ROBBINS GELLER RUDMAN
& DOWD LLP
SHAWN A. WILLIAMS (213113)
DAVID W. HALL (274921)
Post Montgomery Center
One Montgomery Street, Suite 1800
San Francisco, CA 94104
Telephone: 415/288-4545
415/288-4534 (fax)
– and
ELLEN GUSIKOFF STEWART (144892)
JAMES I. JACONETTE (179565)
655 West Broadway, Suite 1900
San Diego, CA 92101-8498
Telephone: 619/231-1058
619/231-7423 (fax)

SCOTT+SCOTT, ATTORNEYS AT LAW, LLP
JOHN T. JASNOCH (281605)
707 Broadway, Suite 1000
San Diego, CA 92101
Telephone: 619/233-4565
619/233-0508 (fax)

Lead Counsel for Plaintiffs

[Additional counsel appear on signature page.]

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SANTA CLARA

In re MOBILEIRON, INC. SHAREHOLDER LITIGATION This Document Relates To: ALL ACTIONS.	Lead Case No. 1-15-cv-284001 CLASS ACTION MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF PLAINTIFFS' MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND APPROVAL OF PLAN OF ALLOCATION Judge: Hon. Thomas E. Kuhnle Dept.: 5 Date Action Filed: 08/05/15 Hearing Date: August 18, 2017 Hearing Time: 9:00 a.m.

TABLE OF CONTENTS

Page

I. INTRODUCTION 2

II. THE SETTLEMENT SHOULD BE GRANTED FINAL APPROVAL 4

A. The Amount of the Settlement Favors Approval 5

B. The Substantial Risks of Continued Litigation 7

1. Risks in Establishing Liability 7

2. Risks Related to Class Certification 8

3. Risks Relating to Loss Causation and Damages 8

C. The Stage of Proceedings and Available Evidence Gave the Parties Sufficient Information to Negotiate an Adequate and Reasonable Settlement 10

D. Balancing the Certainty of an Immediate Recovery Against the Expense and Duration of Further Litigation, Trial, and Appeal Favors Settlement 11

E. The Recommendations of Experienced Counsel Heavily Favor Approval of the Settlement 13

F. The Reaction of the Class Supports Approval of the Settlement 14

III. THE PLAN OF ALLOCATION SHOULD BE APPROVED 14

IV. CONCLUSION 15

TABLE OF AUTHORITIES

Page

CASES

Anixter v. Home-Stake Prod. Co.,
77 F.3d 1215 (10th Cir. 1996) 6

Cellphone Termination Fee Cases,
186 Cal. App. 4th (2010) 4, 5

Class Plaintiffs v. Seattle,
955 F.2d 1268 (9th Cir. 1992) 14

Dunk v. Ford Motor Co.,
48 Cal. App. 4th 1794 (1996) 4, 5, 13, 14

Ellis v. Naval Air Rework Facility,
87 F.R.D. 15 (N.D. Cal. 1980),
aff'd, 661 F.2d 939 (9th Cir. 1981) 13

Glickenhaus & Co. v. Household Int'l, Inc.,
787 F.3d 408 (7th Cir. 2015) 10

Hicks v. Stanley,
No. 01 Civ. 10071 (RJH), 2005 WL 2757792
(S.D.N.Y. Oct. 24, 2005) 7

In re Am. Bank Note Holographics,
127 F. Supp. 2d 418 (S.D.N.Y. 2001) 14

In re AOL Time Warner, Inc.,
No. MDL 1500, 2006 WL 903236
(S.D.N.Y. Apr. 6, 2006) 12

In re Apple Computer Sec. Litig.,
No. C-84-20148(A)-JW, 1991 WL 238298
(N.D. Cal. Sept. 6, 1991) 9

In re BankAtlantic Bancorp, Inc. Sec. Litig.,
No. 07-61542-CIV, 2011 WL 1585605
(S.D. Fla. Apr. 25, 2011), *aff'd on other grounds*
sub nom. Hubbard v. BankAtlantic Bancorp, Inc.,
688 F.3d 713 (11th Cir. 2012) 10

In re Bear Stearns Cos.,
909 F. Supp. 2d 259 (S.D.N.Y. 2012) 9

Page

In re Broadwing, Inc. ERISA Litig.,
252 F.R.D. 369 (S.D. Ohio 2006) 12

In re Cendant Corp. Litig.,
264 F.3d 201 (3d Cir. 2001) 7, 9

In re Citigroup Inc. Bond Litig.,
296 F.R.D. 147 (S.D.N.Y. 2013) 11

In re Corrugated Container Antitrust Litig.,
643 F.2d 195 (5th Cir. 1981) 11

In re Datatec Sys., Inc. Sec. Litig.,
No. 04-CV-525(GEB), 2007 WL 4225828
(D.N.J. Nov. 28, 2007) 14

In re Gilat Satellite Networks, Ltd.,
No. CV-02-1510, 2007 WL 1191048
(E.D.N.Y. Apr. 19, 2007) 12

In re JDS Uniphase Corp. Sec. Litig.,
No. C-02-1486 CW(EDL), 2007 WL 4788556
(N.D. Cal. Nov. 27, 2007) 6

In re Mego Fin. Corp. Sec. Litig.,
213 F.3d 454 (9th Cir. 2000) 11

In re Merrill Lynch & Co. Research Reports Sec. Litig.,
No. 02 MDL 1484 (JFK), 2007 WL 313474
(S.D.N.Y. Feb. 1, 2007) 7

In re Mfrs. Life Ins.,
MDL No. 1109, 1998 WL 1993385
(S.D. Cal. Dec. 21, 1998) 10

In re Nationwide Fin. Servs. Litig.,
No. 2:08-CV-00249, 2009 WL 8747486
(S.D. Ohio Aug. 19, 2009) 14

In re OCA, Inc. Sec. & Derivative Litig.,
No. 05-cv-2165, 2009 WL 512081
(E.D. La. Mar. 2, 2009) 10

Page

In re Oracle Corp. Sec. Litig.,
No. C 01-00988 SI, 2009 WL 1709050
(N.D. Cal. June 19, 2009),
aff'd, 627 F.3d 376 (9th Cir. 2010) 6

In re Ravisent Techs., Inc. Sec. Litig.,
No. Civ.A.00-CV-1014, 2005 WL 906361
(E.D. Pa. Apr. 18, 2005) 7

In re Warner Commc'ns Sec. Litig.,
618 F. Supp. 735 (S.D.N.Y. 1985),
aff'd, 798 F.2d 35 (2d Cir. 1986) 9, 12

La. Mun. Police Emps. Ret. Sys. v. Sealed Air Corp.,
No. 03-CV-4372 (DMC), 2009 WL 4730185
(D.N.J. Dec. 4, 2009) 12

Mallen v. Alphatec Holdings, Inc.,
861 F. Supp. 2d 1111 (S.D. Cal. 2012) 6

Natural Gas Anti-Trust Cases,
No. 4221, 2006 WL 5377849
(San Diego Cnty. Super. Ct. Dec. 11, 2006) 4

O'Brien v. Brain Research Labs, LLC,
No. 12-cv-204, 2012 WL 3242365
(D.N.J. Aug. 9, 2012) 13

Officers for Justice v. Civil Serv. Comm'n,
688 F.2d 615 (9th Cir. 1982) 5, 11, 12, 13

Robbins v. Koger Props., Inc.,
116 F.3d 1441 (11th Cir. 1997) 6

Wershba v. Apple Computer, Inc.,
91 Cal. App. 4th 224 (2001) 7, 13

White v. NFL,
822 F. Supp. 1389 (D. Minn. 1993) 14

Page

STATUTES, RULES AND REGULATIONS

15 U.S.C.
§77k 6, 7, 8
§77k(a) 7
§77l 8
§77l(a)(2) 6
§77o 8

California Code of Civil Procedure
§382 ..... 3, 8

SECONDARY AUTHORITIES

Laarni T. Bulan, Ellen M. Ryan & Laura E. Simmons,
Securities Class Action Settlements: 2016 Review and Analysis
(Cornerstone Research 2017) 6

Manual for Complex Litigation (3d ed. 1995)
§30.42 4

Plaintiffs Warren Schneider, Jay Kerley, and Chaile Steinberg ("Plaintiffs"), on behalf of themselves and the Class, respectfully submit this memorandum of points and authorities in support of their motion for final approval of the proposed Settlement resolving all claims asserted in this securities class action (the "Litigation") and for approval of the proposed plan of allocation of the proceeds of the Settlement (the "Plan of Allocation").[1]

I. INTRODUCTION

Subject to Court approval, Plaintiffs have agreed to settle all claims in this Litigation in exchange for a cash payment of $7.5 million for the benefit of the Class. The Settlement is the product of extensive investigation concerning the claims asserted in the Litigation and vigorous prosecution of the Litigation on behalf of the Class. The Settlement was achieved only after nearly two years of litigation, discovery and motion practice, and only after arm's-length negotiation and mediation process first conducted under the auspices of mediator Robert Meyer of JAMS, and later with Judge Layn R. Phillips, a retired federal judge with extensive experience in mediating complex securities class actions such as this. Plaintiffs and Lead Counsel believe that the Settlement is an excellent result for the Class and should be approved.

As set forth in greater detail in the Joint Declaration, the Settlement is the result of a double-blind mediator's proposal that was separately accepted by the parties following a formal, full-day mediation session with Judge Phillips. Joint Decl., ¶23. The mediation was preceded by the production of documents, including thousands of pages of internal documents by MobileIron, Inc. ("MobileIron" or the "Company") and the relevant insurance policies, as well as the submission of detailed mediation briefs. The mediation briefs addressed the strengths and weaknesses of each party's arguments with respect to liability, loss causation, and damages, and during the mediations each side forcefully

[1] Unless otherwise defined herein, all capitalized terms have the meanings ascribed to them in the Stipulation of Settlement ("Stipulation" or "Settlement") dated May 23, 2017, or the previously submitted Joint Declaration of James I. Jaconette and John T. Jasnoch in Support of Plaintiffs' Unopposed Motion for Preliminary Approval of Class Action Settlement. The Joint Declaration is an integral part of Plaintiffs' settlement submission. For the sake of brevity in this memorandum, the Court is respectfully referred to the Joint Declaration for a detailed description of, *inter alia*: the procedural and factual history of the Litigation; the nature of the claims asserted; the negotiations leading to the Settlement; and the risks and uncertainties of continued litigation. All citations to "Joint Decl., ¶__" in this memorandum refer to paragraphs in the Joint Declaration.

advocated for their clients. The adversarial nature of the mediations, in conjunction with the discovery taken to date, and the prior briefing related to the demurrer, resulted in all parties being fully informed of the strengths and weaknesses of their positions at the time of Settlement.

While Plaintiffs and Lead Counsel believe that the Class has strong claims, they recognize that they would have faced significant risks in establishing all of the elements of their claims. Indeed, the issues of liability, loss causation and damages were hotly contested throughout the Litigation, and would continue to be contested. In particular, Defendants vigorously denied that Plaintiffs could prove that any of the challenged statements from the Offering Materials were materially false or misleading, and also contended that certain statements (regarding the efficacy of MobileIron's products) were inactionable puffery. MobileIron further disputed the extent to which the price decline in MobileIron common stock could be attributed to the false and misleading statements complained of in the Corrected Consolidated Complaint. Defendants also argued vigorously that Plaintiffs would fail to establish the class action requirements of California Code of Civil Procedure §382 and that individual issues of reliance would overwhelm any common issues. Defendants also denied that any alleged misstatements caused the damages that Plaintiffs claimed. For example, although the price of MobileIron shares declined in response to the publication of its financial results for the first quarter of 2015, MobileIron aggressively argued that these disclosures had very little connection to the statements in the Offering Materials that Plaintiffs alleged were false and misleading in their complaints. *See* Joint Decl., ¶¶27-29.

The $7.5 million cash Settlement eliminates these risks and provides a certain, immediate, and substantial cash recovery for the Class. In light of the obstacles to recovery, and the substantial time and expense that continued litigation would require, Plaintiffs and Lead Counsel believe that the Settlement is an excellent result for the Class and warrants approval by the Court. *See Id.*, ¶32.

Plaintiffs also respectfully request that the Court approve the proposed Plan of Allocation of the Settlement proceeds. The Plan of Allocation will govern how Class Members' claims will be calculated and, ultimately, how money will be distributed to valid claimants. The Plan of Allocation was prepared with the assistance of Plaintiffs' damages expert, is based on the expert's analysis estimating the amount of artificial inflation in the prices of MobileIron's common shares during the Class Period, and provides for the *pro rata* distribution of Settlement proceeds based on each Class Member's recognized

loss. Plaintiffs respectfully submit that the Plan of Allocation is a fair and reasonable method for allocating the Settlement proceeds to eligible Class Members and also warrants the Court's approval.

II. THE SETTLEMENT SHOULD BE GRANTED FINAL APPROVAL

When considering a motion for final approval of a class action settlement, a court's inquiry is whether the settlement is "fair, adequate, and reasonable." *Dunk v. Ford Motor Co.*, 48 Cal. App. 4th 1794, 1801 (1996). A settlement is fair, adequate, and reasonable when "the interests of the class as a whole are better served if the litigation is resolved by the settlement rather than pursued." *See Manual for Complex Litigation* §30.42, at 238 (3d ed. 1995); *see also Natural Gas Anti-Trust Cases*, No. 4221, 2006 WL 5377849, at *1 (San Diego Cnty. Super. Ct. Dec. 11, 2006). In making this determination, there is a "presumption of fairness . . . where: (1) the settlement is reached through arm's-length bargaining; (2) investigation and discovery are sufficient to allow counsel and the court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small." *Dunk*, 48 Cal. App. 4th at 1802; *Cellphone Termination Fee Cases*, 186 Cal. App. 4th 1380, 1389 (2010) (same).

As set forth herein, the Settlement is presumptively fair. The Settlement is the result of the parties accepting a double-blind mediator's proposal from a highly experienced mediator, Judge Phillips, following the submission of substantial mediation briefs, the review of many relevant documents attached to the briefs as exhibits, and an all-day mediation with Judge Phillips in which the parties' positions were extensively debated. Under such circumstances, it is clear that the Settlement was reached following arm's-length negotiations.

In addition to the extensive settlement negotiations and two separate all-day mediation sessions, Lead Counsel's significant litigation efforts enabled them to make a fully informed decision concerning settlement. Lead Counsel's investigation and litigation efforts included, among other things: (A) consultation with industry and damages experts; (B) economic analyses of the historical movement, pricing, and trading data for publicly-traded MobileIron common shares; (C) successfully obtaining remand after Defendants' removal of the actions to federal court; (D) researching and filing a detailed opposition to Defendants' demurrer; and (E) an in-depth review and analysis of: (i) documents filed publicly by MobileIron with the Securities and Exchange Commission ("SEC"); (ii) research reports by

securities and financial analysts regarding MobileIron; (iii) transcripts of MobileIron investor conference calls; (iv) press releases and media reports; (v) internal MobileIron documents produced prior to the mediations; and (vi) other publicly available material. Information gleaned from these efforts, combined with Lead Counsel's extensive experience and expertise in the prosecution of securities class actions in state and federal courts throughout the country, provided Lead Counsel with sufficient information to be able to intelligently assess the strengths and weaknesses of the case and appraise the merits of the Settlement. *See* Joint Decl., ¶32. Finally, although the date for filing objections has not passed, Lead Counsel are not aware of a single objection to the Settlement or Plan of Allocation. The presumption of fairness therefore applies.

The Settlement also satisfies the standards for approval of a class action settlement set forth in *Dunk*. There, the court listed several factors to be considered by a court when granting final approval of a settlement, including: (A) the settlement amount; (B) the risks of continued litigation; (C) the stage of proceedings; (D) the complexity, expense, and likely duration of the litigation absent settlement; (E) the experience and views of class counsel; and (F) the reaction of class members. *Dunk*, 48 Cal. App. 4th at 1801 (citing *Officers for Justice v. Civil Serv. Comm'n*, 688 F.2d 615, 625 (9th Cir. 1982)); *see also Cellphone Termination Fee*, 186 Cal. App. 4th at 1389. "The list of factors is not exhaustive," and "[t]he inquiry 'must be limited to the extent necessary to reach a reasoned judgment that the agreement is not the product of fraud or overreaching by, or collusion between, the negotiating parties, and that the settlement, taken as a whole, is fair, reasonable and adequate to all concerned.'" *Dunk*, 48 Cal. App. 4th at 1801 (citation omitted).

As discussed below and in the Joint Declaration, each of these criteria is satisfied and thus supports final approval of the Settlement in this case.

A. The Amount of the Settlement Favors Approval

The Settlement provides for a cash payment of $7.5 million for the benefit of the Class, and there is no right of reversion should the Settlement become Final. The Settlement is unquestionably better than another distinct possibility – little or no recovery for the Class. Indeed, the risk of no recovery for the class in complex cases of this type is very real. In numerous hard-fought lawsuits, plaintiffs and the class ultimately received no recovery – despite ***years*** of excellent, professional work –

due to the discovery of facts unknown when the case started, changes in the law while the case was pending, or a decision of a judge, jury, or court of appeals after a full trial. *See, e.g.*, *In re Oracle Corp. Sec. Litig.*, No. C 01-00988 SI, 2009 WL 1709050 (N.D. Cal. June 19, 2009), *aff'd*, 627 F.3d 376 (9th Cir. 2010) (granting summary judgment to defendants after eight years of litigation); *In re JDS Uniphase Corp. Sec. Litig.*, No. C-02-1486 CW(EDL), 2007 WL 4788556 (N.D. Cal. Nov. 27, 2007) (defense verdict by jury); *Anixter v. Home-Stake Prod. Co.*, 77 F.3d 1215, 1235 (10th Cir. 1996) (overturning securities-fraud class-action jury verdict for plaintiffs in case filed in 1973 and tried in 1988 on the basis of a 1994 Supreme Court opinion).

Here, the Settlement is well within the range of reasonableness in light of the best possible recovery and the substantial risks presented by this Litigation. The highest figure that the parties' damages experts could agree upon for the maximum total damages that could be established in this action was approximately $40 million, assuming that Plaintiffs successfully established the elements of liability. Joint Decl., ¶30. Proving the damages reflected in that estimate assumes that Plaintiffs would have prevailed on all of their merits arguments about falsity and that all or most aspects of the case were sustained at summary judgment and proven at trial. Defendants, of course, would have still vigorously contested this damages figure and maintained that Plaintiffs and the Class were not damaged as the result of any alleged misrepresentation or omission. At trial, this number could have been substantially reduced – or completely eliminated – if the finder of fact had accepted Defendants' "negative causation" arguments. *See Mallen v. Alphatec Holdings, Inc.*, 861 F. Supp. 2d 1111, 1131 (S.D. Cal. 2012) ("Absence of loss causation, or 'negative causation,' is an affirmative defense to a §11 or §12(a)(2) claim where a portion of the stock price decline is not attributable to the alleged misrepresentation or omission."); *see also Robbins v. Koger Props., Inc.*, 116 F.3d 1441 (11th Cir. 1997) (overturning jury verdict of $81 million for plaintiffs against an accounting firm on loss causation grounds and entering judgment for defendants).

Assuming, however, the maximum possible damages were proven at trial, the $7.5 million Settlement represents a recovery of approximately 18.75%. Joint Decl., ¶30. This is a very favorable level of recovery in a securities fraud action such as this one. *See* Laarni T. Bulan, Ellen M. Ryan & Laura E. Simmons, *Securities Class Action Settlements: 2016 Review and Analysis*, at 7, Fig. 6

(Cornerstone Research 2017) (median recovery in securities settlements in 2016 was 2.5% of estimated damages). *See also In re Cendant Corp. Litig.*, 264 F.3d 201, 241 (3d Cir. 2001) (noting that typical recoveries in securities class actions range from 1.6% to 14%); *In re Ravisent Techs., Inc. Sec. Litig.*, No. Civ.A.00-CV-1014, 2005 WL 906361, at *9 (E.D. Pa. Apr. 18, 2005) ("As another court in this District has noted, a study by Professor John C. Coffee, Jr., Adolf A. Berle Professor of Law at Columbia University Law School, determined that since 1995, class action settlements have typically recovered 'between 5.5% and 6.2% of the class members' estimated losses.'") (citation omitted); *In re Merrill Lynch & Co. Research Reports Sec. Litig.*, No. 02 MDL 1484 (JFK), 2007 WL 313474, at *10 (S.D.N.Y. Feb. 1, 2007) (recovery of approximately 6.25% was "at the higher end of the range of reasonableness of recovery in class action[] securities litigations"); *Hicks v. Stanley*, No. 01 Civ. 10071 (RJH), 2005 WL 2757792, at *7 (S.D.N.Y. Oct. 24, 2005) (settlement representing 3.8% of plaintiffs' damage calculation was "within the range of reasonableness").

Accordingly, this factor militates in favor of the Court granting final approval. *See Wershba v. Apple Computer, Inc.*, 91 Cal. App. 4th 224, 250 (2001) ("A settlement need not obtain 100 percent of the damages sought in order to be fair and reasonable.").

B. The Substantial Risks of Continued Litigation

The Plaintiffs' case against Defendants involved substantial risks, both procedurally and in terms of establishing liability and damages.

1. Risks in Establishing Liability

Section 11 of the Securities Act of 1933 (the "Securities Act") creates a private remedy for any purchase of a security if "any part of the registration statement . . . contain[s] an untrue statement of a material fact or omit[s] to state a material fact required to be stated therein or necessary to make the statements therein not misleading." 15 U.S.C. §77k(a). Plaintiffs believe they stood a good chance of establishing that the Registration Statement and Prospectus (collectively, "Offering Materials") issued in connection with MobileIron's IPO included material misstatements and omissions. Specifically, Plaintiffs allege that MobileIron's Offering Materials misrepresented: (1) vulnerabilities in MobileIron's platform; (2) deficiencies in MobileIron's customer service; (3) difficulties integrating MobileIron's platform with customer IT infrastructures; and (4) MobileIron's growth strategy, thereby

violating §§11 and 12 of the Securities Act. Plaintiffs also allege that the Individual Defendants, as control persons, violated §15 of the Securities Act. *See* Joint Decl., ¶12.

Defendants, however, consistently and vigorously denied that Plaintiffs could prove that any of the challenged statements from the Offering Materials were materially false or misleading, and also contended that certain statements (regarding the efficacy of MobileIron's products) were mere puffery and were thus inactionable as a matter of law. *See* Joint Decl., ¶27. While Plaintiffs would vigorously dispute Defendants' arguments, victory was by no means assured.

Additionally, this case did not involve an internal investigation by MobileIron or an investigation by the SEC or enforcement action by any other governmental agency, and MobileIron did not restate its earnings or terminate any executives for malfeasance. Although these factors are not required for a successful securities action, their absence would have certainly been used by Defendants to bolster their claim that they did nothing wrong.

2. Risks Related to Class Certification

At the time of the Settlement, the parties were preparing to move into the class certification stage of the Litigation. Defendants argued vigorously that Plaintiffs failed to establish the class action requirements of California Code of Civil Procedure §382 and that individual issues of reliance overwhelm any common issues. While Plaintiffs believe that claims in this action are suitable for class wide treatment, there nevertheless was a risk that the Court would deny Plaintiffs' motion for class certification based on Defendants' arguments. *See* Joint Decl., ¶28.

3. Risks Relating to Loss Causation and Damages

Plaintiffs are mindful that even if they were able to establish liability at trial, there would be no guarantee that they would prevail on the issues of negative loss causation and damages. Plaintiffs alleged that the price of MobileIron shares began to fall in the months after the IPO in response to news that gradually disclosed the truth concerning the actual quality, capabilities, and weaknesses of MobileIron's products and business. For example, in MobileIron's financial results for the first quarter of 2015 (its second full post-IPO quarter), MobileIron announced large losses, accompanied by decreasing revenue growth, and revised its revenue guidance downward. The Company also announced that its gross bookings failed to meet its previous expectations and guidance. The results also revealed

that the cash that MobileIron reaped from the IPO was being burned at an alarming rate. *See* Joint Decl., ¶13.

Throughout the Litigation, however, Defendants aggressively argued that the drop in the price of MobileIron common shares was not due to the alleged materially misleading statements and omissions in the Offering Materials. For example, although the price of MobileIron shares declined in response to the publication of its financial results for the first quarter of 2015, MobileIron vigorously argued that these disclosures had very little connection to the statements in the Offering Materials that Plaintiffs alleged were false and misleading in their complaints. *See* Joint Decl., ¶29.

As a result, at summary judgment and trial, Defendants' experts would no doubt argue that a substantial portion of the losses experienced by the Class were due to factors unrelated to any conduct of Defendants, thus eliminating that portion of any potential recovery. There was a substantial risk that the finder of fact would agree with Defendants' contention that other factors caused the decrease in the price of MobileIron common shares and that no damages could be linked to Defendants' conduct, or that damages were substantially less than the amount Plaintiffs had asserted. *See In re Warner Commc'ns Sec. Litig.*, 618 F. Supp. 735, 744-45 (S.D.N.Y. 1985) (approving settlement where "it is virtually impossible to predict with any certainty which testimony would be credited, and ultimately, which damages would be found to have been caused by actionable, rather than the myriad nonactionable factors such as general market conditions"), *aff'd*, 798 F.2d 35 (2d Cir. 1986).

Although Plaintiffs were confident they could rebut Defendants' negative causation defense, Defendants' arguments nevertheless constituted a potential obstacle to recovery. Resolution of these issues would have depended on which side's experts were believed by the fact finder. *See Cendant*, 264 F.3d at 239 ("[E]stablishing damages at trial would lead to a 'battle of experts,' with each side presenting its figures to the jury and with no guarantee whom the jury would believe."); *In re Bear Stearns Cos.*, 909 F. Supp. 2d 259, 267 (S.D.N.Y. 2012) ("When the success of a party's case turns on winning a so-called 'battle of experts,' victory is by no means assured.").

Even if Plaintiffs were to prevail at trial, the risks would not end there. There are many cases in which a successful verdict has been overturned either by motion after trial or on appeal. For example, in *In re Apple Computer Sec. Litig.*, No. C-84-20148(A)-JW, 1991 WL 238298 (N.D. Cal. Sept. 6,

1991), the jury rendered a verdict for plaintiffs after a lengthy trial. Based on the jury's findings, recoverable damages would have exceeded $100 million. The court, however, overturned the verdict, entered judgment notwithstanding the verdict for the individual defendants, and ordered a new trial with respect to the corporate defendant. *See also Glickenhaus & Co. v. Household Int'l, Inc.*, 787 F.3d 408 (7th Cir. 2015) (reversing and remanding jury verdict of $2.46 billion after 13 years of litigation on loss causation grounds and error in jury instruction under *Janus Capital Grp., Inc. v. First Derivative Traders*, 564 U.S. 135 (2011)); *In re BankAtlantic Bancorp, Inc. Sec. Litig.*, No. 07-61542-CIV, 2011 WL 1585605, at *20-22 (S.D. Fla. Apr. 25, 2011) (after plaintiffs' jury verdict, court granted defendants' motion for judgment as a matter of law and entered judgment for defendants), *aff'd on other grounds sub nom. Hubbard v. BankAtlantic Bancorp, Inc.*, 688 F.3d 713 (11th Cir. 2012) (finding trial court erred, but defendants nevertheless entitled to judgment as a matter of law based on lack of loss causation).

In sum, the risks posed by continued litigation were substantial, and they would be presented at every step of the litigation if it were to continue. Accordingly, this factor weighs in favor of approving the Settlement. *See In re Mfrs. Life Ins.*, MDL No. 1109, 1998 WL 1993385, at *5 (S.D. Cal. Dec. 21, 1998) ("even if it is assumed that a successful outcome for plaintiffs at summary judgment or at trial would yield a greater recover than the Settlement – which is not at all apparent – there is easily enough uncertainty in the mix to support settling the dispute rather than risking no recovery in future proceedings").

C. The Stage of Proceedings and Available Evidence Gave the Parties Sufficient Information to Negotiate an Adequate and Reasonable Settlement

This factor focuses on whether the parties had sufficient information to conduct an informed negotiation for a settlement that adequately reflects the merits of the case. When applying this factor, "[t]he question is not whether the parties have completed a particular amount of discovery, but whether the parties have obtained sufficient information about the strengths and weaknesses of their respective cases to make a reasoned judgment about the desirability of settling the case on the terms proposed or continuing to litigate it." *In re OCA, Inc. Sec. & Derivative Litig.*, No. 05-cv-2165, 2009 WL 512081,

at *12 (E.D. La. Mar. 2, 2009). "'[I]n the context of class action settlements, "formal discovery is not a necessary ticket to the bargaining table" where the parties have sufficient information to make an informed decision about settlement.'" *In re Mego Fin. Corp. Sec. Litig.*, 213 F.3d 454, 459 (9th Cir. 2000) (citations omitted). Moreover, the trial court "may legitimately presume that counsel's judgment [that it has the information necessary to evaluate a settlement] is reliable." *In re Corrugated Container Antitrust Litig.*, 643 F.2d 195, 211 (5th Cir. 1981).

As detailed above and in the Joint Declaration, by the time the parties reached the Settlement, Lead Counsel had sufficiently investigated and researched the merits of their claims and Defendants' potential defenses to determine that the terms of the Settlement are fair, reasonable, adequate, and in the best interest of the Class. Lead Counsel's reasoned judgment was obtained after a thorough investigation and vigorous prosecution, which included, among other things, motion practice on the demurrers, analysis of thousands of pages of internal MobileIron documents produced prior to the mediations, and consultation with industry and damages experts. Joint Decl., ¶¶18-20. In addition, prior to and during the Litigation, thousands of pages of relevant SEC filings, press releases, analyst reports, and media reports regarding MobileIron were reviewed and analyzed, and detailed initial and amended complaints were drafted. *Id.* These activities provided Lead Counsel with sufficient information to evaluate the strengths and weaknesses of the Class' claims and Defendants' defenses, as well as the likelihood of obtaining a larger recovery from Defendants had the litigation continued. *Id.*, ¶32.

D. Balancing the Certainty of an Immediate Recovery Against the Expense and Duration of Further Litigation, Trial, and Appeal Favors Settlement

"[T]he complexity, expense and likely duration of the litigation absent settlement" is another factor to balance in determining whether the Settlement is fair, adequate, and reasonable. *Natural Gas Anti-Trust*, 2006 WL 5377849, at *2; *Officers for Justice*, 688 F.2d at 626. "'[T]he more complex, expensive, and time consuming the future litigation, the more beneficial settlement becomes as a matter of efficiency to the parties and to the Court.'" *In re Citigroup Inc. Bond Litig.*, 296 F.R.D. 147, 155 (S.D.N.Y. 2013) (citation omitted).

Courts have repeatedly recognized the "notorious complexity" of securities class action litigation. *In re AOL Time Warner, Inc.*, No. MDL 1500, 2006 WL 903236, at *8 (S.D.N.Y. Apr. 6, 2006); *La. Mun. Police Emps. Ret. Sys. v. Sealed Air Corp.*, No. 03-CV-4372 (DMC), 2009 WL 4730185, at *8 (D.N.J. Dec. 4, 2009) ("securities class actions are inherently complex"). Courts also acknowledge that "[s]ecurities class actions are . . . expensive to prosecute." *In re Gilat Satellite Networks, Ltd.*, No. CV-02-1510, 2007 WL 1191048, at *10 (E.D.N.Y. Apr. 19, 2007). This case was no exception. Prosecution required a thorough understanding of the mobile device security industry, as well as securities and class action law. Had the case continued, extensive expert testimony would have been necessary at the summary judgment and trial stages. Accordingly, the Class would have had to pay expensive experts to litigate complex issues such as "negative causation," and continued litigation would not have guaranteed a greater degree of success.

In contrast to the risks posed by further litigation, approval of the Settlement will mean a significant and prompt recovery for Class Members. If not for this Settlement, the case would have continued through the completion of fact and deposition discovery, expert discovery, summary judgment, trial, and likely appeals. A trial would have occupied a number of attorneys for many weeks and would have required substantial and costly expert testimony on both sides. Furthermore, a judgment favorable to the Class, in light of the contested nature of virtually every aspect of this case, would unquestionably be the subject of post-trial motions and further appeals, which could prolong the case for several more years. *See, e.g.*, *Warner Commc'ns*, 618 F. Supp. at 745 (delay from appeals is a factor to be considered). Therefore, delay, not just at the trial stage, but through post-trial motions and the appellate process as well, could force Class Members to wait many more years for any recovery, further reducing its value. Settlement of this Litigation ensures an immediate recovery and eliminates the risk of no recovery at all. *See In re Broadwing, Inc. ERISA Litig.*, 252 F.R.D. 369, 373-74 (S.D. Ohio 2006) (explaining "the difficulty Plaintiffs would encounter in proving their claims, the substantial litigation expenses, and a possible delay in recovery due to the appellate process, provide justifications for this Court's approval of the proposed Settlement").

As the Ninth Circuit has made clear, the very essence of a settlement agreement is compromise, "'a yielding of absolutes and an abandoning of highest hopes.'" *Officers for Justice*, 688 F.2d at 624

(citation omitted). "'Naturally, the agreement reached normally embodies a compromise; in exchange for the saving of cost and elimination of risk, the parties each give up something they might have won had they proceeded with litigation.'" *Id.* (citation omitted); *see also Ellis v. Naval Air Rework Facility*, 87 F.R.D. 15, 19 (N.D. Cal. 1980) ("[a]s a quid pro quo for not having to undergo the uncertainties and expenses of litigation, the plaintiffs must be willing to moderate the measure of their demands"), *aff'd*, 661 F.2d 939 (9th Cir. 1981). Accordingly, the fact that the Class potentially could have achieved a greater recovery after trial does not preclude the Court from finding that the Settlement is within a "range of reasonableness" for approval. *See Wershba*, 91 Cal. App. 4th at 250 ("Compromise is inherent and necessary in the settlement process. . . . even if 'the relief afforded by the proposed settlement is substantially narrower than it would be if the suits were to be successfully litigated,' this is no bar to a class settlement because 'the public interest may indeed by served by a voluntary settlement in which each side gives ground in the interest of avoiding litigation.'") (citation omitted).

E. The Recommendations of Experienced Counsel Heavily Favor Approval of the Settlement

In determining whether a given settlement is reasonable, the opinion of experienced counsel is also entitled to considerable weight. *See Dunk*, 48 Cal. App. 4th at 1801 (among the factors to be considered is "the experience and views of counsel"); *O'Brien v. Brain Research Labs, LLC*, No. 12-cv-204, 2012 WL 3242365, at *12 (D.N.J. Aug. 9, 2012) ("The opinion of experienced counsel, based upon their familiarity with the facts and law and understanding of the strengths and weaknesses of their positions, is entitled to considerable weight and favors finding that the settlement is fair.").

Here, Lead Counsel, who are experienced class action securities litigators, believe that in light of all of the aforementioned litigation risks, the Settlement represents an excellent result for the Class. Joint Decl., ¶32. In addition, as discussed above, this Settlement was only achieved when both parties accepted a double-blind mediator's proposal following arm's-length settlement negotiations before a nationally recognized mediator who has significant experience in resolving complicated securities class actions. *Id.*, ¶23. This factor strongly supports the fairness and reasonableness of the Settlement.

F. The Reaction of the Class Supports Approval of the Settlement

A court may also consider the reaction of the class in determining whether to approve a settlement. *Dunk*, 48 Cal. App. 4th at 1801. "The lack of significant objections is powerful evidence of the fairness of a proposed settlement." *In re Nationwide Fin. Servs. Litig.*, No. 2:08-CV-00249, 2009 WL 8747486, at *7 (S.D. Ohio Aug. 19, 2009).

In this case, pursuant to the notice procedures approved by the Court in its Order Re: Motion for Preliminary Approval of Class Action Settlement ("Preliminary Approval Order"), the Class will be notified of the Settlement by First-Class Mail, publication, and the Internet. In addition, a dedicated website, www.mobileironshareholdersettlement.com, will be created and all relevant documents and dates posted.

Lead Counsel will advise the Court of any objections to the Settlement and will respond thereto in their reply brief, which will be filed after the deadline for objections and opt-outs has passed.

Each of the above factors fully supports a finding that the Settlement is fair, reasonable, and adequate. Accordingly, Plaintiffs respectfully request that the Court approve the Settlement.

III. THE PLAN OF ALLOCATION SHOULD BE APPROVED

Assessment of the plan of allocation is governed by the same standards of review applicable to the settlement as a whole – the plan must be fair, reasonable, and adequate. *Class Plaintiffs v. Seattle*, 955 F.2d 1268, 1284 (9th Cir. 1992). An allocation formula must only have a reasonable, rational basis, particularly if recommended by "experienced and competent" plaintiffs' counsel. *White v. NFL*, 822 F. Supp. 1389, 1420-24 (D. Minn. 1993); *In re Am. Bank Note Holographics*, 127 F. Supp. 2d 418, 429-30 (S.D.N.Y. 2001). Because they tend to mirror the complaints' allegations, "plans that allocate money depending on the timing of purchases and sales of the securities at issue are common." *In re Datatec Sys., Inc. Sec. Litig.*, No. 04-CV-525(GEB), 2007 WL 4225828, at *5 (D.N.J. Nov. 28, 2007).

Here, the Plan of Allocation was developed with the assistance of Lead Counsel's damages and economics expert, and it reflects an assessment of the damages that could have been recovered under the theories asserted by Plaintiffs in this case. The Plan of Allocation will, therefore, result in an equitable distribution of the proceeds among Class Members who submit valid claims. As a result,

Plaintiffs respectfully submit that the Plan of Allocation is a fair and reasonable method for allocating the Net Settlement Fund among the Members of the Class.

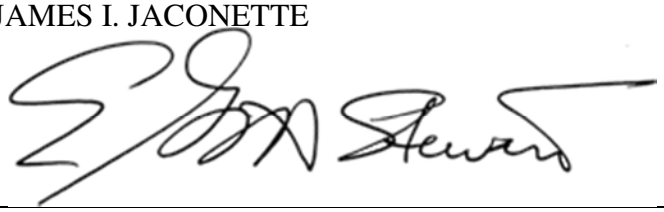
IV. CONCLUSION

For the reasons set forth above and in the Joint Declaration, Plaintiffs respectfully request that the Court grant final approval of the Settlement and approve the Plan of Allocation.

DATED: July 5, 2017

Respectfully submitted,

ROBBINS GELLER RUDMAN
& DOWD LLP
ELLEN GUSIKOFF STEWART
JAMES I. JACONETTE



ELLEN GUSIKOFF STEWART

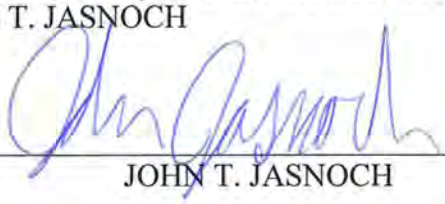
655 West Broadway, Suite 1900
San Diego, CA 92101-8498
Telephone: 619/231-1058
619/231-7423 (fax)

ROBBINS GELLER RUDMAN
DOWD LLP
SHAWN A. WILLIAMS
DAVID W. HALL
Post Montgomery Center
One Montgomery Street, Suite 1800
San Francisco, CA 94104
Telephone: 415/288-4545
415/288-4534 (fax)

ROBBINS GELLER RUDMAN
DOWD LLP
SAMUEL H. RUDMAN
58 South Service Road, Suite 200
Melville, NY 11747
Telephone: 631/367-7100
631/367-1173 (fax)

ROBBINS GELLER RUDMAN
DOWD LLP
SAMUEL H. RUDMAN
58 South Service Road, Suite 200
Melville, NY 11747
Telephone: 631/367-7100
631/367-1173 (fax)

SCOTT+SCOTT, ATTORNEYS AT LAW, LLP
JOHN T. JASNOCH



JOHN T. JASNOCH

707 Broadway, Suite 1000
San Diego, CA 92101
Telephone: 619/233-4565
619/233-0508 (fax)

SCOTT+SCOTT LLP, Attorneys At Law
THOMAS L. LAUGHLIN IV
MAX SCHWARTZ
The Chrysler Building
405 Lexington Avenue, 40th Floor
New York, NY 10174
Telephone: 212/233-6444
212/233-6334 (fax)

Lead Counsel for Plaintiffs

ROBBINS ARROYO LLP
BRIAN J. ROBBINS
GEORGE C. AGUILAR
JAY N. RAZZOUK
600 B Street, Suite 1900
San Diego, CA 92101
Telephone: 619/525-3990
619/525-3991 (fax)

Executive Committee Member

JOHNSON & WEAVER, LLP
FRANK J. JOHNSON
600 West Broadway, Suite 1540
San Diego, CA 92101
Telephone: 619/230-0063
619/255-1856 (fax)

Additional Counsel for Plaintiff

DECLARATION OF SERVICE BY MAIL

I, the undersigned, declare:

1. That declarant is and was, at all times herein mentioned, a citizen of the United States and a resident of the County of San Diego, over the age of 18 years, and not a party to or interested party in the within action; that declarant's business address is 655 West Broadway, Suite 1900, San Diego, California 92101.

2. That on July 5, 2017, declarant served **MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF PLAINTIFFS' MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND APPROVAL OF PLAN OF ALLOCATION** by depositing a true copy thereof in a United States mailbox at San Diego, California in a sealed envelope with postage thereon fully prepaid and addressed to the parties listed on the attached Service List.

3. That there is a regular communication by mail between the place of mailing and the places so addressed.

I declare under penalty of perjury that the foregoing is true and correct. Executed on July 5, 2017, at San Diego, California.

JACLYN STARK

Counsel for Defendant(s)

Jessica Valenzuela Santamaria
Tijana M. Brien
Cooley LLP
3175 Hanover Street
Palo Alto, CA 94304
650/843-5000
650/849-7400 (Fax)

Jordan D. Eth
Philip T. Besirof
Morrison & Foerster LLP
425 Market Street
San Francisco, CA 94105-2406
415/268-7000
415/268-7522 (Fax)

Counsel for Plaintiff(s)

Michael I. Fistel, Jr.
Johnson & Weaver, LLP
40 Powder Springs Street
Marietta, GA 30064
770/200-3104
770/200-3101 (Fax)

Frank J. Johnson
Phong L. Tran
Johnson & Weaver, LLP
600 West Broadway, Suite 1540
San Diego, CA 92101
619/230-0063
619/255-1856 (Fax)

Brian J. Robbins
George C. Aguilar
Jay N. Razzouk
Robbins Arroyo LLP
600 B Street, Suite 1900
San Diego, CA 92101
619/525-3990
619/525-3991 (Fax)

Samuel H. Rudman
Robbins Geller Rudman & Dowd LLP
58 South Service Road, Suite 200
Melville, NY 11747
631/367-7100
631/367-1173 (Fax)

James J. Jaconette
Robbins Geller Rudman & Dowd LLP
655 West Broadway, Suite 1900
San Diego, CA 92101
619/231-1058
619/231-7423 (Fax)

Shawn A. Williams
David W. Hall
Robbins Geller Rudman & Dowd LLP
Post Montgomery Center
One Montgomery Street, Suite 1800
San Francisco, CA 94104
415/288-4545
415/288-4534 (Fax)

John T. Jasnoch
Scott+Scott, Attorneys At Law, LLP
707 Broadway, Suite 1000
San Diego, CA 92101
619/233-4565
619/233-0508 (Fax)

Thomas L. Laughlin IV
Max Schwartz
Scott+Scott, Attorneys At Law, LLP
The Helmsley Building
230 Park Avenue, 17th Floor
New York, NY 10169
212/223-6444
212/223-6334 (Fax)