

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

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: Index No. 653594/2018  
:  
**IN RE RENREN, INC.** : Hon. Andrew Borrok  
:  
**DERIVATIVE LITIGATION** :  
: Mot. Seq. No. 021  
\_\_\_\_\_ X

**SUPPLEMENTAL AFFIRMATION OF JEFFREY E. GROSS IN FURTHER SUPPORT  
OF PLAINTIFFS’ MOTION FOR APPROVAL OF PROPOSED SETTLEMENT  
AND AWARD OF ATTORNEYS’ FEES AND EXPENSES**

Jeffrey E. Gross, 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 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 examining documents that I have reviewed. I submit this Supplemental Affirmation and exhibits in further support of Plaintiffs’ Motion for Approval of Proposed Settlement and Award of Attorneys’ Fees (the “**Motion**”).

2. Plaintiffs’ moving papers included Affirmations from a partner of each of the law firms that represent Plaintiffs in this Action. Those Affirmations set forth the total hours for each attorney and paralegals that worked on this Action. My moving Affirmation [NYSCEF No. 764](#) explained that Reid Collins’s timekeepers spent 12,570.3 hours on the prosecution of this case. Mark Zauderer’s Affirmation [NYSCEF No. 766](#) summarized Ganfer Shore Leeds & Zauderer LLP’s (“**Ganfer & Shore**”) 528.3 hours. Christine Mackintosh’s Affirmation [NYSCEF No. 769](#)

summarized Grant & Eisenhofer P.A.'s ("G&E") 1,697.7 hours. And James Notis's Affirmation [NYSCEF No. 767](#) set forth Gardy & Notis, LLP's ("G&N") 2,142.0 hours.

3. The number of hours spent litigating for several years, all on a contingent basis, is one of the many factors that supports the requested fee. As recorded as through November 1, 2021, when Plaintiffs filed the Motion, the four firms spent 16,938.3 hours prosecuting this case. Since filing the Motion, the firms have spent hundreds of additional hours, including time spent complying with the notice and other provisions in the Settlement Order.

4. The total number of hours spent is reasonable because counsel was efficient and highly effective. Among many other tasks, for three and a half years, counsel briefed multiple waves of motions to dismiss and appeals, briefed an attachment motion, amended their pleadings, and reviewed hundreds of thousands of pages of documents and audio files (many of which had to be translated from Mandarin Chinese to English).

**A lodestar cross-check, assuming it is even necessary, confirms that the fee request is reasonable.**

5. One of the objectors (Barnes) argues—incorrectly, as we establish in our reply brief—that the Court “must” perform a lodestar cross-check. A lodestar cross-check is not required, but for the sake of having a complete record before the Court, we provide some additional lodestar information below.

6. In the chart immediately below, we multiplied each firm's hours by its current billing rates for each timekeeper, which yields a lodestar fee of \$13,966,964.54.

| <b>Lodestar Fee</b> |                  |                         |
|---------------------|------------------|-------------------------|
| <b>Firm</b>         | <b>Hours</b>     | <b>Total Fee</b>        |
| Reid Collins        | 12,570.30        | \$ 10,702,052.50        |
| G&N                 | 2,142            | \$ 1,870,660.00         |
| G&E                 | 1,697.7          | \$ 1,011,338.54         |
| Ganfer & Shore      | 528.3            | \$ 382,913.50           |
| <b>Total</b>        | <b>16,938.30</b> | <b>\$ 13,966,964.54</b> |

7. The lodestar fee means that the requested 33% fee for a \$300 million settlement implies a lodestar multiplier of 7.09:

| <b>Lodestar Multiplier</b> |                  |
|----------------------------|------------------|
| Gross proceeds @ 33%       | \$ 99,000,000.00 |
| <b>Lodestar multiplier</b> | <b>7.09</b>      |

8. This multiplier is within the range of reasonableness, and our brief cites cases that so hold. In general, the multiplier set forth above is appropriate given the risk that, as of when the case began, there would be no recovery in such a challenging, high-risk case. At the outset of the case, there was a substantial risk that a loss could occur at summary judgment or at trial, which would have meant that the firms would have achieved no recovery after incurring many thousands of hours. Moreover, the firms took on the risk associated with delayed payment—a real risk given that it took over three years to approach fact depositions in this case, with some motions to dismiss pending. Thus, the multiplier should reflect the substantial gap in time between when the law firms began performing services and when they ultimately are paid. (We note that New York law takes that risk into account for plaintiffs by awarding prejudgment interest at 9%.)

**The hourly rates underlying the lodestar calculation are reasonable.**

9. As noted above, one of the inputs into the lodestar calculation is the firms' current hourly rates, which each firm believes is a reasonable rate. Reid Collins, G&E, and Ganfer & Shore use the same rates for both their contingency and hourly matters.<sup>1</sup>

10. The rates of the Plaintiffs' counsel in this Action are similar to those reflected in the fee approval motions filed by several firms that have sought their fees in large securities class actions and derivative cases. Below are two demonstrative charts. The first lists the hourly rates (or ranges) for partners, counsel, associates, and paralegals of Plaintiffs' counsel in the current Action. The second chart lists the rates (or ranges) for timekeepers in recent large securities class actions and derivative cases. The fee submissions for the firms listed in the second chart are attached as **Exhibits A–F**, which were pulled from PACER or state court electronic filing systems.

**Plaintiffs' counsel's rates**

| <b>Law firm</b> | <b>Partner rates</b>                           | <b>Counsel rates</b> | <b>Assoc. rates</b> | <b>Para. rates</b> |
|-----------------|--|----------------------|---------------------|--------------------|
| Reid Collins    | \$750–\$975 and \$1,700 (for Reid and Dworsky) | N/A                  | \$575–675           | \$250              |
| G&N             | \$825–\$925                                    | N/A                  | N/A                 | N/A                |
| G&E             | \$800–\$925                                    | N/A                  | \$460–\$575         | \$210–240          |
| Ganfer & Shore  | \$945  | \$760                | \$520               | \$295              |

<sup>1</sup> G&N does not take on hourly work.

**Rates disclosed by plaintiff's counsel in class action and derivative cases**

| Law firm                                 | Case & Case type   | Partner rates     | Counsel rates    | Assoc. rates    | Para. rates     |
|--|--|-------------------|------------------|-----------------|-----------------|
| Quinn Emanuel Urquhart & Sullivan, LLP   | <i>Health Republic Insurance Company</i> (Fed. Cl. 2020) <sup>2</sup><br>Class Action                                | \$875–<br>\$1,250 | N/A              | \$600–<br>\$905 | \$325           |
| Kessler Topaz Meltzer & Check LLP        | <i>In re Allergan Generic Drug Pricing Securities Litigation</i> (D.N.J 2021) <sup>3</sup><br>Class Action           | \$780–<br>\$920   | \$390–\$690      | \$390–<br>\$690 | \$275–<br>\$305 |
| Labaton Sucharow LLP                     | <i>City of Warren Police and Fire Retirement System</i> (S.D.N.Y 2021) <sup>4</sup><br>Class Action                  | \$800–<br>\$1,150 | \$565–\$800      | \$425–<br>\$550 | \$355–<br>\$375 |
| Bernstein Litowitz Berger & Grossman LLP | <i>In re Signet Jewelers Limited Securities Litigation</i> (S.D.N.Y 2020) <sup>5</sup><br>Class Action               | \$825–<br>\$1,300 | \$750–\$800      | \$425–<br>\$600 | \$255–<br>\$375 |
| Robbins Geller Rudman & Dowd LLP         | <i>In re American Realty Capital Properties, Inc. Litigation</i> (S.D.N.Y 2019) <sup>6</sup><br>Class Action         | \$800–<br>\$1,250 | \$450–<br>\$1250 | \$400–<br>\$600 | \$265–<br>\$350 |
| Lieff Cabraser Heimann & Bernstein, LLP  | <i>In re Wells Fargo &amp; Company Shareholder Derivative Litigation</i> (N.D. Cal. 2019) <sup>7</sup><br>Derivative | \$560–<br>\$1,075 | N/A              | \$395–<br>\$510 | \$345–<br>\$390 |

<sup>2</sup> Exhibit A, ¶23.<sup>3</sup> Exhibit B.<sup>4</sup> Exhibit C.<sup>5</sup> Exhibit D.<sup>6</sup> Exhibit E.<sup>7</sup> Exhibit F.

|  |   |                   |             |                 |                 |
|--|---|-------------------|-------------|-----------------|-----------------|
| Cohen Milstein<br>Sellers & Toll<br>PLLC | <i>In re Alphabet, Inc.<br/>Shareholder Litigation</i><br>(Super. Cal. 2020)<br>Derivative <sup>8</sup> | \$720–<br>\$1,075 | \$415–\$975 | \$495–<br>\$555 | \$300–<br>\$325 |
|--|---|-------------------|-------------|-----------------|-----------------|

11. The charts above reflect that Plaintiffs’ counsel’s rates for all titles of lawyers are similar to other firms that litigate high-dollar plaintiff cases. The rates for William T. Reid, IV and Marc Dworsky are somewhat higher than the partners at the firms listed in the class actions above, but their rates are comparable to the rates charged by experienced practitioners in high-stakes commercial litigation. For example, Mr. Arffa, who is now leading OPI’s representation, billed at \$1,395 per hour five years ago in 2016 (**Exhibit H**, attached), and Mr. Kratenstein billed at \$1,315 per hour in 2020 (**Exhibit I**, attached). In addition, the rates for other partners and associates at Paul Weiss or McDermott Will & Emery are substantially higher than the rates charged by Plaintiffs’ counsel.

**Barnes’s hourly rate analysis is flawed**

12. In his objection, Barnes presents a flawed analysis of what he calls a reasonable hourly rate of attorneys in the Action.

13. First, Barnes relies on faulty data: he incorrectly sub-divides the hours for the different groups of attorneys and paraprofessionals (partners, counsel, associates, and paralegals). Barnes’s chart refers to 1,515.4 hours from attorney(s) who bear the title “counsel,” but only 428.7 “counsel” hours were billed in this Action. ([NYSCEF No. 766](#)). As a result of his error, Barnes underestimates the number of hours spent by partners, which inflates his implied partner hourly rate. Barnes also assumes below-market rates for paralegals and associates, which further inflates his implied partner rates.

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<sup>8</sup> **Exhibit G.**

14. Second, Barnes concocts his own suggested metric, an implied hourly rate solely for partners. But his manipulation of the data has no basis in the law and only supports his hyperbole, much like asking the Court to imagine the requested fee as a stack of \$1 bills.

15. In sum, Barnes's calculation is flawed and is not a proper methodology to cross-check the reasonableness of the requested fee. Based on the above and the rest of Plaintiffs' moving and supplemental submissions, the settlement should be approved, and the fee request should be granted in full.

Dated: December 2, 2021  
New York, New York



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Jeffrey E. Gross

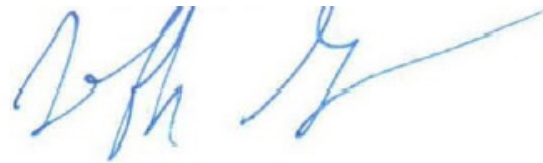
**PRINTING SPECIFICATIONS STATEMENT**

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 1,597 words.

Dated: December 2, 2021



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Jeffrey E. Gross