UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

RAJAT SHARMA, Individually and on Behalf of All Others Similarly Situated, Plaintiff, v. RENT THE RUNWAY, INC., JENNIFER Y. HYMAN, SCARLETT O'SULLIVAN, TIM BIXBY, JENNIFER FLEISS, SCOTT FRIEND, MELANIE HARRIS, BETH KAPLAN, DAN NOVA, GWYNETH PALTROW, CARLEY RONEY, DAN ROSENSWEIG, MIKE ROTH, GOLDMAN SACHS & CO. LLC, MORGAN STANLEY & CO. LLC, BARCLAYS CAPITAL INC., CREDIT SUISSE SECURITIES (USA) LLC, PIPER SANDLER & CO., WELLS FARGO SECURITIES, LLC, JMP SECURITIES LLC, KEYBANC CAPITAL MARKETS INC., and TELSEY ADVISORY GROUP LLC, Defendants.	Case No. 22-cv-06935-OEM-SDE

MEMORANDUM OF LAW IN SUPPORT OF LEAD PLAINTIFFS' MOTION FOR FINAL APPROVAL OF PROPOSED CLASS ACTION SETTLEMENT AND PLAN OF ALLOCATION

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Lead Plaintiffs Delaware Public Employees Retirement System ("DPERS") and Denver Employees Retirement Plan ("DERP" and, together with DPERS, "Lead Plaintiffs"), on behalf of themselves and the other members of the proposed Settlement Class,[1] respectfully submit this memorandum of law in support of their motion for: (i) final approval of the proposed Settlement of the above-captioned class action (the "Action"); (ii) approval of the proposed Plan of Allocation for distribution of the Net Settlement Fund; and (iii) final certification of the Settlement Class.

PRELIMINARY STATEMENT

If approved, the proposed Settlement will provide a recovery of $9,000,000—with (i) $6,000,000 paid in cash and (ii) $3,000,000 paid in freely-tradable shares of RTR Class A common stock (and/or cash, at the election of Rent the Runway, Inc. ("RTR" or the "Company"))—to resolve this proposed securities class action. The Action asserts claims against: (i) defendant RTR; (ii) defendants Jennifer Y. Hyman, Scarlett O'Sullivan, Tim Bixby, Jennifer Fleiss, Scott Friend, Melanie Harris, Beth Kaplan, Dan Nova, Gwyneth Paltrow, Carley Roney, Dan Rosensweig, and Mike Roth (the "Individual Defendants" and, together with RTR, the "RTR Defendants"); and (iii) defendants Goldman Sachs & Co. LLC, Morgan Stanley & Co. LLC, Barclays Capital Inc., Credit Suisse Securities (USA) LLC, Piper Sandler & Co., Wells Fargo Securities, LLC, JMP Securities LLC (n/k/a Citizens JMP Securities, LLC), KeyBanc Capital Markets Inc., and Telsey Advisory Group LLC (the "Underwriter Defendants" and, together with the RTR Defendants, the "Defendants"). The terms of the proposed Settlement are set forth in the Stipulation, which was entered into by Lead Plaintiffs and Defendants and previously filed with the Court.

[1] All capitalized terms used in this memorandum that are not defined have the same meanings as in the Stipulation and Agreement of Settlement, dated September 3, 2026 ("Stipulation"). ECF No. 156-3.

As described below and in the accompanying Declaration of Alfred L. Fatale III in Support of (i) Lead Plaintiffs' Motion for Final Approval of Class Action Settlement and Plan of Allocation and (ii) Lead Counsel's Motion for an Award of Attorneys' Fees and Payment of Expenses, dated November 9, 2026 ("Fatale Declaration" or "Fatale Decl."), the decision to settle was well-informed by complex litigation efforts that included, among other things: (i) a rigorous investigation of the claims at issue, including interviewing 32 former employees of RTR with potentially relevant knowledge to discuss the issues related to the Action; (ii) preparation and filing of a detailed amended Complaint, which expanded the scope of the initial complaint by adding additional misrepresentations, disclosures, and other allegations in support of the claims at issue; (iii) defeating, in part, Defendants' motion to dismiss the Complaint; (iv) defeating, in part, Defendants' motion for reconsideration; (v) commencing and participating in discovery, including review of approximately 27,000 pages of documents from Defendants and third-parties; (vi) exchanging extensive mediation briefing and participating in two in-person arm's-length mediations; and (vii) engaging and consulting with an expert in the field of damages. *See generally* Fatale Decl., §§III.-V.[2]

While Lead Plaintiffs believe the Settlement Class's claims are meritorious and strong, they recognize there were substantial risks to continued litigation and trial. As discussed in detail in the Fatale Declaration and below, Lead Plaintiffs faced the risk that Defendants' motion for

[2] The Fatale Declaration is an integral part of this submission and, for the sake of brevity in this memorandum, the Court is respectfully referred to it for a detailed description of, *inter alia*: the history of the Action; the nature of the claims asserted; 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 Fatale Declaration.

All exhibits are annexed to the Fatale Declaration. For clarity, citations to exhibits that themselves have attached exhibits will be referenced as "Ex. ___ - ___." The first numerical reference is to the designation of the entire exhibit attached to the Fatale Declaration and the second reference is to the exhibit designation within the exhibit itself.

judgment on the pleadings ("12(c) Motion") may be granted, dismissing the case in its entirety; the risk that the remaining Shipping Cost Statements (defined herein) would be held to be neither materially false nor misleading; the risk that Defendants' negative causation and/or tracing arguments would prevent all damages; and the risk that Lead Plaintiffs may not be able to collect a judgment given RTR's limited available cash. The Settlement avoids these risks (and others), as well as further delay and the expense of continued litigation – while providing a substantial and certain benefit to the Settlement Class.

Lead Plaintiffs—sophisticated institutional investors—oversaw the litigation and fully endorse the Settlement. *See* Declaration of William S. Tate on behalf of DPERS, Ex. 1; Declaration of James E. Thompson III on behalf of DERP, Ex. 2. The Settlement Class's reaction to date similarly reflects approval of the Settlement. Notice was provided to the Settlement Class beginning on September 24, 2026 and, to date, no objections or requests for exclusion have been received. *See* Declaration of Adam D. Walter Regarding (A) Mailing of the Postcard Notice; (B) Publication of the Summary Notice; and (C) Report on Requests for Exclusion and Objections Received to Date ("Mailing Decl."), Ex. 4, ¶¶15-16.

In addition, the proposed Plan of Allocation for the distribution of the proceeds of the Settlement, which was developed by Lead Counsel with the assistance of Lead Plaintiffs' damages expert, is a fair and reasonable method for distributing the Net Settlement Fund to eligible Claimants.

Given the foregoing considerations and the factors addressed below, Lead Plaintiffs respectfully submit that: (i) the Settlement meets the standards for final approval under Rule 23 and is a fair, reasonable, and adequate result for the Settlement Class; and (ii) the proposed Plan of Allocation is a fair and reasonable method for allocating the Net Settlement Fund to Settlement

Class Members who submit valid Claim Forms. Accordingly, Lead Plaintiffs respectfully request that the Court grant final approval of the Settlement and finally certify the Settlement Class, and approve the proposed Plan of Allocation.

TERMS AND CONDITIONS OF THE ISSUANCE OF THE SETTLEMENT SHARES

As described in the Preliminary Approval Brief (ECF No. 156-1), as part of the Settlement, Lead Plaintiffs respectfully request that the Court approve the terms and conditions of the issuance of the Settlement Shares, in which shares of RTR Class A common stock may be issued pursuant to the exemption from registration requirements of Section 3(a)(10) of the Securities Act of 1933, 15 U.S.C. §77c(a)(10), as amended ("Section 3(a)(10)"). Lead Plaintiffs represent that these terms and conditions are fair to all persons and entities to whom the shares will be issued. The notices issued to the Settlement Class advised class members of the Parties' intention to rely on the Section 3(a)(10) exemption. *See* Ex.4-A, B, D, & E. To date, there have been no objections to terms and conditions of the issuance of the Settlement Shares.

PRELIMINARY APPROVAL AND THE NOTICE PROGRAM

By orders entered September 10, 2026 and September 11, 2026, the Court preliminarily approved the Settlement, preliminarily certified the Settlement Class, and approved the forms and methods of providing notice to the Settlement Class. ECF Nos. 158, 160.[3] Pursuant to, and in compliance with, the Preliminary Approval Order, beginning on September 24, 2026, the Court-appointed Claims Administrator, A.B. Data, caused the Postcard Notice to be disseminated to potential Settlement Class Members and banks, brokers, and other nominees ("Nominees"). *See* Ex. 4, ¶¶2-9. To date, notice of the Settlement has been disseminated to 22,577 potential Settlement

[3] In the Preliminary Approval Order, the Court provisionally certified the proposed Settlement Class pursuant to Fed. R. Civ. P. 23(a) and (b)(3). Nothing has occurred to alter the propriety of that determination.

Class Members and nominees, which includes 13,989 mailed Postcard Notices, and 8,588 emailed links to the Settlement Website. *Id*., ¶9. On October 8, 2026, the Summary Notice was published in *The Wall Street Journal* and disseminated over the internet using *PR Newswire*. *Id*., ¶10 and Exs. D & E attached thereto.

The Claim Form and the long-form Notice, along with other Settlement related documents, were posted on a website for the Settlement established by A.B. Data. *Id*., ¶¶11-13. The website also provides important dates and deadlines in connection with the Settlement. *Id*. Copies of the Postcard Notice, long-form Notice, and Claim Form are also available on Lead Counsel's website, www.labaton.com. ¶64.

To date, reaction to the Settlement has been very positive. While the deadline (November 24, 2026) for objecting and seeking exclusion has not yet passed, there have been no objections and no requests for exclusion. Should any be received, Lead Plaintiffs will address them in their reply papers, which are due to be filed with the Court on December 8, 2026.

ARGUMENT

I. THE PROPOSED SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE, AND WARRANTS FINAL APPROVAL

A. The Law Favors and Encourages Settlement of Class Action Litigation

Public policy favors the settlement of disputed claims among private litigants, particularly in class actions. *See Wal-Mart Stores, Inc. v. Visa U.S.A. Inc.*, 396 F.3d 96, 116 (2d Cir. 2005) ("We are mindful of the 'strong judicial policy in favor of settlements, particularly in the class action context.'").[4] *See also Rosi v. Aclaris Therapeutics, Inc.,* 2021 WL 5847420, at *8 (S.D.N.Y. Dec. 9, 2021) ("[c]ourts have recognized a public policy benefit in rewarding attorneys that bring successful securities actions that foster the enforcement of the federal securities laws."). This

[4] Unless otherwise noted, citations and internal quotations have been omitted.

policy would be well-served by approval of the Settlement of this securities class action, which, absent resolution, could consume years of additional resources of this Court and, likely, the Court of Appeals for the Second Circuit.

B. The Standards for Final Approval

Rule 23(e) of the Federal Rules of Civil Procedure provides that a class action settlement must be presented to the Court for approval. The Settlement should be approved if the Court finds it "fair, reasonable, and adequate." Fed. R. Civ. P. 23(e)(2). In ruling on final approval of a class settlement, courts in the Second Circuit have held that a court should examine both the negotiating process leading to the settlement and the settlement's substantive terms. *See Wal-Mart Stores*, 396 F.3d at 116; *In re Citigroup Inc. Sec. Litig.*, 2014 WL 2112136, at *2-3 (S.D.N.Y. May 20, 2014).

Rule 23(e)(2) provides that a court may approve a class settlement as "fair, reasonable, and adequate" after considering whether:

> (A) the class representatives and class counsel have adequately represented the class;
>
> (B) the proposal was negotiated at arm's length;
>
> (C) the relief provided for the class is adequate, taking into account:
>
> i. the costs, risks, and delay of trial and appeal;
>
> ii. the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims;
>
> iii. the terms of any proposed award of attorneys' fees, including timing of payment; and
>
> iv. any agreement required to be identified under Rule 23(e)(3); and
>
> (D) the proposal treats class members equitably relative to each other.

Rule 23, as amended in December 2018, has not changed the established overall standard for approving a proposed class action settlement, *i.e.*, evaluating whether it is fair, adequate, and reasonable. Fed. R. Civ. P. 23(e)(2). In *City of Detroit v. Grinnell Corp.*, which predates the Rule

23 amendments, the Second Circuit held that the following factors should be considered in evaluating a class action settlement:

> (1) the complexity, expense and likely duration of the litigation; (2) the reaction of the class to the settlement; (3) the stage of the proceedings and the amount of discovery completed; (4) the risks of establishing liability; (5) the risks of establishing damages; (6) the risks of maintaining the class action through the trial; (7) the ability of the defendants to withstand a greater judgment; (8) the range of reasonableness of the settlement fund in light of the best possible recovery; [and] (9) the range of reasonableness of the settlement fund to a possible recovery in light of all the attendant risks of litigation.

495 F.2d 448, 463 (2d Cir. 1974), *abrogated on other grounds by, Goldberger v. Integrated Res., Inc.*, 209 F.3d 43 (2d Cir. 2000).

The Advisory Committee Notes to the 2018 amendments to Rule 23 indicate that the Rule 23(e) factors are not intended to "displace" any factor previously adopted by the Second Circuit, but "rather to focus the court and the lawyers on the core concerns of procedure and substance that should guide the decision whether to approve the proposal." Fed. R. Civ. P. 23(e)(2) Advisory Comm. Notes to 2018 Amendments. Indeed, "[t]he Court understands the new Rule 23(e) factors to add to, rather than displace, the [Second Circuit] factors." *In re Payment Card Interchange Fee & Merch. Disc. Antitrust Litig.*, 330 F.R.D. 11, 29 (E.D.N.Y. 2019); *Moses v. New York Times Co.*, 79 F.4th 235, 243 (2d Cir. 2023) ("Rule 23(e)(2) does not displace our traditional *Grinnell* factors, which remain a useful framework for considering the substantive fairness of a settlement."); *see also In re Turquoise Hill Res. Ltd. Sec. Litig.,* 2025 WL 2984717, at *5 (S.D.N.Y. Oct. 23, 2025) ("Most of the requirements set forth in the amendments to Rule 23(e)(2) have long been incorporated in the nine-factor test adopted by the Second Circuit in *Grinnell*…"). Accordingly, Lead Plaintiffs will discuss the fairness, reasonableness, and adequacy of the Settlement principally in relation to the Rule 23(e)(2) factors and will also discuss the application of relevant, non-duplicative factors traditionally considered by the Second Circuit.

1. Lead Plaintiffs and Lead Counsel Have Adequately Represented the Settlement Class

In determining whether to approve a class action settlement, a court must consider whether the "class representatives and class counsel have adequately represented the class." Rule 23(e)(2)(A). Here, Lead Plaintiffs, like all other members of the Settlement Class, purchased or otherwise acquired RTR publicly traded Class A common stock pursuant and/or traceable to the Offering Documents for RTR's IPO and were damaged thereby. Thus, the claims of the Settlement Class and Lead Plaintiffs would prevail or fail in unison, and the common objective of maximizing recovery from Defendants aligns the interests of Lead Plaintiffs and all members of the Settlement Class. *See, e.g., In re Polaroid ERISA Litig*., 240 F.R.D. 65, 77 (S.D.N.Y. 2006) ("Where plaintiffs and class members share the common goal of maximizing recovery, there is no conflict of interest between the class representatives and other class members.").

In pursuing these objectives, Lead Plaintiffs were active and informed participants in the litigation and, among other things: (i) conferred with counsel on the overall strategy for prosecuting the Action and maximizing the recovery for the class; (ii) reviewed material pleadings and court filings; (iii) evaluated regular status reports from counsel regarding developments in the litigation; (iv) responded to discovery requests propounded by Defendants, including requests for the production of documents; and (v) analyzed and responded to Defendants' settlement proposals over the course of the mediation efforts, including attending mediation sessions and ultimately authorizing the acceptance of the Settlement. *See* Ex. 1, ¶5; Ex. 2, ¶5. Additionally, Lead Plaintiffs are both sophisticated institutional investors that took an active role in supervising the litigation, as envisioned by the Private Securities Litigation Reform Act of 1995 ("PSLRA"), and endorse the Settlement. *See generally* Exs. 1 and 2. A settlement reached "with the endorsement of a sophisticated institutional investor … is entitled to an even greater presumption of

reasonableness." *In re Veeco Instruments Inc. Sec. Litig.*, 2007 WL 4115809, at *5 (S.D.N.Y. Nov. 7, 2007).

Throughout the Action, Lead Plaintiffs had the benefit of the advice of knowledgeable counsel well-versed in shareholder class action litigation. Labaton Keller Sucharow LLP ("Labaton" or "Lead Counsel") is highly qualified and experienced in securities litigation, as set forth in its firm resume (*see* Ex. 5-C) and was able to conduct the litigation successfully against skilled opposing counsel. During the course of the litigation, Lead Plaintiffs and Lead Counsel developed a firm understanding of the facts of the case and the merits of the claims. *See generally* Fatale Declaration. The judgment of Lead Counsel—a law firm with deep expertise in the field of securities class action litigation—that the Settlement is in the best interests of the Settlement Class is also entitled to "great weight." *In re Signet Jewelers Ltd. Sec. Litig.*, 2020 WL 4196468, at *4 (S.D.N.Y. July 21, 2020); *City of Providence v. Aeropostale Inc. et al.*, 2014 WL 1883494, at *5 (S.D.N.Y. May 9, 2014), *aff'd*, *Arbuthnot v. Pierson*, 607 F. App'x. 73 (2d Cir. 2015).

Accordingly, the Settlement Class has been, and remains, well represented.

2. The Settlement Was Reached After Arm's-Length Negotiations

In weighing approval of a class-action settlement, the Court must consider whether the settlement "was negotiated at arm's length." Fed. R. Civ. P. 23(e)(2)(B). "Courts have traditionally considered other related circumstances in determining the 'procedural' fairness of a settlement, including: (i) counsel's understanding of the strengths and weakness of the case based on factors such as the stage of the proceedings and the amount of discovery completed, (ii) the absence of any indication of collusion in the settlement negotiations, and (iii) a mediator's involvement in the negotiations." *In re Signet Jewelers Ltd. Sec. Litig.*, 2020 WL 4196468, at *3.

As discussed in the Fatale Declaration, the Parties and their counsel had well-honed understandings of the strengths and weaknesses of the case before agreeing to settle. *See* Fatale

Decl., §§III.-VI. Among other things, Lead Plaintiffs and Lead Counsel: (i) conducted a comprehensive investigation; (ii) drafted the detailed Complaint; (iii) defeated Defendants' MTD and Reconsideration Motion, in part, and opposed Defendants' 12(c) Motion; and (iv) commenced and participated in discovery, including reviewing approximately 27,000 pages of documents from Defendants and third-parties. Fatale Decl., §§III.-IV.

Furthermore, the proposed Settlement was achieved thorough arm's-length negotiations that included two mediation sessions held on September 8, 2025 and July 7, 2026 before Jed D. Melnick, Esq. of JAMS, an experienced mediator of securities class actions (the "Mediator"). Fatale Decl., §V. Courts have long recognized the importance of arm's length negotiations in connection with a settlement. *See, e.g.*, *Lozada v. TaskUs, Inc.,* 2025 WL 3125848, at *5 (S.D.N.Y. Nov. 6, 2025) (approving settlement and noting that the Settlement was reached following a mediation conducted before an experienced mediator); *In re Bear Stearns Cos., Sec. Derivative & ERISA Litig.*, 909 F. Supp. 2d 259, 265 (S.D.N.Y. 2012) (finding a settlement fair where the parties engaged in "arm's length negotiations," including mediation before an experienced and well-regarded mediator of complex securities cases).

On September 8, 2025, Lead Counsel, representatives of Lead Plaintiffs, representatives of RTR, and counsel for the RTR Defendants participated in an in-person mediation session before the Mediator. In advance of that session, Lead Plaintiffs and the RTR Defendants submitted detailed mediation statements to the Mediator, together with numerous supporting exhibits, that addressed both liability and damages issues. The session ended without any agreement being reached. Thereafter, Lead Plaintiffs and RTR Defendants continued discussions with the Mediator about the possibility of a negotiated resolution. ¶35.

On July 7, 2026, a representative of DPERS, Lead Counsel, representatives of RTR, and counsel for the RTR Defendants participated in a second in-person mediation session before the Mediator. In advance of that session, Lead Plaintiffs and the RTR Defendants submitted supplemental mediation statements to the Mediator. At the conclusion of the session, Lead Plaintiffs and the RTR Defendants reached an agreement in principle as to certain aspects of the terms of an ultimate agreement to settle the Action against all Defendants and agreed to continue negotiations. The Stipulation was executed on September 3, 2026. ¶36. The negotiations were at all times at arm's-length and have produced a result that is in the best interests of the Settlement Class.

3. The Relief Provided by the Settlement Is Adequate

The Court must consider whether "the relief provided for the class is adequate, taking into account … the costs, risks, and delay of trial and appeal," as well as other relevant factors. Fed. R. Civ. P. 23(e)(2)(C). "This assessment implicates several *Grinnell* factors, including: (i) the complexity, expense and likely duration of the litigation; (ii) the risks of establishing liability; (iii) the risks of establishing damages; and (iv) the risks of maintaining the class through the trial." *In re Payment Card Interchange Fee*, 330 F.R.D. at 36.

(a) The Complexity, Costs, Risks, and Likely Duration of the Litigation Support Approval of the Settlement

Securities class actions like this one are by their nature highly complex, and district courts have long recognized that "[a]s a general rule, securities class actions are notably difficult and notoriously uncertain to litigate." *In re Facebook, Inc. IPO Sec. & Derivative Litig.*, 2015 WL 6971424, at *3 (S.D.N.Y. Nov. 9, 2015), *aff'd sub nom. In re Facebook, Inc.*, 674 F. App'x. 37 (2d Cir. 2016); *In re Bear Stearns*, 909 F. Supp. at 266; *In re Signet Jewelers Ltd. Sec. Litig.,* 2020 WL 4196468, at *4 ("[I]n evaluating the settlement of a securities class action, federal courts,

'have long recognized that such litigation is notably difficult and notoriously uncertain.'"). "Accordingly, '[c]lass action suits readily lend themselves to compromise because of the difficulties of proof, the uncertainties of the outcome, and the typical length of the litigation." *Pearlstein v. BlackBerry Ltd*., 2022 WL 4554858, at *3 (S.D.N.Y. Sept. 29, 2022).

As detailed in the Fatale Declaration, completing discovery, certifying a class, prevailing in connection with summary judgment challenges, and then achieving a litigated verdict (and sustaining any such verdict on appeal) would have been difficult and uncertain undertakings. *See In re Initial Pub. Offering Sec. Litig.*, 671 F. Supp. 2d 467, 481 (S.D.N.Y. 2009) (finding that the complexity, expense, and duration of continued litigation supports final approval where, among other things "motions would be filed raising every possible kind of pre-trial, trial and post-trial issue conceivable").

Additionally, trial of the claims would have required extensive expert testimony on issues related to falsity, materiality, tracing, due diligence, and proving damages. Courts regularly observe that these sorts of disputes—requiring dueling testimony from experts—are particularly difficult for plaintiffs to litigate. *See*, *e.g.*, *In re Telik, Inc. Sec. Litig.,* 576 F. Supp. 2d 570, 579-80 (S.D.N.Y. 2008) (in a "battle of experts, it is virtually impossible to predict with any certainty which testimony would be credited …").

In assessing the fairness, reasonableness, and adequacy of a settlement, courts should consider the "risks of establishing liability [and] the risks of establishing damages." *Grinnell*, 495 F.2d at 463. In most cases, this will be the most important factor for a court to consider in its analysis of a proposed settlement. *See Id*. at 455 ("The most important factor is the strength of the case for plaintiffs on the merits, balanced against the amount offered in settlement."). As discussed

below, Lead Plaintiffs faced risks in establishing material falsity, tracing, and damages—to sustain the remaining claims through class certification, summary judgment, and trial.

(i) Risks Related to Proving Liability: Material Falsity

After the MTD Opinion and the Reconsideration Opinion, Lead Plaintiffs' claims have been trimmed to those solely arising from the Shipping Cost Statement Allegations. While Lead Plaintiffs believe these claims are strong and will be supported by the evidence in the case, Defendants believe that the Shipping Cost Statements were not false or misleading. Defendants would likely argue that, among other things, contrary to the allegations, FedEx did not impose a 100 percent cost increase just before the IPO, nor was the Company forced to switch back to the more expensive UPS and accept higher rates. Defendants would also likely argue that Lead Plaintiffs are unable to prove that any alleged omission was materially misleading, as RTR had no obligation to disclose the allegedly-market-wide phenomenon of rising shipping costs and there was no obligation to disclose the specific amounts of shipping costs RTR incurred. ¶¶46-47.

(ii) Risks Regarding Pending Rule 12(c) Motion

Defendants' 12(c) Motion was pending when the Parties agreed to a settlement. If the motion were granted, the entire case would be dismissed. Lead Plaintiffs may elect to appeal, but there is no way to predict whether that ruling would be overturned. If Lead Plaintiffs lost the appeal there would be no path for recovery. Even if the appellate court reversed and remanded, Lead Plaintiffs would have faced significant hurdles at summary judgment and at trial in connection with, among other things, ultimately proving falsity. ¶¶48-50.

(iii) Risks Related to Due Diligence

Each of the Individual Defendants and the Underwriter Defendants also has asserted a due diligence defense as to their liability. While Lead Plaintiffs would have worked extensively with their due diligence experts with a view towards presenting compelling arguments to the jury to

show that these Defendants were negligent in connection with the IPO, these Defendants would also have put forth well-qualified experts of their own showing that they conducted a reasonable investigation and had reasonable grounds for their belief in the Offering Documents' truthfulness and completeness. ¶51.

(iv) Risks Related to Damages and Tracing

Lead Plaintiffs consulted with an expert in the field of damages who analyzed class-wide damages in light of the facts and circumstances presented in the case. According to Lead Plaintiffs' consulting damages expert, estimated maximum statutory damages were approximately $324.4 million, depending on the trading model and assumptions used. However, Defendants would likely argue that negative causation prevents all damages, as none of the post-IPO stock price declines are causally connected to remaining statements underlying the Shipping Cost Statement Allegations. ¶52.

Further, even if negative causation was not dispositive of Lead Plaintiffs' claim, Defendants would have put forth well-qualified experts of their own to show that damages were significantly less. Among other things, Defendants would likely argue that (i) a significant part of the alleged stock price decline (45%) had already occurred prior to the Company's first post-IPO earnings release on December 8, 2021, which provided information about increasing prices in the transportation market, and such stock price declines before that date are not recoverable; and (ii) any declines after December 8, 2021 were not causally connected to the Shipping Cost Statement Allegations, as Defendants will likely argue, (a) RTR's stock did not drop following the next earnings release on April 13–14, 2022, when RTR reiterated nearly identical information about increasing prices in the transportation market, and (b) this subsequent earnings release contained nothing new about the Shipping Cost Statement Allegations. Defendants will likely argue, accordingly, that potential maximum damages are thus limited at most to declines on December 9

and 10, 2021—assuming it took two days following the December 8, 2021 earnings release for the market to absorb any purported new information regarding RTR's shipping costs—and that Defendants believe such potential damages would be capped at approximately $26 million. Defendants will further likely argue that this figure should be further discounted for the proportion of the decline that Defendants are able to prove was attributable to factors other than the Shipping Cost Statement Allegations, and that tracing issues for shares purchased after non-IPO shares entered the market would further limit potential recoverable damages, to approximately $17 million or less. ¶¶53-55.

As courts have long recognized, the substantial uncertainty as to which side's experts might be credited by a jury presents a serious litigation risk. *See Mikhlin v. Oasmia Pharm. AB*, 2021 WL 1259559, at *6 (E.D.N.Y. Jan. 6, 2021) ("proof of damages in a securities fraud case is always difficult and invariably requires expert testimony"); *In re Facebook*, 2015 WL 6971424, at *5 ("[D]amages would be subject to a battle of the experts, with the possibility that a jury could be swayed by experts for Defendants, who could minimize or eliminate the amount Plaintiffs' losses. Under such circumstances, a settlement is generally favored over continued litigation.").

(b) The Effective Process for Distributing Relief to the Settlement Class

Rule 23(e)(2)(C)(ii) instructs courts to consider whether the relief provided to the class is adequate in light of the "effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims." Here, the proceeds of the Settlement will be distributed with the assistance of an experienced claims administrator, A.B. Data. The Claims Administrator will employ a well-tested protocol for the processing of claims in a securities class action. Namely, Settlement Class Members can submit, either by mail or online using the Claims Administrator's website, the Court-approved Claim Form. Based on the trade information

provided by Claimants, the Claims Administrator will determine each Claimant's eligibility to recover by, among other things, calculating their respective "Recognized Claims" based on the Court-approved Plan of Allocation,[5] and ultimately determine each eligible Claimant's *pro rata* portion of the Net Settlement Fund. *See* Stipulation, ¶25; Ex. 4-B, ¶¶65-86. Lead Plaintiffs' claims will be reviewed in the same manner. Claimants will be notified of any defects or conditions of ineligibility and be given the chance to contest the rejection of their claims. Stipulation, ¶31(d)-(e). Any claim disputes that cannot be resolved will be presented to the Court. *Id*.

After the Settlement reaches its Effective Date (*id*., ¶40) and the claims process is completed, Authorized Claimants will be issued payments. If there are unclaimed funds after the initial distribution, and it would be feasible and economical to conduct a further distribution, the Claims Administrator will conduct a further distribution of remaining funds (less the estimated expenses for the additional distribution, Taxes, and unpaid Notice and Administration Expenses). Additional distributions will proceed in the same manner until it is no longer economical to conduct further distributions. Thereafter, Lead Plaintiffs recommend that any *de minimis* balance that still remains in the Net Settlement Fund, after payment of any outstanding Notice and Administration Expenses, be contributed to the Consumer Federation of America ("CFA"), or such other private, non-profit, non-sectarian 501(c)(3) organization designated by Lead Plaintiffs and approved by the Court. Stipulation, ¶28; Ex. 4-B, ¶84.[6]

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[5] Approval of the Plan of Allocation is discussed in Section II., below.

[6] CFA is a non-profit, consumer advocacy organization established in 1968 to advance consumer interests through policy research, advocacy, and education. *See* www.consumerfed.org. With respect to victims of financial fraud, CFA has an Investor Protection program and an Investment Research Center that works nationwide to promote consumer-oriented policies that safeguard investors against fraud through: (i) the development of educational material for investors; (ii) drafting policies and legislation; and (iii) providing testimony and comments on legislation and regulations. www.consumerfed.org/issues/investor-protection. CFA has been

Lead Counsel has the right to decide, in its sole discretion, whether to (i) sell all or any portion of the Settlement Shares and distribute the net cash proceeds from the sale of the shares to Authorized Claimants or (ii) distribute the Settlement Shares to Authorized Claimants. *Id*., ¶8(c)(i)-(ii). Any settlement payments will be paid proportionally in cash and Settlement Shares, if Settlement Shares are issued. *Id*., ¶15.

(c) The Requested Attorneys' Fees and Expenses Are Reasonable

As discussed in the accompanying Fee Memorandum, the requested attorneys' fees of 18% of the Settlement Fund, payable as ordered by the Court, and Litigation Expenses incurred by Lead Counsel are reasonable in light of Lead Counsel's efforts and the risks in the litigation. Most importantly, with respect to the Court's consideration of the fairness of the Settlement, approval of the attorneys' fees request is not part of the Settlement, *i.e.,* neither Lead Plaintiffs nor Lead Counsel may cancel or terminate the Settlement based on this Court's or any appellate court's ruling with respect to attorneys' fees and/or litigation expenses. Any fee award to Lead Counsel would be paid proportionally in cash and Settlement Shares, if Settlement Shares are issued. *Id*., ¶15.

(d) The Relief Provided in the Settlement Is Adequate Taking Into Account all Agreements Related to the Settlement

Rule 23(e)(2)(C)(iv) requires the disclosure of any agreement between the Parties in connection with the proposed Settlement. On September 3, 2026, they executed the Stipulation and the confidential Supplemental Agreement Regarding Requests for Exclusion (the "Supplemental Agreement"). The Supplemental Agreement sets forth the conditions under which Defendants have the option to terminate the Settlement in the event that requests for exclusion

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approved in numerous securities cases, including *Chen v. Missfresh Limited, et al*., Case No. 22-cv-09836-JSR (S.D.N.Y.) and *ODS Capital LLC v. JA Solar Holdings Co. Ltd. et al*., No. 18-cv-12083 (S.D.N.Y.).

from the Settlement Class exceed a certain agreed-upon threshold. As is standard in securities class actions, the Supplemental Agreement is kept confidential in order to avoid incentivizing the formation of a group of opt-outs for the sole purpose of leveraging a larger individual payment. *Christine Asia Co. Ltd. v. Yun Ma, et. al*, 2019 WL 5257534, at *15 (S.D.N.Y. Oct. 16, 2019). Pursuant to its terms, the Supplemental Agreement may be submitted to the Court *in camera* or under seal. The Supplemental Agreement, Stipulation, and Term Sheet are the only agreements concerning the Settlement entered into by the Parties.

4. Application of the Remaining *Grinnell* Factors Supports Approval

(a) The Ability of Defendant to Withstand a Greater Judgment

Collecting a large judgment after trial and appeals in this case was not a foregone conclusion. There is simply no guarantee that the proceeds from insurance would be sufficient to cover a larger award than the Settlement, if the litigation were to continue. RTR's cash on hand decreased from $77.4 million on January 31, 2025 to $50.4 million on January 31, 2026 and to $37.1 million on April 30, 2026. *See* Rent the Runway, Inc., Annual Rep. (Form 10-K) (Apr. 14, 2026); Rent the Runway, Inc., Quarterly Rep. (Form 10-Q) (June 3, 2026).[7] ¶58.

Although the Action was well-underway, further litigation would have been expensive and time-consuming for both sides. Absent the Settlement, achieving a recovery for the Settlement Class would have required completing complex and expensive fact discovery, expert discovery, certifying a class, briefing anticipated motions for summary judgment, trial preparation and trial, post-trial motions, and inevitable appeals on a host of issues. Under these circumstances, the ability to pay weighs in favor of approval. *See Maley v. Del Global Tech. Corp.*, 186 F. Supp. 2d 358,

[7] https://www.sec.gov/ix?doc=/Archives/edgar/data/0001468327/000146832726000031/rent-20260430.htm (last accessed Nov. 5, 2026).

365 (S.D.N.Y. 2002) (in view of defendant's financial condition and wasting nature of insurance, "obtaining a greater recovery than provided by the Settlement would have been difficult.").

(b) The Reaction of the Settlement Class to Date

The reaction of a class to a proposed settlement is a significant factor to be weighed in considering its fairness and adequacy. *See, e.g.*, *In re Bear Stearns*, 909 F. Supp. 2d at 266-67. Pursuant to the Preliminary Approval Order, the Court-appointed Claims Administrator, A.B. Data, mailed Postcard Notices to potential Settlement Class Members and their nominees or emailed links to the Settlement Website. *See* Ex. 4, ¶¶2-9. As of November 6, 2026, notice of the Settlement has been disseminated to 22,577 potential Settlement Class Members and their nominees. *Id*., ¶9. In addition, on October 8, 2026, the Summary Notice was published in *The Wall Street Journal* and transmitted over the internet using *PR Newswire*. *Id*., ¶10.

While the deadline set by the Court (November 24, 2026) has not yet passed, to date, no objections to the Settlement or Plan of Allocation have been received and no request for exclusion has been received. ¶¶12, 65; Ex. 4, ¶¶15-16; *see In re Warner Chilcott Ltd. Sec. Litig.*, 2009 WL 2025160, at *2 (S.D.N.Y. July 10, 2009) (no class member objections since preliminary approval supported final approval). As provided in the Preliminary Approval Order, Lead Plaintiffs will file their reply papers no later than December 8, 2026 addressing any objections and any requests for exclusion.

(c) The Stage of the Proceedings and the Amount of Information Available to Counsel Support Approval of the Settlement

"For this factor to favor settlement, the court must ensure that the parties have conducted a factual investigation sufficient for the court to evaluate the proposed settlement and confirm that pretrial negotiations were adequately adversarial." *In re N. Dynasty Mins. Ltd. Sec. Litig.,* 2024 WL 308242, at *11 (E.D.N.Y. Jan. 26, 2024).

Here, prior to agreeing to settle, Lead Counsel developed a full understanding of the facts of the case and merits of the claims through, among other things: (i) a comprehensive investigation; (ii) drafting the detailed Complaint; (iii) defeating Defendants' MTD and Reconsideration Motion, in part, and opposing Defendants' 12(c) Motion; (iv) commencing and participating in discovery, including reviewing approximately 27,000 pages of documents from Defendants and third-parties; and (v) exchanging extensive mediation briefing and participating in two mediation sessions. *See* Fatale Decl., §§III.-V.

Armed with this substantial base of knowledge, Lead Plaintiffs were in a position to balance the proposed Settlement with a well-educated assessment of the likelihood of overcoming the risks of litigation. The fact that the Parties have not completed discovery does not weigh against approval of the Settlement. *See In re Am. Bank Note Holographics, Inc.*, 127 F. Supp. 2d 418, 425–26 (S.D.N.Y. 2001) ("To approve a proposed settlement, however, the Court need not find that the parties have engaged in extensive discovery." "Instead, it is enough for the parties to have engaged in sufficient investigation of the facts to enable the Court to intelligently make. . . an appraisal of the Settlement."); *In re IMAX Sec. Litig.*, 283 F.R.D. 178, 190 (S.D.N.Y. 2012) ("The threshold necessary to render the decisions of counsel sufficiently well informed, however, is not an overly burdensome one to achieve—indeed, formal discovery need not have necessarily been undertaken yet by the parties.").

Accordingly, Lead Plaintiffs and Lead Counsel respectfully submit that they had "a clear view of the strengths and weaknesses of their case[]" and of the range of possible outcomes at trial. *Tchrs. Ret. Sys. of La. v. A.C.L.N. Ltd.*, 2004 WL 1087261, at *3 (S.D.N.Y. May 14, 2004). Accordingly, this factor also supports approval.

(d) The Range of Reasonableness of the Settlement Amount in Light of the Best Possible Recovery and All the Attendant Risks of Litigation Support Approval of the Settlement

Courts typically analyze the last two *Grinnell* factors together, "consider[ing] and weigh[ing] the nature of the claim, the possible defenses, the situation of the parties, and the exercise of business judgment in determining whether the proposed settlement is reasonable." *In re Flag Telecom Holdings, Ltd. Sec. Litig.*, 2010 WL 4537550, at *20 (S.D.N.Y. Nov. 8, 2010). Courts agree that the determination of a "reasonable" settlement "is not susceptible [to] a mathematical equation yielding a particularized sum." *In re PaineWebber Ltd. P'ships Litig.*, 171 F.R.D. 104, 130 (S.D.N.Y. 1997), *aff'd*, 117 F.3d 721 (2d Cir. 1997). Instead, "in any case there is a range of reasonableness with respect to a settlement. . . ." *Newman v. Stein*, 464 F.2d 689, 693 (2d Cir. 1972).

As discussed above and in the Fatale Declaration, the Settlement recovers a range of approximately 2.8% of estimated maximum damages to 53% of likely recoverable estimated damages. Lead Plaintiffs' consulting damages expert has estimated that maximum statutory Section 11 damages were approximately $324.4 million, depending on the trading model and assumptions used. However, if negative causation and tracing were found to be viable defenses, aggregate damages could have decreased to approximately $17 million. Courts regularly approve settlements with comparable or lower percentage recoveries than obtained here. *See, e.g.*, *In re 3D Sys. Sec. Litig.*, 2024 WL 50909, at *12 (E.D.N.Y. Jan. 4, 2024) (settlement representing approximately 1% of maximum damages approved as reasonable); *In re N. Dynasty Mins. Ltd. Sec. Litig.*, 2023 WL 5511513, at *10-11 (E.D.N.Y. Aug. 24, 2023) (approving settlement with a recovery of 2.3% of maximum potential damages).

Moreover, the Settlement Amount is comparable with industry trends. According to NERA Economic Research full-year 2025 report, for securities cases with total NERA-defined investor

losses of between $200 million and $399 million, the median percentage of recovery from 2016 to 2025 was 2.7% of estimated losses, and the median percentage of recovery for such cases in 2025 was 1.5%. *See* Edward Flores, Svetlana Starykh & Ivelina Velikova, *Recent Trends in Securities Class Action Litigation: 2025 Full-Year Review* (NERA Economic Rsch. Assoc. Jan. 2026), Ex. 3 at 27-28.

In light of the circumstances before the Court, and all of the delay and uncertainty that would be inherent in continued litigation, the Settlement falls well within the range of possible recovery considered fair, reasonable, and adequate.

II. THE PROPOSED PLAN OF ALLOCATION FOR THE PROCEEDS OF THE SETTLEMENT TREATS CLASS MEMBERS EQUITABLY AND SHOULD BE APPROVED BY THE COURT

A plan for allocating settlement proceeds, like the settlement itself, should be approved if it is fair, reasonable, and adequate. *See In re Luxottica Grp. S.p.A. Sec. Litig.*, 233 F.R.D. 306 (E.D.N.Y. 2006). A plan of allocation that reimburses class members based on the relative strength and value of their claims is reasonable. *See IMAX*, 283 F.R.D. at 192. However, a plan of allocation does not need to be tailored to fit each and every class member with "mathematical precision." *In re PaineWebber Ltd. P'Ships Litig.*, 171 F.R.D. at 133.

Here, the proposed Plan of Allocation, which was developed by Lead Counsel in consultation with Lead Plaintiffs' damages expert, provides a fair and reasonable method to allocate the Net Settlement Fund among class members who submit valid claims. The Plan is set forth in full in the long-form Notice. *See* Ex. 4-B, ¶¶65-86. A.B. Data, as the Court-approved Claims Administrator, will determine each Claimant's Recognized Claim, calculated according to the formulas in the Plan of Allocation. The Plan provides for distribution of the Net Settlement Fund among Authorized Claimants on a *pro rata* basis based on their calculated Recognized Claim. *Id.*, ¶¶65-69. Each *pro rata* share will be the Authorized Claimant's Recognized Claim

divided by the total of Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. *Id*. at ¶81. The proposed Plan of Allocation is designed to fairly and rationally allocate the proceeds of the Settlement among the Settlement Class.

Lead Counsel believes that the proposed Plan provides a fair and reasonable method to equitably allocate the Net Settlement Fund. *See Giant Interactive Grp. Sec. Litig.*, 279 F.R.D. 151, 163 (S.D.N.Y. 2011) ("[i]n determining whether a plan of allocation is fair, courts look primarily to the opinion of counsel"). To date, no objections to the proposed plan have been received. ¶74.

III. THE COURT SHOULD FINALLY CERTIFY THE SETTLEMENT CLASS

The Preliminary Approval Motion set forth the bases for the certification of the Settlement Class. *See* ECF No. 156-1 at 19-22. In connection with the Motion, the Court found that the Settlement Class satisfied the requirements of Rule 23(a) and (b)(3). *See* ECF No. 158 at 2-5. Nothing has happened since then that would alter the Court's findings. Accordingly, for settlement purposes only, the Court should appoint Lead Plaintiffs as Class Representatives, and appoint Lead Counsel as Class Counsel. *See Rodriguez v. CPI Aerostructures, Inc.*, 2023 WL 2184496, at *5 (E.D.N.Y. Feb. 16, 2023) (recommending final certification of the settlement class, noting that there had been no objections or opt-outs from class members, and no other material information had emerged that would alter the court's findings since its preliminary approval order).

IV. NOTICE SATISFIED RULE 23 AND DUE PROCESS

Lead Plaintiffs provided the Settlement Class with notice of the proposed Settlement that satisfied all the requirements of Rule 23(e), the PSLRA, and due process. Notice of a settlement must be "reasonable"—*i.e.*, it must "fairly apprise the prospective members of the class of the terms of the proposed settlement and of the options that are open to them in connection with the proceedings," *Wal-Mart Stores*, 396 F.3d at 114—and be the best notice practicable under the

circumstances. Fed. R. Civ. P. 23(e). Both the substance of the notice program here and the methods of dissemination satisfied these standards.

The notice program's combination of individually mailed Postcard Notices (or emailed links to the Settlement Website) to all Settlement Class Members who could be identified with reasonable effort, supplemented by the Summary Notice in a widely circulated publication, transmission over a business newswire, and publication on internet websites, satisfied all requirements of Rule 23, due process, and the PSLRA. *See, e.g.*, *In re Grab Holdings Ltd. Sec. Litig.*, 2025 WL 1413515 (S.D.N.Y. May 15, 2025) (approving similar notice program that included mailing or emailing postcard notices to potential class members and nominees followed by publication notice and posting long-form notice on a settlement website). As detailed in the accompanying Mailing Declaration, as of November 6, 2026, notice of the Settlement has been disseminated to potential Settlement Class Members, brokers, and nominees, which includes 13,989 mailed Postcard Notices and 8,588 emailed links to the Settlement Website. *See* Ex. 4, ¶¶2-9. In addition, the Summary Notice was published in *The Wall Street Journal* and transmitted over *PR Newswire* on October 8, 2026. *Id.*, ¶10. A.B. Data also continues to maintain a dedicated Settlement Website, www.RentTheRunwaySecuritiesSettlement.com. *Id.*, ¶¶11-13.

Collectively, the forms of notice describe, among other things: (i) the terms of the Settlement and the recovery; (ii) the terms of the issuance of Settlement Shares; (iii) the reasons for the Settlement; (iv) the maximum attorneys' fees and expenses that may be sought; (v) the procedures for requesting exclusion from the Settlement Class and objecting; (vi) the procedure for submitting a Claim Form; (vii) the proposed Plan of Allocation for distributing the settlement proceeds to the Settlement Class; and (viii) the date, time and place of the Settlement Hearing. *See* Ex. 4-A, B, D, & E.

This combination of individual mailed notice to those who could be identified with reasonable effort, supplemented by publication and internet notice, was "the best notice … practicable under the circumstances." Fed. R. Civ. P. 23(c)(2)(B); *see, e.g.*, *In re Marsh & McLennan Cos. Sec. Litig.*, 2009 WL 5178546, at *12-13 (S.D.N.Y. Dec. 23, 2009).

CONCLUSION

For all the foregoing reasons, Lead Plaintiffs respectfully request that the Court grant final approval of the proposed Settlement, approve the proposed Plan of Allocation, and finally certify the Settlement Class for purposes of the Settlement only. Proposed orders will be submitted with Lead Plaintiffs' reply papers, after the deadline for objecting or seeking exclusion has passed.

DATED: November 9, 2026

Respectfully submitted,

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CERTIFICATION OF WORD-COUNT COMPLIANCE

The undersigned hereby certifies that the foregoing brief complies with the 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 7,672 words according to the word-processing system used to prepare the document, less than the 8,750 maximum.

Dated: November 9, 2026

/s/ *Alfred L. Fatale III*
Alfred L. Fatale III

CERTIFICATE OF SERVICE

I hereby certify that on November 9, 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: November 9, 2026

/s/ *Alfred L. Fatale III*
Alfred L. Fatale III