

**IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WISCONSIN**

JET CAPITAL MASTER FUND, L.P.,

Plaintiff,

v.

HRG GROUP, INC. ET AL.,

Defendants.

No. 21-cv-552-jdp

**REPLY MEMORANDUM OF LAW IN FURTHER SUPPORT OF  
(I) HRG SUBCLASS LEAD PLAINTIFF'S MOTION FOR FINAL APPROVAL OF  
SETTLEMENT AND PLAN OF ALLOCATION; AND (II) HRG SUBCLASS LEAD  
COUNSEL'S MOTION FOR AN AWARD OF ATTORNEYS' FEES AND EXPENSES**

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Jet Capital Master Fund, L.P. (“Jet Capital” or “Lead Plaintiff”), on behalf of itself and the other members of the HRG Subclass, and Lead Counsel for the HRG Subclass, Rolnick Kramer Sadighi LLP, respectfully submit this reply memorandum of law in further support of (i) Jet Capital’s motion under Federal Rule of Civil Procedure 23(e)(2) asking the Court to grant final approval of the proposed settlement of this Action (the “Settlement”) and the proposed plan of allocation of the net proceeds of the Settlement (the “Plan of Allocation”); and (ii) Lead Counsel’s motion for an award of attorneys’ fees and payment of Litigation Expenses in the Action.

### **PRELIMINARY STATEMENT**

Jet Capital and Lead Counsel reached an agreement with Defendants to settle this securities class action for \$7.25 million in cash. The Settlement would provide HRG Subclass members with a 51% greater per-share recovery than the prior settlement (reached by Spectrum Class Counsel in the *Spectrum* Action) that this Court rejected. After an extensive Court-ordered notice program, including the mailing of the Notice to 86,278 potential HRG Subclass Members and nominees, no HRG Subclass Members have objected to the Settlement or Plan of Allocation, or to Lead Counsel’s motion for an award of attorneys’ fees and payment of Litigation Expenses. In addition, no HRG Subclass Members have excluded themselves from the Settlement. This reaction from the HRG Subclass—no objections or opt-outs—underscores that the Settlement and proposed Plan of Allocation are fair, reasonable, and adequate. The reaction also confirms that Lead Counsel’s fee request is reasonable and appropriate. This Court should accordingly grant final approval to the Settlement and Plan of Allocation, and grant Lead Counsel’s motion for an award of attorneys’ fees and payment of Litigation Expenses. Proposed orders that would effectuate those approvals are attached as Exhibits A through C to this memorandum.

Although not opposing Lead Counsel’s fee request, Spectrum Lead Counsel has separately

moved for more than \$700,000 in fees in this Action, (i) in addition to the \$4.7 million fee award that it seeks in the *Spectrum* Action and (ii) above the amount it agreed with the Spectrum Subclass Lead Plaintiff to accept as compensation. (ECF Nos. 110, 111.) Jet Capital and Lead Counsel opposed Spectrum Lead Counsel's fee motion (ECF No. 112), and for the reasons set forth in that brief, this Court should not award Spectrum Lead Counsel any fees from either the fee requested by HRG Lead Counsel or the balance of the HRG Settlement.

## **ARGUMENT**

### **I. THE REACTION OF THE HRG SUBCLASS SUPPORTS THIS COURT APPROVING THE SETTLEMENT AND LEAD COUNSEL'S FEE REQUEST.**

As shown in Jet Capital's opening brief in support of final approval of the Settlement (ECF No. 104), approval of the Settlement is warranted under Federal Rule of Civil Procedure 23(e). Likewise, as shown in Lead Counsel's opening brief in support of an attorney fee award and reimbursement of litigation expenses (ECF No. 106), the Court should award Lead Counsel its requested fee and expense reimbursement.

In accordance with the Court's November 17, 2021 Order preliminarily approving the Settlement (ECF No. 102), the Court-approved Claims Administrator, JND, has mailed 86,278 copies of the Notice and Claim Form to potential HRG Subclass Members and nominees. (Supplemental Declaration of Luiggy Segura Regarding: (A) Mailing of the Notice and Claim Form and (B) Report on Requests for Exclusion and Claim Forms Received, filed herewith ("Segura Supp. Decl.") ¶ 2.) In addition, JND (i) published the Summary Notice in *Investor's Business Daily* and transmitted it via PR Newswire on December 15, 2021, (ii) set up and maintains a toll-free information number that potential HRG Subclass Members can call for information; and (iii) set up and maintains a publicly accessible website containing information about the Settlement including the Notice. (ECF No. 104 at 21.)

As provided in the Notice, the deadline for objecting to the Settlement and/or Plan of Allocation, or requesting exclusion from the Settlement, was February 22, 2022. No objections to the Settlement or the Plan of Allocation have been received. Only one individual requested exclusion, but she had already excluded herself in connection with the prior settlement (and thus is excluded from this Settlement), and, in all events, she did not purchase HRG shares. (*See* Ex. D & Segura Supp. Decl. ¶ 4.)

The lack of any objections to, or valid exclusions from, the Settlement supports the conclusion that the Settlement is fair, reasonable, and adequate. *See, e.g., Goodell v. Charter Commc'ns, LLC*, 2010 WL 11545718, at \*3 (W.D. Wis. Sept. 24, 2010) (that “no class members submitted written objections to the Settlement as part of this notice process or stated their intent to appear at the final approval hearing” “supports settlement approval”); *Great Neck Cap. Appreciation Inv. P'ship, L.P. v. PricewaterhouseCoopers, L.L.P.*, 212 F.R.D. 400, 410 (E.D. Wis. 2002) (“A favorable reception by the class is evidence of the fairness of a proposed settlement.”); *First Impressions Salon, Inc. v. Nat'l Milk Producers Fed'n*, 2020 WL 3163004, at \*2 (S.D. Ill. Apr. 27, 2020) (“No objections to the agreement were made by Class Members; this fact also supports approval of the settlement.”). The lack of any objections to the Plan of Allocation supports the same conclusion. Likewise, the lack of objections to Lead Counsel’s fee request supports the conclusion that the fee request (and expense reimbursement) is fair and reasonable. *See, e.g., Neeck v. Badger Bros. Moving, LLC*, 2021 WL 1945820, at \*3 (W.D. Wis. May 14, 2021) (“the court finds the resolution of the entire case is in the best interest of the class members, including the fee award, noting that no class member objected to the fee request”); *King v. Trek Travel, LLC*, 2019 WL 6790398, at \*3 (W.D. Wis. Dec. 12, 2019) (same); *Ford v. Sprint Commc'ns Co.*, 2012 WL 6562615, at \*4 (W.D. Wis. Dec. 14, 2012) (“The absence of objections

or disapproval by class members to Settlement Class Counsel’s fee-and-expense request further supports finding it reasonable.”).

## **II. THE COURT SHOULD DENY SPECTRUM CLASS COUNSEL’S MOTION FOR AN ADDITIONAL FEE FROM THE HRG CLASS SETTLEMENT.**

It is undisputed (*see* ECF No. 114 at 6 & n.5, 15) that Spectrum Class Counsel filed and claims on behalf of the HRG Subclass without the notice required by the Private Securities Litigation Reform Act (“PSLRA”), without authority or approval from this Court (even after being repeatedly told by Defendants that it lacked such authority), and went so far as to attempt to settle those claims on unfair terms that advantaged Spectrum Class Counsel’s clients at the expense of the HRG Subclass. Spectrum Class Counsel now seeks to recast these events as only a “disputed good-faith legal question on the extent to which an amendment to the scope of the class—adding shareholders of a company into which Spectrum merged during the Class Period—following the initial PSLRA notice required republication of that notice.” (ECF No. 114 at 15.) But in defending its actions before this Court as to the prior settlement, Spectrum Class Counsel did not argue about republication of class notice. Rather, it argued that the *original* class notice encompassed HRG shareholders’ claims—a contention this Court correctly rejected, holding that:

Plaintiffs say that HRG shareholders should have realized that any reference in their notice to Spectrum stock included HRG stock as well. Dkt. 63, at 31. ***But if that’s true, why did plaintiffs expressly add references to HRG stock purchasers in their amended complaint and identify such purchasers as a separate group?*** See Dkt. 14, at 5 n.1. ***Plaintiffs don’t answer that question.*** HRG and Old Spectrum were separate companies with separate stock before the merger, so HRG stock purchasers would have had no reason to believe that they were included in the class if they had reviewed plaintiffs’ notice.

(ECF No. 74 at 4-5 (emphasis added).) Spectrum Class Counsel also continues to stubbornly ignore that the “benefits” it touts as having achieved for the HRG Subclass (ECF No. 114 at 1-2) are speculative at best, given that Spectrum Class Counsel’s failure to properly notice HRG

shareholders, “deprived HRG stock purchasers such as Jet of th[e] opportunity” to move for lead plaintiff in the first place (ECF No. 74 at 4).

When this Court rejected the prior settlement and ordered compliance with the PSLRA appointment procedures, Spectrum Class Counsel did not even apply to be appointed to represent the HRG Subclass. It then settled the Spectrum Subclass claims allowing Defendants the tactical advantage to move to dismiss the HRG Subclass on standing grounds before resuming any settlement discussions. All of the actions by Spectrum Class Counsel advanced their own financial interests—and those of the Spectrum Lead Plaintiff—to the material disadvantage of the HRG Subclass.

Despite this sordid history, Spectrum Class Counsel has moved for a fee award from the Settlement that Lead Counsel reached on behalf of the HRG Subclass. As explained more fully in the opposition of Jet Capital and Lead Counsel to Spectrum Class Counsel’s fee request (ECF No. 112), the Court should not award fees to Spectrum Class Counsel for numerous reasons. As an initial matter, Spectrum Class Counsel was never authorized to represent the HRG Subclass and thus cannot recover a fee for any supposed “benefit” it achieved. Spectrum Class Counsel argues that “high transaction costs prevented Spectrum Class Counsel from negotiating with holders of the HRG Claims (other than Chicago Teachers) before acting to vindicate those claims.” (ECF No. 9-10.) But that is demonstrably false. The PSLRA sets forth a detailed and specific procedure—which Spectrum Class Counsel has argued in other litigation is essential to protecting class members’ rights—for noticing a class and the appointment of lead plaintiff and lead counsel. As this Court has already ruled, Spectrum Class Counsel was required to notice HRG shareholders once it asserted claims on their behalf, and it did not do so, despite being put on repeated notice of its failure. Thus, this situation is entirely unlike the intervenors and objectors who have been



awarded fees in the Seventh Circuit decisions on which Spectrum Class Counsel relies. In addition, (i) Spectrum Class Counsel did not achieve any benefits for the HRG Subclass but rather inflicted only harm; (ii) any alleged work Spectrum Class Counsel performed for the HRG Subclass is work it would have done for the Spectrum Subclass anyway; and (iii) awarding a fee to Spectrum Class Counsel in quantum meruit would be an equitable remedy that is barred by its unclean hands.

Moreover, Spectrum Class Counsel will presumably be fully compensated (and then some) for all of its time via its \$4.7 million fee request in the *Spectrum* Action, and if a fee is received here, Spectrum Class Counsel would receive more than the 15% fee amount it negotiated with its clients to get from the *Spectrum* Action settlement. Tellingly, Spectrum Class Counsel's reply in support of its fee motion (ECF No. 114) offers no response.

Finally, awarding Spectrum Class Counsel a fee would reward and encourage violation of the PSLRA's notice and lead-counsel and lead-plaintiff provisions, which Spectrum Class Counsel studiously ignores in its reply brief (ECF No. 114). Thus, the Court should not allow Spectrum Class Counsel to be paid out of either the fee requested by Lead Counsel or otherwise from the HRG Settlement.<sup>1</sup>

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<sup>1</sup> Seeking to deflect attention from its own conduct, Spectrum Class Counsel criticizes HRG Lead Counsel for seeking a 22% fee from the HRG Subclass settlement versus the 15% that Spectrum Class Counsel is seeking from the Spectrum Subclass settlement. (ECF No. 114 at 16.) But a 22% fee here is well within the range of reasonable fees for a securities class action settlement of this size. (See ECF No. 106 at 8-10.) Moreover, the amount of fees that Spectrum Class Counsel seeks is presumably a result of its agreement with its clients and should not bind HRG Lead Counsel. Finally, there is no dispute that the HRG Subclass' claims were more challenging (and thus presented greater contingency risk) than the claims of the Spectrum Subclass.

## CONCLUSION

Jet Capital and Lead Counsel respectfully request that the Court (i) grant final approval of the Settlement; (ii) approve the Plan of Allocation; and (iii) grant Lead Counsel's request for attorneys' fees and reimbursement of litigation expenses. None of these requests are opposed by any HRG Subclass Member. In addition, the Court should deny Spectrum Class Counsel's request to receive any fee from the HRG Subclass Settlement.

Dated: March 4, 2022

Respectfully submitted,

**ROLNICK KRAMER SADIGHI LLP**

/s/ Lawrence M. Rolnick

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JET CAPITAL MASTER FUND, L.P.,  
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No. 21-cv-552-jdp

**[PROPOSED] JUDGMENT APPROVING CLASS ACTION SETTLEMENT**

WHEREAS, a consolidated securities class action is pending in this Court entitled *In re Spectrum Brands Securities Litigation*, No. 19-cv-347-jdp (the “*Spectrum Action*”);

WHEREAS, on August 27, 2021, the Court entered an Order severing the claims of purchasers of HRG Group, Inc. (“HRG”) common stock during the Class Period in the *Spectrum Action* from the claims of purchasers of Spectrum and Old Spectrum common stock during the Class Period, and that continue in the *Spectrum Action*;

WHEREAS, on August 31, 2021, pursuant to the August 27, 2021 Order, the Court created the action entitled *Jet Capital Master Fund, L.P. v. HRG Group, Inc.*, No. 21-cv-552-jdp, for claims of purchasers of HRG common stock during the Class Period to continue and this action is referred to herein as the “Action”;

WHEREAS, (a) Jet Capital Master Fund, L.P. (“Jet Capital” or “Lead Plaintiff”), on behalf of itself and the HRG Subclass (defined below); and (b) defendants Spectrum Brands Holdings, Inc. (“Spectrum” or the “Company”), Spectrum Brands Legacy, Inc. (“Old Spectrum”), HRG, and Andreas R. Rouvé, David M. Maura, and Douglas L. Martin (collectively, the “Individual Defendants” and, together with Spectrum, Old Spectrum, and HRG, “Defendants”) (Lead Plaintiff and Defendants, together, the “Parties”) have entered into a Stipulation and Agreement of

Settlement, dated October 8, 2021 (the “Stipulation”), that provides for a dismissal with prejudice of the claims asserted by the HRG Subclass against Defendants in the Action on the terms and conditions set forth in the Stipulation, subject to the approval of this Court (the “Settlement”);

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

WHEREAS, by Order dated November 17, 2021 (the “Preliminary Approval Order”), this Court: (a) found, pursuant to Rule 23(e)(1)(B) of the Federal Rules of Civil Procedure, that it (i) would likely be able to approve the Settlement as fair, reasonable, and adequate under Rule 23(e)(2), and (ii) would likely be able to certify the HRG Subclass for purposes of the Settlement; (b) ordered that notice of the proposed Settlement be provided to potential HRG Subclass Members; (c) provided HRG Subclass Members with the opportunity to object to the proposed Settlement; and (d) scheduled a hearing regarding final approval of the Settlement;

WHEREAS, due and adequate notice has been given to the HRG Subclass;

WHEREAS, the Court conducted a hearing on March 18, 2022 (the “Settlement Fairness Hearing”) to consider, among other things, (a) whether the terms and conditions of the Settlement are fair, reasonable, and adequate to the HRG Subclass, and should therefore be approved, and (b) whether a judgment should be entered dismissing the claims asserted in the Action on behalf of the HRG Subclass with prejudice as against the Defendants; and

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

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED:

1. **Jurisdiction** – The Court has jurisdiction over the subject matter of the Action, and

all matters relating to the Settlement, as well as personal jurisdiction over all of the Parties and each of the HRG Subclass Members.

2. **Incorporation of Settlement Documents** – This Judgment incorporates and makes a part hereof: (a) the Stipulation filed with the Court on October 8, 2021; and (b) the Notice and the Summary Notice, both of which were filed with the Court on February 7, 2022.

3. **Class Certification for Settlement Purposes** – The Court hereby certifies for the purposes of the Settlement only, the Action as a class action pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure on behalf of the HRG Subclass consisting of all persons and entities that purchased common stock of HRG from January 26, 2017 to July 13, 2018 (the “Class Period”), and were damaged thereby. Excluded from the Spectrum Subclass are: (i) Defendants (including Spectrum); (ii) the Immediate Family members of the Individual Defendants; (iii) the Officers and directors of Old Spectrum, Spectrum, and HRG currently and during the period from January 26, 2017 to November 19, 2018 and their Immediate Family members; (iv) any entity in which any of the foregoing excluded persons or entities has or had a controlling interest; and (v) the legal representatives, heirs, successors, or assigns of any such excluded person or entity. Also excluded from the HRG Subclass are the persons listed on Exhibit 1 hereto who are excluded from the HRG Subclass pursuant to their request.

4. **Settlement Class Findings** – For purposes of the Settlement only, the Court finds that each element required for certification of the HRG Subclass pursuant to Rule 23 of the Federal Rules of Civil Procedure has been met: (a) the members of the Spectrum Subclass are so numerous that their joinder in the Action would be impracticable; (b) there are questions of law and fact common to the HRG Subclass which predominate over any individual questions; (c) the claims of Lead Plaintiff in the Action are typical of the claims of the HRG Subclass;

(d) Lead Plaintiff and Lead Counsel have and will fairly and adequately represent and protect the interests of the HRG Subclass; and (e) a class action is superior to other available methods for the fair and efficient adjudication of the Action.

5. **Adequacy of Representation** – Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, the Court hereby certifies Lead Plaintiff Jet Capital Master Fund, L.P. as Class Representative for the HRG Subclass and appoints Lead Counsel Rolnick Kramer Sadighi LLP as Class Counsel for the HRG Subclass. The Court finds that Lead Plaintiff and Lead Counsel have fairly and adequately represented the HRG Subclass both in terms of litigating the Action and for purposes of entering into and implementing the Settlement and have satisfied the requirements of Federal Rules of Civil Procedure 23(a)(4) and 23(g), respectively.

6. **Notice** – The Court finds that the dissemination of the Notice and the publication of the Summary Notice: (a) were implemented in accordance with the Preliminary Approval Order; (b) constituted the best notice practicable under the circumstances; (c) constituted notice that was reasonably calculated, under the circumstances, to apprise HRG Subclass Members of (i) the pendency of the Action, (ii) the effect of the proposed Settlement (including the Releases to be provided thereunder), (iii) Lead Counsel’s motion for an award of attorneys’ fees and Litigation Expenses, (iv) their right to object to any aspect of the Settlement, the Plan of Allocation, and/or Lead Counsel’s motion for attorneys’ fees and Litigation expenses, (v) their right to exclude themselves from the HRG Subclass, and (vi) their right to appear at the Settlement Fairness Hearing; (d) constituted due, adequate, and sufficient notice to all persons and entities entitled to receive notice of the proposed Settlement; and (e) satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process

Clause), the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, as amended, and all other applicable law and rules. There have been no objections by HRG Subclass Members to the Settlement.

7. **Final Settlement Approval and Dismissal of Claims** – Pursuant to, and in accordance with, Rule 23(e)(2) of the Federal Rules of Civil Procedure, this Court hereby fully and finally approves the Settlement set forth in the Stipulation in all respects (including, without limitation: the amount of the Settlement; the Releases provided for therein; and the dismissal with prejudice of the claims asserted against Defendants in the Action on behalf of the HRG Subclass), and finds that the Settlement is, in all respects, fair, reasonable, and adequate to the HRG Subclass. Specifically, the Court finds that: (a) Lead Plaintiff and Lead Counsel have adequately represented the HRG Subclass; (b) the Settlement was negotiated by the Parties at arm’s length; (c) the relief provided for the HRG Subclass under the Settlement is adequate taking into account the costs, risks, and delay of further litigation, including trial and appeal; the proposed means of distributing the Settlement Fund to the HRG Subclass; and the proposed attorneys’ fee award; and (d) the Settlement treats members of the HRG Subclass equitably relative to each other. The Parties are directed to implement, perform, and consummate the Settlement in accordance with the terms and provisions contained in the Stipulation.

8. All of the claims asserted against Defendants in the Action by the HRG Subclass are hereby dismissed with prejudice. The Parties shall bear their own costs and expenses, except as otherwise expressly provided in the Stipulation.

9. **Binding Effect** – The terms of the Stipulation and of this Judgment shall be forever binding on Defendants, Lead Plaintiff, and all other HRG Subclass Members (regardless of whether or not any individual HRG Subclass Member submits a Claim Form or seeks or obtains a

distribution from the Net Settlement Fund), as well as their respective successors and assigns. The persons listed on Exhibit 1 hereto are excluded from the HRG Subclass pursuant to their request and are not bound by the terms of the Stipulation or this Judgment.

10. **Releases** – The Releases set forth in paragraphs 5 and 6 of the Stipulation, together with the definitions contained in paragraph 1 of the Stipulation relating thereto, are expressly incorporated herein in all respects. The Releases are effective as of the Effective Date. Accordingly, this Court orders that:

- (a) Without further action by anyone, and subject to paragraph 11 below, upon the Effective Date of the Settlement, Lead Plaintiff and each of the other HRG Subclass Members shall be deemed to have, and by operation of law and of this Judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Plaintiffs' Claim against Defendants and the other Defendants' Releasees, and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiffs' Claims against any of the Defendants' Releasees. This Release shall not apply to any of the Excluded Plaintiffs' Claims (as that term is defined in paragraph 1(r) of the Stipulation).
- (b) Without further action by anyone, and subject to paragraph 11 below, upon the Effective Date of the Settlement, Defendants, on behalf of themselves and their respective successors, assigns, executors, administrators, representatives, attorneys, and agents, in their capacities as such, shall be deemed to have, and by operation of law and of this Judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged



each and every Released Defendants' Claim against Lead Plaintiff and the other Plaintiffs' Releasees, and shall forever be barred and enjoined from prosecuting any or all of the Released Defendants' Claims against any of the Plaintiffs' Releasees. This Release shall not apply to any of the Excluded Defendants' Claims (as that term is defined in paragraph 1(q) of the Stipulation).

11. Notwithstanding paragraphs 10(a) – (b) above, nothing in this Judgment shall bar any action by any of the Parties to enforce or effectuate the terms of the Stipulation or this Judgment.

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

13. **No Admissions** – Neither this Judgment, the Term Sheet, the Stipulation (whether or not consummated), including the exhibits thereto and the Plan of Allocation contained therein (or any other plan of allocation that may be approved by the Court), the negotiations leading to the execution of the Term Sheet and the Stipulation, nor any proceedings taken pursuant to or in connection with the Term Sheet, the Stipulation, and/or approval of the Settlement (including any arguments proffered in connection therewith):

- (a) shall be offered against any of the Defendants' Releasees as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Defendants' Releasees with respect to the truth of any fact alleged by Lead Plaintiffs or the validity of any claim that was or could have been asserted or the deficiency of any defense that has been or could have been asserted

in this Action or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of any of the Defendants' Releasees or in any way referred to for any other reason as against any of the Defendants' Releasees, in any arbitration proceeding or other civil, criminal, or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation;

- (b) shall be offered against any of the Plaintiffs' Releasees, as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Plaintiffs' Releasees that any of their claims are without merit, that any of the Defendants' Releasees had meritorious defenses, or that damages recoverable under the Complaint would not have exceeded the Settlement Amount or with respect to any liability, negligence, fault, or wrongdoing of any kind, or in any way referred to for any other reason as against any of the Plaintiffs' Releasees, in any arbitration proceeding or other civil, criminal, or administrative action or proceeding, other than such proceedings as may be 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 which could be or would have been recovered after trial; *provided, however,* that the Parties and the Releasees and their respective counsel may refer to this Judgment and the Stipulation to effectuate the protections from liability granted hereunder and thereunder or otherwise to enforce the terms of the Settlement.

14. **Retention of Jurisdiction** – Without affecting the finality of this Judgment in any

way, this Court retains continuing and exclusive jurisdiction over: (a) the Parties for purposes of disposition of the Settlement Fund; (c) an motion for an award of attorneys' fees and/or Litigation Expenses by Lead Counsel in the Action that will be paid from the Settlement Fund; (d) any motion to approve the Plan of Allocation; (e) any motion to approve the Class Distribution Order; and (f) the HRG Subclass for all matters relating to the Action.

15. Separate orders shall be entered regarding approval of a plan of allocation and the motion of Lead Counsel for an award of attorneys' fees and Litigation Expenses. Such orders shall in no way affect or delay the finality of this Judgment and shall not affect or delay the Effective Date of the Settlement.

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

17. **Termination of Settlement** – If the Settlement is terminated as provided in the Stipulation or the Effective Date of the Settlement otherwise fails to occur, this Judgment shall be vacated and rendered null and void, and shall be of no further force and effect, except as otherwise provided by the Stipulation, and this Judgment shall be without prejudice to the rights of Lead Plaintiffs, the other HRG Subclass Members, and Defendants, and Lead Plaintiffs and Defendants shall revert to their respective positions in the Action as of immediately prior to the execution of the Term Sheet on September 20, 2021, as provided in the Stipulation.

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

SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

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The Honorable James D. Peterson  
United States District Judge

**Exhibit 1**

**List of Persons Excluded from the HRG Subclass Pursuant to Their Request**

Douglas A. Broleman and  
Judith J. Broleman  
St. Louis, MO

Janice M. Yarbrough  
Montrose, CO

**IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WISCONSIN**

JET CAPITAL MASTER FUND, L.P.,  
Plaintiff,

v.

HRG GROUP, INC. ET AL.,  
Defendants.

No. 21-cv-552-jdp

**[PROPOSED] ORDER APPROVING PLAN OF ALLOCATION  
OF NET SETTLEMENT FUND**

WHEREAS, the Court conducted a hearing on March 18, 2022 to consider, among other things, whether to approve Lead Plaintiff's motion to approve the proposed plan of allocation of the Net Settlement Fund ("Plan of Allocation") created by the Settlement achieved in the above-captioned class action ("Action"); and

WHEREAS, the Court having reviewed and considered the Plan of Allocation, all papers filed and proceedings held herein in connection with the Settlement, all oral and written comments received regarding the Settlement, the lack of objection to the Plan of Allocation, and the record in the Action, and good cause appearing therefor;

IT IS HEREBY ORDERED THAT:

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

2. **Incorporation of Settlement Documents** – This Order incorporates and makes a part hereof: (a) the Stipulation filed with the Court on October 8, 2021; and (b) the Notice and the Summary Notice, both of which were filed with the Court on February 7, 2022. All capitalized

terms not expressly defined herein shall have the same meaning as they have in the Stipulation, Notice or Summary Notice.

3. **Notice of Plan of Allocation** –The Court finds that the dissemination of the Notice, which included the Plan of Allocation: (a) was implemented in accordance with the Preliminary Approval Order; (b) constituted the best notice practicable under the circumstances; (c) constituted notice that was reasonably calculated, under the circumstances, to apprise HRG Subclass Members of (i) the Plan of Allocation; (ii) their right to object to the Plan of Allocation, and (iii) their right to exclude themselves from the HRG Subclass; (d) constituted due, adequate, and sufficient notice to all persons and entities entitled to receive notice of the proposed Settlement; and (e) satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, as amended, and all other applicable law and rules.

4. Over 86,000 copies of the Notice, which included the Plan of Allocation, were mailed to potential HRG Subclass Members and nominees. No objection to the Plan of Allocation was received.

5. **Plan of Allocation Is Fair and Reasonable** – The Court hereby finds and concludes that the formula for calculation of Recognized Claims as set forth in the Plan of Allocation mailed to potential HRG Subclass Members and nominees is a fair and reasonable basis upon which to allocate the proceeds of the Net Settlement Fund among HRG Subclass Members with due consideration having been given to administrative convenience and necessity.

6. The Court thus concludes that the Plan of Allocation is, in all respects, fair and reasonable to the HRG Subclass and accordingly hereby approves the Plan of Allocation.

7. **No Effect on Judgment** – Any appeal or challenge affecting this Court’s approval

of the Plan of Allocation shall in no way disturb or affect the finality of the Judgment.

8. **Entry of Order** – There is no just reason to delay the entry of this Order. Accordingly, the Clerk of the Court is expressly directed to immediately enter this Order in this Action.

SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

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The Honorable James D. Peterson  
United States District Judge



IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WISCONSIN

JET CAPITAL MASTER FUND, L.P.,  
Plaintiff,

v.

HRG GROUP, INC. ET AL.,  
Defendants.

No. 21-cv-552-jdp

**[PROPOSED] ORDER GRANTING HRG LEAD COUNSEL MOTION FOR  
AN AWARD OF ATTORNEYS' FEES AND EXPENSES AND  
DENYING SPECTRUM CLASS COUNSEL MOTION  
FOR AN AWARD OF ATTORNEYS' FEES**

WHEREAS, the Court conducted a hearing on March 18, 2022 to consider, among other things, whether to approve Lead Counsel's motion for an award of attorneys' fees and Litigation Expenses ("Fee and Expenses Motion") from the Net Settlement Fund created by the Settlement achieved in the above-captioned class action ("Action"); and

WHEREAS, the Court having reviewed and considered the Fee and Expenses Motion, all papers filed and proceedings held herein in connection with the Settlement, all oral and written comments received regarding the Settlement, the lack of objection to the Fee and Expenses Motion, and the record in the Action, and good cause appearing therefor;

IT IS HEREBY ORDERED THAT:

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

2. **Incorporation of Settlement Documents** – This Order incorporates and makes a part hereof: (a) the Stipulation filed with the Court on October 8, 2021; and (b) the Notice and

the Summary Notice, both of which were filed with the Court on February 7, 2022. All capitalized terms not expressly defined herein shall have the same meaning as they have in the Stipulation, Notice or Summary Notice.

3. **Notice of Fee and Expenses Motion** –The Court finds that the dissemination of the Notice, which included that Lead Counsel could apply for attorneys’ fees up to 22% of the Net Settlement Fund and reimbursement of up to \$500,000 in expenses: (a) was implemented in accordance with the Preliminary Approval Order; (b) constituted the best notice practicable under the circumstances; (c) constituted notice that was reasonably calculated, under the circumstances, to apprise HRG Subclass Members of (i) Lead Counsel’s intention to seek attorneys’ fees up to 22% of the Net Settlement Fund and reimbursement of up to \$500,000 in expenses; (ii) their right to object to the Fees and Expenses Motion, and (iii) their right to exclude themselves from the HRG Subclass; (d) constituted due, adequate, and sufficient notice to all persons and entities entitled to receive notice of the proposed Settlement; and (e) satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, as amended, and all other applicable law and rules.

4. Over 86,000 copies of the Notice, which included that Lead Counsel could apply for attorneys’ fees up to 22% of the Net Settlement Fund and reimbursement of up to \$500,000 in expenses, were mailed to potential HRG Subclass Members and nominees. Lead Counsel filed the Fees and Expenses Motion on February 7, 2022. No objection to the Fee and Expenses Motion was received.

5. **Attorney Fee Award** – Lead Counsel is hereby awarded attorneys’ fees in the amount of 22% of the Settlement Fund, net of total Court-awarded Litigation Expenses and

estimated Notice and Administration Costs, which sum the Court finds to be fair and reasonable.

6. **Expense Award** – Lead Counsel are also hereby awarded \$39,834.68 in payment of litigation expenses to be paid from the Settlement Fund, which sum the Court finds necessary, fair, and reasonable.

7. **Considerations Supporting Lead Counsel Fee and Expense Award** – In making this award of attorneys’ fees and reimbursement of expenses to be paid from the Settlement Fund, the Court has considered and found that:

- (a) The Settlement has created a fund of \$7,250,000 in cash that has been funded into escrow under the terms of the Stipulation, and that numerous HRG Subclass Members who submit valid and acceptable Claim Forms will benefit from the Settlement that resulted from Lead Counsel’s efforts;
- (b) The fee sought has been reviewed and approved as reasonable by Lead Plaintiff Jet Capital, which is a sophisticated institutional investor that actively supervised the Action;
- (c) Over 86,000 copies of the Notice, which stated that Lead Counsel could apply for attorneys’ fees up to 22% of the Net Settlement Fund and reimbursement of up to \$500,000 in expenses, were mailed to potential HRG Subclass Members and nominees. Lead Counsel filed the Fees and Expenses Motion on February 7, 2022. No objection to the Fee and Expenses Motion was received;
- (d) Lead Counsel conducted the litigation, which raised a number of complex issues, and achieved the Settlement with skill, perseverance, and diligent advocacy;
- (e) Had Lead Counsel not achieved the Settlement, there would have been a significant risk that Lead Plaintiff and the other members of the HRG Subclass would have

received less or no recovery from Defendants;

- (f) Lead Counsel devoted over 700 hours, with a lodestar value of approximately \$650,000 to achieve the Settlement; and
- (g) The attorney fee award amount and expense reimbursement amount are reasonable and consistent with Seventh Circuit authority and awards in similar cases.

8. **No Fee Award to Spectrum Class Counsel** – The Court has considered Spectrum Class Counsel’s motion for a fee award of 15% of \$4.785 million and hereby denies that motion. Spectrum Class Counsel shall receive no fee award.

9. **No Effect on Judgment** – Any appeal or challenge affecting this Court’s approval of the Fee and Expenses Motion or denial of Spectrum Class Counsel’s fee motion shall in no way disturb or affect the finality of the Judgment.

10. **Entry of Order** – There is no just reason to delay the entry of this Order. Accordingly, the Clerk of the Court is expressly directed to immediately enter this Order in this Action.

SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

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The Honorable James D. Peterson  
United States District Judge