

BLEICHMAR FONTI & AULD LLP

Lesley E. Weaver (Bar No. 191305)
1330 Broadway, Suite 630
Oakland, California 94612
Telephone: (415) 445-4003
Facsimile: (415) 445-4020

*Counsel for Lead Plaintiff Martin Dugan
and Lead Counsel for the Class*

[Additional counsel on signature page]

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

IN RE TALIS BIOMEDICAL SECURITIES
LITIGATION

Case No. 22-cv-00105-SI

CLASS ACTION

THIS DOCUMENT RELATES TO:

ALL ACTIONS

**PLAINTIFF'S NOTICE OF MOTION
AND MOTION FOR DISTRIBUTION OF
CLASS SETTLEMENT FUNDS AND
MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT
THEREOF**

Judge: Hon. Susan Illston
Date: September 12, 2025
Time: 10:00 a.m.
Courtroom: 1 – 17th Floor

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NOTICE OF MOTION AND MOTION

PLEASE TAKE NOTICE THAT on September 12, 2025, at 10:00 a.m. PST, or as soon thereafter as this matter may be heard, Lead Plaintiff and Class Representative Martin Dugan (“Plaintiff”), on behalf of himself and the Class, by and through the undersigned counsel, will and hereby does, respectfully move this Court in the above-captioned action (the “Action”) for entry of the [Proposed] Order, submitted herewith, approving the distribution of the Net Settlement Fund pursuant to the Settlement of this Action.¹

This Motion is based on the Memorandum of Points and Authorities below, the Declaration of Rochelle J. Teichmiller in Support of Plaintiff’s Motion for Distribution of Class Settlement Funds (“Teichmiller Declaration”) and the exhibits thereto, all prior pleadings and papers in this Action, arguments of counsel, and such additional information or argument as may be requested by the Court.

STATEMENT OF THE ISSUE TO BE DECIDED

The issue to be decided on this Motion is whether the Court should approve distribution of the Net Settlement Fund pursuant to the settlement of this Action.

MEMORANDUM OF POINTS AND AUTHORITIES

I. PRELIMINARY STATEMENT

The Court has approved the \$32.5 million Settlement in this Action. (ECF No. 205.) Plaintiff now moves for entry of the [Proposed] Order Authorizing Distribution of the Net Settlement Fund (the “Distribution Order”), which will: (i) approve the Claims Administrator’s administrative recommendations accepting and rejecting claims received through and including August 5, 2025; (ii) direct the distribution of the Net Settlement Fund to Authorized Claimants whose Recognized Claims have been accepted as valid and approved by the Court, according to the plan for the distribution of the Net Settlement Fund set forth in the Teichmiller Declaration, submitted on behalf of the Claims Administrator, A.B. Data, Ltd. (“A.B. Data”); (iii) impose a Final Bar Date of August 5, 2025, meaning that any claims, or documentation to cure previously defective

¹ Capitalized terms not defined herein have the meanings stated in the Stipulation of Settlement (the “Stipulation”) (ECF No. 181-2). Emphasis is added, and citations omitted, unless otherwise noted.

claims, received after that date will be automatically rejected; and (iv) approve the fees and expenses incurred by the Claims Administrator in connection with the Settlement.

The Claims Administrator has completed the processing of claims submitted through August 5, 2025. Plaintiff respectfully requests that the Court approve A.B. Data's administrative recommendations (a) to accept the 3,460 claims deemed acceptable in whole or in part, listed in Exhibits D and E to the Teichmiller Declaration, and (b) to reject the 1,949 claims that A.B. Data has wholly rejected, listed in Exhibit F to the Teichmiller Declaration. (Teichmiller Decl. ¶¶39-40.) The 3,460 claims recommended for acceptance represent a total of \$107,065,626.65 in Recognized Claims calculated in accordance with the Court-approved Plan of Allocation. (*Id.* ¶41.)

In accordance with the Plan of Allocation, each Authorized Claimant with a Recognized Claim shall receive a *pro rata* share of the Net Settlement Fund. Once the distribution is complete, Plaintiff will file a Post-Distribution Accounting pursuant to the District's Procedural Guidance.

II. BACKGROUND

The Court granted final approval of the Settlement, and approved the Plan of Allocation, on March 21, 2025 (ECF Nos. 204 & 205).

As described in the Teichmiller Declaration, A.B. Data has processed all claims received through and including August 5, 2025, in accordance with the terms of the Stipulation and Plan of Allocation, and now submits its administrative determinations accepting and rejecting those claims.

III. CLAIMS ADMINISTRATION

A. The Notice Program and Claims Received

A.B. Data has caused a total of 19,876 copies of the Notice to be disseminated to potential Settlement Class Members, brokers, and other nominees; caused the Summary Notice to be published in *The Wall Street Journal* and *Investor's Business Daily*, as well as released via *PR Newswire*; and established and continues to maintain the Settlement Website. (*See* Teichmiller Decl. ¶¶2 & 4-6.) As stated in the Court-approved Notice, each Settlement Class Member who wished to be eligible to receive a distribution from the Net Settlement Fund was required to complete and submit to A.B. Data a properly executed Claim Form, and supporting documentation for the transactions and holdings reported therein, postmarked no later than March 13, 2025.

As of August 5, 2025, A.B. Data has received 5,409 claims: 42 paper claims, 348 claims submitted via the Settlement Website, and 5,019 claims submitted electronically. (Teichmiller Decl. ¶¶7, 10, 13, 14.) Pursuant to the Judgment (ECF No. 205 ¶23), in its discretion, Co-Lead Counsel determined to recommend that late-submitted, valid claims received by A.B. Data through and including August 5, 2025, receive payment from the distribution of the Net Settlement Fund.

B. Measures to Address Deficient Claims and Protect Against Fraud

A.B. Data reviewed all claims to ensure that they were not submitted by or on behalf of persons or entities excluded from the definition of the Settlement Class. (Teichmiller Decl. ¶20; *see* ECF No. 181-2 ¶¶1.49 & 2.10.) Specifically, A.B. Data excluded claims submitted by or on behalf of persons or entities who were known by A.B. Data to be Defendants and other excluded persons and entities as described in the Stipulation and Notice. (Teichmiller Decl. ¶20.)

A.B. Data devoted significant effort to identifying deficient claims and working to resolve those deficiencies where possible through additional processing, correspondence, and telephonic communications. (*Id.* ¶¶21-29.) A.B. Data has communicated these deficiencies so the affected claimants have had the opportunity to cure any curable defects in their claims. The deficiency process involved sending a “Notice of Rejection of Claim” or a “Notice of Partial Rejection of Claim” (“Deficiency Notices”) to all claimants who had submitted deficient claims, and email correspondence to notify filers of electronically submitted claims of any deficiencies and provide an opportunity to cure. (*Id.* ¶¶23-29.)

Each Deficiency Notice advised the affected claimants that, if they disagreed with A.B. Data’s administrative determinations, they had the right to request the Court’s review of their claim. Each Deficiency Notice also explained that a claimant who disputed A.B. Data’s determinations was required to submit within 20 days a written statement of reasons indicating their grounds for contesting the rejection, along with supporting documentation. (*Id.* ¶30.) To date, A.B. Data has not received any requests for Court review. (*Id.*)

A.B. Data conducted a Quality Assurance review and used Quality Assurance personnel throughout the administration to ensure that claims were processed properly. (*Id.* ¶¶33-38.)

1 A.B. Data's Quality Assurance team also performed a final project wrap up to ensure the
2 correctness and completeness of all claims. (*Id.* ¶34.)

3 A.B. Data also used a variety of fraud protection controls throughout the claims
4 administration. (*Id.* ¶36.) A.B. Data checked all claims against its database of known questionable
5 filers, which contains names, addresses, and aliases of individuals or entities that have been
6 investigated by government agencies for questionable claim filings, as well as the names and
7 contact information compiled from previous settlements that A.B. Data has administered where
8 fraudulent claims were received. (*Id.* ¶37.) Further, in accordance with the Office of Foreign Assets
9 Control (OFAC), A.B. Data will perform searches on all checks issued to ensure that no payments
10 are made to payees whose names appear on the federal government's restricted persons list or who
11 reside in countries to which payments are prohibited. (*Id.* ¶38.) A.B. Data regularly monitors
12 changes to OFAC regulations and guidelines. (*Id.*)

13 **IV. THE DISTRIBUTION ORDER SHOULD BE ENTERED**

14 After final approval of a securities class action settlement, the Court-appointed claims
15 administrator completes the processing of claims. Once processing is complete, the claims
16 administrator's recommendations to accept and reject claims, along with the proposed plan to
17 distribute the settlement fund, are presented to the Court for approval. Upon Court approval, the
18 claims administrator issues payments to approved claimants.

19 Here, Plaintiff respectfully requests the Court's approval of the Distribution Order,
20 submitted herewith, so A.B. Data may begin distributions to Authorized Claimants. As set forth in
21 the Teichmiller Declaration, A.B. Data has completed the processing of the 5,409 claims received
22 through August 5, 2025, and has determined that 3,460 are acceptable in whole or in part, while
23 1,949 should be wholly rejected because they are ineligible for payment. (Teichmiller Decl. ¶39.)

24 A list of all the claims submitted through and including August 5, 2025 and their
25 recommended disposition is contained in Exhibits D through F to the Teichmiller Declaration.
26 Exhibit D, titled "Timely Eligible Claims," lists all timely-filed accepted claims and states their
27 Recognized Claim. Exhibit E, titled "Late But Otherwise Eligible Claims," lists all late-filed
28

accepted claims and states their Recognized Claim. Exhibit F, titled “Rejected Claims,” lists all wholly rejected claims and states the reason for their rejection.

For privacy reasons, Exhibits D through F provide only the claimant’s Claim Number and Recognized Claim or reason for rejection; no names, addresses, or Social Security or other Taxpayer Identification Numbers are disclosed. (Teichmiller Decl. ¶40.)

A. The Claims Recommended for Acceptance

The 3,460 claims recommended for acceptance represent a total of \$107,065,626.65 in Recognized Claims calculated in accordance with the Court-approved Plan of Allocation. (*Id.* ¶41.) In accordance with the Plan of Allocation, each Authorized Claimant with a Recognized Claim shall be allocated a *pro rata* share of the Net Settlement Fund. (*Id.*)²

B. The Claims Recommended for Rejection

The 1,949 wholly rejected claims are ineligible for one or more of the following reasons: (i) the transactions submitted in the Proof of Claim did not yield a Recognized Claim under the Plan of Allocation; (ii) there were no purchases or acquisitions of Talis common stock during the Settlement Class Period; (iii) the claim was a duplicate of another claim; (iv) the claim was submitted by an excluded party or questionable filer; (v) the claim contained one or more uncured deficiencies; or (vi) the claim was withdrawn. (*Id.* ¶39.)

V. DISTRIBUTION OF THE NET SETTLEMENT FUND

As detailed above, the Claims Administrator has completed processing the claims received through August 5, 2025. With respect to these claims, Plaintiff respectfully requests that the Court approve A.B. Data’s administrative recommendations (a) to accept the 3,460 claims deemed acceptable in whole or in part, listed in Exhibits D and E to the Teichmiller Declaration, and (b) to reject the 1,949 claims that A.B. Data has wholly rejected, listed in Exhibit F to the Teichmiller Declaration. (*Id.*)

Upon entry of the Court’s Distribution Order, A.B. Data will execute the following distribution plan (the “Distribution Plan”) (*id.* ¶43):

² As provided in the Plan of Allocation, if an Authorized Claimant’s payment calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to such Authorized Claimant. (*Id.*)

1 a. A.B. Data will conduct an initial distribution (the “Initial Distribution”) of the available
 2 balance of the Net Settlement Fund, after deducting all payments previously approved
 3 by the Court and requested herein, and after deducting payment of any estimated taxes,
 4 the costs of preparing tax returns, and any escrow fees, as follows:

5 i. Pursuant to the Court-approved Plan of Allocation, A.B. Data will calculate each
 6 Authorized Claimant’s *pro rata* share of the Net Settlement Fund based on the
 7 amount of the Authorized Claimant’s Recognized Claim in comparison to the
 8 total Recognized Claims of all Authorized Claimants.

9 ii. A.B. Data will, pursuant to the Court-approved Plan of Allocation, eliminate from
 10 the distribution, any Authorized Claimant whose *pro rata* share of the Net
 11 Settlement Fund as calculated under subparagraph (a)(i) above is less than
 12 \$10.00. Such Claimants will not receive any payment from the Net Settlement
 13 Fund.

14 iii. After eliminating Claimants who would have received less than \$10.00,
 15 A.B. Data will recalculate the *pro rata* share of the Net Settlement Fund for
 16 Authorized Claimants who would have received \$10.00 or more pursuant to the
 17 calculation described in subparagraph (a)(i) above. This *pro rata* share is the
 18 Authorized Claimant’s “Distribution Amount.”

19 iv. To encourage Authorized Claimants to cash their distribution checks promptly,
 20 and to avoid or reduce future expenses relating to unpaid distribution checks, all
 21 Initial Distribution checks will bear the notation: “DEPOSIT PROMPTLY,
 22 VOID AND SUBJECT TO RE-DISTRIBUTION IF NOT NEGOTIATED
 23 WITHIN 90 DAYS OF DISTRIBUTION.”³

24
 25 ³ In an effort to have as many Authorized Claimants as possible cash their checks, A.B. Data will
 26 perform follow-up with those Authorized Claimants whose checks are initially uncashed, either
 27 because they are returned to A.B. Data as undeliverable or because the Authorized Claimant simply
 28 did not cash the check after a period of time elapsed. For Authorized Claimants whose checks are
 returned as undeliverable, A.B. Data will endeavor to locate new addresses by running the
 undeliverable addresses through the U.S.P.S. National Change of Address database and, where
 appropriate, via Internet search techniques and by calling the Authorized Claimants. Where a new
 address is located, A.B. Data will update the database accordingly and re-issue a distribution check
 to the Authorized Claimant at the new address. For any Authorized Claimants whose checks are

v. Authorized Claimants who do not cash their Initial Distribution checks within the time allotted, or pursuant to further action as set forth in footnote 3, will irrevocably forfeit all recovery from the Settlement.

b. Consistent with the Court-approved Plan of Allocation, if any funds remain in the Net Settlement Fund after the Initial Distribution because of uncashed checks or otherwise, then, after A.B. Data has made reasonable and diligent efforts to have Authorized Claimants cash their distribution checks (which efforts shall consist of the extensive follow up efforts described in footnote 3), any balance remaining in the Net Settlement Fund six (6) months after the distribution or reasonably soon thereafter, shall, if Co-Lead Counsel, in consultation with A.B. Data, determine it to be cost effective to do so, be redistributed, after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such redistribution and after deducting payment of any estimated taxes, the costs of preparing appropriate tax returns and any escrow fees, to Authorized Claimants who have cashed their distribution checks and who would receive at least \$10.00 from such redistribution, with additional distributions thereafter in six-month intervals, subject to the conditions previously noted, until Co-Lead Counsel, in consultation with A.B. Data, determine that further redistribution is not cost effective.

c. At such time as Co-Lead Counsel, in consultation with A.B. Data, determines that the redistribution of funds remaining in the Net Settlement Fund is not cost effective, if sufficient funds remain to warrant the processing of Claims received after August 5, 2025, such Claims will be processed, and any such Claims that are otherwise valid, as well as any earlier received Claims for which a cure or adjustment was received after August 5, 2025, which resulted in an increased Recognized Claim, will be paid in

not returned but who simply do not cash their checks, A.B. Data will use a mix of automated calls, personalized telephone calls, and emails to urge such Authorized Claimants to cash their distribution checks. In the event an Authorized Claimant loses or damages his, her, or its check, or otherwise requires a new check, A.B. Data will issue replacement checks. Distribution reissues will be undertaken only upon written instructions from the Authorized Claimant, provided that the Authorized Claimant returns the previous check where appropriate. For all checks, A.B. Data will void the initial payment prior to reissuing a payment.

accordance with paragraph (d) below. If any funds remain in the Net Settlement Fund after payment of such late or late-cured or adjusted Claims, the remaining balance shall be contributed to a non-profit, charitable organization serving the public interest and unaffiliated with the Parties or their counsel, selected by Co-Lead Counsel.

- d. No new Claims may be accepted after August 5, 2025, and no further cures or adjustments to Claims received on or before August 5, 2025, that would result in an increased Recognized Claim may be made for any reason after August 5, 2025, subject to the following exception: If Claims are received, cured or modified after August 5, 2025, that would be eligible for payment or additional payment under the Plan of Allocation if timely received, at the time that Co-Lead Counsel, in consultation with A.B. Data, determine that a redistribution is not cost effective as provided in paragraph (c) above, then, after payment of any unpaid fees or expenses incurred in connection with administering the Settlement and after the payment of any estimated taxes, the costs of preparing tax returns, and any escrow fees, such Claimants, at the discretion of Co-Lead Counsel, may be paid their distribution amounts or additional distribution amounts on a *pro rata* basis that would bring them into parity with other Authorized Claimants who have cashed all of their prior distribution checks to the extent possible based on available funds.
- e. Unless otherwise ordered by the Court, A.B. Data will dispose of the paper copies of Claims and all supporting documentation one (1) year from the final distribution date of the Net Settlement Fund and will dispose of electronic copies of the same three (3) years after the final distribution date of the Net Settlement Fund.

VI. FINAL BAR DATE OF AUGUST 5, 2025

Plaintiff further requests that the Court set a final bar date of August 5, 2025 (the “Final Bar Date”), meaning that any claims received after the Final Bar Date, or purported cures of deficiencies received after the Final Bar Date, will be rejected without further notice.

Setting a Final Bar Date is necessary to provide finality and allow the timely, complete distribution of the Net Settlement Fund to Authorized Claimants. Otherwise, “the claim period

would never cease and money could never be distributed.” *Lemus v. H & R Block Enters., LLC*, No. 09-cv-03179 SI, 2013 WL 3831866, at *2 (N.D. Cal. July 23, 2013).

Here, the Final Bar Date is more than four months after the Court-approved March 13, 2025 deadline to submit claims. Thus, potential Settlement Class Members have had ample time to submit claims and cure any deficiencies. The Settlement Website will be updated to indicate that Plaintiff has sought a Final Bar Date of August 5, 2025, and if the Final Bar Date is approved by the Court, any claims received after the Final Bar Date, or purported cures of deficiencies received after the Final Bar Date, will be rejected without further notice.

VII. PAYMENT TO THE CLAIMS ADMINISTRATOR

As set forth in the Court-authorized and implemented Stipulation, Co-Lead Counsel may use the Settlement Fund to pay reasonable Notice and Administration Costs actually incurred and paid or payable without further order of the Court (ECF No. 181-2 ¶2.11); none of this amount has been disbursed to date.

A.B. Data now seeks payment of a total of \$180,341.62 in fees and expenses for its work as Claims Administrator, including its work performed on behalf of the Settlement Class to date and A.B. Data’s estimated fees and expenses to conduct the initial distribution of the Settlement Fund. (Teichmiller Decl. ¶42.) These amounts qualify as Notice and Administration Costs pursuant to the Stipulation (ECF No. 181-2 ¶2.11) and are below A.B. Data’s original estimate of approximately \$225,000 in Notice and Administration Costs (ECF No. 181-3 ¶24).

Thus, Plaintiff requests authorization to pay A.B. Data \$180,341.62 for its services from the Settlement Fund.

VIII. CONCLUSION

For the foregoing reasons, Plaintiff respectfully requests that the Court grant this motion and enter the proposed Distribution Order submitted herewith.

Dated: August 5, 2025

Respectfully submitted,

By: /s/ Joseph A. Fonti
BLEICHMAR FONTI & AULD LLP
Joseph A. Fonti (*pro hac vice*)
jfonti@bfalaw.com
Evan A. Kubota (*pro hac vice*)
ekubota@bfalaw.com
300 Park Avenue, Suite 1301
New York, New York 10022
Tel: (212) 789-1340
Fax: (212) 205-3960

– and –

Lesley E. Weaver (Bar No. 191305)
lweaver@bfalaw.com
1330 Broadway, Suite 630
Oakland, California 94612
Tel.: (415) 445-4003
Fax: (415) 445-4020

*Counsel for Lead Plaintiff Martin Dugan
and Lead Counsel for the Class*

THE SCHALL LAW FIRM
Brian Schall (Bar No. 290685)
2049 Century Park East, Suite 2460
Los Angeles, California 90067
Telephone: (424) 303-1964
brian@schallfirm.com

*Additional Counsel for Lead Plaintiff
Martin Dugan*

POMERANTZ LLP
Jennifer Pafiti (Bar No. 282790)
1100 Glendon Avenue, 15th Floor
Los Angeles, California 90024
Telephone: (310) 405-7190
Facsimile: (212) 661-8665
jpafiti@pomlaw.com

Jeremy A. Lieberman (*pro hac vice*
application forthcoming)

1 J. Alexander Hood II (*pro hac vice*)
2 James M. LoPiano (*pro hac vice*)
3 Jonathan D. Park (*pro hac vice*)
4 600 Third Avenue, 20th Floor
5 New York, New York 10016
6 Telephone: (212) 661-1100
7 Facsimile: (212) 661-8665
8 jalieberman@pomlaw.com
9 ahood@pomlaw.com
10 jlopiano@pomlaw.com
11 jpark@pomlaw.com

12 *Additional Counsel for the Class*