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On behalf of the Lead Plaintiff Peter Frouws

UNITED STATES DISTRICT COURT
DISTRICT OF ARIZONA

PETER FROUWS, Individually and on Behalf of All Others Similarly Situated, Plaintiff, v. ROBERT LYONS; DANIEL BONCEL; and STEPHEN CUMMING, Defendants.	No. 2:23-cv-00691-PHX-DJH <u>CLASS ACTION</u> **JOINT DECLARATION OF WILLIAM C. FREDERICKS AND BRIAN J. SCHALL IN SUPPORT OF LEAD PLAINTIFF'S MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND FEE AND EXPENSE APPLICATION**

1. I, William C. Fredericks, am a Partner in the law firm of Scott+Scott Attorneys at Law LLP ("Scott+Scott"). Scott+Scott is the Court-appointed Co-Lead Counsel (along with Schall, Brown, & Schwartz, LLP) for the Court-appointed Lead Plaintiff, Peter Frouws, in the above-captioned action ("Action").

2. I, Brian J. Schall, am a Partner in Schall, Brown, & Schwartz, LLP ("SBS"). SBS is the Court-appointed Co-Lead Counsel (along with Scott+Scott) for the Court-appointed Lead Plaintiff, Peter Frouws, in the above-captioned action ("Action").

3. We respectfully submit this Declaration in support of Lead Plaintiff's Motion for Final Approval of Class Action Settlement.[1]

We, WILLIAM C. FREDERICKS and BRIAN J. SCHALL, hereby declare as follows:

4. The $15 million all-cash Settlement, on behalf of a class of investors (the "Settlement Class") in the common stock of Edgio, Inc. (formerly Limelight Networks, Inc., and collectively "Edgio" or the "Company"), was reached after arm's-length negotiations conducted under the auspices of a highly experienced mediator and, if approved, would settle all claims at issue in the Action. As further discussed below, Co-Lead Counsel firmly believe that the proposed $15 million Settlement merits final approval as it provides a significant, immediate, and certain $15 million cash benefit for the Settlement Class, and is fair and reasonable in light of the significant risks, costs, and uncertainties of continued litigation.

5. Also set forth below are facts that we respectfully submit are relevant to as well as why Co-Lead Counsel's motion for an attorneys' fees award of 27.5% of the recovery (and of any interest that may be earned thereon), and for reimbursement of their Litigation Expenses in the amount of $385,874.44, should be approved.

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[1] Unless otherwise indicated, all capitalized terms have their meaning as defined in the Stipulation and Agreement of Settlement, dated February 11, 2026 (Doc. 80-3) (the "Stipulation").

I. HISTORY AND SUMMARY OF WORK PERFORMED

A. Commencement of the Action and Filing of Lead Plaintiff Motions

6. This litigation commenced with the filing of an 18-page complaint in *Esfandieri v. Edgio, Inc*., et al., No. 2:23-cv-00691 in this Court on April 25, 2023. The *Esfandieri* complaint alleged that between February 11, 2021 and March 12, 2023, Edgio and its senior executives (Robert Lyons ("Lyons"), its Chief Executive Officer; Daniel Boncel ("Boncel"), its Chief Financial Officer from July 2020 to August 2022; and Stephen Cumming ("Cumming"), its Chief Financial Officer after August 2022) violated §10b of the Exchange Act of 1934 by issuing materially false and misleading financial statements that overstated the amount of the Company's revenue. That complaint was filed approximately six (6) weeks after Edgio announced (on March 12, 2023) that it needed to correct its prior accounting for certain equipment sales as financing leases, that these corrections would likely result in a reduction in previously reported revenue, and that it had discovered what were likely material weaknesses in Edgio's internal financial controls.

7. Shortly after public notice of the filing of the *Esfandieri* complaint was disseminated pursuant to the Private Securities Litigation Act of 1995 ("PSLRA"), Lead Plaintiff Frouws retained counsel to represent his and the putative Class's interests in the Action, and to seek Lead Plaintiff status in the case.

8. In the late spring of 2023, Co-Lead Counsel researched, prepared, and filed the relevant motion, and supporting briefs and factual declarations, to have Mr. Frouws appointed Lead Plaintiff. ECF Nos. 14-15.

9. However, the selection of the Lead Plaintiff was initially contested, and in June 2023 (on the statutory deadline established under the PSLRA) several other investors also timely filed separate motions seeking appointment as Lead Plaintiff and to consolidate related cases. ECF Nos. 10-13. Nonetheless, based on the facts presented in the relevant Lead Plaintiff submissions, Co-Lead Counsel were able to persuade the other Lead Plaintiff applicants that Mr. Frouws was the most qualified lead applicant under the

applicable PSLRA standards, and they ultimately withdrew their competing motions. ECF Nos. 16-18. By Order dated November 3, 2023 the Court, after conducting its own independent review of the relevant papers, also confirmed that Mr. Frouws did in fact meet all applicable standards, and therefore appointed Mr. Frouws as Lead Plaintiff and his choice of counsel (Scott+Scott and SBS, then known as The Schall Firm) as Co-Lead Counsel. ECF No. 23.

B. Co-Lead Counsel's Extensive Factual Investigation and Preparation of the Detailed Amended Complaint

10. Promptly after filing the Lead Plaintiff motion, Co-Lead Counsel commenced its extensive and comprehensive factual investigation into the claims asserted. In particular, Co-Lead Counsel recognized that the original *Esfandieri* complaint lacked detailed particulars regarding the nature of the alleged accounting violations, and thus arguably failed to meet the PSLRA's standard for pleading false and misleading statements "with particularity." That complaint also contained only a single, conclusory paragraph alleging that defendants acted with scienter, which lacked the kind of detailed factual support that is invariably required to try to meet the PSLRA's demanding standard, which requires that a §10(b) Plaintiff, to survive a motion to dismiss, must plead, "with particularity," sufficient facts to give rise to the required "strong inference" of scienter.

11. In preparation for filing the Complaint, Co-Lead Counsel's investigation included, among other things, reviewing and analyzing (i) Edgio's numerous public filings with the Securities and Exchange Commission; (ii) dozens of Edgio press releases and other public statements; (iii) transcripts of Edgio's investor conference calls; (iv) hundreds of analyst research reports, news articles, internet posts and similar publicly available documents concerning Edgio and/or the industry within which it operated.

12. Perhaps most significantly, in order to build the factual basis for alleging a strong inference of Defendants' scienter, Scott+Scott's in-house investigative department devoted significant time to identifying, locating, and ascertaining the contact phone numbers and/or emails of numerous former Edgio employees. Combined, including the

time spent on their initial factual investigation and the additional time spent on continuing follow-up investigatory work after the Amended Complaint was filed, Scott+Scott's in-house investigators identified over 300 potential former employees – located both in the United States and abroad – and ultimately were able to contact over 50 of these potential sources. From the information provided by a subset of these sources, Co-Lead Counsel were able to identify and plead sufficient information that, in their view, provided key information in this case that enabled them to meet the required "strong inference" of scienter pleading standard.

13. In preparing the Amended Complaint, Co-Lead Counsel also retained and consulted with outside accounting experts to better understand (and plead) the nature of the Defendants' alleged accounting improprieties.

14. As a result of their extensive investigative efforts, as detailed above, Lead Plaintiff and Co-Lead Counsel were able to significantly expand upon the allegations contained in the *Esfandieri* Complaint, and filed their detailed 60-page Amended Complaint on January 29, 2024. ECF No. 32. In addition to containing significantly expanded scienter allegations, based on their analysis of Defendants' Class Period statements, the Amended Complaint also identified and pled numerous additional alleged false and misleading statements, and otherwise fully fleshed out additional particulars of their fraud claims. As discussed below, however, throughout the litigation Defendants denied any liability.

C. Defendants' Motion to Dismiss, and Edgio's Bankruptcy Filing

15. On March 11, 2024, all Defendants (including then-defendant Edgio) filed a joint motion to dismiss the Amended Complaint, together with roughly 500 pages of exhibits and appendices. ECF No. 37. Defendants challenged the sufficiency of the Amended Complaint's allegations concerning nearly every element of Lead Plaintiffs' claims, arguing that it failed to adequately allege that various statements were false or misleading, that any of them acted with scienter, or that their conduct caused Lead Plaintiffs' losses. For example, with respect to falsity, Defendants argued that numerous

of their alleged misstatements were inactionable "puffery," or were "forward-looking" statements that were protected from liability under the PSLRA's safe harbor provisions, and that the basis for the allegation that other statements were false or misleading was not pled with sufficient particularity. With respect to scienter, Defendants also challenged, *inter alia*, the adequacy of Lead Plaintiffs' confidential witness-based allegations as unreliable and insufficiently particularized, and otherwise failed to adequately allege that any Defendant acted with knowledge. Defendants also sought to dismiss the most significant components of Lead Plaintiff's loss causation allegations, which were the foundation for the vast majority of Lead Plaintiff's potential damages, by arguing that the Amended Complaint failed to adequately plead that Defendants' disclosures of April 28, 2022 and November 9, 2022 qualified as "corrective disclosures."

16. On April 10, 2024, Lead Plaintiff filed his papers in opposition to Defendants' motions to dismiss. ECF No. 38. Because Defendants' arguments were wide ranging and fact intensive, Co-Lead Counsel had to devote substantial time and resources to researching and drafting Lead Plaintiffs' opposition, which responded to each of Defendants' positions. Defendants thereafter filed their reply papers on April 26, 2024. ECF No. 39.

17. While Defendants' motion to dismiss was pending before the Court, Edgio filed for bankruptcy on September 9, 2024. *See* ECF No. 40.

18. Edgio's bankruptcy filing resulted in immediate – and serious – complications for Lead Plaintiff. First, Edgio's Chapter 11 filing caused this Court to not only stay (and dismiss without prejudice) all claims against Defendant Edgio, but also to effectively stay all claims against the remaining Individual Defendants, without prejudice to renewed proceedings on the pending motion to dismiss being brought "within 14 days of the stay being lifted in this Court." *See* Order, filed February 27, 2025, ECF No. 41. Second, Edgio's bankruptcy filing raised a host of related longer-term and fundamental litigation problems, including the extent to which Lead Plaintiff and the Class would now likely be barred from ever recovering any damages from what Lead Plaintiff had

previously believed was the most deep-pocketed defendant (Edgio), and whether the ability to recover any meaningful amounts for the Class from the remaining Individual Defendants (including through any available insurance) would be fatally compromised by the ability of Edgio's bankruptcy trustee and/or creditors' committee to pursue their own breach of duty or other related claims against those individuals. Indeed, the threat to Lead Plaintiff's and the Class's ability to realistically obtain any recovery was particularly problematic from a timing perspective, inasmuch as, due to the continuation of the PSLRA stay on all discovery in this Court (until such indefinite time as the remaining defendants renewed their motion to dismiss and this Court decided such motion), Edgio's bankruptcy trustee and creditor's committee were likely to gain a very considerable headstart in pursuing their own claims based on their direct access to the Debtor's personnel and internal documents (as well as their ability to conduct formal discovery of their non-PSLRA claims).

19. Given the significance of the issues posed by Edgio's bankruptcy filing, Co-Lead Counsel decided to retain highly experienced bankruptcy experts (the Lowenstein Sandler law firm) to advise Co-Lead Counsel on how to best navigate and otherwise deal with bankruptcy-related issues so as to most effectively protect and advance the Class's interest. For example, based in part on their advice, Lead Plaintiff researched and filed a Response to the Court's February 27, 2025 Order and Request For Claims to Proceed Against the Non-Debtor Defendants (the "Request"). ECF No. 44. Following further briefing on the Request, Lead Plaintiff succeeded in persuading the Court to effectively reinstate the prior briefing on the remaining defendants' motion to dismiss and thereby allow the claims in this Action to proceed to a ruling on that motion (and hence, to Lead Plaintiff's hoped-for lifting of the PSLRA automatic stay of discovery).

D. The Court's MTD Opinion, the Initiation of Formal Discovery, and Developments in Edgio's Bankruptcy Proceedings

20. On August 25, 2025, the Court issued its Order denying the remaining Defendants' (the "Settling Defendants") motion to dismiss in its entirety. ECF No. 58 (the "MTD Order").

21. Promptly after the issuance of the Court's MTD Order, Co-Lead Counsel acted promptly to have a Rule 26(f) planning meeting with Defendants, to reach agreement on a pre-trial schedule for discovery, and agree on the material terms of the schedule that the Court later entered in its Rule 16 Order filed October 22, 2025. *See* ECF Nos.64, 65. The Parties also agreed on a schedule for the prompt completion of fact and expert discovery relating to, and briefing on, class certification (ECF Nos. 66-67) – and Co-Lead Counsel also retained Crowninshield, a financial economics advisory firm, to provide an expert affidavit and deposition on market efficiency (as is typically required to provide a basis for invoking the "fraud-on-the-market" presumption of class-wide reliance in a Securities Class Action such as this).[2]

22. In addition, the parties negotiated (and the Court, on motion, so-ordered) a detailed confidentiality and protective order to govern discovery of confidential documents and information in this Action, as well as a detailed stipulation (also so-ordered by the Court) regarding the production of electronically stored information ("ESI"). *See* ECF Nos. 71-72, 74-75.

23. During the fall of 2025, both sides prepared and served comprehensive document requests and written interrogatories, served third-party subpoenas, and exchanged initial Rule 26(a) disclosures. *See, e.g.*, ECF Nos. 68-70, 73, 76-77. As noted above, Lead Plaintiff's formulation of their discovery plan and discovery requests was significantly aided by the information that they had already developed through their

[2] Co-Lead Counsel also engaged, and consulted extensively with, Crowninshield on damages and loss causation issues in connection with Lead Plaintiff's preparations for the September 2025 mediation, discussed below.

extensive pre-filing factual investigation, including their prior interviews of literally dozens of former Edgio employees.

24. In the meantime, during the spring, summer, and fall of 2025, Edgio's bankruptcy proceedings continued to move forward. Lead Plaintiff's retained bankruptcy counsel (the Lowenstein Sandler) continued through this period to provide valuable advice regarding ongoing developments in those bankruptcy proceedings. Moreover, through Lowenstein Sandler and other sources, Lead Plaintiff gained further visibility into the likelihood (if not near certainty) that Edgio's Bankruptcy Trustee and/or its creditors' committee would be able to bring breach of fiduciary duty claims (and possibly other related claims) of their own against Defendants – claims that would not require proof of scienter, but which would also inure primarily (if not entirely) to the benefit of Edgio's creditors and *not* the investors who make up the Class in this Action.

II. THE SETTLEMENT NEGOTIATIONS AND TERMS OF THE SETTLEMENT

25. Given (a) the limited prospects for recovery against the now-bankrupt Edgio, (b) the risk that the costs of litigating the competing claims held by Edgio's bankruptcy trustee and/or its creditors' committee would (especially when combined with the costs of litigating in this Action) rapidly diminish the limited insurance available to cover the Settling Defendants' litigation costs, and (c) the further risk that any available insurance coverage might be exhausted through a separate, earlier Settlement of the bankruptcy-related claims at the expense of the Class, both sides in this Action began to preliminarily discuss the possibility of trying to mediate the Class's claims in the summer of 2025.

26. Accordingly, while the parties awaited the Court's decision on the pending motion to dismiss, in July 2025 they also agreed to retain David Murphy, Esq. (the "Mediator") to help them explore mediation options. Mr. Murphy is a well-known retired securities litigator with over 30 years of experience in Securities Class Actions such as this, and a member of the nationally renowned Phillips Alternative Dispute Resolution

organization. The Mediator thereafter scheduled a face-to-face, day-long mediation session for September 8, 2025.

27. Having recently retained the Mediator, the timing of the Court's issuance of its August 25, 2025 MTD Order (denying Defendants' motion to dismiss) allowed the parties to prepare for their initial mediation session on September 8, 2025, with the benefit of having that decision in hand. Prior to that date, the Parties had already prepared and exchanged comprehensive opening mediation statements and related submissions; shortly after the Court issued its MTD Order, the parties also prepared and submitted supplemental submissions addressing the import of that Order.

28. The face-to-face mediation session that followed on September 8, 2025, lasted a full day, and was personally conducted and overseen by the Mediator. Nonetheless, despite the Mediator's active and best efforts, the parties were unable to reach an agreement at the September 2025 Mediation.

29. Given the significant differences that existed between the parties' respective settlement positions, following the unsuccessful September 2025 mediation (and the dissolution of the automatic PSLRA discovery stay by virtue of the Court's August 2025 Order), Lead Plaintiff and Co-Lead Counsel thereafter pursued a two-track approach of (1) keeping open potential Settlement discussions with the assistance of the Mediator while (2) simultaneously pursuing active litigation and discovery. Accordingly, as discussed above, during the fall of 2025, Lead Plaintiff secured an aggressive litigation schedule, and both sides commenced fact discovery, including the preparation and service of interrogatories, document requests, and third-party subpoenas.

30. Meanwhile, also during the fall of 2025, the Mediator continued to explore and challenge both sides' positions on liability, damages, and collectability. As part of the Mediator's process, and after further separate conversations with the parties' counsel, the Mediator made a "double-blind" mediator's proposal to each side in early December 2025. In sum, the Mediator proposed that all claims asserted in this Action be settled for $15 million, all cash.

31. On December 9, 2025, the Mediator advised that both sides had agreed in principle to accept his proposal, subject to the negotiation and preparation of the required "long form" Stipulation of Settlement and customary exhibits thereto. The parties informed the Court that they had reached this agreement in principle on December 11, 2025. ECF No. 78.

32. Over the course of the next two months, both sides engaged in further extensive good faith negotiations and drafting efforts to prepare the required final documents, consisting primarily of the Stipulation of Settlement and its accompanying exhibits. The Parties finalized and signed the Stipulation on February 11, 2026, and Lead Plaintiff filed the Stipulation and his preliminary approval motion papers promptly thereafter. ECF No. 80. On June 8, 2026, the Court granted preliminary approval of the Settlement. ECF No. 81, *as amended by* ECF No. 83 (dated June 15, 2026).

III. THE COURT SHOULD APPROVE THE PROPOSED SETTLEMENT UNDER RULE 23(e)(2)

A. Lead Plaintiff and Co-Lead Counsel Have Adequately Represented the Class in This Action

33. Co-Lead Counsel's initial work in this matter included conducting a truly comprehensive and extensive investigation into the claims at issue. That investigation included collecting and analyzing Edgio's numerous SEC filings, press releases, and conference call transcripts; reviewing numerous analyst reports and news stories about the Company; and identifying, locating, and interviewing literally dozens of former Edgio employees (in both the United States and abroad).

34. Moreover, the Court itself has had the opportunity to assess the quality of Co-Lead Counsel's Amended Complaint, which distilled and organized the supporting factual allegations needed to survive dismissal under the PSLRA's heightened pleading standards in securities fraud cases. Similarly, the Court is also aware of Co-Lead Counsel's vigorous defense of the Class's claims in preparing and filing Lead Plaintiff's successful opposition (on every issue) in response to Defendants' motion to dismiss.

35. We also respectfully submit that Lead Plaintiff and Co-Lead Counsel continued to zealously protect the Class's interests by retaining expert bankruptcy counsel to help them avoid the many potential pitfalls and dangers to recovery presented by Edgio's Chapter 11 filing, and that their effective advocacy thereafter continued in the second half of 2025 as they pursued their "dual track" litigation and negotiation strategy. As discussed above, we respectfully submit that our demonstrated preparedness to pursue active litigation was a material factor in obtaining the Settlement before the Court, and further submit that our thorough work in preparing Lead Plaintiff's multiple written mediation submissions, our expertise in securities law, and in particular the strong factual foundation that Co-Lead Counsel had developed through its extensive pre-filing investigation, gave Lead Plaintiff and Co-Lead Counsel the ability to reach a well-informed assessment of the strengths and weaknesses of the parties' respective positions – and to use that understanding to negotiate a superior Settlement on the Class's behalf. Accordingly, we respectfully submit that the sustained and vigorous advocacy shown throughout confirms that Lead Plaintiff and Co-Lead Counsel have more than adequately represented the Class in this Action.

36. Moreover, to the extent that the views of experienced counsel are relevant to the Court's decision as to whether to approve the Settlement, we respectfully submit that Co-Lead Counsel are experienced and skilled practitioners in the securities-litigation field, with established track records of successfully litigating Securities Class Actions in this Circuit and across the country. *See* Declaration of Daryl Scott ("Scott Decl."), at Ex. 4 (firm resume); Declaration of Brian J. Schall ("Schall Decl.") at Ex. 4 (firm resume). We confirm our firm's professional judgment that the Settlement is fair, reasonable, and in the best interests of the Settlement Class, and should be approved.

B. The Settlement Was Reached Through Arm's-Length Negotiations Under the Auspices of a Highly Experienced Mediator

37. As detailed above in §I, the Settlement here was achieved only after all counsel participated in a thorough and comprehensive mediation process conducted by a

highly experienced and independent mediator. Moreover, the Settlement itself was based on that experienced mediator's own compromise proposal, which further confirms that the resulting agreement was free of any taint of collusion and was the product of extended, arm's-length negotiations.

C. The Relief Provided to the Settlement Class Is Fair, Reasonable and Adequate

38. The proposed Settlement provides for the creation of an immediate, all-cash $15 million Settlement fund for the benefit of the Class. This result represents an excellent and meaningful recovery in a case involving substantial litigation risk and collectability concerns arising from Edgio's bankruptcy and the threat of competing creditor claims against a limited amount of available insurance coverage. In short, the alternative of continuing to pursue the litigation here raised a significant risk of recovering far less than $15 million, and possibly nothing at all.

39. Based on this investigation and review, and as further discussed below, Lead Plaintiff and Co-Lead Counsel believe that the proposed $15 million Settlement merits final approval as it provides a significant, immediate, and certain $15 million cash benefit for the Settlement Class, and is fair and reasonable in light of the significant risks, costs, and uncertainties of continued litigation.

D. Likely Risks of Continued Litigation

40. Under §10(b) of the 1934 Act, Lead Plaintiff faced significant risks on the merits in proving that Defendants made materially false or misleading statements. The alleged misstatements here fell into three main categories: (1) statements about Edgio's allegedly inflated performance, growth, and sales pipeline, and the allegedly inflated success of its business strategy; (2) statements about Edgio's allegedly inadequate internal financial controls; and (3) statements about Edgio's allegedly inflated revenue. However, Defendants argued that most statements at issue were immunized from liability because they were mere "puffery" or constituted inactionable "forward-looking" statements, and that the remaining statements at issue were neither false nor misleading. While Lead

Plaintiff prevailed on falsity issues at the motion-to-dismiss stage, such matters would have been subject to review at summary judgment and trial following completion of discovery, and proof of falsity to a jury is rarely certain in securities litigation. Further, a number of the alleged misrepresentations were based on data reviewed by an outside auditor, which invariably makes it harder to challenge the accuracy of related statements before a jury.

41. Further, although Co-Lead Counsel believes that they could have proven that Defendants acted with scienter (i.e., that they acted with the requisite intent to defraud), such proof is never assured in §10(b) cases. For example, while Co-Lead Counsel had identified certain confidential witnesses who provided information indicating that Edgio knew that it was facing sales pipeline issues, none of those witnesses had direct conversations with Defendants on that subject, and there could be no assurance that a jury would find that the testimony of witnesses that might actually be deposed or called to testify at trial would (a) give as strong accounts as they (or others) privately gave to Co-Lead Counsel's investigators, or (b) whether, at trial, a jury would find the testimony of witnesses favorable to Lead Plaintiff to be more credible or persuasive than the competing testimony of Defendants' witnesses on relevant issues. Defendants also argued that although they monitored Edgio's revenue closely, that did not mean that they knew that Edgio's revenue data was being recorded incorrectly under applicable accounting rules. Further, the fact that none of the Individual Defendants engaged in any suspicious insider stock sales during the Class Period would have made it difficult to show that Defendants had a persuasive motive to commit fraud, thereby making Lead Plaintiff's task of proving scienter materially more challenging.

42. Moreover, although Lead Plaintiff survived the motion to dismiss, the evidentiary burden at trial posed a significant risk, as Lead Plaintiff would ultimately need to prove his claims based on the preponderance of the admissible evidence. And cases involving disputed accounting and internal control allegations frequently come down to inherently unpredictable "battles of the experts." The uncertain development of evidence

in discovery and the complexity of the subject matter at issue further compounded the litigation risk. In sum, this case was no exception to the rule that §10(b) fraud cases involve very high risk.

43. In this regard, Lead Plaintiff's Co-Lead Counsel, Scott+Scott, also notes that it has had recent first-hand experience with the realities of litigation risk. Specifically, having successfully navigated the case through motions to dismiss, contested class certification proceedings, full fact and expert discovery, and finally *Daubert* motions and summary judgment, in the spring of 2026, Scott+Scott took the case of *In re Vaxart, Inc. Securities Litigation*, No. 3:20-cv-05949 (N.D. Cal.) to trial—only to have the jury render a defendants' verdict. Such experiences further support the wisdom of taking a bird-in-the-hand, particularly where (as here) a superior Settlement can be achieved (*see* §III.F., below).

E. Defendants' Ability to Pay

44. Issues with ability to pay and collectability also highlight the reasonableness of the Settlement. In particular, Edgio was forced to file for bankruptcy in 2024, thereby taking the assets of the corporate defendant (which is normally the most deep-pocketed defendant in a §10(b) action) effectively off the table. In addition, Edgio's bankruptcy trustee and unsecured creditors committee likely had valuable claims (including claims for breach of fiduciary duty that would not have required proof of scienter) against some or all of the Individual Defendants here that threatened to substantially draw down (and potentially exhaust) the same limited insurance available to satisfy the Class's claims, which made the prospects of obtaining a meaningful recovery here even more uncertain. Indeed, given the complexity and likely duration of further litigation, continuing litigation costs alone (even absent the risk of a separate Settlement of trustee or creditor committee claims) would have likely significantly reduced Defendants' ability to pay on the Class's claims in this Action absent the Settlement.

F. The Amount Recovered

45. The $15 million Settlement also compares favorably to other Securities Class Action Settlements, based on published data. As a threshold matter, Lead Plaintiff's damages expert estimated that the range of reasonably recoverable damages in this case was roughly $150 million. Accordingly, the proposed $15 million recovery here represents roughly 10% of the maximum reasonably recoverable damages. By contrast, the National Economic Research Associates firm ("NERA") reports that the median Settlement value as a percentage of estimated investor losses for the period 2015 to 2025, for comparably sized cases involving estimated losses of $100 to $200 million, was only about 3.2% of losses.[3] In addition, the $15 million recovery exceeds the reported median for all §10b-5 Securities Class Action Settlements in the Ninth Circuit over the last decade ($11 million) and also exceeds the median for all §10b-5 such Settlements nationwide over the same period ($12.3 million), based on data collected between 2016 and 2025.[4] Accordingly, the quality of the result achieved here, whether viewed as a percentage of recoverable losses or compared to the median recovery in comparably sized cases is above average based on objective published data.

G. Likely Duration and Complexity of the Litigation

46. The likely duration and complexity of this litigation also favor Settlement. As discussed above, although formal discovery had commenced here, absent Settlement there is little doubt that completion of fact and expert discovery, class certification proceedings, the briefing of summary judgment, jury trial, and inevitable post-trial motions and appeals would take several more years.

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[3] *See* E. Flores, S. Starykh & I. Velikova, *Recent Trends in Securities Class Actions Litigation: 2025 Full Year Review*, NERA at 27 (2026), https://www.nera.com/insights/publications/2026/recent-trends-in-securities-class-action-litigation--2025-full-y.html?lang=en (last visited Aug. 13, 2026).

[4] *See* L. Bulan & E. Tam, *Securities Class Action Settlements, 2025 Review & Analysis*, CORNERSTONE RESEARCH at 19, 21 (2026), https://www.cornerstone.com/insights/reports/interactive-securities-class-action-settlements-2025-review-and-analysis/ (last visited Aug. 13, 2026).

H. The Settlement Treats All Class Members Fairly

47. Co-Lead Counsel developed the Plan of Allocation ("POA") in consultation with Lead Plaintiff's damages expert. Under the POA, each Class Member's recovery will be based upon the relative economic losses they sustained as a result of Defendants' alleged misconduct. Each eligible Class Member who submits a valid Proof of Claim ("Claimant") will receive their *pro rata* distribution from the Net Settlement Fund, based on a common formula applicable to all Claimants that takes into account the estimated amount of inflation per share in Edgio stock at the times that they purchased and sold (if they sold) their shares. Each Claimant will then receive a *pro rata* distribution of the Net Settlement Fund based on his, her, or its Recognized Claim as a percentage of the total Recognized Claims of all Claimants.

I. Conclusion

48. For all of the foregoing reasons, we respectfully submit that the Settlement should be approved as fair, reasonable, and in the best interests of the Settlement Class.

IV. THE COURT SHOULD GRANT THE FEE AND EXPENSE APPLICATION

49. Many of the factors bearing on the Fee and Expense Application overlap with those relevant to the fairness of the Settlement, which are discussed above. Additional factors specific to the Fee and Expense Application are addressed in this section.

A. The Quality of the Result Achieved

50. This is perhaps the most relevant consideration in determining the appropriate amount of a requested attorneys' fee award. Here, as discussed above at § II.F., the quality of the result achieved here—whether viewed as a percentage of recoverable losses or compared to the median recovery in comparably sized cases—is above average based on objective published data.

51. Moreover, as also detailed above, the excellent result here was obtained in the face of very significant litigation risk. Indeed, for the reasons discussed above, Edgio's Chapter 11 filing created unusually heightened risks here, making the results obtained all

the more commendable. In short, we respectfully submit that the quality of the result achieved, in the particularly challenging circumstances presented here, supports the requested fee.

B. The Fully Contingent Nature of the Litigation

52. As detailed in their accompanying Scott Decl. and Schall Decl., Co-Lead Counsel committed significant time and money to prosecute this Action vigorously and successfully for the benefit of the Settlement Class without any compensation and knowing that, absent a successful result, they would receive nothing for their efforts.

53. Of particular note here is that bankruptcy filing of the lead defendant, Edgio, caused Co-Lead Counsel, even before there was any assurance that the case would survive defendants' motion to dismiss, to advance over $180,000 to obtain specialized bankruptcy expertise to assist them in navigating the bankruptcy-related risks and challenges created by Edgio's Chapter 11 filing. All of the significant sum that Co-Lead Counsel advanced to obtain this expertise was fully at risk, reflecting an unusually high amount for a case that had not even survived the PSLRA's heightened pleading test at the motion to dismiss stage.

54. Accordingly, the *fully* contingent nature of the representation here also strongly supports the requested fee.

C. The Lodestar Cross-Check

55. Finally, a "lodestar cross-check" further confirms the reasonableness of the requested 27.5% fee. Specifically, Co-Lead Counsel spent 3,249.6 hours of attorney and other professional time prosecuting this matter from its inception in 2023 through the Court's issuance of its Preliminary Approval Order on June 15, 2026, resulting in a total combined lodestar of $3,147,924.00 based on counsel's current hourly rates. The respective hours of each of the Co-Lead Counsel firms are set forth in the table below.

Co-Lead Counsel Firm	Lodestar
Scott+Scott	$2,922,624.00
SBS	$225,300
Total	**$3,147,924.00**

56. The requested fee of 27.5% of the Settlement Fund (equal to $4,125,000, plus any modest interest earned thereon from the date the Settlement proceeds were deposited into escrow last month) represents a multiplier of 1.31 times on Co-Lead Counsel's combined total lodestar. As further set forth in Co-Lead Counsel's accompanying brief in support of the Fee and Expense Application, this lodestar multiplier falls decidedly at the low end of the 1x to 4x range of multipliers that are commonly awarded by courts in this Circuit and across the country.

57. Accordingly, the lodestar cross-check factor supports the requested fee.

D. Expenses

58. Co-Lead Counsel incurred $385,874.44 in litigation expenses of the type that are routinely charged to clients in non-contingent litigation, and which were reasonably incurred to successfully prosecute the case. These expenses include the costs of experts and consultants ($134,224), professional fees ($183,021.80), mediator fees ($44,312.50), court costs and other filing fees ($1,566.69), document hosting and storage ($691.16), online legal research costs ($11,897.41), photocopies ($1,772.75), and out-of-town travel expenses (including for court appearances) ($8,388.13).[5] These expenses were separately incurred, are not duplicated in the Co-Lead Counsel's hourly rates, and are of a type that courts routinely approve for reimbursement.

59. The consultant and expert costs identified above consist of the following (1) fees paid to Crowninshield Financial Research, Inc. ($118,263.00) in connection with preparatory work on a market efficiency report (in contemplation of Lead Plaintiff's

[5] The requested expenses include an allowance for $1,000 expected to be incurred in connection with Co-Lead Counsel's upcoming travel to the required Settlement Hearing, which is currently scheduled to be held on September 14, 2026.

anticipated Class certification motion) and to provide a preliminary damages analysis in connection with the parties' Settlement discussions; (2) fees paid to the forensic accounting firm Hemming Morse, LLC ($6,286.00), for their expert consulting services and advice to better understand the nature and significance of Defendants' alleged accounting violations and defective internal financial controls issues; (c) fees paid to ValueScope, Inc., ($9,675.00) to prepare, for counsel's review, the proposed plan of allocation of the Net Settlement Fund.

60. Co-Lead Counsel also seek reimbursement for the costs of the expert bankruptcy advice provided by the Lowenstein Sandler law firm ($182,381.80), which was particularly necessary and appropriate here for the reasons discussed above.

61. Co-Lead Counsel also seek reimbursement for the costs it incurred in retaining McManis Faulkner, counsel to represent certain confidential witnesses ($640.00). In our experience, such expenses are frequently incurred in Securities Class Actions to protect confidential witnesses from being subjected to undue pressure by defendants, who are sometimes able to determine the identities of un-named confidential sources from background details contained in the complaint.

62. The remaining categories of expenses referenced above—mediator fees, court filing fees, document hosting and storage costs, online legal research costs, photocopying expenses, and out-of-town travel expenses—are all fees of a type typically billed by attorneys to paying clients in non-contingent matters. Moreover, a client paying by the hour does not expect its lead litigation firm to handle unexpected or unusual specialized legal roles in-house (as in the case, as here, where specialized bankruptcy advice was required); where a matter requires discrete expertise outside the scope of the primary engagement, the client is billed for the outside professional who supplies it. Additionally, separate counsel for confidential witnesses was reasonably necessary and appropriate, as a precautionary measure, to ensure that previously-contacted confidential witnesses were protected from potentially undue pressure by Defendants.

63. From the outset, Co-Lead Counsel knew they would not recover any of their expenses unless the Action was successfully resolved—which was uncertain at best until the Mediator's proposal was accepted—and they also knew that even a successful result and subsequent award of expenses would still not compensate them for the lost use of the funds that they had advanced. Accordingly, Co-Lead Counsel were motivated to minimize expenses whenever practicable, consistent with their commitment to vigorously prosecute the Action.

64. Additional details concerning each separate Co-Lead Counsel's hours spent and related lodestar calculations, and concerning the details of their expenses incurred, are set forth in the accompanying separate Scott Decl. and Schall Decl.

65. Attached hereto are true and correct copies of the following documents:

Document	**Exhibit Number**
Declaration of Daryl F. Scott in Support of Co-Lead Counsel's Fee and Expense Application	1
Declaration of Brian J. Schall in Support of Plaintiff's Counsel's Fee and Expense Application	2
Declaration of Ann Cavanaugh Regarding Notice Dissemination, Publication, and Requests for Exclusion Received to Date	3
Declaration of Peter Frouws in Support of Motion for Final Approval of Settlement and Plan of Allocation, Award of Attorneys' Fees and Expenses, and Award to Lead Plaintiff	4

I declare, under penalty of perjury, that to the best of my knowledge, the foregoing is true and correct. Executed on the 14th day of August, 2026, in New York, NY.

/s/ William C. Fredericks
William C. Fredericks

I declare, under penalty of perjury, that to the best of my knowledge, the foregoing is true and correct. Executed on the 14th day of August 2026, in Los Angeles, CA.

/s/ Brian J. Schall
Brian J. Schall

CERTIFICATE OF SERVICE

I hereby certify that on August 14, 2026, I caused the foregoing to be electronically filed with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to the email addresses denoted on the Electronic Mail Notice List.

/s/ William C. Fredericks
William C. Fredericks