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17 **UNITED STATES DISTRICT COURT**  
18 **FOR THE DISTRICT OF NEVADA**

19 **KEVIN MEAGHER and REBECCA**  
20 **DAWSON** on behalf of themselves and on behalf  
21 of all other similarly situated individuals,

22 Plaintiffs,

23 v.

24 **KTC HOLDING COMPANY F/K/A THE**  
25 **KINGDOM TRUST COMPANY,**

26 Defendant.

Case No. 2:24-cv-01630-CDC-MDC

Hon. Judge Cristina D. Silva

**PLAINTIFFS' MOTION FOR**  
**ATTORNEYS' FEES,**  
**EXPENSES, AND SERVICE**  
**AWARDS AND**  
**INCORPORATED**  
**MEMORANDUM OF POINTS**  
**AND AUTHORITIES IN**  
**SUPPORT**

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1 **I. INTRODUCTION**

2 Plaintiffs Kevin Meagher and Rebecca Dawson respectfully submit the following Motion for  
3 Attorneys' Fees, Expenses, and Services Awards and Incorporated Memorandum of Points and  
4 Authorities in Support. Since the inception of this case, Class Counsel<sup>1</sup> and the Class Representatives  
5 worked diligently to represent the Settlement Class in this matter and obtain a favorable settlement  
6 on behalf of the Settlement Class. As a result, Class Counsel and Class Representatives were able to  
7 obtain a non-reversionary Settlement Fund of \$780,000.00 – a huge benefit to the Settlement Class.  
8 In addition to the settlement fund, Class Representatives and Class Counsel achieved meaningful  
9 remedial measures that ensure that Defendant's data security infrastructure – which continues to hold  
10 Plaintiffs' and Settlement Class Members' Private Information – is as secure as possible.

11 Class Counsel fought hard to secure these benefits for the Settlement Class in a timely  
12 fashion, all on a contingency basis. Due to Class Counsel's honed skills, background in the field of  
13 data breach litigation, and persistent efforts, Class Counsel obtained meaningful and timely relief in  
14 this case. The extended negotiations were at arms' length, often tense, and the Parties reached a  
15 Settlement only after experienced mediator Jone DeGroot, Esq. worked with the Parties for through  
16 a full day mediation session and multiple weeks thereafter via a mediator's proposal. Through the  
17 efforts of Class Counsel and their hard work securing an excellent result against a very well-respected  
18 national defense law firm with extensive expertise defending data breach class action, the Settlement  
19 was reached consisting of a non-reversionary common fund of \$780,000.00 and important remedial  
20 measures. Class Counsel requests a reasonable attorneys fee of one-third of only the cash value of the  
21 Settlement – not including the highly valuable remedial measures – which is a fair multiplier of 3.1 to  
22 their collective lodestar. Class Counsel's lodestar does not include additional time that will be spent  
23 working with the Settlement Administrator and Settlement Class Members, which will likely include  
24 more than 40 hours of additional attorney time. Class Counsel also seek reimbursement of their  
25 expenses in the amount of \$6,560.09, plus interest starting from the date the expenses were incurred

26 \_\_\_\_\_  
27 <sup>1</sup> All capitalized terms shall have the same meaning as set forth in the Settlement Agreement (ECF  
28 No. 29-1), unless otherwise noted.

1 to the date of final approval, and the approval of a \$2,5000.00 service awards for each Plaintiff (*i.e.*,  
2 \$5,000.00).

## 3 **II. RELEVANT FACTUAL AND PROCEDURAL BACKGROUND**

4 Class Counsel undertook this large and complex action on a contingency basis litigating a  
5 very complex case against experienced defense counsel. Class Counsel used their experience and  
6 skills to obtain a very meaningful and timely resolution for the Class Members. Prior to reaching  
7 a settlement, Class Counsel: (a) investigated the Data Incident; (b) interviewed witnesses and  
8 Class Members; (c) prepared informal discovery requests and negotiated discovery with  
9 Defendant's Counsel; (d) worked with Plaintiffs, Plaintiffs' Counsel and Class Members to  
10 determine relevant damages arising from the Data Breach; (g) analyzed Defendant's statutory,  
11 regulatory, ethical and common-law duties to securely maintain Class Members' Private  
12 Information; (h) researched Defendant's defenses and affirmative defenses, including Defendant's  
13 potential success for future motions, including a motion to dismiss, opposition to class  
14 certification, motion for summary judgment, and motion to strike Plaintiffs' experts; and  
15 (i) engaged in long and tedious arms'-length negotiations. Federman Decl., ¶¶ 3–21, 36.

16 Upon conducting a thorough investigation of the claims in this case, Class Counsel filed the  
17 first-filed case (this Action) alleging claims arising from a data incident involving Defendant's  
18 system. *Id.* ¶ 3. After filing, Class Counsel continued investigating the claims in the Action, vetting  
19 potential lead plaintiffs, and conducting meaningful discussions with Defense Counsel. *Id.* ¶¶ 4–6.  
20 Due to Class Counsel's efforts and vigilance, Plaintiffs obtained significant informal discovery early  
21 in this case. *Id.* Class Counsel continued to prosecute this case, incurring substantial time and  
22 expenses, before and after the Parties agreed to mediation. *Id.* To adequately prepare for mediation  
23 and zealously advocate for Plaintiffs and the Class Members, Federman & Sherwood spent weeks  
24 researching the factual and legal issues in this case and preparing a lengthy and informative  
25 mediation statement to educate the mediator. *Id.* ¶¶ 9–10.

26 On June 18, 2025, the Parties met before mediator John DeGroot, Esq. for a full day of  
27 mediation. *Id.* ¶¶ 8, 11. The mediation began with submitting position papers to the mediator, then  
28

1 the Parties discussed the issues in this case. *Id.* Class Counsel spent many hours with Mr. DeGroote,  
2 informing him of the strengths of Plaintiffs’ and the Class Members’ claims and educating him on  
3 the relevant case law. *Id.* The day proved tedious and stressful as both parties argued complex areas  
4 of fact and law with each other and with the mediator. *Id.* Ultimately, although some progress was  
5 made, the day did not result in a settlement as both Parties zealously advocated for their respective  
6 client(s) and did not agree on a damages model nor the ability of Plaintiffs to succeed in the  
7 litigation. *Id.*

8 Although the first mediation session did not result in a resolution of the case, the mediator  
9 believed that sufficient progress was made and continued to aid the Parties in mediation for the  
10 following weeks. *Id.* ¶ 14. Ultimately, the Parties were able to settle their claims based on a mediator’s  
11 proposal from Mr. DeGroote. *Id.* ¶ 15. The mediator’s proposal, which was eventually agreed to by  
12 the Parties after consultation with their respective clients, is based on a substantial cash Settlement  
13 Fund of \$780,000.00 with additional meaningful remedial measures (including enhanced security  
14 infrastructure and managed detection and response). *Id.* ¶¶ 16–17.

15 Although this Action took place largely outside of the courtroom, the Action was clearly  
16 hard-fought from inception, and the extensive efforts of Plaintiffs and Class Counsel are reflected  
17 in the impressive resolution achieved. To date, Class Counsel continues to spend a large amount  
18 of time and resources ensuring that Class Members received Notice of the Settlement, including  
19 answering questions from the Settlement Administrator and Class Members, and assisting Class  
20 Members with navigating the Settlement Website and completing the Claims Form.

21 **III. SETTLEMENT CLASS MEMBERS WILL BE SIGNIFICANTLY**  
22 **COMPENSATED THROUGH A STREAMLINED CLAIMS PROCESS**

23 The proposed Settlement secures significant cash payments from the Settlement Fund and  
24 meaningful injunctive relief to better protect their PII that remains in Defendant’s possession.  
25 Based on the claims rate to date, each Settlement Class Members will receive approximately  
26 \$100.00. *Id.* ¶ 24. The Settlement also provides two years of three bureau credit monitoring for  
27 Settlement Class Members who submit a Valid Claim. *Id.*

1 The Settlement provides cash payments to Settlement Class Members who complete a  
2 simple, straightforward claims process. *Id.* ¶ 28. Critically, Settlement Class Members are *not*  
3 required to identify any specific harm they may have suffered due to the Data Incident to qualify  
4 for a cash payment. *Id.* The fact that a Settlement Class Member’s Private Information was  
5 potentially impacted in the Data Incident is sufficient. *Id.* Settlement Class Members have the  
6 option to provide documentation and information showing damages resulting from the Data  
7 Breach to qualify for further monetary relief. *Id.* ¶ 24.

#### 8 **IV. APPLICABLE LEGAL STANDARDS**

9 It is well established that “a litigant or a lawyer who recovers a common fund for the benefit  
10 of persons other than himself or his client is entitled to a reasonable attorney’s fee from the fund  
11 as a whole.” *Boeing Co. v. Van Gemert*, 444 U.S. 472, 478 (1980). “Under Ninth Circuit law, the  
12 district court has discretion in common fund cases to choose either the percentage-of-the-fund or  
13 the lodestar method.” *Vizcaino v. Microsoft Corp.*, 290 F.3d 1043, 1047 (9th Cir. 2002); *In re*  
14 *Bluetooth Headset Prods. Liab. Litig.*, 654 F.3d 935, 942 (9th Cir. 2011) (same). “[T]he choice  
15 between lodestar and percentage calculation depends on the circumstances, but . . . either method  
16 may . . . have its place in determining what would be reasonable compensation for creating a  
17 common fund.” *Six (6) Mexican Workers v. Ariz. Citrus Growers*, 904 F.2d 1301, 1311 (9th Cir.  
18 1990). The Ninth Circuit also “encourage[s] courts to guard against an unreasonable result by  
19 cross-checking their calculations against a second method.” *In re Bluetooth*, 654 F.3d at 944-45.

20 Where the percentage-of-recovery method is employed, it is well established that one-third  
21 of the common fund is the standard award of attorneys’ fees for data breach cases. *See, e.g.*,  
22 *Marshall v. Northrop Grumman Corp.*, No. 16-CV-6794 AB (JCX), 2020 WL 5668935, at \*8  
23 (C.D. Cal. Sept. 18, 2020) (“An attorney fee of one third of the settlement fund is routinely found  
24 to be reasonable in class actions.”); *Barbosa v. Cargill Meat Sols. Corp.*, 297 F.R.D. 431, 450  
25 (E.D. Cal. 2013) (collecting cases awarding 33% of the common fund); *Multi-Ethnic Immigrant*  
26 *Workers Org. Network v. City of Los Angeles*, 2009 WL 9100391, at \*4 (C.D. Cal. June 24, 2009)

1 (reviewing empirical research and stating: “[n]ationally, the average percentage of the fund award  
2 in class actions is approximately one-third.”).

3 Under the lodestar method, a “lodestar figure is calculated by multiplying the number of  
4 hours the prevailing party reasonably expended on the litigation (as supported by adequate  
5 documentation) by a reasonable hourly rate for the region and for the experience of the lawyer.”  
6 *In re Bluetooth*, 654 F.3d at 941. The Court may adjust this lodestar figure “upward or downward  
7 by an appropriate positive or negative multiplier reflecting a host of ‘reasonableness’ factors.” *Id.*  
8 at 941–42.

9 The percentage of the fund award must be supported “by findings that take into account all  
10 of the circumstances of the case.” *Vizcaino*, 290 F.3d at 1048. The Ninth Circuit has identified five  
11 factors that may inform this inquiry: (1) the results achieved; (2) the risk of the litigation; (3) the  
12 skill required and the quality of the work; (4) the contingent nature of the fee and the financial  
13 burden carried by the plaintiffs; and (5) awards made in similar cases. *Id.* at 1048–50. In data  
14 breach cases,

#### 15 **V. THE REQUESTED ATTORNEYS’ FEE IS REASONABLE**

16 On November 3, 2025, the Court granted preliminary approval of the Settlement, and the  
17 Notice of Settlement, which informed Settlement Class Members that Class Counsel would seek  
18 attorneys’ fees of up to \$260,000.00, or one-third of the cash portion of the Settlement, expenses  
19 in an amount not to exceed \$20,000.00, and service awards not to exceed \$2,500.00 for each Class  
20 Representative (\$5,000.00 in the aggregate). (ECF No. 35). Although the objection deadline has  
21 not passed and Plaintiffs will respond to any objections to the Settlement or the fee request in their  
22 reply brief, thus far, in contrast to the over 31,676 Settlement Class Members and the 476 claims  
23 received to date, no objections to the Settlement, requested fees, or requested expenses have been  
24 filed. Federman Decl., ¶ 34. Plaintiffs respectfully ask the Court to exercise its discretion to award  
25 the full amounts requested here.

26

27

28

1           **A.     The Requested Fee is Reasonable Under the Percentage-of-Recovery**  
2                           **Method**

3           The Supreme Court has long held that, in common fund cases class counsel is entitled to a  
4 reasonable fee based “on a percentage of the fund bestowed on the class.” *Blum v. Stenson*, 465  
5 U.S. 886, 900 n.16 (1984). Consistent with this long-standing rule, the Ninth Circuit has  
6 consistently approved awards of attorneys’ fees using the percentage-of-recovery method. *See,*  
7 *e.g., Vizcaino*, 290 F.3d at 1047–48. In recent years, this method has become the preferred one. *In*  
8 *re Omnivision Techs., Inc.*, 559 F. Supp. 2d 1036, 1046 (N.D. Cal. 2008) (recognizing the “use of  
9 the percentage method in common fund cases appears to be [the] dominant” method for  
10 determining attorneys’ fees); American Law Institute, *Principles of the Law of Aggregate*  
11 *Litigation* §3.13(b) (2010) (“[A] percentage-of-the-fund approach should be the method utilized  
12 in most common-fund cases.”).

13           The percentage-of-the-fund approach offers several advantages which militate in favor of  
14 its use as the principal method for determining the reasonableness of Class Counsel’s fee request.  
15 First, it reduces the burden on this Court to undertake the painstaking process of applying the  
16 lodestar method. *See, e.g., Hefler v. Wells Fargo & Co.*, 2018 WL 6619983, at \*12 (N.D. Cal. Dec.  
17 18, 2018) (reasoning that courts may “award attorneys a percentage of the common fund in lieu of  
18 the often more time-consuming task of calculating the lodestar”); *In re Bluetooth*, 654 F.3d at 942.  
19 Moreover, other data breach settlements have found the lodestar method to be less suitable for  
20 these types of complex cases. *In re Anthem, Inc. Data Breach Litig.*, 2018 WL 3960068, at \*5  
21 (N.D. Cal. Aug. 17, 2018) (“[T]he combination of novel legal issues and technical subject matter  
22 present in the instant [data breach] case counsels against the lodestar method because there is no  
23 set baseline against which to compare whether hours were reasonably expended.”). The percentage  
24 approach also offers the significant benefit of aligning the interests of class counsel with the class  
25 they represent. *Cf. Kirchoff v. Flynn*, 786 F.2d 320, 325-26 (7th Cir. 1986) (a contingency fee  
26 “automatically aligns interests of lawyer and client, rewards exceptional success, and penalizes  
27 failure”). The percentage method also mimics the private marketplace where contingent fee  
28 plaintiffs’ attorneys are customarily compensated 33.00% to 40.00%.

1 To apply the percentage method, the Court selects a reasonable percentage considering all  
2 the circumstances of the case, multiplies the gross settlement amount by that percentage, and  
3 awards class counsel the resulting amount. Based on empirical research, most fee awards range  
4 between 25.00% and 35.00%. Brian Fitzpatrick, *An Empirical Study of Class Action Settlements*  
5 *and Their Fee Awards*, 7 J. EMPIRICAL L. STUD. 811, 833, 838 (2010). Indeed, courts in this Circuit  
6 have noted that “[c]ases of under \$10 Million will often result in fees above 25%.” *Craft v. Cnty.*  
7 *Of San Bernardino*, 624 F. Supp. 2d 1113, 1127 (C.D. Cal. 2008); *see also Van Kraken v. Atl.*  
8 *Richfield Co.*, 901 F. Supp. 294, 297–98 (N.D. Cal. 1995) (noting awards of “30-50 percent of the  
9 fund” where the funds were “less than \$10 million”).

10 Here, as explained below, the requested fee is fair and reasonable under all circumstances  
11 of this case. The requested fee is one-third of the cash portion of the Settlement only. No fee is  
12 being sought for the additional remedial benefits provided to the Settlement Class. This amount is  
13 fair and reasonable based on significant monetary relief obtained on behalf of the Class, the  
14 meaningful injunctive relief, and the circumstances of this Action.

15 **B. The Requested Fee is Typical of Data Breach Class Action Cases**

16 As Judge Fallon explained in the *Vioxx* case:

17 Consumer class actions . . . have value to society more broadly, both as deterrents  
18 to unlawful behavior—particularly when the individual injuries are too small to  
19 justify the time and expense of litigation—and as private law enforcement regimes  
20 that free public sector resources. If we are to encourage these positive societal  
21 effects, class counsel must be adequately compensated – even when significant  
22 compensation to class members is out of reach (such as when contact information  
23 is unavailable, or when individual claims are very small).

24 *In re Vioxx Prods. Liab. Litig.*, 2018 WL 4613941, at \*8 (E.D. La. Sept. 26, 2018) (quoting *Gascho*  
25 *v. Glob. Fitness Holdings, LLC*, 822 F.3d 269, 286 (6th Cir. 2016)).

26 Here, Class Counsel worked hard and expeditiously to move this class action forward and  
27 obtained a meaningful resolution for the Class Members in a very timely manner. Class Counsel  
28 aggressively prosecuted the Action and negotiated with a nationally renowned law firm and  
experienced counsel who spared no expense or argument in defense of Plaintiffs’ allegations. Class  
Counsel’s efforts were clearly effective, as evidenced by Plaintiffs’ arrival at a bargaining position

1 strong enough to negotiate a cash Settlement of \$780,000.00 plus remedial measures following  
 2 months of negotiations. For their efforts, Class Counsel should receive one-third of the monetary  
 3 Settlement.

4 This requested amount does not account for the additional benefits that Class Counsel  
 5 obtained on behalf of the Class in the form of substantial remedial measures.<sup>2</sup> As a result of the  
 6 Action, Defendant enhanced its data security infrastructure. These remedial measures benefit every  
 7 Class Member, regardless of whether the Class Member submits a Claim under the Settlement.  
 8 These measures will provide enhancements to Defendant’s data security infrastructure. Federman  
 9 Decl. ¶ 17, 24.

10 Here, Class Counsel’s request for attorneys fees does not consider these substantial  
 11 remedial measures. Rather, Class Counsel seeks one-third of the monetary Settlement as  
 12 compensation for their time, substantial efforts, and results rendered on behalf of the Class. This  
 13 request is fair and reasonable considering (1) the exceptional results of this Settlement, (2) the  
 14 risks associated with this case and complex issues of fact and law, (3) Class Counsel’s tenacious  
 15 and skilled representation in the case, (4) the contingency nature of the case, (5) other similar  
 16 awards in data breach cases, and (6) no objections to the request.

### 17 **1. Class Counsel Achieved an Exceptional Result**

18 The results achieved by Class Counsel for the benefit of the class is the single most  
 19 important factor in evaluating the reasonableness of the attorney fee. *See, e.g., In re Bluetooth*, 654  
 20

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21 <sup>2</sup> The Ninth Circuit has held that courts should “take into account the present nonmonetary  
 22 benefit bestowed upon plaintiffs’ class” when evaluating the appropriateness of a fee award.  
 23 *Loring v. City of Scottsdale*, 721 F.2d 274, 275 (9th Cir. 1983); *In re Anthem*, 2018 WL 3960068,  
 24 at \*8 (“[T]he Court elects to consider the value of this nonmonetary relief as a relevant  
 25 circumstance in determining what percentage of the common fund class counsel should receive as  
 26 attorneys’ fees”); *Smith v. Am. Greetings Corp.*, 2016 WL 362395, at \*8-9 (N.D. Cal. Jan. 29,  
 27 2016) (“In addition to compensating Plaintiffs . . . , class counsel’s efforts have remedied many of  
 28 the corporate policies that led to this lawsuit. These benefits support an upward departure from  
 the Ninth Circuit’s 25% standard.”); *Wren v. RGIS Inventory Specialists*, 2011 WL 1230826, at  
 \*29 (N.D. Cal. Apr. 1, 2011) (approving settlement with an average award to class members of  
 \$207.69 and 42% of the settlement amount as attorneys’ fees because, in part, “the results achieved  
 . . . include both monetary and injunctive relief”).

1 F.3d at 942; *Vizcaino*, 290 F.3d at 1048. This factor weighs heavily in favor of approving the full  
2 amount of the requested fee in this matter.

3 Here, the Settlement provides a fair, reasonable, and adequate result for and is in the best  
4 interests of the Settlement Class. The Settlement provides for a \$780,000.00 cash non-reversionary  
5 Settlement Fund, (from which Settlement Class Members who submit a valid and timely claim  
6 form will receive approximately \$100.00 in cash) without considering the value of the remedial  
7 measures. Federman Decl., ¶¶ 23–24. Settlement Class Members who submit additional  
8 documentation and information regarding damages resulting from the Data Incident may be  
9 entitled to more monetary relief. *Id.* ¶ 24. This settlement exceeds the standard settlement amount  
10 in other data breach cases, coming in at approximately \$24.62 per person.<sup>3</sup> *In re Anthem, Inc. Data*  
11 *Breach Litig.*, 327 F.R.D. 299, 318 (N.D. Cal. 2018) (describing settlement value of \$0.68 per  
12 class member as “meaningful consideration” in a data breach case); *In re Home Depot, Inc.,*  
13 *Customer Data Sec. Breach Litig.*, 2016 WL 6902351, at \*5 (N.D. Ga. Aug. 23, 2016) (finding an  
14 estimated settlement value of \$0.52 per class member fair and reasonable given the substantial  
15 risks of data breach litigation); *In re Target Corp. Customer Data Sec. Breach Litig.*, 2017 WL  
16 2178306, at \*2 (D. Minn. May 17, 2017) (noting that an estimated settlement value of  
17 approximately \$0.21 per class member was fair and reasonable)

18 Settlement Class Members may also submit a claim for three years of three bureau credit  
19 monitoring. Federman Decl., ¶ 24. Credit monitoring is a major component of identity protection.  
20 This relief gives Settlement Class Members peace-of-mind that they can identify and track any  
21 potential misuse of their PII. The immediacy of this relief is also of significant value, as Class  
22 Members do not have to wait to start protecting themselves from identity theft. *Id.* ¶ 31.

23 Plaintiffs have also secured extremely valuable injunctive relief that requires Defendant to  
24 enact significant changes to its business practices designed to enhance Defendant’s data security

25 \_\_\_\_\_  
26 <sup>3</sup> This number is calculated by taking the Settlement Fund (\$780,000.00) and dividing it by size of  
27 the Settlement Class (31,676). This number is not equivalent the amount each individual may  
28 receive under the Settlement. Rather, it is intended to help the Court evaluate size of the common  
fund in comparison the class size.

1 infrastructure. *Id.* ¶ 17, 24. This injunctive remedial relief provides substantial benefits to the  
2 Settlement Class by securing Class Members’ Private Information against future unauthorized  
3 access and exfiltration attempts.

4 The result achieved is highly favorable, both substantively and procedurally, especially  
5 considering the time value of money. The Settlement provides *immediate* and *speedy* benefits to  
6 the Settlement Class without further delay, additional fees and expenses, the uncertainty of  
7 ongoing litigation in this Court, and the lengthy appeals that would inevitably follow a trial verdict.  
8 *Id.* ¶¶ 31. The fact that Class Counsel achieved such a favorable result through the compromise of  
9 contested claims against formidable adversaries weighs strongly in favor of an award of the full  
10 amount of attorneys’ fees requested.

## 11 2. This Litigation Was Risky and Presented Complex Issues of 12 Law and Fact

13 Courts also consider the risk and complexity of the issues of law and fact as a relevant  
14 factor in evaluating the reasonableness of fee requests. *In re Portfolio Recovery Assocs. Tel.*  
15 *Consumer Prot. Act Litig.*, 2017 WL 10777695, at \*1 (S.D. Cal. Jan. 25, 2017) (citing *Vizcaino*,  
16 290 F.3d at 1048 (“[r]isk is a relevant circumstance” for an award of fees)). The “prosecution and  
17 management of a complex national class action requires unique legal skills and abilities” that are to  
18 be considered when determining a reasonable fee. *In re Omnivision Techs., Inc.*, 559 F. Supp. 2d at  
19 1047 (citation omitted). The Ninth Circuit has made clear that the particular circumstances of a  
20 case relating to this factor may justify the full 25.00% benchmark rate, if not an upward departure  
21 the benchmark. *See Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1029 (9th Cir. 1998) (the  
22 “complexity and novelty of the issues” may justify upward departure); *In re Pac. Enters. Sec.*  
23 *Litig.*, 47 F.3d 373, 379 (9th Cir. 1995) (affirming award of 33% based on “complexity of the  
24 issues and the risks”).

25 This case presented difficult challenges that required exceptional lawyering. In general, data  
26 breach class actions present relatively uncharted territory, and no data breach case has gone to trial.  
27 Data breach cases are especially risky, expensive, and complex because data breach law is constantly  
28 evolving and there are numerous hurdles that Plaintiffs must overcome before getting to trial,

1 including class certification and summary judgment. Moreover, this Action involved novel issues  
2 which were briefed and debated by Class Counsel outside of the Court, including Defendant's  
3 liability to Plaintiffs. Federman Decl., ¶¶ 27, 29.

4 Class Counsel took this case, timely filed this Action, vetted additional named plaintiffs,  
5 and engaged in meaningful and efficient discovery of the issues in this case, despite the significant  
6 risks associated with data breach litigation. Although Plaintiffs and Class Counsel believe their  
7 claims could have ultimately prevailed on the merits, they are also cognizant of the time and  
8 expense that would have been required to prosecute this action through summary judgment, trial,  
9 and any subsequent appeals, as well as the difficulties and delays inherent to the litigation and  
10 claims processes. *Id.* ¶ 27.

11 The impressive result obtained by Class Counsel here was no *fait accompli*. This Action  
12 raised complex issues of law and fact that required great skill to maneuver, including novel issues  
13 yet to be fully litigated. Indeed, Defendant's Counsel stood ready to pursue numerous avenues of  
14 legal and factual attacks against the named Plaintiffs and the claims, including an eventual motion  
15 to dismiss, an opposition to any future motion for class certification, and motion for summary  
16 judgment. *Id.* ¶ 13.

17 Among other risks, Class Counsel faced the possibility that Plaintiffs' future motion for  
18 class certification could have been denied, or reversed on appeal, leaving Plaintiffs with a narrowed  
19 class or no class at all – a result which would have deprived the Class of any recovery whatsoever  
20 or, at best, significantly reduced the value of any subsequent settlement. *Id.*

21 Class Counsel is also cognizant that bringing any case to trial involves inherent risks,  
22 including the possibility that the jury fails to return a unanimous verdict in Plaintiffs' favor. *Id.* In  
23 complex litigation, even a victory at trial does not spell ultimate success. Both trial and judicial  
24 review are unpredictable and can erode a recovery or eliminate it altogether. *In re Warner*  
25 *Commc'ns Sec. Litig.*, 618 F. Supp. 735, 747-48 (S.D.N.Y. 1985).

26 The outcome of this Action was far from predestined. Plaintiffs unquestionably faced an  
27 uncertain road with a possible motion to dismiss, difficult discovery addressing attorney/client

1 privileges, class certification, summary judgment, and any appeals. Class Counsel worked diligently  
2 to achieve an excellent result in the face of substantial risks. Accordingly, this factor also weighs  
3 in favor of awarding the requested fee.

4 **3. Class Counsel Were Tenacious and Skilled in Their**  
5 **Representation of the Settlement Class**

6 The quality of the representation by Class Counsel is another important factor that supports  
7 the reasonableness of the requested fee here. *In re Portfolio Recovery Assocs.*, 2017 WL 10777695,  
8 at \*1.

9 It is no accident that this Settlement is so favorable to the Settlement Class. There is a  
10 straight line from the quality of the representation by Class Counsel to the result achieved. As this  
11 Court knows, Class Counsel are very capable attorneys with many decades of experience. Class  
12 Counsel include attorneys nationally recognized by the bench and bar for their extensive  
13 experience in class actions, including data breach and privacy cases. Federman Decl., Ex. A  
14 (Federman & Sherwood Resume).

15 As detailed above, *supra* § II, Class Counsel engaged in substantial research,  
16 investigations, plaintiff vetting, informal discovery, out of court briefing, discussions, and  
17 negotiations regarding the claims in this case. It was from Class Counsel's tenacious and skilled  
18 representation of Plaintiffs and the Settlement Class that Class Counsel was able to obtain such a  
19 favorable settlement. After working diligently to represent the Settlement Class and obtain relief,  
20 Class Counsel has continued to serve the Class Members to finalize this Settlement.

21 Class Counsel worked with Defendant to negotiate and finalize the Settlement and Notice  
22 program. Federman Decl., ¶¶ 18–19. Class Counsel took bids from a number of claims  
23 administrators and negotiated a favorable bid with an experienced administrator. *Id.* ¶ 20. Class  
24 Counsel gathered information to ensure that the notice plan provided the best notice available to  
25 the Class. *Id.* ¶ 19. Throughout the process, Class Counsel worked together to finalize the  
26 Settlement Agreement and notice plan to comply with all governing laws and to the benefit of the  
27 Class.

1 To date, Class Counsel continues to serve the Class Members and protect the best interests  
2 of the Class. Class Counsel continues to receive calls and emails from Class Members with  
3 questions about the Settlement and requests to discuss the Settlement. *Id.* ¶¶ 39. Class Counsel  
4 continues to work diligently to ensure that Class Members’ questions and concerns are resolved to  
5 the best of their ability and work with the Claims Administrator to do so. *Id.*

6 The subject matter involved in litigating this case was highly technical, involving extensive  
7 facts about Defendant’s cybersecurity platform and practices, and requiring the consultation of  
8 cybersecurity and damages experts. As detailed below, Class Counsel undertook immense efforts  
9 in document review, discovery, drafting pleadings, discussions with Class Members, and  
10 negotiations.

11 In the face of formidable opposition, the complexity and uniquely challenging nature of  
12 this particular data breach class action, the responsibility and risk undertaken, and the difficulty in  
13 proving liability and damages, Class Counsel were nonetheless able to develop a case that was  
14 sufficiently strong to persuade Defendant to agree to a comprehensive settlement that provides for  
15 significant monetary benefits *and* valuable injunctive relief. *Id.* ¶¶ 23–24. Accordingly, this factor  
16 also weighs in favor of awarding the requested fee.

#### 17 **4. Class Counsel Represented the Settlement Class on a** 18 **Contingent Basis for Over a Year**

19 This Court has also recognized that contingent representation and the burden carried by  
20 class counsel may warrant an upward adjustment to the benchmark percentage. *See In re Portfolio*  
21 *Recovery Assocs.*, 2017 WL 10777695, at \*1. As the Ninth Circuit has explained:

22 It is an established practice in the private legal market to reward attorneys for taking  
23 the risk of non-payment by paying them a premium over their normal hourly rates  
24 for winning contingency cases. Contingent fees that may far exceed the market  
25 value of the services if rendered on a non-contingent basis are accepted in the legal  
26 profession as a legitimate way of assuring competent representation for plaintiffs  
27 who could not afford to pay on an hourly basis regardless whether they win or lose.

28 *In re Wash. Pub. Power Supply Sys. Sec. Litig.*, 19 F.3d 1291, 1299 (9th Cir. 1994); *see also In re*  
*Heritage Bond Litig.*, 2005 WL 1594389, at \*14 (C.D. Cal. June 10, 2005) (“The risks assumed  
by Class Counsel, particularly the risk of non-payment or reimbursement of expenses, is a factor

1 in determining counsel’s proper fee award.”). The risk of non-payment is even more pronounced  
2 in complex class actions, like this one, as they are highly technical, expert-intensive, and  
3 protracted. Contingent counsel advance their time, effort, and expenses to subsidize litigation that  
4 face many substantive challenges.

5 For all these reasons, the risk of getting paid nothing or not recovering their expenses in a  
6 case like this is real. There are many instances in which Class Counsel have expended thousands  
7 of hours and yet were paid nothing. For example, in a class case against JDS Uniphase Corporation,  
8 the plaintiffs made it past the pleading and summary judgment stages only to lose at trial. *See In*  
9 *re JDS Uniphase Corp. Sec. Litig.*, 2007 WL 4788556 (N.D. Cal. Nov. 27, 2007). Even the most  
10 promising case can be eviscerated by a sudden change in the law after years of litigation. *See, e.g.*,  
11 *In re Alstom SA Sec. Litig.*, 741 F. Supp. 2d 469, 471-73 (S.D.N.Y. 2010) (after completing  
12 extensive discovery, 95% of plaintiffs’ damages were eliminated by the Supreme Court’s reversal  
13 of some 40 years of unbroken circuit court precedents in *Morrison v. Nat’l Austl. Bank Ltd.*, 561  
14 U.S. 247 (2010)).

15 Because Class Counsel undertook their representation on a contingent fee basis, the only  
16 certainty was there would be no fee without a successful result, and no successful result without  
17 years of sustained hard work and skillful effort. Federman Decl., ¶¶ 43. In the meantime, Class  
18 Counsel advanced the costs (\$6,560.09) and worked over 100 hours over the past year. *Id.* ¶¶ 38,  
19 45. “This type of substantial outlay, when there is a risk that [no money] will be recovered, further  
20 supports the award of the requested fees.” *In re Am. Apparel, Inc. S’holder Litig.*, 2014 WL  
21 10212865, at \*22 (C.D. Cal. July 28, 2014).

## 22 5. The Requested Fee is in Line with Other Awards

23 This Court has recognized that a requested fee may also be supported by awards in similar  
24 cases. *In re Portfolio Recovery Assocs.*, 2017 WL 10777695, at \*1. This factor considers the  
25 percentages awarded in other class actions and contingency-fee agreements in individual cases. *See*  
26 *Vizcaino*, 290 F.3d at 1049–50.

1 As to the former, empirical research shows that the majority of fee awards in common fund  
2 settlements range from between 25.00% and 35.00%. *See* Fitzpatrick, 7 J. Empirical L. Stud. At  
3 833, 838, *supra*. Ninth Circuit courts have departed from the benchmark and awarded fees of 30%  
4 or more in class actions. *See, e.g., Siracusano v. Matrixx Initiatives, Inc.*, No. CV-04-0886-PHX-  
5 NVW (D. Ariz. Nov. 13, 2012) (slip op) (fee award of 30%); *Thomas & Thomas Rodmakers, Inc.*  
6 *v. Newport Adhesives & Composites, Inc.*, No. CV-99-07796-FMC(RNBx) (C.D. Cal. Oct. 17,  
7 2005) (slip op) (fee award equal to 33% of recovery); *In re Lifescan, Inc. Consumer Litig.*, No. C-  
8 98-20321-JF (N.D. Cal. Mar. 18, 2002) (slip op) (fee award of 33%).

9 As to the latter category of analogous fee awards, the requested fee is at the low end of the  
10 prevailing percentage for standard contingency-fee agreements in individual cases. *See Vizcaino*,  
11 290 F.3d at 1049. Surveys have estimated that contingency-fee percentages in individual litigation  
12 start at 33.00% and go up to 40.00%. *See, e.g., Lester Brickman, ABA Regulation of Contingency*  
13 *Fees: Money Talks, Ethics Walks*, 65 Fordham L. Rev. 247, 248 (1996) (“standard contingency  
14 fees” are “usually thirty-three percent to forty percent of gross recoveries”).

15 Thus, the requested fee is supported by awards in similar cases and the private marketplace  
16 for contingency fee work.

#### 17 **6. No Settlement Class Member Has Objected to the Fee**

18 Finally, courts have considered the class’s reaction in awarding fees. *See, e.g., In re*  
19 *Heritage Bond*, 2005 WL 1594389, at \*15 (“The presence or absence of objections . . . is also a  
20 factor in determining the proper fee award.”); *In re Immune Response Sec. Litig.*, 497 F. Supp. 2d  
21 1166, 1177 (S.D. Cal. 2007) (“[T]he lack of objection from any Class Member supports the  
22 attorneys’ fees award.”). While some objections are to be expected in a class action of this size,  
23 “the absence of a large number of objections to a proposed [class] action settlement raises a strong  
24 presumption that the terms of a proposed class action settlement are . . . favorable to the class  
25 members.” *Nat’l Rural Telecomms. Coop. v. DIRECTV, Inc.*, 221 F.R.D. 523, 529 (C.D. Cal.  
26 2004).

1 Here, while the objection deadline is February 3, 2026, to date not one Settlement Class  
2 Member has opposed the fee request (or the Settlement). Federman Decl., ¶ 34. This is not for lack  
3 of information or interest in the Settlement. Indeed, Settlement Class Members received notice  
4 through the Court-approved notices that Class Counsel would seek these amounts in attorney fees,  
5 expenses, and service awards, and were also informed about what they could do if they disagreed.  
6 *Id.* ¶ 28. Instead of objecting to these requests, thus far Settlement Class Members have  
7 demonstrated substantial approval of the Settlement as evidenced by the 476 claims submitted. *Id.*  
8 ¶ 34. Accordingly, this factor also supports an award of the requested fee.

9 **C. A Lodestar Crosscheck Buttresses the Reasonableness of the**  
10 **Requested Fee**

11 The reasonableness of the fee request is also supported by a lodestar crosscheck (or lodestar  
12 method, if the Court prefers). *See Vizcaino*, 290 F.3d at 1050 (“[T]he lodestar may provide a useful  
13 perspective on the reasonableness of a given percentage award”).

14 “A lodestar cross-check first computes the plaintiffs’ attorneys’ reasonable hourly rate for  
15 the litigation and multiplies that rate by the number of hours dedicated to the case. The cross-  
16 check then compares that figure with the attorneys’ fees award, typically resulting in a positive  
17 multiplier.” *In re Genworth Fin. Sec. Litig.*, 210 F. Supp. 3d 837, 845 (E.D. Va. 2016). When the  
18 lodestar is used as a cross-check, “the focus is not on the necessity and reasonableness of every  
19 hour of the lodestar, but on the broader question of whether the fee award appropriately reflects  
20 the degree of time and effort expended by the attorneys.” *In re Tyco Int’l, Ltd.*, 535 F. Supp. 2d  
21 249, 270 (D.N.H. 2007).<sup>4</sup>

22 Here, a lodestar cross-check demonstrates that the requested fee is reasonable. Class  
23 Counsel have spent 107.8 hours to date prosecuting and resolving this Action from its inception.  
24 Federman Decl., ¶ 38. Based on Class Counsel’s standard rates, this amounts to a lodestar of  
25

26 \_\_\_\_\_  
27 <sup>4</sup> *See also In re Apollo Grp. Inc. Sec. Litig.*, 2012 WL 1378677, at \*7 n.2 (D. Ariz. Apr. 20,  
28 2012) (“[A]n itemized statement of legal services is not necessary for an appropriate lodestar cross-  
check”).

1 \$84,282.50.<sup>5</sup> *Id.* This does not include all the time that will be spent preparing for and attending  
2 the final approval hearing, overseeing the claims review and distribution process, and assisting  
3 Settlement Class Members until every last check is cashed, which is estimated to be in excess of  
4 40 hours or in excess of \$30,000.00. *Id.* ¶ 39.

5 **D. The Multiplier is Fair and Reasonable**

6 “The district court *must* apply a risk multiplier to the lodestar ‘when (1) attorneys take a case  
7 with the expectation they will receive a risk enhancement if they prevail, (2) their hourly rate does  
8 not reflect that risk, and (3) there is evidence the case was risky.’ Failure to apply a risk multiplier in  
9 cases that meet these criteria is an abuse of discretion.” *Stetson v. Grissom*, 821 F.3d 1157, 1166 (9th  
10 Cir. 2016) (quoting *Stanger v. China Elec. Motor, Inc.*, 812 F.3d 734, 741 (9th Cir. 2016), and  
11 *Fischel v. Equitable Life Assurance Soc’y*, 307 F.3d 997, 1008 (9th Cir. 2002)). As discussed above,  
12 this case presented a significant risk of prosecution and the complexity of this case required  
13 experienced legal skills and high-quality work.

14 Class Counsel’s requested fee award in the amount of \$260,000.00 equates to a fair  
15 multiplier of less than 3.1 when the additional time is taken into account to Class Counsel’s actual  
16 lodestar of \$84,282.50. The Ninth Circuit recognizes the appropriateness of an upward multiplier  
17 where, as here, certain risk and reasonableness factors are present, such as the result achieved for  
18 the class, quality of representation, and complexity of the issues. *Stetson*, 821 F.3d at 1166; *Kerr*  
19 *v. Screen Extras Guild, Inc.*, 526 F.2d 67, 70 (9th Cir. 1975). Thus, courts routinely approve  
20 multipliers of up to 4, and sometimes more. *See, e.g., In re Facebook Biometric Info. Priv. Litig.*,  
21 2022 WL 822923, at \*1-\*2 (9th Cir. Mar. 17, 2022) (affirming 4.71 multiplier in class action  
22 privacy case); *Vizcaino*, 290 F.3d at 1051 (approving 3.65 multiplier and finding most multipliers  
23

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24 <sup>5</sup> Class Counsel’s hourly rates are reasonable as they are in line with the hourly rates approved  
25 by California federal courts in other class action settlements. Federman Decl., ¶ 41. *See, e.g., In*  
26 *re Lidoderm Antitrust Litig.*, No. 14-md-02521-WHO, slip op. at 3 (N.D. Cal. Sept. 20, 2018)  
27 (approving rates from \$350 to \$1,050 for partners, \$300 to \$675 for associates, and \$100 to \$400  
28 for paraprofessionals); *McPherson v. American Bank Systems*, No. 5:20-cv-01307, ECF No. 73  
(W.D. Okla.) (approving Federman & Sherwood’s billing rates and expenses in data breach class  
action);

1 range from 1 to 4, citing cases with multipliers as high as 19.6); *Buccellato v. AT&T Operations,*  
 2 *Inc.*, 2011 WL 3348055, at \*1-2 (N.D. Cal. June 30, 2011) (a “multiplier of 4.3 is reasonable”); *In*  
 3 *re Volkswagen “Clean Diesel” Mktg., Sales Pracs., & Prod. Liab. Litig.*, 2017 WL 1047834, at \*5  
 4 (N.D. Cal. Mar. 17, 2017) (“Multipliers in the 3-4 range are common in lodestar awards for lengthy  
 5 and complex class action litigation.”); *In re Nasdaq Market-Makers Antitrust Litig.*, 187 F.R.D.  
 6 465, 489 (S.D.N.Y. 1998) (“In recent years multipliers of between 3 and 4.5 have become common”)  
 7 (citation omitted); *Maley v. Del Global Techs. Corp.*, 186 F. Supp. 2d 358, 371 (S.D.N.Y. 2002)  
 8 (holding “modest” multiplier of 4.65 “fair and reasonable”).

9 That the considerable risks here were undertaken by Class Counsel on an entirely contingent  
 10 basis further justifies the requested multiplier. *Stetson*, 821 F.3d at 1166; *Vizcaino*, 290 F.3d at 1050.<sup>6</sup>  
 11 “It is an established practice in the private legal market to reward attorneys for taking the risk of non-  
 12 payment by paying them a premium over their normal hourly rates for wining contingency cases.”  
 13 *In re Washington Pub. Power Supply Sys. Sec. Litig.*, 19 F.3d 1291, 1299 (9th Cir. 1994).

#### 14 **VI. THE REQUESTED LITIGATION EXPENSES ARE FAIR AND** 15 **REASONABLE**

16 Class Counsel seeks reimbursement of \$6,560.09 in litigation expenses incurred in the  
 17 prosecution of this litigation on behalf of the Settlement Class, plus interest thereon.<sup>7</sup>

18 “Class counsel are entitled to reimbursement of reasonable out-of-pocket expenses.”  
 19 *Wakefield v. Wells Fargo & Co.*, 2015 WL 3430240, at \*6 (N.D. Cal. May 28, 2015); *see also*  
 20 *Acosta v. Frito-Lay, Inc.*, 2018 WL 646691, at \*11 (N.D. Cal. Jan. 31, 2018) (“There is no doubt  
 21 that an attorney who has created a common fund for the benefit of the class is entitled to  
 22 reimbursement of reasonable litigation expenses from that fund.”); Fed. R. Civ. P. 23(h). This  
 23

24 <sup>6</sup> Although the *Bluetooth* court suggested that “whether the fee was fixed or contingent” is “no  
 25 longer [a] valid” factor, citing *Davis v. City and Cnty. of S.F.*, 976 F.2d 1536, 1546 (9th Cir.1992),  
 26 *Vizcaino*, which post-dates *Davis*, suggests otherwise, and the *Bluetooth* court nonetheless  
 27 considered “the risk of nonpayment” among the “‘reasonableness’ factors” courts should consider  
 28 when awarding fees. *In re Bluetooth*, 654 F.3d at 942.

<sup>7</sup> In the Notice of Settlement, Class Counsel properly informed Class members of their intent to  
 seek reimbursement of combined litigation expenses of up to \$20,000.00 plus interest.

1 includes expenses that are reasonable, directly related to the litigation, and normally charged to a  
2 fee-paying client. *Willner v. Manpower Inc.*, 2015 WL 3863625, at \*7 (N.D. Cal. June 22, 2015).

3 Here, Class Counsel seek reimbursement of \$6,560.09, Federman Decl., ¶ 45. These  
4 expenses were advanced by Class Counsel with no guarantee that they would be reimbursed. *Id.*  
5 ¶¶ 43. Accordingly, Class Counsel were motivated to, and did, take significant steps to minimize  
6 expenses wherever practicable without jeopardizing the vigorous prosecution of the case. *See, e.g.*,  
7 *Beesley v. Int'l Paper Co.*, 2014 WL 375432, at \*3 (S.D. Ill. Jan. 31, 2014) (“Class Counsel had a  
8 strong incentive to keep expenses at a reasonable level due to the high risk of no recovery when  
9 the fee is contingent.”).

10 Class Counsel’s expenses were necessarily incurred and are the types of expenses routinely  
11 charged to clients. Federman Decl., ¶ 45; *See Knight v. Red Door Salons, Inc.*, 2009 WL 248367,  
12 at \*7 (N.D. Cal. Feb. 2, 2009) (granting award because “[a]ttorneys routinely bill clients for all of  
13 these expenses”). Thus, the Court should award the litigation expenses requested.

#### 14 **VII. THE SERVICE AWARDS ARE REASONABLE**

15 Finally, Class Counsel seek service awards of \$2,500.00 to each of the Class  
16 Representatives in recognition of their years of service and diligence in protecting the interests of  
17 absent Settlement Class Members.

18 Courts routinely award such service awards for the time and effort of class representatives.  
19 *Staton v. Boeing Co.*, 327 F.3d 938, 977 (9th Cir. 2003) (named plaintiffs are eligible for  
20 reasonable payments as part of a class action settlement). In evaluating the reasonableness of a  
21 service award, the Court considers “the actions the plaintiff has taken to protect the interests of the  
22 class, the degree to which the class has benefitted from those actions, . . . the amount of time and  
23 effort the plaintiff expended in pursuing the litigation.” *Id.*; *see also In re NCAA Grant-in-Aid Cap*  
24 *Antitrust Litig.*, 2017 WL 6040065, at \*11 (N.D. Cal. Dec. 6, 2017) (awarding \$20,000 where, as  
25 here, “the class representatives spent a significant amount of time assisting in the litigation of this  
26 case, in preparing for and having their depositions taken, in searching for and producing  
27 documents . . . , and in conferring with counsel throughout the litigation”).

1 Here, each Plaintiff soldiered through almost two years of litigation, individually  
2 contributing many hours toward the success of the litigation. Federman Decl., ¶ 54. Each Plaintiff  
3 diligently monitored the progress of the litigation and reviewed drafts of important pleadings. *Id.*  
4 Each Plaintiff stayed vigilant in ensuring that Class Counsel stayed up to date on all claims and  
5 updated damages. *Id.* Plaintiffs also searched for and produced responsive documents. *Id.*  
6 Throughout the course of this litigation, Plaintiffs made themselves available to respond to any  
7 task requested by Class Counsel or the Court and ultimately authorized this Settlement on behalf  
8 of the Settlement Class. *Id.*

9 Without the Class Representatives' time and effort, there would be no Settlement. Service  
10 awards are an important acknowledgement of Plaintiffs' dedication and time, and they should be  
11 approved consistent with other awards in the past. *See In re Mego Fin. Corp. Sec. Litig.*, 213 F.3d  
12 454, 463 (9th Cir. 2000) (affirming service award of \$5,000.00); *In re Online DVD-Rental*  
13 *Antitrust Litig.*, 779 F.3d 934, 947 (9th Cir. 2015) (finding \$5,000.00 service award reasonable);  
14 *In re Anthem*, 2018 WL 3960068, at \*31 (awarding \$5,000.00 to plaintiffs who responded to  
15 discovery requests and were deposed); *Low v. Trump Univ., LLC*, 246 F. Supp. 3d 1295, 1314  
16 (S.D. Cal. 2017), *aff'd*, 881 F.3d 1111 (9th Cir. 2018) (awarding service awards of \$15,000 to each  
17 named plaintiff).

18 Accordingly, the Court should award \$2,500.00 to each Class Representative.

### 19 **VIII. CONCLUSION**

20 Class Counsel respectfully request that the Court award them attorneys' fees in the amount  
21 of \$260,000.00 and litigation expenses in the amount of \$6,560.09, to be paid from the Settlement  
22 Fund. Class Counsel also request that service awards in the amount of \$2,500.00 be awarded to  
23 each Class Representative.

24 DATED: January 20, 2026

25  
26 By: s/ William B. Federman  
William B. Federman\*  
27 **FEDERMAN & SHERWOOD**  
10205 N. Pennsylvania Ave.

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Telephone: (405) 235-1560  
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*\*Admitted Pro Hac Vice*

*Lead Counsel for Plaintiff and  
for the Class*

**CERTIFICATE OF SERVICE**

I hereby certify that on January 20, 2026, I electronically filed the foregoing document with the Clerk of the Court using the CM/ECF system, which will send notice of electronic filing to all counsel of record.

*/s/ William B. Federman*  
William B. Federman

# **EXHIBIT 1**

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*Attorneys for Plaintiffs and the Class*

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEVADA**

**KEVIN MEAGHER** and **REBECCA  
DAWSON** on behalf of themselves and on behalf  
of all other similarly situated individuals,

Plaintiffs,

v.

**KTC HOLDING COMPANY F/K/A THE  
KINGDOM TRUST COMPANY,**

Defendant.

Case No. 2:24-cv-01630-CDC-MDC

Hon. Judge Cristina D. Silva

**DECLARATION OF WILLIAM B.  
FEDERMAN IN SUPPORT OF  
PLAINTIFFS' MOTION FOR  
ATTORNEYS' FEES, EXPENSES,  
AND SERVICE AWARDS**

1 I, **William B. Federman**, being duly sworn, hereby declare under the penalty of perjury  
2 as follows:

3 1. I am a founding member of the law firm of Federman & Sherwood and Court  
4 Appointed Class Counsel for Plaintiffs Kevin Meager and Rebecca Dawson in the above matter.  
5 I am familiar with the facts contained herein based upon my personal knowledge and the books  
6 and records kept in the ordinary course of Federman & Sherwood's business.

7 2. I submit this declaration in support of Class Counsel's application for an award of  
8 attorneys' fees in this Action,<sup>1</sup> as well as for reimbursement of necessary expenses incurred in  
9 connection with this Action and Service Awards for Plaintiffs.

### 10 I. PROCEDURAL BACKGROUND

11 3. On September 4, 2024, Plaintiff Meagher filed the first-filed class action against  
12 Defendant for the Data Incident after conducting a thorough investigation of the Data Incident,  
13 Plaintiff Meagher's claims, Defendant's security network, and other relevant facts and issues.

14 4. After filing the Action, Federman & Sherwood continued communicating and  
15 vetting potential plaintiffs for this Action and conducted significant research into the underlying  
16 causes of action and potential injuries suffered.

17 5. Federman & Sherwood requested informal discovery from Defendant to learn  
18 more about Class Members' claims and the underlying facts of the Data Breach.

19 6. In response, Defendant produced discovery and additional information about the  
20 case.

21 7. Based on the information contained in the then-filed complaint, the large amount  
22 of information received during informal discovery, and Federman & Sherwood's vast experience  
23 in data privacy litigation, the Parties agreed to attend mediation.

24  
25  
26  
27 <sup>1</sup> Capitalized terms shall have the same meaning as set forth in the Settlement Agreement (ECF  
28 No. 29-1), unless otherwise noted.

1           8.       The Parties engaged in arms-length negotiations over the course of many weeks,  
2 including a full-day of mediation on June 18, 2025, with highly respected and experienced  
3 mediator, John DeGroote, Esq.

4           9.       Prior to and during the mediation process, Class Counsel and Defendant’s Counsel,  
5 directly and through the mediator, conducted a thorough examination and investigation of the  
6 facts and law and addressed issues such as, Defendant’s liability and underlying duty to protect  
7 Plaintiffs’ Private Information and issues concerning class certification.

8           10.      Prior to the mediation session, the Parties prepared comprehensive mediation  
9 briefs, exchanged significant information and legal arguments, and commenced mediation with  
10 Mr. DeGroote fully prepared.

11          11.      On June 18, 2025, the Parties met before Mr. DeGroote for a full day of mediation.  
12 Both sides zealously advocated and discussed the underlying legal and factual arguments at  
13 length. As evidenced by the lengthy session, the legal and factual issues in this case were hotly  
14 contested by both Parties. Federman & Sherwood spent hours with Mr. DeGroote educating him  
15 on Plaintiffs’ claims and the governing law. Although progress was made at the initial mediation  
16 session, the Parties were not able to reach an agreement.

17          12.      After the mediation, Federman & Sherwood continued diligently pursuing this case  
18 and moving it forward, including vetting additional plaintiffs, gathering additional information  
19 regarding Plaintiffs’ and the Class Members’ related damages, and researching Plaintiffs’ claims  
20 and Defendant’s liability.

21          13.      During this time, Defendant made clear its intention and ability to pursue numerous  
22 avenues of legal and factual attacks on Plaintiffs’ claims, including filing a motion to dismiss,  
23 opposing class certification, and filing a motion for summary judgment. Defense Counsel are  
24 experienced in this field and spared no expense or argument in defense of their client. There is no  
25 doubt that Defense Counsel would prove to be formidable adversaries.

26          14.      Based on the progress made during the first mediation, Mr. DeGroote continued to  
27 work with the Parties.  
28

1           15. After establishing that the Parties were not able to come to an agreement, Mr.  
2 DeGroote made a mediator’s proposal of a cash monetary fund of \$780,000.00 and remedial  
3 measures involving the enhancement of Defendant’s security practices.

4           16. Federman & Sherwood thoroughly considered the mediator’s proposal and  
5 conferred with Plaintiffs before accepting Mr. DeGroote’s proposal.

6           17. After hard-fought negotiations over the span of months, and careful consideration  
7 of the mediator’s proposal, the Parties accepted the mediator’s proposal, establishing a Settlement  
8 Fund of \$780,000.00 plus valuable remedial measures.

9           18. Soon after the Settlement in principle was reached, Class Counsel began  
10 negotiating the finer terms of the Settlement Agreement and the accompanying notice documents.  
11 Class Counsel also took on the long and arduous process of soliciting and obtaining bids from  
12 potential claims administrators to ensure the Settlement Class received the best possible notice for  
13 a very competitive price.

14           19. During these negotiations, the Parties diligently worked on the logistics and  
15 substance of the notice plan to ensure Settlement Class Members were adequately apprised of  
16 their rights under the Settlement. Class Counsel spent hours of their time drafting and negotiating  
17 the terms of the Settlement Agreement, all of which inured to the benefit of the Settlement Class  
18 Members.

19           20. Class Counsel spent numerous hours negotiating multiple rounds of bids from  
20 well-established, experienced, and highly regarded class action administration firms. As a result,  
21 Class Counsel maximized the amount that would be available for payment of claims, by  
22 minimizing notice and administration costs, while ensuring that the notice and administration plan  
23 complied with all rules, guidelines, and due process requirements.

24           21. Many drafts of the Settlement Agreement and notice documents were exchanged  
25 during negotiations among counsel and their clients, ultimately resulting in the Settlement  
26 presented to the Court.

27           22. On November 3, 2025, this Court granted preliminary approval of the settlement.  
28

1 **II. THE SETTLEMENT**

2 23. This litigation has spanned nearly two years. The Settlement is an outstanding  
3 result for Plaintiffs and the Settlement Class. Defendant will establish a \$780,000.00 non-  
4 reversionary Settlement Fund to pay for settlement distributions, notice and administration costs,  
5 and any court-approved service awards and attorney’s fees and reimbursement of costs. Defendant  
6 has also implemented significant remedial measures to strengthen its data security. Finally, the  
7 Settlement allows Settlement Class Members an additional two (2) years of credit monitoring with  
8 three credit bureaus.

9 24. Pursuant to the Settlement Agreement, Settlement Class Members are eligible to  
10 submit claims for Documented Monetary Losses up to \$10,000.00 (but not more than the amount  
11 proven through third-party documentation). Alternatively, Settlement Class Members may submit  
12 a claim for an alternative cash payment of \$100.00. These monetary benefits are in addition to the  
13 meaningful remedial measures that Defendant has agreed to implement, and the two years of three  
14 credit bureau credit monitoring services the Settlement provides that add considerable value to the  
15 Settlement.

16 25. Of the various forms of relief available in national consumer protection class  
17 actions (injunctive, declaratory, coupons, gift cards, cash compensation, etc.), the relief obtained  
18 by Class Counsel in this case is the most preferable form: cash compensation plus mitigative relief.

19 26. The result achieved in this Settlement is notable because the Parties were able,  
20 through capable and experienced counsel, to negotiate a Settlement only after hard-fought  
21 negotiations spanning weeks and multiple mediation sessions. The negotiations took place only  
22 after Class Counsel obtained significant informal discovery from Defendant regarding the claims  
23 asserted. This, combined with Class Counsel’s experience and insight from litigating other data  
24 breach and complex class actions, allowed Class Counsel to evaluate the claims and reach a  
25 beneficial compromise. By all means, Class Counsel were well-informed of the strengths and  
26 weaknesses of the Action before negotiating the Settlement.

27 27. My years of experience representing individuals in complex class actions—  
28 including data breach class actions—contributed to an awareness of Plaintiffs’ and the Class’s

1 settlement leverage, as well as their needs and risks. Although I believe Plaintiffs would ultimately  
2 prevail in the litigation on a class-wide basis, data breach class actions are still new and present  
3 novel and complex issues, making a successful outcome difficult to predict. However, a successful  
4 outcome would ensue, if at all, only after a prolonged and costly discovery and trial with an  
5 attendant risk of drawn-out appeals. Courts have certified very few classes in this area. Moreover,  
6 Plaintiffs' theories of damages in data breach cases remain untested at trial and on appeal.

7 28. The Settlement is also notable for the simplicity of the claims process. The Claim  
8 Form and claim submission process is simple and straight forward. Settlement Class Members  
9 can provide information regarding their related damages *or* choose an alternative cash payment  
10 that does not require supporting documentation. Settlement Class Members need only complete a  
11 simple Claim Form to receive benefits under the Settlement. Moreover, the notices sent to the  
12 Settlement Class Members adequately informs them that Class Counsel intend to seek a fee award  
13 of up to \$260,000.00 (one-third of the Settlement Fund) and up to \$20,000.00 in necessary and  
14 reasonable litigation expenses.

15 29. Among national consumer protection class action litigation, data breach cases are  
16 some of the most complex and involve a rapidly evolving area of law. As such, these cases are  
17 particularly risky for plaintiffs' attorneys. Accordingly, the value of the services received by  
18 Plaintiffs and the Settlement Class in this case is commensurate with the attorneys' fees, costs and  
19 expenses, and service awards sought here.

20 30. In the process of reaching this Settlement, this case was defended by highly  
21 qualified and internationally recognized defense counsel with a great deal of experience in data  
22 breach cases. This Settlement occurred as the result of lengthy, arm's-length negotiations  
23 facilitated by a well-respected mediator, which supports the fee award requested here.

24 31. This Settlement provides immediate and certain relief to the Class. In a data breach  
25 context, immediate relief is necessary to protect Class Members' interests. As alleged in Plaintiffs'  
26 Amended Complaint, Plaintiffs' and the Class Members' Private Information may already be  
27 available on the dark web. Plaintiffs and the Class Members have also already suffered misuse of  
28 their Private Information. This Settlement will help give Plaintiffs and Settlement Class Members

1 the protection they need to prevent future identity theft and remedy past identity theft/misuse.

2 **III. CLAIMS ADMINISTRATION AND NOTICE**

3 32. Federman & Sherwood has continued to work with the Settlement Administrator,  
4 KTC, during the Notice and Claims Administration process, including aiding KTC in answering  
5 Class Members' questions.

6 33. Federman & Sherwood has also remained readily available to all Class Members  
7 who call with questions regarding the Settlement and the Claim Form.

8 34. To date, the Settlement Administrator has received 476 claims, no objections, and  
9 no opt-out requests. According to the Settlement Administrator, the current claim rate is  
10 approximately 1.50% out of the approximately 31,676 Settlement Class Members. A claims rate  
11 between 1% and 3% is typical in data breach cases. Although the Claims deadline has not yet  
12 passed, I believe that, based on this information, Settlement Class Members will be entitled to a  
13 pro-rata increase in their monetary benefits.

14 **IV. TIME AND EXPENSES**

15 35. Each of the individuals comprising Class Counsel served as the principal lawyers  
16 in charge of aspects of the litigation and worked collaboratively in the case to ensure that Plaintiffs  
17 and the Class which they sought to represent were zealously represented, while also ensuring  
18 efficiency and reducing duplicative effort.

19 36. In prosecuting this case, Federman & Sherwood performed a significant amount of  
20 work, including:

- 21 a. before filing the complaints, Federman & Sherwood investigated the potential  
22 claims against Defendant, interviewed potential plaintiffs, gathered information  
23 about the Data Incident and Defendant's data security, considered and identified  
24 potential expert witnesses, and conducted extensive legal research into the  
25 allegations and best strategy to prosecute the case;
- 26 b. requesting and reviewing multiple sets of informal discovery from Defendant;
- 27 c. preparing initial complaints and an Amended Complaint;
- 28 d. investigating the damages arising out the Data Incident;

- 1 e. researching governing law regarding Defendant’s duties and liabilities to Plaintiffs
- 2 and likelihood for class certification;
- 3 f. researching Defendant’s defenses and affirmative defenses, including Defendant’s
- 4 potential success for future motions, including a motion to dismiss, opposition to
- 5 class certification, motion for summary judgment, and motion to strike Plaintiffs’
- 6 experts;
- 7 g. engaging in a full-day mediation session with an experienced class action mediator,
- 8 John DeGroote, and thereafter continuing negotiations;
- 9 h. researching, drafting, and amending pleadings to update the allegations based on
- 10 the information developed through informal discovery;
- 11 i. negotiating the terms of the Settlement Agreement with Defendant for months
- 12 through numerous phone calls, emails, and exchanges with the mediator;
- 13 j. drafting the Settlement Agreement and notice documents;
- 14 k. preparing a request for proposal from multiple potential claims administration
- 15 firms and thereafter going through multiple rounds of bids to ensure Plaintiffs and
- 16 the Class received the best claims administration and notice plan at a very
- 17 competitive price;
- 18 l. vetting and obtaining multiple rounds of bids from the various claims
- 19 administration firms to ensure the best and most cost-effective notice was given to
- 20 Settlement Class Members;
- 21 m. working with the claims administrator to develop and then implement the Notice
- 22 program and claims documents;
- 23 n. preparing, finalizing and filing the Preliminary Approval documents and
- 24 negotiating an extremely favorable Settlement for the Class; and
- 25 o. responding to Class Member emails and phone calls regarding questions about the
- 26 Settlement.

27 37. Class Counsel worked diligently to finalize the Settlement Agreement and prepare  
28 the notice program. Class Counsel remained in contact with Plaintiffs to stay up to date on all

1 damages and information, ensuring that the Settlement Agreement provided a fair and reasonable  
 2 benefit to the Class Members. Class Counsel also spent many hours researching the local rules of  
 3 this Court and ensuring that the Parties complied with governing law.

4 38. Class Counsel’s contemporaneous records of their work on this case reflect that  
 5 attorneys and support staff worked a combined total of **107.8 hours** on this litigation, which, when  
 6 multiplied by each firm’s current hourly rates, amounts to **\$84,282.50** in lodestar. Class Counsel  
 7 have reviewed all the detailed billing in this case and have concluded that the work done in the  
 8 case was reasonable and necessary.

9 **LODESTAR AND EXPENSE SUMMARY**

Firm	Hourly Rate Range	Hours	Lodestar	Expenses
Federman & Sherwood	\$350.00 to \$1,250.00	101.8	\$81,087.50	\$6,560.09
Leverty & Associates	\$450.00 to \$600.00	6	\$3,195.00	\$ -
<b>TOTAL</b>		<b>107.8</b>	<b>\$84,282.50</b>	<b>\$6,560.09</b>

15 39. These hours do not include time Class Counsel will spend on continuing services  
 16 to the Class, including drafting and filing the final approval motion, attending the final hearing,  
 17 responding to Class Members’ inquiries, supervising the claims administration process, and  
 18 overseeing the distribution of payments to Class Members. Based on Federman & Sherwood’s  
 19 experience in other data breach settlements and the calls that Federman & Sherwood receives from  
 20 Class Members with questions regarding this settlement, I estimate that Class Counsel will spend  
 21 an additional 40 hours (or in excess of \$30,000.00) drafting final motions and addressing issues  
 22 that may arise before and after final approval, including interfacing with the with claims  
 23 administrator, Class Members and Defendant’s Counsel.

24 40. These hours also do not include time that Class Counsel eliminated as duplicative  
 25 or administrative after a careful review of its records.

26 41. Class Counsel’s current hourly rates are appropriate considering the prevailing  
 27 rates for similar legal services provided by lawyers of reasonably comparable skill, experience,  
 28

1 and reputation. Many other courts have found Class Counsel's current rates to be reasonable in  
2 the settlement context.

3 42. Class Counsel kept contemporaneous records and provided detailed itemizations  
4 of their time, lodestar and expenses.

5 43. Class Counsel undertook this litigation on a purely contingent basis, with no  
6 assurance of recovery of expenses or attorneys' fees. The nature of contingency fees is that they  
7 are inherently uncertain and require counsel to assume more risk than in cases where  
8 compensation is based on billable hours.

9 44. Plaintiffs' Motion for Attorney Fees comports with the terms of the Settlement  
10 Agreement. The Settlement Agreement reflects Class Counsel would apply for attorneys' fees in  
11 an amount not to exceed one-third of the total value of the Settlement (or \$260,000.00). This  
12 provision was negotiated only after all the other settlement terms were finalized.

13 45. Class Counsel also incurred a total of \$6,560.09 in unreimbursed necessary  
14 litigation expenses, including costs associated with research, filing fees, travel, and mediations.  
15 These costs also reflect typical expenses of the type ordinarily passed on to fee-paying clients in  
16 a general legal practice and are also typically recoverable in a specialized complex class action  
17 practice as they are necessary and reasonable to prosecuting a class action. The total of the  
18 expenses for which Class Counsel seeks reimbursement was calculated from receipts, expense  
19 vouchers, check records and other documents maintained by Class Counsel in the ordinary course  
20 of business. Class Counsel reviewed all expenses and found that all were incurred as a reasonable  
21 and necessary result of this Action.

<b>Expense</b>	<b>Cost</b>
Conference Call	\$9.83
Legal Notice	\$403.75
Mediation	\$6,000.00
Research / Westlaw	\$146.51
<b>TOTAL</b>	<b>\$6,560.09</b>

26 46. Given that data breach cases pose unique challenges because this area of law is not  
27 yet settled, these cases are often uncertain and hard to predict and may be considered as a less than  
28

1 desirable undertaking, even for seasoned class action attorneys. Class Counsel invested substantial  
2 time, effort, and resources into litigating this risky and uncertain case with no guarantee or promise  
3 of return on their investment. The pursuit of this litigation was an economic risk for Class Counsel  
4 and diverted their resources from other cases, some of which were less risky.

5 47. This matter has required Class Counsel to spend time on this litigation that could  
6 have been spent on other matters. At various times during the litigation of this class action, this  
7 lawsuit has consumed significant amounts of Class Counsel and their firms' time. Such time could  
8 otherwise have been spent on other fee-generating work. Because Class Counsel undertook  
9 representation of this matter on a contingency-fee basis, Class Counsel shouldered the risk of  
10 expending substantial costs and time in litigating the action without any monetary gain in the  
11 event of an adverse judgment.

12 48. If not devoted to litigating this action, from which any remuneration is wholly  
13 contingent on a successful outcome, the time Class Counsel spent working on this case could and  
14 would have been spent pursuing other potentially fee generating matters.

15 49. Litigation is inherently unpredictable and therefore risky. Here, that risk was very  
16 real, due to the rapidly evolving nature of case law pertaining to data breach litigation, and the  
17 state of data privacy law. Therefore, despite Class Counsel's devotion to the case and its  
18 confidence in the claims alleged against Defendant, there have been many factors beyond Class  
19 Counsel's control that posed significant risks.

20 50. An award of the requested fees, costs and expenses is justified under the  
21 circumstances of this case, considering the risk, work performed, and the results achieved. The  
22 Settlement makes available an immediate cash payment to Settlement Class Members and  
23 provides for necessary and mitigative identity-theft protection services to protect Class Members'  
24 Private Information.

25 51. Federman & Sherwood and its attorneys are very experienced in class action  
26 litigation, particularly complex litigation and data breach litigation. **Exhibit A** (Federman &  
27 Sherwood Resume) Class Counsel have successfully litigated dozens of data breach cases in this  
28 country to date. *Id.*

1 52. Based on my over 43 years of practice litigating class actions and other complex  
2 actions, I endorse the Settlement and believe it benefits and provides substantial relief to the  
3 Settlement Class Members.

4 53. Based on Class Counsel's years of practice litigating complex class actions, Class  
5 Counsel believe that the requested attorneys' fees, costs and expenses sought are fair and  
6 reasonable.

7 **V. SERVICE AWARDS**

8 54. Pursuant to the Settlement Agreement, Plaintiffs will each be awarded, subject to  
9 Court approval, \$2,500.00 for their services as Class Representatives (a total of \$5,000.00).

10 55. Plaintiffs were instrumental in assisting Class Counsel throughout the litigation.  
11 Their involvement was not merely nominal. Plaintiffs initiated and remained in contact with Class  
12 Counsel; reviewed various pleadings in this case, including the settlement papers; monitored and  
13 periodically visited with Class Counsel; provided documents to Class Counsel; and have been  
14 actively involved in the prosecution of the case, to ensure that Class Members received the best  
15 recovery possible given the circumstances and risks of this case. Accordingly, Class Counsel  
16 support the Court's approval of service awards to Plaintiffs for their investment of time and energy  
17 in this class action.

18 I declare under the penalty of perjury of the laws of the United States that the foregoing is  
19 true and correct. Class Counsel will allocate the fees, if awarded by the Court, among themselves.

20 Date: January 20, 2026

Respectfully Submitted,

21 **FEDERMAN & SHERWOOD**

22 /s/: William B. Federman

23 William B. Federman (*pro hac vice*)

24 Email: [wbf@federmanlaw.com](mailto:wbf@federmanlaw.com)

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