UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE THE ESTÉE LAUDER CO., INC. SECURITIES LITIGATION	Civil Action No. 1:23-cv-10669-AS Hon. Arun Subramanian

OMNIBUS REPLY MEMORANDUM OF LAW IN FURTHER SUPPORT OF (I) MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND PLAN OF ALLOCATION AND (II) MOTION FOR ATTORNEYS' FEES AND EXPENSES AND (III) IN OPPOSITION TO OBJECTOR'S APPLICATION FOR A "*PRO SE* SERVICE AWARD"

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Page(s)

Cases

Rules

Pursuant to Fed. R. Civ. P. 23(e)(2), Lead Plaintiffs[1] respectfully submit this reply in further support of (i) Lead Plaintiffs' Motion for Final Approval of Proposed Class Action Settlement and Plan of Allocation (ECF No. 121) and (ii) Lead Counsel's Motion for an Award of Attorneys' Fees and Payment of Expenses (ECF No. 123) (together, the "Motions"), and in opposition to Objector Avrohom Senderovic's objections to the Fee and Expense Application and his request for a "*pro se* service award" (ECF Nos. 118-120, 126 ("Objection")).

PRELIMINARY STATEMENT

Now that the deadline for seeking exclusion from the Settlement Class or objecting has passed, it is respectfully submitted that the reaction has been very positive. After a robust notice program, there have been ***no objections*** to the Settlement and Plan of Allocation and only five requests for exclusion (three of which are valid). Only ***one*** putative class member has objected to the Fee and Expense Application and, for his two hours of effort, he seeks a "*pro se* service award" of $10,000.

More specifically, a total of 1,207,482 Postcard Notices have been mailed or emailed to potential Settlement Class Members or their nominees. *See* Supplemental Declaration of Melissa Mejia, dated August 12, 2026, at ¶¶3, 5, filed herewith ("Supp. Decl."). In addition, copies of the notices, Stipulation, and Motions were posted on the Settlement website, as well as the website of Lead Counsel. On June 8, 2026, the Summary Notice was published in *The Wall Street Journal* and released over the internet via *PR Newswire. See* Declaration of Melissa Mejia, dated July 15,

[1] Capitalized terms used herein that are not defined have the same meanings as in the Stipulation and Agreement of Settlement, dated May 6, 2026 (the "Stipulation"; ECF No. 114-1). Unless otherwise noted, citations and internal quotations have been omitted and all exhibits are those filed with the Motions. "Canty Decl." refers to the Declaration of Michael P. Canty filed in connection with the Motions (ECF No. 125).

2026 at ¶14 (ECF No. 125-5). Collectively, the notices provided robust information to potential class members.

On July 16, 2026, pursuant to the schedule set by the Court, Lead Plaintiffs and Lead Counsel filed their Motions. Those papers—which are available on the public docket (*see* ECF Nos. 121-125), the Settlement website and Lead Counsel's website—described Lead Plaintiffs' and Lead Counsel's views of the Settlement, the Plan of Allocation, work performed in the litigation, and the fee and expense awards requested.

In response, there have been ***no objections*** to the Settlement or Plan of Allocation, ***only one*** putative class member objected to the Fee and Expense Application, and the Claims Administrator received five requests for exclusion, *see* Supp. Decl. at ¶¶14-18, Ex. A.[2] Although the numbers are preliminary, through August 11, 2026, approximately 2,100,577 claims have been submitted. *Id*. at ¶20. Accordingly, Lead Plaintiffs and Lead Counsel respectfully submit that this reaction further demonstrates the fairness, adequacy, and reasonableness of the Settlement, Plan of Allocation, and Lead Counsel's Fee and Expense Application.

ARGUMENT

I. THE REACTION STRONGLY SUPPORTS APPROVAL OF THE SETTLEMENT AND PLAN OF ALLOCATION

Following a thorough notice program, no Settlement Class Member objected to any aspect of the Settlement. This "favorable reaction of the overwhelming majority of class members to the Settlement is perhaps the most significant factor in [the] *Grinnell* inquiry…" and accordingly strongly supports that the Settlement is fair, reasonable, and adequate. *Wal-Mart Stores, Inc. v. Visa U.S.A., Inc*., 396 F.3d 96, 119 (2d Cir. 2005); *see also In re Facebook, Inc., IPO Sec. &*

[2] One of the requests is invalid for failing to provide any trading information, as required.

Derivative Litig., 343 F. Supp. 3d 394, 410 (S.D.N.Y. 2018), *aff'd, In re Facebook Inc.* 822 F. App'x. 40 (2d Cir. 2020) ("The overwhelmingly positive reaction–or absence of a negative reaction–weighs strongly in favor of confirming the Proposed Settlement.").

The absence of objections from institutional investors is also noteworthy. That these sophisticated class members—who have the resources to carefully evaluate the Settlement and object if it were appropriate to do so—have not objected (or to the Fee and Expense Application) provides further evidence of the fairness of the Settlement. *See, e.g.*, *In re Signet Jewelers Ltd. Sec. Litig*., 2020 WL 4196468, at *6 (S.D.N.Y. July 21, 2020) ("Institutional investors are often sophisticated and possess the incentive and ability to object. Accordingly, the absence of objections by these sophisticated class members is further evidence of the fairness of the Settlement.").

The lack of objections also supports approval of the Plan of Allocation. *See In re EVCI Career Colls. Holdings Corp. Sec. Litig.*, 2007 WL 2230177, at *11 (S.D.N.Y. July 27, 2007) (noting that "[c]ourts … [should] consider the reaction of a class to a plan of allocation" and, where there are no objections, "the Plan of Allocation should be approved").

Similarly, that there were only three valid requests for exclusion out of approximately 1.2 million potential class members who were noticed supports approval. *See, e.g.*, *In re Bear Stearns Cos., Sec., Derivative & ERISA Litig*., 909 F. Supp. 2d 259, 266-67 (S.D.N.Y. 2012) ("Given the absence of significant exclusion or objection—the rate of exclusion is 5.1% and the rate of objection is less than 1%—this factor weighs strongly in favor of approval"); *In re Am Int'l Grp. Inc*. *Sec*. *Litig.*, 2010 WL 5060697, at *2 (S.D.N.Y. Dec. 2, 2010), *aff'd*, 452 F. App'x. 75 (2d Cir. 2012) (noting the "extremely positive" reaction where there were "only 105 requests for exclusion received, out of which 61 were timely and valid").

II. THE REACTION STRONGLY SUPPORTS APPROVAL OF THE ATTORNEYS' FEE AND EXPENSE APPLICATION

The fact that there is only one objector to the request for fees and litigation expenses (and no institutional investor objection) is strong evidence that the requests, under the circumstances of this case, are fair and reasonable. *See, e.g.*, *Rodriquez v. It's Just Lunch Int'l*, 2020 WL 1030983, at *11 (S.D.N.Y. Mar. 2, 2020) (where two individuals in class of 140,000 objected, the court found the "relatively low number of objections weighs in favor of approving the attorneys' requested fees as reasonable"); *In re Telik, Inc. Sec. Litig*., 576 F. Supp. 2d 570, 594 (S.D.N.Y. 2008) ("That only one objection to the fee request was received is powerful evidence that the requested fee is fair and reasonable.").

As with the Settlement, the lack of any objections by institutional investors to the fee and expense request supports its reasonableness. Because institutional investors know how to object to fee requests when appropriate, and have an incentive to do so, it is significant that none objected here. *See, e.g.*, *In re GSE Bonds Antitrust Litig.*, 2020 WL 3250593, at *4 (S.D.N.Y. June 16, 2020) (approving fees and noting that "a lack of objections from the class members, particularly from sophisticated institutional investors, to the proposed fees indicates that the quality of representation was high").

III. THE OBJECTION TO THE FEE AND EXPENSE REQUEST SHOULD BE REJECTED

Senderovic's objection is both procedurally and substantively flawed. As a threshold matter, he did not serve the Parties' counsel with copies of any of his objection filings, as required by the Preliminary Approval Order. *See* ECF No. 115, ¶17. More fundamentally, he is not a member of the Settlement Class and he did not sustain a loss entitling him to any payment from the Settlement. Accordingly, he is not impacted by the requests and lacks standing to object to them. Senderovic's concerns are addressed below.

A. Senderovic Does Not Have Standing to Object

First, Senderovic's trading documentation shows his purchase of ***three shares*** of Estée Lauder common stock on February 2, 2023 (the trading day after the second alleged corrective disclosure), which he then sold the very next day and ***before*** the third alleged corrective disclosure. This documentation shows that he is not a Settlement Class Member, because he bought ***and*** sold at an allegedly inflated price and he was not damaged, as required by the class definition. *See* Supp. Decl., ¶18; ECF No. 115, ¶2. "Because [the objector] is not a class member, it does not have an affected interest in the class Plaintiffs' claims against [the defendants] to be able to assert its objections. . . . It is therefore uncontested that the [objector] does not have standing under Rule 23 to object . . ." *In re Am. Int'l Grp., Inc. Sec. Litig*., 916 F. Supp. 2d 454, 459 (S.D.N.Y. 2013); *In re Initial Pub. Offering Sec. Litig*., 2011 WL 3792825, at *1 (S.D.N.Y. Aug. 25, 2011) ("Because [objector] was not 'damaged' by his purchase of deCode stock, he falls outside the definition of a class member, and therefore lacks standing to object.").[3]

B. The Fee and Expense Application Is Well-Supported by Both the Facts and the Law

Senderovic's objection fundamentally misunderstands the time reporting and lodestar cross-check, the effort required of Lead Counsel to reach this point, and the risks and economics

[3] Moreover, because Senderovic has no claim to any payment, he is unaffected by the fee and expense requests and lacks standing to challenge them. "[T]o pursue a claim, the putative party must have suffered an "injury-in-fact" that "can be remedied by the requested relief." *W.R. Huff Asset Mgmt. Co., LLC v. Deloitte & Touche LLP*, 549 F.3d 100, 107 (2d Cir. 2008); *see also Glasser v. Volkswagen of Am., Inc.,* 645 F.3d 1084, 1088 (9th Cir. 2011) ("a class member must be 'aggrieved' by the fee award to have standing to challenge it.").

of a contingency case. Importantly, the Court appointed three sophisticated institutional investors, who understood their role as fiduciaries to the class, as Lead Plaintiffs in this matter and those fiduciaries approved Lead Counsel's fee and expense request. *See* Reply Declaration of Michael P. Canty, dated August 13, 2026 ("Reply Decl."), ¶4.

The Requested Fee Was Well-Earned. The $210 million recovery is among the top 100 securities settlements of all time. Exhibit 3. According to Cornerstone Research, over the past ten years, the median settlement was $20.8 million across 144 cases that settled after the filing of a class certification motion but before a ruling (like the Action), and the median settlement was $77.3 million in the 32 cases that settled after a summary judgment ruling. Exhibit 4 at 14. The Settlement recovers a range of approximately 4.6% of estimated maximum damages to 5%-11.4% of more conservatively estimated damages, which is a significant recovery. *Id*. at 7.

This result was achieved through the skill, experience, and effective advocacy of Lead Counsel in the face of considerable challenges and an aggressive defense. This case did not "settle entirely via mediation prior to facing []acute risks," Objection, 1, and Senderovic's views show an acute misunderstanding of the forces weighing against securities claims governed by the PSLRA and the efforts needed to bring them to a successful conclusion. Canty Decl. ¶¶83-112, 136-143. According to Cornerstone, from 2015 to 2022, 54% of core federal filings have been dismissed, 39% have settled, and 5% are ongoing. Reply Decl., Exhibit A, 16.

While the requested fee is significant, the task before the Court is consideration of what would be reasonable under the circumstances of this case. There is no hard-and-fast scale of 15%

to 20% in cases over $100 million, and Senderovic cites no such case.[4] While some courts within the Second Circuit apply a "sliding scale" approach with respect to fees as the size of a fund increases, "this principle cannot be considered in isolation without also reviewing the amount of work and time spent by counsel in this litigation. . . ." *In re Payment Card Interchange Fee & Merch. Disc. Antitrust Litig.,* 2019 WL 6888488, at *19 (E.D.N.Y. Dec. 16, 2019), *aff'd sub nom. Fikes Wholesale, Inc. v. HSBC Bank USA, N.A.,* 62 F.4th 704 (2d Cir. 2023).

Fee Request Is Supported by Lead Counsel's Time and Lodestar. Senderovic's statements that Lead Counsel's baseline lodestar "is detached from standard commercial realities" and that class counsel "unilaterally selects their highest possible rates and applies them retroactively," Objection at 1, appears to be lifted from a different case and, here, could not be further from the truth. The fee motion relied on Lead Counsel's current rates, and the firm's rates are based on periodic analyses of rates used by firms performing comparable work both on the plaintiff and defense side. *See, e.g., In re Hi–Crush Partners L.P. Sec. Litig.*, 2014 WL 7323417, at *14 (S.D.N.Y. Dec. 19, 2014) (approving as reasonable hourly rates in securities action that were "comparable to . . . defense-side law firms litigating matters of similar magnitude"). They are reasonable, not "top-of-the-market," and "match actual market realities." *See* Reply Decl., ¶¶6-8; Exhibit 11. Labaton's rates are routinely approved by courts across the county. *Id*. There is no

---

[4] "[N]either the Second Circuit nor the Supreme Court has established any presumption at all concerning any particular level of fee award that would be unreasonable in a securities fraud class action-nor would such a 'presumption' be appropriate, since a fee request must be analyzed in accordance with the particulars of the case at bar, not against some arbitrary one-size-fits-all standard." *City of Providence v. Aeropostale, Inc.*, 2014 WL 1883494, at *18 (S.D.N.Y. May 9, 2014), *aff'd sub nom. Arbuthnot v. Pierson*, 607 F. App'x. 73 (2d Cir. 2015) (rejecting objection to fee request).

legal or factual support for Senderovic's request that partner rates be "capped" at a "standard market baseline of $450 per hour." Objection at 2.

As explained in the opening papers and the Reply Declaration, Lead Counsel appropriately utilized staff attorneys to review and analyze the 560,000 pages of documents from Defendants and third parties. Canty Decl., ¶¶50-68; Reply Decl., ¶¶10-14. These attorneys were integral to the litigation team and focused on reviewing the document productions for the purpose of fact depositions, expert reports, trial preparation, and settlement discussions. They did not conduct "mechanical data sifting" as posited by Senderovic. Objection, at 2. Instead, the body of documents produced required detailed and nuanced review given the nature of Estée Lauder's Global Travel Retail business segment and *daigou*. Had the e-discovery tools not been used, substantially more time would have been spent by the staff attorneys. Reply Decl., ¶14.

The requested 2.7 lodestar multiplier is comparable to those awarded and would not result in an unearned "windfall." ECF No. 124, 8-9. There is no support for Senderovic's proposition that multipliers should only be awarded in cases that go to trial. Objection at 4. Instead, multipliers are regularly awarded in cases that settle at a variety of stages and courts endeavor to not penalize counsel who litigate efficiently and settle before trial. *See, e.g., In re EVCI Career Colls. Holding Corp. Sec. Litig*., 2007 WL 2230177, at *17 (S.D.N.Y. July 27, 2007) (approving 2.48 multiplier in case that settled when formal discovery had just begun and recognizing, "Lead Counsel's approach resulted in an outstanding recovery for the Class now, rather than obtaining the same, or a lesser, or perhaps no recovery after incurring substantial amounts of time and resources and jeopardizing EVCI's survival.").

Public Policy and Contingent Nature of this Case Support Fee Request. The United States Supreme Court and numerous courts across the country have repeatedly recognized that the public has a strong interest in having experienced and able counsel enforce the federal securities laws through private actions. *See, e.g.*, *Bateman Eichler, Hill Richards, Inc. v. Berner*, 472 U.S. 299, 310 (1985) (Private securities actions provide "a most effective weapon in the enforcement" of the securities laws and are "a necessary supplement to [SEC] action."). Vigorous private enforcement of the federal securities laws can only occur if investors can obtain parity in representation with that available to large corporate defendants. If this important public policy is to be carried out, courts should award fees that adequately compensate plaintiffs' counsel, taking into account the risks undertaken in prosecuting a contingent case, as well as the economics involved.

"'[P]rivate attorneys should be encouraged' to take the risks required to represent those who would not otherwise be protected from socially undesirable activities, including fraud." *Rodriguez*, 2020 WL 1030983, at *10; *see also In re FLAG Telecom Holdings, Ltd. Sec. Litig.,* 2010 WL 4537550, at *29 (S.D.N.Y. Nov. 8, 2010) (if the "important public policy [of enforcing the securities laws] is to be carried out, the courts should award fees which will adequately compensate Lead Counsel for the value of their efforts, taking into account the enormous risks they undertook").

C. Senderovic Expense Challenges Should Be Rejected

"It is well accepted that counsel who create a common fund are entitled to the reimbursement of expenses that they advanced to a class." *FLAG Telecom*, 2010 WL 4537550, at *30. Costs such as computer research and duplicating are routinely approved by courts in securities class actions and are not viewed as non-recoverable overhead. *See, e.g.*, *Signet Jewelers*, 2020 WL 4196468, at *22 ("The expenses for which payment is sought are the types of expenses that are necessarily incurred in litigation and routinely charged to clients. These expenses include, among others, expert fees, deposition costs, on-line legal and factual research, document management and hosting, mediation fees, travel costs, and photocopying expenses.").[5]

Lead Counsel does have subscriptions for Lexis and Westlaw that are billed monthly, which is the only option available to the firm by these providers, however usage is tracked using this case's client-matter number and the monthly costs are apportioned accordingly and specific to this case. PACER costs are by usage and tracked using this case's client-matter number. Reply Decl., ¶17. The firm's duplicating rates are standard and have not been increased in approximately thirty years, despite steady increases in the costs of paper, printers, and toner. Reply Decl., ¶18.

With respect to Lead Counsel's e-discovery expense, given the Settlement, the database was placed into "cold storage," yet this storage is not free and will need to be maintained until the Settlement becomes effective and the database can be shut down. Exhibit 9-B. This expense includes three months of storage at $9,000 a month. If less than the estimated costs are incurred, Lead Counsel will not be paid the overage. Reply Decl., ¶19.

With respect to Lead Counsel's expert expenses, of the $347,700 in costs, $265,700 were incurred in connection with Lead Plaintiffs' primary expert Matthew Cain, PhD., $76,000 was incurred in connection with a consulting economic expert who assisted with assessing damages in connection with mediation efforts, and $6,000 was incurred in connection with a consulting economic expert who assessed damages and loss causation issues early in the case. We generally

[5] The *Arbor Hill* case, a fee shifting lodestar case that is inapplicable, cited by Senderovic does not address expenses. However, in an earlier opinion, the Second Circuit found that plaintiffs' counsel *were entitled* to request expenses related to online legal research, recognizing the cost efficiency of electronic vs. manual research. *Arbor Hill Concerned Citizens Neighborhood Ass'n v. Cnty. of Albany*, 369 F.3d 91, 97–98 (2d Cir. 2004) ("We are unpersuaded, however, by the County's challenge to plaintiffs' request for reimbursement for $8,277 expended by GD & C for online legal research.").

do not publicly disclose the names of consulting experts to preserve confidentiality in the event the Parties need to return to a litigation posture, but can share the details with the Court *in camera* at the Settlement Hearing. Reply Decl., ¶20. Securities cases are very expert heavy and the fact that 46% of total expenses were incurred in connection with experts is typical.

IV. SENDEROVIC'S REQUEST FOR A "*PRO SE* SERVICE AWARD" SHOULD BE DENIED

The request should be rejected because it is not in proportion to his efforts and his concerns about the Fee and Expense Application are not supported by the facts of this case or the law. In any event, the purported work Senderovic performed did not provide any value or benefit to the class.

"In the absence of a showing that objectors substantially enhanced the benefits to the class under the settlement . . . they are not entitled to fees." *In re Currency Conversion Fee Antitrust Litig.*, 263 F.R.D. 110, 132 (S.D.N.Y. 2009); *In re Excess Value Ins. Coverage Litig.*, 598 F. Supp. 2d 380, 393 (S.D.N.Y. 2005) ("Fundamentally, the Court needed little or no assistance from the Objectors in determining [] Class Counsel's Fee Application. . . .").

Here, Senderovic has not raised any credible concerns with the Fee and Expense Application, and none that the Court would not already be considering under the Second Circuit standards of review. His request for a "service award" should be denied.

CONCLUSION

For the reasons set forth herein and the opening papers in support of the Motions, Lead Plaintiff and Lead Counsel respectfully request that the Court grant the Motions. Three proposed orders are being submitted herewith.

Dated: August 13, 2026

Respectfully submitted,

LABATON KELLER SUCHAROW LLP

/s/ Michael P. Canty

Michael P. Canty
James T. Christie
Jacqueline R. Meyers
140 Broadway
New York, New York 10005
Telephone: (212) 907-0700
Email: mcanty@labaton.com
jchristie@labaton.com
jmeyers@labaton.com

Lead Counsel for Lead Plaintiffs Macomb County Employees' Retirement System, Macomb County Retiree Health Care Fund, Wayne County Employees' Retirement System, and the Proposed Class

VANOVERBEKE MICHAUD & TIMMONY P.C.

Thomas C. Michaud
79 Alfred Street
Detroit, Michigan 48201
Telephone: (313) 578-1200
Email: tmichaud@vmtlaw.com

Additional Counsel for Lead Plaintiffs Macomb County Employees' Retirement System, Macomb County Retiree Health Care Fund, and Wayne County Employees' Retirement System

CERTIFICATION OF WORD-COUNT COMPLIANCE

The undersigned hereby certifies that the foregoing brief complies with the 3,500 word limit set forth in Local Civil Rule 7.1(c). The word count, exclusive of the caption, any index, table of contents, table of authorities, signature blocks, or any required certificates, is 3,468 words according to the word-processing system used to prepare the document.

Dated: August 13, 2026

/s/ *Michael P. Canty*
Michael P. Canty

CERTIFICATE OF SERVICE

I hereby certify that on August 13, 2026, I authorized the electronic filing of the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to all registered ECF participants.

Dated: August 13, 2026

/s/ *Michael P. Canty*
Michael P. Canty