

Exhibit 1

Declaration of Layn R. Phillips in Support of Final Approval of Class Settlement

**UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT**

IN RE TEVA SECURITIES LITIGATION	:	No. 3:17-cv-00558 (SRU)
THIS DOCUMENT RELATES TO:	:	All Class Actions
	:	

**DECLARATION OF LAYN R. PHILLIPS IN SUPPORT
OF FINAL APPROVAL OF CLASS SETTLEMENT**

I, Layn R. Phillips, being duly sworn, hereby declare pursuant to Section 1746 of Title 28 of the United States Code:

1. I submit this Declaration in my capacity as the mediator in the above-captioned securities class action (“Action”) and in connection with the proposed settlement of the Action.¹ I make this Declaration based on personal knowledge and am competent to so testify.²

I. BACKGROUND AND QUALIFICATIONS

2. I am a former United States District Judge, a former United States Attorney, and a former litigation partner with the firm of Irell & Manella LLP. I currently serve as a mediator and arbitrator with my own alternative dispute resolution company, Phillips ADR Enterprises (“Phillips ADR”), which is based in Corona Del Mar, California. I am a member of the bars of Oklahoma, Texas, California, and the District of Columbia, as well as the United States Courts of Appeals for the Ninth and Tenth Circuits and the Federal Circuit.

¹ Capitalized terms not defined herein have the meanings specified in the Stipulation of Settlement, dated January 18, 2022 (ECF 919-2).

² While the mediation process is confidential, the Parties have authorized me to inform the Court of the matters set forth herein in support of final approval of the settlement. My statements and those of the parties during the mediation process are subject to a confidentiality agreement and Federal Rule of Evidence 408, and there is no intention on either my part or the parties’ part to waive the agreement or the protections of Rule 408.

3. I earned my Bachelor of Science in Economics as well as my J.D. from the University of Tulsa. I also completed two years of L.L.M. work at Georgetown University Law Center in the area of economic regulation of industry. After serving as an antitrust prosecutor and an Assistant United States Attorney in Los Angeles, California, I was nominated by President Reagan to serve as a United States Attorney in Oklahoma, where I served for approximately four years. Thereafter, I was nominated by President Reagan to serve as a United States District Judge for the Western District of Oklahoma. While on the bench, I presided over more than 140 federal trials and sat by designation in the United States Court of Appeals for the Tenth Circuit. I also presided over cases in Texas, New Mexico, and Colorado.

4. I left the federal bench in 1991 and joined Irell & Manella where, for 23 years, I specialized in alternative dispute resolution, complex civil litigation, and internal investigations.

5. Since my retirement from Irell & Manella in 2014, my practice has been devoted full time to alternative dispute resolution: specifically, the arbitration and mediation of high-stakes complex litigation such as this case. I have nearly thirty years of dispute resolution experience, including conducting thousands of mediations and settlement conferences in all types of complex class actions, securities fraud actions and shareholder derivative actions.

II. THE ARM'S-LENGTH SETTLEMENT NEGOTIATIONS

A. The July 2020 Mediation

6. On July 13, 2020, the parties and their counsel remotely attended their first of three full-day mediation sessions, each held via videoconference. The participants included: (i) attorneys from Bleichmar Fonti & Auld LLP, Bleichmar Fonti & Auld Canada, and Susan R. Podolsky of the Law Offices of Susan R. Podolsky, (ii) Class Representatives, (iii) Defendants' counsel from Morgan, Lewis & Bockius LLP ("Morgan Lewis") and Kasowitz Benson Torres

LLP (“Kasowitz”), (iv) in-house counsel from Teva, and (v) numerous representatives from Defendants’ various insurance carriers.

7. In advance of this mediation session, the parties submitted and exchanged extensive mediation statements and supporting exhibits addressing liability, loss causation, damages, and Teva’s financial condition. I also held separate caucus sessions to discuss the disputed issues with each side, and separately provided detailed merits questions to each side designed to test the strength of their respective positions. In addition, on July 7, 2020, Defendants provided a presentation regarding Teva’s financial condition.

8. During the July 13, 2020 mediation, Class Counsel, Defendants’ counsel, and representatives from Teva’s insurance carriers each presented detailed arguments regarding their clients’ positions, and Class Counsel responded to Teva’s July 7 financial presentation.³ The work that went into the mediation statements and competing presentations and arguments was substantial. Although the case was then in the early stages of discovery, it was apparent to me that liability, damages, and financial issues were strongly disputed, and that a consensual resolution would be difficult to attain.

9. The July 13, 2020 mediation session concluded without the parties exchanging any settlement demands or offers.

B. The September 17 and 27, 2021 Mediation

10. The parties resumed mediating in September 2021, and I presided over two full-day mediation sessions on September 17 and 27, 2021. The participants in each session included: (i) Class Counsel, (ii) Class Representatives, (iii) Defendants’ counsel from Kasowitz and Morgan

³ “Class Counsel” refers collectively to Bleichmar Fonti & Auld LLP, Bleichmar Fonti & Auld Canada, The Law Offices of Susan R. Podolsky, and Carmody Torrance Sandak & Hennessey LLP.

Lewis, (iv) in-house counsel from Teva, and (v) numerous representatives from Teva's various insurance carriers.

11. Prior to these sessions, the parties again submitted and exchanged mediation statements and supporting exhibits that addressed liability, loss causation, damages, and Teva's financial condition. These submissions were informed by the developed record, which included certification of the Class, the completion of fact discovery, and the completion of most expert discovery. The parties also submitted and exchanged detailed statements regarding their respective damages inputs and assumptions. I also posed merits questions to each side to again test the strength of their positions.

12. During the September 17, 2021 mediation session, Class Counsel and Defendants' counsel each made further presentations and vigorously argued their clients' positions. During the mediation session, I engaged in extensive discussions with counsel on both sides in an effort to find common ground between the parties' respective positions. I also conducted caucus sessions with the insurance carriers and their representatives. During these discussions, I challenged all participants separately to address the weaknesses in each of their positions and arguments. In addition to vigorously presenting their respective positions, the parties exchanged rounds of settlement demands and offers. While some progress was made, the parties were not able to reach agreement during the mediation session, which concluded after 8:30 p.m. in New York, and later for those participating from the United Kingdom and Israel.

13. Following the September 17 mediation session, I met separately with both sides and received further presentations, including on insurance issues and a presentation on Teva's financial condition delivered by Class Representatives' consulting expert.

14. The parties and insurance representatives participated in another full-day mediation session on September 27, 2021. Each side presented further arguments regarding the merits, and I continued my discussions with all participants, again pressing each on the weaknesses of their respective arguments in an effort to reach a resolution that would be acceptable to all parties. The parties continued to make progress via several further rounds of settlement demands and offers. Again, the parties were not able to reach agreement and remained significantly apart in their respective negotiation positions. The September 27, 2021 mediation session concluded after 10:30 PM in New York.

C. Further Negotiations Through December 2, 2021

15. Between September 28, 2021 and November 14, 2021, I participated in more than a dozen videophonic and telephonic discussions with Class Counsel, Class Representatives, Defendants' counsel, and representatives from Teva's insurance carriers in an effort to resolve the Action. These discussions included additional presentations regarding the merits and other issues. The negotiations were strenuous and hard-fought, and in the period from September 28 to November 14, 2021, the parties exchanged 11 further rounds of settlement demands and offers.

16. In an effort to finally resolve this case, on November 14, 2021, I issued a mediator's recommendation that the parties settle the Action for \$420,000,000. The parties then agreed to extend the initial November 22, 2021 deadline to respond to the recommendation to November 26, again to November 29, and finally to December 2, 2021. On December 2, 2021, I informed the parties that all sides had agreed to accept my recommendation. The parties subsequently documented their agreement in a term sheet and the Stipulation of Settlement that was filed with the Court on January 18, 2022.

17. The mediation process was an extremely hard-fought negotiation from beginning to end and was conducted by experienced and able counsel on both sides. Throughout the

mediation process, the negotiations between the Parties were vigorous and conducted at arm's-length and in good faith. Because the parties submitted their mediation statements, presentations, and arguments in the context of a confidential mediation process pursuant to Federal Rule of Civil Procedure 408, I cannot reveal their content. I can say, however, that the arguments and positions asserted by all involved were the product of substantial work, they were complex and highly adversarial, and reflected a detailed and in-depth understanding of the strengths and weaknesses of the claims and defenses in this case. The insurance issues presented were also challenging and complex. Overall, this was among the most complex and challenging mediations I have handled in nearly thirty years of dispute resolution work.

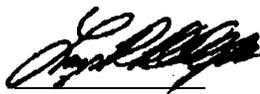
III. CONCLUSION

18. Based on my experience as a litigator, a former United States District Judge, and a mediator, I believe that the settlement represents a recovery and outcome that is reasonable and fair for the Settlement Class and all parties involved. I further believe that it was in the best interests of the parties that they avoid the burdens and risks associated with taking a case of this size and complexity to trial. I support the Court's approval of the settlement in all respects.

19. Lastly, the advocacy on both sides of the case was outstanding. I have experience with attorneys from the law firms on both sides of this case, which are nationally recognized for their work prosecuting and defending large, complex securities class actions such as this one. I am familiar with the effort, creativity, and zeal they put into their work. All counsel displayed the highest level of professionalism in carrying out their duties on behalf of their respective clients. The settlement is the direct result of all counsel's experience, reputation, and ability in these types of complex class actions.

I declare under penalty of perjury under the laws of the United States of America that the above is true and correct.

Dated: Newport Beach, California
April 3, 2022

By: 
Layn R. Phillips