SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

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	:	Index No. 653594/2018
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IN RE RENREN, INC.	:	Hon. Andrew Borrok
	:	
DERIVATIVE LITIGATION	:	
	:	Mot. Seq. No. 021
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AFFIRMATION OF WILLIAM T. REID, IV IN SUPPORT OF PLAINTIFFS' MOTION FOR APPROVAL OF PROPOSED SETTLEMENT AND AWARD OF ATTORNEYS' FEES AND EXPENSES

William T. Reid, IV, an attorney duly admitted to practice law in the state of New York, and not a party to this action, hereby affirms under the penalties of perjury the following, pursuant to CPLR 2106:

1. I am a founding partner of the law firm Reid Collins & Tsai LLP ("**Reid Collins**"). I am familiar with the facts asserted herein based on either personal knowledge or from an examination of the documents attached hereto. I submit this Affirmation and exhibits in support of Plaintiffs' Motion for Approval of Proposed Settlement and Award of Attorneys' Fees (the "**Motion**").

2. Reid Collins, along with Grant & Eisenhofer, P.A. ("**G&E**"), Gardy & Notis, LLP ("**G&N**"), and Ganfer, Shore, Leeds & Zauderer, LLP ("**Ganfer Shore**," and together with Reid Collins, G&E, and G&N, "**Plaintiffs' Counsel**"), represent Plaintiffs Heng Ren Silk Road Investments LLC ("**Heng Ren**"), Oasis Investments II Master Fund Ltd. ("**Oasis**"), and Jodi Arama ("**Arama**") (together, "**Plaintiffs**") in the above-captioned action.

3. I believe that this proposed settlement will be a tremendous outcome for Renren and its minority shareholders. To get here, we had to overcome two very substantial gateway

issues: (i) jurisdiction; and (ii) standing. Plaintiffs have untangled complex transactions involving sophisticated investors, international financial institutions, and respected law firms to establish the requisite facts to prove this case.

4. Armed with the facts, which took thousands of hours to assemble, we were able to establish jurisdiction and the even more difficult task of establishing derivative standing under Cayman law. Subsequently, through additional painstaking factual investigations aided by strategic discovery efforts, we were able to add SoftBank and SoFi as defendants and secure an attachment of more than half a billion dollars of assets.

5. After we won the appeal of the denial of the motions to dismiss in the Appellate Division, these two additional steps (amending the complaint to add new defendants and even more detailed allegations and obtaining the attachment order) were critical in helping us negotiate a settlement from a position of strength. We believe that this proposed settlement would be the largest direct pay recovery and one of the largest settlements of any shareholder derivative action in history.

6. Achieving the same economics for minority shareholders following a trial would have required an award of at least $955 million, based on my current understanding of the minority ownership percentage. Leaving aside the question of how long it would take to obtain a final judgment and win any ensuing appeals, of course there would be no guarantee of victory at trial or on appeal of an award that large. Taking the case all the way through trial would have likely been more profitable for my firm and co-counsel (because the settlement fund likely would have been a larger company-level remedy), but settling the case now is in the best interests of Renren and its minority shareholders and ADS holders.

7. The terms of the proposed settlement (the "**Settlement**") are reflected in the Stipulation of Settlement filed on October 7, 2021. NYSCEF No. 753. The Settlement Amount equates to a recovery of at least 87% of the most aggressive damages theory that Plaintiffs would have argued the net loss sustained by Renren to be in the Transaction. The $955 million company level recovery implied by the Settlement Amount exceeds our original damages theory at the time we first filed the case. Meanwhile, the Settlement provides Renren's minority shareholders direct and immediate compensation of at least $300 million, brings about important corporate governance changes, and eliminates delays and uncertainties associated with continued litigation.

I. HISTORY OF THE LITIGATION

A. The Underlying Transaction and Pre-Suit Investigation

8. As alleged in Plaintiffs' Proposed Second Amended Supplemental Consolidated Derivative Complaint [NYSCEF No. 741] (the "**Proposed Complaint**"),[1] this derivative action arises out of an integrated series of transactions (collectively, the "**Transaction**") through which Renren's interests in 44 portfolio companies and 6 investment funds were taken by its controlling stockholders: its Chairman and CEO Joseph Chen ("**Chen**"), former director David Chao ("**Chao**"), director James Jian Liu ("**Liu**"), certain investment funds controlled by Chao (the "**DCM Defendants**"), SoftBank Group Corp. ("**SoftBank Group**"), and its wholly owned subsidiary SB Pan Pacific Corp. ("**SoftBank PPC**," and, together with the foregoing, the "**Controlling Stockholders**").

[1] The following factual background summarizes the allegations in the Proposed Complaint. The Affirmation of Jeffrey Gross in Opposition to the SoftBank Defendants' Motion to Dismiss [NYSCEF No. 695] lays out and includes as exhibits the hundreds of documents and SEC filings supporting the factual allegations in the Proposed Complaint.

9. The Transaction was made possible with financing from SoftBank Group Capital Limited ("**SoftBank GCL**"),[2] a wholly owned subsidiary of SoftBank Group, and was further facilitated by Duff & Phelps, LLC ("**Duff & Phelps**"), which provided a valuation of the company that received the Renren assets, Oak Pacific Investment ("**OPI**"). In exchange for the billion-dollar investment portfolio it lost, Renren only received approximately $183 million in consideration, comprised of $25 million in cash, a $90 million note from OPI, and OPI's assumption of approximately $58 million in third-party debt.

10. Before the Transaction closed in June 2018, Oasis and Heng Ren explored options to challenge the Transaction as unfair. Oasis and Heng Ren engaged my firm to investigate claims they might have resulting from the Transaction. Reid Collins performed extensive legal and factual research and drew on its experience with cross-border litigation to come up with a claim Renren's minority shareholders could pursue and jurisdictional hooks to sue Chen and Chao in New York.

11. Similarly, G&N teamed up with G&E to explore litigation on behalf of Arama, another Renren shareholder. Plaintiffs' Counsel had to develop a litigation strategy from whole cloth: there were no other lawsuits, regulatory actions, or investigations concerning the Transaction (despite outcry from Renren Shareholders) that could help guide a path in litigation, and what little New York precedent there was regarding claims by minority owners of Cayman companies was adverse.

B. Litigation Commences

12. For several months prior to July 2018, after the proposed Transaction was announced on April 30, 2018, we researched and investigated the two critical gateway issues to

[2] SoftBank Group, SoftBank GCL, and SoftBank PPC are collectively referred to as the "**SoftBank Defendants**."

litigating the case in the United States: (i) jurisdiction and (ii) derivative standing. To get comfort that we had a good claim on jurisdiction, we did extensive investigation into the Transaction and its various components. We hired English and Cayman legal experts to evaluate the derivative standing question and give us comfort that we had a legal path to establish standing.

13. After we became confident that we had good answers to anticipated challenges to jurisdiction and standing, on July 19, 2018, Plaintiffs Heng Ren and Oasis filed a complaint asserting derivative claims on behalf of Renren against Chen and Chao concerning the Transaction. NYSCEF No. 2.

14. After filing the complaint, Plaintiffs encountered their first of many significant obstacles—finding and serving Chen (a U.S. citizen). After extensive efforts to find and locate Chen (including retaining private investigators and repeated attempts at personal service), Plaintiffs sought and were granted leave to serve Chen through alternative service. NYSCEF No. 18.

15. On December 5, 2018, Plaintiff Arama filed a complaint asserting derivative claims on behalf of Renren against Chen, Chao, the DCM Defendants, and Duff & Phelps. With two cases filed, Plaintiffs' Counsel agreed to work cooperatively together in pursuit of the derivative claims. Plaintiffs' have agreed to split any fee award as follows: 63% to Reid Collins; 30% collectively to G&E and Gardy & Notis; and 7% to Ganfer Shore.

16. On February 27, 2019, the Court issued an order consolidating the *Arama* action into the *Heng Ren* action, appointing Heng Ren, Oasis, and Arama as lead plaintiffs, and appointing Reid Collins, G&E, and G&N as co-lead counsel for Plaintiffs. NYSCEF No. 48.

17. Plaintiffs filed a consolidated complaint against Chen, Chao, the DCM Defendants, OPI, and Duff & Phelps (the "**Consolidated Complaint**") on March 7, 2019. NYSCEF No. 53.

Plaintiffs alleged that two of Renren's directors, Chen and Chao, breached their fiduciary duties. Plaintiffs also brought claims for aiding and abetting breach of fiduciary duty, and similar claims under Cayman law for dishonest assistance, against Duff & Phelps and the DCM Defendants. Finally, Plaintiffs asserted a knowing receipt claim under Cayman law against OPI, as well as alter ego claims against certain of OPI's wholly owned subsidiaries.

18. On May 10, 2019, Chen, Chao, the DCM Defendants, OPI, Duff & Phelps, and Renren moved to dismiss the Consolidated Complaint. NYSCEF Nos. 66, 73, 100, 111, 114. These Defendants argued, among other things, that the Court lacked personal jurisdiction, that service of process was not properly completed, and that Cayman law did not permit Plaintiffs to assert the claims alleged derivatively on behalf of Renren. Briefing on the motions to dismiss was extensive and included competing expert submissions on Cayman law. I prepared extensively for the motion to dismiss hearing, with my co-counsel at G&E and G&N set to argue in opposition to Duff & Phelps' motion to dismiss. The binders containing the legal precedent and the Cayman legal opinions filled two bankers' boxes. After hearing oral argument, the Court denied Defendants' motions to dismiss on May 20, 2020, and issued a 71-page opinion and order (the "**Motion to Dismiss Order**"). NYSCEF Nos. 305-309.

19. On June 22 and 23, 2020, Chen, Chao, the DCM Defendants, OPI, Duff & Phelps, and Renren appealed the Motion to Dismiss Order to the First Department. NYSCEF Nos. 322-326. While their appeals were pending, Chen, Chao, the DCM Defendants, OPI, and Renren filed answers to the Consolidated Complaint. NYSCEF Nos. 328-331. Duff & Phelps moved to dismiss the Consolidated Complaint for failure to state a cause of action. NYSCEF No. 332. Plaintiffs opposed Duff & Phelps' second motion to dismiss, which remained fully briefed and pending. NYSCEF No. 348.

20. Thereafter, the parties engaged in a year's worth of document discovery. As with most complex cases, discovery was iterative. To ultimately get the documents we needed, we had to digest each wave of discovery to gather evidence of the other documents that we had not yet received. Throughout, we engaged in extensive meet-and-confer efforts to fill in the gaps in Defendants' document productions.

21. Also, many of the source documents were in Mandarin Chinese. So, we hired several contract lawyers solely for purposes of translation who were fluent in Mandarin so that we could get through the productions and understand what we had.

22. In addition to discovery from Defendants, Plaintiffs served subpoenas on non-parties, including Skadden, Arps, Slate, Meagher & Flom LLP, O'Melveny & Myers LLP, Bank of America N.A., Silver Lake Technology Associates IV, L.P., SharesPost, Inc., and SoFi (before it became a party to the Action).

23. Discovery in this case has been extensive: Defendants and non-parties have produced to date over 115,000 documents totaling more than 792,000 pages. Document discovery was difficult and costly because it required extensive coordination with many groups of Defendants, including over issues surrounding Chinese state secrecy laws.

24. Defendants' document productions took time given the complexities, and that the vast majority of documents were produced in the last six months. Many of these documents were in Mandarin Chinese or Japanese and required professional third-party translation. Plaintiffs' Counsel reviewed the documents themselves without the assistance of contract attorneys (other than for foreign language translation) so that experienced lawyers could make the necessary judgments and strategic decisions given the complex factual, legal, and valuation issues involved in the case.

C. Plaintiffs' Efforts and Victories in 2021 Set the Stage for Settlement.

1. Plaintiffs Secure Appellate Victories.

25. On February 25, 2021, the First Department held oral argument on Chen, Chao, the DCM Defendants, OPI, Duff & Phelps, and Renren's appeal of the Motion to Dismiss Order. The First Department unanimously affirmed the Motion to Dismiss Order on March 18, 2021. *See* 192 A.D.3d 539 (1st Dep't 2021). I prepared extensively for the oral argument, mooted it twice, and re-read all of the briefs, authorities, and the evidence thoroughly multiple times over.

26. On April 19, 2021, Chen, Chao, the DCM Defendants, OPI, Duff & Phelps, and Renren filed motions in the Appellate Division for leave to appeal the affirmance of the Motion to Dismiss Order to the Court of Appeals. In just ten days, Plaintiffs researched, drafted, proofed, and finalized a comprehensive 52-page brief responding to four sets of Defendants' requests for leave to appeal. On June 22, 2021, the Appellate Division denied leave to appeal.

2. Plaintiffs Expand the Scope of Litigation Through Detailed Amended and Supplemental Pleadings.

27. Based on documents produced in the first quarter of 2021 and certain public filings related to SoFi, Plaintiffs learned that OPI had transferred certain interests in SoFi stock to SoFi and/or certain of the SoftBank Defendants. Plaintiffs quickly sought to amend their complaint to include claims to avoid the transactions as fraudulent transfers and for an injunction barring OPI from making further transfers.

28. On February 19, 2021, Plaintiffs moved for leave to file an amended supplemental complaint. NYSCEF No. 370. Although Defendants' document productions to that point had been extremely limited, the proposed amended supplemental complaint contained detailed allegations concerning the mid-litigation transfers. As Defendants' document productions continued to trickle in, Plaintiffs discovered information supporting claims in addition to those in the proposed

amended supplemental complaint. On March 2, 2021, Plaintiffs withdrew without prejudice their motion for leave to file an amended and supplemental complaint. NYSCEF No. 381.

29. On March 16, 2021, Plaintiffs moved for leave to file a new amended and supplemental complaint (the "**ASC**"). NYSCEF No. 382. Plaintiffs' motion was supported with a detailed attorney affirmation and an affidavit from Cayman law experts retained by Plaintiffs.

30. On March 19, 2021, one day after the Appellate Division unanimously affirmed the Motion to Dismiss Order, Plaintiffs and Defendants filed a stipulation consenting to the filing of the ASC. NYSCEF No. 398. The Court so-ordered the stipulation [NYSCEF No. 403], and Plaintiffs filed the ASC on March 22, 2021. NYSCEF No. 405.

31. The ASC added claims against the SoftBank Defendants for aiding and abetting breach of fiduciary duty and dishonest assistance under Cayman law, added fraudulent transfer claims against SoftBank GCL and SoFi, sought to pierce the corporate veil between OPI and two subsidiaries, Renren Lianhe, and Renren SF (collectively, the "**OPI Defendants**"), and sought an injunction preventing OPI and its subsidiaries from disposing of additional assets.

32. Although Defendants' document productions at that stage had been limited (as of March 22, 2021, Defendants had produced just 2,675 of the more than 115,000 documents produced to date), the ASC included over 140 pages of detailed factual allegations. The ASC was the product of extensive research and review of Defendants' productions and public filings associated with SoFi's IPO.

33. Because SoftBank Group, SoftBank PPC, and SoftBank GCL are foreign companies, Plaintiffs had to either serve those entities in accordance with the Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters (the "**Hague Convention**") or persuade them to waive service.

34. In April 2021, Plaintiffs' Counsel, at its own expense, retained English Solicitors from the firm of Mischon de Reya LLP to serve SoftBank GCL at its headquarters in London pursuant to the Hague Convention. NYSCEF No. 442. Serving SoftBank Group and SoftBank PPC at their headquarters in Japan in accordance with the Hague Convention could have taken up to a year and significantly derailed resolution of this case. However, the SoftBank Defendants and SoFi eventually agreed to waive personal service after Plaintiffs informed the SoftBank Defendants that they intended to file a motion for substituted service.

35. The OPI Defendants, SoFi, and the SoftBank Defendants moved to dismiss the new claims in the ASC on May 6, May 10, and June 30, 2021, respectively. NYSCEF Nos. 472, 494, 640. Plaintiffs opposed each of these motions and filed detailed memoranda of law in opposition.

36. On June 16, 2021, with the Court's permission, Plaintiffs filed an overlength omnibus memorandum of law and a detailed attorney affirmation in opposition to the OPI Defendants' and SoFi's motions to dismiss. NYSCEF No. 566. On August 30, 2021, Plaintiffs filed a memorandum of law in opposition to the SoftBank Defendants' motion to dismiss. NYSCEF No. 694. Plaintiffs' memorandum requested leave to replead, if necessary, and was accompanied by a 188-page proposed second amended supplemental complaint that included new allegations based on information gleaned from Defendants' continuing document productions, the vast majority of which had been made after Plaintiffs filed the ASC. NYSCEF No. 741.

3. The Attachment Order.

37. On April 13, 2021, Plaintiffs moved by order to show cause for a preliminary injunction or prejudgment attachment against OPI, Renren SF, and Renren Lianhe to prevent them from further transferring or disposing of any of the Investments obtained from Renren through the 2018 Transaction. NYSCEF No. 408. Plaintiffs' motion was supported by a detailed memorandum

of law, a comprehensive attorney affirmation, and 27 exhibits. OPI, Renren SF, and Renren Lianhe opposed the motion [NYSCEF No. 447], and the Court scheduled oral argument on the motion for May 14, 2021. None of this would have been possible but for the exhaustive efforts of looking through the discovery and our related factual investigations into SoFi's publicly announced merger.

38. On May 14, 2021, following oral argument on Plaintiffs' motion for a preliminary injunction or prejudgment attachment, the Court issued an order granting attachment and directing Plaintiffs to file a proposed order of attachment within two business days. NYSCEF No. 505. On May 18, 2021, Plaintiffs filed a proposed order of attachment pursuant to the Court's May 14, 2021 Order [NYSCEF No. 518], and on May 24, 2021, the Court entered an Order of Attachment (the "**Attachment Order**") and directed the levy of assets held by the OPI Defendants up to the amount of $560 million. NYSCEF No. 549. I prepared extensively for the order to show cause and ultimately the court found the evidence and the arguments persuasive enough to grant the extraordinary order of attachment.

39. The Attachment Order prohibited the OPI Defendants from disposing of any assets or making any payment beyond routine business expenses in an amount not to exceed $400,000 per month without Court approval. The Attachment Order also required Plaintiffs to post a $1 million undertaking with the Court within 10 days of the Attachment Order, which Plaintiffs did.

40. On June 2, 2021, the OPI Defendants filed a notice of appeal to the Appellate Division, seeking to overturn the Attachment Order and filed in the Appellate Division an emergency motion to stay or modify the Attachment Order pending appeal. On June 28, 2021, Plaintiffs filed a notice of cross-appeal to the Appellate Division relating to the denial of their request for a preliminary injunction. Plaintiffs and the OPI Defendants met and conferred and

agreed to a stipulation providing the relief Plaintiffs had sought through the Attachment Order. On July 7, 2021, the Court so-ordered the stipulation (the "**Attachment Stipulation**"). NYSCEF No. 649. The Attachment Stipulation vacated the Attachment Order, mooted Plaintiffs' and the OPI Defendants' appeals, and imposed important restrictions on the OPI Defendants for the protection of Renren and its shareholders.

41. Obtaining the Attachment Order was a tremendous success for Plaintiffs. The Attachment Order and Attachment Stipulation ensured that this action would not be in vain and that Renren and its shareholders would be afforded a substantial recovery. By putting a stop to future transfers of the Investments, the Attachment Order and Attachment Stipulation also helped lead to renewed settlement talks.

42. To put this in perspective, I have never obtained a pre-judgment order of attachment in my 29 years of practicing law. But, the sum total of the appellate win, the amended complaint (and its detailed allegations), and the Attachment Order all set the stage for this proposed settlement.

D. Settlement Negotiations

43. The parties engaged in settlement discussions throughout this action and, at considerable expense, mediated before a retired Federal District Judge, Layn Phillips.

44. In November 2020, Plaintiffs, Chen, Chao, the DCM Defendants, OPI, Duff & Phelps, and Renren agreed to participate in a settlement mediation with Judge Phillips. Mediation sessions were held on January 6 and January 7, 2021. The mediation was unsuccessful, but the parties continued settlement discussions with Judge Phillips over the following months.

45. On July 23, 2021, Plaintiffs, Chen, Chao, the DCM Defendants, Renren, the OPI, Defendants, Duff & Phelps, SoFi, and the SoftBank Defendants participated in a second mediation

session before Judge Phillips. The parties did not reach a resolution during the mediation, but, with Judge Phillips's assistance, continued settlement discussions over the following months.

46. After two months of intense negotiation following the July 23, 2021 mediation session, Judge Phillips made a mediator's proposal in early September regarding monetary terms for a global resolution of the case, which the parties accepted. Once the parties reached an agreement on monetary terms, they continued to negotiate the structural elements of the settlement for several weeks afterwards. After weeks of negotiating the structural elements, the parties reached an agreement. The Stipulation of Settlement filed with the Court on October 7, 2021, is the product of three years of intense litigation, zealous advocacy, and a hard-fought, arms' length negotiation. NYSCEF No. 753.

47. I personally led the negotiations for the Plaintiffs. The negotiations were complicated, detailed, and intense at times. There were several near-impasses and stalemates that the parties had to work through as part of the grueling negotiations. But, we insisted on the key terms that make this settlement truly remarkable as will be set forth below.

II. THE SETTLEMENT

48. The monetary terms of the Settlement are significant and provide Renren's shareholders and ADS holders compensation proportionate to the damage the company suffered as a result of Defendants' actions. Before reductions for fees and expenses, the Settlement will provide Renren's shareholders and ADS holders with at least $38.6866 per ADS and $0.859701 per Class A ordinary share, for a minimum aggregate amount of $300 million. This is a large settlement by any measure, but particularly for a shareholder derivative case. This is the largest

direct pay cash payment in settlement of a derivative case that my co-counsel[3] and I are aware of. The significance of this case and the proposed Settlement are discussed in more detail in the Affirmation of Mark C. Zauderer.

49. Meanwhile, we insisted that not only the Defendants but also the special committee members who approved the Transaction in 2018 (located abroad) and two Renren officers who will be released if the Settlement is approved (the "**D&O Releasees**")[4] could not recover any money as part of this deal. We also insisted that in addition to the typical mailings to shareholders that Renren would also notify shareholders through two public SEC filings that included the Stipulation and the notice, all to ensure that every minority shareholder would receive notice.

50. Unlike most shareholder derivative case settlements, the proposed Settlement involves payment directly to owners of Renren Class A ordinary shares or Renren ADS's, other than Defendants and the D&O Releasees (the "**Renren Shareholders**"). Plaintiffs insisted throughout settlement negotiations that any settlement would need to have such a "direct pay" structure to ensure that settlement funds would not end up under the control of Defendants themselves. Given Plaintiffs' understanding of Renren Shareholders' current minority ownership interest, the minimum Settlement Amount of $300 million is equivalent to a company-level recovery of nearly $955 million.

51. This is a remarkable recovery in that it is very close to the total amount of Plaintiffs' "best case" estimate of the net loss that Renren sustained in the Transaction. Based on documents produced by Defendants in this litigation, Plaintiffs' Counsel estimate that the investments

[3] G&E and G&N have extensive experience prosecuting and structuring settlements in derivative action, as discussed in more detail in the affirmations of Christine Mackintosh and James Notis.

[4] The D&O Releasees are: Liu; Special Committee members Stephen Tappin, Hui Huang, and Tianruo Pu; former Renren CFO Thomas Ren; and each of their agents, attorneys, advisors, representatives, heirs, successors, and assigns.

transferred out of Renren were worth approximately $1.277 billion at the time of the Transaction. Renren received approximately $183 million in total consideration for the investments, leading to a net loss of approximately $1.094 billion. The implied company-level recovery of approximately $955 million recoups more than 87% of the damages under Plaintiffs' Counsel's aggressive, "best case" estimate of Renren's net loss. Defendants would have argued that damages were far lower, and the ultimate damage theory that the Court would adopt is uncertain. It is a significant possibility that a final damage award would have been worse than this settlement in terms of recovery per share paid to minority shareholders.

52. Moreover, settling now avoids the risk that the Court might reduce the ultimate recovery in the case by taking into account the Cash Dividend paid to minority shareholders at the time the Transaction was completed in 2018. Minority shareholders received $134.3 million through the Cash Dividend in 2018, which was based on a calculated "OPI Value" of $500 million. Although Renren did not receive the Cash Dividend, if the Court—following trial—treated that amount as an offset to Renren's losses, then the total award determined at the company level would have only been $594 million ($1.277 billion less $183 million less $500 million), *i.e.*, ***$360 million less*** than the $955 million implied company level gross recovery in the proposed Settlement.

53. The Settlement's per-share and per-ADS terms are similarly remarkable. The Settlement Amount of $0.859701 per Class A ordinary share and $38.6866 per ADS is more than 140% of the $0.6125 per share / $9.1875 per ADS Cash Dividend that was paid in 2018 in connection with the Transaction (after adjusting for an intervening 1-for-3 reverse split in January 2020).

54. The Settlement also contains an important "greater of" protective provision to prevent dilution of Renren Shareholders' recovery and otherwise protects them to the extent that

the holdings of Renren Shareholders as of the Record Date differ from that estimated when the Settlement was negotiated. If the Renren Shareholders' holdings are less than the estimate, then $300 million will be the "greater of" figure and the Settlement Amount, which means that the per-ADS and per-share recovery will go up.

55. Alternatively, if the Renren Shareholders' holdings are greater than the estimate, then the "greater of" figure and the Settlement Amount will be $300 million plus the additional amount necessary to achieve gross pro rata amounts equal to $38.6866 per ADS and $0.859701 per Class A ordinary share, with that additional amount defined as the True Up. If the True Up is triggered, then the total amount Defendants pay will exceed $300 million. We believe that this will likely end up being the case.

56. The Settlement also requires that Renren make important changes to its corporate governance for a five-year period, a result that would likely not be possible outside of a settlement.

57. Pursuant to the Settlement terms and direction from the Court, Plaintiffs' Counsel have implemented robust notice procedures reasonably calculated to ensure that all Renren Shareholders are informed of the proposed Settlement and given an opportunity to object. Renren has already publicly filed two 6-K forms with the SEC, giving shareholders notice of the Stipulation and approval hearing. In addition, pursuant to the Scheduling Order entered following the October 15, 2021 conference, Plaintiffs' Counsel published a ¼ page advertisement in the Wall Street Journal, maintained a copy of the Notice and other information concerning the proposed settlement on their firms' websites, set up a website specifically for the Settlement (www.renrensettlement.com), and mailed the Notice to the last known addresses of Renren's Class A shareholders and to ADS holders, based on shareholder lists provided by the company.

58. Indeed, following initial volatility immediately after the Settlement was announced, the Renren ADS price has traded in a narrow range on heavy volume, indicating that notice has been widely disseminated in the marketplace. A true and correct copy of Renren trading data for September and October 2021, obtained from the Wall Street Journal on October 31, 2021, is attached as **Exhibit A**.

III. PLAINTIFFS' COUNSEL'S FEE AND EXPENSE APPLICATION

59. Plaintiffs' Counsel have requested a fee of 33% of the Settlement Amount. I believe this fee is fair and reasonable in light of the work Plaintiffs' Counsel have done on this case, the substantial risk they took in prosecuting the case, and the result obtained.

60. The requested fee award is justified by the groundbreaking nature of the Settlement. To my knowledge, the Settlement Amount of at least $300 million is the largest derivative settlement in U.S. history that involved a direct payment to minority shareholders. And as explained above, under the "direct pay" provisions of the Settlement, a $300 million Settlement Amount implies a company-level recovery of approximately $955 million, dwarfing any other derivative settlement in history. In other words, the fee request here is equivalent to approximately 10.4% of the equivalent company-level recovery of $955 million.

61. And, to put that in perspective, a company-level recovery of $955 million, while creating no additional economic benefit to the minority shareholders, would have created a larger settlement fund for purposes of determining Plaintiffs' Counsels' fee. A fee on a $955 million company-level recovery would have justified a larger fee than a $300 million direct pay recovery. But it was in the interests of Renren, its minority shareholders, and our clients to negotiate the best possible deal structure for them (not the lawyers), which I believe we have done.

62. To further maximize the value of the Settlement for wronged Renren Shareholders, Plaintiffs' Counsel procured critical protections in the deal structure to ensure that Defendants and

the D&O Releasees, who still own a substantial majority of the company, would not share in the Settlement proceeds. Plaintiffs' Counsel fought for a "direct pay" structure with consideration flowing directly to the minority Renren Shareholders, while keeping the Settlement proceeds out of the hands of Defendants and their associates, who still effectively control Renren.

63. Plaintiffs' Counsel also insisted that the Settlement Amount be "the greater of" $300 million or the specified per-share and per-ADS amounts. By procuring this safeguard in the final deal terms, Plaintiffs' Counsel was able to protect against any dilution that could occur between the settlement negotiations and the shareholder payment, and thus hurt minority shareholders and benefit Defendants. Finally, Plaintiffs' Counsel negotiated for the inclusion of significant corporate governance reforms for Renren in the Settlement that will contribute additional value to Renren and its minority shareholders if the Settlement is approved, changes that otherwise likely could not be imposed as a remedy were the litigation to instead proceed to trial.

64. Moreover, the requested 33% fee award reflects a standard contingency fee rate that is "reasonable" under BCL §626(e), and tracks the market for contingent engagements involving complex claims by companies against their insiders. Indeed, courts throughout the country regularly approve the retention of my firm on such terms in contingency matters, and even at rates as high as 40%.

65. The requested 33% fee award is also fair and reasonable in light of the tremendous resources Plaintiffs' Counsel had to dedicate to prosecuting this case, along with the massive risk of taking on contingency a case that faced significant legal risks and uncertainties given the challenges posed in obtaining personal jurisdiction and derivative standing under Cayman law. This case was hard-fought, with Defendants having retained highly qualified and respected law

firms. Plaintiffs' claims have been opposed by numerous law firms in the AmLaw 100, including: (1) McDermott Will & Emery LLP; (2) Paul, Weiss, Rifkind, Wharton & Garrison LLP; (3) Goodwin Procter LLP; (4) Winston & Strawn LLP; (5) Holland & Knight LLP; (6) Morrison & Foerster LLP; (7) Skadden, Arps, Slate, Meagher & Flom LLP; and (8) Orrick, Herrington & Sutcliffe LLP.

66. The sheer number of Defendants compounded this case's complexity. For example, derivative cases normally involve one or two motions to dismiss. But here, Plaintiffs' Counsel have fully briefed ***eight*** motions to dismiss. At times, such as for appellate briefs, Plaintiffs had to respond to four briefs from Defendants in one brief, which was quite challenging. And because there were several groups of Defendants, each represented by one or more highly regarded, blue chip law firms, the two months of negotiations required to finalize the many critical deal points in the Settlement were even more grueling and vigorous.

67. Defendants' document productions have been extensive. Defendants produced more than 115,000 documents, many of which were in Mandarin Chinese or Japanese. Defendants also produced many audio files which, while useful, were very time-intensive to review and required professional transcription and translation. Plaintiffs' Counsel at times had to work virtually around the clock to review Defendants' productions, coordinate with translation and transcription services, amend their claims, and seek interim relief to prevent OPI from rendering itself judgment-proof. Lead counsel reviewed the documents themselves (without hiring contract attorneys) so experienced lawyers could make the necessary judgments and strategic decisions given the complex factual, legal, and valuation issues involved in the case. The novel issues at the heart of the case further required the retention of foreign law experts before even filing suit.

68. Adding new fraudulent conveyance claims based on that documentary evidence introduced additional challenges to the case for Plaintiffs' Counsel in the form of more valuation hurdles and complex choice-of-law issues, and further expanded the scope of discovery and the burden of litigating this cross-border case by bringing in overseas defendants based or incorporated in Japan, the United Kingdom, and Micronesia.

69. Prosecuting this case therefore demanded considerable time and attention from all lawyers involved, requiring Plaintiffs' Counsel to turn down other cases that would have provided more certain income and fees. For example, the team from my 37-lawyer firm was by far the largest we have ever assembled and included sixteen attorney timekeepers from four offices. We had 16 separate lawyers and several legal assistants who worked on the case. Our team worked weekends and re-arranged vacation plans to meet the demands of this expansive and fast-moving litigation, including throughout the two months of intensive negotiations that followed the July 2021 mediation. In total, Plaintiffs' Counsel (including paralegals)expended 16,938.3 hours working on this case.

70. Prosecuting the case also required Plaintiffs' Counsel to incur significant litigation expenses in the aggregate amount of $906,470.47 , for which Plaintiffs' Counsel seek reimbursement. The litigation expenses were reasonable and necessary for the prosecution and resolution of the case, and are of the type routinely charged to hourly paying clients. These include mediator fees, expert fees, document-management costs, online research, service of process expenses, court fees, copying costs, and postage expenses.

71. The Notice provided to stockholders informed them that Plaintiffs' Counsel intends to apply for the reimbursement of litigation expenses up to $950,000. The amount of expenses now sought by Plaintiffs' Counsel is $906,470.47, less than the estimated amount included in the

Notice. The deadline for objecting to the fee and expense application is November 24, 2021. To date, there have been no objections to the request for attorneys' fees and litigation expenses.

72. Further, in prosecuting this complicated and unprecedented case on a contingency fee basis, Plaintiffs' Counsel assumed a significant risk that, if the action was unsuccessful, they would not receive any fee for their efforts. Because this was an exceedingly complex case involving novel and challenging questions of New York and foreign law, the attorneys' fees awarded by the Court should be commensurate with the extraordinary risk and difficulty of prosecuting this case. There are several factors that make this case highly unusual, and indeed, without precedent in New York.

73. For example, this is the only derivative case Plaintiffs' Counsel are aware of that established jurisdiction over the insiders of a company operated in China and incorporated outside the United States. This case is also one of few (if any) cases in New York where Plaintiffs were able to obtain derivative standing under the "fraud on the minority" exception to the English rule of *Foss v Harbottle*, (1843) 2 Hare 461, which holds that only a company (and not its shareholders) can sue for breach of duty owed to a company.

74. When this case was initiated in July 2018, the only precedent for seeking derivative standing under a "fraud on the minority" theory under Cayman substantive law was *Davis v. Scottish Re Gp. Ltd.,* 160 A.D.3d 114 (1st Dep't 2018), in which the First Department held that the plaintiffs did ***not*** have standing. Moreover, the First Department's decision in this case was among the first, in any U.S. court, to extend derivative standing to claims against third-party non-insiders, such as Duff & Phelps, that allegedly aided and abetted the wrongdoing of corporate insiders.

75. In addition to thorny jurisdictional and standing problems, this case has involved valuation issues that are more complex than most other cases involving the disposition of assets or corporate opportunities. The Transaction involved the disposition of a portfolio of investments in 44 portfolio companies and 6 investment funds—most of which are private companies based overseas. The amount of discovery needed to prove the undervaluation of dozens of separate companies is substantially greater than the valuation issues typically entailed in shareholder derivative litigation. Moreover, many of the valuation issues relate to technology companies and other disruptive companies not readily amenable to conventional financial techniques, requiring particularized expertise.

76. The Attachment Order also reflects the considerable value that Plaintiffs' Counsel helped deliver to the case. Upon learning of mid-litigation asset transfers by Defendants, Plaintiffs' Counsel sprang into action to seek injunctive relief from the Court. The Attachment Order not only prevented OPI from continuing to dispose of assets without Court approval, but also required the OPI Defendants to maintain up to $560 million in New York to safeguard those funds. The Attachment Order ultimately proved to be a turning point in the case by preserving assets and creating additional incentive for Defendants to resolve this litigation expeditiously by putting a stop to any further transfers of the assets.

77. In recognition of the extraordinary result obtained in this case, the fee request by Plaintiffs' Counsel is supported by Plaintiffs Heng Ren, Oasis, and Arama.

78. Other Renren Shareholders have additionally weighed in to support the Settlement and the fee request by Plaintiffs' Counsel. A true and correct copy of an October 22, 2021 letter from the Chief Investment Officer of Renren ADS holder Two Seas Capital LP, addressed to the Court in support of the Settlement and the fee request by Plaintiffs' Counsel, is attached as **Exhibit**

B. A true and correct copy of a November 1, 2021 letter from the founding partner of Renren ADS holder Invictus Global Management LLC, addressed to the Court in support of the Settlement and the fee request by Plaintiffs' Counsel, is attached as **Exhibit C**.

Dated: November 1, 2021

William T. Reid, IV

PRINTING SPECIFICATIONS STATEMENT

Pursuant to N.Y.C.R.R. §202.70(g), Rule 17, I hereby certify that the foregoing Affirmation was prepared on a computer using Microsoft Word. A proportionally spaced typeface was used as follows:

Name of Typeface: Times New Roman
Point Size: 12
Line Spacing: Double

The total number of words in the foregoing Affirmation, inclusive of point headings and exclusive of the caption, the signature block and the certificate of compliance is 6,520 words.

Dated: November 1, 2021

William T. Reid, IV

EXHIBIT A

Renren Inc. ADR

RENN (U.S.: NYSE)

OVERVIEW PROFILE FINANCIALS RESEARCH & RATINGS ADVANCED CHARTING

Chart Range

1D 5D 1M 3M 6M YTD 1Y 2Y 3Y 5Y 10Y All Custom

Frequency: Daily

Display: Line

09/01/2021 to 10/29/2021 APPLY

Indicators

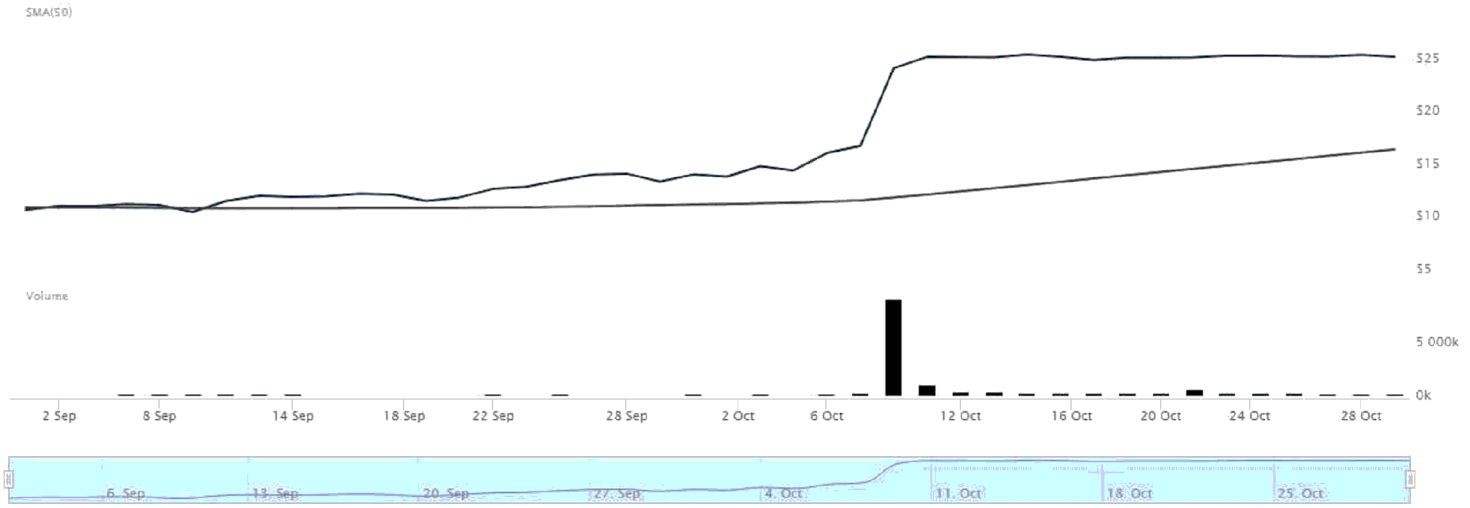
Chart Overlays | Lower Charts | Events | News

Compare

Symbol ADD

Clear Settings

US:RENN Simple Moving Average Edit × Volume ×



Date	Open	High	Low	Close	Volume
10/29/2021	25.11	25.2157	24.75	25.06	97548
10/28/2021	25.12	25.37	25	25.24	103606
10/27/2021	24.96	25.25	24.91	25.08	105120
10/26/2021	25.14	25.36	24.9	25.11	174004
10/25/2021	25.06	25.44	24.9	25.2	195822
10/22/2021	25.09	26.18	24.981	25.16	175063
10/21/2021	25.13	25.27	24.98	25	492262
10/20/2021	24.92	25.47	24.6	24.99	231825
10/19/2021	24.97	25.15	24.85	24.99	226955
10/18/2021	24.93	25.2	24.75	24.76	190511
10/15/2021	25.6	25.94	24.95	25.05	168085
10/14/2021	25.11	26.55	24.9	25.29	248890
10/13/2021	24.75	25.18	24.75	25.01	293598
10/12/2021	24.82	25.2859	24.3701	25.04	265637
10/11/2021	23.75	25.49	23.75	25.05	988109
10/8/2021	20.4	25.57	20	23.98	9034105
10/7/2021	16.7	17.65	16	16.6	161148
10/6/2021	14.11	16	14.11	15.95	71302
10/5/2021	14.71	14.71	14.09	14.29	15414
10/4/2021	13.51	14.8	13.49	14.69	33751
10/1/2021	14.04	14.393	13.42	13.7	13439
9/30/2021	13.34	14.45	13.34	13.91	40341
9/29/2021	14.07	14.07	12.77	13.24	21539
9/28/2021	13.75	14.13	13.5601	13.99	21880
9/27/2021	13.56	14.09	13.23	13.89	26017
9/24/2021	12.68	13.5	12.68	13.37	49581
9/23/2021	12.53	12.9	12.48	12.75	16648
9/22/2021	12.46	12.87	12.3527	12.54	37902
9/21/2021	11.39	11.85	11.39	11.74	10114
9/20/2021	11.26	11.7	11.26	11.41	31072
9/17/2021	12.08	12.33	11.69	11.99	21565
9/16/2021	11.67	12.32	11.425	12.08	21776
9/15/2021	11.65	12.03	11.65	11.84	20768
9/14/2021	11.83	12.89	11.5704	11.78	88082
9/13/2021	11.45	12.24	11.42	11.9	72626
9/10/2021	10.61	11.62	10.61	11.4	40096
9/9/2021	11.1	11.4	9.8256	10.35	38265
9/8/2021	11.09	11.28	10.75	11.02	34200
9/7/2021	10.85	11.44	10.85	11.1	37751
9/3/2021	10.89	11.23	10.63	10.91	20630
9/2/2021	10.63	11.25	10.63	10.94	29974
9/1/2021	10.81	10.81	10.56	10.56	9237

EXHIBIT B

TWO SEAS
CAPITAL

October 22, 2021

Hon. Andrew Borrok, J.S.C.
Supreme Court of the State of New York
County of New York
60 Centre Street, Room 615
New York, New York 10007

Re: In Re Renren, Inc. Derivative Litigation (Case # 653594/2018)

Dear Justice Borrok,

I am writing this letter in support of the fee application of the derivative plaintiff attorneys in the above-referenced action. Two Seas Capital LP, an investment adviser of which I am Chief Investment Officer, owns American Depositary Shares (ADS) issued by Renren, Inc. These shares had languished for a long period of time largely, in our opinion, due to the defendants' actions litigated in this case. We believe that the settlement announced on October 7 represents a very positive outcome, as reflected by the strong share price gains since that announcement.

I have been monitoring the public filings in the case and have been impressed by the thoroughness, diligence and professionalism of the plaintiff attorneys. We believe that their pleadings and discovery efforts directly led to these strong settlement terms. As a result, we believe that the attorney firms, led by Reid Collins & Tsai LLP, have earned the fees they are seeking in this case.

Sincerely,

Sina Toussi
Chief Investment Officer
Two Seas Capital LP

EXHIBIT C

November 1, 2021

Hon. Andrew Borrok, J.S.C.
Supreme Court of the State of New York
County of New York
60 Centre Street, Room 615
New York, New York 10007

Re: In Re Renren, Inc. Derivative Litigation (Case No. 653594/2018).

Dear Justice Borrok:

I write in support of the attorney's fee application in the above-referenced action. Invictus Global Management LLC, an SEC-registered investment firm of which I am a founding partner, owns American Depositary Shares issued by Renren, Inc. I believe that Defendants' conduct caused serious damage to Renren, Inc. minority shareholders and that the pending settlement represents a strong recovery. The robust share price increase since the settlement was announced on October 7, 2021, clearly suggests that the market agrees with my assessment.

Beyond the monetary recovery, I believe the plaintiff attorneys involved in this case have performed extremely well based on my review of the relevant publicly filed pleadings and briefs. I have been particularly impressed by the thoroughness, diligence, creativity, and professionalism of the attorneys, without which Renren's non-defendant minority shareholders likely would not have received such a strong settlement. In short, the plaintiff attorney firms, led by Reid Collins & Tsai LLP, have more than earned the fees that they seek in this case.

Respectfully,

amit p. patel

Amit Patel
Partner
Invictus Global Management LLC