

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

CITY OF MIAMI FIRE FIGHTERS' AND
POLICE OFFICERS' RETIREMENT TRUST,
Individually and on Behalf of All Others Similarly
Situated,

Plaintiff,

v.

CERENCE INC., SANJAY DHAWAN, and
MARK J. GALLENBERGER,

Defendants.

No. 1:22-cv-10321-ADB

**REPLY MEMORANDUM OF LAW IN FURTHER SUPPORT
OF (A) LEAD PLAINTIFF'S MOTION FOR FINAL APPROVAL OF
SETTLEMENT AND PLAN OF ALLOCATION AND (B) LEAD COUNSEL'S
MOTION FOR ATTORNEYS' FEES AND LITIGATION EXPENSES**

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Lead Plaintiff Public Employees' Retirement System of Mississippi, on behalf of itself and the Settlement Class, and Lead Counsel, respectfully submit this reply memorandum of law in further support of, respectively (a) Lead Plaintiff's Motion for Final Approval of Settlement and Plan of Allocation (ECF Nos. 81-82); and (b) Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses (ECF Nos. 83-84) (the "Motions").¹

I. PRELIMINARY STATEMENT

The proposed Settlement resolves this litigation in exchange for a cash payment of \$30 million. As detailed in Lead Plaintiff's and Lead Counsel's opening papers (ECF Nos. 81-85), the proposed Settlement is the product of Lead Plaintiff's and Lead Counsel's vigorous prosecution of the action and extended arm's-length settlement negotiations between experienced counsel before an experienced mediator. The Settlement is an excellent result in light of the significant risks that Lead Plaintiff faced in proving that Defendants made materially false and misleading statements with scienter, in establishing loss causation and damages, and the costs and delay of further litigation.

The reaction of the Settlement Class to the Settlement has been overwhelmingly positive. Since the Court granted preliminary approval, the Claims Administrator, under the supervision of Lead Counsel, has completed the extensive notice program set out in the Court's September 23, 2024 order (ECF No. 78) ("Preliminary Approval Order"). The notice program included mailing the Notice Packet to over 51,000 potential Settlement Class Members, as well as publication of the Summary Notice in *Investor's Business Daily* and over *PR Newswire*, and establishing a website concerning the Settlement. In response to this notice program, no objections were received

¹ Unless otherwise defined, all capitalized terms herein have the same meanings as in the Stipulation of Settlement dated September 6, 2024 (ECF No. 72-1) (the "Stipulation").

with respect to any aspect of the Settlement, the Plan of Allocation, or the requested fees and expenses. In addition, only one, invalid request for exclusion from the Settlement Class was received. The lack of objections and any significant opt-outs further demonstrates the reasonableness and fairness of the proposed Settlement and the requested fees and expenses. Moreover, the fact that no objections or requests for exclusion were received from any institutional investors is especially noteworthy here because those investors comprised the great majority of the Settlement Class and have the staff and resources to object if they believe there is cause to do so, and none did so. In addition, Lead Plaintiff, an experienced and sophisticated institutional investor that actively oversaw the Action, has expressly endorsed the Settlement and the requested attorneys' fees and expenses. *See* ECF No. 85-1, at ¶¶ 3-8.

As explained below, this positive reaction of the Settlement Class further supports a finding that the proposed Settlement, Plan of Allocation, and request for attorneys' fees and expenses are fair and reasonable, and should be approved.

II. THE REACTION OF THE SETTLEMENT CLASS FURTHER SUPPORTS APPROVAL OF THE SETTLEMENT, THE PLAN OF ALLOCATION, AND THE REQUESTED ATTORNEYS' FEES AND LITIGATION EXPENSES

Lead Plaintiff and Lead Counsel respectfully submit that their opening papers demonstrated why approval of the Motions is warranted. *See* ECF Nos. 81-85. Now that the time for objecting or requesting exclusion from the Settlement Class has passed, the lack of any objections or valid requests for exclusion from the Settlement Class establish that the "reaction of the class" factor also strongly supports approval of both Motions.

A. The Court-Approved Robust Notice Program

In accordance with the Court's Preliminary Approval Order, 51,721 copies of the Notice Packet have been mailed to potential Settlement Class Members and their nominees. *See* Supplemental Declaration of Eric Miller Regarding (A) Mailing of the Notice and Claim Form

and (B) Report on Requests for Exclusion Received (the “Suppl. Miller Decl.”), attached hereto as Exhibit 1, at ¶ 2. The Notice (ECF No. 85-2, at 10-27) informed Settlement Class Members of the terms of the proposed Settlement and Plan of Allocation, and that Lead Counsel would apply for an award of attorneys’ fees in an amount not to exceed 25% of the Settlement Fund and payment of Litigation Expenses (including an award to Lead Plaintiff) in an amount not to exceed \$300,000. *See* Notice ¶¶ 5, 51. The Notice also apprised Settlement Class Members of (a) their right to object to the proposed Settlement, the Plan of Allocation, and/or the request for attorneys’ fees and expenses; (b) their right to exclude themselves from the Class; and (c) the November 25, 2024 deadline for filing objections and for receipt of requests for exclusion. *See* Notice at p. 2 and ¶¶ 52-55, 62-63.²

On November 11, 2024, 14 days before the objection and exclusion deadline, Lead Plaintiff and Lead Counsel filed their opening papers in support of the Settlement, Plan of Allocation, and fee and expense request. These papers are available on the public docket (ECF Nos. 81-85), and were promptly posted on the Settlement website. *See* Suppl. Miller Decl. ¶ 3. In addition, notice of the Settlement was also sent by Defendants to appropriate federal and state officials pursuant to the Class Action Fairness Act of 2005, 28 U.S.C. § 1715(b), on September 16, 2024. *See* ECF No. 86.

As noted above, following the implementation of this robust notice program, not a single Settlement Class Member submitted an objection to any aspect of the Settlement, the Plan of

² The Summary Notice, which informed readers of the proposed Settlement, how to obtain copies of the Notice and Claim Form, and the deadlines for the submission of Claim Forms, objections, and requests for exclusion, was published in *Investor’s Business Daily* and over *PR Newswire* on October 14, 2024. *See* Declaration of Eric Miller Regarding (A) Mailing of the Notice and Claim Form; (B) Publication of the Summary Notice; and (C) Report on Requests for Exclusion Received to Date (ECF No. 85-2) at ¶ 13.

Allocation, or Lead Counsel’s motion for attorneys’ fees and Litigation Expenses. In addition, only one request for exclusion from the Settlement Class was received, and that exclusion did not include any information on the investor’s transactions in Cerence common stock, as required under the Preliminary Approval Order and the Notice, and, accordingly, it is not possible to ascertain whether the investor requesting exclusion is even a member of the Settlement Class.

B. The Settlement Class’s Reaction Supports Approval of the Settlement and the Plan of Allocation

The absence of any objections or any significant opt-outs from Settlement Class Members is another factor (beyond those already discussed in the opening briefs) that supports a finding that the Settlement is fair, reasonable, and adequate. *See, e.g., Roberts v. TJX Cos., Inc.*, 2016 WL 8677312, at *6 (D. Mass. Sept. 30, 2016) (finding that lack of objections and small number of opt-outs “supports judicial approval of the Settlement”); *Gordan v. Mass. Mut. Life Ins. Co.*, 2016 WL 11272044, at *2 (D. Mass. Nov. 3, 2016) (finding “overwhelming support for this settlement from the class” where two objections were received after mailing of 32,550 notices); *Medoff v. CVS Caremark Corp.*, 2016 WL 632238, at *6 (D.R.I. Feb. 17, 2016) (“the lack of any serious objection to the settlement agreement from members of the class weighs in favor of approving the settlement”); *Bussie v. Allmerica Fin. Corp.*, 50 F. Supp. 2d 59, 77 (D. Mass. 1999) (the “favorable reaction of class to settlement, albeit not dispositive, constitutes strong evidence of fairness of proposed settlement and supports judicial approval”).

It is also particularly significant that no institutional investors—which held the vast majority of Cerence common stock during the Class Period—have objected to the Settlement or requested exclusion. Institutional investors are often sophisticated and possess the incentive and ability to object. The absence of objections by these sophisticated class members is thus further evidence of the fairness of the Settlement. *See Hill v. State St. Corp.*, 2015 WL 127728, at *8 (D.

Mass. Jan. 8, 2015) (“The fact that no institutional investors have objected or requested exclusion also supports approval of the Settlement.”); *In re Tyco Int’l, Ltd. Multidistrict Litig.*, 535 F. Supp. 2d 249, 261 (D.N.H. 2007) (finding that “[t]he reaction of the class to the settlement has been almost entirely positive,” where “[n]one of the institutional investors have objected to the size of the settlement”); *In re AT&T Corp. Sec. Litig.*, 2005 WL 6716404, at *4 (D.N.J. Apr. 25, 2005) (the reaction of the class “weigh[ed] heavily in favor of approval” where “no objections were filed by any institutional investors who had great financial incentive to object”).

The uniformly positive reaction of the Settlement Class also supports approval of the Plan of Allocation. *See, e.g., In re Signet Jewelers Ltd. Sec. Litig.*, 2020 WL 4196468, at *6 (S.D.N.Y. July 21, 2020) (lack of objections meant that the “reaction of the Class also supports approval of the Plan of Allocation”); *In re Veeco Instruments Inc. Sec. Litig.*, 2007 WL 4115809, at *14 (S.D.N.Y. Nov. 7, 2007) (“[N]ot one class member has objected to the Plan of Allocation which was fully explained in the Notice of Settlement sent to all Class Members. This favorable reaction of the Class supports approval of the Plan of Allocation.”).

C. The Settlement Class’s Reaction Supports Approval of the Fee and Expense Application

The uniformly positive reaction of the Settlement Class should also be considered with respect to Lead Counsel’s motion for an award of attorneys’ fees and Litigation Expenses. *See In re Relafen Antitrust Litig.*, 231 F.R.D. 52, 79 (D. Mass. 2005) (one factor to consider in determining fee award is “the presence or absence of substantial objections by members of the class to the settlement terms and/or fees requested by counsel”). Indeed, courts have held that the absence of objections to the requested attorneys’ fees and expenses supports a finding that the requests are fair and reasonable. *See, e.g., Ford v. Takeda Pharms. U.S.A., Inc.*, 2023 WL 3679031, at *1 (D. Mass. Mar. 31, 2023) (“Not a single Class Member has objected to any aspect

of the Settlement, including Class Counsel’s request for attorney fees. This factor supports approval of Class Counsel’s motion.”); *Hill*, 2015 WL 127728, at *19 (“[t]he endorsement of the Lead Plaintiffs and the favorable reaction of the class both support approval of the requested fees”); *Tyco*, 535 F. Supp. 2d at 269 (“the reaction of the class weighs in favor of approval” of the requested fee, where “[o]nly a tiny percentage of the class has objected to the proposed fee request”).

As with approval of the Settlement, the lack of objections by institutional investors particularly supports approval of the fee request. *See Signet*, 2020 WL 4196468, at *21 (the “lack of objections by institutional investors . . . lends further support to approval of the fee request”); *In re Rite Aid Corp. Sec. Litig.*, 396 F.3d 294, 305 (3d Cir. 2005) (fact that “a significant number of investors in the class were ‘sophisticated’ institutional investors that had considerable financial incentive to object had they believed the requested fees were excessive,” but did not do so, supported approval of the fee request) (citation omitted); *In re Bisysec. Litig.*, 2007 WL 2049726, at *1 (S.D.N.Y. July 16, 2007) (noting that there was only one objection from an individual—and none from any institutions—“even though the class included numerous institutional investors who presumably had the means, the motive, and the sophistication to raise objections if they thought the [requested] fee was excessive”).

Accordingly, the reaction of the Settlement Class strongly supports approval of the Settlement, Plan of Allocation, and the fee and expense request.

III. CONCLUSION

For the foregoing reasons, and those set forth in their opening papers, Lead Plaintiff and Lead Counsel respectfully request that the Court approve the Settlement, the Plan of Allocation, and the request for attorneys’ fees and Litigation Expenses. Copies of the (i) proposed Judgment Approving Class Action Settlement, (ii) proposed Order Approving Plan of Allocation of Net

Settlement Fund, and (iii) proposed Order Awarding Attorneys' Fees and Litigation Expenses are attached hereto as Exhibits 2, 3, and 4.

DATED: December 9, 2024

Respectfully submitted,

**BERNSTEIN LITOWITZ BERGER
& GROSSMANN LLP**

SAXENA WHITE P.A.

/s/ John Rizio-Hamilton

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Exhibit 1

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

CITY OF MIAMI FIRE FIGHTERS' AND
POLICE OFFICERS' RETIREMENT TRUST,
Individually and on Behalf of All Others Similarly
Situated,

Plaintiff,

v.

CERENCE INC., SANJAY DHAWAN, and
MARK J. GALLENBERGER,

Defendants.

No. 1:22-cv-10321-ADB

**SUPPLEMENTAL DECLARATION OF ERIC MILLER REGARDING:
(A) MAILING OF THE NOTICE AND CLAIM FORM AND
(B) REPORT ON REQUESTS FOR EXCLUSION RECEIVED**

I, ERIC MILLER, hereby declare as follows:

1. I am the Senior Vice President of Case Management at A.B. Data, Ltd.'s Class Action Administration Company ("A.B. Data"). Pursuant to the Court's September 23, 2024 Order Preliminarily Approving Settlement and Providing for Notice (ECF No. 78) (the "Preliminary Approval Order"), A.B. Data was appointed to supervise and administer the notice procedure as well as the processing of claims in connection with the Settlement of the above-captioned action (the "Action").¹ I submit this Declaration as a supplement to my earlier declaration, the Declaration of Eric Miller Regarding: (A) Mailing of the Notice and Claim Form; (B) Publication of the Summary Notice; and (C) Report on Requests for Exclusion Received to

¹ Unless otherwise defined herein, all capitalized terms have the meanings set forth in the Stipulation of Settlement, dated September 6, 2024 (ECF No. 72-1) (the "Stipulation").

Date, dated November 11, 2024 (ECF No. 85-2) (the “Initial Mailing Declaration”). I am over 21 years of age and am not a party to the Action. I have personal knowledge of the facts stated in this declaration and, if called as a witness, could and would testify competently thereto.

CONTINUED MAILING OF THE NOTICE PACKET

2. Since the execution of the Initial Mailing Declaration, A.B. Data has continued to disseminate copies of the Notice and Claim Form (together, the “Notice Packet”) in response to additional requests from potential Settlement Class Members and nominees. As of the date of this Declaration, A.B. Data has mailed a total of 51,721 Notice Packets to potential Settlement Class Members and nominees.²

TELEPHONE HELPLINE AND WEBSITE

3. A.B. Data continues to maintain the toll-free telephone helpline (1-877-411-4801) and interactive voice response system to accommodate inquiries from Settlement Class Members. A.B. Data also continues to maintain the dedicated website for the Action (www.CerenceSecuritiesLitigation.com) to assist Settlement Class Members. On November 12, 2024, A.B. Data posted to the website copies of the papers filed in support of Lead Plaintiff’s Motion for Final Approval of Settlement and Plan of Allocation and Lead Counsel’s Motion for Attorneys’ Fees and Litigation Expenses. A.B. Data will continue to maintain and, as appropriate, update the Settlement website and toll-free telephone helpline until the conclusion of this administration.

² In the Initial Mailing Declaration, A.B. Data reported that a total of 57,080 Notice Packets had been mailed. *See* Initial Mailing Declaration ¶ 11. A.B. Data has since discovered that the number of total Notice Packets listed in the Initial Mailing Declaration inadvertently double counted the 5,477 Notice Packets initially mailed on October 2, 2024. Therefore, as of November 11, 2024, the date of the Initial Mailing Declaration, 51,603 Notice Packets had been mailed. Since that time, another 118 Notice Packets have been mailed.

REPORT ON REQUESTS FOR EXCLUSION RECEIVED

4. The Notice informed potential members of the Settlement Class that requests for exclusion from the Settlement Class were to be addressed to *Cerence Securities Litigation, EXCLUSIONS*, c/o A.B. Data, Ltd., P.O. Box 173001, Milwaukee, WI 53217, so that they are received no later than November 25, 2024. The Notice also sets forth the information that must be included in each request for exclusion. As of the date of this Declaration, A.B. Data has received one request for exclusion from the Settlement Class, which was received on November 26, 2024, after the deadline of November 25, 2024. In addition, the one request for exclusion received did not include information concerning transactions in Cerence common stock that was required by the Notice. A copy of this request for exclusion is attached hereto as Exhibit A. In the interest of privacy, the street address of the investor requesting exclusion has been redacted in Exhibit A.

I declare, under penalty of perjury under the laws of the United States, that the foregoing is true and correct. Executed this 9th day of December 2024.



ERIC MILLER

Exhibit A

684413634



NOV 26 2024

November 13, 2024

CERENCE SECURITIES LITIGATION
C/O A.B.DATA LTD
P.O.BOX 173038
MILWAUKEE, WI 53217

Sir,

We hereby ask you to permanently exclude us from this legal action.

Sincerely yours,

Gilbert DLUGY TTEE

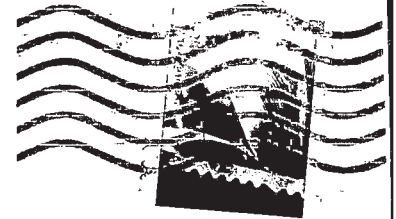
Monique DLUGY TTEE

U/A DTD 01/16/2006 by Gilbert DLUGY 

WILMINGTON, NC 28409-5779

Mr. Gilbert Dlugy
Wilmington, NC 28409

RALEIGH NC 275
Research Triangle Region
13 NOV 2024 PM 6 L



CERENCE SECURITIES LITIGATION
C/O A.B. DATA LTD
P.O. Box 173038
MILWAUKEE, WI 53217

53217-604938



Exhibit 2

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

CITY OF MIAMI FIRE FIGHTERS' AND
POLICE OFFICERS' RETIREMENT TRUST,
Individually and on Behalf of All Others Similarly
Situated,

Plaintiff,

v.

CERENCE INC., SANJAY DHAWAN, and
MARK J. GALLENBERGER,

Defendants.

No. 1:22-cv-10321-ADB

[PROPOSED] JUDGMENT APPROVING CLASS ACTION SETTLEMENT

WHEREAS, a securities class action is pending in this Court entitled *City of Miami Fire Fighters' and Police Officers' Retirement Trust v. Cerence Inc.*, Case No. 1:22-cv-10321-ADB (D. Mass.) (the "Litigation");

WHEREAS, (a) Public Employees' Retirement System of Mississippi ("Lead Plaintiff"), on behalf of itself and the Settlement Class (defined below); and (b) defendants Cerence Inc. ("Cerence" or the "Company"), Sanjay Dhawan, and Mark J. Gallenberger (collectively, the "Individual Defendants," and, together with Cerence "Defendants") have entered into a Stipulation and Agreement of Settlement dated September 6, 2024 (the "Stipulation"), that provides for a complete dismissal with prejudice of the claims asserted in the Litigation on the terms and conditions set forth in the Stipulation, subject to the approval of this Court (the "Settlement");

WHEREAS, unless otherwise defined in this Judgment, the capitalized terms herein shall have the same meaning as they have in the Stipulation;

WHEREAS, by Order dated September 23, 2024 (the “Preliminary Approval Order”), this Court: (a) found, pursuant to Rule 23(e)(1)(B), that it (i) would likely be able to approve the Settlement as fair, reasonable, and adequate under Rule 23(e)(2) and (ii) would likely be able to certify the Settlement Class for purposes of the Settlement; (b) ordered that notice of the proposed Settlement be provided to potential Settlement Class Members; (c) provided Settlement Class Members with the opportunity either to exclude themselves from the Settlement Class or to object to the proposed Settlement; and (d) scheduled a hearing regarding final approval of the Settlement;

WHEREAS, due and adequate notice has been given to the Settlement Class;

WHEREAS, the Court conducted a hearing on December 16, 2024 (the “Settlement Hearing”) to consider, among other things, (a) whether the terms and conditions of the Settlement are fair, reasonable, and adequate to the Settlement Class, and should therefore be approved; and (b) whether a judgment should be entered dismissing the Litigation with prejudice as against the Defendants; and

WHEREAS, the Court having reviewed and considered the Stipulation, all papers filed and proceedings held herein in connection with the Settlement, all oral and written comments received regarding the Settlement, and the record in the Litigation, and good cause appearing therefor;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. **Jurisdiction** – The Court has jurisdiction over the subject matter of the Litigation, and all matters relating to the Settlement, as well as personal jurisdiction over all of the Parties and each of the Settlement Class Members.

2. **Incorporation of Settlement Documents** – This Judgment incorporates and makes a part hereof: (a) the Stipulation filed with the Court on September 6, 2024; and (b) the Notice and the Summary Notice, both of which were filed with the Court on November 11, 2024.

3. **Class Certification for Settlement Purposes** – The Court hereby certifies, for the purposes of the Settlement only, the Litigation as a class action pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure on behalf of the Settlement Class consisting of all Persons or who purchased or otherwise acquired the Cerence common stock during the Class Period and were damaged thereby. Excluded from the Settlement Class are: (i) Defendants; (ii) Immediate Family Members of any Individual Defendant; (iii) any person who is, or was during the Class Period, an officer or director of Cerence; (iv) any affiliates or subsidiaries of Cerence; (v) any entity in which any Defendant has or had a controlling interest during the Settlement Class Period; and (vi) the legal representatives, heirs, successors, or assigns of any such excluded persons and entities.

4. **Settlement Class Findings** – For purposes of the Settlement only, the Court finds that each element required for certification of the Settlement Class pursuant to Rule 23 of the Federal Rules of Civil Procedure has been met: (a) the members of the Settlement Class are so numerous that their joinder in the Litigation would be impracticable; (b) there are questions of law and fact common to the Settlement Class which predominate over any individual questions; (c) the claims of Lead Plaintiff in the Litigation are typical of the claims of the Settlement Class; (d) Lead Plaintiff and Lead Counsel have and will fairly and adequately represent and protect the interests of the Settlement Class; and (e) a class action is superior to other available methods for the fair and efficient adjudication of the Litigation.

5. **Adequacy of Representation** – Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, the Court hereby appoints Lead Plaintiff as Class Representative for the Settlement Class and appoints Lead Counsel as Class Counsel for the Settlement Class. Lead Plaintiff and Lead Counsel have fairly and adequately represented the

Settlement Class both in terms of litigating the Litigation and for purposes of entering into and implementing the Settlement and have satisfied the requirements of Federal Rules of Civil Procedure 23(a)(4) and 23(g), respectively.

6. **Notice** – The Court finds that the dissemination of the Notice and the publication of the Summary Notice: (a) were implemented in accordance with the Preliminary Approval Order; (b) constituted the best notice practicable under the circumstances; (c) constituted notice that was reasonably calculated, under the circumstances, to apprise Settlement Class Members of (i) the pendency of the Litigation; (ii) the effect of the proposed Settlement (including the Releases to be provided thereunder); (iii) Lead Counsel’s motion for attorneys’ fees and Litigation Expenses; (iv) their right to object to any aspect of the Settlement, the Plan of Allocation and/or Lead Counsel’s motion for attorneys’ fees and Litigation Expenses; (v) their right to exclude themselves from the Settlement Class; and (vi) their right to appear at the Settlement Hearing; (d) constituted due, adequate, and sufficient notice to all persons and entities entitled to receive notice of the proposed Settlement; and (e) satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, as amended, and all other applicable laws and rules. The Court further finds that the notice requirements set forth in the Class Action Fairness Act of 2005, 28 U.S.C. § 1715, have been satisfied.

7. **Final Settlement Approval and Dismissal of Claims** – Pursuant to, and in accordance with, Rule 23(e)(2) of the Federal Rules of Civil Procedure, this Court hereby fully and finally approves the Settlement set forth in the Stipulation in all respects (including, without limitation, the amount of the Settlement, the Releases provided for therein, and the dismissal with prejudice of the claims asserted against Defendants in the Litigation), and finds that the Settlement

is, in all respects, fair, reasonable and adequate. Specifically, the Court finds that (a) Lead Plaintiff and Lead Counsel have adequately represented the Settlement Class; (b) the Settlement was negotiated by the Parties at arm's length; (c) the relief provided for the Settlement Class under the Settlement is adequate taking into account the costs, risks, and delay of trial and appeal, the proposed means of distributing the Settlement Fund to the Settlement Class, and the proposed attorneys' fee award; and (d) the Settlement treats members of the Settlement Class equitably relative to each other. The Parties are directed to implement, perform, and consummate the Settlement in accordance with the terms and provisions contained in the Stipulation.

8. The Litigation and all of the claims asserted against Defendants in the Litigation by Lead Plaintiff and the other Settlement Class Members are hereby dismissed with prejudice as to all Defendants. The Parties shall bear their own costs and expenses, except as otherwise expressly provided in the Stipulation.

9. **Binding Effect** – The terms of the Stipulation and of this Judgment shall be forever binding on Defendants, Lead Plaintiff, the Released Defendant Persons, the Released Plaintiff Persons, and all other Settlement Class Members (regardless of whether or not any individual Settlement Class Member submits a Claim Form or seeks or obtains a distribution from the Net Settlement Fund), as well as their respective successors and assigns. All Settlement Class Members who have not made their objections to the Settlement in the manner provided in the Notice are deemed to have waived any objections by appeal, collateral attack, or otherwise. All Settlement Class Members who have failed to properly submit requests for exclusion from the Class are bound by the terms and conditions of the Stipulation and this Final Judgment.

10. **Releases** – The Releases set forth in paragraphs 3.1 and 3.2 of the Stipulation, together with the definitions contained in the Stipulation relating thereto, are expressly

incorporated herein in all respects. The Releases are effective as of the Effective Date. Accordingly, this Court orders that:

(a) Without further action by anyone, and subject to paragraph 11 below, upon the Effective Date of the Settlement, Lead Plaintiff and each of the Settlement Class Members, on behalf of themselves and each of their respective officers, directors, shareholders, employees, agents, personal representatives, spouses, subsidiaries, trustees, heirs, executors, administrators, successors and assigns, and any other Person claiming (now or in the future) to be acting on behalf of any of them, in their capacities as such, and regardless of whether Lead Plaintiff or any such Settlement Class Member ever seeks or obtains by any means, including, without limitation, by submitting a Claim Form, any distribution from the Settlement Fund, shall be deemed to have, and by operation of this Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Plaintiffs' Claims against the Released Defendant Persons and shall have covenanted not to sue the Released Defendant Persons with respect to all such Released Plaintiffs' Claims, and shall be permanently barred and enjoined from instituting, commencing, participating in, continuing, maintaining, asserting or prosecuting, whether directly or indirectly, whether in the United States or elsewhere, whether on their own behalf or on behalf of any class or any other Person, any Released Plaintiffs' Claim against the Released Defendant Persons.

(b) Without further action by anyone, and subject to paragraph 11 below, upon the Effective Date of the Settlement, Defendants, and each of their respective officers, directors, controlling shareholders, employees, agents, personal representatives, spouses, subsidiaries, trustees, heirs, executors, administrators, successors and assigns, and any other Person claiming (now or in the future) to be acting on behalf of any of them, in their capacities as such, shall be deemed to have, and by operation of this Judgment shall have, fully, finally, and forever released,

relinquished, and discharged all Released Defendants' Claims against the Released Plaintiff Persons and shall have covenanted not to sue the Released Plaintiff Persons with respect to all such Released Defendants' Claims, and shall be permanently barred and enjoined from instituting, commencing, participating in, continuing, maintaining, asserting or prosecuting, whether directly or indirectly, whether in the United States or elsewhere, any Released Defendants' Claim against the Released Plaintiff Persons.

11. Notwithstanding paragraphs 10(a) – (b) above, nothing in this Judgment shall bar any action or claim to enforce the terms of the Settlement or this Judgment.

12. **Rule 11 Findings** – The Court finds and concludes that the Parties and their respective counsel have complied in all respects with the requirements of Rule 11 of the Federal Rules of Civil Procedure in connection with the institution, prosecution, defense, and settlement of the Litigation.

13. **No Admissions** – This Judgment, the Stipulation, and any of its provisions, any negotiations, proceedings or agreements relating to the Stipulation or the Settlement, and all acts performed or documents executed pursuant to or in furtherance of this Stipulation or the Settlement: (a) shall not be deemed to be or used as an admission of, or evidence of, the validity of any Released Claim, any allegation made in the Litigation, or any wrongdoing or liability of Defendants or any Released Defendant Persons; (b) shall not be deemed to be or used as an admission of, or evidence of, any liability, fault, or omission of any of Defendants or any Released Defendant Persons in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal; (c) shall not be deemed to be or used as an admission of, or evidence of any presumption, concession or admission by any of the Released Plaintiff Persons that any of their claims are without merit, that any of the Released Defendant Persons had meritorious

defenses, or that damages recoverable under the Complaint would not have exceeded the Settlement Amount; and (d) shall not be construed against any of the Released Persons as an admission, concession, or presumption that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial.

14. Neither this Judgment, the Stipulation nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement shall be offered or admissible in any proceeding for any purpose, except to enforce the terms of the Settlement, except that Defendants may file or refer to the Stipulation and/or this Judgment in any action that may be brought against them in order to enforce the releases or other protections granted herein or to otherwise support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

15. **Retention of Jurisdiction** – Without affecting the finality of this Judgment in any way, this Court retains continuing and exclusive jurisdiction over: (a) the Parties for purposes of the administration, interpretation, implementation, and enforcement of the Settlement; (b) the disposition of the Settlement Fund; (c) any motion for an award of attorneys’ fees and/or Litigation Expenses by Lead Counsel in the Litigation that will be paid from the Settlement Fund; (d) any motion to approve the Plan of Allocation; (e) any motion to approve the Class Distribution Order; and (f) the Settlement Class Members for all matters relating to the Litigation.

16. Separate orders shall be entered regarding approval of a plan of allocation and the motion of Lead Counsel for attorneys’ fees and Litigation Expenses. Such orders shall in no way affect or delay the finality of this Judgment and shall not affect or delay the Effective Date of the Settlement.

17. **Modification of the Agreement of Settlement** – Without further approval from the Court, Lead Plaintiff and Defendants are hereby authorized to agree to and adopt such amendments or modifications of the Stipulation or any exhibits attached thereto to effectuate the Settlement that: (a) are not materially inconsistent with this Judgment; and (b) do not materially limit the rights of Settlement Class Members in connection with the Settlement. Without further order of the Court, Lead Plaintiff and Defendants may agree to reasonable extensions of time to carry out any provisions of the Settlement.

18. **Termination of Settlement** – If the Settlement is terminated as provided in the Stipulation or the Effective Date of the Settlement otherwise fails to occur, this Judgment shall be vacated, rendered null and void, and be of no further force and effect, except as otherwise provided by the Stipulation, and this Judgment shall be without prejudice to the rights of Lead Plaintiffs, the other Settlement Class Members, and Defendants, and the Parties shall revert to their respective positions in the Litigation on August 22, 2024, as provided in the Stipulation, including the return of monies paid from the Escrow Account, including interest, to the persons who contributed to the Settlement Fund.

19. **Confidentiality** – All agreements made and orders entered during the course of this Litigation relating to the confidentiality of information, including those set forth in the Stipulation, shall survive this Settlement.

20. **Entry of Final Judgment** – There is no just reason to delay the entry of this Judgment as a final judgment in this Litigation. Accordingly, the Clerk of the Court is expressly directed to immediately enter this final judgment in this Litigation.

SO ORDERED this _____ day of December 2024.

The Honorable Allison D. Burroughs
United States District Judge

Exhibit 3

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

CITY OF MIAMI FIRE FIGHTERS' AND
POLICE OFFICERS' RETIREMENT TRUST,
Individually and on Behalf of All Others Similarly
Situated,

Plaintiff,

v.

CERENCE INC., SANJAY DHAWAN, and
MARK J. GALLENBERGER,

Defendants.

No. 1:22-cv-10321-ADB

**[PROPOSED] ORDER APPROVING
PLAN OF ALLOCATION OF NET SETTLEMENT FUND**

This matter came on for hearing on December 16, 2024 (the "Settlement Hearing") on Lead Plaintiff's motion to approve the proposed plan of allocation ("Plan of Allocation") of the Net Settlement Fund created under the Settlement in the above-captioned class action (the "Action"). The Court having considered all matters submitted to it at the Settlement Hearing and otherwise; it appearing that: (i) the Notice of the Settlement Hearing (which included a summary of the Settlement as well as the full text of the proposed Plan of Allocation) (the "Notice") was mailed to all Settlement Class Members who or which could be identified with reasonable effort substantially in the form approved by the Court and (ii) a summary notice of the hearing substantially in the form approved by the Court was published in *Investor's Business Daily* and over *PR Newswire* pursuant to the specifications of the Court; and the Court having considered and determined the fairness and reasonableness of the proposed Plan of Allocation,

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. This Order approving the proposed Plan of Allocation incorporates by reference the definitions in the Stipulation of Settlement dated September 6, 2024 (ECF No. 72-1) (the “Stipulation”) and all terms not otherwise defined herein shall have the same meanings as set forth in the Stipulation.

2. The Court has jurisdiction to enter this Order approving the proposed Plan of Allocation, and over the subject matter of the Action and all Parties to the Action, including all Settlement Class Members.

3. Notice of Lead Plaintiff’s motion for approval of the proposed Plan of Allocation was given to all Settlement Class Members who or which could be identified with reasonable effort. The form and method of notifying the Settlement Class of the motion for approval of the proposed Plan of Allocation satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, as amended, and all other applicable laws and rules, constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons and entities entitled thereto.

4. Copies of the Notice, which included the Plan of Allocation, were mailed to over 51,000 potential Settlement Class Members and nominees, and no objections to the Plan of Allocation have been received.

5. The Court hereby finds and concludes that the formula for the calculation of the claims of Claimants as set forth in the Plan of Allocation mailed to Settlement Class Members provides a fair and reasonable basis upon which to allocate the proceeds of the Net Settlement

Fund among Settlement Class Members with due consideration having been given to administrative convenience and necessity.

6. The Court hereby finds and concludes that the Plan of Allocation is, in all respects, fair and reasonable to the Settlement Class. Accordingly, the Court hereby approves the Plan of Allocation proposed by Lead Plaintiff.

7. Any appeal or any challenge affecting this Order approving the Plan of Allocation shall in no way disturb or affect the finality of the Judgment.

8. There is no just reason for delay in the entry of this Order, and immediate entry by the Clerk of the Court is expressly directed.

SO ORDERED this _____ day of December 2024.

The Honorable Allison D. Burroughs
United States District Judge

Exhibit 4

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

CITY OF MIAMI FIRE FIGHTERS' AND
POLICE OFFICERS' RETIREMENT TRUST,
Individually and on Behalf of All Others Similarly
Situated,

Plaintiff,

v.

CERENCE INC., SANJAY DHAWAN, and
MARK J. GALLENBERGER,

Defendants.

No. 1:22-cv-10321-ADB

**[PROPOSED] ORDER AWARDING
ATTORNEYS' FEES AND LITIGATION EXPENSES**

This matter came on for hearing on December 16, 2024 (the "Settlement Hearing") on Lead Plaintiff's motion for attorneys' fees and Litigation Expenses. The Court having considered all matters submitted to it at the Settlement Hearing and otherwise; it appearing that: (i) the Notice of the Settlement Hearing (which included a summary of the Settlement as well as the full text of the proposed Plan of Allocation) (the "Notice") was mailed to all Settlement Class Members who or which could be identified with reasonable effort substantially in the form approved by the Court and (ii) a summary notice of the hearing substantially in the form approved by the Court was published in *Investor's Business Daily* and over *PR Newswire* pursuant to the specifications of the Court; and the Court having considered and determined the fairness and reasonableness of the award of attorneys' fees and Litigation Expenses requested,

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. This Order incorporates by reference the definitions in the Stipulation of Settlement dated September 6, 2024 (ECF No. 72-1) (the “Stipulation”) and all terms not otherwise defined herein shall have the same meanings as set forth in the Stipulation.

2. The Court has jurisdiction to enter this Order and over the subject matter of the Action and all parties to the Action, including all Settlement Class Members.

3. Notice of Lead Counsel’s motion for attorneys’ fees and Litigation Expenses was given to all Settlement Class Members who could be identified with reasonable effort. The form and method of notifying the Settlement Class of the motion for attorneys’ fees and expenses satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure, the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4(a)(7), due process, and all other applicable law and rules, constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons and entities entitled thereto.

4. Plaintiffs’ Counsel are hereby awarded attorneys’ fees in the amount of 25% of the Settlement Fund net of expenses. Plaintiffs’ Counsel are also hereby awarded \$129,748.20 for payment of their litigation expenses. These attorneys’ fees and expenses shall be paid from the Settlement Fund and the Court finds these sums to be fair and reasonable. Lead Counsel shall allocate the attorneys’ fees awarded among Plaintiffs’ Counsel in a manner in which they, in good faith, believe reflects the contributions of such counsel to the institution, prosecution, and settlement of the Action.

5. In making this award of attorneys’ fees and payment of litigation expenses from the Settlement Fund, the Court has considered and found that:

a. The Settlement has created a fund of \$30,000,000 in cash that has been funded into escrow pursuant to the terms of the Stipulation, and that numerous Settlement Class Members who submit acceptable Claim Forms will benefit from the Settlement that occurred because of the efforts of Plaintiffs' Counsel;

b. Lead Plaintiff, a sophisticated institutional investor that actively supervised the Action, has approved the requested fee as fair and reasonable;

c. Copies of the Notice were mailed to over 51,000 potential Settlement Class Members and nominees stating that Lead Counsel would apply for attorneys' fees in an amount not to exceed 25% of the Settlement Fund and payment of Litigation Expenses in an amount not to exceed \$300,000 and no objections to the requested award of attorneys' fees or Litigation Expenses were submitted;

d. Lead Counsel conducted the litigation and achieved the Settlement with skill, perseverance and diligent advocacy;

e. The Action raised a number of complex issues;

f. Had Lead Counsel not achieved the Settlement there would remain a significant risk that Lead Plaintiff and the other members of the Settlement Class may have recovered less or nothing from Defendants;

g. Plaintiffs' Counsel devoted over 9,000 hours, with a lodestar value of approximately \$5.55 million, to achieve the Settlement; and

h. The amount of attorneys' fees awarded and expenses to be paid from the Settlement Fund are fair and reasonable and consistent with awards in similar cases.

6. Lead Plaintiff Public Employees' Retirement System of Mississippi is hereby awarded \$7,600 from the Settlement Fund for its reasonable costs and expenses directly related to its representation of the Settlement Class.

7. Any appeal or any challenge affecting this Court's approval regarding any attorneys' fees and expense application shall in no way disturb or affect the finality of the Judgment.

8. Exclusive jurisdiction is hereby retained over the Parties and the Settlement Class Members for all matters relating to this Action, including the administration, interpretation, effectuation or enforcement of the Stipulation and this Order.

9. In the event that the Settlement is terminated or the Effective Date of the Settlement otherwise fails to occur, this Order shall be rendered null and void to the extent provided by the Stipulation.

10. There is no just reason for delay in the entry of this Order, and immediate entry by the Clerk of the Court is expressly directed.

SO ORDERED this _____ day of December 2024.

The Honorable Allison D. Burroughs
United States District Judge