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Class Counsel

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA**

FINN WALSH, JACK RONAN, KATHERINE
WALSH, and TIMOTHY WALSH, on behalf of
themselves and all others similarly situated,

Plaintiffs,

v.

PREMIUM PROPERTY MANAGEMENT &
DEVELOPMENT, INC. DBA PREMIUM
PROPERTIES, a California Corporation;
HASTE PARTNERS, LLC, a California
Limited Liability Company; SAM SOROKIN,
an individual; CRAIG BECKERMAN, an
individual; MARIA DIBLASI, an individuals;
and DOES 1-1000,

Defendants.

Case No. RG20072409 [lead case]

Case No: 21SC004296 [consolidated case]

**PLAINTIFFS' NOTICE OF MOTION AND
MOTION FOR FINAL APPROVAL OF
CLASS ACTION SETTLEMENT, FOR
ATTORNEYS' FEES, COSTS, AND
INCENTIVE AWARD**

Reservation No. A-20072409-001

Date: January 21, 2025

Time: 10:00 a.m.

Dept.: 23

Judge: Hon. Michael Markman

1 **PLEASE TAKE NOTICE** that on January 21, 2025 at 10:00 a.m., or as soon thereafter as
2 the matter may be heard, in Department 23 of the Superior Court of the State of California, County of
3 Alameda, located at 1225 Fallon Street Oakland, CA 94612, before the Honorable Michael Markman,
4 Plaintiffs Finn Walsh, Jack Ronan, Timothy Walsh, and Katherine Walsh (“Plaintiffs”) will and
5 hereby do move this Court for an Order granting Final Approval of the Class Action Settlement, and
6 for an Order granting Motion for Attorney's Fees, Costs, and an Incentive Awards.

7 The motion is based upon this Notice of Motion, the accompanying Memorandum of Points
8 and Authorities in support of the Motion, the Declaration of Ronald A. Marron in Support of the
9 Motion and Exhibits 1-3 attached thereto, the Declaration of Plaintiff Finn Walsh in Support of the
10 Motion, the Declaration of Plaintiff Timothy Walsh in Support of the Motion, the Declaration of
11 Plaintiff Katherine Walsh in Support of the Motion, the Declaration of Plaintiff Jack Ronan in
12 Support of the Motion, the Declaration of Gajan Retnasaba in Support of the Motion, all prior
13 pleadings and proceedings in this matter, and all other evidence and written and oral argument that
14 will be submitted in support of the Motion.

15 Dated: December 24, 2024

Respectfully Submitted,

/s/ Ronald A. Marron

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25 *Class Counsel*

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12 *Class Counsel*

13
14
15 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
16 **FOR THE COUNTY OF ALAMEDA**

17 FINN WALSH, JACK RONAN, KATHERINE
18 WALSH, and TIMOTHY WALSH, on behalf of
19 themselves and all others similarly situated,

20 Plaintiffs,

21 v.

22 PREMIUM PROPERTY MANAGEMENT &
23 DEVELOPMENT, INC. DBA PREMIUM
24 PROPERTIES, a California Corporation; HASTE
25 PARTNERS, LLC, a California Limited Liability
26 Company; SAM SOROKIN, an individual; CRAIG
27 BECKERMAN, an individual,
28 MARIA DIBLASI, an individual, and DOES 1-
1000,

Defendants.

Case No.: RG20072409

Case No: 21SC004296 [consolidated case]

PROOF OF SERVICE

PROOF OF SERVICE

CCP §§ 1011 to 1013(a)

STATE OF CALIFORNIA, COUNTY OF SAN DIEGO

PROOF OF SERVICE

I am employed in the County of San Diego, State of California. I am over the age of 18 and not a party to the within action; my business address is: Law Offices of Ronald A. Marron, 651 Arroyo Drive, San Diego, California, 92103.

On December 24, 2024, I served the following documents:

- **PLAINTIFFS' NOTICE OF MOTION AND MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT, ATTORNEYS' FEES, COSTS, AND INCENTIVE AWARDS;**
- **MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF PLAINTIFFS' MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT, ATTORNEYS' FEES, COSTS, AND INCENTIVE AWARDS;**
- **DECLARATION OF RONALD A. MARRON IN SUPPORT OF PLAINTIFFS' MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT, ATTORNEYS' FEES, COSTS, AND INCENTIVE AWARDS, AND EXHIBITS 1-3 ATTACHED THERETO;**
- **DECLARATION OF PLAINTIFF FINN WALSH IN SUPPORT OF PLAINTIFFS' MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT, ATTORNEYS' FEES, COSTS, AND INCENTIVE AWARD;**
- **DECLARATION OF PLAINTIFF JACK RONAN IN SUPPORT OF PLAINTIFFS' MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT, ATTORNEYS' FEES, COSTS, AND INCENTIVE AWARD;**
- **DECLARATION OF PLAINTIFF KATHERINE WALSH IN SUPPORT OF PLAINTIFFS' MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT, ATTORNEYS' FEES, COSTS, AND INCENTIVE AWARD;**
- **DECLARATION OF PLAINTIFF TIMOTHY WALSH IN SUPPORT OF PLAINTIFFS' MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT, ATTORNEYS' FEES, COSTS, AND INCENTIVE AWARD;**
- **DECLARATION OF GAJAN RETNASABA IN SUPPORT OF PLAINTIFFS' MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT;**
- **[PROPOSED] ORDER AND JUDGMENT;**
- **PROOF OF SERVICE.**

On the following:

DONAHUE FITZGERALD LLP

John C. Kirke

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Attorneys for Defendants

Premium Property Management & Development, Inc., Haste

Partners, LLC, Sam Sorokin, Craig Beckerman, and Maria

DiBlasi

1
2 In the following manner of service (check appropriate):

3 **By Overnight Delivery** I deposited in a box or other facility regularly maintained by the
4 express service carrier, or delivered to an authorized courier or driver
5 authorized by the express service carrier to receive documents, in an
6 envelope or package designated by the express service carrier with
7 delivery fees paid or provided for, addressed to the person on whom it is
to be served, at the office address as last given by that person on any
document filed in the cause and served on the party making service.

8 **By Express Mail** I deposited in a post office, mailbox, subpost office, substation, or mail
9 chute, or other like facility regularly maintained by the United States
10 Postal Service for receipt of Express Mail, in a sealed envelope, with
11 Express Mail postage paid, addressed to the person on whom it is to be
served, at the office address as last given by that person on any document
filed in the cause and served on the party making service by Express
Mail; otherwise at that party's place of residence

12 **By Mail** I deposited in a post office, mailbox, subpost office, substation, or mail
13 chute, or other like facility regularly maintained by the United States
14 Postal Service, in 2044a sealed envelope, with postage paid, addressed to
15 the person on whom it is to be served, at the office address as last given
by that person on any document filed in the cause and served on the party
making service by mail; otherwise at that party's place of residence

16 X **By Email** I caused such document(s) to be emailed and .pdf attachment through the
17 office e-mail service for Law Offices of Ronald A. Marron.

18 **By Fax** I caused such document(s) to be telecopied to the Offices of the
19 addressees where indicated.

20 **By Person** I caused a true and correct copy of such document(s) to be personally
21 delivered on the person of the addressee(s).

22 I declare under penalty of perjury under the laws of the State of California, that the
foregoing is true and correct.

23 Executed on the 24th day of December, 2024, in the State of California.

24
25
26 /s/ Kas L. Gallucci
Kas L. Gallucci

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
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Defendants.

Case No. RG20072409 [lead case]

Case No: 21SC004296 [consolidated case]

**DECLARATION OF RONALD A. MARRON
IN SUPPORT OF PLAINTIFFS' MOTION
FOR FINAL APPROVAL OF CLASS
ACTION SETTLEMENT, FOR
ATTORNEYS' FEES, COSTS, AND
INCENTIVE AWARDS**

Reservation No. A-20072409-001

Date: January 21, 2025

Time: 10:00 a.m.

Dept.: 23

Judge: Hon. Michael Markman

1 I, Ronald A. Marron, hereby declare as follows:

2 1. I am a member in good standing of the State Bar of California and I represent
3 Plaintiffs Finn Walsh, Jack Ronan, Timothy Walsh, and Katherine Walsh (“Plaintiffs”) in the above-
4 captioned action. I submit this Declaration in Support of Plaintiffs’ Motion for Final Approval of
5 Class Action Settlement, and Attorneys' Fees, Costs, and Incentive Awards. I make this Declaration
6 based on my personal knowledge and if called to testify, I could and would competently testify to the
7 matters contained herein.

8 2. Attached hereto as Exhibit 1 is a true and correct copy of the Class Action Settlement
9 Agreement between Plaintiffs and Defendants.

10 3. The Notice to Settlement Classes was approved by this Court's Order granting
11 preliminary approval of Class Action Settlement on August 20, 2024.

12 4. The Notice program was fully executed in accordance with its design and under the
13 terms approved by the Court. *See* Retnasaba Decl., ¶¶ 3-8. The deadline set to be excluded from the
14 Settlement Class was December 7, 2024, and to date there have been zero (0) requests for exclusion.
15 *Id.* The deadline set for Adjustments or Alternative Distribution was November 7, 2024. *Id.* at ¶ 7.
16 To date, there have been zero (0) requests for Adjustment or Alternative Distribution. *Id.* Moreover,
17 to date there have been zero (0) objections.

18 5. This Action was originally filed on August 26, 2020. Plaintiffs’ complaint alleged
19 claims against Defendants for unlawful landlord practices and brought causes of action for breach of
20 contract, bad faith retention of security deposit in violation of Cal. Civ. Code § 1950.5, conversion,
21 breach of the implied warranty of good faith and fair dealing, violations of California’s Unfair
22 Competition Law, Cal. Bus. & Prof. Code §§ 17200, *et seq.* (the “UCL”), declaratory relief,
23 violations of Berkeley Municipal Code § 13.76.070, violations of Berkeley Municipal Code §
24 13.78.016, violations of Berkeley Municipal Code § 13.78.017, money had and received, and
25 negligence. After a series of demurrers, Plaintiffs filed a Fifth Amended Class Action Complaint on
26 March 25, 2022 (“5AC”).

27 6. The Parties conducted extensive discovery in this case. Both Parties served and
28 responded to multiple sets of written discovery, including Form Interrogatories, Special
Interrogatories, Requests for Production of Documents, and Requests for Admission between 2020

1 and 2023, and attended numerous informal discovery conferences regarding the same.

2 7. Plaintiffs took the depositions of Defendant Premium Property Management &
3 Development, Inc.'s persons most knowledgeable on July 8, 2021. Defendants took the depositions of
4 Plaintiffs Katherine Walsh, Timothy Walsh, and Finn Walsh on October 5 and 6, 2022, and took the
5 deposition of Plaintiff Ronan on October 13, 2022. Defendants also took the depositions of Alex Ree
6 and Hiram Huerta on January 18, 2023 and January 20, 2023, respectively.

7 8. As a result of this lawsuit, in or around December 15, 2021, Defendant Premium
8 provided refunds to tenants who did not receive the correct amount of interest upon moving out of
9 properties managed by Defendant Premium. In or around July 15, 2021, Defendant Premium ceased
10 charging and collecting roommate modification fees.

11 9. On December 17, 2021, Defendant Haste Partners, LLC filed a Small Claims
12 complaint naming Finn Walsh, Timothy Walsh, Katherine Walsh, Alexander Ree, Hiram Huerta,
13 Julie Ree, and Robert Ree as Defendants seeking \$44,868.68 in damages. The small claims lawsuit
14 was consolidated with this action on April 18, 2022.

15 10. The Parties participated in two mediation sessions on November 29, 2023 and June 8,
16 2023 before the Honorable Margaret Kemp of ADR Services, Inc. Both mediation sessions were
17 unsuccessful.

18 11. The Parties filed briefing regarding class certification between 2022 and 2023. On
19 November 22, 2023, the Court published a tentative ruling regarding class certification in which the
20 Court contemplated certifying classes with revised class definitions and requested supplemental
21 briefing. The class certification hearing was continued to December 20, 2023. While drafting class
22 certification supplemental briefing, the Settling Parties began engaging in settlement negotiations that
23 resulted in a settlement in principle that forms the basis of this Settlement Agreement. After several
24 rounds of revisions and further negotiations, the parties reached a settlement and entered into the
25 Settlement Agreement that Plaintiffs now present to this Court.

26 12. Through both formal and informal discovery, Class Counsel has obtained sufficient
27 information and documents to evaluate the strengths and weaknesses of the case. In the eyes of Class
28 Counsel, the proposed Settlement provides the Classes with an outstanding opportunity to obtain
significant relief at this stage in the litigation. The Settlement also abrogates the risks that might

1 prevent them from obtaining *any* relief. Class Counsel believes the amount of the settlement is fair
2 based upon the increased cost and expenses of litigating this action through trial and a possible
3 appeal.

4 13. Based on my experience, I conclude that the Settlement provides exceptional results
5 for the Classes while sparing the Classes from the uncertainties of continued and protracted litigation.

6 14. The Settlement Agreement is the product of vigorous, adversarial, and competent
7 representation of the Parties and substantive negotiations throughout the pendency of this litigation.
8 Plaintiff's counsel exercised due diligence to confirm the adequacy, reasonableness, and fairness of
9 the settlement, both before and after mediation. Plaintiff's counsel was aware of the attendant
10 strengths, risks, and uncertainties of Plaintiff's claims, and Defendants' defenses, during the course of
11 negotiations. Defendants, throughout the course of the litigation, have vigorously denied any
12 wrongdoing or liability, and contend that they would be wholly successful in defeating Plaintiff's
13 claims at or before trial.

14 15. Despite the vigorous opposition on both sides, the Parties appreciate the costs and
15 uncertainty attendant to any litigation, and have agreed to a proposed settlement agreement.
16 Plaintiff's counsel agreed to settle the action pursuant to the provisions of the Settlement, after
17 considering, among other things: (i) the substantial benefits to Plaintiff and the Class under the terms
18 of the Settlement; (ii) the uncertainty of being able to prevail at trial; (iii) the uncertainty relating to
19 Defendants' defenses and the expense of additional motion practice in connection therewith; (iv) the
20 attendant risks, difficulties and delays inherent in litigation, especially in complex actions such as
21 this; and (v) the desirability of consummating this Settlement promptly in order to provide
22 substantive relief to Plaintiff and the Class without unnecessary delay and expense.

23 16. Plaintiffs have performed an exemplary job representing the putative class members to
24 date. Their efforts include bringing this case to counsel, reviewing copies of material filings,
25 communicating with counsel about major case developments, responding to and verifying responses
26 to multiple sets of written discovery, preparing for and participating in in-person depositions,
27 searching for, collecting, and producing responsive documents, filing various declarations in this
28 matter, including to request to be appointed as class representatives, being available during mediation
and during negotiations of the class action settlement agreement, and reviewing and signing the

1 Settlement Agreement to ensure approval of the relief to the Settlement Classes. Plaintiffs remained
2 committed to securing substantive relief on behalf of all class members, as evidenced by the
3 successful outcome of the settlement. Plaintiffs have, and, if appointed, will continue to adequately
4 represent the Settlement Classes. The proposed Incentive Award is fair and well earned, as Plaintiffs'
5 have been active participants and advocates for the Settlement Class throughout the process.

6 17. My law firm, the Law Offices of Ronald A. Marron, is also qualified to to represent
7 the Settlement Classes. As discussed in detail below, my law firm has experience handling class
8 action settlements and will adequately represent the Settlement Class Members' interests. My law
9 firm has worked diligently to prosecute this case and to reach a fair settlement for the Settlement
10 Classes.

11 18. The settlement in this litigation is the result of hard-fought capable advocacy on both
12 sides. There was no collusion in creating the Settlement Agreement, which is the result of skilled
13 negotiation. The parties exchanged formal and informal discovery that formed the basis of
14 negotiations.

15 19. The Parties have selected Tenants Together as the *cy pres* recipient. Accordingly, any
16 amounts remaining in the fund or after the expiration of the settlement checks will be awarded to
17 Tenants Together for work intended to benefit California tenants, or another non-profit public benefit
18 corporation nominated by Class Counsel and approved by the Court.

19 **Ronald A. Marron Firm's Qualifications and Experience Prosecuting**
20 **Consumer Class Action Lawsuits**

21 20. My work experience and education began in 1984 when I enlisted in the United States
22 Marine Corps (Active Duty 1984-1988, Reserves 1988-1990) and thereafter received my Bachelor of
23 Science in Finance from the University of Southern California (1991). While attending Southwestern
24 University School of Law (1992-1994), I also studied Biology and Chemistry at the University of
25 Southern California and interned at the California Department of Corporations with emphasis in
26 consumer complaints and fraud investigations. I was admitted to the State Bar of California in
27 January of 1995 and have been a member in good standing since that time. In 1996, I started my own
28 law firm with an emphasis in consumer fraud.

21. Over the years I have acquired extensive experience in class actions and other

1 complex litigation, and have obtained large settlements as lead counsel. In recent years, I devoted
2 almost all of my practice to the area of false and misleading labeling of food, nutrition or over-the-
3 counter products, cases involving violations of the Telephone Consumer Protection Act, and other
4 privacy cases.

5 22. On June 11, 2024, the Honorable Kenneth Freeman granted preliminary approval of a
6 class-wide injunctive relief and cy pres settlement. The Court appointed the Law Offices of Ronald
7 A. Marron as class counsel. The Court granted final approval on September 18, 2024. *Komins v.*
8 *Yonamine, et al.*, Case No. 19STCV24865 (Los Angeles Sup. Ct.)

9 23. On April 14, 2022, the Honorable Fernando M. Olguin granted class certification of a
10 nationwide Rule 23(b)(3) class, appointing the Marron Firm as class counsel. On June 10, 2024, the
11 Court granted preliminary approval of a \$1,600,000 settlement providing for monetary and injunctive
12 relief. The Court appointed the Law Offices of Ronald A. Marron as class counsel for settlement
13 purposes. The final approval hearing was held on November 7, 2024 and final approval was granted
14 on November 25, 2024. *Capaci, et al. v. Sports Research Corporation*, Case No. 19-cv-3440-FMO
15 (PDx) (C.D. Cal.).

16 24. On May 17, 2024, the Honorable Jinsook Ohta granted preliminary approval of a
17 class-wide settlement providing for changes to Marriott's business practices. The Court confirmed its
18 March 30, 2023 certification of a Fed. R. Civ. P. 23(c)(4) issue class and appointed the Law Offices
19 of Ronald A. Marron, *et al.* as class counsel. Final approval was granted on July 10, 2024. *Hall v.*
20 *Marriott International, Inc.*, Case No. 3:19-cv-01715-JO-AHG (S.D. Cal.)

21 25. On December 20, 2023, the Honorable Carolyn Caietti granted preliminary approval
22 of a \$775,000 class action settlement, which provided full refunds to all persons who purchased
23 Cheeky Scientist's employment counseling services during the class period. The Court granted final
24 approval of the settlement on May 17, 2024. *Marin v. Cheeky Scientist, LLC, et al.*, Case No. 37-
25 2022-00043918-CU-CO-CTL (San Diego Super. Ct.).

26 26. On June 2, 2023, the Honorable Susan Illston granted preliminary approval to a class
27 action settlement which included a Nationwide class of approximately 7 million employees whose
28 data was stored on UKG, Inc.'s. KPC environment during a December 2021 cyberattack. The
settlement confers \$7,500,000 in benefits to the class, including a non-reversionary cash fund of

1 \$5,500,000, a supplemental cash fund of up to an additional \$500,000, and security hardening
2 measures which cost \$1,500,000. Final Approval was granted on November 22, 2023. *In Re UKG*
3 *Cybersecurity Litigation*, Case No. 3:22-cv-00346-SI (N.D. Cal).

4 27. On March 30, 2023, the Honorable Andrew Y.S. Cheng granted class certification of a
5 California injunctive relief class, appointing the Law Offices of Ronald A. Marron as class counsel.
6 On August 2, 2023, the Honorable Samuel K. Feng granted final approval of a class settlement for
7 injunctive relief. *Mirzoyan et al. v. The Hershey Company*, Case No. CGC-20-583659 (San Francisco
8 Sup. Ct.)

9 28. On July 21, 2023, the Honorable Maxine M. Chesney granted final approval to a class
10 action settlement on \$3,700,000.00 for all persons who enrolled in an automatically renewing
11 monthly subscription with PlushCare during the Class Period. The settlement provided approxmatly
12 3.5 months of renewal subscription fees to approximately 332,547 class members with a 9.4% claims
13 rate. Alexis M. Wood and Kas L. Gallucci of the Law Offices of Ronald A. Marron were appointed
14 as class counsel. *Robbins et al v. Plushcare, Inc. et al*, Case No. 3:21-cv-03444-MMC (N.D. Cal).

15 29. On December 14, 2022, the Honorable Maren E. Nelson granted final approval to a
16 class action settlement for breach of contract and declaratory relief with respect to annuities sold to
17 the plaintiffs by defendants in which the Law Offices of Ronald A. Marron was appointed as co-lead
18 class counsel. *Sanchez v. Allianz Life Insurance Company of North America*, Case No. BC594715
19 (Los Angeles Sup. Ct.).

20 30. On October 8, 2021, the Honorable Jeffrey S. White of the United States District
21 Court for the Northern District of California granted final approval of an injunctive-relief only
22 settlement in the certified class action styled *Young v. Neurobrands, LLC*, Case No. 4:18-cv-05907-
23 JSW (N.D. Cal.) to which the Law Offices of Ronald A. Marron served as class counsel. *See* Dkt. No.
24 96.

25 31. On July 4, 2021, the Honorable Keri Katz granted final approval of a class action
26 settlement in the matter of *Randolph v. Amazon.com LLC*, Case No. 37-2017-00011078-CU-OE-CTL
27 in the California Superior Court for the County of San Diego to which the Law Offices of Ronald A.
28 Marron served as co-lead class counsel. *See* Dkt. No. 210.

32. On March 4, 2021, the Honorable James D. Pederson granted final approval to a class

1 action settlement regarding two data breaches of a healthcare system's patient and employees
2 personal and private information in the matter styled *Fox v. Iowa Health System*, No. 3:18-cv-00327-
3 JDP (W.D. Wiscon.). Dkt. No. 115.

4 33. On November 25, 2020, the Honorable Judge Joel Wohfeil granted final approval of a
5 class action settlement concerning Defendant Axos' Bank's failure to pay 2% simple interest on
6 homeowners' impound escrow accounts. *Daniel McSwain v. Axos Bank*, Case No. 37-2019-
7 00015784-CU-BC-CTL (S.D. Sup. Ct.).

8 34. On November 19, 2020, the Honorable Jeffrey Miller granted final approval to a
9 certified class action regarding the illegal recording of inmates and their counsel. *Romero v. Securus*
10 *Technologies, Inc.* No. 3:16-cv-01283 (JM) (S.D. Cal.). Dkt. No. 184.

11 35. On August 3, 2020, the Honorable Judge Gonzalo P. Curiel of the United States
12 District Court for the Southern District of California granted final approval of a settlement in the
13 certified class action styled *Hilsley v. Ocean Spray Cranberries, Inc.*, No. 3:17-cv-02335-GPC-MDD
14 (S.D. Cal.), Dkt. No. 259.

15 36. On February 24, 2020, the Honorable Christina A. Snyder of the United States District
16 Court for the Central District of California granted final approval of a \$2,500,000.00 class action
17 settlement in *Graves v. United Industries Corp.*, No. 2:17-cv-06983-CAS-SK (C.D. Cal.) and
18 appointed the Marron Firm as class counsel. Judge Snyder noted that the Law Offices of Ronald A.
19 Marron had "vigorously represented the Class" and has "extensive experience in consumer class
20 action litigation." Judgment & Order at 9, *Graves v. United Indus. Corp.*, No. 2:17-cv-06983-CAS-
21 SK (C.D. Cal. Feb. 24, 2020), Dkt. No. 87.

22 37. On January 28, 2020, the Honorable William Alsup granted final approval of a
23 settlement of a nationwide certified class in *Esparza v. Smartpay Leasing, Inc.*, No. 3:17-cv-03421-
24 WHA (N.D. Cal.), Dkt. No. 110. The court also appointed Ronald A. Marron, Alexis M. Wood, and
25 Kas L. Gallucci of the Law Offices of Ronald A. Marron as class counsel.

26 38. On October 11, 2019, the Honorable Judge Wilhelmina M. Wright granted final
27 approval of a nationwide TCPA settlement class in *Busch v. Bluestem Brands, Inc.*, No. 0:16-cv-
28 00644-WMW-HB (D. Minn.), Dkt. No. 106, and appointed the Law Offices of Ronald A. Marron as
co-lead class counsel. The settlement created a \$5.25 million non-reversionary Settlement Fund for

1 the benefit of the class.

2 39. On September 12, 2019, the Honorable Judge Jose E. Martinez granted final approval
3 of a nationwide TCPA settlement class in *Medina v. Enhanced Recovery Co., LLC*, No. 2:15-cv-
4 14342-JEM (S.D. Fla.), Dkt. No. 131, and appointed the Law Offices of Ronald A. Marron as co-lead
5 class counsel. The settlement created a \$1.45 million common fund.

6 40. On June 17, 2019, the Honorable Anthony J. Battaglia granted final approval of a
7 nationwide CLRA settlement case in *Littlejohn v. Ferrara Candy Co.*, No. 18-cv-0658-AJB-WVG
8 (S.D. Cal.), stating “Class Counsel has fully and competently prosecuted all causes of action, claims,
9 theories of liability, and remedies reasonably available to the Class Members.” Final Judgment &
10 Order at 5, *Littlejohn v. Ferrara Candy Co.*, No. 3:18-cv-00658-AJB-WVG (S.D. Cal. June 17,
11 2019), Dkt. No. 47.

12 41. On October 19, 2018, the Honorable William T. Lawrence granted final approval of a
13 nationwide TCPA settlement case in *Simms v. ExactTarget, LLC*, No. 1-14-cv-00737-WTL-DLP
14 (S.D. Ind.), Dkt. No. 178, where the Law Offices of Ronald A. Marron served as class counsel. The
15 settlement created a \$6.25 million common fund.

16 42. On April 3, 2018, the Honorable Robert N. Scola, Jr. granted preliminary approval of
17 class action settlement regarding false advertising claims in *Mollicone v. Universal Handicraft*, No.
18 1:17-cv-21468-RNS (S.D. Fla.), in which the Law Offices of Ronald A. Marron served as class
19 counsel. In his preliminary approval order, Judge Scola stated that the Marron Firm is “experienced
20 and competent in the prosecution of complex class action litigation.” Order Prelim. Certifying
21 Settlement Class, Granting Prelim. Approval of Settlement, & Setting Final Fairness H’rg at 2,
22 *Mollicone v. Universal Handicraft*, No. 1:17-cv-21468-RNS (S.D. Fla. Apr. 3, 2018), Dkt. No. 120.

23 43. On June 29, 2018, in *Mason v. M3 Financial Services, Inc.*, No. 1:15-cv-04194 (N.D.
24 Ill.), the Honorable Andrea R. Wood granted final approval of a nationwide TCPA settlement which
25 provided a common fund in the amount of \$600,000. The Law Offices of Ronald A. Marron served
26 as co-lead class counsel.

27 44. On May 4, 2018, the Honorable Analisa Torres granted final approval of a false
28 advertising class settlement in *In re Tommie Copper Products Consumer Litigation*, No. 7:15-cv-
03183-AT-LMS (S.D.N.Y.), Dkt. No. 129. On January 4, 2016, the Honorable Analisa Torres

1 appointed the Marron firm as Interim Lead Class Counsel over the opposition and challenge of other
2 Plaintiff's counsel, noting that the Marron firm's "detailed" complaint was "more specifically
3 pleaded, . . . assert[ing] a more comprehensive set of theories . . . and [was] more factually
4 developed." *Potzner v. Tommie Copper Inc.*, Nos. 15 CIV. 3183 (AT), 15 Civ. 6055 (AT), 2016 WL
5 304746, at *1 (S.D.N.Y. Jan. 4, 2016). Judge Torres also noted that Mr. Marron and his firm's
6 attorneys had "substantial experience litigating complex consumer class actions, are familiar with the
7 applicable law, and have the resources necessary to represent the class." *Id.*

8 45. On March 26, 2018, the Honorable Marilyn Huff granted final approval of a
9 nationwide TCPA class action settlement in *Gutierrez-Rodriguez v. R.M. Galicia, Inc.*, No. 16-CV-
10 00182-H-BLM, 2018 WL 1470198, at *2 (S.D. Cal. Mar. 26, 2018). The Law Offices of Ronald A.
11 Marron was appointed to serve as class counsel.

12 46. On January 27, 2017, my firm obtained final approval of a TCPA class action against
13 RBS Citizens, N.A. *Sanders v. RBS Citizens, N.A.*, No. 13-cv-3136-BAS-RBB, 2017 WL 406165
14 (S.D. Cal. Jan. 27, 2017). In granting final approval, the Honorable Cynthia Bashant found that
15 "Class Counsel [had] fairly and adequately represented the Class for purposes of entering into and
16 implementing the Settlement, and, thus, continues to appoint . . . Ronald A. Marron, Alexis M. Wood
17 and Kas L. Gallucci of the Law Offices of Ronald A. Marron as Class Counsel for the Settlement
18 Class." *Id.* at *4.

19 47. In addition to the above cases and the present action, my firm has an in-depth
20 knowledge of other consumer cases including litigating over-the-counter ("OTC") product cases,
21 including the FDCA's history, principles, and regulations, and courts have recognized my firm's
22 ability to litigate complex class actions. This action involved extensive motion practice, and my
23 firm's opposition brief was so persuasive that defendants decided to withdraw their motion. My
24 firm's well-drafted briefing, knowledge, and experience resulted in a \$5 million common fund and
25 injunctive relief settlement in favor of Gallucci against French homeopathic giant, Boiron, Inc. On
26 April 25, 2012, the Honorable John A. Houston granted preliminary approval, noting that:

27 48. During the pendency of the Litigation, Class Counsel conducted a extensive
28 examination and evaluation of the relevant facts and law to assess the merits of the named Plaintiff's
and class claims to determine how best to serve the interests of Plaintiff and the Class. . . . Class

1 Counsel conducted thorough review of the Food, Drug and Cosmetic Act, its numerous changes over
2 the years, and the Act's implementing regulations. Class Counsel have carefully considered the
3 merits of Plaintiff's claims, and the defenses raised by defendants. Order Granting Prelim. Approval
4 of Class Action Settlement at i, *Gallucci v. Boiron, Inc.*, No. 3:11-cv-02039- JAH-NLS (S.D. Cal.
5 Apr. 25, 2012), Dkt. No. 89.

6 49. Accordingly, Judge Houston appointed my firm as class counsel, finding that class
7 counsel "will fairly and adequately protect the interests of the Class . . . [and] are experienced and
8 competent to prosecute this matter on behalf of the Class." *Id.* at iii-iv. The fairness hearing was held
9 on October 1, 2012, and, on October 31, 2012, the court granted final approval. *See Gallucci v.*
10 *Boiron, Inc.*, No. 11cv2039 JAH(NLS), 2012 WL 5359485 (S.D. Cal. Oct. 31, 2012).

11 50. Further, on June 26, 2015, the Honorable Maxine M. Chesney of the United States
12 District Court for the Northern District of California granted preliminary approval to a class action
13 settlement with injunctive relief for class wide claims of false representations regarding the
14 Defendants' weight loss teas. *See Order Prelim. Approving Class Action Settlement, Johnson v.*
15 *Triple Leaf Tea Inc.*, No. 3:14-cv-01570-MMC (N.D. Cal. June 26, 2015), Dkt. No. 53 ("Having
16 considered the factors set forth in Rule 23(g)(1) of the Federal Rules of Civil Procedures, the Court
17 appoints Plaintiff's counsel, the Law offices of Ronald A. Marron APLC, to serve as Class
18 Counsel.").

19 51. On October 31, 2013, the Honorable Gonzalo P. Curiel of the United States District
20 Court for the Southern District of California granted preliminary approval to a class action settlement
21 of \$1 million and injunctive relief for class-wide claims of false and deceptive advertising of OTC
22 drugs, which was negotiated by my firm in *Mason v. Heel, Inc.*, No. 3:12-cv-03056-GPC-KSC (S.D.
23 Cal.), and, "[h]aving considered the factors set forth in Rule 23(g)(1) of the Federal Rules of Civil
24 Procedure," appointed my firm as class counsel. Order Prelim. Approving Class Action Settlement at
25 5, *Mason v. Heel, Inc.*, No. 3:12-cv-03056-GPC-KSC (S.D. Cal. Oct. 31, 2015), Dkt. No. 27.

26 52. On October 23, 2013, the Honorable Michael M. Anello of the United States District
27 Court for the Southern District of California granted final approval to a \$1.2 million and injunctive
28 relief class action settlement concerning false and deceptive advertising of OTC drugs, which was
negotiated by my firm, in *Nigh v. Humphreys Pharmacal, Inc.*, No. 3:12-cv-02714-MMA-DHB (S.D.

1 Cal.), finding that “the Class was adequately represented by competent counsel.” Order Affirming
2 Tentative Ruling & Granting Mot. for Final Approval of Settlement at 14, *Nigh v. Humphreys*
3 *Pharmacal, Inc.*, No. 3:12-cv-02714-MMA-DHB (S.D. Cal. Oct. 23, 2013), Dkt. No. 30.

4 53. On March 13, 2012, my firm settled a case against manufacturers of OTC dietary
5 supplement products for \$900,000 in a common fund and injunctive relief settlement, styled *Burton v.*
6 *Ganeden Biotech, Inc.*, No. 3:11-cv-01471-W-NLS (S.D. Cal.). Burton alleged that defendants falsely
7 advertised their products as containing “clinically proven” proprietary bacteria that improved and
8 benefitted the digestive and immune health of individuals when, in fact, no clinical proof existed.
9 Before this settlement was finalized, my firm rejected defendants’ coupon settlement offer, because
10 we did not believe it constituted the best relief for the class members. Instead, we continued extensive
11 and lengthy rounds of negotiations with the defendants to obtain the best result for the class. These
12 months-long negotiations included back and forth exchange of approximately twenty versions of the
13 settlement agreement, multiple conference calls and e-mails. On March 14, 2012, the parties filed a
14 Joint Motion for Preliminary Approval of Class Action Settlement, Dkt. No. 38, which the court
15 granted on April 16, 2012, Dkt. No. 42. After the fairness hearing in this case on August 21, 2012,
16 Dkt. No. 48, Judge Thomas J. Whelan granted final approval on October 4, 2012, Dkt. No. 52.

17 54. On March 1, 2012, the Honorable Janis L. Sammartino appointed my firm interim
18 class counsel in an action styled *Margolis v. Dial Corp.*, No. 3:12-cv-00288-JLS-WVG (S.D. Cal.).
19 Order Granting Joint Mot. for Consolidation & Appointment of Interim Co-Lead Counsel at 2,
20 *Margolis v. Dial Corp.*, No. 3:12-cv-00288-JLS-WVG (S.D. Cal. Mar. 1, 2012), Dkt. No. 14. This
21 case involved an OTC pheromone soap product that its manufacturer advertised as enhancing a man’s
22 sexual attraction to women.

23 55. When my firm was appointed interim lead class counsel for a class of consumers in a
24 deceptive food labeling case in March of 2011, the Honorable Marilyn Huff recognized class counsel
25 “appears to be well qualified to represent the interest of the purported class and to manage this
26 litigation.” *Hohenberg v. Ferrero U.S.A., Inc.*, Nos. 11-CV-205 H (CAB), 11-CV-249 H (CAB),
27 2011 WL 13134161, at *2 (S.D. Cal. Mar. 22, 2011). Subsequently, when my firm obtained
28 certification of the proposed class, the court reaffirmed its finding that my firm is adequate to serve as
class counsel. *See In re Ferrero Litig.*, 278 F.R.D. 552, 559 (S.D. Cal. 2011). Judge Huff gave final

1 approval of a settlement on July 9, 2012. Final Judgment & Order Approving Settlement, *In re*
2 *Ferrero Litig.*, No. 3:11-cv-00205-H-KSC (S.D. Cal. July 9, 2012), Dkt. No. 127.

3 56. On November 14, 2011, my firm obtained the certification of a nationwide class of
4 consumers who purchased Qunol CoQ10, a dietary supplement making misleading efficacy claims.
5 *See Bruno v. Quten Research Inst., LLC*, 280 F.R.D. 524 (C.D. Cal. 2011). My firm then successfully
6 defeated the defendants' motion to decertify the class following the Ninth Circuit's decision in *Mazza*
7 *v. American Honda Motor Co.*, 666 F.3d 581 (9th Cir. 2012). *See Bruno v. Eckhart Corp.*, 280 F.R.D.
8 540 (C.D. Cal. 2012). The case then settled on the eve of trial, which was scheduled for October 2,
9 2012.

10 57. On June 14, 2011, the Honorable Richard Seeborg appointed my firm interim class
11 counsel, over a competing application from a former partner at the New York law firm Milberg
12 Weiss regarding a deceptive food labeling case. *See Chacanaca v. Quaker Oats Co.*, No. 10-0502 RS,
13 2011 WL 13141425, at *3 (N.D. Cal. June 14, 2011) (since restyled as *In re Quaker Oats Labeling*
14 *Litig.*) ("There is no question here that both the Weston/Marron counsel . . . have ample experience
15 handling class actions and complex litigation. It is also clear that both have particular familiarity with
16 suits involving issues of mislabeling in the food industry.").

17 58. I was appointed class counsel in *Peterman v. North American Co. for Life & Health*
18 *Ins.*, No. BC357194 (L.A. Cty. Super. Ct.), which was litigated for more than 4 years and achieved a
19 settlement of approximately \$60 million for consumers. In granting preliminary approval of the
20 settlement, the Honorable Carolyn B. Kuhl noted that "the excellent work that the Plaintiff's side has
21 done in this case has absolutely followed through to the settlement . . . The thought and detail that
22 went into the preparation of every aspect was very impressive to me."

23 59. I also served as class counsel in *Clark v. National Western Life Insurance Co.*, No.
24 BC321681 (L.A. Cty. Super. Ct.), a class action that, after being litigated for more than 6 years,
25 resulted in a settlement of approximately \$25 million for consumers.

26 60. In *Iorio v. Asset Marketing*, No. 3:05-cv-00633-JLS-CAB (S.D. Cal.), I was appointed
27 class counsel on August 29, 2006, Dkt. No. 121, following class certification, which was granted on
28 July 27, 2006 by the Honorable Irma E. Gonzalez, Order Granting Pls.' Class Certification, Dkt. No.
113. After nearly 6 years of intensive litigation, a settlement valued at \$110 million was reached in

1 *Iorio* and approved on March 3, 2011, by the Honorable Janis Sammartino. Final Order Approving
2 Class Action Settlement, Dkt. No. 480. Co-counsel and I successfully defended multiple motions
3 brought by Defendants in the Southern District of California, including “challenges to the pleadings,
4 class certification, class decertification, summary judgment, . . . motion to modify the class definition,
5 motion to strike various remedies in the prayer for relief, and motion to decertify the Class’ punitive
6 damages claim,” plus three petitions to the Ninth Circuit, attempting to challenge the Rule 23(f) class
7 certification. *Id.* at 6:9-15, 7:18-22 (commenting that class counsel were “highly experienced trial
8 lawyers with specialized knowledge in insurance and annuity litigation, and complex class action
9 litigation generally” and “capable of properly assessing the risks, expenses, and duration of continued
10 litigation, including at trial and on appeal”). Judge Sammartino also noted “the complexity and
11 subject matter of this litigation, and the skill and diligence with which it has been prosecuted and
12 defended, and the quality of the result obtained for the Class.” *Id.* at 17:25-27.

13 61. Besides these cases, I have also represented plaintiffs victimized in other complex
14 cases such as Ponzi schemes, shareholder derivative suits, and securities fraud cases. I have litigated
15 hundreds of lawsuits and arbitrations against major corporations; of these, approximately 30 cases
16 against the likes of such corporate titans as Shell Oil, Citigroup, Wells Fargo, Morgan Stanley and
17 Merrill Lynch have gone through trial or arbitration. Many more have settled on the eve of trial
18 although I was fully prepared to proceed to trial.

19 **Attorneys' Fees, Costs, and Incentive Award**

20 62. Prosecuting and settling the claims in this Action demanded considerable time and
21 labor. This Settlement was reached after Plaintiff successfully opposed Defendant's Demurrers,
22 Motion to Strike, and after several rounds of negotiation.

23 63. The organization of Class Counsel ensured that the work was coordinated to maximize
24 efficiency and minimize duplication of effort.

25 64. My firm devoted substantial time to investigating the claims against Defendants. My
26 firm also expended resources researching and developing the legal claims at issue. Substantial time
27 and resources were also dedicated to serving and responding to written discovery, preparing for,
28 attending, and taking depositions, third party discovery, and to discovery disputes.

65. Settlement negotiations consumed further time and resources. A significant amount of

1 time was devoted to negotiating and drafting of the Agreement and the preliminary approval process,
2 and to all actions required thereafter pursuant to the preliminary approval order. Each of the above-
3 described efforts was essential to achieving the Settlement before the Court.

4 66. In my opinion, the Settlement is an extremely fair and reasonable recovery for the
5 Settlement Class in light of Defendants' defenses, and the challenging and unpredictable path of
6 litigation that Plaintiff and the class would have faced absent the Settlement.

7 67. Class Counsel also negotiated an agreement that, subject to Court approval, Defendant
8 would pay an incentive award to Plaintiffs in the amount of \$7,500 each. This agreement was
9 obtained after the material terms for class-wide relief in the Settlement were agreed upon. Plaintiffs
10 provided substantial assistance that enabled Class Counsel to successfully prosecute the action
11 including locating and forwarding responsive documents and information; reviewing material filings;
12 preparing for and attending a deposition; approving the Settlement Agreements; being on standby
13 during mediation; continuous communications with Class Counsel throughout the litigation;
14 providing a declaration in support of preliminary approval, and being committed to secure
15 substantive relief on behalf of the Class. In so doing, Plaintiffs were integral to forming the theory of
16 the case and litigating it through settlement.

17 68. In my opinion, Plaintiffs' request for an incentive award in the amount of \$7,500 each
18 is sufficient and reasonable when taking into account the time and effort Plaintiffs contributed to
19 vindicate the rights of the Class.

20 69. In undertaking to prosecute this case on a contingent fee basis, my firm assumed a
21 significant risk of nonpayment or underpayment. From the outset of litigation to the present, my firm
22 litigated this matter on a contingent basis and placed its own resources at risk to do so. Despite Class
23 Counsel's effort in litigating this Action, Class Counsel remains completely uncompensated for the
24 time invested in the Action, in addition to the substantial expenses that were advanced.

25 70. My firm's total lodestar in this action is \$477,025.00 This lodestar is based on 857.5
26 attorney hours of work. My firm's requested rates are summarized in Table 1 below:
27
28

TABLE 1¹

Timekeeper	Position	Rate Requested	Total Hours	Total Amount
Ronald Marron	Partner	\$845	79.0	\$66,775
Kas Gallucci	Senior Associate	\$625	22.3	\$13,937.50
Michael Houchin	Senior Associate	\$570	124.9	\$71,193.00
Lilach Halperin	Associate	\$515	631.3	\$325,119.50
TOTALS:				\$477,025.00

71. Class Counsel is seeking a fee award of \$390,000, which results in a negative multiplier of approximately .818.

72. My firm also incurred \$30,461.77 in costs that were reasonably necessary for the prosecution of this litigation and would normally have been billed to a client paying for counsel's services on a regular basis. The costs incurred by my firm are summarized in Table 3 below:

TABLE 2

<u>Category</u>	<u>Amount</u>
Filing, Appearance, Reservation, Jury, Document Access Fees	\$4,268.94
Process Servers/ Delivery Fees	\$1,859.48
Court Reporters and Transcripts	\$850.00
Travel Expenses	\$2,883.84
Calendaring Software	\$565.00
Deposition Transcript Fees	\$7502.34
CPT Group Pre-Cert	\$4,282.17
Westlaw Research	\$8,250.00
TOTAL:	\$30,461.77

73. My firm's practice is to keep contemporaneous records for each timekeeper and to regularly record time records in the normal course of business. My firm kept time records in this case consistent with that practice. Moreover, my firm's practice is to bill in 6-minute (tenth-of-an-hour) increments. My firm's detailed billing records are voluminous and contain information that is protected from disclosure by the attorney-client privilege and the attorney work-product doctrine.

¹ All hours for paralegals have been waived.

1 However, my firm will make its detailed billing records available to the Court for in camera review
2 upon the Court's request.

3 74. Prior to finalizing my firm's lodestar, we carefully reviewed our hours and made cuts
4 for time entry errors, duplications, and instances where we determined the hours should be reduced or
5 not billed. My firm's lodestar does not include any hours of work from support staff, and does not
6 include post-application work for tasks such as drafting, finalizing, and filing the final approval
7 papers, preparing for and appearing at the hearing on the final approval motion, and responding to
8 any potential objector(s), if necessary.

9 75. My firm's requested rates are consistent with the prevailing rates for attorneys and
10 support staff of similar experience, skill, and reputation. For example, survey data confirms the
11 reasonableness of such rates. A 2010 survey by the National Law Journal (NLJ) shows rates of firms
12 in Los Angeles for \$495-\$820 for partners and \$270-\$620 for associates. A 2011 survey by the NLJ
13 shows partner rates of \$275-\$860 in the Southern California area, with a range of \$205-\$635 for
14 associates in the same geographic region. Copies of the NLJ surveys are in my firm's possession but
15 are not being filed due to their volume. As this evidence shows, my firm's requested attorney rates
16 fall within the average prevailing market rates within the community.

17 76. A summary chart of the NLJ surveys from 2010-2012 is attached hereto as Exhibit 2.

18 77. Attached hereto as Exhibit 3 is a true and correct copy of the 2014 Report on the State
19 of the Legal Market put out by The Center for the Study of the Legal Profession at the Georgetown
20 University Law Center and Thomson Reuters Peer Monitor (Peer Monitor Report). The Peer Monitor
21 report shows that "from the third quarter of 2010 through November 2013 . . . firms increased their
22 standard rates by 11 percent[,] from an average of \$429 per hour to \$476 per hour." This average rate
23 from 2014, see id., supports my firm's current hourly rates.

24 78. My firm's requested rates fall within the average/mean range of the typical rates of a
25 San Diego law firm that practices complex litigation. *See generally Catala v. Resurgent Capital*
26 *Servs., L.P.*, 2010 U.S. Dist. LEXIS 63501, at *19 n.3 (S.D. Cal. June 22, 2010).

27 79. Courts have also recognized that my law firm's attorney's hourly rates are reasonable.
28 For example:

a) On May 17, 2024, the Marron Firm's hourly rates of \$845 for Ronald A. Marron,

1 \$605 for Kas L. Gallucci, \$570 for Michael Houchin, and \$515 for Lilach Halperin were approved in
2 the matter of *Marin v. Cheeky Scientist, LLC, et al.*, Case No. 37-2022-00043918-CU-CO-CTL in the
3 San Diego Superior Court before the Honorable Carolyn Caietti.

4 b) On November 21, 2023, the Marron Firm's hourly rate of \$605 for Kas Gallucci was
5 approved in the matter of *In Re UKG Cybersecurity Litigation*, Case No. 3:22-cv-00346-SI in the
6 Southern District of California before the Honorable Judge Susan Illston.

7 c) On August 2, 2023, the Marron Firm's hourly rates of \$815 for Ronald A. Marron,
8 \$570 for Michael Houchin, and \$500 for Lilach Halperin were approved in the matter of *Mirzoyan et*
9 *al. v. The Hershey Company*, Case No. CGC-20-583659 in the Superior Court of California for the
10 County of San Francisco before the Honorable Samuel K. Feng presiding.

11 d) On July 21, 2023, the Marron Firm's hourly rates of \$845 for Ronald A. Marron, \$605
12 for Kas Gallucci, \$570 for Michael Houchin, and \$500 for Lilach Halperin were approved in the
13 matter of *Robbins et al v. Plushcare, Inc. et al*, Case No. 3:21-cv-03444-MMC in the Northern
14 District of California before the Honorable Maxine M. Chesney.

15 e) On December 14, 2022, the Marron Firm's hourly rates of \$815 for Ronald A.
16 Marron, \$550 for Michael Houchin, and \$490 for Lilach Halperin were approved in the matter of
17 *Sanchez v. Allianz Life Insurance Company*, Case No. BC594715 in the Superior Court of California
18 for the County of Los Angeles before the Honorable Maren E. Nelson presiding.

19 f) On February 14, 2022, the Marron Firm's hourly rates of \$815 for Ronald A. Marron,
20 \$550 for Michael Houchin, and \$490 for Lilach Halperin were approved in the matter of *Clark v. S.C.*
21 *Johnson & Son, Inc.*, Case No. RG20067897 in the Superior Court of California for the County of
22 Alameda before the Honorable Michael M. Markman presiding.

23 g) On October 8, 2021, the Marron Firm's hourly rates of \$815 for Ronald A. Marron,
24 \$550 for Michael Houchin, and \$490 for Lilach Halperin were approved in the matter of *Young v.*
25 *Neurobrands, LLC*, Case No. 4:18-cv-05907-JSW in the United States District Court for the Northern
26 District of California before the Honorable Jeffrey S. White. *See* Dkt. No. 91-2 (declaration in
27 support of fee motion) & Dkt. No. 95 (Order Granting Motion for Attorneys' Fees).

28 h) On July 4, 2021, the Marron Firm's hourly rates of \$815 for Ronald A. Marron, \$550
for Michael Houchin and \$490 for Lilach Halperin, were approved in the matter of *Randolph v.*

1 *Amazon.com LLC*, Case No. 37-2017-00011078-CU-OE-CTL in the California Superior Court for the
2 County of San Diego before the Honorable Keri Katz. *See* Dkt. No. 200 (declaration in support of fee
3 motion) & Dkt. No. 210 (Order Granting Final Approval).

4 i) On March 4, 2021, the Marron Firm's hourly rates of \$815 for Ronald A. Marron,
5 \$550 for Michael Houchin and \$490 for Lilach Halperin were approved in the matter of *Fox, et al. v.*
6 *Iowa Health System dba UnityPoint Health*, Case No. 3:18-cv-00327-jdp in the United States District
7 Court for the Western District of Wisconsin before the Honorable James D. Peterson (Dkt. No. 115
8 (Order Granting Final Approval) & Dkt. No. 98 (declaration in support of fee motion)).

9 j) On November 25, 2020, the Marron Firm's hourly rates of \$815 for Ronald A.
10 Marron, \$550 for Michael Houchin, and \$490 for Lilach Halperin were approved in the matter of
11 *Daniel McSwain v. Axos Bank*, Case No. 37-2019-00015784-CU-BC-CTL in the California Superior
12 Court for the County of San Diego before the Honorable Judge Joel Wohfiel (Dkt. No. 71
13 (declaration in support of fee motion) & Dkt. No. 79 (Order Granting Final Approval)).

14 k) On November 19, 2020, the Marron Firm's hourly rates of \$815 for Ronald A.
15 Marron, \$550 for Michael Houchin and \$490 for Lilach Halperin were approved in the matter of
16 *Romero v. Securus Technologies, Inc.*, Case No. 3:16-cv-01283-JM-MDD in the United States
17 District Court for the Southern District of California before the Honorable Judge Jeffrey T. Miller
18 (Dkt. No. 181-2 (declaration in support of fee motion) & Dkt. No. 184 (Order Granting Final
19 Approval)).

20 l) On August 3, 2020, the Marron Firm's hourly rates of \$815 for Ronald A. Marron,
21 \$550 for Michael Houchin, \$490 for Lilach Halperin, and \$215 for paralegals and legal assistants
22 were approved in the matter of *Hilsley v. Ocean Spray Cranberries, Inc.*, Case No. 3:17-cv-02335-
23 GPC-MDD in the United States District Court for the Southern District of California before the
24 Honorable Gonzalo P. Curiel (Dkt. No. 245-2 (declaration in support of fee motion) & Dkt. No. 259
25 (Order Granting Final Approval)).

26 m) On February 24, 2020, the Marron Firm's hourly rates of \$785 for Ronald A. Marron,
27 \$495 for Michael Houchin, \$440 for Lilach Halperin, and \$215 for paralegals and legal assistants
28 were approved in the matter of *Graves v. United Industries, Inc.*, Case No. :17-cv-06983-CAS-SK in
the United States District Court for the Central District of California before the Honorable Christina

1 A. Snyder (Dkt. No. 78-2 (declaration in support of fee motion) & Dkt. No. 87 (Order Granting Final
2 Approval)).

3 n) On January 20, 2020, the Marron Firm's hourly rates of \$785 for Ronald A. Marron
4 and \$215 for paralegals and legal assistants were approved in the matter of *Esparza v. Smartpay*
5 *Leasing, Inc.*, Case No. 3:12-cv-03421-WHA in the United States District Court for the Northern
6 District of California before the Honorable William H. Alsup (Dkt. No. 110).

7 o) On October 11, 2019, the Marron Firm's hourly rates of \$785 for Ronald A. Marron
8 and \$215 for paralegals and law clerks were submitted to the Court and approved in *Busch v.*
9 *Bluestem Brands, Inc.*, No. 16-cv-0644 (WMW/HB), which received final approval, with costs and
10 fees approved in full, on October 11, 2019. *See* Dkt. No. 106.

11 p) On October 7, 2019, the Marron Firm's hourly rates of \$785 for Ronald Marron, \$495
12 for Michael Houchin, \$440 for Lilach Halperin and other associate attorneys, and \$215 for paralegals
13 were approved in the matter of *Woodard v. Labrada*, Case No. 5:16-cv-00189-JGB-SP pending in the
14 United States District Court for the Central District of California before the Honorable Jesus G.
15 Bernal. (Dkt. No. 295-2 (declaration in support of fee motion) & Dkt. No. 321 (final approval order)).

16 q) On September 12, 2019, the Honorable Jose E. Martinez of the Southern District of
17 Florida approved an hourly rate for Ronald A. Marron of \$785 in *Medina v. Enhanced Recovery*
18 *Company, LLC*, No. 15-cv-14342 (S.D. Fla.).

19 r) On June 17, 2019, the Marron Firm's hourly rates of \$785 for Ronald A. Marron,
20 \$495 for Michael Houchin, \$440 for Lilach Halperin and other associate attorneys, and \$215 for
21 paralegals were approved in the matter of *Littlejohn v. Ferrara Candy Company*, Case No. 3:18-cv-
22 00658-AJB-WVG that was pending in the United States District Court for the Southern District of
23 California. (Dkt. No. 30-2 (declaration in support of fee motion) & Dkt. No. 47 (final approval
24 order)). During the final approval hearing, the Honorable Anthony J. Battaglia stated that the Marron
25 Firm's rates "appear to the Court to be typical for the community and counsel that are handling a
26 class action, consumer-type litigation, in particular, I find them fair, reasonable and will approve
27 those." (Dkt. No. 51 [June 14, 2019 Hr.'g Tr. at 11:3-9]).

28 s) On January 15, 2019, the Marron Firm's hourly rates of \$785 for Ronald A. Marron
and \$495 for Michael Houchin and other associate attorneys, and \$350 for post-bar law clerks were

1 approved in the matter of *William Jackson, et al. v. Lang Pharma Nutrition, Inc.*, et al., Case No. 37-
2 2017-00028196-CU-BC-CTL that was pending in the California Superior Court for the County of
3 San Diego. (Dkt. No. 86 (declaration in support of fee motion) & Dkt. No. 112 (final approval
4 order)). In his Final Approval Order, the Honorable Joel R. Wohlfeil stated that my firm had
5 “adequately represented the Class” and that the “value of the settlement is fair, represents a
6 reasonable compromise after five years of litigation, and is adequate for the Class.” (Dkt. No. 112).

7 t) On October 19, 2018, the Honorable William T. Lawrence of the Southern District of
8 Indiana approved an hourly rate for Ronald A. Marron of \$745 in the case *Simms v. ExactTarget,*
9 *LLC*, No. 1-14-cv-737-WTL-DKL (S.D. Ind.).

10 u) On June 20, 2018, the Honorable Andrea R. Wood of the Northern District of Illinois
11 approved an hourly rate for Ronald A. Marron of \$745 in the case *Elaine Mason v. M3 Financial*
12 *Services, Inc.*, No. 15-cv-4194 (N.D. Cal.).

13 v) On August 14, 2018, the Marron Firm’s hourly rates of \$785 for Ronald A. Marron,
14 \$495 for Michael Houchin and other associate attorneys, and \$245 for law clerks were approved in
15 *Mollicone v. Universal Handicraft, Inc.*, Case No. 1:17-cv-21468-RNS (S.D. Fla.) (Dkt. No. 122-1
16 (declaration in support of fee motion) & Dkt. No. 134 (Final Approval Order)). In his Final Approval
17 Order, the Honorable Robert N. Scola, Jr. awarded 31.9% of the total Settlement Fund and stated that
18 “[t]he requested percentage from the Settlement Fund is reasonable, considering the results obtained,
19 the nature of the case, and Class Counsel’s significant work in this case and experience in litigating
20 class actions.” (Dkt. No. 134).

21 w) On May 4, 2018, the Marron Firm’s hourly rates of \$745 for Ronald A. Marron, \$440
22 for Michael Houchin and other associate attorneys, and \$245 for law clerks were approved in *In re*
23 *Tommie Copper Products Consumer Litigation*, Case No. 7:15-cv-03183-AT (S.D.N.Y.) (Dkt. No.
24 127 (declaration in support of fee motion) & Dkt. No. 129 (Final Approval Order)). In her Final
25 Approval Order, the Honorable Analisa Torres found that the settlement was “entered into by
26 experienced counsel and only after extensive, arms-length negotiations conducted in good faith and
27 with the assistance” of a mediator. (Dkt. No. 129).

28 x) On March 26, 2018, the Honorable Marilyn Huff of the Southern District of California
approved an hourly rate for Ronald A. Marron of \$745 in the case *Gutierrez-Rodriguez v. R.M.*

1 *Galicia, Inc.*, No 16-CV-0182-H-BLM.

2 y) On October 31, 2017, the Honorable Thomas R. Allen of the Circuit Court of Cook
3 County, Illinois, approved an hourly rate for Ronald Marron of \$745 in the case of *Thornton v. NCO*
4 *Financial Systems, Inc.*, Case No. 16 CH 5780.

5 z) On September 5, 2017, the Marron Firm's hourly rates of \$745 for Ronald A. Marron,
6 \$440 for Michael Houchin and other associate attorneys, and \$245 for law clerks were also approved
7 in a class action captioned *Elkind et al. v. Revlon Consumer Products Corporation*, Case No. 2:14-
8 cv-02484-AKT (E.D. N.Y) (Dkt. No. 125-2 (Declaration in Support of Fee Motion) & Dkt. No. 131
9 (Final Approval Order)). In her Final Approval Order dated September 5, 2017, the Honorable Judge
10 Tomlinson stated that the settlement was "negotiated by highly capable and experienced counsel with
11 full knowledge of the facts, the law and the risks inherent in litigating the Action and was the product
12 of vigorously fought litigation." (Dkt. No. 131).

13 aa) On November 16, 2015, the Honorable Maxine M. Chesney, Senior District Court
14 Judge for the Northern District of California, approved the following hourly rates (Ronald Marron at
15 \$745, associate attorneys at \$475, law clerks at \$245, and legal assistants/paralegals at \$215), in the
16 case of *Johnson v. Triple Leaf, Inc.*, Case No. 3:14-cv-01570-MMC. The Court found that the fee
17 requested was "reasonable when judged by the standards in this circuit," and also that my firm's
18 attorney, law clerk and staff rates were "reasonable in light of the complexity of this litigation, the
19 work performed, Class Counsel's reputation, experience, competence, and the prevailing billing rates
20 for comparably complex work by comparably-qualified counsel in the relevant market." Dkt. No. 65.

21 bb) On August 6, 2015, the Honorable Kenneth R. Freeman of the Superior Court of
22 California, County of Los Angeles, approved the following hourly rates for Class Counsel: Ronald
23 Marron at \$745, associate attorneys at \$475, and law clerks at \$290 in the case of *Perry v. Truong*
24 *Giang Corp.*, No. BC58568.

25 cc) On August 7, 2015, the Honorable Brendan Linehan Shannon of the United States
26 Bankruptcy Court for the District of Delaware approved the following hourly rates for Class Counsel:
27 Ronald Marron at \$745, associate attorneys at \$475, and law clerks at \$290 in the case of *In re:*
28 *LEAF123, INC. (f/k/a NATROL, INC.), et al.*, No. 14-11446 (BLS).

1 I declare under penalty of perjury of the laws of the State of California that the foregoing is true and
2 correct.

3
4 Executed on this 24th day of December, 2024 at San Diego, California.

5 /s/ Ronald A. Marron
6 Ronald A. Marron
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EXHIBIT 1

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF ALAMEDA

FINN WALSH, JACK RONAN, KATHERINE WALSH, and TIMOTHY WALSH, on behalf of themselves and all others similarly situated,

Plaintiffs,

v.

PREMIUM PROPERTY MANAGEMENT & DEVELOPMENT, INC. DBA PREMIUM PROPERTIES, a California Corporation; HASTE PARTNERS, LLC, a California Limited Liability Company; SAM SOROKIN, an individual; CRAIG BECKERMAN, an individual; MARIA DIBLASI, an individuals; and DOES 1-1000,

Defendants.

Case No. RG20072409 [lead case]

CLASS LITIGATION SETTLEMENT AGREEMENT

HASTE PARTNERS, LLC,

Plaintiff,

v.

FINN WALSH, TIMOTHY WALSH, KATHERINE WALSH, HIRAM HUERTA, ROBERT REE, JULIE REE, and ALEXANDER REE,

Defendants.

Case No: 21SC004296 [consolidated case]

This Class Litigation Settlement Agreement (the “Settlement Agreement” or “Agreement”) is made and entered into by and between Plaintiffs Finn Walsh, Jack Ronan, Timothy Walsh, and Katherine Walsh (“Plaintiffs”), individually and on behalf of the settlement classes that they purport to represent, and Defendants Premium Property Management & Development, Inc. (“Premium”), Haste Partners, LLC (“Haste”), Sam Sorokin, Craig Beckerman, and Maria DiBlasi (collectively, “Defendants”). Plaintiffs and Defendants are referred to hereinafter as the “Settling Parties.” This settlement is intended to fully, finally, and forever resolve, discharge, release, and settle the lawsuits captioned *Walsh, et al. v. Premium Property Management & Development, Inc.*, Case No. RG20072409 (the “Litigation”), and *Haste Partners, LLC v. Walsh, et al.*, Case No. 21SC004296 (“Small Claims Lawsuit”), upon and subject to the terms and conditions herein.

1. Recitals

1.1. On August 26, 2020, Plaintiffs filed a Class Action Complaint in the Superior Court of California for the County of Alameda (the “Court”). After a series of demurrers, Plaintiffs filed a Fifth Amended Class Action Complaint on March 25, 2022 (“5AC”).

1.2 Plaintiffs’ complaint challenged Defendants’ landlord practices and brought causes of action for breach of contract, bad faith retention of security deposit in violation of Cal. Civ. Code § 1950.5, conversion, breach of the implied warranty of good faith and fair dealing, violations of California’s Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200, *et seq.* (the “UCL”), declaratory relief, violations of Berkeley Municipal Code § 13.76.070, violations of Berkeley Municipal Code § 13.78.016, violations of Berkeley Municipal Code § 13.78.017, money had and received, and negligence.

1.3 The Parties served and responded to multiple sets of written discovery, including Form Interrogatories, Special Interrogatories, Requests for Production of Documents, and Requests for Admission between 2020 and 2023, and attended numerous informal discovery conferences regarding the same.

1.4 Plaintiffs took the depositions of Defendant Premium Property Management & Development, Inc.’s persons most knowledgeable on July 8, 2021. Defendants took the depositions of Plaintiffs Katherine Walsh, Timothy Walsh, and Finn Walsh on October 5 and 6, 2022, and took the deposition of Plaintiff Ronan on October 13, 2022. Defendants also took the depositions of Alex Ree

1 and Hiram Huerta on January 18, 2023 and January 20, 2023, respectively.

2 1.5 Defendant Haste Partners, LLC filed a Small Claims complaint naming Finn Walsh,
3 Timothy Walsh, Katherine Walsh, Alexander Ree, Hiram Huerta, Julie Ree, and Robert Ree as
4 Defendants on December 17, 2021 seeking \$44,868.68 in damages. The Small Claims Lawsuit was
5 consolidated with the Litigation on April 18, 2022.

6 1.6 The Parties participated in two mediation sessions on November 29, 2023 and June 8,
7 2023 before the Honorable Margaret Kemp of ADR Services, Inc. Both mediation sessions were
8 unsuccessful.

9 1.7 The Parties filed briefing regarding class certification between 2022 and 2023.

10 1.8 On November 22, 2023, the Court published a tentative ruling regarding class
11 certification in which the Court contemplated certifying classes with revised class definitions and
12 requested supplemental briefing. The class certification hearing was continued to December 20, 2023.

13 1.9 While drafting class certification supplemental briefing, the Settling Parties began
14 engaging in settlement negotiations that resulted in a settlement in principle that set forth the material
15 terms of the settlement that forms the basis of this Settlement Agreement.

16 1.10 The Settling Parties and their counsel have extensively investigated the facts and issues
17 raised in the Litigation, and have sufficient information to evaluate their settlement and this Settlement
18 Agreement.

19 1.11 Defendants deny the allegations in the Litigation and that they have any liability to
20 Plaintiffs or any Settlement Class Member arising from the claims asserted in the Litigation.
21 Nonetheless, to avoid the substantial burden, risk, and distraction that arises from continuation of the
22 Litigation, and fully and finally to resolve the claims asserted or that could have been asserted against
23 them therein, Defendants have agreed to the terms of this Settlement Agreement.

24 1.12 Counsel for Plaintiffs and Defendants engaged in arm's-length negotiations to achieve
25 settlement of the Litigation. After extensive confidential settlement negotiations, the Settling Parties
26 reached an agreement that forms the basis of this Settlement Agreement. The Settling Parties did not
27 discuss attorneys' fees, costs, or any potential incentive award to Plaintiffs until they first agreed on the
28 substantive terms of their settlement.

1.13 Class Counsel analyzed and evaluated the merits of Defendants' defenses, the risks of continued litigation, and the benefits this settlement would confer on Plaintiffs and the Settlement Classes, as defined below. Among the risks of continued litigation considered by Class Counsel are the possibilities the Court would not certify a class or that Plaintiffs would be unable to prove liability, damages, or entitlement to injunctive relief at trial on a class-wide or individual basis, as well as the fact that, even if proven, Defendants could challenge the determinations on appeal.

1.14 Based on their experience and knowledge of the strength of the claims and defenses in the Litigation, counsel for the Settling Parties concluded and are satisfied that the terms and conditions of this Settlement Agreement are fair, reasonable, adequate, and in the best interest of the Settling Parties and the Settlement Class Members.

1.15 **NOW, THEREFORE**, pursuant to the terms set forth herein and subject to the Court's approval of this Settlement Agreement, the Parties hereby stipulate and agree, including on behalf of the Settlement Classes, as defined below, fully and finally to settle, compromise, and resolve the claims that were or could have been asserted in the Litigation and the Small Claims Lawsuit.

2. Definitions

Capitalized terms in this Settlement Agreement are defined by the terms set forth in this Section. If and to the extent Definitions in this Section conflict with other terms set forth in this Settlement Agreement, the Definitions in this Section shall govern.

2.1 "Class Counsel" means the Law Offices of Ronald A. Marron, APLC.

2.2 "Class Counsel's Fees and Costs" means an award of Plaintiffs' attorneys' fees and costs up to the amount approved by the Court.

2.3 "Class Period" means September 1, 2016 until November 30, 2023.

2.4 "Defendants' Released Claims" means the claims to be released by Defendants and the Released Parties as set forth in Section 10.1 of this Settlement Agreement.

2.5 "Effective Date" means the date on which the Final Judgment is entered and the period in which to appeal from the Final Judgment has expired. In the event an appeal is filed or reconsideration is sought from the Final Judgment, the Settling Parties will cooperate in seeking to have any such appeal(s) resolved as promptly as possible, and the Effective Date shall become (a) the date on which

1 the Final Judgment is affirmed and is no longer subject to judicial review and (b) the expiration of the
2 time for further appellate review of any appellate order affirming the Final Order and Judgment, or (c)
3 the date on which the motion for reconsideration, appeal, petition, or writ is dismissed or denied and the
4 Final Judgment is no longer subject to judicial review.

5 2.6 “Final Approval” means: (a) issuance of a Court order granting final approval of the
6 settlement and this Settlement Agreement as binding on the Settling Parties and the Settlement Classes.

7 2.7 “Final Approval Hearing” means the hearing to be held by the Court to adjudicate
8 whether:

9 (1) the terms of this Settlement Agreement are fair, reasonable, and adequate to the
10 Settlement Classes and should be approved;

11 (2) the Notice constitutes due, adequate, and sufficient notice to all persons entitled to notice
12 of the Litigation and meets all applicable requirements of the California Rules of Court, the United States
13 Constitution (including the Due Process Clause), rules of this Court, and any other applicable law, and
14 constitutes notice as directed by the Court in the Preliminary Approval Order to apprise the Settlement
15 Classes of the (a) pendency of the Litigation; (b) nature and terms of the Settlement; (c) right of
16 Settlement Class Members to object to the Settlement; and (d) right of Settlement Class Members to
17 appear at the Final Approval Hearing;

18 (3) a final judgment should be entered dismissing the Litigation with prejudice, as
19 contemplated by this Settlement Agreement;

20 (4) the Court should approve the award of Class Counsel’s Fees and Costs; and

21 (5) any other matter that the Court may deem appropriate.

22 The Settling Parties anticipate the Final Approval Hearing will be scheduled approximately one
23 hundred and twenty (120) days after the Notice to the Settlement Classes.

24 2.8 “Final Judgment” means the Final Judgment to be entered by the Court, which, among
25 other things, fully and finally approves this Settlement Agreement and dismisses Defendants from the
26 Litigation with prejudice.

27 2.9 “Gross Settlement Fund” means the non-reversionary amount of \$640,000 (Six Hundred
28 Forty Thousand Dollars 00/100) that Defendants shall pay in settlement of the Litigation.

2.10 “Guarantor” means any person who co-signed a lease or agreed to guaranteed payment of rent, Lease Fees or other charges pursuant to a written agreement with Premium Property Management & Development, Inc., on behalf of a member of the Lease Renewal Class

2.11 “Incentive Award” means the award that will be sought by application and, if approved by the Court, will be payable to Plaintiffs from the Settlement Fund for their role as the class representatives and the responsibility and work attendant to that role.

2.12 “Individual Class Member Proceeds” shall mean the portion of the Net Settlement Fund to be distributed to each Settlement Class Member.

2.13 “Lease Fee” shall mean the following fees collected by Premium Properties during the Class Period: Lease Transfer Fees, Roommate Replacement Fees, Roommate Add-On Fees and Roommate Removal Fees.

2.14 “Managed Property” shall mean any residential rental property in California for which Defendant Premium Property Management & Development, Inc. served as the property manager during the Class Period.

2.15 “Multi-Tenant Unit” shall mean a rental unit in a Managed Property that was leased by more than one Settlement Class Member during the same lease term (including any extended or renewed lease term).

2.16 “Multi-Tenant Unit Proceeds” shall mean for Settlement Class Members who resided in Multi-Tenant Units, the total portion of the Net Settlement Fund to be distributed between the Settlement Class Members who resided in each Multi-Tenant Unit.

2.17 “Net Settlement Fund” means the amount of money that will remain after the following are deducted from the Gross Settlement Fund upon approval by the Court (1) attorneys’ fees of up to \$390,000, or another amount approved by the Court, and costs reasonably incurred by Class Counsel up to \$40,000 as set forth in Section 8.1 below; (2) Incentive Awards in the amount of up to \$7,500 to each Plaintiff as set forth in Section 8.3 below, and (3) costs of class notice in the amount of up to \$15,000 as set forth in Section 6.7 below. The Settling Parties estimate that the Net Settlement Fund will total approximately \$172,912.27 and the Net Settlement Fund will be used to make Settlement Payments to Settlement Class Members as described in Section 7.2 of this Settlement Agreement.

1 2.18 “Notice” means the notices to be sent via e-mail, direct U.S. postal mail, and/or made
2 available online, including the Notice attached hereto as Exhibit A.

3 2.19 “Notice Date” means the date Notice is communicated to Settlement Class Members
4 pursuant to Section 6 of this Settlement Agreement.

5 2.20 “Notice Plan” means the proposal for dissemination of Notice to members of the
6 Settlement Classes as described in Section 6 of this Agreement.

7 2.21 “Objection” means the written communication that must be filed with the Court and sent
8 to counsel for the Settling Parties and postmarked on or before the Objection/Exclusion Deadline by a
9 Settlement Class Member who wishes to object in writing to the terms of the Settlement as defined in
10 Section 5.2 below.

11 2.22 “Objection/Exclusion Deadline” is the date by which a written Objection or Request for
12 Exclusion by a Settlement Class Member must be postmarked, as ordered by the Court in its Preliminary
13 Approval Order referred to in Section 4 of this Settlement Agreement.

14 2.23 “Plaintiffs” mean Plaintiffs Finn Walsh, Jack Ronan, Timothy Walsh, and Katherine
15 Walsh.

16 2.24 “Preliminary Approval Order” means the order to be entered by the Court which
17 preliminarily approves the Settlement, certifies the Settlement Classes, sets dates for the Final Approval
18 Hearing, Objection/Exclusion Deadline, and Notice Date, and approves the Notice Plan.

19 2.25 “Plaintiffs’ and Settlement Class Members’ Released Claims” means the claims released
20 by Plaintiffs and Settlement Class Members in accordance with Section 10 of this Settlement Agreement.

21 2.26 “Released Parties” means Defendants, and each of their agents, partners and former
22 partners, predecessors, successors, managers, members, directors, officers, shareholders, employees,
23 attorneys, and insurers. Released Parties shall also include the owners, agents, partners and former
24 partners, predecessors, successors, managers, members, directors, officers, shareholders, employees,
25 attorneys, and insurers of any Managed Property.

26 2.27 “Renewal Term” shall mean the period of time beyond the Settlement Class Member’s
27 original lease term pursuant to one of Premium Property Management & Development, Inc.’s written
28 notice of lease renewal or lease renewal forms (sometimes formulated with the title “Notice of Lease

Renewal”).

2.28 “Request for Adjustment” means the written communication that must be submitted to the Settlement Administrator thirty (30) days before the Objection/Exclusion Deadline by a Settlement Class Member to dispute the estimated calculation of their Individual Settlement Proceeds.

2.29 “Request for Alternative Distribution” means the written communication that must be submitted to the Settlement Administrator thirty (30) days before the Objection/Exclusion Deadline by Settlement Class Members in a Multi-Tenant Unit to request that Multi-Tenant Unit Proceeds be distributed other than on a pro-rata basis, or by Lease Renewal Settlement Class Members with Guarantors who desire separate distributions to be issued directly to Guarantors.

2.30 “Request for Exclusion” means the written communication that must be sent to the Settlement Administrator and postmarked on or before the Objection/Exclusion Deadline by a Settlement Class Member who wishes to be excluded from the Settlement Class as defined in Section 5.1 of this Settlement Agreement.

2.31 “Settlement Administrator” means Classaura Class Action Administration, which will provide Notice to the Settlement Class and administer the claims process. The Parties shall select a successor Settlement Administrator in the event one becomes necessary.

2.32 “Settlement” or “Settlement Agreement” means this Class Action Settlement Agreement, including all exhibits thereto.

2.33 “Settlement Classes” consists of the following:

LEASE RENEWAL CLASS. All persons and their Guarantors who rented residential property in California and who executed and delivered a written notice of lease renewal or lease renewal form to Premium Property Management & Development, Inc. regarding renewing or extending the term of their lease for a residential property in California from September 1, 2016 through November 30, 2023 (the “Class Period”), and whose entire unit vacated the property before the commencement of the renewal period.

LEASE FEE CLASS. All persons who rented residential property in California and were charged for roommate add-on fees, roommate replacement fees, request to be removed fees, or lease transfer fees by Premium Property Management & Development Inc. during the Class Period.

SECURITY DEPOSIT CLASS. All persons who rented residential property in California and were charged rent or fees as members of the Lease Renewal Class or the Lease Fee Class and who had deductions taken from their security deposits for that rent or fees by Premium Property

Management & Development Inc. during the Class Period.

The Settlement Classes specifically exclude (1) any judicial officer presiding over the Litigation, (2) Defendants and Released Parties, and each of their current or former officers, directors, and employees; (2) legal representatives, successors, or assigns of any such excluded person, and (4) any person who properly executes and sends a timely Request for Exclusion.

2.34 “Settlement Class Members” means all persons who are members of the Settlement Classes.

2.35 “Settlement Payment” means the amount to be paid to a Settlement Class Member from the Net Settlement Fund as described in Section 7.2 of this Settlement Agreement.

2.36 “Settlement Website” means an internet website created and maintained by the Settlement Administrator to provide the Settlement Class with information relating to the Settlement. The URL of the Settlement Website shall be provided in the Notice.

3. Stipulation to Class Certification

3.1 The Settling Parties hereby stipulate, for purposes of this Settlement Only, that the requirements of California Code of Civil Procedure Section 382 are satisfied and, subject to Court approval, the Settlement Classes shall be certified for settlement purposes pursuant to the terms and conditions set forth in this Settlement Agreement. The Settling Parties stipulate and agree to conditional certification of the Settlement Classes for purposes of this Settlement only. Should the Court not grant Final Approval of the Settlement, for whatever reason, this stipulation to class certification shall become null and void.

3.2 Neither this Settlement Agreement nor any statement, transaction, or proceeding in connection with the negotiation, execution, or implementation of this Settlement Agreement shall be construed as, or deemed evidence of, an admission or concession by Defendants that a class should or could have been certified in the Litigation for any purpose other than settlement. If the Court fails to grant Final Approval of the Settlement, the Settling Parties agree and stipulate that Defendants shall and do retain all of the rights, defenses, and arguments they had preceding execution of this Settlement Agreement, and nothing in this Settlement Agreement shall or can be used as evidence or argument by Plaintiffs or putative Settlement Class Members concerning any aspect of the Litigation, including

whether the alleged claims properly can be maintained as a class action.

4. Preliminary Approval

4.1 Plaintiffs shall apply to the Court for entry of a Preliminary Approval Order. The Preliminary Approval Order shall include provisions that:

4.1.1 Preliminarily approve this Settlement as falling within the range of reasonableness meriting possible final approval;

4.1.2 Direct Notice to the Settlement Classes in the manner specified in this Settlement Agreement as set forth in Section 6 below;

4.1.3 Preliminarily determine that Plaintiffs are members of the Settlement Classes and, for purposes of the Settlement Agreement, satisfy the requirements of California Code of Civil Procedure Section 382 to appoint Plaintiffs as the class representatives of the Settlement Classes;

4.1.4 Conditionally certify the Settlement Classes under California Code of Civil Procedure Section 382 for settlement purposes only;

4.1.5 Appoint the Law Offices of Ronald A. Marron, APLC as Class Counsel;

4.1.6 Schedule the Final Approval Hearing;

4.1.7 Set a briefing schedule for a Motion for Final Approval of the Settlement;

4.1.8 Establish a Notice Date and direct the Settlement Administrator to cause Notice to be disseminated in the manner set forth in this Settlement Agreement within thirty (30) days after entry of the Preliminary Approval Order;

4.1.9 Determine that the Notice to be sent to the Settlement Classes: (a) meets the requirements of California Law and the Due Process Clause of the United States Constitution; (b) is the best practicable notice under the circumstances; and (c) is reasonably calculated to apprise Settlement Classes members of the pendency of the Litigation and their right to object and opt out of or participate in the Settlement within the timeframe provided herein;

4.1.10 Require members of the Settlement Classes who wish to opt out of the Settlement to submit written Requests for Exclusion timely on or before the Objection/Exclusion Deadline to the Settlement Administrator, as specified in Section 5 of this Settlement Agreement;

4.1.11 Provide that Settlement Class Members may, but need not, submit objections in

1 writing, and state that the Court will entertain any objections from participating class members
2 at the final approval hearing.

3 4.1.12 Require Settlement Class Members who wish to object in writing to the fairness,
4 reasonableness, or adequacy of the Settlement, Class Counsel's Fees and Costs, or Incentive
5 Awards to file with the Court and deliver to Class Counsel and Defendants' counsel by the
6 Objection/Exclusion Deadline, a statement of his or her Objection, as well as the specific reason
7 for such Objection, including legal support the Settlement Class Member wishes to bring to the
8 Court's attention, and evidence the Settlement Class Member wishes to introduce in support of
9 his or her Objection;

10 4.1.13 Provide that any Settlement Class Member who does not timely submit a written
11 Request for Exclusion or Objection will be bound by all proceedings, orders, and judgments in
12 this Litigation; and

13 4.1.14 Provide the Objection/Exclusion Deadline be a date that is forty-five (45) days
14 prior to the Final Approval Hearing.

15 **5. Requests for Exclusion; Objections; and Requests for Alternative Distribution**

16 5.1 Any Settlement Class Member who does not wish to participate in the Settlement must
17 submit a Request for Exclusion to the Settlement Administrator stating his or her intention to be
18 "excluded" from the Settlement. The Request for Exclusion must contain the Settlement Class Member's
19 name, current address, email address, and telephone number. The Request for Exclusion must be
20 personally signed by the Settlement Class Member and dated, mailed, and postmarked to the Settlement
21 Administrator on or before the Objection/Exclusion Deadline.

22 5.1.1 Multiple, so-called "mass" or "class," opt-outs shall not be allowed.

23 5.1.2 The date of the postmark on the return mailing envelope shall be the exclusive
24 means used to determine whether a Request for Exclusion has been timely submitted.

25 5.1.3 For Settlement Class Members who resided in Multi-Tenant Units, all Settlement
26 Class Members who resided in the Multi-Tenant Unit must complete and sign the Request for
27 Exclusion.

28 5.1.4 Any Settlement Class Member whose Request for Exclusion from the Settlement

1 Class is approved by the Court will not be bound by the Settlement and will have no right to
2 object, appeal, or comment thereon.

3 5.2 Any Settlement Class Member, on his or her own, or through an attorney hired at his or
4 her own expense, may object to the terms of the Settlement, Class Counsel's application for an award of
5 Class Counsel's Fees and Costs, or the Incentive Awards. Objections may, but need not be in writing.
6 Any written objection must include the contents described in Paragraph 5.3 below and must be filed with
7 the Court. The written Objection must also be sent to counsel for the Settling Parties as set forth below
8 via U.S. Mail on or before the Objection/Exclusion Deadline or as the Court may otherwise direct. All
9 written Objections to the Settlement must be sent to each of the following addresses:

10 **LAW OFFICES OF RONALD A. MARRON, APLC**

11 ATTN: Premium Properties Settlement
12 651 Arroyo Drive
San Diego, California 92103

13 **DONAHUE FITZGERALD, LLP**

14 ATTN: Premium Properties Settlement
15 1999 Harrison Street, 26th Floor
Oakland, California 94612-3520

16
17 5.3 To be effective, written Objections must be accompanied by documents or other evidence,
18 as well as any factual or legal argument the objecting Settlement Class Member intends to rely upon in
19 making his or her Objection. All written Objections must include (a) a reference, in its first sentence, to
20 the Litigation, *Walsh v. Premium Property Management & Development, Inc.*, Case No. RG20072409;
21 (b) the objector's full, legal name, residential address, telephone number, and email address (and the
22 objector's lawyer's name, business address, telephone number, and email address if objecting through
23 counsel); (c) a statement describing the objector's membership in the Settlement Classes and identifying
24 the specific Settlement Class(es) of which the objector is a member; (d) a written statement of all grounds
25 for the Objection, accompanied by any legal support for such objection; (e) copies of any papers, briefs,
26 or other documents upon which the Objection is based; (f) a list of all persons who will be called to
27 testify in support of the Objection; (g) a statement of whether the objector intends to appear at the Final
28 Approval Hearing (note: if the objector intends to appear at the Final Approval Hearing through counsel,
the Objection must also state the identity of all attorneys representing the objector who will appear at the

Final Approval Hearing); (h) a list of the exhibits that the objector may offer during the Final Approval Hearing, along with copies of such exhibits; and (i) the objector's signature. In addition, Settlement Class Members, if applicable, must include with their written Objection (a) the identity of all counsel who represent the objector, including former or current counsel who may be entitled to compensation for any reason related to the objection; and (b) a detailed list of any other objections submitted by the Settlement Class Member, or his/her counsel, to any class actions submitted in any court, whether state or federal, in the United States in the previous five (5) years.

5.4 In the alternative, Settlement Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. The Court will entertain any objections from participating class members at the Final Approval Hearing. If an objecting party intends to appear at the Final Approval Hearing, the objector may file with the Court, at least thirty (30) days before the Final Approval Hearing (or such other deadline as may be set by the Court), a notice of intent to appear. The notice of intent to appear should list the name, address and telephone number of the attorney, if any, who will appear on behalf of that party.

5.5 Either Party may request the Court, within its discretion, to exercise its right to deem any Objection frivolous and award appropriate costs and fees to the Party or Parties opposing such Objection(s).

5.6 Any Settlement Class Member who fails to timely submit a Request for Exclusion or Objection as provided in this Settlement Agreement shall be bound by all subsequent proceedings, orders, and Final Judgment in the Litigation, even if he or she has pending, or subsequently initiates, any litigation, arbitration, or other proceeding against Defendants or Released Parties relating to the Plaintiffs' and Settlement Class Members' Released Claims.

5.7 Request for Alternative Distribution. Multi-Tenant Unit Proceeds will be distributed to Settlement Class Members who resided in Multi-Tenant Units on a pro-rata basis. Settlement Class Members who resided in a Multi-Tenant Unit and wish to provide instructions for Multi-Tenant Unit Proceeds to be distributed other than on a pro-rata basis must submit a Request for Alternative Distribution to the Settlement Administrator providing instructions for any alternate division of the Multi-Tenant Unit Proceeds. The Request for Alternative Distribution must be submitted to the

Settlement Administrator no later than 30 days before the Objection/Exclusion Deadline, must provide the Settlement Class Member's current address, email address, and telephone number, and be signed and dated by all tenants who resided in the unit.

6. Notice to Settlement Class Members

6.1 The Notice shall:

6.1.1. Inform the Settlement Classes that if they do not timely exclude themselves from the Settlement Classes or object to the Settlement they may be eligible to receive the relief provided by the proposed Settlement Agreement;

6.1.2. Contain a short, plain statement of the background of the Litigation and the proposed Settlement;

6.1.3 Describe the proposed relief outlined in this Settlement Agreement;

6.1.4 Explain that Multi-Tenant Unit Proceeds will be distributed on a pro-rata basis between all tenants in a Multi-Tenant Unit unless all Settlement Class Members who resided in the unit submit a timely Request for Alternative Distribution to the Settlement Administrator;

6.1.5. Explain the impact the proposed Settlement will have on any existing or future litigation, arbitration, or other proceeding;

6.1.6. State that any relief to Settlement Class Members is contingent upon the Court's granting Final Approval of the Settlement;

6.1.7. Disclose Class Counsel will seek an award of Class Counsel's Fees and Costs from the Settlement Fund;

6.1.8 Identify if the Settlement Class Member resided in a Multi-Tenant Unit and provide the names of other Settlement Class Members who resided in the Multi-Tenant Unit;

6.1.9 For tenants who resided in Multi-Tenant Units, provide an estimated calculation of the Multi-Tenant Unit Proceeds; and

6.1.10 Provide an estimated calculation of the Individual Class Member Proceeds to be distributed to the Settlement Class Member.

6.1.11 State that the pleadings and other records in this litigation may be examined online on the Alameda County Superior Court's website, known as "eCourt Public Portal," at

1 <https://portal.alameda.courts.ca.gov>.

2 6.2 For purposes of effecting the Notice Plan, no later than seven (7) calendar days after the
3 Court grants preliminary approval, Defendants shall provide the Settlement Administrator with the
4 names, last known addresses, and email addresses of all Settlement Class Members; identify whether the
5 Settlement Class Member resided in a Multi-Tenant Unit and provide the names of other Settlement
6 Class Members who resided in the Multi-Tenant Unit; provide an estimated calculation of the Multi-
7 Tenant Unit Proceeds; and provide an estimated calculation of the Individual Class Member Proceeds to
8 be distributed to the Settlement Class Member.

9 6.3 Notice to the Settlement Class Members. Within thirty (30) days after entry of the
10 Preliminary Approval Order, or on the date established by the Court in the Preliminary Approval Order,
11 the Settlement Administrator shall effect notice as set forth below:

12 6.3.1 Direct Notice. On or before the Notice Deadline, the Settlement Administrator
13 will cause the Notice, in the form attached hereto as Exhibit A, to be sent to all Settlement Class
14 Members via electronic mail and/or U.S. Mail. The Notice shall inform Settlement Class
15 Members that they need not do anything to receive an individual class payment and to keep the
16 Settlement Administrator apprised of their current mailing address and email address, to which
17 the individual class payment will be mailed or emailed. The Notice shall also inform Settlement
18 Class Members that Multi-Tenant Unit Settlement Proceeds will be distributed equally between
19 tenants who resided in Multi-Tenant Units, unless a timely Request for Alternative Distribution
20 is submitted to the Settlement Administrator. If the Settlement Administrator does not have a
21 valid electronic mail address or a valid postal address for any Settlement Class Member, then the
22 Settlement Administrator shall use reasonable means to identify a valid postal address for the
23 Settlement Class Members through use of skip tracing or otherwise.

24 6.3.2 Settlement Website. On or before the Notice Deadline, the Settlement
25 Administrator shall establish the Settlement Website, from which Settlement Class Members may
26 download or print the Notice, a complete copy of this Settlement Agreement, the Preliminary
27 Approval Order, and material filings and Orders in the Litigation. The Settlement Website shall
28 include the deadlines for submitting Requests for Exclusion, written Objections, Requests for

Alternative Distributions for Multi-Tenant Units, the date of the Final Approval Hearing, and other information pertaining to the Settlement. The Settlement Administrator shall establish the Settlement Website using the website name PremiumPropertiesSettlement.com, or another Settlement Website name to be mutually agreed upon by the Settling Parties. The Website shall be operative no later than the Notice Date and shall be accessible for a period of not fewer than sixty (60) days following the Effective Date.

6.4 Declaration of Compliance. Within five (5) calendar days after the Notice Date, the Settlement Administrator shall provide Class Counsel with a declaration attesting to completion of the notice process set forth in this Section.

6.5 Disputes. Settlement Class Members who dispute the estimated calculation of their Individual Settlement Proceeds will have the opportunity to dispute the estimated calculation by sending a written Request for Adjustment to the Settlement Administrator at least thirty (30) days before the Objection/Exclusion Deadline. The Request for Adjustment must be signed by the Settlement Class Member and must contain (a) a reference to the Litigation, *Walsh v. Premium Property Management & Development, Inc.*, Case No. RG20072409; (b) the Settlement Class Member's full, legal name, residential address, telephone number, and email address; (c) a statement describing the Settlement Class Member's membership in the Settlement Classes and identifying the specific Settlement Class(es) of which the Settlement Class Member is a member; and (d) a statement of his or her Request for Adjustment, as well as the specific reason for such Request, including any evidence the Settlement Class Member wishes to introduce in support of his or her Request. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any individual class payments under the terms of this Settlement. The Settlement Administrator's determination of the eligibility for and amount of any Individual Settlement Proceeds shall be binding upon the Settlement Class Member and the Parties.

6.6. Distributions for Settlement Class Members in Multi-Tenant Units. Settlement Class Members who resided in Multi-Tenant Units will each receive an equal share of the Multi-Tenant Unit Proceeds calculated for their unit based on Defendants' records. To the extent that tenants in Multi-

Tenant Units request a different distribution of Multi-Tenant Unit Proceeds, Settlement Class Members within that unit must submit a timely Request for Alternative Distribution to the Settlement Administrator at least 30 days before the Objection/Exclusion Deadline.

6.7 Costs of Notice and Administration. The Gross Settlement Fund will be used to pay the cost of class notice and claims administration in the amount of up to \$15,000.00, or a lesser or greater amount as ordered by the Court.

7. Settlement Consideration

7.1 Class Benefits. Class Counsel and Plaintiffs believe the Settlement confers substantial benefits upon the Settlement Classes, as identified below, particularly as weighed against the risks associated with the inherent uncertain nature of a litigated outcome; the complex nature of the Litigation in which Class Counsel have reviewed internal and confidential documents; and the length and expense of continued proceedings through additional fact depositions, expert depositions, third-party document productions and depositions, summary judgment briefing, trial, and appeals. Based on their evaluation of such factors, Class Counsel and Plaintiffs have determined the Settlement, based on the terms set forth herein, is in the best interests of the Settlement Classes.

7.2 Monetary Relief. Within five (5) calendar days of the entry of the Final Approval Order by the Court, Defendants shall pay a non-reversionary amount of \$640,000 (Six Hundred and Forty Thousand Dollars 00/100) in settlement of the Litigation (the “Gross Settlement Fund”) to the Settlement Administrator. From the Gross Settlement Fund, the following will be deducted upon approval by the Court (1) attorneys’ fees of up to \$390,000, or another amount approved by the Court, and costs reasonably incurred by Class Counsel up to \$40,000 as set forth in Section 8.1 below; (2) Incentive Awards in the amount of up to \$7,500 to each Plaintiff as set forth in Section 8.3 below, and (3) costs of class notice in the amount of up to \$15,000 as set forth in Section 6.7 below. The remainder (the “Net Settlement Fund”), estimated to be approximately \$172,912.27, will be paid out to Settlement Class Members as follows:

7.2.1. The Lease Renewal Settlement Class will receive a full refund of amounts paid or withheld from Lease Renewal Settlement Class Members’ security deposit for the purpose of payment of rent due in the Renewal Term. Lease Renewal Settlement Class Members will not be

entitled to refunds of any amounts withheld for rent due prior to commencement of the Renewal Term. Following a diligent inquiry and investigation, the monetary amount to be refunded to the Lease Renewal Settlement Class is estimated to be approximately \$15,472.82.

7.2.1.1 For the purpose of issuing monetary relief (including any pro rata distribution under Paragraph 7.2.4), any Guarantor for Lease Renewal Settlement Class Members will not be counted separately from the tenant(s) on whose behalf the Guarantor acted as a co-signer, and Guarantors shall not be entitled to any payment separate from that issued to their associated tenant(s).

7.2.2. The Lease Fee Settlement Class will receive a full refund of all Lease Fees paid or withheld. Following a diligent inquiry and investigation, the monetary amount to be refunded to the Lease Fee Class is estimated to be approximately \$90,636.41.

7.2.3. The Security Deposit Settlement Class will receive an additional payment equivalent to the amount of the security deposit withheld from members of the Lease Renewal class for rent in the Renewal Term and/or from members of the Lease Fee Class for Lease Fees. Following a diligent inquiry and investigation, the monetary amount to be refunded to the Security Deposit Class is estimated to be approximately \$66,803.04.

7.2.4. Pro Rata Distribution: If the Gross Settlement Fund is not exhausted, then each payment to Settlement Class Members will be proportionately increased pro rata, equally among Settlement Class Members. If the amount of payments to Settlement Class Members exceeds the Net Settlement Amount, then each payment to Settlement Class Members will be proportionately decreased pro rata, equally among Settlement Class Members.

7.2.5. Cy Pres Recipient: If after 365 days from distribution of the Net Settlement Amount, any amounts including unallocated, unclaimed, or undeliverable funds remain in the Settlement Fund, then the remainder shall be awarded *cy pres* to Tenants Together, a non-profit organization whose benefit will be intended to include California tenants (or some other non-profit, public benefit corporation nominated by Class Counsel and approved by the Court). Tenants Together is a non-profit organization dedicated to defending and advancing the rights of California tenants. See <https://www.tenantsotogether.org/>

7.3 The Settlement Administrator shall provide the payments to Settlement Class Members described in Sections 7.2 above within thirty (30) days of the Effective Date via check to the Settlement Class Member's postal address on record with Defendants.

7.4 Defendants agree to provide to Class Counsel (i) the aggregate number of Class Members within each of the Settlement Classes and (ii) the aggregate amount of refunds to be returned to Class Members within each of the Settlement Classes.

8. Award of Fees and Expenses to Class Counsel and Incentive Award to Plaintiffs

8.1 An award of Class Counsel's Fees and Costs shall be made from the Gross Settlement Fund to Class Counsel. Class Counsel may make an application for an award of Class Counsel's Fees in the Litigation of up to \$390,000 and Costs reasonably incurred by Class Counsel of up to \$40,000. Subject to the terms and conditions of this Settlement Agreement and any order of the Court, Class Counsel's Fees and Costs shall be paid within ten (10) days after the Final Approval Order, except that ten percent of Class Counsel's Fee award must be kept in the administrator's trust fund until the completion of the distribution process and court approval of a final accounting.

8.2 Class Counsel may ask the Court for Incentive Awards from the Gross Settlement Fund to Plaintiffs in the amount of \$7,500.00 each. Any Incentive Award approved by the Court shall be paid within ten (10) days after the Final Approval Order.

8.3 To the extent the Court does not approve the full amount of Class Counsel's Fees and Costs or the Incentive Awards, the non-approved amounts will be made available to Class Members as part of the non-reversionary Net Settlement Fund.

8.4 Except as provided in paragraphs 7.2 and 8.1 herein, no Party or Settlement Class Member shall be entitled to seek attorney's fees or costs from the Gross Settlement Fund or from any other Party, and all Parties and Settlement Class Members shall be responsible for payment of their own attorney's fees and costs.

9. Conditions of Settlement, Effect of Disapproval, Cancellation, or Termination

9.1 In the event this Settlement Agreement is not approved by the Court or the Settlement set forth herein is terminated or fails to become effective in accordance with its terms, the Settling Parties shall be restored to their respective pre-settlement positions in the Litigation, and this entire Settlement

Agreement shall become null and void.

9.2 The Parties and their counsel agree to cooperate fully with one another and to use their best efforts to effectuate the Settlement, including, without limitation, in seeking Preliminary Approval and Final Approval of the Settlement, carrying out the terms of this Settlement Agreement, and promptly agreeing upon and executing all such other documentation as may be reasonably required to obtain final approval by the Court of the Settlement. The Parties shall cooperate in good faith and undertake all reasonable actions and steps in order to accomplish the events described in this Settlement Agreement.

10. Releases

10.1 Plaintiffs' and Settlement Class Members' Releases. As of the Effective Date, all Settlement Class Members on behalf of themselves, their heirs, assigns, predecessors, successors, and/or co-signers fully and finally release Defendants and the Released Parties from any and all claims alleged or that could have been alleged in the Litigation. The Settlement Class Released Claims do not include any claims for personal injury and exclude the release of claims that are not permitted by applicable law.

10.2 Defendants' Releases. As of the Effective Date, all Defendants and Released Parties, on behalf of themselves, their heirs, assigns, predecessors, successors, fully and finally release Finn Walsh, Katherine Walsh, Timothy Walsh, Jack Ronan, Hiram Huerta, Alexander Ree, Julie Ree, and Robert Ree, and their heirs, assigns, predecessors, successors, and/or co-signers from any and all claims alleged or that could have been alleged in the Small Claims Lawsuit.

10.3 Notwithstanding the above, the Court shall retain continuing jurisdiction over the Parties and the Settlement Agreement with respect to the future performance of the terms of the Settlement Agreement, and to assure that all payments and other actions required of any of the Parties by the Settlement are properly made or taken. All Parties hereto submit to the jurisdiction of the Court for purposes of implementing and enforcing the terms embodied in this Settlement Agreement.

11. Information Regarding Settlement Proceeds

11.1 Defendant Premium Properties agrees to provide information to the Settlement Administrator for the purpose of providing notice and calculating Individual Settlement Proceeds and Multi-Tenant Unit Proceeds. Premium Properties agrees to cooperate with the Settlement Administrator to provide additional information if available.

1 **12. Miscellaneous Proceedings**

2 12.1 Pending entry of the Preliminary Approval Order and the entry of the Final Judgment, the
3 Settling Parties agree to stay all proceedings in this Litigation, except those incident to the Settlement
4 itself.

5 12.2 The Settling Parties agree to use their best efforts to prevent, stay, or seek dismissal of, or
6 to oppose entry of any interim or final relief in favor of, any claim by any member of the Settlement
7 Classes in any litigation that would be barred by the releases contemplated by this Settlement Agreement,
8 and any other litigation against any of the Parties challenging the Settlement, or that otherwise involves,
9 directly or indirectly, a Released Claim.

10 12.3 The Settling Parties and their undersigned counsel agree to undertake their best efforts
11 and mutually cooperate to promptly effectuate this Settlement Agreement and the terms of the Settlement
12 set forth herein, including taking all steps and efforts contemplated by this Settlement Agreement and
13 any other steps and efforts which may become necessary by order of the Court or otherwise.

14 12.4 The undersigned represent that they are fully authorized to execute and enter into the
15 terms and conditions of this Settlement Agreement.

16 12.5 This Settlement Agreement contains the entire agreement among the Settling Parties and
17 supersedes any prior agreements or understandings between them. All terms of this Settlement
18 Agreement are contractual and not mere recitals and shall be construed as if drafted by all Parties. The
19 presumption found in California Civil Code Section 1654 that uncertainties in a contract are interpreted
20 against the party causing an uncertainty to exist is hereby waived by all Settling Parties.

21 12.6 The terms of this Settlement Agreement are and shall be binding upon each of the Settling
22 Parties, their agents, attorneys, employees, successors and assigns, and upon all other persons claiming
23 any interest in the subject matter through any of the Settling Parties, including any Settlement Class
24 Member.

25 12.7 Whenever this Settlement Agreement requires or contemplates that one Party shall or may
26 give notice to the other, notice shall be provided by email, or next day (excluding Sunday) express
27 delivery service as follows:

28 If to Plaintiff, then to:

Ronald A. Marron
Lilach Halperin
LAW OFFICES OF RONALD A. MARRON, APLC
651 Arroyo Drive
San Diego, California 92103
ron@consumersadvocates.com
lilach@consumersadvocates.com

If to Defendant, then to:
John Kirke
DONAHUE FITZGERALD LLP
1999 Harrison Street, 26th Floor
Oakland, California 94612-3520
jkirke@donahue.com

12.8 The time periods and dates described in this Settlement Agreement with respect to the giving of notices and hearings are subject to approval and change by the Court or by the written agreement of Class Counsel and Defendants' Counsel, without notice to Settlement Class Members. The Settling Parties reserve the right, by agreement and subject to the Court's approval, to grant any reasonable extension of time that might be needed to carry out any of the provisions of this Settlement Agreement.

12.9 All time periods set forth herein shall be computed in calendar days unless otherwise expressly provided. In computing any period of time prescribed or allowed by this Settlement Agreement or by order of the Court, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, Sunday, or legal holiday or, when the act to be done is the filing of a paper in Court, a day in which weather or other conditions have made the Office of the Clerk or the Court inaccessible, in which event the period shall run until the end of the next day.

12.10 The Parties, their successors and assigns, and their attorneys undertake to implement the terms of this Settlement Agreement in good faith and to use good faith in resolving any disputes that may arise in the implementation of the terms of this Settlement Agreement.

12.11 This Settlement Agreement may be amended or modified only by a written instrument signed by Class Counsel and Defendants' Counsel. Amendments and modifications may be made without additional notice to the Settlement Class Members unless such notice is required by the Court.

12.12 Neither this Settlement Agreement nor any act performed or document executed pursuant to or in furtherance of this Settlement Agreement: (a) is or may be deemed to be or may be used as an admission or evidence of the validity of any Released Claim, or of any wrongdoing or liability of Defendants, or of the propriety of Class Counsel maintaining the Litigation as a class action; or (b) is or may be deemed to be or may be used as an admission or evidence of any fault or omission of Defendants in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal, except that Defendants may file this Settlement Agreement or the Final Judgment in any action that may be brought against any Released Party in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release, good faith settlement, judgment bar, or reduction, or any other theory of claim preclusion, issue preclusion, or similar defense or counterclaim.

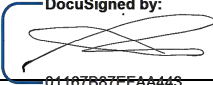
12.13 The Court shall retain jurisdiction with respect to the implementation and enforcement of the terms of this Settlement Agreement, and all Parties hereto submit to the jurisdiction of the Court for purposes of implementing and enforcing the settlement embodied in this Settlement Agreement.

12.14 This Settlement Agreement may be executed in counterparts, each of which shall constitute an original.

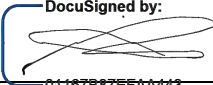
IN WITNESS THEREOF, the Settling Parties hereto have caused this Settlement Agreement to be executed by their duly authorized representatives.

UNDERSTOOD AND AGREED:

Dated: July 25, 2024

DocuSigned by:
By: 
01107B07EFAA443...
Representative of Defendant Premium
Property Management & Development, Inc.

Dated: July 25, 2024

DocuSigned by:
By: 
01107B07EFAA443...
Representative of Defendant Premium
Haste Partners, LLC

Dated: July 25, 2024

DocuSigned by:
By: 
01107B07EFAA443...
Defendant Sam Sorokin

1
2 Dated: July 25, 2024

DocuSigned by:
By: Craig Beckerman
3925F439CF7848C...
Defendant Craig Beckerman

3
4
5 Dated: July 25, 2024

DocuSigned by:
By: Maria DiBlasi
84D8A8FF482E4DC...
Defendant Maria DiBlasi

6
7 Dated: _____

By: _____
Plaintiff Finn Walsh

8
9
10 Dated: _____

By: _____
Plaintiff Timothy Walsh

11
12
13 Dated: _____

By: _____
Plaintiff Katherine Walsh

14
15
16 Dated: _____

By: _____
Plaintiff Jack Ronan

17
18
19 As to form:

LAW OFFICES OF RONALD A. MARRON

20
21
22 Dated: _____

By: _____
Ronald A. Marron
651 Arroyo Drive
San Diego, California 92103
Telephone: (619) 696-9006
Email: ron@consumersadvocates.com
Counsel for Plaintiffs and the Proposed Class

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24
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26
27 //

28 //


1
2 Dated: _____

By: _____
Defendant Craig Beckerman


3
4
5 Dated: _____

By: _____
Defendant Maria DiBlasi


6
7 Dated: 07/22/24
8 _____

By:  _____
Finn Walsh (Jul 22, 2024 17:28 PDT)
Plaintiff Finn Walsh


9
10 Dated: 07/23/24
11 _____

By:  _____
Timothy Walsh (Jul 23, 2024 06:49 PDT)
Plaintiff Timothy Walsh

12
13 Dated: 07/23/24
14 _____

By:  _____
Katherine Walsh (Jul 23, 2024 06:48 PDT)
Plaintiff Katherine Walsh


15
16 Dated: 07/23/24
17 _____

By:  _____
Jack Ronan (Jul 23, 2024 09:12 PDT)
Plaintiff Jack Ronan

18
19 As to form:

20 **LAW OFFICES OF RONALD A. MARRON**

21
22 Dated: 7/23/2024

By:  _____
Ronald A. Marron
651 Arroyo Drive
San Diego, California 92103
Telephone: (619) 696-9006
Email: ron@consumersadvocates.com
Counsel for Plaintiffs and the Proposed Class

23
24
25
26
27 //

28 //

DONAHUE FITZGERALD LLP

Dated: July 25, 2024

By: 

John C. Kirke

1999 Harrison Street, 26th Floor

Oakland, California 94612-3520

Telephone: (510) 451-3300

Email: jkirke@donahue.com

Counsel for Defendants

EXHIBITS

EXHIBIT A: Notice

EXHIBIT A

NOTICE OF PENDENCY OF CLASS ACTION SETTLEMENT AND FINAL HEARING DATE

Walsh, et al. v. Premium Property Management & Development, Inc., Superior Court of California, County of Alameda, Case No. RG20072409

YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT ACT. PLEASE READ THIS NOTICE CAREFULLY.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing and Receive a Payment	<p>To receive a cash payment from the Settlement, you do not have to do anything.</p> <p>After final approval by the Court, the payment will be mailed to you at the same address as this notice. If your address has changed, please notify the Settlement Administrator as explained below. In exchange for the settlement payment, you will release claims against the Defendants as detailed below.</p>
Exclude Yourself	<p>If you wish to exclude yourself from the Settlement, you must send a written request for exclusion to the Settlement Administrator as provided below. If you request exclusion, you will receive no money from the Settlement.</p> <p>Instructions are set forth below.</p>
Object	<p>You may write to the Court about why you believe the settlement should not be approved. If you do not submit a written objection, you may appear at the final approval hearing and speak regarding your objection.</p> <p>Instructions are set forth below.</p>

1. Why did I get this Notice?

A proposed class action settlement (the “Settlement”) of this lawsuit, pending in the Superior Court for the State of California, County of Alameda (the “Court”), has been reached between Plaintiffs Finn Walsh, Jack Ronan, Timothy Walsh, and Katherine Walsh (“Plaintiffs”) and Premium Property Management & Development, Inc. (“Premium”), Haste Partners, LLC (“Haste”), Sam Sorokin, Craig Beckerman, and Maria DiBlasi (collectively, “Defendants”). The Court has granted preliminary approval of the Settlement. **You may be entitled to receive money from this Settlement.**

You have received this Class Notice because you have been identified as a member of one or more of the Settlement Classes, which are defined as:

LEASE RENEWAL CLASS. All persons and their Guarantors who rented residential property in California and who executed and delivered a written notice of lease renewal or lease renewal form to Premium Property Management & Development, Inc. regarding renewing or extending the term of their lease for a residential property in California from September 1, 2016 through November 30, 2023 (the “Class Period”), and whose entire unit vacated the property before the commencement of the renewal period.

LEASE FEE CLASS. All persons who rented residential property in California and were charged for roommate add-on fees, roommate replacement fees, request to be removed fees, or lease transfer fees (collectively “Lease Fees”) by Premium Property Management & Development Inc. during the Class Period.

SECURITY DEPOSIT CLASS. All persons who rented residential property in California and were charged rent or fees as members of the Lease Renewal Class or the Lease Fee Class and who had deductions taken from their security deposits for that rent or fees by Premium Property Management & Development Inc. during the Class Period.

The Settlement Classes specifically exclude (1) any judicial officer presiding over the Litigation, (2) Defendants and Released Parties, and each of their current or former officers, directors, and employees; (2) legal representatives, successors, or assigns of any such excluded person, and (4) any person who properly executes and sends a timely Request for Exclusion..

This Class Notice explains the lawsuit, the Settlement, and your legal rights. It is important that you read this Notice carefully as your rights may be affected by the Settlement.

2. What is this class action lawsuit about?

On August 26, 2020, Plaintiffs filed a Complaint against Defendants in the Superior Court of the State of California, County of Alameda, challenging Defendant’s landlord practices and alleging that Defendants violated multiple laws.

Defendants deny and dispute all claims asserted in the Litigation. Specifically, Defendants contend (and continue to contend) that the Litigation could not properly be maintained as a class action; and that Defendants should not be liable.

The Parties, all represented by counsel, engaged in private settlement discussions which led to a negotiated agreement. The Court granted preliminary approval of the Settlement on [DATE]. At that time, the Court also preliminarily approved the Plaintiffs to serve as the Class Representatives, and the Law Office of Ronald A. Marron to serve as Class Counsel.

3. What are the terms of the Settlement?

Settlement Payment. Defendants have agreed to pay an “all in” amount of six hundred forty thousand dollars (\$640,000) (the “Settlement Fund”) to fund the settlement. The Settlement Fund includes payment to settlement class members, the costs of class notice and claims administration, class counsel’s attorneys’ fees and expenses, and a service award to Plaintiffs.

Amounts to be Paid from the Settlement Payment. The Settlement provides for certain payments to be made from the Settlement Payment, which will be subject to final Court approval, and which will be deducted from the Settlement Payment before settlement payments are made to class members, as follows:

- Attorneys’ Fees and Expenses. Payment to Class Counsel of an award of attorney’s fees of up to \$390,000 and attorneys’ expenses of up to \$40,000, subject to Court approval. Class Counsel has been prosecuting the Litigation on behalf of Plaintiffs and the Class on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

- Service Award. A service award to Plaintiffs of up to \$7,500 each, or as may be approved by the Court, to compensate them for services on behalf of the class in initiating and prosecuting the Litigation, and for the risks they undertook.
- Calculation of Payments to Settlement Class Members. After all the above payments are deducted from the Settlement Payment, the remaining portion, called the “Net Settlement Amount,” shall be distributed to class members who do **not** request exclusion (“Settlement Class Members”). The Lease Renewal Settlement Class will receive a full refund of amounts paid or withheld from Lease Renewal Settlement Class Members’ security deposit for the purpose of payment of rent due after the commencement of the renewal period. The Lease Fee Settlement Class will receive a full refund of all Lease Fees paid or withheld. The Security Deposit Settlement Class will receive an additional payment equivalent to the amount of the security deposit withheld from members of the Lease Renewal class for rent due after commencement of the renewal period and/or from members of the Lease Fee Class for Lease Fees.

If the Settlement is approved by the Court, you will automatically be mailed a check for your Settlement Share to the same address as this Class Notice. You do not have to do anything to receive a payment. If your address has changed, you must contact the settlement administrator to inform them of your correct address to insure you receive your payment.

Tax Matters. Neither Class Counsel nor Defendants’ counsel intends anything contained in this Settlement to constitute advice regarding taxes or taxability. You may wish to consult a tax advisor concerning the tax consequences of the payments received under the settlement.

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order granting final approval of the Settlement and entering judgment.

4. What Do I Release Under the Settlement?

Released Claims. Upon entry of final judgment and funding in full of the Settlement Fund by Defendants, Plaintiffs and the Settlement Class Members shall release any and all claims alleged or that could have been alleged in the Litigation (“Released Claims”).

This means that, if you do not timely and formally exclude yourself from the settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants about the legal issues resolved by this Settlement. It also means that all of the Court’s orders in this Litigation will apply to you and legally bind you.

5. How much will my payment be?

Defendants’ records reflect that your estimated Individual Settlement Proceed is \$ _____.

For Multi-Tenant Units: Defendants’ records reflect that you [and NAMES] resided in a Multi-Tenant Unit and that your Multi-Tenant Unit Proceeds total \$ _____. Based on a pro-rata distribution of the Multi-Tenant Unit Proceeds, your estimated Individual Settlement Proceed is \$ _____.

For Guarantors: Defendants’ records reflect that you were a guarantor of [NAME]. Any estimated Individual Settlement Proceed will be sent to [NAME].

If you wish to dispute the estimated calculation of your Individual Settlement Proceed as set forth above, then you must submit a written, signed Request for Adjustment challenging the information along with supporting documents, to the settlement administrator at the address provided in this Notice no later than [DATE].

For Multi-Tenant Units: If you wish to request that Multi-Tenant Unit Proceeds be distributed other than on a pro-rata basis, then you must submit a written Request for Alternative Distribution providing instructions for any alternate division of the Multi-Tenant Unit Proceeds, signed and dated by all tenants who resided in the unit, to the settlement administrator at the address provided in this Notice no later than [DATE].

6. How can I get a payment?

To get money from the settlement, you do not have to do anything. A check for your settlement payment will be mailed automatically to the same address as this Notice. If your address is incorrect or has changed, you must notify the settlement administrator. The settlement administrator can be reached by email at [EMAIL]; or by U.S. mail at [ADDRESS].

The Court will hold a hearing on [DATE] at [TIME] to decide whether to finally approve the Settlement. If the Court approves the Settlement and there are no objections or appeals, payments will be mailed within a few weeks after this hearing. If there are objections or appeals, resolving them can take time, perhaps more than a year. Please be patient. After entry of the judgment, the Settlement Administrator will send payment to all class members who do not opt-out of the settlement.

7. What if I don't want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or “opt out.” **If you opt out, you will receive NO money from the Settlement, and you will not be bound by its terms.**

To opt out, you must submit to the settlement administrator a written, signed Request for Exclusion, dated, mailed, and postmarked no later than [DATE]. The email address for the settlement administrator is [EMAIL] and the mailing address for the settlement administrator is [ADDRESS]. The request for exclusion must state in substance: “I wish to opt out of the settlement of the class action lawsuit entitled *Walsh v. Premium Property Management & Development, Inc., Case No. RG20072409*.” The request for exclusion must contain your name, current address, email address, and telephone number for verification purposes. The request for exclusion must be signed by you. No other person may opt out for a member of the Class.

For Settlement Class Members who resided in Multi-Tenant Units, all Settlement Class Members who resided in the Multi-Tenant Unit must jointly complete and sign the Request for Exclusion, and all Settlement Class Members who resided in the Multi-Tenant Unit will be excluded from the Settlement.

Written requests for exclusion that are postmarked after, or are incomplete, or unsigned will be rejected, and those Class Members will remain bound by the Settlement and the release described above.

If you exclude yourself from the Settlement, you will receive no money from the Settlement described in this Notice.

8. How do I tell the Court that I would like to challenge the Settlement?

Any Class Member who has not opted out and believes that the Settlement should not be finally approved by the Court for any reason, may object to the proposed Settlement. Objections may, but need not, be made in writing. Written objections must state: (1) the case name, which is *Walsh v. Premium Property Management & Development, Inc., Case No. RG20072409*; (2) the name, address, telephone number, and email address of the settlement class member; (3) a statement describing the objector's membership in the Settlement Classes and identifying the specific Settlement Class(es) of which the objector is a member, (4) the basis for the objection, including any legal support for the objection; and (5) whether the Settlement Class Member intends to appear at the final approval/settlement fairness hearing.

In the alternative, Settlement Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. The Court will entertain any objections from participating class members at the Final Approval Hearing. If an objecting party intends to appear at the Final Approval Hearing, the objector may file with the Court, at least thirty (30) days before the Final Approval Hearing (or such other deadline as may be set by the Court), a notice of intent to appear. The notice of intent to appear should list the name, address and telephone number of the attorney, if any, who will appear on behalf of that party.

To object to the Settlement, you cannot opt out. If the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object. Any Class Member who does not object in the manner provided in this Class Notice shall have waived any objection to the Settlement, whether by appeal or otherwise.

Written objections must be filed with the Court and mailed to counsel for the Parties no later than [DATE].

The addresses for the Parties' counsel are as follows:

LAW OFFICES OF RONALD A. MARRON, APLC

ATTN: Premium Properties Settlement
651 Arroyo Drive
San Diego, California 92103

DONAHUE FITZGERALD, LLP

ATTN: Premium Properties Settlement
1999 Harrison Street, 26th Floor
Oakland, California 94612-3520

9. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing at [TIME] on [DATE] at the Superior Court of California, County of Alameda, in Department 23 of the Rene C. Davidson Courthouse, located at 1225 Fallon Street Oakland, CA 94612 before the Honorable Michael Markman. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval to the Settlement. If there are objections, the Court will consider them. The Court will listen to people who have made a timely written request to speak at the hearing or who appear at the hearing to object. This hearing may be rescheduled by the Court without further notice to you. **You are not required to attend** the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

10. How do I get more information about the Settlement?

The pleadings and other records in this litigation may be examined online on the Alameda County Superior Court's website, known as "eCourt Public Portal," at <https://portal.alameda.courts.ca.gov>.

After arriving at the website, click the "Search" tab at the top of the page, then select the Document Downloads link, enter the case number and click "Submit." Images of every document filed in the case may be viewed at a minimal charge. You may also view images of every document filed in the case free of charge by using one of the computer terminal kiosks available at each court location that has a facility for civil filings.

You may also visit the Settlement Website at [URL], email the settlement administrator at [EMAIL], or write to the settlement administrator at [ADDRESS].

This notice summarizes the proposed settlement. More details are in the Settlement Agreement. You may review a copy of the Settlement Agreement, the final judgment or other settlement documents by visiting the Settlement

Website at [URL].

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

IMPORTANT:

- You must inform the settlement administrator of any change of address to ensure receipt of your settlement payment.
- Settlement checks will be null and void 365 days after issuance if not deposited or cashed. In such event, the settlement administrator shall pay all funds from such uncashed checks to Tenants Together pursuant to the terms of the Settlement. If your check is lost or misplaced, you should contact the settlement administrator immediately to request a replacement.

EXHIBIT 2

Firm Name	Principal or Largest Office	Average fill-time equivalent Attorneys	Firmwide Average Billing Rate	Firmwide Median Billing	Partner Billing Rate: High	Partner Billing Rate: Low	Partner Billing Rate: Average	Partner Billing Rate: Median	Associate Billing Rate: High	Associate Billing Rate: Low	Associate Billing Rate: Average	Associate Billing Rate: Median
Best Best & Krieger	Riverside, CA	195	\$358	\$360	\$575 (\$550)	\$275 (\$310)	\$417	\$420	\$375 (\$395)	\$205 (\$225)	\$265	\$240
Knobbe, Martens, Olson & Bear	Irvine, CA	268	\$439 (\$432)	\$415 (\$415)	\$735 (\$710)	\$415 (\$395)	\$525 (\$511)	\$500 (\$485)	\$495 (\$450)	\$295 (\$285)	\$346 (\$322)	\$345 (\$335)
Manatt, Phelps & Phillips	Los Angeles, CA	322	\$602 (\$568)	\$620 (\$590)	\$850 (\$850)	\$540 (\$525)	\$676 (\$651)	\$670 (\$650)	\$550 (\$525)	\$215 (\$200)	\$464 (\$405)	\$500 (\$410)
Sheppard, Mullin, Ritcher & Hampton	Los Angeles, CA	465			\$860 (\$820)	\$505 (\$495)			\$635 (\$620)	\$275 (\$270)		

* Billing Rates in RED are from the 2010 NLJ Billing Survey

Firm Name	Principal or Largest Office	Average fill-time equivalent Attorneys	Firmwide Average Billing Rate	Firmwide Median Billing	Partner Billing Rate: High	Partner Billing Rate: Low	Partner Billing Rate: Average	Partner Billing Rate: Median	Associate Billing Rate: High	Associate Billing Rate: Low	Associate Billing Rate: Average	Associate Billing Rate: Median
Best Best & Krieger	Riverside, CA	195	\$358	\$360	\$575	\$275	\$417	\$420	\$375	\$205	\$265	\$240
Knobbe, Martens, Olson & Bear	Irvine, CA	268	\$439	\$415	\$735	\$415	\$525	\$500	\$495	\$295	\$346	\$345
Manatt, Phelps & Phillips	Los Angeles, CA	322	\$602	\$620	\$850	\$540	\$676	\$670	\$550	\$215	\$464	\$500
Sheppard, Mullin, Ritcher & Hampton	Los Angeles, CA	465			\$860	\$505			\$635	\$275		

Select 'Print' in your browser menu to print this document.

Print Options: [With Ads](#) | [Without Ads](#)

Font Size:  

The 2011 Law Firm Billing Survey

It appears that modest annual billing rate increases are here to stay. For the third year in a row, law firms showed restraint with hourly rate increases, inching up at a rate only slightly higher than inflation in many cases.

December 19, 2011

It appears that modest annual billing rate increases are here to stay. For the third year in a row, law firms showed restraint with hourly rate increases, inching up at a rate only slightly higher than inflation in many cases. The average firmwide billing rate, which combines partner and associate rates, increased by 4.4 percent during 2011, according to *The National Law Journal's* annual Billing survey. That followed on the heels of a 2.7 percent increase in 2010 and a 2.5 percent increase in 2009 — all of which paled in comparison to the go-go, prerecession days when firms could charge between 6 and 8 percent more each year.

It's a buyer's market



"Before the recession, I think we had a seller's market," said Altman Weil consultant Ward Bower. "There was so much demand that law firms were in the driver's seat and could get what they wanted. Clients are in the driver's seat now, and they aren't going to pay those increases. They're exerting much more control over pricing, strategy and staffing decisions."

BY THE NUMBERS

A nationwide sampling of law firm billing rates

We asked the respondents to our 2011 survey of the nation's 250 largest law firms to provide a range of hourly billing rates.

Firms report using alternatives to the billable hour

Law firms report on the percentages of revenue obtained through variations on the billable hour and true alternatives.

Firms report their billing rates by associate class

A sampling of hourly rates charged by law firms that establish billing rates based on associate class.

FURTHER READING: See [last year's survey](#).

2011

BILLING SURVEY

A SPECIAL REPORT

Firm Name	Principal or Largest Office	Average full-time equivalent Attorneys*	Firmwide Average Billing Rate	Firmwide Median Billing Rate	Partner Billing Rate: High	Partner Billing Rate: Low	Partner Billing Rate: Average	Partner Billing Rate: Median	Associate Billing Rate: High	Associate Billing Rate: Low	Associate Billing Rate: Average
Baker, Donelson, Bearman, Caldwell & Berkowitz	Memphis, Tenn.	527	\$311	\$310	\$595	\$250	\$357	\$345	\$315	\$160	\$228
Best Best & Krieger	Riverside, Calif.	195	\$358	\$360	\$575	\$275	\$417	\$420	\$375	\$205	\$265
Briggs and Morgan	Minneapolis	185			\$625	\$325			\$305	\$230	
Broad and Cassel	Orlando, Fla.	160	\$377	\$350	\$575	\$295	\$435	\$395	\$350	\$180	\$265
Bryan Cave	St. Louis	908	\$475	\$460	\$795	\$375	\$565	\$553	\$540	\$200	\$356
Butzel Long	Detroit	176			\$700	\$325	\$440		\$425	\$225	\$274
Carlton Fields	Tampa, Fla.	270	\$397	\$400	\$815	\$320	\$470	\$470	\$380	\$195	\$262
Cozen O'Connor	Philadelphia	504	\$439	\$410	\$900	\$305	\$510	\$490	\$550	\$225	\$330
Day Pitney	Parsippany, N.J.	324	\$447	\$450	\$960	\$380	\$537	\$525	\$470	\$235	\$317

Firm Name	Principal or Largest Office	Average full- time equivalent Attorneys*	Firmwide Average Billing Rate	Firmwide Median Billing Rate	Partner Billing Rate: Min	Partner Billing Rate: Low	Partner Billing Rate: Average	Partner Billing Rate: Median	Associate Billing Rate: Min	Associate Billing Rate: Low	Associate Billing Rate: Average
Day Pitney	Parsippany, N.J.	324	\$447	\$450	\$960	\$380	\$537	\$525	\$470	\$235	\$317
Dickinson Wright	Detroit	229			\$600	\$325			\$320	\$200	
Dickstein Shapiro	Washington	335	\$560	\$550	\$1000	\$540	\$680	\$670	\$545	\$225	\$435
Dinsmore & Shohl	Cincinnati	407	\$308	\$295	\$630	\$150	\$373	\$370	\$310	\$130	\$217
DLA Piper	New York	3348	\$585	\$615	\$1120	\$530	\$747	\$730	\$730	\$320	\$508
Dorsey & Whitney	Minneapolis	567	\$426	\$405	\$810	\$295	\$528	\$525	\$465	\$190	\$294
Duane Moris	Philadelphia	629	\$503	\$500	\$875	\$375	\$575	\$570	\$530	\$225	\$365
Dykema Gossett	Detroit	333	\$406	\$400	\$665	\$310	\$482	\$485	\$395	\$260	\$309
Epstein Becker & Green	New York	300	\$428	\$425	\$850	\$350	\$519	\$500	\$550	\$195	\$341
Fitzpatrick Cella, Harper & Scinto	New York	168			\$730	\$460		\$525	\$440	\$275	

Firm Name	Principal or Largest Office	Average full- time equivalent Attorneys*	Firmwide Average Billing Rate	Firmwide Median Billing Rate	Partner Billing Rate: High	Partner Billing Rate: Low	Partner Billing Rate: Average	Partner Billing Rate: Median	Associate Billing Rate: High	Associate Billing Rate: Low	Associate Billing Rate: Average
Fitzpatrick, Cella, Harper & Scinto	New York	188			\$730	\$480		\$525	\$440	\$275	
Fox Rothschild	Philadelphia	450	\$413	\$420	\$725	\$325	\$486	\$483	\$455	\$190	\$297
Frost Brown Todd	Cincinnati	401	\$296	\$295	\$515	\$205	\$340	\$340	\$285	\$150	\$200
Gardere Wynne Sewell	Dallas	265	\$435	\$450	\$815	\$380	\$550	\$550	\$600	\$225	\$325
Gibbons	Newark, N.J.	199	\$505	\$450	\$725	\$400	\$563	\$505	\$475	\$285	\$380
Harris Beach	Rochester, N.Y.	176			\$390	\$275			\$260	\$160	
Hiscock & Barclay	Syracuse, N.Y.	174	\$269	\$240	\$750	\$195	\$304	\$265	\$350	\$150	\$207
Hodgson Russ	Buffalo, N.Y.	199			\$685	\$240	\$378	\$360	\$420	\$180	\$234
Holland & Knight	Washington	910	\$445	\$455	\$895	\$300	\$530	\$520	\$495	\$175	\$295
Hughes Hubbard & Reed	New York	300	\$633	\$615	\$990	\$625	\$828	\$800	\$695	\$270	\$533

Firm Name	Principal or Largest Office	Average full- time equivalent Attorneys*	Firmwide Average Billing Rate	Firmwide Median Billing Rate	Partner Billing Rate: High	Partner Billing Rate: Low	Partner Billing Rate: Average	Partner Billing Rate: Median	Associate Billing Rate: High	Associate Billing Rate: Low	Associate Billing Rate: Average
Hughes Hubbard & Reed	New York	300	\$633	\$515	\$990	\$625	\$828	\$800	\$695	\$270	\$533
Husch Blackwell	St. Louis	551	\$341	\$340	\$850	\$225	\$395	\$390	\$425	\$175	\$226
Jackson Kelly	Charleston, W.Va.	170	\$275	\$275	\$505	\$255	\$319	\$325	\$260	\$155	\$208
Kaye Scholer	New York	425	\$651	\$665	\$1080	\$685	\$831	\$835	\$705	\$310	\$519
Kelley Dye & Warren	New York	321	\$474	\$400	\$925	\$480	\$634	\$645	\$595	\$275	\$425
Knobbe, Martens, Olson & Bear	Irvine, Calif.	258	\$439	\$415	\$735	\$415	\$525	\$500	\$495	\$295	\$346
Lane Powell	Seattle	180	\$405	\$425	\$645	\$340	\$460	\$450	\$360	\$225	\$295
Lathrop & Gage	Kansas City, Mo.	281	\$337	\$340	\$735	\$275	\$390	\$390	\$410	\$205	\$246
Lewis, Rice & Fingersh	St. Louis	162	\$275		\$470	\$270			\$320	\$150	
Lowenstein Sandler	Roseland, N.J.	249	\$478	\$480	\$895	\$435	\$613	\$595	\$660	\$250	\$400

* Attorney numbers are from NLJ 250 published in April 2011.

Firm Name	Principal or Largest Office	Average full-time equivalent Attorneys*	Firmwide Average Billing Rate	Firmwide Median Billing Rate	Partner Billing Rate: High	Partner Billing Rate: Low	Partner Billing Rate: Average	Partner Billing Rate: Median	Associate Billing Rate: High	Associate Billing Rate: Low	Associate Billing Rate: Average
Lowenstein Sandler	Roseland, N.J.	249	\$478	\$480	\$895	\$435	\$513	\$595	\$660	\$250	\$400
Manatt, Phelps & Phillips	Los Angeles	322	\$602	\$620	\$850	\$540	\$676	\$670	\$550	\$215	\$464
McElroy, Deutsch, Mulvaney & Carpenter	Morristown, N.J.	272	\$245	\$275	\$575	\$295	\$350	\$375	\$325	\$185	\$250
McKenna Long & Aldridge	Atlanta	425	\$472	\$455	\$800	\$405	\$562	\$540	\$510	\$215	\$374
Michael Best & Friedrich	Milwaukee	208	\$321	\$310	\$650	\$245	\$413		\$310	\$205	\$241
Miller & Martin	Chattanooga, Tenn.	184	\$313	\$325	\$610	\$240	\$369	\$375	\$275	\$185	\$215
Nelson Mullins Riley & Scarborough	Columbia, S.C.	399	\$318	\$310	\$850	\$220	\$412	\$400	\$350	\$170	\$255
Nexsen Pruet	Columbia, S.C.	178			\$550	\$235			\$265	\$170	
Patton Boggs	Washington	512	\$548	\$540	\$990	\$410	\$659	\$645	\$570	\$240	\$410

* Attorney numbers are from NLI 250 published in April 2011.

Firm Name	Principal or Largest Office	Average full- time equivalent Attorneys*	Firmwide Average Billing Rate	Firmwide Median Billing Rate	Partner Billing Rate: High	Partner Billing Rate: Low	Partner Billing Rate: Average	Partner Billing Rate: Median	Associate Billing Rate: High	Associate Billing Rate: Low	Associate Billing Rate: Average
Patton Boggs	Washington	512	\$546	\$540	\$990	\$410	\$659	\$645	\$670	\$240	\$410
Pepper Hamilton	Philadelphia	459			\$825	\$380	\$557		\$460	\$235	\$344
Perkins Cole	Seattle	693	\$462		\$875	\$285	\$550	\$545	\$590	\$215	\$358
Phelps Dunbar	New Orleans	280	\$236	\$225	\$465	\$190	\$281	\$275	\$245	\$150	\$189
Polsinelli Shugart	Kansas City, Mo.	466			\$630	\$275			\$335	\$205	
Saul Ewing	Philadelphia	220	\$431	\$450	\$750	\$350	\$502	\$490	\$495	\$245	\$326
Schulte Roth & Zabel	New York	406	\$615	\$630	\$935	\$770	\$846	\$840	\$675	\$285	\$608
Seyfarth Shaw	Chicago	702	\$437	\$425	\$790	\$355	\$528	\$525	\$505	\$225	\$341
Sheppard, Mullin, Richter & Hampton	Los Angeles	465			\$860	\$505			\$635	\$275	
Shumaker, Loop & Kendrick	Toledo, Ohio	208	\$345	\$365	\$555	\$265	\$364	\$375	\$320	\$195	\$252

* Attorney numbers are from NLJ 250 published in April 2011.

Firm Name	Principal or Largest Office	Average full-time equivalent Attorneys*	Firmwide Average Billing Rate	Firmwide Median Billing Rate	Partner Billing Rate: High	Partner Billing Rate: Low	Partner Billing Rate: Average	Partner Billing Rate: Median	Associate Billing Rate: High	Associate Billing Rate: Low	Associate Billing Rate: Average
Hampton											
Shumaker, Loop & Kendrick	Toledo, Ohio	208	\$345	\$365	\$555	\$265	\$364	\$375	\$320	\$195	\$252
Steel Rives	Portland, Ore.	373	\$385	\$395	\$625	\$320	\$451	\$450	\$500	\$195	\$292
Strasburger & Price	Dallas	181	\$363	\$362	\$630	\$211	\$395	\$397	\$332	\$199	\$250
Thompson & Knight	Dallas	319	\$520	\$520	\$875	\$440	\$594	\$585	\$460	\$250	\$358
Thompson Coburn	St. Louis	325			\$750	\$315			\$445	\$195	
Ulmer & Berne	Cleveland	179	\$316		\$585	\$280	\$405		\$390	\$200	\$260
Vedder Price	Chicago	246	\$445	\$445	\$735	\$295	\$500	\$490	\$520	\$265	\$345
Winstead	Dallas	285	\$406		\$680	\$365	\$477		\$410	\$215	\$301
Winston & Strawn	Chicago	868	\$557	\$550	\$1130	\$580	\$713	\$700	\$600	\$350	\$434
Wyatt, Tarrant & Combs	Louisville, Ky.	181	\$312	\$350	\$500	\$240	\$325	\$375	\$275	\$180	\$220

* Attorney numbers are from NLJ 250 published in April 2011.

EXHIBIT 3

GEORGETOWN LAW
Center for the Study of the Legal Profession

PEER MONITOR[®]



2014 Report on the State of the Legal Market

The Center for the Study of the Legal Profession at the Georgetown University Law Center and Thomson Reuters Peer Monitor are pleased to present this 2014 Report setting out our views of the dominant trends impacting the legal market in 2013 and key issues likely to influence the market in 2014 and beyond.¹

Introduction – Is Bigger Always Better?



There is a famous scene in the 1975 award-winning Steven Spielberg movie *Jaws*, when the Amity Police Chief Martin Brody (played by Roy Scheider) first catches a glimpse of the 25-foot long great white shark that has been terrorizing his community and that he is then chasing in a small fishing boat. Stunned by what he has seen, Brody backs into the cabin of the boat and grimly remarks to Quint, the seasoned shark hunter, "You're gonna need a bigger boat."

In an admittedly different context, one could argue that this same advice has been the most prominent driver of law firm strategies over the past decade or so. In large measure, most law firm leaders – both before and since the Great Recession – have appeared fixated on building "a bigger boat" as the keystone of their vision for moving their firms forward. Driven by a desire to achieve perceived economies of scale, to better serve client needs, to mirror the actions of competitors, or to improve their rankings in industry statistics, law firms have pursued aggressive growth strategies – before 2008, through ever increasing hiring quotas and, since 2008, primarily through lateral hiring and mergers.²

The past year saw an overall continuation of this trend, although some firms have begun to retrench. According to *The National Law Journal*, the 350 largest U.S. law firms grew by only 1.1 percent during 2012, as compared to 1.7 percent growth in 2011. And, interestingly, some 140 firms on the NLJ 350 list (or about 40 percent of the group) actually shrank in size as compared to the prior year.³ At the same time, 2013 was a record year for law firm mergers, and lateral acquisitions continued apace.

By early December, the number of reported mergers involving U.S. law firms (91) had already surpassed the previous record (70) set in 2008, and it was widely expected that the year-end total would be even higher.⁴

¹ The Center for the Study of the Legal Profession and Thomson Reuters Peer Monitor gratefully acknowledge the participation of the following persons in the preparation of this Report: from the Center for the Study of the Legal Profession – James W. Jones, Senior Fellow (lead author) and Milton C. Regan, Jr., Professor of Law and Co-Director; and from Thomson Reuters Peer Monitor – Mark Medice, Senior Director and Jennifer Roberts, Data Analyst.

² The dramatic growth in the size of law firms has been a major feature of the legal market for the past 50 years. In 2012, *The National Law Journal's* NLJ 350 list showed that the 350th largest law firm in the U.S. had 112 lawyers. That compared starkly to 1965, when the largest law firm in the U.S. had only 125 lawyers.

³ "The NLJ 350," *The National Law Journal*, July 6, 2013.

⁴ "Big Firm Tie-Ups Abroad Keep 2013 Merger Mania Alive," *The AmLaw Daily*, Dec. 12, 2013. The article also describes high levels of merger activity in the United Kingdom, Canada, and South Africa.

While year-end figures on lateral moves among U.S. law firms are not yet available, it is expected that they will reflect a continuation of the high level of lateral partner activity that we have seen in the market in recent years.⁵ In addition, in a recent survey of leaders of AmLaw 200 firms, *The American Lawyer* found that a whopping 80 percent of respondents expected to make lateral partner hires in litigation related practice areas during 2014.⁶

Against this background, this report will examine the continuing dominant role that growth appears to play in the strategic thinking of most U.S. law firms. We will ask whether building "a bigger boat" is always the right strategy for firms and will consider some of the challenges that growth — particularly rapid growth — poses for law firm leaders. Finally, we will suggest other areas of focus that we believe may be far more relevant to the success of law firms in the future. The starting place for our inquiry, however, must be a look at the state of today's legal market and the ways in which competition in the market has changed fundamentally since 2008.

Current State of the Legal Market - By the Numbers

By most indicators, 2013 was another flat year for economic growth in U.S. law firms, with continuing sluggish demand growth, persistent challenges of low productivity, ongoing client pushback on rate increases, and a continuing struggle to maintain discipline on expenses. Although the performance of individual firms obviously differed, with some performing well above market averages, on the whole the financial performance of the U.S. legal market remained fairly lackluster during the year.

Demand Growth

Demand for legal services in 2013 declined slightly across the industry, as tracked in the Thomson Reuters Peer Monitor data base.⁷ As shown in Chart 1 below (which tracks performance on a year-to-date basis through November), after a sharp decline in the first quarter,⁸ demand growth recovered somewhat ending at a slightly negative level of -1.1 percent for the 12-month period measured. While a clear improvement over the collapse in demand growth seen in 2009 (when growth hit a negative 5.1 percent level), the current demand growth rate has been essentially flat to somewhat negative for the past three years.

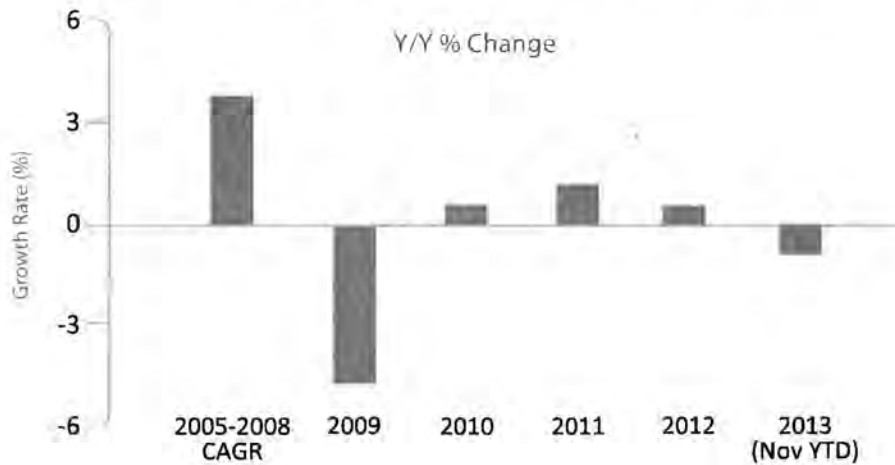
5 In February 2013, in its annual Lateral Report, *The American Lawyer* noted that lateral partner moves among AmLaw 200 firms jumped 9.7 percent over the prior year for the 12-month period ending September 30, 2012, and 33.6 percent over a similar period in 2010. Even taking into account the fact that 280 of the 2,691 lateral partner moves in 2012 were attributable to the failure of a single firm (Dewey & LeBoeuf), the increased level of activity was noteworthy. "The 2013 Lateral Report," *The American Lawyer*, Mar. 1, 2013.

6 Richard Lloyd, "Firm Leaders Survey: Slow Growth on Tap for 2014," *The American Lawyer*, Dec. 2, 2013.

7 Thomson Reuters Peer Monitor data ("Peer Monitor data") are based on reported results from 130 law firms, including 53 AmLaw 100 firms, 38 AmLaw 2nd 100 firms, and 39 additional firms. For present purposes, "demand for legal services" is viewed as equivalent to total billable hours recorded by firms included in a particular data base.

8 It is worth noting that the sharp decline in demand growth during the first quarter of 2013 followed an upswing in demand in the fourth quarter of 2012, an increase at least partly attributable to the desire of many clients to close various corporate transactions in advance of new tax rules that took effect on January 1, 2013.

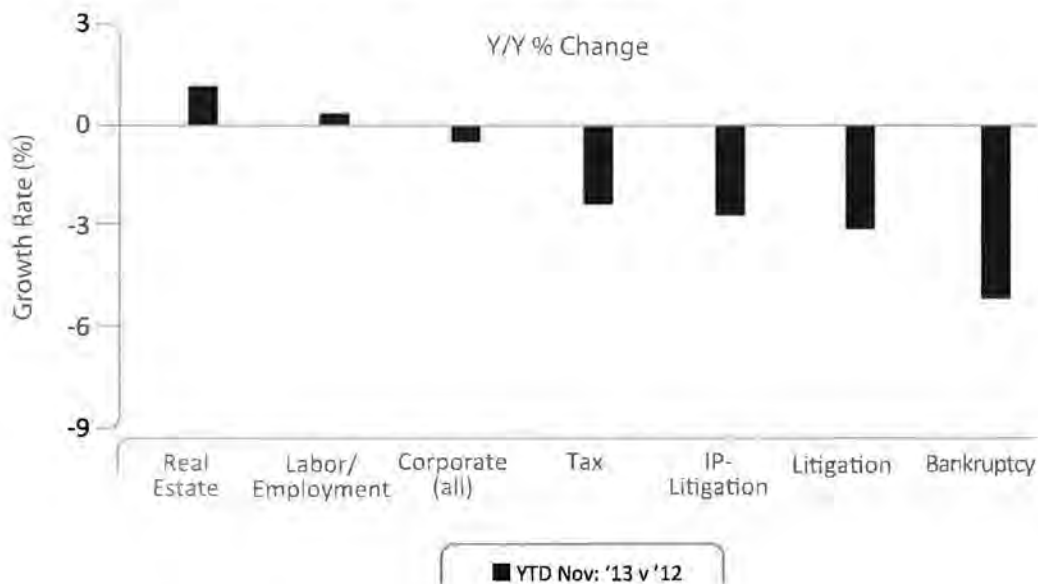
Chart 1 - Growth in Demand for Legal Services



Source: Thomson Reuters Peer Monitor

As shown in Chart 2 below, among various practice areas, when measured on a 2013 year-to-date comparative basis, real estate showed the highest demand growth, albeit at a modest 1.2 percent level, followed by labor and employment at 0.4 percent. Corporate practices were essentially flat, and all other practices saw declines.

Chart 2 - Demand Growth by Practices



Source: Thomson Reuters Peer Monitor

Productivity

During 2013, the number of lawyers in U.S. firms grew by about 1 percent. Given the slight decline in overall demand growth, it is not surprising, therefore, that productivity — defined as the total number of billable hours recorded by a firm divided by the total number of lawyers in the firm — remained essentially flat.

As can be seen in Chart 3 below, this continues a trend that we have seen for the last several years.⁹ What remains significant, however, is that current levels of productivity are still over 100 billable hours per timekeeper per year lower than in the pre-recession period in 2007.

Moreover, 2013 saw a continuation of the familiar pattern of associate billable hours exceeding those of equity partners by some 100-120 hours per year, and equity partner billable hours exceeding those of other categories of lawyers (including non-equity partners, of counsel, senior counsel, special counsel, etc.) by some 300 hours per year. All of this as shown in Chart 3 evidences an ongoing problem of under productivity in the latter categories of lawyers.

Chart 3 - Productivity (Hours per Lawyer) by Category



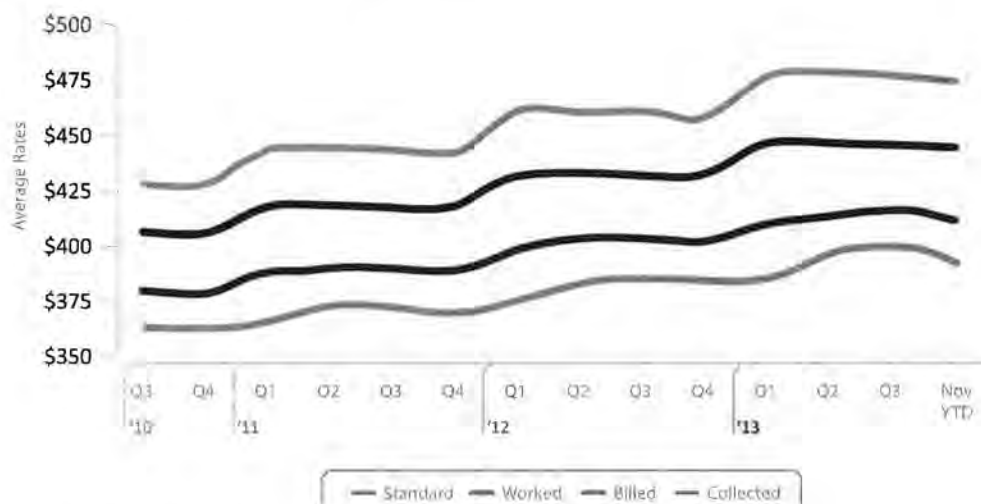
Rates and Realization

As has been the case since the beginning of the Great Recession in 2008, firms continued to raise their rates during 2013, albeit at a fairly modest level of 3.5 percent (well below the 6-8 percent annual increases typical in the pre-2008 period). And, as has also been the case for the past five years, clients continued to push back on rate increases, keeping pressure on the realization rates that firms were able to achieve.

Chart 4 below shows the rate progression as tracked in the Peer Monitor data base from the third quarter of 2010 through November 2013. As can be seen, over this three-year period, firms increased their standard rates by 11 percent from an average of \$429 per hour to \$476 (or an average increase of about 3.7 percent per year). At the same time, however, the collected rates actually achieved by firms increased by only 8.8 percent from an average of \$363 per hour to \$395 (or an average increase of 2.9 percent).

⁹ There was an uptick in productivity during October 2013, but – based on data from prior years – this appears to be a fairly typical seasonal anomaly with October hours generally being counterbalanced by lower billable hours for the remainder of the fourth quarter.

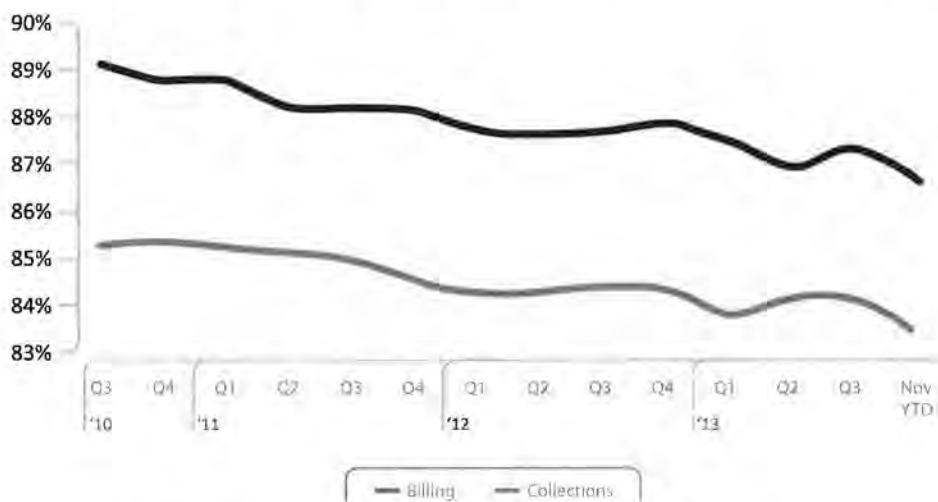
Chart 4 - Rate Progression



Source: Thomson Reuters First Monitors

These results, which reflect continuing client resistance to firm rate hikes, are also reflected in firm realization rates over the same period. As can be seen in Chart 5 below, over the three-year period from the third quarter of 2010 through the third quarter of 2013, realization rates – *i.e.*, the percentages of work performed at a firm's standard rates that are actually billed to and collected from clients – have continued to decline. Billing realization dropped from 89.12 percent to 86.74 percent, while collected realization dropped from 85.32 percent to 83.49 percent (a rate that is slightly lower than the record low rate of 83.6 percent seen in 2012). What this means, of course, is that – on average – law firms are collecting only 83.5 cents for every \$1.00 of standard time they record. To understand the full impact, one need only consider that at the end of 2007, the collected realization rate was at the 92 percent level.

Chart 5 - Billed and Collected Rates against Standard

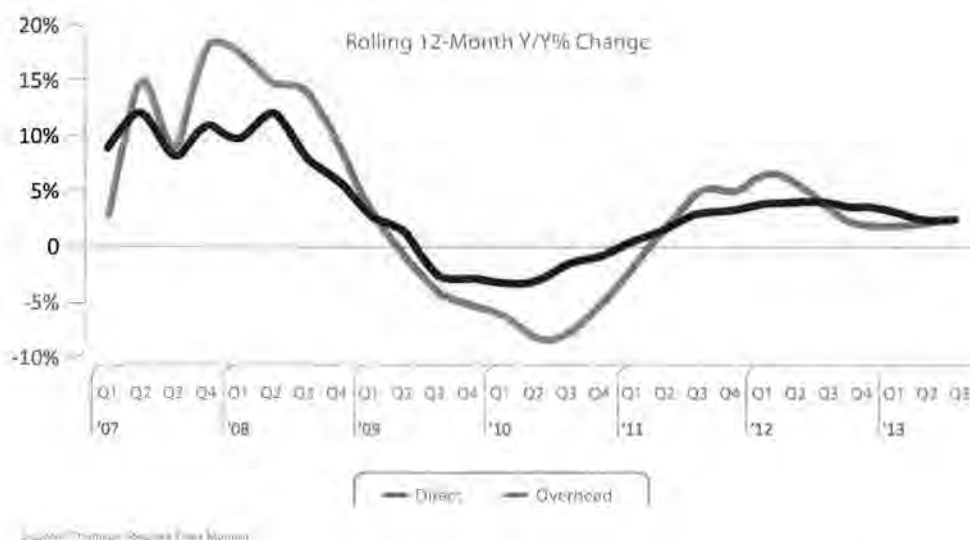


Source: Thomson Reuters PMA Analytics

Expenses

One of the challenges of managing in a slow growth economy is keeping a tight rein on expenses – both direct and indirect.¹⁰ Prior to the onset of the economic downturn in 2008, by any rational measure expenses in law firms were largely out of control. In the fourth quarter of 2007, for example, direct expenses of U.S. law firms (measured on a rolling 12-month year-over-year percentage change basis) were growing at an average annual rate of 18 percent, while indirect expenses were growing at 10.9 percent. With the beginning of the recession in 2008, almost all firms slashed expenses across the board, hitting negative growth rates in the second quarter of 2010 of -8.2 percent for direct expenses and -2.9 percent for indirect. Those reduced levels of spending – induced primarily by panicked reactions to the economic crisis – were not sustainable over the long term, and expenses began to rise again toward the end of 2010. Since that time, as shown in Chart 6 below, although expense growth has increased – in 2013 up to 2.1 percent for both direct and indirect expenses – firms have done a reasonably good job of managing their expenses effectively.

Chart 6 – Expense Growth



Profits per Partner

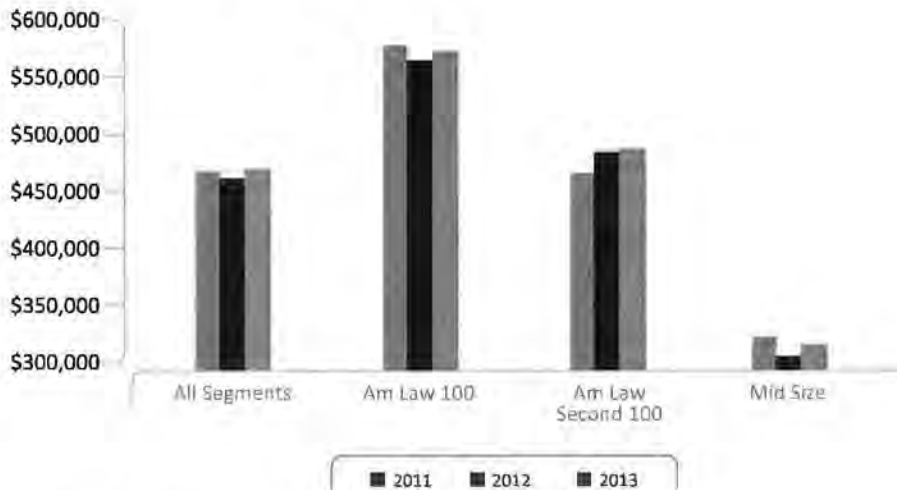
The continuing combination of sluggish demand growth, constrained productivity, and low realization rates have combined to keep profits per partner ("PPP") relatively flat over the past three years. As shown on Chart 7 below, while PPP in 2013¹¹ was up slightly for all categories of firms across the market, the increase over 2012 was quite modest and, at least in the case of AmLaw 100 and mid-sized firms, lower than levels in 2011.¹²

¹⁰ Direct expenses refer to those expenses related to fee earners (primarily the compensation and benefits costs of lawyers and other timekeepers). Indirect expenses refer to all other expenses of the firm (including occupancy costs, technology, administrative staff, etc.).

¹¹ The PPP shown on Chart 7 for 2013 is based on YTD October numbers.

¹² It should be noted that Peer Monitor includes in its "profits per partner" number *all* lawyers listed by firms as "partners" (whether equity or non-equity or income). This approach facilitates easier comparisons between firms than a "profits per equity partner" measure and eliminates questions about how firms define "equity partners."

Chart 7 - Profits per Partner



Source: Thomson Reuters Profitability

Changed Basis of Competition in the Legal Market

The current trends described above reflect fundamental changes in the nature of competition in the legal market, changes that have been increasingly evident since 2008. Although many factors have contributed to these changes, some of them unrelated to the economic downturn,¹³ the onset of the Great Recession accelerated (and, to some extent, exacerbated) the pace of change across the market.

The first and perhaps most obvious change is that the legal market has become much more intensely competitive than it was five years ago. This is hardly surprising since, for the past five years, the supply of legal services has significantly exceeded demand, as reflected in the ongoing struggle of firms to maintain prior levels of productivity. In a market in which supply exceeds demand, the only way in which one supplier can expand its market share is by taking business from others, with a resulting increase in overall competition. And that is precisely what has happened in the legal market since 2008.

A second and perhaps more lasting change is that the market for legal services has shifted from a sellers' to a buyers' market, a shift that has serious long-term implications for the leaders of all law firms. Prior to 2008, the fundamental decisions about how legal services were delivered – the myriad decisions about how matters were organized, scheduled, and staffed; how strategies and tactics were implemented; and how lawyers charged for their services – were all essentially made by law firms and not by their clients. This is not to suggest that clients were not consulted or that, from time to time, clients didn't push back, but by and large all of the key decisions relating to a representation were made by outside lawyers.

¹³ These unrelated changes include factors like the growing availability of public information about the legal market, the inexorable drive toward commoditization of legal services enhanced by the growth of enabling technologies, the emergence of non-traditional service providers, the changing role of in-house corporate counsel, the impact of globalization, and the collapse of an unsustainable law firm business and economic model based largely on the ability to raise rates 6-8 percent a year.

All of that changed beginning in 2008, when clients – driven to a large extent by an economic imperative to bring down the overall costs of legal services – took control of all of these key decisions. That shift, combined with the dynamic of a market in which supply exceeds demand (as described above), placed clients in control of the relationships with their outside law firms in ways never before seen in the legal market. And clients have not been reluctant to exercise their new leverage.

Over the past five years, clients have talked increasingly about enhancing the "value" they receive for the legal services they purchase,¹⁴ and it has become increasingly clear that what they mean by "value" is efficiency, predictability, and cost effectiveness in the delivery of legal services, quality being assumed.¹⁵ This has led many corporate law departments to retain more work in-house thereby reducing their reliance on outside counsel. Indeed, the 2013 Altman Weil Chief Legal Officer Survey¹⁶ found that, among the 207 CLO respondents, 44 percent indicated that they had shifted work to in-house lawyers during the previous 12 months, and 30.5 percent said that they had reduced the total amount of work sent to outside counsel.¹⁷ Moreover, some 29 percent of respondents indicated that they intended to decrease their overall use of outside counsel in the next 12 months, and only 15 percent said they expected to increase such use.¹⁸ Consistent with these responses, 47 percent of CLOs indicated that they had decreased their budgets for outside counsel during 2013 (a figure that compares to 39 percent in 2012 and 25.4 percent in 2011).¹⁹

Interestingly, the same client focus on enhanced value in the delivery of legal services may now be evident in a subtle but potentially important shift in the allocation of business within the legal market. In a recent survey conducted by AdvanceLaw,²⁰ general counsel at 88 major companies were asked about their willingness to move high stakes (though not necessarily "bet the company") work away from "pedigreed firms" (essentially defined as AmLaw 20 or Magic Circle firms) to non-pedigreed firms, assuming a 30 percent difference in overall cost.²¹ Of the respondents, 74 percent indicated they would be inclined to use the less pedigreed firm, with only 13 percent saying they would not.²² In a related question, respondents were asked whether, based on their own experiences, lawyers at the most pedigreed firms were more or less responsive than their counterparts at other firms. Some 57 percent of respondents said that they found lawyers at pedigreed firms less responsive, while only 11 percent said they found them more.²³ Similar results were reflected in the Altman Weil CLO Survey, where 40.5 percent of respondents indicated that they had shifted work to lower priced outside law firms in the preceding 12 months.²⁴

14 This concept was embodied in the "Value Challenge" program launched by the Association of Corporate Counsel in 2008. See www.acc.com/valuechallenge/.

15 Obviously, corporate general counsel are concerned about the quality of legal advice they receive. Increasingly, however, quality is viewed as the "table stakes" necessary to play in the game to begin with and not a factor for deciding which firm should be awarded a particular piece of work. Stated differently, offering high quality legal advice is essential to getting on a general counsel's list to begin with, but once on the list, it is likely that work will be awarded on the basis of which firm the general counsel believes can deliver the services most efficiently, predictably, and cost effectively.

16 Altman Weil, Inc., *2013 Chief Legal Officer Survey: An Altman Weil Flash Survey*, Nov. 2013 ("Altman Weil CLO Survey").

17 *Id.* at p. 10.

18 *Id.* at p. 4.

19 *Id.* at p. 17.

20 AdvanceLaw is an organization that vets law firms for quality, efficiency, and client service and shares performance information with its membership of some 90 general counsel of major global companies, including the likes of Google, Panasonic, Nike, eBay, Oracle, Deutsche Bank, Kellogg, Yahoo, 3M, ConAgra, Nestle, and Unilever. See <http://www.advancelaw.com>.

21 The current cost premium for an AmLaw 20 firm relative to an AmLaw 150 or 200 firm is typically far more than 30 percent. As of November 2013, based on Peer Monitor data, the spread between the average standard and worked rates of AmLaw 100 firms and those of AmLaw 2nd 100 firms averaged 22 percent. And, of course, the average for all AmLaw 100 firms is significantly lower than for AmLaw 20 firms alone.

22 The survey question and results are set out at http://hbrblogs.files.wordpress.com/2013/10/badnews-biglaw_580r2.gif.

23 *Id.*

24 Altman Weil CLO Survey, at p. 10.

What these results suggest is that brand value – in this case the brand value of the largest and historically most prestigious firms in the legal market – may be losing some of its luster as increasingly savvy general counsel select outside law firms based on considerations of price and efficiency and not on reputation alone. Further tantalizing evidence for this conclusion is provided in the 2013 CounselLink Enterprise Legal Management Trends Report released in October.²⁵ That report compared the billings of the "Largest 50" U.S. law firms (*i.e.*, firms with more than 750 lawyers) with those of firms in the 200 to 500 lawyer range, the latter being defined as "Large Enough" firms.²⁶ The report found that three years ago, "Large Enough" firms accounted for 18 percent of all of the billings in the CounselLink data base, while the "Largest 50" firms accounted for 26 percent. In 2013, the share of "Large Enough" firms had risen to 22 percent, while the share of the "Largest 50" firms had declined to 20 percent.²⁷

Looking at high fee work, the CounselLink Trends Report found a similar pattern, at least in respect of high fee litigation matters. Based on the past three years of billing history for litigation matters with total billings of at least \$1 million, the report found that "Large Enough" firms nearly doubled the portion of such work they received, growing their share from 22 percent in 2010 to 41 percent in 2013.²⁸

Challenges of Growth as a Strategy

Against this background, we can return to our initial question – whether the dominant role played by growth in the strategic thinking of most law firms continues to make sense given the significant changes that have occurred in the legal market? The most common justifications given for a focus on growth include (i) the desire to achieve "economies of scale", (ii) the necessity of creating an "ever expanding pie" to provide opportunities for younger lawyers and especially younger partners, (iii) the need to diversify to protect a firm against cyclical downturns in specific practices, and (iv) the requirements for a larger market footprint to better serve the needs of clients. While there is some validity to all of these arguments, they must be balanced against the potential problems created by growth – particularly rapid growth.

As to the desire to achieve economies of scale, it must be noted at the outset that this is a peculiar strategic objective for an industry that continues to be largely reliant on an hourly-billing model. Economies of scale, as an economic concept, are focused on the creation of efficiencies that allow producers to lower costs and thereby create a competitive advantage. In the context of the legal industry, however, adding more lawyers (all of whom bill at ever increasing hourly rates) is the antithesis of what economies of scale are supposed to produce. Even if we assume, however, that economies of scale may be important in the legal industry, there are limits on the benefits that can be derived from growth.

25 CounselLink, "Enterprise Legal Management Trends Report – 2013 Mid-Year Edition: The Rise of 'Large Enough' Law Firms," Oct. 2013 ("CounselLink Trends Report"). This report uses data available through the CounselLink Enterprise Legal Management platform, an e-billing system. Currently, the data base includes 2 million invoices representing more than \$10 billion in legal spend and well over 300,000 matters over the past four years.

26 The report explains that the term "Large Enough" is applied to these firms "because firms of this size generally have full-service capabilities across a broad array of practice areas and have the capacity to appropriately staff and handle complex and also high-volume, repetitive legal matters." CounselLink Trends Report, p.4.

27 *Id.* at p. 5. These figures, and others included in the CounselLink Trends Report, are based on rolling 12-month totals ending on June 30 of each relevant year.

28 *Id.* at p. 6.

Observers of the legal market have commented for some time that the benefits of scale seem to diminish once a law firm exceeds 100 lawyers or so, and that is particularly true if the law firm has multiple offices.²⁹ Moreover, a comparison of the number of lawyers in AmLaw 200 firms and the profits per partner of such firms shows that there is very low correlation between firm size and profitability.³⁰ This conclusion was recently confirmed by an analysis of Peer Monitor data for some 132 firms reporting their financial results for 2012. These results showed a very weak relationship between profits per partner and firm size, as well as overall margin (*i.e.*, profit as a percentage of revenue) and firm size. Indeed, firm size had a negative relationship with reported margin figures. Similarly, a regression analysis using 2013 Peer Monitor data from 130 firms showed a very low correlation between firm size and office count with reported expenses per lawyer or with expenses as a percentage of overall firm revenue.³¹ Additionally, whatever the potential benefits of economies of scale, the size needed for a firm to achieve such benefits has undoubtedly been lowered in recent years as a result of substantial improvements in technology which have allowed smaller firms to "punch above their weight."³²

From a strategic point of view, however, the real problem with growth in this context is not just that economies of scale tend to diminish above a certain size. It is rather that, once a firm achieves a certain size, *diseconomies* of scale can actually set in. Large firms with multiple offices -- particularly ones in multiple countries -- are much more difficult to manage than smaller firms. They require a much higher investment of resources to achieve uniformity in quality and service delivery and to meet the expectations of clients (described above) for efficiency, predictability, and cost effectiveness. They also face unique challenges in maintaining collegial and collaborative cultures, particularly in the face of rapid growth resulting from mergers or large-scale lateral acquisitions. In other words, pursuing growth for the purpose of achieving economies of scale can be a mixed blessing.

A similar analysis can be applied to the use of growth as a primary means of creating opportunities for younger partners. While it is true that larger firms may have broader reputations and better name recognition, factors that could be helpful to younger partners in seeking to develop or expand client relationships, it is also true (as described above) that the importance of "brand" as a factor that is considered by clients in selecting outside counsel has diminished in recent years.

29 In 2003, Ward Bower of Altman Weil noted:

For over 30 years, . . . [survey data] has shown, generally, that there are no economies of scale in private law practice. Larger firms almost always spend more per lawyer on staffing, occupancy, equipment, promotion, malpractice and other non-personnel insurance coverages, office supplies and other expenses than do smaller firms. This is counterintuitive, in the sense that larger firms should be able to spread fixed costs across a larger number of lawyers, reducing per lawyer costs, overall. However, that principle does not take into account the excess plant and equipment capacity necessary to support growth, or the increases in staff and communications costs as firms become larger.

Ward Bower, "Mining the Surveys: Diseconomies of Scale?" Altman Weil, Inc. report, 2003.

30 Ed Wesemann, "What Is the Optimum Size for a Law Firm?"

<http://edweseman.com/articles/profitability/2011/03/15/what-is-the-optimum-size-for-a-law-firm/>. Wesemann notes that profitability does appear to correlate with two other factors, both related to location. First, firms headquartered or having their largest office in New York, Chicago, Washington, Los Angeles, or San Francisco are generally more profitable than similar firms in other cities. And, firms with more than one office are generally less profitable than firms of the same size having only one office, at least until firms exceed 200 lawyers or so in size.

31 Based on analysis by Peer Monitor staff.

32 See Ian Wimbush, "Economies of Scale Needed to Set Up a Firm Have Actually Fallen," *The Law Society Gazette*, Sept. 24, 2013. Wimbush notes that "barriers to entry to the legal market have been lowered in recent years, largely due to advances in technology, for example using Cloud-based IT systems."

It would seem that, to maximize new business opportunities for younger partners and others, it would be wiser for firms to focus their energies less on growth and more on the issues that clients care about – responsiveness, efficiency, cost effectiveness, and the like. We will have more to say about that below.

As to the need for firms to diversify their practices, there is obviously wisdom in the notion of attempting to diversify risk by having enough practices to weather a temporary downturn in one or two. That fact, however, does not mean that firms will be successful in moving into areas that are outside their traditional markets or areas of competence – at least not in the short term. Moreover, given the increased willingness of firms in recent years to weed out "underperforming" partners and practices, the use of risk diversification as a rationale for growth rings somewhat hollow.

Finally, as to the concern about needing a larger market footprint to serve client needs, this can certainly be a legitimate strategic issue for some firms. A firm focused on high-end capital market transactions might well need offices in key capital market centers around the world. An IP firm serving the high tech and biotech industries might see value in offices in Silicon Valley, Route 128, the Dulles corridor, Research Triangle Park, and Austin. A labor and employment law boutique might well justify offices in key major employment centers around the country. Or an energy focused firm might need offices in Houston, Calgary, the Middle East, and Central Asia. But while it may be important for firms in particular markets to have sufficient size to handle large, complex, high-volume matters for clients, even this imperative has its limits. As previously noted, in the CounselLink Trends Report, firms having 200 to 500 lawyers were regarded as "large enough" for these purposes.³³

The real point is that a particular firm's decision to grow should be made in the context of a clear strategic vision of a market segment that the firm can realistically expect to serve. There is nothing wrong with growth *per se*, and indeed organic, demand-led growth resulting from a firm's successful expansion of client relationships can be very healthy. But growth for growth's sake is not a viable strategy in today's legal market. The notion that clients will come if only a firm builds a large enough platform or that, despite obvious trends toward the disaggregation of legal services, clients will somehow be attracted to a "one-stop shopping" solution is not likely a formula for success. Strategy should drive growth and not the other way around. In our view, much of the growth that has characterized the legal market in recent years fails to conform to this simple rule and frankly masks a bigger problem – the continuing failure of most firms to focus on strategic issues that are more important for their long-term success than the number of lawyers or offices they may have.

Changing Strategic Focus

To address the concerns of clients for more efficient, predictable, and cost effective legal services, law firms must focus their attention on re-thinking the basic organizational, pricing, and service delivery models that have dominated the market for the past several decades. While some firms have engaged in such reviews and launched innovative new models to better compete in the current market environment, most have not.

³³ See note 26 *supra*.

In its 2013 Law Firms in Transition Survey report,³⁴ Altman Weil describes the responses of some 238 managing partners and chairs of U.S. law firms with 50 or more lawyers to a number of questions about their firms' willingness to change their basic operational models. Interestingly, the law firm leaders surveyed clearly understand that the legal market has changed in fundamental ways, with substantial majorities agreeing that *permanent* changes in the market include more price competition (95.6 percent), focus on improved practice efficiency (95.6 percent), more commoditized legal work (89.7 percent), more non-hourly billing (79.5 percent), and more competition from non-traditional service providers (78.6 percent).³⁵ And 66.7 percent of respondents indicated that they believe the pace of change in the legal market will increase going forward.³⁶ And yet, only a minority of firms has undertaken any significant changes to their basic business models.

More specifically, 44.6 percent of those surveyed indicated that their firms had taken some steps to improve the efficiency of their legal service delivery,³⁷ mostly in the form of changing project staffing models to include part-time and contract lawyers and outsourcing some (primarily non-lawyer) functions.³⁸ Some 45 percent reported that their firms had made significant changes in their strategic approach to partnership admission and retention, primarily in the form of tightening standards or practices for admission to the equity partner ranks.³⁹ And 29 percent of firm leaders indicated that their firms had changed their strategic approaches to pricing since 2008.⁴⁰

When asked to rank their overall confidence level (on a 0 to 10 scale) in their firms' ability to keep pace with the challenges in the new legal marketplace, the law firm leaders participating in the survey produced a median rating of 7 (in the "moderate" range), with only 12.9 percent indicating a "high" level of confidence.⁴¹ When asked, however, to rate their partners' level of adaptability to change (again on a 0 to 10 scale), the median rating dropped to 5 (in the "low" range), with only 2.2 percent indicating a "high" level of adaptability.⁴²

The law firm leaders participating in the survey were also asked how serious they believe law firms are about changing their legal service delivery model to provide greater value to clients (as opposed to just reducing rates). Again using a 0 to 10 scale, respondents produced a median rating of 5 (in the "low" range).⁴³ That compared to a median rating of 3 given by corporate chief legal officers when asked the same question in October 2012.⁴⁴

The lack of commitment to genuine change reflected in these results seemed confirmed by responses to another question posed to survey participants. Asked to list the greatest challenges their firms face in the next 24 months, the top four answers from respondents (which constituted just over 50 percent of all responses) were all internally focused issues aimed at protecting the *status quo* of the law firm and not at becoming more responsive to clients.⁴⁵

34 Thomas S. Clay, *2013 Law Firms in Transition: An Altman Weil Flash Survey*, Altman Weil, Inc., May 2013 ("Altman Weil Report").

35 *Id.* at p. 1.

36 *Id.* at p. 3.

37 *Id.* at p. 9.

38 *Id.* at p. 26.

39 *Id.* at p. 18.

40 *Id.* at p. 8. In a related response, only 31.5 percent of respondents indicated that their firms are primarily proactive in promoting the use of alternative fee strategies with their clients. *Id.* at p. 54.

41 *Id.* at p. 4.

42 *Id.* at p. 6.

43 *Id.* at p. 12.

44 *Id.* at p. 14.

45 *Id.* at pp. v-vi. The top four priorities listed included increasing revenue (15.2 percent), developing new business (14.6 percent), growth (12.4 percent), and profitability (10.7 percent). *Id.* at 62.

Indeed, adding value for clients was only eighth on the list of twelve items (mentioned by 5.6 percent of survey participants) and improving efficiency in service delivery was eleventh on the list (mentioned by only 2.8 percent of respondents).⁴⁶

Against this background, it is somewhat surprising that a majority of the respondents to the Altman Weil survey nonetheless believe that growth (in terms of lawyer head-count) is required for their firms' continued success. Indeed 55.7 percent of those surveyed responded affirmatively to that question, with only 35.7 percent responding negatively.⁴⁷ This is surely puzzling in the wake of five years of tepid demand growth and stagnant productivity and with little prospects of a quick turnaround in either of those conditions. One possible explanation is that law firm leaders feel constrained to articulate some kind of strategic vision to help their firms weather the current storm, and the message that we need to "build a bigger boat" is more politically palatable than a message that we need to fundamentally change the way we do our work.

Unfortunately, however, for most law firms, only a commitment to re-think and revise their basic models for managing their professional talent (partners, associates, and others); for delivering their legal services; and for pricing their work is likely to produce competitive success in the long run. This is particularly true if one considers the possibility that the legal market may be currently poised for what could be a dramatic reordering based on the same type of disruptive forces that have reordered many other businesses and industries.

In an intriguing recent article in the *Harvard Business Review*, Clay Christensen, Dina Wang, and Derek van Bever argue exactly that.⁴⁸ As they note:

In our research and teaching at Harvard Business School, we emphasize the importance of looking at the world through the lens of theory – that is, of understanding the forces that bring about change and the circumstances in which those forces are operative: what causes what to happen, when and why. . . . Over the past year we have been studying the professional services, especially consulting and law, through the lens of those theories to understand how they are changing and why. . . .

We have come to the conclusion that the same forces that disrupted so many businesses, from steel to publishing, are starting to reshape the world of consulting [and law]. The implications for firms and their clients are significant.

The pattern of industry disruption is familiar: New competitors with new business models arrive;⁴⁹ incumbents choose to ignore the new players or to flee to

46 *Id.* at p. 62.

47 *Id.* at p. 35.

48 Clayton M. Christensen, Dina Wang, and Derek van Bever, "Consulting on the Cusp of Disruption," *Harvard Business Review*, Oct. 2013, p. 107.

49 It is interesting to note that, in 2013, we continued to see the emergence of a wide variety of non-traditional service providers vying for market share in the legal space. This was particularly evident in the United Kingdom where sweeping changes to the regulation of legal practice enacted in 2007 have spawned a variety of "alternative business structure" ("ABS") arrangements that permit outside investments in law firms and the formation of multi-disciplinary partnerships in which firms owned by a variety of professionals and investors may offer a wide range of services, including legal services. In two noteworthy developments, DLA Piper announced its investment (along with other private investors) in Riverview Law, a combined barristers' chambers and solicitors' practice to offer fixed-fee commercial services for small- and medium-sized companies. See www.riverviewlaw.com/. And British Telecom decided to spin out its motor claims division, commercialize it with an ABS license, and offer claims services to other corporations operating large vehicle fleets. See "BT Launches Legal Service for Corporate Customers," *Fleet News*, Apr. 3, 2013, www.fleetnews.co.uk/news/2013/3/4/bt-launches-legal-service-for-corporate-customers/46362/. Meanwhile, in the United States, non-traditional service providers also continued to gain ground in the legal market. See Bill Henderson, "Bringing the Disruption of the Legal Services Market into the Law School Classroom," *The Legal Whiteboard*, Law Professor Blogs, LLC, Nov. 23, 2013, listing 16 non-traditional providers currently working actively in the U.S. market. And, in Singapore, it was recently reported that Ernst & Young plans to expand its professional services to the legal services area in the Asia Pacific region. See Yun Kriegler, "E&Y Hires Former HSF Partner as It Mulls Singapore Legal Services Launch," *The Lawyer*, Dec. 10, 2013.

higher-margin activities; a disrupter whose product was once barely good enough achieves a level of quality acceptable to the broad middle of the market, undermining the position of longtime leaders and often causing a "flip" to a new basis of competition.⁵⁰

Pointing to the changed and enhanced role of corporate general counsel, the widespread availability of comparative information about law firms and their services, the trend toward disaggregation of services by in-house counsel, and the emergence of new service delivery models and businesses, the authors argue that a disruptive transformation in the legal market may well already be underway. Although acknowledging that the relatively small number of genuinely "bet-the-company" matters may be immune from most of these pressures, the article concludes that ongoing disruption is virtually inevitable.

The . . . [professionals] we spoke with who rejected the notion of disruption in their industry cited the difficulty of getting large partnerships to agree on revolutionary strategies. They pointed to the purported impermeability of their brands and reputations. They claimed that too many things could never be commoditized in consulting [or law]. Why try something new, they asked, when what they've been doing has worked so well for so long?

We are familiar with these objections — and not at all swayed by them. If our long study of disruption has led us to any universal conclusion, it is that every industry will eventually face it. The leaders of the legal services industry would once have held that the franchise of the top law firms was virtually unassailable, enshrined in practice and tradition — and, in some countries, in law. And yet disruption of these firms is undeniably under way. . . .

* * *

[A]lthough we cannot forecast the exact progress of disruption . . . , we can say with utter confidence that whatever its pace, some incumbents will be caught by surprise. The temptation for market leaders to view the advent of new competitors with a mixture of disdain, denial, and rationalization is nearly irresistible. U.S. Steel posted record profit margins in the years prior to its unseating by the min-mills; in many ways it was blind to its disruption. As we and others have observed, there may be nothing as vulnerable as entrenched success.⁵¹

Conclusion

So, to end where we began — is growth important as a dominant law firm strategy? For some firms, the answer is no doubt yes, but for most firms the answer must surely be no. Far more important is to focus on those factors that can help reshape the firm to be more responsive to the needs of clients, to deliver services in a more efficient and predictable manner, and to develop pricing models that reflect more accurately the value of the services being delivered. For most firms, in other words, the goal should be not to "build a *bigger* boat" but rather to build a *better* one.

⁵⁰ Christensen, Wang, and van Bever, note 49 *supra*, at 107-08.

⁵¹ *Id.* at p. 114.

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**SUPERIOR COURT FOR THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA**

FINN WALSH, JACK RONAN, KATHERINE
WALSH, and TIMOTHY WALSH, on behalf of
themselves and all others similarly situated,

Plaintiffs,

v.

PREMIUM PROPERTY MANAGEMENT &
DEVELOPMENT, INC. DBA PREMIUM
PROPERTIES, a California Corporation;
HASTE PARTNERS, LLC, a California
Limited Liability Company; SAM SOROKIN,
an individual; CRAIG BECKERMAN, an
individual; MARIA DIBLASI, an individuals;
and DOES 1-1000,

Defendants.

Case No. RG20072409 [lead case]

Case No: 21SC004296 [consolidated case]

**MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
PLAINTIFFS' MOTION FOR FINAL
APPROVAL OF CLASS ACTION
SETTLEMENT, ATTORNEYS' FEES,
COSTS, AND INCENTIVE AWARDS**

Reservation No. A-20072409-001

Date: January 21, 2025

Time: 10:00 a.m.

Dept.: 23

Judge: Hon. Michael Markman

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I. INTRODUCTION

On August 20, 2024, this court granted preliminary approval of a proposed class action settlement (the “Settlement”) between Plaintiffs Finn Walsh, Jack Ronan, Katherine Walsh, and Timothy Walsh ("Plaintiffs") and Defendant's Premium Property Management & Development, Inc. (“Premium”), Haste Partners, LLC (“Haste”), Sam Sorokin, Craig Beckerman, and Maria DiBlasi (collectively, “Defendants”). Class Notice has been executed according to terms approved by this Court, there have been zero (0) objections received, there have been zero (0) requests to be excluded, and there have been zero (0) requests for adjustment or alternative distribution. Accordingly, Plaintiffs now respectfully request that this Court grant final approval of the Settlement, enter the [Proposed] Final Approval Order and Judgment submitted herewith. Additionally, Plaintiffs respectfully move this Court for entry of an Order granting Class Counsel’s Fees and Costs¹ in a total amount of \$420,461.77, Incentive Awards totaling \$30,000.00 (\$7,500 for each class representative), and awarding fees and costs to the Settlement Administrator totaling \$13,000.00.

The Settlement merits final approval. Under its terms, Defendants have agreed to provide monetary relief to settlement class members. The Parties believe that the settlement reached is fair, adequate, and reasonable. The settlement does not require the Settlement Classes to make claims. Rather, payments will be sent directly to all Settlement Class Members who do not opt out of the Settlement as set forth in Section 7.2.1 through Section 7.2.3 of the Settlement Agreement. Moreover, a Pro Rata Distribution will serve to proportionately increase the amount of settlement by which the Gross Settlement Fund is not exhausted in equal fashion among Settlement Class Members. If the amount of payments to Settlement Class Members exceeds the Net Settlement Amount, then each payment to Settlement Class Members will be proportionately decreased pro rata, equally among Settlement Class Members. Further, if after 365 days from distribution of the Net Settlement Amount, any amounts including unallocated, unclaimed, or undeliverable funds remain in the Settlement Fund, then the remainder shall be awarded *cy pres* to Tenants Together, a non-profit organization whose

¹ All capitalized terms not otherwise defined herein shall have the same definitions as set out in the Settlement Agreement. See **Exhibit 1** attached to Declaration of Ronald A. Marron in Support of Final Approval of Class Action Settlement, Attorneys’ Fees, Costs, and Incentive Awards (“Marron Decl.”).

benefit will be intended to include California tenants.

This is an excellent recovery for the Settlement Class. The Settlement emerged only after extensive arm's-length negotiations, including mediation sessions with the Honorable Margaret Kemp of ADR Services, Inc. The Settlement provides certainty, finality, and the potential for valuable *cy pres* relief. In its August 20, 2024 Preliminary Approval Order, this Court found that the Settlement fell within the range of possible approval, and preliminarily found that the Settlement merits final approval, so as to warrant submission to members of the Settlement Class for their consideration. In conformity with the Preliminary Approval Order, Classaura Class Action Administration, LLC ("Classaura") has fully disseminated Notice to the Settlement Classes. *See* Declaration of Gajan Retnasaba submitted concurrently herewith ("Retnasaba Decl."), ¶¶ 3-6. As of the date of this filing, no class members have objected to or opted out of the settlement. *See* Retnasaba Decl., ¶ 6; Marron Decl., ¶ 4. Accordingly, the Court should grant final approval of the Settlement.

As to the award of Class Counsel's Fees and Costs, the fee request is fair, reasonable, and supported by California law. Class Counsel have expended 857.5 hours prosecuting this action and obtaining the relief provided for by the Settlement. *See* Marron Decl., ¶ 70. With a lodestar of \$477,025.00 (Marron Decl., ¶ 70), the requested fee request of \$390,000.00 results in a negative multiplier of .818. Marron Decl., ¶ 71. Said differently, Class Counsel are seeking \$87,025 less than their actual lodestar. In addition to attorneys' fees, Class Counsel is requesting that the Court award their costs reasonably incurred in this action in the amount of \$30,461.77 (Marron Decl., ¶ 72) plus Notice Administration costs of \$13,000.00. Retnasaba Decl., ¶ 8. Thus, Class Counsel is seeking \$420,461.77 in Fees and Costs, plus \$13,000 in Settlement Administrations costs. Furthermore, Plaintiffs seek incentive awards in the amount of \$7,500.00 each (totaling \$30,000.00) for their efforts in representing the Settlement Class in this action. Marron Decl., ¶¶ 67-68.

In light of the excellent results achieved in this litigation, and that fact no Settlement Class Members has objected to or opted out of the Settlement,² Plaintiffs respectfully request the Motion

² Notice to Settlement Class Members advised that Class Counsel would seek up to \$390,000.00 in Fees, up to \$40,000 in Costs, up to \$7,500 for each Class Representative as their Incentive Awards

for Final Approval and for Attorneys' Fees, Costs, and Incentive Awards be granted in full.

II. FACTUAL BACKGROUND

On August 26, 2020, Plaintiffs filed a Class Action Complaint in the Superior Court of California for the County of Alameda (the "Court"). Plaintiffs' complaint alleged claims against Defendants for unlawful landlord practices and brought causes of action for breach of contract, bad faith retention of security deposit in violation of Cal. Civ. Code § 1950.5, conversion, breach of the implied warranty of good faith and fair dealing, violations of California's Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200, *et seq.* (the "UCL"), declaratory relief, violations of Berkeley Municipal Code § 13.76.070, violations of Berkeley Municipal Code § 13.78.016, violations of Berkeley Municipal Code § 13.78.017, money had and received, and negligence. After a series of demurrers, Plaintiffs filed a Fifth Amended Class Action Complaint on March 25, 2022 ("5AC").

The Parties conducted extensive discovery in this case. Both Parties served and responded to multiple sets of written discovery, including Form Interrogatories, Special Interrogatories, Requests for Production of Documents, and Requests for Admission between 2020 and 2023, and attended numerous informal discovery conferences regarding the same. Marron Decl., ¶ 6. Plaintiffs took the depositions of Defendant Premium Property Management & Development, Inc.'s persons most knowledgeable on July 8, 2021. *Id.*, ¶ 7. Defendants took the depositions of Plaintiffs Katherine Walsh, Timothy Walsh, and Finn Walsh on October 5 and 6, 2022, and took the deposition of Plaintiff Ronan on October 13, 2022. Defendants also took the depositions of Alex Ree and Hiram Huerta on January 18, 2023 and January 20, 2023, respectively. *Id.*

On December 17, 2021, Defendant Haste Partners, LLC filed a Small Claims complaint naming Finn Walsh, Timothy Walsh, Katherine Walsh, Alexander Ree, Hiram Huerta, Julie Ree, and Robert Ree as Defendants seeking \$44,868.68 in damages. Marron Decl., ¶ 9. The small claims lawsuit was consolidated with this action on April 18, 2022. *Id.* As a result of this lawsuit, in or around December 15, 2021, Defendant Premium provided refunds to tenants who did not receive the correct amount of interest upon moving out of properties managed by Defendant Premium. *Id.*, ¶ 8. In or around July 15, 2021, Defendant Premium ceased charging and collecting roommate modification

(totaling \$30,000.00) and up to \$15,000.00 to cover the costs of Notice. *See* Exhibit 1, Section 7.2.

1 fees. *Id.*

2 The Parties participated in two mediation sessions on November 29, 2022 and June 8, 2023
3 before the Honorable Margaret Kemp of ADR Services, Inc. *Id.*, ¶ 10. Neither mediation session was
4 successful. *Id.*

5 The Parties filed briefing regarding class certification between 2022 and 2023. *Id.*, ¶ 11. On
6 November 22, 2023, the Court published a tentative ruling regarding class certification in which the
7 Court contemplated certifying classes with revised class definitions and requested supplemental
8 briefing. *Id.* While drafting class certification supplemental briefing, the Settling Parties began
9 engaging in settlement negotiations that resulted in a settlement in principle that forms the basis of
10 this Settlement Agreement. *Id.* After several rounds of revisions and further negotiations, the Parties
11 reached a settlement and entered into the Settlement Agreement that Plaintiffs now present to this
12 Court. Marron Decl., ¶ 2 & Ex. 1 (hereinafter “Settlement Agreement”).

13 Following the Order on Preliminary Approval, the Notice program was fully executed in
14 accordance with its design and under the terms approved by the Court. *See* Retnasaba Decl., ¶¶ 3-8.
15 In consultation and collaboration with the Parties, Classsura Class Action Administration established
16 a settlement website and provided the Court-ordered email and mail direct notice to Settlement Class
17 Members. *Id.*, ¶¶ 3-5. The notice procedures are consistent with the class-action notice plan that was
18 approved by this Court and constitute the best notice practicable under the circumstances. Retnasaba
19 Decl., ¶¶ 3-6.

20 The deadline for Settlement Class Members to submit a request to be excluded from the
21 Settlement Class was December 7, 2024. To date, there have been zero (0) requests for exclusion
22 (Retnasaba Decl., ¶ 6). The deadline to request an adjustment or an alternative distribution was
23 November 7, 2024. To date, there have been zero (0) requests for adjustment or alternative
24 distribution. Retnasaba Decl., ¶ 7. The deadline to file an objection or appear at the Final Approval
25 Hearing to object is January 21, 2025. While that deadline has yet to pass, to date, zero (0) objections
26 have been received. Marron Decl., ¶ 4.

III. LEGAL STANDARD

The final settlement or compromise of an entire class action requires the approval of the court after a hearing. Cal. R. Ct. 3.769(a). The approval of a proposed settlement of a class action suit is a matter within the broad discretion of the trial court. *Wershba v. Apple Computer, Inc.* (2001) 91 Cal. App. 4th 224, 234-35, disapproved of on other grounds by *Hernandez v. Restoration Hardware, Inc.* (2018) 4 Cal. 5th 260. In considering a potential settlement for preliminary approval purposes, the court does not have to reach any ultimate conclusions on the issues of fact and law on the merits of the dispute, and need not engage in a trial on the merits. *See Wershba*, 91 Cal. App. 4th at 239-240; *Dunk v. Ford Motor Co.* (1996). 48 Cal. App. 4th 1794, 1801.

Before final approval, the Court must conduct an inquiry into the fairness of the proposed settlement. Cal. R. Ct. 3.769(g). The approval of a proposed settlement of a class action suit is a matter within the broad discretion of the trial court. *Wershba*, 91 Cal. App. 4th at 234-35; *Dunk*, 48 Cal. App. 4th at 1801. The law favors settlement, particularly in class actions where substantial resources can be conserved by avoiding the time, cost and rigors of formal litigation. *See* 4 Newberg on Class Actions (4th ed. 2009) § 11.41. As a practical matter, the overwhelming majority of proposed settlements are approved when the court is satisfied that arm's length bargaining took place during settlement negotiations and experienced class counsel recommends approval of the settlement. 4 Newberg on Class Actions § 11:42 (4th ed. 2009), p. 118-119. Plaintiff's Motion for Preliminary Approval explained how this case met all the requirements for Class Certification. This motion, therefore, focuses on final approval.

IV. SUMMARY OF THE CLASS ACTION SETTLEMENT

A. The Settlement Classes

The Settlement Classes consist of the following:

LEASE RENEWAL CLASS. All persons and their Guarantors who rented residential property in California and who executed and delivered a written notice of lease renewal or lease renewal form to Premium Property Management & Development, Inc. regarding renewing or extending the term of their lease for a residential property in California from September 1, 2016 through November 30, 2023 (the "Class Period"), and whose entire unit vacated the property before the commencement of the renewal period.

1 LEASE FEE CLASS. All persons who rented residential property in California and were
2 charged for roommate add-on fees, roommate replacement fees, request to be removed fees,
3 or lease transfer fees by Premium Property Management & Development Inc. during the Class
Period.

4 SECURITY DEPOSIT CLASS. All persons who rented residential property in California and
5 were charged rent or fees as members of the Lease Renewal Class or the Lease Fee Class and
6 who had deductions taken from their security deposits for that rent or fees by Premium
Property Management & Development Inc. during the Class Period.

7 Settlement § 2.33.

8 **B. The Gross Settlement Fund**

9 Defendants have agreed to establish a non-reversionary gross settlement fund of six hundred
10 and forty thousand dollars (\$640,000.00) in settlement of the Litigation (the "Gross Settlement
11 fund"). Upon approval by the Court, Notice costs of up to \$15,000 (actual \$13,000, attorneys' fees
12 of up to \$390,000, costs of up to \$40,000 (actual \$30,461.77), and class representative Incentive
13 Awards of up to \$7,500.00 to each Plaintiff (totaling \$30,000) will be deducted from the Gross
14 Settlement Fund. Settlement, § 7.2.

15 **C. Distribution of the Net Settlement Fund**

16 The Settling Parties estimate that the Net Settlement Amount will total approximately
17 \$176,538.23,³ if the Court approves Class Counsel's Fees and Costs, Incentive Awards, and Notice
18 costs in full, and the Net Settlement Amount will be used to make Settlement Payments to
19 Settlement Class Members. *Id.* Payment to the Settlement Class Members will be as follows:

- 20 (1) The Lease Renewal Settlement Class will receive a full refund of amounts paid or
21 withheld from Lease Renewal Settlement Class Members' security deposits for the
22 purpose of payment of rent due in the Renewal Term.
23 (2) The Lease Fee Settlement Class will receive a full refund of all Lease Fees paid or
24 withheld.
25 (3) The Security Deposit Settlement Class will receive an additional payment equivalent to
26 the amount of the security deposit withheld from members of the Lease Renewal class
for rent in the Renewal Term and/or from members of the Lease Fee Class for Lease
Fees.

27 ³ At preliminary approval, the Settlement Parties estimated this amount to be less at \$172,912.27;
28 however, as less in Class Counsel's costs and Notice costs are being sought, the Net Settlement Fund
is slightly higher.

1 Settlement § 7.2. If the Gross Settlement Fund is not exhausted, then each payment to Settlement
2 Class Members will be proportionately increased pro rata, equally among Settlement Class
3 Members. If the amount of payments to Settlement Class Members exceeds the Net Settlement
4 Amount, then each payment to Settlement Class Members will be proportionately decreased pro
5 rata, equally among Settlement Class Members. *Id.*, ¶ 7.2.4. If after 365 days from distribution of the
6 Net Settlement Amount, any amounts including unallocated, unclaimed, or undeliverable funds
7 remain in the Settlement Fund, then the remainder shall be awarded *cy pres* to Tenants Together, a
8 non-profit organization whose benefit will be intended to include California tenants (or some other
9 non-profit, public benefit corporation nominated by Class Counsel and approved by the Court). *Id.*,
10 § 7.2.5.

11 **D. Class Counsel Fees and Costs and Class Representatives Incentive Awards**

12 Awards for Class Counsel Fees and Costs and class representative Incentive Awards will be
13 at the sole discretion of the Court. The Parties agree that Class Counsel may make a request for fees
14 not to exceed \$390,000 and costs of up to \$40,000. Settlement, § 7.2. The Parties also agreed that
15 Plaintiffs may seek Incentive Awards of up to \$7,500.00 each. *Id.* Any remaining amount will be
16 credited to the Net Settlement Fund. *Id.*, ¶ 8.3. Plaintiffs have fully addressed the reasonableness of
17 the requested Fees and Costs and Incentive Awards below.

18 **E. The Releases**

19 As of the Effective Date, Plaintiffs and Settlement Class Members agree to release
20 Defendants and Released Parties “from any and all claims alleged or that could have been alleged in
21 the Litigation.” Settlement, § 10.1. The Settlement Class Released Claims do not include any claims
22 for personal injury and exclude the release of claims that are not permitted by applicable law. *Id.*
23 Defendants and Released Parties also agree to release Finn Walsh, Katherine Walsh, Timothy
24 Walsh, Jack Ronan, Hiram Huerta, Alexander Ree, Julie Ree, and Robert Ree from any and all
25 claims alleged or that could have been alleged in the Small Claims Lawsuit. Settlement § 10.2.

26 **F. Notice Has Been Fully Disseminated**

27 In accordance with the Settlement Agreement and the Court’s Order Granting Preliminary
28 Approval, Classaura has fully disseminated Notice to Settlement Class Members. Retnasaba Decl.,

¶¶ 3-6. The settlement website (www.premiumpropertiesettlement.com) was established in accordance with the Preliminary Approval Order and Class Litigation Settlement Agreement. Retnasaba Decl., ¶ 5. The website includes a summary of the case, a list of important dates, answers to frequently asked questions, key case filings (complaint, amended complaint, settlement agreement, and order granting preliminary approval), and contact information. The Settlement Website also displayed the class exclusion deadline and details on how to be excluded from the settlement. *Id.*

Classaura also mailed notice both directly and via email. *Id.*, ¶¶ 3-4. Settlement Administrator Classaura received a list of class members from defense counsel on July 9, 2024, Classaura emailed all 520 class members for whom an email address was provided sending them a class notice, personalized with the estimated payment amount they would receive if the class was approved and the address. *Id.*, ¶ 3. Emails were sent between 09/08/2024 and 09/09/2024. *Id.* Classaura received 76 email responses to date and have responded to each appropriately. *Id.* These email responses were primarily requests for a change to their postal address. *Id.* Classaura mailed 73 class members for whom either an email address was not available, or for whom the email address provided was invalid. *Id.*, ¶ 4. These class members were mailed a class notice, personalized with the estimated payment amount they would receive if the class was approved. *Id.* Notices were mailed via USPS between 09/09/2024 and 09/18/2024. *Id.*

G. Requests for Adjustment and Requests for Alternative Distribution

Settlement Class Members who wished to dispute the estimated calculation of their Individual Settlement Proceeds had the opportunity to dispute the estimated calculation by sending a written Request for Adjustment to the Settlement Administrator at least thirty (30) days before the Objection/Exclusion Deadline. Settlement § 6.5.

Settlement Class Members who resided in multi-tenant units will receive a pro-rata distribution of Multi-Tenant Unit Proceeds. Settlement § 5.7. Settlement Class Members who wished to request that Multi-Tenant Unit Proceeds be distributed other than on a pro-rata basis must have submitted a Request for Alternative Distribution to the Settlement Administrator providing instructions for any alternate division of the Multi-Tenant Unit Proceeds. *Id.*

1 To date, zero (0) requests for either adjustment of Individual Settlement Proceeds or
2 Alternative Distribution have been received. Retnasaba Decl., ¶ 7.

3 **H. Opt Outs and Objections**

4 Any Settlement Class Member who did not wish to be a part of this Settlement Agreement
5 was permitted to be excluded by submitting a Request for Exclusion to the Settlement Administrator
6 by December 7, 2024 (Retnasaba Decl., ¶6.), in accordance with the requirements of the Settlement
7 Agreement which set the Exclusion Deadline at forty-five (45) days prior to the Final Approval
8 Hearing. Settlement § 4.1.13. The deadline to request exclusion has passed. To date, the Settlement
9 Administrator has received zero (0) requests for exclusion. Retnasaba Decl., ¶ 6.

10 Any Settlement Class Member on his or her own, or through an attorney hired at his or her
11 own expense, has the opportunity to object to the terms of the Settlement, Class Counsel's
12 application for an award of Class Counsel's Fees and Costs, or the Incentive Awards. Settlement ¶
13 5.2. Class members who fail to make objections in writing to the Settlement Administrator may still
14 make their objections by filing with the Court and mailing to counsel for the Settling Parties a
15 written statement of objection no later than the Final Approval Hearing. *Walsh et al. v. Premium*
16 *Property Management & Development, Inc.*, RG20072409, Order Granting Preliminary Approval of
17 Class Action Settlement at ¶ 11 (Alameda Cnty. Super. Ct. Aug. 20, 2024) (Order). To date, zero (0)
18 objections have been received. Marron Decl., ¶ 4.

19 Together, the overwhelming response of Settlement Class Members to the Settlement has been
20 positive, with no Settlement Class Members seeking exclusion or submitting requests for
21 adjustment or alternative distribution. Further the current lack of objections to the Settlement,
22 supports the Court granting Final Approval and awarding Class Counsel's Fee and Costs, Incentive
23 Awards and Notice costs in full.

24 **V. THE COURT SHOULD GRANT FINAL APPROVAL**

25 **A. This Class Action Settlement Is Entitled to a Presumption of Fairness**

26 This Settlement deserves the presumption of fairness. Under California law, a "presumption
27 of fairness exists if (1) the settlement is reached through arm's length bargaining; (2) investigation
28 and discovery are sufficient to allow counsel and the court to act intelligently; (3) counsel is

experienced in similar litigation; and (4) the percentage of objectors is small.” *Dunk*, 48 Cal. App. 4th at 1802.

Here, the first and second factors are clearly met. The settlement in this litigation is the result of hard-fought capable advocacy on both sides. Marron Decl., ¶¶ 14-18. There was no collusion in creating this Settlement, which is the result of skilled negotiation. *Id.* The Parties exchanged formal discovery that formed the basis of negotiations and included information necessary for Class Counsel to ensure that the settlement was proper. *Id.* That information permitted the Class Representatives and their counsel to make informed decisions about settlement and allowed the Parties to fully evaluate the strengths and weaknesses of their claims. Defendants continue to deny liability in this matter, but have agreed to this Settlement nonetheless. Settlement Agreement § 1.11. Altogether, this Settlement Agreement is entitled to the presumption of fairness.

Third, the Law Office of Ronald A. Marron has extensive experience handling class action cases and class action settlements, and are qualified Class Counsel. Marron Decl., ¶¶ 17-61. Class Counsel has worked diligently to prosecute this case and to reach a fair settlement for the Settlement Class. *Id.* Therefore, the experience of counsel is not in question.

Finally, it is expected that the number of objections will be small or zero and opt-outs are zero. As of the date of this motion, there have been zero written objections (Marron Decl., ¶ 4), and zero opt-outs (Retnasaba Decl., ¶ 6). The deadline to submit and exclusion has passed, and Settlement Class Members may only present objections if they file such a request with this Court and mail to counsel for the Settling Parties by the date of the final approval hearing. *Walsh et al. v. Premium Property Management & Development, Inc.*, RG20072409, Order Granting Preliminary Approval of Class Action Settlement at ¶ 11 (Alameda Cnty. Super. Ct. Aug. 20, 2024) (Order) or appear at the Final Approval Hearing. The lack of known objections and no exclusions shows that the Class itself is willing to participate in the settlement. Therefore, this settlement has a presumption of fairness.

B. Additional Factors Support Final Approval of the Class Action Settlement

Other factors courts consider also demonstrate that the settlement is fair. Under California law:

1 The trial court's discretion is broad, and is to be exercised through the application of
2 several well-recognized factors. The list, which "is not exhaustive and should be tailored
3 to each case," includes "the strength of plaintiffs' case, the risk, expense, complexity
4 and likely duration of further litigation, the risk of maintaining class action status
5 through trial, the amount offered in settlement, the extent of discovery completed and
6 the stage of the proceedings, the experience and views of counsel, the presence of a
7 governmental participant, and the reaction of the class members to the proposed
8 settlement." "The most important factor is the strength of the case for plaintiffs on the
9 merits, balanced against the amount offered in settlement." While the court "must stop
10 short of the detailed and thorough investigation that it would undertake if it were
11 actually trying the case," it "must eschew any rubber stamp approval in favor of an
12 independent evaluation."

13 *Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles* (2010) 186 Cal. App. 4th 399, 407–08
14 (internal quotations and citations omitted).

15 The Settlement is fair, reasonable and adequate and is in the best interest of the Settlement
16 Class in light of all known facts and circumstances, including the risk of loss of class certification,
17 loss on the merits of each claim, significant delay, and defenses asserted by Defendants. Proceeding
18 also has its risks of appellate issues. *See* Marron Decl., ¶ 12. Plaintiffs and Class Counsel recognize
19 the expense and burden of continuing to litigate and try this action against Defendants through
20 possible appeals, which could take several years. *Id.* Class Counsel has also considered the uncertain
21 outcome and risk of litigation. *Id.*

22 **C. The Settlement Class Received Adequate Notice of the Settlement**

23 "The principal purpose of notice to the class is the protection of the integrity of the class
24 action [settlement] process." *Cartt v. Superior Court* (1975) 50 Cal. App. 3d 960, 970. The proposed
25 notice of settlement must "fairly apprise the class members of the terms of the proposed compromise
26 and of the options open to dissenting class members." *Wershba*, 91 Cal. App. 4th at 251.

27 The Court should find that the notice was adequate and comports with due process. The
28 Notice disseminated to Settlement Class Members fairly apprised Settlement Class Members of the
relevant details regarding the settlement and the options available to them, and were in the same
basic form of the Proposed Settlement Notice approved by this Court at the Preliminary Approval
hearing. Retnasaba Decl., ¶¶ 2-6. The Settlement Website (www.premiumpropertiesettlement.com)
was established in accordance with the Settlement preliminarily approved of by this Court on August

20, 2024. *Id.*, ¶ 5. To date the website has been visited 105 times. *Id.* Moreover, Classaura emailed all 520 class members between 09/08/2024 and 09/09/2024, receiving 76 email responses to date and have responded to each appropriately. *Id.*, ¶ 3. Additionally, Classaura mailed 73 class members for whom either an email address was not available, or for whom the email address provided was invalid. *Id.*, ¶ 4. These Settlement Class Members were mailed a class notice, personalized with the estimated payment amount they would receive if the class was approved. *Id.* Notices were mailed via USPS between 09/09/2024 and 09/18/2024. *Id.* Accordingly, the Settlement Class received notice of the Settlement.

E. The Settlement is Fair, Adequate, and Reasonable

The final settlement or compromise of an entire class action requires the approval of the court after a hearing. Cal. R. Ct. 3.769(a).

Approval of a settlement should be granted when the following factors are met: (1) the proposed settlement appears to be the product of serious, informed, and non-collusive negotiations; (2) the settlement has no obvious deficiencies; (3) the settlement does not improperly grant preferential treatment to class representatives or segments of the class; (4) the settlement falls within the range of possible judicial approval. Newberg on Class Actions § 13:13. This settlement meets all of these criteria.

1. The Settlement is the Product of Serious, Informed, Non-collusive Negotiations

The settlement in this litigation is the result of hard-fought capable advocacy on both sides. Marron Dec., ¶¶ 3-15, 18. There was no collusion in creating this Agreement, which is the result of skilled negotiation. Marron Decl., ¶ 18. The Parties exchanged formal discovery that formed the basis of negotiations. *Id.* Defendants continue to deny liability in this matter, but have agreed to this Settlement nonetheless. Settlement § 1.11. Altogether, this Settlement is entitled to the presumption of fairness.

2. The Settlement has no “Obvious Deficiencies”

The Settlement has no obvious deficiencies and is well within the range of reasonableness that supports preliminary approval. First, all Settlement Class Members received the same Notice and opportunity to object to the settlement and reap the benefit of the monetary relief after

1 settlement has been approved. The monetary relief provided in the settlement will benefit the
2 Settlement Classes fairly and proportionally according to the amount of money each class member
3 paid to Premium or that Premium withheld during the class period. The goal of the litigation – to
4 recover monetary relief for class members – has been met.

5 3. The Settlement Does not Favor the Class Representatives or Segments of the Class

6 The Settlement does not improperly grant preferential treatment to class representatives or
7 segments of the Classes in any way. All members of the Classes will receive monetary
8 compensation based on the amount of money they paid to Premium or had withheld by Premium
9 during the Class Period that was not refunded. Agreement, § 7.2. Plaintiffs will be treated the same
10 as all other Settlement Class Members, except for their Incentive Awards, subject to the Court's
11 approval. *Id.* The proposed Incentive Awards are fair and well earned, as Plaintiffs have been active
12 participants and advocates for the Classes throughout the process, including by having their
13 depositions taken. Marron Decl., ¶ 16; F. Walsh Decl., ¶¶ 3-15; K. Walsh Decl., ¶¶ 3-15; T. Walsh
14 Decl., ¶¶ 3-15; Ronan Decl., ¶¶ 3-14.

15 4. The Settlement Falls Within the Range of Possible Judicial Approval

16 In approving class action settlements, the court should consider relevant factors including the
17 strength of plaintiff's case, the risk, expense, complexity and likely duration of further litigation, the
18 risk of maintaining class action status through trial, the amount of discovery completed and the stage
19 of the proceedings, and the experience and views of counsel. *In re Microsoft I-V Cases* (2006) 135
20 Cal. App. 4th, 706. In this case, the evidence supports the conclusion that the Settlement falls within
21 the range of judicial approval.

22 Class Counsel believes the amount of the settlement is an excellent result for the Classes.
23 Marron Decl., ¶ 13. Premium has in its records the amount of unrefunded payments made by
24 Settlement Class Members and security deposits withheld during the Class Period. Based upon
25 these figures, Premium has agreed to return to each Settlement Class Member a full refund of the
26 rent or fees each class member paid to Premium or had withheld during the Class Period, plus an
27 additional payment equivalent to the amount of the security deposit withheld. Settlement § 7.2. The
28 Settlement is an excellent result for the Class while avoiding the risk and expense of trial.

Continued litigation would have carried significant costs, risks, and delay. Absent the Settlement, Plaintiffs anticipate Defendants would have continued to aggressively challenge Plaintiffs' claims by filing a motion for class decertification. While additional damages may have been available at trial, there was no guarantee of a favorable outcome, and class certification, trial, and potential appeals would likely have taken several years to conclude. Despite Plaintiffs' confidence in the facts and legal theories that underpin their claims, they recognize that proceeding in this litigation in the absence of settlement poses various risks such as not having a class certified, having summary judgment granted against Plaintiffs, or losing at trial. The Settlement eliminates these risks by ensuring Class Members a recovery that is certain and immediate, eliminating the risk that class members would be left without any recovery at all. Considering the costs, risks, and delay associated with continued litigation, the monetary relief secured through the Settlement represents an excellent result for the Classes.

VI. REQUEST FOR ATTORNEYS' FEES, COSTS, AND INCENTIVE REWARDS

A. The Settlement Agreement Provides for Attorneys' Fees, Costs, and Incentive Award and Notice Properly Advised of the Amounts that Would be Sought

"A request for attorney's fees should not result in a second major litigation. Ideally . . . litigants will settle the amount of a fee." *Hensley v. Eckerhart*, 461 U.S. 424, 437 (1983). That is what the Parties have done in the Settlement. Defendants agreed to pay Class Counsel their Fees and Costs, subject to this Court's approval. Settlement at § 7.2. Defendants also agreed to pay incentive awards of \$7,500 to each Plaintiff. *Id.* Settlements such as these "are highly favored," in part because they promote efficient resolution of disputes, and therefore interpretation ought to be made in favor of enforcement wherever possible. *Neary v. Regents of Univ. of Cal.* (1992) 3 Cal. 4th 273, 277-78; *Nicholson v. Barab* (1991) 233 Cal. App. 3d 1671, 1683; *Victoria v. Super. Ct.* (1985) 40 Cal. 3d 734, 753, n.8. Here, the Parties are in agreement as to Class Counsel's entitlement to compensation for Class Counsel's efforts in obtaining the relief.

B. Class Counsel's Requested Fees Are Fair and Reasonable

There are two primary methods for calculating attorney fees in class actions: (1) the lodestar/multiplier method; and (2) the percentage of recovery method. *Wershba v. Apple Computer*,

1 *Inc.* (2001) 91 Cal. App. 4th 224, 254. Under California law, “a court assessing attorney fees begins
2 with a touchstone or lodestar figure, based on the careful compilation of the time spent and
3 reasonable hourly compensation of each attorney . . . involved in the presentation of the case.”
4 *Ketchum v. Moses* (2001) 24 Cal. 4th 1122, 1131-32 (quoting *Serrano v. Priest* (1977) 20 Cal. 3d 25,
5 48); *see also Hensley*, 461 U.S. at 433 (“The most useful starting point for determining the amount of
6 a reasonable fee is the number of hours reasonably expended on the litigation multiplied by a
7 reasonable hourly rate.”); *Perdue v. Kenny A.* (2010) 130 S. Ct. 1662, 1673 (lodestar method is
8 usually preferable).

9 Here, the settlement provides for monetary relief and calls for a fee calculations based on the
10 number hours reasonable expended such that the lodestar method is particularly applicable. *See*
11 *Perdue*, 130 S. Ct. at 1673. Accordingly, the Court should apply the lodestar method.

12 Under the lodestar method, courts may consider several factors in determining the appropriate
13 fee award, including:

- 14 (1) the time and labor required of the attorneys;
- 15 (2) the contingent nature of the fee agreement, both from the point of view of eventual victory
on the merits and the point of view of establishing eligibility for an award;
- 16 (3) the extent to which the nature of the litigation precluded other employment by the class
counsel;
- 17 (4) the novelty or difficulty of the questions involved, and the skill displayed in presenting
them;
- 18 (5) the experience, reputation, and ability of the attorneys who performed the services;
- 19 (6) the amount involved and the results obtained; and
- 20 (7) the informed consent of the clients to the fee agreement.

21 *See, e.g., Serrano v. Priest* (1977) 20 Cal. 3d 25; *Dunk*, 48 Cal. App. 4th at 1810 n.21 (1996). No
22 rigid formula is available, and each factor should be considered only if appropriate. *See Dep’t of*
23 *Transp. v. Yuki*, 31 (1995) Cal. App. 4th 1754, 1771. Here, and as discussed in more detail below,
24 these factors support Class Counsel’s Fee request, as Class Counsel seeks less than their actual
25 lodestar.

26 The Claims Against Defendant's Required Substantial Time and Labor

27 Prosecuting and settling these claims demanded considerable time and labor, making this fee
28 request reasonable. Class Counsel devoted 857.5 hours to litigating this action. Marron Decl., ¶ 70.
This Settlement was reached after Plaintiffs had successfully opposed Defendants’ Demurrers,

1 Motion to Strike, as the Court was prepared to certify a class, and after several rounds of negotiation.
2 *Id.*, ¶ 60. The organization of Class Counsel ensured that the work was coordinated to maximize
3 efficiency and minimize duplication of effort, such that if a task could be handled by an Associate, it
4 was appropriately assigned. *Id.*, ¶ 63. Class Counsel devoted substantial time to investigating the
5 claims against Defendants. *Id.*, ¶ 64. Class Counsel also expended resources researching and
6 developing the legal claims at issue. *Id.* Substantial time and resources were also dedicated to serving
7 and responding to written discovery, preparing for, attending, and taking depositions, third party
8 discovery, and to discovery disputes. *Id.*

9 Settlement negotiations consumed further time and resources. Marron Decl., ¶ 65. A
10 significant amount of time was devoted to negotiating and drafting the Settlement Agreement, the
11 preliminary approval process, and to all actions required thereafter pursuant to the preliminary
12 approval orders. *Id.* Each of the above-described efforts was essential to achieving the Settlement
13 before the Court. *Id.* Thus, the time and resources devoted to this action readily justify the requested
14 fee.

15 1. The Issues Involved Were Novel and Difficult, and Required the Skills of Highly Talented
16 Attorneys

17 This was not a simple case. The quality of Class Counsel's legal work conferred a substantial
18 benefit on the Settlement Class in the face of significant litigation obstacles. Defendants filed several
19 demurrers, a motion to strike, and there were five rounds of amended complaints. Marron Decl., ¶¶ 5-
20 11. While acknowledging the strengths and weakness of the Parties' respective positions, the
21 Settlement has reached a difficult but fair accord.

22 In any given case, the skill of legal counsel should be commensurate with the novelty and
23 complexity of the issues, as well as the skill of the opposing counsel. Class Counsel has extensive
24 experience handling complex consumer class actions. Marron Decl., ¶¶ 17-61. Class Counsel has
25 already devoted 857.5 attorney hours, plus costs, to litigating this action (Marron Decl., ¶¶ 70-72),
26 and are committed to overseeing the Settlement and this litigation through to its successful
27 conclusion. Litigation of this action required counsel trained in class action law and procedure as well
28 as the acquisition and analysis of a significant amount of factual and legal information. Class Counsel

1 possess these attributes, and their participation added value to the representation of this Settlement
2 Class. The record demonstrates that the action involved complex and novel challenges, which Class
3 Counsel met at every juncture.

4 In evaluating the quality of representation by Class Counsel, the Court should also consider
5 opposing counsel. Plaintiff respectfully suggests that opposing counsel's track record in this case, as
6 well as past cases, demonstrates their skill. Throughout the litigation, Defendants were represented by
7 extremely capable counsel who litigated this case vigorously. Indeed, Defendants believed that they
8 had meritorious substantive defenses to Plaintiff's claims but recognized that these endpoints are
9 achievable only after considerable further expense. Litigation of this magnitude has been and would
10 continue to be very costly for both Parties and the outcome uncertain. "[A]voiding a trial and
11 inevitable appeals in this complex . . . suit strongly weigh in support of approval of the Settlement,
12 rather than prolonged and uncertain litigation." *Rodriguez v. W. Pub. Corp.*, No. CV05-3222 R
13 (MCX), 2007 WL 2827379, at *8 (C.D. Cal. Sept. 10, 2007)

14 2. Class Counsel Achieved a Successful Result

15 Given the significant litigation risks Class Counsel faced, the Settlement represents a
16 successful result. Rather than facing additional years of costly and uncertain continuing litigation, the
17 settlement agreement obtained on behalf of the Settlement Class is reasonable and achieved the goals
18 of this lawsuit. Under the terms of the Settlement, Defendants have agreed to pay a non-reversionary
19 amount of \$640,000 (Six Hundred and Forty Thousand Dollars 00/100) in settlement of the Litigation
20 (the "Gross Settlement Fund"). Settlement § 7.2. The Lease Renewal Class will receive a full refund
21 of amounts paid or withheld from Lease Renewal Settlement Class Members' security deposit for the
22 purpose of payment of rent due in the Renewal Term. *Id.* § 7.2.1. The Lease Fee Settlement Class
23 will receive a full refund of all Lease Fees paid or withheld. *Id.* § 7.2.2. The Security Deposit
24 Settlement Class will receive an additional payment equivalent to the amount of the security deposit
25 withheld from members of the Lease Renewal class for rent in the Renewal Term and/or from
26 members of the Lease Fee Class for Lease Fees. *Id.* § 7.2.3. If the Gross Settlement Fund is not
27 exhausted, then each payment to Settlement Class Members will be proportionately increased pro
28 rata, equally among Settlement Class Members. If the amount of payments to Settlement Class

Members exceeds the Net Settlement Amount, then each payment to Settlement Class Members will be proportionately decreased pro rata, equally among Settlement Class Members. *Id.* § 7.2.4. If after 365 days from distribution of the Net Settlement Amount, any amounts including unallocated, unclaimed, or undeliverable funds remain in the Settlement Fund, then the remainder shall be awarded *cy pres* to Tenants Together, a non-profit organization whose benefit will be intended to include California tenants (or some other nonprofit, public benefit corporation nominated by Class Counsel and approved by the Court). *Id.* § 7.2.5. Additionally, Defendants agree to release all Plaintiffs from any and all claims alleged or that could have been alleged in the Small Claims Suit. *Id.* § 10.2. Finally, Plaintiffs stand to receive Incentive Awards of \$7,500.00 each for all of their efforts in respinding to discovery, sitting for depositions and actively participating in this Litigation. *Id.* § 7.2. Accordingly, Class Counsel achieved a successful result on behalf of the Settlement Class.

3. The Claims Presented Serious Risk

The settlement is substantial, given the complexity of the litigation and the significant risks and barriers that loomed in the absence of Settlement. Any of these risks could easily have impeded, if not altogether derailed, this action if it were not for Plaintiff's and Class Counsel's successful prosecution of these claims. The recovery achieved by this Settlement must be measured against the fact that any recovery by Plaintiffs and Settlement Class Members through continued litigation could only have been achieved if: (i) Plaintiffs were able to certify a class and establish liability and damages at trial; and (ii) the final judgment was affirmed on appeal. The Settlement is an extremely fair and reasonable recovery for the Settlement Class in light of Defendants' defenses and the challenging and unpredictable path of litigation that Plaintiffs and the class would have faced absent the Settlement. Marron Decl., ¶¶ 12-13.

4. Class Counsel Assumed Considerable Risk to Pursue this Action on a Pure Contingency Basis

In undertaking to prosecute this case on a contingent fee basis, Class Counsel assumed a significant risk of nonpayment or underpayment. Marron Decl., ¶ 69. That risk warrants an

1 appropriate fee. Devoting more than four years and costs to this action necessarily precluded Class
2 Counsel from taking on other employment. And, there was significant risk that Class Counsel, despite
3 committing these resources, would not have received any compensation for their services. Class
4 Counsel's ability to collect compensation was entirely contingent upon prevailing. The substantial
5 risk of non-recovery inherent in class action litigation is well-documented.

6 When attorneys undertake litigation on a contingent basis, a fee that is limited to the hourly
7 fee that would have been paid by a fee-paying client, win or lose, is not a reasonable fee by market
8 standards. *Greene v. Dillingham Constr. NA., Inc.* (2002) 101 Cal. App. 4th 418, 428-29.

9 A contingent fee must be higher than a fee for the same legal services paid as
10 they are performed. The contingent fee compensates the lawyer not only for the
11 legal services he renders but for the loan of those services. The implicit interest
12 rate on such a loan is higher because the risk of default (the loss of the case,
which cancels the debt of the client to the lawyer) is much higher than that of
conventional loans.

13 *Ketchum*, 24 Cal. 4th at 1132-1133 (quoting the Hon. Richard Posner's Economic Analysis of Law
14 (4th ed. 1992)); *see also Rader v. Thrasher* (1962) 57 Cal. 2d 244, 253.

15 From the outset of litigation to the present, Class Counsel litigated this matter on a contingent
16 basis and placed their own resources at risk to do so. Marron Decl., ¶ 69. Additionally, public policy
17 concerns – in particular, ensuring the continued availability of experienced and capable counsel to
18 represent classes of injured plaintiffs holding small individual claims – support the requested fee. The
19 progress of the action to date shows the inherent risk faced by Class Counsel in accepting and
20 prosecuting the action on a contingency fee basis. Despite Class Counsel's effort in litigating this
21 action, Class Counsel remains completely uncompensated for the time invested in the action, in
22 addition to the substantial expenses that were advanced. Marron Decl., ¶ 69-72. There can be no
23 dispute that this case entailed substantial risk of nonpayment for Class Counsel.

24 **C. Class Counsel's Rates and Hours Expended Are Fair and Reasonable**

25 Under the lodestar method, the court calculates the fee award by multiplying the number of
26 hours reasonably spent by a reasonable hourly rate and then enhancing that figure, if necessary, to
27 account for the risks associated with representation. *Lealao v. Beneficial California, Inc.* (2000) 82
28 Cal. App. 4th 19, 26. Class Counsel has calculated a lodestar of \$477,025.00. Marron Decl., ¶ 70.

1 This lodestar is based on 857.5 total attorney hours of work. *Id.* Given that Class Counsel is only
2 requesting \$390,000 in fees, Class Counsel is requesting a negative multiplier of approximately .818.
3 Marron Decl., ¶ 71. Class Counsel also made significant cuts to their lodestar by removing time for
4 support staff. Marron Decl., ¶ 74. Accordingly, the lodestar amount only includes time from the
5 attorneys who litigated this action. *Id.*, at ¶ 70. Class Counsel’s lodestar also does not include post-
6 application work for tasks such as drafting, finalizing, and filing the final approval papers, preparing
7 for and appearing at the hearing on the final approval motion, and responding to any potential
8 objector(s), if necessary, and overseeing payments issued to Settlement Class Members and that *cy*
9 *pres* is distributed as necessary. *Id.*, at ¶ 74. Class Counsel’s lodestar is supported by fair and
10 reasonable rates, approved by other Courts. Marron Decl., ¶¶ 75-79.

11 1. Class Counsel's Hourly Rates Are Reasonable and Have Been Approved by Numerous
12 State and Federal Courts

13 Courts look to prevailing market rates in the community in which the court sits. *Schwarz v.*
14 *Sec’y of Health & Human Servs.*, 73 F.3d 895, 906 (9th Cir. 1995); *see also Camancho v. Bridgeport*
15 *Fin., Inc.*, 523 F.3d 973, 979 (9th Cir. 2008); MANUAL FOR COMPLEX LITIGATION, FOURTH, § 14.122
16 (“The rate should reflect what the attorney would normally command in the relevant marketplace.”).
17 Class Counsel’s rates are reasonable because they are in line with hourly rates charged by attorneys
18 of comparable experience, reputation and ability for similar complex consumer protection class
19 action litigation. *See Ketchum*, 24 Cal. 4th at 1133; *see also Blum v. Stenson*, 465 U.S. 886, 895
20 (1984) (to assist the court in calculating the lodestar, plaintiff must submit “satisfactory evidence . . .
21 that the requested rates are in line with those prevailing in the community for similar services by
22 lawyers of reasonable comparable skill, experience and reputation.”). Moreover, calculating the
23 lodestar using Class Counsel’s current billing rates is appropriate given the deferred nature of
24 counsel’s compensation. *See Fischel v. Equitable Life Assur. Soc’y of the United States*, 307 F.3d
25 997, 1010 (9th Cir. 2002) (attorneys must be compensated for delay in payment); *In re Washington*
26 *Pub. Power Supply Sys. Sec. Litig.*, 19 F.3d 1291, 1305 (9th Cir. 1994) (explaining the court may
27 compensate for a delayed payment “by applying the attorneys’ current rates to all hours billed during
28 the course of the litigation.”).

Class Counsel's experience in prosecuting class actions is submitted in the declaration of Ronald A. Marron, filed concurrently herewith. Marron Decl., ¶¶ 17-61. Additionally, Class Counsel's requested rates and hours are listed in lodestar charts showing work by timekeeper. *See id.*, ¶ 70 & Tables 1. These rates are in line with the prevailing market rates for attorneys and support staff of similar experience, skill, and reputation. Marron Decl., ¶¶ 75-77 & Exs. 2-3 .

Class counsel's requested rates and hours expended are as follows:⁴

Timekeeper	Position	Rate Requested	Total Hours	Total Amount
Ronald Marron	Partner	\$845	79.0	\$66,775
Kas Gallucci	Senior Associate	\$625	22.3	\$13,937.50
Michael Houchin	Senior Associate	\$570	124.9	\$71,193.00
Lilach Halperin	Associate	\$515	631.3	\$325,119.50
TOTALS:				\$477,025.00

Class Counsel's hourly rates have been approved by numerous state and federal courts, as detailed in the Marron Declaration attached hereto. Marron Decl., ¶ 79.

Class Counsel is entitled to be compensated for reasonable time spent at all points in the litigation. Courts should avoid engaging in an "*ex post facto* determination of whether attorney hours were necessary to the relief obtained." *Grant v. Martinez*, 973 F.2d 96, 99 (2d Cir. 1992). The issue "is not whether hindsight vindicates an attorney's time expenditures, but whether at the time the work was performed, a reasonable attorney would have engaged in similar time expenditures." *Id.* Here, Class Counsel expended a total of 857.5 hours to date, excluding the extra time that will be expended drafting this motion and preparing for and attending the final approval hearing. This includes, among other tasks, time billed for client communications, discovery, drafting the complaint and amended

⁴ Counsel need only submit summaries of their hours incurred; submission of billing records are not required. *See Lobatz v. U.S. W. Cellular of Cal., Inc.*, 222 F.3d 1142, 1148-49 (9th Cir. 2000) (the court may rely on summaries of the total number of hours spent by counsel); *Wershba*, 91 Cal. App. at 255 (counsel's declarations sufficient to evidence "the reasonable hourly rate for their services and establishing the number of hours spent working on the case ... California law permits fee awards in the absence of detailed time sheets"); *Dunk*, 48 Cal. App. 4th at 1810 ("lodestar calculation could be based on a counsel's estimate of time spent"). At the Court's request, Class Counsel can submit itemized time sheets for *in camera* inspection.

complaints, motion practice, settlement negotiations, drafting the settlement agreement and amended settlement agreements, drafting the motion for preliminary approval, and case management related tasks.

D. The Requested Costs Are Fair and Reasonable

Under California Code of Civil Procedure §§ 1033.5 (a)(1), (3), (4), and (7), the Court must award costs for court fees; deposition costs for transcribing, recording and travel; service of process fees; and witness fees. In addition, § 1033.5(c) provides discretion to award reimbursement of other costs if they are “reasonably necessary to the conduct of the litigation, rather than merely convenient or beneficial to its preparation.” *See also Parkinson v. Hyundai Motor Am.*, 796 F. Supp. 2d 1160, 1176 (C.D. Cal. 2010) (quoting *Sci. App. Int’l Corp. v. Super. Ct.* (1995) 39 Cal. App. 4th 1095, 1103; *Morris v. Affinity Health Plan, Inc.*, 859 F. Supp. 2d 611, 624 (S.D.N.Y. 2012) (noting that courts universally accept that “telephone charges, postage, transportation, working meals, photocopies, and electronic research, are reasonable and were incidental and necessary to the representation of the Class”). California’s Private Attorney General Statute also provides for the recovery of reasonable costs. *See* Cal. Civ. Proc. Code § 1033.5.

Here, out-of-pocket expenses for the litigation that the undersigned Class Counsel actually incurred is \$30,461.77 as set forth below:

<u>Category</u>	<u>Amount</u>
Filing, Appearance, Reservation, Jury, Document Access Fees	\$4,268.94
Process Servers/ Delivery Fees	\$1,859.48
Court Reporters and Transcripts	\$850.00
Travel Expenses	\$2,883.84
Calendaring Software	\$565.00
Deposition Transcript Fees	\$7502.34
CPT Group Pre-Cert	\$4,282.17
Westlaw Research	\$8,250.00
TOTAL:	\$30,461.77

Marron Decl., ¶ 72 & Table 2. Additionally, Notice Administration costs of \$13,000 were also incurred. Retnasaba Decl., ¶ 8. All of these expenses are either statutorily allowed, or reasonable and

1 necessary for the successful prosecution of this case. Accordingly, the Court should grant Class
2 Counsel's request for reimbursement of their costs in the amount of \$30,461.77, plus \$13,000.00 in
3 Notice expenses, for a total of \$43,461.77. *See* Cal. Civ. Proc. Code § 1033.5.

4 **E. The Requested Incentive Award Is Fair and Reasonable**

5 Finally, Plaintiffs respectfully request an incentive award for their efforts in prosecuting this
6 action. Incentive awards "are fairly typical in class action cases," *Rodriguez v. W. Publ'g Corp.*, 563
7 F.3d 948, 958 (9th Cir. 2009), and "serve an important function in promoting class action
8 settlements." *Sheppard v. Consol. Edison Co. of N.Y., Inc.*, No. 94-CV-0403(JG), 2002 WL 2003206,
9 at *5 (E.D. N.Y. Aug. 1, 2002). Incentive Awards for class representatives are routinely provided to
10 encourage individuals to undertake the responsibilities of representing the class and recognize the
11 time and effort spent in the case. *See In re Lorazepam & Clorazepate Antitrust Litig.*, 205 F.R.D. 369
12 (D. D.C. Feb. 1, 2002).

13 Such awards "are intended to compensate class representatives for work done on behalf of the
14 class, to make up for financial or reputational risk undertaken in bringing the action, and, sometimes,
15 to recognize their willingness to act as a private attorney general." *Rodriguez*, 563 F.3d at 958-959.
16 Incentive awards are committed to the sound discretion of the trial court and should be awarded
17 based upon the court's consideration of: (1) the actions the class representatives took to protect the
18 interests of the class; (2) the degree to which the class benefited from those actions; and (3) the
19 amount of time and effort the class representatives expended in pursuing the litigation. *See, e.g.,*
20 *Cook v. Niedert*, 142 F.3d 1004, 1016 (7th Cir. 1998). These factors, as applied to this action,
21 demonstrate the reasonableness of the requested incentive award to Plaintiff.

22 Plaintiffs provided substantial assistance that enabled Class Counsel to successfully prosecute
23 this action including locating and forwarding responsive documents and information; reviewing
24 material filings; preparing for and attending a deposition; approving the Settlement; being on standby
25 during mediation; continuous communications with Class Counsel throughout the litigation;
26 providing a declaration in support of preliminary approval, and being committed to secure
27 substantive relief on behalf of the Class. Marron Decl., ¶ 67; *see also* Declarations of Finn Walsh,
28 Katherine Walsh, Timothy Walsh, and Jack Ronan. In so doing, Plaintiffs were integral to forming

1 the theory of the case, and litigating it through settlement. Marron Decl., ¶¶ 67-68.

2 The Court should find that a \$7,500 incentive award to each Plaintiffs Finn Walsh, Katherine
3 Walsh, Timothy Walsh, and Jack Ronan is reasonable and comparable to those approved by other
4 courts in California. *See Cellphone Termination Fee Cases* (2010) 186 Cal. App. 4th 1380 (\$10,000
5 incentive award to each class representative); *Bellinghausen v. Tractor Supply Company*, 306 F.R.D.
6 245, 267 (N.D. Cal. 2015) (awarding a \$10,000 incentive award to the named plaintiff); *Edwards v.*
7 *First American Corp.*, Case No. CV 07-03796 SJO (FFMx), 2016 WL 8999934 (C.D. Cal. Oct. 4,
8 2016) (awarding a \$10,000 incentive award); *Carter v. XPO Logistics, Inc.*, Case No. 16-cv-01231-
9 WHO, 2019 WL 5295125, at *4 (N.D. Cal. Oct. 18, 2019) (awarding \$20,000 incentive awards to
10 each named plaintiff).

11 VII. CONCLUSION

12 The Parties have committed substantial amounts of time and energy resolving this matter.
13 The proposed settlement is a fair and reasonable compromise of the issues in dispute. The
14 Settlement Class was provided with notice of the settlement, had the opportunity to object and/or opt
15 out, and based upon the lack of objections and opt-outs, appears to consent to the Settlement
16 Agreement. After weighing the substantial, certain, and immediate benefits of this settlement against
17 the uncertainty of trial and appeal, the Parties believe that the proposed settlement is fair, reasonable
18 and adequate, and that it warrants the Court's final approval.

19 Additionally, Class Counsel respectfully requests that the Court award (1) \$390,000 in Fees,
20 (2) \$30,461.77 in Costs, (3) \$13,000 in Notice expenses, and (4) \$7500 to each Plaintiffs Finn
21 Walsh, Katherine Walsh, Timothy Walsh, and Jack Ronan as Incentive Awards (totaling \$30,000)
22 for their efforts in this action.

23 Plaintiffs respectfully request that the Court grant final approval of the Class Action
24 Settlement, and sign the proposed order filed concurrently with the motion.

25 Dated: December 24, 2024 /s/ Ronald A. Marron
26 Ronald A. Marron

27 **LAW OFFICES OF RONALD A. MARRON**
28 Ronald A. Marron (SBN 175650)
ron@consumersadvocates.com
Alexis M. Wood (270200)

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2 Kas L. Gallucci (288709)
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4 651 Arroyo Drive
5 San Diego, California 92103

6 *Class Counsel*
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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA**

FINN WALSH, JACK RONAN, KATHERINE
WALSH, and TIMOTHY WALSH, on behalf of
themselves and all others similarly situated,

Plaintiffs,

v.

PREMIUM PROPERTY MANAGEMENT &
DEVELOPMENT, INC. DBA PREMIUM
PROPERTIES, a California Corporation;
HASTE PARTNERS, LLC, a California
Limited Liability Company; SAM SOROKIN,
an individual; CRAIG BECKERMAN, an
individual; MARIA DIBLASI, an individuals;
and DOES 1-1000,

Defendants.

Case No. RG20072409 [lead case]

Case No: 21SC004296 [consolidated case]

CLASS ACTION

**ORDER OF FINAL APPROVAL AND
JUDGMENT: (1) APPROVING CLASS
ACTION SETTLEMENT, (2) AWARDING
CLASS COUNSEL FEES AND EXPENSES,
AND (3) AWARDING CLASS
REPRESENTATIVES INCENTIVE
AWARDS**

Judge: Hon. Michael Markman

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PROCEDURAL HISTORY

Plaintiffs Finn Walsh, Jack Ronan, Timothy Walsh, and Katherine Walsh (“Plaintiffs”) filed this Action against Defendants Premium Property Management & Development, Inc. (“Premium”), Haste Partners, LLC (“Haste”), Sam Sorokin, Craig Beckerman, and Maria DiBlasi (collectively, “Defendants”) (together, the “Parties”), styled *Walsh, et al. v. Premium Property Management & Development, Inc., et al.*, Case No. RG20072409 (the “Litigation”). Plaintiffs’ complaint alleged claims against Defendants for unlawful landlord practices and brought causes of action for breach of contract, bad faith retention of security deposit in violation of Cal. Civ. Code § 1950.5, conversion, breach of the implied warranty of good faith and fair dealing, violations of California’s Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200, *et seq.* (the “UCL”), declaratory relief, violations of Berkeley Municipal Code § 13.76.070, violations of Berkeley Municipal Code § 13.78.016, violations of Berkeley Municipal Code § 13.78.017, money had and received, and negligence. After arm’s-length settlement discussions, the Parties have entered into a Settlement Agreement (“Agreement”), which, if approved, would resolve this class action litigation. Currently pending before the Court is Plaintiffs’ Motion for Final Approval of the Settlement Agreement, Attorneys’ Fees, Costs, and Incentive Awards for the Class Representatives.

After consideration of the Parties’ briefs, the Court hereby GRANTS Final Approval of the Settlement and Class Counsel’s Fees and Costs, Incentive Awards.

On August 20, 2024, the Court entered its Order (1) Preliminarily Approving Class Action Settlement and finding that the range of settlement is reasonable and merits final approval; (2) Approving the Notice Plan by finding that it meets the requirements of California Law and the Due Process Clause of the United States Constitution; (3) Appointing Finn Walsh, Jack Ronan, Timothy Walsh, and Kathrine Walsh as Class Representatives; (4) Certifying the Settlement Class; (5) Appointing the Law Offices of Ronald A. Marron, APLC as Class Counsel; and (6) Setting Final Approval Hearing, in which it preliminarily approved the Settlement.

The Court has considered:

- the points and authorities submitted by Plaintiffs in support of the motion for final approval of the Settlement and in support of an award of attorneys’ fees and

litigation expenses, and approval of an incentive award for the Class Representatives (“Final Approval Motion”);

- the declarations and exhibits submitted in support of said motions;
- the Settlement Agreement and exhibits thereto;
- the entire record in this proceeding, including but not limited to the points and authorities, declarations, and exhibits submitted in support of preliminary approval of the Settlement;
- the Notice Plan, providing full and fair notice to the Class;
- the existence of zero objections to the Settlement, and the substance of those objections, if any;
- this Court’s experiences and observations while presiding over this matter, and the Court’s file herein; and
- the relevant law.

Based upon these considerations and the Court’s findings of fact and conclusions of law as set forth in the Preliminary Approval Order and in this Final Judgment and Order (1) Approving Class Action Settlement, (2) Awarding Class Counsel’s Fees and Expenses, and (3) Awarding Class Representative Incentive Awards (“Final Approval Order and Judgment”), and good cause appearing, **IT IS HEREBY ORDERED AND DECREED:**

1. The capitalized terms used in this Final Approval Order shall have the meanings and/or definitions given to them in the Settlement Agreement or, if not defined therein, the meanings and/or definitions given to them in this Final Approval Order.

2. This Final Approval Order incorporates the Settlement Agreement, filed as Exhibit 1 to the Declaration of Ronald A. Marron in support of final settlement approval filed on December 24, 2024, including the releases set forth therein and all exhibits thereto, and the Court’s findings and conclusions contained in its Preliminary Approval Order.

3. For purposes of settlement only, and in accordance with the standards set forth in *Dunk v. Ford Motor Co.* (1996) 48 Cal. App. 4th 1794, the Court finally certifies this litigation as a class action and finally certifies the settlement Class as follows:

1 LEASE RENEWAL CLASS. All persons and their Guarantors who rented residential
2 property in California and who executed and delivered a written notice of lease renewal or
3 lease renewal form to Premium Property Management & Development, Inc. regarding
4 renewing or extending the term of their lease for a residential property in California from
5 September 1, 2016 through November 30, 2023 (the “Class Period”), and whose entire unit
6 vacated the property before the commencement of the renewal period.

7 LEASE FEE CLASS. All persons who rented residential property in California and were
8 charged for roommate add-on fees, roommate replacement fees, request to be removed fees,
9 or lease transfer fees by Premium Property Management & Development Inc. during the Class
10 Period.

11 SECURITY DEPOSIT CLASS. All persons who rented residential property in California and
12 were charged rent or fees as members of the Lease Renewal Class or the Lease Fee Class and
13 who had deductions taken from their security deposits for that rent or fees by Premium
14 Property Management & Development Inc. during the Class Period.

15 4. For the reasons stated in the order granting preliminary approval of the settlement, the
16 Court finds that the proposed settlement, as set forth in the Settlement Agreement, is fair, reasonable,
17 and adequate for the Class. *See, e.g., Dunk v. Ford Motor Co.* (1996) 48 Cal. App. 4th 1794, 1800-
18 01; Cal. Rules of Court, Rule 3.769(g). Accordingly, the Court **GRANTS** Plaintiff’s motion for final
19 approval of the class action settlement.

20 5. The Court finds that the requirements of Cal. Code Civ. P. § 382 have been satisfied,
21 and the Court has made a final determination that Plaintiffs Finn Walsh, Jack Ronin, Timothy Walsh,
22 and Katherine Walsh are adequate Class Representatives for the Class. Accordingly, the Court hereby
23 appoints Plaintiffs Finn Walsh, Jack Ronin, Timothy Walsh, and Katherine Walsh as Class
24 Representatives.

25 6. The Court finds that plaintiff’s counsel, The Law Office of Ronald A. Marron, APLC,
26 and each of its attorneys, have adequately represented the Class, and hereby appoints them Class
27 Counsel.

28 7. The Court has reviewed and considered Plaintiffs’ Motion for Final Approval,
Attorneys’ Fees, Costs, and Incentive Award and hereby **GRANTS** Plaintiffs’ Motion. Accordingly,
the Court approves the attorney fee and expense payment sought by Class Counsel. Class Counsel is
hereby awarded \$390,000.00 in attorneys’ fees, \$30,461.77 in costs that were reasonably necessary to

1 prosecute the action, and \$13,000.00 in Notice Administration costs, for a total fee and expense
2 award of \$433,461.77. Class Counsel's fee request is also reasonable utilizing a lodestar cross-check.
3 Class Counsel's lodestar in the action totals \$477,025.00. Therefore, Class Counsel are requesting a
4 negative multiplier of .818.

5 8. The court finds that a portion of the attorneys' fee award, 10% of the fee award, shall
6 be held in an interest-bearing account, maintained either by the claims administrator or class counsel,
7 pending the submission and approval of a final compliance status report after completion of the
8 distribution process.

9 9. The compliance hearing in this matter shall be scheduled for _____ [between
10 May 21, 2025 and July 21, 2025].

11 10. The Court further approves incentive awards sought by Class Representatives Finn
12 Walsh, Jack Ronin, Timothy Walsh, and Katherine Walsh in the amount of \$7,500 to each Class
13 Representative as each Plaintiff has met their obligations under the parameters outlined in *Clark v.*
14 *American Residential Services LLC* (2009) 175 Cal.App.4th 785, 804-807.

15 11. The Court finds that the notice of settlement to the Settlement Class and notice
16 methodology implemented by the Settlement Administrator following the Order Granting
17 Preliminary Approval of the Settlement (i) constituted the best practicable notice; (ii) constituted
18 notice that was reasonably calculated, under the circumstances, to apprise the Settlement Class of the
19 pendency of the action, their right to object to or exclude themselves from the Settlement and their
20 right to appear at the final fairness hearing; (iii) was reasonable and constituted due, adequate and
21 sufficient notice to persons entitled to receive notice; and (iv) met all applicable requirements of the
22 California Code of Civil Procedure and due process of law.

23 12. The Court finds that ____ individuals have objected to the settlement.

24 13. The Court finds that zero (0) individuals have requested to be excluded.

25 14. The Court finds that zero (0) individuals have requested an adjustment or an
26 alternative distribution.

27 15. The Court finds no evidence of collusion.
28

1 16. The Parties are to give notice to all Class Members of this Final Order and Judgment
2 in accordance with California Rule of Court 3.771(b) by posting this Final Order and Judgment on
3 the settlement website in accordance with the terms of the Settlement Agreement.

4 17. To the extent not specifically ordered herein, the Court orders the parties to comply
5 with all obligations arising under the Settlement Agreement in a reasonable time and manner.

6 18. Nothing in this Order shall preclude any action to enforce or interpret the terms of the
7 Settlement Agreement. Any action to enforce or interpret the terms of the Settlement Agreement shall
8 be brought solely in this Court.

9 19. The Court expressly retains jurisdiction as to all matters relating to the Settlement and
10 this Order, and for any other necessary and appropriate purpose.

11 20. The Final Approval Order and Judgment pursuant to California Rules of Court Rule
12 3.769(h), wherein the Court retains jurisdiction over the parties to enforce the terms of the judgment,
13 should be entered.

14 21. The Settlement is not an admission by Defendants, nor is this Order a finding of the
15 validity of any allegations of wrongdoing by Defendants. Neither this Order, the Settlement, nor any
16 document referred to herein, nor any action taken to carry out the Settlement, may be construed as, or
17 may be used as, an admission of any fault, wrongdoing, omission, concession, or liability whatsoever
18 by or against Defendants.

19
20 **IT IS SO ORDERED.**

21
22 Dated: _____

23 Hon. Michael Markman
24 JUDGE OF THE SUPERIOR COURT
25
26
27
28

LAW OFFICES OF RONALD A. MARRON

RONALD A. MARRON (SBN 175650)

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Class Counsel

**SUPERIOR COURT FOR THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA**

FINN WALSH, JACK RONAN, KATHERINE
WALSH, and TIMOTHY WALSH, on behalf of
themselves and all others similarly situated,

Plaintiffs,

v.

PREMIUM PROPERTY MANAGEMENT &
DEVELOPMENT, INC. DBA PREMIUM
PROPERTIES, a California Corporation;
HASTE PARTNERS, LLC, a California
Limited Liability Company; SAM SOROKIN,
an individual; CRAIG BECKERMAN, an
individual; MARIA DIBLASI, an individuals;
and DOES 1-1000,

Defendants.

Case No. RG20072409 [lead case]

Case No: 21SC004296 [consolidated case]

**DECLARATION OF PLAINTIFF
TIMOTHY WALSH IN SUPPORT OF
PLAINTIFFS' MOTION FOR FINAL
APPROVAL OF CLASS ACTION
SETTLEMENT, FOR ATTORNEYS' FEES,
COSTS, AND INCENTIVE AWARD**

Reservation No. A-20072409-001

Date: Janaury 21, 2025

Time: 10:00 a.m.

Dept.: 23

Judge: Hon. Michael Markman

1 I, Timothy Walsh, hereby declare as follows:

2 1. I am a named Plaintiff and class representative in the matter styled *Walsh v. Premium*
3 *Property Management & Development, Inc.*, Case No. RG20072409 that is currently before this
4 Court. I submit this Declaration in Support of Plaintiffs' Motion for Final Approval of Class Action
5 Settlement and in Support of Plaintiff's Motion for Attorneys' Fees, Costs, and Incentive Award. I
6 make this Declaration based on my personal knowledge and if called to testify, I could and would
7 competently testify to the matters contained herein.

8 2. On or around April 12, 2019, I signed a co-signer agreement with Premium Property
9 Management & Development, Inc. ("Premium" or "Premium Properties") to co-sign for my son Finn
10 Walsh to rent a property located in Berkeley, California. Upon move-out, Premium failed to return
11 my son's security deposit and took the position that we both were responsible for rent payments for a
12 renewed lease term.

13 3. I joined this litigation on August 26, 2020, when my counsel filed a class action
14 complaint on my behalf. During the course of this litigation, I was dedicated to vigorously pursuing
15 the claims on behalf of the Classes. I have reviewed copies of the material filings in the action and
16 communicated with my counsel about major case developments throughout the litigation. I was also
17 willing to testify at trial in this matter.

18 4. On or around December 17, 2021, Defendant Haste Partners, LLC filed a small claims
19 complaint against me, *et. al.* alleging that I, along with the others named in the complaint, owed
20 \$44,868.86 for "unpaid rent" from July 1, 2020 to May 1, 2021, totaling \$53,110.93. *See Haste*
21 *Partners, LLC v. Walsh, et al.*, Case No. 21SC004296. On December 27, 2021, I delivered a signed
22 letter to my counsel to file on my behalf, notifying the small claims court that a proposed class action
23 lawsuit relating to the same subject matter was currently pending. I also sent my counsel a signed
24 Request to Postpone Trial on January 11, 2022 to file on my behalf. On January 21, 2022, the small
25 claims action was reassigned to Department 19 at the Rene C. Davidson Courthouse to be heard with
26 this action. The small claims lawsuit was then consolidated with this action on April 18, 2022.

1 5. I have actively participated in the discovery process. Defendants served multiple sets
2 of form interrogatories, special interrogatories, and requests for production of documents in 2021 and
3 2022. I worked with my counsel to provide responses to these requests and to verify my responses.

4 6. On October 5, 2022, Defendants took my deposition in person in San Diego,
5 California. The deposition lasted approximately two (2) hours. I spent several hours preparing for the
6 deposition with counsel, reviewing case filings, and searching for and producing documents
7 responsive to Defendants' notice of deposition and request for production of documents.

8 7. I received my deposition transcript on November 9, 2022 and reviewed it for accuracy.

9 8. As set forth in my declaration filed in support of Plaintiffs' Motion for Class
10 Certification, I requested that the Court certify several classes of persons in this case and requested
11 that the Court appoint me as a class representative. On May 24, 2022, I delivered a signed copy of the
12 declaration to my counsel to file on my behalf.

13 9. It is my understanding that my counsel attended mediation with Defendants on
14 November 29, 2022 and again on June 8, 2023. During both mediation sessions, I made myself
15 available by telephone to discuss settlement proposals with my counsel.

16 10. It is my understanding that my counsel negotiated a class action settlement agreement
17 with Defendants between late-2023 to mid-2024. During these negotiations, I made myself available
18 by telephone to discuss settlement proposals with my counsel. During the ensuing weeks, I remained
19 available to discuss, and did discuss, terms of a proposed settlement with my counsel to ensure my
20 approval of the relief to the Settlement Classes.

21 11. On May 22, 2024, I reviewed and signed the Settlement Agreement and sent a signed
22 copy of the Settlement Agreement to my counsel. I believe that the terms of the settlement are fair,
23 reasonable, and adequate, and that the settlement achieves the primary goal of the litigation.

24 12. In support of the Settlement Agreement, I provided a signed declaration in support of a
25 Motion for Preliminary Approval of Class Action Settlement.

26 13. I have remained in contact with my counsel at the Law Offices of Ronald A. Marron
27 throughout the course of this litigation and have kept informed of its status. Based on my interactions
28

1 with my counsel, I believe my counsel has fairly and adequately represented myself and the proposed
2 settlement class and will continue to do so.

3 14. Over the course of about four (4) years, I have remained committed to securing
4 substantive relief on behalf of all class members, as evidenced by the successful outcome of the
5 settlement. I have also taken a substantial risk by electing to have my name as part of the public
6 record in this lawsuit.

7 15. It is my understanding that a \$7,500 settlement award is reasonable and comparable to
8 those approved by other Courts in California. *See, e.g., Cellphone Termination Fee Cases* (June 28,
9 2010) 186 Cal. App. 4th 1380 (\$10,000 incentive award to each class representative).

10
11
12 I declare under penalty of perjury of the laws of California and the United States that the
13 foregoing is true and correct.

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15 Executed on December 22, 2024 in San Diego, California.

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17 
Katherine Walsh (Dec 22, 2024 16:51 PST)

18 Timothy Walsh
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LAW OFFICES OF RONALD A. MARRON

RONALD A. MARRON (SBN 175650)

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Class Counsel

**SUPERIOR COURT FOR THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA**

FINN WALSH, JACK RONAN, KATHERINE
WALSH, and TIMOTHY WALSH, on behalf of
themselves and all others similarly situated,

Plaintiffs,

v.

PREMIUM PROPERTY MANAGEMENT &
DEVELOPMENT, INC. DBA PREMIUM
PROPERTIES, a California Corporation;
HASTE PARTNERS, LLC, a California
Limited Liability Company; SAM SOROKIN,
an individual; CRAIG BECKERMAN, an
individual; MARIA DIBLASI, an individuals;
and DOES 1-1000,

Defendants.

Case No. RG20072409 [lead case]

Case No: 21SC004296 [consolidated case]

**DECLARATION OF PLAINTIFF FINN
WALSH IN SUPPORT OF PLAINTIFFS'
MOTION FOR FINAL APPROVAL OF
CLASS ACTION SETTLEMENT, FOR
ATTORNEYS' FEES, COSTS, AND
INCENTIVE AWARD**

Reservation No. A-20072409-001

Date: January 21, 2025

Time: 10:00 a.m.

Dept.: 23

Judge: Hon. Michael Markman

1 I, Finn Walsh, hereby declare as follows:

2 1. I am a named Plaintiff and class representative in the matter styled *Walsh v. Premium*
3 *Property Management & Development, Inc.*, Case No. RG20072409 that is currently before this
4 Court. I submit this Declaration in Support of Plaintiffs' Motion for Final Approval of Class Action
5 Settlement and in Support of Plaintiff's Motion for Attorneys' Fees, Costs, and Incentive Award. I
6 make this Declaration based on my personal knowledge and if called to testify, I could and would
7 competently testify to the matters contained herein.

8 2. On or around May 22, 2019, I entered into a lease agreement with Premium Property
9 Management & Development, Inc. ("Premium" or "Premium Properties") to rent a property located
10 in Berkeley, California. Upon move-out, Premium Properties withheld my security deposit for future
11 rent payments and a lease transfer fee. I initiated this lawsuit after Premium failed to return my
12 security deposit.

13 3. I joined this litigation on August 26, 2020, when my counsel filed a class action
14 complaint on my behalf. During the course of this litigation, I was dedicated to vigorously pursuing
15 the claims on behalf of the Classes. I have reviewed copies of the material filings in the action and
16 communicated with my counsel about major case developments throughout the litigation. I was also
17 willing to testify at trial in this matter.

18 4. On or around December 17, 2021, Defendant Haste Partners, LLC filed a small claims
19 complaint against me, *et. al.* alleging that I, along with the others named in the complaint, owed
20 \$44,868.86 for "unpaid rent" from July 1, 2020 to May 1, 2021, totaling \$53,110.93. *See Haste*
21 *Partners, LLC v. Walsh, et al.*, Case No. 21SC004296. On December 27, 2021, I delivered a signed
22 letter to my counsel to file on my behalf, notifying the small claims court that a proposed class action
23 lawsuit relating to the same subject matter was currently pending. I also sent my counsel a signed
24 Request to Postpone Trial on January 11, 2022 to file on my behalf. On January 21, 2022, the small
25 claims action was reassigned to Department 19 at the Rene C. Davidson Courthouse to be heard with
26 this action. The small claims lawsuit was then consolidated with this action on April 18, 2022.
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1 5. I have actively participated in the discovery process. Defendants served multiple sets
2 of form interrogatories, special interrogatories, and requests for production of documents in 2021 and
3 2022. I worked with my counsel to provide responses to these requests and to verify my responses.

4 6. On October 6, 2022, Defendants took my deposition in person in San Diego,
5 California. The deposition lasted approximately three (3) hours. I spent several hours preparing for
6 the deposition with counsel, reviewing case filings, and searching for and producing documents
7 responsive to Defendants' notice of deposition and request for production of documents.

8 7. I received my deposition transcript on November 9, 2022 and reviewed it for accuracy.

9 8. As set forth in my declaration filed in support of Plaintiffs' Motion for Class
10 Certification, I requested that the Court certify several classes of persons in this case and requested
11 that the Court appoint me as a class representative. On May 24, 2022, I delivered a signed copy of the
12 declaration to my counsel to file on my behalf.

13 9. It is my understanding that my counsel attended mediation with Defendants on
14 November 29, 2022 and again on June 8, 2023. During both mediation sessions, I made myself
15 available by telephone to discuss settlement proposals with my counsel.

16 10. It is my understanding that my counsel negotiated a class action settlement agreement
17 with Defendants between late-2023 to mid-2024. During these negotiations, I made myself available
18 by telephone to discuss settlement proposals with my counsel. During the ensuing weeks, I remained
19 available to discuss, and did discuss, terms of a proposed settlement with my counsel to ensure my
20 approval of the relief to the Settlement Classes.

21 11. On May 22, 2024, I reviewed and signed the Settlement Agreement and sent a signed
22 copy of the Settlement Agreement to my counsel. I believe that the terms of the settlement are fair,
23 reasonable, and adequate, and that the settlement achieves the primary goal of the litigation.

24 12. In support of the Settlement Agreement, I provided a signed declaration in support of a
25 Motion for Preliminary Approval of Class Action Settlement.

26 13. I have remained in contact with my counsel at the Law Offices of Ronald A. Marron
27 throughout the course of this litigation and have kept informed of its status. Based on my interactions
28

1 with my counsel, I believe my counsel has fairly and adequately represented myself and the proposed
2 settlement class and will continue to do so.

3 14. Over the course of about four (4) years, I have remained committed to securing
4 substantive relief on behalf of all class members, as evidenced by the successful outcome of the
5 settlement. I have also taken a substantial risk by electing to have my name as part of the public
6 record in this lawsuit.

7 15. It is my understanding that a \$7,500 settlement award is reasonable and comparable to
8 those approved by other Courts in California. *See, e.g., Cellphone Termination Fee Cases* (June 28,
9 2010) 186 Cal. App. 4th 1380 (\$10,000 incentive award to each class representative).

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11
12 I declare under penalty of perjury of the laws of California and the United States that the
13 foregoing is true and correct.

14
15 Executed on December 22, 2024 in San Diego, California.

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Finn Walsh (Dec 22, 2024 16:49 PST)

18 Finn Walsh
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LAW OFFICES OF RONALD A. MARRON

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Facsimile: (619) 564-6665

Class Counsel

**SUPERIOR COURT FOR THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA**

FINN WALSH, JACK RONAN, KATHERINE
WALSH, and TIMOTHY WALSH, on behalf of
themselves and all others similarly situated,

Plaintiffs,

v.

PREMIUM PROPERTY MANAGEMENT &
DEVELOPMENT, INC. DBA PREMIUM
PROPERTIES, a California Corporation;
HASTE PARTNERS, LLC, a California
Limited Liability Company; SAM SOROKIN,
an individual; CRAIG BECKERMAN, an
individual; MARIA DIBLASI, an individuals;
and DOES 1-1000,

Defendants.

Case No. RG20072409 [lead case]

Case No: 21SC004296 [consolidated case]

**DECLARATION OF PLAINTIFF
KATHERINE WALSH IN SUPPORT OF
PLAINTIFFS' MOTION FOR FINAL
APPROVAL OF CLASS ACTION
SETTLEMENT, FOR ATTORNEYS' FEES,
COSTS, AND INCENTIVE AWARD**

Reservation No. A-20072409-001

Date: January 21, 2025

Time: 10:00 a.m.

Dept.: 23

Judge: Hon. Michael Markman

1 I, Katherine Walsh, hereby declare as follows:

2 1. I am a named Plaintiff and class representative in the matter styled *Walsh v. Premium*
3 *Property Management & Development, Inc.*, Case No. RG20072409 that is currently before this
4 Court. I submit this Declaration in Support of Plaintiffs' Motion for Final Approval of Class Action
5 Settlement and in Support of Plaintiff's Motion for Attorneys' Fees, Costs, and Incentive Award. I
6 make this Declaration based on my personal knowledge and if called to testify, I could and would
7 competently testify to the matters contained herein.

8 2. On or around April 12, 2019, I signed a co-signer agreement with Premium Property
9 Management & Development, Inc. ("Premium" or "Premium Properties") to co-sign for my son Finn
10 Walsh to rent a property located in Berkeley, California. Upon move-out, Premium failed to return
11 my son's security deposit and took the position that we both were responsible for rent payments for a
12 renewed lease term.

13 3. I joined this litigation on August 26, 2020, when my counsel filed a class action
14 complaint on my behalf. During the course of this litigation, I was dedicated to vigorously pursuing
15 the claims on behalf of the Classes. I have reviewed copies of the material filings in the action and
16 communicated with my counsel about major case developments throughout the litigation. I was also
17 willing to testify at trial in this matter.

18 4. On or around December 17, 2021, Defendant Haste Partners, LLC filed a small claims
19 complaint against me, *et. al.* alleging that I, along with the others named in the complaint, owed
20 \$44,868.86 for "unpaid rent" from July 1, 2020 to May 1, 2021, totaling \$53,110.93. *See Haste*
21 *Partners, LLC v. Walsh, et al.*, Case No. 21SC004296. On December 27, 2021, I delivered a signed
22 letter to my counsel to file on my behalf, notifying the small claims court that a proposed class action
23 lawsuit relating to the same subject matter was currently pending. I also sent my counsel a signed
24 Request to Postpone Trial on January 11, 2022 to file on my behalf. On January 21, 2022, the small
25 claims action was reassigned to Department 19 at the Rene C. Davidson Courthouse to be heard with
26 this action. The small claims lawsuit was then consolidated with this action on April 18, 2022.
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1 5. I have actively participated in the discovery process. Defendants served multiple sets
2 of form interrogatories, special interrogatories, and requests for production of documents in 2021 and
3 2022. I worked with my counsel to provide responses to these requests and to verify my responses.

4 6. On October 5, 2022, Defendants took my deposition in person in San Diego,
5 California. The deposition lasted approximately four (4) hours. I spent several hours preparing for the
6 deposition with counsel, reviewing case filings, and searching for and producing documents
7 responsive to Defendants' notice of deposition and request for production of documents.

8 7. I received my deposition transcript on November 9, 2022 and reviewed it for accuracy.

9 8. As set forth in my declaration filed in support of Plaintiffs' Motion for Class
10 Certification, I requested that the Court certify several classes of persons in this case and requested
11 that the Court appoint me as a class representative. On May 31, 2022, I delivered a signed copy of the
12 declaration to my counsel to file on my behalf.

13 9. It is my understanding that my counsel attended mediation with Defendants on
14 November 29, 2022 and again on June 8, 2023. During both mediation sessions, I made myself
15 available by telephone to discuss settlement proposals with my counsel.

16 10. It is my understanding that my counsel negotiated a class action settlement agreement
17 with Defendants between late-2023 to mid-2024. During these negotiations, I made myself available
18 by telephone to discuss settlement proposals with my counsel. During the ensuing weeks, I remained
19 available to discuss, and did discuss, terms of a proposed settlement with my counsel to ensure my
20 approval of the relief to the Settlement Classes.

21 11. On May 22, 2024, I reviewed and signed the Settlement Agreement and sent a signed
22 copy of the Settlement Agreement to my counsel. I believe that the terms of the settlement are fair,
23 reasonable, and adequate, and that the settlement achieves the primary goal of the litigation.

24 12. In support of the Settlement Agreement, I provided a signed declaration in support of a
25 Motion for Preliminary Approval of Class Action Settlement.

26 13. I have remained in contact with my counsel at the Law Offices of Ronald A. Marron
27 throughout the course of this litigation and have kept informed of its status. Based on my interactions
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1 with my counsel, I believe my counsel has fairly and adequately represented myself and the proposed
2 settlement class and will continue to do so.

3 14. Over the course of about four (4) years, I have remained committed to securing
4 substantive relief on behalf of all class members, as evidenced by the successful outcome of the
5 settlement. I have also taken a substantial risk by electing to have my name as part of the public
6 record in this lawsuit.

7 15. It is my understanding that a \$7,500 settlement award is reasonable and comparable to
8 those approved by other Courts in California. *See, e.g., Cellphone Termination Fee Cases* (June 28,
9 2010) 186 Cal. App. 4th 1380 (\$10,000 incentive award to each class representative).

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12 I declare under penalty of perjury of the laws of California and the United States that the
13 foregoing is true and correct.

14
15 Executed on December 22, 2024 in San Diego, California.

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17 Katherine Walsh
Katherine Walsh (Dec 22, 2024 16:50 PST)
18 Katherine Walsh

LAW OFFICES OF RONALD A. MARRON

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Class Counsel

**SUPERIOR COURT FOR THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA**

FINN WALSH, JACK RONAN, KATHERINE
WALSH, and TIMOTHY WALSH, on behalf of
themselves and all others similarly situated,

Plaintiffs,

v.

PREMIUM PROPERTY MANAGEMENT &
DEVELOPMENT, INC. DBA PREMIUM
PROPERTIES, a California Corporation;
HASTE PARTNERS, LLC, a California
Limited Liability Company; SAM SOROKIN,
an individual; CRAIG BECKERMAN, an
individual; MARIA DIBLASI, an individuals;
and DOES 1-1000,

Defendants.

Case No. RG20072409 [lead case]

Case No: 21SC004296 [consolidated case]

**DECLARATION OF PLAINTIFF JACK
RONAN IN SUPPORT OF PLAINTIFFS'
MOTION FOR FINAL APPROVAL OF
CLASS ACTION SETTLEMENT, FOR
ATTORNEYS' FEES, COSTS, AND
INCENTIVE AWARD**

Reservation No. A-20072409-001

Date: January 21, 2025

Time: 10:00 a.m.

Dept.: 23

Judge: Hon. Michael Markman

1 I, Jack Ronan, hereby declare as follows:

2 1. I am a named Plaintiff and class representative in the matter styled *Walsh v. Premium*
3 *Property Management & Development, Inc.*, Case No. RG20072409 that is currently before this
4 Court. I submit this Declaration in Support of Plaintiffs' Motion for Final Approval of Class Action
5 Settlement and in Support of Plaintiff's Motion for Attorneys' Fees, Costs, and Incentive Award. I
6 make this Declaration based on my personal knowledge and if called to testify, I could and would
7 competently testify to the matters contained herein.

8 2. On or around May 22, 2019, I entered into a lease agreement with Premium Property
9 Management & Development, Inc. ("Premium" or "Premium Properties") to rent a property located
10 in Berkeley, California. Upon move-out, Premium Properties withheld my security deposit for future
11 rent payments and a lease transfer fee. I initiated this lawsuit after Premium failed to return my
12 security deposit.

13 3. I joined this litigation on August 26, 2020, when my counsel filed a class action
14 complaint on my behalf. During the course of this litigation, I was dedicated to vigorously pursuing
15 the claims on behalf of the Classes. I have reviewed copies of the material filings in the action and
16 communicated with my counsel about major case developments throughout the litigation. I was also
17 willing to testify at trial in this matter.

18 4. I have actively participated in the discovery process. Defendants served multiple sets
19 of form interrogatories, special interrogatories, and requests for production of documents in 2021 and
20 2022. I worked with my counsel to provide responses to these requests and to verify my responses.

21 5. On October 13, 2022, Defendants took my deposition in person in Oakland,
22 California. The deposition lasted approximately three (3) hours. I spent several hours preparing for
23 the deposition with counsel, reviewing case filings, and searching for and producing documents
24 responsive to Defendants' notice of deposition and request for production of documents.

25 6. I received my deposition transcript on November 14, 2022 and reviewed it for
26 accuracy.

27 7. As set forth in my declaration in support of Plaintiffs' Motion for Class Certification, I
28 requested that the Court certify several classes of persons in this case and requested that the Court

1 appoint me as a class representative. On May 31, 2022, I delivered a signed copy of the declaration to
2 my counsel to file on my behalf.

3 8. It is my understanding that my counsel attended mediation with Defendants on
4 November 29, 2022 and again on June 8, 2023. During both mediation sessions, I made myself
5 available by telephone to discuss settlement proposals with my counsel.

6 9. It is my understanding that my counsel negotiated a class action settlement agreement
7 with Defendants between late-2023 to mid-2024. During these negotiations, I made myself available
8 by telephone to discuss settlement proposals with my counsel. During the ensuing weeks, I remained
9 available to discuss, and did discuss, terms of a proposed settlement with my counsel to ensure my
10 approval of the relief to the Settlement Classes.

11 10. On May 22, 2024, I reviewed and signed the Settlement Agreement and sent a signed
12 copy of the Settlement Agreement to my counsel. I believe that the terms of the settlement are fair,
13 reasonable, and adequate, and that the settlement achieves the primary goal of the litigation.

14 11. In support of the settlement agreement, I provided a signed declaration in support of a
15 Motion for Preliminary Approval of Class Action Settlement.

16 12. I have remained in contact with my counsel at the Law Offices of Ronald A. Marron
17 throughout the course of this litigation and have kept informed of its status. Based on my interactions
18 with my counsel, I believe my counsel has fairly and adequately represented myself and the proposed
19 settlement class and will continue to do so.

20 13. Over the course of about four (4) years, I have remained committed to securing
21 substantive relief on behalf of all class members, as evidenced by the successful outcome of the
22 settlement. I have also taken a substantial risk by electing to have my name as part of the public
23 record in this lawsuit.


24 14. It is my understanding that a \$7,500 settlement award is reasonable and comparable to
25 those approved by other Courts in California. *See, e.g., Cellphone Termination Fee Cases* (June 28,
26 2010) 186 Cal. App. 4th 1380 (\$10,000 incentive award to each class representative).

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1 I declare under penalty of perjury of the laws of California and the United States that the
2 foregoing is true and correct.

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4 Executed on December 21, 2024 in San Francisco, California.

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Jack Ronan (Dec 21, 2024 13:01 PST)

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LAW OFFICES OF RONALD A. MARRON

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Class Counsel

**SUPERIOR COURT FOR THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA**

FINN WALSH, JACK RONAN, KATHERINE
WALSH, and TIMOTHY WALSH, on behalf of
themselves and all others similarly situated,

Plaintiffs,

v.

PREMIUM PROPERTY MANAGEMENT &
DEVELOPMENT, INC. DBA PREMIUM
PROPERTIES, a California Corporation;
HASTE PARTNERS, LLC, a California
Limited Liability Company; SAM SOROKIN,
an individual; CRAIG BECKERMAN, an
individual; MARIA DIBLASI, an individuals;
and DOES 1-1000,

Defendants.

Case No. RG20072409 [lead case]

**DECLARATION OF GAJAN RETNASABA
IN SUPPORT OF PLAINTIFFS' MOTION
FOR FINAL APPROVAL OF CLASS
ACTION SETTLEMENT**

Reservation No. A-20072409-001

Date: January 21, 2025

Time: 10:00 a.m.

Dept.: 23

Judge: Hon. Michael Markman

HASTE PARTNERS, LLC,

Plaintiff,

v.

FINN WALSH, TIMOTHY WALSH,
KATHERINE WALSH, HIRAM HUERTA,
ROBERT REE, JULIE REE, and
ALEXANDER REE,

Defendants.

Case No: 21SC004296 [consolidated case]

1 I, Gajan Retnasaba, hereby declare as follows:

2 1. I am a Partner at Classaura LLC ("Classaura"), a class action administration firm,
3 located at 1718 Peachtree St #1080, Atlanta, Georgia. I am over 21 years of age and am not a party
4 to this action. I have personal knowledge of the facts set forth herein and, if called as a witness, could
5 and would testify competently thereto.

6 2. Classaura Class Action Administration was retained by the Parties to serve as the
7 Claims Administrator in this action to, among other tasks, provide direct notice of preliminary
8 approval to Settlement Class Members; respond to Settlement Class Member inquiries; create a Class
9 Website; and perform other duties as specified by the Parties.

10 **EMAIL DIRECT NOTICE**

11 3. Claims administrator Classaura received a list of class members from defense counsel
12 on July 9, 2024, Classaura emailed all 520 class members for whom an email address was provided
13 sending them a class notice, personalized with the estimated payment amount they would receive if
14 the class was approved and the address. Emails were sent between 09/08/2024 and 09/09/2024. We
15 received 76 email responses to date and have responded to each appropriately. These email responses
16 were primarily requests for a change to their postal address.

17 **MAIL DIRECT NOTICE**

18 4. Classaura mailed 73 class members for whom either an email address was not
19 available, or for whom the email address provided was invalid. These class members were mailed a
20 class notice, personalized with the estimated payment amount they would receive if the class was
21 approved. Notices were mailed via USPS between 09/09/2024 and 09/18/2024.

22 **CLASS WEBSITE**

23 5. The Settlement Website (www.premiumpropertiesettlement.com) was set up on
24 August 21, 2024, providing information on the lawsuit and access to case documents. The website
25 includes a summary of the case, a list of important dates, answers to frequently asked questions, key
26 case filings (complaint, amended complaint, settlement agreement, and order granting preliminary
27 approval), and contact information. The Settlement Website also displayed the class exclusion
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1 deadline and details on how to be excluded from the settlement. The website address was set forth in
2 each of the direct notices described above. To date the website has been visited 105 times.

3
4 **REQUESTS FOR EXCLUSION**

5 6. The deadline for Settlement Class Members to request to be excluded from the
6 Settlement Class was December 7, 2024. To date, we have received zero (0) requests to be excluded
7 from the settlement.

8 **REQUESTS FOR ADJUSTMENT OR ALTERNATIVE DISTRIBUTION**

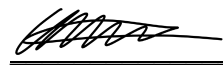
9 7. The deadline for Settlement Class Members to make a request for an adjustment or for
10 an alternative distribution was November 7, 2024. To date, we have received zero (0) requests.

11 **COSTS OF NOTICE**

12 8. The costs to provide notice of the settlement via direct postal and email notice is
13 \$6,000. The cost to provide a website and customer service to class members is \$5,000. If approved,
14 the cost to distribute funds to Class Members is \$2,000. Thus, the total for notice and administration
15 is \$13,000.00.

16
17 I declare under penalty of perjury of the laws of the United States and California that the
18 foregoing is true and correct.

19
20 Executed on December 23rd, 2024 in Atlanta, Georgia.

21
22 
23 Gajan Retnasaba