

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

In re: Altisource Portfolio Solutions, S.A.  
Securities Litigation

Case 14-81156 CIV-WPD

**REPLY MEMORANDUM OF LAW IN FURTHER SUPPORT OF  
(I) LEAD PLAINTIFFS' MOTION FOR FINAL APPROVAL OF  
CLASS ACTION SETTLEMENT AND PLAN OF ALLOCATION, AND  
(II) LEAD COUNSEL'S MOTION FOR AN AWARD OF ATTORNEYS'  
FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

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Lead Plaintiffs the Pension Fund for the Painters and Allied Trades District Council 35 and the Annuity Fund for the Painters and Allied Trades District Council 35 (“Lead Plaintiffs”), on behalf of themselves and the Settlement Class, and Lead Counsel respectfully submit this Memorandum of Law in further support of (i) Lead Plaintiffs’ Motion for Final Approval of Class Action Settlement and Plan of Allocation (Docket Entry (“DE”) 253); and (ii) Lead Counsel’s Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses (DE 254).<sup>1</sup>

## I. PRELIMINARY STATEMENT

The proposed Settlement provides for a \$32 million cash payment for the benefit of the Settlement Class. As detailed in Lead Plaintiffs’ and Lead Counsel’s opening papers (DE 253-255), the Settlement is the product of hard-fought litigation and arm’s-length settlement negotiations conducted under the auspices of a highly respected and experienced mediator, and represents a very favorable result for the Settlement Class in light of the considerable risks of the continued litigation of the Action. Following an extensive Court-approved notice program – including mailing of Notice to over 19,000 potential Settlement Class Members and nominees – *no Settlement Class Member has objected* to the proposed Settlement, the Plan of Allocation, or Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses, and there are *no requests for exclusion* from the Settlement Class. As explained further below, the absence of any objections and requests for exclusion further demonstrates that the proposed Settlement, the Plan of Allocation, and the request for attorneys’ fees and expenses are fair and reasonable, and should be approved. Indeed, the reaction of the Settlement Class is particularly meaningful here because a significant percentage of the shares of Altisource common stock outstanding during the Class Period were held by sophisticated institutional investors who have the resources to carefully evaluate the Settlement and fee application, and object if it were appropriate to do so.

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<sup>1</sup> All capitalized terms used herein that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement dated February 8, 2017 (the “Settlement Stipulation”) (DE 250-1) or in the Declaration of Hannah G. Ross in Support of: (I) Lead Plaintiffs’ Motion for Final Approval of Class Action Settlement and Plan of Allocation, and (II) Lead Counsel’s Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses dated April 25, 2017 (DE 255).

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

Lead Plaintiffs and Lead Counsel respectfully submit that their opening papers demonstrate why approval of the motions is warranted. Now that the time for objecting or requesting exclusion from the Settlement Class has passed, the reaction of the Settlement Class provides additional strong support for approval of the motions.

Pursuant to the Court's Order Preliminarily Approving Proposed Settlement and Providing for Notice dated February 10, 2017 (DE 251) (the "Preliminary Approval Order"), more than 19,000 copies of the Notice Packet have been mailed to potential Settlement Class Members and their nominees. *See* Supplemental Declaration of Jose C. Fraga Regarding (A) Mailing of the Notice and Claim Form; and (B) Report on Requests for Exclusion (the "Suppl. Fraga Decl."), filed herewith, at ¶ 2. The Notice 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 22% of the Settlement Fund and reimbursement of Litigation Expenses in an amount not to exceed \$1,200,000. The Notice also apprised Settlement Class Members of their right to object to the proposed Settlement, the Plan of Allocation, and/or the request for attorneys' fees and reimbursement of expenses; their right to exclude themselves from the Settlement Class; and the May 9, 2017 deadline for filing objections and for receipt of requests for exclusion.<sup>2</sup>

On April 25, 2017, fourteen days prior to the objection deadline, Lead Plaintiffs and Lead Counsel filed their opening papers in support of the Settlement, Plan of Allocation, and fee and expense request. The motions are supported by, among other things, declarations of the Lead

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<sup>2</sup> 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, pursuant to the Preliminary Approval Order, once in the national edition of *The Wall Street Journal* and transmitted over the *PR Newswire*. *See* Declaration of Jose C. Fraga 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 dated April 25, 2017 (DE 255-1), at ¶ 10. In addition, copies of the Notice, Claim Form, Settlement Stipulation, Preliminary Approval Order, and Complaint were posted on the website specifically created for the Action. *Id.* at ¶ 12.

Plaintiffs, Plaintiffs' Counsel, and the Claims Administrator. These papers are available on the public docket (*see* DE 253-255) and on the Settlement website. *See* Suppl. Fraga Decl. ¶ 3.<sup>3</sup>

As noted above, following this notice program, no Settlement Class Member has objected to the Settlement, the Plan of Allocation, or Lead Counsel's application for fees and expenses, and there are no requests for exclusion from the Settlement Class. The lack of objections and requests for exclusion supports a finding that the Settlement is fair, reasonable, and adequate. *See In re Checking Account Overdraft Litig.*, 830 F. Supp. 2d 1330, 1336 (S.D. Fla. 2011) (finding that "extraordinarily low percentage of objections points to the reasonableness of a proposed settlement and supports its approval") (internal quotation and citation omitted); *Francisco v. Numismatic Guaranty Corp. of Am.*, No. 06-61677-CIV, 2008 WL 649124, at \*12 (S.D. Fla. Jan. 31, 2008) ("A low percentage of objections will confirm the reasonableness of a settlement and support its approval."); *Ressler v. Jacobson*, 822 F. Supp. 1551, 1556 (M.D. Fla. 1992) ("that there are no objections to the settlement is excellent evidence of the settlement's fairness and adequacy"); *In re Nat'l Football League Players Concussion Injury Litig.*, 821 F.3d 410, 438 (3d Cir. 2016), as amended (May 2, 2016) ("[O]nly approximately 1% of class members objected and approximately 1% of class members opted out. We agree with the District Court that these figures weigh in favor of settlement approval.").

The uniformly favorable reaction of the Settlement Class also supports approval of the Plan of Allocation and the request for attorneys' fees and expenses. *See, e.g., In re EVCI Career Colleges Holding Corp. Sec. Litig.*, No. 05 Civ. 10240 (CM), 2007 WL 2230177, at \*11 (S.D.N.Y. July 27, 2007) (noting that courts should "consider the reaction of a class to a plan of allocation," and that where no objections are received "the Plan of Allocation should be approved"); *Maley v. Del Global Techs. Corp.*, 186 F. Supp. 2d 358, 367 (S.D.N.Y. 2002) ("the favorable reaction of the Class supports approval of the proposed Plan of Allocation" where "no Class member has objected to the Plan"); *Strube v. Am. Equity Inv. Life Ins. Co.*, No. 6:01-cv-1236-Orl-19DAB, 2006 WL 1232816, at \*4 (M.D. Fla. May 5, 2006) (noting that "lack of objections to a proposed fee award is itself important evidence" that fee request is reasonable); *Ressler v. Jacobson*, 149 F.R.D. 651, 656 (M.D. Fla. 1992) (lack of objections is "strong

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<sup>3</sup> Pursuant to the Class Action Fairness Act of 2005, 28 U.S.C. § 1715(b), notice of the proposed Settlement was also provided by Defendants to appropriate federal and state officials, including the United States Attorney General and the Attorneys General of all states and the District of Columbia. *See* DE 257-1.

evidence of the propriety and acceptability” of fee request); *In re Friedman’s, Inc. Sec. Litig.*, No. 1:03-cv-3475-WSD, 2009 WL 1456698, at \*3 (N.D. Ga. May 22, 2009) (where no objections to the fee and expense application are received, the lack of objections is “evidence that the requested fee is fair”); *In re Flag Telecom Holdings, Ltd. Sec. Litig.*, No. 02-CV-3400 (CM) (PED), 2010 WL 4537550, at \*29 (S.D.N.Y. Nov. 8, 2010) (noting the absence of any objections to lead counsel’s fee and expense request and finding that this “overwhelmingly positive response . . . attests to the approval of the Class”).

Also, as noted above, institutional investors held a significant percentage of the shares of Altisource common stock outstanding during the Settlement Class Period. *See Report of Michael L. Hartzmark, Ph.D.*, dated August 12, 2016 (DE 160-2), at ¶ 48. The absence of objections by these sophisticated class members is further evidence of the fairness of the Settlement. *See In re AT&T Corp. Sec. Litig.*, No. 00-CV-5364 (GEB), 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”); *In re Citigroup Inc. Bond Litig.*, 296 F.R.D. 147, 156 (S.D.N.Y. 2013) (the reaction of the class supported the settlement where “not one of the objections or requests for exclusion was submitted by an institutional investor”); *In re AOL Time Warner, Inc. Sec. & “ERISA” Litig.*, No. MDL 1500, 2006 WL 903236, at \*10 (S.D.N.Y. Apr. 6, 2006) (the lack of objections from institutional investors supported approval of settlement).

The lack of objections by institutional investors also supports approval of the fee request. *See In re Rite Aid Corp. Sec. Litig.*, 396 F.3d 294, 305 (3d Cir. 2005) (fact that “a significant number of investors in class were ‘sophisticated’ institutional investors that had considerable financial incentive to object had they believed the requested fees were excessive” and did not do so, supported approval of the fee request); *In re Bisys Sec. Litig.*, No. 04-CV-3840 (JSR), 2007 WL 2049726, at \*1 (S.D.N.Y. July 16, 2007) (noting that only one individual raised any objection, “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 uniformly favorable reaction of the Settlement Class strongly supports approval of the Settlement, Plan of Allocation, and fee and expense request.

### III. CONCLUSION

For all the foregoing reasons, and those set forth in their opening papers, Lead Plaintiffs and Lead Counsel respectfully request that the Court approve the Settlement, the Plan of Allocation, and the request for attorneys' fees and reimbursement of Litigation Expenses. Copies of the (i) proposed Judgment Approving Class Action Settlement (the "Judgment"); (ii) proposed Order Approving Plan of Allocation of Net Settlement Fund (the "Plan of Allocation Order"); and (iii) proposed Order Awarding Attorneys' Fees and Reimbursement of Litigation Expenses (the "Fee and Expense Order") are attached hereto as Exhibits 1, 2 and 3, respectively. Word versions of the proposed Judgment, Plan of Allocation Order, and Fee and Expense Order were also submitted to the Court's Judicial Secretary via email on May 19, 2017.

Dated: May 23, 2017

/s/ Hannah G. Ross

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**CERTIFICATE OF SERVICE**

I certify that on May 23, 2017, I electronically filed the foregoing Reply Memorandum of Law in Further Support of (I) Lead Plaintiffs' Motion for Final Approval of Class Action Settlement and Plan of Allocation, and (II) Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses, using the CM/ECF system.

I certify that the foregoing is true and correct.

Executed on May 23, 2017.

/s/ Lester Hooker

Lester Hooker

#1081876