

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re ZOOM SECURITIES LITIGATION

) Case No. 3:20-cv-02353-JD

This Document Relates To:

) **ORDER RE PRELIMINARY APPROVAL**
) **AND NOTICE**

ALL ACTIONS.

Preliminary approval is granted for the proposed classwide settlement on the ensuing terms. This order is based a proposed ordered lodged by the parties and modified by the Court's practices and conclusions.

1. Based on the representations of the parties, the Settlement: (a) resulted from arm's-length negotiations overseen by a mediator; (b) eliminates the risks to the Parties of continued litigation; and (c) appears to fall within the range of possible approval and is therefore sufficiently fair, reasonable, and adequate to warrant providing notice of the Settlement to the Class.

2. A hearing (the "Settlement Hearing") before the Court is set on October 9, 2025, at 10:00 a.m. at the United States District Court for the Northern District of California, Phillip Burton Federal Building & United States Courthouse, Courtroom 11, 19th Floor, 450 Golden Gate Avenue, San Francisco, CA 94102, for the following purposes:

(a) to determine whether the Settlement is fair, reasonable, and adequate, and should be finally approved by the Court;

(b) to finally determine whether Judgment as provided under the Stipulation of Settlement, Dkt. No. 127-2, should be entered, dismissing the Action on the merits and with prejudice, and to determine whether the release by the Class of the Released Defendant Parties as set forth in the Stipulation should be ordered, along with a permanent injunction barring efforts to prosecute any Released Claims or Released Defendants' Claims extinguished by the Settlement;

1 (c) to finally determine whether the proposed Plan of Allocation for the
2 distribution of the Net Settlement Fund is fair and reasonable and should be approved by the Court;

3 (d) to consider the application of Lead Counsel for an award of attorneys' fees
4 and expenses;

5 (e) to consider an award to Lead Plaintiff pursuant to 15 U.S.C. §78u-4(a)(4);

6 (f) to consider Class Members' responses to the Settlement, Plan of Allocation,
7 or application for fees and expenses; and

8 (g) to rule upon such other matters as the Court may deem appropriate.

9 3. The Court may adjourn the Settlement Hearing without further notice to the
10 members of the Class, and may approve the Settlement with such modifications as may be agreed
11 upon or consented to by the Parties and without further notice to the Class where to do so would
12 not impair Class Members' rights under Rule 23 of the Federal Rules of Civil Procedure and due
13 process of law. The Court may enter Judgment approving the Settlement and dismissing the
14 Complaint, on the merits and with prejudice, regardless of whether it has approved the Plan of
15 Allocation or awarded attorneys' fees and expenses.

16 4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court certifies, for
17 the sole purpose of effectuating the Settlement, a Class defined as follows:

18 All Persons that purchased or otherwise acquired Zoom common stock or call
19 options on Zoom common stock or sold put options on Zoom common stock
20 ("Zoom Securities") between April 18, 2019, and April 6, 2020, inclusive.
21 Excluded from the Class are Defendants and their families, the officers and
22 directors of Zoom during the Class Period, members of their immediate families,
23 and their legal representatives, heirs, successors or assigns, and any firm, trust,
24 corporation, partnership, or other entity in which any Defendant has or had a
controlling interest. Also excluded from the Class will be any Person who timely
and validly seeks exclusion from the Class.

25 5. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for purposes of
26 the Settlement only, Lead Plaintiff Adam M. Butt is appointed as representative of the Class, and
27 Lead Counsel Shawn Williams of Robbins Geller Rudman & Dowd LLP is appointed as Class
28 Counsel for the Class.

1 6. The prerequisites for a class action under Rules 23(a) and (b)(3) of the Federal
2 Rules of Civil Procedure have been satisfied in that: (a) the members of the Class are so numerous
3 that joinder of all Class Members in the Action is impracticable; (b) there are questions of law and
4 fact common to the Class; (c) the claims of the Lead Plaintiff are typical of the claims of the Class;
5 (d) the Lead Plaintiff and Lead Counsel have fairly and adequately represented and protected the
6 interests of all Class Members; (e) the questions of law and fact common to the Class predominate
7 over any questions affecting only individual members of the Class; and (f) a class action is superior
8 to other available methods for the fair and efficient adjudication of the controversy, considering:
9 (i) the interests of the members of the Class in individually controlling the prosecution of the
10 separate actions; (ii) the extent and nature of any litigation concerning the controversy already
11 commenced by members of the Class; (iii) the desirability or undesirability of concentrating the
12 litigation of these claims in this particular forum; and (iv) the difficulties likely to be encountered
13 in the management of the Action.

14 7. The Court approves, as to form and content, the Notice of Pendency and Proposed
15 Settlement of Class Action (the “Notice”), the Proof of Claim and Release Form (the “Proof of
16 Claim”), and the Summary Notice of Proposed Settlement of Class Action (“Summary Notice”),
17 filed at Dkt. No. 127-6, Exs. 1-3, and finds that the distribution and publishing of the Summary
18 Notice, substantially in the manner and form set forth in this Order, meet the requirements of
19 Federal Rule of Civil Procedure 23 and due process, and is the best notice practicable under the
20 circumstances and shall constitute due and sufficient notice to all Persons entitled thereto.

21 8. The firm of Gilardi & Co. LLC (“Claims Administrator”) is appointed to supervise
22 and administer the notice procedure as well as the processing of claims.

23 9. Zoom will provide to Lead Counsel or the Claims Administrator, at no cost to Lead
24 Plaintiff, the Settlement Fund, Lead Counsel or the Claims Administrator, within ten (10) calendar
25 days of entry of this Order, documentation or data in the possession of Zoom or its present or
26 former stock transfer agents sufficient to identify to the extent available the record holders of Zoom
27 Securities during the Class Period, and their last known addresses, email addresses (if available),
28

1 or other similar information. The Parties will determine an appropriate electronic format for
2 provision of this information.

3 10. Lead Counsel, through the Claims Administrator, will commence dissemination of
4 the Summary Notice, within twenty-one (21) calendar days of entry of this Order (the “Notice
5 Date”), by email or first-class mail to all Class Members who can be identified with reasonable
6 effort. Contemporaneously with the emailing or mailing of the Summary Notice, the Claims
7 Administrator will cause the Notice and Proof of Claim to be posted on the Settlement website at
8 www.ZoomSecuritiesSettlement.com, from which copies of the documents can be downloaded.
9 For all Summary Notices returned as undeliverable, the Claims Administrator will use its best
10 efforts to locate updated addresses or email addresses. No later than seven (7) calendar days after
11 the Notice Date, the Claims Administrator will cause the Summary Notice to be published once
12 over a national newswire service.

13 11. No later than seven (7) calendar days after the Notice Date, Lead Counsel and the
14 Claims Administrator will implement the online notice plan detailed in the Declaration of Carla
15 Peak Regarding Settlement Notice Plan, Dkt. No. 127-6.

16 12. At least seven (7) calendar days prior to the Settlement Hearing, Lead Counsel will
17 serve on Defendants’ Counsel and file with the Court proof, by affidavit or declaration, of such
18 emailing, mailing, and publishing.

19 13. Nominees who purchased, acquired, or sold Zoom Securities for the beneficial
20 ownership of Class Members during the Class Period will: (a) within seven (7) calendar days of
21 receipt of the Summary Notice request from the Claims Administrator sufficient copies of the
22 Summary Notice to forward to all such beneficial owners and within seven (7) calendar days of
23 receipt of the Summary Notice forward it to all such beneficial owners; or (b) within seven (7)
24 calendar days of receipt of the Summary Notice, send a list of the names and email addresses or
25 physical addresses where an email address is unavailable, of all such beneficial owners to the
26 Claims Administrator in which event the Claims Administrator shall promptly email or mail the
27 Summary Notice to such beneficial owners. Lead Counsel will, if requested, reimburse banks,
28 brokerage houses or other nominees solely for their reasonable out-of-pocket expenses incurred in

1 providing notice to beneficial owners who are Class Members out of the Settlement Fund, which
2 expenses would not have been incurred except for the sending of such notice, subject to further
3 order of this Court with respect to any dispute concerning such compensation.

4 14. The form and content of the notice program and the methods for notifying the Class
5 of the Settlement and its terms and conditions, the Fee and Expense Application, and the Plan of
6 Allocation meet the requirements of Rule 23 of the Federal Rules of Civil Procedure, the Private
7 Securities Litigation Reform Act of 1995, and due process; constitute the best notice practicable
8 under the circumstances; and constitute due and sufficient notice to all Persons entitled thereto.

9 15. To be entitled to participate in the recovery from the Settlement Fund after the
10 Effective Date, each Class Member will take the following action and be subject to the following
11 conditions:

12 (a) A properly completed and executed Proof of Claim must be submitted to
13 the Claims Administrator, at the post office box or electronic mailbox
14 indicated in the Notice and Proof of Claim, postmarked no later than ninety
15 (90) calendar days from the Notice Date. Such deadline may be further
16 extended by Order of the Court. Each Proof of Claim will be deemed to
17 have been submitted when legibly postmarked (if properly addressed and
18 mailed by first-class mail). Any Proof of Claim submitted in any other
19 manner will be deemed to have been submitted when it was actually
20 received by the Claims Administrator at the address designated in the
21 Notice.

22 (b) The Proof of Claim submitted by each Class Member must satisfy the
23 following conditions: (i) it must be properly filled out, signed, and
24 submitted in a timely manner in accordance with the provisions of the
25 preceding subparagraph; (ii) it must be accompanied by adequate
26 supporting documentation for the transactions reported therein, in the form
27 of broker confirmation slips, broker account statements, an authorized
28 statement from the broker containing the transactional information found in

1 a broker confirmation slip, or such other documentation as is deemed
2 adequate by the Claims Administrator or Lead Counsel; (iii) if the person
3 executing the Proof of Claim is acting in a representative capacity, a
4 certification of his, her, its, or their current authority to act on behalf of the
5 Class Member must be provided with the Proof of Claim; and (iv) the Proof
6 of Claim must be complete and contain no material deletions or
7 modifications of any of the printed matter contained therein and must be
8 signed under penalty of perjury.

9 (c) Once the Claims Administrator has considered a timely submitted Proof of
10 Claim, it will determine whether such claim is valid, deficient, or rejected.
11 For each claim determined to be either deficient or rejected, the Claims
12 Administrator shall send a deficiency letter or rejection letter as appropriate,
13 describing the basis on which the claim was so determined. Persons who
14 timely submit a Proof of Claim that is deficient or otherwise rejected will
15 be afforded a reasonable time (at least twenty (20) calendar days) to cure
16 such deficiency.

17 (d) For the filing of and all determinations concerning their Proof of Claim,
18 each Class Member submits to the jurisdiction of the Court.

19 16. Any Class Member who does not timely submit a valid and timely Proof of Claim
20 within the time provided for will be barred from sharing in the distribution of the proceeds of the
21 Settlement Fund, but will in all other respects be subject to and bound by the provisions of the
22 Stipulation and the Judgment, if entered. Notwithstanding the foregoing, Lead Counsel will have
23 the discretion (but not an obligation) to accept late-submitted claims for processing by the Claims
24 Administrator so long as distribution of the Settlement Fund to Authorized Claimants is not
25 materially delayed thereby, but will bear no liability for failing to accept such late claims.

26 17. Any member of the Class may enter an appearance in the Action, at their own
27 expense, individually or through counsel of their own choice. If they do not enter an appearance,
28 they will be represented by Lead Counsel.

1 18. All Class Members will be bound by all determinations and judgments in this
2 Action, whether favorable or unfavorable, unless such persons request to be excluded, or “opt out,”
3 from the Class. A Class Member wishing to be excluded from the Class must submit to the Claims
4 Administrator a request for exclusion (“Request for Exclusion”), by first-class mail such that it is
5 postmarked no later than twenty-one (21) calendar days prior to the Settlement Hearing to the
6 address listed in the Notice. A Request for Exclusion must be signed and must legibly state: (a) the
7 name, address, and telephone number of the Person requesting exclusion; (b) the number and type
8 of Zoom Securities that the Person requesting exclusion (i) owned as of the opening of trading on
9 April 18, 2019, and (ii) purchased, otherwise acquired and/or sold during the Class Period, as well
10 as the number of shares, dates and prices for each such purchase, other acquisition, and sale; and
11 (c) that the Person wishes to be excluded from the Class in *In re Zoom Securities Litigation*,
12 No. 3:20-cv-02353-JD. All Persons who submit valid and timely Requests for Exclusion in the
13 manner set forth in this paragraph will have no rights under the Stipulation, will not share in the
14 distribution of the Net Settlement Fund, and will not be bound by the Stipulation or any Final
15 judgment. Unless otherwise ordered by the Court, any Class Member who does not submit a valid
16 and timely written Request for Exclusion as provided by this paragraph will be bound by the
17 Stipulation.

18 19. The Claims Administrator or Lead Counsel will provide to Defendants’ Counsel
19 copies of all Requests for Exclusion as expeditiously as possible, but in no event later than five (5)
20 business days of receipt thereof and in any event at least fourteen (14) calendar days before the
21 Settlement Hearing.

22 20. The Court will consider comments or objections to the Settlement, the Plan of
23 Allocation, or Lead Counsel’s request for an award of attorneys’ fees and expenses, only if such
24 comments or objections and any supporting papers are submitted to the Court either by mailing
25 them to the Clerk of the Court, United States District Court for the Northern District of California,
26 450 Golden Gate Avenue, San Francisco, CA 94102, or by filing them in person at any location
27 of the United States District Court for the Northern District of California. Such comments or
28 objections must be filed or postmarked at least twenty-one (21) calendar days prior to the

1 Settlement Hearing. Attendance at the Settlement Hearing is not necessary but any Person wishing
2 to be heard orally in opposition to the Settlement, the Plan of Allocation, or the application for
3 attorneys' fees and expenses is required to indicate in their written objection whether they intend
4 to appear at the Settlement Hearing. The notice of objection must include documentation
5 establishing the objecting Person's membership in the Class, including the number and type of
6 Zoom Securities that the objecting Person (i) owned as of the opening of trading on April 18, 2019,
7 and (ii) purchased, otherwise acquired and/or sold during the Class Period, as well as the dates and
8 prices for each such purchase, other acquisition or sale, and contain a statement of reasons for the
9 objection, including whether it applies only to the objector, to a specific subset of the Class, or to
10 the entire Class. The objection must identify all other class action settlements the objector and his,
11 her or its counsel has previously objected to in the prior five years, and contain the objector's
12 signature, even if represented by counsel. Any member of the Class who does not make his, her
13 or its objection in the manner provided will be deemed to have waived such objection and shall
14 forever be foreclosed from making any objection to the fairness or adequacy of the Settlement as
15 set forth in the Stipulation, to the Plan of Allocation, or to the award of attorneys' fees and expenses
16 to Lead Counsel unless otherwise ordered by the Court. Class Members do not need to appear at
17 the Settlement Hearing or take any other action to indicate their approval.

18 21. All funds held by the Escrow Agent will be deemed and considered to be *in custodia*
19 *legis* of the Court, and remain subject to the jurisdiction of the Court, until such time as such funds
20 are distributed pursuant to the Stipulation and/or further order(s) of the Court.

21 22. All opening briefs and supporting documents in support of the Settlement, the Plan
22 of Allocation, and/or any application by Lead Counsel for attorneys' fees and expenses including
23 an award to Lead Plaintiff pursuant to 15 U.S.C. §78u-4(a)(4) will be filed and served no later than
24 sixty (60) calendar days prior to the objection and opt-out deadline, or July 20, 2025. Replies to
25 any objections will be filed and served at least seven (7) calendar days prior to the Settlement
26 Hearing, or October 2, 2025.

27 23. The Released Defendant Parties will have no responsibility for the Plan of
28 Allocation or any application for attorneys' fees or expenses submitted by Lead Counsel, and such

1 matters will be considered separately from the fairness, reasonableness, and adequacy of the
2 Settlement. Any order or proceeding relating to the Plan of Allocation or any application for
3 attorneys' fees or expenses, or any appeal from any order relating thereto or reversal or
4 modification thereof, will not operate to terminate or cancel the Stipulation, or affect or delay the
5 finality of the Judgment approving the Stipulation and the settlement of the Litigation.

6 24. At or after the Settlement Hearing, the Court will determine whether the Plan of
7 Allocation proposed by Lead Counsel, and any application for attorneys' fees or payment of
8 expenses will be approved.

9 25. All reasonable expenses incurred in identifying and notifying Class Members, as
10 well as administering the Settlement Fund, will be paid as set forth in the Stipulation. In the event
11 the Court does not approve the Settlement, or the Settlement otherwise fails to become effective,
12 neither Lead Counsel, the Class, nor the Claims Administrator will have any obligation to repay
13 any amounts actually and properly incurred or disbursed pursuant to ¶¶2.8 or 2.9 of the Stipulation.

14 26. Neither the Stipulation, nor any of its terms or provisions, nor any of the
15 negotiations or proceedings connected with it, will be construed as an admission or concession by
16 the Defendants of the truth of any of the allegations in the Action, or of any liability, fault, or
17 wrongdoing of any kind.

18 27. If the Stipulation and the Settlement set forth therein is not approved or
19 consummated for any reason whatsoever, the Stipulation and Settlement and all proceedings had
20 in connection therewith will be without prejudice to the rights of the Settling Parties *status quo*
21 *ante*.

22 28. All proceedings in the Action are stayed until further order of this Court, except as
23 may be necessary to implement the Settlement or comply with the terms of the Stipulation.
24 Pending final determination of whether the proposed Settlement should be approved, neither the
25 Lead Plaintiff, nor any Class Member, directly or indirectly, representatively, or in any other
26 capacity, will commence or prosecute against any of the Released Defendant Parties, any action
27 or proceeding in any court or tribunal asserting any of the Released Claims.

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1 29. The Court may approve the Settlement, with such modifications as may be agreed
2 to by the Settling Parties, if appropriate, without further notice to the Class.

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4 **IT IS SO ORDERED.**

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6 DATED: May 28, 2025



JAMES DONATO
UNITED STATES DISTRICT JUDGE