

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

IN RE ZYNERBA PHARMACEUTICALS,
INC. DERIVATIVE LITIGATION

Lead Case No. 20-cv-557-CFC

**BRIEF IN SUPPORT OF PLAINTIFFS' UNOPPOSED
MOTION FOR PRELIMINARY APPROVAL OF SETTLEMENT**

Dated: May 7, 2021

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TABLE OF CONTENTS

I. NATURE AND STAGE OF THE PROCEEDINGS.....1

II. STATEMENT OF FACTS3

 A. Factual Background and Procedural History of the
 Derivative Matters3

 B. Settlement Negotiations6

 C. Terms of the Settlement8

III. THE PROPOSED SETTLEMENT WARRANTS PRELIMINARY
APPROVAL11

 A. The Role of the Court in the Approval of a Derivative Settlement11

 B. The Settlement Falls Within the Range of Possible Approval12

 i. The Settlement Confers Substantial Benefits
 Upon Zynerba13

 ii. The Complexity, Expense, and Likely Duration of
 Continued Litigation14

 iii. The Stage of the Proceedings and Discovery15

 iv. The Risks of Establishing Liability and Damages and the
 Reasonableness of the Settlement in Light of the Risks and
 the Best Possible Recovery16

IV. THE COURT SHOULD APPROVE THE FORM AND MANNER OF
NOTICE.....18

V. PROPOSED SCHEDULE OF EVENTS19

VI. CONCLUSION20

TABLE OF AUTHORITIES

Cases

In re AOL Time Warner S’holder Derivative Litig.,
2006 WL 2572114 (S.D.N.Y. Sept. 6, 2006).....14

In re AT & T Corp.,
455 F.3d 160 (3d Cir. 2006).....17

Bell Atl. Corp. v. Bolger,
2 F.3d 1304 (3d Cir. 1993).....12

Bushansky v. Armacost,
No. 12-CV-01597-JST, 2014 WL 2905143 (N.D. Cal. June 25, 2014)19

In re Caremark Int’l Inc. Derivative Litig.,
698 A.2d 959 (Del. Ch. 1996).....17

Cohn v. Nelson,
375 F. Supp. 2d 844 (E.D. Mo. 2005).....14

Gates v. Rohm & Haas Co.,
248 F.R.D. 434 (E.D. Pa. 2008).....12

Girsh v. Jepson,
521 F.2d 153 (3d Cir. 1975)..... 12, 13, 16, 18

In re GMC Pick-Up Truck Fuel Tank Prods. Liab. Litig.,
55 F.3d 768 (3d Cir. 1995).....11

In re Johnson & Johnson Derivative Litig.,
900 F. Supp. 2d 467 (D.N.J. 2012) 12, 16

Kamen v. Kemper Fin. Servs.,
500 U.S. 90 (1991).....17

Maher v. Zapata Corp.,
714 F.2d 436 (5th Cir. 1983).....15

Mills v. Electric Auto-Lite Co.,
396 U.S. 375 (1970).....14

Mullane v. Cent. Hanover Bank & Tr. Co.,
339 U.S. 306 (1950).....18

Pfeiffer v. Toll,
989 A.2d 683 (Del. Ch. 2010).....17

In re Rambus Inc. Derivative Litig.,
No. C 06-3513 JF (HRL), 2009 WL 166689 (N.D. Cal. Jan. 20, 2009)19

In re Sch. Asbestos Litig.,
921 F.2d 1330 (3d Cir. 1990).....15

Shlensky v. Dorsey,
574 F.2d 131 (3d Cir. 1978).....13

TBK Partners, Ltd v. W. Union Corp.,
675 F.2d 456 (2d Cir. 1982).....15

Tenuto v. Transworld Sys., Inc.,
No. Civ. A 99-4228, 2001 WL 1347235 (E.D. Pa. Oct. 31, 2001) 12, 14

Thomas v. NCO Fin. Sys., Inc.,
No. 00–5118, 2002 WL 1773035 (E.D. Pa. July 31, 2002).....12

Unite Nat’l Ret. Fund v. Watts,
2005 WL 2877899 (D.N.J. Oct. 28, 2005).....16

Vinh Du v. Blackford,
No. 17-cv-194, 2018 WL 4691046 (D. Del. Sept. 28, 2018) 13, 15

Other Authorities

“Use of Electronic Media for Delivery Purposes,”
SEC Release No. 33-7233, 60 Fed. Reg. 53458, 53459 (Oct. 6, 1995)19

7C CHARLES ALAN WRIGHT, ARTHUR R. MILLER & MARY KAY KANE,
FEDERAL PRACTICE AND PROCEDURE: CIVIL 3D §1839 (2007)11

Manual for Complex Litigation
§23.14 (4th ed. 2019)12

Plaintiffs Phillip Quartararo (“Quartararo”) and Dmitry Itkis (“Itkis”) (together, the “Derivative Plaintiffs”) in the above-captioned action respectfully submit this Brief in support of Plaintiffs’ Unopposed Motion for Preliminary Approval of the Settlement (the “Motion”).¹ Defendants do not oppose the relief sought in the Motion, but any analysis and characterizations in this Motion of the litigation and of the Settlement that are beyond facts taken from the record of this action are provided only on behalf of Plaintiffs and do not necessarily reflect the views of Defendants.

I. NATURE AND STAGE OF THE PROCEEDINGS

Derivative Plaintiffs’ claims brought on behalf of Zynerva Pharmaceuticals, Inc. (“Zynerva” or the “Company”) arise from alleged breaches of fiduciary duty, unjust enrichment, waste of corporate assets, and violations of Sections 14(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), and seek contribution under Sections 10(b) and 21D of the Exchange Act. On April 28, 2021, after extensive, arm’s-length negotiations overseen by a nationally reputed mediator, Michelle Yoshida of Phillips ADR (the “Mediator”), the Parties reached a Settlement in the Derivative Action resolving Derivative Plaintiffs’ claims. The Settlement also

¹ Unless otherwise defined herein, all capitalized terms have the same meaning as those set forth in the Stipulation and Agreement of Settlement dated April 28, 2021 (the “Stipulation”) attached as Exhibit 1 to the Declaration of Brian E. Farnan in support of the Motion.

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