UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

In re Tenaris S.A. Securities Litigation	Case No. 1:18-cv-07059-KAM-SJB Honorable Kiyo A. Matsumoto

DECLARATION OF KARA M. WOLKE IN SUPPORT OF: (I) LEAD PLAINTIFFS' MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND PLAN OF ALLOCATION; AND (II) LEAD COUNSEL'S MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES

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I, Kara M. Wolke, declare the following pursuant to 28 U.S.C. §1746:

1. I am an attorney duly licensed to practice law before all of the courts of the State of California and I am admitted *pro hac vice* in this action. I am a partner in the law firm of Glancy Prongay & Murray LLP ("GPM"), Lead Counsel for Court-appointed Lead Plaintiffs Jeffrey Lynn Sanders and Starr Sanders ("Lead Plaintiffs" or "Plaintiffs") in the above-entitled action (the "Action").[1]

2. I respectfully submit this declaration, together with the attached exhibits, in support of Lead Plaintiffs' Motion for Final Approval of Class Action Settlement and Plan of Allocation and the concurrently filed memorandum in support thereof ("Final Approval Memorandum"). As set forth in the Final Approval Memorandum, Lead Plaintiffs seek final approval of the $9,500,000 settlement (the "Settlement") that the Court preliminarily approved by Order dated April 10, 2023 (the "Preliminary Approval Order," ECF No. 112), as well as approval of the proposed Plan of Allocation of the Net Settlement Fund to eligible Settlement Class Members.

3. I also respectfully submit this declaration in support of Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses and the concurrently-filed memorandum of support thereof ("Fee Memorandum"). As set forth in the Fee Memorandum, Lead Counsel seeks an award of attorneys' fees in the amount of 33⅓% of the Settlement Fund (which, by definition, includes interest accrued thereon), and reimbursement of Litigation Expenses in the total amount of $98,935.26, which includes Lead Counsel's total out-of-pocket litigation costs in the amount of $83,935.26, and a total of $15,000 to Lead Plaintiffs, pursuant to the Private Securities Litigation Reform Act of 1995 ("PSLRA") for their costs, including lost

[1] Capitalized terms not otherwise defined herein have the meanings given to them in the Stipulation and Agreement of Settlement dated March 3, 2023 (the "Stipulation"). ECF No. 111-1.

wages, incurred in connection with their representation of the Settlement Class.

I. INTRODUCTION

4. The proposed Settlement now before the Court provides for the resolution of all claims in the Action in exchange for a non-reversionary cash payment of $9,500,000. As detailed herein, Lead Plaintiffs and Lead Counsel submit that the proposed Settlement represents a favorable result for the Settlement Class considering the posture of the Action as well as the significant risks to overcome remaining in the Action. Lead Plaintiffs' damages consultant estimates that if Lead Plaintiffs had ***fully prevailed*** on their claims at both summary judgment and after a jury trial, if the Court certified the proposed class, and if the Court and jury accepted Lead Plaintiffs' damages theory—*i.e.*, Plaintiffs' ***best case scenario***—the total maximum damages would be approximately $236.4 million. Under this best-case scenario, the $9,500,000 Settlement Amount represents approximately 4% of the total maximum damages potentially available in this Action. Of course, Defendants had advanced, and would continue to advance, serious arguments with respect to liability, loss causation, and damages. If any of these arguments were accepted, the putative class's potential recovery would have been substantially reduced or completely eliminated.

5. As explained in greater detail herein, this Settlement was reached only after comprehensive inquiry into the merits of the claims alleged and the likely damages that could be recovered by the Settlement Class. Lead Counsel vigorous efforts involved, among other things: (a) conducting a comprehensive and thorough factual investigation into the allegedly wrongful acts; (b) a comprehensive 56-page Consolidated Class Action Complaint (the "Complaint") based on this investigation; (c) engaging in substantial briefing in opposition to Defendants' motions to dismiss, notices of supplemental authority, as well as their motion for partial reconsideration;

(d) engaging in substantial fact discovery, including, *inter alia*, the exchange of initial disclosures, service of requests for production of documents, interrogatories, and admissions; (e) reviewing and analyzing 116,046 of pages of documents, many of which were in Spanish; and (f) engaging in extensive settlement negotiations with Defendants' Counsel.

6. Based on the foregoing efforts, Lead Plaintiffs and Lead Counsel were well informed on both the strengths and weaknesses of the claims and defenses in the Action. Armed with this knowledge, Lead Counsel engaged in extensive arm's-length bargaining, which resulted in a fair and reasonable Settlement for the Settlement Class.

7. The Settlement confers a substantial immediate benefit to the Settlement Class that is eminently fair, reasonable, and adequate given the legal hurdles and risks involved in proving liability and damages. The Settlement also avoids the further risk, delay, and expense had this case continued through class certification, discovery, summary judgment, and to trial. Lead Counsel respectfully submits that, under the circumstances, the Settlement is in the best interest of the Settlement Class and should be approved.

8. In addition to seeking final approval of the Settlement, Lead Plaintiffs seek approval of the proposed Plan of Allocation as fair and reasonable. As discussed in further detail below, Lead Counsel developed the Plan of Allocation with the assistance of Lead Plaintiffs' damages consultant. The Plan of Allocation provides for the distribution of the Net Settlement Fund to Settlement Class Members who submit Claim Forms that are approved for payment by the Court on a *pro rata* basis. Specifically, an Authorized Claimant's *pro rata* share shall be the Authorized Claimant's Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

9. Finally, Lead Counsel seeks approval of the request for attorneys' fees and reimbursement of Litigation Expenses as set forth in the Fee Memorandum. As discussed in detail in the accompanying Fee Memorandum, the requested 33⅓% fee is within the range of percentage awards granted by courts in this Circuit in comparable securities class actions. Additionally, the fairness and reasonableness of the request is confirmed by a lodestar cross-check, and warranted in light of the extent and quality of the work performed and the result achieved. Likewise, the requested out-of-pocket litigation costs of $83,935.26 and the requested reimbursements of costs, including lost wages, totaling $15,000 pursuant to the PSLRA are also fair and reasonable. Accordingly, for the reasons set forth in the Fee Memorandum and for the additional reasons set forth herein, Lead Counsel respectfully submits that the request for attorneys' fees and reimbursement of Litigation Expenses be approved.

II. PROSECUTION OF THE ACTION

A. Commencement Of The Action And Appointment Of Lead Plaintiffs And Lead Counsel

10. On December 12, 2018 and January 9, 2019, two class action complaints were filed in the United States District Court of the Eastern District of New York, styled, *Atanasio v. Tenaris S.A. et al.*, Case No. 1:18-cv-07059 and *Gross v. Tenaris S.A.*, Case No. 1:19-cv-00174.

11. By Order dated April 29, 2019, the Court: (i) consolidated and recaptioned the cases as *In re Tenaris S.A. Securities Litigation*, Master File No. 18-CV-7059; (ii) appointed Jeffrey Lynn Sanders and Starr Sanders to serve as Lead Plaintiffs in the Action; and (iii) approved Lead Plaintiffs' selection of GPM as Lead Counsel for the putative class. ECF No. 25.

B. The Comprehensive Investigation And The Preparation Of The Complaint

12. In preparation for filing the Complaint, Lead Counsel conducted an extensive factual and legal investigation that included, among other things, (a) reviewing and analyzing

(i) Tenaris's publicly-filed documents with the U.S. Securities and Exchange Commission ("SEC"), (ii) public reports, research reports prepared by securities and financial analysts, news and wire articles, and other information available online concerning Defendants, (iii) investor call transcripts, (iv) filings from the Argentine criminal court related to the criminal investigation known as the "Notebooks Case," and (v) other publicly available material concerning the Notebooks Case, Tenaris and related entities; (b) retaining and working with an Argentinian lawyer who assisted in obtaining information from the pending criminal cases and advising on various issues of Argentine law; (c) having relevant documents translated from Spanish to English; (d) retaining and working with a bilingual private investigator who conducted an investigation in Argentina that involved, *inter alia*, numerous interviews of former Tenaris employees and other sources of relevant information; and (e) consulting with loss causation and damages experts.

13. On July 19, 2019, Plaintiffs filed and served the Complaint, asserting claims against Tenaris, Paolo Rocca, and Edgardo Carlos ("Company Defendants"), as well as San Faustin S.A. and Techint Holdings S.á r.l. ("Parent Defendants") under Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder, and against Parent Defendants, Paolo Rocca, and Edgardo Carlos under Section 20(a) of the Exchange Act. ECF No. 36. Among other things, the Complaint alleged that Company Defendants made materially false and misleading statements or omitted material facts, regarding corruption and bribery, in the Company's Code of Conduct, Code of Ethics, and risk disclosures. The alleged corruption and bribery scheme was centered on bribery payments allegedly made by Defendants to government officials in connection with the planned nationalization of a Venezuelan steel company, SIDOR, which was 60% owned and controlled by Tenaris's sister company, Ternium S.A. ("Ternium") (Tenaris, in turn, owned an 11.5% stake in Ternium). The Complaint also

alleged that Parent Defendants were alter egos of Company Defendants, controlled the operations at both Tenaris and Ternium, and were liable for the same materially false and misleading statements. The Complaint further alleged the prices of Tenaris American Depositary Shares ("ADS") were artificially inflated as a result of Company Defendants' allegedly false and misleading statements regarding Tenaris's Code of Conduct, Code of Ethics, and risk disclosures, and declined when Defendants' alleged participation in the alleged bribery scheme was revealed. ECF No. 36.

C. Defendants' Motion To Dismiss The Complaint And Plaintiffs' Response

14. On November 8, 2019, Company Defendants and Parent Defendants each served a motion to dismiss the Complaint. ECF Nos. 40, 42. Among other things, Company Defendants argued that Plaintiffs failed to plead: (a) the existence of materially misleading statements or omissions; (b) a strong inference of scienter; and (c) loss causation. Specifically, Company Defendants argued that Plaintiffs' falsity allegations failed because: (i) Tenaris's general statements regarding its Code of Conduct and Code of Ethics were not actionable as a matter of law; and (ii) Company Defendants had no affirmative duty to disclose uncharged, unadjudicated wrongdoing in their communications with investors as well as in the SEC filings. Company Defendants also argued that Plaintiffs failed to adequately plead scienter because: (i) Rocca and Carlos's positions in the Company alone were an insufficient basis for scienter; and (ii) the key non-parties—*e.g.*, Messrs. Zabaleta and Betnaza—in the underlying alleged bribery scheme relating to SIDOR, did not work for Tenaris at the time the alleged bribery payments took place. Defendants also argued that Plaintiffs' failed to adequately plead loss causation because the decline in Tenaris's share price on November 27, 2018 was, at worst, the result of the disclosure of a new adverse development involving the Company's CEO, and revealed nothing false about the

supposed misstatements in Tenaris's financial reports issued during the Class Period. Defendants then argued that the decline in Tenaris's share price following the December 5, 2018 corrective disclosure—the announcement that Argentine prosecutors had requested Rocca's detention—was merely the result of the market reacting to the news that the CEO of the Company might be jailed in Argentina, not to the news of years-old supposed misstatements about an even older transaction at another company. Finally, Defendants argued that the fact that an Argentine appellate court reversed a lower court's order against Rocca showed that neither liability nor fraud-related damaged could be proven here. Notably, Defendants cited the appellate court's holding as to Rocca that "it is not possible to infer that each action taken by the management of the various companies originated from the very top of the group that consolidated them." ECF No. 40 at 6.

15. On January 10, 2020, Lead Plaintiffs opposed both motions to dismiss in an omnibus response. ECF. No. 59. Plaintiffs argued that the Complaint adequately plead actionable misrepresentations and omissions made by Defendants. Specifically, Plaintiffs argued that (a) Tenaris's risk factors failed to disclose that the conditions underlying those risks had already come to pass; (b) Tenaris's Code of Conduct not only included specifically-tailored anti-bribery provisions but, further, that Tenaris promulgated a separate and ostensibly comprehensive Code of Ethics applicable exclusively to its senior financial officers, misleadingly suggesting to investors that ethical standards would be most rigorously applied against those officers. Additionally, Plaintiffs argued that the Complaint adequately alleged scienter because Rocca had motive and opportunity to intervene on behalf of SIDOR as well as to conceal his role in the SIDOR scheme altogether. Finally, Plaintiffs argued that the Complaint adequately alleged loss causation because the November 27 and December 5 disclosures both corrected the misleading

impression caused by Defendants' challenged statements and constituted materializations of concealed risks.

16. On February 14, 2020, Tenaris filed and served its reply papers in support of its motion to dismiss. ECF No. 63.

17. On September 22, 2020, Company Defendants submitted a notice of supplemental authority in support of their motion to dismiss (ECF No. 64), which Parent Defendants joined on September 25, 2020 (ECF No. 65). The supplemental authority in question was a recently issued order by Judge Chen of the Eastern District of New York in *Ulbricht v. Ternium S.A.*, 18-CV-6801, ECF 31, 2020 WL 5517313 (E.D.N.Y., Sept. 14, 2020), wherein Judge Chen granted defendants' motion to dismiss a consolidated securities class action complaint brought against Tenaris's sister company, Ternium, and certain of its officers and directors.

18. On September 30, 2020, Plaintiffs responded to Defendants' notices of supplemental authority. ECF No. 66. Therein, Plaintiffs argued that Judge Chen's order in *Ulbricht* was inapposite, citing key distinctions between the *Ulbricht* and *In re Tenaris* cases, including: (1) the specific content of the challenged statements; (2) the context under which those statements were made; and (3) the legal arguments presented to the *Ulbricht* court as compared to those presented to the Court here.

19. On October 2, 2020, Company Defendants filed their reply in further support of their notice of supplemental authority. ECF No. 67. Therein, Company Defendants reiterated that Judge Chen's rulings in *Ulbricht* were unquestionably on point with respect to the issues in this case. On that same day, Defendants filed a second notice of supplemental authority in support of their motion to dismiss. ECF No. 68. Defendants referenced a recently issued Second Circuit opinion, *In re: Liberty Tax, Inc. Securities Litigation*, 2020 WL 5807566 (2d Cir., Sept. 30, 2020),

which Defendants argued contained a comparable set of alleged misstatements that the district court dismissed and the Second Circuit affirmed.

20. On October 6, 2020, Plaintiffs responded to Company Defendants' second notice of supplemental authority. ECF No. 69. Therein, Plaintiffs argued that: (1) *Liberty Tax* was only potentially applicable to one category of alleged misstatements in this case; (2) *Liberty Tax* does not support Company Defendants' contention that the Code of Ethics statements are unactionable; and (3) additional factors, such as the differences between Tenaris's Code of Conduct and the compliance task force at issue in *Liberty Tax*, rendered *Liberty Tax* ultimately inapposite.

21. On October 9, 2020, the Court entered an opinion and order granting in part and denying in part Tenaris's motion to dismiss (the "Motion to Dismiss Order"). ECF No. 70. Therein, the Court: (1) denied San Faustin and Techint's motions to dismiss for lack of personal jurisdiction; but (2) granted San Faustin, Techint, and Carlos's motions to dismiss for failure to state a claim; and (3) denied the motion to dismiss as to Tenaris and Rocca. The Court held, *inter alia*, that all claims against Carlos and Parent Defendants were dismissed, allowing a narrow set of claims against Tenaris and Rocca, relating to statements in Tenaris's Code of Conduct and risk factor disclosures, to move forward. The allegedly false Code of Conduct statement that was sustained by the Court was in a provision titled, "Bribery is Strictly Prohibited" and stated "Tenaris will not condone, under any circumstances, the offering or receiving of bribes or any other form of improper payments." ECF No. 70 at 12 (citing Complaint ¶¶101-102.). The allegedly false risk disclosure that was sustained by the Court read, in relevant part, "If we do not comply with laws and regulations designed to combat governmental corruption in countries in which we sell our products, we could become subject to fines, penalties or other sanctions and our sales and profitability could suffer." *Id.* at 15 (citing Complaint ¶111).

22. On December 1, 2020, the remaining defendants, Tenaris and Rocca, filed their answer to the Complaint. ECF No. 75.

D. Defendants' Motion For Partial Reconsideration

23. On November 6, 2020, Defendants filed and served their motion for partial reconsideration of the Motion to Dismiss Order or, alternatively, for certification of an interlocutory appeal to the Second Circuit Court of Appeals, pursuant to 28 U.S.C. § 1292(b). ECF. Nos. 77-78. Therein, Defendants argued, *inter alia*, that: (1) the Court's holding that Lead Plaintiffs adequately alleged that the Code of Conduct was material conflicted with a long line of Second Circuit precedent; (2) that the Court's focus on the use of "condone" in Tenaris's Code of Conduct as the basis for actionability was misplaced; and (3) that the Complaint failed to allege that the actual risks warned of in the Form 20-F disclosures ever occurred, much less that they had already occurred at the time the 20-F risk disclosures were made.

24. On December 8, 2020, Plaintiffs filed their memorandum of law in opposition to Defendants' motion for partial reconsideration. ECF. No. 79. Plaintiffs argued, *inter alia*, that the Court should reaffirm its prior holding and that it should deny Defendants' § 1292(b) motion for Defendants' failure to show a controlling question of law and a substantial ground for difference of opinion.

25. On December 22, 2020, Defendants filed their reply in support of their motion for partial reconsideration or, alternatively, for certification pursuant to 28 U.S.C. § 1292(B). ECF No. 80. On July 1, 2021, the Court entered a memorandum and order denying Defendants' motion for reconsideration of the Motion to Dismiss Order. ECF No. 81.

E. Fact Discovery

26. From August 2021 through November 2022, counsel for Lead Plaintiffs and Defendants engaged in fact discovery. Lead Plaintiffs propounded two sets of requests for production of documents, two sets of written interrogatories, one set of written requests for admission upon Defendants. Lead Plaintiffs also served three third-party subpoenas for production of documents on relevant third parties, including Ternium S.A., San Faustin S.A., and Techint Holdings S.á.r.l. Lead Plaintiffs also submitted three Freedom of Information Act ("FOIA") requests to the SEC and two FOIA requests to the U.S. Department of Justice. Over the course of the approximately 15-month discovery period, Lead Counsel reviewed and analyzed approximately 116,046 pages of documents produced by Defendants. At the time the settlement was reached, Lead Plaintiffs and Defendants were nearing completion of document discovery and preparing for fact depositions.

27. On July 13, 2021, Lead Plaintiffs and Defendants participated in a conference pursuant to Rule 26(f) of the Federal Rules of Civil Procedure to discuss case management and discovery issues, and thereafter submitted their joint report to the Court on August 18, 2021. ECF No. 86. Following the Rule 26(f) conference, Lead Plaintiffs researched and drafted their initial disclosures, which the Parties exchanged on August 18, 2021.

28. After exchanging initial disclosures, Lead Plaintiffs and Defendants negotiated a Protective Order, which the Court entered on August 20, 2021, and an ESI Protocol, which the Court entered on October 19, 2021. ECF No. 89.

29. On February 23, 2022, Lead Plaintiffs filed a letter motion to compel Defendants to produce certain categories of documents relating to Defendants' alleged participation in other bribery schemes. ECF. No. 92. On February 28, 2022, Defendant Tenaris filed its response in

opposition to Lead Plaintiffs' letter motion (ECF No. 93), which Defendant Rocca joined (ECF No. 94). On March 28, 2022, the Court entered its Order denying Lead Plaintiffs' letter motion to compel. ECF No. 95.

30. On October 24, 2022, Lead Plaintiffs filed two letter motions to compel Defendants to produce a certain key individual for a deposition and to compel Defendants to produce categories of documents from San Faustin S.A. and Techint Holdings S.á.r.l. ECF Nos. 100-104. Lead Plaintiffs submitted 25 exhibits in support of their motions to compel. ECF No. 103. At the time the settlement was reached, briefing on the two letter motions to compel was pending before the Court.

F. Settlement Negotiations, And The Settlement's Preliminary Approval

31. In August 2022, while fact discovery was ongoing, Lead Plaintiffs served a confidential settlement demand on Defendants. Following extensive discussion and negotiations, the Parties were unsuccessful in trying to resolve the case and continued with discovery.

32. Months later, while fact discovery was ongoing and Plaintiffs' two letter motions to compel were pending before the Court, the Parties revisited the possibility of settlement. Beginning on or about November 2, 2022, the Parties began conducting arm's-length settlement discussions through numerous video conferences and telephone calls amongst counsel for the Parties. After over a week of ongoing negotiations, these discussions culminated in the Parties reaching an agreement in principle to settle the Action that the Parties memorialized in a term sheet executed on November 10, 2022 (the "Term Sheet"). The Term Sheet sets forth, among other things, the Parties' agreement to settle and release all claims asserted against Defendants in the Action in return for a cash payment of $9,500,000 to be paid by Tenaris on behalf of all Defendants

for the benefit of the Settlement Class, subject to certain terms and conditions and the execution of a customary "long form" stipulation and agreement of settlement and related papers.

33. On November 11, 2022, the Parties informed the Court of the proposed Settlement and asked the Court to suspend all further proceedings, pending Lead Plaintiffs' submission of the preliminary approval motion. ECF. No. 106.[2]

34. Following additional negotiations, the Parties exchanged multiple drafts of, and ultimately executed, the Stipulation dated March 3, 2023. On March 10, 2023, Plaintiffs filed their Unopposed Motion for: (I) Preliminary Approval of Class Action Settlement; (II) Certification of the Class; and (III) Approval of Notice of the Settlement. ECF Nos. 109-111.

35. On April 10, 2023, the Court entered the Order Preliminarily Approving Settlement and Providing for Notice. ECF No. 112.

III. THE RISKS OF CONTINUED LITIGATION

36. The Settlement provides an immediate and certain benefit to the Settlement Class in the form of a non-reversionary cash payment of $9,500,000. As explained more fully below, there were significant risks that the Settlement Class might recover substantially less than the Settlement Amount—or nothing at all—if the case were to proceed through additional litigation to a jury trial, followed by the inevitable appeals.

A. Risks Faced In Obtaining And Maintaining Class Action Status

37. Defendants likely would have argued against class certification. While Lead Counsel researched and analyzed class certification and are confident that all of the Rule 23 requirements would have been met, and the Court would have certified the proposed class, Plaintiffs bear the burden of proof on class certification, and Defendants would have undoubtedly

[2] On November 8, 2022, this litigation was reassigned to the Honorable Kiyo A. Matsumoto.

raised arguments challenging the propriety of class certification. Moreover, even if Plaintiffs successfully obtained class certification, Defendants could have sought permission from the Second Circuit to appeal any class certification order under Federal Rule of Civil Procedure 23(f), further delaying or precluding any potential recovery. Likewise, even if a class were certified, it would be subject to potential decertification risks. Class certification was, by no means, a forgone conclusion.

B. Challenges To Obtaining Additional Discovery

38. Lead Plaintiffs would have needed to surmount significant obstacles to obtain evidence required to prove their claims. Specifically, the vast majority of the witnesses and documentary evidence were located in Argentina, Italy, or Luxembourg, and many of the documents were in foreign languages—primarily Spanish—requiring costly translation of every significant piece of evidence. Not only is translation expensive, but, sometimes, its accuracy is open to debate, as often a word or phrase can have multiple, sometimes heavily context-dependent meanings.

39. The risks were still further heightened by Defendants' repeated arguments that many of the key documents and witnesses sought by Lead Plaintiffs were located abroad, not under the control of Defendants, and could only be obtained from non-parties under the strict limitations of the Hague Evidence Convention. Indeed, Lead Plaintiffs were already experiencing these challenges, and were forced to file a motion to compel the deposition of Luis Betnaza, an alleged key player in the alleged bribery scheme (who was not an employee of Tenaris), and to obtain necessary financial documentation from Tenaris's Parent Defendants, San Faustin S.A. and Techint Holdings S.á.r.l. The ability to obtain this discovery, *even if* Lead Plaintiffs prevailed on their motions to compel, was highly uncertain. And even if it was possible to obtain documents

located in foreign countries under the Hague Convention; depositions—if they could be taken at all—would require a main interpreter and check interpreters; and third-party discovery has proven extremely hard to obtain.

C. Risks To Proving Liability

40. This Action is premised on purported wrongdoing that first came to light in August 2018, when the Argentine press reported bribes allegedly paid a decade earlier to Argentine government officials and recorded in notebooks by the driver of one official, resulting in an Argentine criminal investigation known as the "Notebooks Case." While Plaintiffs were able to successfully survive the pleading stage, the Court substantially narrowed their case and permitted only two alleged false and/or misleading statements—one statement in Tenaris's Code of Conduct and one statement in its risk disclosures—against fewer defendants to proceed into discovery.

41. While Lead Plaintiffs have built a strong circumstantial case, a jury may nevertheless agree with Defendants' scaffolding of the case. Indeed, Defendants forcefully argued in their motion to dismiss, and would undoubtedly continue to assert at summary judgment and/or trial, that Defendants made no actionable misrepresentations under federal securities laws.

42. More specifically, Defendants would argue that the Company's statements concerning its compliance with the law and its Code of Conduct were too general to cause a reasonable investor to rely on them. Defendants would further argue that they made no actionable omissions by failing to disclose their potential exposure to liability from instances of purported illicit payments to Argentine officials because—according to Defendants—companies do not have a duty to disclose uncharged, unadjudicated wrongdoing. Furthermore, Defendants would likely argue that there was no actionable misrepresentation here because the Argentine courts adjudicating the facts and claims underlying the alleged misrepresentation in this Action have now

held that there was no criminal wrongdoing under Argentine law on the part of Defendants in the Notebooks Case.

43. Defendants would no doubt also contest scienter. While Plaintiffs believe that they could establish scienter after the development of the evidentiary record, they also recognize the difficulties in proving scienter. Defendants would likely claim that Rocca lacked the requisite scienter due to his lack of personal motive and opportunity to commit securities fraud. As Defendants forcefully argued, the failure to prove Rocca's knowledge of or participation in the Notebooks Case in Argentina is the primary reason why he was ultimately acquitted of criminal wrongdoing. Even if Lead Plaintiffs advanced past summary judgment and proceeded to trial, substantial uncertainty remains as to how a trier of fact would view each side's narrative of the events at issue.

D. Risks To Proving Loss Causation And Damages

44. Assuming Lead Plaintiffs overcame the above risks and established Defendant's liability, Plaintiffs would have confronted considerable challenges in establishing loss causation and class-wide damages. While Plaintiffs would have argued that the declines in the price of Tenaris ADS were attributable to corrections of the alleged misstatements and omissions that occurred on November 27, 2018 and December 5, 2018, Defendants would have asserted that much of the decline was due to other negative news, and that even if some portion of the decline in price of Tenaris ADS was caused by the corrective disclosures, damages were minimal. As Tenaris argued in its motion to dismiss, the decline in Tenaris's share price following the November 27, 2018 disclosure indicated "[a]t best…that Tenaris's share price declined as a result of the disclosure of a new adverse legal development involving its CEO." Similarly, Defendants would have likely asserted that the decline in Tenaris's share price following the December 5,

2018 disclosure was due not to "years-old supposed misstatements about an even older transaction at another company," but rather, merely "to the news that the CEO of the company might be jailed in Argentina today." ECF No. 54. In short, Defendants argued and would have continued to argue that no new news correcting the prior allegedly misleading code of conduct statements was revealed on December 5, 2018, when news about Rocca's detention was released. Finally, Defendants forcefully argued, and would have continued to argue, that the Argentine courts' ultimate acquittal of Rocca shows that no wrongdoing in connection with the alleged bribery scheme ever was "revealed" to the market. Had Defendants prevailed on these loss causation arguments, potential class-wide damages would have been reduced significantly or even eliminated.

45. Moreover, in order to prove their claims, Lead Plaintiffs would have had to proffer expert testimony demonstrating, among other things: (a) what the true value of Tenaris ADS would have been had there been no alleged material misstatements or omissions; (b) the amount by which the value of Tenaris's ADS was inflated by the alleged material misstatements and omissions; and (c) the amount of artificial inflation removed by both the November 27 and December 5, 2018 disclosures. Such expert testimony is expensive, time consuming, and subject to rebuttal.

46. Indeed, Defendants almost certainly would have presented their own damages expert(s), who would have no doubt presented conflicting conclusions and theories for Tenaris ADS price declines on the alleged disclosure dates. Defendants likely would have challenged Plaintiffs' expert(s) at the class certification stage, summary judgment, with *Daubert* motions, and at trial and appeal. This "battle of the experts" creates an additional litigation risk because the reaction of a trier of fact to such expert testimony is highly unpredictable, creating uncertainty

regarding how much weight a judge or jury will accord the analysis of Defendants' competing experts.

E. Other Risks, Including Trial, Appeals, And Ability To Collect A Judgement

47. Lead Plaintiffs would have had to prevail at several stages of litigation, each of which would have presented significant risks in complex class actions such as this one. Lead Counsel know from experience that despite the most vigorous and competent efforts, success in complex litigation such as this case is never assured. In fact, GPM recently lost a six-week antitrust jury trial in the Northern District of California after five years of litigation, which included many overseas depositions, the expenditure of millions of dollars of attorney and paralegal time, and the expenditure of more than a million dollars in hard costs. *See In re: Korean Ramen Antitrust Litigation*, Case No. 3:13-cv-04115 (N.D. Cal.). Put another way, complex litigation is uncertain, and success in cases like this one is never guaranteed.

48. Even if Lead Plaintiffs succeeded in proving all elements of their case at trial and obtained a jury verdict, Defendants would almost certainly have appealed. An appeal not only would have renewed the risks faced by Lead Plaintiffs—as Defendants would have reasserted their arguments summarized above—but also would have resulted in significant additional delay. Given these significant litigation risks, Lead Plaintiffs and Lead Counsel believe the Settlement represents a favorable result for the Settlement Class.

49. Furthermore, even if Lead Plaintiffs were successful in overcoming the hurdles faced in proving all of the elements of their case at trial, obtaining a jury verdict, and prevailing in any and all appeals, Lead Plaintiffs and Lead Counsel faced numerous additional risks associated with enforcing any potential monetary judgement. There was no applicable insurance coverage for

the claims at issue in this litigation, which means that any payment Defendants were to make to satisfy a judgement in Lead Plaintiffs' favor would need to come from Tenaris's own coffers.

F. The Settlement Is Reasonable In Light Of Potential Recovery In The Action

50. In addition to the attendant risks of litigation discussed above, the Settlement is also fair and reasonable in light of the potential recovery of available damages. If Plaintiffs had fully prevailed in each of their claims at both summary judgment and after a jury trial, if the Court certified the same class period as the Settlement Class Period, and if the Court and jury accepted Plaintiffs' damages theory, including proof of loss causation as to the ADS price drop dates alleged in this case—*i.e.*, Plaintiffs' ***best-case*** scenario—estimated total ***maximum*** damages are approximately $236.4 million. However, if the trier of fact accepted Defendants' loss causation argument concerning the December 5, 2018 disclosure, damages would be reduced to $189.6 million. Under these scenarios, the Settlement represents a recovery of 4-5%, which is significantly higher than the median recovery of 1.8% of estimated damages in securities class actions in 2022, and also exceeds the 2.4%-2.9% median recovery in securities cases with similar damages that settled between December 2011-December 2022. *See* Ex. 4 (Janeen McIntosh, Svetlana Starykh, and Edward Flores, *Recent Trends in Securities Class Action Litigation: 2022 Full-Year Review* (NERA Jan. 24, 2023) at p. 18 (Fig. 19) (median recovery in securities class actions in 2022 was approximately 1.8% of estimated damages); at 17 (Fig. 18) (median recovery in securities class actions that settled between December 2011-December 2022 was 2.4% where estimated damages were between $200-399 million and 2.9% where estimated damages were between $100-$199 million).

IV. LEAD PLAINTIFFS' COMPLIANCE WITH THE COURT'S PRELIMINARY APPROVAL ORDER REQUIRING ISSUANCE OF THE NOTICE

51. The Preliminary Approval Order (ECF No. 112) directed that the postcard notice highlighting key information regarding the proposed Settlement (the "Postcard Notice") be disseminated to the Settlement Class. The Preliminary Approval Order also set a deadline of September 28, 2023 (21 calendar days prior to the final fairness hearing) for Settlement Class Members to submit objections to the Settlement, the Plan of Allocation, and/or the Fee Memorandum or to request exclusion from the Settlement Class and set a final fairness hearing date of October 19, 2023 (the "Settlement Hearing").

52. Pursuant to the Preliminary Approval Order, Lead Counsel instructed A.B. Data, Ltd. ("A.B. Data"), the Court-approved Claims Administrator, to begin disseminating copies of the Postcard Notice and publish the Summary Notice. Contemporaneously with the mailing of the Postcard Notice, Lead Counsel instructed A.B. Data to post downloadable copies of the Notice of (I) Pendency of Class Action, Certification of Settlement Class, and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses (the "Notice") and Proof of Claim and Release Form (the "Claim Form") online at www.TenarisSecuritiesSettlement.com (the "Settlement Website"). Upon request, A.B. Data mailed copies of the Notice and/or Claim Form to Settlement Class Members and will continue to do so until the deadline to submit a Claim Form has passed.

53. The Postcard Notice directed Settlement Class Members to the Settlement Website to obtain additional information on the Settlement, including how to file a claim and access to downloadable versions of the Notice and Claim Form. The Notice contains, among other things, a description of the Action; the definition of the Settlement Class; a summary of the terms of the Settlement and the proposed Plan of Allocation; and a description of a Settlement Class Member's

right to participate in the Settlement, object to the Settlement, the Plan of Allocation and/or the Fee Memorandum, or to exclude themselves from the Settlement Class. The Notice also informs Settlement Class Members of Lead Counsel's intent to apply for an award of attorneys' fees in an amount not to exceed 33⅓% of the Settlement Fund, and for reimbursement of Litigation Expenses in an amount not to exceed $145,000.00 which may include an application of up to $15,000 for reimbursement of the reasonable costs and expenses incurred by Lead Plaintiffs related to their representation of the Settlement Class.

54. To disseminate the Postcard Notice, A.B. Data obtained from Defendants' Counsel, the names and addresses of record holders (the "Record Holder List") who purchased or otherwise acquired Tenaris ADS during the Settlement Class Period. *See* Declaration of Adam D. Walter Regarding: (A) Mailing of Postcard Notice; (B) Publication of Summary Notice; and (C) Report on Requests for Exclusion and Objections; and (D) Claims Received to Date ("Walter Decl."), attached hereto as Exhibit 1 at ¶3.

55. In addition, A.B. Data maintains a proprietary database with names and addresses of the largest and most common banks, brokers, and other nominees (the "Broker Mailing Database"). *See id.* at ¶4. On May 15, 2023, A.B. Data caused the Postcard Notice to be sent by First-Class Mail to the combined 5,806 mailing records contained in the Record Holder List and the Broker Mailing Database. *Id.* at ¶5. Also on May 15, 2023, A.B. Data sent an email to approximately 1,000 of the largest banks, brokers, and nominees, which included copies of the Notice, Postcard Notice, and Claim Form and provided instructions as follows:

> The Notice provides, among other things, that if you purchased or otherwise acquired Tenaris ADS between May 1, 2014 and December 5, 2018, inclusive, for the beneficial interest of persons or organizations other than yourself, you must, within seven (7) calendar days of receipt of the Postcard Notice or the Claims Administrator's notice of the Settlement, either: (a) request from the

> Claims Administrator sufficient copies of the Postcard Notice to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Postcard Notices forward them to all such beneficial owners; (b) request from the Claims Administrator a link to the Notice and Claim Form (collectively, the "Notice Packet") and, within seven (7) calendar days of receipt of the link, email the link to all such beneficial owners for whom valid email addresses are available; or (c) provide a list of the names and addresses of all such beneficial owners to *In re Tenaris Securities Litigation*, c/o A.B. Data, Ltd., P.O. Box 173022, Milwaukee, WI 53217.

Id. at ¶6.

56. As of September 11, 2023, A.B. Data received an additional 18,039 names and addresses of potential Settlement Class Members from individuals or brokerage firms, banks, institutions, and other nominees. *See id.* at ¶7. A.B. Data also received requests from brokers and other nominee holders for 63,461 Postcard Notices to be forwarded by the nominees to their customers. *Id.*

57. As of September 11, 2023, a total of 87,306 Postcard Notices have been mailed to potential Settlement Class Members and their nominees. *Id.* at ¶8.

58. On May 29, 2023, in accordance with the Preliminary Approval Order, A.B. Data caused the Summary Notice to be published in *Investor's Business Daily* and to be transmitted once over the *PR Newswire*. *See id.* at ¶9; Ex. 1-C and 1-D (copies of publication confirmations).

59. Lead Counsel also caused A.B. Data to establish the Settlement Website, which became operational on May 15, 2023 and maintained a toll-free telephone number to provide Settlement Class Members with information concerning the Settlement, submit a claim online, download copies of the Notice and Claim Form, as well as copies of the Stipulation, Preliminary Approval Order, and the Complaint. Walter Decl. at ¶¶10-13.

60. The deadline for Settlement Class Members to object to the Settlement, Plan of Allocation, and/or to the Fee Memorandum or to request exclusion from the Settlement Class is

September 28, 2023. To date, no requests for exclusion have been received. *Id.* at ¶14. A.B. Data will file a supplemental affidavit after the September 28, 2023 deadline addressing whether any requests for exclusion have been received. To date, no objections to the Settlement or the Plan of Allocation have been entered on this Court's docket or have otherwise been received by Lead Counsel. Lead Counsel will file reply papers by October 12, 2023 that will address any objections that may be received.

V. ALLOCATION OF THE NET PROCEEDS OF THE SETTLEMENT

61. Pursuant to the Preliminary Approval Order, and as set forth in the Notice, all Settlement Class Members who want to participate in the distribution of the Net Settlement Fund (*i.e.*, the $9,500,000 Settlement Amount, plus any and all interest earned thereon, less: (i) any Taxes; (ii) any Notice and Administration Costs; (iii) any Litigation Expenses awarded by the Court; and (iv) any attorneys' fees awarded by the Court) must submit a valid Claim Form with all required information either online or postmarked no later than September 12, 2023. The Net Settlement Fund will be distributed among Authorized Claimants according to the proposed Plan of Allocation, subject to Court approval. *See* Ex. 1-B (Notice) at ¶46. As set forth in the Notice, the Net Settlement Fund will be distributed among Settlement Class Members according to the plan of allocation approved by the Court.

62. The proposed Plan of Allocation is detailed in the Notice. *See* Ex. 1-B (Notice, pp. 12-16). The long-form Notice is posted online at the Settlement Website, is downloadable, and upon request, will be mailed to any potential Settlement Class Member. If approved, the Plan of Allocation will govern how the Net Settlement Fund will be distributed among Authorized Claimants. The Plan of Allocation's objective is to equitably distribute the Net Settlement Fund to those Settlement Class Members who suffered economic losses as a result of the alleged

wrongdoing as opposed to losses caused by market or industry-wide factors or Company-specific factors unrelated to the alleged wrongdoing and takes into consideration when each Authorized Claimant purchased and/or sold Tenaris ADS. *See id.*

63. As described in the Notice, calculations under the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover after a trial or estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. Instead, the calculations under the Plan of Allocation are a method to weigh the claims of Settlement Class Members against one another for the purposes of making an equitable allocation of the Net Settlement Fund. *Id.* at ¶55.

64. The Plan of Allocation is based on an out-of-pocket theory of damages consistent with Section 10(b) of the Exchange Act, and reflects an assessment of the damages that Plaintiffs contend could have been recovered under the theories of liability and damages asserted in the Action. More specifically, the Plan of Allocation reflects, and is based on, Plaintiffs' allegation that the price of Tenaris ADS was artificially inflated during the period from May 1, 2014 through and including December 5, 2018 due to Defendants' alleged materially false and misleading statements and omissions. The Plan of Allocation is based on the premise that the decrease in the price of Tenaris ADS following the alleged corrective disclosures on November 27, 2018 and December 5, 2018 may be used to measure the alleged artificial inflation in the price of Tenaris ADS prior to these disclosures. *See id.* at ¶57.

65. Under the proposed Plan of Allocation, each Authorized Claimant will receive his, her, or its *pro rata* share of the Net Settlement Fund. Specifically, an Authorized Claimant's *pro rata* share shall be the Authorized Claimant's Recognized Claim divided by the total of

Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. *Id.* at ¶65.

66. An individual Claimant's recovery under the Plan of Allocation will depend on several factors, including the number of valid claims filed by other Claimants and how many shares of Tenaris ADS the Claimant purchased, acquired, or sold during the Settlement Class Period and when that Claimant bought, acquired, or sold the shares. If a Claimant has an overall market gain with respect to his, her, or its overall transactions in Tenaris ADS during the Settlement Class Period, or if the Claimant purchased shares during the Settlement Class Period, but did not hold any of those shares through the alleged corrective disclosures, the Claimant's recovery under the Plan of Allocation will be zero, as any loss suffered would not have been caused by the revelation of the alleged fraud. *Id.* at ¶¶57, 61.

67. If the prorated payment to be distributed to any Authorized Claimant is less than $10.00, no distribution will be made to that Authorized Claimant. *Id.* at ¶62. Any prorated amounts of less than $10.00 will be included in the pool distributed to those Authorized Claimants whose prorated payments are $10.00 or greater. In Lead Counsel's experience, processing and sending a check for less than $10.00 is cost-prohibitive.[3]

68. In sum, the Plan of Allocation was designed to allocate the proceeds of the Net Settlement Fund among Settlement Class Members based on the losses they suffered on transactions in Tenaris ADS that were attributable to the conduct alleged in the Complaint.

[3] If any funds remain after an initial distribution to Authorized Claimants, as a result of uncashed or returned checks or other reasons, subsequent distributions will be conducted as long as they are cost effective. Ex. 1-B (Notice) at ¶71. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance shall be contributed to non-sectarian, not-for-profit organization(s), to be recommended by Lead Counsel and approved by the Court.

Accordingly, Lead Counsel respectfully submit that the Plan of Allocation is fair and reasonable and should be approved by the Court.

69. To date, no objections to the proposed Plan of Allocation have been received or filed on the Court's docket.

VI. LEAD COUNSEL'S REQUEST FOR ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES

70. In addition to seeking final approval of the Settlement and Plan of Allocation, Lead Counsel are applying for a fee award of 33⅓% of the Settlement Fund (or $3,166,667, plus interest earned at the same rate as the Settlement Fund). Lead Counsel also request reimbursement of Litigation Expenses in the amount of $98,935.26, which includes $83,935.26 in out-of-pocket expenses that Lead Counsel incurred in connection with the prosecution of the Action from the Settlement Fund, and a total of $15,000 to Lead Plaintiffs for their reasonable costs (including lost wages) directly incurred in connection with their representation of the Settlement Class. The total Litigation Expenses amount of $98,935.26 is well below the maximum expense amount of $145,000.00 set forth in the Notice. The legal authorities supporting a 33⅓% fee award are set forth in the accompanying Fee Memorandum, which is being filed contemporaneously herewith. The primary factual bases for the requested fee and reimbursement of Litigation Expenses are summarized below.

A. The Fee Application

71. Lead Counsel are applying for a percentage-of-the-common-fund fee award to compensate them for the services they rendered on behalf of the Settlement Class. As set forth in the accompanying Fee Memorandum, the percentage method is the best method for determining a fair attorneys' fee award, because unlike the lodestar method, it aligns the lawyers' interest with that of the Settlement Class in achieving the maximum recovery. The lawyers are motivated to

achieve maximum recovery in the shortest amount of time required under the circumstances. This paradigm minimizes unnecessary drain on the Court's resources. Notably, the percentage-of-the-fund method has been recognized as appropriate by the Supreme Court and the Second Circuit for cases of this nature. Furthermore, as set forth below, though not required in the Second Circuit, Lead Counsel also respectfully submits that the requested fee is fully supported by a "lodestar multiplier cross-check."

72. Based on the quality of the result achieved, the extent and quality of the work performed, the significant risks of the litigation, and the fully contingent nature of the representation, Lead Counsel respectfully submit that the requested fee award is fair and reasonable and should be approved. As discussed in the Fee Memorandum, a 33⅓% fee award is well within the range of percentages awarded in securities class actions with comparable settlements in this Circuit.

1. The Excellent Outcome Achieved Is The Request Of The Significant Time And Labor That Lead Counsel Devoted To The Action

73. The following chart summarizes Lead Counsel's hours and lodestar from the inception of the case through September 12, 2023:[4]

TIMEKEEPER/CASE	STATUS	HOURS	RATE	LODESTAR
ATTORNEYS:				
Robert Prongay	Partner	28.20	900.00	25,380.00
Joseph Cohen	Partner	51.20	1,100.00	56,320.00
Kara Wolke	Partner	464.10	900.00	417,690.00
Jason Krajcer	Partner	498.10	900.00	448,290.00
Garth Spencer	Partner	306.50	785.00	240,602.50
Charles Linehan	Partner	20.70	675.00	13,972.50
Melissa Wright	Senior Counsel	994.00	650.00	646,100.00
Holly A. Heath	Associate	104.50	725.00	75,762.50
Sandra Hung	Staff Attorney	68.50	425.00	29,112.50

[4] Time expended in preparing the application for fees and reimbursement of Litigation Expenses has not been included.

Fernanda D. Galbes	Staff Attorney	623.40	410.00	255,594.00
Kim H. Nguyen	Staff Attorney	20.50	395.00	8,097.50
TOTAL ATTORNEY	**TOTAL**	**3,179.70**		**2,216,921.50**
PARAPROFESSIONALS:				
Amir Soleimanpour	Law Clerk	157.50	325.00	51,187.50
Harry Kharadjian	Senior Paralegal	52.20	325.00	16,965.00
Paul Harrigan	Senior Paralegal	38.90	325.00	12,642.50
John D. Belanger	Research Analyst	70.90	350.00	24,815.00
Michaela Ligman	Research Analyst	23.40	350.00	8,190.00
TOTAL PARAPROFESSIONALS	**TOTAL**	**342.90**		**113,800.00**
TOTAL LODESTAR	**TOTAL**	**3,522.60**		**2,330,721.50**

74. As set forth above, Lead Counsel expended a total of 3,522.60 hours in the investigation and prosecution of the Action through and including September 12, 2023. The resulting total lodestar is $2,330,721.50. The requested fee amount of 33⅓% of the Settlement Fund equals $3,166,667 (plus interest earned at the same rate as the Settlement Fund), and therefore represents a 1.36 multiplier of Lead Counsel's lodestar, and is not only reasonable, but is modest when viewing the range of fee multipliers typically awarded in comparable securities class action and in other class actions involving significant contingency fee risk, in this Circuit and elsewhere.

75. The hourly rates for the attorneys and professional support staff are similar to the rates that have been accepted in other securities or shareholder litigation in this District. Additionally, the rates billed by Lead Counsel attorneys ($395-725 per hour for non-partners and $675-1,100 per hour for partners) are comparable to peer plaintiff and defense firms litigating matters of similar magnitude. *See* Ex. 5 attached hereto (table of peer law firm billing rates).

76. Moreover, in addition to drafting the motion for final approval, Counsel will continue to work towards effectuating the Settlement in the event the Court grants final approval. Among other things, Lead Counsel will continue working with the Claims Administrator to resolve issues with Settlement Class Member claims, will respond to shareholder inquiries, will draft and

file a motion for distribution, and will oversee the distribution process. No additional compensation will be sought for this work.

77. As detailed above, throughout this case, Lead Counsel devoted substantial time to the prosecution of the Action. Lead Counsel maintained control of, and monitored the work performed by lawyers and other personnel on this case. I personally devoted substantial time to this case and oversaw and/or was personally involved in: (1) drafting or reviewing and editing all pleadings, court filings, various discovery-related materials, and other correspondence prepared on behalf of Lead Plaintiffs; (2) communicating with Lead Plaintiffs on a regular basis, engaging with Defendants' counsel on a variety of matters; and (3) Settlement negotiations. Other experienced attorneys were involved with drafting, reviewing and/or editing pleadings, court filings, various discovery-related materials, and other legal correspondence required in the case, communicated with Lead Plaintiffs, negotiating the terms of the Stipulation, and other matters. More junior attorneys and paralegals also worked on matters appropriate to their skill and experience level. Throughout the litigation, Lead Counsel maintained an appropriate level of staffing that avoided unnecessary duplication of effort and ensured the efficient prosecution of this litigation.

78. Lead Counsel's extensive efforts in the face of substantial risks and uncertainties have resulted in a significant recovery for the benefit of the Settlement Class. In circumstances such as these, and in consideration of the hard work and the result achieved, I respectfully submit that the requested fee is reasonable and should be approved.

2. The Magnitude And Complexity Of The Action

79. As detailed in the Fee Memorandum, securities class action cases are known for their notorious complexity. This case was no different. As detailed above, this Action presented

numerous novel and complex issues, including the need for Lead Counsel to understand, among other things: Argentine judicial and criminal investigation processes; the workings of the Argentine and Venezuelan political systems; the relationships between Tenaris and its various parent, affiliate, and subsidiary companies; and alleged wrongdoing underlying the Notebooks Case. The complexities were especially acute given the case's international dimension, involving foreign parties and witnesses, and foreign-language documents, in a dispute that turned in large part on alleged wrongdoing that took place six to eight years prior to the filing of the Action, as well as Lead Plaintiffs' ability to collect evidence in Argentina and other foreign countries.

80. The Action has been particularly high-stakes, and has proven to be a highly contentious, lengthy and expensive international litigation.

3. The Significant Risks Borne By Lead Counsel

81. This prosecution was undertaken by Lead Counsel on an entirely contingent-fee basis. From the outset, this Action was an especially difficult and highly uncertain securities case. There was no guarantee that Lead Counsel would ever be compensated for the substantial investment of time and money the case would require. In undertaking that responsibility, Lead Counsel were obligated to ensure that sufficient resources were dedicated to the prosecution of the Action, that funds were available to compensate attorneys and staff, and that the considerable litigation costs required by a case like this one were covered. With an average lag time of many years for complex cases like this to conclude, the financial burden on contingent-fee counsel is far greater than on a firm that is paid on an ongoing basis. Indeed, Lead Counsel received no compensation during the course of the Action and incurred $83,935.26 in out-of-pocket litigation-related expenses in prosecuting the Action.

82. Additionally, Lead Plaintiffs and Lead Counsel developed and then alleged the Exchange Act claims without information gained through subpoena power, hindered by the PSLRA's automatic discovery stay.

83. Moreover, despite the most vigorous and competent of efforts, success in contingent-fee litigation like this one is never assured. Lead Counsel know from experience that the commencement of a class action does not guarantee a settlement. *See* ¶47, *supra*. On the contrary, it takes hard work and diligence by skilled counsel to develop the facts and theories that are needed to sustain a complaint or win at trial, or to induce sophisticated defendants to engage in serious settlement negotiations at meaningful levels.

4. The Quality Of Representation, Including The Result Obtained, The Experience And Expertise Of Lead Counsel, And The Standing And Caliber Of Defendants' Counsel

84. As demonstrated by the firm resume, attached hereto as Exhibit 3, Lead Counsel is a highly experienced and skilled law firm that focuses its practices on securities class action litigation. Indeed, Lead Counsel has substantial experience in litigating securities fraud class actions and have negotiated scores of other class settlements, which have been approved by courts throughout the country. Lead Counsel enjoys a well-deserved reputation for skill and success in the prosecution and favorable resolution of securities class actions and other complex civil matters. I believe Lead Counsel's experience added valuable leverage in the settlement negotiations.

85. Additionally, the quality of the work performed by Lead Counsel in obtaining the Settlement should also be evaluated in light of the quality of the opposition. Here, Defendants Tenaris and Rocca were represented by Sullivan & Cromwell LLP and Dechert LLP, respectively, two of the country's most prestigious and experienced law firms that vigorously represented the interests of their clients throughout this Action. In the face of this experienced and formidable

opposition, Lead Counsel were able to develop a case that was sufficiently strong to nonetheless persuade Defendants to settle the case on terms that were highly favorable to the Settlement Class.

5. The Requested Fee In Relation To The Settlement

86. The amount of the fee requested (33⅓%) in relation to the Settlement Amount ($9.5 million) is fair and reasonable. Courts routinely award fees of 33⅓% in securities class action settlements. *See* Fee Memorandum § III.C.1.

6. The Reaction Of The Settlement Class Supports Lead Counsel's Fee Request

87. As noted above, as of September 11, 2023, a total of 87,306 Postcard Notices were mailed advising Settlement Class Members that Lead Counsel would apply for an award of attorneys' fees in an amount not to exceed 33⅓% of the Settlement Fund. Walter Decl. ¶8; Ex. 1-A (Postcard Notice). To date, no objection to the maximum potential attorneys' fees request set forth in the Postcard Notice has been received or entered on this Court's docket. Any objection received after the date of this filing will be addressed in Lead Counsel's reply papers, which are to be filed by October 12, 2023.

7. Lead Plaintiffs Support Lead Counsel's Fee Request

88. As set forth in the joint declaration submitted by Lead Plaintiffs Jeffrey Lynn Sanders and Starr Sanders, they have concluded that Lead Counsel's requested fee is fair and reasonable based on the work performed, the recovery obtained for the Settlement Class, and the risks of the Action. *See* Ex. 2 ("Sanders Joint Decl.") ¶¶9-10. Mr. and Mrs. Sanders have been intimately involved in this case, and their endorsement of Lead Counsel's fee request supports the reasonableness of the request and should be given weight in the Court's consideration of the fee award.

89. In sum, Lead Counsel accepted this case on a fully contingent basis, committed significant resources to it, and prosecuted the Action without any compensation or guarantee of success. Based on the result obtained, the quality of the work performed, the risks of the Action, and the contingent nature of the representation, Lead Counsel respectfully submit that a fee award of 33⅓%, resulting in a modest multiplier of 1.36, is fair and reasonable, and is supported by the fee awards courts have granted in other comparable cases.

B. Reimbursement Of The Requested Litigation Expenses Is Fair and Reasonable

90. Lead Counsel seeks a total of $98,935.26 in Litigation Expenses to be paid from the Settlement Fund. This amount includes: $83,935.26 in out-of-pocket expenses reasonably and necessarily incurred by Lead Counsel in connection with commencing, litigating, and settling the claims asserted in the Action; as well as a total of $15,000 to Mr. and Mrs. Sanders, pursuant to 15 U.S.C. § 78u-4(a)(4) for their reasonable costs (including lost wages) directly incurred in connection with their representation of the Settlement Class. *See* Sanders Joint Decl., ¶13.

91. As detailed below, Lead Counsel is seeking reimbursement of a total of $83,935.26 in out-of-pocket costs and expenses. The costs and expenses incurred in the Action are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records, and other source materials and are an accurate record of the expenses incurred. The expenses reflected in in the table below are the total litigation expenses actually incurred by Lead Counsel:

CATEGORY OF EXPENSE	AMOUNT PAID
CONSULTING, ARGENTINIAN LAWYER	10,000.00
COURIER AND SPECIAL POSTAGE	337.58
COURT FILING FEES	600.00
E-DISCOVERY HOSTING	5,626.63
EXPERTS (LOSS CAUSATION / DAMAGES / PLAN OF ALLOCATION)	14,004.00

INVESTIGATORS	15,835.99
ONLINE RESEARCH	21,377.24
SERVICE OF PROCESS	1,247.90
TRANSLATION SERVICES	12,078.16
TRAVEL SETTLEMENT HEARING	2,827.76
TOTAL	**83,935.26**

92. The Postcard Notice and Notice informed potential Settlement Class Members that Lead Counsel would be seeking reimbursement of Litigation Expenses in an amount not to exceed $145,000. Ex. 1-A (Postcard Notice); Ex. 1-B (Notice) at ¶¶5, 74. The total amount requested by Lead Counsel and Lead Plaintiffs, $98,935.26, falls well below the $145,000 that Settlement Class Members were advised could be sought. To date, no objection has been raised as to the maximum amount of expenses set forth in the Postcard Notice and Notice. If any objection to the request for reimbursement of Litigation Expenses is made after the date of this filing, Lead Counsel will address it in its reply papers.

93. From the beginning of the case, Lead Counsel were aware that they might not recover their out-of-pocket expenses. Lead Counsel also understood that, even assuming the case was ultimately successful, reimbursement for expenses would not compensate them for the contemporaneous lost use of funds advanced to prosecute this Action. Accordingly, Lead Counsel were motivated to, and did, take steps to assure that only necessary expenses were incurred for the vigorous and efficient prosecution of the case.

94. One large component of expenses, $14,004.00, or approximately 16.7% of the total expenses, was expended on the retention of experts—two in the field of loss causation and damages. These experts were consulted at different points throughout the litigation, including on matters related to the preparation of the Complaint, negotiation of the Settlement, and on preparation of the proposed Plan of Allocation.

95. Another large component of expenses, $15,835.99, or approximately 18.9% of the total expenses, was expended on retaining a bilingual investigator to conduct interviews of former Tenaris employees and other potential witnesses.

96. The other litigation expenses for which Lead Counsel seek reimbursement are the types of expenses that are necessarily incurred in litigation and routinely charged to clients billed by the hour. These litigation expenses included, among other things, court fees, translation costs, service of process costs, cost of publishing press releases as required by the PSLRA, photoimaging, postage and delivery expenses, and the cost of on-line legal research.

97. Finally, as stated above, Lead Plaintiffs seek reimbursement, pursuant to 15 U.S.C. § 78u-4(a)(4), of their reasonable costs (including lost wages) directly incurred in connection with their representation of the Settlement Class, in the total amount of $15,000. *See* Sanders Joint Decl., ¶¶12-13. Jeffrey Lynn and Starr Sanders worked closely with Lead Counsel throughout the pendency of this Action in connection with their service as Lead Plaintiffs. For example, Lead Plaintiffs: (a) regularly communicated with Lead Counsel regarding the posture and progress of the case, as well as the litigation strategy; (b) reviewed all pleadings and briefs filed in the Action; (c) reviewed Court orders and discussed them with Lead Counsel; (d) discussed settlement strategy; (e) evaluated the Settlement Amount, conferred with Lead Counsel, and ultimately approved the Settlement; and (f) communicated with Lead Counsel regarding finalizing the Settlement. *See* Sanders Joint Decl., ¶¶3-6.

98. To date, no objection to the Litigation Expenses has been filed on the Court's docket. In my opinion, the Litigation Expenses incurred by Lead Counsel and Plaintiffs were reasonable and necessary to represent the Settlement Class and achieve the Settlement.

Accordingly, Lead Counsel respectfully submit that the Litigation Expenses should be reimbursed in full from the Settlement Fund.

VII. CONCLUSION

99. In view of the significant recovery for the Settlement Class and the substantial risks of this Action, as described herein and in the accompanying Final Approval Memorandum, I respectfully submit that the Settlement should be approved as fair, reasonable, and adequate and the proposed Plan of Allocation should be approved as fair and reasonable. I further submit that the requested fee in the amount of 33⅓% of the Settlement Fund should be approved as fair and reasonable, and the request for reimbursement of $98,935.26 in Litigation Expenses, which includes the PSLRA reimbursement for costs in the total amount of $15,000 to Lead Plaintiffs Jeffrey Lynn Sanders and Starr Sanders, should also be approved.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 14th day of September, 2023, in Los Angeles, California.

/s/ Kara M. Wolke
Kara M. Wolke

PROOF OF SERVICE

I hereby certify that on this 14th day of September, 2023, a true and correct copy of the foregoing document was served by CM/ECF to the parties registered to the Court's CM/ECF system.

s/ Kara M. Wolke
Kara M. Wolke