

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK: COMMERCIAL DIVISION

	X	
In re DOUYU INTERNATIONAL	:	Index No. 651703/2020
HOLDINGS LIMITED SECURITIES	:	Part 53
LITIGATION	:	Justice Andrew Borrok
	:	
	:	Motion Seq. No. 009
This Document Relates To:	:	
	:	<u>CLASS ACTION</u>
THE CONSOLIDATED ACTION.	:	
	:	
	:	
	X	

**REPLY MEMORANDUM OF LAW IN SUPPORT OF: (1) PLAINTIFFS’  
MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT  
AND PLAN OF ALLOCATION; (2) PLAINTIFFS’ COUNSEL’S  
APPLICATION FOR ATTORNEYS’ FEES AND EXPENSES;  
AND (3) NAMED PLAINTIFFS’ REQUESTS FOR SERVICE AWARDS**

**TABLE OF CONTENTS**

	<b>Page</b>
I. INTRODUCTION .....	1
II. THE REACTION OF THE SETTLEMENT CLASS FURTHER SUPPORTS APPROVAL OF THE SETTLEMENT, THE PLAN OF ALLOCATION, AND THE FEE AND EXPENSE APPLICATION .....	2
A. The Court-Approved Robust Notice Program .....	2
B. The Settlement Class’s Reaction Supports Approval of the Settlement and the Plan of Allocation .....	3
C. The Settlement Class’s Reaction Supports Approval of Requested Attorneys’ Fees and Expenses, and the Requested Service Awards .....	4
III. CONCLUSION.....	5

## TABLE OF AUTHORITIES

	Page
<b>CASES</b>	
<u><i>In re AT&amp;T Corp. Sec. Litig.</i></u> <u>2005 WL 6716404 (D.N.J. Apr. 25, 2005)</u> .....	4
<u><i>In re Payment Card Interchange Fee &amp; Merch. Disc. Antitrust Litig.</i></u> <u>986 F. Supp. 2d 207 (E.D.N.Y. 2013),</u> <u>rev'd and vacated on other grounds,</u> <u>827 F.3d 223 (2d Cir. 2016)</u> .....	4
<u><i>In re Veeco Instruments Inc. Sec. Litig.</i></u> <u>2007 WL 4115808 (S.D.N.Y. Nov. 7, 2007)</u> .....	5
<u><i>In re Veeco Instruments Inc. Sec. Litig.</i></u> <u>2007 WL 4115809 (S.D.N.Y. Nov. 7, 2007)</u> .....	4
<u><i>In re Virtus Inv. Partners, Inc. Sec. Litig.</i></u> <u>2018 WL 6333657 (S.D.N.Y. Dec. 4, 2018)</u> .....	4
<u><i>Vaccaro v. New Source Energy Partners L.P.</i></u> <u>2017 WL 6398636 (S.D.N.Y. Dec. 14, 2017)</u> .....	5
<u><i>Wal-Mart Stores, Inc. v. Visa U.S.A. Inc.</i></u> <u>396 F.3d 96 (2d Cir. 2005)</u> .....	3

Pursuant to CPLR Article 9, Plaintiffs (consisting of State Plaintiffs Marcus Chelf and Pavel Kovalenko in this State Action, together with Federal Plaintiffs Li Yunyan and Heng Huang in the related Federal Action), and Lead Counsel in this State Action and Lead Counsel in the Federal Action, respectfully submit this single reply brief in further support of Plaintiffs' Motion for Final Approval of Class Action Settlement and Plan of Allocation, and Plaintiffs' Counsel's Application for Attorneys' Fees and Expenses, including service awards for the four named Plaintiffs (the "Fee and Expense Application").<sup>1</sup>

## I. INTRODUCTION

The reaction of the Settlement Class confirms that all aspects of the proposed \$15,000,000 Settlement are fair and reasonable, and should be approved. Following an extensive Court-approved notice program – including the mailing of Notice to over 15,000 potential Settlement Class Members and nominees – *not a single member of the Settlement Class objected to any aspect of the Settlement, the Plan of Allocation, the application for attorneys' fees and expenses, or the named Plaintiffs' request for service awards*. This absence of *any* objections represents a significant endorsement by the Settlement Class (the group most affected by the pending Motions) of the proposed Settlement and the requested fees and expenses. Indeed, the complete absence of objections is especially noteworthy because institutional investors held a large percentage of DouYu ADSs during the Class Period – and even though such investors typically have the staff and resources to object if they believe there is cause to do so, *none* did so here. Similarly, not a single investor has requested exclusion from the Settlement Class.

---

<sup>1</sup> Unless otherwise indicated herein, all capitalized terms have the meanings set forth in the Stipulation of Settlement (the "Stipulation") filed with the Court on June 8, 2022 ([NYSCEF No. 155](#)); all citations and internal quotation marks are omitted; and all emphasis is added.

As explained below, this unanimously positive reaction of Settlement Class Members further supports a finding that the proposed Settlement, Plan of Allocation, and Fee and Expense Application are all fair and reasonable, and should be approved.

**II. THE REACTION OF THE SETTLEMENT CLASS FURTHER SUPPORTS APPROVAL OF THE SETTLEMENT, THE PLAN OF ALLOCATION, AND THE FEE AND EXPENSE APPLICATION**

Plaintiffs and Lead Counsel respectfully submit that their opening papers demonstrated why approval of the Settlement and the Fee and Expense Application are both warranted. Now that the time for objecting or requesting exclusion from the Settlement Class has passed, the absence of a single objection (and absence of even a single request for exclusion), establishes that the “reaction of the class” factor also strongly supports approval of both.

**A. The Court-Approved Robust Notice Program**

In accordance with the Court’s Preliminary Approval Order, 15,127 copies of the Notice of Proposed Settlement of Class Action (the “Notice”) and Proof of Claim and Release (“Proof of Claim”) have been mailed to potential Settlement Class Members and their nominees. *See* accompanying Supplemental Affidavit of Ross D. Murray [of Gilardi & Co. LLC (“Gilardi”), the Court-appointed claims administration firm in this matter] Regarding Notice Dissemination and Requests for Exclusion Received to Date (the “Suppl. Murray Aff.”), at ¶4. 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 33-1/3% of the Settlement Fund, as well as payment of litigation expenses (plus service awards to the four named Plaintiffs in a total amount not to exceed \$20,000). *See* Notice at p.7, §18. The Notice also apprised Settlement Class Members of: (a) their right to object to the proposed Settlement, the Plan of Allocation, the request for attorneys’ fees and expenses, and the proposed service awards to Plaintiffs; (b) their right to exclude themselves from the Settlement Class; and (c) the November 1,

2022 deadline for exclusions, and the November 10, 2022 deadline for filing objections. *See* Notice at pp. 6-8, §§14, 19, 21.<sup>2</sup>

On October 27, 2022, five days before the exclusion deadline and two weeks before the objection deadline, Plaintiffs and Lead Counsel filed their opening papers in support of the Settlement, Plan of Allocation, fee and expense request, and service awards. These papers are available on the public docket, and were also posted on the dedicated Settlement website. *See* [www.DouYuSecuritiesLitigation.com](http://www.DouYuSecuritiesLitigation.com).

As noted above, following implementation of this notice program, ***not a single Settlement Class Member has objected*** to the Settlement, the Plan of Allocation, Lead Counsel's application for attorneys' fees and litigation expenses, or Plaintiffs' request for service awards. Moreover, no requests for exclusion from the Settlement Class have been received. *See* Supp. Murray Aff. at ¶¶5-6.

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

The absence of any objections or requests for exclusion is yet another factor (beyond those already discussed in the opening briefs) that strongly supports a finding that the Settlement is fair, reasonable, and adequate. Indeed, federal courts in analogous circumstances have held that "the favorable reaction of the overwhelming majority of class members to the Settlement is perhaps the most significant factor" when inquiring into the fairness and adequacy of the Settlement. [\*Wal-Mart Stores, Inc. v. Visa U.S.A. Inc.\*, 396 F.3d 96, 119 \(2d Cir. 2005\)](#); *see also id.* at 118 ("If only a small

---

<sup>2</sup> The Summary Notice, which informed readers of the proposed Settlement, how to obtain copies of the Notice and Proof of Claim form, and the deadlines for the submission of Proof of Claim forms, objections, and requests for exclusion, was published in *Investor's Business Daily* on September 5, 2022, and released over the *PR Newswire* on September 6, 2022. *See* Affidavit of Ross D. Murray Regarding Notice Dissemination, Publication, and Requests for Exclusion Received to Date ([NYSCEF No. 178](#) at ¶12).

number of objections are received, that fact can be viewed as indicative of the adequacy of the settlement.”) (quoting 4 NEWBERG ON CLASS ACTION §11.41); *see also* [In re Virtus Inv. Partners, Inc. Sec. Litig.](#), 2018 WL 6333657, at \*2 (S.D.N.Y. Dec. 4, 2018) (“the absence of objections by the class is extraordinarily positive and weighs in favor of settlement”).

It is also particularly significant that no institutional investors – which held a large percentage of DouYu ADSs during the Class Period – have objected to the Settlement. Institutional investors are often sophisticated and possess the incentive and ability to object. The absence of objections by these sophisticated class members is thus further evidence of the fairness of the Settlement. *See* [In re AT&T Corp. Sec. Litig.](#), 2005 WL 6716404, at \*4 (D.N.J. Apr. 25, 2005) (the reaction of the class “weigh[ed] heavily in favor of approval” where “no objections were filed by any institutional investors who had great financial incentive to object”).

The uniformly positive reaction of the Settlement Class also supports approval of the Plan of Allocation. *See, e.g.*, [In re Payment Card Interchange Fee & Merch. Disc. Antitrust Litig.](#), 986 F. Supp. 2d 207, 240 (E.D.N.Y. 2013), *rev'd and vacated on other grounds*, 827 F.3d 223 (2d Cir. 2016) (the conclusion that the proposed plan of allocation was fair and reasonable was “buttressed by the . . . absence of objections from class members”); [In re Veeco Instruments Inc. Sec. Litig.](#), 2007 WL 4115809, at \*14 (S.D.N.Y. Nov. 7, 2007) (“[N]ot one class member has objected to the Plan of Allocation which was fully explained in the Notice of Settlement sent to all Class Members. This favorable reaction of the Class supports approval of the Plan of Allocation.”).

**C. The Settlement Class’s Reaction Supports Approval of Requested Attorneys’ Fees and Expenses, and the Requested Service Awards**

The positive reaction of the Settlement Class should also be considered with respect to Lead Counsel’s motion for an award of attorneys’ fees and litigation expenses (including the proposed service awards of \$5,000 each to the four named Plaintiffs). Indeed, courts uniformly hold that the

complete absence of objections to the requested attorneys' fees and litigation expenses supports a finding that the requests are fair and reasonable. *See, e.g., Vaccaro v. New Source Energy Partners L.P.*, 2017 WL 6398636, at \*8 (S.D.N.Y. Dec. 14, 2017) (“The fact that no class members have explicitly objected to these attorneys' fees supports their award.”); *In re Veeco Instruments Inc. Sec. Litig.*, 2007 WL 4115808, at \*10 (S.D.N.Y. Nov. 7, 2007) (the reaction of class members to a fee and expense request “is entitled to great weight by the Court” and the absence of any objection “suggests that the fee request is fair and reasonable”).

Accordingly, the uniformly favorable reaction of the Settlement Class strongly supports approval of the Settlement, Plan of Allocation, application for attorneys' fees and expenses, and request for service awards.

### III. CONCLUSION

For the foregoing reasons, and those set forth in their opening papers, Plaintiffs and Lead Counsel respectfully request that the Court approve the Settlement, the Plan of Allocation, the application for attorneys' fees and litigation expenses, and the request for service awards. A copy of the proposed Order and Final Judgment is submitted herewith as Exhibit A to the accompanying Supplemental Affirmation of Mark T. Millkey in Further Support of: (1) Plaintiffs' Motion for Final Approval of Class Action Settlement and Plan of Allocation; (2) Plaintiffs' Counsel's Application for Attorneys' Fees and Expenses; and (3) Named Plaintiffs' Requests for Service Awards.

DATED: November 23, 2022

Respectfully submitted,  
ROBBINS GELLER RUDMAN  
& DOWD LLP  
SAMUEL H. RUDMAN  
MARK T. MILLKEY  
VINCENT M. SERRA

*/s/ Mark T. Millkey*  
\_\_\_\_\_  
MARK T. MILLKEY



58 South Service Road, Suite 200  
Melville, NY 11747  
Telephone: 631/367-7100  
631/367-1173 (fax)  
srudman@rgrdlaw.com  
mmillkey@rgrdlaw.com  
vserra@rgrdlaw.com

SCOTT+SCOTT ATTORNEYS  
AT LAW LLP

*/s/ William C. Fredericks*

---

WILLIAM C. FREDERICKS

DAVID R. SCOTT  
WILLIAM C. FREDERICKS  
The Helmsley Building  
230 Park Avenue, 17th Floor  
New York, NY 10169  
Telephone: 212/233-6444  
212/233-6334 (fax)  
dscott@scott-scott.com  
wfredricks@scott-scott.com

*Co-Lead Counsel for Plaintiffs*

ROBBINS LLP  
STEPHEN J. ODDO  
BRIAN J. ROBBINS  
5040 Shoreham Place  
San Diego, CA 92122  
Telephone: 619/525-3990  
619/525-3991 (fax)  
soddo@robbinsllp.com  
brobbins@robbinsllp.com

*Additional Counsel for Plaintiffs*

**PRINTING SPECIFICATIONS STATEMENT**

1. Pursuant to 22 N.Y.C.R.R. §202.70(g), Rule 17, the undersigned counsel certifies that the foregoing memorandum of law was prepared on a computer using Microsoft Word. A proportionally spaced typeface was used as follows:

Name of Typeface: Times New Roman  
Point Size: 12  
Line Spacing: Double

2. The total number of words in the memorandum of law, inclusive of point headings and footnotes and exclusive of the caption, signature block, and this Certification, is 1,554 words.

DATED: November 23, 2022

ROBBINS GELLER RUDMAN  
& DOWD LLP  
MARK T. MILLKEY

*/s/ Mark T. Millkey*

---

MARK T. MILLKEY

58 South Service Road, Suite 200  
Melville, NY 11747  
Telephone: 631/367-7100  
631/367-1173 (fax)  
mmillkey@rgrdlaw.com