UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

PANTHER PARTNERS INC., Individually and on Behalf of All Others Similarly Situated,

Plaintiff,

vs.

JIANPU TECHNOLOGY INC., DAQING (DAVID) YE, YILU (OSCAR) CHEN, JIAYAN LU, CAOFENG LIU, CHENCHAO ZHUANG, JAMES QUN MI, KUI ZHOU, YUANYUAN FAN, DENNY LEE, RONG360 INC., GOLDMAN SACHS (ASIA) L.L.C., GOLDMAN SACHS & CO. LLC, MORGAN STANLEY & CO. INTERNATIONAL PLC, J.P. MORGAN SECURITIES LLC, CHINA RENAISSANCE SECURITIES (HONG KONG) LIMITED, CHINA RENAISSANCE SECURITIES (US) INC., LAW DEBENTURE CORPORATE SERVICES INC. and GISELLE MANON, inclusive,

Defendants.

Civil Action No. 1:18-cv-09848-PGG

CLASS ACTION

JOINT DECLARATION OF ERIN W. BOARDMAN AND TODD KAMMERMAN IN SUPPORT OF: (1) LEAD PLAINTIFF'S MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND APPROVAL OF PLAN OF ALLOCATION; AND (2) LEAD COUNSEL'S MOTION FOR AN AWARD OF ATTORNEYS' FEES AND EXPENSES AND AN AWARD TO PLAINTIFF PURSUANT TO 15 U.S.C. §77z-1(a)(4)

Erin W. Boardman and Todd Kammerman, declare as follows pursuant to 28 U.S.C. §1746:

1. I, Erin W. Boardman, am an attorney duly licensed to practice before all of the courts of the State of New York and before this Court. I am a partner of the law firm of Robbins Geller Rudman & Dowd LLP ("Robbins Geller").

2. I, Todd Kammerman, am an attorney duly licensed to practice before all of the courts of the State of New York and before this Court. I am of counsel at the law firm of Abraham, Fruchter & Twersky, LLP ("Abraham Fruchter" and together with Robbins Geller, "Lead Counsel").[1]

3. On behalf of Robbins Geller and Abraham Fruchter, counsel for Lead Plaintiff Panther Partners Inc. ("Panther Partners" or "Lead Plaintiff") and the Settlement Class in the above-captioned action (the "Action"), we jointly submit this declaration, pursuant to Federal Rule of Civil Procedure ("Rule") 23, in support of: (i) Lead Plaintiff's motion for final approval of the all-cash settlement of $7,500,000 (the "Settlement Amount") and approval of the proposed Plan of Allocation; and (ii) Lead Counsel's motion for an award of attorneys' fees and expenses and an Award to Plaintiff pursuant to 15 U.S.C. §77z-1(a)(4).

4. We each have personal knowledge of the matters set forth herein based on our active participation in all material aspects of the prosecution and resolution of this Action. If called upon, we could and would competently testify that the following facts are true and correct.

I. INTRODUCTION AND OVERVIEW

5. The Settling Parties have entered into a settlement of the Settlement Class's claims alleged in this securities class action against defendants Jianpu Technology Inc. ("Jianpu" or the

[1] Unless otherwise indicated, all capitalized terms herein have the meanings ascribed to them in the Stipulation of Settlement, dated November 15, 2021 (the "Stipulation"). *See* ECF No. 107.

"Company"), Rong360 Inc., Law Debenture Corporate Services Inc., Giselle Manon (the "Jianpu Defendants"), China Renaissance Securities (Hong Kong) Limited, China Renaissance Securities (US) Inc., Goldman Sachs (Asia) L.L.C., Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, and Morgan Stanley & Co. International plc (the "Underwriter Defendants") (collectively, "Defendants").

6. The Settlement is a very favorable result for the Settlement Class. The Stipulation provides for the non-reversionary payment of $7,500,000 in cash to the Settlement Class in exchange for a release of the Released Claims (as defined in the Stipulation) against Defendants and their Related Parties. As described herein, the Settlement is the product of Lead Plaintiff's and Lead Counsel's careful analysis and vigorous litigation of the claims, as well as extensive arm's-length settlement negotiations between the parties, which took place during and after a mediation session supervised by an experienced mediator, Greg Lindstrom, Esq. of Phillips ADR.

7. The benefit to the Settlement Class must be weighed against the significant chance that it might obtain a much smaller recovery after years of protracted litigation – or none at all. If at any stage of the litigation, Defendants were to prevail on their various arguments disputing liability or seeking to reduce or eliminate the Settlement Class's damages, the Settlement Class would have been left with little or no recovery. The Settlement Amount represents a recovery of approximately 9.2% of the maximum estimated damages that the Settlement Class could reasonably recover at trial, assuming Lead Plaintiff was able to establish liability – or more if any of Defendants' arguments regarding causation and damages had been successful. In sum, the Settlement provides for a substantial monetary benefit to the Settlement Class now, and is an excellent recovery in light of the significant risks involved in continued litigation.

8. As detailed herein, the Settlement is the product of a comprehensive investigation, detailed analysis, and extensive arm's-length negotiations by experienced counsel, which involved the assistance of an experienced mediator. Lead Counsel, working closely with Lead Plaintiff, negotiated the Settlement with a thorough understanding of the strengths and weaknesses of the claims asserted against each of the Defendants. This understanding was based on Lead Counsel's vigorous efforts, which included reviewing and analyzing: (i) Jianpu's public filings with the U.S. Securities and Exchange Commission ("SEC"); (ii) presentations, press releases, and media and analyst reports concerning the Company; (iii) transcripts of Jianpu's conference calls with analysts and investors; and (iv) publicly available data relating to Jianpu ADSs.

9. In addition to their comprehensive investigation, Lead Counsel drafted a detailed amended complaint, successfully opposed Defendants' motions to dismiss, filed a motion to strike exhibits submitted with Defendants' motion to dismiss the Complaint, and prepared and served document requests on Defendants. In advance of mediation, Lead Plaintiff provided a detailed mediation statement and exhibits to the mediator, which addressed issues of both liability and damages. As a result of these efforts, Lead Counsel and Lead Plaintiff were fully informed regarding the strengths and weaknesses of the case against each of the Defendants before agreeing to the Settlement.

10. As discussed herein, Lead Plaintiff faced serious risks in going forward with the litigation. Lead Plaintiff faced the significant risk that Defendants could ultimately be successful in showing, among other things, that: (i) they did not make any actionable misstatements or omissions; and (ii) the Settlement Class's damages were caused by non-actionable, intervening factors. Additionally, Lead Plaintiff faced the risk that the Court would deny its anticipated motion for class certification. Accordingly, while Lead Counsel believe that the Settlement Class's claims have

merit, there was a significant chance that one or more of Defendants' arguments may have ultimately proved insurmountable – and the Settlement Class may have ended up with little or no recovery. The significance of these risks was heightened by the prospect of years of protracted litigation through costly fact and expert discovery – further complicated by the difficulty of conducting discovery in China – dispositive motions, a trial, and likely ensuing appeals. There was also a risk that Lead Plaintiff would not be able to enforce a judgment against Jianpu in Chinese courts. The Settlement avoids these and other risks while providing a substantial and immediate monetary benefit to the Settlement Class.

11. The other terms of the Settlement are the product of careful negotiations between the parties and are set forth in the Stipulation. For all of the reasons stated herein, Lead Counsel believe that the Settlement is fair, reasonable and adequate, is in the best interests of the Settlement Class, and should be approved. Furthermore, the Settlement has the full support of the Lead Plaintiff.

12. Lead Counsel seek attorneys' fees of 33-1/3% of the Settlement Amount, plus their litigation expenses of $31,019.24, with interest thereon earned at the same rate as the Settlement Fund. The fee request has Lead Plaintiff's full support. The requested fee amounts to a slight multiple of Lead Counsel's collective "lodestar" (*i.e.*, Lead Counsel's hourly rates multiplied by the hours spent on prosecuting and settling this Action).

13. Pursuant to the Court's Order Granting Lead Plaintiff's Unopposed Motion for Preliminary Approval of Class Action Settlement dated December 30, 2021 (ECF No. 111) (the "Preliminary Approval Order"), the Notice and Proof of Claim were mailed to all Settlement Class Members who could be identified with reasonable effort, and the Summary Notice was published electronically on *PR Newswire* and in print in the *Investor's Business Daily*.

14. The Notice advised all recipients of, among other things: (i) the terms of the Settlement; (ii) the definition of the Settlement Class; (iii) their right to exclude themselves from the Settlement Class; (iv) their right to object to any aspect of the Settlement, including the Plan of Allocation and Lead Counsel's request for attorneys' fees and expenses; and (v) the procedures and deadline for submitting a Proof of Claim in order to be eligible for a payment from the proceeds of the Settlement.

15. The Court-ordered deadline for filing objections to the Settlement is March 4, 2022, and the deadline for requesting exclusion from the Settlement Class is March 29, 2022. To date, no objections to any aspect of the Settlement have been filed. If any objections or requests for exclusion are received, Lead Plaintiff will address them in a reply submission to be filed on or before May 5, 2022.

16. Gilardi & Co. LLC ("Gilardi"), which has been retained by Lead Counsel and approved by the Court as Claims Administrator, has advised that as of February 17, 2022, a total of 14,305 copies of the Notice and Proof of Claim have been mailed to Potential Settlement Class Members. Additionally, the Notice and Proof of Claim, Stipulation, and Preliminary Approval Order have been posted on the website established for the Settlement: www.JianpuSecuritiesSettlement.com.

II. THE NATURE AND HISTORY OF THE LITIGATION

A. The Commencement of the Action

17. On October 25, 2018, Panther Partners initiated this Action in the United States District Court for the Southern District of New York, as a class action arising under Sections 11, 12(a)(2), and 15 of the Securities Act of 1933 (the "Securities Act"). ECF No. 1.

18. In an Order dated January 10, 2019, the Court appointed Panther Partners as Lead Plaintiff and approved its selection of Robbins Geller and Abraham Fruchter as Lead Counsel. ECF No. 17. Thereafter, the parties agreed to a briefing schedule for the filing of an amended complaint and responses thereto, which the Court approved on February 15, 2019. *See* ECF Nos. 21, 26.

19. Lead Counsel conducted an extensive investigation of the alleged securities law violations. This investigation included, but was not limited to, a review and analysis of: (i) Jianpu's public filings with the SEC; (ii) transcripts of Jianpu's public conference calls; (iii) Jianpu's press releases; (iv) reports of securities analysts following Jianpu; (v) independent media reports (published in both the U.S. and China) regarding Jianpu; (vi) publicly available information concerning the online lending industry in China; (vii) Jianpu's stock price movement and pricing and volume data; and (viii) other publicly available information.

20. Based on this investigation, Lead Counsel prepared a detailed Amended Complaint for Violations of the Securities Act of 1933 (the "Complaint") on behalf of those who purchased or otherwise acquired the American Depositary Shares ("ADSs") of Jianpu pursuant and/or traceable to its November 16, 2017 initial public offering (the "IPO"). Lead Plaintiff filed the Complaint on March 28, 2019. ECF No. 30.

B. The Complaint and a Summary of the Settlement Class's Allegations

21. The Complaint asserted claims under Sections 11, 12(a)(2) and 15 of the Securities Act, arising from Jianpu's IPO on November 16, 2017. Defendant Jianpu operates an online platform in China that connects users with financial service providers ("FSPs") offering loans and credit cards. Jianpu generates revenues from its loan recommendation services, which are dependent upon the number of loan applications completed on its platform, and hence, on the number of FSPs offering such loans.

22. Lead Plaintiff alleged that the Registration Statement for the IPO failed to disclose the extent to which Chinese laws and regulations posed a material risk to Jianpu's revenues from loan recommendation services. Specifically, the Registration Statement failed to disclose: (i) Jianpu's exposure to FSPs that were subject to regulations in China governing "peer-to-peer" (or "P2P") lending, known as the Interim Measures – or that the Interim Measures were causing a decline in the number of P2P financial service providers operating in China at the time of the IPO; and (ii) that a material portion of the loans offered by FSPs on Jianpu's platform featured annualized interest rates (also known as "APR") in excess of 36%, in violation of PRC laws and regulations.

23. The Complaint alleged that at the time of the IPO, a material portion of the FSPs offering loans on Jianpu's platform were failing to comply with applicable PRC laws and regulations. However, the Registration Statement failed to discuss any of these laws or regulations, or their applicability to the FSPs that supplied the majority of Jianpu's revenue. Following the IPO, regulatory authorities in China introduced a series of measures designed to enhance enforcement of the Interim Measures and the 36% APR cap, which caused Jianpu's revenues from loan recommendation services to slow dramatically. Jianpu ultimately reported that its revenues from loan recommendation services decreased by 9.3% year-over-year for 2018. The price of Jianpu ADSs declined in tandem with the Company's decline in revenue growth, to approximately 40% below the IPO price at the time the Action was filed.

24. Defendants continue to deny any and all allegations of wrongdoing, and deny that they have committed any act or omission giving rise to any liability or violation of law.

C. The Motion to Dismiss

25. On June 3, 2019, Defendants jointly moved to dismiss the Complaint. ECF Nos. 52-54. Defendants argued, among other things, that the Registration Statement did not contain a

material misrepresentation or omission because Jianpu adequately described the FSPs on its platform and disclosed the regulations affecting them. Defendants also contended that Jianpu adequately disclosed the regulatory risk to its financial performance because: (i) Jianpu disclosed that lenders on its platform could be subject to further interest rate and licensing requirements; and (ii) lenders on Jianpu's platform were not in violation of applicable regulations prior to the IPO. Defendants further argued that Lead Plaintiff failed to allege that the decline in the number of P2P lenders before the IPO was known or material, as required by Item 303 of Regulation S-K. Defendants also argued that Lead Plaintiff's claims should be dismissed based on negative causation, and that Lead Plaintiff failed to plead control person liability.

26. On August 5, 2019, Lead Plaintiff served its opposition to the motion to dismiss. ECF No. 57. Lead Plaintiff argued, among other things, that the Registration Statement omitted material facts because it failed to disclose the specific, existing regulations applicable to the FSPs on Jianpu's platform. Lead Plaintiff likewise argued that Defendants' risk disclosures were inadequate because they were silent about those existing regulations, and failed to disclose that a material portion of the FSPs were failing to comply with the regulations at the time of the IPO. In addition, Lead Plaintiff contended that the Complaint adequately pled a violation of Item 303, including by alleging that the future impact of the regulations was reasonably likely to be material. Lead Plaintiff also argued that Defendants had failed to carry their burden of proving negative causation, and explained that the Complaint adequately pled control person liability. Lead Counsel spent significant time and resources performing the legal and factual research necessary to address Defendants' arguments and draft an effective opposition which demonstrated that the Complaint adequately pled claims under the Securities Act.

27. Also on August 5, 2019, Lead Plaintiff moved to strike certain exhibits submitted by Defendants in support of their motion to dismiss, arguing that those exhibits: (i) were not incorporated by reference or relied upon in the Complaint; (ii) were not subject to judicial notice; and (iii) were improperly relied upon by Defendants for the truth of their contents. ECF Nos. 47-49.

28. Defendants opposed Lead Plaintiff's motion to strike on August 19, 2019 (ECF No. 51), and Lead Plaintiff filed its reply in further support of the motion to strike on August 26, 2019. ECF No. 50.

29. Defendants filed their reply memorandum in further support of their motion to dismiss on September 19, 2019. ECF No. 55.

30. Thereafter, on February 28, 2020, Lead Plaintiff filed a notice of supplemental authority, arguing that *In re PPDAI Group Securities Litigation*, No. 654482/2018 (N.Y. Sup. Ct. Feb. 26, 2020), a recent state court decision involving similar circumstances, supported denial of Defendants' motion to dismiss. ECF No. 59. Defendants filed a response attempting to distinguish *PPDAI* on March 6, 2020, and Lead Plaintiff replied on March 13, 2020. ECF Nos. 61-62.

31. Also on March 13, 2020, the Court issued an order denying Lead Plaintiff's motion to strike, but ruling that, "[t]o the extent that the exhibits" at issue "'are not incorporated by reference or relied upon in the [Complaint] or are not subject to judicial notice,'" the Court would "not rely on them in deciding the motion to dismiss." ECF No. 64 (internal citations omitted).

32. On September 27, 2020, the Court entered its Memorandum Opinion and Order denying Defendants' motion to dismiss in full. ECF No. 67. The Court held that Lead Plaintiff had "adequately pled . . . actionable omission[s] under . . . the Securities Act" with respect to both the Interim Measures and the 36% APR cap (*id*. at 25, 30), and sustained the Item 303 claims based on those omissions, finding that the omitted facts were known and material. *Id*. at 18-19, 28. The Court

also found that Jianpu's risk disclosures were insufficient, because they did not "reveal what Plaintiff alleges" – namely, "that [FSPs] operating on Jianpu's platform were not in compliance with existing regulations." *Id*. at 23. The Court further explained that the risk disclosures were "vague" and were "framed as hypotheticals and [did] not even reference the [Interim Measures or the] 36% APR cap, much less explain the nature and magnitude of the risk" that those regulations "presented to Jianpu's business." *Id*. at 29; *see also id*. at 20-21. The Court also dispensed with Defendants' efforts to mischaracterize Lead Plaintiff's allegations as hindsight pleading because new, more stringent regulations were enacted after the IPO, reasoning that those regulations "'did not come out of the blue,'" and "[i]t should have been obvious that once the PRC enacted" a regulatory framework prior to the IPO, "compliance would eventually be required." *Id*. at 24. Finally, the Court rejected Defendants' arguments concerning negative causation and control person liability. *Id.* at 32-33.

33. On November 12, 2020, separate answers to the Complaint were filed by: (i) Jianpu and Rong360 Inc.; (ii) Law Debenture Corporate Services Inc. and Giselle Manon; and (iii) the Underwriter Defendants. ECF Nos. 74-76.

D. The Commencement of Discovery

34. Following the Court's Order denying Defendants' motion to dismiss, Lead Counsel immediately commenced formal discovery efforts. On October 21, 2020, Lead Counsel met and conferred with counsel for the Jianpu Defendants and the Underwriter Defendants pursuant to Rule 26(f) concerning, among other things, the scope and timing of discovery. Lead Counsel also negotiated and prepared a Proposed Scheduling Order, which the parties submitted to the Court on October 22, 2020. ECF No. 70-1.

35. On October 29, 2020, Lead Counsel and counsel for Defendants participated telephonically in an initial pretrial conference with the Court. During the conference, the Court

indicated that it would approve the Proposed Scheduling Order, and the Scheduling Order was ultimately entered on January 26, 2021. *See* ECF No. 79.

36. After the initial pretrial conference, Lead Counsel worked with Lead Plaintiff to prepare Lead Plaintiff's Initial Disclosures pursuant to Rule 26(a), which were served on November 27, 2020.

37. On December 2, 2020, Lead Plaintiff propounded requests for the production of documents on Defendants, consisting of 48 discrete requests germane to the claims and defenses asserted by the parties. Defendants served their responses and objections to Lead Plaintiff's document requests on January 8, 2021. Defendants also served requests for the production of documents on Lead Plaintiff on December 2, 2020, which Lead Plaintiff responded and objected to on January 8, 2021.

38. In preparation for the parties' document productions, Lead Counsel prepared: (i) a draft protective order to govern the treatment of confidential information; and (ii) a draft protocol for the production of electronically stored information. Also during this time, Lead Counsel began drafting Lead Plaintiff's anticipated motion for class certification, which was due on February 1, 2021 under the Proposed Scheduling Order.

39. On January 25, 2021, the parties participated in a telephonic meet and confer session to discuss their respective document requests and responses and objections thereto. During the meet and confer, Defendants raised the possibility of exploring a resolution of the Action, and the parties subsequently agreed to pursue the retention of a private mediator. Thereafter, the parties sought and obtained an extension of the interim deadlines in the Scheduling Order while they attempted mediation.

E. Mediation and Settlement Efforts

40. The Settlement is the product of intense and hard-fought negotiations, which were conducted at arm's length between experienced counsel and supervised by Greg Lindstrom, Esq. of Phillips ADR, who has extensive experience as a mediator in complex cases.

41. In advance of the mediation, on March 2, 2021, the parties submitted to Mr. Lindstrom and exchanged detailed mediation statements and exhibits setting forth their respective positions on the strengths and weaknesses of their claims and defenses. Lead Counsel also participated in a pre-mediation teleconference with Mr. Lindstrom, and responded to written questions from Defendants concerning Lead Plaintiff's damages estimate.

42. On March 16, 2021, the parties participated in a full-day mediation session with Mr. Lindstrom via Zoom. During the course of that mediation, Lead Counsel vigorously advocated Lead Plaintiff's positions regarding liability, causation, and damages. Although the parties made progress during the mediation, they did not reach a settlement on that date.

43. Over the next five months, the parties engaged in extensive post-mediation negotiations, with the assistance of Mr. Lindstrom. Throughout these negotiations, Lead Counsel provided periodic status updates to the Court, and the parties participated in a telephonic status conference with the Court on April 15, 2021. At several points during this time, it seemed that the parties would not be able to reach a resolution of the litigation.

44. On August 11, 2021, Mr. Lindstrom made a "mediator's recommendation" that the case settle for $7.5 million. Lead Counsel discussed the mediator's recommendation with Lead Plaintiff, and after careful deliberation, Lead Plaintiff accepted the recommendation. Defendants also accepted the mediator's recommendation, and on August 13, 2021, the parties reached an

agreement-in-principle to resolve the Action, subject to the negotiation of mutually acceptable terms of a settlement agreement.

45. Once the key terms of the Settlement were agreed upon, Lead Counsel continued to negotiate at arm's length with Defendants' counsel to work out the details of the Settlement and the Stipulation, and drafted the Stipulation and supporting documents. These negotiations continued until November 15, 2021, when the parties executed the Stipulation.

F. Preliminary Approval of the Settlement

46. On November 15, 2021, Lead Plaintiff filed its Unopposed Motion for Preliminary Approval of Class Action Settlement, Certification of the Settlement Class, and Approval of Notice to the Settlement Class. ECF Nos. 105-106. In connection therewith, Lead Plaintiff requested that the Court: (i) preliminarily approve the Settlement; (ii) certify the proposed Settlement Class; (iii) approve the form and manner of the settlement notices to the Settlement Class Members; and (iv) schedule a hearing on the final approval of the Settlement, proposed Plan of Allocation and Lead Counsel's application for an award of attorneys' fees and litigation expenses. ECF No. 106.

47. The Court granted Lead Plaintiff's motion for preliminary approval on December 30, 2021, and scheduled a settlement hearing for final approval on May 12, 2022, at 11:00 a.m. ECF No. 111.

III. THE SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE AND WARRANTS APPROVAL

48. The Settlement of $7,500,000 was the result of extensive, arm's-length negotiations between the parties, with the assistance of an experienced mediator. The Settlement reflects the strengths and weaknesses of the case, and would not have been achieved without Lead Counsel's efforts described herein.

49. As set forth below and in the Motion for Final Approval, the Settlement is a favorable result for the Settlement Class when evaluated in light of the risks of continued litigation and all of the other circumstances that courts consider when determining whether to grant final approval of a proposed class action settlement under Rule 23(e) of the Federal Rules of Civil Procedure.

50. The Settlement avoids the hurdles Lead Plaintiff would have to clear, not only with respect to proving the full amount of the Settlement Class's damages but liability as well, and avoids the significant costs associated with further litigation of this complex securities action, particularly obtaining discovery from a company based in China and a trial. In view of the significant risks and additional time and expense involved in continuing to litigate this Action, we respectfully submit that the Settlement is fair, reasonable and adequate and warrants the Court's final approval.

A. The Risks to Establishing Liability

51. While Lead Counsel believe that Lead Plaintiff would have ultimately prevailed on the merits at trial, we recognize that there were considerable risks that made the outcome of this litigation uncertain. Lead Counsel carefully considered these risks throughout the litigation and in recommending that Lead Plaintiff settle this matter.

52. For example, Lead Plaintiff faced significant risks in proving that Defendants' alleged statements and omissions were materially false and misleading. One of Defendants' main liability defenses was their argument that Lead Plaintiff could not prove falsity because its claims amounted to "hindsight" pleading. According to Defendants, the evidence would show that Jianpu's FSPs were not in violation of the Interim Measures or the 36% APR cap at the time of the IPO because: (i) compliance with the Interim Measures was not mandatory until after the IPO; and (ii) at the time of the IPO, costs and fees were not required to be included in the calculation of the 36% APR cap. Therefore, Defendants would continue to argue that the applicable regulations that caused a

downturn in Jianpu's business were enacted after the IPO, and Jianpu had no obligation to predict those post-IPO regulatory changes.

53. Defendants would further argue that given the actual state of regulations and risks present at the time of the IPO, the Registration Statement adequately warned investors of: (i) the risk that new regulations could be enacted; and (ii) the impact that they could have on the Company. Defendants were also prepared to mount a defense asserting that any decline in the number of P2P lenders prior to the IPO was not material, and in any event, was not impacting Jianpu at the time of the IPO. While the parties disagreed about the merits of these arguments, Lead Plaintiff recognized that if the Court at summary judgment or a jury at trial found them compelling, the Settlement Class would recover nothing.

B. The Risks to Establishing Causation and Damages

54. Even if Lead Plaintiff succeeded in overcoming these arguments and establishing liability, Defendants' arguments and defenses relating to causation and damages presented additional obstacles. Defendants were adamant that they would prevail on their "negative causation" arguments at summary judgment or trial by showing that there was no causal link between the alleged misstatements and omissions and the decline in Jianpu's share price. Specifically, Defendants would argue that: (i) the alleged disclosures were merely post-IPO events that did not reveal the falsity of anything in the Registration Statement; and (ii) the decline in Jianpu's share price was caused by other, unrelated factors. Defendants would further argue that the alleged disclosures could not have caused any decline in Jianpu's share price because a substantial portion of the stock drop had already occurred by the time of the disclosures.

55. Moreover, Defendants would contend that even if negative causation did not eliminate damages, it severely limited them. Defendants asserted that at the time new regulations

were issued following the IPO, the price of Jianpu's ADSs had already fallen 36.5% from the IPO price, and this decline could not be attributed to the alleged misstatements and omissions. If Defendants prevailed on this argument, the Settlement Class's likely recoverable aggregate damages would have been reduced from approximately $80.9 million to approximately $51.4 million.

56. Defendants would surely put forth well-credentialed experts in an effort to prove their causation and damages arguments, invariably resulting in a "battle of the experts," the outcome of which is inherently unpredictable. These risks could not be eliminated until after a successful trial and the exhaustion of all appeals. Accordingly, in the absence of a settlement, there was a very real risk that the Settlement Class would have recovered an amount significantly less than the alleged statutory damages – or even nothing at all.

C. The Complexity, Expense, and Likely Duration of the Litigation

57. The continuation of this Action would be long, complex, and costly to all parties involved. Were the litigation to proceed, fact and expert discovery, class certification and summary judgment motions, trial, and possible appeals would be lengthy and would entail considerable additional costs.

58. At the time the Settlement was reached, the parties were in the early stages of formal discovery − typically the most expensive and time-consuming aspect of litigation. There is no question that discovery in this Action would not only be complex, but also expensive and protracted, because Jianpu and virtually all of the relevant witnesses and documents are located in China – where it is notoriously difficult to conduct discovery.

59. Lead Plaintiff would first need to overcome Defendants' inevitable arguments that certain documents were not available for production due to China's stringent "state secrecy" and data privacy laws, which limit the types of documents that can be produced to third parties, such as

Lead Plaintiff. Even if Lead Plaintiff managed to obtain documents, the vast majority of them would be in Chinese, which would require Lead Plaintiff to hire a team of bilingual attorneys to review the documents. Lead Plaintiff would also need to translate important documents, including those submitted to the Court or used at trial or during depositions.

60. Lead Plaintiff also would have expended significant resources in its attempt to take depositions. Depositions of Chinese nationals (whether in-person or by video) would likely need to take place in Hong Kong, as taking depositions in mainland China requires cumbersome official approval procedures, and few such requests have ever been granted. Depositions could be further complicated by COVID-related travel restrictions. Lead Plaintiff would also need to contend with the inherent difficulties of conducting depositions in Chinese through interpreters.

61. Third parties with relevant knowledge and documents were also likely to be located in China, and Lead Plaintiff would have needed to serve letters of request through the Hague Convention – an uncertain process that was unlikely to yield evidence in a timely manner, if at all. All of this would have made fact discovery especially protracted and expensive, with no assurance that even after the time, effort and cost expended, Lead Plaintiff would have been able to successfully procure necessary discovery.

D. Additional Factors

62. Even if Lead Plaintiff prevailed at trial and obtained a judgment, Jianpu's counsel claimed that Lead Plaintiff would almost certainly be unable to enforce any judgment against Jianpu in the Chinese courts. As a result, it could have been years before the Settlement Class received a recovery, if any, and whether Jianpu would still have been a viable company with sufficient assets to satisfy a judgment is unknown. The limited insurance policies – which are being used to fund the Settlement – would have been further depleted to pay these ongoing and substantial expenses. The

Settlement avoids these risks and expenditures and provides an immediate recovery for the Settlement Class.

63. The experience of Lead Counsel also favors the Settlement. Robbins Geller and Abraham Fruchter are nationally recognized for their experience and expertise in complex class action and securities litigation. Our reputations as attorneys who are willing to zealously carry a meritorious case through trial and appeals gave us a strong negotiating position, even under the challenging circumstances presented here. *See* Declaration of Erin W. Boardman Filed on Behalf of Robbins Geller Rudman & Dowd LLP in Support of Application for Award of Attorneys' Fees and Expenses ("Robbins Geller Fee Decl."), Ex. C; Declaration of Jack G. Fruchter Filed on Behalf of Abraham, Fruchter & Twersky, LLP in Support of Application for Award of Attorneys' Fees, Expenses and Award to Plaintiff ("Abraham Fruchter Fee Decl."), Ex. C, submitted herewith (firm résumés).

64. Finally, the lack of opposition to the Settlement also militates in favor of the Settlement. As outlined below, notice has already been widely disseminated to Potential Settlement Class Members. The absence of any objections to the Settlement or requests to opt out of the Settlement Class to date weigh in favor of the Settlement.

65. Based on all of these factors, Lead Counsel and Lead Plaintiff respectfully submit that the Settlement represents a very favorable result for the Settlement Class. The Settlement provides Settlement Class Members with a substantial benefit now, where there is a significant likelihood of less recovery or no recovery at all if the litigation were to continue.

IV. MAILING AND PUBLICATION OF NOTICE OF SETTLEMENT

66. The Preliminary Approval Order, among other things, appointed Gilardi as the Claims Administrator and directed it to cause the mailing of the Notice and Proof of Claim to all Potential

Settlement Class Members identifiable with reasonable effort, no later than January 28, 2022. ECF No. 111, ¶8.

67. The Preliminary Approval Order also directed Lead Counsel to cause the Summary Notice to be published electronically on *PR Newswire* or *GlobeNewswire* and in print once in the *Investor's Business Daily*, no later than February 7, 2022. *Id.*, ¶12.

68. The Declaration of Ross D. Murray Regarding Notice Dissemination, Publication, and Requests for Exclusion Received to Date ("Mailing Decl."), submitted herewith, states that over 14,300 copies of the Notice and Proof of Claim have been mailed to Potential Settlement Class Members, banks, brokers, and nominees to date, and that the Summary Notice was published electronically on *PR Newswire* on January 31, 2022, and in print in the *Investor's Business Daily* on January 31, 2022, in compliance with the Preliminary Approval Order. Mailing Decl., ¶¶11-12.

69. To date, no objections to any aspect of the Settlement or requests for exclusion have been received. Mailing Decl., ¶16.

V. THE PLAN OF ALLOCATION IS FAIR AND ADEQUATE

70. The Plan of Allocation is set forth in the Notice (*see* Mailing Decl., Ex. A, Notice at 5-6), and provides that the Net Settlement Fund will be distributed to Settlement Class Members who submit timely and valid Proof of Claim forms and whose claims for recovery have been permitted under the terms of the Stipulation ("Authorized Claimants"). The Plan of Allocation provides that a Settlement Class Member will be eligible to participate in the distribution of the Net Settlement Fund only if the Settlement Class Member has an overall net loss on all applicable transactions in Jianpu ADSs.

71. The Plan of Allocation proposed by Lead Plaintiff, which was prepared with the assistance of Lead Plaintiff's damages consultant, is designed to achieve an equitable and rational

distribution of the Net Settlement Fund to Authorized Claimants, and is consistent with Section 11(e) of the Securities Act.

72. Pursuant to the Preliminary Approval Order, and as set forth in the Notice, all Settlement Class Members who wish to participate in the distribution of the Net Settlement Fund must submit a valid Proof of Claim and all required information, postmarked or submitted online no later than April 28, 2022. As provided in the Notice, after deduction of taxes, approved costs, and attorneys' fees and expenses and an Award to Plaintiff, the Net Settlement Fund will be distributed, according to the Court-approved Plan of Allocation, to Authorized Claimants who are entitled to a distribution of at least $10.00.

73. Gilardi, as the Court-approved Claims Administrator, will determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based on each Authorized Claimant's total Recognized Loss compared to the total Recognized Losses of all Authorized Claimants. Lead Plaintiff's losses will be calculated in the same manner.

74. Lead Counsel believe that the Plan of Allocation, which is similar to hundreds of plans approved by courts over decades, provides a fair and reasonable method to equitably distribute the Net Settlement Fund among Authorized Claimants. To date, not a single Settlement Class Member has objected to the proposed Plan of Allocation. The Plan of Allocation is fair and reasonable, and should be approved.

VI. LEAD COUNSEL'S APPLICATION FOR ATTORNEYS' FEES AND EXPENSES IS REASONABLE

75. The successful prosecution of this Action required Lead Counsel's attorneys, forensic accountants, paraprofessionals and staff to perform 2,589 hours of work and incur $31,019.24 in expenses. *See* Robbins Geller Fee Decl., Exs. A-B; Abraham Fruchter Fee Decl., Exs. A-B. For their efforts on behalf of the Settlement Class, as described above, Lead Counsel seek an award of

attorneys' fees of 33-1/3% of the Settlement Amount, plus interest. Lead Counsel also request an award of their expenses incurred in connection with the prosecution of this Action. The requested expenses are reflected in the books and records maintained by Lead Counsel and are an accurate recording of the expenses incurred. *See* Robbins Geller Fee Decl., Ex. B; Abraham Fruchter Fee Decl., Ex. B.

76. A 33-1/3% fee award is consistent with the percentages of the common fund fees awarded to counsel in other comparable securities class actions in this District and around the country. *See* Memorandum of Law in Support of Lead Counsel's Motion for an Award of Attorneys' Fees and Expenses and an Award to Plaintiff Pursuant to 15 U.S.C. §77z-1(a)(4) ("Fee Memorandum"), §III.C, submitted herewith. Based on the quality of Lead Counsel's work and the benefit obtained for Settlement Class Members in light of the risks discussed above, Lead Counsel respectfully submit that the fee and expense request is fair and reasonable.

77. Lead Counsel have diligently worked for over three years to develop and eventually settle this case. Lead Counsel conducted the litigation in a well-organized fashion to ensure maximum efficiency, and devoted both substantial attorney resources and financial resources to the case. In the time they litigated the case, Robbins Geller and Abraham Fruchter together accumulated a lodestar of $1,863,898.50. *See* Robbins Geller Fee Decl., Ex. A; Abraham Fruchter Fee Decl., Ex. A. The requested fee of 33-1/3% represents a modest multiplier of 1.34, which is within the range of multipliers that courts within this Circuit have allowed. *See* Fee Memorandum, §III.D.

78. As discussed above, Lead Counsel faced significant risks in pursuing this Action. This was not a case where any recovery was assured. Compounding the risk, Lead Counsel's fees are wholly contingent and dependent upon a successful result and an award by this Court. From the outset, Lead Counsel understood that we were embarking on complex, expensive, challenging, and

lengthy litigation – with no guarantee of compensation for the investment of time, money, and effort the case would require.

79. In undertaking that responsibility, Lead Counsel were obligated to ensure that sufficient resources were dedicated to the prosecution of the Action and that funds were available to compensate staff and pay for the considerable expenses in a case such as this. Lead Counsel have received no compensation for their services during the course of this Action and have incurred significant expenses in litigating for the benefit of the Settlement Class.

80. Attorneys from Robbins Geller and Abraham Fruchter are among the most knowledgeable and capable practitioners in the field of securities class actions. *See* Robbins Geller Fee Decl., Ex. C; Abraham Fruchter Fee Decl., Ex. C. The Jianpu Defendants are represented by lawyers from Skadden, Arps, Slate, Meagher & Flom LLP and the Underwriter Defendants are represented by lawyers from Ropes & Gray LLP, both well-known and respected law firms whose lawyers vigorously represented the interests of their clients throughout the entirety of this case. In the face of this experienced, formidable, and well-financed opposition, Robbins Geller and Abraham Fruchter developed this case so as to persuade Defendants to settle the Action on a basis favorable to the Settlement Class.

81. There are numerous cases, including many handled by Robbins Geller and Abraham Fruchter, where class counsel in contingent fee cases such as this, after expenditure of thousands of hours of time and incurring significant costs, have received no compensation whatsoever. Class counsel who litigate cases in good faith and receive no fees whatsoever are often the most diligent members of the plaintiffs' bar. The fact that Defendants and their counsel know that the leading members of the plaintiffs' bar are able to, and will, go to trial even in high-risk cases like this one gives rise to meaningful settlements in actions such as this. The losses suffered by class counsel in

other actions where insubstantial settlement offers were rejected, and where class counsel ultimately received little or no fee, should not be ignored. Robbins Geller and Abraham Fruchter know from personal experience that despite the most vigorous and competent of efforts, success in contingent litigation is never assured.

82. Lawsuits such as this are expensive to litigate. Those unfamiliar with the efforts required to litigate class actions often focus on the aggregate fees awarded at the end but ignore the fact that those fees fund enormous overhead expenses incurred during the course of many years of litigation, are taxed by federal and state authorities, are used to fund the expenses of other contingent cases prosecuted by class counsel and help pay the salaries of the firms' attorneys and staff.

83. While the deadline set by the Court for Settlement Class Members to object to the requested fees and expenses has not yet passed, to date Lead Counsel have received no objections to the requested fee and no objections to the requested expenses. Lead Counsel will respond to any objections received by the March 4, 2022 deadline in their reply papers, on or before May 5, 2022.

VII. LEAD PLAINTIFF SEEKS AN AWARD PURSUANT TO 15 U.S.C. §77z-1(a)(4) BASED ON ITS REPRESENTATION OF THE SETTLEMENT CLASS

84. The PSLRA limits a class representative's recovery to an amount "equal, on a per share basis, to the portion of the final judgment or settlement awarded to all other members of the class," but also provides that "[n]othing in this paragraph shall be construed to limit the award of reasonable costs and expenses (including lost wages) directly relating to the representation of the class to any representative party serving on behalf of a class." 15 U.S.C. §77z-1(a)(4).

85. Here, as explained in the accompanying Declaration of Panther Partners, Inc. in Support of Lead Plaintiff's Motion for (1) Final Approval of the Settlement and Plan of Allocation; and (2) an Award of Attorneys' Fees and Litigation Expenses and an Award to Plaintiff ("Panther

Partners Decl."), Lead Plaintiff requests a modest award of $2,500 to compensate for its time related to its active participation in the Action. *See* Panther Partners Decl., ¶5.

86. Many courts, including those in this Circuit, have approved reasonable payments to compensate class representatives for the time and effort devoted by them on behalf of a class.

87. Lead Counsel respectfully submit that the amount sought here is eminently reasonable based on Lead Plaintiff's active involvement in the Action, from its consideration of appointment as Lead Plaintiff to the Settlement, which included, among other things, reviewing the Complaint and other key litigation materials, participating in the mediation process, and communicating with Lead Counsel regarding the Action. As such, this request should be granted in its entirety.

VIII. CONCLUSION

For the reasons set forth above and in the accompanying Settlement and Fee Memoranda, we respectfully submit that: (i) the Settlement is fair, reasonable and adequate, and should be finally approved; (ii) the Plan of Allocation represents a fair method for the distribution of the Net Settlement Fund among Settlement Class Members and should also be approved; and (iii) the application for attorneys' fees of 33-1/3% of the Settlement Amount and expenses of $31,019.24, with interest thereon earned at the same rate as the Net Settlement Fund, plus an Award to Plaintiff of $2,500, should be granted in its entirety.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct to the best of my knowledge, information and belief. Executed on February 17, 2022.

ERIN W. BOARDMAN

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct to the best of my knowledge, information and belief. Executed on February 17, 2022.

TODD KAMMERMAN

CERTIFICATE OF SERVICE

I, Erin W. Boardman, hereby certify that on February 18, 2022, I authorized a true and correct copy of the foregoing document to be electronically filed with the Clerk of the Court using the CM/ECF system, which will send notification of such public filing to all counsel registered to received such notice.

s/ Erin W. Boardman
ERIN W. BOARDMAN