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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

LESLIE LILIEN, Individually and
on Behalf of All Others Similarly
Situated,

Plaintiff,

v.

OLAPLEX HOLDINGS, INC., et al.,

Defendants.

Case No. 2:22-cv-08395-SVW(SKx)

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**

Hearing Date: December 1, 2025

Time: 1:30 p.m.

Courtroom: 10A

Judge: Hon. Stephen V. Wilson

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PRELIMINARY STATEMENT

1
2 Lead Plaintiff, Arkansas Teacher Retirement System (“ATRS” or “Lead
3 Plaintiff”), respectfully submits this memorandum of law in support of its motion
4 for final approval of the proposed Settlement of the above-captioned class action
5 (the “Action”) in the amount of \$47,500,000, in cash, pursuant to the terms of the
6 Stipulation and Agreement of Settlement, dated August 1, 2025 (the “Stipulation”).¹
7 The Settlement is with Olaplex Holdings, Inc. (“Olaplex” or the “Company”), JuE
8 Wong, Eric Tiziani, Tiffany Walden, Christine Dagousset, Tricia Glynn, Deirdre
9 Findlay, Janet Gurwitch, Martha Morfitt, David Mussafer, Emily White, Michael
10 White, and Paula Zusi (the “Individual Defendants” and, together with Olaplex, the
11 “Defendants”).

12 As described below and in the accompanying Declaration of Lauren A.
13 Ormsbee, dated October 27, 2025 (the “Ormsbee Decl.”), the Settlement is a very
14 favorable result for the Settlement Class. Facing significant challenges with respect
15 to obtaining a greater recovery after summary judgment and trial, Lead Plaintiff and
16 Lead Counsel, being fully informed by substantial discovery and litigation efforts,
17 negotiated a very favorable recovery for the Settlement Class. The Settlement was
18 reached after more than two and a half years of vigorously contested litigation in
19 which all Parties strongly advanced their positions. During the course of the
20 litigation, Lead Plaintiff, among other things: (i) conducted a rigorous investigation
21 of the claims at issue, including consulting with experts and interviewing former
22 employees of Olaplex; (ii) drafted a detailed amended complaint; (iii) responded to
23 four extensive motions to dismiss and argued against dismissal in two in-person
24 oral arguments; (iv) moved for class certification; (v) researched, drafted,
25 propounded and responded to document requests and interrogatories; (vi) reviewed
26 approximately 50,000 documents (approximately 412,000 pages); (vii) took or

27
28 ¹ All capitalized terms used herein that are not defined have the same meanings
as in the Stipulation, previously filed with the Court, ECF No. 224-3.

1 defended four depositions and prepared for the imminent scheduled depositions of
2 16 individuals, including the Individual Defendants; (viii) negotiated discovery
3 disputes; (ix) consulted with experts in the fields of negative causation, damages,
4 tracing, reformulation, and corporate brand reputation and image; and (x)
5 exchanged extensive mediation briefing and participated in a mediation overseen
6 by a highly respected mediator, David M. Murphy. Indeed, at the time of settlement,
7 the Parties had completed contested class certification proceedings and were
8 thoroughly engaged in fact discovery. *See generally* Ormsbee Declaration, filed
9 herewith.² As a result of these efforts, Lead Plaintiff and Lead Counsel had a well-
10 developed understanding of the strengths and weaknesses of the claims at issue in
11 the Action. Lead Plaintiff litigated the Action with persistence and tenacity and was
12 prepared to take its claims to trial.

13 While Lead Plaintiff believes the Settlement Class’s claims are meritorious
14 and strong, it recognizes there were substantial risks to continued litigation and trial.
15 As discussed in detail in the Ormsbee Declaration and summarized below, among
16 other things, Defendants would likely argue in future dispositive motions and at
17 trial that, for example, the categories of false and misleading statements and
18 omissions sustained by the Court concerning the risks to Olaplex’s business posed
19 by the March 2022 E.U. ban of an ingredient in one of its key products (No. 3 Hair
20 Perfector) and the related risks posed to the business of using an allegedly unsafe
21

22 ² The Ormsbee Declaration is an integral part of this submission and, for the sake
23 of brevity in this memorandum, the Court is respectfully referred to it for a detailed
24 description of, *inter alia*: the history of the Action; the nature of the claims asserted;
25 the litigation efforts; the negotiations leading to the Settlement; and the risks and
uncertainties of continued litigation, among other things. Citations to “¶” in this
memorandum refer to paragraphs in the Ormsbee Declaration.

26 All exhibits herein are annexed to the Ormsbee Declaration. For clarity,
27 citations to exhibits that themselves have attached exhibits will be referenced as
“Ex. ____ - ____.” The first numerical reference is to the designation of the entire
28 exhibit attached to the Declaration and the second reference is to the exhibit
designation within the exhibit itself.

28 All internal quotations and citations are omitted unless otherwise noted.

1 ingredient in its product, were not actionable. Defendants would likely put forward
2 facts and several highly qualified experts in support of numerous affirmative
3 defenses, such as due diligence and negative causation, which could potentially
4 absolve Defendants from liability or drastically reduce the size of the Settlement
5 Class and the amount of recoverable damages.

6 The Settlement avoids these risks (and others), as well as the further delay
7 and expense of continued litigation – while providing a substantial and certain
8 benefit to the Settlement Class. Lead Plaintiff was actively involved throughout the
9 litigation, diligently representing the Settlement Class, and has approved the
10 Settlement. *See* Declaration of Mark White, dated October 20, 2025, Ex. 1. The
11 Settlement Class’s reaction to date similarly reflects approval of the Settlement.
12 Notice was provided to the Settlement Class beginning on August 25, 2025. *See*
13 Declaration of Eric Blow Regarding (A) Mailing of the Postcard Notice; (B)
14 Publication of the Summary Notice; and (C) Report on Requests for Exclusion,
15 dated October 27, 2025 (“Mailing Decl.”), Ex. 3. While the November 10, 2025
16 deadline to object to the Settlement or request exclusion from the Settlement Class
17 has not yet passed, to date, no objections or requests for exclusion have been
18 received.

19 In addition, the Plan of Allocation for the distribution of the proceeds of the
20 Settlement, which was developed by Lead Counsel with the assistance Lead
21 Plaintiff’s damages expert, is a fair and reasonable method for distributing the Net
22 Settlement Fund to eligible claimants and should also be approved by the Court.

23 **PRELIMINARY APPROVAL AND THE NOTICE PROGRAM**

24 On August 11, 2025, the Court entered an order preliminarily approving the
25 proposed Settlement, preliminarily certifying the Settlement Class, and approving
26 the forms and methods of providing notice to the Settlement Class (the “Preliminary
27 Approval Order,” ECF No. 229). Pursuant to and in compliance with the
28

1 Preliminary Approval Order, beginning on August 25, 2025, the Court-appointed
2 Claims Administrator Epiq Class Action & Claims Solutions, Inc. (“Epiq”), caused
3 the Postcard Notice to be mailed by first-class mail to potential Settlement Class
4 Members and banks, brokers, and other nominees (“Nominees”). *See* Mailing Decl.,
5 Ex. 3 at ¶¶7-15. To date, a total of 18,978 Postcard Notices have been mailed to
6 Settlement Class Members or their Nominees. *Id.* at ¶15. On September 4, 2025,
7 the Summary Notice was published in *The Wall Street Journal* and was
8 disseminated over the internet using *PR Newswire*. *Id.* at ¶¶16-17 and Ex. B
9 attached thereto.

10 The Claim Form and the long-form Notice, along with other Settlement
11 related documents, were posted on a website established by Epiq for purposes of
12 the Settlement. Ex. 3 at ¶18. The website also provides important dates and
13 deadlines in connection with the Settlement, as well as access to downloadable
14 copies of relevant documents, including the Complaint, the Stipulation, and the
15 Preliminary Approval Order. *Id.* Copies of the Postcard Notice, long-form Notice
16 and Claim Form are also available on Lead Counsel’s website, www.labaton.com.
17 ¶121.

18 The notices collectively described, *inter alia*, the claims asserted in the
19 Action, the contentions of the Parties, the course of the litigation, the terms of the
20 Settlement, the maximum amounts that would be sought in attorneys’ fees and
21 expenses, the proposed Plan of Allocation, the right to object to the Settlement, and
22 the right to seek exclusion from the Settlement Class. *See generally* Ex. 3-A to C.
23 The notices also gave the deadlines for objecting, seeking exclusion, and submitting
24 claims, and advised potential Settlement Class Members of the scheduled
25 Settlement Hearing before this Court. *Id.* To date, the Settlement Class’s reaction
26 to the proposed Settlement has been positive. While the deadline (November 10,
27
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1 2025) for objecting and seeking exclusion has not yet passed, to date there have
2 been no objections to any aspect of the Settlement and no requests for exclusion.³

3 **ARGUMENT**

4 **I. THE SETTLEMENT WARRANTS FINAL APPROVAL**

5 **A. Standards Governing Approval of Class Action Settlements**

6 The Ninth Circuit recognizes a “strong judicial policy that favors
7 settlements, particularly where complex class action litigation is concerned.”
8 *Campbell v. Facebook, Inc.*, 951 F.3d 1106, 1121 (9th Cir. 2020); *In re Syncor*
9 *ERISA Litig.*, 516 F.3d 1095, 1101 (9th Cir. 2008). It is well established in the Ninth
10 Circuit that “voluntary conciliation and settlement are the preferred means of
11 dispute resolution.” *Officers for Justice v. Civil Serv. Comm’r*, 688 F.2d 615, 625
12 (9th Cir. 1982). Settlements of complex cases, such as this one, greatly contribute
13 to the efficient utilization of scarce judicial resources and achieve the speedy
14 resolution of claims. *See, e.g., Garner v. State Farm Mut. Auto Ins. Co.*, 2010 WL
15 1687832, at *10 (N.D. Cal. Apr. 22, 2010) (“Settlement avoids the complexity,
16 delay, risk and expense of continuing with the litigation and will produce a prompt,
17 certain, and substantial recovery for the Plaintiff class.”).

18 Rule 23(e)(2) provides that a court may approve a proposed settlement that
19 would bind class members “only after a hearing and only on finding that it is fair,
20 reasonable, and adequate” after considering whether:

- 21 (A) the class representatives and class counsel have adequately
22 represented the class;
23 (B) the proposal was negotiated at arm’s length;
24 (C) the relief provided for the class is adequate, taking into account:
25 (i) the costs, risks, and delay of trial and appeal;
26 (ii) the effectiveness of any proposed method of distributing relief
27 to the class, including the method of processing class-member

28 ³ Should any objections or requests for exclusion be received, Lead Plaintiff will
address them in its reply papers, which are due to be filed with the Court on
November 24, 2025. Additionally, nothing has occurred to date to impact the
Court’s provisional certification of the Settlement Class.

- 1 claims;
- 2 (iii) the terms of any proposed award of attorney’s fees, including
- 3 timing of payment; and
- 4 (iv) any agreement required to be identified under Rule 23(e)(3),⁴
- 5 and
- 6 (D) the proposal treats class members equitably relative to each other.

7 Rule 23, as amended in December 2018, has not changed the established overall
8 standard for approving a proposed class settlement, *i.e.*, evaluating whether it is fair,
9 adequate, and reasonable. Fed. R. Civ. P. 23(e)(2).

10 In considering final approval, the Court may also consider the Ninth Circuit’s
11 long-standing approval factors, many of which overlap with the Rule 23(e)(2)
12 considerations: “(1) the strength of the plaintiffs’ case; (2) the risk, expense,
13 complexity, and likely duration of further litigation; (3) the risk of maintaining class
14 action status throughout the trial; (4) the amount offered in settlement; (5) the extent
15 of discovery completed and the stage of the proceedings; (6) the experience and
16 views of counsel; (7) the presence of a governmental participant; and (8) the
17 reaction of the class members of the proposed settlement.” *Churchill Vill., L.L.C. v.*
18 *Gen. Elec.*, 361 F.3d 566, 575 (9th Cir. 2004); *see also Hanlon v. Chrysler Corp.*,
19 150 F.3d 1011, 1026 (9th Cir. 1998). The Advisory Committee Notes to the 2018
20 amendments to Rule 23 explain that the four Rule 23(e)(2) factors are not intended
21 to “displace” any factor previously adopted by the courts, but “rather to focus the
22 court and the lawyers on the core concerns of procedure and substance that should
23 guide the decision whether to approve the proposal.” Fed. R. Civ. P. 23 Advisory
24 Comm. Notes to 2018 Amendments, Subdivision (e)(2); *see also In re Stable Rd.*

25 ⁴ Rule 23(e)(2)(C)(iv) requires the disclosure of any agreement between the
26 parties in connection with a proposed settlement. Here, in addition to the
27 Stipulation, on July 26, 2025 the Parties executed a settlement Term Sheet and on
28 August 1, 2025 they entered into a Confidential Supplemental Agreement
Regarding Requests for Exclusion, concerning the circumstances under which
Olaplex could terminate the Settlement based upon the number of exclusion
requests received. The Term Sheet, Stipulation, and the Supplemental Agreement
are the only agreements concerning the Settlement entered into by the Parties.

1 *Acquisition Corp. Sec. Litig.*, 2024 WL 3643393, at *5 (C.D. Cal. Apr. 23, 2024).
2 “Accordingly, the Court [should] appl[y] the framework set forth in Rule 23, while
3 continuing to draw guidance from the Ninth Circuit’s factors and relevant
4 precedent.” *Id.*

5 All of these factors, whether in Rule 23 or Ninth Circuit jurisprudence, favor
6 approval of the proposed Settlement.

7 **B. Rule 23(e)(2)(A): The Class Has Been Adequately Represented**

8 In determining whether to approve a class action settlement, courts consider
9 whether “the class representative and class counsel have adequately represented the
10 class.” Fed. R. Civ. P. 23(e)(2)(A). “Resolution of two questions determines legal
11 adequacy: (1) do the named plaintiffs and their counsel have any conflicts of interest
12 with other class members, and (2) will the named plaintiffs and their counsel
13 prosecute the action vigorously on behalf of the class?” *Hanlon*, 150 F.3d at 1027.

14 Here, Lead Plaintiff’s claims are based on the same common course of
15 alleged conduct by Defendants, are typical of all other Settlement Class Members,
16 and Lead Plaintiff has no interests antagonistic to the Settlement Class. *See In re*
17 *Stable Rd. Acquisition Corp.*, 2024 WL 3643393, at *6 (finding lead plaintiff
18 adequately represented the class where lead plaintiff’s claims are typical of and
19 coextensive with the claims of the settlement class with no antagonistic interests).

20 Furthermore, Lead Plaintiff and Lead Counsel have adequately represented
21 the Settlement Class in both their vigorous prosecution of the claims and in their
22 negotiation of the Settlement. Lead Plaintiff and Lead Counsel developed a deep
23 understanding of the facts of the case and merits of the claims by, *inter alia*: (i)
24 conducting an extensive investigation of the claims and defenses; (ii) drafting a
25 detailed amended complaint; (iii) responding to four extensive motions to dismiss;
26 (iv) moving for class certification; (v) researching, drafting, propounding and
27 responding to document requests and interrogatories; (vi) reviewing approximately
28

1 50,000 documents totaling approximately 412,000 pages; (vii) taking three
2 depositions, defending the deposition of ATRS, and preparing for 16 scheduled
3 depositions; (viii) negotiating and resolving numerous discovery disputes; (ix)
4 consulting with experts in the fields of negative causation, damages, tracing,
5 reformulation, and corporate brand reputation and image; and (x) exchanging
6 extensive mediation briefing and participating in a mediation. *See generally*
7 Ormsbee Decl. at §§III.-V.

8 Lead Plaintiff regularly communicated with Lead Counsel and reviewed
9 material filings in the case, such as the amended complaint, the briefing on
10 Defendants’ motions to dismiss, and the motion for class certification. Lead
11 Plaintiff also responded to the discovery demands propounded by Defendants and
12 worked with Lead Counsel to gather and produce documents and information
13 responsive to the requests. Lead Plaintiff sat for a deposition on June 9, 2025 in
14 New York and also traveled to New York to attend the June 19, 2025 mediation.
15 *See Ex. 1.* Furthermore, Lead Plaintiff, through counsel, was involved in the
16 ongoing settlement discussions and, with an informed understanding, agreed to the
17 Settlement.

18 Likewise, Lead Counsel, who is experienced in prosecuting and trying
19 complex class actions, had a clear view of the strengths and risks of the case and
20 was equipped to make an informed decision regarding the reasonableness of a
21 potential settlement. *See Jiangchen v. Rentech, Inc.*, 2019 WL 5173771, at *5 (C.D.
22 Cal. Oct. 10, 2019) (finding this factor satisfied where counsel “has significant
23 experience in securities class action lawsuits”). Over the course of the litigation,
24 Lead Counsel developed a deep understanding of the facts of the case and the merits
25 of the claims. *See generally* Ormsbee Decl. at §§III.-V. Lead Counsel is highly
26 qualified and experienced in securities litigation, as set forth in its firm resume (*see*
27 Ex.7-D). Accordingly, the Settlement Class has been, and remains, well
28

1 represented.

2 Through their efforts on behalf of the Settlement Class, Lead Counsel and
3 Lead Plaintiff have concluded that the proposed Settlement is fair, reasonable, and
4 adequate. As courts have often observed, “[g]reat weight’ is accorded to the
5 recommendation of counsel, who are most closely acquainted with the facts of the
6 underlying litigation.” *Nat’l Rural Telecomm. Coop. v. DirectTV, Inc.*, 221 F.R.D.
7 523, 528 (C.D. Cal. 2004).

8 Accordingly, it is respectfully submitted that this factor supports approval of
9 the Settlement.

10 **C. Rule 23(e)(2)(B): The Settlement Is the Product of Arm’s-Length**
11 **Negotiations Between Experienced Counsel**

12 Rule 23(e)(2)(B) asks whether “the [settlement] proposal was negotiated at
13 arm’s length.” This consideration (and Rule 23(e)(2)(A) discussed above) “overlaps
14 with certain *Hanlon* factors, such as the non-collusive nature⁵ of negotiations, the
15 extent of discovery completed, and the stage of proceedings.” *In re Extreme*
16 *Networks, Inc. Sec. Litig.*, 2019 WL 3290770, at *7 (N.D. Cal. July 22, 2019).

17 “[T]he fact that the settlement was negotiated at arm’s length and reached
18 after discovery renders the agreement presumptively fair.” *In re Snap Inc. Sec.*
19 *Litig.*, 2021 WL 667590, at *1 (C.D. Cal. Feb. 18, 2021) (J. Wilson). Indeed, courts
20 have long recognized the importance of arm’s-length negotiations. *See, e.g., Roberti*
21 *v. OSI Sys., Inc.*, 2015 WL 8329916, at *3 (C.D. Cal. Dec. 8, 2015) (“The arms-
22 length nature of the negotiation resulting in the proposed Settlement supports final
23 approval.”). Moreover, “[t]he parties’ use of an experienced mediator is an
24 ‘important factor’ supporting a finding that a proposed settlement is the ‘product of

25 ⁵ The Settlement has none of the indicia of possible collusion identified by the
26 Ninth Circuit, *see In re Bluetooth Headset Prod. Liab. Litig.*, 654 F.3d 935, 947
27 (9th Cir. 2011), such as a “clear-sailing” fee agreement or a provision that would
28 allow settlement proceeds to revert to Defendants. *See* Stipulation at ¶12 (“This is
not a claims-made settlement. As of the Effective Date, Defendants, and/or any
other Person funding the Settlement on a Defendant’s behalf, shall not have any
right to the return of the Settlement Fund or any portion thereof for any reason.”).

1 arms-length negotiations’’. *Ferreira v. Funko, Inc.*, 2022 WL 22877154, at *5
2 (C.D. Cal. Dec. 13, 2022)); *see also In re Stable Rd. Acquisition Corp.*, 2024 WL
3 3643393, at *6 (finding the settlement was achieved free of collusion where it
4 involved a mediator with substantial experience); *In re Banc of Cal. Sec. Litig.*,
5 2019 WL 6605884, at *2 (C.D. Cal. Dec. 4, 2019) (“one important factor [to
6 consider] is that the parties reached the settlement . . . with a third-party mediator.”
7 Likewise, the fact that a settlement “is the result of a mediator’s proposal in the
8 context of a private mediation. . . supports the argument that [the agreement] is non-
9 collusive.” *LeFrano v. Loandepot, Inc.*, 2023 WL 12023569, at *11 (C.D. Cal. Dec.
10 8, 2023).

11 As detailed in the Ormsbee Declaration, the Settlement was achieved after a
12 formal mediation session on June 19, 2025, which included the exchange of robust
13 mediation materials prior to the mediation session. *See generally* Ormsbee Decl. at
14 §V.; Declaration of David M. Murphy of Phillips ADR, dated October 27, 2025,
15 Ex. 4. During the mediation session, Defendants, represented by a well-regarded
16 law firm with deep expertise in the defense of securities class actions, vigorously
17 asserted arguments against liability and damages. With the Parties still
18 meaningfully apart in their respective settlement positions after the mediation, they
19 agreed to continue negotiations through the Mediator. On July 1, 2025, after
20 additional discussions between counsel, Lead Plaintiff and Defendants accepted the
21 Mediator’s proposal to resolve all claims against Defendants for \$47.5 million in
22 cash, subject to the negotiation of non-financial terms for the Settlement and Court
23 approval. These negotiations were at all times adversarial and at arm’s-length, and
24 have produced a result that is in the best interests of the Settlement Class.

25 Furthermore, the Parties were thoroughly absorbed in the merits of the
26 litigation when they agreed to settle, after fact discovery was well underway with
27 four depositions already taken and more than 50,000 documents reviewed by Lead
28

1 Plaintiff, as detailed in the Ormsbee Declaration. There can be no question that Lead
2 Plaintiff and Lead Counsel had sufficient information to evaluate the merits of the
3 Settlement by the time it was reached. *See Ferreira*, 2022 WL 22877154, at *7
4 (finding the extent of discovery completed and stage of proceedings support final
5 approval where plaintiffs prepared and drafted amended complaints, briefed two
6 rounds of motions to dismiss, propounded and responded to discovery requests, and
7 prepared and participated in a mediation session).

8 **D. Rule 23(e)(2)(C): The Relief Provided by the Settlement Is**
9 **Adequate**

10 In determining whether a class-action settlement is “fair, reasonable, and
11 adequate,” the Court must consider whether “the relief provided for the class is
12 adequate, taking into account . . . the costs, risks, and delay of trial and appeal.”
13 Fed. R. Civ. P. 23(e)(2)(C). This factor overlaps with the Ninth Circuit factors that
14 consider “the strength of the plaintiffs’ case,” “amount offered in the settlement,”
15 and “the risk, expense, complexity, and likely duration of further litigation” and the
16 risk of maintaining class action status.” *Churchill Vill. v. Gen. Elec.*, 361 F.3d 566,
17 575 (9th Cir. 2004); *Hanlon*, 150 F.3d at 1026.

18 **1. Rule 23(e)(2)(C)(i): Risks of Continued Litigation**

19 “In general, securities fraud class actions are complex cases that are time-
20 consuming and difficult to prove.” *Rentech*, 2019 WL 5173771, at *6; *see also Yan*
21 *Wang v. Dada Nexus Ltd. et al.*, No. 2:24-cv-00239-SVW-BFM, slip op. at 10 (C.D.
22 Cal. Mar. 14, 2025) (J. Wilson) (Ex. 6)⁶ (“Plaintiffs’ cause of action is a securities
23 action, and such actions are generally highly complex, notably difficult, and
24 notoriously uncertain.”); *In re Extreme Networks, Inc. Sec. Litig.*, 2019 WL
25 3290770, at *8 (“It is well-recognized that securities actions in particular are often
26 long, hard-fought, complicated, and extremely difficult to win.”). Although Lead
27 Plaintiff and Lead Counsel believe that the claims asserted against Defendants

28 ⁶ Exhibit 6 is a compendium of unreported cases.

1 remain strong, they recognize the significant challenges and risks they would face
2 moving forward, as well as the expense and length of continued litigation through
3 the completion of fact discovery, expert discovery, class certification, summary
4 judgment motions, trial, and undoubtedly appeals. *See, e.g., Redwen v. Sino Clean*
5 *Energy, Inc.*, 2013 WL 12303367, at *6 (C.D. Cal. July 9, 2013) (“Courts
6 experienced with securities fraud litigation ‘routinely recognize that securities class
7 actions present hurdles to proving liability that are difficult for plaintiffs to clear.’”).

8 As set forth below, the benefits conferred on the Settlement Class by the
9 \$47.5 million Settlement far outweigh the costs, risks, and delay of further
10 litigation, and confirm the adequacy of and reasonableness of the Settlement.

11 **Falsity, Materiality, and Investor Knowledge:** Defendants would have
12 sought to convince the Court and a jury that the remaining narrow categories of
13 statements and omissions sustained by the Court concerning the risks to Olaplex’s
14 business posed by the E.U. ban of the ingredient in its No. 3 hair care product and
15 the related risks posed to the business by using allegedly unsafe ingredients in its
16 product, were not false and misleading statements. In particular, Defendants would
17 likely seek to establish that, at the time of the IPO, Olaplex had already reformulated
18 the No. 3 product to remove the ingredient in advance of and in compliance with
19 the E.U.’s ban on March 1, 2022. Defendants would likely argue that the Company
20 did not view the reformulation to be a major change and did not expect the change
21 to have a material adverse impact on Olaplex’s performance, and the reformulation
22 did not impact Olaplex sales or otherwise affect Olaplex’s financial results prior to
23 the IPO. Defendants would also have argued that the risk disclosure about Olaplex’s
24 products being found “unsafe” was not materially misleading because the No. 3
25 product was not found to be unsafe in the years before the IPO, and that the facts
26 adduced in evidence would corroborate Defendants’ argument. ¶¶100-101.

27 Defendants would have also likely continued to argue at summary judgment
28

1 and trial, as they had in opposing class certification, an “actual knowledge”
2 affirmative defense on the ground that reasonable investors knew of the alleged
3 truth at the time of their purchases. Defendants would likely continue to argue that
4 prior to Olaplex’s IPO, the EU’s ban of the relevant ingredient was in the public
5 record such that information regarding the EU ban could be found in public
6 regulatory filings, scientific studies, product labels, and online sources, all of which
7 were available to shareholders and the broader market. Defendants would also
8 likely continue to argue that the ingredients in Olaplex’s No. 3 hair care product
9 were also publicly available information. Olaplex’s “actual knowledge” defense, if
10 believed by the Court or a jury, could have ultimately resulted in no liability. ¶102.

11 **Due Diligence:** Each of the Individual Defendants likely would have raised
12 a due diligence defense as to their liability. While Lead Plaintiff would have worked
13 extensively with a due diligence expert in an effort to show that these Defendants
14 were negligent in connection with the IPO, these Defendants would have also put
15 forth evidence showing that they conducted a reasonable investigation at the time
16 of the IPO and had reasonable grounds for believing in the truthfulness and
17 completeness of the Offering Documents. ¶103.

18 **Damages:** Finally, another principal challenge to continuing the litigation
19 was the difficulty of overcoming Defendants’ tracing and anticipated negative
20 causation defense, particularly the “disaggregation” of confounding or unrelated
21 information from the stock price declines. *See* 15 U.S.C § 77k(e). ¶¶104-110.

22 As the Court made clear during the July 7, 2025 status conference about the
23 Settlement, the Court was highly likely—if not certain—to accept Defendants’
24 tracing arguments with respect to purchases after November 12, 2021. Specifically,
25 as argued in opposition to Lead Plaintiff’s Class Certification Motion, tracing
26 investors’ purchases to Olaplex’s late September 2021 IPO after November 12,
27 2021 would have become increasingly difficult because non-IPO shares entered the
28

1 market after November 12, 2021. Although Lead Plaintiff’s tracing expert had
2 responses to Defendants’ arguments regarding how these purchasers could trace
3 their shares, the Court informed the Parties that it was strongly inclined to only
4 certify a settlement class that was limited to investors that purchased or otherwise
5 acquired Olaplex’s common stock pursuant and/or traceable to the Offering
6 Documents through November 12, 2021, due to concerns regarding traceability
7 after this date. *See* Tr. of Status Conference 6:3-7, Ex. 5. Limiting the class of
8 investors entitled to a recovery in this Action to those before November 12, 2021
9 significantly reduced the amount of recoverable damages by more than half. ¶105.

10 While Lead Plaintiff’s consulting damages expert has estimated that
11 maximum recoverable statutory damages for purchases of Olaplex common stock
12 from the IPO through November 12, 2021, inclusive, were approximately \$753
13 million, Defendants and their experts would have also pursued several credible
14 arguments that any recoverable damages should be much lower, if not zero, because
15 of negative causation (*i.e.*, the decline in stock price was caused by something other
16 than the alleged misstatements or omissions). ¶106.

17 In particular, Defendants would likely seek to establish that almost half of
18 the class’s statutory damages did not occur as the result of abnormal price declines
19 resulting from the disclosure of information related to the sustained risk factor
20 statements. According to Lead Plaintiff’s consulting damages expert, damages
21 based on only price declines allegedly related to the risk factor statements (on
22 2/28/22, 3/1/22, 3/3/22, 3/7/22, 3/8/22, 8/9/22, and 10/19/22) could have totaled
23 approximately \$390 million, half of Lead Plaintiff’s expert’s statutory damages
24 estimate. ¶107.

25 Additionally, Defendants would likely have put forward additional negative
26 causation arguments with respect to the price declines on each of these dates. For
27 example, Defendants would likely argue that social media posts and press coverage
28

1 about Olaplex’s use of the ingredient at issue, the ingredient’s potential safety risks,
2 the EU ban on the ingredient, and the ingredients in the No. 3 product had been
3 fully disclosed on February 28, 2022 and March 1, 2022, such that losses after
4 March 1, 2022 could not be proven. If successful, this argument could have reduced
5 maximum statutory damages to between approximately \$41.5 million and \$96
6 million, depending on the modeling assumptions used. ¶108.

7 However, Defendants would have also likely further argued that, if limited to
8 the February 28, 2022 and March 1, 2022 disclosure dates, Lead Plaintiff would
9 have *no recoverable damages* because there were no statistically significant
10 residual stock price declines on these dates. ¶109.

11 Issues relating to damages would have come down to an unpredictable and
12 hotly disputed “battle of the experts.” The uncertainty as to which side’s expert’s
13 view might be credited by the jury, or the Court, presents a formidable litigation
14 risk in securities actions. *See, e.g., Nguyen v. Radiant Pharms. Corp.*, 2014 WL
15 1802293, at *2 (C.D. Cal. May 6, 2014) (approving settlement in securities case
16 where “[p]roving and calculating damages required a complex analysis, requiring
17 the jury to parse divergent positions of expert witnesses in a complex area of the
18 law” and “[t]he outcome of that analysis is inherently difficult to predict and risky”).

19 **Favorable and Timely Recovery:** Based on the analyses above, assuming
20 liability were established, the Settlement recovers approximately 6.3% of maximum
21 statutory damages (\$753 million), at least 12.2% of Lead Plaintiff’s expert’s
22 estimate of likely recoverable damages if Lead Plaintiff succeeded in retaining all
23 allegedly related stock price drops (\$390 million) and more than 100% of Lead
24 Plaintiff’s expert’s lower bound of estimated recoverable damages (\$41.5 million),
25 without any risk to the Settlement Class’s ability to recover. In the sphere of
26 securities class actions, Lead Plaintiff and Lead Counsel believe this is an excellent
27 outcome.

1 According to Cornerstone Research, for Securities Act cases with total
2 estimated damages of \$150 million or more, the median percentage of recovery
3 from 2015 to 2024 was 5.7% of total estimated damages, and the median percentage
4 of recovery for all Securities Act cases from 2015 to 2024 was 7.9%. *See* Laarni T.
5 Bulan and Eric Tam, *Securities Class Action Settlements – 2024 Review and*
6 *Analysis* (Cornerstone Research 2025), Ex. 2 at 9. Courts also regularly approve
7 settlements with comparable or lower percentage recoveries than obtained here.
8 *See, e.g., In re Snap Inc. Sec. Litig.*, 2021 WL 667590, at *1 (finding the relief
9 adequate where the settlement amount represents 7.8% of class’s maximum
10 potential aggregate damages, which is “similar to the percent recovered in other
11 court-approved securities settlements”); *Rentech*, 2019 WL 5173771, at *9 (finding
12 settlement that represented approximately 10% of total maximum potential
13 damages to be a “favorable outcome in light of the challenging nature of securities
14 class action cases” and supporting the fee award); *In re Biolase, Inc. Sec. Litig.*,
15 2015 WL 12720318, at *4 (C.D. Cal. Oct. 13, 2015) (settlement recovery of 8% of
16 estimated damages “equals or surpasses the recovery in many other securities class
17 actions”).

18 Lead Plaintiff and Lead Counsel also believe the \$47.5 million recovery is
19 fair and reasonable when considering the median recovery in other securities class
20 actions that settled in 2024, as well as those from 2015 to 2024, that, like this Action,
21 alleged only Securities Act claims, which for all cases, of all sizes, was \$10.3
22 million. Ex. 2 at 8.

23 Lastly, the Settlement also comes without the considerable risk, expense, and
24 delay of summary judgment, trial, and post-trial litigation. *See, e.g., Torrissi v.*
25 *Tucson Elec. Power Co.*, 8 F.3d 1370, 1376 (9th Cir. 1993) (“the cost, complexity
26 and time of fully litigating the case all suggest that this settlement was fair”); *In re*
27 *LinkedIn User Priv. Litig.*, 309 F.R.D. 573, 587 (N.D. Cal. 2015) (“Generally,
28

1 unless the settlement is clearly inadequate, its acceptance and approval are
2 preferable to lengthy and expensive litigation with uncertain results.”).

3 Accordingly, in light of all the substantial risks and expense of continued
4 litigation, and compared to the certain and prompt recovery of \$47,500,000, Lead
5 Plaintiff and Lead Counsel believe the Settlement is an excellent result.

6 **2. Rule 23(e)(2)(C)(ii): Effective Process for Distributing**
7 **Relief to the Settlement Class**

8 Rule 23(e)(2)(C)(ii) instructs courts to consider whether the relief provided
9 to the class is adequate in light of the “effectiveness of any proposed method of
10 distributing relief to the class, including the method of processing class-member
11 claims.”

12 Here, the proceeds of the Settlement will be distributed with the assistance of
13 an experienced claims administrator, Epiq. The Claims Administrator will employ
14 a well-tested protocol for the processing of claims in a securities class action.
15 Specifically, a claimant will submit, either by mail or online using the case website,
16 the Court-approved Claim Form. Based on the trade information provided by
17 claimants, the Claims Administrator will determine each claimant’s eligibility to
18 recover by, among other things, calculating their respective “Recognized Claims”
19 based on the Court-approved Plan of Allocation, and ultimately determine each
20 eligible claimant’s *pro rata* portion of the Net Settlement Fund. *See* Stipulation at
21 ¶24. Lead Plaintiff’s claims will be reviewed in the same manner. Claimants will
22 be notified of any defects or conditions of ineligibility and be given the chance to
23 contest the rejection of their claims. Stipulation at ¶30(d)-(e). Any claim disputes
24 that cannot be resolved will be presented to the Court. *Id.*

25 After the Settlement reaches its Effective Date (*id.* at ¶39) and the claims
26 process is completed, Authorized Claimants will be issued payments in the form of
27 checks and wire transfers. If there are unclaimed funds after the initial distribution,
28 and it would be feasible and economical to conduct a further distribution, the Claims

1 Administrator will conduct a further distribution of remaining funds (less the
2 estimated expenses for the additional distribution, Taxes, and unpaid Notice and
3 Administration Expenses). Additional distributions will proceed in the same
4 manner until it is no longer economical to conduct further distributions. Thereafter,
5 Lead Plaintiff recommends that any *de minimis* balance that remains in the Net
6 Settlement Fund, after payment of any outstanding Notice and Administration
7 Expenses and Taxes, be donated to the Consumer Federation of America (“CFA”),
8 a non-profit, non-sectarian organization, or such other private, non-sectarian,
9 501(c)(3) organization designated by Lead Plaintiff and approved by the Court.⁷ *Id*
10 at ¶27; Ex. 3-C at ¶75.

11 **3. Rule 23(2)(C)(iii): Anticipated Legal Fees and Expenses**

12 Rule 23(e)(2)(C)(iii) addresses “the terms of any proposed award of
13 attorneys’ fees, including timing of payment.” Fed. R. Civ. P. 23(e)(2)(C)(iii). As
14 discussed in the Memorandum of Points and Authorities in Support of Lead
15 Counsel’s Motion for an Award of Attorneys’ Fees and Expenses, submitted
16 herewith, Lead Counsel seeks an award of attorneys’ fees of 25% of the Settlement
17 Fund, the Ninth Circuit benchmark, and Litigation Expenses of \$771,674.27. Lead
18 Counsel’s Fee Memorandum also includes a request by Lead Plaintiff for
19 \$10,006.63 in connection with its work in the litigation, pursuant to the PSLRA.

20
21 ⁷ CFA is a non-profit, consumer advocacy organization established in 1968 to
22 advance consumer interests through policy research, advocacy, and education.
23 Provides reports and testimony to the judiciary, Congress, the White House, federal
24 and state regulatory agencies, and state legislatures. *See* www.consumerfed.org.
25 With respect to victims of financial fraud, CFA has an Investor Protection program
26 and a newly established Investment Research Center that works nationwide to
27 promote consumer-oriented policies that safeguard investors against fraud through:
28 (i) the development of educational material for investors; (ii) drafting policies and
legislation; (iii) and providing testimony and comments on legislation and
regulations. www.consumerfed.org/issues/investor-protection. CFA has been
approved in numerous securities cases, including *Hatamian v. Advanced Micro
Devices, Inc*, No. 14-cv-00226 YGR (ND Cal.), *In re Extreme Networks, Inc. Sec.
Litig.*, Case No. 3:15-cv-04883-BLF (N.D. Cal.), *In re Broadcom Corp. Sec. Litig.*,
No. 01-CV-00275-MLR (C.D. Cal.). Neither Lead Plaintiff nor Lead Counsel have
a relationship with CFA.

1 The attorneys’ fee and expense request is not part of any agreement with
2 Defendants, and the Settlement cannot be terminated based on any ruling on the
3 fees or expenses.

4 **E. Rule 23(e)(2)(D): Settlement Class Members Are Treated**
5 **Equitably Relative to One Another**

6 The Settlement does not improperly grant preferential treatment to either
7 Lead Plaintiff or any segment of the Settlement Class. Rather, all members of the
8 Settlement Class, including Lead Plaintiff, will receive a distribution from the Net
9 Settlement Fund pursuant to the Plan of Allocation approved by the Court, which is
10 discussed below.⁸ All Settlement Class Members that were allegedly harmed as a
11 result of the alleged violations of the Securities Act, and that submit an eligible
12 claim pursuant to the Plan of Allocation, will receive their *pro rata* share of the Net
13 Settlement Fund based on their “Recognized Claim” under the plan. *See generally*
14 long-form Notice at ¶¶64-67, Ex. 3-C.

15 **II. THE COURT SHOULD APPROVE THE PLAN OF ALLOCATION**

16 In addition to seeking final approval of the Settlement, Lead Plaintiff also
17 seeks final approval of the Plan of Allocation. The Plan of Allocation, drafted with
18 the assistance of Lead Plaintiff’s consulting damages expert, is a fair, reasonable,
19 and adequate method for allocating the proceeds of the Settlement among eligible
20 claimants and treats all Settlement Class Members equitably, as required by Rule
21 23(e)(2)(D). The standard for approval of a plan of allocation in a class action is the
22 same as the standard applicable to approval of the settlement as a whole – the plan
23 must be fair, reasonable, and adequate. *See Class Plaintiffs v. City of Seattle*, 955
24 F.2d 1268, 1284 (9th Cir. 1992); *see also In re Stable Rd. Acquisition Corp.*, 2024

25
26 ⁸ Lead Plaintiff’s request for reimbursement of its reasonable costs and expenses
27 directly related to its participation in the Action, noted above, would not constitute
28 preferential treatment. *See* 15 U.S.C. § 77z-1(a)(4) (reimbursement of
plaintiffs’ costs explicitly contemplated by the PSLRA in addition to receiving their
pro rata recovery).

1 WL 3643393, at *10. An allocation formula “need only have a reasonable and
2 rational basis.” *Id.*

3 Each Authorized Claimant, including Lead Plaintiff, will receive a
4 distribution pursuant to the Plan, and Lead Plaintiff will be subject to the same
5 formula for distribution of the Settlement as other class members. *See Ciuffitelli v.*
6 *Deloitte & Touche LLP*, 2019 WL 1441634, at *18 (D. Or. Mar. 19, 2019) (“[t]he
7 Proposed Settlement does not provide preferential treatment to Plaintiffs or
8 segments of the class” where “the proposed Plan of Allocation compensates all
9 Class Members and Class Representatives equally in that they will receive a pro
10 rata distribution based [sic] of the Settlement Fund based on their net losses”). “[A]
11 plan of allocation . . . fairly treats class members by awarding a pro rata share to
12 every Authorized Claimant, even as it sensibly makes interclass distinctions based
13 upon, *inter alia*, the relative strengths and weaknesses of class members’ individual
14 claims and the timing of purchases of the securities at issue.” *Redwen*, 2013 WL
15 12303367, at *8.

16 Claimants’ Recognized Loss Amounts per share will be calculated using the
17 transactional information provided by claimants in their Claim Forms. Authorized
18 Claimants will recover their proportional “*pro rata*” amount of the Net Settlement
19 Fund based on the sum of their Recognized Loss Amounts per share, *i.e.*, their total
20 Recognized Claims.

21 Here, the objective of the Plan of Allocation is to distribute the Net
22 Settlement Fund equitably among those Settlement Class Members who suffered
23 economic losses with respect to shares of Olaplex publicly traded common stock
24 purchased or otherwise acquired pursuant and/or traceable to the Offering
25 Documents for Olaplex’s IPO on or before November 12, 2021. In general, the
26 Recognized Loss Amounts per share calculated under the Plan are based principally
27 on the statutory formula for damages under Section 11(e) of the Securities Act, 15
28

1 U.S.C. §77k(e). The Plan of Allocation was fully described in the long-form Notice
2 and, to date, there has been no objection to the proposed plan. *See* Ex. 3-C at ¶¶58-
3 75.

4 It is respectfully submitted that the proposed Plan of Allocation will result in
5 a fair distribution of the available proceeds among Settlement Class Members who
6 submit valid claims.

7 **III. NOTICE PROGRAM AND REACTION OF THE SETTLEMENT**
8 **CLASS TO DATE**

9 Notice of a class action settlement must be directed “in a reasonable manner
10 to all class members who would be bound” by the Settlement. Fed. R. Civ. P.
11 23(e)(1)(B). In granting preliminary approval of the Settlement, the Court approved
12 Lead Plaintiff’s proposed notice plan. *See* ECF No. 229. The notice program’s
13 combination of individually mailed Postcard Notices to all Settlement Class
14 Members who could be identified with reasonable effort, supplemented by the
15 Summary Notice in a widely circulated publication, transmission over a business
16 newswire, and publication on internet websites, satisfied all requirements of Rule
17 23, due process, and the PSLRA. *See, e.g., Rentech*, 2019 WL 5173771, at *8
18 (approving similar notice program that included mailing postcard notices to
19 potential class members and nominees followed by publication notice and posting
20 notice on a settlement website).

21 As detailed in the accompanying Mailing Declaration, as of October 27,
22 2025, 18,978 Postcard Notices have been mailed to potential Settlement Class
23 Members, brokers, and nominees. *See* Ex. 3 at ¶15. In addition, the Summary Notice
24 was published in *The Wall Street Journal* and transmitted over *PR Newswire* on
25 September 4, 2025. *Id.* at ¶¶16-17. The Claims Administrator also continues to
26 maintain a dedicated settlement website, www.OlaplexSecuritiesSettlement.com.
27 *Id.* at ¶18. Claim Forms can be submitted to the Claims Administrator by mail or
28 using the settlement website. *Id.*

1 Notice of a class action settlement “is satisfactory if it ‘generally describes
2 the terms of the settlement in sufficient detail to alert those with adverse viewpoints
3 to investigate and to come forward and be heard.’” *Churchill*, 361 F.3d at 575. The
4 contents of the notices here provided the necessary information for Settlement Class
5 Members to make an informed decision regarding the Settlement and contained all
6 of the information required by Rule 23(c)(2)(B) and the PSLRA, 15 U.S.C. §77z-
7 1(a)(7).

8 While the objection and exclusion deadline – November 10, 2025 – has not
9 yet passed, to date, no objections have been received by Lead Counsel or docketed
10 by the Court, and no requests for exclusion have been received. The reaction to date
11 supports approval of the Settlement and the proposed Plan of Allocation. Lead
12 Plaintiff will address any objections and exclusion requests, if any, in its reply
13 submission.

14 **CONCLUSION**

15 For all the foregoing reasons, Lead Plaintiff respectfully requests that the
16 Court grant final approval to the proposed Settlement and approve the Plan of
17 Allocation for the distribution of the Net Settlement Fund. Proposed orders are filed
18 herewith.

19 Dated: October 27, 2025

LABATON KELLER SUCHAROW LLP

20
21 Bv: /s/ Lauren A. Ormsbee
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*Attorneys for Lead Plaintiff Arkansas
Teacher Retirement System and the
Proposed Settlement Class*

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Certificate of Word Count Compliance

I, Court-appointed Lead Counsel, hereby certify that this memorandum of law contains 6,963 words, which complies with the 7,000 word limit of L.R. 11-6.1.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on October 27, 2025

/s/ Lauren A. Ormsbee
Lauren A. Ormsbee

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Certificate of Service

I hereby certify that on October 27, 2025, 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 the e-mail addresses denoted on the attached Electronic Mail Notice List served via ECF on all registered participants only.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on October 27, 2025

/s/ Lauren A. Ormsbee
Lauren A. Ormsbee

1 **Mailing Information for *Leslie Lilien v. Olaplex Holdings, Inc. et al.*,**

2 **Case 2:22-CV-08395-SVW(SKX)**

3 **Electronic Mail Notice List:**

4 **The following are those who are currently on the list to receive e-mail notices**
5 **for this case.**

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