

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

ROBERT STROUGO	:	CIVIL ACTION
	:	
v.	:	NO. 18-3635
	:	
LANNETT COMPANY, INC., et al.	:	

ORDER

AND NOW, this 28th day of April 2020, upon considering Plaintiff’s Motion for distribution of settlement proceeds (ECF Doc. No. 82), report of a distribution (ECF Doc. No. 82-2) which, using the terms defined by the July 12, 2019 Stipulation of Settlement (ECF Doc.No. 68), describes the procedure for the Claims Administrator to distribute the Net Settlement Fund to Authorized Claimants in proportion to their Recognized Claims in accord with the determinations, guidelines, and methodology for approving claims, calculating Recognized Losses, and determining applicable *pro rata* shares defined by the Claims Administrator Director Luiggi Segura, and with no Opposition, it is **ORDERED** the Plaintiff’s Motion (ECF Doc. No. 82) is **GRANTED in part** to be entirely consistent with our Judgment Order (ECF Doc. No. 81):

1. To the extent not inconsistent with this Order, we **ADOPT** the administrative recommendations to accept claims, including the otherwise valid claims filed after the original December 13, 2019 postmark deadline, and to reject wholly ineligible or otherwise deficient claims, as recommended by the Claims Administrator, JND Legal Administration (“JND”);

2. We **APPROVE** Plaintiff’s plan for distribution of the Net Settlement Fund to Authorized Claimants in part:

a. JND will calculate award amounts to all Authorized Claimants by calculating their *pro rata* share of the fund in accordance with the Court-approved Plan of Allocation (the Claimant’s “Distribution Amount”);

b. JND will, under the terms of the Court-approved Plan of Allocation, eliminate an Authorized Claimant whose Distribution Amount calculates to less than \$10.00, when the exact distributable amount is determined and those Claimants will not receive a distribution from the Net Settlement Fund as confirmed by a letter JND will send to those Authorized Claimants advising them of not receiving a check;

c. After eliminating Claimants who would have received less than \$10.00, JND will recalculate the *pro rata* distribution amounts for Authorized Claimants who will receive \$10.00 or more under the calculations described in subparagraph b. above;

d. JND will then conduct an Initial Distribution of the Net Settlement Fund by distributing to Authorized Claimants who will receive \$10.00 or more their *pro rata* distribution amounts;

e. To encourage Authorized Claimants to promptly cash their payments, all Initial Distribution checks will bear a notation “CASH PROMPTLY, VOID AND SUBJECT TO RE-DISTRIBUTION IF NOT CASHED WITHIN [90] DAYS AFTER ISSUE DATE”;

f. JND will make reasonable and diligent efforts to have Authorized Claimants negotiate their Initial Distribution checks;

g. Authorized Claimants who do not negotiate their Initial Distribution checks within the time allotted will irrevocably forfeit all recovery from the Settlement;

h. The funds allocated to all such stale-dated checks will be available in the re-distribution to other Authorized Claimants;

i. Authorized Claimants who do not negotiate subsequent distributions within the time allotted will irrevocably forfeit any further recovery from the Settlement;

j. After JND has made reasonable and diligent efforts to have Authorized Claimants negotiate their Initial Distribution checks, but no earlier than six (6) months after the Initial Distribution, JND, if Lead Counsel has determined it is feasible and practicable in light of the amount of the remaining Net Settlement Fund and JND's estimated costs for the second distribution, will conduct a second distribution of the Net Settlement Fund (the "Second Distribution");

k. If Lead Counsel determines a Second Distribution is feasible and practicable, then any amounts remaining in the Net Settlement Fund after the Initial Distribution, and after deducting JND's estimated reasonable fees and expenses incurred in connection with administering the Second Distribution, net of estimated taxes, costs of preparing appropriate tax returns, and escrow fees, will be distributed to all Authorized Claimants in the Initial Distribution who (1) cashed their distribution payment; and (2) are entitled to at least \$10.00 from the redistribution based on their *pro rata* share of the remaining funds;

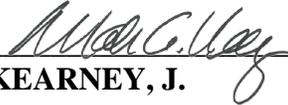
l. If JND and Lead Counsel individually or jointly determine further redistribution is not cost-effective, Lead Counsel will move for approval to prudently distribute the balance of the Net Settlement Fund, if any, net of reasonable unpaid expenses or fees incurred in connection with administering the Net Settlement Fund, costs of additional distributions, estimated escrow fees or taxes, and the costs of preparing appropriate tax returns, to the designated *cy pres* organization, the Investor Protection Trust under Paragraph 15 of our February 7, 2020 Judgment Order;

m. No further Proofs of Claim shall be accepted after March 31, 2020, and no further adjustments to Proofs of Claim shall be made for any reason after March 31, 2020;

n. Unless otherwise ordered by the Court, one year after the Initial Distribution, JND will destroy the paper copies of the Proofs of Claim and all supporting documentation, and one year after the all funds have been distributed, JND will destroy electronic copies of the same;

3. We **APPROVE** reasonable fees and expenses incurred by JND in connection with its administration of the Settlement and incurred in connection with the Initial Distribution; and,

4. We retain jurisdiction to consider further motions or objections concerning the future administration of the Settlement and further appropriate relief.¹



KEARNEY, J.

¹ We decline to enter an Order again defining or expanding the parties' conditions of release beyond the Stipulation of Settlement and Paragraph 17 of the Judgment Order (ECF Doc.No. 81).