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17 **UNITED STATES DISTRICT COURT**
18 **CENTRAL DISTRICT OF CALIFORNIA**
19 **SOUTHERN DIVISION**

20 **IN RE EXPERIAN DATA BREACH**
21 **LITIGATION**

22 Case No. 8:15-cv-01592-AG (DFMx)

23 Hon. Andrew J. Guilford

24 **PLAINTIFFS' NOTICE OF**
25 **MOTION AND MOTION FOR**
26 **CLASS REPRESENTATIVE**
27 **SERVICE AWARDS AND**
28 **ATTORNEYS' FEES AND**
EXPENSES; MEMORANDUM OF
POINTS AND AUTHORITIES

Date: May 6, 2019

Time: 10:00 a.m.

Room: Court 10D

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NOTICE OF MOTION AND MOTION

PLEASE TAKE NOTICE that on May 6, 2019, at 10:00 a.m., or as soon thereafter as the matter may be heard, in Courtroom 10D of the United States District Court for the Central District of California, Ronald Reagan Federal Building, 411 West 4th Street, Room 1053, Santa Ana, CA 92701, the Honorable Andrew J. Guilford, presiding, Plaintiffs will and hereby do move the Court for an Order, consistent with the terms of the Class Action Settlement in this case, awarding: (a) Service Awards of \$2,500 to each Class Representative; (b) Class Counsel’s attorneys’ fees in the amount of \$10.5 million; and (c) unreimbursed expenses in the amount of \$152,854.28.

This motion is based on this Notice of Motion and Motion, the accompanying Memorandum of Points and Authorities, the Declarations of Tina Wolfson, Daniel S. Robinson, and Lana Lucchesi, the Class Action Settlement Agreement and Release (the “Settlement”) previously filed with the Court (Dkt. 285), and all papers filed in support thereof, the argument of counsel at the hearing of this Motion, all papers and records on file in this matters, and such other matters as the Court may consider.

Dated: March 6, 2019

AHDOOT & WOLFSON

ROBINSON CALCAGNIE, INC.

By: /s/ Tina Wolfson
Tina Wolfson

By: /s/ Daniel S. Robinson
Daniel S. Robinson

Class Counsel

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Plaintiffs' Steering Committee

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiffs respectfully request that the Court award class representative service awards in the amount of \$2,500 each, attorneys’ fees in the amount of \$10.5 million, and expenses in the amount of \$152,854.28, in accordance with the terms of the preliminarily approved Settlement¹ between Plaintiffs and Experian.

After over three years of hard-fought litigation, Class Counsel, Tina Wolfson of Ahdoot & Wolfson (“AW”) and Daniel S. Robinson of Robinson Calcagnie, Inc. (“RC”), and other Plaintiffs’ Counsel secured an exceptional Settlement that compensates Class Members for their losses and protects them against future risks caused by the Data Breach. Based on current claims numbers, the Settlement is valued in excess of \$100 million, and this value should rise before the April 11, 2019 Claims Deadline.

The Court should award the 57 Class Representatives the requested Service Awards of \$2,500 each, for a total of \$142,500. Throughout the Action, these Class Representatives did everything in their power to represent the best interests of the Class. No Settlement or recovery would have been possible without their vital role.

The requested attorney fee award amounts to approximately 10.5% of the current Settlement value and constitutes a multiplier of 1.65 on the collective lodestar of \$6.35 million expended by the firms that contributed to the success of this litigation, consistent with Class Counsel’s commitment at the outset of the case not to seek a multiplier in excess of 1.75. (Dkt. 92 at 12.) The requested fees are fair and reasonable in light of the significant risks Class Counsel and other Plaintiffs’ Counsel faced, and based upon the excellent results achieved. All applicable factors support the requested award.

¹ Except as otherwise specified, capitalized words and terms herein have the same meaning ascribed to them in the Class Action Settlement Agreement and Release, Dkt. 285.

1 Plaintiffs respectfully request that the Court grant this Motion in its entirety.

2 **II. BACKGROUND**

3 Prosecuting this case to a successful result required substantial commitments
4 of time and resources from Class Counsel, Plaintiffs' Steering Committee ("PSC")
5 firms, and other Plaintiffs' Counsel.

6 **A. The Data Breach, Commencement of Litigation, and Plaintiffs'**
7 **Self-Organization**

8 On October 1, 2015, Experian announced that it "experienced an unauthorized
9 acquisition of information from a server" that held the personal information ("PII")
10 of more than 15 million consumers in the United States, including those "who applied
11 for T-Mobile USA postpaid services or device financing from September 1, 2013
12 through September 16, 2015." The PII included the names, addresses, Social Security
13 numbers, dates of birth, identification numbers (*e.g.* driver's license numbers,
14 military ID numbers, or passport numbers), and other personally identifiable
15 information. Following Experian's announcement, over 40 complaints related to the
16 Data Breach were filed against Experian across the Country, the first of which, *Bhuta*
17 *v. Experian Info. Solutions, Inc.*, No. 8:15-cv-1592 (filed October 2, 2015 by AW),
18 was assigned to this Court. Class Counsel expended significant efforts to coordinate
19 and consolidate all 40 cases before this Court, avoiding the MDL process and the
20 appurtenant delay, to the benefit of the Class. (Wolfson Decl. at ¶¶ 10-11; Robinson
21 Decl. at ¶¶ 8-9.)

22 During the transfer and consolidation process, Ms. Wolfson and Mr. Robinson
23 undertook significant efforts to meet and confer with all other plaintiffs' counsel to
24 agree on a leadership structure so that Plaintiffs' case could move forward promptly
25 and efficiently. (Wolfson Decl. at ¶ 12; Robinson Decl. at ¶¶ 9-11.) On January 4,
26 2016, RC and AW submitted a Supplemental Motion for Appointment of Interim Co-
27 Lead Class Counsel and Plaintiffs' Steering Committee. (Dkt. 92.) Class Counsel
28 committed to strict billing efficiency protocols, including limiting billing rates for

1 partners at \$750 per hour, irrespective of seniority, and limiting any requested
2 multiplier on lodestar to 1.75. (*Id.* at 12.) The application was supported by the vast
3 majority of Plaintiffs’ Counsel. (Dkt. 102.)

4 On February 10, 2016, after considering all leadership applications, the Court
5 appointed Mr. Robinson and Ms. Wolfson as Interim Co-Lead Class Counsel and
6 appointed a PSC consisting of attorneys from several other law firms. (Dkt. 130.)

7 **B. Case Management and Class Representative Vetting**

8 In response to Plaintiffs’ requests, the Court set monthly Case Management
9 Conferences (“CMC”) during which the Parties discussed the progress of the case
10 and sought the Court’s guidance on anticipated issues. Class Counsel appeared at
11 every CMC, which the Parties met and conferred prior to and/or following, often
12 resolving or minimizing any pending disputes and usually agreeing to postpone
13 bringing issues before the Court until the next CMC. The Court’s guidance often
14 furthered additional meet and confer efforts, streamlining and propelling the progress
15 of the litigation. (Wolfson Decl. ¶ 15; Robinson Decl. ¶ 12.)

16 Class Counsel also held weekly telephone conferences with the PSC, which
17 were crucial to streamlining Plaintiffs’ litigation efforts and assuring efficiency by
18 updating PSC members on case developments, obtaining their input on strategic
19 decisions, and assigning tasks and deadlines. (Wolfson Decl. ¶ 16; Robinson Decl.
20 ¶ 13.)

21 Leading up to and immediately after the leadership appointment, Class
22 Counsel spearheaded collaborative efforts among all Plaintiffs’ Counsel — including
23 counsel who submitted competing leadership applications — to make sure that all
24 Plaintiffs preserved relevant documents, and to vet all prospective Plaintiffs for the
25 Consolidated Complaint. Class Counsel drafted, edited, and finalized the plaintiff
26 vetting questionnaire and worked cooperatively and efficiently with other Plaintiffs’
27 Counsel to review the underlying complaints, Plaintiffs’ documents, and
28 questionnaires, and conduct telephonic vetting interviews of over 100 potential class

1 representatives. The leading candidates were then further screened and vetted, until
2 Class Counsel selected the 58² named Plaintiffs. This extensive process was
3 necessary to make sure that the purported nationwide class and state subclasses were
4 represented by devoted Class Representatives with the right claims and the
5 appropriate commitment to pursue them. (Wolfson Decl. ¶ 17; Robinson Decl. ¶ 14.)

6 C. The Pleadings

7 Utilizing the PSC's respective expertise on particular state law issues,
8 Plaintiffs' Counsel extensively researched, drafted, and filed the Complaint on April
9 15, 2016, alleging Defendants breached their duties under numerous state and federal
10 laws by, among other things: (a) failing to implement and maintain adequate data
11 security practices to safeguard Plaintiffs' and Class Members' PII; (b) failing to
12 detect the Data Breach in a timely manner; (c) failing to disclose that Defendants'
13 data security practices were inadequate to safeguard Class Members' PII; and (d)
14 failing to provide adequate and timely notice of the Data Breach. (Dkt. 151; Wolfson
15 Decl. ¶ 18; Robinson Decl. ¶ 15.) Plaintiffs brought claims under the Fair Credit
16 Reporting Act ("FCRA") and 44 state statutes, negligence, and negligence per se, and
17 pled a nationwide class and statewide subclasses for 29 states. (*Id.*)

18 After significant meet and confer efforts between Class Counsel and
19 Defendants' Counsel, and discussions with the Court during CMCs as to how best
20 streamline the initial phase of this litigation, the Parties stipulated that Experian's
21 motion to dismiss ("MTD") under FRCP 12(b)(6) would be limited to address
22 Plaintiffs' FCRA claims and state law claims for California, Illinois, New York, and
23 Ohio. Class Counsel worked collaboratively with the PSC to brief the opposition to
24 the MTD. (Wolfson Decl. ¶ 19; Robinson Decl. ¶ 16.)

25 After briefing, the Court heard oral argument and granted in part and denied in
26 part Experian's motion to dismiss. (Dkt. 213.) The Court dismissed Plaintiffs' FCRA

27 _____
28 ² One Class Representative, Jessica Holt, later voluntarily dismissed her claims (Dkt. 190), leaving 57 Class Representatives who seek Service Awards.

1 claims but rejected Experian’s argument that the economic loss rule precluded the
2 negligence causes of action, and upheld most of the state consumer claims. (*Id.*)
3 Experian answered the Complaint on February 13, 2017. (Dkt. 215.)

4 After the Court set a Scheduling Conference for January 29, 2018, Plaintiffs
5 prepared and shared with Experian a draft motion for class certification, which
6 Plaintiffs intended to file in February 2018. (Wolfson Decl. ¶ 31; Robinson Decl. ¶
7 28.)

8 **D. Discovery**

9 Discovery efforts in the litigation were significant on the part of both sides,
10 and the Parties engaged in constant meet and confer efforts regarding discovery,
11 resolving many issues outside of Court. With the Court’s input on issues such as the
12 custodian and relevancy redaction issues described below, the Parties agreed upon
13 and filed a proposed Protective Order and ESI Protocol. (Dkts. 186-87.) Experian
14 served 22 interrogatories and 12 requests for production on all 57 Plaintiffs. Plaintiffs
15 served written responses on June 30, 2016 and, the following month, produced nearly
16 1,200 pages of documents. Thereafter, Defendants’ Counsel and Class Counsel
17 expended significant meet and confer efforts regarding Plaintiffs’ responses.
18 (Wolfson Decl. ¶ 23; Robinson Decl. ¶ 20.)

19 Throughout the litigation, Defendants vigorously contested the scope of
20 discovery served on them, requiring several disputes to be briefed and argued before
21 the Court. First, there was a dispute over the number of custodians whose
22 electronically stored information (“ESI”) would be produced. (Wolfson Decl. ¶ 25;
23 Robinson Decl. ¶ 22.) Experian asked the Court to limit the number to 15 while
24 Plaintiffs asked that the limit be 75. After briefing and oral argument, the Court
25 ordered a soft custodian cap of 50, but allowed Plaintiffs to seek an increase in the
26 future if necessary. (Dkt. 157.)

27 Second, the Parties disputed whether Experian would be allowed to redact for
28 relevancy in its ESI production. (Wolfson Decl. ¶ 26; Robinson Decl. ¶ 23.) The

1 Court ordered the Parties to submit a joint statement regarding their positions on
2 various categories of information. (Dkt. 172.) Noting the “exponentially increasing
3 expense and complexity of waging discovery wars in large, class-action cases,” the
4 Court granted Plaintiffs’ proposal on all 15 categories of information on July 25,
5 2016. (Dkt. 183.)

6 Third, there was a dispute as to whether a third-party forensic report of the
7 breached servers constituted attorney-work product, which also involved a dispute
8 concerning Experian’s privilege log concerning the report and related documents it
9 withheld from production. (Wolfson Decl. ¶ 27; Robinson Decl. ¶ 24.) Ultimately,
10 Plaintiffs filed a motion to compel, which Experian opposed. (Dkts. 231-38.) The
11 Court heard oral argument on May 15, 2017.

12 During and after resolution of those discovery disputes, Experian produced
13 over 66,000 documents consisting of nearly 300,000 pages. Plaintiffs’ Counsel
14 expended significant time and resources reviewing and analyzing Experian’s
15 document production and privilege logs. (Wolfson Decl. ¶ 28; Robinson Decl. ¶ 25.)

16 Following the Court’s denial of Plaintiffs’ motion to compel production of
17 Experian’s forensic report, the Parties engaged in extensive negotiations concerning
18 Plaintiffs’ planned review of the server images on which Experian’s forensic
19 consultants relied in producing the forensic report at issue. This required detailed
20 consultation with Plaintiffs’ data security expert, and a lengthy meet-and-confer
21 process with Experian regarding how production of the server images and their
22 review would be accomplished. Ultimately, the Parties were able to negotiate a
23 Server Image Review Agreement, which entailed a mutually agreed upon third-party
24 vendor, a physically and technologically secure environment in which the review
25 could be conducted, and specified which party would bear which costs associated
26 with the review. (Wolfson Decl. ¶ 29; Robinson Decl. ¶ 26.)

27 Plaintiffs deposed four key Experian witnesses, including a Rule 30(b)(6)
28 deposition of Experian’s Vice President and Global Head of Corporate Security and

1 Incident Response, and depositions of Experian’s Senior Program Manager, Senior
2 Director of IT Development and Information Security, and Vice President of
3 Technology and Client Services. (Wolfson Decl. ¶ 30; Robinson Decl. ¶ 27.)

4 **E. Settlement Negotiations**

5 Throughout the discovery process, the Parties engaged in arm’s-length
6 discussions regarding a potential settlement. On March 15, 2017, the Parties
7 participated in a private mediation with the Honorable Margaret Nagle (Ret.).
8 (Wolfson Decl. ¶ 32; Robinson Decl. ¶ 29.) Although the Parties discussed their
9 respective positions, they made little progress and continued to litigate the case and
10 engage in discovery. (*Id.*) On July 28, 2017, the parties again participated in a private
11 mediation, this time with the Honorable Carl J. West (Ret.), at which they made
12 significant progress toward resolution of the Action. (Wolfson Decl. ¶ 33; Robinson
13 Decl. ¶ 30.) Following this mediation, the parties continued to engage in arm’s-length
14 settlement discussions with the help of Judge West, which included Plaintiffs
15 providing their draft motion for class certification to Experian. (*Id.*)

16 On January 26, 2018, the Parties participated in an all-day Settlement
17 Conference with the Honorable Jay C. Gandhi, since retired, and reached an
18 agreement in principal. (Wolfson Decl. ¶ 34; Robinson Decl. ¶ 31.) Attorneys’ fees
19 were negotiated at the final mediation with Judge Gandhi, only after agreement was
20 reached on all material terms of the Settlement. (*Id.*)

21 After reaching an agreement in principal, the Parties exchanged numerous
22 drafts of the Settlement Agreement and its exhibits, negotiating numerous details to
23 maximize the benefits to the Class. (Wolfson Decl. ¶¶ 34-35; Robinson Decl. ¶¶ 31-
24 32.) Class Counsel engaged in a months-long effort with T-Mobile (and a third-party
25 IT consultant selected by T-Mobile) to obtain all available email addresses from T-
26 Mobile records in order to provide the best practical notice while maximizing benefits
27 to Class Members. (Wolfson Decl. ¶ 39.)

28 Class Counsel also obtained bids from and negotiated with several third-party

1 administrators and Credit Monitoring and Insurance Services providers in order to
2 get the best deal for the Class. After soliciting and reviewing competing bids for
3 administration of the Settlement, Class Counsel negotiated an agreement with KCC,
4 LLC (“KCC”), under which KCC’s costs are capped at certain levels, depending on
5 the claim filing rate. Given that the claim rate now exceeds 2%, KCC’s costs will be
6 capped at \$1.450 million (the cap will raise to \$1.545 million if the claim rate exceeds
7 4%). These figures include all costs associated with class member data management,
8 legal notification, telephone support, claims administration, and disbursements and
9 tax reporting. (Wolfson Decl. ¶ 36; Robinson Decl. ¶ 33.) Class Counsel also worked
10 closely with KCC to hone the notice and claim form to comply with applicable law.
11 (Wolfson Decl. ¶ 37; Robinson Decl. ¶ 34.)

12 Class Counsel solicited competing bids from numerous providers of Credit
13 Monitoring and Insurance Services in accordance with the Settlement’s terms.
14 Ultimately, Class Counsel negotiated for Identity Guard to provide the Settlement’s
15 Credit Monitoring and Insurance Services at a cost of \$1.3 million to \$2.5 million,
16 depending on the number of Class Members who ultimately receive such services.
17 (Wolfson Decl. ¶ 38; Robinson Decl. ¶ 35.)

18 Finally, Class Counsel prepared and filed the Settlement along with the Motion
19 for Preliminary Approval (Dkts. 285-87), which the Court granted on December 3,
20 2018 (Dkt. 289).

21 **F. Settlement Administration**

22 Since the Preliminary Approval Order, Class Counsel has worked alongside
23 KCC to ensure the notice and claims process went smoothly for the Class Members.
24 Class Counsel repeatedly audited the website to make sure it was correct and user-
25 friendly, reviewed weekly reports from, and conferred with, KCC about the progress
26 of the claims process, and responded to hundreds of inquiries from Class Members
27 that came into their respective offices, as well as other counsel’s offices. Class
28 Counsel have and will continue to expend significant effort to ensure that the offered

1 benefits reach Class Members. (Wolfson Decl. ¶ 41; Robinson Decl. ¶ 37.)

2 Class Counsel will continue to expend significant efforts to communicate with
3 Class Members, seek final approval of the Settlement, and respond to any criticism
4 that may be filed, including potential appeals. The lodestar presented to the Court in
5 this Motion does not include the significant time that will be expended on such
6 efforts. (Wolfson Decl. ¶ 42; Robinson Decl. ¶ 38.)

7 **III. ARGUMENT**

8 **A. The Court Should Approve the Class Representative Service** 9 **Awards**

10 “It is well-established in this circuit that named plaintiffs in a class action are
11 eligible for reasonable incentive payments, also known as service awards.” *Viceral*
12 *v. Mistras Group, Inc.*, No. 15-cv-02198-EMC, 2017 WL 661352, at *4 (N.D. Cal.
13 Feb. 17, 2017) (citation omitted). Service awards, which are discretionary, “are
14 intended to compensate class representatives for work done on behalf of the class, to
15 make up for financial or reputational risk undertaken in bringing the action.”
16 *Rodriguez v. W. Publ’g Corp.*, 563 F.3d 948, 958-59 (9th Cir. 2009).

17 The Court should grant the modest Service Awards of \$2,500 each to the Class
18 Representatives to compensate them for the effort and risk entailed in pursuing this
19 litigation. These Class Representatives have been enthusiastic and active, and have
20 fought for the best interests of the Class. (*See generally*, Dkt. 287-1-3 (Plaintiffs’
21 Declarations).) They investigated the matter prior to and after retaining their
22 respective attorneys, participated in the plaintiff vetting process implemented by
23 Class Counsel, reviewed and approved their original complaints, the Complaint,
24 discovery, and other documents, kept in contact with counsel to monitor the progress
25 of the litigation, and reviewed and communicated with their respective counsel and
26 Class Counsel regarding the Settlement Agreement and its exhibits. (Wolfson Decl.
27 ¶ 8; Robinson Decl. ¶ 6.). Each put their name and reputation on the line for the sake
28 of the Class, and no recovery would have been possible without their critical role.

1 Greater amounts have been awarded in other data breach cases. *Anthem*, 2018 WL
2 3960068, at *30 (awarding class representative awards of \$7,500 to 29 named
3 plaintiffs and \$5,000 to 76 named plaintiffs).

4 **B. The Court Should Award The Attorneys’ Fees and Costs.**

5 District courts may award attorneys’ fees and costs to a prevailing plaintiff
6 where “the successful litigants have created a common fund for recovery or extended
7 substantial benefit to the class.” *In re Bluetooth Headset Prods. Liab. Litig.*, 654 F.
8 935, 941 (9th Cir. 2011) (citing *Alyeska Pipeline Serv. Co. v. Wilderness Soc’y*, 421
9 U.S. 240, 275 (1975)).

10 Where counsel for a class seek fees from a common fund, courts within the
11 Ninth Circuit have discretion to employ either the percentage-of-fund or the lodestar-
12 multiplier method to determine whether the fee request is reasonable. *See In re*
13 *Mercury Interactive Corp.*, 618 F.3d 988, 992 (9th Cir. 2010); *Vizcaino v. Microsoft*
14 *Corp.*, 290 F.3d 1043, 1048-49 (9th Cir. 2002); *Hanlon v. Chrysler Group*, 150 F.3d
15 1011, 1029 (9th Cir. 1998). Regardless of the chosen method, courts must award
16 attorneys’ fees based on an evaluation of “all of the circumstances of the case.”
17 *Vizcaino*, 290 F.3d at 1048.

18 Whether applying the lodestar or percentage method, “the most critical factor
19 is the degree of success obtained.” *Hensley v. Eckerhart*, 461 U.S. 424, 436 (1983);
20 *see also In re Bluetooth*, 654 F.3d at 942 (“Foremost among these considerations . . .
21 is the benefit obtained for the class.”); Federal Judicial Center, *Manual for Complex*
22 *Litigation*, § 27.71, 336 (4th ed. 2004) (the “fundamental focus is on the result
23 actually achieved for class members”).

24 **1. The Settlement Is Valued in Excess of \$100 Million**

25 Class Counsel’s efforts generated an exceptional Settlement that includes a
26 \$22 million non-reversionary Settlement Fund, at least \$11.7 million in remedial
27 measures undertaken by Experian as a result of this litigation and Settlement, and the
28

1 Credit Monitoring and Insurance Services which, as explained below, provide an
2 additional \$66.3 million of value at the current claims rate. *See infra* § III.B.3.

3 The \$22 million non-reversionary Settlement Fund will be used to provide
4 each Participating Class Member who submits a valid claim with the following: (1)
5 two years of the Credit Monitoring and Insurance Services, (2) cash payments to
6 Class Members for Out-of-Pocket Costs, including unreimbursed losses, incurred due
7 to the Data Breach, and (3) cash payments of up to \$140 for Documented Time or up
8 to \$40 for Default Time. The Settlement Fund also will be used to pay for any Service
9 Awards to the Class Representatives, attorneys' fees and costs awarded by the Court,
10 and Notice and Administration Expenses.

11 The Settlement Fund alone comes up to \$1.47 per person, based on the updated
12 Class size of 14.93 million after de-duplication,³ which compares favorably to other
13 finally approved data breach settlements (*e.g.*, *Anthem* (\$1.39) (compromised PII
14 included medical information, and claims for statutory damages of \$1,000 per
15 person), *Home Depot* (\$.51 to \$.68), and *Target* (\$.15)), but does not factor in the
16 actual Settlement value here, which includes the value of Experian's remedial
17 measures and of the Credit Monitoring and Insurance Services.

18 **2. Participating Settlement Class Members Will Receive**

19 **Immediate Cash Compensation**

20 In addition to submitting a claim to receive the Credit Monitoring and
21 Insurance Services, and in addition to the benefits of Experian's remedial measures,
22 which should help prevent a similar breach from happening in the future, Settlement
23 Class Members can submit a claim to receive an immediate cash payment for
24 reimbursement of their Out-of-Pocket Costs, and for their time spent responding to
25 the Data Breach whether or not they have supporting documentation.

26
27
28 ³ As explained in the Lucchesi Declaration, the Class size was reduced through de-
duplication, from 15,926,817 to 14,931,074. (Lucchesi Decl. ¶ 2.)

1 ***i. Cash Payments for Reimbursement of Out-of-Pocket Costs***

2 Class Members who have incurred Out-of-Pocket Costs associated with the
3 Data Breach may be entitled to receive reimbursement of up to \$10,000 for those
4 costs. (SA ¶ 75.b.) To do so, the Participating Settlement Class Member need only
5 provide Reasonable Documentation supporting his or her claim, which will be
6 deemed fairly traceable to the Data Breach by the Settlement Administrator if those
7 costs occurred on or after September 14, 2015, and the Settlement Administrator
8 determines the Out-of-Pocket Costs incurred are related to the type of PII disclosed
9 in the Data Breach. (SA ¶¶ 38, 74, 77.)

10 ***ii. Cash Payments for Documented Time or Default Time***

11 In addition to a payment for Out-of-Pocket Costs, Settlement Class Members
12 can submit a claim to receive a cash payment for their time spent addressing or
13 remedying issues related to the Data Breach, either for Documented Time of up to 7
14 hours for \$20 per hour if Reasonable Documentation is provided (*Id.* ¶ 75.c.) or for
15 Default Time of up to 2 hours at \$20 per hour without Reasonable Documentation
16 (*Id.* ¶ 75(d).)⁴ Cash Payments for Documented Time and Default Time will be
17 reduced on a pro rata basis based on the claims rate. (*Id.* ¶ 81(b).)

18 **3. The Value of the Robust Credit Monitoring and Insurance**
19 **Services Is at Least \$66.3 Million**

20 The Credit Monitoring and Insurance Services offered through the Settlement
21 present a real and valuable benefit to Class Members and protect them from the
22 consequences of the Data Breach going forward. These services are a critical
23 component of the Settlement designed to address the reality that out-of-pocket losses
24 may not manifest for years.⁵

25 _____
26 ⁴ All Class Members who do not submit a claim for payment of Documented Time,
27 or whose claim for Documented Time is rejected by the Settlement Administrator,
28 may receive a Default Time payment.

⁵ There may be a time lag between when Private Information is stolen and when it is
used. According to the U.S. Government Accountability Office (“GAO”):

1 The Credit Monitoring and Insurance Services offered through the Settlement
 2 are superior to many competing products on the market,⁶ are tailored to provide
 3 Settlement Class Members with the best credit monitoring available, and if a Class
 4 Member already has substantially similar Credit Monitoring and Insurance Services,
 5 then the term of the Product offered to that individual under the Settlement will be
 6 extended by the remaining term of the individual's existing services, so that he or she
 7 nonetheless will receive this valuable benefit. (Dkt. 286-5, J. Thompson Decl. ¶¶ 3-
 8 8.) The Credit Monitoring and Insurance Services have a retail value of \$19.99 per
 9 month. (*Id.* ¶ 7.)

10 The retail value of these services (rather than the cost) is the proper gauge to
 11 apply here, given that this is the benefit Class Members actually receive. *See, e.g.,*
 12 *Johansson-Dohrmann v. Cbr Sys., Inc.*, No. 12-cv-1115-MMA (BGS), 2013 WL
 13 3864341, at *9 (S.D. Cal. July 24, 2013) (including value of credit monitoring in
 14 value of common fund, and finding requested fees "well within the 25%
 15 benchmark");⁷ *In re The Home Depot, Inc., Customer Data Sec. Breach Litig.*, No.:

17 [L]aw enforcement officials told us that in some cases, *stolen data may*
 18 *be held for up to a year or more before being used to commit identity*
 19 *theft*. Further, once stolen data have been sold or posted on the Web,
 20 *fraudulent use of that information may continue for years*. As a result,
 21 studies that attempt to measure the harm resulting from data breaches
 22 cannot necessarily rule out all future harm.

23 GAO, Report to Congressional Requesters, at 33 (June 2007) (italics
 24 added), *available at* <<http://www.gao.gov/new.items/d07737.pdf>> (last visited Feb.
 25 26, 2019).

26 ⁶ The Credit Monitoring and Insurance Services include three-bureau credit
 27 monitoring, real-time instant authentication alerts, Lexis-Nexis Authentication
 28 Alerts, dark web monitoring, threat alerts powered by IBM Watson, customer support
 and victim assistance, \$1 Million reimbursement insurance from AIG, anti-phishing
 & safe apps for iOS and Android Mobile devices, and safe browsing software. (Dkt.
 286-5, J. Thompson Decl. ¶ 7.)

⁷ While the court in *In re Anthem, Inc. Data Breach Litig.*, No. 15-MD-02617-LHK,
 2018 WL 3960068, at *8 (N.D. Cal. Aug. 17, 2018), declined to follow *Johansson*

1 1:14-md-02583-TWT, 2016 WL 6902351, at *4 (N.D. Ga. Aug. 23, 2016) (granting
 2 final approval and reasoning that “[t]hese services have a retail value of
 3 approximately \$180 per enrollee”); *Lockwood v. Certegy Check Servs., Inc.*, No. 07-
 4 cv-01434, Dkt. 101 at 9 n.4 (M.D. Fla. Sept. 3, 2008) (“Using the Representative
 5 Plaintiffs’ estimates of the value of the monitoring”); *In re Michaels Stores Pin*
 6 *Pad Litig.*, No. 11-cv-03350, Dkts. 103 (fee motion), 107 (final approval order) (N.D.
 7 Ill. Mar. 3 & Apr. 17, 2013) (granting fee request justified under percentage method
 8 based on retail value of credit monitoring).

9 The Claims Deadline is April 11, 2019. A total of 372,148 claims have been
 10 received to date, including 211,246 electronic claims and 160,902 postcard claims.
 11 (Lucchesi Decl. ¶ 9.) Of the electronic claims, 140,948 Participating Settlement
 12 Class Members have elected to receive Credit Monitoring and Insurance Services.
 13 (*Id.*) The postcard claims have not yet been analyzed, but final numbers (including
 14 KCC’s deduplication of all claims) will be provided in advance of the Final Fairness
 15 Hearing. This amounts to a response rate of 2.49% of the 14.9 million Class
 16 Members (after de-duplication), to date.⁸

17 Based on these current figures, the Credit Monitoring and Insurance Services
 18 present an additional value of \$66.3 million⁹ to the Settlement (which subtracts the

19 _____
 20 on the basis that “the parties there agreed on the valuation of the settlement fund,”
 21 such reasoning fails to rebut the basic premise that these Credit Monitoring and
 22 Insurance Services have a real, ascertainable value to Class Members, which is the
 23 retail value for which similar services are bought and sold on the private market.

24 ⁸ The current overall participation rate of 2.49% (372,148 claims out of 14.9 million
 25 Class Members (Lucchesi Decl. ¶¶ 2, 9; Wolfson Decl. ¶ 46; Robinson Decl. ¶ 42))
 26 will continue to rise and, before the Claims Deadline, already is higher than those in
 27 other data breach settlements: approximately 0.2% in *Target* and *Home Depot*.

28 ⁹ 140,948 (Credit Monitoring and Insurance Services claims to date) × 24 (months)
 × \$19.99 (value per month) = \$67,621,212.48 - \$1,300,000 (Credit Monitoring and
 Insurance Services cost) = \$66,321,212.48 (present value of Credit Monitoring and
 Insurance Services). If the number of Participating Settlement Class Members that
 enroll in the Credit Monitoring and Insurance Services exceeds 1%, the cost of that
 benefit will increase to \$2.5 million.

1 cost of providing such services). Adding this value to that of the Settlement Fund
 2 (\$22 million) and of the remedial measures implemented as a result of this litigation
 3 (\$11.7 million), results in a current Settlement value of \$100,021,212.48. (Wolfson
 4 Decl. ¶¶ 7, 48; Robinson Decl. ¶¶ 5, 44.)

5 **4. The \$11.7 Million Value Ascribed to Experian’s Remedial**
 6 **Measures Is a Conservative Measure of Its Value**

7 “Incidental or non-monetary benefits conferred by the litigation are relevant
 8 circumstances” in determining an appropriate award of attorneys’ fees, under both
 9 the lodestar and percentage methods. *Vizcaino*, 290 F.3d at 1049 (concluding that
 10 change in employer practices and clarification of law were factors supporting fee
 11 award) (citing with approval *Bebchick v. Wash. Metro. Area Transit Comm’n*, 805
 12 F.2d 396, 408 (D.C. Cir. 1986) (“[A]n upward adjustment to the lodestar is
 13 appropriate to reflect the benefits to the public flowing from this litigation.”)); *Staton*
 14 *v. Boeing Co.*, 327 F.3d 938, 974 (9th Cir. 2003) (“[C]ourts should consider the value
 15 of the injunctive relief obtained as a ‘relevant circumstance’ in determining what
 16 percentage of the common fund class counsel should receive as attorneys’s fees.”).

17 The Settlement confers at least \$11.7 million worth of remedial measures that
 18 Experian has undertaken, and will continue to implement, as a result of this litigation
 19 and Settlement. (SA Ex. F at ¶ 9.) These remedial measures include numerous
 20 enhancements to Experian’s network, remediation of additional vulnerabilities,
 21 heightened encryption throughout its network and its user database, implementation
 22 of its Security First Program consisting of 82 security-related projects, and the hiring
 23 of an additional 60 full-time employees. (*Id.* ¶ 8.) Because the remedial measures
 24 bolster Experian’s global security — not just the T-Mobile interface at issue in the
 25 present Data Breach — these remedial measures provide an enormous benefit to *all*
 26 Class Members, regardless of whether they submit a claim for other benefits. (*Id.*)¹⁰

27 _____
 28 ¹⁰ In addition, the remedial measures attributable to the Settlement extend to non-
 Class Members who may utilize Experian’s services in the future, because they too

1 Here, the cost to Experian of implementing these remedial measures presents
2 a conservative measure of their value, which certainly is no less than that cost. As
3 one of the major credit bureaus in the United States, the improvements to Experian’s
4 security resulting from this litigation have real value to each and every Class
5 Member, regardless of whether he or she submits a Claim Form — beyond the cost
6 to Experian. Even valued at a nominal sum of just \$1 per Class Member, the value
7 of these remedial measures would be approximately \$16 million. Plaintiffs
8 conservatively request that only the cost of \$11.7 million expended by Experian be
9 used for the valuation of this injunctive relief.

10 Because “the value to individual class members of benefits deriving from”
11 these remedial measures “can be accurately ascertained,” the Court may “include
12 such relief as part of the value of a common fund for purposes of applying the
13 percentage method of determining fees.” *Staton*, 327 F.3d at 974; *see also In re*
14 *Checking Account Overdraft Litig.*, No. 1:09-MD-02036-JLK, 2013 WL 11319243,
15 at *13 (S.D. Fl. Aug. 2, 2013) (adding value of non-assessed overdraft fees to
16 common fund before applying percentage method); *McCoy v. Health Net, Inc.*, 569
17 F. Supp. 2d 448, 478 (D.N.J. 2008) (including value of injunctive relief that benefits
18 the class in percentage-of-recovery calculation).

19 While Judge Koh reasoned in *Anthem* that it was “difficult to isolate which
20 portion of Anthem’s increase in its cybersecurity spending is attributed solely to the
21 instant lawsuit as opposed to money that Anthem would have spent anyway in the
22 aftermath of the data breach at issue” (*In re Anthem*, at *8), here Experian agrees that
23 specific and concrete “measures were taken as a result of [this] Litigation.” (SA Ex.
24 F at ¶ 9.) And, whereas an Anthem member may switch healthcare plans, and thus
25

26 _____
27 will receive the benefits flowing from Experian’s implementation of enhanced
28 cybersecurity. *See City of Riverside v. Rivera*, 477 U.S. 561 (1986) (courts may
consider the public benefits of counsel’s efforts in determining reasonable attorneys’
fees); *Vizcaino*, 290 F.3d at 1049 (considering the benefits to non-class members).

1 not reap the benefit of improvements to Anthem's cybersecurity, Class Members here
2 certainly benefit from Experian's improved security, even if they no longer use T-
3 Mobile, because Experian is one of the three major credit bureaus in the United
4 States, and will continue to store the PII of Class Members and non-class members.

5 **5. The Requested Fee Is Reasonable Under the Lodestar**
6 **Approach**

7 Application of the lodestar method here confirms the propriety of Class
8 Counsel's fee request. Under this approach, the lodestar figure is determined by
9 multiplying the number of hours reasonably expended on the litigation by hourly
10 rates. *In re Bluetooth*, 654 F.3d at 941. The lodestar figure, however, is only the
11 starting point for determining an appropriate fee. *Id.*

12 **i. The Number of Hours Claimed Is Reasonable**

13 Plaintiffs' Counsel maintained contemporaneous, detailed time records billed
14 in 1/10 of an hour increments. The hours expended by each Plaintiffs' Counsel firm
15 included in the present request are detailed in the accompanying Wolfson
16 Declaration, and have been reviewed in detail by Class Counsel. (Wolfson Decl.
17 ¶¶ 63-72, Robinson Decl. ¶¶ 68-74.)

18 Class Counsel reviewed all time and expense submissions from the PSC and
19 from other Plaintiffs' Firms as they were submitted. Further, all such submissions
20 were later reviewed closely by Class Counsel and were subject to reductions when
21 appropriate, in advance of this filing. (Wolfson Decl. ¶ 72; Robinson Decl. ¶ 72.)
22 These amounts do not include pre-coordination time. (Wolfson Decl. ¶ 51.)

23 Since they were appointed, Class Counsel required Plaintiffs' Counsel whose
24 bills are included in these figures to submit monthly billing statements regarding time
25 spent on this litigation. (Wolfson Decl. ¶ 66; Robinson Decl. ¶ 71.) Class Counsel
26 reviewed all of these time submissions, audited them, and reduced hours that
27 appeared duplicative, excessive, or unnecessary. (Wolfson Decl. ¶ 72.) The resulting
28 number of hours is reasonable. *See, e.g., Moore v. James H. Matthews & Co.*, 682

1 F.2d 830, 839 (9th Cir. 1982) (reasoning counsel entitled to recover for “every item
2 of service which, at the time rendered, would have been undertaken by a reasonable
3 and prudent lawyer to advance or protect his client’s interest”) (citation omitted).

4 As detailed above and in the declarations, these hours include: (1) engaging in
5 extensive coordination efforts, (2) vetting potential class representatives, (3)
6 extensively researching and filing the Complaint, (4) opposing Experian’s motion to
7 dismiss, (5) meeting and conferring regarding discovery disputes with defense
8 counsel and negotiating agreements regarding discovery (6) litigating before the
9 Court several issues pertaining to the scope of discovery, (6) reviewing Experian’s
10 production of over 66,000 pages of documents and taking four depositions of key
11 Experian witnesses, (7) coordinating with Plaintiffs and producing nearly 1,200
12 pages of their documents along with discovery responses, (8) undertaking substantial
13 investigation of the Data Breach and consulting with several experts, (9) researching
14 and drafting a motion for class certification, (10) attending two private mediation
15 sessions and a Settlement Conference, (11) negotiating the details of the Settlement
16 Agreement over multiple months and drafting the preliminary approval motion, and
17 (12) responding to inquiries from Class Members after Class Notice was
18 disseminated. (Wolfson Decl. ¶¶ 11-41; Robinson Decl. ¶¶ 8-37.)

19 Moreover, additional work will be required. Class Counsel must still: (1)
20 prepare for and attend the final approval hearing, including the research and drafting
21 of the reply papers and responses to objections; (2) continue to respond to the many
22 inquiries from Class Members; (3) oversee the Settlement through final approval of
23 distribution of the common fund; (4) oversee the claims administration process,
24 including addressing any claim review issues; and (5) handle any appeals. (Wolfson
25 Decl. ¶ 42; Robinson Decl. ¶ 38.)

26 **ii. The Hourly Rates Are Reasonable**

27 Plaintiffs’ Counsel are entitled to the hourly rates charged by attorneys of
28 comparable experience, reputation, and ability for similar complex federal litigation.

1 *Camacho v. Bridgeport Fin., Inc.*, 523 F.3d 973, 979 (9th Cir. 2008). Here, Plaintiffs’
 2 Counsel’s hourly rates are reasonable in light of their significant experience,
 3 expertise, and skill. (Wolfson Decl. ¶¶ 49, 54-56, 75-81; Robinson Decl. ¶¶ 48, 60-
 4 62, 75-81.) As stated in their leadership application to the Court, Class Counsel have
 5 applied uniform hourly rates to all firms, based on attorney’s seniority, and capped
 6 the most senior attorneys at \$750 per hour, even though many attorneys, including
 7 Class Counsel, have had higher rates approved.¹¹

8 Class Counsel have brought to this case extensive experience in the area of
 9 consumer class actions and complex litigation. (Wolfson Decl. Ex. 1; Robinson
 10 Decl. Ex. 1) The hourly rates of Plaintiffs’ Counsel are in line with prevailing rates
 11 in this District, and have been approved by other federal and state courts. (Wolfson
 12 Decl. ¶¶ 56, 79; Robinson Decl. ¶ 62.)

13 **iii. A Positive Multiplier Is Justified**

14 A court may reduce or enhance the lodestar figure based on “a host of
 15 ‘reasonableness’ factors, ‘including the quality of representation, the benefit obtained
 16 for the class, the complexity and novelty of the issues presented, and the risk of
 17 nonpayment.’” *In re Bluetooth*, 654 F.3d at 942 (quoting *Hanlon*, 150 F.3d at 1029,
 18 and citing *Kerr v. Screen Extras Guild, Inc.*, 526 F.2d 67, 70 (9th Cir. 1975)).

19 Based on these factors, as further explained below, Class Counsel submit that
 20 the requested multiplier of 1.65 is modest and more than merited given the excellent
 21 results obtained on a contingency basis, in this complex case. *See, e.g., Vizcaino*,
 22 290 F.3d at 1051 & Appendix (approving multiplier of 3.65 and citing cases with

23
 24 ¹¹ “If selected, AW and RCRSD would establish a fee schedule that would set the
 25 following rates in the event of a settlement: (1) a billing rate of partners capped at
 26 \$750/hour (even for individuals who have been approved at much higher rates in
 27 other litigation), (2) a billing rate for associates set between \$350 and \$550/hour
 28 depending on seniority, and (3) a billing rate for paralegals and assistants set between
 \$175 and \$325/hour based on seniority. Further, AW and RCRSD would not seek a
 multiplier greater than 1.75 unless the parties settled within 30 days of trial.” (Dkt.
 92 at 12.)

1 multipliers as high as 19.6); *In re Volkswagen “Clean Diesel” Mktg., Sales Practices,*
2 *and Prods. Liab. Litig.*, No. 3:15-md-2672, 2017 WL 1047834, at *5 (N.D. Cal. Mar.
3 17, 2017) (“Multipliers in the 3-4 range are common in lodestar awards for lengthy
4 and complex class action litigation.”) (quoting *Van Vranken v. Atl. Richfield Co.*,
5 901 F. Supp. 294, 298-99 (N.D. Cal. 1995)); *Craft v. County of San Bernardino*, 624
6 F. Supp. 2d 1113, 1125 (C.D. Cal. 2008) (upholding 25% of the fund award resulting
7 in a multiplier of approximately 5.2, and citing cases in support); *Wershba v. Apple*
8 *Computer*, 91 Cal. App. 4th 224, 255 (2001) (“Multipliers can range from 2 to 4 or
9 even higher.”); *In re Nasdaq Mkt.-Makers Antitrust Litig.*, 187 F.R.D. 465, 489
10 (S.D.N.Y. 1998) (“In recent years multipliers of between 3 and 4.5 have become
11 common”) (citation omitted); *Maley v. Del Global Techs. Corp.*, 186 F. Supp. 2d
12 358, 371 (S.D.N.Y. 2002) (holding “modest” multiplier of 4.65 “fair and
13 reasonable”).

14 Class Counsel secured an exceptional settlement for the Class valued in excess
15 of \$100 Million. *See supra*, § III.B.

16 Further, the complexity of this case required experienced legal skills and high
17 quality work. The “prosecution and management of a complex national class action
18 requires unique legal skills and abilities” that are to be considered when determining
19 a reasonable fee. *In re Omnivision Techs., Inc.*, 559 F. Supp. 2d 1036, 1047 (N.D.
20 Cal. 2008) (citation omitted). This case presented extraordinary challenges that
21 required extraordinary lawyering. In general, data breach class actions present
22 relatively uncharted territory and no data breach case has gone to trial. Further,
23 Class Counsel represented a class consisting of nearly 15 million consumers in every
24 state of the nation, requiring research and application of the laws of each state. The
25 circumstances of the breach also presented significant technical challenges, requiring
26 Class Counsel to understand the complicated data systems at issue, and formulate a
27 plan for presenting evidence concerning those systems to a jury in a comprehensible
28

1 manner, without the benefit of Experian’s own forensic report concerning the Data
2 Breach. (Wolfson Decl. ¶ 29; Robinson Decl. ¶ 26.)

3 Class Counsel in this matter have extensive experience litigating and serving
4 as counsel in numerous consumer class actions, including in other data breach cases.
5 (Wolfson Decl. ¶¶ 2-4 & Ex. 1; Robinson Decl. ¶¶ 45-47 & Ex. 1.) Class Counsel
6 alone spent 7,029.5 hours, and all Plaintiffs’ Counsel together (including Class
7 Counsel) spent 11,089 hours, actively litigating this case. (Wolfson Decl. ¶ 67.) All
8 demonstrated substantial skill, expertise, and diligence, which resulted in one of the
9 most successful settlements achieved in a data breach case.

10 Additionally, “[t]he quality of opposing counsel is important in evaluating the
11 quality of Class Counsel’s work.” *Barbosa v. Cargill Meat Sols. Corp.*, 297 F.R.D.
12 431, 449 (E.D. Cal. 2013). Here, Experian is one of the three largest credit reporting
13 bureaus in the United States and is represented by one of the largest and most
14 prominent law firms in the country. That Plaintiffs achieved such an excellent result
15 against such a formidable opponent is yet another factor supporting the requested
16 multiplier.

17 The requested multiplier is further justified because this case presented a
18 significant risk of non-payment. *In re Omnivision*, 559 F. Supp. 2d at 1047; *Vizcaino*,
19 290 F.3d at 1048. Data breach cases are especially risky, expensive, and complex
20 because data breach law is constantly evolving and there are numerous hurdles that
21 Plaintiffs must overcome before getting to trial, including class certification and
22 summary judgment. Establishing a cognizable injury tied to Experian’s conduct (as
23 opposed to, for instance, another data breach), can present serious challenges. *See*,
24 *e.g.*, *Krottner v. Starbucks Corp.*, 406 F. App’x 129 (9th Cir. 2010) (holding that,
25 although plaintiffs established injury-in-fact for standing purposes, they failed
26 adequately to allege damages for purposes of their negligence claim). Were the case
27 to proceed in litigation, there would be numerous expert reports, costly expert
28 depositions, and *Daubert* proceedings that risk excluding Plaintiffs’ expert

1 testimony. Further, there is a dearth of class action certification decisions in the data
2 breach context, so that class certification presents an especially heightened risk.

3 The risks here are underscored by Plaintiffs' failed motion to compel
4 production of Experian's forensic report concerning the Data Breach at issue. Not
5 only does the Court's denial of that motion (Dkt. 239) demonstrate that rulings can
6 and will go against Plaintiffs at times but, as a result of that ruling, Plaintiffs would
7 be forced to litigate the case without the benefit of key, contemporaneous evidence
8 concerning how the Data Breach occurred.

9 That the considerable risks here were undertaken by Plaintiffs' Counsel on an
10 entirely contingent basis further justifies the requested multiplier. *See Vizcaino*, 290
11 F.3d at 1050; *Kerr*, 526 F.2d at 70.¹² "It is an established practice in the private legal
12 market to reward attorneys for taking the risk of non-payment by paying them a
13 premium over their normal hourly rates for winning contingency cases." *In re Wash.*
14 *Pub. Power Supply Sys. Sec. Litig.*, 19 F.3d 1291, 1299 (9th Cir. 1994). Counsel's
15 "substantial outlay" of time and money and the significant risk that none of it would
16 be recovered, further supports Class Counsel's requested modest multiplier. *In re*
17 *Omnivision*, 559 F. Supp. 2d at 1047.

18 **6. The Requested Fee Is Reasonable Under the Percentage**

19 **Method**

20 Under the percentage method, the district court may award plaintiffs' attorneys
21 a percentage of the common fund, so long as that percentage represents a reasonable
22 fee. *See e.g., In re Wash. Pub. Power Supply Sys. Sec. Litig.*, 19 F.3d at 1294 n.2.
23 Although the Ninth Circuit has set 25% of a common fund as a "benchmark" award
24

25 ¹² Although the *Bluetooth* court suggested that "whether the fee was fixed or
26 contingent" is "no longer [a] valid" factor, citing *Davis v. City and County of San*
27 *Francisco*, 976 F.2d 1536, 1546 (9th Cir. 1992), *Vizcaino*, which post-dates *Davis*,
28 suggests otherwise, and the *Bluetooth* court nonetheless considered "the risk of
nonpayment" among the "'reasonableness' factors" courts should consider when
awarding fees. *In re Bluetooth*, 654 F.3d at 942.

1 under the percentage-of-the-fund method, courts award more than the benchmark
2 when justified, considering factors much like those considered when determining
3 whether a multiplier is appropriate under the lodestar approach. *Vizcaino*, 290 F.3d
4 at 1048, 1051.

5 The analysis begins by determining the size of the fund, and the Court has
6 discretion to determine what portion of the common fund is “for the benefit of the
7 entire class.” *In re Bluetooth*, 654 F.3d at 942. As explained above, the Settlement
8 is properly valued in excess of \$100 million and the requested fee award of \$10.5
9 million represents some 10.5% of that amount. *See supra*, Section III.B.
10 Accordingly, the requested fee here is well below the Ninth Circuit’s 25%
11 “benchmark” for such awards. *Vizcaino*, 290 F.3d at 1047.

12 As explained above and in the supporting declarations of Class Counsel, the
13 extraordinary result presented by the Settlement, the contingent nature of
14 representation, the risks of nonpayment, the highly complex nature of the litigation,
15 and the high caliber of lawyering required and employed by all counsel weigh in
16 favor of a higher percentage of the fund than that sought by Class Counsel here.

17 **7. The Requested Amount Is Comparable to Attorneys’ Fees** 18 **Awarded in Other Cases**

19 In determining whether an award is reasonable, courts may look to awards
20 made in similar cases. *See Vizcaino*, 290 F.3d at 1050 n.4. Where the percentage-
21 of-the fund method is employed, it is well established that 25% of a common fund is
22 a presumptively reasonable amount of attorneys’ fees. *See, e.g., In re Bluetooth*, 654
23 F.3d at 942 (“[C]ourts typically calculate 25% of the fund as a ‘benchmark’ for a
24 reasonable fee award, providing adequate explanation in the record of any ‘special
25 circumstances’ justifying a departure.”). However, “in most common fund cases, the
26 award exceeds” the 25% benchmark. *Knight v. Red Door Salons, Inc.*, No. 08-01520
27 SC, 2009 WL 248367, at *6 (N.D. Cal. Feb. 2, 2009).

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1 The request here is modest both in absolute and in percentage-of-fund terms,
2 compared with awards in other data breach cases. For instance, the fee requested
3 here compares favorably with that awarded in *Home Depot* where relying primarily
4 on the lodestar method, the court approved a fee award of \$7,536,497.80 after
5 applying a 1.3 multiplier to counsel's base lodestar of \$5,797,306, where the
6 settlement featured a \$13 million settlement fund, and was valued at \$27 million total.
7 *In re The Home Depot, Inc., Customer Data Sec. Breach Litig.*, No.: 1:14-md-02583-
8 TWT, 2016 WL 11299474, at *1-2 (N.D. Ga. Aug. 23, 2016) (granting fee motion);
9 *see also id.* No.: 1:14-md-02583-TWT, at Dkt. 226-1 (explaining settlement benefits
10 in detail in motion for final approval).

11 The *Anthem* court applied the percentage-of-fund approach to award plaintiffs'
12 counsel in that data breach case 27% of the settlement fund, for a total of \$31.05
13 million. *In re Anthem, Inc. Data Breach Litig.*, No. 15-MD-02617-LHK, 2018 WL
14 3960068, at *16 (N.D. Cal. Aug. 17, 2018). Similarly, the *Target* court approved a
15 fee award of \$6.75 million, which represented 29% of defendant's total payout,
16 which included a \$10 million settlement fund. *In re Target Corp. Customer Data*
17 *Sec. Breach Litig.*, No. 14-md-02522, 2015 WL 7253765, at *3 (D. Min. Nov. 17,
18 2015) (affirmed on this point, *In re Target Corp. Customer Data Sec. Breach Litig.*,
19 892 F.3d 968, 977 (8th Cir. 2018)).

20 Here, as explained above, were this Court to use the percentage approach, the
21 request would compare favorably: Class Counsel's fee request represents some
22 10.5% of the current estimated Settlement Value of \$100 million, and as the claims
23 rate and the estimated Settlement value rise prior to Final Approval, this percentage
24 will fall.

25 C. Class Counsel Are Entitled to Reimbursement of Litigation Costs

26 Under well-settled law, Class Counsel are entitled to recover "out-of-pocket
27 expenses that would normally be charged to a fee-paying client." *Harris v.*
28 *Marhoefer*, 24 F.3d 16, 19 (9th Cir. 1994) (internal citation and quotation marks

1 omitted). It is appropriate to reimburse Class Counsel for such expenses from the
2 common fund. *See, e.g., Leonard, et al. v. Baumer (In re United Energy Corp. Solar*
3 *Power Modules Tax Shelter Inv. Sec. Litig.)*, No. CV87-3962RN(GX), 1989 WL
4 73211, at *6 (C.D. Cal. Mar. 9, 1989).

5 To date, Plaintiffs’ Counsel have collectively incurred \$152,854.28 in
6 unreimbursed litigation costs. (Wolfson Decl. ¶¶ 67, 70.) The costs for which Class
7 Counsel seek reimbursement were reasonably necessary for the continued
8 prosecution and resolution of this litigation (Wolfson Decl. ¶ 74; Robinson Decl.
9 ¶ 74), and were incurred by Plaintiffs’ Counsel for the benefit of Class Members with
10 no guarantee that they would be reimbursed. *See Staton*, 327 F.3d at 974 (class
11 counsel are entitled to reimbursement of expenses they reasonably incurred).
12 Plaintiffs’ Counsel’s litigation costs are reasonable in amount and the Court should
13 approve their reimbursement.

14 **IV. CONCLUSION**

15 For all the foregoing reasons, Plaintiffs respectfully request that the Court
16 award Service Awards to the named representatives in the amount of \$2,500 each,
17 attorneys’ fees in the amount of \$10.5 million and litigation costs in the amount of
18 \$152,854.28.

19
20 Dated: March 6, 2019

21 **AHDOOT & WOLFSON**

ROBINSON CALCAGNIE, INC.

22
23 By: /s/ Tina Wolfson
Tina Wolfson

By: /s/ Daniel S. Robinson
Daniel S. Robinson

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25 *Co-Class Counsel*

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Plaintiffs' Steering Committee

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CERTIFICATE OF SERVICE

I hereby certify that on March 6, 2019, I caused to be filed the foregoing document. This document is being filed electronically using the Court’s electronic case filing (ECF) system, which will automatically send a notice of electronic filing to the email addresses of all counsel of record.

Dated: March 6, 2019 /s/ Tina Wolfson