UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
COLUMBIA DIVISION

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 98 PENSION FUND on behalf of itself and all others similarly situated, *Plaintiff*, vs. DELOITTE & TOUCHE, LLP; DELOITTE LLP, *Defendants*.	Case No. 3:19-cv-3304-JDA **CLASS ACTION**

MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF LEAD PLAINTIFF'S MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND PLAN OF ALLOCATION

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Page(s)

Cases

Other Authorities

Pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, Lead Plaintiff International Brotherhood of Electrical Workers Local 98 Pension Fund ("Lead Plaintiff"), on behalf of itself and the Settlement Class, respectfully submits this memorandum of law in support of its motion for final approval of: (i) the proposed settlement reached with Defendants in the Action (the "Settlement"); and (ii) the proposed plan of allocation of the proceeds of the Settlement (the "Plan of Allocation" or the "Plan").[1]

INTRODUCTION

Subject to Court approval, Lead Plaintiff has agreed to settle all claims in the Action, and related claims, in exchange for a cash payment of $34 million from Deloitte & Touche LLP and Deloitte LLP (together, "Deloitte" or "Defendants"). As detailed in the accompanying Posner Declaration, the proposed Settlement is an excellent result for the Settlement Class, and easily satisfies the standards for final approval under Rule 23(e)(2) of the Federal Rules of Civil Procedure. Indeed, the $34 million settlement represents between 13% to more than 200% of total likely recoverable damages under Lead Plaintiff's analysis. When combined with the settlement from *SCANA I*,[2] the recovery reflects more than 25% of the maximum recoverable damages from all potential responsible parties, which far exceeds the typical recoveries in securities class actions.

[1] Unless otherwise noted, all capitalized terms not defined herein have the meanings ascribed to them in the Stipulation and Agreement of Settlement, dated October 10, 2025 (the "Stipulation"), previously filed with the Court (ECF No. 315-2), or in the Declaration of Laura H. Posner in Support of (i) Lead Plaintiff's Motion for Final Approval of Class Action Settlement and Plan of Allocation; and (ii) Lead Counsel's Motion for an Award of Attorneys' Fees and Payment of Litigation Expenses (the "Posner Declaration"), filed herewith. Citations to "¶" refer to paragraphs in the Posner Declaration and citations to "Ex. __" refer to exhibits to the Posner Declaration.

[2] *In re SCANA Corporation Securities Litigation*, No. 3:17-cv-02616 (D.S.C.) ("*SCANA I*").

By the time the Settlement was reached, Plaintiff's Counsel had conducted a thorough investigation of the claims, defenses, and underlying transactions that are the subject of the Litigation. This investigation included, among other things:

a. conducting an extensive factual investigation into the alleged fraud, including FOIA requests to the SEC and the South Carolina Attorney General, which resulted in the production of almost 35,000 documents, as well as extensive consultation with accounting, audit and loss causation experts;

b. drafting a detailed 203-page amended complaint ("Complaint") based on Lead Counsel's extensive factual investigation;

c. successfully opposing Deloitte's first motion to dismiss the Complaint, through extensive briefing and oral argument;

d. negotiating a protective order; preparing and responding to extensive discovery requests, including requests for the production of documents and interrogatories; and serving document subpoenas on 19 non-parties;

e. obtaining, reviewing, and analyzing almost 3 million pages of documents obtained from Deloitte and third parties, and preparing numerous memoranda, chronologies, and other work product concerning the relevant evidence to support the claims alleged;

f. conducting extensive negotiations with Deloitte's counsel and counsel for third parties regarding their responses to discovery requests and subpoenas, as well as bringing multiple unresolved discovery disputes before the Court, including a motion to compel and for sanctions;

g. successfully opposing Deloitte's second motion to dismiss the Complaint, through extensive briefing and oral argument;

h. taking or defending 26 depositions, including 13 fact depositions and 7 expert depositions;

i. successfully moving for class certification twice, including working with a financial economics expert who prepared three reports concerning the efficient market for SCANA common stock and class-wide damages; locating and producing documents in response to Deloitte's document requests; defending an additional six class related depositions, including four depositions of representatives of Lead Plaintiff, a representative of Lead Plaintiff's investment adviser, and Lead Plaintiff's expert;

j. opposing Deloitte's Rule 23(f) petition for an interlocutory appeal of the class certification decision of the U.S. Court of Appeals for the Fourth Circuit;

k. engaging in extensive expert discovery, which included working with experts who prepared 8 expert reports in the areas of accounting and auditing, loss causation and damages, and construction issues specific to the nuclear power industry, opposing Defendants' 4 expert reports, and taking or defending 7 expert depositions;

l. opposing Deloitte's motion for summary judgment;

m. opposing Deloitte's two *Daubert* motions seeking to exclude opinions and testimony from all of Lead Plaintiff's proposed expert witnesses;

n. affirmatively moving for partial summary judgment;

o. participating in lengthy arm's-length settlement negotiations, including four formal full-day mediation sessions over the course of three years with Robert A. Meyer, Esq. of JAMS, which included the exchange of detailed mediation statements and presentations; and

p. drafting and negotiating a Term Sheet, the Stipulation setting out the terms of the Settlement, and related documentation.

Defendants from the beginning and throughout the litigation vigorously denied liability and asserted strong defenses. The Settlement followed years-long negotiations with multiple mediations (all while litigation between experienced counsel remained ongoing), facilitated at arm's length by Robert A. Meyer, Esq. of JAMS, which included the exchange of multiple detailed mediation statements and presentations.

Lead Counsel has concluded that the Settlement is an excellent result based on all relevant factors, including: (a) substantial risks to establishing Defendants' liability, as well as to proving loss causation and damages; (b) the relative strengths and weaknesses of the claims and defenses asserted; (c) Lead Counsel's full analysis of the evidence obtained and the legal and factual issues presented; (d) Lead Counsel's experience litigating and trying securities class actions similar to the Action; and (e) the extensive disputes concerning the merits and damages, as developed through the litigation and lengthy arm's length mediation. Lead Plaintiff and class representative IBEW Local 98 Pension Fund is a sophisticated institutional investor that the PSLRA favors, and it too fully supports the Settlement. *See* Ex. 1, Declaration of James Foy in Support of (i) Lead Plaintiff's Motion for Final Approval of Class Action Settlement and Plan of Allocation; and (ii) Lead Counsel's Motion for an Award of Attorneys' Fees and Expenses ("Lead Plaintiff Decl.") ¶¶ 5, 9.

Lead Plaintiff also requests that the Court approve the Plan of Allocation, which was sent to Class Members through the Notice Program and is nearly identical to the plan of allocation approved and used in *SCANA I*.[3] The Plan of Allocation governs how claims will be calculated and how settlement proceeds will be distributed among Authorized Claimants. The Plan of Allocation was developed with the assistance of Lead Plaintiff's damages expert and tracks Lead Plaintiff's damages models, taking into account shares held, purchased, acquired, and sold. The Plan of Allocation distributes the Net Settlement Fund on a *pro rata* basis, as determined by the ratio that the Authorized Claimant's allowed claim bears to the total allowed claims of all Authorized Claimants.

The Class's reaction to date also supports the Settlement and Plan of Allocation. Pursuant to this Court's Order Preliminarily Approving Settlement and Providing for Notice (ECF No. 321) ("Preliminary Approval Order"), as of January 21, 2026, a total of 59,369 copies of the Notice were sent to potential Class Members and nominees, including all *SCANA I* claimants, and notice was published in the *Wall Street Journal* and transmitted over the *PR Newswire*. *See* Ex. 2, Declaration of Alexander P. Villanova Regarding Implementation of Notice ("Mailing Decl.") ¶¶ 6, 8. Although the February 5, 2026, deadline to object or opt out of the Settlement and Plan of Allocation has not yet passed, to date no objections or opt-outs have been received.[4]

[3] *See* Order and Op. on Plan of Allocation, *In re SCANA Corp. Sec. Litig.*, No. 3:17-cv-2616 (D.S.C. July 23, 2020), ECF No. 239 (approving a nearly identical plan of allocation, except for (1) a minor difference in the operative Class Period—the *SCANA I* period began about five months earlier than the Class Period here (October 27, 2015, versus February 26, 2017)—and (2) minor variations in the alleged disclosures.).

[4] Lead Counsel will address any subsequent objections in its responsive papers, to be filed by February 19, 2026.

Accordingly, the Settlement of this complex securities fraud action for $34 million, and the related Plan of Allocation to distribute it, are fair, reasonable, and more than adequate—this is a superb result for the Class.

ARGUMENT

I. The Proposed Settlement Warrants Final Approval.

Federal Rule of Civil Procedure 23(e) requires judicial approval for any compromise or settlement of class action claims. *See* Fed. R. Civ. P. 23(e). A class action settlement should be approved if the court finds it "fair, reasonable, and adequate." Fed. R. Civ. P. 23(e)(2). In so evaluating, the Court should bear in mind that "[t]here is a 'strong judicial policy in favor of settlements, particularly in the class action context.'" *Reed v. Big Water Resort, LLC*, No. 2:14-cv-01583-DCN, 2016 WL 374816, at *3 (D.S.C. Feb. 1, 2016) (quoting *In re PaineWebber Ltd. P'ships Litig.*, 147 F.3d 132, 238 (2d Cir. 1998)); *In re LandAmerica 1031 Exch. Servs., Inc. IRS § 1031 Tax Deferred Exch. Litig.*, No. 8:09-cv-00415, 2012 WL 13124593, at *4 (D.S.C. July 12, 2012) ("'The voluntary resolution of litigation through settlement is strongly favored by the courts' and is 'particularly appropriate' in class actions.") (quoting *S.C. Nat'l Bank v. Stone*, 749 F. Supp. 1419, 1423 (D.S.C. 1990)). Indeed, "[a]bsent evidence to the contrary, the court may presume that settlement negotiations were conducted in good faith and that the resulting agreement was reached without collusion." *Kirven v. Cent. States Health & Life Co.*, No. 3:11-2149-MBS, 2015 WL 1314086, at *12 (D.S.C. Mar. 23, 2015) (citing *Muhammad v. Nat'l City Mortg., Inc.*, No. 2:07-0423, 2008 WL 5377783, at *4 (S.D.W.Va. Dec. 19, 2008)).

Rule 23(e)(2) provides that the Court should determine if a proposed settlement is "fair, reasonable, and adequate" based on a consideration of 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 (D) the proposal treats class members equitably relative to each other.

Fed. R. Civ. P. 23(e)(2).[5] These factors, adopted in December 2018, are not intended to "displace" a Circuit's governing factors, but "rather to focus the court and the lawyers on the core concerns of procedure and substance that should guide the decision whether to approve the proposal." Advisory Committee Notes to 2018 Amendments. Accordingly, Lead Plaintiff will discuss the fairness, reasonableness, and adequacy of the Settlement principally in relation to the four factors set forth in Rule 23(e)(2), but will also discuss the application of relevant, non-duplicative factors traditionally considered by the Fourth Circuit[6]—all of which strongly support approval of the Settlement.

A. Lead Plaintiff and Lead Counsel Have Adequately Represented the Settlement

[5] District courts should also consider the following Fourth Circuit approval factors when evaluating a proposed settlement: (1) the extent of discovery that has taken place and the stage of the proceedings; (2) bad faith or collusion and circumstances surrounding the negotiation; (3) the experience of counsel; (4) objections from class members; (5) the relative strength of the plaintiffs' case on the merits; (6) the existence of any difficulties of proof or strong defenses the plaintiffs are likely to encounter if the case goes to trial; (7) the anticipated duration and expense of additional litigation; and (8) the solvency of the defendants and the likelihood of recovery on a litigated judgment. *Kirven*, 2015 WL 1314086, at *4.

[6] The fairness inquiry focuses on whether the settlement was reached as a result of good-faith bargaining at arm's length without collusion, which turns on the following factors: (i) the posture of the case at the time settlement was proposed; (ii) the extent of discovery that had been conducted; (iii) the circumstances surrounding the negotiations; and (iv) the experience of counsel. *See In re Jiffy Lube Sec. Litig.*, 927 F.2d 155, 159 (4th Cir. 1991); *Flinn v. FMC Corp.*, 528 F.2d 1169, 1173 (4th Cir. 1975); *In re Genworth Fin. Sec. Litig.*, 210 F. Supp. 3d 837, 840 (E.D. Va. 2016).[6]

The adequacy inquiry considers the substantive factors of the settlement, including: (i) the relative strength of plaintiffs' case on the merits; (ii) the existence of any difficulties of proof or strong defenses the plaintiffs are likely to encounter if the case goes to trial; (iii) the anticipated duration and expense of additional litigation; (iv) the solvency of the defendants and the likelihood of recovery on a litigated judgment; and (v) the degree of opposition to the settlement. *See Jiffy Lube*, 927 F.2d at 159; *Genworth*, 210 F. Supp. 3d at 841.

Class

"The class representative[] and class counsel have adequately represented the class" (Fed. R. Civ. P. 23(e)(2)(A)) in this Action. Lead Plaintiff and Lead Counsel relentlessly prosecuted this case for over five years, including: drafting a detailed complaint, opposing two motions to dismiss, completing extensive discovery (taking or defending over 26 depositions and reviewing and analyzing over 3 million pages of documents), moving to certify the class successfully, hiring numerous experts who submitted detailed experts reports and opposing Defendants' motions to exclude them, opposing Defendants' motion for summary judgment and moving for partial summary judgment. *See* ¶ 5.

Such extensive litigation and the advanced posture of the case demonstrate that Lead Plaintiff and Lead Counsel have adequately represented the Class under Rule 23(e)(2)(A) and show procedural fairness. *See In re NeuStar, Inc. Sec. Litig.*, No. 1:14-cv-885 (JCC/TRJ), 2015 WL 5674798, at *10 (E.D. Va. Sept. 23, 2015) (advanced posture of case "dispel[s] any wariness of 'possible collusion among the settling parties'" (quoting *In re The Mills Corp. Sec. Litig.*, 265 F.R.D. 246, 254 (E.D. Va. 2009)); *see also Genworth*, 210 F. Supp. 3d 837 at 840 (finding Rule 23(e)(2)(A) satisfied when the parties had fully briefed the defendants' motion to dismiss, completed discovery, moved and argued for class certification, hired experts on complex factual issues, fully briefed partial summary judgment motions); *1988 Tr. for Allen Child. Dated 8/8/88 v. Banner Life Ins. Co.*, 28 F.4th 513, 525 (4th Cir. 2022) (upholding as fair a settlement "reached after an extensive motions practice [and] extensive discovery").

Further, Lead Plaintiff's interest is aligned with the Class's, supporting a finding of fairness. Lead Plaintiff's vigorous prosecution of this hotly-contested case for more than five years and this Court's finding that it is an adequate and typical lead plaintiff, shows that its interests were not antagonistic to, but rather clearly aligned with, the Class's. *See Neustar*, 2015 WL

5674798, at *4 (Rule 23(e)(2)(A) satisfied when "named plaintiff does not have interests antagonistic to those of the class"). *Accord* Op. and Order 25, ECF No. 241 (finding Lead Plaintiff to be adequate and typical representative). The institutional investor Lead Plaintiff has also diligently supervised and participated in the litigation on behalf of the Settlement Class, which supports approval of the Settlement. *See* Ex. 1, Lead Plaintiff Decl. ¶¶ 5–8.

Moreover, the successful litigation and extraordinary result testify to Lead Counsel's skill and experience in prosecuting complex securities class actions, further supporting the adequacy of representation factor under Rule 23(e)(2)(A). *See Neustar*, 2015 WL 5674798, at *4 (Rule 23(e)(2)(A) is met when "plaintiff's attorneys are 'qualified, experienced, and generally able to conduct the litigation'") (quoting *In re Serzone Prods. Liab. Litig.*, 231 F.R.D. 221, 238 (S.D.W.Va. 2005)); *In re Lumber Liquidators Chinese-Manufactured Flooring Prods. Mktg., Prac. and Prods. Liab. Litig.*, 952 F.3d 471, 484 (4th Cir. 2020) (courts must consider "the experience of counsel in the area of [the] class action litigation") (alteration in original). Lead Counsel's expertise and acumen in litigating complex securities cases like this one is well established and demonstrated by the recovery obtained here. *See* Ex. 4, Posner Declaration at Ex. C (Cohen Milstein Resume). *See also id.* at Ex. 5 (Tinkler Law Firm Resume). *Accord* Op. and Order 25, ECF No. 241 (finding Lead Counsel to be "competent and sufficiently experienced"). Lead Counsel have vigorously pursued the claims on behalf of SCANA investors and aggressively negotiated an outstanding recovery for the Settlement Class through mediation.

Indeed, the extent of litigation required to reach this Action's advanced stage, combined with Lead Counsel's experience, provided Lead Counsel with a view of the Action's strengths, weaknesses, and risks (¶ 6), warranting deference to Lead Counsel's informed decision to favor the Settlement. *See In re MicroStrategy, Inc. Sec. Litig.*, 148 F. Supp. 2d 654, 665 (E.D. Va. 2001)

("[I]t is 'appropriate for the court to give significant weight to the judgment of class counsel that the proposed settlement is in the interest of their clients and the class as a whole,' and to find that the proposed partial settlement is fair.") (quoting *S.C. Nat'l Bank v. Stone*, 139 F.R.D. 335, 339 (D.S.C. 1991)).

B. The Settlement Was Reached Following Substantial Discovery and Arm's-Length Negotiations with an Experienced Mediator

Courts consider the circumstances surrounding the settlement negotiations in evaluating the settlement's fairness and, specifically, the Court must consider whether the settlement "was negotiated at arm's length." Fed. R. Civ. P. 23(e)(2)(B). Regarding the "procedural" fairness of a settlement, courts in the Fourth Circuit have traditionally considered: (1) the extent of discovery that has taken place and the stage of the proceedings, and (2) bad faith or collusion and circumstances surrounding the negotiation. *Kirven*, 2015 WL 1314086, at *5 (first and second factors). The Settlement negotiations here were conducted over several years at arm's length by experienced class action litigators, facilitated by a highly respected and experienced mediator, Robert A. Meyer. *See* ¶ 7.

Here, both the knowledge of Lead Plaintiff and Lead Counsel, as well as the proceedings themselves, reached a stage where an intelligent evaluation of the Litigation and the propriety of settlement could be made. Over the course of informal and formal discovery, Lead Plaintiff and Lead Counsel obtained a firm understanding of the strengths and weaknesses of the Class's claims. Lead Counsel, on behalf of Lead Plaintiff, obtained and reviewed over 217,000 documents, totaling over 2 million pages of documents, from Defendants, as well as numerous deposition and hearing transcripts from other proceedings against or involving SCANA. Lead Counsel, on behalf of Lead Plaintiff, also obtained and reviewed almost 35,000 documents (totaling approximately 530,000 pages) as a result of its FOIA requests, as well as over 41,000 documents (totaling

approximately 292,000 pages) from various third parties, including members of SCANA's board of directors and Lead Plaintiff's non-party investment managers who purchased and/or sold SCANA common stock on Lead Plaintiff's behalf during the Class Period. In total, the Parties obtained and reviewed almost 295,000 documents, totaling approximately 3 million pages, over the course of this Action. Further, thirteen fact depositions, six depositions at the class certification stage and seven depositions at the expert stage of the litigation were taken, for a total of 26 depositions, and twelve expert reports, totaling 3,226 pages, were served over the course of this action. *See* ¶¶ 5, 33–58, 107.

Moreover, the Parties reached the Settlement only after protracted, arm's-length negotiations between experienced and informed counsel and with the assistance of Robert A. Meyer, an experienced mediator of securities class actions and other complex litigation. Ex. 3, Declaration of Robert A. Meyer, Esq., in Support of Lead Plaintiff's Motion for Final Approval of Class Action Settlement ("Mediator Decl.") ¶¶ 1–4; *see, e.g.*, *Bilinsky v. Gatos Silver, Inc.*, No. 22-cv-00453-PAB-KAS, 2024 WL 4494290, at *1 (D. Colo. Oct. 15, 2024) (granting final approval following mediation before Mr. Meyer); *McFadden v. Sprint Commc'ns, LLC*, No. 22-2464-DDC-GEB, 2024 WL 1533897, at *6 (D. Kan. Apr. 9, 2024) (preliminary approval granted following mediation before Mr. Meyer). Indeed, over the course of more than five years, the Parties have engaged in repeated and extensive settlement discussions and negotiations as the case has progressed, holding four formal mediation sessions. Mediator Decl. ¶ 7. Only after summary judgment briefing was submitted and the Fourth Circuit granted Defendants' petition for an interlocutory appeal of the Court's order certifying the Class were the Parties finally able to reach an agreement in principle to settle the Action for $34 million. Further, the Settlement was only reached after Mr. Meyer presented the Parties with a "mediator's recommendation" after a fourth

mediation session in April 2025. *Id.* ¶¶ 11–12. This arm's-length negotiation by experienced adversaries also supports the fairness of the Settlement. *See, e.g.*, *Temp. Servs., Inc. v. Am. Int'l Grp., Inc.*, No. 3:08-cv-00271-JFA, 2012 WL 4061537, at *12 (D.S.C. Sept. 14, 2012) ("supervision by a mediator lends an air of fairness to agreements that are ultimately reached") (citing *S.C. Nat'l Bank*, 139 F.R.D. at 346).

Thus, the Settlement is procedurally fair under Rule 23(e).

C. The Relief that the Settlement Provides for the Settlement Class is Adequate in Light of the Costs and Risks of Further Litigation

In determining whether a settlement is "fair, reasonable, and adequate," the Court must consider whether "the relief provided for the class is adequate, taking into account . . . the costs, risks, and delay of trial and appeal" as well as other relevant factors. Fed. R. Civ. P. 23(e)(2)(C). This factor under Rule 23(e)(2)(C) encompasses three of the factors traditionally considered by the Fourth Circuit when evaluating a proposed class action settlement: (1) the relative strength of the plaintiffs' case on the merits; (2) the existence of any difficulties of proof or strong defenses the plaintiffs are likely to encounter if the case goes to trial; and (3) the anticipated duration and expense of additional litigation. *See Kirven*, 2015 WL 1314086, at *4. Each of these factors supports approval of the Settlement.

1. The Risks of Establishing Liability and Damages Support Approval of the Settlement

The $34 million relief achieved is indisputably adequate: it is fifth largest reported settlement in a securities class action against an auditor in the last decade.

This Court must nevertheless "weigh the likelihood of the plaintiff's recovery on the merits against the amount offered in settlement." *Boyd v. Coventry Health Care, Inc.*, 299 F.R.D. 451, 460 (D. Md. 2014) (quoting *In re Mid-Atl. Toyota Antitrust Litig.*, 564 F. Supp. 1379, 1384 (D. Md. 1983)). Lead Plaintiff and Lead Counsel believe that the claims asserted against Defendants

have merit. They recognize, however, the substantial risks that the Class would have faced in establishing each of the required each of main elements of its claim, including of falsity, scienter, loss causation, and damages. ¶¶ 78–87. Lead Plaintiff faced these risks in connection with the resolution of Deloitte's pending motion for summary judgment and *Daubert* motions (which, if granted, could undermine Lead Plaintiff's ability to prove its claims at trial), as well as at trial itself. And, even if Lead Plaintiff prevailed at trial, Deloitte would likely file post-trial motions and appeals. Lead Plaintiff and Lead Counsel also recognized the significant delay and expenses that would necessarily be incurred to pursue its claims against Deloitte through the completion of the litigation, including trial, post-trial motions, and appeals. Courts give "significant weight" to this informed judgment of class counsel. *MicroStrategy*, 148 F. Supp. 2d at 665 (quoting *S.C. Nat'l Bank*, 139 F.R.D. at 339). Indeed, Rule 23(e)(2)(C)(i) requires courts to consider the "difficulties of proof or strong defenses the plaintiffs are likely to encounter if the case goes to trial" as well as the "costs, risks, and delay of trial and appeal" in evaluating the relative strength of Lead Plaintiff's case. Fed. R. Civ. P. 23(e)(2)(C)(i). These factors show the Settlement is substantively adequate.

2. The Settlement Represents a Substantial Percentage of Maximum Recoverable Damages

The $34 million Settlement is also a very favorable result when considered in relation to the realistically recoverable damages that could be established at trial. As discussed above, even if Lead Plaintiff established liability (which was far from certain), there would be significant risks that the recoverable damages would be reduced substantially. ¶¶ 82–83. For instance, Defendants argued that the Class Period should be shortened by nearly five months to end on July 31, 2017, when SCANA announced the abandonment of the Project. The Court declined to reach that issue at class certification, concluding that it raised a factual dispute. ECF No. 241 at 19–21. If the factfinder agreed with Defendants, the total recoverable damages would have been cut by more

than 62%. In addition, Defendants would also be entitled to invoke the "proportionate liability" provision of the PSLRA, which would reduce the total damages to correspond to the percentage of responsibility of Defendants. *See* 15 U.S.C. § 78u-4(f). Given the prior litigation against SCANA and criminal convictions of two of its executives, Defendants' percentage of responsibility would likely be limited to only a small fraction of the total recoverable damages. For example, if the factfinder found Defendants to be 10% responsible, the maximum recoverable damages would decline to $89.1 million. If the Class Period was also shortened, those damages would decline even more to only $33.4 million, less than the $34 million settlement reached.

Based on the likely reductions for proportionate liability and a potentially shortened class period, the $34 million settlement is an excellent result for the Class. The settlement represents from around 13% to more than 200% of the total likely recoverable damages, as shown in the chart below:

			Proportionate Liability Reduction					
Class Period	Total Damages		30%	25%	20%	15%	10%	5%
Full Class Period	$891.40	Total	$267.4	$222.9	$178.3	$133.7	$89.1	$44.6
		Settlement %	12.71%	15.26%	19.07%	25.43%	38.14%	76.28%
Ending July 31, 2017	$334	Total	$100.2	$83.5	$66.8	$50.1	$33.4	$16.7
		Settlement %	33.9%	40.7%	50.9%	67.9%	101.8%	203.6%

The recovery from Deloitte also reflects more than 15% of the total amount recovered for all SCANA investors, when combining this settlement with *SCANA I*, which exceeds the typical amount recovered from an auditing firm. *See, e.g.*, *In re Mattel, Inc. Sec. Litig.*, No. 2:19-cv-10860 (C.D. Cal. Nov. 24, 2021), ECF No. 143-1 (auditor settlement 12.24% of total recovered); *In re Aegean Marine Petroleum Network, Inc. Sec. Litig.*, 1:18-cv-04993 (S.D.N.Y.), ECF Nos. 330-1 (Nov. 9, 2021), 351-3 (Mar. 24, 2022) (auditor settlements 8.52% of total recovered); *Mills Corp.*,

265 F.R.D. at 251, 261 (auditor settlement 6.8% of total recovered); *In re Am. Realty Cap. Props., Inc. Litig.*, 1:15-mc-0040 (S.D.N.Y. Sept. 30, 2019), ECF No. 1272 (auditor settlement 4.78% of total recovered). And when combined with the *SCANA I* settlement, the amount recovered for SCANA investors also represents more than 25% of the maximum recoverable damages from all potential responsible parties, which far exceeds the typical recoveries in securities class actions. *See* Larni T. Bulan & Eric Tam, *Securities Class Action Settlements—2024 Review & Analysis* 8, Cornerstone Research (2025), https://www.cornerstone.com/insights/reports/securities-class-action-filings-2024-review-and-analysis/ (calculating the median settlement as a percentage of potential losses for 10(b) claim settlements between 2015 and 2024 as 6.9%); *see also, e.g.*, *KBC Asset Mgmt. NV v. 3D Sys. Corp.*, No. 0:15-cv-02393-MGL (D.S.C. June 25. 2018), ECF No. 189 (approving settlement that was 9% of estimated damages); *Okla. Firefighters Pension & Ret. Sys. v. Lexmark Int'l, Inc.*, No. 1:17-cv-05543, 2021 WL 76328, at *3 (S.D.N.Y. Jan. 7, 2021) (approving settlement that was 10% of the estimated damages, noting that the settlement was "within the range previously approved by judges in this District," referencing recoveries ranging from 3% to 11% of estimated damages).

The recovery thus represents a substantial portion of or even *exceeds* the total amount that might have been recovered at trial and provides an immediate, certain, and substantial benefit to the Class rather than a possible and uncertain recovery that could be achieved only with more delay and greater costs. Consideration of this factor supports approval of the Settlement.

3. The Costs and Delays of Continued Litigation Support Approval of the Settlement

The substantial costs and delays required before any recovery could be obtained through litigation also strongly support approval of the Settlement. *See Mills*, 265 F.R.D. at 256 ("This factor is based on a sound policy of conserving the resources of the Court and the certainty that

'unnecessary and unwarranted expenditure of resources and time benefit[s] all parties.'") (quoting *In re Computron Software, Inc.*, 6 F. Supp. 2d 313, 317 (D.N.W. 1998)). This Court has recognized that securities litigation is "notoriously uncertain," *S.C. Nat'l Bank*, 139 F.R.D. at 340, and "difficult and complex by its nature," *Brown v. Charles Schwab & Co.*, No. 2:07-cv-03852-DCN, 2011 WL 13199227, at *3 (D.S.C. July 26, 2011); *see Johnson v. Ga. Highway Express, Inc.*, 488 F.2d 714, 718 (5th Cir. 1974). While this case settled after substantial document discovery had occurred, achieving a litigated verdict in the Action would have required substantial additional time and expense.

There is no question that this case involves complex factual and legal issues and if not for this Settlement, the case would have continued to be fiercely contested by all parties at multiple stages before trial. And whatever the outcome at trial, it is virtually certain that appeals would be taken from any verdict. The foregoing would pose substantial expense for the Settlement Class and delay the Settlement Class's ability to recover—assuming, of course, that Lead Plaintiff and the Settlement Class were ultimately successful on their claims. A prolonged period of pretrial proceedings and a lengthy and uncertain trial would not serve the interest of the Class in light of the monetary benefits provided for by the Settlement when weighed against the likelihood of a larger recovery after continued litigation. That the Settlement provides an immediate, significant, and certain recovery for the Settlement Class valued at $34 million weighs in favor of approval of the Settlement.

4. All Other Factors Set Forth in Rule 23(e)(2)(C) Support Approval of the Settlement

Rule 23(e)(2)(C) also instructs courts to consider whether the relief provided for the class is adequate in light of "the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims;" "the terms of any proposed award of

attorney's fees, including timing of payment;" and "any agreement required to be identified under Rule 23(e)(3) . . . ." Fed. R. Civ. P. 23(e)(2)(C)(ii)–(iv). Each of these factors either supports approval of the Settlement or is neutral and does not suggest any basis for inadequacy of the Settlement.

As discussed below in Section III, the procedures for processing Settlement Class Members' claims and distributing the proceeds of the Settlement to eligible claimants are well-established, effective methods that have been widely used in securities class action litigation.

Second, the relief provided for the Settlement Class in the Settlement is also adequate in light of the proposed attorneys' fee award. As discussed in the accompanying Fee Memorandum, the proposed attorneys' fees of 33.33% of the Settlement Fund, to be paid upon approval by the Court, are reasonable in light of the efforts of Plaintiff's Counsel and the risks in this Action. Most importantly with respect to the Court's consideration the fairness of the Settlement, is the fact that approval of attorneys' fees is entirely separate from approval of the Settlement, and neither Lead Plaintiff nor Lead Counsel may cancel or terminate the Settlement based on this Court's or any appellate court's ruling with respect to attorneys' fees and/or Litigation Expenses. *See* Stipulation ¶ 6.2.

Lastly, Rule 23 asks the court to consider the fairness of the proposed settlement in light of any agreements required to be identified under Rule 23(e)(3). *See* Fed. R. Civ. P. 23(e)(2)(C)(iv). Here, the only agreement entered into by the Parties, other than the Stipulation and the Term Sheet (which has been superseded by the Stipulation), is the confidential Supplemental Agreement, which sets forth the conditions under which Defendants may terminate the Settlement if requests for exclusion from the Settlement Class exceed a certain amount (the "Opt-Out Threshold"). As is standard in securities class actions, such agreements are not made

public to avoid incentivizing the formation of a group of opt-outs to leverage the Opt-Out Threshold to exact an individual settlement. Under its terms, the Supplemental Agreement may be submitted to the Court *in camera* at the Court's request. This type of agreement is a standard provision in securities class actions and has no negative impact on the fairness of the Settlement. *See Hefler v. Wells Fargo & Co*., No. 16-cv-05479-JST, 2018 WL 6619983, at *7 (N.D. Cal. Dec. 18, 2018).

D. The Settlement Treats Settlement Class Members Equitable Relative to Each Other

The proposed Settlement also treats members of the Settlement Class equitably relative to one another. As discussed below in Part II, pursuant to the Plan of Allocation set forth in the Long-form Notice, eligible claimants approved for payment by the Court will receive their *pro rata* share of the recovery based on their transactions in publicly traded SCANA common stock, and Lead Plaintiff will receive the same level of *pro rata* recovery (based on their Recognized Claims as calculated under the Plan of Allocation) as all other Settlement Class Members.

E. Reaction of the Settlement Class to the Settlement

One factor not included in Rule 23(e)(2) that should be considered in assessing the proposed Settlement's fairness and adequacy is the Settlement Class's reaction to the proposed Settlement. *See Kirven*, 2015 WL 1314086, at *5; *Genworth*, 210 F. Supp. 3d at 842 ("A lack of objections to settlement by class members and opt-outs from the class demonstrates low opposition and weighs in favor of approving a settlement."). While the deadline set by the Court for Settlement Class Members to exclude themselves or object to the Settlement has not yet passed, to date, no objections to the Settlement have been received and no Class Member has opted out of the

Settlement. Ex. 2, Mailing Decl. ¶ 14.[7] The overwhelming approval by Class Members is an important factor in evaluating the fairness, reasonableness, and adequacy of the Settlement and supports approval by the Court.

* * *

In sum, all of factors to be considered under Rule 23(e)(2) and under Fourth Circuit jurisprudence support a finding that the Settlement is fair, reasonable, and adequate.

II. The Plan of Allocation is Fair and Reasonable.

In addition to seeking final approval of the Settlement, Lead Plaintiff seeks approval of the proposed Plan of Allocation for the Settlement proceeds, which is governed by the same standards of fairness and reasonableness applicable to the settlement as a whole. *See, e.g.*, *MicroStrategy*, 148 F. Supp. 2d at 668 ("To warrant approval, the plan of allocation must also meet the standards by which the . . . settlement was scrutinized—namely, it must be fair and adequate.") (citing *Class Plaintiffs v. City of Seattle*, 955 F.2d 1286, 1284–85 (9th Cir. 1992)). "The proposed allocation need not meet standards of scientific precision, and given that qualified counsel endorses the proposed allocation, the allocation need only have a reasonable and rational basis." *Mills*, 265 F.R.D. at 258 (citing *Maley v. Del Global Techs. Corp.*, 186 F. Supp. 2d 358, 367 (S.D.N.Y. 2002)).

The proposed Plan of Allocation for the proceeds of the Settlement is set forth in ¶¶ 57–79 of the Notice (ECF No. 315-2, Ex. 1-A-1). The proposed Plan of Allocation was developed by Lead Counsel in consultation with Lead Plaintiff's damages expert. The Plan provides for the

[7] The deadline for submitting objections and requesting exclusion from the Class is February 5, 2026. As provided in the Court's Preliminary Approval Order (ECF No. 321), Lead Plaintiff will file responsive papers no later than February 19, 2026, addressing any requests for exclusion and objections that may be received.

distribution of the Net Settlement Fund to Authorized Claimants that are approved for payment by the Court on a *pro rata* basis based on the extent of their injuries attributable to the alleged fraud.

In developing the Plan of Allocation, Lead Plaintiff's damages expert calculated the estimated amount of artificial inflation in the per share closing price of publicly traded SCANA common stock which allegedly was proximately caused by Defendants' alleged materially false and misleading statements and omissions. *See id.* ¶ 3. In calculating the estimated artificial inflation, Lead Plaintiff's damages expert considered price changes in publicly traded SCANA common stock in reaction to certain public announcements allegedly revealing the truth concerning Defendants' alleged misrepresentations and omissions, adjusting for price changes that were attributable to market or industry forces. *Id.*

The Plan of Allocation calculates a "Recognized Loss Amount" or "Recognized Gain Amount" for each purchase or acquisition of publicly traded SCANA common stock during the Class Period that is listed in the Claim Form and for which adequate documentation is provided by a Claimant. *Id.* ¶¶ 63–64. Under the Plan of Allocation, claimants' Recognized Loss Amounts will be netted against their Recognized Gain Amounts, if any, to determine the claimants' "Recognized Claims," and the Net Settlement Fund will be allocated *pro rata* to Authorized Claimants based on the relative size of their Recognized Claims. *Id.* ¶¶ 65–79.

In sum, the Plan of Allocation was designed to fairly and rationally allocate the proceeds of the Net Settlement Fund among Settlement Class Members based on the losses they suffered on transactions in SCANA common stock that were attributable to the conduct alleged in the Complaint. Additionally, while the deadline set by the Court for Settlement Class Members to object to the Settlement, including the Plan of Allocation, has not yet passed, no Class Member

has objected to the Plan of Allocation to date. Accordingly, Lead Counsel respectfully submit that the Plan of Allocation is fair and reasonable and should be approved by the Court.

III. Notice Satisfied Rule 23 and Due Process.

The Notice Program to the Class satisfied the requirements of Rule 23(c)(2)(B), which requires "the best notice that is practicable under the circumstances, including individual notice to all members who can be identified through reasonable effort." Fed. R. Civ. P. 23(c)(2)(B); *see also Eisen v. Carlisle & Jacquelin*, 417 U.S. 156, 173–75 (1974). The Notice Program also satisfied Rule 23(e)(1), which requires that notice of a settlement be "reasonable"—*i.e.*, it must "fairly apprise the prospective members of the class of the terms of the proposed settlement and of the options that are open to them in connection with the proceedings." *Wal-Mart Stores, Inc. v. Visa U.S.A., Inc.*, 396 F.3d 96, 114 (2d Cir. 2005) (quoting *Weinberger v. Kendrick*, 698 F.2d 61, 70 (2d Cir. 1982)).

Both the substance of the Notice and the method of its dissemination to potential members of the Settlement Class satisfied these standards. The Court-approved Settlement Notices include all the information required by Federal Rule of Civil Procedure 23(c)(2)(B) and the PSLRA, 15 U.S.C. § 78u-4(a)(7), including, among many other disclosures, the nature of the Action; the definition of the Settlement Class; the claims and issues involved; that the Court will exclude from the Settlement Class any Settlement Class Member who requests exclusion (and sets forth the procedures and deadlines for doing so); and the binding effect of a class judgment on Settlement Class Members under Rule 23(c)(3)(B). Ex. 2, Mailing Decl. ¶¶ 3–7.

In accordance with the Preliminary Approval Order (ECF No. 321), Epiq has sent a Postcard Notice by mail and email to potential Settlement Class members. *Id.* ¶¶ 6–7. In addition, Epiq caused the Summary Notice to be published in the *Wall Street Journal* and transmitted over the *PR Newswire* on January 2, 2026. *Id*. ¶ 8.

Because all members of the *SCANA II* Class were eligible members of the *SCANA I* Class, the procedures outlined above are designed to both provide adequate notice to eligible members of the *SCANA II* Class, while reducing administration costs which would increase the amount to be paid from the Settlement Fund to participating Class Members. ECF No. 315-3 ¶ 13. Further, given that the *SCANA II* Class is quite old, with claim information required from more than 10 years ago, this process ensured that members of the *SCANA II* Class are able to participate in the settlement. *Id.* This combination of individual mail—and, where possible, email—to all persons or entities who filed claims on behalf of themselves or others in *SCANA I* supplemented by notice in an appropriate, widely-circulated publication, and transmitted over a newswire was "the best notice . . . practicable under the circumstances." Fed. R. Civ. P. 23(c)(2)(B).

CONCLUSION

Lead Plaintiff respectfully requests that the Court approve the proposed Settlement and Plan of Allocation as fair, reasonable, and adequate.

Dated: January 22, 2026

Respectfully submitted,

/s/ Willian Tinkler

TINKLER LAW FIRM LLC
William Tinkler (D.S.C. Bar Number 11794)
PO Box 31813
Charleston, SC 29417-1813
Tel.: (843) 853-5203
Fax.: (843) 261-5647
williamtinkler@tinklerlaw.com

Liaison Counsel for the Proposed Class

/s/ Laura H. Posner

COHEN MILSTEIN SELLERS & TOLL PLLC

Laura H. Posner
88 Pine Street, 14th Floor
New York, NY 10005
Telephone: (212) 220-2925
Fax: (212) 838-7745
lposner@cohenmilstein.com

Steven J. Toll
Jan E. Messerschmidt
Cohen Milstein Sellers & Toll, PLLC
1100 New York Ave. NW, Suite 800
Washington, D.C. 20005
Telephone: (202) 408-4600
Fax: (202) 408-4699
stoll@cohenmilstein.com
jmesserschmidt@cohenmilstein.com

Lead Counsel for Lead Plaintiff

CERTIFICATE OF SERVICE

I certify that on January 22, 2026, I electronically filed the foregoing with the Clerk of Court using the Court's CM/ECF system. A copy of this filing will be sent to the registered participants as identified on the Notice of Electronic Filing.

/s/ William Tinkler
William Tinkler (D.S.C. Bar Number 11794)