IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE GORES HOLDINGS IV, INC. STOCKHOLDER LITIGATION	CONSOLIDATED C.A. No. 2023-0284-LWW Public Version Filed: June 12, 2025

PLAINTIFFS' MEMORANDUM OF LAW IN SUPPORT OF MOTION TO APPROVE THE SETTLEMENT, CERTIFY THE CLASS, FOR ATTORNEYS' FEES AND EXPENSES, AND FOR INCENTIVE AWARDS

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Plaintiffs Richard Delman ("Delman") and Michael Farzad ("Farzad, with Delman, "Plaintiffs"), by and through their undersigned attorneys, on behalf of themselves and the Class (defined herein) of Gores Holdings IV, Inc. ("Gores IV") public stockholders, submit this Memorandum of Law in Support of their Motion to Approve Settlement, Certify the Class, for Attorneys' Fees and Expenses, and for Incentive Awards (the "Motion") seeking: (i) final approval of the proposed settlement (the "Settlement") between (a) Plaintiffs; (b) defendants Alec Gores ("Gores"), Randall Bort ("Bort"), William Patton ("Patton"), Jeffrey Rea ("Rea"), Mark Stone ("Stone"), Andrew McBride ("McBride"), Gores Sponsor IV LLC ("Sponsor"), and AEG Holdings, LLC ("AEG") (collectively, "Defendants"); and (c) non-party UWM Holdings Corp. ("New UWM" or the "Company"), formerly known as Gores IV, as set forth in the Stipulation and Agreement of Settlement, Compromise, and Release dated February 7, 2025 (the "Stipulation"); (ii) approval of the proposed Plan of Allocation; (iii) certification of the Class for Settlement purposes, pursuant to Court of Chancery Rules 23(a), 23(b)(1), and 23(b)(2); (iv) an award of attorneys' fees and reimbursement of expenses; and (v) service awards.

Former Gores IV stockholders were given notice of the Settlement in accordance with the Scheduling Order entered by the Court on April 25, 2025. To date, there have been no objections. A hearing is scheduled for July 15, 2025 for the Court to consider these matters.

PRELIMINARY STATEMENT

The proposed settlement (the "Settlement") will provide a $17.5 million recovery (the "Settlement Consideration") for Class members (as defined herein) to compensate them for the impairment of their right to make a fully informed decision of whether to redeem their Gores IV shares or invest in the combined company resulting from Gores IV's January 21, 2021 merger with SFS Holding Corp., United Wholesale Mortgage, LLC, and UWM Holdings, LLC (collectively, "Legacy UWM") (the "Merger").

The Settlement marks the culmination of Plaintiffs' extensive litigation efforts, which included propounding document requests and interrogatories to Defendants, pursuing significant discovery to secure documents from third parties, including motion practice, obtaining and reviewing over 400,000 pages of documents, and completing two depositions of Defendants. The Parties negotiated the Settlement at arm's-length under the guidance of a highly regarded mediator.

The Settlement is fair, reasonable, and adequate under any metric. It provides a $0.412 per share recovery to Class members, which is consistent with the per-share recoveries in multiple de-SPAC merger settlements approved by this Court,[1] and

[1] *See, e.g.*, *In re XL Fleet (Pivotal) S'holder Litig.*, C.A. No. 2021-0808-KSJM (Del. Ch. Mar. 21, 2025) ("*XL Fleet*") (TRANSCRIPT) (approving settlement that provided approximately $0.21 per share); *In re Multiplan Corp. S'holders Litig., Consol.* C.A. No. 2021-0300-LWW ("*Multiplan*") (Del. Ch. Feb. 28, 2023) (TRANSCRIPT) (approving settlement that provided approximately $0.368 per share); *Siseles v. Lutnick*, C.A. No.

represents an exceptional 23% recovery of the Class's net cash per share damages. The Settlement Consideration is particularly notable here, as, not only did New UWM stock trade above the redemption price post-Merger, it traded at $4.59 per share on the date the first complaint in this Action was filed, New UWM stock was trading at $4.59 per share, at approximately $7.20 per share at the time the Parties reached agreement in principle, and would subsequently trade as high as $9.39 per share.[2] This reflects the fact that even more uniquely, unlike the target in nearly

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2023-1152-JTL ("*View*") (Del. Ch. Dec. 6, 2024) (TRANSCRIPT) (approving settlement that provided approximately $0.32 per share); *In re Finserv Acquisition Corp SPAC Litig.*, C.A. No. 2022-0755-PAF ("*Finserv*") (Del. Ch. Oct. 10, 2024) (TRANSCRIPT) (approving settlement that provided approximately $0.38 per share); *In re GeneDX De-SPAC Litig.*, C.A. No. 2023-0140-PAF ("*GeneDX*") (Del. Ch. Dec. 2, 2024) (TRANSCRIPT) (approving settlement that provided $0.47 per share); *In re Lordstown Motors Corp. S'holders Litig.*, C.A. No. 2021-1066-LWW ("*Lordstown*") (Del. Ch. Jun. 25, 2024) (TRANSCRIPT) (approving settlement that provided approximately $0.57 per share); *Yu v. RMG Sponsor, LLC*, C.A. No. 2021-0932-NAC ("*Romeo Power*") (Del. Ch. Oct. 18, 2024) (TRANSCRIPT) (approving settlement that provided approximately $0.52 per share).

[2] *See, e.g.*, *supra* n.1; *View* ($0.065 per share at time of filing the complaint; $0.0017 per share at time of settlement in principle); *Finserv* ($1.16 per share at time of filing the complaint; $0.81 per share at time of settlement in principle); *GeneDx* ($0.50 per share at time of filing the complaint; $0.64 per share at time of settlement in principle); *Delman v. Riley*, C.A. No. 2023-0293-LWW (Del. Ch.) ("*Eos*") ($0.99 per share settlement; $1.86 per share at time of filing of the complaint; $0.0022 per share at time of settlement in principle); *In re TS Innovation Acquisitions Sponsor, LLC Stockholder Litig.*, C.A. No. 2023-0509-LWW (Del. Ch.) ("*Latch*") ($1.00 per share settlement; $1.02 per share at time of filing of the complaint; $0.30 per share at time of settlement in principle); *XL Fleet* ($6.54 per share at time of filing of the complaint; $0.33 at time of settlement in principle); *Lordstown* ($4.47 per share at time of filing the complaint; $0.10 at time of settlement in principle); *Romeo Power* ($4.34 per share at time of filing of the complaint; $0.35 per share at time of settlement in principle). In contrast, where the de-SPAC company is trading on the higher side as of the date of the filing of the complaints or the date on which an agreement on settlement consideration is reached, settlements often tend to be smaller on

every other de-SPAC merger case considered by the Court to date, Legacy UWM was far from pre-revenue and even pre-profit. Legacy UWM was an established company with over $3.5 billion in revenue and was already profitable with over $472 million in Adjusted EBITDA in 2020—the year prior to the consummation of the Merger.[3]

Plaintiffs' proposed plan of allocation (the "Plan of Allocation") is also reasonable and appropriate. Similar to the plans of allocation the Court approved in *Eos*[4] and assessed to be a "thoughtful way to distribute proceeds fairly to class members" in *Latch*,[5] the Plan of Allocation is designed to equitably distribute the Settlement proceeds in accordance with the size of a Class Member's recognized loss. The Court should approve the Plan of Allocation.

As in the numerous other de-SPAC merger settlements that have come before this Court, this Action is well-suited for class certification.[6] Holders of more than 42.4 million shares of Gores IV stock chose to forego their redemption rights and

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a per share basis, reflecting the impact of higher share price on total value of actual damages. *See, e.g.*, *supra* n.1; *Multiplan* ($6.25 per share at time of filing of the Complaint; $2.44 per share at time of settlement in principle).

[3] Proxy at 52.

[4] *Eos*, C.A. No. 2023-0293-LWW (Del. Ch. Oct. 17, 2024) (TRANSCRIPT) at 20-21.

[5] *Latch*, C.A. No. 2023-0509-LWW (Del. Ch. Mar. 27, 2025) (TRANSCRIPT) at 27.

[6] *See, e.g.*, *Multiplan*, 2023 WL 2329706, at *2 (Del. Ch. Mar. 1, 2023) (certifying a non-opt-out class pursuant to Court of Chancery Rules 23(a), 23(b)(1), and 23(b)(2)).

invest in New UWM. Because these shares were likely held by thousands of class members, joinder of all Class members is impractical and the proposed Class meets Rule 23(a)(1)'s numerosity requirement. Defendants' actions in pursuing the unfair Merger and impairing stockholders' redemption decisions by issuing the misleading Proxy affected all public stockholders in substantially the same manner, resulting in common questions of law and fact among the Class members. Plaintiffs and the Class were similarly affected by Defendants' actions, and Plaintiffs face no unique defenses. Further, Plaintiffs have acted fairly and adequately protect the Class, as shown by hiring experienced law firms, including law firms well known to this Court, and securing this positive settlement. Finally, the Class satisfies the requirements of both Rule 23(b)(1) and Rule 23(b)(2) due to the risk of inconsistent adjudications, that adjudications of some actions would likely be dispositive of the interests of other members of the Class, and that Defendants acted in a manner that is generally applicable to the Class. Accordingly, Plaintiffs request this Court certify the Class.

Plaintiffs further submit that an all-in award of $3,937,500 for attorneys' fees and expenses (22.5% of the Settlement Consideration) is appropriate here. The Settlement marks the culmination of an extensive investigation and hard-fought litigation challenging Defendants' impairment of the Class's redemption rights. Delman served a books-and-records demand and obtained a significant section 220

document production prior to filing his complaint. Following consolidation of Plaintiffs' actions, Defendants answered the Complaint, the Court set trial dates, and substantial fact discovery was completed. Plaintiffs obtained and reviewed more than 400,000 pages of documents from Defendants and five non-parties. Discovery motion practice ensued. Plaintiffs deposed two Defendants and prepared for depositions of additional witnesses, including Plaintiffs, that were to soon take place had the parties not reached agreement in principle.

Plaintiffs' counsel devoted 5,297.65 hours (with a lodestar value of $3,242,773.00) to bringing, prosecuting, and resolving the Action and expended $364,502.21 in litigation expenses—all on a fully contingent basis. Plaintiffs respectfully submit that this Settlement is near the top end of "meaningful litigation efforts" cases for which fees in the amount of 15% to 25% are typically awarded.

FACTUAL AND PROCEDURAL BACKGROUND

A. DEFENDANTS FORM GORES IV

On June 12, 2019, Gores Sponsor IV LLC (the "Sponsor") incorporated Gores IV, now New UWM, in Delaware.[7] Gores IV's sole purpose was to combine with another company in a de-SPAC merger.[8] By terms of its corporate charter, Gores

[7] *Delman v. Gores Sponsor IV, LLC*, C.A. No. 2023-0284-LWW, Verified Class Action Complaint (Del. Ch. Mar. 7, 2023) (Trans. ID 69279140) at ¶ 46 ("Complaint" or "¶ __").

[8] ¶ 2.

IV had only 24 months from the closing of its initial public offering ("IPO") to effectuate a business combination, or it would be forced to liquidate and return the funds held in trust to public stockholders, with interest.[9]

Gores IV was controlled by the Sponsor, which was controlled by Gores and AEG (together, the "Controller Defendants").[10] Gores was in the business of SPACs, having formed at least 13 others, nine of which, as of the date the Delman Complaint was filed, had completed de-SPAC mergers.[11] After Gores IV's incorporation, Gores placed himself on the Gores IV board of directors (the "Board"), named himself Chairman, and nominated Bort, Patton, and Rea as directors. Though characterized as "independent," each of Bort, Patton, and Rea had extensive financial ties to Gores through his other SPACs and other longstanding relationships.[12]

Prior to and in connection with Gores IV's IPO, the Controller Defendants granted themselves 10,625,000 "Founder Shares" in exchange for $25,000.[13] After their appointment to the Board, the Sponsor provided 25,000 Founder Shares each

[9] ¶ 7.

[10] ¶¶ 29-30, 46.

[11] ¶¶ 44-45. Capitalized terms not otherwise defined shall have the same meanings as in the Stipulation.

[12] ¶¶ 31-33, 50.

[13] ¶¶ 5, 46.

to Bort, Patton, and Rea in exchange for a payment of $50 from each director.[14] Defendants waived their redemption rights and any rights to liquidating distribution from the trust with respect to the Founder Shares. Accordingly, the Founder Shares would be worthless if Gores IV failed to consummate a business combination.[15] If Gores IV was able to close the Merger, the Founder Shares would be worth potentially over one hundred million dollars.[16]

B. GORES IV GOES PUBLIC

On January 28, 2020, Gores IV completed its IPO, selling 42,500,000 units ("Public Unit(s)") at a price of $10.00 per Public Unit.[17] Each Public Unit consisted of one share of Class A common stock ("Public Share(s)") and one-fourth of one warrant, with each whole warrant exercisable in exchange for one share of Class A common stock at an exercise price of $11.50.[18] At the same time as the IPO, the Sponsor purchased 5,250,000 warrants in a private placement at a price of $2.00 per warrant ("Private Placement Warrant(s)"), exercisable to purchase one share of Class A common stock at an exercise price of $11.50 no earlier than 30 days

[14] ¶¶ 31-33.

[15] ¶¶ 8, 13.

[16] ¶ 25.

[17] ¶ 47.

[18] *Id.*

following the closing of a business combination.[19] Because they could not be sold or exercised prior to the closing of a business combination, the Private Placement Warrants were worthless absent a merger, like the Founder Shares. Therefore, if Gores IV liquidated, the Sponsor would lose the entirety of its investment.[20]

The funds raised in the IPO were placed in a trust for the benefit of public stockholders.[21] If Gores IV found a merger partner, public stockholders would have the choice whether to redeem each of their shares for $10.00 plus interest *or* invest in the Merger.[22] If Gores IV liquidated because no business combination materialized, public stockholders would have received a liquidating distribution from the trust of $10.00 per share plus interest.[23]

C. GORES IV MERGES WITH LEGACY UWM

In April 2020, Gores IV began discussions with Legacy UWM about a potential business combination.[24] Following inadequate due diligence, on September 22, 2020, the Board approved the Merger.[25] As to the ultimate price and

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[19] ¶ 6.

[20] ¶¶ 8, 13.

[21] ¶ 48.

[22] ¶¶ 47-48.

[23] *Id*.

[24] ¶¶ 53-54.

[25] ¶¶ 54-61.

terms of the Merger, Defendants admitted the deal was "not a negotiation."[26] Nonetheless, Gores IV and Legacy UWM executed the Merger Agreement on September 22, 2020 and publicly announced it the following day.[27] Defendants would ultimately characterize the Merger as a "huge mistake," "disaster," "nightmare," and "wor[st] case scenario" for public investors.[28]

In connection with the Merger, Gores IV sold 50,000,000 shares of Gores IV stock in a private placement (the "PIPE") at a price of $10.00 per share—the same price per share the Merger Agreement (defined herein) attributed to the Merger consideration, raising a total of $500 million.[29] Although not disclosed to public stockholders, almost the entirety of the PIPE funds raised were contributed by "friends and family" of Gores and Legacy UWM.[30] Further, and also omitted from the Proxy, the Sponsor syndicated the PIPE shares it committed to purchase, but could not find buyers at the $10.00 price attributed to both the PIPE shares and the Merger consideration. To de-risk its position, the Sponsor was forced to give a sweetheart deal to PIPE investor Blackrock—selling nearly $100 million worth of

[26] GORES_IV_00031880 (Exhibit G).

[27] ¶¶ 62-63.

[28] GORES_IV_00192595 (Exhibit A); GORES_IV_00192625 (Exhibit B).

[29] ¶ 64.

[30] GORES_IV_00032915-17 (Exhibit C).

its PIPE shares to Blackrock for *only $9.00* per share.[31] To further de-risk the Merger for Defendants, they got Legacy UWM controller, CEO, and founder Mat Ishbia ("Ishbia") to "guarantee" to make Defendants (and only Defendants) whole if New UWM stock did not trade above $10.00 per share post-Merger.[32]

The Merger was contingent on Gores IV contributing a minimum of $712,500,000 in cash to New UWM, which meant that with the PIPE funds, no greater than 50% of Gores IV public shares could be redeemed.[33]

On December 16, 2020, Gores IV disseminated the Proxy to stockholders, which set a stockholder vote date for January 20, 2021 and required all redemption elections to be made two business days prior.[34] The Proxy stated that Merger consideration to be paid to New UWM stockholders would consist of Gores IV shares worth $10.00 each.[35] Gores IV's public stockholders thus had a choice—they could redeem their shares for $10.01 per share, or they could invest in the Merger, which, according to the Proxy, would also provide Gores IV stockholders at least $10.00 per share post-Merger.[36]

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[31] GORES_IV_00032401 (Exhibit D); GORES_IV_00032359 (Exhibit E).

[32] GORES_IV_00192625 at 26 (Exhibit A).

[33] ¶ 65.

[34] ¶ 67.

[35] ¶ 102.

[36] ¶¶ 18, 102.

The Proxy contained several misstatements and omitted material information concerning the value of Legacy UWM and the Merger consideration and the due diligence process. First, the Proxy misleadingly implied that the Merger consideration was worth $10.00 per share. Gores IV's net cash per share at time of the Proxy was less than $8.25 per share.[37]

This mismatch in the value of the Merger consideration and the stated value of $10.00 per share incentivized Defendants and Legacy UWM to inflate the value of Legacy UWM accordingly. That is exactly what they did. The Proxy contained multiple additional false and misleading statements, including: (i) an inflated valuation for Legacy UWM built on unrealistic mortgage origination projections; (ii) headwinds to Legacy and New UWM's business; (iii) unreliable adjustments to Legacy UWM's earnings; and (iv) potential regulatory compliance issues for Legacy UWM.[38]

Discovery revealed a number of other significant and material misrepresentations and omissions or process defects that would have made it difficult for Defendants to establish fair process, including: (i) that Defendants offered Blackrock a sweetheart deal to invest at $9.00 per share in the PIPE to ensure

[37] ¶¶ 102-07.

[38] ¶¶ 111-16.

a deal would get done[39]; (ii) that Defendants believed the Merger was a "nightmare" or "wor[st] case scenario" for public investors, but recommended it to those investors anyway[40]; (iii) that Defendants viewed the deal as "not a negotiation"[41]; (iv) that at the same time Gores was discussing the deal, he was trying to get Ishbia to invest in the Pistons[42]; (v) that Ishbia "guaranteed" to make Defendants (and only Defendants) whole if New UWM stock did not trade above $10.00 per share post-Merger[43]; and (vi) that despite touting the roles of their advisors in the Proxy, Defendants did not allow them to participate in deal negotiations and ignored their advice on valuation.[44] Discovery showed that Defendants knew or should have known about the false and misleading statements in and material omissions from the Proxy prior to its issuance, but failed to disclose the truth in their efforts to ensure the Merger closed and the value of their Founder Shares and Private Placement Warrants materialized and were maximized.

[39] Defendants also did not disclose that they and their "friends and family" made up the majority of the PIPE investors. GORES_IV_00032915 (Exhibit C).

[40] GORES_IV_00192595 (Exhibit A); GORES_IV_00079962 (Exhibit F); GORES_IV_00192625 at 26 (Exhibit B).

[41] GORES_IV_00031880 (Exhibit G).

[42] GORES_IV_00192390 (Exhibit H); GORES_IV_00012418 at 19 (Exhibit I).

[43] GORES_IV_00192625 at 26 (Exhibit B).

[44] GORES_IV_00072820 (Exhibit J); GORES_IV_00069929 (Exhibit K).

Unsurprisingly given these misstatements and omissions, Gores IV stockholders voted to approve the Merger and holders of only 20,795 Public Shares redeemed their stock.[45] The Merger closed on January 21, 2021, and, as of that date, New UWM stock traded at $11.54 per share and Defendants' Founder Shares were worth over $112 million.[46]

Following the Merger, the last date on which New UWM stock traded over $10.00 per share was February 5, 2021.

D. DELMAN UNDERTAKES A SECTION 220 INVESTIGATION AND PLAINTIFFS VIGOROUSLY PROSECUTE THE ACTION AND PURSUE DISCOVERY

On August 24, 2022, Plaintiff Delman served his Section 220 Demand on New UWM, seeking production of books and records of the Company concerning, *inter alia*, the IPO, the Merger process, and the relationships amongst the Defendants. In response, the Company produced a total of 2,289 pages of documents (the "220 Documents").

The 220 Documents included multiple advisor presentations that undermined the projections for Legacy UWM set forth in the Proxy (the "Proxy Projections"). Specifically, one presentation to the Board highlighted risks and detailed concerns related to Legacy UWM's projections for economic growth, interest rates and

[45] ¶ 68.

[46] ¶¶ 25, 87.

flagged materially different mortgage industry projections and a potential decline in market share and repeat clients.[47] Another advisor provided the Board with market assessments from Fannie Mae, Freddie Mac, and the Mortgage Bankers Association that projected a significant decline in mortgage originations in 2021 and 2022 that was not accounted for in Legacy UWM's projections.[48] That advisor also noted several "headwinds" that negatively impact New UWM, potential market declines, and, in another presentation, issues related to adjustments to UWM's reported earnings.[49] Gores IV's legal advisor, Buckley LLP, provided the Board with a due diligence report that contained "red flags" related to regulatory and/or litigation risks that could lead to hefty fines or litigation payouts and would require Legacy UWM to make substantial changes to its business model.[50] None of this information was disclosed in the Proxy.

Based on Plaintiff Delman's extensive review of the 220 Documents, he made the determination to file a plenary class action, and, on March 7, 2023, he filed the Delman Complaint. Plaintiff Farzad filed his complaint on March 31, 2023 (Trans.

[47] ¶ 62.

[48] ¶ 74.

[49] ¶¶ 75-78.

[50] ¶ 79.

ID 69709840), and, on April 11, 2023, the Court consolidated both actions and designated the Delman Complaint as the operative complaint (Trans. ID 69791501).

On June 1, 2023, Defendants answered the Delman Complaint. Thereafter, the Parties engaged in extensive discovery, including the production of over 77,000 documents comprising nearly 400,000 pages by the Parties (including 266 documents comprising 6,058 pages by the Plaintiffs) and five non-parties. The productions were, in part, the result of successful discovery motion practice regarding Defendants' financial advisor, Moelis & Co. Plaintiffs also took two depositions of Defendants, and additional depositions of Defendants and non-parties were scheduled and confirmed for as soon as the day the parties reached an agreement in principle as to the Settlement consideration.[51]

E. THE PARTIES ENGAGE IN A MEDIATION AND REACH AGREEMENT ON THE SETTLEMENT CONSIDERATION

As the discovery process was unfolding, the Parties agreed to engage in potential settlement discussions. Unable to reach agreement in pre-mediation discussions, the parties engaged Robert A. Meyer, Esq. of JAMS, to serve as a mediator. The parties exchanged and provided Mr. Meyer with mediation briefs and, on June 1, 2024, participated in a voluntary mediation. Although that mediation

[51] That deposition of Mark Stone, originally scheduled for June 11, 2024 was rescheduled at the request of Defendants at approximately 10 a.m. the day prior to the scheduled deposition (June 10).

was unsuccessful, the Parties continued to engage in arms'-length negotiations with the assistance of Mr. Meyer while also continuing discovery and moving the Action towards trial. Following months of these arms'-length negotiations, on June 11, 2024, Mr. Meyer made a double-blind mediator's recommendation that the Parties settle the Action for $17,500,000, to which the Parties subsequently agreed.

F. THE SETTLEMENT TERMS AND THE PLAN OF ALLOCATION

The Settlement provides consideration of $17,500,000, which will include payment of all administration costs, fee and expense awards, service awards, taxes or tax expenses, and any other costs or fees approved by the Court. After accounting for these costs and fees, the remaining funds will be paid to Class members in accordance with the Plan of Allocation.

The Plan of Allocation provides that Class members who submit a valid proof of claim demonstrating they suffered an economic loss (either because they sold their shares at a price lower than $10.01 per share or because they continued to hold as of the date the Complaint was filed) will receive a pro rata share of their eligible loss per share calculated using the following formula: (i) if the Class Member sold Class shares prior to the filing of the Complaint, $10.01 minus the sale price of each Class share; or (ii) if the Class Member held shares as of the date the Complaint was filed, $10.10 minus $4.63, the closing share price on the date the Complaint was filed. In

addition, the Plan of Allocation provides a nominal payment of $0.10 per Class Share, in recognition of the impairment of all Class members' redemption decisions. The Plan of Allocation provides that any remaining funds after the foregoing distribution will be distributed on a pro rata basis to all Class members.

ARGUMENT

I. APPROVAL OF THE SETTLEMENT AS FAIR, REASONABLE, AND ADEQUATE IS WARRANTED

Delaware law favors the voluntary settlement of complex class actions,[52] reflecting the Court's belief that settlements "promote judicial economy" and that "litigants are generally in the best position to evaluate the strengths and weaknesses" of their respective cases.[53] In reviewing whether a settlement is fair, reasonable, and adequate, the Court analyzes the facts and circumstances underlying the claims and the possible defenses thereto to "determine whether the settlement falls within a range of results that a reasonable party in the position of the plaintiff, not under any compulsion to settle and with the benefit of the information then available,

[52] *See, e.g.*, *In re Resorts Int'l S'holders Litig. Appeals*, 570 A.2d 259, 265-66 (Del. 1990); *Rome v. Archer*, 197 A.2d 49, 53 (Del. 1964); *In re Activision Blizzard, Inc. Stockholder Litig.*, 124 A.3d 1025, 1042 (Del. Ch. 2015); *In re Triarc Cos. Class & Deriv. Litig.*, 791 A.2d 872, 876 (Del. Ch. 2001); *Ryan v. Gifford*, 2009 WL 18143, at *5 (Del. Ch. Jan. 2, 2009); *Kahn v. Sullivan*, 594 A.2d 48, 58 (Del. 1991).

[53] *Marie Raymond Revocable Tr. v. MAT Five LLC*, 980 A.2d 388, 402 (Del. Ch. 2008).

reasonably could accept."[54] The Court must "make an independent determination, through the exercise of its own business judgment, that the settlement is intrinsically fair and reasonable."[55] The Court may consider several factors when making this determination, including:

> (1) the probable validity of the claims; (2) the apparent difficulties in enforcing the claims through the courts; (3) the collectability of any judgment recovered; (4) the delay, expense, and trouble of litigation; (5) the amount of compromise as compared with the amount of collectability of a judgment; and (6) the views of the parties involved, pro and con.[56]

In making this determination, the Court need not "decide any of the issues on the merits,"[57] and ultimately must weigh "the value of all the claims being compromised against the value of the benefit to be conferred on the [c]lass by the settlement."[58]

For the reasons set forth herein, the Settlement should be approved. The Settlement was the product of hard-fought litigation, informed by Plaintiffs' review of over 400,00 pages of documents, discovery, motion practice, depositions of two Defendants, and arms'-length negotiations with the assistance of an experienced

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[54] *Activision*, 124 A.3d at 1064 (quoting *Forsythe v. ESC Fund Mgmt. Co. (U.S.)*, 2013 WL 458373, at *2 (Del. Ch. Feb. 6, 2013)).

[55] *Goodrich v. E. F. Hutton Gp.*, 681 A.2d 1039, 1045 (Del. 1996).

[56] *Activision*, 124 A.3d at 1063.

[57] *Polk v. Good*, 507 A.2d 531, 536 (Del. 1986).

[58] *Brinckerhoff v. Texas E. Prods. Pipeline Co., LLC*, 986 A.2d 370, 384 (Del. Ch. 2010) (quoting *In re MCA, Inc.*, 598 A.2d 687, 691 (Del. Ch. 1991)).

mediator in Mr. Meyer. The Settlement provides substantial economic consideration to Class members who suffered actual financial losses and reflects Plaintiffs' well-informed judgment regarding the strength of the claims and defenses at issue, the potential damages award, and the benefits of a guaranteed recovery.

A. THE SETTLEMENT PROVIDES SUBSTANTIAL BENEFITS

The Settlement provides a $17.5 million cash recovery, which equates to a per-share recovery of $0.412 per share. This is an outstanding result, consistent with per-share recovery in multiple de-SPAC merger settlements approved by this Court.[59]

The Settlement also provides a substantial benefit to the Class when compared with potential class damages. The Complaint alleges unfair price based on at least the net cash per share of approximately $8.25 per share. Assuming damages of approximately $1.76 per share based on the difference between the $10.01 per share redemption price and the $8.25 net cash per share underlying the Gores IV shares, Class damages were approximately $74.8 million (not accounting for the Public Shares that were traded above $10.00 per share in the days following the Merger).[60] Given that the net cash per share theory of liability has yet to be tested at trial or by the Delaware Supreme Court, and given that a significant question remains open as

[59] *See supra* n.1.

[60] 42,479,205 Class shares X $1.76 = $74,763,400.

to whether the delta between the $10.00 per share assigned to the Merger consideration and $8.25 in net cash is "material," following trial, the Court may have instead found appeal in looking at market-based indications of value, such as the $9.00 per-share price that sophisticated buyer, Blackrock, negotiated for the PIPE shares, which would have resulted in a damages award of approximately $42.5 million. The $17.5 million settlement provides a hefty 23.4% of Class' net cash per share damages or over 41% of damages calculated based on Blackrock's negotiated price. Compared to the 15 post-*Americas Mining* settlements in deal cases where entire fairness was the standard of review that Vice Chancellor Laster examined in *Dell I*, this Settlement (as measured by maximum net cash per share damages) ranks *sixth* and is nearly *1.5x the median* of 16.5%.[61] This Settlement is an outstanding result, under any metric.

[61] *In re Dell Techns., Inc. Class V S'holders Litig.*, 300 A.3d 679, 723-24 (Del. Ch. 2023) *as revised* (Aug. 21, 2023) (analyzing settlement amounts versus maximum damages).

B. COMPARING THE BENEFITS OBTAINED TO THE LIKELIHOOD OF SUCCESS AT TRIAL SUPPORTS APPROVAL OF THE SETTLEMENT

Comparing the benefits provided by the Settlement to the challenges Plaintiffs would have faced should the litigation continue likewise supports approval. Plaintiffs brought claims for breaches of fiduciary duty and unjust enrichment

#	Settlement	Transaction Value (in millions)	Settlement Value (in millions)	As % of Max Damages
1	*GFI Group*	$366.00	$10.75	176.23%
2	*Delphi*	$2,500.00	$49.00	89.00%
3	*AVX*	$1,030.00	$49.90	41.58%
4	*Malone*	$7,400.00	$110.00	38.19%
5	*Starz*	$4,400.00	$92.50	38.07%
6	*Homefed*	$156.00	$15.00	19.80%
7	*CNX Gas*	$605.88	$42.70	19.00%
8	*Alon USA Energy*	$407.00	$44.75	14.00%
9	*Jefferies*	$2,400.00	$70.00	10.70%
10	*Akcea*	$446.50	$12.50	9.53%
11	*Dell Class V*	$23,900.00	$1,000.00	9.34%
12	*Amtrust*	$1,040.00	$40.00	9.20%
13	*Pivotal*	$1,430.00	$42.50	9.00%
14	*Venoco*	$363.00	$19.00	5.30%
15	*Straight Path*	$2,450.00	$12.50	1.13%
	Mean (Ex. Dell)	$1,785.31	$43.65	34.34%
	Median (Ex. Dell)	$1,035.00	$42.60	16.50%

Id.

against each of the Defendants. While Plaintiffs believe that the evidence for liability was strong, the Court has indicated that to recover more than nominal damages, Plaintiffs may need to prove actual economic harm. As with other cases where the post-redemption stock price was above redemption value, this could prove to be a challenge, or, at a minimum, potentially would lower total recoverable damages suffered by the class.

In the few weeks following the Merger, New UWM stock traded as high as $11.38 per share, and a total of 101,556,300 shares (meaning there was a 2.4x churn of Class shares during this period) were sold above the redemption value of $10.01 through February 5, 2021. Thus, the number of Class members who suffered actual economic harm as compared with redemption value as a result of Defendants' breaches is likely fewer than the total number of unredeemed Class shares.

In similar circumstances, this Court has recognized the not insignificant risk that both unfair price and the quantification of damages could be established that created additional uncertainties should the case proceed to trial. Though, the Court has observed that "[t]he fact that you may be able sell afterwards [the redemption deadline] is alternative relief in the form of self-help, but you are still harmed at the time of the [redemption] decision,"[62] it also observed that "the positive reaction to

[62] *QuantumScape* Tr. at 62.

the stock price [post-Merger can] make[] a weak [SPAC] case."[63] Similarly, in *Hennessy*, this Court observed that "a finding of unfair price (not to mention damages) may prove unobtainable [when a de-SPAC entity's] stock price . . . traded around $10 per share for months."[64] Both of these observations highlighted potential risks that Plaintiff would face should the case proceed to trial and were factors considered by Plaintiff in determining the fairness, reasonableness, and adequacy of the Settlement.

An additional risk factor should the case proceed to trial, was whether the Court would adopt Plaintiffs' proffered valuation theories. "If this [C]ourt . . . rejected any of the core premises of . . . [P]laintiff[s'] valuation theories, then any damages recovery could have been significantly reduced or eliminated," and Defendants "might succeed in proving entire fairness (by demonstrating that the price was sufficiently fair to overcome any process problems)."[65] This is a particularly pertinent factor in considering that despite an early drop in stock price, New UWM stock rose at the time of the terms of the Settlement were being negotiated to as high as $9.39 per share, and that for a substantial portion of time

[63] *Id*. ("It doesn't seem to me like there should be a rule where it's no harm, no foul if your stock trades above for a sufficient period of time before the harm manifests itself.").

[64] *In re Hennessy Acquisition Corp. IV S'holder Litig.*, 318 A.3d 306, 322 (Del. Ch. 2024).

[65] *Dell*, 300 A.3d at 723.

post-Merger and prior to the signing of the settlement stipulation (over 68% of trading days and over 80% of total shares traded), New UWM stock traded above $5.00 per share (and for over 13% of the time and nearly 32% of total shares traded during this period New UWM stock traded above $8.00). Weighing the Settlement against these palpable risks further supports approval.

C. THE PLAN OF ALLOCATION IS REASONABLE AND APPROPRIATE

The Settlement allocates a $17.5 million recovery—plus any interest that accrues after being deposited in the Escrow Account and minus the payment of administrative costs, attorneys' fee and expenses, and any tax expenses—to the Class. The Plan of Allocation provides for an equitable recovery that will allow Class members who held onto their shares and those who sold their shares for less than the redemption amount to recover at least a portion of any actual economic damages they suffered. It also provides for a nominal recovery applicable to all Class members.

The Plan of Allocation mirrors the plan this Court approved previously in *Romeo Power*[66] and *View*.[67] As the Court recently stated in *Latch*, this Plan of

[66] *Romeo Power* Tr. at 46-47 (approving Plan of Allocation described in Notice of Pendency and Proposed Settlement of Stockholder Class Action, Settlement Hearing, and Right to Appear (Trans. ID 73416695)).

[67] *View*, Order and Final Judgment (Trans. ID 75158239) at ¶ 3 (Del. Ch. Dec. 6, 2024) (approving Plan of Allocation described in Notice of Pendency and Proposed Settlement

Allocation is "smart" and "makes sense" because stockholders are "selling or holding at different times," and "it's a very thoughtful way to distribute proceeds fairly to class members . . . and address the delta between when they might have sold their stock, if they held their stock, and the recovery that they're getting."[68]

For Class Members who sold their shares between the redemption deadline and the business day the Complaint was filed (March 7, 2023) for less than the $10.01 per share redemption price, the equitable per share portion of each Class Member's recognized claims shall be calculated as the difference between $10.01 and the price at which the Class Member sold her or his share(s). For Class members who held their shares as of the date the Complaint was filed, the equitable per share recovery of the Class Member's recognized claim shall be calculated as the difference between the $10.01 per share redemption price and $4.63, the closing price of New UWM stock on March 7, 2023. Finally, a nominal amount of $0.10 per share for each share held on the redemption deadline shall be added to each Class Member's recognized claim. The net settlement fund will then be distributed to Class Members on a pro rata basis based on the relative size of their total recognized claims, calculated by dividing each Class Member's total recognized claims by the

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of Stockholder Class Action, Settlement Hearing, and Right to Appear (Trans. ID 74119511)).

[68] *Latch* Tr., *supra* n.4 at 13, 27.

total of all Class Members' recognized claims and multiplying by the net settlement fund amount.

As contemplated by Rule 23(f)(6), the Plan of Allocation provides that "residual settlement funds be redistributed to identified class members" unless "redistribution is uneconomic."[69] In such cases, the funds will be transferred "to the Combined Campaign for Justice."[70]

The distribution methodology contemplated by the plan of allocation is "fair, reasonable, and adequate."[71] Therefore, the Plan of Allocation should be approved.

D. THE SETTLEMENT IS THE RESULT OF HARD-FOUGHT, ARMS'-LENGTH NEGOTIATIONS BETWEEN EXPERIENCED COUNSEL BEFORE AN EXPERIENCED AND WELL-RESPECTED MEDIATOR

When evaluating the fairness of a settlement, Delaware courts also scrutinize the negotiations that led up to the settlement and heavily favor settlements that resulted from arms'-length negotiations.[72] Here, the parties arrived at the Settlement only after months of negotiations, including a joint mediation session. The

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[69] Stipulation Ex. B at 14; Del. Ct. Ch. R. 23(f)(6).

[70] Stipulation Ex. B at 14; *see also In re PLX Tech. Inc. S'holders Litig.*, 2022 WL 1227170, at *2-*3 (Del. Ch. Apr. 25, 2022) (modifying proposed order to provide for funds that would be uneconomic to redistribute to class members to be distributed to the Delaware Combined Campaign for Justice).

[71] *Schultz v. Ginsburg*, 965 A.2d 661, 667 (Del. 2009), *overruled on other grounds by Urdan v. WR Cap. Partners, LLC*, 244 A.3d 668 (Del. 2020).

[72] *See Ryan*, 2009 WL 18143, at *5 (noting that the settlement there was "fair, reasonable, and adequate" when reached after "vigorous arms-length negotiations following meaningful discovery").

Settlement was agreed to only with the benefit of substantial discovery, including Plaintiffs' review of and analysis of more than 400,000 pages of documents produced by Defendants and non-parties and the deposition testimony of two Defendants.

E. COUNSEL'S EXPERIENCE AND OPINION WEIGH IN FAVOR OF SETTLEMENT APPROVAL

Where counsel is experienced, as here, the Court also considers Counsel's opinion in evaluating a settlement.[73] Counsel, including attorneys at Grant & Eisenhofer P.A., Robbins Geller Rudman & Dowd LLP, and Robbins LLP, are plaintiffs' firms that have substantial experience in negotiating settlements of complex derivative and class actions, as well as a lengthy track record of advocacy in the Delaware Court of Chancery, including in de-SPAC merger redemption rights cases that have survived motions pursuant to Court of Chancery Rule 12 and have proceeded far into discovery.[74] Counsel believes that the Settlement is fair and in the best interests of the Class. Counsel's opinion in this regard is shaped not only by their depth of experience, but by their deep knowledge of this case following pre-

[73] *See Polk*, 507 A.2d at 536 (stating that the Court considers "the views of the parties involved" in determining "the overall reasonableness of the settlement").

[74] *See, e.g.*, *May v. Gores Guggenheim Sponsor LLC*, C.A. No. 2023-0863-LWW (Del. Ch) (obtained and reviewing 49,000 documents to date, and pursuing additional documents, discovery); *Offringa v. dMY Sponsor II, LLC*, C.A. No. 2023-0929-LWW (Del. Ch. July 30, 2024) (TRANSCRIPT) (denying motion to dismiss).

suit investigation and an extensive discovery process. Counsel's opinion further weighs in favor of approving the Settlement.

II. THE CLASS SHOULD BE CERTIFIED PURSUANT TO COURT OF CHANCERY RULES 23(a), 23(b)(1), AND 23(b)(2)

The requirements for class certification are set forth in Court of Chancery Rule 23. Plaintiffs respectfully submit that each requirement is satisfied here and that, consequently, class certification is appropriate. Specifically, Plaintiffs move the Court for certification of a non-opt-out Class for settlement purposes only pursuant to Rules 23(a), 23(b)(1), and 23(b)(2) (the "Class"), consisting of:

> All record and beneficial holders of Gores IV Class A Common Stock (including, for the avoidance of doubt, any shares of Gores IV Class A Common Stock held as part of a Public Unit) who purchased, acquired, or held such securities at any time during the period from September 22, 2020, the date of the announcement of the Merger, through and including January 21, 2021, the date of the Closing.

The Class does not include any of the following:

> i. (a) Defendants; (b) members of the Immediate Family of any Defendant; (c) any person who was a manager or managing member of any Defendant as of the Closing and any members of their Immediate Family; (d) any parent, subsidiary, or affiliate of Defendants, as applicable; (e) any entity in which any Defendant or any other excluded person or entity has, or had as of the Closing, a controlling interest; and (f) the legal representatives, agents, affiliates, heirs, estates, successors, or assigns of any such excluded persons or entities; and
>
> ii. (a) the Company; and (b) any person who was an officer or director of Legacy UWM as of the Closing and any members of their Immediate Family.

A. THE PROPOSED CLASS SATISFIES RULE 23(a)

For a class to be certified, "(1) the class [must be] so numerous that joinder of all members is impracticable, (2) there [must be] questions of law or fact common to the class, (3) the claims or defenses of the representative parties [must be] typical of the claims or defenses of the class, and (4) the representative parties [must] fairly and adequately protect the interests of the class."[75]

1. The Class Is So Numerous That Joinder of All Members Is Not Practical

The numerosity requirement of Rule 23(a)(1) may be satisfied by "numbers in the proposed class in excess of forty, and particularly in excess of one hundred."[76] The test "is not whether joinder of all the putative class members would be impossible, but whether joinder would be practical."[77] Following all redemptions, there were 42,479,205 Public Shares of Gores IV stock. Joinder of the likely thousands of holders of millions of shares is not practical, and numerosity is satisfied.

2. Questions of Law Are Common to Class Members

Commonality is "met where the question of law linking the class members is substantially related to the resolution of the litigation even though the individuals

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[75] Del. Ct. Ch. R. 23.

[76] *Marie Raymond Revocable Tr.*, 980 A.2d at 400 (quoting Del. Ct. Ch. R. 23).

[77] *Id*.

are not identically situated."[78] Here, common questions of law include whether Defendants: (i) breached their fiduciary duties by impairing stockholder redemption rights; (ii) failed to disclose material information and/or made materially misleading statements in the Proxy in connection with Merger; (iii) undertook an unfair Merger process at an unfair price; (iv) unjustly enriched themselves by securing unique financial benefits to the detriment of public stockholders; and (v) injured Plaintiffs and Class members through their conduct. This Court has certified classes in analogous circumstances.[79]

3. Plaintiffs' Claims Are Typical of the Class

"The test of typicality is that the legal and factual position of the class representative must not be markedly different from that of the members of the class" and "focuses on whether the class representative claim (or defense) fairly presents the issues on behalf of the represented class."[80] Plaintiffs are similarly situated to the other Class members and their claims "arise[] from the same event or course of

[78] *Leon N. Weiner & Assocs., Inc. v. Krapf*, 584 A.2d 1220, 1225 (Del. 1991) (citations and internal quotation marks omitted).

[79] *See, e.g.*, *Multiplan*, 2023 WL 2329706, at *2 (certifying a non-opt-out class pursuant to Court of Chancery Rules 23(a), 23(b)(1), and 23(b)(2)).

[80] *Weiner & Assocs.*, 584 A.2d at 1225-26 (citations and internal quotation marks omitted).

conduct that gives rise to the claims . . . of other class members and [are] based on the same legal theory."[81]

4. The Class's Interests Are Fairly and Adequately Protected

There is no divergence of interest between Plaintiffs and absent Class members. Moreover, the recovery achieved through this litigation demonstrates that Plaintiffs' interests were aligned with those of absent Class members and is likewise indicative of the competence and effectiveness of Plaintiffs' Counsel.[82]

B. THE CLASS SATISFIES RULE 23(b)(1) AND 23(b)(2)

Rule 23 enumerates when certification is appropriate.[83] Consistent with longstanding Delaware corporate law practice, the Stipulation binds the parties to seek certification of a non-opt out settlement class pursuant to Rules 23(b)(1) and 23(b)(2).

The proposed Class satisfies Rule 23(b)(1). All Class members are unaffiliated holders of Gores IV Public Shares who suffered the same harm as a result of Defendants' conduct. The definition of the Class expressly excludes Defendants. The relief afforded through the proposed Settlement would impact all

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[81] *Id*. at 1226 (citation omitted).

[82] *See Haverhill Ret. Sys. v. Kerley*, C.A. No. 11149-VCL, at 20-21 (Del. Ch. Sept. 28, 2017) (TRANSCRIPT) ("*Haverhill* Tr.") ("Given that I am approving the settlement as fair and adequate, it follows that I necessarily believe that the class representatives, as well as the derivative action representatives, provided adequate representation in this matter.").

[83] Del. Ct. Ch. R. 23(b)(1)-(2).

stockholders equally, and approval of the proposed Settlement would protect all absent Class members' interests in uniform fashion.[84]

The Class also satisfies Rule 23(b)(2). Defendants' actions impacted Class members in uniform fashion, and the Settlement would afford final relief with respect to the Class as a whole.[85]

C. THE REMAINING REQUIREMENTS OF RULE 23 ARE SATISFIED

Rule 23(f) provides that "a class action may be . . . settled only if the Court approves the terms of the proposed settlement," including that "notice of the proposed . . . settlement must be given to all class members in the manner directed by the Court."[86] Notice was provided to all absent Class members, pursuant to the process set forth in the Scheduling Order.

Pursuant to Rule 23(aa), Plaintiffs have sworn that they have not received, been promised, or offered and will not accept any form of compensation, directly or indirectly, for prosecuting or serving as a representative party in this Action except

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[84] *See Haverhill* Tr. at 21 ("The class is appropriately certified pursuant to Rule 23(b)(1) as a non-opt-out class, because had this action been prosecuted separately by individual class members, there would have been a risk of inconsistent or varying results, and effectively, adjudication with respect to one would have been dispositive of everyone's interests.").

[85] *See generally Nottingham Partners v. Dana*, 564 A.2d 1089, 1096-97 (Del. 1989) (affirming class certification where primary relief in settlement was declaratory, injunctive, and rescissory and thus afforded "similar equitable relief with respect to the class as a whole").

[86] Del. Ct. Ch. R. 23(f).

for: (1) such damages or other relief as the Court may award them as a member of the Class; (2) such fees, costs, or other payments as the Court expressly approves; or (3) reimbursement, paid by such the Plaintiffs' attorneys, of actual and reasonable out-of-pocket expenditures incurred directly in connection with the prosecution of the Action.[87]

* * *

For the foregoing reasons, Plaintiffs respectfully submits that the Court should certify the Class.

III. THE REQUESTED FEE AND EXPENSE AWARD SHOULD BE GRANTED

Plaintiffs moves for an award of attorneys' fees of $3,937,500, inclusive of expenses in the amount of $364,502.21. The Settlement provides an excellent outcome for the Class, providing an immediate and substantial recovery. This requested fee and expense award is well within the Court's precedent, and Plaintiffs' request is reasonable given the substantial benefit the Settlement provides, the risks of the litigation and a potential appeal, the necessary expenses that Plaintiffs have

[87] Affidavit of Richard Delman in Support of Proposed Settlement and Application for Attorneys' Fees and Expenses and Service Award at ¶ 7 (filed herewith); Affidavit of Michael Farzad in Support of Proposed Settlement and Application for Attorneys' Fees and Expenses and Incentive Awards at ¶ 6 (filed herewith).

incurred to date, and the thousands of hours Counsel have devoted to the prosecution of this Action.

A. LEGAL STANDARD

This Court may award attorneys' fees to counsel whose efforts conferred a common benefit.[88] The determination of any attorney fee and expense award is left to the Court's discretion.[89] The Court considers the *Sugarland* factors, including: "1) the results achieved; 2) the time and effort of counsel; 3) the relative complexities of the litigation; 4) any contingency factor; and 5) the standing and ability of counsel involved."[90] The greatest weight in this analysis is afforded to the benefit achieved in litigation.[91]

Each of the *Sugarland* factors fully supports the requested fee award here.

B. THE BENEFITS OF THE SETTLEMENT ARE SUBSTANTIAL

As set forth herein, the proposed Settlement confers substantial and quantifiable financial benefits on the Class. Should the Court approve the proposed

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[88] *See, e.g.*, *Americas Mining Corp. v. Theriault*, 51 A.3d 1213, 1255 (Del. 2012); *Tandycrafts, Inc. v. Initio Partners*, 562 A.2d 1162, 1164 (Del. 1989).

[89] *Theriault*, 51 A.3d at 1254-55 (upholding fee award of over $304 million); *Sugarland Indus., Inc. v. Thomas*, 420 A.2d 142, 149-50 (Del. 1980).

[90] *Theriault*, 51 A.3d 1213 at 1254 (citing *Sugarland*, 420 A.2d at 149).

[91] *Id.*; *see also Julian v. E. States Const. Serv., Inc.*, 2009 WL 154432, at *2 (Del. Ch. Jan. 14, 2009) ("In determining the size of an award, the courts assign the greatest weight to the benefit achieved in the litigation." (citing *Franklin Balance Sheet Inv. Fund v. Crowley*, 2007 WL 2495018, at *8 (Del. Ch. Aug. 30, 2007))).

Settlement of this Action, Class members will receive a substantial portion of their actual economic loss. As the factor accorded the most weight by the Court, this exceptional recovery counsels heavily in favor of Plaintiffs' requested fee award.[92] The Court has stated that "the dollar amount of the fund created . . . is the heart of the *Sugarland* analysis."[93]

Plaintiffs' Counsel's work in achieving this material benefit for the Class places this case within the 15 to 25% range for "meaningful litigation efforts."[94] Plaintiffs' Counsel submit that a 22.5% all-in fee award is reasonable and appropriate given this Court's precedent involving comparable litigation activity (220 demand; substantial discovery; depositions; some motion practice):

[92] *Theriault*, 51 A.3d at 1254; *Gatz v. Ponsoldt*, 2009 WL 1743760, at *3 (Del. Ch. June 12, 2009); *In re Orchard Enters. Inc. S'holder Litig.*, 2014 WL 4181912, at *8 (Del. Ch. Aug. 22, 2014) ("A percentage of a low or ordinary recovery will produce a low or ordinary fee; the same percentage of an exceptional recovery will produce an exceptional fee.").

[93] *Seinfeld v. Coker*, 847 A.2d 330, 336 (Del. Ch. 2000).

[94] *See Theriault*, 51 A.3d at 1259-60.

Case	Cash Settlement Amount	Fee	Implied Hourly Rate	Stage of Litigation
In re Tangoe, Inc. S'holder Litig.,[95]	$12,500,000	22.6%	$1,511	Filed complaint incorporating § 220 documents; reviewed approximately 250,000 pages of documents; no depositions; some motion practice
Garfield v. Blackrock Mortg. Ventures, LLC,[96]	$6,850,000	22.4%	$1,774	Filed complaint incorporating § 220 documents; reviewed over 38,000 pages of documents; no depositions; some motion practice

[95] 2020 WL 507523 (Del. Ch. Jan. 29, 2020) (ORDER AND FINAL JUDGMENT); 2020 WL 136813 (Del. Ch. Jan. 9, 2020) (SETTLEMENT BRIEF).

[96] 2021 WL 763744 (Del. Ch. Feb. 26, 2021) (ORDER AND FINAL JUDGMENT); 2021 WL 274491 (Del. Ch. Jan. 22, 2021) (SETTLEMENT BRIEF).

Case	Cash Settlement Amount	Fee	Implied Hourly Rate	Stage of Litigation
In re AVX Corp. S'holders Litig., C.A. No. 2020-1046-SG[97]	$49,900,000	21%	$1,256	Filed complaint; reviewed approximately one million pages of documents; no depositions; some discovery motion practice
In re MultiPlan Corp. S'holders Litig.,[98]	$33,750,000	20%	$1,079	Filed complaint; reviewed substantial quantity of approximately 734,000 pages of documents; no depositions; discovery motion practice

[97] (Del. Ch. Dec. 27, 2022) (ORDER AND FINAL JUDGMENT); 2022 WL 17415255 (Del. Ch. Dec. 1, 2022) (SETTLEMENT BRIEF).

[98] 2023 WL 2329706 (Del. Ch. Mar. 1, 2023) (ORDER AND FINAL JUDGMENT); 2023 WL 1927595 (Del. Ch. Feb. 6, 2023) (SETTLEMENT BRIEF).

Case	Cash Settlement Amount	Fee	Implied Hourly Rate	Stage of Litigation
Emile-Berteau v. Glazek,[99]	$5,000,000	20%	$848	Filed complaint incorporating § 220 documents; briefed motion to dismiss, denied in part; reviewed less than 1,500 pages of documents; no depositions
Vero Beach Police Officers' Ret. Fund v. Bettino,[100]	$17,950,000	19.8%	$3,160	Filed complaint incorporating § 220 documents; no depositions; drafted but did not file motion to dismiss opposition

These comparable precedents include recent fee awards in similar de-SPAC merger-related stockholder class actions, such as *MultiPlan* and *Lordstown*. In *MultiPlan*, the Court awarded plaintiffs' counsel an all-in fee of 20% of the recovery, while in *Lordstown*, the Court granted awarded plaintiffs' counsel a fee of 22.5% of the net recovery, along with reimbursement of expenses. Like the present case, those

[99] 2023 WL 8618261 (Del. Ch. Dec. 12, 2023) (ORDER AND FINAL JUDGMENT); 2023 WL 6807603 (Del. Ch. Oct. 10, 2023) (SETTLEMENT BRIEF).

[100] 2018 WL 6330140 (Del. Ch. Dec. 3, 2018) (ORDER AND FINAL JUDGMENT); 2018 WL 6136042 (Del. Ch. Nov. 19, 2018) (SETTLEMENT BRIEF).

actions involved settlements of breach of fiduciary duty claims related to the impairment of SPAC stockholder redemption rights in a SPAC merger, and both settled before depositions and expert discovery.[101] Plaintiffs' Counsel respectfully submit that the requested 22.5% all-in fee award is reasonable and appropriate.

C. THE CONTINGENT NATURE OF COUNSEL'S REPRESENTATION SUPPORTS THE REQUESTED FEE

The "second most important factor" in the Court's *Sugarland* analysis is the contingent nature of counsel's representation.[102] It is the "public policy of Delaware to reward this risk-taking in the interests of shareholders."[103] Contingent representation entitles Plaintiffs' Counsel to both a "risk" premium and an "incentive" premium on top of the value of their standard hourly rates.[104]

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[101] *Lordstown*, 2024 WL 3555798, at ¶ 11 (Del. Ch. July 5, 2024) (awarding reimbursement of expenses plus fees equating to 22.5% of the net settlement fund); *MultiPlan*, 2023 WL 2329706, at ¶ 12 (awarding 20% all-in fee award); cf. *GeneDx*, *supra* n.1 (awarding reimbursement of expenses plus fees equating to 19.5% of the net settlement fund prior to any discovery or motion practice).

[102] *Dow Jones & Co. v. Shields*, 1992 WL 44907, at *2 (Del. Ch. Jan. 10, 1992).

[103] *In re Plains Res. Inc. S'holders Litig.*, 2005 WL 332811, at *6 (Del. Ch. Feb. 4, 2005); *see also In re First Interstate Bancorp. Consol. S'holder Litig.*, 756 A.2d 353, 365 (Del. Ch. 1999), *aff'd sub nom. First Interstate Bancorp v. Williamson*, 755 A.2d 388 (Del. 2000) (noting that it is "consistent with the public policy" of Delaware to "reward this sort of risk taking in determining the amount of a fee award.").

[104] *Seinfeld*, 847 A.2d at 337; *see also Crowley*, 2007 WL 2495018, at *12 ("Fee awards should encourage future meritorious lawsuits by compensating the plaintiffs' attorneys for their lost opportunity cost (typically their hourly rate), the risks associated with the litigation, and a premium.") (citations omitted).

Here, as set forth in the accompanying attorney affidavits,[105] Plaintiffs' Counsel pursued this case on a fully contingent basis. Accordingly, in undertaking this representation, they incurred all of the classic contingent fee risks, including the ultimate risk—no recovery whatsoever and a loss of all expenses incurred. This factor thus supports the requested fee award.

D. THE TIME AND EFFORTS EXPENDED BY COUNSEL SUPPORT THE REQUESTED FEE AWARD

Fee awards should neither penalize counsel for early victory nor incentivize dragging out litigation or expending unnecessary hours.[106] Accordingly, the time spent by counsel in this litigation should only serve as a cross-check on the reasonableness of the fee award.[107] Prior to reaching agreement on the Settlement Stipulation, Counsel's efforts included a deep review of 220 documents produced by the Company, drafting and filing the Complaints, and following Defendants' Answer, a review of over 77,000 documents comprised of nearly 400,000 pages, engaging in discovery motion practice, and taking two depositions of Defendants.

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[105] Affidavit of Kelly L. Tucker in Support of an Award of Attorneys' Fees and Expenses at ¶ 2 (filed herewith) ("Tucker Aff."); Affidavit of Gregory E. Del Gazio in Support of an Award of Attorneys' Fees and Expenses at ¶ 2 (filed herewith) ("Del Gaizo Aff."); Affidavit of Erik W. Luedeke on Behalf of Robbins Geller Rudman & Dowd LLP in Support of Application for Award of Attorneys' Fees and Expenses at ¶ 2 (filed herewith) ("Luedeke Aff.").

[106] *Sciabacucchi v. Salzberg*, 2019 WL 2913272, at *6 (Del. Ch. July 8, 2019).

[107] *Id*. (citing *In re Sauer-Danfoss Inc. S'holders Litig.,* 65 A.3d at 1116, 1138 (Del. Ch. 2011).

Counsel also conducted an extensive damages assessment with the assistance of experts, and engaged in the mediation and arms'-length negotiation in reaching the Settlement.

The Court has "explicitly disapproved the . . . lodestar method. Therefore, Delaware courts are not required to award fees based on hourly rates that may not be commensurate with the value of the common fund created by the attorneys' efforts."[108] But "[t]he time and effort expended by counsel is considered as a cross-check to guard against windfalls."[109] Counsel spent 5,297.65 hours litigating this Action, from inception through the February 7, 2025 signing of the Settlement Stipulation.[110] This amounts to a lodestar value of $3,242,773.00. Counsel also incurred $364,502.21 in expenses.[111] The requested fee award (net of expenses) implies an hourly rate of approximately $674.45 per hour,[112] and a lodestar multiple

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[108] *Theriault*, 51 A.3d at 1254.

[109] *In re Emerson Radio S'holder Deriv. Litig.*, 2011 WL 1135006, at *2 (Del. Ch. Mar. 28, 2011).

[110] Tucker Aff. at ¶ 4; Del Gazio Aff. at ¶ 4; Luedeke Aff. at ¶ 4; Unsworn Declaration of Michael Klausner in Support of an Award of Attorneys' Fees and Expenses (filed herewith) at ¶ 4; Affidavit of Michele Carino in Support of an Award of Attorneys' Fees and Expenses (filed herewith) at ¶ 4.

[111] Tucker Aff. at ¶¶ 6-7 (note that the litigation fund disbursements are only counted once for purposes of calculation of the total expenses); Del Gazio Aff. at ¶ 6; Luedeke Aff. at ¶ 6.

[112] *In re Versum Materials, Inc. S'holder Litig.*, C.A. 2019-0206-JTL, at 81 (Del. Ch. July 16, 2020) (TRANSCRIPT) (approving fees equivalent to an hourly rate of over $10,000); *Sciabacucchi*, 2019 WL 2913272, at *6 (fees equivalent to $11,262.26 per hour were reasonable); *In re Medley Cap. Corp. S'holders Litig.*, Consol. C.A. No. 2019-0100-KSJM,

of approximately 1.1x,[113] both of which are well within the range of hourly rates and lodestar multiples previously awarded by the Court of Chancery.[114]

The substantial efforts of counsel thus support the requested fee award.

E. THE ACTION IMPLICATES COMPLEX ISSUES OF FACT AND LAW

In determining an appropriate award of fees and expenses, the Court also considers the complexity of the litigation. "Litigation that is challenging and complex supports a higher fee award."[115] This Action is complex both legally and factually.

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at 67-68 (Del. Ch. Nov. 19, 2019) (TRANSCRIPT) (observing a $5,989 hourly rate would not be "beyond the bounds of reasonableness"); *Dell*, 300 A.3d at 726 (granting award representing $5,000 implied hourly rate); *In re Activision Blizzard Inc. S'holder Litig.*, Consol. C.A. No. 8885-VCL (Del. Ch. May 20, 2015) (ORDER) (awarding an effective hourly rate of $9,685); *Berger v. Pubco Corp.*, 2010 WL 2573881, at *1 (Del. Ch. June 23, 2010) (awarding a fee of 26% noting that "the hourly rate to which the fee translates (approximately $3,450 per hour . . .) is nestled within the range of hourly rates found among Court of Chancery monetary-benefit cases.").

[113] *See, e.g.*, *In re Saba Software, Inc. S'holder Litig*., 2018 WL 4620107 (Del. Ch. Sept. 26, 2018) (awarding a 3x lodestar multiple); *Vero Beach Police Officers' Ret. Fund v. Bettino*, 2018 WL 6330140 (Del. Ch. Dec. 3, 2018) (awarding an effective hourly rate of $3,165 and a 5.1x lodestar multiplier); *In re Pilgrim's Pride Corp. Deriv. Litig.*, 2020 WL 474676 (Del. Ch. Jan. 28, 2020) (awarding an effective hourly rate of $4,511.09 and a 7.0x lodestar multiplier); *Carr v. New Enter. Assoc. Inc.*, 2019 WL 1491579 (Del. Ch. Apr. 4, 2019) (awarding an effective hourly rate of $1,030 and an 7.2x lodestar multiplier); *In re AVX Corp. S'holders Litig.*, Consol. C.A. No. 2020-1046-SG (Del. Ch. Dec. 27, 2022) (ORDER) (awarding an effective hourly rate of $1,256.97 and a 2.61x lodestar multiplier).

[114] *Id.*; *supra* nn.95-101, 112.

[115] *Activision*, 124 A.3d at 1072.

Plaintiffs' claims in this Action presented well-established legal challenges concerning Defendants' duties to act loyally with regard to Gores IV stockholders, but involved novel legal issues, such as the contours of what constitutes impairment of stockholder redemption rights, how damages might be calculated, and whether a delta of $1.75 between the net cash per share being contributed to the Merger and the $10.00 per share deemed Merger consideration was material (a question, along with whether net cash per share must be disclosed when the difference between net cash per share and the deemed merger consideration is material, remains unanswered by the Delaware Supreme Court). These uncertainties resulted in the potential for complex legal battlegrounds that have not yet been trial tested.

Further, the factual issues presented in this Action were likewise complex. Plaintiffs had to delve into the web of interrelationships between each of the Defendants, including their various businesses, directorships, and their interrelated financial interests. Plaintiffs have had to review over 400,000 documents produced by multiple defendants and non-parties to ascertain, *inter alia*, the status of Legacy UWM's refinance and origination market, the assumptions underlying its business model, and the likely value of Legacy UWM at the time of the Merger, along with other related disclosure issues and facts relevant to questions of process and price.

The legal and factual complexity at issue in this litigation supports the requested fee award.

F. COUNSEL IS WELL-REGARDED WITH A HISTORY OF SUCCESS BEFORE THIS COURT

The Court also considers the standing and ability of counsel when determining the reasonableness of a fee and expense award.[116]

Here, Plaintiffs' Counsel are experienced in stockholder class and corporate governance litigation, with a lengthy track record of obtaining exceptional recoveries for stockholders in challenging and complex cases. The reputation of counsel has been the subject of favorable comments by the courts of this state and other state and federal courts.[117] Plaintiffs' Counsel have participated in some of the largest settlement and post-trial recoveries for plaintiffs in class and derivative litigation before this Court.[118] Plaintiffs' Counsel respectfully submits that the Settlement is another exceptional recovery that extends this track record.

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[116] *See Sugarland*, 420 A.2d at 149.

[117] *See, e.g.*, *In re Del Monte Foods Co. S'holders Litig.*, 2010 WL 5550677 (Del. Ch. Dec. 31, 2010) ("Ultimately, the most important factor when appointing lead counsel is the degree to which the attorneys will provide effective representation for the class going forward. . . . G&E's track record stands out." *Id.* at *9. "The results achieved by G&E [] demonstrate that they have the ability and resources to litigate the case competently and vigorously." *Id.* at *11.). '

[118] *In re Dole Food Co., Inc. Stockholder Litig.*, 2015 WL 5052214 (Del. Ch. Aug. 27, 2015) ($148 million trial verdict); *In re Digex, Inc. S'holder Litig.*, 2001 WL 34131395 (Del. Ch. Apr. 6, 2001) ($420 million settlement); *In re McKesson Corp. Stockholder Derivative Litig.*, 2020 WL 1985047 (Del. Ch. Apr. 24, 2020) ($175 million settlement and corporate governance reforms); *In re News Corp. S'holder Deriv. Litig.*, 2013 WL 3231415 (Del. Ch. June 26, 2013) ($139 million settlement); *In re Freeport-McMoRan Copper & Gold, Inc. Deriv. Litig.*, 2015 WL 1565918 (Del. Ch. Apr. 7, 2015) ($153.75 million settlement and corporate governance reforms); *Teachers' Ret. Sys. of Louisiana v. Greenberg*, 2008 WL 5260548 (Del. Ch. Dec. 17, 2008) ($115 million settlement); *In re*

The standing of opposing counsel also may be considered in determining the reasonableness of a fee award. Defendants are represented by experienced, skillful, and well-respected law firms who vigorously defended their clients' interests. The ability of opposing counsel enhances the significance of the benefit achieved for the Class.

IV. THE COURT SHOULD APPROVE SERVICE AWARDS FOR THE PLAINTIFFS

The Court should approve the payment of a modest $5,000 service award to both of the two named Plaintiffs, to be paid out of the fees awarded to Plaintiffs' Counsel, to compensate them for the time and effort that they devoted to this matter. This Court has recognized that a modest service fee is appropriate where, as here, Plaintiffs have "step[ed] forward and take[n] the risk" of getting involved in

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Am. Int'l Gp., Inc., Consol. Deriv. Litig., 2011 WL 244179 (Del. Ch. Jan. 25, 2011) ($90 Million Settlement); *In re CBS Corp. Stockholder Class Action & Deriv. Litig.*, 2023 WL 5817795 (Del. Ch. Sept. 7, 2023) ($167.5 million settlement); *City of Monroe Emps.' Ret. Sys. v. Murdoch*, 2018 WL 822498 (Del. Ch. Feb. 9, 2018) ($90 million settlement plus corporate governance reforms); *In re Jefferies Group, Inc. S'holders Litig.*, 2015 WL 1414350 (Del. Ch. Mar. 26, 2015) ($92 million settlement); *In re AMC Entm't Holdings, Inc. Stockholder Litig.*, 2023 WL 516606 (Del. Ch. Aug. 11, 2023) ($76 million settlement); *In re MSG Networks Inc. Stockholder Class Action Litig.*, 2023 WL 5302339 (Del. Ch. Aug. 16, 2023) ($48.5 million settlement); *In re Starz Stockholder Litig.*, 2018 WL 6515452 (Del. Ch. Dec. 10, 2018) ($92.5 million settlement); *In re El Paso Corp. S'holder Litig.*, Consol. C.A. No. 6949-CS (Del. Ch. Dec. 3, 2012) (ORDER) ($110 million settlement).

representative litigation in a culture in which people increasingly are unwilling to "do things for the benefit of others."[119]

In determining the appropriateness of a service fee, the Court considers the time and effort expended by the class representative and the size of the benefit to the class.[120] Here, Plaintiffs monitored counsel's work, reviewed pleadings, regularly communicated with counsel regarding litigation strategy and significant litigation developments, responded to propounded discovery with over 6,000 pages of documents and sworn interrogatory responses, and prepared for depositions that were on the eve of being taken. These efforts are in line with those of the plaintiffs in *Latch*, where the Court awarded a similar incentive award,[121] and amply support the modest $5,000 awards requested.

CONCLUSION

For the foregoing reasons, Plaintiffs respectfully requests that the Court approve the Settlement and Plan of Allocation, certify the Class pursuant to Court of Chancery Rules 23(1), 23(b)(1), and 23(b)(2), and grant the requested fee and expense award and service awards.

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[119] *In re EZCorp Inc. Consulting Agreement Deriv. Litig.*, C.A. No. 9962-VCL (Del. Ch. April 3, 2018) (TRANSCRIPT) at 22 (awarding $5,000 incentive awards).

[120] *Raider v. Sunderland*, 2006 WL 75310, at *1 (Del. Ch. Jan. 5, 2006).

[121] *Latch* Tr., *supra* n.4 at 17.

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