

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

In re: CV SCIENCES, INC. SECURITIES
LITIGATION

Case No. 2:18-cv-01602-JAD-BNW

[PROPOSED] DISTRIBUTION ORDER

This Document Relates to:

WHEREAS Lead Plaintiff moved this Court for an order approving distribution of the Net Settlement Fund in the above-captioned action (the “Action”). Having reviewed and considering 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 (“Stipulation”) filed with the Court on January 31, 2022, ECF No. 158, and all terms used herein shall have the same meanings 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 Analytics Consulting LLC (“Analytics”), the Court-appointed 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 Authorized Claimants identified in Exhibits D & E to the Declaration of Kari L. Schmidt in Support of Lead Plaintiff’s Motion for Distribution of the Net Settlement Fund (“Schmidt 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 Pendency and Proposed Settlement of Class Action that was distributed pursuant to this Court’s Order Certifying Settlement Class and Preliminarily Approving Class Action Settlement and Related Notices (“Preliminary Approval Order”) (ECF No. 166).
4. Analytics’ administrative determinations rejecting the ineligible or otherwise deficient Claims, which are set forth in Exhibit F of the Schmidt Distribution Declaration, are approved. Such claims may not receive any distributions from the Settlement Fund.

1 5. All distribution checks shall bear the notation “CASH PROMPTLY. VOID AND
2 SUBJECT TO REDISTRIBUTION IF NOT CASHED BY [DATE 120 DAYS AFTER ISSUE
3 DATE].”

4 6. Consistent with the Plan of Allocation, after Analytics has made reasonable and diligent
5 efforts to have Authorized Claimants negotiate their distribution checks, Lead Counsel, in consultation
6 with Analytics, will determine whether it is cost-effective to conduct a second distribution of the Net
7 Settlement Fund (the “Second Distribution”), in which any amounts remaining in the Net Settlement
8 Fund six months after the first distribution (“Initial Distribution”), after deducting Analytics’ fees and
9 expenses incurred in connection with administering the Settlement for which it has not yet been paid
10 (including the estimated costs of such Second Distribution), and after the payment of any estimated
11 taxes, the costs of preparing appropriate tax returns, and any escrow fees, will be distributed to all
12 Authorized Claimants who (i) cashed their Initial Distribution checks; and (ii) would receive at least
13 \$10.00 from such distribution based on their *pro-rata* share of the remaining funds. Additional re-
14 distributions, after deduction of costs and expenses as described above, may occur thereafter in six-
15 month intervals, in an equitable and economical fashion, until Lead Counsel, in consultation with
16 Analytics, determines that further redistribution would not be cost-effective. If further redistribution of
17 the funds remaining in the Net Settlement Fund is not feasible or economical to reallocate, the
18 remaining balance of the Net Settlement Fund shall be donated to the Investor Protection Trust, in
19 accordance with ¶5.6 of the Stipulation.

20 7. No new Claims may be accepted after May 31, 2023, and no further adjustments to
21 previously received claims that would result in an increased Recognized Loss may be made, subject to
22 the following exception. If Claims are received or modified after May 31, 2023 that would have been
23 eligible for payment or additional payment under the Plan of Allocation if timely received, then, at the
24 time that Lead Counsel, in consultation with Analytics, determines that a redistribution is not cost-
25 effective as described in ¶6 above, and after payment of any unpaid fees or expenses incurred in
26 connection with administering the Net Settlement Fund and after deducting the payment of any
27 estimated taxes, the costs of preparing appropriate tax returns, and any escrow fees, such claimants, at
28 the discretion of Lead Counsel, may be paid the distribution amounts or additional distribution amounts

1 on a *pro rata* basis that would bring them into parity with other Authorized Claimants who have cashed
2 their prior distribution checks, to the extent possible.

3 8. Analytics shall be paid the sum of \$69,000 from the Settlement Fund for its fees and
4 expenses through the Initial Distribution as stated in the invoice attached as Exhibit G to the Schmidt
5 Distribution Declaration.

6 9. Analytics may destroy paper copies of the Claim Forms and all supporting
7 documentation one (1) year after the Initial Distribution of the Net Settlement Fund and may destroy
8 electronic copies of the same one (1) year after all funds have been distributed from the Net Settlement
9 Fund.

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

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

20 IT IS SO ORDERED.

21
22 DATED: _____

23 _____
24 THE HONORABLE JENNIFER A. DORSEY
25 UNITED STATES DISTRICT JUDGE
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