

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

IN RE:

22-MD-3050 (KPF)

CHANTIX (VARENICLINE)
MARKETING, SALES PRACTICES AND
PRODUCTS LIABILITY LITIGATION
(NO. II)

22-MC-3050 (KPF)

This Document Relates to All Actions

**JOINT DECLARATION OF JOSEPH P. GUGLIELMO, DAVID J. STANOCH, AND
CHARLES E. SCHAFFER IN SUPPORT OF CLASS COUNSEL’S MOTION FOR
AWARD OF ATTORNEYS’ FEES, REIMBURSEMENT OF EXPENSES,
AND SERVICE AWARDS**

We, Joseph P. Guglielmo, David Stanoch, and Charles E. Schaffer, pursuant to 28 U.S.C. §1746, declare as follows:

1. We are Class Counsel¹ of record for (i) Consumer Plaintiffs Juan Abreu, Teresa Baptiste, Timothy Bleeker, Harold Bradley, Sharon Carroll, Karen Duff, Albert Edwards, Tara Evans, Lillian Forrest, Kimberly Hill, Valerie Hogue, Douglas Houghton, James Jacobson, Tammy LaMotte, Kathleen Lima, Debra Seeley, Daniel Spence, Hazel Taylor, Carita Thompson, Daphne Walter, Shannon Webb a/k/a Shannon Alicea (the “Consumer Plaintiffs”); and (ii) Third-Party Payor Plaintiffs County of Monmouth, MSP Recovery Claims Series 44, LLC, MSP Recovery Claims, Series LLC, and Ohio Carpenters’ Health Fund (the “TPP Plaintiffs,” and collectively with the Consumer Plaintiffs, the “Plaintiffs”) and Class Counsel for the Settlement Class. We submit this declaration in support of Class Counsel’s Motion for Award of Attorneys’

¹ “Class Counsel” are Honik LLC, Levin Sedran & Berman LLP, and Scott+Scott Attorneys at Law LLP. Unless otherwise defined herein, all capitalized terms have the meanings ascribed to them in the Class Action Settlement Agreement with Defendant Pfizer, Inc. (“Pfizer” or “Defendant”). ECF No. 131-1 (“Stipulation”).

Fees, Reimbursement of Expenses, and Service Awards. Unless otherwise noted, we have personal knowledge of the facts set forth in this declaration and could and would testify competently to them if called upon to do so.

2. This case was first centralized before this Court on December 22, 2022. During the past five years of litigation, Class Counsel have performed at least the following work:

- a. Investigated and initiated this case in 2021 by preparing initial class action complaints. Prior to centralization by the Judicial Panel on Multidistrict Litigation (“MDL”), Class Counsel engaged in extensive early motions in multiple individual class actions filed in district courts throughout the country, including motions to dismiss and motions to transfer venue. Class Counsel attended hearings or conferences before multiple courts concerning the foregoing as well.
- b. Following centralization by the Judicial Panel on MDL, Class Counsel prepared and drafted the Consolidated Class Action Complaint;
- c. Opposed (and ultimately prevailed on) Pfizer’s motion to dismiss and subsequent supplemental briefing on economic loss and Plaintiffs’ breach of warranty and negligence-based issues;
- d. Sought reconsideration of the Court’s dismissal of breach of warranty claims in light of *Berk v. Choy*, 607 U.S. 187 (2026);
- e. Drafted and served 118 requests for production of documents, 7 interrogatories, and 95 requests for admission on Pfizer, conducted numerous meet-and-confers with Pfizer and reviewing thousands of documents;
- f. Subpoenaed eleven non-parties (SQA, Express Scripts, Apotex, MedImpact, Walgreens, Roquette, OptumRx, Walmart, CVS Pharmacy, and Caremark for documents) and served a FOIA request on the FDA;
- g. Prepared responses to Pfizer’s 71 requests for production of documents on each Consumer Plaintiff and between 73 to 86 requests for production of documents on each TPP Plaintiff, 16 interrogatories on each Consumer Plaintiff and between

17 to 21 interrogatories on each TPP Plaintiff, and 41 requests for admission on each Consumer Plaintiff and 143 requests for admission on each TPP Plaintiff;

- h. Negotiated search terms, custodial and non-custodial sources of production of documents from Pfizer and TPP Plaintiffs;
- i. Reviewed over 250,000 documents totaling approximately 2.11 million pages produced by Pfizer and third parties and sales data produced by Pfizer and multiple third parties;
- j. Defended depositions of several Consumer Plaintiffs, and deposing, pursuant to Rule 30(b)(1), Pfizer's Global Solids Quality Leader, in Dublin, Ireland;
- k. Identified and developed multiple experts across multiple disciplines to assist with investigation and discovery;
- l. Consulted with experts regarding the alleged presence of N-nitroso varenicline ("NNV") in Chantix;
- m. Prepared and engaged in mediation with Pfizer, including negotiating the Settlement at arm's-length over many months, including with the assistance of Fouad Kurdi, Esq., of Resolutions LLC; and
- n. Drafted the Settlement and various settlement, notice, and preliminary approval materials presented to the Court, and oversaw the notice plan, and oversaw the efficient issuance of notice to the Settlement Class, addressing issues arising from time to time in the notice and claims administration process.

3. Despite our confidence in the strength of Plaintiffs' claims, this case presented substantial risk to Plaintiffs. Plaintiffs would need to prove that Chantix they paid for was contaminated with a genotoxic, probable human carcinogen, a nitrosamine known as NNV, and how much less in value that contamination rendered their Chantix. If Defendants were able to show that Plaintiffs' Chantix was not contaminated—or even if they were, that Chantix still retained some value—Plaintiffs would not be able to recover *any* money in the litigation, or would at least not be able to recover a full refund. Indeed, Plaintiffs' claims were already twice dismissed

in their entirety for lack of Article III standing. This dispute would require extensive expert testimony regarding the harm of NNV from a scientific standpoint, and a damages analysis of how that contamination affected Chantix's value. The *In re Valsartan* case—where similar evidence was adduced and similar disputes were raised—shows the complexity of cases like this one. See *In re: Valsartan, Losartan and Irbesartan Prods. Liab. Litig.*, No. 1:19-md-02875 (D.N.J. 2019).

4. In addition, even if Plaintiffs were successful at proving the merits of their case, it is not clear that Plaintiffs could certify a nationwide class on a contested motion, meaning they might not ultimately recover money for all Settlement Class Members outside of settlement. Adding to the degree of difficulty Class Counsel encountered, Defendants were each represented by formidable counsel, who would certainly appeal any order granting class certification or adverse jury verdict.

5. We have overseen every aspect of this litigation for Plaintiffs and the Settlement Class, and our firms worked collaboratively to perform the work done in this case. In accordance with our role as counsel for the Plaintiffs and Settlement Class, we have taken affirmative steps throughout the litigation to ensure that our firms efficiently represented the Settlement Class.

A. PROCEDURAL HISTORY AND CLASS COUNSEL'S WORK EXPENDED ON THE ACTION

6. Starting in 2021, Class Counsel began its investigation and initiated this case in by preparing initial class action complaints. This Action was centralized on December 22, 2022, by the Judicial Panel on MDL, which consolidated eight pending cases in this transferee Court, see ECF No. 1, followed by eight more on January 4, 2023, see ECF No. 2, and Ohio Carpenters' Health Fund's related action following its filing of a related complaint on January 17, 2023. These cases now comprise the present Action.

7. Following written submissions, on May 1, 2023, the Court appointed interim co-

lead counsel and liaison counsel for the proposed classes. *See* ECF No. 39. Thereafter, Plaintiffs filed their Consolidated Master Class Action Complaint on May 5, 2023 (the “Complaint”). ECF No. 40. The Complaint alleges economic damages on behalf of a nationwide class of consumers and third-party payors (“TPPs”) that paid for Chantix that was contaminated with NNV, a genotoxic, probable human carcinogen. The central allegation of the Complaint is that Pfizer failed to disclose the presence of NNV in Chantix and that Plaintiffs overpaid for their purchases of the drug.

8. After briefing on Pfizer’s Motion to Dismiss, ECF No. 42-45, 49-52, on May 28, 2024, the Court denied in part Pfizer’s motion to dismiss and allowed Plaintiff’s consumer protection, and certain unjust enrichment claims to proceed on the basis that Pfizer did not disclose that Chantix was not manufactured in compliance with current Good Manufacturing Practices (“cGMPs”). *See* ECF 58 at 18, 91.

9. The Court required supplemental briefing on the economic loss and breach of warranty and negligence-based claims. *See* ECF 58 at 91. After another round of letter briefing, *see* ECF No. 62, 70, the Court dismissed all express and implied warranty claims and the negligence-based claims except for negligent misrepresentation under two states laws on May 6, 2025, *see* ECF No. 83. Pfizer filed its answer on July 15, 2025, ECF No. 99, and discovery commenced.

10. Although the pleadings were joined, more recently, Plaintiffs sought reconsideration of the breach of warranty dismissal in light of *Berk v. Choy*, 607 U.S. 187 (2026). *See* ECF No. 116.

11. In the interim, the Parties engaged in extensive discovery, including non-party discovery (identified below), including serving 118 requests for production of documents, 7

interrogatories, and 95 requests for admission on Pfizer.

12. The Parties exchanged requests for production of documents. Document production was substantially completed as of February 2026. By that time, Plaintiffs reviewed over 250,000 documents totaling approximately 2.11 million pages produced by Pfizer and non-parties. Plaintiffs also served 118 requests for production of documents, 7 interrogatories, and 95 requests for admission on Pfizer.

13. Defendant served 71 requests for production of documents on each Consumer Plaintiff and between 73 to 86 requests for production of documents on each TPP Plaintiff, 16 interrogatories on each Consumer Plaintiff and between 17 to 21 interrogatories on each TPP Plaintiff, and 41 requests for admission on each Consumer Plaintiff and 143 requests for admission on each TPP Plaintiff.

14. Class Counsel negotiated search terms, custodial and non-custodial sources of production of documents from Pfizer and TPP Plaintiffs.

15. Plaintiffs also subpoenaed seven non-parties (SQA, Express Scripts, Apotex, MedImpact, Walgreens, Roquette, and Caremark) and Defendant subpoenaed 6 non-parties (Walgreens, Walmart, CVS, Express Scripts, OptumRx, and MedImpact) for relevant documents and data.

16. Defendant deposed several Consumer Plaintiffs. Plaintiffs deposed, pursuant to Rule 30(b)(1), Pfizer's Global Solids Quality Leader, in Dublin, Ireland.

17. At the time the Settlement was reached, Plaintiffs were preparing to defend several additional Consumer Plaintiff depositions and 30(b)(6) depositions of TPP Plaintiffs while preparing to depose several additional Pfizer deponents pursuant to Rule 30(b)(1) and Rule 30(b)(6).

18. Collectively, over more than six years of litigation, Class Counsel's total hours are 9,109.4 and Class Counsel's total lodestar is \$7,601,643.70, for a blended hourly rate of \$834.48. More details regarding Class Counsel's hours and lodestar is provided in the attached individual declarations of Class Counsel. See **Exhibits 1-5** attached hereto. Thus, our request for \$14,666,666.67 (one-third or 33.33% of the \$44 million Settlement Fund), plus interest, in attorneys' fees represents a 1.93 multiplier over our base lodestar.

19. The reasonableness of Class Counsel's hourly rates is also supported by the following survey of legal rates:

- i. In an article entitled "Big Law Rates Topping \$2,000 Leave Value 'In Eye of Beholder,'" written by Roy Strom and published by Bloomberg Law on June 9, 2022, the author describes how Big Law firms have crossed the \$2,000-per hour rate. The article also notes that law firm rates have been increasing by just under 3% per year. A true and correct copy of this article is attached hereto as **Exhibit 6**.

20. Our firms have collectively incurred expenses of \$144,340.20. The breakdown of expenses incurred respectively by Class Counsel are listed in the attached individual declarations of Class Counsel. See **Exhibits 1-4** attached hereto.

21. As with all of the firms' contingent cases, Class Counsel carefully invested their time and resources in the prosecution of this case and did so with the expectation that the firms would be reasonably compensated for the risks they undertook, the professional time and resources they put into the case, and for the successful results that have been achieved for the Settlement Class.

B. SETTLEMENT NEGOTIATIONS

22. In December 2025, as fact and non-party discovery were already well underway, the Parties began exploring the possibility of a negotiated resolution of the Action through

mediation, ultimately agreeing that the Parties' counsel would attend a mediation. The Parties agreed to employ the services of experienced mediator Fouad Kurdi, Esq.

23. In connection with the mediation, Plaintiffs requested significant mediation discovery to evaluate the claims and to position themselves to negotiate a settlement that would be fair and reasonable on behalf of the Settlement Class. Defendant produced confidential documents and information regarding the pricing, profits, and quantities of Chantix sold throughout the Class Period. Plaintiffs also conducted their own due diligence, including consultations with experts in pharmaceuticals, cGMP compliance, and toxicology.

24. The Parties and their counsel conducted a full-day in-person mediation on March 11, 2026, before mediator Mr. Kurdi, at which the Parties agreed in principle to settle the Action for \$44,000,000.00 through a non-reversionary cash Settlement Fund.

25. On March 12, 2026, the Parties wrote to the Court to inform it of their agreement to settle the Action and requested a stay of the action. ECF No. 122.

26. On March 12, 2026, the Court granted the Parties' request for a 45-day stay of the case pending the filing of the motion for preliminary approval of the Settlement. ECF No. 123.

27. On April 23, 2026, the Court granted the Parties' request to extend the stay until May 18, 2026, so the Parties could continue their negotiations to finalize the Settlement. ECF Nos. 126, 127. The Court granted an additional stay until May 26, 2026, so the Parties could complete their discussions. ECF No. 128.

28. Thereafter, the Parties executed the Settlement Agreement on May 22, 2026. The Settlement Agreement provides that Defendant will pay or cause to be paid \$44 million in cash into an interest-bearing Escrow Account.

29. After the Settlement becomes final, Settlement Class Members who submit valid

and timely Approved Claims will be entitled to a Cash Award from the Available Settlement Fund. Settlement Agreement, ECF No. 131-1 ¶1.5.

30. Further, for settlement purposes only, the Parties agreed to certification of a Settlement Class consisting of “all individuals and third-party payors who paid any amount of money for retail purchases of Chantix in the United States and its territories from September 29, 2015 through September 17, 2021.” *Id.* ¶1.30.

C. REASONABLENESS OF ATTORNEYS’ FEE REQUEST, REQUEST FOR LITIGATION EXPENSES, AND SERVICE AWARDS

31. In our judgment and based on our experience in complex class action litigation, the number of hours expended by Class Counsel through August 1, 2026, and the services provided by our firms over the course of the litigation, were reasonable and necessary to the representation of Plaintiffs and the Settlement Class in this Action.

32. Throughout the litigation, Class Counsel made every effort to operate as efficiently as possible to oversee and coordinate the work performed by our firms to avoid unnecessary duplication of effort and to minimize the costs expended to prosecute the action to its successful conclusion. As detailed in the individual declarations filed concurrently herewith, Class Counsel have spent 9,109.4 hours litigating the Action from the inception of the case through August 1, 2026, producing a total lodestar amount of \$7,601,643.70, resulting in a multiplier of 1.93 against the settlement recovery of \$44 million. A 1.93 multiplier, which is consistent with (if not lower than) fee awards in other cases of similar complexity and magnitude.

33. As detailed in the individual declarations filed concurrently herewith, Class Counsel advanced litigation expenses from inception of the Action through August 1, 2026 totaling \$144,340.20. Class Counsel believes the Court should approve the requested litigation expenses because the firm reasonably and necessarily incurred them in prosecuting this Action.

34. As part of Class Counsel's Motion for Award of Attorneys' Fees, Reimbursement of Expenses, and Service Awards, Class Counsel seeks service awards of \$15,000 each for the TPP Plaintiffs and \$5,000 each for Consumer Plaintiffs to compensate them for the significant time and efforts they devoted to this case and in recognition of the results they were crucial to obtaining. Each Plaintiff invested significant time, resources, and effort towards discovery in this Action, which helped to advance the case to Settlement.

35. Plaintiffs' involvement in this case has been nothing short of essential. Plaintiffs devoted significant time, energy, and resources to prosecuting this action. They have assisted with the investigation of this action and the drafting of the complaint and amended complaint, were in contact with counsel frequently, and stayed informed of the status of the Action, including Settlement. Four of the Consumer Plaintiffs were deposed, and all other named plaintiffs, Consumer and TPP alike, were actively preparing for their own depositions. Moreover, each Plaintiff produced significant medical documentation to support their claims, and several Consumer Plaintiffs sat for a deposition. Each Plaintiff was also prepared to testify at trial, if necessary.

36. Thus, we are of the opinion that Plaintiffs' active involvement in this case was critical to its ultimate resolution. Without their willingness to perform the work to advance their claims and assume the risks and responsibilities of serving as class representatives, we do not believe such a strong result could have been achieved.

37. Although there was a voluntary recall of Chantix, the Settlement here was not attributable to the actions of any government agencies or investigations. And the Settlement provides relief for all purchases of Chantix, not just those that were recalled, and neither recall provides for refunds.

38. To date, there have been thousands of claims submitted and no objections to Counsel's requested fees or expenses.

I declare under penalty of perjury that the foregoing is true and correct to the best of my personal knowledge.

Executed in New York, New York, on August 28, 2026.

/s/ Joseph P. Guglielmo
Joseph P. Guglielmo

Executed in Chadds Ford, Pennsylvania, on August 28, 2026.

/s/ David J. Stanoch
David J. Stanoch, Of Counsel

Executed in Philadelphia, Pennsylvania, on August 28, 2026.

/s/ Charles E. Schaffer
Charles E. Schaffer

CERTIFICATE OF SERVICE

On this 28th day of August, 2026, a true and correct copy of the foregoing was filed and served upon all counsel of record via the Court's CM/ECF system.

/s/ Joseph P. Guglielmo
Joseph P. Guglielmo