KESSLER TOPAZ MELTZER & CHECK, LLP
JENNIFER L. JOOST (Bar No. 296164)
jjoost@ktmc.com
STACEY M. KAPLAN (Bar No. 241989)
skaplan@ktmc.com
One Sansome Street, Suite 1850
San Francisco, CA 94104
Telephone: (415) 400-3000
Facsimile: (415) 400-3001

Attorneys for Class Representatives Smilka Melgoza, as trustee of the Smilka Melgoza Trust U/A DTD 04/08/2014, Rediet Tilahun, Tony Ray Nelson, Rickey E. Butler, Alan L. Dukes, Donald R. Allen and Shawn B. Dandridge, and Class Counsel for the Class

[Additional counsel on signature page.]

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

WESTERN DIVISION

IN RE SNAP INC. SECURITIES LITIGATION	Case No. 2:17-cv-03679-SVW-AGR **CLASS ACTION**
This Document Relates To: All Actions.	**MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF CLASS COUNSEL'S MOTION FOR AN AWARD OF ATTORNEYS' FEES AND LITIGATION EXPENSES** Date: February 22, 2021 Time: 1:30 p.m. Courtroom: 10A, 10th Floor Judge: Hon. Stephen V. Wilson

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I. PRELIMINARY STATEMENT

Following nearly three years of dedicated litigation efforts and just weeks before a rare securities class action trial was scheduled to commence, Class Counsel, Kessler Topaz Meltzer & Check, LLP, successfully negotiated a settlement of the Action with Defendants.[1] If approved by the Court, the Settlement will resolve this contentious litigation in its entirety in exchange for $154,687,500 in cash. The Settlement not only eliminates the risks of continued litigation—e.g., the possibility of an adverse ruling for the Class on the SAC Defendants' motions for summary judgment or the Ninth Circuit's grant of the Rule 23(f) Petition seeking appellate review of this Court's Class Certification Order (both pending when the Settlement was reached), and the uncertainties, delays, and expense of trial and post-trial appeals, but it also represents a substantial percentage of the Class's maximum potential aggregate damages as estimated by Class Representatives' damages expert.[2] By any measure, the Settlement is an excellent result for the Class.

As detailed in the Nirmul Declaration, Class Counsel—as the sole Court-appointed counsel for the Class—vigorously pursued this Action from its outset and was actively

[1] All capitalized terms not defined herein have the meanings ascribed to them in the Stipulation and Agreement of Settlement dated March 20, 2020 ("Stipulation") (ECF No. 368-3) and in the accompanying Declaration of Sharan Nirmul in Support of (I) Class Representatives' Motion for Final Approval of the Proposed Settlement and Plan of Allocation; and (II) Class Counsel's Motion for an Award of Attorneys' Fees and Litigation Expenses ("Nirmul Declaration"). The Nirmul Declaration is an integral part of this submission and, for the sake of brevity herein, Class Counsel respectfully refers the Court to the Nirmul Declaration for a detailed description of, among other things, the procedural history of the Action and Class Counsel's extensive litigation efforts on behalf of the Class (¶¶ 20-213); the negotiations leading to the Settlement (¶¶ 214-23); and the risks of continued litigation (¶¶ 225-51). Citations to "¶ _" herein refer to paragraphs in the Nirmul Declaration and citations to "Ex. _" herein refer to exhibits to the Nirmul Declaration.

[2] Class Representatives' damages expert estimates the Class's maximum potential aggregate damages to range from approximately $1.147 billion to approximately $2.4 billion, assuming a total victory at trial on all aspects of liability and damages. Accordingly, the aggregate $187.5 million in settlement proceeds obtained through the Federal and State Settlements represent approximately 7.8% to 16.3% of the Class's maximum potential aggregate damages—a recovery exceeding the median recovery in recent securities class actions with comparable damages by ***many multiples***. *See infra* Section II.D.1.

preparing for trial when the Settlement was reached. Among its efforts, Class Counsel directed a far-ranging investigation, resulting in two detailed complaints (and briefing on motions to dismiss and a motion for interlocutory appeal), pursued myriad sources for document discovery, including propounding document subpoenas on 20 third parties and moving to compel Defendants' production of documents on two separate occasions, and successfully negotiated with the DOJ for a limited stay to ensure that fact discovery would not be at a standstill pending the completion of the government's investigation. ¶¶ 28-182. As a result of these efforts, Class Counsel obtained, reviewed, and analyzed more than 1.97 million pages of documents. ¶ 104. Class Counsel also steered the depositions of 17 fact witnesses—including the depositions of the four individual SAC Defendants, Evan Spiegel, Robert Murphy, Andrew Vollero, and Imran Khan, as well as the Rule 30(b)(6) depositions of three Snap corporate designees and corporate representatives of the lead underwriters for Snap's IPO, Goldman Sachs, and Morgan Stanley, and prepared for and defended the depositions of all seven Class Representatives in a compressed timeframe. ¶¶ 65, 105-11. Additionally, Class Counsel consulted extensively with experts in the areas of market efficiency, economic materiality, loss causation, damages, the internet advertising industry, and market practices and expectations for public offerings, assisted in the preparation of five expert reports, and took or defended a total of five expert depositions. ¶¶ 183-202.

In addition to obtaining certification of the Class and fully briefing Defendants' Rule 23(f) Petition to the Ninth Circuit, Class Counsel had substantially prepared its opposition to the SAC Defendants' motions for summary judgment, which challenged nearly every element of the Class's claims. ¶¶ 199-202. Class Counsel also undertook significant preparations for trial, including preparing materials for and participating in a mock jury focus group exercise in order to gain additional insight into the strengths and weaknesses of Class Representatives' claims. ¶¶ 203-13. As trial drew near, Class Counsel worked with a jury consultant to assemble a list of contemplated trial witnesses, jury instructions, and other pre-trial documents, identified exhibits Class Representatives would

ultimately use at trial, reviewed and analyzed the 29 depositions in this Action to determine what testimony was necessary for trial, and began to research and draft various motions in limine. *Id*. In the midst of these efforts, Class Counsel simultaneously engaged in settlement discussions with Defendants' Counsel in an attempt to resolve the Action before trial and participated in formal mediation sessions with former United States District Judge Layn R. Phillips on October 15, 2019, and January 15, 2020. *See* ¶¶ 214-19. The Settlement in principle was reached shortly after the second formal mediation session.[3]

As discussed below and in the Nirmul Declaration, the litigation risks in this complex case were substantial, both from a liability and loss causation/damages perspective. Class Counsel assumed all of these risks by taking this case on a fully contingent basis and devoted substantial resources to prosecuting the Action against heavily-funded opposing counsel. To succeed in the Action, Class Counsel deployed a large, extremely dedicated group of professionals to develop, support, and aggressively pursue the Action, including not only litigators skilled in the area of securities litigation, but also highly experienced investigators, paralegals, administrative staff, and others. In total, Class Counsel alone has devoted close to 50,000 hours over the course of nearly three years on this complex litigation and laid out over $2 million of its own money, with no guarantee of ever being paid.

As compensation for these efforts and its commitment to bringing the Action to a successful conclusion with a cash recovery for the Class, Class Counsel, on behalf of Plaintiffs' Counsel, requests a fee of 25% of the Settlement Fund. The amount of quality legal work Class Counsel dedicated to the prosecution of this Action—and the significant risk it took on by prosecuting and funding this Action with no guarantee of recovery—justifies the request. As discussed below, Class Counsel's fee request is the "benchmark" fee award in the Ninth Circuit and is consistent with fees awarded in other securities and

[3] These negotiations also involved plaintiffs in the related consolidated state cases, *Snap Inc. Securities Cases*, No. JCCP 4960 (Cal. Super. Ct., Los Angeles Cty.) (the "State Cases"). Through these negotiations, the State Cases were also resolved for consideration of $32,812,500 in cash ("State Settlement"). ¶ 6 n.8.

complex class actions. If approved, Class Counsel's fee request would result in a lodestar multiplier of 1.72, which falls well within the range of lodestar multipliers routinely awarded by courts in this Circuit.[4] Class Counsel also requests payment from the Settlement Fund of $2,390,165.53 in Litigation Expenses (which amount includes the aggregate amount requested by Class Representatives). Both the requested fees and Litigation Expenses are authorized by and made pursuant to agreements that Class Representatives entered into with Class Counsel at the outset of their involvement in the litigation.[5]

The reaction of the Class to date also supports the requests for attorneys' fees and Litigation Expenses. Pursuant to the Court's Preliminary Approval Order and November 4, 2020 Order (ECF Nos. 375 & 383), 748,613 Postcard Notices and 4,096 Notices have been mailed to potential Class Members and Nominees, the Summary Notice was published in *The Wall Street Journal* and *Investor's Business Daily* and transmitted over *PR Newswire*, and the Notice Ads were disseminated via Twitter, LinkedIn, and Google Banner Ads.[6] The Postcard Notice, along with the long-form Notice posted on the Settlement Website, advises recipients that Class Counsel would be applying to the Court for an award of attorneys' fees in an amount not to exceed 25% of the Settlement Fund, plus Litigation Expenses in an amount not to exceed $3.25 million, plus interest. Segura Decl., Exs. A & B. The notices further inform Class Members that they can object to these requests until January 25, 2021. *Id*. While the deadline to object has not yet passed, to date, no objections to the attorneys' fees or Litigation Expenses set forth in the notices have been filed. ¶¶ 12, 266.[7]

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[4] *See Vizcaino v. Microsoft Corp.*, 290 F.3d 1043, 1051, 1051 n.6 (9th Cir. 2002) (upholding fee award reflecting lodestar multiplier of 3.65 and noting lodestar multipliers ranging from 1 to 4 are common).

[5] *See* Declaration of Smilka Melgoza, on behalf of the Smilka Melgoza Trust U/A DTD 04/08/2014 (Ex. 1), ¶ 20; Declaration of Rediet Tilahun (Ex. 2), ¶ 20; Declaration of Tony Ray Nelson (Ex. 3), ¶ 20_; Declaration of Rickey E. Butler (Ex. 4), ¶ 20; Declaration of Alan L. Dukes (Ex. 5), ¶ 20; Declaration of Donald R. Allen (Ex. 6), ¶ 20; and Declaration of Shawn B. Dandridge (Ex. 7), ¶ 20.

[6] *See* Declaration of Luiggy Segura submitted on behalf of the Court-authorized Claims Administrator JND Legal Administration ("Segura Decl.") (Ex. 8), ¶¶ 12-13.

[7] Class Counsel will address any objections received in its reply submission, to be filed on February 12, 2021.

For the reasons discussed herein, Class Counsel respectfully submits that its requested fee is fair and reasonable under the applicable legal standards. Class Counsel also respectfully submits that the Litigation Expenses for which it seeks reimbursement were reasonable and necessary for the successful prosecution of the Action and that the requests for reimbursement to Class Representatives pursuant to the PSLRA for the time they dedicated to the Action on behalf of the Class are likewise reasonable and appropriate. Accordingly, Class Counsel requests that its Motion for an Award of Attorneys' Fees and Litigation Expenses be granted in full.

II. CLASS COUNSEL'S REQUEST FOR ATTORNEYS' FEES IS REASONABLE AND SHOULD BE APPROVED

A. Class Counsel Is Entitled to a Reasonable Fee from the Common Fund Created by the Settlement

Courts in this Circuit recognize that "a private plaintiff, or his attorney, whose efforts create, discover, increase or preserve a fund to which others also have a claim is entitled to recover from the fund the costs of his litigation, including attorneys' fees." *Vincent v. Hughes Air W., Inc.*, 557 F.2d 759, 769 (9th Cir. 1977); *accord Stetson v. Grissom*, 821 F.3d 1157, 1165 (9th Cir. 2016).[8] Further, the Supreme Court "has recognized consistently that a litigant or a lawyer who recovers a common fund for the benefit of persons other than himself or his client is entitled to a reasonable attorney's fee from the fund as a whole." *Boeing Co. v. Van Gemert*, 444 U.S. 472, 478 (1980). The policy rationale for awarding attorneys' fees from a common fund is that "those who benefit from the creation of the fund should share the wealth with the lawyers whose skill and effort helped create it." *In re Wash. Pub. Power Supply Sys. Sec. Litig.*, 19 F.3d 1291, 1300 (9th Cir. 1994) ("*WPPSS*").

In addition to providing just compensation, an award of fair attorneys' fees from a common fund ensures that "competent counsel continue to be willing to undertake risky, complex, and novel litigation." *Gunter v. Ridgewood Energy Corp.*, 223 F.3d 190, 198

[8] Unless otherwise noted, all internal citations and quotations have been omitted and emphasis has been added.

(3d Cir. 2000). Compensating plaintiffs' counsel for their risks is crucial, because "[s]uch actions could not be sustained if plaintiffs' counsel were not to receive remuneration from the settlement fund for their efforts on behalf of the class." *Hicks v. Morgan Stanley*, 2005 WL 2757792, at *9 (S.D.N.Y. Oct. 24, 2005). Moreover, the Supreme Court has emphasized that private securities actions, such as this Action, provide "a most effective weapon in the enforcement of the securities laws and are a necessary supplement to [SEC] action." *Bateman Eichler, Hill Richards, Inc. v. Berner*, 472 U.S. 299, 310 (1985); *see also Tellabs, Inc. v. Makor Issues & Rights Ltd.*, 551 U.S. 308, 313 (2007).

B. The Court Should Calculate the Fee as a Percentage of the Common Fund

Where a settlement produces a common fund, courts in this Circuit have discretion to employ either the percentage-of-recovery method or the lodestar method in awarding attorneys' fees. *See WPPSS*, 19 F.3d at 1296; *Vizcaino*, 290 F.3d at 1047. Notwithstanding that discretion, the percentage-of-recovery method has become the prevailing method used in this Circuit. *See, e.g.*, *Glass v. UBS Fin. Servs., Inc.*, 331 F. App'x 452, 456-57 (9th Cir. 2009) (affirming district court's use of percentage-of-recovery method to award 25% fee); *Ellison v. Steven Madden, Ltd.*, 2013 WL 12124432, at *8 (C.D. Cal. May 7, 2013) (finding "use of the percentage method" to be the "dominant approach in common fund cases"); *In re OmniVision Techs., Inc.*, 559 F. Supp. 2d 1036, 1046 (N.D. Cal. 2007) (same).

Courts have found the percentage-of-recovery method for awarding attorneys' fees preferable in cases with a common-fund recovery because it: (i) parallels the use of percentage-based contingency fee contracts, which are the norm in private litigation; (ii) aligns the lawyers' interests with those of the class in achieving the maximum possible recovery; and (iii) reduces the burden on the court by eliminating the detailed and time-consuming lodestar analysis. *See, e.g.*, *OmniVision*, 559 F. Supp. 2d at 1046; *Vinh Nguyen v. Radient Pharm. Corp.*, 2014 WL 1802293, at *9 (C.D. Cal. May 6, 2014); *In re Activision Sec. Litig.*, 723 F. Supp. 1373, 1374-77 (N.D. Cal. 1989 (collecting authority and describing benefits of the percentage method over the lodestar method). In addition, the use of the

percentage-of-recovery method comports with the language of the PSLRA, which states that "[t]otal attorneys' fees and expenses awarded by the court to counsel for the plaintiff shall not exceed a ***reasonable percentage*** of the amount of any damages and prejudgment interest actually paid to the class." 15 U.S.C. § 78u-4(a)(6); *see also In re Cendant Corp. Sec. Litig.*, 404 F.3d 173, 188 n.7 (3d Cir. 2005) ("[T]he PSLRA has made percentage-of-recovery the standard for determining whether attorney's fees are reasonable.").

C. A Fee of 25% of the Settlement Fund Is Reasonable Under Either the Percentage-of-Recovery Method or Lodestar Method

In this case, whether assessed under the prevailing percentage-of-recovery method or the lodestar method, the 25% fee request—which represents a lodestar multiplier of approximately 1.72—is fair and reasonable.

1. Class Counsel's 25% Benchmark Percentage Fee Request Is Reasonable

Class Counsel respectfully submits that the Court should award a fee based on a percentage of the common fund obtained. Specifically, Class Counsel requests attorneys' fees in the amount of 25% of the Settlement Fund—the Ninth Circuit's well-established "benchmark" for percentage fees in common fund cases. *See, e.g.*, *Reyes v. Experian Info. Sols., Inc.*, 2020 WL 5172713, at *4 (C.D. Cal. July 30, 2020) (Wilson, J.); *In re Online DVD-Rental Antitrust Litig.*, 779 F.3d 934, 949 (9th Cir. 2015); *In re Bluetooth Headset Prods. Liab. Litig.*, 654 F.3d 935, 942 (9th Cir. 2011); *Fischel v. Equitable Life Assurance Soc'y of the United States*, 307 F.3d 997, 1006 (9th Cir. 2002); *Vizcaino*, 290 F.3d at 1047-48. While the 25% benchmark can "be adjusted upward or downward to account for any unusual circumstances," *Paul, Johnson, Alston & Hunt v. Graulty*, 886 F.2d 268, 272 (9th Cir. 1989), courts have found fee awards in the amount of the 25% benchmark to be "presumptively reasonable." *In re Anthem, Inc. Data Breach Litig.*, 2018 WL 3960068, at *4 (N.D. Cal. Aug. 17, 2018). Courts have also found that, "in most common fund cases, the award exceeds that benchmark." *OmniVision*, 559 F. Supp. 2d at 1047; *accord Jiangchen v. Rentech, Inc.*, 2019 WL 5173771, at *9 (C.D. Cal. Oct. 10, 2019) ("The actual

percentage varies depending on the facts of each case, but in most common fund cases, the award exceeds that benchmark.").

Here, Class Counsel's benchmark fee request is well within the range of percentage fees that have been awarded in securities class actions and other similar litigation with comparable recoveries in this Circuit. *See, e.g.*, *Vizcaino*, 290 F.3d at 1051 (affirming award of 28% of $97 million settlement, representing 3.65 multiplier); *Anthem*, 2018 WL 3960068, at *16, *28 (awarding 27% of $115 million settlement, representing multiplier of "slightly over 1.0"); *In re Apollo Grp. Inc. Sec. Litig.*, 2012 WL 1378677, at *7 (D. Ariz. Apr. 20, 2012) (awarding 33.3% of $145 million settlement, representing 1.74 multiplier); *In re Brocade Sec. Litig.*, No. 05-cv-2042, ECF No. 496-1, at *13 (N.D. Cal. Jan. 26, 2009) (awarding 25% of $160 million settlement, representing 3.5 multiplier); *In re Broadcom Corp. Sec. Litig.*, 2005 WL 8153006, at *4-5 (C.D. Cal. Sept. 12, 2005) (awarding 25% of $150 million settlement, representing 1.64 multiplier). The requested fee is also consistent with fee awards in similarly sized settlements of securities class actions and other comparable litigation in other circuits.[9]

[9] *See, e.g.*, *In re Wilmington Tr. Secs. Litig.*, No. 10-cv-00990-ER, ECF No. 842, at *2 (D. Del. Nov. 19, 2018) (awarding 28% of $210 million settlement, representing 0.74 multiplier); *In re Genworth Fin. Sec. Litig.*, 2016 WL 7187290, at *1-2 (E.D. Va. Sept. 26, 2016) (awarding 28% of $219 million settlement, representing 1.97 multiplier); *Schuh v. HCA Holdings Inc.*, No. 3:11-cv-01033, ECF No. 563, at *1 (M.D. Tenn. Apr. 14, 2016) (awarding 30% of $215 million settlement (multiplier undisclosed)); *In re Bank of N.Y. Mellon Corp. Forex Transactions Litig.*, 148 F. Supp. 3d 303, 305, 309 (S.D.N.Y. 2015) (awarding 25% of $180 million settlement, representing 0.96 multiplier); *In re Merck & Co., Inc. Vytorin/Zetia Sec. Litig.*, 2013 WL 5505744, at *3, *46, *51 (D.N.J. Oct. 1, 2013) (awarding 28% of $215 million settlement, representing 0.96 multiplier); *Bd. of Trustees of AFTRA Ret. Fund v. JPMorgan Chase Bank, N.A.*, 2012 WL 2064907, at *1-3 (S.D.N.Y. June 7, 2012) (awarding 25% of $150 million settlement, representing 2.86 multiplier); *Silverman v. Motorola, Inc.*, 2012 WL 1597388, at *1, *5 (N.D. Ill. May 7, 2012) (awarding 27.5% of $200 million settlement (multiplier undisclosed)), *aff'd*, 739 F.3d 956 (7th Cir. 2013); *In re Comverse Tech., Inc., Sec. Litig.*, 2010 WL 2653354, at *5-6 (E.D.N.Y. June 24, 2010) (awarding 25% of $225 million settlement, representing 2.78 multiplier); *In re Deutsche Telekom AG Sec. Litig.*, 2005 WL 7984326, at *4 (S.D.N.Y. June 9, 2005) (awarding 28% of $120 million settlement, representing 3.97 multiplier).

2. The Requested Fee Reflects a Multiplier Well Within the Range of Multipliers Regularly Approved in This Circuit

To ensure the reasonableness of a fee awarded under the percentage-of-recovery method, courts in this Circuit may cross-check the proposed fee award against counsel's lodestar, although such a cross-check is not required. *See In re Amgen Inc. Sec. Litig.*, 2016 WL 10571773, at *9 (C.D. Cal. Oct. 25, 2016) ("Although an analysis of the lodestar is not required for an award of attorneys' fees in the Ninth Circuit, a cross-check of the fee request with a lodestar amount can demonstrate the fee request's reasonableness."); *HCL Partners Ltd. v. Leap Wireless Int'l, Inc.*, 2010 WL 4156342, at *2 (S.D. Cal. Oct. 15, 2010) (noting that "lodestar analysis is not necessary when the requested fee is within the accepted benchmark"). Under the lodestar method, courts routinely award positive multipliers to account for the contingent nature or risk involved in a case and the quality of the attorneys' work. *See Vizcaino*, 290 F.3d at 1051 (noting "courts have routinely enhanced the lodestar to reflect the risk of non-payment in common fund cases"); *In re Flag Telecom Holdings, Ltd. Sec. Litig.*, 2010 WL 4537550, at *26 (S.D.N.Y. Nov. 8, 2010) ("a positive multiplier is typically applied to the lodestar in recognition of the risk of the litigation, the complexity of the issues, the contingent nature of the engagement, the skill of the attorneys, and other factors").

As detailed in the Nirmul Declaration, Plaintiffs' Counsel exerted tremendous effort in advancing this Action over the past three years in the face of an aggressive and determined defense. Through December 31, 2020, Plaintiffs' Counsel have spent more than 50,000 hours of attorney and other professional support staff time prosecuting the Action for the benefit of the Class. ¶ 278. Plaintiffs' Counsel's lodestar, derived by multiplying the

hours spent on the Action by each attorney and professional support staff employee by their current hourly rates, is $22,438,458.15. *See id*.[10]

The requested fee (25% of the Settlement Fund, or $38,671,875 (before interest)), if awarded, represents a multiplier of approximately 1.72 on Plaintiffs' Counsel's time.[11] This multiplier falls well within the range of lodestar multipliers regularly awarded by courts in this Circuit. *See Vizcaino*, 290 F.3d at 1051-52 n.6 (noting that, when the lodestar is used as a cross-check, "most" multipliers were in the range of 1 to 4, but citing numerous examples of even higher multipliers); *Hopkins v. Stryker Sales Corp.*, 2013 WL 496358, at *4 (N.D. Cal. Feb. 6, 2013) ("Multipliers of 1 to 4 are commonly found to be appropriate in complex class action cases."); *Experian*, 2020 WL 5172713, at *4 (approving "reasonable lodestar multiplier of 1.92"). Likewise, a review of the lodestar multipliers in the cases cited above in Section II.C.1, all of which involved percentage awards of 25% or

[10] It is well established and appropriate to calculate counsel's lodestar based on current, rather than historical rates, as a method of compensating for the delay in payment and the loss of interest on the funds. *See Missouri v. Jenkins*, 491 U.S. 274, 284 (1989); *Fischel*, 307 F.3d at 1010; *WPPSS*, 19 F.3d at 1305; *White v. Experian Info. Solutions, Inc.*, 2018 WL 1989514, at *15 (C.D. Cal. Apr. 6, 2018) ("Courts in this Circuit regularly apply current billing rates in evaluating fee requests in multi-year litigation to account for the delay in payment."). The fee and expense declarations submitted on behalf of Plaintiffs' Counsel (*see* Exs. 9-12) include a description of the legal background and experience of Plaintiffs' Counsel, which support the hourly rates submitted. Plaintiffs' Counsel's hourly rates are fair and reasonable for this legal market. *See, e.g.*, *In re Banc of California Secs. Litig.*, No. SACV 17-00118 AG (DFMx), ECF Nos. 603 & 613 (C.D. Cal. Mar. 16, 2020) (approving fee request reporting hourly rates of $800 to $1,150 for partners and $175 to $1,030 for other attorneys); *Amgen*, 2016 WL 10571773, at *9 (approving fee request reporting hourly rates of $750 to $985 for partners, $500 to $800 for of counsel/senior counsel, and $300 to $725 for other attorneys). By way of comparison, Wilson Sonsini Goodrich & Rosati, P.C., one of the Defendants' Counsel firms in this Action, reported hourly rates ranging from $685 to $880 for associates and as high as $1,290 for partners in recent bankruptcy filings. *See In re: Tonopah Solar Energy, LLC*, No. 20-11884 (KBO), ECF No. 173 (Bankr. Del. Oct. 2, 2020); *In re Insys Therapeutics, Inc.*, No. 19-11292 (KG), ECF No. 744 (Bankr. Del. Oct. 15, 2019). These rates are in line with, or exceed, Plaintiffs' Counsel's rates.

[11] This multiplier will decrease over time because Class Counsel will devote additional attorney time preparing for the final approval hearing on February 22, 2020, overseeing the processing of Claims by the Claims Administrator, and overseeing the distribution of the settlement funds to Class Members with valid Claims. There will not be any additional counsel fees charged for such work.

higher in comparably large settlements, confirms that 1.72 is well within the range of multipliers typically awarded.

In sum, Class Counsel's requested fee award is reasonable, justified, and well within the range of what courts in this Circuit regularly award in class actions, under either the percentage-of-recovery or lodestar cross-check method. Moreover, as discussed below, each of the additional factors considered by courts in the Ninth Circuit also weighs in favor of finding the requested fee reasonable.

D. The Factors Considered by Courts in the Ninth Circuit Support Approval of the Requested Fee

Courts in this Circuit also consider the following factors when determining whether a fee is fair and reasonable: (1) results achieved; (2) risks of litigation; (3) skill required and quality of work; (4) contingent nature of the fee and financial burden carried by the plaintiffs; (5) awards made in similar cases; and (6) reaction of the class. *See Vizcaino*, 290 F.3d at 1048-50.[12] Each of the *Vizcaino* factors confirms that the requested 25% fee is fair and reasonable.

1. Results Achieved

The result achieved is an important factor in determining an appropriate fee award. *See, e.g.*, *Hensley v. Eckerhart*, 461 U.S. 424, 436 (1983) (noting "the most critical factor is the degree of success obtained"); *Vizcaino*, 290 F.3d at 1048 (noting "[e]xceptional results are a relevant circumstance" in awarding attorneys' fees); *In re DJ Orthopedics, Inc. Sec. Litig.*, 2004 WL 1445101, at *7 (S.D. Cal. June 21, 2004) (same).

Here, assuming the Class had prevailed on all aspects of its theory of liability and damages at trial, the Class's maximum potential aggregate damages range from

[12] "The relative degree of importance to be attached to any particular factor will depend upon . . . the nature of the claim(s) advanced, the type(s) of relief sought, and the unique facts and circumstances presented by each individual case." *Atlas v. Accredited Home Lenders Holding Co.*, 2009 WL 3698393, at *3 (S.D. Cal. Nov. 4, 2009) (alteration in original).

approximately $1.147 billion to approximately $2.4 billion. ¶ 11.[13] Thus, the combined $187.5 million Class recovery from the Federal and State Settlements represents approximately 7.8% to 16.3% of the Class's maximum potential aggregate damages. *Id.* This result far exceeds the median securities class action recovery as a percentage of damages in cases with estimated damages of over $1 billion, which was 1.3% in 2019.[14] Courts have recognized that, when counsel achieve a result for the class that is superior to the norm in comparable cases, it is appropriate to award fees *above* the 25% benchmark to reflect the quality of the result that counsel obtained. *See, e.g.*, *Omnivision*, 559 F. Supp. 2d at 1046 (finding that a settlement with a recovery of "approximately 9% of the possible damages, which is more than triple the average recovery in securities class action settlements . . . weighs in favor of granting the requested 28% fee"); *In re Cathode Ray Tube (CRT) Antitrust Litig.*, 2016 WL 4126533, at *5-6 (N.D. Cal. Aug. 3, 2016) (finding, in an antitrust case, that recovery of 20% of possible damages warranted "a modest increase

[13] Had the Action continued to trial, the SAC Defendants would have challenged damages, arguing they were significantly less than $1.147 to $2.4 billion, or even zero. If the SAC Defendants' challenges prevailed, the Class's damages would be substantially reduced or eliminated entirely.

[14] *See, e.g.*, Laarni T. Bulan & Laura E. Simmons, Securities Class Action Settlements: 2019 Review and Analysis, Cornerstone Research, at 6 (2020), www.cornerstone.com/Publications/Reports/Securities-Class-Action-Settlements-2019-Review-and-Analysis (reporting that in 2019, the median securities class action settlement amount for cases with estimated damages over $1 billion was 1.3% of estimated damages and, for years 2010 to 2018, it was 2.4%); Stefan Boettrich & Svetlana Starykh, *Recent Trends in Securities Class Action Litigation: 2019 Full-Year Review*, NERA Economic Consulting (Jan. 29, 2019), https://www.nera.com/content/dam/nera/publications/2019/PUB_Year_End_Trends_012819_Final.pdf, at 35 (between 1996 and 2018 in securities class actions with investor losses between $1 billion and $4.999 billion, the median settlement represented a recovery of approximately 1.2% of aggregate investor losses). *See also In re Biolase, Inc. Sec. Litig.*, 2015 WL 12720318, at *4 (C.D. Cal. Oct. 13, 2015) (settlement representing "approximately 8% of the maximum recoverable damages . . . equals or surpasses the recovery in many other securities class actions"); *Omnivision*, 559 F. Supp. 2d at 1042 (settlement representing 9% of maximum damages fair and reasonable and "higher than the median percentage of investor losses recovered in recent shareholder class action settlements").

over the Ninth Circuit benchmark," and awarding fees of 27.5% of a $576.75 million common fund). Here, Class Counsel is only requesting the 25% benchmark.

It also bears noting the numerous interim successes achieved by Class Counsel throughout the course of this Action, which paved the way for the Settlement. As detailed in the Nirmul Declaration, Class Counsel defeated Defendants' motions to dismiss the Consolidated Amended Class Action Complaint for Violation of the Federal Securities Laws ("CAC") and subsequent interlocutory appeal, successfully obtained certification of the Class over the SAC Defendants' vigorous opposition (and defended that certification win in their opposition to the SAC Defendants' Rule 23(f) petition to the Ninth Circuit), and defended against motions to intervene from the State Plaintiffs, and a reopened lead plaintiff appointment process. ¶¶ 33-62, 130-42, 148-64. Class Counsel also successfully negotiated with the DOJ in response to its motion to intervene and stay the litigation pending the completion of its investigation, thus ensuring that fact discovery would not be at a standstill. ¶¶ 143-37. Moreover, Class Counsel aggressively engaged in comprehensive discovery proceedings. This included accelerated class certification discovery from Class Representatives, including depositions of all seven Class Representatives, and merits discovery that involved the production from Defendants and non-parties of nearly 2 million documents, litigation of several discovery disputes before Magistrate Judge Rosenberg, seventeen fact depositions, and five expert depositions. ¶¶ 63-129. These efforts resulted in the development of a pre-trial record that created enormous leverage for the settlement that was ultimately achieved. Put simply, Class Counsel devoted an enormous amount of effort to prosecuting this case.

Accordingly, the recovery obtained for the Class in the face of the significant litigation risks described below and in the Nirmul Declaration strongly supports approval of Class Counsel's fee request.

2. Risks of Litigation

Another factor for courts to consider in determining an appropriate fee award is the risks of litigation. *Vizcaino*, 290 F.3d at 1048 (noting "[r]isk is a relevant circumstance" in

awarding attorneys' fees); *Rentech*, 2019 WL 5173771, at *9 ("The risk that further litigation might result in Plaintiffs not recovering at all, particularly a case involving complicated legal issues, is a significant factor in the award of fees."); *Destefano v. Zynga, Inc.*, 2016 WL 537946, at *17 (N.D. Cal. Feb. 11, 2016) (approving fee request and noting "as to the second factor . . . the risks associated with this case were substantial given the challenges of obtaining class certification and establishing the falsity of the misrepresentations and loss causation").[15]

As discussed in greater detail in the Nirmul Declaration and Settlement Memorandum, there were many substantial challenges to succeeding in the litigation. Indeed, when the Settlement was reached, critical motions were pending, namely the SAC Defendants' summary judgment motions and Rule 23(f) Petition. An adverse decision on either of these motions could have drastically altered the litigation landscape or the amount of recoverable damages. ¶¶ 173-79, 188-202. Moreover, even if Class Representatives prevailed on these motions, they still would have faced significant risks to overcoming the SAC Defendants' vigorous challenges to liability and damages at trial. While Class Representatives and Class Counsel believe in the merits of their claims, there were unquestionably substantial challenges to succeeding at trial. ¶¶ 225-50. *See generally In re Portal Software, Inc. Sec. Litig.*, 2007 WL 4171201, at *3 (N.D. Cal. Nov. 26, 2007) (noting "significant risks" the PSLRA poses "to plaintiffs' ability to survive . . . summary judgment and prevail[] at trial").

First, Class Representatives faced significant risks with respect to establishing Defendants' liability. At trial, the SAC Defendants would have argued, as they did at the motion to dismiss and summary judgment stages, that (i) the relevant truth regarding the impact of Instagram Stories was fully known to the market; (ii) they did not make false or

[15] For purposes of reviewing the reasonableness of a fee award, the Court should also consider all risks the litigation presented from the outset. *See Fischel*, 307 F.3d at 1009 ("there is no dispute that a court should consider risk at the 'outset' of litigation," which the Ninth Circuit has determined to be the point in time "when an attorney determines that there is merit to the client's claim and elects to pursue the claim on the client's behalf").

misleading statements but instead fully disclosed that competition was a factor driving Snap's decelerating user growth; and (iii) they did not act with the requisite scienter because they truly believed their statements to be true. ¶¶ 229-37. These risks to establishing the SAC Defendants' liability were underscored by the fact that the SEC and DOJ—both of which conducted investigations into the conduct underlying this Action—declined to bring any charges or claims against Defendants, and the SAC Defendants would certainly have attempted to use this detail to bolster their defense at trial. ¶ 237.

Second, there were considerable challenges to Class Representatives' ability to prove loss causation and damages. For example, the SAC Defendants would have continued to assert that the alleged misstatements did not ultimately cause the Class's losses. More specifically, Defendants argued that because the relevant truth was already fully understood by the market, the alleged misstatements could not have artificially inflated the price of Snap Common Stock. ¶ 239. In turn, according to the SAC Defendants and their expert, Snap's stock price drops during the Class Period could not have been caused by the revelation of that relevant truth—since only new (previously unknown) material information causes stock price movements. *Id*. Moreover, the SAC Defendants and their expert would have asserted that the alleged corrective disclosures did not reveal the relevant truth concealed by the SAC Defendants' alleged misstatements but, instead, new information that could not have been disclosed during the Class Period. Ultimately, the parties' arguments on loss causation and damages would have hinged upon extensive expert testimony at trial. As the Court is doubtless aware, one can never comfortably predict how a jury will weigh the testimony of competing experts. *See In re Cendant Corp. Litig.*, 264 F.3d 201, 239 (3d Cir. 2002) ("establishing damages at trial would lead to a 'battle of experts' . . . with no guarantee whom the jury would believe"); *see also Radient Pharm.*, 2014 WL 1802293, at *2 (approving requested attorneys' fees and noting particular challenges of proving and calculating damages).

Finally, even if all of these significant obstacles to proving liability and damages at trial had been surmounted, Class Representatives would have faced inevitable appellate

proceedings, which would have tied up any recovery for years and could have eliminated it entirely. The Settlement avoids all of the foregoing risks (and others) and secures a substantial recovery for the Class. Thus, this factor supports the fee request.

3. Skill Required and Quality of Work

"The experience of counsel is also a factor in determining the appropriate fee award." *In re Heritage Bond Litig.*, 2005 WL 1594389, at *12 (C.D. Cal. June 10, 2005). Indeed, "[t]he prosecution and management of a complex national class action requires unique legal skills and abilities." *OmniVision*, 559 F. Supp. 2d at 1047.

Class Counsel has extensive experience prosecuting securities class actions and other complex litigation throughout the country.[16] This experience and skill was critical to the prosecution of this Action and its successful resolution. From the outset, Class Counsel engaged in a concerted effort to obtain the maximum recovery for the Class. Through Class Counsel's persistent work, Class Representatives were able to plead detailed allegations based on Class Counsel's extensive investigation, defeat Defendants' motions to dismiss the CAC in full, work with experts and consultants to present strong counter-arguments to Defendants' positions on falsity, loss causation, and damages, successfully move for certification of the Class, engage in comprehensive fact and expert discovery, engage in a protracted and complicated mediation process, and secure a highly favorable result for the Class. ¶¶ 6, 20-224. Class Counsel was assisted in its efforts by three other law firms—Court-appointed Liaison Counsel, Rosman & Germain LLP, and additional counsel for the Class, Larson LLP (formerly known as Larson O'Brien LLP) and The Schall Law Firm. Larson LLP serves as local trial counsel and was engaged by Class Counsel given its extensive experience in taking complex litigation to trial in this District. More specifically, Larson LLP assisted Class Counsel in preparing for the mock jury focus group, which it also attended, provided invaluable guidance to Class Counsel in its preparations for trial,

[16] *See* firm resume for Kessler Topaz at Ex. 9-D. The additional law firms comprising Plaintiffs' Counsel are also experienced in complex litigation. *See* Exs. 10-C, 11-D, and 12-D.

assisted in the taking of certain depositions, and assisted in the mediation of the Settlement. The Schall Law Firm serves as liaison counsel for certain of the Class Representatives. During the Action, The Schall Law Firm, among other things, facilitated communications with certain of the Class Representatives, assisted in the gathering of discovery in response to Defendants' document requests, and prepared for and attended the depositions of certain Class Representatives. Class Counsel closely monitored the work performed by the Plaintiffs' Counsel firms in order to ensure that there was no duplication of efforts. ¶ 274.

The quality of opposing counsel is also important in evaluating the quality of services rendered by Class Counsel. *See, e.g.*, *Barbosa v. Cargill Meat Sols. Corp.*, 297 F.R.D. 431, 449 (E.D. Cal. 2013). Defendants in this case were represented by experienced counsel from the nationally prominent defense firms Wilson Sonsini Goodrich & Rosati, P.C.; O'Melveny & Myers, LLP; Paul, Weiss, Rifkind, Wharton & Garrison, LLP; and Kirkland & Ellis LLP. These firms spared no effort or cost in vigorously defending their clients. Notwithstanding this formidable opposition, Class Counsel's ability to present a strong case and to demonstrate its willingness and ability to prosecute the Action through trial helped secure the Settlement. Accordingly, this factor supports Class Counsel's fee request.

4. Contingent Nature of the Fee and Financial Burden Carried by Plaintiffs

Class Counsel undertook this Action on a contingent fee basis, assuming a substantial risk that the Action would yield no recovery and leave counsel uncompensated. The Ninth Circuit has confirmed that a determination of a fair and reasonable fee must include consideration of the contingent nature of the fee.[17] It is an established practice in the private legal market to reward attorneys for taking on the serious risk of non-payment by permitting a fee award that reflects a premium to normal hourly billing rates. *See, e.g.*, *In re Nuvelo, Inc. Sec. Litig.*, 2011 WL 2650592, at *2 (N.D. Cal. July 6, 2011); *Destefano*, 2016 WL

[17] *See, e.g.*, *WPPSS*, 19 F.3d at 1299; *In re Dynamic Random Access Memory (DRAM) Antitrust Litig.*, 2007 WL 2416513, at *1 (N.D. Cal. Aug. 16, 2007); *OmniVision*, 559 F. Supp. 2d at 1047.

537946, at *18 (noting that "when counsel takes on a contingency fee case and the litigation is protracted, the risk of non-payment after years of litigation justifies a significant fee award"); *Browne v. Am. Honda Motor Co., Inc.*, 2010 WL 9499073, *11 (C.D. Cal. Oct. 5, 2010) (Finding multiplier of 1.5 "should be applied to increase the lodestar figure," in part because "class counsel handled the matter on a contingency basis [and] there was no guaranty that the claims would have been successful had the case proceeded to trial. Thus, the risk class counsel assumed in handling the case on a contingency fee basis supports an enhancement of the lodestar.").

Through December 31, 2020, Plaintiffs' Counsel have expended more than 50,000 hours prosecuting the Action and have incurred $22,438,458.15 in Litigation Expenses.[18] ¶ 278. Any fee (and expense) award has always been at risk, and contingent on the result achieved and on the Court's discretion in awarding fees and expenses.

Indeed, the risk of no recovery in complex cases is very real. ¶¶ 269-72. Class Counsel knows from personal experience that, despite the most vigorous and competent efforts, its success in contingent litigation such as this is never guaranteed. The commencement of a class action and denial of motions to dismiss are no guarantee of

[18] As noted above, additional work in connection with the Settlement and claims administration will still be required.

success. These cases are not always settled, nor are plaintiffs' lawyers always successful.[19] Hard, diligent work by skilled counsel is required to develop facts and theories to prosecute a case or persuade defendants to settle on terms favorable to the class.

Unlike defense counsel—who typically receive payment on a timely and regular basis throughout a case, whether they win or lose—Class Counsel carried the significant risk of not only funding the expenses of this Action, but also the risk that it would receive no compensation whatsoever unless it prevailed at trial. Accordingly, the contingent nature of the representation, and the burden carried by Class Counsel, support the requested fee.

5. A 25% Fee Award Is the Ninth Circuit's Benchmark and Comparable to Awards in Similar Cases

Class Counsel's fee request is also supported by awards made in similar cases. As discussed above, Class Counsel is seeking the Ninth Circuit's well-established benchmark fee award. *Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1029 (9th Cir. 1998) ("This circuit has established 25% of the common fund as a benchmark award for attorney fees."). To avoid repetition, Class Counsel refers the Court to *supra* Section II.C.1, which explains that Class Counsel's "benchmark" fee request is comparable to fee percentages regularly awarded in complex litigation; and *supra* Section II.C.2, which explains that Class Counsel's fee request represents a multiplier of 1.72 on Plaintiffs' Counsel's lodestar—a

[19] There have been many hard-fought lawsuits where excellent professional efforts produced no fee for counsel. *See, e.g., In re BankAtlantic Bancorp, Inc. Sec. Litig.*, 2011 WL 1585605 (S.D. Fla. Apr. 25, 2011), *aff'd on other grounds*, 688 F.3d 713 (11th Cir. 2012) (granting defendants judgment as a matter of law following plaintiff's jury verdict); *In re Omnicom Group, Inc. Sec. Litig.*, 597 F.3d 501, 504 (2d Cir. 2010) (affirming summary judgment in favor of defendant on loss causation grounds); *Robbins v. Koger Props. Inc.*, 116 F.3d 1441 (11th Cir. 1997) (jury verdict of $81 million for plaintiffs against accounting firm reversed on appeal); *In re Apple Comput. Sec. Litig.*, 1991 WL 238298 (N.D. Cal. Sept. 6, 1991) (after jury rendered a verdict for plaintiffs following an extended trial, the court overturned the verdict); *Landy v. Amsterdam*, 815 F.2d 925 (3d Cir. 1987) (affirmed directed verdict for defendants after five years of litigation). Indeed, even judgments initially affirmed on appeal by an appellate panel are no assurance of a recovery. *See, e.g., Backman v. Polaroid Corp.*, 910 F.2d 10 (1st Cir. 1990) (after eleven years of litigation, and following a jury verdict for plaintiffs and an affirmance by a First Circuit panel, plaintiffs' claims were dismissed by an *en banc* decision and plaintiffs recovered nothing).

multiplier falling well within the range of lodestar multipliers regularly approved in cases of this nature.

6. The Class's Reaction to Date Supports the Requested Fee

The reaction of the class to a proposed settlement and fee request is a relevant factor in approving fees. *See Rentech*, 2019 WL 5173771, at *10 ("no objections . . . supports granting the requested fees"). Here, JND began mailing the Postcard Notice to potential Class Members and the long-form Notice and Claim Form ("Notice Packet") to Nominees on November 25, 2020. To date, 748,613 Postcard Notices and 4,096 Notice Packets have been mailed to potential Class Members and Nominees. The Postcard Notice, as well as the Notice posted on www.SnapSecuritiesLitigation.com, inform potential Class Members of Class Counsel's intent to apply to the Court for an award of attorneys' fees in an amount not to exceed 25% of the Settlement Fund and reimbursement of Litigation Expenses in an amount not to exceed $3.25 million, plus interest. *See* Segura Decl. (Ex. 8), Exs. A & B. The notices further advise Class Members of their right to object to the request for attorneys' fees and Litigation Expenses. While the time to object does not expire until January 25, 2021, to date, no objections have been filed. ¶ 266. Should any objections be received, Class Counsel will address them in its reply.

III. PLAINTIFFS' COUNSEL'S LITIGATION EXPENSES ARE REASONABLE AND SHOULD BE APPROVED

Class Counsel also requests reimbursement of $2,290,350.53 from the Settlement Fund for expenses Plaintiffs' Counsel reasonably incurred in initiating, prosecuting, and resolving the Action. These expenses are properly recovered by counsel. *See Experian*, 2020 WL 5172713, at *5 ("An attorney is entitled to 'recover as part of the award of attorney's fees those out-of-pocket expenses that would normally be charged to a fee paying client.'") (quoting *Harris v. Marhoefer*, 24 F.3d 16, 19 (9th Cir. 1994)); *see also Destefano*, 2016 WL 537946, at *22 ("[C]ourts throughout the Ninth Circuit regularly award litigation costs and expenses—including photocopying, printing, postage, court costs, research on online databases, experts and consultants, and reasonable travel expenses—in securities

class actions, as attorneys routinely bill private clients for such expenses in non-contingent litigation.").[20]

The largest component of Plaintiffs' Counsel's expenses was incurred for experts and consultants in the total amount of $1,444,720.77, or approximately 63% of total expenses. ¶ 285. As detailed in the Nirmul Declaration, Class Counsel worked extensively with Class Representatives' experts and consultants at different stages of the Action. These experts and consultants were critical to the prosecution and resolution of the Action as their expertise allowed Class Counsel to fully frame the issues, gather relevant evidence, make a realistic assessment of provable damages, structure resolution of the claims, and develop a fair and reasonable plan for allocating the Settlement proceeds to the Class. ¶¶ 286-88. Also included in this expense category is the cost of Class Representatives' jury consultant retained by Class Counsel to assist in framing key issues, including through a focus group exercise which included detailed assessments of the strengths and weaknesses of this case. ¶ 289.

The second largest component of Plaintiffs' Counsel's expenses (i.e., $347,569.90, or approximately 15% of their total expenses) reflects the costs for an outside vendor to host the document database that enabled Class Counsel to effectively and efficiently search and review the nearly 2 million pages of documents produced by Defendants and third parties in the Action. ¶ 290. The ability to code, search, and pull documents to be utilized as exhibits at depositions or at trial was of the utmost importance to the development of the record of evidence in this Action.

Another substantial expense, $174,747.95 (or 7.6% of Plaintiffs' Counsel's total expenses), was for travel related costs (i.e., lodging, transportation, meals, etc.) incurred in connection with attendance at hearings, status conferences, depositions across numerous states, formal mediations, and the mock jury exercise in Los Angeles. ¶ 291. In addition,

[20] *See also* Exhibits 9 through 12 for expenses by category for each Plaintiffs' Counsel firm.

Plaintiffs' Counsel incurred $108,875.77, or approximately 4.8% of their total expenses, for the costs of computerized research (e.g., LexisNexis, Westlaw, and PACER). ¶ 292.

In addition to the foregoing expenses, Plaintiffs' Counsel also incurred: (i) $65,885.96 for court reporters, videographers, and transcripts in connection with the many depositions Class Counsel took or defended across the country; (ii) $49,147.75 for the Parties' formal mediation sessions and the ongoing settlement negotiations conducted by Judge Phillips; and (iii) $71,402.61 document-reproduction costs. ¶¶ 291-93. The other expenses for which Class Counsel seeks reimbursement are the types of expenses necessarily incurred in litigation and routinely charged to clients billed by the hour, including, among others, court fees, process servers, and delivery expenses. ¶ 294. The foregoing expense items are not duplicated in the firms' hourly rates.

The Postcard Notice and long-form Notice inform recipients that Class Counsel would seek reimbursement of Litigation Expenses (which may include reimbursement of the reasonable costs incurred by Class Representatives as discussed below) in an amount not to exceed $3.25 million, plus interest. The total amount of expenses requested is below the amount set forth in the notices and, to date, no objections to the maximum expense request set forth in the notices have been filed. ¶ 282. As such, Class Counsel's request for Litigation Expenses should be approved.

IV. CLASS REPRESENTATIVES SHOULD BE AWARDED THEIR REASONABLE COSTS UNDER THE PSLRA

The PSLRA provides that an "award of reasonable costs and expenses (including lost wages) directly relating to the representation of the class" may be made to "any representative party serving on behalf of a class." 15 U.S.C. § 78u-4(a)(4). Consistent with that statute, each of the Class Representatives are seeking an award based on the time they

dedicated to the Action. Specifically, Class Representatives seek an aggregate amount of $99,815.00.[21]

Here, each of the Class Representatives dedicated personal time and extraordinary effort to prosecuting the Action on behalf of the Class, as set forth in their declarations attached to the Nirmul Declaration as Exhibits 1 through 7. Notably, at the outset of the Action, when the original Court-appointed Lead Plaintiff, Mr. Dibiase, was unable to continue to serve as lead plaintiff because of illness, Class Representatives stepped forward to ensure a seamless transition of leadership over the litigation, ensuring that the case maintained its trial track, and that a class could be certified. ¶ 297. More specifically, Class Representatives have, among other things: communicated regularly with Class Counsel regarding strategy and developments in the Action through regular telephone calls, in-person meetings, and correspondence; reviewed important pleadings and briefs filed in the Action; assisted Class Counsel in responding to voluminous discovery requests on an accelerated basis; prepared for and testified at depositions in connection with class certification (all within a truncated timeframe); prepared for trial; reviewed and approved mediation materials and actively participated in the Parties' protracted settlement negotiations; and evaluated the terms of the Settlement. *See* Melgoza Decl. (Ex. 1); Tilahun Decl. (Ex. 2); Nelson Decl. (Ex. 3); Butler Decl. (Ex. 4); Dukes Decl. (Ex. 5); Allen Decl. (Ex. 6); and Dandridge Decl. (Ex. 7). These activities often necessitated taking time-off from work and other professional obligations, travel and stays away from home, child-care arrangements, and being available and accessible to counsel. *Id.* The foregoing efforts are precisely the types of activities courts have found to support reimbursement to class representatives. *See In re Heritage Bond Litig.*, 2005 WL 1594403, at *14 (C.D. Cal. June 10, 2005) (activities such as "responding to discovery, preparing for, traveling to and attending their depositions and maintaining contact with Plaintiffs' counsel to monitor the

[21] This proposed aggregate amount breaks down as follows: $36,750.00 to Melgoza; $22,800.00 to Tilahun; $5,000.00 to Nelson; $22,765.00 to Butler; $7,500.00 to Dukes; $2,500 to Allen; and $2,500 to Dandridge.

litigation" support a finding that class representatives were "actively involved in every aspect of . . . litigation"). Indeed, courts have noted the importance of reimbursing class representatives' time and expenses because doing so "encourages participation of plaintiffs in the active supervision of their counsel." *Varljen v. H.J. Meyers & Co., Inc.*, 2000 WL 1683656, at *5 n.2 (S.D.N.Y. Nov. 8, 2000).

Moreover, numerous courts throughout the country, including this Court, have approved awards to compensate representative plaintiffs for the time and effort they spent on behalf of a class. *See, e.g.*, *Loritz v. Exide Techs*, No. 2:13-cv-02607-SVW-E, ECF No. 247, at *12-13 (C.D. Cal. July 27, 2016) (Wilson, J.) (awarding a total of $29,500 to six plaintiffs "for their time and expense in representing the class"); *Ducan v. Joy Global Inc.*, No. 16-cv-1229, ECF No. 79, at *2 (E.D. Wis. Dec. 27, 2018) (awarding a total of $25,400 to two lead plaintiffs); *In Re CytRx Corp. Secs. Litig.*, No.: 2:16-CV-05519-SJO-SK, ECF No. 129, at *3 (C.D. Cal. Sept. 17, 2018) (awarding $15,000 to individual lead plaintiff); *Zacharia v. Straight Path Comm's, Inc.*, No. 2:15-cv-08051-JMV-MF, ECF No. 90, at *4 (D.N.J. Sept. 7, 2018) (awarding $30,000 to individual lead plaintiff); *In re Ariad Pharms., Inc. Secs. Litig.*, No. 1:13-cv-12544, ECF No. 257, at *2 (D. Mass. May 10, 2018) (awarding $61,250 to individual plaintiff); *In re Heckmann Corp. Secs. Litig.*, No. 1:10-cv-00378-LPS-MPT, ECF No. 308, at *2 (D. Del. June 26, 2014) (awarding $58,065.00 to individual class representative). Thus, the awards that Class Representatives seek are reasonable and fully justified under the PSLRA and warrant the Court's approval.

V. CONCLUSION

For the reasons stated herein and in the Nirmul Declaration, Class Counsel respectfully requests the Court: (i) award attorneys' fees in the amount of 25% of the Settlement Fund; (ii) approve reimbursement of Plaintiffs' Counsel's Litigation Expenses in the amount of $2,290,350.53, plus interest; and (iii) approve the proposed awards to Class Representatives in the aggregate amount of $99,815.00.

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Respectfully submitted,

KESSLER TOPAZ MELTZER & CHECK, LLP

/s/ Sharan Nirmul
SHARAN NIRMUL (*Pro Hac Vice*)
snirmul@ktmc.com
NATHAN HASIUK (*Pro Hac Vice*)
nhasiuk@ktmc.com
JONATHAN F. NEUMANN (*Pro Hac Vice*)
jneumann@ktmc.com
280 King of Prussia Road
Radnor, PA 19087
Telephone: (610) 667-7706
Facsimile: (610) 667-7056

- and -

JENNIFER L. JOOST (Bar No. 296164)
jjoost@ktmc.com
STACEY M. KAPLAN (Bar No. 241989)
skaplan@ktmc.com
One Sansome Street, Suite 1850
San Francisco, CA 94104
Telephone: (415) 400-3000
Facsimile: (415) 400-3001
Attorneys for Class Representatives Smilka Melgoza, as trustee of the Smilka Melgoza Trust U/A DTD 04/08/2014, Rediet Tilahun, Tony Ray Nelson, Rickey E. Butler, Alan L. Dukes, Donald R. Allen and Shawn B. Dandridge, and Class Counsel for the Class

ROSMAN & GERMAIN LLP
DANIEL L. GERMAIN (Bar No. 143334)
Germain@lalawyer.com
16311 Ventura Boulevard, Suite 1200
Encino, CA 91436
Telephone: (818) 788 0877
Facsimile: (818) 788-0885

Liaison Counsel for the Class

LARSON LLP
STEPHEN G. LARSON (Bar No. 145225)
slarson@larsonobrienlaw.com
PAUL A. RIGALI (Bar No. 262948)
prigali@larsonobrienlaw.com
555 South Flower Street, Suite 4400
Los Angeles, CA 90071
Telephone: (213) 436-4888
Facsimile: (213) 623-2000

Local Counsel for Class Representatives

THE SCHALL LAW FIRM
BRIAN SCHALL (Bar No. 290685)
brian@schallfirm.com
1880 Century Park East, Suite 404
Los Angeles, CA 90067
Telephone: (310) 301-3335
Facsimile: (310) 388-0192

Additional Counsel for Class Representatives Smilka Melgoza, as trustee of the Smilka Melgoza Trust U/A DTD 04/08/2014, and Rediet Tilahun