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UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

CITY OF SOUTHFIELD FIRE AND POLICE RETIREMENT SYSTEM, Individually and on Behalf of All Others Similarly Situated, Plaintiff, v. HAYWARD HOLDINGS, INC., KEVIN HOLLERAN, EIFION JONES, CCMP CAPITAL ADVISORS, LP, CCMP CAPITAL INVESTORS III, L.P., CCMP CAPITAL INVESTORS III (EMPLOYEE), L.P., CCMP CAPITAL ASSOCIATES III, L.P., CCMP CAPITAL ASSOCIATES III GP, LLC, CCMP CAPITAL, LP, CCMP CAPITAL GP, LLC, MSD AQUA PARTNERS, LLC, MSD PARTNERS, L.P., MSD PARTNERS (GP), LLC,	Civil Action No. 2:23-cv-04146 Hon. William J. Martini **REPLY MEMORANDUM OF LAW IN FURTHER SUPPORT OF (I) LEAD PLAINTIFF'S MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND PLAN OF ALLOCATION; AND (II) PLAINTIFF'S COUNSEL'S MOTION FOR ATTORNEYS' FEES, LITIGATION EXPENSES, AND LEAD PLAINTIFF AWARD** **Oral Argument Requested** **Motion Day: July 28, 2026, 12:00 p.m.**

MARK MCFADDEN, GREG BRENNEMAN, TIMOTHY WALSH, CHRISTOPHER BERTRAND, and KEVIN BROWN

Defendants.

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I. INTRODUCTION

Lead Plaintiff and Plaintiff's Counsel respectfully submit this reply memorandum of law in support of the Motions for: (i) final approval of the proposed Settlement and Plan of Allocation (ECF No. 132) ("Final App. Mot."), and (ii) attorneys' fees and expenses, and a service award (ECF No. 133) ("Fee Mot.").[1]

Since these Motions were filed, the Court-authorized Claims Administrator, A.B. Data, Ltd. ("A.B. Data"), completed the notice program, and the Settlement Class's response strongly supports the Settlement and fee request. Not a single Settlement Class Member objected to any aspect of the Final Approval or Fee Motions or requested exclusion—the deadline for doing so was May 20, 2026. That is particularly significant because 32,028 potential Settlement Class Members responded to the Notice and filed claims to participate in the potential Settlement.

The absence of any objections or exclusions, and over 32,000 claims filed, confirms that the proposed Settlement is an excellent result for the Class. As detailed in the Final Approval Motion, compared to similar securities settlements in 2025, the Settlement Amount exceeds by approximately 20% both the median settlement value in total dollars and the median percentage damages recovery. *See* Laarni T. Bulan & Eric Tam, Securities Class Action Settlements: 2025 Review and Analysis

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[1] All capitalized terms not otherwise defined herein have the same meaning as those set forth in the Stipulation of Settlement (ECF No. 128-2), Final Approval Motion and Fee Motion.

(Cornerstone Research 2026). Moreover, the Settlement provides immediate and certain cash compensation to Settlement Class Members.

The Settlement Class's positive reaction also strongly supports the proposed fee and expense requests. The circumstances here posed substantial obstacles to any recovery, and obtaining the excellent result for the Settlement Class required Plaintiff's Counsel to commit commensurate resources over more than two-and-a-half-years. Due to the PSLRA's heightened-pleading standards and prohibition of discovery at the pleadings, Plaintiff's Counsel investigated and developed a factual record sufficient to survive the motions to dismiss—without the benefit of any government or third-party investigations into Defendants' alleged misconduct. This included interviewing multiple former Hayward employees, with knowledge of the alleged undisclosed information, for key allegations in the complaints.

Moreover, even by the standards of securities fraud claims, this case was complex, with three groups of Defendants who each had their own counsel and filed their own lengthy motions to dismiss. Each Defendants group raised arguments based on its own specific role and circumstances—the arguments of the Hayward Defendants, which focused on the securities fraud claims, were substantially different from the arguments of the CCMP Defendants and the MSD Defendants, which focused on difficult control liability questions. Plaintiff's Counsel drafted opposition memoranda, which successfully responded to these arguments, and

Plaintiff's Counsel believed that keeping all three groups of Defendants in the case increased the value of the claims for Settlement Class Members.

This case was also risky and hard-fought. It involved two round of motions to dismiss, and an amended pleading, which building on earlier allegations enabled the core claims to survive. Plaintiff's Counsel then undertook document discovery in connection with the mediation. This included reviewing raw performance data and reports produced by Defendants, with information relevant to key factual issues. Further, Plaintiff's Counsel undertook expert damages discovery and provided evidence of the Class's losses, while addressing arguments from Defendants' damages expert that any losses were minor. The Parties contested these fact and damages issues through two rounds of mediations, and for each mediation Plaintiff's Counsel drafted briefs and presentations, among other materials.

As detailed in Plaintiff's Counsel's billing entries and chart summarizing the categories of tasks they performed ("Task Chart"), the foregoing work was non-duplicative, matched the manner in which the multiple Defense counsel litigated and staffed the case, and was necessary to achieve the recovery. Notably, the over 32,000 Class Members who chose to participate in the Settlement include numerous sophisticated investors with the means and incentive to object to a fee request they consider excessive. That none of them did so here shows that the requested fees and expenses, which are lower than the noticed amounts, are reasonable and consistent with awards in similar cases.

II. THE NOTICE PROGRAM WAS THOROUGH AND PROVIDED SETTLEMENT CLASS MEMBERS THE OPPORTUNITY TO OBJECT, OPT-OUT, OR FILE A CLAIM

A.B. Data conducted an extensive notice program, following the Court's instructions in the Preliminary Approval Order (ECF No. 129). This included: mailing or causing to be mailed 19,156 copies of the Notice and Proof of Claim to potential Settlement Class Members and nominees; publishing the Summary Notice over PR Newswire; maintaining a dedicated settlement website with key information, and the Notice, Claim Form and other Settlement documents; and maintaining a toll-free helpline for Settlement Class Members. Supplemental Declaration of Ann Cavanaugh Regarding Notice Dissemination, Publication, and Requests for Exclusion Received to Date ("Supp. Cavanaugh Decl.") ¶¶4-7.

The notice program was effective. As of July 20, 2026, potential Settlement Class Members have filed approximately 32,208 claims. This exceeds the number of Claim Packages mailed because many of those packages were sent to banks, brokers, and other nominees holding shares in street name on behalf of numerous beneficial owners, each of whom was entitled to submit an individual claim. *Id*. The combination of individual mailed notice, publication notice, a settlement website, and toll-free helpline was thus the best practicable notice, as the large number of filed claims confirms. *See* Fed. R. Civ. P. 23(c)(2)(B); Final App. Mot. 32-34.

Further, the notice program repeatedly gave Settlement Class Members instructions for objecting to the Settlement or fee request and for opting-out, including that the deadline for doing so was May 20, 2026. They did not file a single objection or exclusion—in stark contrast to the over 32,000 claims filed.

III. THE ABSENCE OF OBJECTIONS AND OPT-OUTS SUPPORTS FINAL APPROVAL AND THE PLAN OF ALLOCATION

The Third Circuit instructs courts to consider the reaction of the class in determining whether to approve a settlement. *See Girsh v. Jepson*, 521 F.2d 153, 157 (3d Cir. 1975). That is "perhaps the most significant factor to be weighed in considering [a settlement's] adequacy." *In re Veeco Instruments Inc. Sec. Litig.*, 2007 WL 4115809, at *7 (S.D.N.Y. Nov. 7, 2007). Specifically, under *Girsh*, courts assess whether "the number of objectors, in proportion to the total class, indicates that the reaction of the class to the settlement is favorable." *In re Schering-Plough Corp. Enhance Sec. Litig.*, 2013 WL 5505744, at *2 (D.N.J. Oct. 1, 2013).

The reaction of the Settlement Class here could not be more favorable. Not a single Settlement Class Member filed an objection or requested exclusion, and the deadline for doing so passed on May 20, 2026. Supp. Cavanaugh Decl., ¶8-10. This is powerful evidence that the Settlement is fair, reasonable, and adequate. That is especially so given the tens of thousands of Settlement Class Members who received notice and instead filed claims.

As the Third Circuit recognized, this "vast disparity between the number of potential class members who received notice of the Settlement and the number of objectors creates a strong presumption . . . in favor of the Settlement." *In re Cendant Corp. Litig*., 264 F.3d 201, 235 (3d Cir. 2001). Also, "[t]hat not one sophisticated institutional investor objected to the Proposed Settlement," when the Settlement Class includes many such investors, "is indicia of its fairness." *In re Facebook, Inc., IPO Sec. & Deriv. Litig*., 343 F. Supp. 3d 394, 410 (S.D.N.Y. 2018).

The absence of exclusions further weighs in favor of approving the Settlement. *See, e.g., Kanefsky v. Honeywell Int'l Inc.*, 2022 WL 1320827, at *5 (D.N.J. May 3, 2022) ("The absence of any objections by Class Members and the small number of opt-outs relative to the apparent size of the Class strongly weigh in favor of approval of the Settlement."); *James v. Glob. Tel*Link Corp.*, 2020 WL 6197511, at *5 (D.N.J. Oct. 22, 2020) ("The absence of any objections by Class Members, and the exceedingly small number of opt-outs relative to the apparent size of the Class, strongly weighs in favor of approval of the Settlement").

Likewise, the Class's positive reaction supports approval of the Plan of Allocation. *In re Lucent Techs., Inc., Sec. Litig*., 307 F. Supp. 2d 633, 649 (D.N.J. 2004) ("The favorable reaction of the Class supports approval of the proposed Plan of Allocation. . . . [N]o Class Member has objected to the Plan of Allocation."); *In re AremisSoft Corp. Sec. Litig.*, 210 F.R.D. 109, 127 (D.N.J. 2002) (same). Plaintiff's Counsel developed the Plan of Allocation with the assistance of a damages expert. It is similar to plans approved in other securities cases, and as required, provides a rational, pro rata basis for distributing the Net Settlement Fund.

IV. THE FEE REQUEST, LITIGATION EXPENSES, AND LEAD PLAINTIFF'S SERVICE AWARD MERIT APPROVAL

A. The Absence of Objections or Opt-Outs Shows that the Fee Request, Expenses and Service Award are Reasonable

The percentage-of-recovery method is the primary approach for fee-setting in common fund cases in this Circuit, and the requested fee percentage here is reasonable. *See Sullivan v. DB Invs.*, 667 F.3d 273, 330 (3d Cir. 2011). Plaintiff's Counsel requests a fee of one-third of the Settlement Fund after deducting litigation expenses and settlement administration costs, which is less than the noticed amount.

Not a single Settlement Class Member objected to the fee request or sought exclusion from the Settlement, providing strong evidence that the fee request is merited and reasonable under the circumstances here. *See In re AT&T Corp.*, 455 F.3d 160, 170 (3d Cir. 2006) ("the absence of substantial objections by class members to the fees requested by counsel strongly supports approval"); *In re Rite Aid Corp. Sec. Litig.*, 396 F.3d 294, 305 (3d Cir. 2005) (describing a settlement where only two objections to a fee request were filed as "a rare phenomenon");

Nguyen v. Educ. Comput. Sys., Inc., 2024 WL 3691614, at *2 (W.D. Pa. Aug. 7, 2024) (finding this factor favored approval because "only two objections were asserted, and both were withdrawn prior to the . . . final approval hearing"); *In re Ins. Brokerage Antitrust Litig.*, 282 F.R.D. 92, 121 (D.N.J. 2012) ("The absence of substantial objections by Settlement Class members to the fees requested by Class Counsel strongly supports approval."). As detailed in the Fee Motion (at 14-24), and further discussed below, the fee request readily satisfies all of the *Gunter* factors, and is consistent with awards in similar cases.

The complete absence of objections to the requests for reimbursement of Plaintiff's Counsel's litigation expenses, which were necessary to prosecute the claims, and for Lead Plaintiff's service award, demonstrates that those requests are also reasonable. They should be granted as well. Fee Motion 26-27.

B. The Lodestar Crosscheck Confirms that the Requested Fee is Reasonable

Plaintiff's Counsel made a substantial and high-risk investment in the Settlement Class's recovery. Their lodestar of $6,522,964, and requested multiplier of .993, are reasonable.[2] The percentage-of-recovery method is the primary approach to fee-setting in common fund cases in the Third Circuit, but the lodestar

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2 In preparing the Task Chart, and upon further review of the billing entries, Scott+Scott exercised its discretion to reduce its time by 40.4 hours compared to the hours listed in the Fee Motion. This also correspondingly reduced the lodestar by approximately $45,000 and increased the multiplier by .007 in the Task Chart.

multiplier cross-check—which "need entail neither mathematical precision nor bean-counting"—supports the fee request too. *Rite Aid*, 396 F.3d at 306.

Where, as here, the lodestar multiplier of about 1 is "relatively low, the cross-check can confirm the reasonableness of the potential award under the [percentage] method." *Schering-Plough,* 2013 WL 5505744, at *33. By comparison, courts in this Circuit regularly find higher lodestar multipliers ranging from 2 to above 4 reasonable. Fee Mot. 12-13. Thus, even if the lodestar here were reduced, the requested fee would still result in a multiplier well below 2, which is reasonable and at the low end of the standard range. Such a multiplier is merited here, to compensate Plaintiff's Counsel for the strength of the recovery they secured, their substantial risk of non-payment, and the significant difficulty of prosecuting these claims. *Rite Aid*, 396 F.3d at 306; Fee Motion 12.

Indeed, the hours supporting Plaintiff's lodestar are reasonable, given the time commitment from Plaintiff's Counsel required to obtain a recovery 20 percent above similarly situated cases, and the obstacles Plaintiff's Counsel had to overcome to achieve that recovery. The work Plaintiff's Counsel undertook is discussed below, and is further detailed in the Schwartz Declaration (ECF No. 134), and in Plaintiff's Counsel's billing entries and Task Chart, submitted *in camera* on July 15, 2026. Notably, the work Plaintiff's Counsel performed and the obstacles that work addressed dovetail with the *Gunter* Factors, and so support granting the fee request. Fee Mot. at 14-24.

First, to satisfy the PSLRA, which imposes heightened-pleading standards while prohibiting formal discovery at the pleadings, Plaintiff's Counsel had to spend significant time developing the factual record required to survive Defendants' Motions to Dismiss. That was even more difficult here because there were no government or third-party investigations into Defendants' conduct to assist Plaintiff's Counsel. Fee Mot. at 18-20. As part of the investigation, Plaintiff's Counsel deployed two investigators to locate and interview former Hayward employees with knowledge of the allegedly undisclosed information. This exhaustive investigation, which involved hundreds of hours, confirmed the testimony of six former employees that was included in the complaints. Further, in order to plead the alleged misrepresentations, resulting harm to Hayward and investors, and control liability violations, attorneys at Scott+Scott spent significant time locating and analyzing SEC filings, analyst reports, news articles and other sources covering more than two years of data involving Defendants. *See* Task Chart, Category 2.

Second, this case included three sets of distinctly situated Defendants, which Plaintiff's Counsel believed increased the value of the claims for Class Members but also required substantial additional hours from Plaintiff's Counsel to prosecute.

Even by PSLRA standards, this case was particularly complex, with Plaintiff litigating against: (1) Hayward and certain executives; (2) entities and individuals affiliated with CCMP, one of Hayward's alleged principal owners that sold hundreds of millions of dollars worth of Hayward stock during the Class Period; and (3) entities and individuals affiliated with MSD, Hayward's other alleged principal owner, which made no Class Period stock sales. Fee Mot. at 18-21. Plaintiff's Counsel developed allegations and legal theories tailored to each of the three Defendant groups' alleged misconduct. Task Chart, Categories 3, 5.

Each of the three Defendant groups also had its own counsel, at prominent, well-staffed law firms, and each filed its own lengthy motion to dismiss the CAC and then the SAC. Further, Hayward's motions to dismiss focused on its executives' alleged misrepresentations and were distinct from CCMP's and MSD's motions, which focused on intricate control liability arguments. CCMP's motions to dismiss relied on certain distinct facts and cases compared to MSD's motions, though their motions had overlapping arguments too. Plaintiff's Counsel drafted memoranda that successfully responded to each Defendant group's particularized arguments. This was a substantial undertaking, which required Scott+Scott to assign attorneys to focus on specific Defendants and their motions—just as Defendants divided work among their individual counsel. Task Chart, Categories 4, 6.

Third, this case was very hard-fought, including multiple rounds of motions to dismiss and mediations, each of which raised unique challenges and considerable work for Plaintiff's Counsel. Fee Mot. at 20-21. While the first round of motions to dismiss resulted in the dismissal of the CAC without prejudice, Scott+Scott attorneys then drafted the SAC, which bolstered the allegations specifying falsity and control liability, and added additional Defendants. Task Chart, Category 5. Hayward's motion to dismiss the SAC argued that the amendments did not satisfy the PSLRA's heightened-pleading standards, and Scott+Scott attorneys drafted a successful opposition memorandum thereto. In addition, CCMP's and MSD's motions to dismiss the SAC raised significantly different arguments regarding control liability than their motions to dismiss the CAC, which Scott+Scott's attorneys successfully opposed as well. Task Chart, Category 6.

The intensive advocacy carried over to the Court-ordered mediations, which also required two rounds, but focused on issues relevant to summary judgment rather than the pleadings. In the first mediation, Plaintiff and Defendants focused on their case-in-chief based on document discovery and expert damages discovery. Following a further information exchange, at the second mediation, Plaintiff and Defendants then focused on detailed responses to each other's evidentiary and damages arguments. For each of these mediations, attorneys at Scott+Scott invested hundreds of hours: drafting multiple statements and written submissions, preparing and giving a presentation, and attending an all-day mediation session, among other work. Task Chart, Categories 9, 10.

Fourth, though the Court stayed litigation after sustaining the SAC, the Parties engaged in document discovery and expert damages discovery in connection with mediation, which was critical to obtaining the recovery. For document discovery, attorneys at Scott+Scott propounded requests and negotiated the scope of Defendants' production, identifying topics at the core of the falsity and scienter allegations. In response, Defendants produced reports summarizing and commenting on information relevant to those allegations, and raw performance data relevant to them as well. Converting the raw performance data to usable evidence, analyzing it, and layering it over the information from the reports took a substantial amount of time from Scott+Scott's attorneys. Further, Scott+Scott attorneys responded to and negotiated the scope of documents Defendants requested from Plaintiff, and then prepared Plaintiff's document production. This required about 600 hours from Plaintiff's Counsel. Task Chart, Category 7. Then, for expert discovery, Scott+Scott attorneys worked with Plaintiff's damages expert to: prepare multiple damages and loss causation analyses; submit damages exchanges with Defendants; evaluate the arguments of Defendants' damages experts; and respond to questions from the mediator. This took over 150 hours of work. Task Chart, Category 8.

Fifth, this case has spanned a considerable period of time. Fee Mot. at 21-22. Its stages included: initially developing the claims; then two-and-a-half years of active litigation and mediation; followed by drafting settlement and approval papers; and now ongoing settlement administration. During that period, beyond the work described above, attorneys and staff at Scott+Scott: drafted the Lead Plaintiff Motion; regularly communicated with Lead Plaintiff; conferred with Defendants' counsel; reviewed Court orders; filed procedural motions and stipulations; responded to issues raised by Defendants or the Court; drafted the Settlement Stipulation; and drafted the Settlement approval papers. These tasks, which were necessary to advance the case, required additional moderate work from attorneys and staff at Scott+Scott. Task Chart, Categories 1, 11, 12, 13.

Thus, to achieve the recovery, Plaintiff's Counsel efficiently performed multiple stages of non-duplicative, complex work, totaling 6,606 hours. Moreover, the work Scott+Scott performed, described above, was distinct from the work Cohn Lifland performed. As Liaison Counsel, Cohn Lifland reviewed all filings and assisted with case administration to ensure compliance with local rules and practice.

Additionally, Scott+Scott's billing rates are reasonable, and have been approved by federal courts across the country in contingent-fee class action litigation. *E.g.*, *Russo v. Walgreen Co.*, No. 1:17-CV-02246, 2026 WL 878331, at *22 (N.D. Ill. Mar. 30, 2026) (approving fees with Scott+Scott's rates ranging from

$400 and $1420); *Barrett v. Apple Inc.*, No. 5:20-CV-04812, 2025 WL 1002786, at *3 (N.D. Cal. Apr. 3, 2025) (approving Scott+Scott attorney hourly rates between $500 and $1,545); *Steamship Trade Ass'n of Balt. – Int'l Longshoremen's Ass'n Pension Fund v. Olo Inc.*, No. 1:22-cv-08228 (S.D.N.Y. June 11, 2024), ECF Nos. 123-2, 125-5 (approving fees with Scott+Scott's rates ranging from $435 to $1,975).

The absence of objections from institutional investors to any aspect of the fee request, including the lodestar cross-check, is powerful evidence that Plaintiff's Counsel's fee request and lodestar merit approval. *In re Schering-Plough Corp. Enhance ERISA Litig.*, 2012 WL 1964451, at *6 (D.N.J. May 31, 2012) ("The lack of objections to the requested attorneys' fees supports the request, especially because the settlement class includes large, sophisticated institutional investors."). For "institutional investors," who make up a considerable portion of the Settlement Class, "had considerable financial incentive to object had they believed the requested fees were excessive," but did not do so. *See Rite Aid*, 396 F.3d at 305.

V. CONCLUSION

The recovery here was hard-fought, well-above average, and the Class strongly supports the proposed Settlement and fee request. For the reasons detailed herein, Lead Plaintiff and Plaintiff's Counsel thus respectfully request that the Court: grant final approval of the proposed Settlement and Plan of Allocation; and approve the request for attorneys' fees, litigation expenses, and a service award.

DATED: July 21, 2026

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