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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

DEBRA MCDONALD, individually, and on behalf of other similarly situated employees and aggrieved employees pursuant to the California Private Attorneys General Act,

Plaintiff,

vs.

LFCU FINANCIAL SERVICES, LLC dba LOGIX FEDERAL CREDIT UNION; LOGIX EMPLOYMENT SERVICES, INC.; PROTOCOL AGENCY, INC.; and DOES 1 through 25, inclusive,

Defendants.

Case No.: 24STCV16050

Honorable Samantha P. Jessner
Department 7

DECLARATION OF JASMINE Y. KIANFARD IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT

Date:	April 1, 2026
Time:	10:00 a.m.
Dept.:	7
Complaint Filed:	June 26, 2024
FAC Filed:	September 16, 2024
Trial Date:	Not Set

DECLARATION OF JASMINE Y. KIANFARD

I, Jasmine Y. Kianfard, declare and state as follows:

1. I am an attorney duly licensed to practice law in all Courts of the State of California. I am a member of Blackstone Law, APC ("Class Counsel"), attorneys of record for Plaintiff Debra McDonald ("Plaintiff"). I have personal knowledge of the facts contained herein, and, if called to testify, I could and would competently do so.

2. On December 3, 2025, Plaintiff filed a Motion for Preliminary Approval of Class Action and PAGA Settlement ("Motion for Preliminary Approval") and supporting documents seeking preliminary approval of the Joint Stipulation of Class Action and PAGA Settlement ("Settlement Agreement") entered into between Plaintiff and Defendants LFCU Financial Services, LLC dba Logix Federal Credit Union and Logix Employment Services, Inc. (together, "Defendants") (collectively, with Plaintiff, the "Parties").

3. On March 18, 2026, the Court issued a Tentative Ruling ("March 18, 2026 Tentative Ruling") in which it raised points of inquiry with regards to the Motion for Preliminary Approval and the Settlement Agreement. A true and correct copy of the March 18, 2026 Tentative Ruling is attached hereto as **Exhibit 1**.

4. In its March 18, 2026 Tentative Ruling, the Court provided certain inquiries regarding the credit of Sixty-One Thousand Six Hundred Fifty-Six Dollars and Zero Cents ($61,656.00) for payments previously made by Defendants to Class Members from the Gross Settlement Amount to cure all regular rate issues for 2024 ("Prior Paid Amount").

   a. <u>When was the Prior Paid Amount issued, were the payments issued to all Class Members, and were they subject to any release of claims in exchange?</u> (March 18, 2026 Tentative Ruling, Item 1).

Please see the concurrently filed Declaration of Nick Mitchell in Support of Motion for Preliminary Approval of Class Action Settlement ("Mitchell Decl.").

   b. <u>There is no rationale provided for why Plaintiff's counsel should be entitled to fees based on a percentage of a sum that includes settlement amounts already paid. Briefing should be provided.</u> (March 18, 2026 Tentative Ruling, Item 2).

As provided in the Mitchell Decl., during the pendency of this litigation, Defendants undertook a thorough internal review of its payroll practices as they applied to non-exempt employees. (Mitchell Decl., ¶ 4). Through that review, Defendants identified two categories of payroll issues requiring correction: (a) the calculation of the regular rate of pay for overtime compensation, and (b) the payment of meal period premiums at the proper rate. (Ibid). Upon identifying these issues, Defendants elected to take immediate corrective action rather than await any court order or settlement resolution. (Ibid).

Had this lawsuit not been filed, the regular rate issues could have potentially went unresolved. As Defendants represented, Defendants made the decision to proactively audit its payroll records, calculate the amounts owed, and distribute corrective payments through its regular payroll system because it was the right thing to do. (*Id.*, ¶ 11). The settlement accounts for Defendants' prior remedial efforts – efforts that might not have occurred but for the named Plaintiff bringing this issue to light and Class Counsel pursuing it through litigation. The fact that some money was paid before the settlement does not mean Class Counsel's work failed to create or preserve that value.

Therefore, the request for attorneys' fees should be calculated on the entire Gross Settlement Amount, which includes the Prior Paid Amount. Additionally, as this settlement is only at the preliminary approval stage, Plaintiff respectfully requests that the Court decide the issue of the attorneys' fees at the time of final approval to afford all Class Members full notice and a meaningful opportunity to object to the request if they believe the requested fees are unreasonable or unfair. The Court will have the benefit of any Class Member objections before making a final determination on the fairness and adequacy of the fee request at the final approval hearing.

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

Executed on March 24, 2026, at Los Angeles, California.

Jasmine Y. Kianfard

Jasmine Y. Kianfard

EXHIBIT 1

Preliminary Approval of Class Action Settlement
Department SSC-7
Hon. Samantha Jessner

Debra McDonald v. LFCU Financial Services, LLC, et al.
Case No.: 24STCV16050
Hearing: April 1, 2026

TENTATIVE RULING

GRANT preliminary approval contingent on the parties addressing the following at least five court days before the hearing on April 1, 2026:

1. Provide further details regarding the Prior Paid Amounts (Settlement Agreement, ¶10.ff) previously paid to Class Members. When were the Prior Paid Amounts issued, were the payments issued to all Class Members, and were they subject to any release of claims in exchange?
2. There is no rationale provided for why Plaintiff's counsel should be entitled to fees based on a percentage of a sum that includes settlement amounts already paid. (See Rose Decl., ¶¶17, 31; Settlement Agreement, ¶10.ff.) Briefing should be provided.

BACKGROUND

Plaintiff Debra McDonald sues her former employer, Defendants LFCU Financial Services, LLC dba Logix Federal Credit Union and Logix Employment Services, Inc. (together, "Defendants"), for alleged wage and hour violations. Defendants are a credit union that offers banking services, mortgages, loans, and financial solutions for individuals and businesses. Plaintiff seeks to represent a class of Defendants' current and former non-exempt employees.

On June 21, 2024, Plaintiff provided written notice to the LWDA by online submission and to Defendants by U.S. Certified Mail, pursuant to California Labor Code Section 2699.3, of the specified provisions of the California Labor Code alleged to have been violated by Defendants.

On June 26, 2024, Plaintiff filed a Class Action Complaint against Defendants alleging causes of action for: (1) Violation of Cal. Labor Code §§ 1194, 1197, and 1197.1 (Minimum Wages); (2) Violation of Cal. Labor Code §§ 510 and 1198 (Unpaid Overtime); (3) Violation of Cal. Labor Code §§ 226.7 and 512(a) (Meal Break Violations); (4) Violation of Cal. Labor Code § 226.7 (Rest Break Violations); (5) Violation of Cal. Labor Code §§ 204 and 210 (Wages Not Timely Paid During Employment); (6) Violation of Cal. Labor Code § 226(a) (Wage Statement Violations); (7) Violation of Cal. Labor Code §§ 201, 202, and 203 (Untimely Final Wages); (8) Violation of Cal. Labor Code §§ 2800 and 2802 (Failure to Reimburse Necessary Business Expenses); and (9) Violation of Cal. Business & Professions Code §§ 17200, et seq.

On September 16, 2024, Plaintiff filed a First Amended Class and Representative Action Complaint ("Operative Complaint") in the Action, which added one cause of action under the

Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698 et seq. ("PAGA") against Defendants and Protocol Agency, Inc.

On July 21, 2025, the Parties participated in a formal mediation conducted by Eve Wagner, Esq., which ultimately resulted in settlement. The terms of settlement are finalized in the long-form *Stipulation of Class Action and PAGA Settlement* ("Settlement Agreement"), a copy of which was initially attached to the Declaration of Alexandra Rose ("Rose Decl.") as Exhibit 3.

On August 7, 2025, pursuant to Plaintiff's request, the Court dismissed Protocol Agency, Inc. from the Action without prejudice.

Now before the Court is the Motion for Preliminary Approval of the Settlement Agreement.

SETTLEMENT CLASS DEFINITION

- "Class" or "Class Member(s)" means all current and former hourly-paid and/or non-exempt employees who worked for Defendants in the State of California at any time during the Class Period. The Parties estimate 799 total Class Members. (¶10.b)
- "Class Period" means the period from June 26, 2020 through July 21, 2025. (¶10.f)
- "PAGA Employee(s)" means all current and former hourly-paid and/or nonexempt employees who worked for Defendants in the State of California at any time during the PAGA Period. The Parties estimate 682 PAGA Employees. (¶10.y)
- "PAGA Period" means the period from June 21, 2023 through July 21, 2025. (¶10.aa)
- "Settlement Class" or "Settlement Class Member(s)" means all Class Members who do not submit a timely and valid Request for Exclusion. (¶10.nn)

TERMS OF SETTLEMENT AGREEMENT

The essential terms are as follows:

- The Gross Settlement Amount ("GSA") is **$911,656**, non-reversionary. (¶10.q)
    - Escalator Clause: Defendants have represented that the Class Members worked a total of 86,703 Workweeks during the Class Period. If it is determined by the Settlement Administrator that the total number of Workweeks worked by the Class Members during the Class Period actually exceeds 86,703 by more than 10% (i.e., if the Workweeks exceed 95,373), then the Gross Settlement Amount will be increased on a pro rata basis equal to the percentage increase in the number of Workweeks worked by the Class Members above 10%. For example, if the number of Workweeks increases by 11% to 96,240 Workweeks, then the Gross Settlement Amount will increase by 1%. (¶17)
- The Net Settlement Amount ("Net") (**$447,614.67**) is the GSA minus the following:
    - Prior Paid Amount of **$61,656** already paid by Defendants directly to Class Members to cure regular rate issues for 2024 (¶10.ff);
    - Up to **$303,885.33** (33 1/3%) for attorney fees (¶13);
    - Up to **$30,000** for litigation costs (*Ibid.*);

- Up to **$7,500** for an Enhancement Payment to the Named Plaintiff (¶14);
  - Up to **$11,000** for settlement administration costs (¶16); and
  - Payment of **$50,000** PAGA penalty (65% or $32,500 to the LWDA). (¶15)
- Defendants shall pay the Employer Taxes in addition to the Gross Settlement Amount. (¶10.l)
- There is no claim form requirement. (Notice p. 1)
- Individual Settlement Payment Calculation: After Final Approval, the Settlement Administrator will divide the final Net Settlement Amount by the Workweeks of all Settlement Class Members to yield the "Final Workweek Value," and multiply each Settlement Class Member's individual Workweeks by the Final Workweek Value to yield each Settlement Class Member's final Individual Settlement Share. (¶18.b)
  - PAGA Payments: Individual PAGA Payments will be calculated and apportioned from the PAGA Employee Amount based on the PAGA Employees' number of Pay Periods, as follows: The Settlement Administrator will divide the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the Pay Periods of all PAGA Employees to yield the "Pay Period Value," and multiply each PAGA Employee's individual Pay Periods by the Pay Period Value to yield each PAGA Employee's Individual PAGA Payment. (¶19)
  - Tax Allocation**:** Class Members' Individual Settlement Shares will be allocated as follows: 10% as wages, 90% as interest, penalties and non-wage damages. Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties. (¶20)
- Response Deadline: "Response Deadline" means the deadline by which Class Members must submit a Request for Exclusion, Notice of Objection, and/or Dispute, which shall be the date that is forty-five (45) calendar days from the initial mailing of the Class Notice by the Settlement Administrator to Class Members, unless the 45th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the United States Postal service is open. The Response Deadline may also be extended by express agreement between Class Counsel and Defendants' Counsel. In the event that a Class Notice is re-mailed to a Class Member, the Response Deadline for that Class Member shall be extended fifteen (15) calendar days from the original Response Deadline. (¶10.kk)
  - If more than ten percent (10%) of the Class Members submit timely and valid Requests for Exclusion, Defendants may elect to rescind the Settlement Agreement. (¶33)
- Funding of Settlement**:** No later than five (5) business days after the Effective Date, Defendants will deposit the Gross Settlement Amount, less the Prior Paid Amount, into a Qualified Settlement Fund ("QSF") within the meaning of Treasury Regulation Section 1.468B1, et seq., to be established by the Settlement Administrator. Defendants shall provide all information necessary for the Settlement Administrator to calculate necessary payroll taxes including its official name, 8-digit state unemployment insurance tax ID number, and other information requested by the Settlement Administrator, no later than five (5) business days after the Effective Date. (¶36)

    - “Prior Paid Amount” means the amount of Sixty-One Thousand Six Hundred Fifty-Six Dollars and Zero Cents ($61,656.00) that was already paid by Defendants directly to Class Members from the Gross Settlement Amount to cure all regular rate issues for 2024. (¶10.ff)
- Disbursement: Within five (5) business days of the funding of the Gross Settlement Amount, less the Prior Paid Amount, the Settlement Administrator will issue the Individual Settlement Payments to Settlement Class Members, Individual PAGA Payments to PAGA Employees, LWDA Payment to the LWDA, Enhancement Payment to Plaintiff, Attorneys’ Fees and Costs to Class Counsel, and Settlement Administration Costs to itself. The Settlement Administrator shall also set aside the Employer Taxes and all employee-side payroll taxes, contributions, and withholding, and timely forward these to the appropriate government authorities. (¶37)
- Uncashed Settlement Checks: Each Individual Settlement Payment and Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180) calendar days from the date the checks are issued, and thereafter, shall be canceled. Any funds associated with such canceled checks shall be distributed by the Settlement Administrator to the State of California’s Unclaimed Property Division in the name of the Settlement Class Member and/or PAGA Employee. The Parties agree that this disposition results in no “unpaid residue” under California Civil Procedure Code Section 384, as the entire Net Settlement Amount will be paid out to Settlement Class Members, whether or not they cash their settlement checks. Therefore, Defendants will not be required to pay any interest on such amounts. (¶38)
- The settlement administrator will be Apex Class Action LLC. (¶10.ll)
- The proposed Settlement Agreement was last submitted to the LWDA on December 3, 2025. (Rose Decl., Exhibit 4.)
- Participating class members and the named Plaintiff will release certain claims against Defendant. (See further discussion below)

<u>ANALYSIS OF SETTLEMENT AGREEMENT</u>

1. <u>Does a presumption of fairness exist?</u>

1. <u>Was the settlement reached through arm’s-length bargaining?</u> On July 21, 2025, the Parties participated in a formal mediation conducted by Eve Wagner, Esq., which ultimately resulted in settlement with the assistance of the Mediator’s evaluations. (Rose Decl., ¶13.)

2. <u>Were investigation and discovery sufficient to allow counsel and the court to act intelligently?</u> Class Counsel represents that prior to mediation, Defendants produced a random ten percent (10%) percent sampling of putative class members’ time and pay records as well as Defendants’ relevant wage and hour policies, and information regarding the total number of putative class members, the number of current versus former employees, the total workweeks worked by the putative class members, and the average rate of pay for the putative class members. (*Id.* at ¶24.)

3. <u>Is counsel experienced in similar litigation?</u> Class Counsel is experienced in class action litigation, including wage and hour class actions. (*Id.* at Exhibit 1.)

4. What percentage of the class has objected? This cannot be determined until the fairness hearing. See Weil & Brown, Cal. Practice Guide: Civil Procedure Before Trial (The Rutter Group 2014) ¶ 14:139.18, ("Should the court receive objections to the proposed settlement, it will consider and either sustain or overrule them at the fairness hearing.").

CONCLUSION: The settlement is entitled to a presumption of fairness.

2. Is the settlement fair, adequate, and reasonable?

1. Strength of Plaintiffs' case. "The most important factor is the strength of the case for plaintiff on the merits, balanced against the amount offered in settlement." (*Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 130.) Here, Class Counsel has provided information, summarized below, regarding the estimated values of the class claims alleged:

Violation	**Maximum Exposure**
Meal Period Violations	$2,425,790
Rest Period Violations	$2,676,522
Unpaid Wages (Off-the-Clock)	$2,780,325
Unpaid Overtime	$1,408,495
Unreimbursed Business Expenses	$433,515
Waiting Time Penalties	$1,229,164
Wage Statement Penalties	$2,141,450
PAGA Penalties	$2,189,900
Total	**$15,285,161**

(Rose Decl., ¶¶27-41.)

2. Risk, expense, complexity and likely duration of further litigation. Given the nature of the class claims, the case is likely to be expensive and lengthy to try. Procedural hurdles (e.g., motion practice and appeals) are also likely to prolong the litigation as well as any recovery by the class members.

3. Risk of maintaining class action status through trial. Even if a class is certified, there is always a risk of decertification. (See *Weinstat v. Dentsply Intern., Inc*. (2010) 180 Cal.App.4th 1213, 1226 ("Our Supreme Court has recognized that trial courts should retain some flexibility in conducting class actions, which means, under suitable circumstances, entertaining successive motions on certification if the court subsequently discovers that the propriety of a class action is not appropriate.").)

4. Amount offered in settlement. Class Counsel estimated Defendants' maximum damages at $15,285,161. Class Counsel obtained a $911,656 non-reversionary settlement. This is approximately 6% of Plaintiff's estimated maximum recovery which, given the uncertain outcomes, is within the "ballpark" of reasonableness.

The settlement amount, if reduced by the requested deductions, leaves approximately $447,614.67 to be divided among approximately 799 class members. Assuming full participation, the resulting payments will average approximately $560.21 per class member.

5. Extent of discovery completed and stage of the proceedings. As indicated above, at the time of the settlement, Class Counsel had conducted sufficient discovery.

6. Experience and views of counsel. The settlement was negotiated and endorsed by Class Counsel who, as indicated above, is experienced in class action litigation, including wage and hour class actions.

7. Presence of a governmental participant. This factor is not applicable here.

8. Reaction of the class members to the proposed settlement. The class members' reactions will not be known until they receive notice and are afforded an opportunity to object, opt-out and/or submit claim forms. This factor becomes relevant during the fairness hearing.

CONCLUSION: The Court is inclined to preliminarily deem the settlement "fair, adequate, and reasonable."

3. Scope of the release

- Class Settlement Release. Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff and all Settlement Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims. (¶39)
  - "Released Class Claims" means any and all claims which were alleged or which could have been reasonably alleged based on the factual allegations in the Operative Complaint, arising during the Class Period, which shall specifically include claims for Defendants' alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide accurate wage statements, and reimburse necessary business-related expenses in violation of California Labor Code Sections 201, 202, 203, 204, 210, 226(a), 226.7, 510, 512(a), 1194, 1197, 1197.1, 1198, 2800, and 2802, the applicable Industrial Welfare Commission Wage Order, and California Business and Professions Code sections 17200, et seq. (¶10.gg)
- PAGA Settlement Release. Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff, the State of California with respect to all PAGA Employees, and all PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims. (¶40)
  - "Released PAGA Claims" means any and all claims arising from any of the factual allegations in the PAGA Letter and the Operative Complaint, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code Sections 2698 et seq., which shall specifically include claims for Defendants' alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide compliant wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses in violation of California Labor Code Sections 201, 202, 203, 204, 210, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Order. (¶10.hh)

- All PAGA Employees will be bound to the PAGA Settlement and will be issued their Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion. (¶30)
- "Released Parties" means Defendants and their current and former officers, directors, members, insurers, shareholders, subsidiaries, affiliates, predecessors, successors, and assigns. (¶10.ii)
- Named Plaintiff will also provide a general release and CC § 1542 waiver. (¶41)

4. May conditional class certification be granted?

1. Standards

A detailed analysis of the elements required for class certification is not required, but it is advisable to review each element when a class is being conditionally certified (*Amchem Products, Inc. v. Winsor* (1997) 521 U.S. 620, 622-627.) The trial court can appropriately utilize a different standard to determine the propriety of a settlement class as opposed to a litigation class certification. Specifically, a lesser standard of scrutiny is used for settlement cases. (*Dunk* at 1807, fn 19.) Finally, the Court is under no "ironclad requirement" to conduct an evidentiary hearing to consider whether the prerequisites for class certification have been satisfied. (*Wershba* at 240.)

2. Analysis

a. Numerosity. There are approximately 799 class members. (Rose Decl., ¶16.) This element is met.

b. Ascertainability. The proposed class is defined above. The class definition is "precise, objective and presently ascertainable." (*Sevidal v. Target Corp.* (2010) 189 Cal.App.4th 905, 919.) The class members are identifiable from Defendant's records. (Rose Decl., ¶16.)

c. Community of interest. "The community of interest requirement involves three factors: '(1) predominant common questions of law or fact; (2) class representatives with claims or defenses typical of the class; and (3) class representatives who can adequately represent the class.'" (*Linder v. Thrifty Oil Co.* (2000) 23 Cal.4th 429, 435.)

As to commonality, Plaintiff alleges that Defendants denied compliant meal and rest periods to employees, required employees to perform work off-the-clock, and failed to fully compensate employees for all time actually worked. These policies and practices meant that Defendants allegedly failed to pay minimum and overtime wages, and other related claims. Plaintiff alleges that Defendants' policies and practices were uniform as to all Class Members. (Memo ISO Prelim at 16:19-24.)

As to typicality, Plaintiff alleges that her claims are similar to that of the other Class Members and that Plaintiff's claims arise out of the same alleged course of conduct giving rise to the claims of the other Class Members. (*Id.* at 17:4-7.)

As to adequacy, Plaintiff represents that she is aware of the duties and risks of serving as class representative and has participated in the litigation. (Declaration of Debra McDonald, ¶¶3-10.)

d. Adequacy of class counsel. As indicated above, Class Counsel has shown experience in class action litigation, including wage and hour class actions.

e. Superiority. Given the relatively small size of the individual claims, a class action appears to be superior to separate actions by the class members.

CONCLUSION: The Court is inclined to conditionally certify the class because the prerequisites of class certification have been satisfied.

5. Is the notice proper?

1. Content of class notice. The proposed notice is attached to the Settlement Agreement as Exhibit A. Its content appears to be acceptable. It includes information such as: a summary of the litigation; the nature of the settlement; the terms of the settlement agreement; the proposed deductions from the gross settlement amount (attorney fees and costs, enhancement awards, and administration costs); the procedures and deadlines for participating in, opting out of, or objecting to, the settlement; the consequences of participating in, opting out of, or objecting to, the settlement; and the date, time, and place of the final approval hearing.

2. Method of class notice.

Within fourteen (14) calendar days of Preliminary Approval, Defendants will provide the Class List to the Settlement Administrator. (¶27) Within seven (7) calendar days after receiving the Class List from Defendants, the Settlement Administrator will perform a search based on the National Change of Address Database or any other similar services available, such as provided by Experian, for information to update and correct for any known or identifiable address changes, and will mail a Class Notice (in the form attached as Exhibit A to Settlement Agreement) to all Class Members via First-Class U.S. Mail, using the most current, known mailing addresses identified by the Settlement Administrator. (¶28.a)

Any Class Notice returned to the Settlement Administrator as undeliverable on or before the Response Deadline will be sent promptly via First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on the Class Notice. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace or other search, using the name, address, and/or Social Security number of the Class Member, and perform a single re-mailing within five (5) calendar days. (¶28.b) Notice of Final Judgment will be posted on the Settlement Administrator's website. (¶42)

3. Cost of class notice. As indicated above, settlement administration costs are estimated not to exceed **$11,000.** Prior to the time of the final fairness hearing, the claims administrator must submit a declaration attesting to the total costs incurred and anticipated to be incurred to finalize the settlement for approval by the Court.

6. Attorney fees and costs

CRC rule 3.769(b) states: "Any agreement, express or implied, that has been entered into with respect to the payment of attorney fees or the submission of an application for the approval of attorney fees must be set forth in full in any application for approval of the dismissal or settlement of an action that has been certified as a class action."

Ultimately, the award of attorney fees is made by the court at the fairness hearing, using the lodestar method with a multiplier, if appropriate. (*PLCM Group, Inc. v. Drexler* (2000) 22 Cal.4th 1084, 1095-1096; *Ramos v. Countrywide Home Loans, Inc*. (2000) 82 Cal.App.4th 615, 625-626; *Ketchum III v. Moses* (2000) 24 Cal.4th 1122, 1132-1136.) Despite any agreement by the parties to the contrary, "the court ha[s] an independent right and responsibility to review the attorney fee provision of the settlement agreement and award only so much as it determined reasonable." (*Garabedian v. Los Angeles Cellular Telephone Company* (2004) 118 Cal.App.4th 123, 128.)

The question of whether Class Counsel is entitled to **$303,885.33** (33 1/3%) in attorney fees will be addressed at the fairness hearing when class counsel brings a noticed motion for attorney fees. Class counsel must provide the court with billing information so that it can properly apply the lodestar method and must indicate what multiplier (if applicable) is being sought as to each counsel.

Class Counsel should also be prepared to justify the costs sought (capped at **$30,000**) by detailing how they were incurred.

7. Incentive Award

The Settlement Agreement provides for an enhancement award of up to **$7,500** to the named Plaintiff. In connection with the final fairness hearing, named Plaintiffs must submit a declaration attesting to why he or she should be entitled to an enhancement award in the proposed amount. The named Plaintiff must explain why he or she "should be compensated for the expense or risk she has incurred in conferring a benefit on other members of the class." (*Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785, 806.) Trial courts should not sanction enhancement awards of thousands of dollars with "nothing more than *pro forma* claims as to 'countless' hours expended, 'potential stigma' and 'potential risk.' Significantly more specificity, in the form of quantification of time and effort expended on the litigation, and in the form of reasoned explanation of financial or other risks incurred by the named plaintiff, is required in order for the trial court to conclude that an enhancement was 'necessary to induce [the named plaintiff] to participate in the suit . . . .'" (*Id.* at 806-807, italics and ellipsis in original.) The Court will decide the issue of the enhancement award at the time of final approval.