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Attorneys for Plaintiff and Proposed Plaintiffs Class

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

KRISTINA REYES, on behalf of herself and
all others similarly situated,

Plaintiff,

vs.

BACKPACK BOYZ LOS ANGELES, LLC;
LOS ANGELES INDUSTRY, INC., and
DOES 1-100, inclusive,

Defendants.

Case No.: 22STCV05435

CLASS and REPRESENTATIVE ACTION

**DECLARATION OF TED D.
MECHTENBERG IN SUPPORT OF
MOTION FOR FINAL APPROVAL OF
CLASS SETTLEMENT and ATTORNEY
FEES and COSTS**

Assigned For All Purposes to the Hon. William
Highberger (Dept. 10)

Date: August 18, 2023

Time: 10:00 a.m.

Location: Dept. 10 (Hon. William Highberger)

I, Ted D. Mechtenberg, hereby declare as follows:

1. I make this Declaration based on personal knowledge. If called and sworn as a witness, I would testify competently as to the facts in this Declaration.

2. I am an attorney admitted to practice law in the State of California.

3. I am a named Partner of Da Vega Fisher Mechtenberg, LLP ("DFM LLP").

4. DFM LLP is lead and only counsel for the Plaintiff in this Lawsuit. ("Class Counsel.")

5. I have been intimately involved in all aspects of this dispute and the resulting settlement. I make this declaration in support of Plaintiff's Motion for Final Approval of Class Settlement and Attorney Fees and Costs.

1 **I. LEAD COUNSEL BACKGROUND and COMPETENCY**

2 6. **DA VEGA | FISHER | MECHTENBERG LLP (“DFM LLP”)**: DFM LLP is a
3 small plaintiff-side contingency fee based law firm representing individuals who could not
4 otherwise afford legal counsel. Each case the firm takes, including this one, runs the risk of an
5 uncertain outcome and possibility of little or no recovery for the client or the firm. Many cases
6 the firm takes can require years of litigation and thousands of hours of attorney time and costs.
7 To represent our clients in this case on a contingent fee basis, our firm had to forego compensable
8 hourly work on other cases to devote the necessary time and resources to this case. In so doing,
9 our firm gave up work that a firm receives more immediate payment for in exchange for risky
10 contingent fee work in this case. This firm has previously invested in similar cases which resulted
11 in little or no recovery due to various issues, including but not limited to bankruptcy, change in
12 prevailing law, and/or lengthy appeals.

13 7. **Plaintiff’s Counsel Ted D. Mechtenberg**: I am an equity partner at the firm. I am
14 a graduate of the University of Notre Dame, B.A. Anthropology, Cum Laude (1996) and
15 Washington University School of Law, J.D. (2001). I became a member of the California State
16 Bar in 2002. I have worked with firms both in Washington State and California. From 2011 to
17 2013 I worked with the Ventura, California firm of Anderson Kill. In 2013, I was designated as a
18 Rising Star by Southern California Super Lawyers. I joined DFM LLP in 2014 as a partner. DFM
19 LLP has always been a Plaintiff-side contingency based law firm representing clients
20 predominantly in employment and personal injury matters in both individual and class actions.
21 DFM LLP is experienced counsel in matters such as this and has worked on significant
22 employment cases such as *Salvatierra v. Intuitive Surgical, Inc.*, Santa Clara County Superior
23 Court, Case No. 2014-1-CV-272069 (2016) (\$4.6M gross settlement for class of 208 misclassified
24 class member employees); *Gibbins/Leal v. Hismeh Enterprises, Inc.*, Ventura County Superior
25 Court, Case No. 56-2015-00468352 (2017) (\$1M gross settlement for class of 4000+ delivery
26 driver members reimbursements); *Sena v. Facebook, Inc.*, San Mateo County Superior Court,
27 Case No. 16CIV00496 (2018) (\$4.25M gross settlement for class of 900+ class member
28 employees for unpaid overtime wage); and *Magpiong v. CareLinx*, San Mateo County Superior

1 Court, Case No. 21-CIV-03038 (2022) (\$1.8 M gross settlement for class of 2000+ class member
2 employees for IC misclassification /unpaid overtime wage), to name but a few.

3 **II. CLASS COUNSEL AWARD OF ATTORNEY FEES and COSTS**

4 8. **Common Fund Settlement:** In this matter DFM LLP negotiated a Class action
5 settlement providing a common settlement fund with a payout of \$350,000 (three hundred and
6 fifty thousand dollars) which has now increased to a total of **\$353,500** (Three Hundred and Fifty
7 Three Thousand and Five Hundred dollars) due to an increase in the number of class members
8 from the original 93 to 103 and thus an increase of 1% of the Gross Settlement Amount per the
9 Settlement Agreement's escalator clause. (see "Escalator Clause" of *Amended* Settlement
10 Agreement at § 6.2). Class Counsel is seeking as a Fee Award of 33% percentage of this common
11 settlement fund. (*Amended* Settlement Agreement § 2.2).

12 9. **Attorney Fees of 33% Percent of Common Fund is Reasonable:** Class Counsel
13 requests the Court grant its application for an award of attorneys' fees in the amount of **\$116,655**
14 (One Hundred and Sixteen Thousand Six Hundred and Fifty Five dollars). This is equal to 33% of
15 the Gross Settlement Amount of \$353,500 created on behalf of the Class. The requested award is
16 fair, reasonable, and well within the common range for attorney fees of 20% to 50% in a common
17 fund settlement. The requested award also compares favorably to the overall lodestar incurred to
18 date (see below). Therefore, the DFM LLP respectfully requests approval of the agreed upon fee
19 award.

20 10. **Contingency Fee Matter:** As this is a contingency matter, Class Counsel litigated
21 this action without receiving any payment for their services or reimbursement of their costs
22 incurred for the benefit of the Class. To represent the Class on a contingent fee basis, Class
23 Counsel had to forego compensable hourly work or other contingency fee cases to devote the
24 necessary time and resources to this contingent case. In so doing, Class Counsel gave up work
25 that a firm receives more immediate payment for in exchange for risky class action contingency
26 fee work which could have paid the Class and its Counsel nothing. A number of difficult issues,
27 the adverse resolution of any one of which could have barred the successful prosecution of the
28 action, were present here. Attorneys' fees in this case were not only contingent but risky, with a

1 very real chance that Class Counsel would receive nothing at all for their efforts, having devoted
2 time and advancing costs. Class Counsel has previously invested in similar cases which resulted
3 in little or no recovery due to various issues, including but not limited to bankruptcy, failed
4 certification/decertification, other overlapping class cases, and/or lengthy appeals.

5 **11. Contingency Fee Market:** I am familiar with the contingent fee market
6 throughout California and in particular as it pertains to complex employer, wage and hour, and
7 class action litigation. On behalf of my firm, I have negotiated hundreds of contingency fee
8 agreements with Plaintiffs, including both individual matters and as representatives in class action
9 suits. Many of those agreements provide that counsel will receive between 33% to 40%+ of any
10 recovery that is obtained, and, in addition that counsel be reimbursed for the costs they incurred
11 out of the recovery amount. These are typical and standard percentages in employment-related
12 contingency fee agreements throughout California. The Class Members in this complex wage and
13 hour case would not be likely to obtain competent counsel in California, for any amount less than
14 these standard fee percentages. Class Counsel has also advanced all costs in this matter and not
15 been paid for any attorney's fees or costs to date.

16 **12. Class Counsel's Hours and Hourly Rates:** I will have worked on this matter for
17 23 hours at the time of this motion and my current billable rate as of 2022 is \$625/hr. for class
18 action work (\$625/hr. x 23 hours = \$14,375 in lodestar). This rate has been previously approved
19 for my class action work in prior cases.

20 **13. Class Counsel Lodestar Cross-Check:** I have reviewed my firm's lodestar in this
21 matter and believe the charges are reasonable and were reasonably necessary to the conduct of the
22 case. These rates are in line with the prevailing rates of attorneys in the California legal
23 community for similar work. In this case, the reasonableness of the requested for \$116,655 in
24 attorneys' fees is further supported by a cross-check using attorney's lodestar in this matter. Class
25 Counsel has spent a significant amount of hours investigating, researching, and litigating this
26 matter, including but not limited to the following: interviewing Plaintiffs and flushing out facts
27 and issues; researching employer and causes of action; developing facts and investigating
28 Defendant's ownership structure (Secretary of State, etc.); investigating and discussing job

functions, duties, compensation, policies and procedures, etc.; regularly meeting and/or communicating with our clients who are the Class Representatives; drafting pleadings (Complaint, case management statements, mediation briefs); drafting and responding to informal discovery; reviewing information produced in formal and informal discovery (payroll data, etc.); researching employee misclassification and various impact on class actions; participating in Court-ordered hearings and conferences; attending mediation; retention of expert witnesses; discussion with expert witnesses issues related to damage model calculations; preparing and analyzing damage models; negotiating the terms of the Settlement; reviewing and making changes to Settlement Agreement; and coordinating and overseeing all the administration of the Settlement. The contemporaneous billing records evidence that the attorneys' lodestar is \$122,125 (greater than the amount of fees requested) with additional fees still to be incurred for preparation and attending the final approval hearing, managing post approval settlement distribution with the claims administrator, responding to class member inquiries, and handling any potential appeal of the matter. As a result, the current lodestar amount understates the total attorneys' fees ultimately incurred in this action. Class Counsel lodestar crosscheck of attorney fees is as follows:

Attorney Name	Hours	Hourly Rate	Totals
Matthew S. Da Vega	114	\$750	\$79,800
Matthew H. Fisher	43	\$650	\$27,950
Ted Mechtenberg	23	\$625	\$14,375
TOTAL	180		\$122,125

The requested fee award of \$116,655 represents a **negative multiplier**. Whereas “Multipliers of 1 to 4 are commonly found to be appropriate in complex class action cases.” *Destefano v. Zynga, Inc.*, 2016 WL 537946, at *21 (N.D. Cal. Feb. 11, 2016) (quoting *Hopkins v. Stryker Sales Corp.*, 2013 WL 496358, at *4 (N.D. Cal. Feb. 6, 2013)); see *Vizcaino v. Microsoft Corp.*, 290 F.3d United States District Court Northern District 1043, 1051 n.6 (9th Cir. 2002)(citing survey finding most multipliers range from 1.0 to 4.0). As a result, this Court should have no trouble concluding that an award is supported by the lodestar cross-check is fair and reasonable and is justified under California law. “[T]he lodestar method better accounts for the

1 amount of work done, while the percentage of the fund method more accurately reflects the results
2 achieved.” *Rawlings v. Prudential-Bache Properties, Inc.* (6th Cir. 1993) 9 F.3d 513, 516.

3 14. **Class Counsel Attorney Costs:** The Settlement Agreement permits up to \$25,000
4 in reimbursement of costs (the actual costs of \$28,800 are greater than the reimbursement
5 requested). Therefore, Class Counsel requests the Court award it \$25,000 in costs related to filing
6 fees, service fees, mediation fees, travel costs, mediation fees, and expert fees which could not
7 have been recovered if this case had been lost. Class Counsel was required to advance all costs in
8 this litigation. In this type of litigation where the corporate defendant and their attorneys are well
9 funded, this can prove to be very expensive, risky, and therefore cost prohibitive to many
10 attorneys. The financial burdens undertaken by Plaintiff and Class Counsel in prosecuting this
11 action on behalf of the Class were substantial. Plaintiff undertook the risk of liability for
12 Defendant’s costs and even fees had this case not succeeded, as well as other potential negative
13 financial ramifications from having come forward to sue Defendant on behalf of the Class.
14 Accordingly, the contingent nature of the fee and the financial burdens on Class Counsel and
15 Plaintiff also support the requested awards. The following list itemizes Class Counsel’s costs and
16 expenses to date:

Filings/Service/Court Fees:	\$ 1,837
Travel (Flights, Lodging, Rentals, Meals):	\$ 5,733
Mediation Fees/Costs:	\$ 9,999
Experts Fees/Costs:	\$ 11,231
TOTAL	\$ 28,800

20 15. I am presently unaware of any opposition to the final approval of this settlement.

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

23 **DATED:** July 26, 2023

DA VEGA | FISHER | MECHTENBERG LLP

24 

25
26 By: _____
27 Ted D. Mechtenberg
28 Attorneys for Plaintiff and Class