

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

In re: Seroquel XR (Extended Release
Quetiapine Fumarate) Antitrust Litig.

Master Dkt. No. 20-1076-CFC

This Document Relates To:

All Direct Purchaser Class Actions

**DECLARATION OF JONATHAN M. GERSTEIN IN SUPPORT OF CLASS
COUNSEL’S MOTION FOR AN AWARD OF ATTORNEYS’ FEES,
REIMBURSEMENT OF EXPENSES, AND SERVICE AWARDS FOR THE
NAMED PLAINTIFFS**

I. INTRODUCTION

I, Jonathan M. Gerstein, partner at the law firm of Garwin Gerstein & Fisher LLP (“GGF”), and lead counsel for Direct Purchaser Class Plaintiffs (“Plaintiffs” or the “Class”), respectfully submit this declaration in support of Class Counsel’s¹ application for:

- (1) an award of attorneys’ fees totaling 36% of the settlements with AstraZeneca Pharmaceuticals LP and AstraZeneca UK Limited (together, “AstraZeneca”) and Handa Pharmaceuticals, LLC (“Handa”) (together, the “Settlements”), net of expenses and service awards for the class representatives;
- (2) reimbursement of expenses that were incurred in the prosecution of Plaintiffs’ claims; and

¹ “Class Counsel” include the firms listed in ¶62, *infra*.

- (3) service awards to the named class representatives J M Smith Corporation, d/b/a Smith Drug Company (“Smith Drug”), and KPH Healthcare Services, Inc. a/k/a Kinney Drugs, Inc. (“KPH”).

As lead counsel, GGF has been involved in all aspects of this litigation from the pre-complaint investigation and filing of Plaintiffs’ initial complaint in August 2019 through the filing of the Settlements with the Court (and continuing). I am therefore fully familiar with the litigation, the most significant aspects of which are outlined below for the Court’s convenience.

II. COMMENCEMENT OF THE CASE AND INITIAL PROCEEDINGS

1. Class Counsel began investigating this case in June 2019. Class Counsel’s prefiling investigation included, *inter alia*, reviewing and analyzing the market availability of generic versions of Seroquel XR, including pending ANDAs for generic Seroquel XR and publicly available regulatory filings for Seroquel XR.

2. On August 2, 2019, certain Class Counsel firms, on behalf of Smith Drug, filed the first antitrust lawsuit on behalf of a putative class of direct purchasers challenging AstraZeneca’s and Handa’s conduct regarding the branded pharmaceutical product, Seroquel XR, and its generic counterpart extended-release quetiapine, which are approved by the FDA to treat several mental health conditions, as violative of the antitrust laws. *See J M Smith Corp., et al., v. AstraZeneca Pharms. L.P., et al.*, No. 19-cv-7233 (S.D.N.Y.). Shortly thereafter, similar direct purchaser and indirect purchaser class complaints were also filed.

The United States Judicial Panel on Multidistrict Litigation centralized all then-pending actions in the Southern District of New York. The matter was subsequently transferred to this Court in August 2020. *See* No. 20-cv-1076 (D. Del.), D.I. 91. Class Counsel were not assisted by any outside entities, including governmental enforcement agencies, in their pre-complaint investigations and filing of the initial complaint.

3. On November 13, 2020, the Court appointed GGF as Interim Lead Class Counsel for the Direct Purchaser Class. D.I. 128. On December 15, 2020, the Court ordered all direct purchaser case class actions consolidated. D.I. 134.

4. On December 16, 2020, Plaintiffs filed the operative Consolidated Amended Complaint. *See* D.I. 135. Plaintiffs alleged that AstraZeneca and Handa unlawfully delayed the availability of less expensive, generic versions of Seroquel XR through unlawful “reverse payments” in violation of Sections 1 and 2 of the Sherman Act.

5. Class Counsel filed this case, on a fully contingent basis, with the real risk of nonpayment. Class Counsel took that risk knowing it could take years to fully prosecute the case and that millions of dollars and tens of thousands of attorney hours would be required to properly resource the case.

III. DEFENDANTS' MOTION TO DISMISS

6. On January 11, 2021, AstraZeneca and Handa filed a motion to dismiss Plaintiffs' claims. D.I. 138. Defendants argued that Plaintiffs' claims were untimely and they did not adequately plead antitrust injury (*i.e.*, causation). *Id.*

7. Plaintiffs responded on February 10, 2021. D.I. 148.

8. Defendants submitted their reply on March 5, 2021. D.I. 154.

9. On May 10, 2022, the Court held oral argument. *See* D.I. 175.

10. On July 5, 2022, this Court largely denied Defendants' motion to dismiss. *See* D.I. 177, 178.

IV. DOCUMENT AND FACT DEPOSITION DISCOVERY

11. On September 23, 2022, following the parties' Rule 16 conference with the Court, full discovery commenced. *See* D.I. 214.

12. With the commencement of full discovery, Plaintiffs served discovery related to all aspects of the case, including the violation, causation and damages. Fact discovery proceeded for over a year, due to the complexity of the issues to be litigated.

13. Plaintiffs served document requests on Defendants and more than two dozen third parties. The discovery requests resulted in an enormous volume of produced documents—constituting over 2 million pages, plus 4 million lines of data—that Plaintiffs had to review to develop the record to build Plaintiffs' case

and rebut Defendants’ defenses. Plaintiffs did so by creating subject-matter teams, which analyzed particular groups of documents and created scores of work product memoranda. Class Counsel also ascertained what types of expert testimony would be required.

14. Class Counsel then identified and deposed numerous fact witnesses on a wide variety of topics. In total, Class Counsel took depositions of 15 fact witnesses, which required reviewing and analyzing thousands of documents relating to economic, forecasting, patent, regulatory, and manufacturing issues, drafting and revising deposition outlines, and coordinating with counsel for other plaintiff groups. Class Counsel also defended Defendants’ depositions of the Named Plaintiffs.²

15. The depositions are listed below:

Name	Party	Date(s)	Class Counsel’s Role
Benton, Jim	Smith Drug	7-12-23	Defended
Carlton, Christopher	AstraZeneca	7-12-23	Took
Cary, Stephen	Handa	7-25-23	Took
Dell, Brian	AstraZeneca	7-28-23	Took
Diggons, Matthew	AstraZeneca	7-25-23	Took
He, Mike	Handa	7-14-23	Took
Lenarduzzi, Nick	Catalent (non-party)	7-25-23	Took
Liu, Fang-Yu	Handa	7-27-23	Took
Maddox, Steve	Procopio (non-party)	7-21-23	Took

² Class Counsel also attended depositions of witnesses who testified on topics that were relevant to Plaintiffs’ claims but were questioned primarily by counsel for another plaintiff.

Meachum, Shelly	Handa	7-12-23	Took
Nair, Sabita	Accord (non-party)	9-7-23	Took
Nielsen, Kurt	Catalent (non-party)	8-8-23	Took
Price, Shannon	Accord (non-party)	9-7-23	Took
Scott, Brian	KPH	8-3-23	Defended
Sendrowski, Bryan	Deerfield (non-party)	9-7-23	Took
Smith, Megan	AstraZeneca	6-27-23	Took
Stevens, Thomas	AstraZeneca	7-19-23	Took

16. Plaintiffs also reviewed and produced documents in response to document requests served by Defendants and answered interrogatories served by Defendants.

V. EXPERTS

17. Plaintiffs took five depositions of Defendants' experts and defended six depositions of Plaintiffs' experts.³ As with fact depositions, all required extensive preparation and are listed below:

Name	Party	Date(s)	Class Counsel's Role
Belvis, Glen	Plaintiffs	3-7-24	Defended
Connolly, Ellen	Defendants	5-8-24	Took
DeLeon, Janet	Plaintiffs	3-1-24	Defended
Fix, Joseph	Plaintiffs	5-6-24	Defended
Jobbins, Jill	Defendants	4-24-24	Took
Lamb, Russell	Plaintiffs	4-4-24	Defended
Lunsmann, Walter	Handa	3-20-24	Took
Marchetti, Susan	Plaintiffs	2-24-24	Defended
Mortimer, Richard	Defendants	1-26-24	Took
Newman, Alan	Defendants	3-6-24	Took
Prud'homme, Robert	Defendants	3-14-24	Took
Starr, Martha	Plaintiffs	4-2-24	Defended

³ Class Counsel also attended depositions of expert witnesses who testified on topics that were relevant to Plaintiffs' claims but were questioned or defended primarily by counsel for another party.

18. Plaintiffs, through Class Counsel, disclosed eight experts as set forth below:

Expert	Summary of Subject Matter
Belvis, Glen	Handa's and AstraZeneca's likelihood of success in the underlying patent litigation.
Clark, Todd	Accord's ability and incentive to launch upon expiration of Handa's first-to-file exclusivity.
DeLeon, Janet	The lack of impediments in the relevant timeframe to Accord receiving and maintaining FDA approval for its generic Seroquel XR product (and/or launching that product), had Handa/Par entered the market earlier.
Fix, Joseph	Handa's generic product did not infringe the patent claims AstraZeneca asserted in the underlying patent litigation; Handa would likely have been able to manufacture commercial quantities of its generic Seroquel XR product; what reasonable pharmaceutical companies in September 2011 would have expected about Handa's ability to do so.
Lamb, Russell	Antitrust injury for the DPP Class; quantification of the DPP Class's aggregate overcharge damages.
Leffler, Keith	The economic effects of Defendants' conduct; the large, unexplained value of the reverse payments from AstraZeneca to Handa; how, absent the reverse payments, it would have been economically rational for profit-seeking companies like AstraZeneca and Handa to have reached a settlement without a reverse payment and with an earlier generic entry date.
Marchetti, Susan	AstraZeneca's ability and incentive to launch an authorized generic version of Seroquel XR between May 2015 and November 1, 2016.
Starr, Martha	Relevant market and market power.

19. Certain of these experts were deposed by Defendants and defended by Class Counsel. *See supra* ¶17.

20. Similarly, Defendants disclosed eight experts as set forth below:

Expert	Plaintiff Expert to which Defense Expert Responded
Connolly, Ellen	Fix (manufacturing)
Garibotti, Maria	Leffler; Starr
Jobbins, Jill	Fix (manufacturing)
Lunsmann, Walter	Fix (patents)
Mortimer, Richard	Lamb
Newman, Alan	Leffler; Starr
Prud'homme, Robert	Fix (patents)
Singer, Jonathan	Belvis

21. Class Counsel deposed certain of Defendants' experts. *See supra* ¶17.

22. That the parties collectively disclosed 16 experts in this litigation illustrates the complexities of the case. This case required Class Counsel to grapple with and overcome numerous obstacles, among the most significant of which were the fact that, in the real world, (a) Handa did not ever commercialize a generic Seroquel XR product under its own ANDA, and (b) after the AstraZeneca-Handa settlement, AstraZeneca defeated patent validity claims by generic manufacturers other than Handa.

VII. CLASS CERTIFICATION

23. On September 20, 2023, Class Counsel filed a motion seeking certification of the direct purchaser Class. D.I. 509.

24. On February 6, 2024, the Court granted the motion for class certification and appointed GGF as lead counsel for the Class pursuant to Rule 23(g). D.I. 582.

25. On April 5, 2024, the Court approved the form and manner of notice to the Class and appointed RG/2 as the Notice Administrator. D.I. 608. RG/2 mailed to all Class members via first-class mail a Notice informing them about the litigation, that the Class had been certified and that members could opt out. D.I. 663. Only certain retailer plaintiffs that were proceeding in a coordinated action opted out. *Id.* ¶¶6-7.

VIII. SUMMARY JUDGMENT AND *DAUBERT* BRIEFING

26. Class Counsel simultaneously managed summary judgment and *Daubert* motions, filing and responding to numerous briefs across a variety of complex issues.

27. On June 13, 2024, Defendants filed a summary judgment motion on causation and damages, arguing that Plaintiffs suffered no antitrust injury because the settlement agreement promoted competition and hastened generic entry by granting Handa a licensed entry date and a supply option that permitted it to market generic Seroquel XR for a prescribed period using product it purchased from AstraZeneca. D.I. 625. Along with its summary judgment brief (D.I. 626), Defendants submitted a statement of undisputed facts and 31 exhibits. D.I. 627, 628.

28. Plaintiffs opposed Defendants' summary judgment motion (D.I. 716) and submitted their own statement of undisputed facts and response to Defendants' statements, accompanied by 23 exhibits. D.I. 720, 720-1.

29. Defendants also filed motions to exclude five of DPPs' experts' opinions pursuant to *Daubert v. Merrell Dow Pharms., Inc.*, 509 U.S. 579 (1993) on June 13, 2024. D.I. 634, 638, 644, 647, 650, 838, 839, 865, 867. Plaintiffs likewise filed two *Daubert* motions against Defendants' experts. D.I. 652, 655. The parties' *Daubert* motion practice involved extensive briefing, including one motion for reconsideration, as well as several oral arguments and an evidentiary hearing, all of which occurred over the course of nine months.

30. In March and April 2025, the Court denied Settling Defendants' motion for summary judgment, substantially denied Settling Defendants' *Daubert* challenges, and granted in part one of Plaintiffs' *Daubert* challenges. D.I. 837, 844, 855-57, 859-61.

X. TRIAL PREPARATION

31. Class Counsel were fully prepared to try this case. In November 2024, Class Counsel began in earnest to prepare for trial scheduled to start on May 5, 2025, which required thousands of hours of work by dozens of attorneys and support staff. That work continued until May 1, 2025, just four days before trial was set to begin, when Plaintiffs reached an agreement-in-principle with

AstraZeneca. Plaintiffs and Defendants exchanged witness lists, exhibit lists and exhibits, deposition designations, proposed fact stipulations, statements of issues of fact and law to be litigated, proposed jury instructions, proposed verdict forms, and proposed jury questionnaires, and served objections to same, with the parties engaging in meet and confers concerning the above items and numerous others.

32. The Joint Final Pretrial Order and the parties' proposed jury instructions, verdict forms, and voir dire questionnaire were filed on April 16, 2025. D.I. 874, 875.

33. On April 16, 2025, as part of the Joint Final Pretrial Order submission, Plaintiffs and Defendants filed a total of 11 motions *in limine* (5 from Plaintiffs and 6 from Defendants). *See* D.I. 875 Exs. 12-22. The motions *in limine* were submitted fully briefed as part of the Final Pretrial Order. *Id.*

34. In addition to the numerous motions *in limine*, the parties also submitted briefing concerning the admissibility of post-agreement facts (D.I. 868) and bifurcation of the trial (D.I. 876-7).

35. Plaintiffs identified 25 fact witnesses whom Class Counsel intended to and prepared to examine live at trial, or for whom counsel designated video deposition testimony. D.I. 875-8. Plaintiffs issued trial subpoenas to numerous witnesses (some of which resulted in negotiations with counsel for those witnesses) and prepared witness examination outlines. Class Counsel also reviewed and culled

deposition videos for use during trial, and submitted a 43-page spreadsheet reflecting Plaintiffs' deposition designations, Defendants' objections and counter-designations, and Plaintiffs' reply designations. D.I. 875-10.

36. Plaintiffs also identified 8 expert witnesses they planned to present at trial and worked with those experts regarding trial testimony and associated demonstratives. Plaintiffs were also preparing for cross examinations of Defendants' experts at the time of settlement.

37. Defendants AstraZeneca and Handa named 28 and 25 witnesses, respectively, whom Class Counsel prepared to cross-examine at trial or for whom Class Counsel identified counter designations to video testimony. Ex. 9 to D.I. 875. Defendants submitted an 82-page spreadsheet reflecting Defendants' deposition designations, Plaintiffs' objections and counter-designations, and Defendants' reply designations. D.I. 875-11.

38. Class Counsel prepared a final exhibit list with 842 exhibits (D.I. 875-6), while Defendants offered 620, to which Class counsel responded with objections (D.I. 875-7).

39. Class Counsel further prepared for trial by preparing the opening statement and associated demonstratives.

40. Class Counsel prepared general jury instructions, Phase I jury instructions, and Phase II jury instructions, totaling 73 pages. D.I. 874-1. In

advance of trial, Class Counsel also prepared to argue in favor of Plaintiffs' instructions and in opposition to Defendants' proposed instructions; together, the parties' competing instructions totaled 144 pages. Class Counsel also prepared a proposed verdict form and were preparing to argue in favor of its use as well. D.I. 874-4.

41. Class Counsel also prepared for jury selection by working with a jury consultant.

42. With trial set to commence on May 5, 2025, Class Counsel travelled to Wilmington several days beforehand to prepare trial office space, meet with and prepare witnesses, and coordinate on trial strategy. As detailed below, Plaintiffs reached a settlement-in-principle with the last remaining Defendant, AstraZeneca, on May 1, 2025, just four days before trial was to commence.

VI. SETTLEMENT NEGOTIATIONS

43. The proposed Settlements were the result of extensive negotiations that were detailed, were hard-fought, and occurred over several weeks.

44. Plaintiffs advised the Court they had reached agreement in principle with Handa at the pretrial conference on April 25, 2025 and executed their settlement agreement with Handa on April 28, 2025.

45. Plaintiffs reached agreement in principle with AstraZeneca on May 1, 2025, advised the Court of the agreement that same day and executed their settlement agreement with AstraZeneca on May 19, 2025.

VII. THE SETTLEMENTS

46. On May 29, 2025, Class Counsel moved for preliminary approval of the proposed Settlements. D.I. 908. The Settlement with AstraZeneca provides for \$50,925,000 million in cash, which payment AstraZeneca has already funded, in exchange for certain releases of claims. D.I. 910-1.

47. The Settlement with Handa provides for \$494,000 in cash, which payment Handa has already funded, as well as material, substantial cooperation that would have been critically valuable had the case proceeded to trial, including by providing sworn statements and making Handa's CEO available to testify in person (even though he resides outside the Court's subpoena power). D.I. 910-2 ¶ 35. The Handa Settlement was further accompanied by a sworn statement from Handa's CFO that it is financially incapable of paying more and underlying documentation so demonstrating. *Id.* ¶ 33.

48. All funds paid by AstraZeneca and Handa are held in an interest-bearing escrow account for the benefit of the Class.

49. In seeking preliminary approval, Class Counsel requested that the Court preliminarily approve the proposed Settlements, approve a proposed form of

notice to the Class, approve the appointment of a claims administrator and set a schedule leading up to and including a Fairness Hearing. D.I. 908.

50. On June 9, 2025, the Court concluded that the Settlements between the Class and Defendants were arrived at by arms-length negotiations by highly experienced counsel after years of litigation and fell within the range of possibly approvable settlements, and preliminarily approved the Settlements. *See* D.I. 911. Concurrently, the Court also approved an escrow agent, approved the appointment of a claims administrator, authorized notice to the Class, and set a schedule through the Fairness Hearing. *Id.*

51. Thereafter, Lead Counsel posted all relevant documents on its website, including the notice to the Class, which, along with a pre-filled claims form, was mailed to all Class members by the claims administrator on June 23, 2025.

52. Class members have until July 24, 2025 to object to the Settlement or any of its terms and/or to Class Counsel's request for attorneys' fees, reimbursement of expenses and service awards for the class representatives. As of the date of this Declaration, no objections have been received by Class Counsel. If any are received between the date of this Declaration and July 24, 2025, Class Counsel will promptly notify the Court and address any such objections in

Plaintiffs' forthcoming submission for final approval of the Settlement, due on August 14, 2025.

VIII. LITIGATING THIS CASE AND TRYING IT TO VERDICT PRESENTED ENORMOUS RISKS

53. Antitrust cases are well known to be complex ventures that involve a high degree of risk—and antitrust jury trials, even more so. Prosecuting pharmaceutical antitrust cases requires a mastery of not just antitrust law, but also intricate FDA regulations governing the approval of brand and generic prescription pharmaceutical products, antitrust economics for purposes of establishing a relevant market and evaluating the contours of monopoly power, the development of causation models to demonstrate a “but for world” devoid of the anticompetitive behavior and the development of damages models to calculate damages to class members. Such cases, as here, require substantial attorney (and support staff) hours and substantial out-of-pocket cash outlays, particularly for the retention of expert witness services.

54. At all junctures of the litigation, Class Counsel faced risk. Similar pharmaceutical antitrust cases have been lost at trial after significant outlays of time and money by Class Counsel. *See, e.g., In re Nexium (Esomeprazole) Antitrust Litig.*, 842 F.3d 34 (1st Cir. 2016) (upholding jury verdict for defendant); *In re Opana ER Antitrust Litig.*, No. 1:14-cv-10150 (N.D. Ill. Aug. 22, 2022), ECF No. 1067 (jury verdict for defendant); *In re HIV Antitrust Litig.*, No. 19-cv-02573

(N.D. Cal. Jun. 30, 2023) (jury verdict for defendant); *Louisiana Wholesale Drug Co., Inc. v. Sanofi-Aventis*, No. 07-cv-07343 (S.D.N.Y. Nov. 20, 2008) (jury verdict for defendant). Many other cases have been dismissed at the motion to dismiss or summary judgment stages.

55. Class Counsel also faced the risk of non-recovery due to Handa's financial condition.

56. At all times, Class Counsel were acutely aware of the inherent risks that come with prosecuting a complex antitrust case to trial. Class Counsel were aware that Plaintiffs' claims could have been dismissed in their entirety at the pleading stage (as Defendants sought), at summary judgment (again, as Defendants sought), or through an adverse jury verdict. Class Counsel were also aware that Defendants would almost certainly seek to overturn a jury verdict in favor of Plaintiffs through post-trial motion practice and/or appeal, potentially even to the Supreme Court. Consequently, absent the proposed Settlements, if a jury had found in favor of Defendants at trial or if a jury verdict in favor of Plaintiffs were vacated, Class Counsel's extensive efforts on behalf of the Class—undertaken on a purely contingent basis and at great expense—would have been for naught.

IX. SUMMARY OF ATTORNEYS' FEES AND UNREIMBURSED EXPENSES

57. Class Counsel are nationally recognized law firms with decades of experience representing direct purchaser classes in antitrust cases, many of which involved the same class members as here.

58. Despite the risks outlined above, Class Counsel diligently prosecuted this case for nearly 6 years. In doing so, as outlined herein, Class Counsel:

- (a) investigated, identified and filed this case; (b) opposed dismissal on the pleadings; (c) obtained and analyzed over two million pages of documents;
- (d) took or defended 30 fact and expert depositions; (e) retained and submitted reports from 8 experts; (f) engaged in extensive discovery-related motion practice cutting across numerous topics; (g) obtained class certification; (h) moved for and opposed *Daubert* motions; (i) opposed summary judgment; (j) engaged in extensive trial preparation efforts; and (k) engaged in extensive negotiations concerning the execution of settlement agreements that embodied the parties' agreements-in-principle.

59. Litigating this case involved significant effort on Class Counsel's part, both in terms of time and monetary expenditures. Throughout the case, Class Counsel constantly refined their theories both in anticipation of arguments that Defendants were likely to raise—and often did raise—throughout the litigation.

Defendants were represented by highly experienced and capable counsel who vigorously defended against Plaintiffs' claims at all junctures.

60. Class Counsel believe that the Settlements with Defendants represent an outstanding result for the Class by any measure.

61. All attorneys, paralegals and other support staff working at Class Counsel firms were instructed to keep contemporaneous time records reflecting their time spent on this case and did so. Class Counsel assigned tasks to attorneys and staff that were appropriate to their experience and skill levels. The Class Counsel firms also kept books and records concerning the expenses necessarily incurred in the prosecution of this litigation, prepared from receipts and other source material.

62. Table 1 below summarizes the aggregate time and necessary expenses (including litigation fund contributions) of all Class Counsel, as set forth in more detail in the individual firm declarations of Class Counsel, annexed here as Exhibits A through I:

Table 1

Ex.	Firm	Hours	Lodestar	Expenses
A	Garwin Gerstein & Fisher LLP	8,415.10	\$8,476,992.75	\$787,073.59
B	Berger Montague PC	10,703.50	\$8,193,268.00	\$758,749.25
C	Odom & Des Roches LLC	7,467.70	\$5,515,615.00	\$746,292.49
D	Heim Payne and Chorush, LLP	7,651.8	\$4,774,910.25	\$732,360.44
E	Faruqi & Faruqi LLP	3,142.80	\$2,945,662.50	\$701,537.24

F	Smith Segura Raphael & Leger LLP	1,737.30	\$1,201,351.00	\$708,993.84
G	Cooch & Taylor, P.A.	900.00	\$228,410.00	\$7,650.39
H	The Roberts Law Firm US, PC	828.9	\$881,510.50	\$16,688.08
I	NastLaw LLC	551.8	\$618,551.00	\$61,620.12
	Less litigation fund balance			(\$106,117.91)
	TOTAL	40,918.7	\$32,836,271.00	\$4,414,847.53

63. Table 2 below summarizes the expenses paid from the litigation fund:

Table 2

Expense Category	Amount
Bank Charges for Litigation Fund	\$357.81
Court Reporters and Other Discovery Vendors	\$110,276.31
Document databases and review platform	\$85,278.58
Experts	\$3,732,182.03
Data (used by experts)	\$43,244.34
Trial Vendors	\$225,995.89
Legal Research	\$629.30
Teleconferences	\$107.45
Printing	\$3,696.95
Filing Fees	\$204.80
Delivery Services	\$127.50
TOTAL	\$4,202,100.96

64. The expenditures from the litigation fund listed in Table 2 are not duplicative of the Class Counsel expenses listed in Table 1. For each firm, the bulk of its expenses are contributions to the litigation fund, which is used to pay shared expenses such as expert fees, document hosting charges, and the other expenses listed. However, firms also incur firm-specific expenses, such as travel expenses, that are not paid out of the litigation fund. Plaintiffs are seeking reimbursement of the figure in the last row of Table 1—not the figure in Table 2.

65. Table 3 below summarizes contributions to the litigation fund:

Table 3

Contribution Category	Amount
Litigation Fund Contributions by Class Counsel	\$4,240,000.00
Reimbursements from co-plaintiff groups for shared expenses	\$68,218.87
TOTAL	\$4,308,218.87

66. In sum: Class Counsel collected \$4,308,218.87 into the litigation fund. Class Counsel spent \$4,202,100.96 from the litigation fund, leaving a current balance of \$106,117.91. Outside of the litigation fund, the various Class Counsel firms spent \$212,746.57 on case expenses. As such, Class Counsel is seeking reimbursement of \$4,414,847.53 in expenses (\$4,202,100.96 from the litigation fund + \$212,746.57 spent by firms directly). The expense reimbursement that Class Counsel is seeking does not include the current balance of the litigation fund; Lead Counsel will return the litigation fund balance to the contributing firms on a pro rata basis.

67. The above expenses were all reasonably incurred and necessary to the representation of the Class. They include costs for computerized legal research, the creation and maintenance of an electronic document database, expert costs, travel and lodging expenses, copying, court reporters, transcripts, and preparation of hard copies for delivery to the Court. They also include trial expenses, such as trial presentation vendors and workspace in Wilmington for use in advance of and during trial.

68. Class Counsel respectfully request attorneys' fees in the amount of \$16,849,494.89 (36% of the Settlement amounts, net of expenses and service awards for the class representatives), plus a proportionate share of any interest accrued since the Settlements were escrowed, and unreimbursed expenses of \$4,414,847.53. Based on Class Counsel's lodestar of \$32,836,271.00, the requested fee represents a multiplier of 0.51.

X. THE EFFORTS OF THE CLASS REPRESENTATIVES ON BEHALF OF THE CLASS

69. The class representatives—Smith Drug and KPH—each made a significant contribution in prosecuting Plaintiffs' claims against Defendants for the benefit of all Class members. The class representatives each actively protected the Class's interests by filing suit on behalf of the Class and undertaking all of the responsibilities involved in being a named plaintiff, including remaining apprised of all developments in the case, responding to discovery requests, sitting for deposition, and preparing to be examined at trial.

70. Discovery was a significant burden to the class representatives in this case. Specifically, in accordance with the ESI order, each class representative executed broad document searches and collections based on keywords negotiated with Defendants, which resulted in production of thousands of pages of documents, as well as transaction data showing Class members' purchases and chargebacks associated with their purchases of brand Seroquel XR and generic Seroquel XR.

These discovery efforts required that employees of the class representatives take time away from their regular job functions in order to comply.

71. Each of the class representatives was also deposed (*see supra* ¶15) and was prepared to appear at trial if called.

72. The class representatives were required to expend time and effort that was not compensated over the nearly six years that Class Counsel prosecuted Plaintiffs' claims.

73. In recognition of their time and efforts expended for the benefit of the Class, Class Counsel request a service award of \$100,000 for each class representative.

I, Jonathan M. Gerstein, declare under penalty of perjury that the above is true and correct.

/s/ Jonathan M. Gerstein
Jonathan M. Gerstein