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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

IN RE THE HONEST COMPANY,
INC. SECURITIES LITIGATION

Case No. 21-cv-07405-MCS-AS

**REPLY MEMORANDUM OF
POINTS AND AUTHORITIES IN
FURTHER SUPPORT OF CLASS
REPRESENTATIVE'S MOTION FOR
FINAL APPROVAL OF CLASS
ACTION SETTLEMENT AND PLAN
OF ALLOCATION AND CLASS
COUNSEL'S MOTION FOR AWARD
OF ATTORNEYS' FEES AND
EXPENSES**

Hearing Date: July 28, 2025
Time: 9:00 a.m.
Courtroom: 7C
Judge: Hon. Mark C. Scarsi

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Pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, Class Representative Kathie Ng, on behalf of herself and the other members of the certified Class, and Class Counsel Labaton Keller Sucharow LLP (“Class Counsel”), respectfully submit this reply memorandum of law in further support of (i) Class Representative’s motion for final approval of the proposed Settlement and approval of the proposed Plan of Allocation (ECF No. 314) and (ii) Class Counsel’s motion for an award of attorneys’ fees and payment of expenses (ECF No. 315) (together, the “Motions”).¹

PRELIMINARY STATEMENT

Now that the July 7, 2025 deadline for objecting has passed, Class Representative and Class Counsel respectfully submit that the reaction of the Class to the Settlement, the proposed Plan of Allocation, and Class Counsel’s Fee and Expense Application has been overwhelmingly positive.

A total of 36,356 Settlement Postcards have been mailed to potential Class Members or their nominees through July 15, 2025. *See* Supplemental Declaration of Alexander Villanova Regarding (A) Mailing of the Settlement Postcard; and (B) Claims Received to Date, dated July 15, 2025, at ¶3, filed herewith (“Supp. Mailing Decl.”). Additionally, the long-form Settlement Notice and Claim Form were posted on the website created for the Action on May 21, 2025, and the Summary Notice was published in *The Wall Street Journal* and transmitted over *PR Newswire* on June 4, 2025. *See* Declaration of Alexander Villanova Regarding (A) Mailing of the Settlement Postcard and (B) Publication of the Summary Notice, dated June 20, 2025, (“Initial Mailing Decl.”) at ¶¶12-13; ECF No. 316-2. There have been ***no objections*** to the proposed Settlement or Plan of Allocation, and ***no objections*** to the Fee and Expense Application.

¹ The terms of the Settlement are set forth in the Stipulation and Agreement of Settlement, dated March 11, 2025 (the “Stipulation”, ECF No. 304-3). All capitalized terms used herein are defined in the Stipulation and have the same meanings as set forth therein. Unless otherwise noted, citations and internal quotations have been omitted.

1 Accordingly, Class Representative and Class Counsel respectfully submit
2 that this reaction by the Class further demonstrates the fairness, adequacy, and
3 reasonableness of the Settlement, Plan of Allocation, and Class Counsel's Fee and
4 Expense Application.

5 **STATEMENT OF RELEVANT FACTS**

6 Pursuant to the Court's Preliminary Approval Order, the Claims
7 Administrator has mailed 36,356 copies of the Settlement Postcard to all potential
8 Class Members and/or their nominees identified to date. *See* Supp. Mailing Decl.
9 at ¶3. In addition, copies of the long-form Settlement Notice, Claim Form,
10 Stipulation, and other Court documents were posted on the website maintained for
11 the Action, www.TheHonestCompanySecuritiesLitigation.com, as well as the
12 website of Class Counsel. Further, on June 4, 2025 the Claims Administrator
13 published the Summary Notice in *The Wall Street Journal* and released it over the
14 internet via *PR Newswire* (*see* Initial Mailing Decl. at ¶12).

15 Collectively, the notices provided important information about the Action
16 and the Settlement and stated that Class Counsel would apply for an award of
17 attorneys' fees in an amount not to exceed 30% of the Settlement Fund and payment
18 of Litigation Expenses in an amount not to exceed \$1,725,000. *See* Initial Mailing
19 Decl. Exs. A-C. The notices also apprised Class Members of their right to object
20 to the proposed Settlement, the Plan of Allocation, and/or the Fee and Expense
21 Application, and the July 7, 2025 deadline for doing so. The long-form Notice
22 provided more detailed information about the Action and Settlement, including the
23 Plan of Allocation. Class Representative and Class Counsel also filed their opening
24 papers in support of the Motions. Those papers—which are available on the public
25 docket (*see* ECF Nos. 314-316), the case website
26 (www.TheHonestCompanySecuritiesLitigation.com), and Class Counsel's firm
27 website—described Class Representative's and Class Counsel's views of the
28

1 Settlement, the Plan of Allocation, work performed in this litigation, and the fee and
2 expense awards requested.

3 No objections have been filed with the Court or received by the Claims
4 Administrator or Class Counsel.²

5 To date, 129,792 claims have been received by the Claims Administrator.
6 Supp. Mailing Decl. at ¶6. The Claim deadline was July 14, 2025, and processing
7 and review are ongoing.

8 **ARGUMENT**

9 **I. THE REACTION OF THE CLASS STRONGLY SUPPORTS** 10 **APPROVAL OF THE SETTLEMENT AND PLAN OF** 11 **ALLOCATION**

12 Following a thorough notice program, no Class Member objected to any
13 aspect of the Settlement or the Plan of Allocation. “[T]he absence of a large number
14 of objections to a proposed class action settlement raises a strong presumption that
15 the terms of a proposed class settlement action are favorable to the class members.”
16 *In re Stable Rd. Acquisition Corp. Sec. Litig.*, No. 12:21-CV-5744, 2024 WL
17 3643393, at *9 (C.D. Cal. Apr. 23, 2024); *Destefano v. Zynga Inc.*, No. 12-cv-04007,
18 2016 WL 537946, at *13 (N.D. Cal. Feb. 11, 2016) (“By any standard, the lack of
19 objection of the Class Members favors approval of the Settlement.”).

20 The absence of objections from institutional investors and pension funds is
21 also noteworthy. That these sophisticated Class Members—which have the
22 resources to carefully evaluate the Settlement and object if it were appropriate to do
23 so—have not objected to the Settlement (or the Plan of Allocation or Fee and
24 Expense Application) provides further evidence of the fairness of the Settlement.
25 *See, e.g., In re Extreme Networks, Inc. Sec. Litig.*, No. 15-cv- 4883, 2019 WL
26 3290770, at *9 (N.D. Cal. July 22, 2019) (“Many potential class members are

27
28 ² Three requests for exclusion were received in connection with the Class Notice, and there
was no second opportunity to request exclusion. *See* ECF Nos. 166 and 175.

sophisticated institutional investors; the lack of objections from such institutions indicates that the settlement is fair and reasonable.”).

The lack of objections from Class Members also supports approval of the proposed Plan of Allocation. *See In re Heritage Bond Litig.*, No. 02–ML–1475, 2005 WL 1594403, at *12 (C.D. Cal. June 10, 2005) (“In light of the lack of objectors to the plan of allocation at issue, and the competence, expertise, and zeal of counsel in bringing and defending this action, the Court finds the plan of allocation as fair and adequate.”); *Atlas v. Accredited Home Lenders Holding Co.*, No. 07-CV-00488-H (CAB), 2009 WL 3698393, at *4 (S.D. Cal. Nov. 4, 2009) (noting the “predominantly positive response” to the plan of allocation where only two objections to it were submitted).

II. THE REACTION OF THE CLASS STRONGLY SUPPORTS APPROVAL OF CLASS COUNSEL’S FEE AND EXPENSE APPLICATION

Not one Class Member has objected to Class Counsel’s Fee and Expense Application. The fact that there have been no objections is strong evidence that the requests are fair and reasonable. *See, e.g., Ferreira v. Funko, Inc.*, No. 20-cv-2319, 2022 WL 22877154, at *9 (C.D. Cal. Dec. 13, 2022) (“The positive reaction by Settlement Class Members demonstrated by the 5,848 claims, the lack of objections to the Settlement, and the sole request for exclusion also support Class Counsel’s fee request.”); *Cheng Jiangchen v. Rentech, Inc.*, No. 17-cv-1490, 2019 WL 5173771, at *10 (C.D. Cal. Oct. 10, 2019) (noting that the fact “there have been no objections filed to the requested attorney’s fees” [] “supports granting the requested fees”).

* * *

Accordingly, Class Representative and Class Counsel respectfully submit that this reaction by the Class further demonstrates the fairness, adequacy, and

1 reasonableness of the Settlement, Plan of Allocation, and Class Counsel's Fee and
2 Expense Application.

3 **III. CLAIM SUBMISSIONS TO DATE**

4
5 The notices and Claim Form notified Class Members that, in order to qualify
6 for a payment from the Net Settlement Fund, a Claim Form must be submitted to
7 the Claims Administrator by July 14, 2025. As of July 15, 2025, the Claims
8 Administrator has received 129,792 claims. *See* Supp. Mailing Decl. at ¶6. Of the
9 claims received, approximately 940 are paper claims that were mailed or uploaded
10 through the case website's claim filing portal and 128,852 were submitted
11 electronically by institutional filers. *See id.*

12 For the 129,792 claims received through July 15, 2025, a preliminary
13 unaudited estimate of losses, calculated pursuant to the proposed Plan of Allocation
14 set forth in the Notice, is approximately \$183,118,555 and the average loss per
15 claim is approximately \$1,410. The provisionally eligible claims report that
16 approximately 52,138,461 shares were purchased and damaged during the Class
17 Period. There are 12,776 provisionally ineligible claims. These figures are
18 preliminary and provided for informational purposes only. *Id.* at ¶7. Claims
19 processing and reviewing is ongoing, and subject to further analysis, quality
20 assurance reviews, audits, and change as Claimants are notified of deficiencies in
21 their claims and given an opportunity to cure the deficiencies and conditions of
22 ineligibility. *Id.*

23 **CONCLUSION**

24 For the reasons set forth herein and the opening papers filed in support of the
25 Motions, Class Representative and Class Counsel respectfully request that the
26 Court approve the proposed Settlement and Plan of Allocation as fair, reasonable,
27 and adequate, and approve the Fee and Expense Application. Three proposed
28 orders were submitted with the opening papers: a proposed Final Order and

Judgment, negotiated by the Parties; a proposed Order Approving Plan of Allocation; and a proposed Order Awarding Attorneys' Fees, Litigation Expenses, and PSLRA Awards. Revised proposed orders have been updated to reflect that no objections have been received, and are submitted herewith.

Dated: July 21, 2025

By: **LABATON KELLER SUCHAROW LLP**

/s/ Alfred L. Fatale III

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CERTIFICATE OF SERVICE

I hereby certify that on July 21, 2025, I authorized the electronic filing of the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to the e-mail addresses denoted on the attached Electronic Mail Notice List served via ECF on all registered participants only.

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

Executed on July 21, 2025

/s/ Alfred L. Fatale III

Alfred L. Fatale III

Certificate of Word Count Compliance

I, Court-appointed Class Counsel, hereby certify that this memorandum of law contains 1,529 words, which complies with the word limit of L.R. 11-6.1.

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

Executed on July 21, 2025

/s/ Alfred L. Fatale III
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Mailing Information for a Case 2:21-cv-07405-MCS-AS Cody Dixon v. The Honest Company, Inc. et al

Electronic Mail Notice List

The following are those who are currently on the list to receive e-mail notices for this case.

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