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**SUPERIOR COURT OF CALIFORNIA  
COUNTY OF SANTA CLARA**

In re MOBILEIRON, INC., SHAREHOLDER  
LITIGATION

Case No. 2015-1-CV-284001

**ORDER RE: MOTION FOR  
PRELIMINARY APPROVAL OF  
CLASS ACTION SETTLEMENT**

The above-entitled matter came on regularly for hearing on Friday, June 9, 2017, at 9:00 a.m. in Department 5 (Complex Civil Litigation), the Honorable Thomas E. Kuhnle presiding. The Court reviewed and considered the written submissions of all parties and issued a tentative ruling on June 8, 2017. No party contested the tentative ruling; therefore, the Court orders the tentative ruling be adopted as the Order of the Court as set forth below, with one small change. The final approval hearing is now set for August 18, 2017, at 9:00 a.m. in Department 5.

**I. INTRODUCTION**

This is a securities class action for violations of Sections 11, 12(a)(2), and 15 of the Securities Act of 1933 (the "Securities Act") on behalf of all purchasers of MobileIron common stock in and/or traceable to MobileIron's June 12, 2014 initial public offering ("IPO") against MobileIron and certain of MobileIron's senior executives and directors who signed the June 12, 2014 Registration Statement issued in connection with MobileIron's IPO. Plaintiffs Warren Schneider, Jay Kerley, and Chaile Steinberg (collectively, "Plaintiffs") allege the Registration

1 Statement and Prospectus incorporated therein (collectively, the “Registration Statement”) issued  
2 in connection with the IPO contained materially incorrect or misleading statements and/or  
3 omitted material information that was required to be disclosed.

4 MobileIron “went public” on June 12, 2014 at an IPO price of \$9 per share and closed on  
5 its first day of public trading at \$11.02 per share. At the time of the filing of this action,  
6 MobileIron’s stock traded in the range of \$3-\$4 per share.

7 The First Amended Complaint, filed on October 21, 2016, sets forth the following causes  
8 of action: [1] Violations of § 11 of the Securities Act (against all defendants); [2] Violations of  
9 § 12(a)(2) of the Securities Act by Plaintiffs Kerley and Steinberg (against MobileIron); and  
10 [3] Violation of § 15 of the Securities Act (against all defendants).

11 The parties have reached a settlement. Plaintiffs move for preliminary approval of the  
12 settlement.

## 13 **II. LEGAL STANDARD**

14 Generally, “questions whether a settlement was fair and reasonable, whether notice to the  
15 class was adequate, whether certification of the class was proper, and whether the attorney fee  
16 award was proper are matters addressed to the trial court’s broad discretion.” (*Wershba v. Apple*  
17 *Computer, Inc.* (2001) 91 Cal.App.4th 224, 234-235, citing *Dunk v. Ford Motor Co.* (1996)  
18 48 Cal.App.4th 1794.)

19 In determining whether a class settlement is fair, adequate and reasonable, the  
20 trial court should consider relevant factors, such as “the strength of plaintiffs’  
21 case, the risk, expense, complexity and likely duration of further litigation, the  
22 risk of maintaining class action status through trial, the amount offered in  
settlement, the extent of discovery completed and the stage of the proceedings, the  
experience and views of counsel, the presence of a governmental participant, and  
the reaction of the class members to the proposed settlement.”

23 (*Wershba v. Apple Computer, Inc.*, *supra*, 91 Cal.App.4th at pp. 244-245, citing *Dunk, supra*,  
24 48 Cal.App.4th at p. 1801 and *Officers for Justice v. Civil Service Com’n, etc.* (9th Cir. 1982)  
25 688 F.2d 615, 624.)

26 “The list of factors is not exclusive and the court is free to engage in a balancing and  
27 weighing of factors depending on the circumstances of each case.” (*Wershba v. Apple*  
28 *Computer, Inc.*, *supra*, 91 Cal.App.4th at p. 245.) The court must examine the “proposed

1 settlement agreement to the extent necessary to reach a reasoned judgment that the agreement is  
2 not the product of fraud or overreaching by, or collusion between, the negotiating parties, and  
3 that the settlement, taken as a whole, is fair, reasonable and adequate to all concerned.” (*Ibid.*,  
4 quoting *Dunk, supra*, 48 Cal.App.4th at p. 1801 and *Officers for Justice v. Civil Service Com’n,*  
5 *etc., supra*, 688 F.2d at p. 625, internal quotation marks omitted.)

6 The burden is on the proponent of the settlement to show that it is fair and  
7 reasonable. However “a presumption of fairness exists where: (1) the settlement  
8 is reached through arm’s-length bargaining; (2) investigation and discovery are  
sufficient to allow counsel and the court to act intelligently; (3) counsel is  
experienced in similar litigation; and (4) the percentage of objectors is small.”

9 (*Wershba v. Apple Computer, Inc., supra*, 91 Cal.App.4th at p. 245, citing *Dunk, supra*,  
10 48 Cal.App.4th at p. 1802.)

### 11 **III. ANALYSIS**

#### 12 **A. Provisions of the Settlement**

13 Plaintiffs seek to settle this case on behalf of a class of all persons or entities who  
14 purchased the common stock of MobileIron, Inc. pursuant and/or traceable to the Registration  
15 Statement issued in connection with the June 12, 2014 IPO.<sup>1</sup> Pursuant to the settlement,  
16 defendants MobileIron, Robert Tinker, Todd Ford, Gaurav Garg, Aaref Hilaly, Matthew  
17 Howard, Frank Marshall, Tae Hea Nahm, and James Tolonen (collectively, “Defendants;”) will  
18 pay a total of \$7,500,000. (Stipulation of Settlement, ¶ 1.26.) The settlement is non-  
19 reversionary and any funds that are not distributed to class members will be donated to Bay Area  
20 Legal Aid. (*Id.* at ¶ 5.8.) From the settlement, Plaintiffs’ counsel will seek attorneys’ fees of up  
21 to 33% of the total settlement fund plus costs and expenses not to exceed \$150,000. Plaintiffs  
22 will also request a class representative incentive award of \$1,000 for each named plaintiff.  
23 Lastly, up to \$300,000 will be used to pay the claims administrator costs.<sup>2</sup> (*Id.* at ¶ 2.7.)

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27 <sup>1</sup> Plaintiffs ask the Court to certify this class for settlement purposes. Although Plaintiffs fail to provide any  
discussion in the papers regarding whether the proposed class meets the requirements for certification, in this  
instance the Court finds certification for settlement purposes is appropriate and the class will be conditionally  
certified.

28 <sup>2</sup> A declaration from the claims administrator should be filed prior to the final approval hearing to support any  
request for these costs.

1           **B.     Fairness of the Settlement**

2           The parties participated in settlement negotiations over many months, first holding a  
3 mediation with Robert Meyer, a mediator at JAMS, in June 2016, and later participating in a  
4 mediation with Judge Layn R. Phillips (United States District Judge, ret.) on February 23, 2017.  
5 The parties continued to work toward settlement following the second mediation and were  
6 ultimately able to resolve the case by accepting a double blind “mediator’s proposal” from Judge  
7 Phillips. It is apparent the settlement was reached only after thorough arms’-length negotiations.

8           Plaintiffs assert that although they believe they could have proven their Securities Act  
9 claims, success at trial was from certain because (1) Defendants vigorously denied Plaintiffs  
10 could prove any of the challenged statements from the offering materials were false,  
11 (2) Defendants contended certain statements were mere puffery, and (3) Defendants disputed the  
12 extent to which the price decline in MobileIron common stock could be attributed to the  
13 statements complained of in the Complaint.

14           The settlement reduces the expense of litigation and eliminates the risks to Plaintiffs and  
15 the class of continuing litigation. Moreover, Plaintiffs have obtained a significant recovery for  
16 the class. Therefore, the Court finds the overall settlement is amount is fair.

17           Plaintiffs state they may seek a class representative incentive award of \$1,000 for each  
18 named plaintiff.

19           The rationale for making enhancement or incentive awards to named plaintiffs is  
20 that they should be compensated for the expense or risk they have incurred in  
21 conferring a benefit on other members of the class. An incentive award is  
22 appropriate if it is necessary to induce an individual to participate in the suit.  
23 Criteria courts may consider in determining whether to make an incentive award  
24 include: 1) the risk to the class representative in commencing suit, both financial  
25 and otherwise; 2) the notoriety and personal difficulties encountered by the class  
26 representative; 3) the amount of time and effort spent by the class representative;  
27 4) the duration of the litigation and; 5) the personal benefit (or lack thereof)  
28 enjoyed by the class representative as a result of the litigation. These “incentive  
awards” to class representatives must not be disproportionate to the amount of  
time and energy expended in pursuit of the lawsuit.

26 (*Cellphone Termination Fee Cases* (2010) 186 Cal. App. 4th 1380, 1394-1395, quotation marks,  
27 brackets, ellipses, and citations omitted.)

1 Prior to final approval of the settlement, Plaintiffs must submit declarations specifically  
2 detailing their participation in this action.

3 The Court also has an independent right and responsibility to review the requested  
4 attorneys' fees and only award so much as it determines reasonable. (See *Garabedian v. Los*  
5 *Angeles Cellular Telephone Co.* (2004) 118 Cal.App.4th 123, 127-128.) Plaintiffs' counsel will  
6 seek attorneys' fees of up to 33% of the total settlement fund (plus costs and expenses not to  
7 exceed \$150,000). While 33% of the common fund for attorneys' fees is generally considered  
8 reasonable, Plaintiffs counsel should submit lodestar information (including hourly rates and  
9 hours worked) prior to the final approval hearing in this matter so the Court can compare the  
10 lodestar information with the requested fees.

11 **C. Class Notice**

12 The content of a class notice is subject to court approval. "If the court has certified the  
13 action as a class action, notice of the final approval hearing must be given to the class members  
14 in the manner specified by the court." (Cal. Rules of Court, rule 3.769(f).)


15 The notice generally complies with the requirements for class notice. (See Stipulation of  
16 Settlement, Ex. A-1.) It provides basic information about the settlement, including the  
17 settlement terms, and procedures to object or request exclusion. In addition to the mailed notice,  
18 a summary notice will be published in the national edition of *The Wall Street Journal* and over a  
19 national newswire service (*Business Wire*). The Court finds the form and method of notice are  
20 adequate. Accordingly, the Court approves the notice.

21 Plaintiffs request that the Court appoint Gilardi & Co. LLC as claims administrator. The  
22 request is granted.

23 **D. Conclusion**

24 The motion for preliminary approval of the class action settlement is GRANTED.  
25 The final approval hearing is set for **August 18, 2017**, at 9:00 a.m. in Department 5.

26  
27 Dated: June 9, 2017

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Thomas E. Kuhnle  
Judge of the Superior Court