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Ferraro Family Foundation, Inc. and  
James L. Ferraro*

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

FERRARO FAMILY FOUNDATION, INC,  
and JAMES L. FERRARO, on behalf of  
themselves and all others similarly situated,

Plaintiffs,

v.

CORCEPT THERAPEUTICS  
INCORPORATED, JOSEPH K. BELANOFF,  
CHARLES ROBB, AND SEAN MADUCK

Defendants.

Case No. 3:19-CV-01372-JD

CLASS ACTION

Honorable James Donato

**NOTICE OF MOTION AND  
MOTION FOR DISTRIBUTION OF  
CLASS SETTLEMENT FUNDS**

Date: November 14, 2024  
Time: 10:00 a.m.  
Courtroom: 11, 19th Floor

**NOTICE OF MOTION**

1  
2 **PLEASE TAKE NOTICE** that on the 14th day of November, 2024, at 10:00 a.m., before  
3 the Honorable James Donato, in the San Francisco Courthouse, Courtroom 11, 19th Floor, 450  
4 Golden Gate Avenue, San Francisco, CA 94102, Lead Plaintiffs Ferraro Family Foundation, Inc.,  
5 and James L. Ferraro (“Plaintiffs”), through their counsel, will and do respectfully move this Court  
6 for an Order for Distribution of Class Settlement Funds, substantially in the form submitted  
7 herewith.<sup>1</sup>

8 In accordance with Civil L.R. 7-2, the [Proposed] Order on Distribution of Class  
9 Settlement Funds (“[Proposed] Order”) requests that the Court: (a) approve the administrative  
10 determinations of the Settlement Administrator, A.B. Data, Ltd.’s Class Action Administration  
11 Company (“A.B. Data”), accepting and rejecting the claims received; and (b) direct distribution of  
12 the Net Settlement Fund to the Authorized Claimants as set forth herein and in the Declaration of  
13 Kathleen Schumacher in Support of Plaintiffs’ Motion for Distribution of Class Settlement Funds,  
14 dated October 4, 2024 (“Schumacher Declaration” or “Schumacher Decl.”), the exhibits thereto,  
15 and as otherwise set forth in the [Proposed] Order.

16 Defendants do not oppose this Motion for Distribution of Class Settlement Funds  
17 (“Motion”). *See* Declaration of Shannon L. Hopkins, Esq., in Support of Motion for Distribution of  
18 Class Settlement Funds, dated October 4, 2024, ¶5 (“Hopkins Declaration”). This Motion is also  
19 based on the incorporated memorandum of points and authorities, the Schumacher Declaration, the  
20 Court’s Order Re Final Approval and Judgment, dated September 6, 2024 [ECF No. 215], the  
21 Stipulation, and all other pleadings, orders, and matters of record.

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26 <sup>1</sup> Unless otherwise stated, all capitalized terms used herein have the same definitions as assigned in  
27 the Stipulation of Settlement, dated April 11, 2023 [ECF No. 195-3] (“Stipulation”). All “ECF No.”  
28 references herein are to the docket of *Ferraro Family Foundation, Inc., et al. v. Corcept  
Therapeutics Incorporated, et al.*, No. 3:19-cv-01372-JD (N.D. Cal.) (the “Action”).

**MEMORANDUM OF POINTS AND AUTHORITIES**

1  
2 Plaintiffs respectfully submit this memorandum of points and authorities in support of their  
3 Motion. All that remains to complete the Settlement process in this Action is to distribute the Net  
4 Settlement Funds to the Authorized Claimants. Thus, Plaintiffs and Class Counsel respectfully  
5 request that the Court order the distribution of the Net Settlement Funds to the Authorized  
6 Claimants.

**I. BACKGROUND**

7  
8 On January 4, 2024, the Court entered the Order Re Preliminary Approval of Settlement  
9 (the “Preliminary Approval Order”) (ECF No. 201). On September 6, 2024, the Court entered the  
10 Order Re Final Approval and Judgment (the “Final Approval Order”), that approved the  
11 Settlement as set forth in the Stipulation. *See* Final Approval Order (ECF No. 215) at ¶4. The  
12 Settlement provided for a Settlement Fund in the amount of \$14,000,000, which the Court held to  
13 be fair, reasonable, and just. *Id.*; Stipulation at ¶1.38.

14 Class Counsel has been advised by the court-appointed Claims Administrator, A.B. Data,  
15 that it has completed all analyses and accounting procedures in connection with the proofs of claim  
16 submitted by those persons who responded to the Notice and has determined which of those  
17 persons are Authorized Claimants. *See* Schumacher Declaration, ¶¶7-19, 39. As of the date of this  
18 Motion, the Settlement Fund, originally consisting of \$14,000,000 in cash, currently contains  
19 \$10,962,903.67 in cash. Hopkins Declaration, ¶6. This amount reflects changes in the settlement  
20 fund, due to the (i) reduction of attorneys’ fees in the amount of \$2,625,000 (i.e., 75% of the total  
21 attorneys’ fees awarded by the Court); (ii) reduction of reimbursed expenses in the amount of  
22 \$576,161.71; (iii) reduction of a \$5,000 award to Plaintiffs for reasonable costs, expenses, and  
23 compensatory award; and (iv) reduction of notice and administration costs of \$201,093.34. *Id.*;  
24 Order re Attorneys’ Fees and Costs, and Award to Class Representative (ECF 217) at ¶¶4, 7.  
25 Additionally, the Settlement Fund currently contains \$875,000 awarded to Lead Counsel as  
26 attorneys’ fees, but held in escrow until a post-distribution accounting. *See* Order re Attorneys’  
27 Fees and Costs, and Award to Class Representative (ECF 217) at ¶8 (“25% of the awarded  
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1 attorneys' fees will be withheld and may not be released to Lead Counsel pending further order of  
 2 the Court following the filing of a post-distribution accounting pursuant to the Northern District's  
 3 Procedural Guidance for Class Action Settlements.”). Accordingly, the Net Settlement Fund to be  
 4 distributed will consist of \$10,087,903.67, plus any accruing interest between now and the  
 5 distribution.

6 As discussed below, A.B. Data sent 39,611 Postcard Notices to potential Class members,  
 7 A.B. Data received a total of 17,536 Claims. Schumacher Decl., ¶¶4, 7. This response rate “in A.B.  
 8 Data’s experience, is within the range of reasonableness for securities class action settlements like  
 9 this.” *Id.*, ¶7. Of the total 17,536 Claims received, 5,528 Claims, with an aggregate Recognized  
 10 Loss of \$85,591,326.44, are eligible to receive a distribution from the Net Settlement Fund. *Id.*,  
 11 ¶¶39, 41, Exs. D, E. All that remains to complete the settlement process is to distribute the Net  
 12 Settlement Amount to the Authorized Claimants. Thus, Lead Counsel requests that the Court  
 13 authorize the distribution of the Net Settlement Fund to the Authorized Claimants.

## 14 **II. DETERMINATION OF AUTHORIZED CLAIMS**

### 15 **A. Properly Documented Claims**

16 A.B. Data received a total of 17,536 Claims. Schumacher Decl., ¶7. Of the total claims  
 17 submitted, A.B. Data has determined that 5,528 Claims (*i.e.*, 5,341 Timely Eligible Claims and  
 18 187 Late But Otherwise Eligible Claims), representing an aggregate Recognized Loss of  
 19 \$85,591,326.44, are acceptable and should receive a distribution. *Id.*, ¶¶39, 41; Exs. D, E. A.B.  
 20 Data and Lead Counsel recommend that the Court accept all late but otherwise valid claims  
 21 submitted after the May 13, 2024 deadline, but received by A.B. Data on or before September 24,  
 22 2024, because the untimely filed claims have not caused significant delay to the distribution of the  
 23 Net Settlement Fund to the Class, or otherwise prejudiced any Authorized Claimant. *Id.*, ¶31. *See*  
 24 *In re “Agent Orange” Product Liability Litig.*, 689 F. Supp. 1250, 1261-63 (E.D.N.Y. 1988)  
 25 (permitting the qualifying late claimants and opt-out claimants to participate in the settlement  
 26 distribution because “[t]he cost to the fund of admitting late claimants and readmitting the opt-out  
 27 claimants to the class action should be relatively small. No significant administrative costs need be  
 28

1 incurred to allow the late claims and opt-out claims.”); *see also In re Crazy Eddie Securities*  
2 *Litigation*, 906 F. Supp. 840, 845-46 (E.D.N.Y. 1995) (allowing late claims postmarked within one  
3 month and four days of original deadline to participate in the distribution of settlement funds).

4 Plaintiffs respectfully request that the Court approve the 5,528 Eligible Claims as listed in  
5 the Schumacher Declaration.

#### 6 **B. Deficient and Ineligible Claims**

7 Pursuant to the Preliminary Approval Order and as set forth in the Notice, all claims were  
8 to be submitted to the Claims Administrator by May 13, 2024. Preliminary Approval Order (ECF  
9 201) at ¶12. The Claims Administrator has finalized its determination of which claims are  
10 authorized and which are ineligible. *See* Schumacher Declaration at ¶3.

11 Several paper Claims submitted were incomplete or had one or more defects or conditions  
12 of ineligibility, such as not being signed, not being properly documented, or not indicating an  
13 eligible transaction in Corcept securities during the Class Period. *Id.*, ¶¶21-23. When Claims were  
14 inadequately documented, A.B. Data sent claimants deficiency letters advising them of the  
15 deficiency, what, if anything, was necessary to cure the defect(s) in these Claims (the “Deficiency  
16 Letter”) and giving claimants an opportunity to cure the deficiency. *Id.* The Deficiency Letter  
17 advised Claimants that a failure to respond or cure the deficiency would result in a  
18 recommendation to the Court to reject the claim to the extent not cured. *Id.* The Deficiency Letters  
19 also advised Claimants that to contest these administrative determinations, they were required to  
20 submit written statements to A.B. Data requesting Court review of their Claims and setting forth  
21 the basis for such requests. *Id.*

22 Additionally, A.B. Data reviewed Electronic Claims by sending each filer an email to the  
23 email address included with their Claim Form (“Status Email”) and attached Excel spreadsheet  
24 containing detailed information associated with the filers’ accounts and indicating which of those  
25 accounts within the filing were deficient and/or rejected (“Status Spreadsheet”). *Id.*, ¶25. The E-  
26 Claim Filers’ responses were reviewed by A.B. Data’s Electronic Claims Filing Team, were  
27 scanned and/or loaded into A.B. Data’s database, and were associated with the corresponding  
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1 Electronic Claims. *Id.*, ¶29. If a response corrected the defect(s) or affected an Electronic Claim's  
2 status, A.B. Data manually and/or programmatically updated the database to reflect the changes in  
3 status of the Electronic Claim. *Id.*

4 After the conclusion of the Claims review process, A.B. Data has confirmed there are no  
5 disputes or requests for Court review for any deficient claims because the only two submitted were  
6 withdrawn. *Id.*, ¶30.

7 In sum, 12,008 Claims are being recommended for rejection by A.B. Data for the following  
8 reasons: (a) 1,669 Claims had no purchase(s) of Corcept Therapeutics Incorporated common stock  
9 during the Class Period; (b) 8,974 Claims did not result in a Recognized Claim; (c) 1,359 Claims  
10 were duplicates or replaced; and (d) 6 Claims were withdrawn. *Id.*, ¶39.

### 11 **III. DISTRIBUTION OF THE NET SETTLEMENT AMOUNT**

12 Pursuant to the Stipulation and the Plan of Allocation authorized by the Court's Order re  
13 Plan of Allocation (ECF No. 216), the Settlement Fund shall be applied to the following: (i) any  
14 Taxes; (ii) any Notice and Administration Expenses; (iii) any Litigation Expenses; (iv) any  
15 attorneys' fees; (v) any award to pay the costs and expenses of Lead Plaintiff awarded by the  
16 Court; (vi) all other fees, costs and expenses incurred by or on behalf of the Settlement Class  
17 associated with the Settlement; (vii) other costs, expenses or amounts as may be approved by the  
18 Court, and after the Effective Date, to Authorized Claimants, as provided by the Stipulation, the  
19 Plan of Allocation, or the orders of the Court. *See* Stipulation, Section IV, ¶1.23 (ECF 195-3);  
20 Order re Plan of Allocation (ECF No. 216).

21 As of this filing, the Net Settlement Fund totals \$10,962,903.67. Hopkins Declaration, ¶6.  
22 The Settlement Fund also contains \$875,000 awarded to Lead Counsel as attorneys' fees that are  
23 being held in escrow until a post-distribution accounting. *Id.* Accordingly, the Net Settlement Fund  
24 to be distributed will consist of \$10,087,903.67, plus any accruing interest between now and the  
25 distribution. Pursuant to the Stipulation, Lead Counsel "will apply to the Court, with reasonable  
26 advance notice to Defendants, for a Distribution Order: (i) approving the Claims Administrator's  
27 administrative determinations concerning the acceptance and rejection of the Claims submitted; (ii)

1 approving payment of any outstanding administration fees and expenses associated with the  
2 administration of the Settlement from the Settlement Fund Account; and (iii) if the Effective Date  
3 has occurred, directing payment of the Net Settlement Fund to Authorized Claimants from the  
4 Settlement Fund Account.” See Stipulation, Section IV, ¶8.8 (ECF 195-3). Lead Counsel has  
5 conferred with Defendants who do not oppose distribution of the Net Settlement Fund in  
6 accordance with the determinations of the Claims Administrator.

7 Accordingly, Plaintiffs respectfully request the Court enter the [Proposed] Order  
8 concerning distribution of the Net Settlement Fund to Settlement Class Members.

9 **CONCLUSION**

10 Based on the foregoing, Plaintiffs respectfully request that the Court approve this Motion  
11 and enter the [Proposed] Order concerning distribution of the Net Settlement Fund to Settlement  
12 Class Members.

13 Dated: October 4, 2024

**LEVI & KORSINSKY**

14 By: /s/ Shannon L. Hopkins  
15 SHANNON L. HOPKINS

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22 *Counsel for Lead Plaintiffs the Ferraro Family*  
23 *Foundation, Inc. and James L. Ferraro*  
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**CERTIFICATE OF SERVICE**

I hereby certify that on October 4, 2024, 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.

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

Executed on the 4th day of October, 2024 at Stamford, Connecticut.

/s/ Shannon L. Hopkins  
Shannon L. Hopkins  
(admitted *pro hac vice*)

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2 UNITED STATES DISTRICT COURT  
3 NORTHERN DISTRICT OF CALIFORNIA  
4 SAN FRANCISCO DIVISION

5 FERRARO FAMILY FOUNDATION, INC,  
6 and JAMES L. FERRARO, on behalf of  
7 themselves and all others similarly situated,

8 Plaintiffs,

9 v.

10 CORCEPT THERAPEUTICS  
11 INCORPORATED, JOSEPH K. BELANOFF,  
12 CHARLES ROBB, AND SEAN MADUCK

13 Defendants.

Case No. 3:19-CV-01372-JD

CLASS ACTION

Honorable James Donato

**[PROPOSED] ORDER RE  
DISTRIBUTION OF CLASS  
SETTLEMENT FUNDS**

1 IT IS HEREBY ORDERED THAT:

2 1. Plaintiffs’ Motion for Distribution of Class Settlement Funds is granted.

3 2. The Net Settlement Fund<sup>1</sup> (less any attorneys’ fees in the amount of \$875,000 and  
4 any necessary amounts to be withheld for payment of potential tax liabilities and related fees and  
5 expenses) shall be distributed on a *pro rata* basis to the Authorized Claimants identified in Exhibits  
6 D and E to the Declaration of Kathleen Schumacher in Support of Plaintiffs’ Motion for  
7 Distribution of Class Settlement Funds, dated October 4, 2024, at the direction of Class Counsel  
8 pursuant to the Stipulation (ECF 195-3), Order Re Final Approval and Judgment (ECF 215) and  
9 Order re Plan of Allocation (ECF 216).

10 3. Any person asserting any rejected or subsequently filed claims are finally and  
11 forever barred from the date of this Order, and no claims and no responses to deficiency and/or  
12 rejection notices received after September 24, 2024 may be accepted for any reason whatsoever.

13 4. The Court finds that the administration of the Settlement and proposed distribution  
14 of the Net Settlement Fund complies with the terms of the Stipulation and the Plan of Allocation  
15 and that all persons involved in the review, verification, calculation, tabulation, or any other aspect  
16 of the processing of the claims submitted herein, or otherwise involved in the administration or  
17 taxation of the Gross Settlement Fund or the Net Settlement Fund are released and discharged from  
18 any and all claims arising out of such involvement, and all Settlement Class Members are barred  
19 from making any further claims against the Net Settlement Fund and the Released Persons beyond  
20 the amount allocated to them pursuant to this Order.

21 5. The checks for initial distribution shall bear the notation “CASH PROMPTLY.  
22 VOID AND SUBJECT TO REDISTRIBUTION IF NOT CASHED BY [DATE 90 DAYS AFTER  
23 ISSUE DATE].” Subsequent distributions shall have a 30-day stale date.

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25 \_\_\_\_\_  
26 <sup>1</sup> Unless otherwise stated, all capitalized terms used herein have the same definitions as assigned in  
27 the Stipulation of Settlement, dated April 11, 2023 [ECF No. 195-3] (“Stipulation”). All “ECF No.”  
28 references herein are to the docket of *Ferraro Family Foundation, Inc., et al. v. Corcept  
Therapeutics Incorporated, et al.*, No. 3:19-cv-01372-JD (N.D. Cal.) (the “Action”).

1           6.       If any funds remain in the Net Settlement Fund by reason of uncashed checks or  
2 otherwise after the initial distribution, then, after the Claims Administrator has made reasonable and  
3 diligent efforts to have Settlement Class Members who are entitled to participate in the distribution  
4 of the Net Settlement Fund cash such checks, such funds shall be re-allocated among Authorized  
5 Claimants who negotiated the checks sent in the initial distribution and who would receive a  
6 minimum of \$10 (Ten Dollars) as part of an additional distribution. If there is any balance that  
7 remains after such reallocation(s) and payments, the balance shall be donated to the Investor  
8 Protection Trust, or to any such other 501(c)(3), nonprofit charitable organization as may be  
9 approved by the Court.

10           7.       Following distribution of the Net Settlement Fund, A.B. Data is hereby ordered to  
11 maintain the completed Proofs of Claims on file for one year after the Effective Date as defined in  
12 the Stipulation.

13           8.       The Court retains jurisdiction over any further application or matter which may arise  
14 in connection with this action.

15  
16 Dated: \_\_\_\_\_, 2024

SO ORDERED:

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18 \_\_\_\_\_  
19 HON. JAMES DONATO  
20 UNITED STATES DISTRICT JUDGE  
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