs shall apply to the Court for, and Defendants shall agree to, entry of the
13 Preliminary Approval Order, in the form attached hereto as Exhibit A, or in such other form as may
14 be approved in writing by all the Parties acting by and through their respective counsel of record in
15 the Action and entered by the Court, requesting, *inter alia*, the preliminary approval of the
16 Settlement set forth in this Stipulation, approval for distributing the Postcard Notice in substantially
17 the form of Exhibit A-4 attached hereto, for publication of the Summary Notice in substantially the
18 form of Exhibit A-3 attached hereto, and for publication on the Settlement website and mailing
19 (upon request) of the (long-form) Notice in substantially the form of Exhibit A-1 attached hereto,
20 or in such other forms as may be approved in writing by all of the Parties acting by and through
21 their respective counsel of record in the Action and approved by the Court.

22 3.3 In addition, Lead Plaintiffs' motion shall request that the Court hold the Final
23 Approval Hearing. At or prior to the Final Approval Hearing, Lead Counsel will request that the
24 Court approve the proposed Plan of Allocation, reimbursement of Lead Plaintiffs' costs and
25 expenses directly related to their representation of the Settlement Class, Lead Counsel's request for
26 attorneys' fees and expenses, and any Notice and Administration Costs reasonably incurred or to
27 be incurred.

28

1 **4. Notice and Settlement Administration**

2 4.1 As part of the Preliminary Approval Order, Lead Plaintiffs shall seek appointment
3 of a Claims Administrator. The Claims Administrator shall administer the Settlement, which
4 includes, but is not limited to, the process of receiving, reviewing, and approving or denying
5 Claims, under Lead Counsel’s supervision and subject to the jurisdiction of the Court. Other than
6 Chegg’s obligation to provide shareholder information as provided in ¶4.2 below, none of the
7 Defendant Releasees shall have any involvement in or any responsibility, authority, or liability
8 whatsoever for the selection of the Claims Administrator, the Plan of Allocation, the administration
9 of the Settlement, the Claims process, or disbursement of the Net Settlement Fund, and shall have
10 no liability whatsoever to any person or entity, including, but not limited to, Lead Plaintiffs, any
11 other Settlement Class Members, or Lead Counsel, in connection with the foregoing. Defendants’
12 Counsel shall cooperate in the administration of the Settlement to the extent reasonably necessary
13 to effectuate its terms.

14 4.2 In accordance with the terms of the Preliminary Approval Order to be entered by
15 the Court, Lead Counsel shall cause the Claims Administrator to mail or email the Postcard Notice
16 to those members of the Settlement Class who may be identified through reasonable effort,
17 including through the cooperation of Chegg and/or its agents. The Postcard Notice shall direct
18 Settlement Class Members to the Settlement website to access the Notice, which shall contain the
19 general terms of the Settlement set forth in the Stipulation, the proposed Plan of Allocation, the
20 general terms of the Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation
21 Expenses, the Claim Form, and the date of the Settlement Hearing. Lead Counsel shall also cause
22 the Claims Administrator to have the Summary Notice published in accordance with the terms of
23 the Preliminary Approval Order to be entered by the Court. For the purposes of identifying and
24 providing notice to the Settlement Class, within ten (10) business days of the date of entry of the
25 Preliminary Approval Order, Chegg shall provide or cause to be provided to the Claims
26 Administrator (at no cost to the Settlement Fund, Lead Counsel, or the Claims Administrator)
27 records reasonably available to Chegg or its transfer agent concerning the identity and last known
28 address of Settlement Class Members, in electronic form or other form as is reasonably available

1 to Chegg or its transfer agent, which information the Claims Administrator shall treat and maintain
2 as confidential.

3 4.3 The Claims Administrator shall receive Claims and determine first, whether the
4 Claim is a valid Claim, in whole or part, and second, each Authorized Claimant's *pro rata* share of
5 the Net Settlement Fund based upon each Authorized Claimant's recognized claim compared to the
6 total recognized claims of all Authorized Claimants (as set forth in the Plan of Allocation set forth
7 in the Notice attached hereto as Exhibit A-1, or in such other plan of allocation as the Court
8 approves).

9 4.4 The Plan of Allocation proposed in the Notice is not a necessary term of the
10 Settlement or of this Stipulation and it is not a condition of the Settlement or of this Stipulation that
11 any particular plan of allocation be approved by the Court. Lead Plaintiffs and Lead Counsel may
12 not cancel or terminate the Settlement (or this Stipulation) based on this Court's or any appellate
13 court's ruling with respect to the Plan of Allocation or any other plan of allocation in this Action.
14 Defendant Releasees shall not object in any way to the Plan of Allocation or any other plan of
15 allocation in this Action. No Defendant Releasees shall have any involvement with or liability,
16 obligation, or responsibility whatsoever in connection with the Plan of Allocation or any other
17 Court-approved plan of allocation.

18 4.5 Any Settlement Class Member who does not submit a valid Claim Form by the
19 deadline set by the Court (unless and to the extent the deadline is extended by the Court) will not
20 be entitled to receive any distribution from the Net Settlement Fund, but will, nevertheless, upon
21 the occurrence of the Effective Date, be bound by all of the terms of this Stipulation and Settlement
22 (including the terms of the Judgment) and the releases provided for herein and therein, and will be
23 permanently barred and enjoined from bringing any action, claim, or other proceeding of any kind
24 against any Defendant Releasee with respect to the Released Plaintiffs' Claims.

25 4.6 Any Settlement Class Member who or which does not timely and validly request
26 exclusion from the Settlement Class in the manner stated in the Preliminary Approval Order: (a)
27 shall be deemed to have waived his, her, or its right to be excluded from the Settlement Class; (b)
28 shall be forever barred from requesting exclusion from the Settlement Class in this or any other

1 proceeding; (c) shall be bound by the provisions of this Stipulation, the Settlement, and all
2 proceedings, determinations, orders, and judgments in the Action relating to the Settlement,
3 including, but not limited to, the Judgment, and the Releases provided for therein whether favorable
4 or unfavorable to the Settlement Class; and (d) shall be barred from commencing, maintaining, or
5 prosecuting any of the Released Claims against any of the Defendant Releasees.

6 4.7 Lead Counsel shall be responsible for supervising the administration of the
7 Settlement and the disbursement of the Net Settlement Fund subject to Court approval. No
8 Defendant Releasee shall be permitted to review, contest, or object to any Claim Form, or any
9 decision of the Claims Administrator or Lead Counsel with respect to accepting or rejecting any
10 Claim for payment by a Settlement Class Member. Lead Counsel shall have the right, but not the
11 obligation, to waive what they deem to be formal or technical defects in any Claim Forms submitted
12 in the interests of achieving substantial justice.

13 4.8 The Net Settlement Fund shall be distributed to Authorized Claimants only after the
14 later of the Effective Date; the Court having approved a plan of allocation in an order that has
15 become Final; and the Court issuing a Class Distribution Order that has become Final.

16 4.9 For purposes of determining the extent, if any, to which a Settlement Class Member
17 shall be entitled to be treated as an Authorized Claimant, the following conditions shall apply:

18 (a) Each Settlement Class Member shall be required to submit a Claim Form,
19 in the form attached hereto as Exhibit A-2, or in such other form as may be approved in writing
20 by all of the Parties acting by and through their respective counsel of record in the Action and
21 approved by the Court, supported by such documents as are designated therein, including proof of
22 the Claimant's loss, or such other documents or proof as the Claims Administrator or Lead
23 Counsel, in their discretion, may deem acceptable;

24 (b) All Claim Forms must be submitted by the date set by the Court in the
25 Preliminary Approval Order and specified in the Notice, unless extended by the Court. Any
26 Settlement Class Member who fails to submit a Claim Form by such date shall be forever barred
27 from receiving any distribution from the Net Settlement Fund or payment pursuant to this
28 Stipulation (unless by Order of the Court such Settlement Class Member's Claim Form is

1 accepted), but shall in all other respects be bound by all of the terms of this Stipulation and the
2 Settlement, including the terms of the Judgment, and by the releases provided for herein and
3 therein, and will be permanently barred and enjoined from bringing any action, claim, or other
4 proceeding of any kind against any Defendant Releasee with respect to any Released Claim.
5 Provided that it is mailed by the claim-submission deadline, a Claim Form shall be deemed to be
6 submitted when postmarked, if received with a postmark indicated on the envelope and if mailed
7 by first-class mail and addressed in accordance with the instructions thereon. In all other cases,
8 including online via the Settlement website, the Claim Form shall be deemed to have been
9 submitted on the date when actually received by the Claims Administrator;

10 (c) Each Claim Form shall be submitted to and reviewed by the Claims
11 Administrator who shall determine in accordance with this Stipulation and the Plan of Allocation
12 the extent, if any, to which each Claim shall be allowed, subject to review by the Court pursuant
13 to subparagraph (e) below as necessary;

14 (d) Claim Forms that do not meet the submission requirements may be rejected.
15 Prior to rejecting a Claim in whole or in part, the Claims Administrator shall communicate with
16 the Claimant in writing to give the Claimant the chance to remedy any curable deficiencies in the
17 Claim Form submitted. The Claims Administrator shall notify, in a timely fashion and in writing,
18 all Claimants whose Claim(s) the Claims Administrator proposes to reject in whole or in part,
19 setting forth the reasons therefor, and shall indicate in such notice that the Claimant whose
20 Claim(s) is/are to be rejected has the right to a review by the Court if the Claimant so desires and
21 complies with the requirements of subparagraph (e) below; and

22 (e) If any Claimant whose Claim(s) has/have been rejected in whole or in part
23 desires to contest such rejection, the Claimant must, within twenty (20) days after the date of
24 mailing of the notice required in subparagraph (d) above, serve upon the Claims Administrator a
25 notice and statement of reasons indicating the Claimant's grounds for contesting the rejection
26 along with any supporting documentation, and requesting a review thereof by the Court. If a
27 dispute concerning a Claim cannot be otherwise resolved, Lead Counsel shall thereafter present
28 the request for review to the Court, on reasonable notice to Defendants' Counsel.

1 4.10 Each Claimant shall be deemed to have submitted to the jurisdiction of the Court
2 with respect to the Claimant's Claim, and the Claim will be subject to investigation and discovery
3 under the Federal Rules of Civil Procedure, provided, however, that such investigation and
4 discovery shall be limited to that Claimant's status as a Settlement Class Member and the validity
5 and amount of the Claimant's Claim. No discovery shall be allowed on the merits of this Action
6 or of the Settlement in connection with the processing of Claim Forms.

7 4.11 Lead Counsel will apply to the Court, on reasonable notice to Defendants' Counsel,
8 for a Class Distribution Order: (a) approving the Claims Administrator's administrative
9 determinations concerning the acceptance and rejection of the Claims submitted; (b) approving
10 payment of any administration fees and expenses associated with the administration of the
11 Settlement from the Escrow Account; and (c) if the Effective Date has occurred, directing payment
12 of the Net Settlement Fund to Authorized Claimants from the Escrow Account.

13 4.12 Payment pursuant to the Class Distribution Order shall be final and conclusive
14 against all Settlement Class Members. All Settlement Class Members who do not submit a Claim
15 or whose Claims are not approved by the Court for payment shall be barred from participating in
16 distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of this
17 Stipulation and the Settlement, including the terms of the Judgment to be entered in this Action;
18 and by the releases provided for herein and therein, and will be permanently barred and enjoined
19 from bringing any action against any and all Defendant Releasees with respect to any and all of the
20 Released Claims.

21 4.13 No Claimant or Settlement Class Member shall have any claim against Lead
22 Plaintiffs, Plaintiffs' Counsel, Defendants' Counsel, any Parties' experts, the Claims Administrator
23 (or any other agent designated by Lead Counsel), or the Defendant Releasees based on any
24 investments, costs, expenses, administration, allocations, calculation, payments, the withholding of
25 taxes (including interest and penalties) owed by the Settlement Fund (or any losses incurred in
26 connection therewith), or distributions that are made substantially in accordance with this
27 Stipulation and the Settlement, the plan of allocation approved by the Court, or further orders of
28 the Court.

1 4.14 All proceedings with respect to the administration, processing and determination of
2 Claims, and the determination of all controversies relating thereto, including disputed questions of
3 law and fact with respect to the validity of Claims, shall be subject to the jurisdiction of the Court.
4 All Settlement Class Members and Parties to this Settlement expressly waive trial by jury (to the
5 extent any such right may exist) and any right of appeal or review with respect to such
6 determinations.

7 **5. Release of Claims**

8 5.1 The satisfaction of the obligations incurred pursuant to this Stipulation shall be in
9 full and final disposition of the Action as against Defendant Releasees and as to any and all
10 Released Claims.

11 5.2 Pursuant to the Judgment without further action by anyone, upon the Effective Date
12 of the Settlement, and by operation of this Stipulation, of law, and of the Judgment, Plaintiff
13 Releasees shall be deemed to have fully, finally, and forever compromised, settled, released,
14 resolved, relinquished, waived, and discharged each and every Released Plaintiffs' Claim against
15 Defendants and the other Defendant Releasees, and shall forever be barred and enjoined from
16 commencing, instituting, prosecuting, or maintaining any or all of the Released Plaintiffs' Claims
17 against any of the Defendant Releasees, whether or not such Settlement Class Member executes
18 and delivers a Proof of Claim Form, seeks or obtains a distribution from the Settlement Fund, is
19 entitled to receive a distribution under the Plan of Allocation approved by the Court, or has objected
20 to any aspect of the Stipulation or the Settlement, the Plan of Allocation, or Lead Counsel's
21 application for an award of attorneys' fees or Litigation Expenses. This release shall not apply to
22 any Excluded Claim.

23 5.3 Pursuant to the Judgment, without further action by anyone, upon the Effective Date
24 of the Settlement, Defendant Releasees shall be deemed to have, and by operation of this
25 Stipulation, of law, and of the Judgment, shall have, fully, finally, and forever compromised,
26 settled, released, resolved, relinquished, waived, and discharged each and every Released
27 Defendants' Claim against the Plaintiff Releasees, and shall forever be barred and enjoined from
28

1 prosecuting any or all of the Released Defendants' Claims against any of the Plaintiff Releasees.
2 This release shall not apply to any Excluded Claim.

3 5.4 Upon the Effective Date, Plaintiff Releasees are forever barred and enjoined from
4 commencing, instituting, maintaining, or continuing to prosecute any action or proceeding in any
5 court of law or equity, arbitration tribunal, administrative forum, or other forum of any kind,
6 asserting any Released Plaintiffs' Claims against any of the Defendant Releasees.

7 5.5 Upon the Effective Date, to the extent allowed by law, this Stipulation shall operate
8 conclusively as an estoppel and full defense in the event, and to the extent, of any claim, demand,
9 action, or proceeding brought by a Settlement Class Member against any of the Defendant
10 Releasees with respect to any Released Plaintiffs' Claims, or brought by a Defendant against any
11 of the Plaintiff Releasees with respect to any Released Defendants' Claim.

12 5.6 Notwithstanding ¶¶5.2-5.5 above, nothing in the Judgment shall restrict or impair
13 the rights of any Party to enforce or effectuate the terms of this Stipulation or the Judgment.

14 5.7 The Judgment shall, among other things, provide for the dismissal with prejudice of
15 the Action against the Defendant Releasees, without costs to any Party, except for the payments
16 expressly provided for herein.

17 **6. Terms of the Judgment**

18 6.1 If the Settlement contemplated by this Stipulation is approved by the Court, Lead
19 Counsel and Defendants' Counsel shall request that the Court enter a Judgment, in the form
20 attached hereto as Exhibit B.

21 **7. Attorneys' Fees and Litigation Expenses**

22 7.1 Lead Counsel will apply to the Court for a collective award of attorneys' fees to
23 Plaintiffs' Counsel to be paid from (and out of) the Settlement Fund. Lead Counsel also will apply
24 to the Court for reimbursement of Litigation Expenses, which may include a request for
25 reimbursement of Lead Plaintiffs' time, costs, and expenses directly related to their representation
26 of the Settlement Class, to be paid from (and out of) the Settlement Fund. Lead Counsel's
27 application for an award of attorneys' fees or Litigation Expenses is not the subject of any
28 agreement between Defendants and Lead Plaintiff other than what is set forth in this Stipulation.

1 7.2 Any attorneys' fees and Litigation Expenses that are awarded by the Court shall be
2 paid to Lead Counsel immediately upon the Court's issuance of an order awarding such fees and
3 expenses, notwithstanding the existence of any timely filed objections thereto, or potential for
4 appeal therefrom, or collateral attack on the Settlement or any part thereof, subject to Lead
5 Counsel's obligation to make appropriate refunds or repayments to the Settlement Fund if the
6 Settlement is terminated pursuant to the terms of this Stipulation or if, as a result of any appeal or
7 further proceedings on remand, or successful collateral attack, the award of attorneys' fees or
8 Litigation Expenses is reduced or reversed, and such order reducing or reversing the award has
9 become Final. Lead Counsel shall make the appropriate refund or repayment in full (including
10 interest thereon at the same rate as would have been earned had those sums remained in the Escrow
11 Account) no later than thirty (30) business days after: (a) receiving from Defendants' Counsel
12 notice of the termination of the Settlement; or (b) any order reducing or reversing the award of
13 attorneys' fees or Litigation Expenses has become Final. An award of attorneys' fees or Litigation
14 Expenses is not a necessary term of this Stipulation and is not a condition of the Settlement
15 embodied herein. Lead Counsel agrees that they are subject to the jurisdiction of the Court for the
16 purpose of enforcing this paragraph. Neither Lead Plaintiffs nor Lead Counsel may cancel or
17 terminate the Settlement based on this Court's or any appellate court's ruling with respect to
18 attorneys' fees or Litigation Expenses.

19 7.3 Lead Counsel shall allocate the attorneys' fees awarded amongst Plaintiffs' Counsel
20 in a manner which they, in good faith, believe reflects the contributions of such counsel to the
21 institution, prosecution, and settlement of the Action. Defendant Releasees shall have no
22 responsibility for or liability whatsoever with respect to the payment, allocation, or award of
23 attorneys' fees or Litigation Expenses. The attorneys' fees and Litigation Expenses that are
24 awarded to Plaintiffs' Counsel shall be payable solely from the Settlement Fund in the Escrow
25 Account.

26 **8. Conditions of Settlement**

27 8.1 The Effective Date of this Stipulation shall be conditioned on the occurrence or
28 waiver of all of the following events:

1 (a) entry of the Preliminary Approval Order, in the form set forth in Exhibit A
2 attached hereto, in accordance with Section 3 above;

3 (b) the Settlement Amount has been deposited into the Escrow Account in
4 accordance with the provisions of Paragraph 2.1 above;

5 (c) entry of the Judgment in accordance with Paragraph 6.1 above;

6 (d) the Judgment becoming Final, as defined in Paragraph 1.19 above; and

7 (e) that the Settlement is not otherwise terminated pursuant to the terms set
8 forth in this Stipulation.

9 8.2 If all of the conditions specified in Paragraph 8.1 above are not met, then this
10 Stipulation shall be canceled and terminated subject to Paragraph 9.4 below unless Lead Plaintiffs
11 and Defendants mutually agree in writing to proceed with this Stipulation.

12 **9. Rights of Termination and Effects Thereof**

13 9.1 Defendants and Lead Plaintiffs shall each have the right to terminate the Settlement
14 and this Stipulation by providing written notice of their election to do so (“Termination Notice”) to
15 counsel for the other parties within thirty (30) days after the date on which any of the following
16 occurs:

17 (a) the Court declines to grant preliminary or final approval of the Settlement,
18 and the Parties are unable to reach a resolution to resolve any concerns raised by the Court as set
19 forth in Paragraph 9.3 below;

20 (b) the Court declines to enter the Judgment in any material respect;

21 (c) the Judgment is modified or reversed in any material respect on appeal;

22 (d) in the event that the Court enters a judgment other than the one in the form
23 of Exhibit B attached hereto, and neither Lead Plaintiffs nor Defendants elect to terminate the
24 Settlement, the date that such other judgment is modified or reversed in any material respect on
25 appeal.

26 9.2 If, prior to the Final Approval Hearing, persons who otherwise would be Settlement
27 Class Members have filed with the Court valid and timely requests for exclusion (“Requests for
28 Exclusion”) from the Settlement Class in accordance with the provisions of the Preliminary

1 Approval Order and the Notice, and such persons in the aggregate have purchased or otherwise
2 acquired Chegg common stock in an amount that equals or exceeds the sum specified in a separate
3 supplemental agreement between the Parties (the “Supplemental Agreement”), Defendants shall
4 have the option, but not the obligation, to terminate this Stipulation in accordance with the
5 procedures set forth in the Supplemental Agreement (“Opt-out Termination Option”). The
6 Supplemental Agreement is confidential and will not be filed with the Court unless requested by
7 the Court or a dispute among the Parties concerning its interpretation or application arises, but the
8 Parties will file a statement identifying the existence of the Supplemental Agreement pursuant to
9 Federal Rule of Civil Procedure 23(e)(1)(c)(2), and reference the Supplemental Agreement in the
10 Notice. Copies of all Requests for Exclusion received, together with copies of all written
11 revocations of Requests for Exclusion (if any), shall be provided to Defendants’ Counsel no later
12 than fourteen (14) calendar days prior to the Settlement Hearing.

13 9.3 If the Court declines to grant preliminary or final approval of the Settlement for any
14 reason, that shall not be an immediate basis for either Lead Plaintiffs or Defendants to terminate
15 the Settlement; instead, in such a scenario, the Parties agree to work together in good faith to make
16 appropriate modifications, as may be necessary, to the Settlement to resolve any concerns raised
17 by the Court. If the Parties cannot reach resolution after making such good faith efforts, either Lead
18 Plaintiffs or Chegg may elect to terminate the Settlement.

19 9.4 Unless otherwise ordered by the Court, in the event this Stipulation shall terminate,
20 or be canceled, or shall not become effective for any reason, within five (5) business days after
21 written notification of such event is sent by Defendants’ Counsel or Lead Counsel to the Escrow
22 Agent, the Escrow Agent for the Settlement Fund shall, upon written instructions from Defendants’
23 Counsel, cause the Settlement Fund, including any attorneys’ fees and costs paid from the
24 Settlement Fund pursuant to Section 7 above, to revert back to the party that made the deposit into
25 the Settlement Fund, together with any interest earned thereon, less any deductions for: (1) any
26 Taxes and Tax Expenses pursuant to Paragraphs 2.6-2.7 above due with respect to any interest
27 earned by the Settlement Fund; and (2) any amounts reasonably and actually paid, incurred or due
28 and owing pursuant to Paragraph 2.9 above in connection with notice and administration of the

1 Settlement provided for herein. If this Stipulation is terminated pursuant to its terms, the Escrow
2 Agent, at the request of Defendants or Lead Plaintiffs, shall apply for any tax refund owed to the
3 Settlement Fund and pay the proceeds of the tax refund, after deduction of any fees and expenses
4 incurred in connection with such application(s) for refund, to Defendants (or their designate(s)).

5 9.5 If this Stipulation is terminated pursuant to its terms, each of the Parties shall be
6 deemed to have reverted to his, her, or its status immediately prior to the execution of this
7 Stipulation, and they shall proceed in all respects as if this Stipulation had not been executed and
8 the related orders had not been entered, shall retain all of their respective claims and defenses in
9 the Action, and shall revert to their respective positions in the Action. In such event, the terms and
10 provisions of the Stipulation, with the exception of provisions of Paragraphs 2.9, 7.2, 9.4, 10.1,
11 11.2, 11.4, 11.7, 11.20, and 11.24 shall have no further force and effect with respect to each of the
12 Parties and shall not be used in this Action or in any other proceeding for any purpose.

13 9.6 For the avoidance of doubt, no order of the Court or modification or reversal of any
14 order of the Court concerning the Plan of Allocation or the amount of any attorneys' fees, costs,
15 and expenses awarded by the Court shall constitute a condition to the Effective Date or grounds for
16 cancellation or termination of the Stipulation.

17 **10. No Admission of Wrongdoing**

18 10.1 Neither this Stipulation nor the Settlement set forth herein, whether or not
19 consummated, nor any facts or terms of this Stipulation, negotiations, discussions, proceedings,
20 acts performed, or documents executed pursuant to or in furtherance of this Stipulation or the
21 Settlement:

22 (a) shall be (i) offered against any of the Defendant Releasees as evidence of,
23 or construed as, or deemed to be evidence of any presumption, concession, or admission by any
24 of the Defendant Releasees with respect to (aa) the truth of any fact alleged by Lead Plaintiffs or
25 any Settlement Class Member; (bb) the validity of any claim that was or could have been asserted
26 in this Action or in any other litigation; (cc) the deficiency of any defense that has been or could
27 have been asserted in this Action or in any other litigation; (dd) any liability, negligence, fault, or
28 other wrongdoing of any of the Defendant Releasees; or (ee) any damages suffered by Plaintiffs

1 or the Settlement Class; or (ii) in any way referred to for any other reason against any of the
2 Defendant Releasees, in any civil, criminal, or administrative action or proceeding (including
3 arbitration) other than such proceedings necessary to effectuate the provisions of this Stipulation;

4 (b) shall be (i) offered against any of the Plaintiff Releasees as evidence of, or
5 construed as, or deemed to be evidence of any presumption, concession or admission by any of
6 the Plaintiff Releasees (aa) that any of their claims are without merit, that any of the Defendant
7 Releasees had meritorious defenses, or that damages recoverable under the Complaint would not
8 have exceeded the Settlement Amount; or (bb) with respect to any liability, negligence, fault or
9 wrongdoing; or (ii) in any way referred to for any other reason as against any of the Plaintiff
10 Releasees, in any civil, criminal, or administrative action or proceeding (including arbitration)
11 other than such proceedings necessary to effectuate the provisions of this Stipulation; or

12 (c) shall be construed against any of the Releasees as an admission, concession,
13 or presumption that the consideration to be given hereunder represents the amount that could be
14 or would have been recovered after trial; *provided, however*, that if this Stipulation is approved by
15 the Court, the Parties and the Releasees and their respective counsel may refer to it to effectuate
16 the protections from liability granted hereunder or otherwise to enforce the terms of the Settlement.

17 **11. Miscellaneous Provisions**

18 11.1 This Stipulation and the Exhibits attached hereto constitute the entire agreement
19 between the Parties with regard to the subject matter hereof and supersede any prior or
20 contemporaneous written or oral agreements or understandings between the Parties.

21 11.2 No modification or amendment of this Stipulation shall be valid unless made in
22 writing and signed by or on behalf of each party hereto, or their respective successors-in-interest.
23 No representations, warranties, or inducements have been made to any party concerning this
24 Stipulation or its Exhibits, other than the representations and warranties contained and
25 memorialized in such documents. Except as otherwise provided for herein, each party shall bear
26 his, her, or its own attorneys' fees and costs and expenses.

27 11.3 As set forth in the Class Action Fairness Act of 2005 ("CAFA"), Chegg shall timely
28 serve a CAFA notice within ten (10) calendar days of the filing of this Stipulation with the Court

1 and shall provide Lead Counsel with a copy of such notice within five (5) calendar days of such
2 service. Chegg shall be responsible for all costs and expenses related thereto.

3 11.4 The Parties intend this Stipulation and the Settlement to be a final and complete
4 resolution of all disputes asserted or which could be asserted by Lead Plaintiffs and any other
5 Settlement Class Members against the Defendant Releasees with respect to the Released Plaintiffs'
6 Claims. Accordingly, except in the event of the termination of this Settlement, Lead Plaintiffs, and
7 their counsel, and Defendants, and their counsel, agree not to assert in any forum that this Action
8 was brought by Lead Plaintiffs or defended by Defendants in bad faith and without a reasonable
9 basis. No Party shall assert any claims of any violation of Rule 11 of the Federal Rules of Civil
10 Procedure relating to the institution, prosecution, defense, or settlement of this Action. No Party
11 shall assert any claims or allegations of any violation of any other Parties' discovery obligations
12 under the Federal Rules. The Parties agree that the amounts paid and the other terms of the
13 Settlement were negotiated at arm's length and in good faith by the Parties, including through a
14 mediation process, and reflect the Settlement that was reached voluntarily after extensive
15 negotiations and consultation with experienced legal counsel, who were fully competent to assess
16 the strengths and weaknesses of their respective clients' claims or defenses.

17 11.5 While retaining their right to deny that the claims asserted in the Action were
18 meritorious, Defendants and their counsel, in any statement made to any media representative
19 (whether or not for attribution), will not assert that the Action was commenced or prosecuted in
20 bad faith, nor will they deny that the Action was commenced and prosecuted in good faith and is
21 being settled voluntarily after consultation with competent legal counsel. Likewise, while retaining
22 their right to assert their claims in the action were meritorious, Lead Plaintiffs and their counsel, in
23 any statement made to any media representative (whether or not for attribution), will not assert that
24 Defendants' defenses were asserted in bad faith, nor will they deny that Defendants defended the
25 Action in good faith and that the action is being settled voluntarily after consultation with
26 competent legal counsel. In all events, Lead Plaintiffs, and their counsel, and Defendants, and their
27 counsel, shall not make any accusations of wrongful or actionable conduct by either Party
28

1 concerning the prosecution, defense, and resolution of the Action, and shall not otherwise suggest
2 that the Settlement constitutes an admission of any claim or defense alleged.

3 11.6 Defendants and any Defendant Releasee may file the Stipulation and/or the
4 Judgment in any action that may be brought against them in order to support a defense, claim, or
5 counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement,
6 judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar
7 defense or counterclaim.

8 11.7 All agreements made, and orders entered, during the course of the Action relating
9 to the confidentiality of information shall survive this Settlement.

10 11.8 All of the Exhibits to this Stipulation are material and integral parts hereof and are
11 fully incorporated herein by this reference. Notwithstanding the foregoing, in the event that there
12 exists a conflict or inconsistency between the terms of this Stipulation and the terms of any exhibit
13 attached hereto, the terms of the Stipulation shall prevail.

14 11.9 Lead Counsel, on behalf of the Settlement Class, is expressly authorized to take all
15 appropriate action required or permitted to be taken by the Settlement Class pursuant to this
16 Stipulation to effectuate its terms and also are expressly authorized to enter into any modifications
17 or amendments to this Stipulation on behalf of the Settlement Class which they deem appropriate.

18 11.10 All counsel and any other Person executing this Stipulation and any of the Exhibits
19 hereto, or any related Settlement documents, warrant and represent that they have the full authority
20 to do so and that they have the authority to take appropriate action required or permitted to be taken
21 pursuant to the Stipulation to effectuate its terms.

22 11.11 Lead Counsel and Defendants' Counsel agree to cooperate fully with one another in
23 seeking Court approval of the Preliminary Approval Order and the Settlement, as embodied in this
24 Stipulation, and to use best efforts promptly to agree upon and execute all such other documentation
25 as may be reasonably required to obtain final approval by the Court of the Settlement.

26 11.12 This Stipulation may be executed in one or more counterparts, including by
27 signature transmitted by facsimile or email, or by a .pdf/.tif image of the signature transmitted via
28

1 email. The signatures so transmitted shall be given the same effect as the original signatures. All
2 executed counterparts and each of them shall be deemed to be one and the same instrument.

3 11.13 This Stipulation shall be binding upon, and inure to the benefit of, the successors
4 and assigns of the Parties, including any and all Releasees and any corporation, partnership, or other
5 entity into or with which any Party hereto may merge, consolidate, or reorganize.

6 11.14 This Stipulation shall not be construed more strictly against one Party than another
7 merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of
8 the Parties, it being recognized that it is the result of arm's-length negotiations among the Parties
9 and all Parties have contributed substantially and materially to the preparation of this Stipulation.

10 11.15 All time periods set forth herein shall be computed in calendar days unless otherwise
11 expressly provided. In computing any period of time prescribed or allowed by the terms of this
12 Stipulation or by order of Court, the day of the act, event, or default from which the designated
13 period of time begins to run shall not be included. The last day of the period so computed shall be
14 included, unless it is a Saturday, a Sunday, or a legal holiday, in which case the period shall run
15 until the end of the next day that is not one of the aforementioned days. As used in the preceding
16 sentence, "legal holiday" includes New Year's Day, Martin Luther King, Jr. Day, Presidents' Day,
17 Memorial Day, Juneteenth, Independence Day, Labor Day, Columbus Day, Veterans' Day,
18 Thanksgiving Day, Christmas Day, and any other appointed as a federal holiday.

19 11.16 The headings herein are used for the purpose of convenience only and are not meant
20 to have legal effect.

21 11.17 The administration and consummation of the Settlement as embodied in this
22 Stipulation shall be under the authority of the Court, and the Court shall retain jurisdiction for the
23 purpose of entering orders providing for awards of attorneys' fees and Litigation Expenses to Lead
24 Counsel, and enforcing the terms of this Stipulation, including the Plan of Allocation (or such other
25 plan of allocation as may be approved by the Court) and the distribution of the Net Settlement Fund
26 to Settlement Class Members.

27 11.18 The waiver by one Party of any breach of this Stipulation by any other Party shall
28 not be deemed a waiver of any other prior or subsequent breach of this Stipulation.

1 11.19 Any action arising under or to enforce this Stipulation or any portion thereof, shall
2 be commenced and maintained only in this Court.

3 11.20 In the event of the entry of a final order of a court of competent jurisdiction
4 determining the transfer of money to the Settlement Fund or any portion thereof to be a preference,
5 voidable transfer, fraudulent transfer, or similar transaction and any portion thereof is required to
6 be returned (but not promptly deposited into the Settlement Fund by others), then, at the election
7 of Lead Plaintiffs, Lead Plaintiffs and Defendants shall jointly move the Court to vacate and set
8 aside the releases given and the Judgment, in which event the releases and Judgment shall be null
9 and void, and the Parties shall be restored to their respective positions in the litigation as provided
10 in Paragraphs 9.4 and 9.5 above and any cash amounts in the Settlement Fund (less any Taxes paid,
11 due or owing with respect to the Settlement Fund and less any Notice and Administration Costs
12 actually incurred, paid or payable) shall be returned as provided herein.

13 11.21 This Stipulation and the Exhibits hereto shall be considered to have been negotiated,
14 executed, and delivered, and to be wholly performed, in the State of California, and the construction,
15 interpretation, operation, effect, and validity of this Stipulation, the Supplemental Agreement, and
16 all documents necessary to effectuate it shall be governed by the internal laws of the State of
17 California without regard to conflicts of laws, except to the extent that federal law requires that
18 federal law govern.

19 11.22 If any Party is required to give notice to another Party under this Stipulation, such
20 notice shall be in writing and shall be deemed to have been duly given upon receipt of hand delivery,
21 facsimile, or email transmission, with confirmation of receipt. Any written notice required pursuant
22 to or in connection with this Stipulation shall be addressed to counsel as follows:

23 For Lead Plaintiffs:

24 David R. Kaplan
25 Saxena White P.A.
26 505 Lomas Santa Fe Dr. Suite 180
27 Solana Beach, CA 92075
28 Tel: (858) 997-0860
Fax: (858) 369-0096
Email: dkaplan@saxenawhite.com

Christopher F. Moriarty

1 Motley Rice LLC
2 28 Bridgeside Blvd.
3 Mount Pleasant, SC 29464
4 Tel: (843) 216-9245
5 Fax: (843) 216-9450
6 Email: cmoriarty@motleyrice.com

7 For Defendants:

8 Brett De Jarnette
9 Cooley LLP
10 3175 Hanover Street
11 Palo Alto, CA 94304
12 Tel.: (650) 843-5000
13 Fax: (650) 849-7400
14 bdejarnette@cooley.com

15 11.23 No opinion or advice concerning the tax consequences of the proposed Settlement
16 to individual Settlement Class Members is being given or will be given by the Parties or their
17 counsel; nor is any representation or warranty in this regard made by virtue of this Stipulation. It
18 is the sole responsibility of each Settlement Class Member to determine the amount of and pay his,
19 her, or its own taxes, plus any penalties and interest, on any amount received pursuant to the
20 Settlement, and the Releasees shall have no liability for such taxes, penalties, or interest. It is
21 understood that the tax consequences may vary depending on the particular circumstances of each
22 individual Settlement Class Member.

23 11.24 All agreements made and orders entered during the course of the Action relating to
24 the confidentiality of information shall survive this Stipulation whether or not the Stipulation is
25 approved by the Court and whether or not the Stipulation is consummated, or the Effective Date
26 occurs. The Parties' confidentiality obligations shall include, to the extent possible, negotiations,
27 discussions, acts performed, agreements, drafts, documents signed, and proceedings in connection
28 with the Stipulation that remain confidential following the Effective Date.

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IN WITNESS WHEREOF, the Parties hereto have caused the Stipulation to be executed,
by their duly authorized attorneys dated as of November 5, 2024.

SAXENA WHITE P.A.

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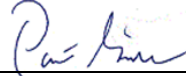
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Co-Lead Counsel for Lead Plaintiffs and the Proposed Settlement Class

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Additional Counsel for Lead Plaintiff Pompano Beach Police and Firefighters' Retirement System

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By:  _____

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Attorneys for Defendants Chegg, Inc.; Daniel L. Rosensweig; Andrew J. Brown; and Nathan Schultz

EXHIBIT A

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*Counsel for Lead Plaintiffs and
Lead Counsel for the Settlement Class*

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

STEVEN LEVENTHAL, Individually and
on Behalf of All Others Similarly Situated,

Plaintiff,

vs.

CHEGG, INC., DANIEL L.
ROSENSWEIG, ANDREW J. BROWN,
and NATHAN SCHULTZ,

Defendants.

Case No. 5:21-cv-09953-PCP

CLASS ACTION

[PROPOSED] ORDER PRELIMINARILY
APPROVING SETTLEMENT AND PROVIDING
FOR NOTICE

1 WHEREAS, a putative securities class action is pending in this Court entitled *Steven*
2 *Leventhal v. Chegg, Inc., et al.*, Case No. 5:21-cv-09953-PCP (N.D. Cal.) (the “Action”);

3 WHEREAS, by order dated September 7, 2022, this Court appointed KBC Asset
4 Management NV and Pompano Beach Police and Firefighters’ Retirement System as Lead
5 Plaintiffs (“Lead Plaintiffs”) and Motley Rice LLC (“Motley Rice”) and Saxena White P.A.
6 (“Saxena White”) as Lead Counsel (“Lead Counsel”) (ECF No. 105);

7 WHEREAS, on December 8, 2022, Lead Plaintiffs filed their Consolidated Class Action
8 Complaint for Violations of the Federal Securities Laws and Jury Trial Demand (ECF No. 115);

9 WHEREAS, Lead Plaintiffs, on behalf of themselves and the Settlement Class (defined
10 below), and Defendants Chegg, Inc. (“Chegg”), Daniel L. Rosensweig, Andrew J. Brown, and
11 Nathan Schultz (collectively, “Defendants”) have entered into a Stipulation and Agreement of
12 Settlement dated November 5, 2024 (the “Stipulation” or “Settlement Agreement”), subject to
13 approval by this Court (the “Settlement”);

14 WHEREAS, Lead Plaintiffs have made an application, pursuant to Rule 23 of the Federal
15 Rules of Civil Procedure, for an order preliminarily approving the Settlement in accordance with
16 the Stipulation, allowing notice to Settlement Class Members, as more fully described herein, and
17 certifying a Settlement Class defined as “all persons who purchased, or otherwise acquired Chegg
18 common stock between May 5, 2020, and November 1, 2021, inclusive, and who were damaged
19 thereby” (the “Settlement Class Period”);

20 WHEREAS, the Court has read and considered: (a) Lead Plaintiffs’ motion for preliminary
21 approval of the Settlement, and the papers filed and arguments made in connection therewith; and
22 (b) the Stipulation and the exhibits attached thereto; and

23 WHEREAS, unless otherwise defined herein, all capitalized words contained herein shall
24 have the same meanings as they have in the Stipulation;

25 NOW THEREFORE, IT IS HEREBY ORDERED:

26 1. **Class Certification for Settlement Purposes Only:** Pursuant to Rules 23(a) and
27 (b)(3) of the Federal Rules of Civil Procedure, the Court certifies, solely for purposes of
28 effectuating the proposed Settlement, a Settlement Class consisting of all persons who purchased,

1 or otherwise acquired Chegg common stock between May 5, 2020, and November 1, 2021,
2 inclusive, and who were damaged thereby. Excluded from the Settlement Class are: (1)
3 Defendants; (2) the Officers or directors of Chegg during the Settlement Class Period; (3) the
4 Immediate Family members of any Defendant or any Officer or director of Chegg during the
5 Settlement Class Period; and (4) any entity that any Defendant owns or controls, or owned or
6 controlled, during the Settlement Class Period. Also excluded from the Settlement Class are those
7 persons who file valid and timely requests for exclusion in accordance with this Preliminary
8 Approval Order.

9 2. **Class Findings:** Solely for purposes of the proposed Settlement of this Action, the
10 Court finds that each element required for certification of the Settlement Class pursuant to Rule
11 23 of the Federal Rules of Civil Procedure has been met: (a) the members of the Settlement Class
12 are so numerous that their joinder in the Action would be impracticable; (b) there are questions of
13 law and fact common to the Settlement Class which predominate over any individual questions;
14 (c) the claims of Lead Plaintiffs in the Action are typical of the claims of the Settlement Class; (d)
15 Lead Plaintiffs and Lead Counsel have and will fairly and adequately represent and protect the
16 interests of the Settlement Class; (e) questions of law or fact common to Settlement Class Members
17 predominate over any questions affecting only individual members; and (f) a class action is
18 superior to other available methods for the fair and efficient adjudication of the Action.

19 3. The Court hereby finds and concludes that, pursuant to Rule 23 of the Federal Rules
20 of Civil Procedure, and for purposes of the Settlement only, Lead Plaintiffs are the most adequate
21 class representatives for the Settlement Class and certifies them as Class Representatives for the
22 Settlement Class. The Court also appoints Motley Rice LLC and Saxena White P.A. as Class
23 Counsel for the Settlement Class, pursuant to Rule 23(g) of the Federal Rules of Civil Procedure.

24 4. **Preliminary Approval of the Settlement** – The Court hereby preliminarily
25 approves the Settlement, as embodied in the Stipulation, as being fair, reasonable, and adequate to
26 the Settlement Class, subject to further consideration at the Settlement Hearing to be conducted as
27 described below.

28 5. **Settlement Hearing** – The Court will hold a settlement hearing (the “Settlement

1 Hearing”) on _____, 202__ at ____:____.m. in Courtroom 8 – 4th Floor, of the United
2 States District Court for the Northern District of California, 280 South First Street, San Jose,
3 California, 95113, for the following purposes: (a) to determine whether the proposed Settlement
4 on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to the
5 Settlement Class, and should be approved by the Court; (b) to determine whether the Judgment
6 attached as Exhibit B to the Stipulation should be entered dismissing the Action with prejudice
7 against Defendant Releasees; (c) to determine whether the proposed Plan of Allocation for the
8 proceeds of the Settlement is fair and reasonable and should be approved; (d) to determine whether
9 the motion by Lead Counsel for an award of attorneys’ fees and reimbursement of Litigation
10 Expenses should be approved; and (e) to consider any other matters that may be properly brought
11 before the Court in connection with the Settlement. Notice of the Settlement and the Settlement
12 Hearing shall be given to Settlement Class Members as set forth in paragraph 7 of this Order.

13 6. The Court may adjourn or vacate the Settlement Hearing without further notice to
14 the Settlement Class, and may approve the proposed Settlement with such modifications as the
15 Parties may agree to in writing, if appropriate, without further notice to the Settlement Class.

16 7. **Retention of Claims Administrator and Manner of Giving Notice** – Lead
17 Counsel is hereby authorized to retain A.B. Data, Ltd. (the “Claims Administrator”) to supervise
18 and administer the notice procedure in connection with the proposed Settlement as well as the
19 processing of Claims as more fully set forth below. Notice of the Settlement and the Settlement
20 Hearing shall be given by Lead Counsel as follows:

21 a) within ten (10) business days of the date of entry of this Order, Chegg shall
22 provide or cause to be provided to the Claims Administrator (at no cost to the Settlement Fund,
23 Lead Counsel, or the Claims Administrator) records reasonably available to Chegg or its transfer
24 agent concerning the identity and last known address of Settlement Class Members, in electronic
25 form or other form as is reasonably available to Chegg or its transfer agent, which information the
26 Claims Administrator shall treat and maintain as confidential;

27 b) not later than twenty (20) calendar days after the date of entry of this Order
28 (the “Notice Date”), the Claims Administrator shall cause a copy of the Postcard Notice,

1 substantially in the form attached hereto as Exhibit A-4, to be emailed or mailed by first-class mail
2 to potential Settlement Class Members at the addresses set forth in the records that Chegg caused
3 to be provided, or who otherwise may be identified through further reasonable effort;

4 c) contemporaneously with the mailing and/or emailing of the Postcard
5 Notice, the Claims Administrator shall cause copies of the Postcard Notice, Summary Notice,
6 Notice, and the Claim Form to be posted on a website to be developed for the Settlement, from
7 which copies of the Postcard Notice, Notice, and Claim Form can be downloaded;

8 d) not later than ten (10) business days after the Notice Date, the Claims
9 Administrator shall cause the Summary Notice, substantially in the form attached hereto as Exhibit
10 A-3, to be published once in *Investor's Business Daily* and to be transmitted once over the *PR*
11 *Newswire*; and

12 e) not later than seven (7) calendar days prior to the Settlement Hearing, Lead
13 Counsel shall file with the Court proof, by affidavit or declaration, of such mailing, emailing, and
14 publication.

15 8. **Approval of Form and Content of Notice** – The Court (a) approves, as to form
16 and content, the Notice, the Claim Form, the Summary Notice, and the Postcard Notice attached
17 hereto as Exhibits A-1, A-2, A-3, and A-4, respectively, and (b) finds that the emailing or mailing
18 of the Postcard Notice directing Settlement Class Members to the Settlement Website to access
19 the Notice (which shall contain the general terms of the Settlement set forth in the Stipulation, the
20 proposed Plan of Allocation, the general terms of the fee and expense application, and the date of
21 the Final Approval Hearing) and the publication of the Summary Notice in the manner and form
22 set forth in paragraph 7 of this Order (i) is the best notice practicable under the circumstances; (ii)
23 constitutes notice that is reasonably calculated, under the circumstances, to apprise Settlement
24 Class Members of the pendency of the Action, of the effect of the proposed Settlement (including
25 the Releases to be provided thereunder), of Lead Plaintiffs' motion for an award of attorneys' fees
26 and reimbursement of Litigation Expenses, of their right to object to the Settlement, the Plan of
27 Allocation, or Lead Plaintiffs' motion for attorneys' fees and reimbursement of Litigation
28 Expenses, of their right to exclude themselves from the Settlement Class, and of their right to

1 appear at the Settlement Hearing; (iii) constitutes due, adequate, and sufficient notice to all persons
2 and entities entitled to receive notice of the proposed Settlement; and (iv) satisfies the requirements
3 of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the
4 Due Process Clause), the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, as
5 amended, and all other applicable laws and rules. The date and time of the Settlement Hearing
6 shall be included in the Notice and Summary Notice before they are mailed and published,
7 respectively. As provided for in the Stipulation, Lead Counsel may pay out of the Settlement Fund,
8 without further approval from Defendants and without further order of the Court, Notice and
9 Administration Costs.

10 9. **Nominee Procedures** – Brokers and other nominees who purchased or otherwise
11 acquired Chegg common stock during the Settlement Class Period for the benefit of another person
12 or entity shall either: (a) within seven (7) calendar days of receipt of the Notice, request from the
13 Claims Administrator sufficient copies of the Postcard Notice to forward to all such beneficial
14 owners, and within seven (7) calendar days of receipt of those Postcard Notices, forward them to
15 all such beneficial owners; or (b) within seven (7) calendar days of receipt of the Postcard Notice,
16 send a list of the names and email and/or physical addresses of all such beneficial owners to the
17 Claims Administrator, in which event the Claims Administrator shall promptly email and/or mail
18 the Postcard Notice to such beneficial owners. Such holders of record shall be reimbursed from
19 the Settlement Fund, upon receipt by the Claims Administrator of proper documentation, for the
20 reasonable expense of providing Postcard Notice to beneficial owners who are Settlement Class
21 Members, which expenses would not have been incurred except for the sending of such Postcard
22 Notice, subject to further order of this Court with respect to any dispute concerning such
23 compensation.

24 10. **Participation in the Settlement** – Settlement Class Members who wish to
25 participate in the Settlement and to be potentially eligible to receive a distribution from the Net
26 Settlement Fund must complete and submit a Claim Form in accordance with the instructions
27 contained therein. Unless the Court orders otherwise, all Claim Forms must be postmarked or
28 submitted online no later than one hundred (100) calendar days after the Notice Date.

1 Notwithstanding the foregoing, Lead Counsel may, at their sole discretion, accept late Claims for
2 processing provided such acceptance does not delay the distribution of the Net Settlement Fund to
3 the Settlement Class. By submitting a Claim, a person or entity shall be deemed to have submitted
4 to the jurisdiction of the Court with respect to his, her, or its Claim and the subject matter of the
5 Settlement.

6 11. Each Claim Form submitted must satisfy the following conditions: (a) it must be
7 properly completed, signed, and submitted in a timely manner in accordance with the provisions
8 of the preceding paragraph; (b) it must be accompanied by adequate supporting documentation for
9 the transactions and holdings reported therein, in the form of broker confirmation slips, broker
10 account statements, an authorized statement from the broker containing the transactional and
11 holding information found in a broker confirmation slip or account statement, or such other
12 documentation as is deemed adequate by Lead Counsel or the Claims Administrator; (c) if the
13 person executing the Claim Form is acting in a representative capacity, a certification of his, her,
14 or its current authority to act on behalf of the Settlement Class Member must be included in the
15 Claim Form to the satisfaction of Lead Counsel or the Claims Administrator; and (d) the Claim
16 Form must be complete and contain no material deletions or modifications of any of the printed
17 matter contained therein, and must be signed under penalty of perjury.

18 12. Any Settlement Class Member who or which does not timely and validly submit a
19 Claim Form or whose Claim is not otherwise approved by the Court: (a) shall be deemed to have
20 waived his, her, or its right to share in the Net Settlement Fund; (b) shall be forever barred from
21 participating in any distributions therefrom; (c) shall be bound by the provisions of the Stipulation
22 and the Settlement and all proceedings, determinations, orders, and judgments in the Action
23 relating thereto, including, without limitation, the Judgment and the Releases provided for therein,
24 whether favorable or unfavorable to the Settlement Class; and (d) shall be permanently barred from
25 commencing, maintaining, or prosecuting any of the Released Plaintiffs' Claims against any of the
26 Defendant Releasees, as more fully described in the Stipulation and Notice. Notwithstanding the
27 foregoing, late Claim Forms may be accepted for processing as set forth in paragraph 10 above.

28 13. **Exclusion From the Settlement Class** – Any member of the Settlement Class who

1 wishes to exclude himself, herself, or itself from the Settlement Class must request exclusion in
2 writing within the time and in the manner set forth in the Notice, which shall provide that: (a) any
3 such request for exclusion from the Settlement Class must be mailed or delivered such that it is
4 received no later than twenty-eight (28) calendar days prior to the Settlement Hearing, to:
5 Exclusions, *In re Chegg, Inc. Securities Litigation*, c/o A.B. Data, Ltd., P.O. Box 173001,
6 Milwaukee, WI 53217, and (b) each request for exclusion must (i) state the name, address, and
7 telephone number of the person or entity requesting exclusion, and in the case of entities, the name
8 and telephone number of the appropriate contact person; (ii) state that such person or entity
9 “requests exclusion from the Settlement Class in *Leventhal v. Chegg, Inc., et al.*, Case No. 5:21-
10 cv-09953-PCP”; (iii) state the number of shares of Chegg common stock that the person or entity
11 requesting exclusion purchased/acquired and sold during the Settlement Class Period, as well as
12 the dates and prices of each such purchase/acquisition and sale, and the number of shares held at
13 the beginning of the Settlement Class Period; and (iv) be signed by the person or entity requesting
14 exclusion or an authorized representative. A request for exclusion shall not be effective unless it
15 provides all the required information and is received within the time stated above or is otherwise
16 accepted by the Court.

17 14. Any person or entity who or which timely and validly requests exclusion in
18 compliance with the terms stated in this Order and is excluded from the Settlement Class shall not
19 be a Settlement Class Member, shall not be bound by the terms of the Settlement or any orders or
20 judgments in the Action, and shall not receive any payment out of the Net Settlement Fund.

21 15. Any Settlement Class Member who or which does not timely and validly request
22 exclusion from the Settlement Class in the manner stated herein: (a) shall be deemed to have
23 waived his, her, or its right to be excluded from the Settlement Class; (b) shall be forever barred
24 from requesting exclusion from the Settlement Class in this or any other proceeding; (c) shall be
25 bound by the provisions of the Stipulation, the Settlement, and all proceedings, determinations,
26 orders, and judgments in the Action relating to the Settlement, including, but not limited to, the
27 Judgment and the Releases provided for therein whether favorable or unfavorable to the Settlement
28 Class; and (d) shall be barred from commencing, maintaining, or prosecuting any of the Released

1 Claims against any of the Defendant Releasees, as more fully described in the Stipulation and
2 Notice.

3 16. **Appearance and Objections at Settlement Hearing** – Any Settlement Class
4 Member who or which does not request exclusion from the Settlement Class may enter an
5 appearance in the Action, at his, her, or its own expense, individually or through counsel of his,
6 her, or its own choice, by filing (electronically or in person), or sending by mail such notice to the
7 address below in paragraph 17, with the Court such that it is filed or postmarked no later than
8 twenty-eight (28) calendar days before the Settlement Hearing or as the Court may otherwise
9 direct. Any Settlement Class Member who or which does not enter an appearance will be
10 represented by Lead Counsel.

11 17. Any Settlement Class Member who does not request exclusion from the Settlement
12 Class may file a written objection to the proposed Settlement, the proposed Plan of Allocation, or
13 Lead Plaintiffs’ motion for an award of attorneys’ fees and reimbursement of Litigation Expenses
14 and appear and show cause, if he, she, or it has any cause why the proposed Settlement, the
15 proposed Plan of Allocation, or Lead Plaintiffs’ motion for attorneys’ fees and reimbursement of
16 Litigation Expenses should not be approved; *provided, however*, that no Settlement Class Member
17 shall be heard or entitled to contest the approval of the terms and conditions of the proposed
18 Settlement, the proposed Plan of Allocation, or the motion for attorneys’ fees and reimbursement
19 of Litigation Expenses unless that person or entity has filed (electronically or in person) or has
20 sent by mail to the address below a written objection with the Court postmarked no later than
21 twenty-eight (28) calendar days before the Settlement Hearing.

22 **Clerk of the Court**

23 Class Action Clerk
24 United States District Court
25 280 South First Street
San Jose, California, 95113

26 18. Any Settlement Class Member who does not request exclusion from the Settlement
27 Class, and who has properly filed an objection pursuant to paragraph 17 above, may enter an
28 appearance in the Action, at his, her, or its own expense, individually or through counsel of his,

1 her, or its own choice, by filing with the Clerk of the Court a notice of appearance, in the same
2 manner as set forth in paragraph 17 above, such that it occurs twenty-eight (28) calendar days
3 before the Settlement Hearing, or as the Court may otherwise direct. Any Settlement Class
4 Member who does not enter an appearance will be represented by Lead Counsel.

5 19. Any objections, filings, and other submissions by the objecting Settlement Class
6 Member: (a) must state the name, address, and telephone number of the person or entity objecting
7 and must be signed by the objector; (b) must contain a statement of the Settlement Class Member's
8 objection or objections, and the specific reasons for each objection, including any legal and
9 evidentiary support the Settlement Class Member wishes to bring to the Court's attention; and
10 (c) must include documents sufficient to prove membership in the Settlement Class, including the
11 number of shares of Chegg common stock that the objecting Settlement Class Member
12 purchased/acquired and sold during the Settlement Class Period, as well as the dates and prices of
13 each such purchase/acquisition and sale, and the number of shares held at the beginning of the
14 Settlement Class Period, and must be accompanied by adequate supporting documentation for the
15 transactions and holdings reported therein, in the form of broker confirmation slips, broker account
16 statements, or an authorized statement from the broker containing the transactional and holding
17 information found in a broker confirmation slip or account statement. Objectors who enter an
18 appearance and desire to present evidence at the Settlement Hearing in support of their objection
19 must include in the written objection or notice of appearance the identity of any witnesses they
20 may call to testify and any exhibits they intend to introduce into evidence at the hearing.

21 20. Any Settlement Class Member who or which does not make his, her, or its objection
22 in the manner provided herein shall be deemed to have waived his, her, or its right to object to any
23 aspect of the proposed Settlement, the proposed Plan of Allocation, and Lead Plaintiffs' motion
24 for an award of attorneys' fees and reimbursement of Litigation Expenses and shall be forever
25 barred and foreclosed from objecting to the fairness, reasonableness, or adequacy of the
26 Settlement, the Plan of Allocation, or the requested attorneys' fees and Litigation Expenses, or
27 from otherwise being heard concerning the Settlement, the Plan of Allocation, or the requested
28 attorneys' fees and Litigation Expenses in this or any other proceeding.

1 21. **Stay Order** – Until otherwise ordered by the Court, the Court stays all proceedings
2 in the Action other than proceedings necessary to carry out or enforce the terms and conditions of
3 the Stipulation.

4 22. **Settlement Fund** – The contents of the Settlement Fund held by The Huntington
5 National Bank (“Huntington Bank”) in one or more custodian/escrow accounts, for which
6 Huntington Bank will serve as the Escrow Agent, shall be deemed and considered to be *in custodia*
7 *legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as they
8 shall be distributed pursuant to the Stipulation or further order(s) of the Court.

9 23. **Taxes** – Lead Counsel are authorized and directed to prepare any tax returns and
10 any other tax reporting form for or in respect to the Settlement Fund, to pay from the Settlement
11 Fund any Taxes owed with respect to the Settlement Fund, and to otherwise perform all obligations
12 with respect to Taxes and any reporting or filings in respect thereof without further order of the
13 Court in a manner consistent with the provisions of the Stipulation.

14 24. **Termination of Settlement** – If the Settlement is terminated as provided in the
15 Stipulation, the Settlement is not approved, or the Effective Date of the Settlement otherwise fails
16 to occur, this Order shall be vacated, rendered null and void, and be of no further force and effect,
17 except as otherwise provided by the Stipulation, and this Order shall be without prejudice to the
18 rights of Lead Plaintiffs, the other Settlement Class Members, and Defendants, and the Parties
19 shall revert to their respective positions in the Action as of September 26, 2024, as provided in the
20 Stipulation.

21 25. **Use of this Order** – Neither this Order, the Stipulation (whether or not
22 consummated), including the exhibits thereto and the Plan of Allocation contained therein (or any
23 other plan of allocation that may be approved by the Court), the Supplemental Agreement, and the
24 documents prepared to effectuate this Settlement, the negotiations leading to the execution of the
25 Stipulation, nor any proceedings taken pursuant to or in connection with the Stipulation, or
26 approval of the Settlement (including any arguments proffered in connection therewith):

27 (a) shall be (i) offered against any of the Defendant Releasees as evidence of, or construed
28 as, or deemed to be evidence of any presumption, concession, or admission by any of the
Defendant Releasees with respect to, (aa) the truth of any fact alleged by Lead Plaintiffs or

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any Settlement Class Member; (bb) the validity of any claim that was or could have been asserted in the Action or in any other litigation; (cc) the deficiency of any defense that has been or could have been asserted in this Action or in any other litigation; (dd) any liability, negligence, fault, or other wrongdoing of any of the Defendant Releasees; or (ee) any damages suffered by Plaintiffs or the Settlement Class; or (ii) in any way referred to for any other reason as against any of the Defendant Releasees, in any civil, criminal, or administrative action or proceeding (including arbitration), other than such proceedings necessary to effectuate the provisions of the Stipulation;

(b) shall be (i) offered against any of the Plaintiff Releasees, as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Plaintiff Releasees (aa) that any of their claims are without merit, that any of the Defendant Releasees had meritorious defenses, or that damages recoverable under the Complaint would not have exceeded the Settlement Amount; or (bb) with respect to any liability, negligence, fault, or wrongdoing; or (ii) in any way referred to for any other reason as against any of the Plaintiff Releasees, in any civil, criminal, or administrative action or proceeding (including arbitration), other than such proceedings necessary to effectuate the provisions of the Stipulation; or

(c) shall be construed against any of the Releasees as an admission, concession, or presumption that the consideration to be given under the Settlement represents the amount that could be or would have been recovered after trial; *provided, however*, that if the Stipulation is approved by the Court, the Parties and the Releasees and their respective counsel may refer to it to effectuate the protections from liability granted thereunder or otherwise to enforce the terms of the Settlement.

26. **Supporting Papers** – Lead Counsel shall file the opening papers in support of the proposed Settlement, the Plan of Allocation, and Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses no later than thirty-five (35) calendar days prior to the Settlement Hearing; and Lead Plaintiffs and Lead Counsel are authorized to file reply papers no later than seven (7) calendar days prior to the Settlement Hearing.

27. The Court retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement.

SO ORDERED this _____ day of _____, 2024.

The Honorable P. Casey Pitts
United States District Judge

EXHIBIT A-1

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

STEVEN LEVENTHAL, Individually and on
Behalf of All Others Similarly Situated,

Plaintiff,

vs.

CHEGG, INC., DANIEL L. ROSENSWEIG,
ANDREW J. BROWN, and NATHAN
SCHULTZ,

Defendants.

No. 5:21-cv-09953-PCP

EXHIBIT A-1

**NOTICE OF (I) PENDENCY OF CLASS ACTION, CERTIFICATION OF
SETTLEMENT CLASS, AND PROPOSED SETTLEMENT AND PLAN OF
ALLOCATION; (II) SETTLEMENT FAIRNESS HEARING; AND (III) MOTION
FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF
LITIGATION EXPENSES**

***A Federal Court authorized this Notice. This is not a solicitation from a lawyer.
YOU MAY BE ENTITLED TO A CASH AWARD.***

TO: All persons who purchased or otherwise acquired Chegg, Inc. (“Chegg” or the “Company”) common stock between May 5, 2020, and November 1, 2021, inclusive, and who were damaged thereby (the “Settlement Class Period” or “Class Period”). You may be a member of the Settlement Class. If you do not wish to be part of the Settlement Class, you must respond to this Notice with a written request for exclusion (see below). You may be eligible to receive a share of the proceeds of the Settlement, but you must submit a Claim Form to participate in the Settlement (see below). If you are a broker or custodian, please immediately review this Notice for instructions on providing timely notification to beneficial owners.

NOTICE OF SETTLEMENT: This Notice has been sent to you pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Northern District of California (the “Court”). Please be advised that the Court-appointed Lead Plaintiffs, KBC Asset Management NV (“KBC”) and Pompano Beach Police and Firefighters’ Retirement System (“Pompano Beach”) (collectively, “Lead Plaintiffs”), on behalf of themselves and the Court-certified Settlement Class (as defined in paragraph 26 below), have reached a proposed settlement of the above-captioned securities class action (the “Action”) for \$55,000,000.00 in cash that, if approved, will resolve all claims in the Action (the “Settlement”).

PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a member of the Settlement Class, your legal rights will be affected whether or not you act.

If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact the Court, Chegg, any other Defendants in the Action, or their counsel. All questions should be directed to the Claims Administrator or Lead Counsel (see paragraph 90 below).

1. **Description of the Action and the Settlement Class:** This Notice relates to a proposed Settlement of claims in a pending securities class action brought by investors alleging, among other things, that Defendants Chegg, Daniel L. Rosensweig (“Rosensweig”), Andrew J. Brown (“Brown”), and Nathan Schultz (“Schultz”) (collectively, the “Individual Defendants,” and together with Chegg, “Defendants,” and together with Lead Plaintiffs, the “Parties”)¹ misled investors regarding (a) the extent to which Chegg’s platform was used by students to cheat during the period of distance learning following the COVID-19 pandemic; and (b) the reasons for the Company’s unprecedented growth during this time. The Complaint further alleges that in reality, Chegg’s record growth was largely due to substantial use of its platform to cheat while students were learning remotely. The Complaint alleges that Chegg’s stock price was artificially inflated as a result of Defendants’ false and misleading statements, and that Chegg’s stock price declined when the alleged truth regarding Defendants’ alleged misrepresentations was revealed. A more detailed description of the Action is set forth in paragraphs 11-25 below. The proposed Settlement, if approved by the Court, will resolve the claims of the Settlement Class, as defined in paragraph 26 below.

2. **Statement of the Settlement Class’s Recovery:** Subject to Court approval, Lead Plaintiffs, on behalf of themselves and the Settlement Class, have agreed to settle the Action in exchange for a payment of \$55,000,000.00 in cash (the “Settlement Amount”) to be deposited into an escrow account. The Net Settlement Fund (*i.e.*, the Settlement Amount plus any and all interest earned thereon (the “Settlement Fund”) less: (i) any Taxes and Tax Expenses; (ii) any Notice and Administration Costs; (iii) any Litigation Expenses awarded by the Court; (iv) any attorneys’ fees awarded by the Court; and (v) other Court-approved deductions) will be distributed in accordance with a plan of allocation that is approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Settlement Class. The proposed plan of allocation (the “Plan of Allocation”) is set forth in paragraphs 56-73 below.

3. **Estimate of Average Amount of Recovery Per Share:** Based on Lead Plaintiffs’ damages expert’s estimates of the number of shares of Chegg common stock purchased during the Settlement Class Period that may have been affected by the alleged conduct at issue in the Action, and assuming that all Settlement Class Members elect to participate in the Settlement, the estimated average recovery (before the deduction of any Court-approved fees, expenses, and costs as described herein) would be \$0.65 per alleged damaged share (hereinafter the “damaged shares”). ***Settlement Class Members should note, however, that the foregoing average recovery per share is only an estimate.*** Some Settlement Class Members may recover more or less than this estimated amount depending on, among other factors, when and at what prices they purchased/acquired and sold shares of Chegg common stock, and the total number and recognized loss amount of valid

¹ All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement dated November 5, 2024 (the “Stipulation” or “Settlement Agreement”), which is available at www.CheggSecuritiesLitigation.com. The singular forms of nouns and pronouns include the plural and vice versa.

Claim Forms and electronic claims submitted. Distributions to Settlement Class Members will be made based on the Plan of Allocation set forth herein (*see* paragraphs 56-73 below) or such other plan of allocation as may be ordered by the Court.

4. **Average Amount of Damages Per Share:** The Parties do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiffs were to prevail in the Action. Among other things, Defendants deny each and all the claims and contentions alleged by Lead Plaintiffs in the Action and do not agree with the assertion that they violated the federal securities laws or that any damages were suffered by Lead Plaintiffs or any members of the Settlement Class as a result of their alleged conduct.

5. **Attorneys’ Fees and Expenses Sought:** Lead Counsel, who have been prosecuting the Action on a wholly contingent basis since 2021, have not received any payment of attorneys’ fees for their representation of the Settlement Class and have advanced the funds to pay expenses necessarily incurred to prosecute this Action. Court-appointed Co-Lead Counsel Motley Rice LLC and Saxena White P.A. will apply to the Court for an award of attorneys’ fees in an amount not to exceed twenty-five percent (25%) of the Settlement Fund, or \$13,750,000, plus interest. This fee award would equate to an estimated lodestar multiplier of approximately 1.6. In addition, Lead Counsel will apply for reimbursement of Litigation Expenses incurred in connection with commencing, prosecuting and settling the Action, in an amount not to exceed \$490,000, which sum may include the reasonable costs and expenses incurred by Lead Plaintiffs directly related to their representation of the Settlement Class in an amount not to exceed \$20,000. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. The estimates of the average cost per damaged share if the Court approves Lead Counsel’s fee and expense application is \$0.17.

6. **Identification of Attorneys’ Representatives:** Lead Plaintiffs and the Settlement Class are represented by Christopher F. Moriarty, Esq. of Motley Rice LLC, 28 Bridgeside Boulevard, Mount Pleasant, SC 29464, (843) 216-9245, infocheggsettlement@motleyrice.com; and David R. Kaplan, Esq. of Saxena White P.A., 505 Lomas Santa Fe Drive, Suite 180, Solana Beach, CA 92075, (858) 997-0860, settlements@saxenawhite.com.

7. **Reasons for the Settlement:** Lead Plaintiffs’ principal reason for entering into the Settlement is the substantial immediate cash benefit for the Settlement Class without the risk or the delays inherent in further litigation. Moreover, the substantial cash benefit provided under the Settlement must be considered against a number of factors, including Chegg’s cash position and the Company’s resources that could be allocated to any settlement or recovery. Defendants, who deny all allegations of wrongdoing or liability or any violation of the law whatsoever, are entering into the Settlement solely to eliminate the uncertainty, distraction, time, burden, and expense of further protracted litigation.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:	
SUBMIT A CLAIM FORM ONLINE, OR BY MAIL AND POSTMARKED, NO LATER THAN _____, 2025.	This is the only way to be potentially eligible to receive a payment from the Settlement Fund. If you are a Settlement Class Member and you remain in the Settlement Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Plaintiffs’ Claims (defined in

	<p>paragraph 36 below) that you have against Defendants and the other Defendant Releasees (defined in paragraph 37 below), so it is in your interest to submit a Claim Form.</p> <p>You may submit a Claim Form and still object to any part of the Settlement.</p> <p>You cannot submit a Claim Form and exclude yourself.</p>
<p>EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION THAT IS RECEIVED NO LATER THAN _____, 2025.</p>	<p>If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you ever to be part of any other lawsuit against any of the Defendants or the other Defendant Releasees concerning the Released Plaintiffs' Claims.</p> <p>You cannot object to the proposed Settlement and cannot submit a Claim Form if you exclude yourself.</p>
<p>OBJECT TO THE SETTLEMENT BY FILING ELECTRONICALLY OR IN PERSON WITH THE COURT, OR BY MAILING TO THE COURT A WRITTEN OBJECTION POSTMARKED NO LATER THAN _____, 2025.</p>	<p>If you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys' fees and reimbursement of Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation or the fee and expense request unless you are a Settlement Class Member and do not exclude yourself from the Settlement Class.</p> <p>You do not need to submit a Claim Form to object. However, if you object, you must submit a Claim Form, as described above, by ____, to be eligible to receive a cash payment from the Settlement Fund</p> <p>The Court can only approve or deny the Settlement and cannot change the terms.</p>
<p>ATTEND A HEARING ON _____, 2025 AT __:__, AND FILE A NOTICE OF INTENTION TO APPEAR NO LATER THAN _____.</p>	<p>Filing a written objection and notice of intention to appear by _____ allows you at the Settlement Hearing on _____, 2025 at __:__, to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the Plan of Allocation, and/or the request for attorneys' fees and reimbursement of Litigation Expenses. If you submit a written objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.</p>

DO NOTHING	If you are a member of the Settlement Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.
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WHAT THIS NOTICE CONTAINS

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WHY DID I GET THIS NOTICE?

8. The Court directed that this Notice be mailed to you because you, someone in your family, or an investment account for which you serve as a custodian may have purchased or acquired Chegg common stock during the Settlement Class Period. The Court has directed us to send you this Notice because, as a potential Settlement Class Member, you have a right to know about your options before the Court rules on the proposed Settlement. Additionally, you have the right to understand how this class action lawsuit may generally affect your legal rights. If the Court approves the Settlement, and the Plan of Allocation (or some other plan of allocation), the claims administrator selected by Lead Plaintiffs and approved by the Court will make payments pursuant to the Settlement after any objections and appeals are resolved.

9. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Settlement Class if you wish to do so. It is also being sent to inform you of the terms of the proposed Settlement, and of

a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation, and the motion by Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses (the "Settlement Hearing"). See paragraph 80 below for details about the Settlement Hearing, including the date and location of the hearing.

10. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Action, and the Court still must decide whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made only after any appeals are resolved and after the completion of all claims processing. ***Please be patient, as this process can take some time to complete.***

WHAT IS THIS CASE ABOUT?

11. On December 22, 2021, this Action was commenced in the United States District Court for the Northern District of California, styled *Steven Leventhal v. Chegg, Inc., et al.*, Case No. 5:21-cv-09953 (N.D. Cal.), alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder.

12. By Order dated September 7, 2022, the Court appointed KBC and Pompano Beach as Lead Plaintiffs and approved Lead Plaintiffs' selection of Motley Rice LLC and Saxena White P.A. as Co-Lead Counsel for the class.

13. On December 8, 2022, Lead Plaintiffs filed their Consolidated Class Action Complaint for Violations of the Federal Securities Laws and Jury Trial Demand (the "Consolidated Complaint" or "Complaint"), on behalf of the Settlement Class, asserting claims for a putative class period of May 5, 2020, and November 1, 2021, inclusive. The Consolidated Complaint alleges, among other things, that throughout the Settlement Class Period, Defendants made materially false and misleading statements regarding (a) the extent to which Chegg's platform was used by students to cheat during the period of distance learning following the COVID-19 pandemic; and (b) the reasons for the Company's unprecedented growth during this time. The Complaint further alleges that, in reality, the Company's record growth was largely due to substantial use of its platform to cheat while students were learning remotely. The Complaint also alleges that Chegg's stock price was artificially inflated because of Defendants' false and misleading statements, and that Chegg's stock price declined substantially when the truth regarding Defendants' alleged misrepresentations was revealed through a corrective disclosure.

14. On February 16, 2023, Defendants filed a motion to dismiss the Consolidated Complaint (the "Motion to Dismiss"). Lead Plaintiffs filed their opposition on April 27, 2023; and on June 8, 2023, Defendants filed their reply. On December 7, 2023, the Court, the Honorable P. Casey Pitts presiding, heard oral argument on Defendants' Motion to Dismiss. On March 4, 2024, the Court entered an Order denying in its entirety Defendants' Motion to Dismiss. The Court found that (a) Plaintiffs had cited evidence in the Consolidated Complaint that provided sufficient factual support for Plaintiffs' allegations of falsity and substantial student cheating on Chegg's platform during the Class Period; (b) Plaintiffs alleged a strong inference of Defendants' scienter; and (c) Plaintiffs adequately alleged loss causation.

15. On April 22, 2024, Defendants moved for leave to file a motion for reconsideration of the Court's order denying their Motion to Dismiss, or in the alternative, to certify the order for interlocutory appeal (the "Motion for Reconsideration"). Defendants again challenged the adequacy of the Consolidated Complaint's allegations of falsity, scienter, and loss causation. The Court granted Defendants' request for leave, and the Parties fully briefed Defendants' Motion for Reconsideration. On July 17, 2024, the Court denied Defendants' Motion for Reconsideration.

16. Following the Court's Order denying Defendants' Motion to Dismiss, Defendants filed their Answer to Lead Plaintiffs' Consolidated Complaint on April 24, 2024. Lead Plaintiffs then served extensive discovery on Defendants, as described below. Specifically, Lead Plaintiffs served their Rule 26(a)(1) Initial Disclosures, their First Requests for Production of Documents to Defendants, and their First Set of Interrogatories to Defendants on April 25, 2024. Lead Plaintiffs served their Second Set of Requests for Production of Documents to Defendants on May 24, 2024. Defendants served their Rule 26(a)(1) Initial Disclosures on May 29, 2024. Lead Plaintiffs served their Second Set of Interrogatories, their First and Second Sets of Requests for Admissions, and their Third Set of Requests for Production of Documents to Defendants on May 31, 2024. Defendants took the position that discovery was stayed pending resolution of their Motion for Reconsideration. Plaintiffs took the position that discovery was not stayed.

17. While Lead Plaintiffs' written discovery requests to Defendants were outstanding, and after the Parties had agreed to an in-person mediation to be conducted on September 26, 2024, the Parties agreed to exchange certain materials in advance of the mediation, as part of a pre-mediation discovery process, to assist the Parties in better evaluating the relative strengths and weaknesses of their respective claims and defenses. Defendants agreed to expedite their production of core relevant documents responsive to Lead Plaintiffs' document requests and provide substantive responses to Lead Plaintiffs' Interrogatories and Requests for Admissions. Lead Plaintiffs, in turn, agreed to provide Defendants with certain documents relevant to Lead Plaintiffs' claims, including documents produced by colleges, universities, and other institutions of higher learning in response to Freedom of Information Act ("FOIA") requests referenced in the Consolidated Complaint.

18. Accordingly, Defendant Chegg served its Responses to Lead Plaintiffs' First Set of Requests for Admission on August 28, 2024, and its Responses to Lead Plaintiffs' Second Set of Requests for Admission on August 30, 2024. In addition, Defendants produced approximately 77,000 pages of documents between July and August 2024. These productions included internal Chegg documents, including emails from the custodial files of the three Individual Defendants, and detailed subscriber and user engagement data for Chegg's platform.

19. In May and June 2024, Lead Plaintiffs also commenced extensive discovery of relevant non-parties. Specifically, Lead Plaintiffs served approximately 51 non-party document subpoenas on: (1) media outlets that reported on Chegg's alleged cheating; (2) Exterro, Inc., an e-discovery and data management support services vendor that Chegg utilized, including in connection with this Action; (3) approximately two dozen colleges, universities, and service academies across the United States; and (4) securities analysts that issued reports on Chegg during the Class Period. Together, these non-parties produced, and Lead Plaintiffs reviewed, approximately 47,000 pages of documents.

20. Additionally, as part of the Parties' pre-mediation agreement, Lead Plaintiffs reproduced to Defendants over 40,000 pages of documents that had previously been produced by colleges,

universities, and other institutions of higher learning in response to FOIA requests, subpoenas and/or other public records requests made during discovery and Lead Plaintiffs' pre-suit investigation, including documents referenced in the Consolidated Complaint and the Court's Orders denying Defendants' Motion to Dismiss and Motion for Reconsideration.

21. In August 2024, the Court granted the Parties' Stipulated Protective Order (as Modified) and the Stipulated Order Re: Discovery of Electronically Stored Information (as Modified). During the course of document discovery, the Parties conducted numerous meet-and-confers amongst themselves and with non-parties in an effort to narrow or resolve areas of disagreement that arose, and similarly exchanged numerous letters and substantive emails amongst themselves and with non-parties.

22. On August 2, 2024, the Parties filed a Joint Motion for Initial Case Management Conference informing the Court that the Parties had agreed to private mediation under the oversight of the Hon. Layn Phillips (Fmr.), a highly experienced mediator of complex securities and shareholder litigation. On September 26, 2024, the Parties and Defendants' directors' and officers' liability insurance carriers (the "D&O Insurers") participated in a full-day, in-person mediation session in San Francisco, California conducted by Judge Phillips and two of his colleagues. Prior to the mediation, each side submitted comprehensive mediation statements setting forth their respective positions on various legal and factual issues, supported by voluminous exhibits, which included detailed information obtained through the pre-mediation discovery discussed above. During the mediation, the Parties provided their respective views on, *inter alia*, liability, damages, and Chegg's financial condition and outlook. After a full day of negotiations, the Parties ultimately accepted Judge Phillips' recommendation to settle Lead Plaintiffs' claims for \$55 million in cash. On that same date, the Parties filed a Joint Case Management Statement to inform the Court that the Parties had participated in mediation and had reached an agreement in principle to settle the Action.

23. Based on their investigation, discovery, prosecution and mediation of the case, Lead Plaintiffs and Lead Counsel have concluded that the terms and conditions of the Settlement, as set forth in the Stipulation, are fair, reasonable, and adequate to Lead Plaintiffs and the other members of the Settlement Class, and in their best interests. Based on Lead Plaintiffs' oversight of the prosecution of this matter and with the advice of its counsel, Lead Plaintiffs have agreed to settle and release the claims raised in the Action pursuant to the terms and provisions of the Stipulation, after considering, among other things, (a) the substantial financial benefit that Lead Plaintiffs and the other members of the Settlement Class will receive under the proposed Settlement; (b) the significant risks and costs of continued litigation and trial; (c) Chegg's resources to fund a settlement; and (d) the desirability of permitting the proposed Settlement to be consummated as provided by the terms of the Stipulation.

24. The Stipulation and the Settlement constitute a compromise of matters that are in dispute among the Parties. Defendants have entered into the Stipulation solely to eliminate the uncertainty, distraction, time, burden, and expense of further protracted litigation. Each of the Defendants denies any wrongdoing, and the Settlement and Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any of the Defendants with respect to any claim or allegation of any fault, liability, wrongdoing, or damage whatsoever, or any infirmity in the defenses that the Defendants have, or could have, asserted. Defendants expressly deny that Lead Plaintiffs have asserted any valid claims as to any of them, and expressly

deny any and all allegations of fault, liability, wrongdoing, or damages whatsoever. The Stipulation and the Settlement also shall not be construed or deemed to be evidence of or an admission or concession on the part of any Lead Plaintiffs of an infirmity in any claims asserted in the Action, or an admission or concession that any of the Defendants' defenses to liability had any merit.

25. On _____, 2024, the Court preliminarily approved the Settlement, authorized this Notice to be disseminated to potential Settlement Class Members, provisionally certified the Settlement Class, and scheduled the Settlement Hearing to consider, among other things, whether to grant final approval of the Settlement.

**HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?
WHO IS INCLUDED IN THE SETTLEMENT CLASS?**

26. If you are a member of the Settlement Class, you are subject to the Settlement, unless you timely request to be excluded. The Settlement Class consists of:

All persons who purchased, or otherwise acquired Chegg common stock between May 5, 2020, and November 1, 2021, inclusive, and who were damaged thereby.

Excluded from the Settlement Class are: (1) Defendants; (2) the Officers or directors of Chegg during the Settlement Class Period; (3) the Immediate Family members of any Defendant or any Officer or director of Chegg during the Settlement Class Period; and (4) any entity that any Defendant owns or controls, or owned or controlled, during the Settlement Class Period. Also excluded from the Settlement Class are those persons who submit valid and timely requests for exclusion in accordance with the Preliminary Approval Order. *See* "What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?" on page [] below.

PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU ARE A SETTLEMENT CLASS MEMBER AND YOU WISH TO BE POTENTIALLY ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED OR SUBMITTED ONLINE AT THE SETTLEMENT WEBSITE, WWW.CHEGGSECURITIESLITIGATION.COM, NO LATER THAN _____, 2025.

WHAT ARE LEAD PLAINTIFFS' REASONS FOR THE SETTLEMENT?

27. Lead Plaintiffs and Lead Counsel believe that the claims asserted against Defendants have merit. They recognize, however, the expense and length of continued proceedings necessary to pursue their claims against Defendants through further motion practice, trial, and appeals, as well as the very substantial risks they would face in establishing liability and damages. Lead Plaintiffs and Lead Counsel recognized that Defendants could have raised certain arguments that might have precluded recovery. For example, among other things, Defendants would assert that the statements at issue in the litigation were not materially false or misleading, and that even if they were, they

were not made with the requisite state of mind to support the securities fraud claims alleged. Additionally, even if the hurdles to establishing liability were overcome, the amount of damages that could be attributed to the allegedly false statements would have been vigorously contested. Lead Plaintiffs would have to prevail at several stages – including class certification, summary judgment and trial, and even if they prevailed on those, they would also need to prevail on the appeals that would likely follow.

28. Moreover, Lead Plaintiffs and Lead Counsel considered Chegg’s current financial condition and limited available resources to fund a settlement, including Chegg’s finite available D&O insurance policies. Further litigation, given its likely length and intensity, would have rapidly depleted these insurance policies. Thus, had litigation continued, Lead Plaintiffs and Lead Counsel believe there was a very real risk (if not a virtual certainty) that the Settlement Class would have recovered less than the \$55 million Settlement Amount, or nothing at all.

29. In light of these risks, the amount of the Settlement, and the immediacy of recovery to the Settlement Class, Lead Plaintiffs and Lead Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Settlement Class. Lead Plaintiffs and Lead Counsel believe that the Settlement provides a substantial benefit to the Settlement Class, namely \$55,000,000.00 in cash (less the deductions described in this Notice), as compared to the risk that the claims in the Action would produce a smaller, or no, recovery after class certification, summary judgment, trial, and appeals, possibly years in the future.

30. Defendants have denied each and all the claims and contentions asserted against them in the Action and deny having engaged in any wrongdoing or violation of law whatsoever. Defendants have agreed to the Settlement solely to eliminate the burden and expense of continued litigation. Accordingly, as noted above, the Settlement may not be construed as an admission of any wrongdoing by Defendants.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

31. If there were no Settlement and Lead Plaintiffs failed to establish any essential legal or factual element of their claims against Defendants, neither Lead Plaintiffs nor the other members of the Settlement Class would recover anything from Defendants. Also, if Defendants were successful in proving any of their defenses, either at class certification, summary judgment, at trial, or on appeal, the Settlement Class could recover substantially less than the amount provided in the Settlement, or nothing at all. Furthermore, even if Lead Plaintiffs successfully continued litigation (including at summary judgment, at trial, or on appeal), given Chegg’s limited available resources to fund any such recovery, there was a very real risk (if not a virtual certainty) that the Settlement Class would recover less than the \$55 million settlement amount, or nothing at all.

HOW ARE SETTLEMENT CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT?

32. As a Settlement Class Member, you are represented by Lead Plaintiffs and Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf. For more information, please consult “When And Where Will The Court Decide Whether To Approve The Settlement?” below.

33. If you are a Settlement Class Member and do not wish to remain a Settlement Class Member, you may exclude yourself from the Settlement Class by following the instructions in the section entitled, “What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?” below.

34. If you are a Settlement Class Member and you wish to object to the Settlement, the Plan of Allocation, or Lead Counsel’s application for attorneys’ fees and reimbursement of Litigation Expenses, and if you do not exclude yourself from the Settlement Class, you may make your objection by following the instructions in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?” below.

35. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). The Judgment will dismiss with prejudice the claims against the Defendant Releasees (as defined below) and will provide that, upon the Effective Date of the Settlement, Plaintiff Releasees (as defined in paragraph 42 below), shall be deemed to have, and by operation of the Stipulation, of law, and of the Judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Plaintiffs’ Claim (as defined in paragraph 36 below) against the Defendants and the other Defendant Releasees, and shall forever be barred and enjoined from commencing, instituting, prosecuting or maintaining any of the Released Plaintiffs’ Claims against any of the Defendant Releasees.

36. “Released Plaintiffs’ Claims” means all claims, demands, losses, rights, liability, or causes of action, in law or in equity, accrued or unaccrued, fixed or contingent, direct, individual or representative, of every nature and description whatsoever, whether known or unknown, or based on federal, state, local, statutory, or common law or any other law, rule, or regulation, (including the law of any jurisdiction outside the United States), that were or could have been asserted in the Action or could in the future be asserted in any forum, whether foreign or domestic, against Defendant Releasees by Lead Plaintiffs or any member of the Settlement Class, or their successors, assigns, executors, administrators, representatives, attorneys, and agents in their capacity as such, which arise out of, are based upon, or relate in any way to the factual predicate of the Action, including, but not limited to, (i) any of the allegations, facts, transactions, events, matters, occurrences, acts, disclosures, oral or written statements, representations, omissions, failures to act, filings, publications, disseminations, press releases, or presentations involved, set forth, alleged, or referred to in the Action; and (ii) all claims that arise out of, are based upon, or relate in any way to the purchase, acquisition, holding, sale, or disposition of any Chegg securities during the Settlement Class Period. “Released Plaintiffs’ Claims” shall not include any claims to enforce this Settlement or Excluded Claims.

37. “Defendant Releasees” means each and all Defendants, Defendants’ Counsel, the D&O Insurers, and their respective Related Persons.

38. “Related Persons” means (i) with respect to Defendants, Defendants’ Counsel, and the D&O Insurers, each of their respective current and former Officers, directors, agents, parents, affiliates, subsidiaries, reinsurers, successors, predecessors, assigns, assignees, employees, and attorneys, in their capacities as such; and (ii) with respect to the Individual Defendants, their respective spouses, Immediate Family members, heirs, successors, executors, estates,

administrators, attorneys, agents, accountants, insurers or reinsurers, personal representatives, trusts, community property, and any other entity in which any of them has a controlling interest, and as to such entities, each and all of their predecessors, successors, past, present or future parents, subsidiaries, affiliates, and each of their respective past or present Officers, directors, shareholders, agents, partners, principals, members, employees, attorneys, advisors, trustees, auditors and accountants, insurers, and reinsurers.

39. “Unknown Claims” means any Released Plaintiffs’ Claims that Lead Plaintiffs or any other Settlement Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, and any Released Defendants’ Claims that any Defendant or any other Defendant Releasee does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, which, if known by him, her, or it might have affected his, her, or its decision(s) with respect to this Settlement including, but not limited to, whether or not to object to this Settlement or to the release of any Released Claims. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Lead Plaintiffs and Defendants shall expressly waive, and each of the other Plaintiff Releasees and Defendant Releasees shall be deemed to have waived, and by operation of the Judgment, shall have expressly waived, any and all provisions, rights, and benefits conferred by California Civil Code § 1542 and any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

The Releasees acknowledge that they may hereafter discover facts in addition to or different from those which he, she, it, or their counsel now knows or believes to be true with respect to the subject matter of the Released Claims, but they are, notwithstanding this potential, entering into the Stipulation and intend it to be a full, final, and permanent resolution of the matters at issue in this Action. Lead Plaintiffs and Defendants acknowledge, and each of the other Settlement Class Members and each of the other Plaintiff Releasees and Defendant Releasees shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

40. The Judgment will also provide that, upon the Effective Date of the Settlement, Defendant Releasees shall be deemed to have, and by operation of the Stipulation, of law, and of the Judgment, shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Defendants’ Claim (as defined in paragraph 41 below) against the Plaintiff Releasees (as defined in paragraph 42 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Defendants’ Claims against any of the Plaintiff Releasees. This release shall not apply to any Excluded Claim.

41. “Released Defendants’ Claims” means all claims, demands, losses, rights, liability, or causes of action, in law or in equity, accrued or unaccrued, fixed or contingent, direct, individual or representative, of every nature and description whatsoever, whether known or unknown, or based on federal, state, local, statutory, or common law or any other law, rule, or regulation

(including the law of any jurisdiction outside the United States), that were or could have been asserted in the Action or could in the future be asserted in any forum, whether foreign or domestic, against Plaintiff Releasees by Defendants or any member of Defendant Releasees, or their successors, assigns, executors, administrators, representatives, attorneys, and agents in their capacity as such, which arise out of, relate to, or are based upon, the institution, prosecution, or settlement of the claims asserted in the Action against Defendants. Released Defendants' Claims do not include any claims relating to the enforcement of the Settlement and any Excluded Claims.

42. "Plaintiff Releasees" means Lead Plaintiffs, all other plaintiffs in the Action, Plaintiffs' Counsel, and all other Settlement Class Members, as well as each of their respective current and former Officers, directors, agents, parents, affiliates, subsidiaries, successors, predecessors, assigns, assignees, employees, and attorneys, in their capacities as such.

43. The Judgment will also provide that, upon the Effective Date, as allowed by law, the Stipulation shall operate conclusively as an estoppel and full defense in the event, and to the extent, of any claim, demand, action, or proceeding brought by a Settlement Class Member against any of the Defendant Releasees with respect to any Released Plaintiffs' Claims, or brought by a Defendant against any of the Plaintiff Releasees with respect to any Released Defendants' Claim.

44. The Judgment shall, among other things, provide for the dismissal with prejudice of the Action against the Defendant Releasees, without costs to any Party, except for the payments expressly provided for in the Stipulation.

HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

45. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Settlement Class, and you must timely complete and return the Claim Form with adequate supporting documentation postmarked or submitted online no later than _____, 2025. A Claim Form is included with this Notice, or you may obtain one from the website maintained by the Claims Administrator for the Settlement, www.CheggSecuritiesLitigation.com, or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 1-877-884-2550. Please retain all records of your ownership of and transactions in Chegg securities, as they may be needed to document your Claim. If you request exclusion from the Settlement Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

HOW MUCH WILL MY PAYMENT BE?

46. At this time, it is not possible to make a determination as to how much any individual Settlement Class Member may receive from the Settlement.

47. Pursuant to the Settlement, Defendants have agreed to cause the D&O Insurers to pay fifty-five million dollars (\$55,000,000.00) in cash. The Settlement Amount will be deposited into an escrow account. The Settlement Amount plus any and all interest earned thereon is referred to as the "Settlement Fund." If the Settlement is approved by the Court and the Effective Date occurs, the "Net Settlement Fund" (that is, the Settlement Fund less (a) all federal, state or local taxes on any income earned by the Settlement Fund and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Fund (including reasonable

expenses of tax attorneys and accountants); (b) the costs and expenses incurred in connection with providing notice to Settlement Class Members and administering the Settlement on behalf of Settlement Class Members; (c) any attorneys' fees and Litigation Expenses awarded by the Court; and (d) other Court-approved deductions) will be distributed to Settlement Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

48. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal, or review, whether by certiorari or otherwise, has expired.

49. No Defendant Releasee or any person or entity that paid any portion of the Settlement Amount on Defendants' behalf are entitled to reclaim any portion of the Settlement Fund once the Court's order or judgment approving the Settlement becomes Final. Defendants shall not have any liability, obligation, or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund, or the Plan of Allocation. In no instance shall any Defendant Releasee be required to pay any amount other than as expressly provided for in the Stipulation.

50. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

51. Unless the Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form postmarked or submitted online at the Settlement website, www.CheggSecuritiesLitigation.com, on or before _____, 2025, shall be fully and forever barred from receiving payments pursuant to the Settlement, but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the Releases given. This means that each Settlement Class Member releases the Released Plaintiffs' Claims (as defined in paragraph 36 above) against the Defendant Releasees (as defined in paragraph 37 above) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the Released Plaintiffs' Claims against any of the Defendant Releasees whether or not such Settlement Class Member submits a Claim Form.

52. Participants in and beneficiaries of a plan covered by ERISA ("ERISA Plan") should NOT include any information relating to their transactions in Chegg shares held through the ERISA Plan in any Claim Form that they may submit in this Action. They should include ONLY those shares that they purchased or acquired outside of the ERISA Plan.

53. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Settlement Class Member.

54. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her, or its Claim Form.

55. Only Settlement Class Members, *i.e.*, persons who purchased or acquired Chegg common stock during the Settlement Class Period, will be potentially eligible to share in the distribution of the Net Settlement Fund. Persons that are excluded from the Settlement Class by definition or that exclude themselves from the Settlement Class pursuant to request will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms. Only shares of Chegg common stock are included in the Settlement.

PROPOSED PLAN OF ALLOCATION

56. The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among Authorized Claimants who suffered economic losses as a proximate result of the alleged wrongdoing set forth in the Consolidated Complaint. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

57. The Plan of Allocation was created with the assistance of a consulting damages expert and reflects the assumption that Defendants' alleged false and misleading statements and material omissions proximately caused the price of Chegg common stock to be artificially inflated throughout the Class Period. In calculating the estimated artificial inflation allegedly caused by Defendants' alleged misrepresentations and omissions, Lead Plaintiffs' damages expert considered price changes in Chegg common stock in reaction to certain public announcements allegedly revealing the truth concerning Defendants' alleged misrepresentations and material omissions, adjusting for price changes that were attributable to market or industry forces.

58. To have recoverable damages, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of Chegg common stock. In this case, Lead Plaintiffs allege that Defendants made false statements and omitted material facts during the period between May 5, 2020, and November 1, 2021, inclusive, which had the effect of artificially inflating the price of Chegg common stock. Lead Plaintiffs further allege that corrective information was released to the market on November 1, 2021 (after market close), which removed the artificial inflation from the price of Chegg common stock on November 2, 2021.

59. Recognized Loss Amounts are based primarily on the difference in the amount of alleged artificial inflation in the prices of Chegg common stock at the time of purchase or acquisition and at the time of sale, or the difference between the actual purchase price and sale price. Accordingly, to have a Recognized Loss under the Plan of Allocation, a Class Member who or which purchased or otherwise acquired Chegg common stock during the Class Period must have held those shares through at least November 1, 2021.

CALCULATION OF RECOGNIZED LOSS AMOUNTS

60. Based on the formula stated below, a Recognized Loss Amount will be calculated for each purchase or acquisition of publicly traded Chegg common stock that is listed on the Claim Form and for which adequate documentation is provided. If a Recognized Loss Amount calculates to a negative number or zero under the formula below, that number will be zero.

61. For each share of publicly traded Chegg common stock purchased or otherwise acquired during the Class Period (*i.e.*, during the period from May 5, 2020 through and including the close of trading on November 1, 2021), and:

- i. Sold before November 2, 2021, the Recognized Loss Amount will be \$0.00.

- ii. Sold from November 2, 2021 through and including the close of trading on January 28, 2022, the Recognized Loss Amount will be *the least of*: (i) \$28.19, the amount of artificial inflation per share on the date of purchase/acquisition; (ii) the purchase/acquisition price minus the average closing price between November 2, 2021 and the date of sale as stated in Table A below; or (iii) the purchase/acquisition price minus the sale price.
- iii. Held as of the close of trading on January 28, 2022, the Recognized Loss Amount will be *the lesser of*: (i) \$28.19, the amount of artificial inflation per share on the date of purchase/acquisition; or (ii) the purchase/acquisition price minus \$28.53.²

ADDITIONAL PROVISIONS

62. **Calculation of Claimant’s “Recognized Claim”:** A Claimant’s “Recognized Claim” will be the sum of his, her, or its Recognized Loss Amounts as calculated above with respect to Chegg common stock.

63. **FIFO Matching:** If a Class Member made more than one purchase/acquisition or sale of Chegg common stock during the Class Period, all purchases/acquisitions and sales will be matched on a First In, First Out (“FIFO”) basis. Class Period sales will be matched first against any holdings at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

64. **“Purchase/Sale” Dates:** Purchases or acquisitions and sales of Chegg common stock will be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance, or operation of law of Chegg common stock during the Class Period shall not be deemed a purchase, acquisition, or sale of Chegg common stock for the calculation of a Claimant’s Recognized Loss Amount, nor shall such receipt or grant be deemed an assignment of any claim relating to the purchase, acquisition, or sale of Chegg common stock unless (i) the donor or decedent purchased or otherwise acquired or sold Chegg common stock during the Class Period; (ii) the instrument of gift or assignment specifically provides that it is intended to transfer such rights; and (iii) no Claim was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such shares of Chegg common stock.

65. **Short Sales:** The date of covering a “short sale” is deemed to be the date of purchase or acquisition of the Chegg common stock. The date of a “short sale” is deemed to be the date of sale of the Chegg common stock. In accordance with the Plan of Allocation, however, the

² Pursuant to Section 21D(e)(1) of the Exchange Act, “in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.” Consistent with the requirements of the Exchange Act, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of Chegg common stock during the “90-day look-back period,” November 2, 2021 through and including January 28, 2022. The mean (average) closing price for Chegg common stock during this 90-day look-back period was \$28.53.

Recognized Loss Amount on “short sales” and the purchases covering “short sales” is zero.

66. In the event that a Claimant has an opening short position in Chegg common stock, the earliest purchases or acquisitions of Chegg common stock during the Class Period will be matched against such opening short position and not be entitled to a recovery until that short position is fully covered.

67. **Common Stock Purchased/Sold Through the Exercise of Options:** With respect to Chegg common stock purchased/sold through the exercise of an option, the purchase/sale date of the common stock is the exercise date of the option and the purchase/sale price is the exercise price of the option.

68. **Determination of Distribution Amount:** If the sum total of Recognized Claims of all Authorized Claimants who are entitled to receive payment out of the Net Settlement Fund is greater than the Net Settlement Fund, each Authorized Claimant shall receive his, her, or its *pro rata* share of the Net Settlement Fund. The *pro rata* share will be the Authorized Claimant’s Recognized Claim divided by the total of Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

69. If the Net Settlement Fund exceeds the sum total amount of the Recognized Claims of all Authorized Claimants entitled to receive payment out of the Net Settlement Fund, the excess amount in the Net Settlement Fund will be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

70. If an Authorized Claimant’s Distribution Amount calculates to less than \$10.00, no distribution will be made to that Authorized Claimant.

71. After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the Net Settlement Fund at least six (6) months after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determine that it is cost-effective to do so, the Claims Administrator will conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 on such additional re-distributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determine that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance will be contributed to Investor Protection Trust, if approved by the Court, or another non-sectarian, not-for-profit, 501(c)(3) organization(s), to be approved by the Court.

72. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, will be conclusive against all Authorized Claimants. No person shall have any claim against Lead Plaintiffs, Plaintiffs’ Counsel, Lead Plaintiffs’ damages expert, Lead Plaintiffs’ consulting experts, Defendants, Defendants’ Counsel, or any of the other Plaintiff Releasees or Defendant Releasees, or the Claims Administrator or other agent designated by Lead

Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders of the Court. Lead Plaintiffs, the Defendants and their respective counsel, and all other Defendant Releasees, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund, the Plan of Allocation, the determination, administration, calculation, or payment of any Claim or nonperformance of the Claims Administrator, the payment or withholding of Taxes, or any losses incurred in connection therewith.

73. The Plan of Allocation stated herein is the plan being proposed to the Court for its approval by Lead Plaintiffs after consultation with their damages expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the case website, www.CheggSecuritiesLitigation.com.

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE SETTLEMENT CLASS
SEEKING?
HOW WILL THE LAWYERS BE PAID?**

74. Lead Counsel have not received any payment for their services in pursuing claims against Defendants on behalf of the Settlement Class, nor have Lead Counsel been reimbursed for their out-of-pocket expenses. Before final approval of the Settlement, Lead Plaintiffs will apply to the Court for an award of attorneys' fees for Lead Counsel in an amount not to exceed twenty-five percent (25%) of the Settlement Fund, or \$13,750,000, plus interest. It is estimated that such an award would equate to a lodestar multiplier of approximately 1.6. At the same time, Lead Counsel also intends to apply for reimbursement of Litigation Expenses in an amount not to exceed \$490,000, including reimbursement of the reasonable costs and expenses incurred by Lead Plaintiffs directly related to their representation of the Settlement Class in an amount not to exceed \$20,000. The Court will determine the amount of any award of attorneys' fees or reimbursement of Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

**WHAT IF I DO NOT WANT TO BE A MEMBER OF THE SETTLEMENT CLASS?
HOW DO I EXCLUDE MYSELF?**

75. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written request for exclusion from the Settlement Class, addressed to: Exclusions, Chegg Securities Litigation, c/o A.B. Data, Ltd., P.O. Box 173001 Milwaukee, WI 53217. The exclusion request must be received no later than _____, 2025. You will not be able to exclude yourself from the Settlement Class after that date. Each request for exclusion must (a) state the name, address, and telephone number of the person or entity requesting exclusion, and in the case of entities the name and telephone number of the appropriate contact person; (b) state that such person or entity "requests exclusion from the Settlement Class in *Leventhal v. Chegg, Inc., et al.*, Case No. 5:21-cv-09953 (N.D. Cal.)"; (c) state the number of Chegg shares of common stock that the person or entity requesting exclusion purchased or acquired and sold during the Settlement Class Period, as well as the dates and prices of each such purchase or acquisition and sale, and the number

of shares held at the beginning of the Settlement Class Period; and (d) be signed by the person or entity requesting exclusion or an authorized representative. A request for exclusion shall not be effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

76. If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have a pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Plaintiffs' Claim against any of the Defendant Releasees.

77. If you ask to be excluded from the Settlement Class, you will not be eligible to receive any payment out of the Net Settlement Fund.

78. Chegg has the right to terminate the Settlement if valid requests for exclusion are received from persons and entities entitled to be members of the Settlement Class in an amount that exceeds an amount agreed to by Lead Plaintiffs and Chegg, as set forth in a confidential Supplemental Agreement.

WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT? DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING IF I DO NOT LIKE THE SETTLEMENT?

79. Settlement Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Hearing.

80. The Settlement Hearing will be held on _____, 2025 at __: __ .m., before the Honorable P. Casey Pitts at the United States District Court for the Northern District of California, Robert F. Peckham Federal Building & United States Courthouse, Courtroom 8, 4th Floor, 280 South First Street, San Jose, California, 95113. The Court reserves the right to approve the Settlement, the Plan of Allocation, Lead Plaintiffs' motion for an award of attorneys' fees and reimbursement of Litigation Expenses, and/or any other matter related to the Settlement at or after the Settlement Hearing with such modification(s) as may be consented to by the Parties to the Stipulation and without further notice to the members of the Settlement Class.

81. Any Settlement Class Member who or which does not request exclusion may object to the Settlement, the proposed Plan of Allocation, or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. In other words, you can ask the Court to deny approval by filing an objection. You cannot ask the Court to order a different settlement; the Court can only approve or reject the settlement. If the Court denies approval, no settlement payments will be sent out, and the lawsuit will continue.

82. Any objection to the proposed Settlement must be in writing. All written objections and supporting papers must clearly identify the case name and number, *Leventhal v. Chegg, Inc., et al.*, Case No. 5:21-cv-09953 (N.D. Cal.). All written objections and supporting papers must be submitted to the Court either by filing them electronically or in person at any location of the United States District Court for the Northern District of California, or by mailing them to the address set forth below, such that they are filed or postmarked on or before _____, 2025. If you object, you must file a Claim Form, as described in paragraph 45 above, to receive your share of

the Settlement Fund, but you do not need to file a Claim Form to object.

Clerk's Office

Class Action Clerk
United States District Court
Robert F. Peckham Federal Building &
United States Courthouse
280 South First Street
San Jose, California 95113

83. Any objection (a) must state the name, address, and telephone number of the person or entity objecting and must be signed by the objector; (b) must contain a statement of the Settlement Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention; and (c) must include documents sufficient to prove membership in the Settlement Class, including the number of shares of Chegg common stock that the objecting Settlement Class Member purchased/acquired and sold during the Settlement Class Period (i.e., between May 5, 2020, and November 1, 2021, inclusive, as well as the dates and prices of each such purchase/acquisition and sale, and the number of securities held at the beginning of the Settlement Class Period). You may not object to the Settlement, the Plan of Allocation, or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses if you exclude yourself from the Settlement Class or if you are not a member of the Settlement Class.

84. You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first file and serve a written objection in accordance with the procedures described above, unless the Court orders otherwise.

85. If you wish to be heard orally at the hearing to oppose the approval of the Settlement, the Plan of Allocation, or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, and if you timely file and serve a written objection as described above, you must also file a notice of appearance with the Clerk's Office on or before ____, 2025. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

86. If you file a timely written objection, you may, but are not required to, appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney, and that attorney must file a notice of appearance with the Court on or before _____, 2025, as set forth in Paragraph 85 above.

87. The Court may adjourn the Settlement Hearing or any adjournment thereof without further written notice of any kind to the Settlement Class. Settlement Class Members should check the Court's PACER site (defined in Paragraph 90 below) or the Settlement website at **www.CheggSecuritiesLitigation.com**. Any updates regarding the Settlement Hearing, including any changes to the date or time of the hearing, or updates regarding in-person, telephonic, or video

conference appearances at the hearing, will also be posted to the Settlement website.

88. Unless the Court orders otherwise, any Settlement Class Member who does not object in the manner **described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses.** Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.

WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

89. If you purchased or otherwise acquired Chegg securities during the Settlement Class Period for the beneficial interest of persons or organizations other than yourself, you must either (a) within seven (7) calendar days of receipt of the Postcard Notice, request from the Claims Administrator sufficient **copies** of the Postcard Notice to forward to all such beneficial owners, and within seven (7) calendar days of receipt of those Postcard Notices forward them to all such beneficial owners; or (b) within seven (7) calendar days of receipt of the Postcard Notice, provide a list of the names and addresses of all such beneficial owners to *Chegg Securities Litigation*, c/o A.B. Data, P.O. Box 173204 Milwaukee, WI 53217, info@CheggSecuritiesLitigation.com. If you choose the second option, the Claims Administrator will send a copy of the Postcard Notices to the beneficial owners. Upon full compliance with these directions, such nominees may obtain reimbursement of their reasonable expenses incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Any dispute concerning the reasonableness of reimbursement of costs shall be resolved by the Court. Copies of the Postcard Notice, this Notice, and the Claim Form may also be obtained from the website maintained by the Claims Administrator, **www.CheggSecuritiesLitigation.com, or by calling the Claims Administrator toll-free at 1-877-884-2550.**

CAN I SEE THE COURT FILE? WHO SHOULD I CONTACT IF I HAVE QUESTIONS?

90. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in this Action, you are referred to the papers on file in the Action, including the Stipulation, which are available by accessing the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov> or by visiting the Office of the Clerk, United States District Court for the Northern District of California, Robert F. Peckham Federal Building & United States Courthouse, 280 South First Street, San Jose, California, 95113, or any other location of the United States District Court for the Northern District of California, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays. Additionally, copies of the Stipulation and any related orders entered by the Court will be posted on the website maintained by the Claims Administrator, www.CheggSecuritiesLitigation.com.

Inquiries, other than requests for the Notice and Claim Form, should be directed to:

Chegg Securities Litigation
c/o A.B. Data
P.O. Box 173204
Milwaukee, WI 53217

www.CheggSecuritiesLitigation.com
info@Cheggsecuritieslitigation.com

and/or

MOTLEY RICE LLC
Christopher F. Moriarty, Esq.
28 Bridgeside Blvd.
Mount Pleasant, SC 29464
infocheggsettlement@motleyrice.com

SAXENA WHITE P.A.
David R. Kaplan, Esq.
505 Lomas Santa Fe Drive, Suite 180
Solana Beach, CA 92075
settlements@saxenawhite.com

**DO NOT CALL OR WRITE THE COURT, THE OFFICE OF THE
CLERK OF THE COURT, DEFENDANTS, OR THEIR COUNSEL
REGARDING THIS NOTICE.**

Dated: _____, 2024

By Order of the Court
United States District Court
Northern District of California

TABLE A

90-Day Look-back Table for Chegg Common Stock Closing Price and Average Closing Price November 2, 2021 through January 28, 2022					
Date	Closing Price	Average Closing Price between November 2, 2021 and Date Shown	Date	Closing Price	Average Closing Price between November 2, 2021 and Date Shown
11/2/2021	\$32.12	\$32.12	12/16/2021	\$27.69	\$28.50
11/3/2021	\$34.08	\$33.10	12/17/2021	\$29.46	\$28.53
11/4/2021	\$31.63	\$32.61	12/20/2021	\$29.66	\$28.56
11/5/2021	\$30.64	\$32.12	12/21/2021	\$30.40	\$28.61
11/8/2021	\$30.78	\$31.85	12/22/2021	\$30.36	\$28.66
11/9/2021	\$30.05	\$31.55	12/23/2021	\$30.55	\$28.71
11/10/2021	\$30.15	\$31.35	12/27/2021	\$30.28	\$28.75
11/11/2021	\$29.64	\$31.14	12/28/2021	\$29.39	\$28.77
11/12/2021	\$29.42	\$30.95	12/29/2021	\$29.28	\$28.78
11/15/2021	\$29.31	\$30.78	12/30/2021	\$30.52	\$28.82
11/16/2021	\$29.69	\$30.68	12/31/2021	\$30.70	\$28.87
11/17/2021	\$28.60	\$30.51	1/3/2022	\$31.12	\$28.92
11/18/2021	\$27.06	\$30.24	1/4/2022	\$29.66	\$28.94
11/19/2021	\$26.53	\$29.98	1/5/2022	\$28.99	\$28.94
11/22/2021	\$25.54	\$29.68	1/6/2022	\$29.49	\$28.95
11/23/2021	\$25.02	\$29.39	1/7/2022	\$29.55	\$28.96
11/24/2021	\$25.25	\$29.15	1/10/2022	\$29.28	\$28.97
11/26/2021	\$24.99	\$28.92	1/11/2022	\$29.59	\$28.98
11/29/2021	\$25.70	\$28.75	1/12/2022	\$29.03	\$28.98
11/30/2021	\$27.85	\$28.70	1/13/2022	\$29.19	\$28.99
12/1/2021	\$27.44	\$28.64	1/14/2022	\$28.94	\$28.99
12/2/2021	\$28.95	\$28.66	1/18/2022	\$27.51	\$28.96
12/3/2021	\$28.56	\$28.65	1/19/2022	\$27.79	\$28.94
12/6/2021	\$29.43	\$28.68	1/20/2022	\$26.84	\$28.90
12/7/2021	\$28.19	\$28.66	1/21/2022	\$26.21	\$28.85
12/8/2021	\$28.71	\$28.67	1/24/2022	\$26.65	\$28.81
12/9/2021	\$28.00	\$28.64	1/25/2022	\$25.23	\$28.75
12/10/2021	\$27.57	\$28.60	1/26/2022	\$24.36	\$28.68
12/13/2021	\$27.92	\$28.58	1/27/2022	\$24.13	\$28.60
12/14/2021	\$27.47	\$28.54	1/28/2022	\$24.37	\$28.53
12/15/2021	\$27.89	\$28.52			

EXHIBIT A-2

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

STEVEN LEVENTHAL, Individually and on
Behalf of All Others Similarly Situated,

Plaintiff,

vs.

CHEGG, INC., DANIEL L. ROSENSWEIG,
ANDREW J. BROWN, and NATHAN SCHULTZ,

Defendants.

No. 5:21-cv-09953-PCP

PROOF OF CLAIM AND RELEASE

I. GENERAL INSTRUCTIONS

1. To recover as a member of the Settlement Class based on your claim in the action entitled *Leventhal v. Chegg, Inc., et al.*, No. 5:21-cv-09953 (N.D. Cal.) (the “Action”), you must complete and, on page 5 below, sign this Proof of Claim and Release form (“Claim Form”).¹ If you fail to submit a timely and properly addressed (as explained in paragraph 3 of this section) Claim Form, your claim may be rejected, and you may not receive any recovery from the Net Settlement Fund created in connection with the proposed Settlement.

2. Submission of this Claim Form, however, does not ensure that you will share in the proceeds of the Settlement of the Action.

3. THIS CLAIM FORM MUST BE SUBMITTED ONLINE AT WWW.CHEGGSECURITIESLITIGATION.COM NO LATER THAN _____, OR, IF MAILED, BE POSTMARKED NO LATER THAN _____, ADDRESSED AS FOLLOWS:

Chegg Securities Litigation
c/o A.B. Data, Ltd.
P.O. Box 173024
Milwaukee, WI 53217
www.CheggSecuritiesLitigation.com

4. Do not mail or deliver your Claim Form to the Court, the Parties to this Action, or their counsel. Submit your Claim Form only to the Claims Administrator.

5. If you are a member of the Settlement Class, you are bound by the terms of any judgment entered in the Action, including the releases provided for therein, WHETHER OR NOT YOU SUBMIT A CLAIM FORM OR RECEIVE A PAYMENT.

II. CLAIMANT IDENTIFICATION

1. If you purchased or otherwise acquired common stock of Chegg, Inc. (“Chegg”) between May 5, 2020, and November 1, 2021, inclusive (the “Settlement Class Period”), and were allegedly damaged thereby, and held the common stock in your name, you are the beneficial owner as well as the record owner. If, however, you purchased or otherwise

¹ All capitalized terms used herein that are not otherwise defined herein have the meanings ascribed to them in the Stipulation and Agreement of Settlement (“Stipulation” or “Settlement Agreement”).

acquired Chegg common stock during the Class Period through a third party, such as a brokerage firm, you are the beneficial owner, and the third party is the record owner.

2. Use **Part I** of this form entitled “Claimant Information” to identify each beneficial owner of Chegg common stock that forms the basis of this claim, as well as the owner of record if different. **THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL OWNERS OR THE LEGAL REPRESENTATIVE OF SUCH OWNERS.**

3. All joint owners must sign this claim. Executors, administrators, guardians, conservators, and trustees must complete and sign this claim on behalf of persons they represent and their authority must accompany this claim and their titles or capacities must be stated. The Social Security (or Taxpayer Identification) Number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

III. IDENTIFICATION OF TRANSACTIONS

1. Use **Part II** of this form entitled “Schedule of Transactions in Chegg Common Stock” to supply all required details of your transaction(s) in Chegg common stock. If you need more space or additional schedules, attach separate sheets giving all the required information in substantially the same form. Sign and print or type your name on each additional sheet.

2. On the schedules, provide all the requested information with respect to your holdings, purchases, acquisitions, and sales of Chegg common stock, whether the transactions resulted in a profit or a loss. Failure to report all such transactions may result in the rejection of your claim.

3. The date of covering a “short sale” is deemed to be the date of purchase or acquisition of the Chegg common stock. The date of a “short sale” is deemed to be the date of sale of the Chegg common stock.

4. Copies of broker confirmations or other documentation of your transactions must be attached to your claim. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim. **THE PARTIES DO NOT HAVE INFORMATION ABOUT YOUR TRANSACTIONS IN CHEGG COMMON STOCK.**

5. **NOTICE REGARDING ELECTRONIC FILES:** Certain claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. All claimants with large numbers of transactions using the electronic filing format, **MUST** submit a manually signed paper Claim Form whether or not they also submit electronic copies. If you wish to file your claim electronically, you must contact the Claims Administrator at (877) 884-2550 to obtain the required file layout. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues to the claimant a written acknowledgment of receipt and acceptance of electronically submitted data.

PART I: CLAIMANT INFORMATION

The Claims Administrator will use this information for all communications regarding this Claim Form. If this information changes, you MUST notify the Claims Administrator in writing at the address above. Complete names of all persons and entities must be provided.

Beneficial Owner's Name:

Co-Beneficial Owner's Name:

Entity Name (if claimant is not an individual):

Representative or Custodian Name (if different from Beneficial Owner(s) listed above):

Address 1 (street name and number):

Address 2 (apartment, unit, or box number):

City State Zip Code/Province Code Country

Social Security Number (Last four digits only) or Taxpayer Identification Number (last four digits):

Telephone Number (Home):

Telephone Number (Cell):

Email Address:

Account Number (if filing for multiple accounts, file a separate Claim Form for each account):

Claimant Account Type (check appropriate box):

- Individual (includes joint owner accounts) Pension Plan
- Corporation Estate
- IRA/401k Trust

Other _____ (please specify)

PART II: SCHEDULE OF TRANSACTIONS IN CHEGG COMMON STOCK

1. HOLDINGS AS OF MAY 5, 2020 – State the total number of Publicly-Traded Chegg Common Stock held as of the opening of trading on May 5, 2020. (Must be documented.) If none, write “zero” or “0.”

2. PURCHASES/ACQUISITIONS DURING THE CLASS PERIOD – Separately list every purchase/acquisition of publicly-traded Chegg common stock from after the opening of trading on May 5, 2020, through November 1, 2021. (Must be documented.)

Date of Purchase (List Chronologically) (Month/Day/Year)	Number of Shares Purchased	Purchase Price Per Share	Total Purchase Price (excluding taxes, commissions, and fees)
/ /		\$	\$
/ /		\$	\$
/ /		\$	\$
/ /		\$	\$
/ /		\$	\$
/ /		\$	\$

3. PURCHASES/ACQUISITIONS DURING 90-DAY LOOKBACK PERIOD – State the total number of shares of publicly-traded Chegg common stock purchased/acquired between November 2, 2021, and January 28, 2022, inclusive. (Must be documented.)

4. SALES DURING THE CLASS PERIOD AND DURING THE 90-DAY LOOKBACK PERIOD – Separately list each sale/disposition of publicly-traded Chegg common stock from after the opening of trading on May 5, 2020, through and including the close of trading on January 28, 2022. (Must be documented.)

Date of Sale (List Chronologically) (Month/Day/Year)	Number of Shares Sold	Sale Price Per Share	Total Sale Price (excluding taxes, commissions, and fees)
/ /		\$	\$
/ /		\$	\$
/ /		\$	\$
/ /		\$	\$
/ /		\$	\$
/ /		\$	\$

5. END HOLDINGS – State the total number of shares of publicly-traded Chegg common stock held as of the close of trading on January 28, 2022. If none, write “zero” or “0.” (Must be documented.)

III. SUBMISSION TO JURISDICTION OF THE COURT AND ACKNOWLEDGMENTS

By signing and submitting this Claim Form, the claimant(s), or the person(s) acting on behalf of the claimant(s), certify(ies) that: I (We) submit this Claim Form under the terms of the Plan of Allocation of the Net Settlement Fund described in the Stipulation or any other plan of allocation approved by the Court. I (We) also submit to the jurisdiction of the United States District Court for the Northern District of California (the "Court") with respect to my (our) claim as a Settlement Class Member(s) and for purposes of enforcing the releases set forth herein and in the Stipulation. I (We) further acknowledge that I (we) will be bound by the terms of any judgment entered in connection with the Settlement in the Action, including the releases set forth therein. I (We) agree to furnish additional information to the Claims Administrator to support this claim, such as additional documentation for transactions in eligible Chegg common stock, if required to do so. I (We) have not submitted any other claim covering the same transactions in Chegg common stock during the Class Period and know of no other person having done so on my (our) behalf.

IV. RELEASES, WARRANTIES, AND CERTIFICATION

1. I (We) hereby warrant and represent that I am (we are) a Settlement Class Member as defined in the Stipulation, that I am (we are) not excluded from the Settlement Class, and that I am (we are) not one of the "Defendant Releasees" as defined in the Stipulation.

2. As a Class Member, I (we) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally, and forever compromise, settle, release, resolve, relinquish, waive, and discharge with prejudice the Released Plaintiffs' Claims as to all the Defendant Releasees (as these terms are defined in the Stipulation). This release shall be of no force or effect unless and until the Court approves the Settlement and it becomes effective on the Effective Date.

3. I (We) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any other part or portion thereof.

4. I (we) have read and understand the contents of the Settlement Notice and this Claim Form, including the releases provided for in the Settlement and the terms of the Plan of Allocation.

5. I (We) hereby warrant and represent that I (we) have included information about all my (our) purchases, acquisitions, and sales of Chegg common stock that occurred during the Settlement Class Period and the number of shares held by me (us), to the extent requested.

6. I (We) certify that I am (we are) NOT subject to backup tax withholding. (If you have been notified by the Internal Revenue Service that you are subject to backup withholding, please strike out the prior sentence.)

7. I (We) acknowledge that I (We) will be bound by and subject to the term of any Judgment that may be entered in the Action; and

8. I (We) waive the right to trial by jury, to the extent it exists, and agree to any determination made by the Court regarding the validity or amount of this claim, and waive any right of appeal or review with respect to such determination.

I declare under penalty of perjury under the laws of the United States of America that all the foregoing information supplied on this Claim Form by the undersigned is true and correct.

Executed this _____ day of _____ in _____, _____.
(Month / Year) (City) (State/Country)

Signature of Claimant

Signature of Joint Claimant, if any

Print Name of Claimant

Print Name of Joint Claimant, if any

(Capacity of person(s) signing, e.g., Beneficial Purchaser, Executor, or Administrator)

ACCURATE CLAIMS PROCESSING TAKES A SIGNIFICANT AMOUNT OF TIME. THANK YOU FOR YOUR PATIENCE.

REMINDER CHECKLIST:

1. Please sign this Claim Form.
2. DO NOT HIGHLIGHT THE CLAIM FORM OR YOUR SUPPORTING DOCUMENTATION.
3. Attach only copies of supporting documentation as these documents will not be returned to you.
4. Keep a copy of your Claim Form for your records.
5. If you change addresses after submitting this Claim Form, please notify the Claims Administrator of the change in your address; otherwise, you may not receive additional notices or payment.

EXHIBIT A-3

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

STEVEN LEVENTHAL, Individually and
on Behalf of All Others Similarly Situated,

Plaintiff,

vs.

CHEGG, INC., DANIEL L.
ROSENSWEIG, ANDREW J. BROWN,
and NATHAN SCHULTZ,

Defendants.

Case No. 5:21-cv-09953-PCP

**SUMMARY NOTICE OF (I) PENDENCY OF CLASS ACTION, CERTIFICATION OF
SETTLEMENT CLASS, AND PROPOSED SETTLEMENT AND PLAN OF
ALLOCATION; (II) SETTLEMENT FAIRNESS HEARING; AND
(III) MOTION FOR AN AWARD OF ATTORNEYS' FEES
AND REIMBURSEMENT OF LITIGATION EXPENSES**

TO: All persons who purchased or acquired Chegg, Inc. (“Chegg” or the “Company”) common stock between May 5, 2020, and November 1, 2021, inclusive (the “Settlement Class Period”). You may be a member of the Settlement Class. If you do not wish to be a part of the Settlement Class, you must respond to this Notice with a written request for exclusion (see below). You may be eligible to share in the proceeds of the Settlement, but you must submit a Claim Form to participate in the Settlement (see below).

THIS NOTICE WAS AUTHORIZED BY THE COURT. IT IS NOT A LAWYER SOLICITATION. YOU MAY BE ENTITLED TO A CASH AWARD. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Northern District of California (the “Court”), that the above-captioned litigation (the “Action”) has been certified as a class action for settlement purposes only on behalf of the Settlement Class, except for certain persons and entities who are excluded from the Settlement Class by definition as set forth in the full printed Notice of (I) Pendency of Class Action, Certification of Settlement Class, and Proposed Settlement and Plan of Allocation; (II) Settlement Fairness Hearing; and (III) Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses (the “Notice”).

YOU ARE ALSO NOTIFIED that the Court-appointed Lead Plaintiffs on behalf of themselves and the Court-certified Settlement Class in the Action, have reached a proposed settlement of the Action for fifty-five million dollars (\$55,000,000.00) in cash (the “Settlement”), that, if approved by the Court, will resolve all claims in the Action.

A hearing will be held on _____, 2025 at ____ : ____ .m., before the Honorable P. Casey Pitts at the United States District Court for the Northern District of California, Robert F. Peckham Federal Building & United States Courthouse, Courtroom 8, 4th Floor, 280 South First

Street, San Jose, CA 95113, to determine, among other things, whether: (i) the proposed Settlement should be approved as fair, reasonable, and adequate; (ii) the Judgment as provided under the Stipulation and Agreement of Settlement dated November 5, 2024 (the “Stipulation”) should be entered dismissing the Action with prejudice against the Defendant Releasees; (iii) the proposed Plan of Allocation should be approved by the Court as fair and reasonable; (iv) Lead Plaintiffs’ application for an award of attorneys’ fees and reimbursement of Litigation Expenses should be approved. The capitalized terms herein shall have the same meaning as they have in the Stipulation.¹

The Court may adjourn the Settlement Hearing or any adjournment thereof without further written notice of any kind to the Settlement Class. Settlement Class Members should check the Court’s PACER site (defined below) or the Settlement website, www.CheggSecuritiesLitigation.com. Any updates regarding the Settlement Hearing, including any changes to the date or time of the hearing or updates regarding in-person, telephonic, or video conference appearances at the hearing, will also be posted to the Settlement website.

If you are a member of the Settlement Class, your rights will be affected by the pending Action and the Settlement, and you may be entitled to share in the Settlement Fund. If you have not yet received the Notice or Claim Form, you may obtain copies of these documents by visiting the Settlement website at www.CheggSecuritiesLitigation.com or by contacting the Claims Administrator at:

CHEGG SECURITIES LITIGATION
c/o A.B. Data, Ltd.
P.O. Box 173204
Milwaukee, WI 53217
(877) 884-2550
www.CheggSecuritiesLitigation.com
info@cheggsecuritieslitigation.com

Copies of the Notice and the Claim Form are also available by accessing the Court docket in this case, for a fee, through the Court’s Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or by visiting the Office of the Clerk of Court, United States District Court for the Northern District of California, Robert F. Peckham Federal Building & United States Courthouse, 280 South First Street, San Jose, CA 95113, or any other location of the Northern District of California between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

Inquiries, other than requests for the Notice or a Claim Form or for information about the status of a claim, may be made to Lead Counsel:

MOTLEY RICE LLC
Christopher F. Moriarty, Esq.
28 Bridgeside Blvd.
Mount Pleasant, SC 29464
infocheggsettlement@motleyrice.com

SAXENA WHITE P.A.
David R. Kaplan, Esq.

¹ The Stipulation can be viewed and/or obtained at www.CheggSecuritiesLitigation.com, PACER, visiting the office of the Clerk of the Court, or by contacting the Claims Administrator or Lead Counsel as described herein. For the precise terms of the Settlement, please see the Stipulation.

505 Lomas Santa Fe Drive, Suite 180
Solana Beach, CA 92075
settlements@saxenawhite.com

If you are a member of the Settlement Class, to potentially be eligible to receive a payment under the proposed Settlement, you must submit a Claim Form *postmarked or completed online no later than* _____, **2025**. If you are a Settlement Class Member and do not submit a proper Claim Form, you will not be eligible to share in the distribution of the net proceeds of the Settlement, but you will nevertheless be bound by any judgments or orders entered by the Court in the Action.

If you are a member of the Settlement Class and wish to exclude yourself from the Settlement Class, you must submit a request for exclusion that is *received no later than* _____, **2025**, in accordance with the instructions set forth in the Notice. If you properly exclude yourself from the Settlement Class, you will not be bound by any judgments or orders entered by the Court in the Action and you will not be eligible to share in the proceeds of the Settlement.

Any objections² to the proposed Settlement, the proposed Plan of Allocation, or Lead Plaintiffs' motion for attorneys' fees and reimbursement of litigation expenses must be in writing, signed, and filed or postmarked to the Court **no later than** _____, in accordance with the instructions in the Notice.

PLEASE DO NOT CONTACT THE COURT, THE CLERK'S OFFICE, DEFENDANTS, OR DEFENDANTS' COUNSEL REGARDING THIS NOTICE, THE PROPOSED SETTLEMENT, OR THE CLAIMS PROCESS. All questions about this notice, the proposed Settlement, or your eligibility to participate in the Settlement should be directed to the Claims Administrator or Lead Counsel.

Dated: _____

By Order of the Court
United States District Court
Northern District of California

² You can ask the Court to deny approval by filing an objection. You cannot ask the Court to order a different settlement; the Court can only approve or deny the Settlement and cannot change the terms. If you file a timely written objection, you may, but are not required to, appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney. All written objections and supporting papers must clearly identify the case name and number (*Leventhal v. Chegg, Inc., et al.*, Case No. 5:21-cv-09953-PCP), and include all information required by the Court as detailed in the Notice.

EXHIBIT A-4

LEGAL NOTICE**Court-Ordered Legal Notice
(Forwarding Service Requested)**

Important Information about a
Securities Class Action Settlement

You may be entitled to a
payment. This Notice may affect
your legal rights.

Please read it carefully.

www.CheggSecuritiesLitigation.com

Chegg Securities Settlement

c/o A.B. Data, Ltd.

P.O. Box 173204

Milwaukee, WI 53217

Leventhal v. Chegg, Inc., et al.,

No. 5:21-cv-09953-PCP (N.D. Cal.)

[NAME 1]

[NAME 2]

[NAME 3]

[ADDRESS 1]

[ADDRESS 2]

If you purchased or otherwise acquired common stock of Chegg, Inc. (“Chegg” or the “Company”) between May 5, 2020 and November 1, 2021, inclusive (the “Class Period” or “Settlement Class Period”), this notice is to inform you that a Class was certified for purposes of a proposed settlement (“Settlement”) only, and that you could be entitled to a payment from the Settlement reached in this action (“Action”). Your rights may be affected by this Action and the Settlement. A hearing will be held on ____, 2025, at __: __ a.m. before the Honorable P. Casey Pitts at the United States District Court for the Northern District of California, 280 South First Street, Courtroom 8, 4th Floor, San Jose, CA 95113 to determine whether the proposed Settlement of the Action against Defendants Chegg, Daniel L. Rosensweig, Andrew J. Brown, and Nathan Schultz for \$55 million in cash and the Plan of Allocation should be approved as fair, reasonable, and adequate; whether the Action should be dismissed with prejudice against Defendants, as set forth in the Stipulation and Agreement of Settlement (“Stipulation”) filed with the Court; and whether Lead Plaintiffs’ application for an award of attorneys’ fees of up to 25% of the Settlement Amount, plus interest, and litigation expenses in an amount not to exceed \$490,000, plus interest, should be granted. All capitalized terms used in this Postcard Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation.

The proposed Settlement would resolve this class action lawsuit alleging that, in violation of the U.S. securities laws, Defendants made material misrepresentations and omissions, with scienter, regarding (i) the extent to which Chegg’s platform was used by students to cheat during the period of distance learning following the COVID-19 pandemic; and (ii) the reasons for Chegg’s growth during that time. Defendants deny these allegations. For a full description of the Settlement and your rights and to make a claim, you may obtain the Stipulation, long-form Notice; the Claim Form, motion for final approval of the Settlement, and motion for an award of attorneys’ fees by visiting the website: www.CheggSecuritiesLitigation.com (“Settlement Website”) or you may request copies from the Claims Administrator by: (i) mail: Chegg, Inc. Securities Litigation, c/o A.B. Data, Ltd., P.O. Box 173204, Milwaukee, WI 53217; or (ii) call toll-free: (877) 884-2550.

To qualify for payment, you must submit a valid Claim Form, with supporting documentation, postmarked no later than ____, 2025. You will be bound by any Judgment entered in this Action, regardless of whether you submit a Claim Form, unless you submit a request to exclude yourself from the Class. If you exclude yourself, you cannot receive money from this Settlement. If you want to exclude yourself from the Class, you must submit a request for exclusion, **such that it is received** no later than ____, 2025, to: Chegg, Inc. Securities Litigation, Exclusions, c/o A.B. Data, Ltd., P.O. Box 173001, Milwaukee, WI 53217. If you do not exclude yourself and you stay in the Class, you may object to the Settlement, Plan of Allocation, or the request for award of attorneys’ fees and expenses, provided the objection is filed or postmarked no later than ____. The long-form Notice and the Settlement Website explain how to exclude yourself from the Class or how to object.

Lead Plaintiff and the Class are represented by Lead Counsel: Christopher F. Moriarty, Motley Rice LLC, 28 Bridgeside Blvd., Mt. Pleasant, SC 29464, (843) 216-9000; and David R. Kaplan, Saxena White P.A., 505 Lomas Santa Fe Dr., Suite 180, Solana Beach, CA 92075, (858) 997-0860. You may, but do not have to, attend the Court hearing to be heard. The Court reserves the right to hold the Settlement Hearing telephonically, via Zoom, or by other virtual means. Please check the Settlement Website or the Court’s PACER site to confirm that the date has not been changed. As detailed in the Notice, you may access the case docket via PACER or in person at any of the Court’s locations.

EXHIBIT B

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Mt. Pleasant, SC 29464
Telephone: (843) 216-9000

*Counsel for Lead Plaintiffs and
Lead Counsel for the Settlement Class*

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

STEVEN LEVENTHAL, Individually and
on Behalf of All Others Similarly Situated,

Plaintiff,

vs.

CHEGG, INC., DANIEL L.
ROSENSWEIG, ANDREW J. BROWN,
and NATHAN SCHULTZ,

Defendants.

Case No. 5:21-cv-09953-PCP

CLASS ACTION

EXHIBIT B

[PROPOSED] FINAL JUDGMENT AND ORDER
OF DISMISSAL

1 WHEREAS, a class action is pending in this Court entitled *Leventhal v. Chegg, Inc., et al.*,
2 Case No. 5:21-cv-09953-PCP (N.D. Cal.) (the “Action”);

3 WHEREAS, by order dated September 7, 2022, this Court appointed KBC Asset
4 Management NV and Pompano Beach Police and Firefighters’ Retirement System as Lead
5 Plaintiffs (“Lead Plaintiffs” or “Plaintiffs”) pursuant to the requirements of the Private Securities
6 Litigation Reform Act of 1995 and approved Lead Plaintiffs’ selection of Motley Rice LLC
7 (“Motley Rice”) and Saxena White P.A. (“Saxena White”) as Lead Counsel (“Lead Counsel”)
8 (ECF No. 105);

9 WHEREAS, on December 8, 2022, Lead Plaintiffs filed their Consolidated Class Action
10 Complaint for Violations of the Federal Securities Laws and Jury Trial Demand (the “Complaint,”
11 ECF No. 115);

12 WHEREAS, (a) Lead Plaintiffs, on behalf of themselves and the Settlement Class, and (b)
13 Defendants Chegg, Inc. (“Chegg”), Daniel L. Rosensweig, Andrew J. Brown, and Nathan Schultz
14 (collectively the “Defendants,” and, together with Lead Plaintiffs, the “Parties”) have entered into
15 a Stipulation and Agreement of Settlement dated November 5, 2024 (the “Stipulation” or
16 “Settlement Agreement”), that provides for a complete dismissal with prejudice of the claims
17 asserted in the Complaint against Defendant Releasees (as defined in the Stipulation) on the terms
18 and conditions set forth in the Stipulation, subject to the approval of this Court (the “Settlement”);

19 WHEREAS, unless otherwise defined in this Judgment, the capitalized terms herein shall
20 have the same meaning as they have in the Stipulation;

21 WHEREAS, by order dated _____, 2024 (the “Preliminary Approval Order”), this
22 Court: (a) preliminarily approved the Settlement and certified the Settlement Class for purposes of
23 this Settlement only; (b) ordered that notice of the proposed Settlement be provided to potential
24 Settlement Class Members; (c) provided Settlement Class Members with the opportunity either to
25 exclude themselves from the Settlement Class or to object to the proposed Settlement; and (d)
26 scheduled a hearing regarding final approval of the Settlement;

27 WHEREAS, due and adequate notice has been given to the Settlement Class;

28 WHEREAS, the Court conducted a hearing on _____, 2025 (the “Settlement Hearing”)

1 to consider, among other things, (a) whether the terms and conditions of the Settlement are fair,
2 reasonable, and adequate to the Settlement Class, and should therefore be approved; and (b)
3 whether a judgment should be entered dismissing the Action with prejudice as against the
4 Defendants, and authorizing the Releases specified and described in the Stipulation (and in the
5 Notice); and

6 WHEREAS, the Court having reviewed and considered the Stipulation, all papers filed,
7 and proceedings held herein in connection with the Settlement, all oral and written comments
8 received regarding the Settlement, and the record in the Action, and good cause appearing therefor;

9 IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

10 1. **Jurisdiction** – The Court has jurisdiction over the subject matter of the Action, and
11 all matters relating to the Settlement, as well as personal jurisdiction over the Parties and each of
12 the Settlement Class Members.

13 2. **Incorporation of Settlement Documents** – This Judgment incorporates and makes
14 a part hereof: (a) the Stipulation; and (b) the Postcard Notice, Notice, and the Summary Notice,
15 which were previously filed with the Court.

16 3. **Class Certification for Settlement Purposes** – The Court hereby affirms its
17 determinations in the Preliminary Approval Order certifying, for the purposes of the Settlement
18 only, the Action as a class action pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil
19 Procedure on behalf of the Settlement Class consisting of all persons who purchased or acquired
20 Chegg common stock between May 5, 2020, and November 1, 2021, inclusive, and were damaged
21 thereby. Excluded from the Settlement Class are: (1) Defendants; (2) the Officers or directors of
22 Chegg during the Settlement Class Period; (3) the Immediate Family members of any Defendant
23 or any Officer or director of Chegg during the Settlement Class Period; and (4) any entity that any
24 Defendant owns or controls, or owned or controlled, during the Settlement Class Period. Also
25 excluded from the Settlement Class are the persons or entities listed in Exhibit 1 hereto who filed
26 valid and timely requests for exclusion in accordance with the Preliminary Approval Order.

27 4. **Settlement Notice** – The Court finds that the dissemination of the Postcard Notice
28 and Notice and the publication of the Summary Notice: (a) were implemented in accordance with

1 the Preliminary Approval Order; (b) constituted the best notice practicable under the
2 circumstances; (c) constituted notice that was reasonably calculated, under the circumstances, to
3 apprise Settlement Class Members of (i) the pendency of the Action; (ii) the effect of the proposed
4 Settlement (including the Releases to be provided thereunder); (iii) Lead Plaintiffs' motion for an
5 award of attorneys' fees and reimbursement of Litigation Expenses; (iv) their right to object to any
6 aspect of the Settlement, the Plan of Allocation, and/or Lead Plaintiffs' motion for attorneys' fees
7 and reimbursement of Litigation Expenses; (v) their right to exclude themselves from the
8 Settlement Class; and (vi) their right to appear at the Settlement Hearing; (d) constituted due,
9 adequate, and sufficient notice to all persons and entities entitled to receive notice of the proposed
10 Settlement; and (e) satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure,
11 the United States Constitution (including the Due Process Clause), the Private Securities Litigation
12 Reform Act of 1995, 15 U.S.C. § 78u-4, as amended, and all other applicable laws and rules. No
13 Settlement Class Member is relieved from the terms of the Settlement and the Stipulation,
14 including the Releases provided for therein, based upon the contention or proof that such
15 Settlement Class Member failed to receive actual or adequate notice. A full opportunity has been
16 offered to Settlement Class Members to object to the proposed Settlement and the Agreement and
17 to participate in the hearing thereon. The Court further finds that the notice provisions of the Class
18 Action Fairness Act, 28 U.S.C. § 1715, were fully discharged and that the statutory waiting period
19 has elapsed. Thus, it is hereby determined that all members of the Settlement Class are bound by
20 this Judgment, except those persons listed on Exhibit 1 to this Judgment.

21 5. **Final Settlement Approval and Dismissal of Claims** – Pursuant to, and in
22 accordance with, Rule 23 of the Federal Rules of Civil Procedure, this Court hereby fully and
23 finally approves the Settlement set forth in the Stipulation in all respects (including, without
24 limitation: the amount of the Settlement; the Releases provided for therein; and the dismissal with
25 prejudice of the claims asserted in the Complaint against Defendants in the Action), and finds that
26 the Settlement is, in all respects, fair, reasonable, and adequate to the Settlement Class.
27 Specifically, the Court finds that (a) Lead Plaintiffs and Lead Counsel have adequately represented
28 the Settlement Class; (b) the Settlement was negotiated by the Parties at arm's length; (c) the relief

1 provided for the Settlement Class under the Settlement is adequate taking into account the costs,
2 risks, and delay of trial and appeal, the proposed means of distributing the Settlement Fund to the
3 Settlement Class, and the proposed attorneys' fee and expense award; and (d) the Settlement treats
4 members of the Settlement Class equitably relative to each other. The Parties are directed to
5 implement, perform, and consummate the Settlement in accordance with the terms and provisions
6 contained in the Stipulation.

7 6. The Action and all the claims asserted in the Complaint against Defendants in the
8 Action by Lead Plaintiffs and the other Settlement Class Members are hereby dismissed with
9 prejudice. The Parties and the D&O Insurers shall bear their own costs and expenses, except as
10 otherwise expressly provided for in the Stipulation.

11 7. **Binding Effect** – The terms of the Stipulation and of this Judgment shall be forever
12 binding on Defendants, Lead Plaintiffs, and all other Settlement Class Members (regardless of
13 whether any individual Settlement Class Member submits a Claim Form or seeks or obtains a
14 distribution from the Net Settlement Fund), as well as their respective successors and assigns. The
15 persons and entities listed on Exhibit 1 hereto are excluded from the Class pursuant to request and
16 are not bound by the terms of the Stipulation or this Judgment. No Person shall have any claim
17 against the Lead Plaintiffs, Lead Counsel, or the Claims Administrator, or any other Person
18 designated by Lead Counsel, based on determinations or distributions made substantially in
19 accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or
20 further order(s) of the Court.

21 8. **Releases** – The Releases set forth in the Stipulation, together with the definitions
22 contained in the Stipulation relating thereto, are expressly incorporated herein in all respects. The
23 Releases are effective as of the Effective Date. Accordingly, this Court orders that:

24 (a) Without further action by anyone, and subject to Paragraph 9 below, upon
25 the Effective Date of the Settlement, Plaintiff Releasees, by operation of the Stipulation, of law,
26 and of this Judgment shall have, fully, finally, and forever compromised, settled, released,
27 resolved, relinquished, waived, and discharged each and every Released Plaintiffs' Claim against
28 the Defendants and the other Defendant Releasees, and shall forever be barred and enjoined from

1 commencing, instituting, prosecuting, or maintaining any or all of the Released Plaintiffs' Claims
2 against any of the Defendant Releasees. This Release shall not apply to any Excluded Claim.

3 (b) Without further action by anyone, and subject to paragraph 9 below, upon
4 the Effective Date of the Settlement, Defendant Releasees, by operation of the Stipulation, of law,
5 and of this Judgment shall have, fully, finally, and forever compromised, settled, released,
6 resolved, relinquished, waived, and discharged each and every Released Defendants' Claim
7 against the Plaintiff Releasees, and shall forever be barred and enjoined from prosecuting any or
8 all of the Released Defendants' Claims against any of the Plaintiff Releasees. This Release shall
9 not apply to any Excluded Claim.

10 (c) Upon the Effective Date, Plaintiff Releasees are forever barred and enjoined
11 from commencing, instituting, maintaining, or continuing to prosecute any action or proceeding in
12 any court of law or equity, arbitration tribunal, administrative forum, or other forum of any kind,
13 asserting any Released Plaintiffs' Claims against any of the Defendant Releasees; and

14 (d) Upon the Effective Date, to the extent allowed by law, the Stipulation shall
15 operate conclusively as an estoppel and full defense in the event, and to the extent, of any claim,
16 demand, action, or proceeding brought by a Settlement Class Member against any of the Defendant
17 Releasees with respect to any Released Plaintiffs' Claims, or brought by a Defendant against any
18 of the Plaintiff Releasees with respect to any Released Defendants' Claim.

19 9. Notwithstanding Paragraphs 6 through 8 above, nothing in this Judgment shall bar
20 any action by any of the Parties to enforce or effectuate the terms of the Stipulation or this
21 Judgment.

22 10. **Rule 11 Findings** – The Court finds and concludes that the Parties and their
23 respective counsel have complied in all respects with the requirements of Rule 11 of the Federal
24 Rules of Civil Procedure in connection with the institution, prosecution, defense, and settlement
25 of the Action.

26 11. **No Admissions** – Neither this Judgment, the Stipulation (whether or not
27 consummated), including the exhibits thereto and the Plan of Allocation contained therein (or any
28 other plan of allocation that may be approved by the Court), the negotiations leading to the

1 execution of the Stipulation, nor any proceedings taken pursuant to or in connection with the
2 Stipulation and/or approval of the Settlement (including any arguments proffered in connection
3 therewith):

4 (a) shall be (i) offered against any of the Defendant Releasees as evidence of,
5 or construed as, or deemed to be evidence of any presumption, concession, or admission by any of
6 the Defendant Releasees with respect to (aa) the truth of any fact alleged by Lead Plaintiffs or any
7 Settlement Class Member; (bb) the validity of any claim that was or could have been asserted in
8 this Action or in any other litigation; (cc) the deficiency of any defense that has been or could have
9 been asserted in this Action or in any other litigation; (dd) any liability, negligence, fault, or other
10 wrongdoing of any of the Defendant Releasees; or (ee) any damages suffered by Plaintiffs or the
11 Settlement Class; or (ii) in any way referred to for any other reason against any of the Defendant
12 Releasees, in any civil, criminal, or administrative action or proceeding (including arbitration)
13 other than such proceedings necessary to effectuate the provisions of the Stipulation;

14 (b) shall be (i) offered against any of the Plaintiff Releasees as evidence of, or
15 construed as, or deemed to be evidence of any presumption, concession or admission by any of the
16 Plaintiff Releasees (aa) that any of their claims are without merit, that any of the Defendant
17 Releasees had meritorious defenses, or that damages recoverable under the Complaint would not
18 have exceeded the Settlement Amount; or (bb) with respect to any liability, negligence, fault, or
19 wrongdoing; or (ii) in any way referred to for any other reason as against any of the Plaintiff
20 Releasees, in any civil, criminal, or administrative action or proceeding (including arbitration)
21 other than such proceedings necessary to effectuate the provisions of the Stipulation; or

22 (c) shall be construed against any of the Releasees as an admission, concession,
23 or presumption that the consideration to be given hereunder represents the amount that could be
24 or would have been recovered after trial; provided, the Parties and the Releasees and their
25 respective counsel may refer to this Judgment to effectuate the protections from liability granted
26 hereunder or otherwise to enforce the terms of the Settlement.

27 12. **Retention of Jurisdiction** – Without affecting the finality of this Judgment in any
28 way, this Court retains continuing and exclusive jurisdiction over: (a) the Parties for purposes of

1 the administration, interpretation, implementation, and enforcement of the Settlement; (b) the
2 disposition of the Settlement Fund; (c) any motion for an award of attorneys' fees and/or Litigation
3 Expenses in the Action that will be paid from the Settlement Fund; (d) any motion to approve the
4 Plan of Allocation; (e) any motion to approve the Class Distribution Order; and (f) the Settlement
5 Class Members for all matters relating to the Action.

6 13. Separate orders shall be entered regarding approval of a Plan of Allocation and the
7 motion of Lead Plaintiffs for an award of attorneys' fees and reimbursement of Litigation
8 Expenses. Such orders shall in no way affect or delay the finality of this Judgment and shall not
9 affect or delay the Effective Date of the Settlement.

10 14. **Modification of the Agreement of Settlement** – Without further approval from
11 the Court, the Parties are hereby authorized to agree to and adopt such amendments or
12 modifications of the Stipulation or any exhibits attached thereto to effectuate the Settlement that:
13 (a) are not materially inconsistent with this Judgment; and (b) do not materially limit the rights of
14 Settlement Class Members in connection with the Settlement. Without further order of the Court,
15 Lead Plaintiffs and Defendants may agree to reasonable extensions of time to carry out any
16 provisions of the Settlement.

17 15. **Termination of Settlement** – If the Settlement is terminated as provided in the
18 Stipulation or the Effective Date of the Settlement otherwise fails to occur, this Judgment shall be
19 vacated, rendered null and void, and be of no further force and effect, except as otherwise provided
20 by the Stipulation, and this Judgment shall be without prejudice to the rights of Lead Plaintiffs, the
21 other Settlement Class Members, and Defendants, and the Parties shall revert to their respective
22 positions in the Action as of September 26, 2024, as provided in the Stipulation.

23 16. **Entry of Final Judgment** – There is no just reason to delay the entry of this
24 Judgment as a final judgment in this Action. Accordingly, the Clerk of the Court is expressly
25 directed to immediately enter this final judgment in this Action.

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SO ORDERED this _____ day of _____, 2025.

The Honorable P. Casey Pitts
United States District Judge

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Exhibit 1

[List of Persons and Entities Excluded from the Settlement Class Pursuant to Request]

EXHIBIT 2

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Solana Beach, CA 92075
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MOTLEY RICE LLC
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*Counsel for Lead Plaintiffs
and Lead Counsel for the Settlement Class*

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

STEVEN LEVENTHAL, Individually and
on Behalf of All Others Similarly Situated,

Plaintiff,

vs.

CHEGG, INC., DANIEL L.
ROSENSWEIG, ANDREW J. BROWN,
and NATHAN SCHULTZ,

Defendants.

Case No.: 5:21-cv-09953

**DECLARATION OF MATTHEW D.
CAIN, PH.D. REGARDING
CALCULATION OF SETTLEMENT
CLASS'S ESTIMATED DAMAGES**

1 I, Matthew D. Cain, Ph.D., hereby declare as follows:

2 **I. INTRODUCTION**

3 1. I am presently a Senior Fellow at the New York University School of Law.

4 2. During the course of my career, I have been retained as an expert in a wide range
5 of finance and investment-related matters, including securities litigation, corporate disclosures,
6 M&A litigation, private equity, valuation, insider trading, and corporate governance. I have
7 provided economic analysis, consulting, and expert witness testimony on a variety of finance
8 topics for investigations, settlement negotiations, and trials. Of particular relevance to this Action,¹
9 I have been retained as an expert in over four dozen actions asserting claims under the federal
10 securities laws. The majority of these cases were, as here, securities class actions involving alleged
11 violations of Section 10(b) of the Securities Exchange Act and Rule 10b-5 promulgated
12 thereunder. My work in these matters has included, as here, estimating class-wide damages,
13 conducting event studies, and preparing plans of allocation for distribution of class settlement
14 proceeds. I have served as both a consulting expert and a testifying expert, including in cases in
15 this District, elsewhere in the Ninth Circuit, and nationwide. I have also served as an expert in
16 administrative enforcement actions brought by the U.S. Securities and Exchange Commission
17 (“SEC”).

18 3. Prior to becoming a Senior Fellow at New York University, I worked for several
19 years at the SEC, where I was an advisor to Commissioner Jackson and a financial economist in
20 the Office of Litigation Economics. Prior to joining the SEC, I was an assistant professor of
21 finance at the University of Notre Dame Mendoza College of Business and Purdue University’s
22 Krannert School of Management. I obtained my Ph.D. in Finance in August 2007 from Purdue
23 University, and my B.S. in Finance in May 2001 from Grove City College.

24 4. I have published research in numerous journals on topics that include investment
25 banking and fairness opinion valuations, merger contracts and terminations, corporate governance
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27 ¹ Unless otherwise defined in this declaration, capitalized terms have the same definitions as
28 ascribed in the Stipulation and Agreement of Settlement (the “Stipulation”).

1 and shareholder activism, hostile takeovers, earnout clauses, merger-related litigation, and
2 management buyouts. My research has been cited in forums such as the U.S. Chamber Institute
3 for Legal Reform, amicus briefs to the U.S. Supreme Court, trial verdicts of the Supreme Court of
4 the State of New York and the Delaware Chancery Court, and *The International Comparative*
5 *Legal Guide to Mergers and Acquisitions*. My research has also been highlighted in media outlets
6 such as *The Wall Street Journal*, *The New York Times*, *The Financial Times*, and *Forbes*.

7 5. In connection with the Settlement of this Action, I was retained by counsel for Lead
8 Plaintiffs (“Lead Counsel”) to conduct a class-wide damages analysis and to design a proposed
9 “Plan of Allocation” to fairly and equitably allocate the net Settlement proceeds among eligible
10 Settlement Class Members (*i.e.*, Settlement Class Members who or which submit a valid Claim
11 Form to the Claims Administrator). That Plan of Allocation is being submitted to the Court as part
12 of the proposed Notice.

13 6. I have been asked by Lead Counsel to explain how I calculated the Settlement
14 Class’s estimated damages, both generally and in particular with regard to the maximum damages
15 for the class to be certified by the Court for purposes of the Settlement, *i.e.*, all persons who
16 purchased or acquired Chegg common stock between May 5, 2020, and November 1, 2021,
17 inclusive (the “Settlement Class Period”). I estimate maximum common stock damages for the
18 Settlement Class Period to be approximately \$1.435 billion after considering inflationary gains on
19 Chegg common stock purchased or acquired before the Settlement Class Period and sold during
20 the Settlement Class Period at prices inflated by the alleged fraud.

21 **II. METHOD USED FOR CALCULATING THE SETTLEMENT CLASS’S**
22 **ESTIMATED COMMON STOCK DAMAGES**

23 7. For losses to be compensable damages under the federal securities laws, the
24 disclosure of the allegedly misrepresented or concealed information must be a substantial cause of
25 the decline in the price of the relevant security. In this case, Lead Plaintiffs claim that the relevant
26 truth of Defendants’ alleged misconduct was revealed to the market through the corrective
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1 disclosure on November 1, 2021, with the information that emerged impacting the market price of
2 Chegg common stock on November 2, 2021.

3 8. Standard procedure in Rule 10b-5 cases is to employ the most common
4 methodology to quantify artificial (*i.e.*, fraud-related) inflation, a technique called an “event
5 study,” a statistical technique often relied upon by academics both inside and outside of the
6 litigation context to establish a causal connection between new company-specific news and
7 movements in the market price of a company’s securities. An event study is a well-accepted
8 statistical method utilized for over 50 years to isolate the impact of information on the market
9 prices of securities.² In calculating damages for this matter, I used an event study to determine
10 whether Chegg common stock reacted to the release of the allegedly corrective information and
11 the value of that corrective information after controlling for market and industry effects.

12 9. Based on the results of the event study, I determined that there was a statistically
13 significant abnormal price return in Chegg common stock in response to the allegedly corrective
14 information disclosed to the market on November 1, 2021. Thus, investors who purchased Chegg
15 common stock while the alleged misinformation was in the market suffered a loss that otherwise
16 would have occurred prior to their purchase, and therefore the Defendants’ alleged
17 misrepresentations and omissions represent the but-for cause of the Settlement Class’s alleged
18 economic losses.

19 10. I used the standard and well-settled formula for assessing class members’ individual
20 damages, the “out-of-pocket” method, which relies on the event study’s estimate of artificial
21 inflation and measures damages as the artificial inflation per share at the time of purchase less the
22 artificial inflation per share at the time of sale, provided class members held the security through
23
24
25

26
27 ² Tabak, David I. and Dunbar, Frederick C., “Materiality and Magnitude: Event Studies in the
28 Courtroom,” Ch. 19, *Litigation Services Handbook, The Role of the Financial Expert*, Third Edition, 2001.

1 the corrective disclosure.³ This approach ensures that only investors who were damaged by the
2 dissipation of artificial inflation are included in the estimation of common stock damages.

3 11. For example, if an investor purchased Chegg common stock on August 23, 2021
4 when there was \$28.19 per share of artificial inflation embedded in the stock price, but sold those
5 shares before the alleged fraud-related disclosure was released to the market, and thus sold its
6 shares before there was a corrective event that changed the artificial inflation present in Chegg
7 common stock, then that investor would have zero damages. In other words, in calculating
8 damages, only investors who held their shares through the alleged fraud-related disclosure and
9 therefore suffered an alleged fraud-related investment loss and suffered damages under application
10 of the standard formula are eligible for compensation.

11 12. By comparison, if another investor purchased Chegg common stock on August 23,
12 2021 when there was \$28.19 of artificial inflation, but sold on November 19, 2021, after the fraud-
13 related disclosure, when the artificial inflation had dissipated down to \$0.00 per share, then that
14 investor would have \$28.19 per share in damages (\$28.19 of inflation at time of purchase minus
15 \$0.00 per share of inflation at the time of sale).

16 13. The calculation of damages also incorporates the application of a statutory cap on
17 recovery in federal securities cases brought under Rule 10(b)-5 (the 90-day lookback provision of
18 the Private Securities Litigation Reform Act of 1995). The limitation is that damages calculated
19 on Chegg's common stock purchased during the Settlement Class Period and sold during the 90-
20 day lookback period cannot exceed the difference between the purchase price paid during the class
21 period and average closing price from the last corrective disclosure to the date of sale.⁴

22
23 ³ I have assumed that the inflation dissipated by the disclosure in dollar terms was present in the
24 common stock from the beginning of the Settlement Class Period. This is a common approach
25 and is referred to as the "constant dollar" methodology. Nevertheless, regardless of whether that
26 assumption holds, and even if an alternative method for quantifying inflation prior to the disclosure
27 were applied, the damages under the "out-of-pocket" method described herein can still be
28 calculated formulaically on a class-wide basis.

⁴ For example, using the example above, a purchaser on August 23, 2021 who purchased shares at
the closing price of \$80.30 per share and sold on November 19, 2021 when the 90-day lookback
price was \$29.98 per share as shown in Table A in the Plan of Allocation, would be limited to the

III. ESTIMATING AGGREGATE DAMAGES FOR CHEGG COMMON STOCK

14. Ideally, if I had access to the actual trading records of all Chegg investors, I could calculate aggregate damages and damaged shares precisely. However, typically, as in this case, experts calculating aggregate damages do not have access to the detailed trading records of class members. In order to estimate the maximum recoverable damages in the absence of actual trading records, I needed to utilize a model to estimate the trading behavior of investors during the Settlement Class Period through which I tracked when institutional investors bought and sold shares. I used the widely accepted institutional and proportional two-trader model, which I describe herein.⁵

15. **Institutional Model:** Each calendar quarter, institutional investment managers that exercise discretion over \$100 million or more in publicly traded equity securities are required to report their holdings to the SEC on Schedule 13-F. I have obtained a summary of this holdings data for Chegg from S&P CapitalIQ. During the Settlement Class Period ending November 1, 2021, reporting institutions held on average 94% of the public float of Chegg common stock. From this data, I constructed a trading model for institutions. Using this quarterly data to pro-rate each institution's holdings between quarter ends (weighted by total trading volume of the stock on each day), and using the well-known first-in, first out ("FIFO") inventory assumption to match purchases and acquisitions of shares with sales, I modeled the timing of each Settlement Class Period purchase and its corresponding sale (if the purchased shares were sold during the relevant time period).⁶ In my experience, this is the most widely utilized method for modeling institutional

lesser of the \$28.19 per share in inflation and the \$50.32 difference in the purchase price and 90-day lookback price per share ($\$80.30 - \$29.98 = \$50.32$).

⁵ See Mayer, Marcia Kramer, "Best-Fit Estimation of Damaged Volume in Shareholder Class Actions: The Multi-Sector, Multi-Trader Model of Investor Behavior," *National Economic Research Associates (NERA)*, Third Edition, October 2000. NERA is a firm that often represents defendants in class action securities matters. See also Fischel, Daniel R., Keable, Michael A., and Ross, David J., "The Use of Trading Models to Estimate Aggregate Damages in Securities Fraud Litigation: An Update," *The National Legal Center for Public Interest*, Vol. 10, Number 3, March 2006.

⁶ FIFO is a standard accounting methodology used by countless corporations, taught in introductory accounting classes, and commonly used in litigation matters such as this.

1 trading and has often been used by experts retained by defendants in other securities class actions.
2 Based on the implied daily trading activity, I can calculate damages for each institution applying
3 the methodology described above.

4 16. **80/20 Proportional Two-Trader Model:** I also estimated damages for the
5 remaining shares that are not reflected in the quarterly holdings discussed above. This group is
6 made up of non-reporting institutions and individual investors. To estimate damages for this group
7 of Settlement Class Period purchasers, experts in cases such as this often apply a standard
8 methodology commonly referred to as the 80/20 Proportional Two-Trader Model. Because no
9 investor-specific holdings information is available for non-institutions, the only observable trading
10 input for non-institutional holders is the total trading volume. For the volume of shares available
11 to trade not held by reporting institutions, this non-institutional model assumes that 80% of the
12 volume is accounted for by “fast” traders who hold 20% of the non-institutional shares. The
13 remaining 20% of volume is accounted for by “slow” traders who hold 80% of the non-institutional
14 shares. Within each group of “fast” and “slow” traders, each share is equally likely to trade on
15 any given day, regardless of how long it was held. Based on these assumptions, the algorithm
16 identifies the number of shares purchased on each day and when those shares were ultimately sold
17 (if at all).

18 17. Using the models for when shares traded and the amount of artificial inflation
19 embedded in those shares on each day of the Settlement Class Period, I calculated the maximum
20 recoverable damages. Based on these methodologies, I estimate maximum common stock
21 damages for the Settlement Class Period to be approximately \$1.435 billion, when considering
22 inflationary gains on Chegg common stock purchased or acquired before the Settlement Class
23 Period and sold during the Settlement Class Period at fraud-inflated prices.

24 18. These damages numbers assume Lead Plaintiffs’ success in establishing loss
25 causation for the alleged corrective disclosure, assumes no impact of confounding information,
26 and that 100% of damaged investors submit proper claims. Had the Action continued, however,
27 Defendants likely would have challenged some, if not all, of these assumptions. For example,
28

1 Lead Counsel informed me that Defendants would have made credible arguments that the
2 November 2, 2021 stock price decline must be “disaggregated” to account for confounding non-
3 fraud-related factors. As discussed above, my estimation of the maximum potential damages
4 assumes no such disaggregation is required. Additionally, Lead Counsel informed me that
5 Defendants would have made challenging arguments that, if fully accepted by the Court or a jury,
6 could have truncated the actionable class period to February 8, 2021 through November 1, 2021
7 (*i.e.*, based on when Defendants first made alleged misstatements regarding the extent of student
8 cheating on Chegg’s online platform). In that specific scenario, I estimate that damages for Chegg
9 common stockholders would be reduced to only approximately \$893.64 million, after considering
10 inflationary gains on pre-Settlement Class Period holdings. This estimate could be further reduced
11 if the artificial inflation amount were reduced by disaggregation of confounding factors as
12 discussed above.

13 I declare under penalty of perjury that the foregoing is true and correct. Executed this
14 6th day of November, 2024

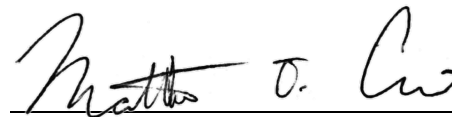
15
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17 _____
18 MATTHEW D. CAIN, PH.D.

EXHIBIT 3

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*Counsel for Lead Plaintiffs
and Lead Counsel for the Settlement Class*

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

STEVEN LEVENTHAL, Individually and
on Behalf of All Others Similarly Situated

Plaintiff,

v.

CHEGG, INC., DANIEL L.
ROSENSWEIG, ANDREW J. BROWN,
and NATHAN SCHULTZ,

Defendants.

Case No.: 5:21-cv-09953-EJD

**DECLARATION OF ERIC NORDSKOG
IN SUPPORT OF LEAD PLAINTIFFS'
UNOPPOSED MOTION FOR PRELIMINARY
APPROVAL OF SETTLEMENT**

1 I, ERIC A. NORDSKOG, declare as follows:

2 1. I am a Client Services Director with A.B. Data, Ltd. (“A.B. Data”), a nationally
3 recognized class action administration firm. I am submitting this declaration to provide the Court and
4 the Parties to the above-captioned action (“Action”)¹ with information about the procedures and
5 methods to be used to provide notice of the proposed Settlement to Settlement Class Members, and the
6 administration of the claims process. The following statements are based on my personal knowledge
7 and information provided by other A.B. Data employees working under my supervision, and if called
8 on to do so, I could and would testify competently thereto.

9 2. A.B. Data has successfully implemented notification and claims administration
10 programs in hundreds of class actions, including many securities class actions in the Northern District
11 of California. A.B. Data’s staff consists of experienced certified public accountants, information
12 technology specialists, and various other professionals with substantial experience in notice and claims
13 administration. Members of our team have administered many of the most noteworthy securities class
14 action settlements in recent years. A.B. Data’s experience in the field includes many securities class
15 action settlements in the Northern District of California, such as *In re Oracle Corporation Sec. Litig.*,
16 No. 18-cv-04844 (\$17.5 million settlement, post-distribution accounting filed August 2024); *In re*
17 *Restoration Robotics, Inc. Sec. Litig.*, No. 5:18-cv-03712 (\$4.175 million settlement, post-distribution
18 accounting filed August 2024); *In re Aqua Metals, Inc. Sec. Litig.*, No. 4:17-cv-07142 (\$7 million
19 settlement, post-distribution accounting filed January 2024); *SEB Investment Management AB v.*
20 *Symantec Corp.*, No. C 18-02902 (\$70 million settlement, post-distribution accounting filed February
21 2023); and *In re RH, Inc. Sec. Litig.*, No. 4:17-00554 (\$50 million settlement, post-distribution
22 accounting filed April 2020). More information on A.B. Data’s qualifications and experience can be
23 found on our website at www.abdataclassaction.com. A detailed description of A.B. Data’s background
24 and capabilities, and lists of representative cases and clients, is set forth in A.B. Data’s firm resume,
25 attached hereto as Exhibit A.

26
27
28 ¹ Unless otherwise indicated, capitalized terms shall have their meaning as defined in the Stipulation and Agreement of Settlement (the “Stipulation”).

1 3. A.B. Data was selected to serve as Claims Administrator for this Action, subject to the
2 approval of the Court, after submitting a detailed proposal in response to a request for proposal received
3 from Lead Counsel Saxena White P.A. (“Saxena White”) and Motley Rice LLC (“Motley Rice”). A.B.
4 Data’s proposal included information on its proposed pricing for the engagement, including its per-
5 claim fees for claims processing and per-unit fees for others costs such as printing notice postcards,
6 postage, telephone, and website services. A.B. Data has experience working with Saxena White and
7 Motley Rice in successfully implementing notification and claims administration programs in other
8 class actions, including in this District. In the past two years, Saxena White P.A. and Motley Rice LLC
9 have engaged A.B. Data in the following cases: *In re Xyrem (Sodium Oxybate) Antitrust Litigation*,
10 No. 20-md-02966 (N.D. Cal.); *In re Merit Medical Systems, Inc. Securities Litigation*, No. 8:19-cv-
11 02326 (C.D. Cal.); *In re Qualcomm Inc. Sec. Litig.*, No. 3-17-00121 (S.D. Cal.); *In re Perrigo Company*
12 *PLC*, 19-cv-70 (S.D.N.Y); *In re James River Group Holdings, Ltd. Sec. Litig.*, No. 3:21-cv-00444 (E.D.
13 Va.); *In re Apache Corp. Securities Litigation*, No. 4:21-cv-00575 (S.D. Tex.); *City of Hollywood*
14 *Police Officers’ Retirement System, et al. v. Henry Schein, Inc., et al.*, No. 2:19-cv-5530 (E.D.N.Y.);
15 *Plymouth County Retirement System and Oklahoma Police Pension and Retirement System v. Evolent*
16 *Health, Inc., et al.*, No. 1:19-cv-01031 (E.D. Va.); *In re Zetia Antitrust Litigation*, No. 18-md-2836
17 (E.D. Va.); *In re Suboxone Antitrust Litigation*, No. 13-md-02445 (E.D. Pa.); and *Holwill v. AbbVie*
18 *Inc. et al.*, No. 1:18-cv-06790 (N.D. Ill.).

19 4. A.B. Data has numerous control systems and procedures in place to ensure the secure
20 handling of class members’ data that we believe meet or exceed relevant industry standards. A
21 summary of those procedures, addressing issues highlighted in the updated Northern District of
22 California Procedural Guidance for Class Action Settlements (including technical, administrative, and
23 physical controls; retention; destruction; audits; crisis response; etc.) is attached hereto as Exhibit B.

24 5. A.B. Data accepts responsibility for security of Claimants’ data; accurate calculation of
25 Claimants’ claims pursuant to the Court-approved Plan of Allocation, subject to guidance received
26 from Lead Counsel; and accurate distribution of funds pursuant to a Class Distribution Order to be
27 entered by the Court. A.B. Data maintains adequate insurance in case of errors, which includes
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1 (a) professional liability errors and omissions insurance coverage; (b) a fidelity bond for employee
2 dishonesty losses (plus additional computer fraud and wire transfer communication fraud coverages);
3 and (c) network and information security liability coverage.

4 6. A.B. Data affirms that data provided to it by Chegg, Inc. (“Chegg”), brokers and
5 nominees, and Claimants for the purposes of providing notice and administering the Settlement will be
6 used solely for those purposes.

7 **Proposed Plan for Disseminating Notice of the Settlement to the Settlement Class**

8 7. The proposed notice plan for the Settlement in this matter uses customary procedures
9 that have been widely adopted in securities class action cases and which have been designed to provide
10 direct mail notification to all investors who are members of the Settlement Class and who can be
11 identified with reasonable effort, as well as additional notice through publication in relevant financial
12 publications, newswires, and over the internet.

13 8. As set forth in the proposed Order Preliminarily Approving Settlement and Providing
14 for Notice (the “Order”), no later than twenty (20) calendar days after entry of the Order (which date
15 shall be the “Notice Date”), A.B. Data will mail, or email, to the extent email addresses are made
16 available, the Postcard Notice to all Settlement Class Members who can be identified with reasonable
17 effort.²

18 9. In accordance with the Order, Chegg shall provide or cause to be provided to A.B. Data
19 in electronic format records reasonably available to Chegg or its transfer agent (consisting of names,
20 mailing addresses, and, if available, email addresses) of the record purchasers of Chegg common stock
21 during the Settlement Class Period. This information will be kept confidential and not used for any
22 purpose other than to provide notice of the Settlement.

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24
25 ² Social media and text messaging is not often utilized in securities class action settlement notification
26 because, as detailed herein, the majority of potential class members for any securities class action are
27 beneficial owners who hold their securities in “street name,” A.B. Data has a legal notice team of
28 advertising/media experts who help design, develop, and implement notice programs to meet the
requirements of Rule 23 and relevant state court rules. Based on A.B. Data’s significant experience
administering notice and settlement programs in securities class actions and other complex litigation,
our team has determined that social media and text messaging is not likely to increase settlement
participation in this case.

1 10. Additionally, as in most class actions of this nature, the large majority of Settlement
2 Class Members will be beneficial owners who hold their securities in “street name,” *i.e.*, the securities
3 are purchased by banks, brokers, and other nominees (“Nominees”) in the name of the Nominee on
4 behalf of the beneficial owner.³ Accordingly, to effectuate notice to the majority of the Settlement
5 Class, A.B. Data will mail a Postcard Notice to its list of the largest and most common Nominees who
6 may have purchased Chegg common stock for the beneficial ownership of other persons and entities.⁴

7 11. The Notice will inform Nominees that if they purchased or otherwise acquired Chegg
8 common stock during the Settlement Class Period for the benefit of another person or entity they must:
9 (a) within seven (7) calendar days of receipt of the Postcard Notice, request from A.B. Data sufficient
10 copies of the Postcard Notice to forward to all such beneficial owners and within seven (7) calendar
11 days of receipt of those Postcard Notices forward them to all such beneficial owners; or (b) within
12 seven (7) calendar days of receipt of the Postcard Notice, send a list of the names and mailing addresses
13 of all such beneficial owners to A.B. Data, after which A.B. Data will promptly mail the Postcard
14 Notice to such beneficial owners. In determining whether a nominee’s expenses are reasonable, a
15 reimbursement of \$0.15 per mailing record provided (or bulk Postcard Notices requested) shall be
16 considered as the maximum for any research and administrative costs (or any other costs other than
17 actual postage cost incurred).

18 12. A.B. Data will also submit the Notice to the Depository Trust Company (“DTC”) to
19 post on the DTC Legal Notice System (“LENS”). LENS enables DTC member banks and brokers to
20 review the Notice and contact A.B. Data directly to obtain copies of the Postcard Notice for their clients
21 who may be potential Settlement Class Members.

22 13. As requests for notice are received, A.B. Data will mail Postcard Notices (in bulk) to
23

24 _____
25 ³ As stated by the U.S. Securities and Exchange Commission (“SEC”), “[a]pproximately 85% of
26 exchange-traded securities are held by securities intermediaries, such as broker-dealers and banks, on
27 behalf of themselves or their customers.” *See*
28 <https://www.sec.gov/spotlight/proxyprocess/proxyvotingbrief.htm>

⁴ Currently, A.B. Data’s list of Nominees contains approximately 4,398 Nominees. This list is
continually monitored and updated as Nominees change addresses, merge, go out of business, and/or
come into existence.

1 Nominees, or directly mail or email the Postcard Notice to potential Settlement Class Members
2 identified by Nominees. A.B. Data will also disseminate the Postcard Notice to any other persons or
3 entities requesting them or other points of contact for potential Settlement Class Members as
4 appropriate. Any notices that are returned as undeliverable will be reviewed to determine if an
5 alternative or updated address is available from the U.S. Postal Service or through a third-party vendor
6 to which A.B. Data subscribes and will be re-mailed to the updated or alternative address, if available.

7 14. To supplement direct mailed or emailed notice to potential Settlement Class Members,
8 A.B. Data will cause the Summary Notice to be published in *Investor's Business Daily* and be
9 transmitted over *PR Newswire* no later than ten (10) business days after the Notice Date.

10 15. Simultaneously with the initial mailing of the Postcard Notice, A.B. Data will establish
11 a Settlement Website, www.CheggSecuritiesLitigation.com, where Settlement Class Members can
12 access and download copies of the Notice, the Claim Form, the Stipulation, and other documents related
13 to the Settlement.

14 16. A toll-free telephone number, 1-877-884-2550, and dedicated email address,
15 info@CheggSecuritiesLitigation.com, will also be established and staffed with customer service
16 representatives trained to answer questions about the Settlement. Both the toll-free telephone number
17 and dedicated email address will be displayed, in multiple places, in the notices and Claim Form and
18 on the Settlement Website.

19 **Information on Settlement Administration, Estimated Settlement Class Size,**
20 **and Number of Potential Claims**

21 17. In developing the proposed notice plan for the Settlement, A.B. Data was asked to
22 provide a rough estimate of the number of potential Settlement Class Members and, relatedly, the
23 number of Postcard Notices to be mailed or emailed. As noted above, the majority of potential class
24 members for any securities class action are beneficial owners who hold their securities in "street name."
25 Because of this street name system, even corporate entities often do not know the identity of the vast
26 majority of their shareholders. Thus, in estimating class size for any securities case, A.B. Data uses
27 historical settlement data from other securities class action settlements that A.B. Data has administered,
28

1 particularly those settlements of similar size and/or involving companies with similar market
2 capitalization and numbers of shareholders. Based on the trading volume of Chegg common stock
3 during the Settlement Class Period, A.B. Data estimates that it will mail and/or email approximately
4 150,000 copies of the Postcard Notice to potential Settlement Class Members and nominees.⁵

5 18. Based on A.B. Data's experience, the substantial majority of large value valid claims
6 will be filed by institutional investors. Many, if not most, institutional investors such as mutual funds,
7 endowment funds, hedge funds, commercial banks, insurance companies, and pension funds (both
8 public and union) file, or hire a third-party claims filing service to file claims on the institutional
9 investor's behalf. Because institutional investors typically file the largest claims in a case, these
10 investors typically receive the largest portion of the Net Settlement Fund. Accordingly, it is A.B. Data's
11 expectation that here, as in most other securities class actions, institutional investors will file the largest
12 claims in the Action and receive the bulk of the Net Settlement Fund. In recent years, in comparable
13 securities class actions involving purchasers of publicly-traded common stock, A.B. Data has found
14 that the claims received (including those filed on behalf of institutional investors) usually represent
15 over 70% of the total number of damaged shares as estimated by plaintiffs' experts based on their
16 modeling of the trading in the company's stock—and often exceed 85% to 95% of the total damaged
17 shares. *See, e.g., SEB Invest. Mgmt. AB v. Symantec Corp.*, No. 3:18-cv-02902, Post-Distribution
18 Accounting at 1 (N.D. Cal. Aug. 25, 2023), ECF No. 451 (claims received represented 96% of
19 estimated damaged shares); *In re Spectrum Brands Sec. Litig.*, No. 19-cv-347, Reply Memo at 6 (W.D.
20 Wis. Mar. 4, 2022), ECF No. 113 (claims received represented 90% of estimated damaged shares); *In*
21 *re RH, Inc. Sec. Litig.*, No. 4:17-00554, Post Distribution Accounting at 1 (N.D. Cal. Apr. 7, 2020),
22 ECF No. 160 (claims received represented 94% of estimated damaged shares).

23 19. Settlement Class Members who wish to become potentially eligible to receive a
24 distribution from the Settlement will be required to complete and submit to A.B. Data a properly
25 executed Claim either by mail or online through the Settlement Website such that it is postmarked (if
26

27 ⁵ To be clear, the number of Settlement Class Members will be a subset of the number of Postcard
28 Notices sent. Not every person or entity that receives a Postcard Notice will be a Settlement Class
Member.

1 mailed) or received no later than the claims-submission deadline established by the Court, together
2 with adequate supporting documentation for the transactions and holdings in Chegg common stock
3 reported therein.

4 20. Each Claim received by A.B. Data will be reviewed upon receipt to verify that all
5 required information has been provided. The documentation provided with each Claim will be reviewed
6 for authenticity and compared to the information provided in the Claim to verify the Claimant's identity
7 and the purchase/acquisition, sale, and holding information. A.B. Data will process each Claim in
8 accordance with the Court-approved plan of allocation using the loss calculation module developed for
9 the Settlement.

10 21. If a Claim is determined to be defective, a deficiency notification will be sent to the
11 Claimant, via letter or email, describing the deficiency in the Claim including, where applicable, what
12 is necessary to cure the deficiency. The deficiency notification will also advise Claimants how much
13 time they have to submit the appropriate information and/or documentary evidence to complete/cure
14 their Claim. If the deficiency in the Claim is not cured, the Claim will be recommended for rejection
15 (in whole or in part). The deficiency notification will also advise Claimants of their right to contest
16 A.B. Data's administrative determination with respect to their Claim and to request Court review of
17 their Claim.

18 22. After the Claims (and responses to deficiency notifications) have been fully processed,
19 quality assurance reviews performed, and final administrative determinations have been made as to
20 which Claims are valid, A.B. Data will present its administrative report on the Claims received for the
21 Settlement to the Court, along with a proposed plan for distribution. Thereafter, upon Court approval,
22 A.B. Data will distribute the net Settlement proceeds to eligible Settlement Class Members *pro rata*
23 based on each Claim's recognized loss amount as calculated pursuant to the Court-approved plan of
24 allocation, the total recognized losses of all eligible Claims, and the amount available for distribution.

25 23. Distributions from the net Settlement proceeds will be sent to eligible Settlement Class
26 Members via check or wire with, in the case of check payments, a specified period for each Claimant
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1 to cash their payment (typically 90 or 120 days).⁶ For any checks that are not cashed, A.B. Data will
2 conduct an outreach campaign to encourage cashing and to provide Claimants with reissued checks
3 where applicable.

4 24. The procedure described above is the standard claims administration process for all
5 securities class action settlements handled by A.B. Data.

6 **Estimated Administration Costs**

7 25. Based on A.B. Data's experience with securities settlements with similar numbers of
8 shareholders, we estimate that administering the settlement notice, claims processing, and settlement
9 distribution aspects of this proposed settlement will generate professional services fees and expenses
10 of approximately \$210,000 as well as approximately \$45,000 in expected fees and expenses, including
11 postage, charged by brokers and nominees for providing names and addresses of potential Settlement
12 Class Members or for forwarding the Postcard Notice to their clients. Utilizing electronic mail where
13 appropriate and disseminating a postcard notice rather than notice packets containing a long-form
14 notice substantially reduces administrative costs without negatively impacting effectiveness.

15 26. Accordingly, A.B. Data estimates that the total Notice and Administration Costs will be
16 approximately \$255,000 which is less than 0.5% of the proposed Settlement Amount. This percentage
17 is reasonable in relation to the value of the Settlement and is consistent with or below the administration
18 costs incurred in other securities class action settlements. *See, e.g., In re RH, Inc. Sec. Litig.*, No. 4:17-
19 00554 (N.D. Cal.) (approximately \$220,000 in costs). In A.B. Data's experience, the notice process,
20 claims process, and estimated fees and expenses outlined above are reasonable in relation to the value
21 of the settlement, and consistent with or below those incurred in other securities settlements of similar
22 size and complexity.

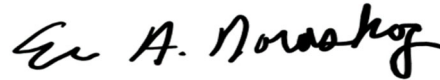
23 27. The foregoing amounts are estimates and the ultimate cost of this administration could
24 change if the number of Postcard Notices mailed is substantially greater (or smaller) than A.B. Data's
25

26 ⁶ Due to the expenses associated with administering claims, A.B. Data recommends that no
27 distributions be made to Claimants who would receive less than \$10. These expenses include the costs
28 of printing and mailing a check, as well as monitoring whether the check has been cashed, all of which
could easily exceed the value of such smaller claims. It is standard practice in securities class actions
to utilize a minimum check threshold and it is commonplace to use \$10 as the minimum amount.

1 estimate or if the number of Claims received is substantially greater (or smaller) than the estimate. In
2 addition, the costs of this administration could be impacted by any out-of-scope work encountered
3 during the course of the administration. A.B. Data will always strive to keep costs down whenever
4 possible.

5 I declare under penalty of perjury that the foregoing is true and correct.

6 Executed this 6th day of November 2024.

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Eric A. Nordskog

EXHIBIT A

**Class
Action
Administration**



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CAPABILITIES

About A.B. Data


 Founded in 1981, **A.B. Data has earned a reputation** for expertly managing the complexities of class action administration in consumer, antitrust, securities, Securities and Exchange Commission (SEC) enforcement actions, and ERISA, Attorneys General, employment, civil rights, insurance, environmental, wage and hour, and other class action cases. **A.B. Data's work in all aspects of class action administration** has been perfected by decades of experience in hundreds of class action cases involving billions of dollars in total settlements. Dedicated professionals deliver **A.B. Data's all-inclusive services**, working in partnership with its clients to administer their class action cases effectively, efficiently, and affordably, regardless of size or scope.

A.B. Data offers unmatched resources and capacity and is capable of expertly administering any class action notice, settlement, and/or fund administration. Whether notifying millions of class members in the United States or throughout the world, processing millions of claims, distributing payments digitally via A.B. Data's Digital PayPortalSM, or printing and distributing millions of checks, **A.B. Data matches its talent and technology** to the specific needs of its clients, delivering unparalleled service on time and on budget without ever compromising quality.

Location, Ownership Structure

 **A.B. Data is an independently owned**, more than 40-year-old, Milwaukee, Wisconsin-based company that prides itself on its vast expertise and industry-leading innovations. We like to remind our clients and partners that we're not just a class action administration company, but a group of experienced, dedicated professionals who believe that relationships are just as important as the accurate and timely management of class action administrations. In other words, we are people who do business with people.

Services

 **Every A.B. Data client is deserving of the best job we can put forward.** A.B. Data makes class action administration easy for our clients with clarity, convenience, and efficiency. Our priority is to navigate the intricacies of our clients' matters and deliver successful results by using our solid expertise, advanced technology, and top-quality products and services. We pay attention to the details and get it right the first time.

We aim to provide our clients the full experience of a truly collaborative working relationship. It is why we believe much of our success originates from our philosophy of "people doing business with people."

Services

All Digital — From Notice to Distribution

A.B. Data is uniquely positioned to design, implement, and maintain notice and settlement administration programs using an innovative, "all-digital" approach that replaces the more traditional and less efficient methods of administration, such as newspaper ads, mailed notices, and paper checks. Many of our recent proposed notice plans and claim programs utilize the latest technologies such as microtargeted digital ads for notice, streamlined online claims, and distributing settlement funds electronically using a digital paywall. These methods provide significant cost savings, are consistent with the amendments to Rule 23 that are now in effect, and importantly provide much-needed alignment of class action notice and administration with current consumer behaviors.

Pre-Settlement Consultation

The pre-settlement consultation is a collaborative session designed to help A.B. Data clients prepare a stronger case. Our support teams simplify the task of sorting through a maze of documents during investigation and discovery, streamlining the process and preserving fund assets. From there, we assist with fully interactive media packages for court presentations and settlement negotiations. A.B. Data works closely with our clients, offering expert testimony on documents, processing, class and notice manageability, and proposed plans of allocation.

Media Services

A.B. Data continues to earn our reputation as the early innovator in integrating advanced micro-targeting techniques, including contextual targeting, behavioral targeting, and predictive modeling. Coupled with inventive digital media strategies to drive claims, case-specific banner ad development, class member research, and comScore analysis services, our multi-tiered media programs are designed to cost-effectively deliver notice to potential class members and increase claims rates.

Notice Administration

In A.B. Data, clients have a comprehensive resource with a depth of experience in direct notice. Our compliance and understanding of Rule 23 of the Federal Rules of Civil Procedure are crucial in meeting the "plain language" legal requirements for any campaign. From our sophisticated digital media capabilities and extensive global experience with class member research, our experts create notice documents that are easily understandable and cost-efficient to produce. We consult with our clients to deliver notice documents from multi-page, mailed, or emailed notice packets to concise postcards that establish the most influential and cost-effective means of communicating with potential claimants.

Claims Processing

A.B. Data continues to bring game-changing technologies to improve the speed and precision in claims processing. Our robust system for online claims submissions allows us to meticulously verify data and documentation, preserve and authenticate claims, and calculate and verify settlement amounts. In addition, our data network infrastructure includes on-site data storage, backup, contingency plans, and security for electronic and hard copy claim filings. It is all part of a total commitment to be the most innovative and comprehensive resource in the industry. At A.B. Data, we take pride in having the in-house capacity to process millions of pages, as well as the organizational integrity to treat every claim as if it were the only one.

Contact Center

A.B. Data's Contact Center is comprised of a full staff that is trained on and equipped with online and telecommunication systems to monitor and connect with class members. Associates routinely monitor class member communication for all class action administrations, including antitrust, consumer, and securities.

Utilizing monitoring software, associates watch multiple social media channels simultaneously, allowing for instantaneous routing of inquiries and interaction with claimants. Detailed and concise analytical reports outlining Contact Center activities are always provided.

Our Contact Center and case websites are capable of handling millions of class member engagements, as recently displayed in a campaign which garnered over 1.2 million website visits in two months and had more than 72,500 Facebook engagements. Facebook comments and threads are monitored and claimants are guided to the website for more information. Google AdWords and display advertising have also brought hundreds of thousands of visitors to various case websites.

A.B. Data's Contact Center also has Spanish language associates in-house and we can accommodate any language, given proper lead time. Traditional call center facilities are also available, if needed.

Case Websites

We offer a state-of-the-art technology platform that supports every step of our class action administration process. Our expert marketing professionals design customized case-specific websites that provide potential class members easy access to case information, critical documents, important deadlines, as well as the capability to file claim forms and register for future mailings about the case. Claimants can use the website to elect to receive their settlement payments by mail or by one of several digital payment options, all accessible by mobile devices.

Settlement Fund Distribution

From complete escrow services to establishment of qualified settlement funds, check printing and mailing, electronic cash or stock distribution and tax services, A.B. Data has always provided a full-service solution to Settlement Fund Distribution. Our IT team has decades of experience in developing and implementing fast, secure databases and claims administration systems that ensure class members receive the correct amount in their settlement disbursement. Today's digital capabilities allow even greater convenience for class members. In certain instances, claimants can now elect to

instantaneously receive settlement payments through popular digital-payment options, such as PayPal, Amazon, and virtual debit cards.

A.B. Data's Leadership



A.B. Data's administration team is composed of the following key executives, who collectively have decades of experience settling and administering class actions:

Bruce A. Arbit, Co-Managing Director and one of the founders of the A.B. Data Group, serves as Chairman of the Board and oversees the day-to-day operations of the A.B. Data Group of companies, employing almost 400 people in the United States and Israel. Mr. Arbit is also Chairman of the Board of Integrated Mail Industries, Ltd. and has served as a member of the Board of Directors of University National Bank and State Financial Bank. He is the past Chairman of Asset Development Group, Inc., Home Source One, and American Deposit Management and is a member of the National Direct Marketing Association, the Direct Marketing Fundraising Association, and the American Association of Political Consultants. He was named 1996 Direct Marketer of the Year by the Wisconsin Direct Marketing Association.

A.B. Data's work in class action litigation support began with the Court selecting A.B. Data to oversee the restitution effort in the now-famous Swiss Banks Class Action Case, the International Commission on Holocaust Era Insurance Claims, and every other Holocaust Era Asset Restitution program, in which it was the company's job to identify, contact, and inform survivors of the Holocaust. A.B. Data delivered by reaching out to millions of people in 109 countries who spoke more than 30 languages. Since those days, Mr. Arbit has guided the class action division through phenomenal growth and success. Today, A.B. Data manages hundreds of administrations annually that distributes billions of dollars to class members.

Thomas R. Glenn, President, Mr. Glenn's management of A.B. Data's Class Action Administration Company includes designing and implementing notice plans and settlement administration programs for antitrust, securities, and Securities and Exchange Commission settlements and SEC disgorgement fund distributions, as well as consumer, employment, insurance, and civil rights class actions. Mr. Glenn previously served as Executive Vice President at Rust Consulting and has more than 30 years of executive leadership experience.

Eric Miller, Senior Vice President, as a key member of A.B. Data's Class Action Administration Leadership Team, oversees the Case Management Department and supervises the operations and procedures of all of A.B. Data's class action administration cases. Mr. Miller is recognized in the class action administration industry as an expert on securities, SEC, consumer, product recall, product liability, general antitrust, pharmaceutical antitrust, and futures contract settlements, to name a few settlement types. Prior to joining A.B. Data, Mr. Miller served as the Client Service Director for Rust Consulting, responsible there for its securities practice area. He has more than 20 years of operations, project management, quality assurance, and training experience in the class action administration industry. In addition, Mr. Miller manages A.B. Data's office in Palm Beach Gardens, Florida.

Eric Schachter, Senior Vice President, is a member of A.B. Data's Class Action Administration Leadership Team. He has over 15 years of experience in the legal settlement administration services industry. Mr. Schachter's responsibilities include ensuring successful implementation of claims administration services for A.B. Data's clients in accordance with settlement agreements, court orders, and service agreements. He also works closely with Project Managers to develop plans of administration to provide the highest level of effective and efficient delivery of work product. A frequent speaker on claims administration innovation and best practices at industry events nationwide, Mr. Schachter has a bachelor's degree in sociology from Syracuse University, earned his law degree at Hofstra University School of Law, and was previously an associate at Labaton Sucharow LLP in New York City.

Elaine Pang, Vice President, Media, oversees the Media Department and is responsible for the direction, development, and implementation of media notice plans for A.B. Data's clients. Ms. Pang brings more than 15 years of experience in developing and implementing multifaceted digital and traditional media for high profile complex legal notice programs. She uses her experience in class actions and advertising to provide the best practicable notice plans for large scale campaigns across domestic and international regions, and she leverages her expertise to better understand the evolving media landscape and utilize cutting-edge technology and measurement tools. Prior to entering the class action industry, Ms. Pang worked with many leading reputable brands, including General Mills, Air Wick, Jet-Dry, Comedy Central, Madison Square Garden, Radio City Music Hall, and Geox. She earned her MBA from Strayer University and holds a BS in Marketing from Pennsylvania State University. Ms. Pang's credentials include Hootsuite Social Marketing Certification, Google Adwords and Analytics Certification, and IAB Digital Media Buying and Planning Certification.

Paul Sauberer, Vice President of Quality, is responsible for overseeing quality assurance and process management, working diligently to mitigate risk, ensure exceptional quality control, and develop seamless calculation programming. Mr. Sauberer brings more than 20 years of experience as a quality assurance specialist with a leading claims-processing company where he developed extensive knowledge in securities class action administration. He is recognized as the class action administration industry's leading expert on claims and settlement administrations of futures contracts class actions.

Justin Parks, Vice President, is a member of A.B. Data's Class Action Administration Leadership Team. Mr. Parks brings extensive experience in client relations to A.B. Data's business development team. Mr. Parks has over 15 years of experience in the legal settlement administration services industry and has successfully managed and consulted on notice plans and other administrative aspects in hundreds of cases. Mr. Parks is uniquely experienced in Data Privacy matters, having consulted with clients on numerous matters stemming from data breaches as well as violations of the Illinois Biometric Information Privacy Act (BIPA), including some of the first ever Biometric Privacy related settlements in history. Mr. Parks' knowledge and understanding of the class action industry, as well as his client relationship skills, expand A.B. Data's capacity to achieve its business development and marketing goals effectively.

Steve Straub, Senior Director of Operations, started with A.B. Data in 2012 as a Claims Administrator. He moved through the ranks within the company where he spent the past five years as Senior Project Manager managing many of the complex commodities cases such as *In re LIBOR-Based Financial Instruments Antitrust Litigation*, *In re London Silver Fixing, Ltd. Antitrust Litigation*, and *Laydon v. Mizuho Bank, Ltd., et al.* Mr. Straub's performance in these roles over the past ten years, along with his comprehensive knowledge of company and industry practices and first-person experience leading the project management team, has proven him an invaluable member of the A.B. Data team.

In his role as Senior Director of Operations, his responsibilities include developing efficiencies within the operations center, which includes mailroom, call center, and claims processing areas. His areas of expertise include business process development, strategic/tactical operations planning and implementation, risk analysis, budgeting, business expansion, growth planning and implementation, cost reduction, and profit, change, and project management. Mr. Straub is well-versed in the administration of securities, consumer, and antitrust class action settlements. He earned his Juris Doctor degree from Seton Hall University School of Law in Newark, New Jersey.

Jack Ewashko, Director of Client Services, brings twenty years of industry and brokerage experience to his role with A.B. Data. He is an accomplished client manager adept at facilitating proactive communications between internal and outside parties to ensure accurate and timely deliverables. Mr. Ewashko previously held positions at two claim administration firms where he oversaw the securities administration teams and actively managed numerous high-profile matters, including the \$2.3 billion foreign exchange litigation. He notably served as Vice President, FX and Futures Operations at Millennium Management, a prominent global alternative investment management firm. As he progressed through trading, analytic, management, and consultancy roles at major banks and brokerage firms, Mr. Ewashko gained hands-on experience with vanilla and exotic securities products, including FX, commodities, mutual funds, derivatives, OTC, futures, options, credit, debt, and equities products. In the financial sector, he also worked closely with compliance and legal teams to ensure accuracy and conformity with all relevant rules and regulations regarding the marketing and sale of products, as well as the execution and processing of trades. He has held Series 4, Series 6, Series 7, and Series 63 licenses, and has been a member of the Futures Industry Association (FIA) and Financial Industry Regulatory Authority (FINRA). Mr. Ewashko earned his Bachelor of Business Administration from Long Island University, Brooklyn, New York.

Brian Devery, Director of Client Services, brings more than a decade of experience in class action administration and project management, as well as over two decades of experience as an attorney (ret.). Mr. Devery currently focuses on consumer, antitrust, employment, and other non-securities based administrations. In addition to driving project administration, he is focused on the implementation of process improvement, streamlining, and automation. Mr. Devery is admitted to practice law in State and Federal Courts of New York with his Juris Doctorate earned from the Maurice A. Deane School of Law at Hofstra University, Hempstead, New York.

Adam Walter, PMP, Director of Client Services, has nearly fifteen years of experience managing the administration of securities class action settlements and SEC disgorgements totaling more than \$4 billion. He has managed settlement programs in engagements involving some of the largest securities class action settlements and is a key contributor to the development of administration strategies that meet the evolving needs of our clients. His responsibilities include developing case administration strategies to ensure that all client and court requirements and objectives are met, overseeing daily operations of case administrations, ensuring execution of client deliverables, providing case-related legal and administration support to class counsel, overseeing notice dissemination programs, implementing complex claims-processing and allocation methodologies, establishing quality assurance and quality control procedures, and managing distribution of settlement funds. Mr. Walter holds a bachelor's degree in business administration from Florida Atlantic University, Boca Raton, Florida. He also has been an active member of the Project Management Institute since 2010 and is PMP®-certified.

Eric Nordskog, Director of Client Services, started with A.B. Data in 2012 on the operations team, managing dozens of team leads and claims administrators in the administration of legal cases and actions. In 2017, Mr. Nordskog was promoted to Project Manager, due in part to his proven ability to add consistency and efficiency to the e-claim filing process with new streamlined processes and audit practices. Today, as Senior Project Manager, he directs many of A.B. Data's securities, insurance, and

consumer cases. He regularly oversees the administration of large insurance cases, such as two recent Cigna Insurance matters that involved complex calculations and over one million class members each. He is also the primary hiring and training manager for new project managers and coordinators. Mr. Nordskog earned his Juris Doctor degree from Marquette University Law School, Milwaukee, in 2001.

Eric Schultz, MCSE, Information Technology Manager and Security Team Chairperson, has been with A.B. Data for more than 19 years, and is currently responsible for overseeing all information technology areas for all A.B. Data divisions across the United States and abroad, including network infrastructure and architecture, IT operations, data security, disaster recovery, and all physical, logical, data, and information systems security reviews and audits required by our clients or otherwise. As a Microsoft Certified Systems Engineer (MCSE) with more than 25 years of experience in information technology systems and solutions, Mr. Schultz has developed specializations in network security, infrastructure, design/architecture, telephony, and high-availability network systems.

Secure Environment



A.B. Data's facilities provide the highest level of security and customization of security procedures, including:

- A Secure Sockets Layer server
- Video monitoring
- Limited physical access to production facilities
- Lockdown mode when checks are printed
- Background checks of key employees completed prior to hire
- Frequency of police patrol – every two hours, with response time of five or fewer minutes
- Disaster recovery plan available upon request

Data Security



A.B. Data is committed to protecting the confidentiality, integrity, and availability of personal identifying information and other information it collects from our clients, investors, and class members and requires that its employees, subcontractors, consultants, service providers, and other persons and entities it retains to assist in distributions do the same. A.B. Data has developed an Information Security Policy, a suite of policies and procedures intended to cover all information security issues and bases for A.B. Data, and all of its divisions, departments, employees, vendors, and clients. A.B. Data has also recently taken the necessary, affirmative steps toward compliance with the EU's General Data Protection Regulation and the California Consumer Privacy Act.

A.B. Data has a number of high-profile clients, including the Securities and Exchange Commission (SEC), the United States Department of Justice, the Attorneys General of nearly all 50 states, other agencies of the United States government, and the Government of Israel, as well as direct banking and payment services companies with some of the most recognized brands in United States financial services and some of the largest credit card issuers in the world.

We are therefore frequently subjected to physical, logical, data, and information systems security reviews and audits. We have been compliant with our clients' security standards and have also been determined to be compliant with ISO/IEC 27001/2 and Payment Card Industry (PCI) data-security standards, the Gramm-Leach-Bliley Act (GLB) of 1999, the National Association of Insurance Commissioners (NAIC) Regulations, the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and the Health Information Technology for Economic and Clinical Health Act (HITECH).

The Government of Israel has determined that A.B. Data is compliant with its rigorous security standards in connection with its work on Project HEART (Holocaust Era Asset Restitution Taskforce).

A.B. Data's fund distribution team has been audited by EisnerAmper LLP and was found compliant with class action industry standards and within 99% accuracy. EisnerAmper LLP is a full-service advisory and accounting firm and is ranked the 15th-largest accounting firm in the United States.

In addition, as part of PCI compliance requirements, A.B. Data has multiple network scans and audits from third-party companies, such as SecurityMetrics and 403 Labs, and is determined to be compliant with each of them.

Fraud Prevention and Detection



A.B. Data is at the forefront of class action fraud prevention.

A.B. Data maintains and utilizes comprehensive proprietary databases and procedures to detect fraud and prevent payment of allegedly fraudulent claims.

We review and analyze various filing patterns across all existing cases and claims. Potential fraudulent filers are reported to our clients as well as to the appropriate governmental agencies where applicable.

Representative Class Action Engagements



A.B. Data and/or its team members have successfully administered hundreds of class actions, including many major cases. Listed below are just some of the most representative or recent engagements.

Consumer & Antitrust Cases

- *In re EpiPen Marketing, Sales Practices and Antitrust Litigation*
- *In re Broiler Chicken Antitrust Litigation - Commercial (Indirect)*
- *In re Broiler Chicken Antitrust Litigation - Indirect*
- *In re Broiler Chicken Antitrust Litigation - Direct*
- *In re Pork Antitrust Litigation - Directs*
- *In re Pork Antitrust Litigation - Indirects*

- *Peter Staley, et al. v. Gilead Sciences, Inc., et al.*
- *In re: Opana ER Antitrust Litigation*
- *In re Ranbaxy Generic Drug Application Antitrust Litigation*
- *In re Valeant Pharmaceuticals Int'l, Inc. Third-Party Payor Litigation*
- *Staley, et al., v. Gilead Sciences*
- *In Re: Generic Pharmaceuticals Pricing Antitrust Litigation – Direct Purchasers*
- *Beef Direct Purchaser Antitrust Litigation*
- *BCBSM, Inc. v. Vyera Pharmaceuticals, et al. (Daraprim)*
- *In re Automobile Antitrust Cases I and II*
- *Olean Wholesale Grocery Cooperative, Inc., et al. v. Agri Stats, Inc., et al. (Turkey)*
- *Integrated Orthopedics, Inc., et al. v. UnitedHealth Group, et al.*
- *In Re: Restasis (Cyclosporine Ophthalmic Emulsion) Antitrust Litigation*
- *Vista Healthplan, Inc., et al. v. Cephalon, Inc., et al. (Provigil)*
- *Jeffrey Koenig, et al. v. Vizio, Inc.*
- *Wit, et al. v. United Behavioral Health*
- *Weiss, et al. v. SunPower Corporation*
- *Smith, et al. v. FirstEnergy Corp., et al.*
- *Resendez, et al. v. Precision Castparts Corp. and PCC Structural, Inc.*
- *Julian, et al. v. TTE Technology, Inc., dba TCL North America*
- *Eugenio and Rosa Contreras v. Nationstar Mortgage LLC*
- *Phil Shin, et al. v. Plantronics, Inc.*
- *In re: Qualcomm Antitrust Litigation*
- *In re Resistors Antitrust Litigation*
- *The Hospital Authority of Metropolitan Government of Nashville and Davidson County, Tennessee v. Momenta Pharmaceuticals, Inc. and Sandoz Inc. ("Lovenox Antitrust Matter")*
- *William Kivett, et al. v. Flagstar Bank, FSB, and DOES 1-100, inclusive*
- *Adelphia, Inc. v. Heritage-Crystal Clean, Inc.*
- *LLE One, LLC, et al. v. Facebook, Inc.*
- *Bach Enterprises, Inc., et al. v. Advanced Disposal Services South, Inc., et al.*
- *JWG Inc., et al. v. Advanced Disposal Services Jacksonville, L.L.C., et al.*
- *State of Washington v. Motel 6 Operating L.P. and G6 Hospitality LLC*
- *In re GSE Bonds Antitrust Litigation*
- *Wave Lengths Hair Salons of Florida, Inc., et al. v. CBL & Associates Properties, Inc., et al.*
- *In re Loestrin 24 FE Antitrust Litigation*
- *Office of the Attorney General, Department of Legal Affairs, State of Florida v. Pultegroup, Inc. and Pulte Home Company, LLC*
- *In re Cigna-American Specialties Health Administration Fee Litigation*
- *In re: Intuniv Antitrust Litigation*
- *High Street, et al. v. Cigna Corporation, et al.*
- *Gordon Fair, et al. v. The Archdiocese of San Francisco, San Mateo, and Marin County*
- *Bizzarro, et al. v. Ocean County Department of Corrections, et al.*
- *Meeker, et al. v. Bullseye Glass Co.*
- *MSPA Claims 1, LLC v. Ocean Harbor Casualty Insurance Company*
- *Tennille v. Western Union Company - Arizona*
- *Garner, et al. v. Atherotech Holdings, Inc. and Garner, et al. v. Behrman Brothers IV, LLC, et al.*
- *Robinson, et al. v. Escallate, LLC*
- *Josefina Valle and Wilfredo Valle, et al. v. Popular Community Bank f/k/a Banco Popular North America*
- *Vision Construction Ent., Inc. v. Waste Pro USA, Inc. and Waste Pro USA, Inc. and Waste Pro of Florida, Inc.*

- *Plumley v. Erickson Retirement Communities, et al.*
- *In re London Silver Fixing, Ltd. Antitrust Litigation*
- *Ploss v. Kraft Foods Group, Inc. and Mondelēz Global LLC*
- *In re Mexican Government Bonds Antitrust Litigation*
- *In re Ready-Mixed Concrete Antitrust Litigation*
- *In re: Marine Hose Antitrust Litigation*
- *Iowa Ready Mixed Concrete Antitrust Litigation*
- *In re Potash Antitrust Litigation (II)*
- *In re Evanston Northwestern Healthcare Corp. Antitrust Litigation*
- *In re Polyurethane Foam Antitrust Litigation*
- *In re LIBOR-Based Financial Instruments Antitrust Litigation*
- *In re Lorazepam and Clorazepate Antitrust Litigation*
- *In re Cardizem CD Antitrust Litigation*
- *Vista Healthplan, Inc., and Ramona Sakiestewa v. Bristol-Myers Squibb Co., and American BioScience, Inc.*
- *In re Lupron Marketing and Sales Practices Litigation*
- *In re Terazosin Hydrochloride Antitrust Litigation*
- *In re Warfarin Sodium Antitrust Litigation*
- *Rosemarie Ryan House, et al. v. GlaxoSmithKline PLC and SmithKline Beecham Corporation*
- *Carpenters and Joiners Welfare Fund, et al. v. SmithKline Beecham*
- *New Mexico United Food and Commercial Workers Union's and Employers' Health and Welfare Trust Fund, et al. v. Purdue Pharma L.P.*
- *In Re Pharmaceutical Industry Average Wholesale Price Litigation*
- *Alma Simonet, et al. v. SmithKline Beecham Corporation, d/b/a GlaxoSmithKline*
- *In re Relafen Antitrust Litigation*
- *In Re Remeron Direct Purchaser Antitrust Litigation*
- *In re TriCor Indirect Purchasers Antitrust Litigation*
- *Nichols, et al., v. SmithKline Beecham Corporation*
- *In re: DDAVP Indirect Purchaser Antitrust Litigation*

Securities Cases

- *Plymouth County Retirement Association v. Spectrum Brands Holdings, Inc., et al.*
- *Tung, et al. v. Dycom Industries, Inc., et al.*
- *Boutchard., et al. v. Gandhi, et al. ("Tower/e-Minis")*
- *MAZ Partners LP v. First Choice Healthcare Solutions, Inc.*
- *SEB Investment Management AB, et al. v. Symantec Corporation, et al.*
- *In re Impinj, Inc. Securities Litigation*
- *In re Netshoes Securities Litigation*
- *Yellowdog Partners, LP, et al. v. Curo Group Holdings Corp., et al.*
- *In re Brightview Holdings, Inc. Securities Litigation*
- *In re Obalon Therapeutics, Inc. Securities Litigation*
- *In re Willis Towers Watson PLC Proxy Litigation*
- *In re Blue Apron Holdings, Inc. Securities Litigation*
- *In re: Qudian Inc. Securities Litigation*
- *Plymouth County Contributory Retirement System v. Adamas Pharmaceuticals, et al.*
- *In re Perrigo Company PLC Securities Litigation*
- *Enriquez, et al. v. Nabriva Therapeutics PLC, et al.*
- *Teamsters Local 456 Pension Fund, et al. v. Universal Health Services, Inc., et al.*
- *Olenik, et al. v. Earthstone Energy, Inc.*

- *Shenk v. Mallinckrodt plc, et al.*
- *In re The Allstate Corp. Securities Litigation*
- *Christopher Vataj v. William D. Johnson, et al. (PG&E Securities II)*
- *Kirkland v. WideOpenWest, Inc.*
- *Oklahoma Police Pension and Retirement System v. Sterling Bancorp, Inc.*
- *In re Uxin Limited Securities Litigation*
- *City of Hallandale Beach Police Officers' & Firefighters' Personnel Retirement Trust v. Ergen, et al. (Echostar)*
- *Lewis v. YRC Worldwide Inc., et al.*
- *Tomaszewski v. Trevena, Inc., et al.*
- *In re Restoration Robotics, Inc. Securities Litigation*
- *Public Employees' Retirement Systems of Mississippi, et al. v. Treehouse Foods, Inc., et al.*
- *Ronald L. Jackson v. Microchip Technology, Inc., et al.*
- *In re Micro Focus International plc Securities Litigation*
- *In re Dynagas LNG Partners LP Securities Litigation*
- *Weiss, et al. v. Burke, et al. (Nutraceutical)*
- *Yaron v. Intersect ENT, Inc., et al.*
- *Utah Retirement Systems v. Healthcare Services Group, Inc., et al.*
- *In re PPDAl Group Inc. Securities Litigation*
- *In re: Evoqua Water Technologies Corp. Securities Litigation*
- *In re Aqua Metals, Inc. Securities Litigation*
- *St. Lucie County Fire District Firefighters' Pension Trust Fund v. Southwestern Energy Company*
- *In re CPI Card Group Inc. Securities Litigation*
- *Arkansas Teacher Retirement System, et al. v. Alon USA Energy, Inc., et al.*
- *In re TAL Education Group Securities Litigation*
- *GCI Liberty Stockholder Litigation*
- *In re SciPlay Corporation Securities Litigation*
- *In re Allergan Generic Drug Pricing Securities Litigation*
- *In re Vivint Solar, Inc. Securities Litigation*
- *In re YayYo Securities Litigation*
- *In re JPMorgan Treasury Futures Spoofing Litigation*
- *Searles, et al. v. Crestview Partners, LP, et al. (Capital Bank)*
- *In re Lyft, Inc. Securities Litigation*
- *In re Aegean Marine Petroleum Network, Inc. Securities Litigation*
- *In re JPMorgan Precious Metals Spoofing Litigation*
- *In re Pivotal Software, Inc. Securities Litigation*
- *Longo, et al. v. OSI Systems, Inc., et al.*
- *In re Homefed Corporation Stockholder Litigation*
- *Pierrelouis v. Gogo Inc., et al.*
- *Pope v. Navient Corporation, et al.*
- *In re Merit Medical Systems, Inc. Securities Litigation*
- *In re Frontier Communications Corporation Stockholder Litigation*
- *Holwill v. AbbVie Inc.*
- *Budicak, Inc., et al. v. Lansing Trade Group, LLC, et al. (SRW Wheat Futures)*
- *Yannes, et al. v. SCWorx Corporation*
- *In re Fannie Mae/Freddie Mac Senior Preferred Stock Purchase Agreement Class Action Litigations*
- *In re Myriad Genetics, Inc. Securities Litigation*
- *In re Chicago Bridge & Iron Co. N.V. Securities Litigation*
- *The Arbitrage Fund, et al. v. William Petty, et al. (Exactech)*
- *In re Columbia Pipeline Group, Inc. Merger Litigation*

- *Martinek v. AmTrust Financial Services, Inc.*
- *City of Pittsburgh Comprehensive Municipal Pension Trust Fund, et al. v. Benefitfocus, Inc., et al.*
- *In re: Evoqua Water Technologies Corp. Securities Litigation*
- *Laydon v. Mizuho Bank, Ltd., et al.*
- *Lomingkit, et al. v. Apollo Education Group, Inc., et al.*
- *In re Caraco Pharmaceutical Laboratories, Ltd. Shareholder Litigation*
- *Norfolk County Retirement System, et al. v. Community Health Systems, Inc., et al.*
- *Chester County Employees' Retirement Fund v. KCG Holdings, Inc., et al.*
- *Oklahoma Law Enforcement Retirement System, et al. v. Adeptus Health Inc., et al.*
- *Di Donato v. Insys Therapeutics, Inc., et al.*
- *Lundgren-Wiedinmyer, et al. v. LJM Partners, Ltd, et al.*
- *Martin, et al. v. Altisource Residential Corporation, et al.*
- *Stephen Appel, et al. v. Apollo Management, et al.*
- *In re Medley Capital Corporation Stockholder Litigation*
- *Forman, et al. v. Meridian BioScience, Inc., et al.*
- *Public Employees' Retirement System of Mississippi, et al. v. Endo International PLC, et al.*
- *In Re Flowers Foods, Inc. Securities Litigation*
- *Jiangchen, et al. v. Rentech, Inc., et al.*
- *In re Liberty Tax, Inc. Stockholder Litigation*
- *In re RH, Inc. Securities Litigation*
- *Lazan v. Quantum Corporation, et al.*
- *Nabhan v. Quantum Corporation, et al.*
- *Edmund Murphy III, et al. v. JBS S.A.*
- *Public Employees' Retirement System of Mississippi, et al. v. Sprouts Farmers Market, Inc., et al.*
- *In re Starz Stockholder Litigation*
- *Judith Godinez, et al. v. Alere Inc., et al.*
- *Rahman and Giovagnoli, et al. v. GlobalSCAPE, Inc., et al.*
- *Arthur Kaye, et al. v. ImmunoCellular Therapeutics, Ltd., et al.*
- *In re CPI Card Group Inc. Securities Litigation*
- *Daniel Aude, et al. v. Kobe Steel, Ltd., et al.*
- *In re Quality Systems, Inc. Securities Litigation*
- *Cooper, et al. v. Thoratec Corporation, et al.*
- *Washtenaw County Employees' Retirement System, et al. v. Walgreen Co., et al.*
- *Elkin v. Walter Investment Management Corp., et al.*
- *In Re CytRx Corporation Securities Litigation*
- *Ranjit Singh, et al. v. 21Vianet Group, Inc., et al.*
- *In re PTC Therapeutics, Inc. Securities Litigation*
- *Securities and Exchange Commission v. Mark A. Jones*
- *In re Sequans Communications S.A. Securities Litigation*
- *In re Henry Schein, Inc. Securities Litigation*
- *Ronge, et al. v. Camping World Holdings, Inc., et al.*
- *Oklahoma Firefighters Pension & Retirement System v. Lexmark International, Inc.*
- *Christakis Vrakas, et al. v. United States Steel Corporation, et al.*
- *Emerson et al. v. Mutual Fund Series Trust, et al. ("Catalyst")*
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- *In re Anadarko Petroleum Corporation Class Action Litigation*
- *Ge Dandong, et al., v. Pinnacle Performance Limited, et al.*
- *In Re: Rough Rice Commodity Litigation*
- *Xuechen Yang v. Focus Media Holding Limited et al.*
- *In re Massey Energy Co. Securities Litigation*

- *In re Swisher Hygiene, Inc.*
- *The City of Providence vs. Aeropostale, Inc., et al.*
- *In re Metrologic Instruments, Inc. Shareholders Litigation*
- *Public Pension Fund Group v. KV Pharmaceutical Company et al.*
- *Pension Trust Fund for Operating Engineers, et al. v. Assisted Living Concepts, Inc., et al.*
- *In re Lehman Brothers Equity/Debt Securities Litigation*
- *In re: Platinum and Palladium Commodities Litigation (Platinum/Palladium Physical Action)*
- *In re: Platinum and Palladium Commodities Litigation (Platinum/Palladium Futures Action)*
- *In re General Electric Co. Securities Litigation*
- *In re CNX Gas Corporation Shareholders Litigation*
- *Oscar S. Wyatt, Jr. et al. v. El Paso Corporation, et al.*
- *In re Par Pharmaceutical Securities Litigation*
- *In re Par Pharmaceutical Companies, Inc. Shareholders Litigation*
- *In re Delphi Financial Group Shareholders Litigation*
- *In re SLM Corporation Securities Litigation*
- *In re Del Monte Foods Company Shareholder Litigation*
- *Leslie Niederklein v. PCS Edventures!.com, Inc. and Anthony A. Maher*
- *In re Beckman Coulter, Inc. Securities Litigation*
- *Michael Rubin v. MF Global, Ltd., et al.*
- *Allen Zametkin v. Fidelity Management & Research Company, et al.*
- *In re BP Prudhoe Bay Royalty Trust Securities Litigation*
- *Police and Fire Retirement System of the City of Detroit et al. v. SafeNet, Inc., et al.*
- *In re Limelight Networks, Inc. Securities Litigation*
- *In re Gilead Sciences Securities Litigation*
- *In re ACS Shareholder Litigation, Consolidated C.A. No. 4940-VCP*
- *Lance Provo v. China Organic Agriculture, Inc., et al.*
- *In re LDK Solar Securities Litigation*

Labor & Employment Cases

- *Verizon OFCCP Settlement*
- *Alvarez, et al. v. GEO Secure Services, LLC*
- *Sartena v. Meltwater FLSA*
- *Carmen Alvarez, et al. v. Chipotle Mexican Grill, Inc., et al.*
- *Turner, et al. v. Chipotle Mexican Grill, Inc.*
- *Long, et al. v. Southeastern Pennsylvania Transportation Authority*
- *Matheson, et al. v. TD Bank, N.A.*
- *Ludwig, et al. v. General Dynamics Information Technology, Inc., et al.*
- *Bedel, et al. v. Liberty Mutual Group Inc.*
- *Irene Parry, et al. v. Farmers Insurance Exchange, et al.*
- *Maldonado v. The GEO Group, Inc.*
- *Alderman and Maxey v. ADT, LLC*
- *Albaceet v. Dick's Sporting Goods*
- *Rodriguez v. The Procter & Gamble Company*
- *Adekunle, et al. v. Big Bang Enterprises, Inc. d/b/a The Revenue Optimization Companies*
- *Gorski, et al. v. Wireless Vision, LLC*
- *Lopez, et al. v. New York Community Bank, et al.*
- *Hamilton, et al. v. The Vail Corporation, et al.*
- *Eisenman v. The Ayco Company L.P.*
- *Matheson v. TD Bank, N.A.*

- *Simon v. R.W. Express LLC, d/b/a Go Airlink NYC*
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- *Shanahan v. KeyBank, N.A.*
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- *Alvarez v. GEO Secure Services, LLC*
- *Weisgarber v. North American Dental Group, LLC*
- *Talisa Borders, et al. v. Wal-mart Stores, Inc.*
- *Reale v. McClain Sonics Inc., et al.*
- *Larita Finisterre and Songhai Woodard, et al. v. Global Contact Services, LLC*
- *Adebisi Bello v. The Parc at Joliet*
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- *Brook Lemma and Matthieu Hubert, et al. v. 103W77 Partners LLC, et al. ("Dovetail Settlement")*
- *American Federation of Government Employees, Local 1145 v. Federal Bureau of Prisons, U.S. Penitentiary, Atlanta, Georgia*
- *Lisa Ferguson, Octavia Brown, et al. v. Matthew G. Whitaker, Acting AG, DOJ Bureau of Prisons ("USP Victorville")*
- *American Federation of Government Employees, Local 2001 v. Federal Bureau of Prisons, Federal Correctional Institution, Fort Dix, New Jersey*
- *American Federation of Government Employees, Local 506 v. U.S. Department of Justice, Federal Bureau of Prisons, U.S. Penitentiary Coleman II, Coleman, Florida*
- *Vargas v. Sterling Engineering*
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- *American Federation of Government Employees, Local 408 v. U.S. Dept. of Justice, Federal Bureau of Prisons, Federal Correctional Complex, Butner, NC*
- *In re 2014 Avon Products, Inc. ERISA Litigation*
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- *Taronica White, et al. v. Attorney General Loretta Lynch, Department of Justice*
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- *McGuire v. Intelident Solutions, LLC, et al., Middle District of Florida, Tampa Division*
- *Duran De Rodriguez, et al. v. Five Star Home Health Care Agency, Inc. et al., Eastern District of New York*

Data Breach/BIPA Cases

- *Hunter v. J.S.T. Corp. BIPA Settlement*
- *Atkinson, et al. v. Minted, Inc.*
- *Rosenbach, et al. v. Six Flags Entertainment Corporation and Great America LLC*
- *Pratz, et al. v. MOD Super Fast Pizza, LLC*
- *The State of Indiana v. Equifax Data Breach Settlement*
- *In re: Vizio, Inc. Consumer Privacy Litigation*
- *In re: Google, Inc. Street View Electronic Communications Litigation*
- *Devin Briggs and Bobby Watson, et al. v. Rhinoag, Inc. ("Briggs Biometric Settlement")*
- *Trost v. Pretium Packaging L.L.C.*

- *In re: Barr, et al. v. Drizly, LLC f/k/a Drizly, Inc., et al.*

Telephone Consumer Protection Act (TCPA) Cases

- *Perrong, et al. v. Orbit Energy & Power, LLC*
- *Baldwin, et al. v. Miracle-Ear, Inc.*
- *Floyd and Fabricant, et al. v. First Data Merchant Services LLC, et al.*
- *Hoffman, et al. v. Hearing Help Express, Inc., et al.*
- *Lowe and Kaiser, et al. v. CVS Pharmacy, Inc., et al.*
- *Johansen v. HomeAdvisor, Inc., et al.*
- *Charvat, et al. v. National Holdings Corporation*
- *Hopkins, et al. v. Modernize, Inc.*
- *Diana Mey vs. Frontier Communications Corporation*
- *Matthew Donaca v. Dish Network, L.L.C.*
- *Matthew Benzion and Theodore Glaser v. Vivint, Inc.*
- *John Lofton v. Verizon Wireless (VAW) LLC, et al.*
- *Lori Shamblin v. Obama for America, et al.*
- *Ellman v. Security Networks*

For More Information

For more detailed information regarding A.B. Data's experience, services, or personnel, please see our website at www.abdataclassaction.com.

EXHIBIT B



Settlement Administration Data Protection Checklist

Category	Control / Question	Response
Limitation on Use of Data	Affirmation that data provided to the administrator for purposes of notice, settlement, or award administration will be used solely for settlement implementation and for no other purpose	All data provided directly to A.B. Data will be used solely for the purpose of effecting the terms of the Settlement. A.B. Data will not use such information or information to be provided by Settlement Class Members for any other purpose than the administration of the Settlement in this Action; specifically the information provided will not be used, disseminated, or disclosed by or to any other person/entity for any other purpose.
Technical Controls	Firewalls and intrusion detection/prevention systems	A.B. Data uses modern next generation firewall systems which include intrusion detection, prevention, and alerting functions. A.B. Data's Information Security Policy requires firewalls be configured for intrusion detection and alerting of incidents to the A.B. Data IT department staff.
Technical Controls	Endpoint detection and response (EDR) systems	A.B. Data uses host based endpoint protection systems which are managed by the A.B. Data IT Department. These protection systems are configured to provide alerting to the IT team for security events who are in turn responsible for responding as required based on incident severity.
Technical Controls	Complex password requirements	A.B. Data requires complex passwords as part of its Information Security Policy. User accounts are required to have a minimum of 12 character passwords with alpha, numeric, and symbols along with upper and lower cases.
Technical Controls	Multi-factor authentication for access to systems and data	A.B. Data Class Action Administration Systems require Multi-Factor Authentication for access to all claims systems and data.
Technical Controls	Malware protection, anti-virus and vulnerability scanning and penetration tests	A.B. Data uses industry leading endpoint protection systems which include Malware, Anti-Virus and host based intrusion protection technologies. A.B. Data utilizes regular vulnerability testing scans on a monthly basis to detect vulnerabilities in its systems on both internal and external networks. These vulnerability scans are performed by a third party and reported back to the A.B. Data IT department for review and remediation as necessary.
Technical Controls	Data encryption (including, "encrypted at rest and in transit," "scrambled in storage," and "cell- or column-level encryption for PII" protocols)	A.B. Data's data encryption standards follow its Information Security Policy requirements such that all data is encrypted at rest on all servers, and, while in transit, must meet encryption standards of AES256 bit or greater.
Technical Controls	"Key management" for access to encrypted databases (e.g., using a hardware security module (HSM) or a key management service (KMS))	A.B. Data utilizes a KMS (Key Management System) for encrypted databases.

Category	Control / Question	Response
Technical Controls	Access only provided on need-to-know basis	A. B. Data Group uses the "Least Privilege" security model, whereby all user accounts are granted no security permissions by default and only given the least level of security permissions necessary to properly complete user assigned work duties as defined by the specific department management.
Administrative Policies	Personnel and support staff risk assessment and management, including pre-hire background checks and screening processes	All employees must pass a pre-employment background check, including a lawful ten-year criminal record review, employment verification, education verification (if required by position), and credit history. In addition, substance testing is a hiring requirement.
Administrative Policies	Personnel and support staff required to enter into non-disclosure and confidentiality agreements	All employees must sign a Confidentiality Agreement ensuring they will recognize their responsibilities in upholding confidential information accessed using data and resources through A.B. Data's networks, databases, and all technology systems. All employees must also sign a Non-Compete, Trade Secret, Proprietary and Confidential Information Non-Disclosure Agreement. This agreement requires the employee to understand, acknowledge, and agree to all the covenants and conditions not to compete and not to disclose proprietary information without consequences for any violation.
Administrative Policies	Access controls to systems and data, including guidance for granting, modifying, and reviewing access rights	A.B. Data access, modifications and removal is authorized by human resources and managed by its IT department. Access permissions are reviewed and approved by management.
Administrative Policies	Information security and privacy policy trainings, including policy review, best practices, and data security	A.B. Data requires annual Security Awareness Trainings of all employees and upon hire. These trainings cover existing and new security policy changes to the organization. The Information Security Policy is reviewed annually by A.B. Data's Security and Compliance team ensuring it is meeting industry best practices and procedures for the industry. Additional security trainings are required for roles that require elevated levels of data access.
Administrative Policies	No remote access to systems for employees	A.B. Data allows certain employees remote access privileges to its systems as required for performance of their job duties. All remote access utilizes two-factor authentication.
Administrative Policies	Exit interviews/confirmation that terminated/departed employees are immediately cut off from access	A.B. Data's termination procedures require all user account access be removed immediately upon termination. A.B. Data's IT Department is required upon receipt of termination notification to disable account and system access (physical and logical) within one (1) hour, 24 hours per day, 7 days per week.
Administrative Policies	Robust audits of data privacy policies by third-party vendors	A.B. Data currently holds SOC1 SSAE18 annual audit by third part auditors who review its policies annually. Additionally, A.B. Data is currently in the process of obtaining a SOC2 audit report in 2023.
Administrative Policies	Accreditation in accordance with ISO 27001 and SOC2 (among the industry standards listed below)	A.B. Data currently holds SOC1 SSAE18 annual audit by third part auditors who review its policies annually. Additionally, A.B. Data is currently in the process of obtaining a SOC2 audit report in 2023.

Category	Control / Question	Response
Administrative Policies	Disclosure of external certifications and any notice of expiration	A.B. Data may only disclose certifications and expirations upon written request.
Crisis and Risk Management	Incident response / "disaster plan" for immediate response to security incidents such as data breach	A.B. Data has a formal written Incident Response Policy which addresses immediate security incidents. This plan addresses all levels of response and coordination which include management, security response teams, and law enforcement if required.
Crisis and Risk Management	Process and timing for notification to attorneys, claimants, and other stakeholders of a data breach and consideration of resources and/or remedies to provide thereto	A.B. Data has a formal written Incident Response Policy which addresses immediate security incidents. This plan addresses all levels of response and coordination which include management, security response teams, external partners, and law enforcement if required.
Crisis and Risk Management	Vendor management program that determines and defines requirements to manage risk associated with outsourcing	A.B. Data has a formal vendor management and risk management policy which defines requirements for vendors of A.B. Data. This policy is available for review upon request.
Physical Access Controls	Physical Access Security - Security Guards	A.B. Data contracts physical security monitoring to an accredited alarm monitoring company. As part of this contract, A.B. Data has access to security guards on patrol who will respond to issues at our facilities.
Physical Access Controls	Physical Access Security - Access cards to facilities with assignment of identification card subject to approval and review	A.B. Data utilizes access control cards (ACS) and identification cards to control physical access to its facilities. Cards are only issued through a management approval process.
Physical Access Controls	Physical Access Security - Logs of access	A.B. Data retains logs of all access to/from our facilities.
Physical Access Controls	Alarm Systems	AB Data utilizes multiple alarm systems which offer intrusion, fire, and duress alarms. These systems are monitored by certified third party monitoring companies and respond to alarms on a 24 hour basis, 7 days a week, 365 days per year.
Physical Access Controls	CCTV recording systems	AB Data manages CCTV and recording systems in house through its IT department management. Video recordings are maintained for 90 days for review retention. All building external entrances and exits are covered by CCTV recordings. In our datacenter, additional coverage is monitoring all exits and entrances along with coverage views of critical equipment and systems. All systems are maintained under a battery and generator power backup to ensure continuous coverage.
Data Collection and Retention	Minimization of collection of personally identifiable information, e.g., social security numbers and banking information	A.B. Data only requests information that is needed for purposes of settlement administration and approved by the Court. Typically complete social security numbers and banking information are not required.
Data Collection and Retention	Data collection only required to extent necessary for settlement administration	A.B. Data only requests information that is needed for purposes of settlement administration and approved by the Court. Typically complete social security numbers and banking information are not required.
Data Collection and Retention	Various methods for ensuring data protection and security - Data classification (including implementation of appropriate safeguards to protect from theft, loss, and/or unauthorized disclosure, use, access, destruction)	A.B. Data's Information Security Policy addresses all data classification and protection policies and procedures. Additionally A.B. Data's staff sign confidentiality and privacy agreements to ensure data is handled appropriately. These policies are available for review upon request.

Category	Control / Question	Response
Data Collection and Retention	Various methods for ensuring data protection and security - Compliance with applicable laws and regulations (see below)	A.B. Data's Information Security Policy addresses all data compliance and regulatory protections. These policies are available for review upon request.
Data Collection and Retention	Various methods for ensuring data protection and security - Secure Data Transfer	A.B. Data requires all data transfers to follow industry standard security requirements. A.B. Data's Information Security Policy details these requirements, which include use of encryption during data transfers along with additional security measures.
Data Destruction	Preservation of data only for so long as required for administration of the settlement and any relevant reporting required following the payments or distributions	A.B. Data retains settlement administration data based on the requirements set forth in relevant Court Order and/or client agreements. If no guidance is provided, A.B. Data destroys all data when no longer needed for purposes of settlement administration.
Data Destruction	Secure data destruction (e.g., 6 months – 1 year or when no longer required)	A.B. Data retains settlement administration data based on the requirements set forth in relevant Court orders and/or client agreements. If no guidance is provided, A.B. Data destroys all data when no longer needed for purposes of settlement administration.
Data Destruction	Physical media (e.g., paper, CDs) shredded or destroyed to point where they cannot be reconstructed	A.B. Data's Information Security Policy details physical media destruction requirements which meet industry standards. Electronic media that is being retired from service must be erased using the NIST Data Destruction Standard 800-88 Media Sanitation Procedures. If media is no longer functional, the media must be physically destroyed via shredding, degaussing, hammer, or other physical method to make the media fully unusable and severely difficult for physical reconstruction.
Data Destruction	Destruction of all derivative copies and/or back-ups	A.B. Data's Information Security Policy details physical media destruction requirements which meet industry standards. Electronic media that is being retired from service must be erased using the NIST Data Destruction Standard 800-88 Media Sanitation Procedures. If media is no longer functional, the media must be physically destroyed via shredding, degaussing, hammer, or other physical method to make the media fully unusable and severely difficult for physical reconstruction.
Applicable Laws, Standards, and Other Regulation	Industry standards: National Institute of Standards and Technology (NIST), HIPAA, FISMA, System and Organization Controls (SOC1 and SOC2) or more advanced assessment, ISO 27001	A.B. Data follows all applicable local, national, and international privacy regulations. A.B. Data's security team facilitates and monitors compliance with privacy policies.
Applicable Laws, Standards, and Other Regulation	Local, national, international privacy regulations (including CCPA)	A.B. Data follows all applicable local, national, and international privacy regulations. A.B. Data's security team facilitates and monitors compliance with privacy policies.
Ethical Rules	Administrative policies and/or employee handbook incorporating commitment to ethical rules (e.g., company, court ethical rules) setting forth standards of ethical and legal behavior	All employees are subject to the terms of A.B. Data's Employee Handbook which outlines all employee administrative policies, obligations, and requirements.
Ethical Rules	Enforcement clauses, violation resulting in disciplinary action including and up to termination of employment	Consequences of employee breaches of administrative policies is subject to management discretion.
Customer Service Measures	Description of settlement website and posting thereto of relevant privacy policies or statements (including portal for reporting suspected loss of confidential data submitted with claim)	All settlement websites contain a link to A.B. Data's privacy policy and, for dynamic websites where A.B. Data collects data, A.B. Data utilize an SSL certificate that authenticates a website's identity and enables an encrypted connection.

Category	Control / Question	Response
Customer Service Measures	Explanation of role of claims administrator and how to prevent phishing (e.g., clear indication that administrator will not request confidential information by e-mail and how to identify a valid email sent from the administrator)	<p>Emails sent to class members are written in concise language, contain prominent links to the settlement website, and include an explanation of how the email is related to a court-approved settlement. A.B. Data never requests that confidential information be sent over email. A.B. Data also implements certain best practices when disseminating email to minimize confusion and maximize deliverability. For example, the subject line, the sender, and the body of the message will be designed to overcome SPAM filters and encourage readership. Emails are sent in an embedded html text format without graphics, tables, images, attachments, and other elements that would increase the likelihood that the message could be blocked by an e-mail service provider or labeled as SPAM. Emails are also transmitted with a digital signature to the header and content, which allows e-mail service providers to programmatically authenticate that the emails are from A.B. Data's authorized mail servers.</p>

EXHIBIT 4

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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

STEVEN LEVENTHAL, Individually and
on Behalf of All Others Similarly Situated,

Plaintiff,

vs.

CHEGG, INC., DANIEL L.
ROSENSWEIG, ANDREW J. BROWN,
and NATHAN SCHULTZ,

Defendants.

Case No.: 5:21-cv-09953-PCP

**APPENDIX ADDRESSING THE
COURT'S PROCEDURAL
GUIDANCE FOR CLASS ACTION
SETTLEMENTS**

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1 asserted in the Consolidated Complaint, the definition of Released Plaintiffs' Claims in the
2 Stipulation ¶1.40, is properly limited to:

3 all claims, demands, losses, rights, liability, or causes of action, in law or in equity,
4 accrued or unaccrued, fixed or contingent, direct, individual or representative, of
5 every nature and description whatsoever, whether known or unknown, or based on
6 federal, state, local, statutory, or common law or any other law, rule, or regulation
7 (including the law of any jurisdiction outside the United States), that were or could
8 have been asserted in the Action or could in the future be asserted in any forum,
9 whether foreign or domestic, against Defendant Releasees by Lead Plaintiffs or any
10 member of the Settlement Class, or their successors, assigns, executors,
11 administrators, representatives, attorneys, and agents in their capacity as such,
12 which arise out of, are based upon, or relate in any way to ***the factual predicate of***
13 ***the Action***, including, but not limited to, (i) any of the allegations, facts,
14 transactions, events, matters, occurrences, acts, disclosures, oral or written
15 statements, representations, omissions, failures to act, filings, publications,
16 disseminations, press releases, or presentations involved, set forth, ***alleged or***
17 ***referred to in the Action; and*** (ii) all claims that arise out of, are based upon, or
18 relate in any way to the purchase, acquisition, holding, sale, or disposition of any
19 ***Chegg securities*** during the Settlement Class Period.

20 Accordingly, the release is carefully tailored to the claims alleged in the operative
21 Consolidated Complaint.

22 c. The class recovery under the settlement (including details about and the value of
23 injunctive relief), the potential class recovery if plaintiffs had fully prevailed on each of their
24 claims, claim by claim, and a justification of the discount applied to the claims.

25 RESPONSE: The Settlement Class will receive \$55 million in cash, less Court-approved
26 fees and expenses. As detailed in the Motion, Lead Plaintiffs' damages expert, Matthew Cain,
27 Ph.D. ("Dr. Cain"), has calculated the maximum possible value of the recovery if Lead Plaintiffs
28 were to fully prevail on all of their claims as \$1.435 billion, after considering inflationary gains on
Chegg common stock purchased or acquired before the Settlement Class Period and sold during
the Settlement Class Period at prices inflated by the alleged fraud. Dr. Cain has provided a
declaration, attached to the Declaration of David R. Kaplan in Support of Lead Plaintiffs' Motion
for Preliminary Approval of Class Action Settlement ("Kaplan Decl.") as Ex. 2, in which he
explains in detail how he computed these figures ("Cain Decl."). *See id.* at ¶¶7-18.

Lead Plaintiffs' Motion explains in detail why the Settlement Amount is fully justified.
The damages estimate is of the maximum potential damages, however, there are a number of

1 reasons that recoverable damages (if any) could have been far less had the case proceeded to trial.
2 For example, Defendants advanced credible arguments regarding the core elements of falsity,
3 scienter, and loss causation that, if accepted by the Court or a jury at class certification, summary
4 judgment, or trial, could have significantly reduced damages or eliminated them entirely.
5 Defendants also would have likely argued that the Class Period as pled by Lead Plaintiffs should
6 have been truncated to an approximately nine-month period, which would have further
7 substantially reduced any recoverable damages by over \$500 million. *See* Cain Decl., ¶18.

8 Finally, even had Lead Plaintiffs fully prevailed on all of their claims and secured a
9 judgment for maximum damages, there was a significant risk that they would have been unable to
10 collect more than the Settlement Amount, and possibly nothing at all, due to the Company's
11 financial condition and outlook. As explained in the Motion, at the date the Settlement was
12 reached, the \$55 million Settlement Amount represented nearly one-third of Chegg's entire market
13 capitalization, and the Company practically had no ability to fund a substantial settlement or
14 judgment beyond its available D&O insurance. Significantly, the proposed \$55 million Settlement
15 represents nearly all of the Company's available D&O insurance.

16 d. Any other cases that will be affected by the settlement, an explanation of what
17 claims will be released in those cases if the settlement is approved, the class definitions in those
18 cases, their procedural posture, whether plaintiffs' counsel in those cases participated in the
19 settlement negotiations, a brief history of plaintiffs' counsel's discussions with counsel for
20 plaintiffs in those other cases before and during the settlement negotiations, an explanation of the
21 level of coordination between the two groups of plaintiffs' counsel, and an explanation of the
22 significance of those factors on settlement approval. If there are no such cases, counsel should so
23 state.

24 RESPONSE: The Parties do not believe that any other case is affected by the Settlement.
25 The Stipulation specifically exempts any claims asserted in the Derivative Actions (*see* Stipulation
26 ¶1.13) or any other derivative or ERISA action based on similar allegations as those set forth in
27 the Consolidated Complaint (*see* Stipulation ¶1.18). Moreover, the plaintiffs in those actions did
28

1 not participate in negotiation of the Settlement, nor was there any level of coordination or any
2 communications during the settlement negotiations between Lead Counsel and plaintiffs' counsel
3 in those actions. Accordingly, the Settlement has no legal effect on those actions.

4 e. The proposed allocation plan for the settlement fund.

5 RESPONSE: The proposed Plan of Allocation was developed by Lead Plaintiffs' expert,
6 Dr. Cain, is comparable to plans of allocation approved in numerous other securities class actions
7 and is set forth in the proposed Notice.

8 f. If there is a claim form, an estimate of the expected claim rate in light of the
9 experience of the selected claims administrator and/or counsel based on comparable settlements,
10 the identity of the examples used for the estimate, and the reason for the selection of those
11 examples.

12 RESPONSE: In connection with their motion for preliminary approval of the Settlement,
13 Lead Plaintiffs are proposing that the Court appoint A.B. Data, Ltd. ("A.B. Data") as the Claims
14 Administrator for the Settlement. A.B. Data is highly experienced in acting as a claims
15 administrator in securities fraud and other complex class actions, including numerous cases in the
16 Northern District of California. *See* Declaration of Eric Nordskog in Support of Lead Plaintiffs'
17 Unopposed Motion for Preliminary Approval of Class Action Settlement (A.B. Data Decl."), ¶2
18 & Ex. A. Based on A.B. Data's experience, the substantial majority of large value valid claims
19 will be filed by institutional investors. A.B. Data Decl. at ¶18. Many, if not most, institutional
20 investors such as mutual funds, pension funds, endowment funds, hedge funds, commercial banks,
21 and insurance companies file, or hire a third-party claims filing service to file claims on the
22 investor's behalf. *Id.* Because institutional investors typically file the largest claims in a case, these
23 investors typically receive the largest portion of the Net Settlement Fund. *Id.* Accordingly, it is
24 A.B. Data's expectation that here, as in most other securities class actions, institutional investors
25 will file the largest claims in the Action and receive the bulk of the Net Settlement Fund. *Id.* In
26 recent years, in comparable securities class actions involving purchasers of publicly-traded
27 common stock and similar notice programs, A.B. Data has found that the claims received
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1 (including those filed on behalf of institutional investors) usually represent over 70% of the total
2 number of damaged shares as estimated by plaintiffs' experts based on their modeling of the
3 trading in the company's stock—and often exceed 85% to 95% of the total damaged shares. *See,*
4 *e.g., SEB Invest. Mgmt. AB v. Symantec Corp.*, No. 3:18-cv-02902, Post-Distribution Accounting
5 at 1 (N.D. Cal. Aug. 25, 2023), ECF No. 451 (claims received represented 96% of estimated
6 damaged shares); *In re Spectrum Brands Sec. Litig.*, No. 19-cv-347, Reply Memo at 6 (W.D. Wis.
7 Mar. 4, 2022), ECF No. 113 (claims received represented 90% of estimated damaged shares); *In*
8 *re RH, Inc. Sec. Litig.*, No. 4:17-00554, Post Distribution Accounting at 1 (N.D. Cal. Apr. 7, 2020),
9 ECF No. 160 (claims received represented 94% of estimated damaged shares). These cases are
10 fair comparisons to this Action, because they are recent securities class action settlements, involve
11 similar class sizes, and use similar notice programs. *Id.*

12 g. In light of Ninth Circuit case law disfavoring reversions, whether and under what
13 circumstances money originally designated for class recovery will revert to any defendant, the
14 expected and potential amount of any such reversion, and an explanation as to why a reversion is
15 appropriate.

16 RESPONSE: N/A. This is non-reversionary settlement.

17 2) SETTLEMENT ADMINISTRATION

18 The parties are expected to get multiple competing bids from potential settlement
19 administrators. In the motion for preliminary approval, the parties should:

20 a. Identify the proposed settlement administrator, the settlement administrator
21 selection process, how many settlement administrators submitted proposals, what methods of
22 notice and claims payment were proposed, and the lead class counsel's firms' history of
23 engagements with the settlement administrator over the last two years.

24 RESPONSE: A.B. Data has been retained by Lead Counsel, subject to Court approval, to
25 act as the Claims Administrator and provide notice and claims administration services for the
26 Settlement. Lead Counsel sent requests for proposals ("RFPs") to five highly experienced,
27 national class action settlement administration firms, all of whom have extensive experience in
28

1 providing settlement administration for securities class action settlements. All five firms submitted
2 comprehensive proposals in response to Lead Counsel's RFPs requesting information on the
3 estimated number of Settlement Class members, the estimated claims response rate, and the costs
4 of administration. The five firms submitted substantially similar methods of notice, and generally
5 proposed similar methods of claims processing and payment, consistent with industry standards
6 developed in the securities class action context. A.B. Data outlines these methods at length in the
7 A.B. Data Decl. at ¶¶19-23. Lead Counsel carefully analyzed all the responses in light of the
8 requirements of this Settlement, taking into account both the estimated costs provided by each and
9 the quality of the submissions, before selecting A.B. Data. As noted above in the response to point
10 1(f), courts have routinely found A.B. Data as experienced in claims administration of securities
11 class action settlements, including in this District. Co-Lead Counsel Motley Rice and Saxena
12 White have engaged A.B. Data within the last two years, specifically in *In re James River Group*
13 *Holdings, Ltd. Sec. Litig.*, No. 3:21-cv-00444 (E.D. Va.); *In re Apache Corp. Sec. Litig.*, No. 4:21-
14 cv-00575 (S.D. Tex.); *In re Merit Medical Systems, Inc. Sec. Litig.*, No. 8:19-cv-02326 (C.D. Cal.);
15 *City of Hollywood Police Officers' Retirement System, et al. v. Henry Schein, Inc., et al.*, No. 2:19-
16 cv-5530 (E.D.N.Y.); *Plymouth County Retirement System and Oklahoma Police Pension and*
17 *Retirement System v. Evolent Health, Inc., et al.*, No. 1:19-cv-01031 (E.D. Va.); *In re Xyrem*
18 *(Sodium Oxybate) Antitrust Litigation*, No. 20-md-02966 (N.D. Cal.); *In re Qualcomm Inc. Sec.*
19 *Litig.*, No. 3-17-00121 (S.D. Cal.); *In re Zetia Antitrust Litigation*, No. 18-md-2836 (E.D. Va.); *In*
20 *re Suboxone Antitrust Litigation*, No. 13-md-02445 (E.D. Pa.); and *Holwill v. AbbVie Inc. et al.*,
21 No. 1:18-cv-06790 (N.D. Ill.). In addition, A.B. Data completed service as a claims administrator
22 in the following settlements with Lead Counsel Motley Rice and Saxena White *In re Perrigo*
23 *Company PLC*, No. 19-cv-70 (S.D.N.Y); *Teamsters Local 456 Pension Fund, et al. v. Universal*
24 *Health Services, Inc., et al.*, No. 2:17-cv-02817 (E.D. Pa.) within the last two years, despite being
25 engaged prior to that period.

26 b. Address the settlement administrator's procedures for securely handling class
27 member data (including technical, administrative, and physical controls; retention; destruction;
28

1 audits; crisis response; etc.), the settlement administrator’s acceptance of responsibility and
2 maintenance of insurance in case of errors, the anticipated administrative costs, the reasonableness
3 of those costs in relation to the value of the settlement, and who will pay the costs.

4 RESPONSE: Eric Nordskog of A.B. Data, the proposed Claims Administrator, addresses
5 these considerations in his Declaration at ¶¶4-6 and Exhibit B.

6 3) NOTICE

7 The parties should ensure that the class notice is easily understandable, in light of the class
8 members’ communication patterns, education levels, and language needs. The notice should
9 include the following information:

10 a. Contact information for class counsel to answer questions.

11 RESPONSE: The proposed Postcard Notice, Summary Notice, and Notice (¶90) all
12 provide this information.

13 b. The address for a website, maintained by the claims administrator or class counsel,
14 that lists key deadlines and has links to the notice, claim form (if any), preliminary approval order,
15 motions for preliminary and final approval and for attorneys’ fees, and any other important
16 documents in the case.

17 RESPONSE: The proposed Postcard Notice, Summary Notice, and Notice (¶¶51, 73, 87,
18 90) all provide this information.

19 c. Instructions on how to access the case docket via PACER or in person at any of the
20 court’s locations.

21 RESPONSE: The proposed Postcard Notice, Summary Notice, and Notice (¶90) all
22 provide this information.

23 d. The date and time of the final approval hearing, clearly stating that the date may
24 change without further notice to the class.

25 RESPONSE: Although the date of the final approval hearing has yet to be set by the Court,
26 this information would be provided in the proposed Postcard Notice, Summary Notice, and Notice
27 (p.4 and ¶80).

1 e. A note to advise class members to check the settlement website or the Court's
2 PACER site to confirm that the date has not been changed.

3 RESPONSE: The proposed Postcard Notice, Summary Notice, and Notice (¶¶87, 90) all
4 provide this information.

5 The parties should explain how the notice distribution plan is effective. Class counsel
6 should consider the following ways to increase notice to class members: identification of potential
7 class members through third-party data sources; use of text messages and social media to provide
8 notice to class members; hiring a marketing specialist; providing a settlement website that
9 estimates claim amounts for each specific class member and updating the website periodically to
10 provide accurate claim amounts based on the number of participating class members; and
11 distributions to class members via direct deposit.

12 RESPONSE: A.B. Data's declaration provides a comprehensive explanation of how the
13 notice distribution plan is effective and consistent with industry standards. *See* A.B. Data Decl. at
14 ¶¶7-16. In particular, A.B. Data believes that in a securities class action settlement, it is essential
15 that brokers and/or third parties who hold stock in "street name" timely either provide lists of
16 securities holders of Chegg during the Class Period or request copies of the notice to send on to
17 such securities holders. Based on A.B. Data's experience, the majority of large value valid claims
18 will be filed by institutional investors. A.B. Data Decl. at ¶18. Social media and text messaging
19 is not often utilized in securities class action settlement notification because, as mentioned above,
20 the majority of potential class members for any securities class action hold their securities in "street
21 name," meaning social media and text messaging notification would likely not significantly
22 increase settlement participation. *Id.* at ¶8 n. 2. A.B. Data has a team of advertising/media experts
23 who help design, develop, and implement notice programs to meet the requirements of Rule 23
24 and relevant state court rules. *Id.*

25 (f) The notice distribution plan should rely on U.S. mail, email, and/or social media as
26 appropriate to achieve the best notice that is practicable under the circumstances, consistent with
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1 Federal Rule of Civil Procedure 23(c)(2). If U.S. mail is part of the notice distribution plan, the
2 notice envelope should be designed to enhance the chance that it will be opened.

3 RESPONSE: These points are addressed in the A.B. Data Decl. at ¶¶7-16. In A.B. Data's
4 opinion, the proposed notice plan provides the best notice practicable under the circumstances, is
5 consistent with the requirements of Rule 23 and the Private Securities Litigation Reform Act, 15
6 U.S.C. §78u-4 (the "PSLRA"), and is consistent with other similar court-approved security class
7 action notice programs. *See, e.g. Electrical Workers Pension Fund, Local 103, I.B.E.W. v. HP*
8 *Inc., et al.*, No. 3:20-cv-01260 (N.D. Cal); *Christopher Vataj v. William D. Johnson, et al.*, No.
9 4:19-cv-06996 (N.D. Cal.) (approving postcard notice programs). The supplemental digital
10 posting through DTC's LENS, the print placement in *Investor's Business Daily*, the distribution
11 of a press release over *PR Newswire*, and the establishment of the case-specific website, toll-free
12 telephone number, and email will further enhance notice exposure. Regarding U.S. mail notice,
13 A.B. Data will utilize the same types of postcards it has successfully used in other securities class
14 action settlements, which are designed to enhance the chance it will be read. To the extent any
15 notice packages are necessary or requested, A.B. Data will utilize the same types of notice
16 envelopes it has successfully used in other securities class action settlements. A.B. Data will also
17 provide email notice, when email addresses are available and appropriate, which will be in a
18 similar format to emails A.B. Data has successfully utilized in other securities class action
19 settlements. The proposed notice plan is designed to reach as many Settlement Class Members as
20 possible and inform them about the Settlement and their rights and options.

21 4) OPT-OUTS

22 The notice should instruct class members who wish to opt out of the settlement to send a
23 letter, setting forth their name and information needed to be properly identified and to opt out of
24 the settlement, to the settlement administrator and/or the person or entity designated to receive opt
25 outs. It should require only the information needed to opt out of the settlement and no extraneous
26 information or hurdles. The notice should clearly advise class members of the deadline, methods
27 to opt out, and the consequences of opting out.
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1 RESPONSE: The proposed Postcard Notice, Summary Notice, and Notice (¶¶75-77) all
2 provide this information.

3 5) OBJECTIONS

4 Objections must comply with Federal Rule of Civil Procedure 23(e)(5). The notice should
5 instruct class members who wish to object to the settlement to send their written objections only
6 to the court. All objections will be scanned into the electronic case docket, and the parties will
7 receive electronic notices of filings. The notice should make clear that the court can only approve
8 or deny the settlement and cannot change the terms of the settlement. The notice should clearly
9 advise class members of the deadline for submission of any objections.

10 RESPONSE: The proposed Notice provides this information at ¶¶81-86.

11 6) ATTORNEYS' FEES AND COSTS

12 Although attorneys' fee requests will not be approved until the final approval hearing, class
13 counsel should include information about the fees and costs (including expert fees) they intend to
14 request, their lodestar calculation (including total hours), and resulting multiplier in the motion for
15 preliminary approval. In a common fund case, the parties should include information about the
16 relationship between the amount of the common fund, the requested fee, and the lodestar. To the
17 extent counsel base their fee request on having obtained injunctive relief and/or other non-
18 monetary relief for the class, counsel should discuss the benefit conferred on the class.

19 RESPONSE: As detailed in the Motion, Lead Plaintiffs will move for an award of
20 attorneys' fees and reimbursement of Litigation Expenses in tandem with their motion for final
21 approval of the Settlement. Lead Plaintiffs intend to request attorneys' fees of no more than 25%
22 of the Settlement Fund (*i.e.*, \$13,750,000 plus interest). A request of 25% of the Settlement Fund
23 would, excluding interest, approximate to a modest lodestar multiplier of 1.6, based on the time
24 spent on this matter by Lead Counsel through the date of this filing.

25 At final approval, Lead Counsel will provide declarations providing a full accounting of
26 its lodestar by timekeeper. In the interim, Lead Counsel has estimated their aggregate lodestar.
27 While subject to change in the exercise of appropriate billing judgment, Lead Counsel estimates
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1 that their total lodestar is \$8.4 million. This is based on approximately 12,500 hours billed by all
2 timekeepers with more than 10 hours, and the firms' current hourly rates, which are comparable
3 to, or less than, the rates accepted by courts in other securities class action litigation or shareholder
4 litigation, including courts within this District.

5 Lead Plaintiffs will also seek reimbursement of Litigation Expenses of no more than
6 \$490,000. This amount includes reimbursement requests for Lead Plaintiffs' time, made pursuant
7 to Section 78u-4(a)(4) of the PSLRA, in successfully prosecuting this Action, as discussed below
8 in response to point 7. In the aggregate, these Lead Plaintiff PSLRA reimbursement requests will
9 amount to no more than \$20,000. At final approval, Lead Counsel will provide a declaration
10 providing a full accounting of all expenses by category. The Notice provides that the request for
11 reimbursement of Litigation Expenses will be in an amount not to exceed \$490,000.

12 Finally, regarding Notice and Administration Costs, A.B. Data estimates that administering
13 the Settlement, including disseminating notice to the Settlement Class, processing Claims
14 received, and distributing the net Settlement proceeds in accordance with the Plan of Allocation,
15 will cost approximately \$210,000, which excludes the anticipated requests from Nominees for
16 reimbursement of their expenses in connection with providing notice. A.B. Data Decl. at ¶¶25-
17 27. Additionally, A.B. Data estimates Nominee expenses of approximately \$45,000. *Id.*

18 7) SERVICE AWARDS

19 Judges in this district have different perspectives on extra payments to named
20 plaintiffs or class representatives that are not made available to other class members. Counsel
21 seeking approval of service awards should consult relevant prior orders by the judge reviewing the
22 request. Although service award requests will not be approved until the final approval hearing,
23 the parties should include information about the service awards they intend to request as well as a
24 summary of the evidence supporting the awards in the motion for preliminary approval. The
25 parties should ensure that neither the size nor any conditions placed on the incentive awards
26 undermine the adequacy of the named plaintiffs or class representatives. In general, unused funds
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1 allocated to incentive awards should be distributed to the class pro rata or awarded to *cy pres*
2 recipients.

3 RESPONSE: Lead Plaintiffs understand that the Court had not previously addressed the
4 issue of service award in securities fraud actions under the PSLRA. As noted above in response
5 to point 6, Lead Plaintiffs will apply for an award reimbursing them for the time, pursuant to the
6 Section 78u-(a)(4) of the PSLRA, they expended, which in aggregate will not exceed \$20,000.
7 Lead Counsel believes this amount is fully supported by the work undertaken throughout the
8 Litigation, which will be set forth in greater detail in connection with Lead Counsel's forthcoming
9 fee and expense motion. As noted, Congress expressly envisioned such awards in the PSLRA, and
10 this Court and other Courts in this District routinely award similar awards in securities class
11 actions. *See, e.g., Davis v. Yelp, Inc.*, 2023 WL 3063823, at *2 (N.D. Cal. Jan. 27, 2023)
12 (approving \$15,000 award to one lead plaintiff); *In re Omnivision Tech., Inc.*, 559 F. Supp. 2d
13 1036, 1049 (N.D. Cal. 2008) (reimbursing lead plaintiffs for "time and expenses" in the amount
14 of \$29,913.80).

15 8) *CY PRES AWARDEES*

16 If the settlement contemplates a *cy pres* award, the parties should identify their chosen *cy*
17 *pres* recipients, if any, and how those recipients are related to the subject matter of the lawsuit and
18 the class members' claims. The parties should also identify any relationship they or their counsel
19 have with the proposed *cy pres* recipients. In general, unused funds allocated to attorneys' fees,
20 service awards, settlement administration costs, and class member payments should be distributed
21 to the class *pro rata* if feasible, or else awarded to *cy pres* recipients or to the relevant government
22 authorities.

23 RESPONSE: Lead Plaintiffs have chosen the Investor Protection Trust ("IPT") as the
24 designated recipient for any de minimis balance remaining after all distributions are completed.
25 *See* Notice at ¶71. IPT is a nonprofit organization "devoted to independent and unbiased investor
26 education, research, and support of investor protection efforts." As such, Lead Plaintiffs submit
27 that IPT readily satisfies the prevailing standard for a *cy pres* awardee under *Nachshin v. AOL*,
28

1 LLC, 663 F.3d 1034, 1039 and n.2 (9th Cir. 2011) (holding that a *cy pres* “distribution must be
 2 guided by (1) the objective of the underlying statute(s) and (2) the interests of silent class
 3 members” and adding that the American Law Institute’s rule on *cy pres* awards requires parties
 4 “to identify a recipient whose interests reasonably approximate those being pursued by the class”).
 5 *See also, Fleming v. Impax Laboratories Inc.*, 2022 WL 2789496, at *2 (N.D. Cal. July 15, 2022)
 6 (approving IPT as *cy pres* beneficiary because the IPT “is a 501(c)(3) non-profit dedicated to
 7 educating and protecting investors,” and finding “a sufficient nexus between the [c]lass and the
 8 Investor Protection Trust, which shares the [c]lass [m]embers’ interests in protecting investors and
 9 preventing fraud”; *In re Volkswagen “Clean Diesel” Marketing, Sales Practices, & Prods. Liab.*
 10 *Litig.*, 2018 WL 6198311, at *5 (N.D. Cal. Nov. 28, 2018) (approving IPT as *cy pres* beneficiary
 11 in securities class actions settlement because IPT “is a nonprofit organization focused on investor
 12 education” and a “savvy, educated investor is hopefully more likely to identify signs of securities
 13 fraud, which furthers the Exchange Act’s purpose of maintaining ‘fair and honest markets’”). Lead
 14 Counsel has no relationship with IPT, but IPT has been a designated *cy pres* beneficiary in
 15 settlements in which Lead Counsel was involved, the most recent of which are *In re FibroGen,*
 16 *Inc. Sec. Litig.*, No. 3:21-cv-02623 (N.D. Cal.) and *In re Twitter, Inc. Sec. Litig.*, No. 3:16-cv-
 17 05314 (N.D. Cal.).

18 9) TIMELINE

19 The parties should ensure that class members have at least thirty-five days to opt out or
 20 object to the settlement and the motion for attorney’s fees and costs.

21 RESPONSE: Lead Plaintiffs have done so and propose a schedule for notice, the Final
 22 Approving Hearing, and related dates in their Motion at Ex. 2, reproduced below.

<u>Event</u>	<u>Proposed Due Date</u>
Deadline for mailing or emailing the Postcard Notice to the Settlement Class (Preliminary Approval Order ¶ 7.b)	Not later than 20 calendar days after entry of Preliminary Approval Order (the “Notice Date”)
Deadline for publishing the Summary Notice (Preliminary Approval Order ¶ 7.d)	Not later than 10 business days after the Notice Date

1 2 Deadline for receipt of Claim Forms (Preliminary Approval Order ¶ 10)	100 calendar days after the Notice Date
3 4 5 Deadline for filing of papers in support of final approval of Settlement, Plan of Allocation, and Lead Counsel’s application for attorneys’ fees and expenses (Preliminary Approval Order ¶ 26)	35 calendar days prior to the Final Approval Hearing
6 7 Deadline for receipt of exclusion requests and filing or postmark of objections (Preliminary Approval Order ¶¶ 13, 16-18)	28 calendar days prior to Final Approval Hearing
8 9 10 Deadline for filing reply papers and submitting proof of the mailing, emailing, and publication of the Postcard Notice to Settlement Class Members and publication of the Notice and Summary Notice (Preliminary Approval Order ¶¶ 7.e, 26)	7 calendar days prior to the Final Approval Hearing
11 12 Final Approval Hearing (Preliminary Approval Order ¶ 5)	At least 100 calendar days after entry of Preliminary Approval Order

13 10) CLASS ACTION FAIRNESS ACT (CAFA) AND SIMILAR REQUIREMENTS

14 The parties should address whether CAFA notice is required and, if so, when it will be
 15 given. In addition, the parties should address substantive compliance with CAFA. For example,
 16 if the settlement includes coupons, the parties should explain how the settlement complies with 28
 17 U.S.C. §1712. In addition, the parties should address whether any other required notices to
 18 government entities or others have been provided, such as notice to the Labor & Workforce
 19 Development Agency (LWDA) pursuant to the Private Attorneys General Act (PAGA).

20 RESPONSE: As noted in the Stipulation, Chegg shall timely serve a CAFA notice within
 21 ten (10) calendar days of the filing of the Stipulation with the Court and shall provide Lead Counsel
 22 with a copy of such notice within five (5) calendar days of such service.

23 11) COMPARABLE OUTCOMES

24 Lead class counsel should provide information about comparable cases, including
 25 settlements and litigation outcomes. Lead class counsel should provide the following information
 26 for as many as feasible (and at least one) comparable class settlements (*i.e.*, settlements involving
 27 the same or similar claims, parties, issues):
 28

1 a. The claims being released, the total settlement fund, the total number of class
 2 members, the total number of class members to whom notice was sent, the method(s) of notice,
 3 the number and percentage of claim forms submitted, the average recovery per class member or
 4 claimant, the amounts distributed to *cy pres* recipients, the administrative costs, the attorneys' fees
 5 and costs, the total exposure if the plaintiffs had prevailed on every claim.

6 RESPONSE:

7	Case name and citation: <i>Fleming v. Impax Laboratories, Inc.</i> , No. 4:16-cv-06557 (N.D Cal.)
8	Claims Asserted: Securities Exchange Act §§ 10(b) and 20(a)
9	Total Settlement Amount: \$33 million
10	Notices Mailed: 49,620
11	Total Claims Submitted: 13,863
12	Response Rate: 28%; % of damaged shares not identified
13	Total Valid Claims: 5,398
14	Average Recovery per Claimant: \$4,236.68
15	Median Recovery per Claimant: \$81.71
16	Method of Notice: Direct Mail; Published in <i>The Wall Street Journal</i> and <i>PR Newswire</i> ; posted on the settlement website; DTCC LENS notice posting
17	Administrative Costs: \$311,213.89
18	Litigation Expenses Reimbursed: \$176,501.78
19	Attorneys' Fees Awarded % of Settlement Fund: 30%
20	Cy pres Designee: Investor Protection Trust
21	Cy pres Distribution: \$0
22	Total Amount Distributed: \$22,869,617.96
23	Case name and citation: <i>In re Impinj, Inc. Sec. Litig.</i> , No. 3:18-cv-05704 (W.D. Wash.)
24	Claims Asserted: Securities Exchange Act §§ 10(b) and 20(a)
25	Total Settlement Amount: \$20 million
26	Notices Mailed: 88,078
27	Total Claims Submitted: 13,223
28	Response Rate: 15%, representing 86% of the damaged shares
	Total Valid Claims: 7,939
	Average Recovery per Claimant: \$1,100
	Median Recovery per Claimant: \$175
	Method of Notice: Direct mail; Published in <i>The Wall Street Journal</i> , <i>Financial Times</i> , and <i>PR Newswire</i> ; posted on the settlement website; DTCC LENS notice posting
	Administrative Costs: \$265,206
	Litigation Expenses Reimbursed: \$176,771
	Attorneys' Fees Awarded: \$5,000,000
	% of Settlement Fund: 25%

Cy pres Designee: As in the present Action, residual funds will be distributed to a *cy pres* recipient in each case only after all cost-effective rounds of distributions to Authorized Claimants have been completed. Those subsequent rounds are still in process in this case.

Cy pres Distribution: \$0

Total Amount Distributed: \$13,846,952.83

Case name and citation: *In re Splunk Inc. Securities Litigation*, Case No. 20-cv-08600 (N.D. Cal.)

Claims Asserted: Securities Exchange Act §§ 10(b) and 20(a)

Total Settlement Amount: \$30 million

Notice and Claim Packets Mailed: 298,753

Total Claims Submitted: 154,449

Response Rate: 52%, representing 73% of the damaged shares

Total Valid Claims: 45,911

Average Recovery per Claimant: \$148.32

Method of Notice: Direct Mail; Published in *The Wall Street Journal*, *Financial Times*, and *PR Newswire*; posted on the settlement website; DTCC LENS notice posting

Administrative Costs: \$835,068.81

Litigation Expenses Reimbursed: \$239,754.85

Attorneys' Fees Awarded: \$7,440,061

% of Settlement Fund: 25%

Cy pres Designee: As in the present Action, residual funds will be distributed to a *cy pres* recipient in each case only after all cost-effective rounds of distributions to Authorized Claimants have been completed. Those subsequent rounds are still in process in this case.

Cy pres Distribution: \$0

Total Amount Distributed: \$22,908,002.53

Case name and citation: *In re Ocwen Financial Corporation Securities Litigation*, Case No. 14-CIV-81057 (S.D. Fla.)

Claims Asserted: Securities Exchange Act §§ 10(b) and 20(a)

Total Settlement Amount: \$56 million

Notice and Claim Packets Mailed: 110,339

Total Claims Submitted: 33,316

Response Rate: 30%, representing 99% of the damaged shares

Total Valid Claims: 22,665

Average Recovery per Claimant: \$1,218

Method of Notice: Direct Mail; Published in *Investor's Business Daily*, and *PR Newswire*; posted on the settlement website; DTCC LENS notice posting

Administrative Costs: \$409,925

Litigation Expenses Reimbursed: \$2,433,161

Attorneys' Fees Awarded: \$12,250,000 cash and 625,000 shares

% of Settlement Fund: 25%

Cy pres Designee: As in the present Action, residual funds will be distributed to a *cy pres* recipient in each case only after all cost-effective rounds of distributions to Authorized Claimants have been completed. Those subsequent rounds are still in process in this case.

1 Cy pres Distribution: \$0

2 Total Amount Distributed: \$40,578,742.14

3 b. Where class members are entitled to non-monetary relief, such as discount coupons
4 or debit cards or similar instruments, the number of class members availing themselves of such
5 relief and the aggregate value redeemed by the class members and/or by any assignees or
6 transferees of the class members' interests.

7 RESPONSE: N/A

8 c. Where injunctive and/or other non-monetary relief has been obtained, discuss the
9 benefit conferred on the class.

10 RESPONSE: N/A

11 12) ELECTRONIC VERSIONS

12 Electronic versions (Microsoft Word or WordPerfect) of all proposed orders and notices
13 should be submitted to the presiding judge's Proposed Order (PO) email address when filed.

14 RESPONSE: Lead Counsel have and will comply with this requirement.

15 13) OVERLAPPING CASES

16 Within one day of filing of the preliminary approval motion, the defendants should serve a
17 copy on counsel for any plaintiffs with pending litigation, whether at the trial court or appellate
18 court level, whether active or stayed, asserting claims on a representative (*e.g.*, class, collective,
19 PAGA, etc.) basis that defendants believe may be released by virtue of the settlement.

20 RESPONSE: As noted above in response to point 1(d), Lead Plaintiffs do not believe the
21 Settlement has a legal effect on any other representative case.

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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

STEVEN LEVENTHAL, Individually and
on Behalf of All Others Similarly Situated,

Plaintiff,

vs.

CHEGG, INC., DANIEL L.
ROSENSWEIG, ANDREW J. BROWN,
and NATHAN SCHULTZ,

Defendants.

Case No. 5:21-cv-09953-PCP

CLASS ACTION

[PROPOSED] ORDER PRELIMINARILY
APPROVING SETTLEMENT AND PROVIDING
FOR NOTICE

1 WHEREAS, a putative securities class action is pending in this Court entitled *Steven*
2 *Leventhal v. Chegg, Inc., et al.*, Case No. 5:21-cv-09953-PCP (N.D. Cal.) (the “Action”);

3 WHEREAS, by order dated September 7, 2022, this Court appointed KBC Asset
4 Management NV and Pompano Beach Police and Firefighters’ Retirement System as Lead
5 Plaintiffs (“Lead Plaintiffs”) and Motley Rice LLC (“Motley Rice”) and Saxena White P.A.
6 (“Saxena White”) as Lead Counsel (“Lead Counsel”) (ECF No. 105);

7 WHEREAS, on December 8, 2022, Lead Plaintiffs filed their Consolidated Class Action
8 Complaint for Violations of the Federal Securities Laws and Jury Trial Demand (ECF No. 115);

9 WHEREAS, Lead Plaintiffs, on behalf of themselves and the Settlement Class (defined
10 below), and Defendants Chegg, Inc. (“Chegg”), Daniel L. Rosensweig, Andrew J. Brown, and
11 Nathan Schultz (collectively, “Defendants”) have entered into a Stipulation and Agreement of
12 Settlement dated November 5, 2024 (the “Stipulation” or “Settlement Agreement”), subject to
13 approval by this Court (the “Settlement”);

14 WHEREAS, Lead Plaintiffs have made an application, pursuant to Rule 23 of the Federal
15 Rules of Civil Procedure, for an order preliminarily approving the Settlement in accordance with
16 the Stipulation, allowing notice to Settlement Class Members, as more fully described herein, and
17 certifying a Settlement Class defined as “all persons who purchased, or otherwise acquired Chegg
18 common stock between May 5, 2020, and November 1, 2021, inclusive, and who were damaged
19 thereby” (the “Settlement Class Period”);

20 WHEREAS, the Court has read and considered: (a) Lead Plaintiffs’ motion for preliminary
21 approval of the Settlement, and the papers filed and arguments made in connection therewith; and
22 (b) the Stipulation and the exhibits attached thereto; and

23 WHEREAS, unless otherwise defined herein, all capitalized words contained herein shall
24 have the same meanings as they have in the Stipulation;

25 NOW THEREFORE, IT IS HEREBY ORDERED:

26 1. **Class Certification for Settlement Purposes Only:** Pursuant to Rules 23(a) and
27 (b)(3) of the Federal Rules of Civil Procedure, the Court certifies, solely for purposes of
28 effectuating the proposed Settlement, a Settlement Class consisting of all persons who purchased,

1 or otherwise acquired Chegg common stock between May 5, 2020, and November 1, 2021,
2 inclusive, and who were damaged thereby. Excluded from the Settlement Class are: (1)
3 Defendants; (2) the Officers or directors of Chegg during the Settlement Class Period; (3) the
4 Immediate Family members of any Defendant or any Officer or director of Chegg during the
5 Settlement Class Period; and (4) any entity that any Defendant owns or controls, or owned or
6 controlled, during the Settlement Class Period. Also excluded from the Settlement Class are those
7 persons who file valid and timely requests for exclusion in accordance with this Preliminary
8 Approval Order.

9 2. **Class Findings:** Solely for purposes of the proposed Settlement of this Action, the
10 Court finds that each element required for certification of the Settlement Class pursuant to Rule
11 23 of the Federal Rules of Civil Procedure has been met: (a) the members of the Settlement Class
12 are so numerous that their joinder in the Action would be impracticable; (b) there are questions of
13 law and fact common to the Settlement Class which predominate over any individual questions;
14 (c) the claims of Lead Plaintiffs in the Action are typical of the claims of the Settlement Class; (d)
15 Lead Plaintiffs and Lead Counsel have and will fairly and adequately represent and protect the
16 interests of the Settlement Class; (e) questions of law or fact common to Settlement Class Members
17 predominate over any questions affecting only individual members; and (f) a class action is
18 superior to other available methods for the fair and efficient adjudication of the Action.

19 3. The Court hereby finds and concludes that, pursuant to Rule 23 of the Federal Rules
20 of Civil Procedure, and for purposes of the Settlement only, Lead Plaintiffs are the most adequate
21 class representatives for the Settlement Class and certifies them as Class Representatives for the
22 Settlement Class. The Court also appoints Motley Rice LLC and Saxena White P.A. as Class
23 Counsel for the Settlement Class, pursuant to Rule 23(g) of the Federal Rules of Civil Procedure.

24 4. **Preliminary Approval of the Settlement** – The Court hereby preliminarily
25 approves the Settlement, as embodied in the Stipulation, as being fair, reasonable, and adequate to
26 the Settlement Class, subject to further consideration at the Settlement Hearing to be conducted as
27 described below.

28 5. **Settlement Hearing** – The Court will hold a settlement hearing (the “Settlement

1 Hearing”) on _____, 202__ at ____:____.m. in Courtroom 8 – 4th Floor, of the United
2 States District Court for the Northern District of California, 280 South First Street, San Jose,
3 California, 95113, for the following purposes: (a) to determine whether the proposed Settlement
4 on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to the
5 Settlement Class, and should be approved by the Court; (b) to determine whether the Judgment
6 attached as Exhibit B to the Stipulation should be entered dismissing the Action with prejudice
7 against Defendant Releasees; (c) to determine whether the proposed Plan of Allocation for the
8 proceeds of the Settlement is fair and reasonable and should be approved; (d) to determine whether
9 the motion by Lead Counsel for an award of attorneys’ fees and reimbursement of Litigation
10 Expenses should be approved; and (e) to consider any other matters that may be properly brought
11 before the Court in connection with the Settlement. Notice of the Settlement and the Settlement
12 Hearing shall be given to Settlement Class Members as set forth in paragraph 7 of this Order.

13 6. The Court may adjourn or vacate the Settlement Hearing without further notice to
14 the Settlement Class, and may approve the proposed Settlement with such modifications as the
15 Parties may agree to in writing, if appropriate, without further notice to the Settlement Class.

16 7. **Retention of Claims Administrator and Manner of Giving Notice** – Lead
17 Counsel is hereby authorized to retain A.B. Data, Ltd. (the “Claims Administrator”) to supervise
18 and administer the notice procedure in connection with the proposed Settlement as well as the
19 processing of Claims as more fully set forth below. Notice of the Settlement and the Settlement
20 Hearing shall be given by Lead Counsel as follows:

21 a) within ten (10) business days of the date of entry of this Order, Chegg shall
22 provide or cause to be provided to the Claims Administrator (at no cost to the Settlement Fund,
23 Lead Counsel, or the Claims Administrator) records reasonably available to Chegg or its transfer
24 agent concerning the identity and last known address of Settlement Class Members, in electronic
25 form or other form as is reasonably available to Chegg or its transfer agent, which information the
26 Claims Administrator shall treat and maintain as confidential;

27 b) not later than twenty (20) calendar days after the date of entry of this Order
28 (the “Notice Date”), the Claims Administrator shall cause a copy of the Postcard Notice,

1 substantially in the form attached hereto as Exhibit A-4, to be emailed or mailed by first-class mail
2 to potential Settlement Class Members at the addresses set forth in the records that Chegg caused
3 to be provided, or who otherwise may be identified through further reasonable effort;

4 c) contemporaneously with the mailing and/or emailing of the Postcard
5 Notice, the Claims Administrator shall cause copies of the Postcard Notice, Summary Notice,
6 Notice, and the Claim Form to be posted on a website to be developed for the Settlement, from
7 which copies of the Postcard Notice, Notice, and Claim Form can be downloaded;

8 d) not later than ten (10) business days after the Notice Date, the Claims
9 Administrator shall cause the Summary Notice, substantially in the form attached hereto as Exhibit
10 A-3, to be published once in *Investor's Business Daily* and to be transmitted once over the *PR*
11 *NewsWire*; and

12 e) not later than seven (7) calendar days prior to the Settlement Hearing, Lead
13 Counsel shall file with the Court proof, by affidavit or declaration, of such mailing, emailing, and
14 publication.

15 8. **Approval of Form and Content of Notice** – The Court (a) approves, as to form
16 and content, the Notice, the Claim Form, the Summary Notice, and the Postcard Notice attached
17 hereto as Exhibits A-1, A-2, A-3, and A-4, respectively, and (b) finds that the emailing or mailing
18 of the Postcard Notice directing Settlement Class Members to the Settlement Website to access
19 the Notice (which shall contain the general terms of the Settlement set forth in the Stipulation, the
20 proposed Plan of Allocation, the general terms of the fee and expense application, and the date of
21 the Final Approval Hearing) and the publication of the Summary Notice in the manner and form
22 set forth in paragraph 7 of this Order (i) is the best notice practicable under the circumstances; (ii)
23 constitutes notice that is reasonably calculated, under the circumstances, to apprise Settlement
24 Class Members of the pendency of the Action, of the effect of the proposed Settlement (including
25 the Releases to be provided thereunder), of Lead Plaintiffs' motion for an award of attorneys' fees
26 and reimbursement of Litigation Expenses, of their right to object to the Settlement, the Plan of
27 Allocation, or Lead Plaintiffs' motion for attorneys' fees and reimbursement of Litigation
28 Expenses, of their right to exclude themselves from the Settlement Class, and of their right to

1 appear at the Settlement Hearing; (iii) constitutes due, adequate, and sufficient notice to all persons
2 and entities entitled to receive notice of the proposed Settlement; and (iv) satisfies the requirements
3 of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the
4 Due Process Clause), the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, as
5 amended, and all other applicable laws and rules. The date and time of the Settlement Hearing
6 shall be included in the Notice and Summary Notice before they are mailed and published,
7 respectively. As provided for in the Stipulation, Lead Counsel may pay out of the Settlement Fund,
8 without further approval from Defendants and without further order of the Court, Notice and
9 Administration Costs.

10 9. **Nominee Procedures** – Brokers and other nominees who purchased or otherwise
11 acquired Chegg common stock during the Settlement Class Period for the benefit of another person
12 or entity shall either: (a) within seven (7) calendar days of receipt of the Notice, request from the
13 Claims Administrator sufficient copies of the Postcard Notice to forward to all such beneficial
14 owners, and within seven (7) calendar days of receipt of those Postcard Notices, forward them to
15 all such beneficial owners; or (b) within seven (7) calendar days of receipt of the Postcard Notice,
16 send a list of the names and email and/or physical addresses of all such beneficial owners to the
17 Claims Administrator, in which event the Claims Administrator shall promptly email and/or mail
18 the Postcard Notice to such beneficial owners. Such holders of record shall be reimbursed from
19 the Settlement Fund, upon receipt by the Claims Administrator of proper documentation, for the
20 reasonable expense of providing Postcard Notice to beneficial owners who are Settlement Class
21 Members, which expenses would not have been incurred except for the sending of such Postcard
22 Notice, subject to further order of this Court with respect to any dispute concerning such
23 compensation.

24 10. **Participation in the Settlement** – Settlement Class Members who wish to
25 participate in the Settlement and to be potentially eligible to receive a distribution from the Net
26 Settlement Fund must complete and submit a Claim Form in accordance with the instructions
27 contained therein. Unless the Court orders otherwise, all Claim Forms must be postmarked or
28 submitted online no later than one hundred (100) calendar days after the Notice Date.

1 Notwithstanding the foregoing, Lead Counsel may, at their sole discretion, accept late Claims for
2 processing provided such acceptance does not delay the distribution of the Net Settlement Fund to
3 the Settlement Class. By submitting a Claim, a person or entity shall be deemed to have submitted
4 to the jurisdiction of the Court with respect to his, her, or its Claim and the subject matter of the
5 Settlement.

6 11. Each Claim Form submitted must satisfy the following conditions: (a) it must be
7 properly completed, signed, and submitted in a timely manner in accordance with the provisions
8 of the preceding paragraph; (b) it must be accompanied by adequate supporting documentation for
9 the transactions and holdings reported therein, in the form of broker confirmation slips, broker
10 account statements, an authorized statement from the broker containing the transactional and
11 holding information found in a broker confirmation slip or account statement, or such other
12 documentation as is deemed adequate by Lead Counsel or the Claims Administrator; (c) if the
13 person executing the Claim Form is acting in a representative capacity, a certification of his, her,
14 or its current authority to act on behalf of the Settlement Class Member must be included in the
15 Claim Form to the satisfaction of Lead Counsel or the Claims Administrator; and (d) the Claim
16 Form must be complete and contain no material deletions or modifications of any of the printed
17 matter contained therein, and must be signed under penalty of perjury.

18 12. Any Settlement Class Member who or which does not timely and validly submit a
19 Claim Form or whose Claim is not otherwise approved by the Court: (a) shall be deemed to have
20 waived his, her, or its right to share in the Net Settlement Fund; (b) shall be forever barred from
21 participating in any distributions therefrom; (c) shall be bound by the provisions of the Stipulation
22 and the Settlement and all proceedings, determinations, orders, and judgments in the Action
23 relating thereto, including, without limitation, the Judgment and the Releases provided for therein,
24 whether favorable or unfavorable to the Settlement Class; and (d) shall be permanently barred from
25 commencing, maintaining, or prosecuting any of the Released Plaintiffs' Claims against any of the
26 Defendant Releasees, as more fully described in the Stipulation and Notice. Notwithstanding the
27 foregoing, late Claim Forms may be accepted for processing as set forth in paragraph 10 above.

28 13. **Exclusion From the Settlement Class** – Any member of the Settlement Class who

1 wishes to exclude himself, herself, or itself from the Settlement Class must request exclusion in
2 writing within the time and in the manner set forth in the Notice, which shall provide that: (a) any
3 such request for exclusion from the Settlement Class must be mailed or delivered such that it is
4 received no later than twenty-eight (28) calendar days prior to the Settlement Hearing, to:
5 Exclusions, *In re Chegg, Inc. Securities Litigation*, c/o A.B. Data, Ltd., P.O. Box 173001,
6 Milwaukee, WI 53217, and (b) each request for exclusion must (i) state the name, address, and
7 telephone number of the person or entity requesting exclusion, and in the case of entities, the name
8 and telephone number of the appropriate contact person; (ii) state that such person or entity
9 “requests exclusion from the Settlement Class in *Leventhal v. Chegg, Inc., et al.*, Case No. 5:21-
10 cv-09953-PCP”; (iii) state the number of shares of Chegg common stock that the person or entity
11 requesting exclusion purchased/acquired and sold during the Settlement Class Period, as well as
12 the dates and prices of each such purchase/acquisition and sale, and the number of shares held at
13 the beginning of the Settlement Class Period; and (iv) be signed by the person or entity requesting
14 exclusion or an authorized representative. A request for exclusion shall not be effective unless it
15 provides all the required information and is received within the time stated above or is otherwise
16 accepted by the Court.

17 14. Any person or entity who or which timely and validly requests exclusion in
18 compliance with the terms stated in this Order and is excluded from the Settlement Class shall not
19 be a Settlement Class Member, shall not be bound by the terms of the Settlement or any orders or
20 judgments in the Action, and shall not receive any payment out of the Net Settlement Fund.

21 15. Any Settlement Class Member who or which does not timely and validly request
22 exclusion from the Settlement Class in the manner stated herein: (a) shall be deemed to have
23 waived his, her, or its right to be excluded from the Settlement Class; (b) shall be forever barred
24 from requesting exclusion from the Settlement Class in this or any other proceeding; (c) shall be
25 bound by the provisions of the Stipulation, the Settlement, and all proceedings, determinations,
26 orders, and judgments in the Action relating to the Settlement, including, but not limited to, the
27 Judgment and the Releases provided for therein whether favorable or unfavorable to the Settlement
28 Class; and (d) shall be barred from commencing, maintaining, or prosecuting any of the Released

1 Claims against any of the Defendant Releasees, as more fully described in the Stipulation and
2 Notice.

3 16. **Appearance and Objections at Settlement Hearing** – Any Settlement Class
4 Member who or which does not request exclusion from the Settlement Class may enter an
5 appearance in the Action, at his, her, or its own expense, individually or through counsel of his,
6 her, or its own choice, by filing (electronically or in person), or sending by mail such notice to the
7 address below in paragraph 17, with the Court such that it is filed or postmarked no later than
8 twenty-eight (28) calendar days before the Settlement Hearing or as the Court may otherwise
9 direct. Any Settlement Class Member who or which does not enter an appearance will be
10 represented by Lead Counsel.

11 17. Any Settlement Class Member who does not request exclusion from the Settlement
12 Class may file a written objection to the proposed Settlement, the proposed Plan of Allocation, or
13 Lead Plaintiffs’ motion for an award of attorneys’ fees and reimbursement of Litigation Expenses
14 and appear and show cause, if he, she, or it has any cause why the proposed Settlement, the
15 proposed Plan of Allocation, or Lead Plaintiffs’ motion for attorneys’ fees and reimbursement of
16 Litigation Expenses should not be approved; *provided, however*, that no Settlement Class Member
17 shall be heard or entitled to contest the approval of the terms and conditions of the proposed
18 Settlement, the proposed Plan of Allocation, or the motion for attorneys’ fees and reimbursement
19 of Litigation Expenses unless that person or entity has filed (electronically or in person) or has
20 sent by mail to the address below a written objection with the Court postmarked no later than
21 twenty-eight (28) calendar days before the Settlement Hearing.

22 **Clerk of the Court**

23 Class Action Clerk
24 United States District Court
25 280 South First Street
26 San Jose, California, 95113

27 18. Any Settlement Class Member who does not request exclusion from the Settlement
28 Class, and who has properly filed an objection pursuant to paragraph 17 above, may enter an
appearance in the Action, at his, her, or its own expense, individually or through counsel of his,

1 her, or its own choice, by filing with the Clerk of the Court a notice of appearance, in the same
2 manner as set forth in paragraph 17 above, such that it occurs twenty-eight (28) calendar days
3 before the Settlement Hearing, or as the Court may otherwise direct. Any Settlement Class
4 Member who does not enter an appearance will be represented by Lead Counsel.

5 19. Any objections, filings, and other submissions by the objecting Settlement Class
6 Member: (a) must state the name, address, and telephone number of the person or entity objecting
7 and must be signed by the objector; (b) must contain a statement of the Settlement Class Member's
8 objection or objections, and the specific reasons for each objection, including any legal and
9 evidentiary support the Settlement Class Member wishes to bring to the Court's attention; and
10 (c) must include documents sufficient to prove membership in the Settlement Class, including the
11 number of shares of Chegg common stock that the objecting Settlement Class Member
12 purchased/acquired and sold during the Settlement Class Period, as well as the dates and prices of
13 each such purchase/acquisition and sale, and the number of shares held at the beginning of the
14 Settlement Class Period, and must be accompanied by adequate supporting documentation for the
15 transactions and holdings reported therein, in the form of broker confirmation slips, broker account
16 statements, or an authorized statement from the broker containing the transactional and holding
17 information found in a broker confirmation slip or account statement. Objectors who enter an
18 appearance and desire to present evidence at the Settlement Hearing in support of their objection
19 must include in the written objection or notice of appearance the identity of any witnesses they
20 may call to testify and any exhibits they intend to introduce into evidence at the hearing.

21 20. Any Settlement Class Member who or which does not make his, her, or its objection
22 in the manner provided herein shall be deemed to have waived his, her, or its right to object to any
23 aspect of the proposed Settlement, the proposed Plan of Allocation, and Lead Plaintiffs' motion
24 for an award of attorneys' fees and reimbursement of Litigation Expenses and shall be forever
25 barred and foreclosed from objecting to the fairness, reasonableness, or adequacy of the
26 Settlement, the Plan of Allocation, or the requested attorneys' fees and Litigation Expenses, or
27 from otherwise being heard concerning the Settlement, the Plan of Allocation, or the requested
28 attorneys' fees and Litigation Expenses in this or any other proceeding.

1 21. **Stay Order** – Until otherwise ordered by the Court, the Court stays all proceedings
2 in the Action other than proceedings necessary to carry out or enforce the terms and conditions of
3 the Stipulation.

4 22. **Settlement Fund** – The contents of the Settlement Fund held by The Huntington
5 National Bank (“Huntington Bank”) in one or more custodian/escrow accounts, for which
6 Huntington Bank will serve as the Escrow Agent, shall be deemed and considered to be *in custodia*
7 *legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as they
8 shall be distributed pursuant to the Stipulation or further order(s) of the Court.

9 23. **Taxes** – Lead Counsel are authorized and directed to prepare any tax returns and
10 any other tax reporting form for or in respect to the Settlement Fund, to pay from the Settlement
11 Fund any Taxes owed with respect to the Settlement Fund, and to otherwise perform all obligations
12 with respect to Taxes and any reporting or filings in respect thereof without further order of the
13 Court in a manner consistent with the provisions of the Stipulation.

14 24. **Termination of Settlement** – If the Settlement is terminated as provided in the
15 Stipulation, the Settlement is not approved, or the Effective Date of the Settlement otherwise fails
16 to occur, this Order shall be vacated, rendered null and void, and be of no further force and effect,
17 except as otherwise provided by the Stipulation, and this Order shall be without prejudice to the
18 rights of Lead Plaintiffs, the other Settlement Class Members, and Defendants, and the Parties
19 shall revert to their respective positions in the Action as of September 26, 2024, as provided in the
20 Stipulation.

21 25. **Use of this Order** – Neither this Order, the Stipulation (whether or not
22 consummated), including the exhibits thereto and the Plan of Allocation contained therein (or any
23 other plan of allocation that may be approved by the Court), the Supplemental Agreement, and the
24 documents prepared to effectuate this Settlement, the negotiations leading to the execution of the
25 Stipulation, nor any proceedings taken pursuant to or in connection with the Stipulation, or
26 approval of the Settlement (including any arguments proffered in connection therewith):

27 (a) shall be (i) offered against any of the Defendant Releasees as evidence of, or construed
28 as, or deemed to be evidence of any presumption, concession, or admission by any of the
Defendant Releasees with respect to, (aa) the truth of any fact alleged by Lead Plaintiffs or

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any Settlement Class Member; (bb) the validity of any claim that was or could have been asserted in the Action or in any other litigation; (cc) the deficiency of any defense that has been or could have been asserted in this Action or in any other litigation; (dd) any liability, negligence, fault, or other wrongdoing of any of the Defendant Releasees; or (ee) any damages suffered by Plaintiffs or the Settlement Class; or (ii) in any way referred to for any other reason as against any of the Defendant Releasees, in any civil, criminal, or administrative action or proceeding (including arbitration), other than such proceedings necessary to effectuate the provisions of the Stipulation;

(b) shall be (i) offered against any of the Plaintiff Releasees, as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Plaintiff Releasees (aa) that any of their claims are without merit, that any of the Defendant Releasees had meritorious defenses, or that damages recoverable under the Complaint would not have exceeded the Settlement Amount; or (bb) with respect to any liability, negligence, fault, or wrongdoing; or (ii) in any way referred to for any other reason as against any of the Plaintiff Releasees, in any civil, criminal, or administrative action or proceeding (including arbitration), other than such proceedings necessary to effectuate the provisions of the Stipulation; or

(c) shall be construed against any of the Releasees as an admission, concession, or presumption that the consideration to be given under the Settlement represents the amount that could be or would have been recovered after trial; *provided, however*, that if the Stipulation is approved by the Court, the Parties and the Releasees and their respective counsel may refer to it to effectuate the protections from liability granted thereunder or otherwise to enforce the terms of the Settlement.

26. **Supporting Papers** – Lead Counsel shall file the opening papers in support of the proposed Settlement, the Plan of Allocation, and Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses no later than thirty-five (35) calendar days prior to the Settlement Hearing; and Lead Plaintiffs and Lead Counsel are authorized to file reply papers no later than seven (7) calendar days prior to the Settlement Hearing.

27. The Court retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement.

SO ORDERED this _____ day of _____, 2024.

The Honorable P. Casey Pitts
United States District Judge