UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

JONATHAN CORRENTE, et al., Plaintiffs, v. THE CHARLES SCHWAB CORPORATION, Defendant.	Civil Action No. 4:22-CV-470-ALM Hon. Amos L. Mazzant, III

DEFENDANT'S RESPONSE IN SUPPORT OF SETTLEMENT APPROVAL

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Pursuant to this Court's order (Dkt. 157 ¶ 25), Defendant The Charles Schwab Corporation ("Schwab") respectfully submits this memorandum in response to class members' objections to the Settlement Agreement (Dkt. 197-1) and in support of final approval for the settlement of this matter.

INTRODUCTION

This lengthy antitrust suit arises from Schwab's acquisition of TD Ameritrade ("Ameritrade") in 2020. Plaintiffs represent a settlement class of current U.S. brokerage customers of Schwab or its affiliates, including customers who previously held accounts at Ameritrade. The complaint claims that Schwab's acquisition of Ameritrade violated Section 7 of the Clayton Act by reducing competition in a purported market for retail order flow, and that members of the proposed settlement class received less favorable execution prices on the securities they traded and lower "rebates" on their trades because of the acquisition.

Plaintiffs' case was never likely to succeed. The Department of Justice extensively reviewed the transaction under the Hart-Scott Rodino Act, and it allowed the acquisition to close without objection. Plaintiffs allege that they would have received better prices on their trades but for the merger, but their claims are purely speculative. Execution prices turn on a host of factors, including the timing of a trade, the size of the trade, the volatility of the security, and trading trends in the market that can change by the millisecond. And *each execution* would require an individualized inquiry: inquiries that would number in the thousands multiplied by the millions of alleged class members. Plaintiffs certainly could not have proven that Schwab would have paid them higher "rebates" absent the merger because Schwab *never* paid rebates to customers—not before or after the merger.

Contrary to Plaintiffs' claims, Schwab is confident that the evidence would have shown that its acquisition of Ameritrade only enhanced the services it delivers to its customers, including with respect to execution quality. Schwab calculates that *97%* of its customers' orders are filled at a price that is better than the applicable benchmark price (*i.e.*, National Best Bid and Offer or "NBBO").[1] This year, *Investor's Business Daily* ranked Schwab among the very top online brokers for "Trade Execution Speed & Price."[2] StockBrokers.com awarded Schwab its "Best in Class Overall" recognition for brokers in 2025.[3] And *Forbes* recently ranked Schwab as the "Best Online Broker Overall" for 2025, as well.[4] Schwab takes pride in these recognitions and in delivering unparalleled service to its customers, and it rejects the pure conjecture of Plaintiffs' claims.

Notwithstanding Schwab's confidence in the merits of its legal position, Schwab agreed to settle this case in mutually beneficial fashion to avoid the burden of protracted litigation. The parties negotiated the settlement at arm's length, with the assistance of a well-respected mediator who formerly served as a federal district court judge. Under the terms of the settlement, Plaintiffs will release only their claim for injunctive relief under Section 7 of the Clayton Act in exchange for Schwab's assessment, creation, and adoption of a robust antitrust compliance program designed

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[1] *See* Schwab Order Execution Advantage, https://www.schwab.com/execution-quality (last visited Aug. 7, 2025)

[2] *See* Anne Stanley, *Best Online Brokers List For 2025: These 3 Brokerages Top The Rest*, Investor's Business Daily (Jan. 24, 2025), https://www.investors.com/news/best-online-brokers-list-2025 (last visited Aug. 7, 2025).

[3] *See* StockBrokers.com 2025 Annual Awards, https://www.stockbrokers.com/annual-awards-2025 (Jan. 28, 2025) (last visited Aug. 7, 2025).

[4] *See* Maisha Shahid, *10 Best Online Brokers and Trading Platforms of 2025*, Forbes Adviser (June 2, 2025), https://www.forbes.com/advisor/investing/best-online-brokers (last visited Aug. 7, 2025).

by a neutral third-party expert. The proposed relief provides meaningful benefit and directly addresses Plaintiffs' claim that they and the class are at risk of prospective injury from future violations of the antitrust laws. *See* Compl. ¶¶ 482, 485. Schwab will not receive a release from class members for monetary claims.

On February 19, 2025, this Court preliminarily approved the settlement. *See* Dkt. 157. Even before this Court's order, Schwab had sent detailed settlement information to relevant federal and state authorities to satisfy its notice obligations under the Class Action Fairness Act, 28 U.S.C. § 1715. *See generally* Mendro CAFA Decl. And in the ensuing months after this Court's preliminary approval, the parties administered a comprehensive campaign at Schwab's expense to provide notice to the class and to offer class members a full opportunity to understand and object to the settlement. Ankura Consulting Group LLC ("Ankura"), the settlement's notice administrator, delivered emails and postcards to over 24 million class members—99.5% of the class—and established a settlement website viewed nearly 300,000 times and a settlement helpline that received nearly 25,000 calls. Dkt. 197-7 ¶¶ 17, 31, 36. Yet as of noon on August 13, from a class of 24,908,212 members, this Court had received only 71 objections on the docket, including both repeat objectors (*e.g.*, Dkts. 184, 215) and non-class members (*e.g.*, Dkt. 245). And many of the "objections" were from Schwab customers who voiced their *support* for Schwab, who saw no "basis" for the suit, Dkt. 228, and who wrote merely to say that they were "entirely satisfied with [Schwab's] products, services and prices," Dkt. 239. By a charitable count, less than *.0003%* of the class objected to the settlement—fewer than three out of every *million* class members.

That fact—and the meaningful relief proposed—weighs heavily in favor of approving the settlement. And for the reasons explained below, the few discrete objections provide no basis for

denying settlement approval. Schwab respectfully requests that the Court enter final approval of the settlement. *See* Dkt. 197.

ARGUMENT

As this Court found in preliminarily approving the settlement, the settlement satisfies Rule 23's requirements. *See* Dkt. 157 ¶ 4. Notice has been provided to the class, and no objector has raised any sufficient ground for rejecting the settlement now.

Taken together, the sparse objections fell into five general categories: (1) the claims lack merit; (2) the named Plaintiffs lack Article III standing; (3) the settlement offers inadequate relief because it does not provide monetary compensation and the value of the antitrust compliance program is supposedly speculative; (4) the settlement notice was insufficient; and (5) the service award and attorneys' fees are unreasonable. None of these arguments warrants denial of settlement approval.

I. The Settlement Is Narrowly And Effectively Tailored To The Claims Released

Schwab appreciates the many supportive comments submitted by its customers during the objection period. *See, e.g.*, Dkt. 240 (opining that "I have not experienced . . . financial damage" from the merger); Dkt. 249 ("I do not believe that Schwab's acquisition of TD Ameritrade caused any harm to me or to other retail investors."); Dkt. 252, at 3 (highlighting "the implicit approval" of the merger "from individuals who remained customers of Schwab during the highly publici[z]ed merger"); Dkt. 254 ("I have not suffered any damages"); Dkt. 258 ("We are very pleased to . . . be a Charles Schwab customer," and the "amount and quality of information and research available" has "improved" after the merger.).

Schwab agrees that Plaintiffs' "claim lacks merit" and "denies any loss or damage to Plaintiffs." Dkt. 197-1, at 1 (Settlement Agreement). As the State of Iowa's objection underscores,

Plaintiffs offered no cognizable theory of antitrust injury, both because "there is a robust market in and competition for" retail order flow, and because the merger benefitted customers by widening "access to $0 fee retail trades," which "redound[s] to the benefit of Schwab's customers." Dkt. 245, at 10. Even aside from the merits of their claims, Plaintiffs would have been unable to support class certification for several reasons, including that an individualized analysis would be required for each trade for thousands of trades for millions of customers. Schwab is confident that it would have prevailed if it litigated this case to judgment.

Although the weakness of Plaintiffs' claims is not a singular reason to deny settlement approval, it is a significant consideration in assessing the adequacy of the settlement. Schwab discusses this point below in response to objections related to the settlement consideration. *See* pp. 10, 12, *infra*; *see also* Fed. R. Civ. P. 23(e)(2)(C)(i) (requiring that the risks of trial and appeal be considered in assessing the adequacy of the relief).

The well-tailored relief proposed by the settlement addresses the single issue common to the alleged class: fear of future potential injury. This settlement, made after extensive, arms-length negotiations, was a difficult decision that took many factors into account. For example, continued litigation would be expensive, requiring internal and external resources and considerable work with outside experts. Some objectors expressed concern about the cost of the settlement, but it is unquestionable that the expense of continued litigation would be many times higher. Continued litigation also would impose excess burdens on Schwab's employees. And it would require the continued exchange of business and customer information that Schwab views as sensitive. On the other hand, settling the case provides mutually beneficial relief and resolves the certainty of cost and uncertainty of litigation. Schwab, therefore, strongly supports approval of the settlement, even though it agrees with several objectors who criticized or disputed the claims.

II. The Named Plaintiffs Have Article III Standing

Some objectors contend that the Court lacks jurisdiction to approve the injunctive relief provided in the settlement because the class representatives cannot demonstrate any future injury and thus lack Article III standing to seek prospective relief. *See, e.g.*, Dkt. 215, at 2-6. Another contends that the settlement gives rise to an Article III redressability problem merely because it promises a lesser form of injunctive relief than complete divestiture. *See* Dkt. 251, at 5. These contentions are incorrect.

To demonstrate Article III standing, a plaintiff must demonstrate (1) an "injury in fact" (2) traceable to the defendant's conduct and (3) that would be redressed by a favorable judicial ruling. *See Lujan v. Defs. of Wildlife*, 504 U.S. 555, 560-61 (1992). The class representatives have standing based on their allegations they "have been" and in the future "*will be injured* by the substantial lessening of competition as a result of the acquisition." Compl. ¶ 485 (emphasis added); *see also id*. ¶ 482, Prayer for Relief ¶ H. This Court previously found that Plaintiffs alleged antitrust injury based on these allegations. Dkt. 40, at 4. The settlement's proposed antitrust compliance program will directly address the risk of ongoing violations of the antitrust laws in the future and will therefore address the risk of resulting harm. As the Antitrust Division of the Department of Justice has observed, an "antitrust compliance program should . . . minimize risk of civil antitrust violations." U.S. Department of Justice Antitrust Division, *Evaluation of Corporate Compliance Programs in Criminal Antitrust Investigations* 2 (Nov. 2024), tinyurl.com/946k8mmn. Although Schwab does not believe Plaintiffs would have been able to prove its allegations of antitrust injury on the merits, "weakness on the merits" is no basis for finding an "absence of Article III standing." *Davis v. United States*, 564 U.S. 229, 249 n.10 (2011).

Moreover, Article III does not require that a settlement provide the precise relief sought in a complaint. Even "partially" redressing injuries suffices for standing's redressability requirement. *See, e.g.*, *Uzuegbunam v. Preczewski*, 592 U.S. 279, 291 (2021) (a dollar in nominal damages satisfies redressability); *Meese v. Keene*, 481 U.S. 465, 476 (1987) (standard for redressability is whether the remedy could "partially redress" the alleged injury). The requirement of partial redress is easily satisfied here. Accordingly, this Court has jurisdiction to approve the settlement.

III. The Settlement Is Reasonable And Offers Real Value To The Class

Objectors contend that the settlement provides inadequate relief because it awards the class no monetary compensation and no ability to opt out, *see, e.g.*, Dkts. 168, 180, 187, 227, 253, and because the value of the promised relief is supposedly speculative, *see, e.g.*, Dkt. 176, at 6-7; Dkt. 245, at 16-19. Those arguments provide no basis for denying settlement approval.

1. There is no merit to the contentions that the settlement is inadequate merely because it promises no monetary compensation and precludes opt-outs. Those are the defining features of a Rule 23(b)(2) class, and there is no inherent unfairness in settlements involving such classes. *See, e.g.*, *Hyland v. Navient Corp.*, 48 F.4th 110, 119 (2d Cir. 2022) (affirming district court's approval of a Rule 23(b)(2) settlement under which the defendant agreed "to implement a number of business-practice enhancements"); *Kincade v. Gen. Tire & Rubber Co.*, 635 F.2d 501, 506-07 (5th Cir. 1981) (no opt-out rights in settlement involving Rule 23(b)(2) class).

Nor is there any unfairness under the facts of this case. The settlement offers no monetary compensation to absent class members precisely *because* they are not releasing individual claims for damages and remain free to pursue those claims in standalone suits. *See, e.g.*, *Wehlage v. Evergreen at Arvin LLC*, 2012 WL 2568151, at *1 (N.D. Cal. June 25, 2012) ("the absence of cash

compensation to the Class is reasonable" because "the Class members retain the ability to pursue separate claims for damages").[5]

One objector asserts that it would be impracticable to pursue individual damages claims because such damages will be "smal[l]," and class claims for damages are now time-barred. *See* Dkt. 251, at 3 (quoting *China Agritech, Inc. v. Resh*, 584 U.S. 732 (2018)). But some objecting class members claim (unpersuasively, in Schwab's view) to have lost significant sums, and those members would have every incentive to litigate individually if they believed their claims were meritorious. *E.g.*, Dkt. 255, at 1 (alleged losses of $509,231); Dkt. 227, at 1 (alleged losses of $267,000); Dkt. 253, at 2 (alleged losses of up to $15,200).[6] Conversely, if individual damages are indeed small, class members' interest in preserving those claims is correspondingly insignificant. Whatever interest they may lose "in practice" is no basis for rejecting the settlement. *Hyland*, 48 F.4th at 120 n.3 (approving settlement despite argument that "class members will not be able to bring individual actions in practice"). Most importantly, as the objections tacitly admit, any such calculations are highly individualized and inappropriate for class treatment.

The fact that class claims for damages are now time-barred is equally irrelevant to the settlement's reasonableness. Under *China Agritech*, class damages claims that were not filed

[5] One objector asserts that the $50 in monetary consideration paid to the named Plaintiffs alone precludes settlement approval. Dkt. 184, at 1, 3-9. But the class representatives are receiving that payment in exchange for their agreement to release their own individual damages claims. No other class members will release their damages claims.

[6] These types of purported losses are in no way related to Schwab's acquisition of Ameritrade. For instance, one objection claimed losses exceeding $500,000 based entirely on allegations that Ameritrade blocked purchases and sales of AMC shares and call options during January 2021. *See* Dkt. 255. Measures taken in response to unprecedented volatility in meme stocks are unrelated to Schwab's acquisition of Ameritrade and were the subject of separate litigation. *See generally In re: January 2021 Short Squeeze Trading Litig.*, No. 1:21-md-02989-CMA (S.D. Fla.). Nevertheless, objectors remain free under the settlement to pursue their own individual claims.

within the statute of limitations expired because they were not timely filed—not *because of the settlement*. 584 U.S. at 748 ("Time to file a class action falls outside the bounds of *American Pipe*" tolling.). Furthermore, no objector even attempts to argue that this case had any reasonable prospect of being certified as a damages class. It did not. Plaintiffs claimed that they were damaged by unfavorable execution prices, but the execution price for any single securities transaction is idiosyncratic. As explained above, it depends on a multitude of individualized factual variables that change by millisecond. Here, Plaintiffs contended that hundreds of millions of trades transacted *over nearly five years* would have been executed at different prices if Schwab had never acquired Ameritrade. Setting aside the merits, that theory could never have been proven on a classwide basis. The individualized questions of fact it would raise would vastly predominate over any common questions. Therefore, no damages class could have been certified in this case. *See* Fed. R. Civ. P. 23(b)(3).

In any event, a class action is "an exception to the usual rule" that litigation is a one-on-one endeavor, *Califano v. Yamasaki*, 442 U.S. 682, 700-01 (1979), and no one has a right "to bring their own separate class action," *In re Jan. 2021 Short Squeeze Trading Litig.*, 2023 WL 6534502, at *10 (S.D. Fla. Sept. 7, 2023) (quoting *In re Facebook, Inc., IPO Sec. & Derivative Litig.*, 2013 WL 4399215, at *6 (S.D.N.Y. Aug. 13, 2013)). Class members "remain free to pursue their claims through an individual action, which would permit them to obtain a ruling on the merits of their claims" for damages. *Id.*

2. The value of the settlement relief is far from speculative. Schwab's antitrust compliance program will offer significant value to its customers, and it falls well within the range of reasonable remedies for settling the claim Plaintiffs assert.

The Fifth Circuit tasks courts assessing a class action settlement's adequacy to weigh the promised remedies against "the probability of plaintiffs' success on the merits" if the case were litigated to judgment. *Reed v. Gen. Motors Corp.,* 703 F.2d 170, 172 (5th Cir. 1983). In performing that "balancing task," courts are "entitled to rely upon the judgment of experienced counsel for the parties," and "absent fraud, collusion, or the like, should be hesitant to substitute its own judgment for that of counsel." *Cotton v. Hinton*, 559 F.2d 1326, 1330 (5th Cir. 1977). And courts should be especially hesitant to second-guess the fairness of injunction-only settlements, given the difficulty in "judg[ing] with confidence the value of the terms of" a settlement that "provides for injunctive relief" alone. *Garcia v. L.A. Cnty. Sheriff's Dep't*, 2015 WL 13646906, at *10 (C.D. Cal. Sept. 14, 2015) (quotation marks omitted) (approving injunction-only class action settlement); *see McAlarnen v. Swift Transp. Co.*, 2010 WL 365823, at *10 (E.D. Pa. Jan. 29, 2010) (finding that "proposed settlement falls within the range of reasonableness," even though it was "difficult to quantify the value of the settlement").

Judged against those deferential principles, the settlement here is more than fair, reasonable, and adequate. The parties settled after a robust mediation process before the Honorable Nancy F. Atlas, a highly respected mediator and former federal district court judge. Dkt. 197-6 ¶¶ 1, 3. Judge Atlas opined that "[t]he proposed settlement was reached through a robust negotiation process." *Id.* ¶ 6. "The negotiations were hard-fought" and "conducted at arm's length," with "no apparent collusion between the parties." *Id.* ¶ 7. That alone is reason to presume the settlement is reasonable. *See Cotton*, 559 F.2d at 1330.

Based on their hard-fought negotiation, the parties agreed that Schwab would implement an antitrust compliance program based on the recommendations of leading antitrust attorneys from the law firm Fried, Frank, Harris Shriver & Jacobson LLP. The program's principal consultant,

Bernard Nigro, previously served as the Department of Justice's Principal Deputy Assistant Attorney General for Antitrust and the Federal Trade Commission's Deputy Director for the Bureau of Competition. And contrary to objectors' concerns that the antitrust compliance program will be unenforceable, *e.g.*, Dkt. 176, at 6, the parties expressly agreed to "reques[t] that the Court retain jurisdiction to enforce the terms of the settlement," Dkt. 197-6 ¶ 9; *see* Dkt. 197-1 § 13.3. As explained above (and as Plaintiffs agree, *see* Dkt. 197, at 5-6), the compliance program will directly address the purported injuries alleged in the complaint.

That promises real, tangible value to the class. The Department of Justice has underscored that "[a]ntitrust compliance programs promote vigorous competition in a free market economy by creating a culture of good corporate citizenship." *Evaluation of Corporate Compliance Programs in Criminal Antitrust Investigations*, *supra*, at 1. "[W]hen potential antitrust issues arise, an effective compliance program should enable a company to swiftly detect and address them." *Id.* Thus, "[a] strong culture of compliance can allow a company to steer clear of civil antitrust violations and, if violations do occur, to promptly self-disclose and remedy them and cooperate with a civil antitrust investigation." *Id.* at 1-2. As Judge Atlas opined, the settlement "provides meaningful relief to the members of the settlement class." Dkt. 197-6 ¶ 10.

For their part, Plaintiffs attempt to demonstrate the value of the antitrust compliance program through an expert report purporting to quantify the monetary value of specific measures Schwab could introduce. *See* Dkt. 205. Schwab does not endorse that report's recommendations and has not agreed to adopt the measures it outlines. Since Schwab is not bound by the report's premature proposals, its value calculations are conjecture. But nothing turns on this Court's acceptance of that report's specific calculations. There is nothing conjectural about Schwab's implementation of a robust antitrust compliance program. The program will offer real value to

class members, even if the value may be difficult to quantify. *See Garcia*, 2015 WL 13646906, at *10; *accord* Dkt. 205 ¶ 87 ("the recommended features outlined in this report are not the only viable methods through which the Compliance Program could generate consumer benefits in the form of greater price improvement").

Schwab acknowledges, of course, that the settlement does not promise the divestiture remedy and damages that Plaintiffs requested in their complaint. But "compromise is the essence of a settlement," and it inherently requires "a yielding of absolutes and an abandoning of highest hopes." *Cotton*, 559 F.2d at 1330 (quotation marks omitted). Objectors questioning the adequacy of the settlement fail to acknowledge the weaknesses in Plaintiffs' suit, including the very real risk that laches serves as a complete defense. *See* Dkt. 40, at 13-14 ("laches defense will undoubtedly present disputed issues of fact regarding the unreasonableness of any delay and the prejudice suffered by Defendant"). That the settlement provides no monetary relief to class members—and that Schwab is willing to forgo a release of monetary claims—reflects the reality that Plaintiffs had no theory of damages or antitrust injury that was likely to succeed. The promised antitrust compliance program falls well within the range of reasonableness required for settlement approval.[7]

[7] This case is far afield from the cases disapproving injunction-only settlements discussed by objectors. In *In re Subway Footlong Sandwich Mktg. & Sales Pracs. Litig.*, 869 F.3d 551 (7th Cir. 2017), Subway simultaneously promised both to take steps to ensure that the bread loaves of its foot-long sandwiches were all twelve inches long and to issue a disclaimer that it could even *possibly* provide consistent "uniformity in bread length" at twelve inches. *Id.* at 557. In the Seventh Circuit's view, that contradictory disclaimer confirmed that Subway's promised steps were "worthless" and did nothing in reality to reduce the risk that it might "sell a class member a sandwich that is slightly shorter than advertised." *Id.* at 556-57. And in *Koby v. ARS National Services, Inc.*, 846 F.3d 1071 (9th Cir. 2017), a defendant debt collection company promised to make disclosures in *future* voicemail messages for two years, but that promise was "worthless" to the class, which was defined to include those had received voicemail messages *years before* and were unlikely to be subject to future collection efforts by the defendant. *Id.* at 1079. For the reasons explained above, the settlement here is far from worthless. Unlike *Subway*, the settlement

IV. The Settling Parties Provided Ample Notice

Objectors also claim that the settling parties provided inadequate notice to the class, because (1) notice came late to some; (2) the notice failed to apprise class members that the statute of limitations has expired for class damages claims; and (3) Schwab failed to provide Iowa the required notice under the Class Action Fairness Act ("CAFA"). These objections lack merit.

1. The settling parties administered a comprehensive notice plan with the aid of Ankura Consulting Group LLC, which has extensive experience in administering class-wide notice. Ankura developed a campaign that provided direct notice to all reasonably identifiable members of the settlement class via email or postcard and offered a dedicated website, class helpline, and helpdesk support. Dkt 197-7 ¶¶ 8-28. As of July 15, the campaign had sent 18,333,070 notices by email and 5,832,294 notices through the mail on a rolling basis, reaching 24,165,364 class members—97% of the class. *Id.* ¶ 36. Another batch of postcards followed on July 16, increasing coverage to 99.5% of the class. *Id.*

That amply satisfies Rule 23 and due process. Under Rule 23, courts must "direct notice *in a reasonable manner* to all class members who would be bound by" the proposed settlement. Fed. R. Civ. P. 23(e)(1)(B) (emphasis added); *see* Newburg on Class Actions § 11.53 (4th ed. 2002) ("Rule 23 does not require the parties to exhaust every conceivable method of identifying the individual class members."). Due process similarly requires that "a settlement notice" satisfy only "broad *reasonableness* standards." *In re Katrina Canal Breaches Litig.*, 628 F.3d 185, 197 (5th Cir. 2010) (emphasis added); Newburg on Class Actions § 11.53 ("Due process does not require actual notice, but rather a good faith effort to provide actual notice."). Those standards "requir[e]

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will *in fact* reduce the risk of antitrust harms. And unlike *Koby*, that reduced risk will redound to the benefit of the class of *current* Schwab customers.

only that notice be mailed individually to 'all class members whose names and addresses may be ascertained through reasonable effort.'" *Montelongo v. Meese*, 803 F.2d 1341, 1351-52 (5th Cir. 1986) (quoting *Eisen v. Carlisle & Jacquelin*, 417 U.S. 156, 173 (1974)). Acting through Ankura, the settling parties' iterative and overlapping efforts to reach class members were more than reasonable—as the numerous objections filed in this Court, the hundreds of thousands of settlement website visits, and thousands of helpline calls all confirm. *See* Dkt. 197-7 ¶¶ 17, 31.

Nonetheless, one class member who received notification in the final batch of postcards objects that the objection period was too "short." Dkt. 219. But the parties made every reasonable effort to send emails and postcards by early May. Dkt. 197-7 ¶¶ 24-25. All 18 million emails and over 2 million postcards had been sent by May 2; those receiving postcards in July simply could not be reached via email. *Id.* ¶¶ 27-28. And even the objector who received a postcard in the final batch managed to submit a timely objection.

The State of Iowa alone claims that the settlement website was missing information, such as the settlement agreement and fee motion. Dkt. 245, at 26. But those purported deficiencies are either illusory or irrelevant. The website *did* include the settlement agreement; it was attached to the preliminary approval motion posted to the site. As for the fee motion, this Court's preliminary approval order required only posting of "the Stipulation and its exhibits, this Order, and a copy of the Notice"—not the fee motion, which the Court stated it would consider separately from the settlement itself. Dkt. 157 ¶¶ 12, 16, 26.[8] In any event, that website was merely offered as an additional resource, alongside a class helpline and helpdesk. Dkt. 197-7 ¶¶ 30-34. The

[8] Moreover, upon Iowa's objection, the settlement website was promptly updated to include the fee motion. *See* Settlement Website, https://www.schwabcorrentesettlement.com/documents.

comprehensive email and postcard campaign alone sufficed to provide constitutionally sufficient notice to all reasonably identifiable class members.

There can be no serious dispute that the settling parties made at least "good faith" efforts to effectuate timely and complete notice. Newburg on Class Actions § 11.53. Rule 23 and due process demand nothing more.

2. Another objector contends that the notice is deficient because it "says nothing about the legal effect of a settlement approval on *class* claims for past damages." Dkt. 251, at 4 (emphasis added). But there is no legal entitlement to litigate damages on a classwide basis. *See* p. 9, *supra*. And in any event, a settlement notice "need not explain . . . all the consequences involved in the settlement" or "provide a complete source of settlement information." *Maher v. Zapata Corp.*, 714 F.2d 436, 452 (5th Cir. 1983). Schwab is aware of no case declining to approve a settlement because of failure to apprise class members of an affirmative defense potentially applicable to claims the settlement does not even release. *See In re Polyurethane Foam Antitrust Litig.*, 168 F. Supp. 3d 985, 1002 (N.D. Ohio 2016) ("cases where the court found notice was insufficient" involve "egregious" failures). The objector cites none. *See* Dkt. 251, at 3-4.

3. Iowa objects that it received inadequate notice under CAFA, but Schwab fully complied with that statute. On February 14, Schwab sent a CAFA notice to the attorneys general of all U.S. States, including Iowa, as well as to other authorities. Mendro CAFA Decl. ¶ 3. Schwab received confirmation that these letters reached all intended recipients (except the Attorney General of American Samoa). *Id.* ¶ 4.

Iowa now objects that it received only two pages of the notice, attaching an exhibit to its objection that includes only pages one and four of the notice. Dkt. 245-1. Although the exhibit bears a stamp showing that the State received the notice on February 18, 2025, Iowa did not request

any missing pages before filing its objection more than five months later. Nor has Schwab found any evidence that its notice to Iowa was incomplete when sent; other States whose notice was assembled and transmitted in the same way and at the same time confirmed receiving full notice. And Ankura, which was responsible for mailing the CAFA notices, confirms its belief that Iowa's "notice was complete when sent" and complied with Ankura's quality control process for the notices. Northeim CAFA Decl. ¶¶ 6-11.

Schwab's first record of communication from Iowa was on July 29, 2025, when—after filing the objection—counsel for Iowa requested full notice. Schwab promptly provided it the next day. *See* Mendro CAFA Decl. ¶ 3 n.1. There is no basis for finding a CAFA violation on these facts, and any such error would be harmless in light of Iowa's timely objection. As the Senate Committee Report on CAFA explained, CAFA "is not intended to allow settlement class members to walk away from an approved settlement based on a technical noncompliance (e.g., . . . failure of the official to receive notice that was sent), particularly where good faith efforts to comply occurred." S. Rep. 109-14, at 35 (2005).

V. The Service Award And Attorneys' Fees Cast No Doubt On The Settlement

Several class members object that the service awards to the named Plaintiffs and the attorney's fees are unfair. *E.g.*, Dkts. 187, 202, 208, 210; *see also* Dkt. 245, at 12 & n.1. Neither offers a basis to reject the settlement. The parties expressly agreed that "[t]he approval, finality and effectiveness of this Stipulation of Settlement shall not be contingent on an award of Attorney's Fees and Expenses, or on any Service Awards to Plaintiffs." Dkt. 197-1 § 7.4. This Court recognized the same in preliminarily approving the settlement. Dkt. 157 ¶ 12.

Rule 23 requires courts to consider "the terms of any proposed award of attorney's fees" in assessing a settlement's adequacy. Fed. R. Civ. P. 23(e)(2)(C)(iii). That requirement exists

principally "to protect the class from an attorney fee award that usurps the class's recovery." *In re Chinese-Manufactured Drywall Prods. Liab. Litig.*, 2020 WL 836348, at *5 (E.D. La. Feb. 20, 2020) (citing *Piambino v. Bailey*, 610 F.2d 1306, 1327-28 (5th Cir. 1980)). There is no such concern here, where the fee award—made on its explicit terms at the Court's discretion—would not be deducted from the class recovery, but instead would be paid in full by Schwab. Dkt. 197-1 § 7.1.

CONCLUSION

Schwab respectfully requests that the Court overrule the objections and enter final approval of the settlement.

August 14, 2025

Respectfully submitted,

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Attorneys for Defendant The Charles Schwab Corporation

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing document was filed electronically in compliance with Local Rule CV-5(a). As such, this notice was served on all counsel of record who have consented to electronic service on this 14th day of August, 2025.

/s/ Melissa R. Smith
Melissa R. Smith

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

JONATHAN CORRENTE, CHARLES SHAW, AND LEO WILLIAMS, EACH INDIVIDUALLY AND ON BEHALF OF ALL OTHERS SIMILARLY SITUATED, *Plaintiffs*, v. THE CHARLES SCHWAB CORPORATION, *Defendant*.	CIVIL ACTION NO. 4:22-CV-470-ALM HON. AMOS L. MAZZANT, III

DECLARATION OF JASON J. MENDRO
REGARDING DEFENDANT'S CAFA MAILING

I, Jason J. Mendro, declare and state as follows:

1. I am a partner with the law firm of Gibson, Dunn & Crutcher LLP. I represent Defendant The Charles Schwab Corporation ("Schwab") in this matter.

2. Pursuant to paragraph 6.8 of the Stipulation and Agreement of Settlement (Dkt. No. 154-1), I submit this Declaration detailing Defendant's compliance with the notice requirements of the Class Action Fairness Act, 28 U.S.C. § 1711, *et seq.* ("CAFA").

3. On February 14, 2025, Defendant caused the letter attached hereto as **Exhibit A** ("CAFA Notice") to be sent to the Attorney General of the United States via certified mail, return receipt requested, providing notice of the proposed settlement in this action in accordance with 28 U.S.C. § 1715. (In the exhibit, links and passwords to databases containing the personal information of class members have been redacted for their protection.) A similar CAFA Notice was also sent to the attorneys general of all U.S. states and territories or their designated representatives (modified only with respect to the mailing address and information specific to each

state or territory). At the Court's request, a copy of each individual CAFA Notice that was sent can be provided.[1]

4. Defendant has received confirmation that these letters reached all intended recipients, excepting the Attorney General of American Samoa, who received and confirmed service electronically due to difficulties related to physical mail delivery.

5. Attached hereto as **Exhibit B** is a list of the recipients to whom the CAFA Notices were sent.

6. Pursuant to 28 U.S.C. § 1715(b), the CAFA Notices served copies, through secure file transfer links, of the following materials: the complaint filed in this action (Dkt. No. 1); Plaintiffs' Unopposed Motion for Preliminary Approval of Class Action Settlement (Dkt. No. 154); and documents filed in conjunction with the motion for preliminary approval of the settlement, including the Stipulation and Agreement of Settlement ("Stipulation") (Dkt. No. 151-1), the proposed notices for the proposed settlement, and the proposed judgment approving the settlement (Dkt. No. 154-8). Each CAFA notice also included secure links to files containing a list of all reasonably identifiable Settlement Class Members residing in each corresponding United States state and/or territory.

[1] On July 29, 2025, the State of Iowa filed an Objection to Class Action, stating (among other things) that it received an "incomplete and deficient notice." Dkt. No. 245 at 25. The objection attaches an exhibit including only pages one and four of the notice, and omitting pages two and three. Dkt. No. 245-1. Although the exhibit bears a stamp showing that the State received the notice on February 18, 2025, Iowa has not stated that it requested any missing pages before filing its objection more than five months later. Nor has Defendant been able to confirm that its notice to Iowa was incomplete when sent; other states whose notice was assembled and transmitted in the same way and at the same time confirmed receiving full notice. Defendant's first record of communication from Iowa was on July 29, 2025, when—after filing the objection—counsel for Iowa requested full notice. Defendant's counsel replied with the full notice the next morning, July 30, 2025.

7. To the best of my knowledge, Defendant has fully complied with CAFA and has satisfied all of its obligations thereunder.

I declare under penalty of perjury that the foregoing is true and correct. Executed on this 14th day of August, 2025, at Washington, D.C.

By: */s/ Jason J. Mendro*
Jason J. Mendro

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing document was filed electronically in compliance with Local Rule CV-5(a). As such, this notice was served on all counsel of record who have consented to electronic service on this 14th day of August, 2025.

/s/ *Jason J. Mendro*
Jason J. Mendro

EXHIBIT A

GIBSON DUNN

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Tel 202.955.8500
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Jason J. Mendro
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JMendro@gibsondunn.com

February 13, 2025

VIA USPS CERTIFIED MAIL, RETURN RECEIPT REQUESTED

U.S. Attorney General Pamela Bondi
Office of the Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue NW
Washington, D.C. 20530-0001

Re: Notice of Proposed Settlement in *Corrente v. The Charles Schwab Corporation*, 4:22-cv-00470 (E.D. Tex.)

Dear Attorney General Bondi:

Pursuant to 28 U.S.C. § 1715, enacted as part of the Class Action Fairness Act of 2005, Defendant The Charles Schwab Company ("Schwab") hereby provides your office with notice of a proposed settlement in the above-referenced matter (the "Litigation") pending the United States District Court for the Eastern District of Texas, Sherman Division (the "Court"). The Litigation asserts claims under Section 7 of the Clayton Act (15 U.S.C. § 18). The case does not involve any state law claims.

The proposed Settlement Class consists of persons, entities, and corporations who are current U.S. brokerage customers of Schwab or any of its affiliates, including customers who previously held accounts at TD Ameritrade. Excluded from the Settlement Class are: (a) the Defendant; (b) its employees, officers, directors, legal representatives, heirs, successors, and wholly or partly owned subsidiaries or affiliates; and (c) the judicial officers and their immediate family members and associated court staff assigned to this case.[1]

In conjunction with this notice, please find copies of the following documents:

1. Complaint (June 2, 2022) (Dkt. No. 1) (**Attachment A**)

2. Plaintiffs' Unopposed Motion for Preliminary Approval of Class Action Settlement (February 4, 2025) (Dkt. No. 154) (**Attachment B**), and concurrently filed documents which include the below:

[1] Unless otherwise defined herein, capitalized terms have the same meaning as they have in the Stipulation and Agreement of Settlement.

a. Stipulation and Agreement of Settlement with The Charles Schwab Corporation (December 12, 2024) ("Stipulation") (Dkt. No. 154-1)

   i. Stipulation Ex. A (Proposed Order Granting Plaintiffs' Motion for Preliminary Approval of Class Action Settlement and for Issuance of Notice to the Settlement Class)

   ii. Stipulation Ex. B (Proposed Order and Final Judgment Approving Class Action Settlement)

   iii. Stipulation Ex. C (Notice of Proposed Class Action Settlement) ("Notice")

   iv. Stipulation Ex. D (Summary Notice of Proposed Class Action Settlement) ("Summary Notice")

   v. Stipulation Ex. E (Language for Future Public Statements on Resolution of the Matter)

b. Joint Declaration of Christopher Burke and Yavar Bathaee in Support of Plaintiffs' Unopposed Motion for Preliminary Approval of Class Settlement (Dkt. No. 154-2), with exhibits

c. Declaration of Jonathan Corrente in Support of Plaintiffs' Unopposed Motion for Preliminary Approval of Class Settlement (Dkt. No. 154-3)

d. Declaration of Charles Shaw in Support of Plaintiffs' Unopposed Motion for Preliminary Approval of Class Settlement (Dkt. No. 154-4)

e. Declaration of Leo Williams in Support of Plaintiffs' Unopposed Motion for Preliminary Approval of Class Settlement (Dkt. No. 154-5)

f. Declaration of the Honorable Nancy F. Atlas (Ret.), Mediator (Dkt. No. 154-6)

g. Declaration of Michael T. Northeim on Behalf of Ankura Consulting Group, LLC. Regarding Notice Plan (Dkt. No. 154-7), with exhibits

h. Proposed Order Granting Plaintiffs' Motion for Preliminary Approval of Class Action Settlement and for Issuance of Notice to the Settlement Class (Dkt. No. 154-8)

3. List of all reasonably identifiable putative Settlement Class Members.

The Complaint and Plaintiffs' Unopposed Motion for Preliminary Approval of Class Action Settlement, with all accompanying attachments, are available here: https://rb.gy/fcmtay. The password to access these files is: **a7H3k9T2**. Upon request, Defendant will also transmit physical versions of these files to your office.

Defendant has access to information sufficient to identify and provide the names of putative Settlement Class Members who reside in each state. A list of the names of all such reasonably identifiable individuals, their states of residence, and the proportion of Settlement Class Members residing in each state is available here: [redacted]. The password to access these files is: [redacted]. Upon request, Defendant will also transmit a physical copy of this list to your office.

The Notice Administrator will notify Settlement Class Members by sending a copy of the Summary Notice to the email address of each putative Settlement Class Member who can be identified with reasonable effort. For any Settlement Class Member whose email address is not reasonably available to the Notice Administrator, or from whose email address a delivery-failure notice is sent in response to attempted electronic delivery of the Summary Notice, the Notice Administrator shall endeavor to send a paper copy of the Summary Notice to that Settlement Class Member's physical mailing address of record by First Class mail. The Notice Administrator shall also publish and make available for download the Notice on a website that the Notice Administrator shall establish and maintain at: www.SchwabCorrenteSettlement.com.

Co-Lead Counsel for the Settlement Class filed the parties' proposed Stipulation and associated documents with the Court on February 4, 2025. At this time, there are no written judicial opinions relating to the proposed notice to the class, the preliminary or final approval of the Settlement, or other matters discussed in 28 U.S.C. § 1715(b)(3)–(6). There is no date currently set for the Fairness Hearing. Notice of further scheduled hearings or relevant judicial opinions may be found by visiting the "PACER" online docket for the above-captioned matter at: https://ecf.cand.uscourts.gov/cgi-bin/ShowIndex.pl.

Should you have any questions regarding this matter, please do not hesitate to contact me directly.

Sincerely,

/s/ Jason J. Mendro

Jason J. Mendro
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JMendro@gibsondunn.com
Counsel for Defendant The Charles Schwab Corporation

EXHIBIT B

DECLARATION OF MICHAEL T. NORTHEIM

ON BEHALF OF

ANKURA CONSULTING GROUP, LLC

REGARDING CAFA NOTICE

1. I am a Managing Director at Ankura Consulting Group, LLC, Inc. ("Ankura"). The following statements are based on my personal knowledge, the information provided to me by Defendant's counsel and other Ankura employees working on this matter, and records of Ankura generated and maintained in the usual course of its business. If called on to do so, I could and would testify competently hereto.

2. Ankura is located at 2000 K St NW 12th Floor, Washington, DC 20006.

3. Ankura is a leader in the settlement administration industry and has extensive experience administering settlements and providing court approved notice of class actions. Over the past 15 years, we have provided notification and/or settlement administration services in some of the highest-profile and most complex matters. Ankura offers a wide range of settlement administrative services for developing, managing and executing all stages of integrated settlement plans.

4. My Declaration Regarding the Proposed Notice Plan, filed with this Court on February 4, 2025, described my experience, as well as exhibits presenting detailed information concerning Ankura's relevant settlement administration experience.

5. After Plaintiffs filed their Unopposed Motion for Preliminary Approval of Class Action Settlement with this Court on February 4, 2025, Ankura began work assisting Defendant's counsel in preparing and transmitting the notices required under the Class Action Fairness Act of 2005 ("CAFA"), particularly 28 U.S.C. § 1715.

6. Ankura personnel printed all CAFA notices in small batches consisting of approximately ten letters each, organized alphabetically by state.

7. Once a batch had been printed, Ankura personnel then placed each CAFA notice in that batch in its own envelope, labelled with the mailing address of the State or Federal official to

which it would be sent. Ankura personnel double-checked the contents of each envelope to verify that the addressee on the letter and the addressee on the envelope matched. Once the verification was completed, Ankura personnel sealed each envelope.

8. Ankura team members repeated this process, batch by batch, until all CAFA notices were ready for shipment.

9. This process conformed to Ankura's typical practice for preparing and mailing CAFA notices. In my experience, this process is well-suited to identifying and correcting any potential errors before CAFA notices are sent, including but not limited to identifying any missing pages in the notices.

10. Ankura personnel prepared the CAFA notice for the State of Iowa according to this process.

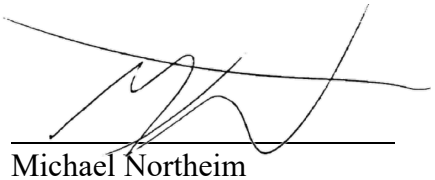
11. To the best of my knowledge, the State of Iowa's CAFA notice was complete when sent.

12. Ankura received confirmation that the State of Iowa's CAFA notice was successfully delivered on February 17, 2025.

13. Neither I nor any other Ankura teammate has a record of receiving any communication from the State of Iowa suggesting that its CAFA notice was missing pages or defective in any other respect.

14. I declare under penalty of perjury under the laws of the United States and the District of Columbia that the foregoing is true and correct.

Executed on August 14, 2025, at Washington, District of Columbia.



Michael Northeim