

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

IN RE PELOTON INTERACTIVE, INC.,
SECURITIES LITIGATION

Case No. 1:21-cv-02369(CBA)(PK)

CLASS ACTION

**NOTICE OF LEAD PLAINTIFF’S MOTION FOR
DISTRIBUTION OF THE NET SETTLEMENT FUND**

PLEASE TAKE NOTICE that Lead Plaintiff Richard Neswick (“Plaintiff”), on behalf of himself and the putative Settlement Class,¹ respectfully moves this Court for an Order: (a) approving the administrative recommendations of Epiq Class Action & Claims Solutions, Inc. (“Epiq”), the Court-approved Claims Administrator; (b) authorizing distribution of the Net Settlement Fund to Authorized Claimants whose claims have been accepted pursuant to Epiq’s proposed distribution plan; (c) authorizing Epiq’s distribution plan; (d) authorizing payment of Epiq’s fees and expenses incurred and to be incurred in the administration of the settlement; and (e) granting the release of claims related to the administration or taxation of the Settlement Fund.

Pursuant to the Stipulation, Defendants Peloton Interactive, Inc., John Foley, Jill Woodworth, Hisao Kushi, and Brad Olson have no interest in the relief sought by this motion. *See* Stipulation ¶16 (“The Settlement is not a claims-made settlement.”).

This motion is based upon the accompanying Memorandum of Law in Support of the Motion for Distribution of the Net Settlement Fund; the Declaration of Melissa Mejia in Support of Lead Plaintiff’s Motion for Distribution of the Net Settlement Fund, and all related exhibits;

¹ Unless otherwise noted, all capitalized terms have the meaning ascribed to them in the Stipulation and Agreement of Settlement dated April 17, 2023 (“Stipulation”), filed on April 17, 2023. *See* ECF No. 80.

the pleadings and records on file, and other such matters and argument as the Court may consider.

Dated: April 25, 2025

Respectfully submitted,

FARUQI & FARUQI, LLP

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SECURITIES LITIGATION

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**[PROPOSED] DISTRIBUTION
ORDER**

WHEREAS, Settlement Class Representative Richard Neswick (“Plaintiff”) moved this Court for an order approving distribution of the Net Settlement Fund in the above-captioned action (the “Action”). Having reviewed and considered all the materials and arguments submitted in support of the motion, IT IS HEREBY ORDERED that:

1. This Order incorporates by reference the definitions in the Stipulation of Settlement dated April 17, 2023 (“Stipulation”) (ECF No. 80), and all terms used herein shall have the same meaning as set forth in the Stipulation, unless otherwise set forth herein.

2. The motion is granted in its entirety and the Court approves the administrative determinations of Epiq Class Action & Claims Solutions, Inc. (“Epiq”), the Court-approved Claims Administrator, in accepting and rejecting the Proof of Claim and Release Forms (“Claim Forms” or “Claims”).

3. The Net Settlement Fund established by the settlement of this Action shall be distributed to the Authorized Claimants identified in Exhibits D-1 and D-2 to the Declaration of Melissa Mejia in Support of Lead Plaintiff’s Motion for Distribution of the Net Settlement Fund (“Mejia Distribution Declaration”) at the direction of Lead Counsel, Faruqi & Faruqi, LLP, pursuant to the Stipulation, and the Plan of Allocation of the Net Settlement Fund set forth in the Notice of (I) Pendency of Class Action and Proposed Settlement of Class Action; (II) Settlement Hearing; and (III) Motion for Attorneys’ Fees and Litigation Expenses (the “Notice”), ECF No. 98-3.

4. Epiq’s administrative determinations rejecting the ineligible or otherwise deficient Claims, which are set forth in Exhibit D-3 of the Mejia Distribution Declaration, are approved. Such claims may not receive any distributions from the Settlement Fund.

5. All distribution checks shall bear the notation “DEPOSIT PROMPTLY, VOID

AND SUBJECT TO RE-DISTRIBUTION IF NOT NEGOTIATED WITHIN 90 DAYS OF ISSUE DATE.”

6. Epiq will conduct an initial distribution (the “Initial Distribution”) of the Net Settlement Fund, after deducting all payments approved by the Court, and after payment of any estimated Taxes, the costs of preparing appropriate tax returns, and any escrow fees, as follows:

- a. Epiq will calculate award amounts to all Authorized Claimants by calculating their *pro rata* share of the Net Settlement Fund in accordance with the Plan of Allocation;
- b. Epiq will, pursuant to the Plan of Allocation, eliminate from the Initial Distribution any Authorized Claimant whose pro rata share of the Net Settlement Fund, as calculated under subparagraph (a) above, is less than \$10.00. Such claimants will not receive any distribution from the Net Settlement Fund and Epiq will send letters to those Authorized Claimants advising them of that fact;
- c. After eliminating claimants who would have received less than \$10.00, Epiq will deduct and maintain a 5% reserve of the Net Settlement Fund (the “Reserve”) in order to address any tax liability and claims administration-related contingencies that may arise. To the extent the Reserve is not depleted, the remainder will be distributed in the “Second Distribution” described below in paragraph 7.

7. Consistent with the Plan of Allocation, after Epiq has made reasonable and diligent efforts to have Authorized Claimants negotiate their distribution checks, but no earlier than six (6) months after the Initial Distribution, after payment of any amount mistakenly

omitted from the Initial Distribution and payment of any additional settlement administration fees, costs, and expenses, Lead Counsel, in consultation with Epiq, will determine whether it is cost-effective to conduct a second distribution of the Net Settlement Fund (the “Second Distribution”). The Second Distribution will be distributed to all Authorized Claimants who: (i) cashed their Initial Distribution checks; and (ii) would receive at least \$10.00 from such distribution based on their *pro rata* share of the remaining funds, after payment of the estimated costs, expenses, or fees to be incurred in administering the Net Settlement Fund and making this Second Distribution.

8. Additional re-distributions, after deduction of costs and expenses as described above, may occur thereafter until Lead Counsel, in consultation with Epiq, determines that further redistribution would not be cost-effective. If further redistribution of the funds remaining in the Net Settlement Fund is not feasible or economical to reallocate, the remaining balance shall be donated to the CII Research and Education Fund (“CII-REF”), in accordance with the Notice.

9. No new claims may be accepted after January 6, 2025, and no further adjustments to previously received claims that would result in an increased Recognized Loss may be made.

10. The outstanding fees and expenses already incurred by Epiq and its estimate to complete the Initial Distribution are approved. Epiq shall be paid the sum of \$833,171.77 from the Settlement Fund for its costs and expenses in connection with the services performed in administering the Settlement. An additional \$23,606.75 shall be reserved from the Settlement Fund in anticipation of the work Epiq will perform in connection with the Initial Distribution, which shall be paid to Epiq as costs accrue, upon approval by Lead Counsel, without further order from the Court. If the cost of the Initial Distribution is less than \$23,606.75, the excess

shall be returned to the Net Settlement Fund.

11. Epiq may destroy paper copies of the Proof of Claim forms and all supporting documentation one (1) year after the Initial Distribution, or the Second Distribution if it occurs, and electronic copies of the same one (1) year after all funds have been distributed.

12. All persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the Claims submitted in this matter, or otherwise involved in the administration or taxation of the Settlement Fund or Net Settlement Fund, including Plaintiff, Lead Counsel, and Epiq, are hereby released and discharged from any and all claims arising out of such involvement, and all Class Members, whether or not they are to receive payment from the Net Settlement Fund, are hereby barred from making any further claims against the Net Settlement Fund or the released persons beyond the amount allocated to them pursuant to this Order.

13. The Court retains jurisdiction to consider any further applications concerning the administration of the Settlement, and such other and further relief as this Court deems appropriate.

IT IS SO ORDERED.

DATED: _____

THE HONORABLE CAROL BAGLEY AMON
UNITED STATES DISTRICT JUDGE