IN THE UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

MARIBEL MOSES, individually and on behalf of all others similarly situated,

Plaintiff,

Civil Action No.1:20-cv-04658-RA

v.

Hon. Ronnie Abrams

THE NEW YORK TIMES COMPANY, d/b/a *The New York Times*,

Defendant.

MEMORANDUM OF LAW IN SUPPORT OF PLAINTIFF'S MOTION FOR ATTORNEY'S FEES, COSTS, EXPENSES, AND INCENTIVE AWARD

Dated: July 29, 2024 BURSOR & FISHER, P.A.

Neal J. Deckant 1990 North California Blvd., 9th Floor Walnut Creek, CA 94596

Telephone: (925) 300-4455 Facsimile: (925) 407-2700 Email: ndeckant@bursor.com

Class Counsel

TABLE OF CONTENTS

			PAGE(S)
INTRO	ODUCT	TION	1
FACT	UAL A	ND PROCEDURAL BACKGROUND	3
	A.	California's Automatic Renewal Law	4
	B.	Plaintiff's Allegations	4
	C.	The Litigation History And Work Performed	To Benefit The Class5
	D.	The First Mediation And Settlement On Nove	ember 10, 2020 6
	E.	Mr. Isaacson's Appeal And The Second Circu	uit's Opinion7
	F.	The Second Mediation And Settlement On De	ecember 12, 2023 8
SUMN	MARY	OF THE SETTLEMENT	9
ARGU	JMENT		11
I.		REQUESTED ATTORNEYS' FEES ARE REALLD BE APPROVED	
	A.	The Percentage Method Should Be Used To G	Calculate Fees
	В.	The Reasonableness Of The Requested Fees Circuit's Six-Factor <i>Goldberger</i> Test	11
		1. Time And Labor Expended By Couns	el15
		2. Magnitude And Complexity Of The L	itigation17
		3. The Risk Of Litigation	18
		4. The Quality Of Representation	19
		5. The Requested Fee In Relation To Th	e Settlement20
		6. Public Policy Considerations	20
	C.	The Requested Attorneys' Fees Are Also Rea Lodestar Cross-Check	
II.	ACTI	REQUESTED INCENTIVE AWARD REFLECTED INVOLVEMENT IN THIS ACTION AND COVED	SHOULD BE
CONC	APPR CLUSIC	OVED	

TABLE OF AUTHORITIES

	PAGE(S)
CASES	
Arbor Hill Concerned Citizens Neighborhood Ass'n v. County of Albany, 522 F.3d 182 (2d Cir. 2008)	12
Bekker v. Neuberger Berman Group 401(K) Plan Inv. Committee, 504 F. Supp. 3d 265 (S.D.N.Y. 2020)	23
Blum v. Stenson, 465 U.S. 886 (1984)	22
Cassese v. Williams, 503 F. App'x 55 (2d Cir. 2012)	22
Davidson v. Cnty. of Nassau, 2023 WL 5200223 (E.D.N.Y. Aug. 14, 2023)	3
Eisen v. Carlisle & Jacquelin, 417 U.S. 156 (1974)	21
GB ex rel NB v. Tuxedo Union Free School Dist., 894 F. Supp. 2d 415 (S.D.N.Y. 2012)	12
Goldberger v. Integrated Resources, Inc., 209 F.3d 43 (2d Cir. 2000)	passim
Guevoura Fund Ltd. v. Sillerman, 2019 WL 6889901 (S.D.N.Y. Dec. 18, 2019)	13
Hart v. BHH, LLC, 2020 WL 5645984 (S.D.N.Y. Sept. 22, 2020)	25
Hayes v. Harmony Gold Min. Co., 2011 WL 6019219 (S.D.N.Y. Dec. 2, 2011)	3, 13
Hezi v. Celsius Holdings, Inc., 2023 WL 2786820 (S.D.N.Y. Apr. 5, 2023)	13, 25
In re Beacon Assocs. Litig., 2013 WL 2450960 (S.D.N.Y. May 9, 2013)	11, 13
In re Citigroup Inc. Sec. Litig., 965 F. Supp. 2d 369 (S.D.N.Y. 2013)	12

In re EVCI Career Colleges Holding Corp. Sec. Litig., 2007 WL 2230177 (S.D.N.Y. July 27, 2007)	14
In re Marsh ERISA Litig., 265 F.R.D. 128 (S.D.N.Y. 2010)	18
In re MetLife Demutualization Litig., 689 F. Supp. 2d 297 (E.D.N.Y. 2010)	20
In re N. Dynasty Mins. Ltd. Sec. Litig., 2024 WL 308242 (E.D.N.Y. Jan. 26, 2024)	19
In re Nasdaq Market-Makers Antitrust Litig., 187 F.R.D. 465 (S.D.N.Y. 1998)	17
In re Telik, Inc. Sec. Litig., 576 F. Supp. 2d 570 (S.D.N.Y. 2008)	18
Ingalls v. Spotify USA, Inc., 2017 WL 3021037 (N.D. Cal. Jul. 17, 2017)	2
Kissel v. Code 42 Software, Inc., 2016 WL 7647691 (C.D. Cal. Apr. 14, 2016)	21
Kurtz v. Kimberly-Clark Corp., 2024 WL 184375 (E.D.N.Y. Jan. 17, 2024)	24, 25
Lea v. Tal Educ. Grp., 2021 WL 5578665 (S.D.N.Y. Nov. 30, 2021)	12, 13, 19, 21
Lopez v. Stages of Beauty, LLC, 307 F. Supp. 3d 1058 (S.D. Cal. 2018)	21
Luciano v. Olsten Corp., 109 F.3d 111 (2d Cir. 1997)	22
Massiah v. MetroPlus Health Plan, Inc., 2012 WL 5874655 (E.D.N.Y. Nov. 20, 2012)	21
Mateer v. Peloton Interactive, Inc., 2024 WL 1054983 (S.D.N.Y. Mar. 4, 2024)	25
Mateer v. Peloton Interactive, Inc., 2024 WL 1055009 (S.D.N.Y. Feb. 9, 2024)	13
McDaniel v. County of Schenectady, 595 F.3d 411 (2d Cir. 2010)	11

Moses v. New York Times, 79, F.4th 235 (2d Cir. 2023) passim
Pantelyat v. Bank of Am., N.A., 2019 WL 402854 (S.D.N.Y. Jan. 31, 2019)
Parker v. Jekyll & Hyde Entm't Holdings, LLC, 2010 WL 532960 (S.D.N.Y. Fed. 9, 2010)
Pearlstein v. BlackBerry Ltd., 2022 WL 4554858 (S.D.N.Y. Sept. 29, 2022)
Pennsylvania v. Del. Valley Citizens' Council for Clean Air, 478 U.S. 546 (1986)
Perdue v. Kenny A. ex rel. Winn, 559 U.S. 542 (2010)
Reyes v. Altamarea Grp., LLC, 2011 WL 4599822 (S.D.N.Y. Aug. 16, 2011)24
Reyes v. Summit Health Mgmt., LLC, 2024 WL 472841 (S.D.N.Y. Feb. 6, 2024)
Robinson v. OnStar, LLC, 2020 WL 364221 (S.D. Cal. Jan. 22, 2020)
Santos v. Nuve Miguel Corp., 2023 WL 2263207 (S.D.N.Y. Feb. 28, 2023)
Shapiro v. JPMorgan Chase & Co., 2014 WL 1224666 (S.D.N.Y. Mar. 24, 2014)
Solis v. OrthoNet LLC, 2021 WL 2678651 (S.D.N.Y. Jun. 30, 2021)passim
Springer v. Code Rebel Corp., 2018 WL 1773137 (S.D.N.Y. Apr. 10, 2018)
Varljen v. H.J. Meyers & Co., Inc., 2000 WL 1683656 (S.D.N.Y. Nov. 8, 2000)
Wal-Mart Stores, Inc. v. Visa U.S.A., Inc., 396 F.3d 96 (2d Cir. 2005)
Moses v. New York Times, 79 F.4th 235 (2d Cir. 2023)

Yuzary v. HSBC Bank USA, N.A., 2013 WL 5492998 (S.D.N.Y. Oct. 2, 2013)	11, 23
STATUTES	
Cal. Bus. & Prof. Code § 17200	4
Cal. Bus. & Prof. Code § 17500	4
Cal. Bus. & Prof. Code § 17600	
Cal. Bus. & Prof. Code § 17602	10
Cal. Civ. Code § 1750	4
RULES	
Fed. R. Civ. P. 16	6
Fed. R. Civ. P. 26(f)	6
Fed. R. Civ. P. 23(h)	
OTHER AUTHORITIES	
Senate Bill 340	4

In this putative class action, Plaintiff Maribel Moses alleges that Defendant The New York Times Company ("Defendant" or "NYT") has failed to comply with California's Automatic Renewal Law ("ARL"), Cal. Bus. & Prof. Code §§ 17600, et seq., which imposes detailed information, notice, and consent requirements on businesses that make automatic renewal or continuous service offers to California consumers. The Class Action Settlement Agreement (the "Settlement Agreement" or "Settlement") between Plaintiff Maribel Moses ("Plaintiff" or the "Class Representative") and Defendant The New York Times Company ("NYT" or "Defendant") (together with Plaintiff, the "Parties"), if finally approved, resolves Plaintiff's and the Class' claims against NYT stemming from alleged ARL violations.

On June 6, 2024, the Court granted preliminary approval to the Settlement, which consists of an all-cash non-reversionary "common fund" in the amount of \$2,375,000. *See*Declaration of Neal J. Deckant (the "Deckant Decl."), Ex. 1 ("Settlement Agreement") ¶ 1.37.
Settlement Class Members who submit a timely and valid claim will receive a *pro rata* portion of the \$2,375,000 Settlement Sum, following the deduction of notice and claims administration costs, attorneys' fees and expenses, and a class representative incentive payment. *See id.* ¶¶ 2.1(a)-(b), 5.1, 5.7, 8.1, 8.3. The new proposed settlement represents 43.9% increase in cash from what was offered under the prior settlement, in a simple, all-cash non-reversionary common fund – the type of structure that is routinely approved by Courts in this District. Furthermore, in

_

¹ All capitalized terms herein that are not otherwise defined have the definitions set forth in the Settlement Agreement. *See* Deckant Decl. Ex. 1.

² As explained in greater detail below, the Parties previously entered into a prior class action settlement, to which the Court granted final approval and entered Judgment on September 13, 2021. *See* Dkt. 60. However, the prior settlement was challenged in the District Court and then subsequently on appeal by an objector, Eric Alan Isaacson. On August 17, 2023, the U.S. Court of Appeals for the Second Circuit vacated and reversed this Court's Final Approval Order and Judgment and remanded the case for further proceedings. *See Moses v. New York Times Co.*, 79 F.4th 235, 257 (2d Cir. 2023). Subsequently, the parties convened a follow-up meditation with an independent neutral on December 12, 2023, to explore the possibility of resolution on new terms. *See* Deckant Decl. ¶ 24. The

connection with the prior settlement, Defendant has already implemented meaningful prospective relief that will benefit Class Members for years to come. *See id.* ¶ 2.2; *see also infra*.

Obtaining this exceptional relief came with significant risks. As of the date Plaintiff filed her Complaint against Defendant in this matter, there was little, if any, binding authority interpreting the ARL's requirements of "visual proximity" and "affirmative consent" under Section 17602(a) of the ARL (neither of which are defined by statute), or case law applying the gift provision under Section 17603 of the ARL or the good faith safe harbor provision under Section 17604(b) of the ARL. Thus, the scope of the statute was in dispute. Moreover, only one court had issued an opinion on a contested class certification motion based on ARL violations, see Robinson v. OnStar, LLC, 2020 WL 364221 (S.D. Cal. Jan. 22, 2020), and only one ARL case has progressed through summary judgment, see Ingalls v. Spotify USA, Inc., 2017 WL 3021037 (N.D. Cal. Jul. 17, 2017). As a result, in pursuing class-wide relief based on Defendant's alleged ARL violations, Plaintiff endured significant risk and battled through hardfought litigation involving complex factual investigation into NYT's disclosure practices, dispositive motion practice on novel legal issues. That risk was magnified by objector Eric Isaacson's successful appeal of the Parties' initial settlement agreement, threatening a contentious return to the litigation in this case. In light of these risks, when the Parties thought that there was a potential for resolution, they sought the assistance of a well-respected mediator. That is, rather than put NYT's arguments to the test at the class certification and summary judgment stages, Plaintiff elected to achieve meaningful, immediate relief for her fellow Class Members. The instant settlement was only reached in connection with a second mediation sessions with Jill R. Sperber, Esq., an experienced neutral affiliated with Judicate West. Thus,

_

Parties' efforts were a success: they have a new, improved settlement that is reasonable and fair for the class and resolves the Second Circuit's concerns.

obtaining the exceptional settlement relief did not come easily.

Given the exceptional relief obtained by the Parties, Plaintiff respectfully requests, pursuant to Federal Rule of Civil Procedure 23(h), that the Court approve attorneys' fees, costs, and expenses of one-third of the settlement fund, or \$791,666.66, as well as an incentive award of \$5,000 for Plaintiff for her service as class representative. First, Courts in this Circuit routinely approve fee requests for up to one-third of a settlement fund. See, e.g., Hayes v. Harmony Gold Min. Co., 2011 WL 6019219, at *1 (S.D.N.Y. Dec. 2, 2011) (awarding "attorneys' fees in the amount of one third" of a \$9 million settlement fund), aff'd 509 F. App'x 21, 23-24 (2d Cir. 2013) (affirming fee award); see also Davidson v. Cnty. of Nassau, 2023 WL 5200223, at *10-11 (E.D.N.Y. Aug. 14, 2023) ("'[I]t is very common to seek 33% contingency fees in cases with funds of less than \$10 million.") (citation omitted). Further, as the Second Circuit recently held, "clear precedent [in this Circuit] ... permits district courts to approve fair and appropriate incentive awards to class representatives." Moses v. New York Times Co., 79 F.4th 235, 253 (2d Cir. 2023) (citations omitted). Indeed, "Courts in this District have regularly approved service awards for individual representative plaintiffs ranging from \$1,000 to \$10,000." Reves v. Summit Health Mgmt., LLC, 2024 WL 472841, at *6 n.5 (S.D.N.Y. Feb. 6, 2024) (collecting cases). "Other courts have suggested an even broader range of \$2,500 to \$85,000." Id. at *6 n.5 (citation omitted). In any case, "[h]ere, it is sufficient to note that the proposed award for [Plaintiff] is within either range." Id.

As such, this Court should approve the requested fee and incentive awards.

FACTUAL AND PROCEDURAL BACKGROUND

A brief summary of California's ARL, the litigation performed by Class Counsel for the Settlement Class's benefit, and the beneficial terms of the Settlement provide necessary context

to the reasonableness of the requested fee and incentive awards. These issues are discussed in greater depth in the accompanying Declaration of Neal J. Deckant (the "Deckant Decl.").

A. California's Automatic Renewal Law

On December 1, 2010, the California Legislature enacted the Automatic Renewal Law ("ARL") under California Senate Bill 340 with the intent to "end the practice of ongoing charging of consumer credit or debit cards or third-party payment accounts without the consumers' explicit consent for ongoing shipments of a product or ongoing deliveries of service." See First Amended Complaint (Dkt. 22) ("FAC") ¶ 21. The ARL's core requirements are that: (1) businesses must clearly and conspicuously disclose automatic renewal terms of any offer, as defined by the statute; (2) they must obtain a consumer's affirmative consent; and (3) they must provide consumers with an acknowledgment containing the terms of the automatically renewing offer and cancellation information. See id. ¶ 23. Private citizens in California may enforce ARL violations as predicate claims under California's Unfair Competition Law ("UCL"), Cal. Bus. & Prof. Code §§ 17200, et seq. See id. ¶ 72. Additionally, ARL violations may constitute acts of false advertising in violation of California's False Advertising Law ("FAL"), Cal. Bus. & Prof. Code §§ 17500, et seg., as well as violations may also constitute violations under California's Consumers Legal Remedies Act ("CLRA"), Cal. Civ. Code §§ 1750, et seq. See id. ¶¶ 93-97, 102-05.

B. Plaintiff's Allegations

Defendant is an international media company that, among other things, publishes and distributes The New York Times to California consumers, including both print and online editions, and provides automatically renewing subscription plans for various products and services under the NYT brand name (the "NYT Subscriptions"). Plaintiff alleges that Defendant

automatically renewed Class Members' NYT subscriptions in violation of the ARL. See FAC ¶

1. Specifically, Plaintiff alleges that when consumers sign up for an NYT Subscription through the NYT Website or App, Defendant actually enrolls consumers in an automatically renewing subscription that results in monthly or annual charges to the consumer's payment method, without first providing California consumers the requisite disclosures and authorizations required under the ARL. Id. Furthermore, Plaintiff alleges that every violation of the ARL constitutes an "unlawful" practice under the UCL. Id. ¶¶ 72-74. And because Defendant's ARL violations involve misrepresentations and/or omissions of material fact, Plaintiff contends Defendant also violated the FAL and CLRA. Id. ¶¶ 94-95, 104-05. On that basis, Plaintiff also brought common law claims against Defendant for conversion, unjust enrichment, negligent misrepresentation, and fraud. Id. ¶4; see also id. ¶¶ 87, 111, 115, 123.

C. The Litigation History And Work Performed To Benefit The Class

Beginning in August 2019, Class Counsel commenced a pre-suit investigation of companies' violations of the ARL, including Defendant. *See* Deckant Decl. ¶ 4. Because very few courts had issued an opinion interpreting the statute – in particular, no court had definitively identified the distinction between obtaining a consumer's "ordinary consent" (which is required for the formation of all agreements) versus "affirmative consent" (which is a heightened form of consent that is required, but not defined, by the ARL), interpreted the term "visual proximity" (another undefined requirement of the ARL), or applied the gift provision under Section 17603 of the ARL – Class Counsel's investigation was extensive, novel, and involved in-depth research into Defendant's billing practices, textual analysis of the statute, and the legislative history of the ARL. *See id.* ¶¶ 4-6. Moreover, Class Counsel was aware that Defendant would likely challenge liability by arguing that they achieved a level of compliance sufficient to qualify for a

purported "good faith safe harbor" under Section 17604(b) of the ARL. *See id.* ¶ 7. Thus, Class Counsel performed extensive legal research regarding the application of safe harbor provisions under similar statutes in California and across the country. *See id.*

Despite these litigation risks, on June 15, 2019, Plaintiff, through counsel, sent a letter to Defendant alleging that it violated the CLRA by charging her renewal fees in connection with NYT's newspaper subscription offerings. *See id.* ¶ 8. Subsequently, on June 17, 2020, Plaintiff filed her class action lawsuit in the United States District Court for the Southern District of New York. *See id.* ¶ 9. On August 17, 2020, Defendant filed a motion to dismiss under Rule 12(b)(6), arguing that Plaintiff failed to state a claim upon which relief could be granted. *See id.* ¶ 10. Defendant argued that its pre-checkout disclosures complied with the ARL and that it had obtained Plaintiff's and Class Members' affirmative consent to the subscription terms. *See* Dkt. 16-17. On August 31, 2020, Plaintiff filed her FAC as of right. *See* Deckant Decl. ¶ 11. Thereafter, the Parties engaged in a planning conference pursuant to Fed. R. Civ. P. 26(f) and a scheduling conference pursuant to Fed. R. Civ. P. 16. *Id.* ¶ 12. On September 21, 2020, Defendant filed a motion to dismiss Plaintiff's FAC for failure to state a claim upon which relief could be granted under Rule 12(b)(6), which Plaintiff opposed on October 29, 2020. *Id.* ¶ 13.

D. The First Mediation And Settlement On November 10, 2020

From the outset of the case, the Parties engaged in direct communications regarding early resolution as required by Fed. R. Civ. P. 26, which ultimately led to a mediation before Jill R. Sperber, Esq., an experienced neutral affiliated with Judicate West, on November 10, 2020. *See* Deckant Decl. ¶¶ 14. Prior to the mediation, the Parties exchanged informal discovery, including on issues such as the size and scope of the putative class. *See id.* ¶ 15. The mediation was conducted by Zoom, and it lasted approximately nine hours. *See id.* ¶ 18. The Parties engaged

in good faith negotiations, which at all times were at arms' length, and which culminated in an agreement to settle the case. *See id*.

As a result of the mediation, on November 10, 2020, the Parties agreed to the terms of a classwide settlement and entered into a Settlement Agreement on March 30, 2021. *See id.* ¶ 19. Under the terms of the March 30, 2021 settlement, NYT would establish a non-reversionary cash settlement fund in the amount of \$1,650,000, which would be used to pay all approved claims by class members, notice and administration expenses, a Court-approved incentive award to Plaintiff, and attorneys' fees to proposed Class Counsel to the extent awarded by the Court. *See id.* Further, NYT would automatically provide over \$3,900,000 worth of access codes (the "Automatic Access Codes") to class members. *See id.*

On May 12, 2021, the Court granted preliminary approval to the prior settlement. *See* Dkt. 43. On July 24, 2021, a New York Times subscriber named Eric Alan Isaacson objected in a *pro se* capacity, challenging nearly every aspect of the settlement. *See* Dkt. 48. On September 13, 2021, the Court granted final approval, over Mr. Isaacson's objection. *See* Dkt. 60.

E. Mr. Isaacson's Appeal And The Second Circuit's Opinion

On October 11, 2021, Mr. Isaacson filed a Notice of Appeal of this Court's Final Approval Order and Judgment. *See* Dkt. 63. Mr. Isaacson filed his opening brief on January 26, 2022, and the appeal was fully briefed on June 3, 2022. Oral argument was held on March 22, 2023, and, on August 17, 2023, the U.S. Court of Appeals for the Second Circuit vacated and reversed this Court's Final Approval Order and Judgment and remanded the case for further proceedings. *See Moses*, 79 F.4th at 257. Essentially, the Second Circuit agreed with Mr. Isaacson that the Access Codes were, in fact, "coupons" under CAFA, finding (among other considerations) that "the Access Codes require class members [to do business with defendants

again in order to redeem the' free one-month subscription." *Id.* at 249. The Second Circuit also found that "the Access Codes are valid only for select products or services," and that they "cannot be used anywhere near the same way as cash." *Id.* at 248, 251 (internal citations omitted). Further, the Second Circuit found that the Access Codes "provide limited utility to class members who claim they have been harmed by NYT's challenged practices," in that "[i]nactive class members ... are presumably persons who have decided they do not want to subscribe, and have taken affirmative steps to extricate themselves." *Id.* at 250-51.

The Second Circuit then remanded the case for further proceedings in light of its finding that the Access Codes were indeed "coupons," though it did *not* find that final approval was necessarily improper. *See id.* at 257. Of note, the Second Circuit did not take issue with the provisional certification of a settlement class or the notice program. The Second Circuit specifically considered and rejected Mr. Isaacson's challenge to an incentive award to the class representative, holding that "[i]ncentive awards encourage class representatives to participate in class action lawsuits" and "an overwhelming majority of our sister circuits have concluded that district courts are permitted to grant incentive awards." *Id.* at 253. The Second Circuit subsequently denied Mr. Isaacson's petition for panel rehearing, or, in the alternative, for rehearing en banc, on the issue of the incentive fee.

F. The Second Mediation And Settlement On December 12, 2023

On September 5, 2023, counsel for Plaintiff exercised the revocation provision in Paragraph 6.1 of the Settlement Agreement. *See* Deckant Decl. ¶ 24. The Parties then scheduled a follow-up mediation to explore the possibility of resolution on different terms, before proceeding with further litigation, which was held on December 12, 2023, before Jill Sperber of Judicate West. *See id.* Prior to the mediation date, the Parties exchanged documents and

information that include the scope and size of the class; representative web and mobile pay flow and check out pages, digital acknowledgment emails, and direct mail reply cards during the relevant showing the content and presentation of the ARL disclosures over time; and Defendant's current and historical Terms of Sale and Terms of Service, which recap the ARL terms and other relevant provisions related to subscriptions. *See id.* The Parties also exchanged detailed mediation statements, explaining their respective legal arguments. *See id.* ¶ 25.

After reaching an agreement in principle, Class Counsel worked extensively with defense counsel to finalize and memorialize the agreement into a formal Class Action Settlement Agreement, including proposed class notice documents. *See id.* ¶¶ 30, 33. That process included multiple rounds of redlines and phone calls to discuss proposed edits. *See id.* Thus, the formal Settlement Agreement, which was fully executed as of April 18, 2024, was reached as a result of extensive arm's-length negotiations between the Parties and their counsel. *Id.* ¶¶ 26, 28-30, 33.

Finally, after finalizing and executing the Class Action Settlement Agreement, Class Counsel prepared Plaintiff's Unopposed Motion for Preliminary Approval of Class Action Settlement, which was filed on April 18, 2024. *See id.* ¶ 34 (citing Dkt. 76-78). The Court preliminarily approved the Settlement on June 6, 2024. *See id.* ¶ 35 (citing Dkt. 79).

SUMMARY OF THE SETTLEMENT

The Settlement provides an exceptional result for the class by delivering immediate cash to the more than 876,000 persons who, from June 17, 2016, to and through May 12, 2021, enrolled in an automatically renewing NYT Subscription directly through NYT using a California billing and/or delivery address, and who were charged and paid an automatic renewal fee(s) in connection with such subscription. *See* Settlement ¶¶ 1.35, 1.36.

The Settlement consists of an all-cash non-reversionary "common fund" in the amount of \$2,375,000, which will be used to pay all approved claims by class members, notice and administration expenses, a Court-approved incentive award to Plaintiff, and attorneys' fees to proposed Class Counsel to the extent awarded by the Court. See id. ¶ 1.37. Settlement Class Members wishing to receive cash must submit a valid Claim Form to the Settlement Administrator by the Claims Deadline. See id. ¶ 2.2(a)-(b). Settlement Class Members who submit a timely and valid claim will receive a pro rata portion of the \$2,375,000 Settlement Sum, following the deduction of notice and claims administration costs, attorneys' fees and expenses, and the class representative incentive payment. See id. \P 2.1(a)-(b), 5.1, 5.7, 8.1, 8.3.

Furthermore, in connection with the prior settlement, Defendant has already revised the presentation and wording of the automatic renewal terms in its mobile and desktop platforms and in its direct mail offers to be consistent with the requirements of the ARL pursuant to Cal. Bus. & Prof. Code § 17602(a)(1)-(2). In addition, also as a result of the prior settlement, Defendant now provides consumers who submit an order for an automatically renewing subscription with an acknowledgment that includes the automatic renewal terms, cancellation policy, and information regarding how to cancel in a manner that is capable of being retained by the consumer, consistent with Bus. & Prof. Code § 17602(c). Defendant confirms that it will continue to comply with Cal. Bus. & Prof. Code § 17602, and it will provide a confirmation of such compliance. This prospective relief will benefit Class Members for years to come.

³ By comparison, the prior settlement provided \$1,650,000 in monetary relief (of which Plaintiff sought \$1,250,000 in attorneys' fees). Now, the Settlement Class can enjoy \$2,375,000 in monetary relief in lieu of Access Codes. The NYT is paying 43.9% more cash into a non-reversionary fund compared to the prior settlement.

ARGUMENT

I. THE REQUESTED ATTORNEYS' FEES ARE REASONABLE AND SHOULD BE APPROVED

The requested award is for attorneys' fees, costs, and expenses of \$791,666.66, which represents one-third of the total Settlement Fund, is reasonable and should be approved in full.⁴

Under Federal Rule of Civil Procedure 23(h), courts may award "reasonable attorney's fees and nontaxable costs that are authorized by law or the parties' agreement." Fed. R. Civ. P. 23(h). Here, the Settlement Agreement between the Parties provides that Class Counsel may petition the Court for an award of "attorneys' fees, costs, and expenses not to exceed one third of the Settlement Fund," and states that "Defendant agrees to not object to or otherwise challenge, directly or indirectly, Class Counsel's petition for attorneys' fees, costs, and expenses if limited to this amount." Settlement ¶ 8.1.

In common fund cases such as this one, courts in the Second Circuit apply one of two fee calculation methods – the "percentage of the fund" method or the "lodestar" method. *See Goldberger v. Integrated Resources, Inc.*, 209 F.3d 43, 50 (2d Cir. 2000). The Court has discretion in choosing which method to employ. *See McDaniel v. County of Schenectady*, 595 F.3d 411, 419 (2d Cir. 2010); *Goldberger*, 209 F.3d at 48. "[T]he trend in this Circuit has been toward the use of a percentage of recovery as the preferred method of calculating the award for class counsel in common fund cases." *In re Beacon Assocs. Litig.*, 2013 WL 2450960, at *5

1

⁴ As noted, this award is significantly less than Plaintiff requested in connection with the prior settlement, where she petitioned the Court for \$1,250,000 in attorneys' fees. *Cf.* Final Approval Order and Judgment (Dkt. 60) ¶ 16.

⁵ The requested fee award also encompasses unreimbursed litigation costs and expenses. *See Settlement* ¶ 8.1. Reasonable litigation expenses are customarily awarded in class actions and include costs such as document preparation and travel. *See, e.g., Yuzary v. HSBC Bank USA, N.A.*, 2013 WL 5492998, at *11 (S.D.N.Y. Oct. 2, 2013) ("Class Counsel's unreimbursed expenses, including court and process server fees, postage and courier fees, transportation, working meals, photocopies, electronic research, expert fees, and Plaintiffs' share of the mediator's fees, are reasonable and were incidental and necessary to the representation of the class."). Thus, included in the requested fee award, Class Counsel respectfully seeks reimbursement of \$12,623.53 for out-of-pocket costs and expenses in these standard categories. *See* Deckant Decl. ¶ 49; *id.* Ex. 3 (itemized expenses through 7/26/24).

(S.D.N.Y. May 9, 2013). Indeed, this "trend" is now "firmly entrenched in the jurisprudence of this Circuit." *In re Citigroup Inc. Sec. Litig.*, 965 F. Supp. 2d 369, 388 (S.D.N.Y. 2013). As the Second Circuit has stated, the percentage method "directly aligns the interests of the class and its counsel and provides a powerful incentive for the efficient prosecution and early resolution of litigation." *Wal-Mart Stores, Inc. v. Visa U.S.A.*, Inc., 396 F.3d 96, 121 (2d Cir. 2005); *accord Lea v. Tal Educ. Grp.*, 2021 WL 5578665, at *11 (S.D.N.Y. Nov. 30, 2021) (same). "In contrast, the 'lodestar [method] create[s] an unanticipated disincentive to early settlements, tempt[s] lawyers to run up their hours, and compel[s] district courts to engage in gimlet-eyed review of line-item fee audits." *Wal-Mart Stores*, 396 F.3d at 121 (citation omitted). Indeed, the Second Circuit has described difficulties with the lodestar method:

As so often happens with simple nostrums, experience with the lodestar method proved vexing. Our district courts found it created a temptation for lawyers to run up the number of hours for which they could be paid. For the same reason, the lodestar [method] created an unanticipated disincentive to early settlements. But the primary source of dissatisfaction was that it resurrected the ghost of Ebenezer Scrooge, compelling district courts to engage in a gimlet-eyed review of line-item fee audits. There was an inevitable waste of judicial resources.

Goldberger, 209 F.3d at 48-49. As Judge Karas noted, "courts in the Second Circuit no longer use the 'lodestar' method for computing attorneys' fees" in fee-shifting cases. *GB ex rel NB v.* Tuxedo Union Free School Dist., 894 F. Supp. 2d 415, 427 (S.D.N.Y. 2012) (citing Arbor Hill Concerned Citizens Neighborhood Ass'n v. County of Albany, 522 F.3d 182 (2d Cir. 2008)); see also Deckant Decl. Ex. 4, 1/31/18 Trusted Media Brands Final Approval Hearing Transcript ("TMBI Hearing Tr.") at 16:18-19 ("Now, the lodestar method is not supposed to be used for computing attorneys' fees.").

Moreover, "[c]ourts in this Circuit have routinely granted requests for one-third or more of the fund." *Solis v. OrthoNet LLC*, 2021 WL 2678651, at *4 (S.D.N.Y. Jun. 30, 2021)

(collecting cases); Mateer v. Peloton Interactive, Inc., 2024 WL 1055009, at *1 (S.D.N.Y. Feb. 9, 2024) ("[E]mpirical evidence indicates that the median percentage of the settlement amount awarded as attorneys' fees in [] class actions is approximately 33%. ... The award here aligns with the median percentage of 33% because \$833,250 is approximately 33% of the gross settlement fund amount of \$2,500,000.") (footnote omitted); Hezi v. Celsius Holdings, Inc., 2023 WL 2786820, at *5 (S.D.N.Y. Apr. 5, 2023) (awarding "one-third or 33% of the \$7.8 million common fund, which is consistent with fee awards in other similar settlements approved in this District"); Lea v. Tal Educ. Grp., 2021 WL 5578665, at *13 (S.D.N.Y. Nov. 30, 2021) (awarding "attorneys' fees in the amount of 33 1/3%" of a \$7.5 million settlement fund); Guevoura Fund Ltd. v. Sillerman, 2019 WL 6889901, at *15 (S.D.N.Y. Dec. 18, 2019) (awarding attorneys' fees equal to 33.33% of the settlement fund: "Class Counsel's request for 33% of the Settlement Fund is typical in class action settlements in the Second Circuit"); Springer v. Code Rebel Corp., 2018 WL 1773137, at *5 (S.D.N.Y. Apr. 10, 2018) (granting "attorneys' fee award of one-third of the \$1,000,000 cash settlement, plus accrued interest"); Hayes v. Harmony Gold Min. Co., 2011 WL 6019219, at *1 (S.D.N.Y. Dec. 2, 2011), aff'd 509 F. App'x 21, 23-24 (2d Cir. 2013).

A. The Percentage Method Should Be Used To Calculate Fees

As mentioned *supra*, the "trend in this Circuit has been toward the use of a percentage of recovery as the preferred method of calculating the award for class counsel in common fund cases." *In re Beacon Assocs. Litig.*, 2013 WL 2450960, at *5 (S.D.N.Y. May 9, 2013); *see also Pantelyat v. Bank of Am., N.A.*, 2019 WL 402854, at *8 (S.D.N.Y. Jan. 31, 2019) ("In light of the 'strong consensus—both in this Circuit and across the country—in favor of awarding attorneys' fees in common fund cases as a percentage of the recovery," the Court applies the percentage-of-the-fund method to this case") (internal citations omitted). In contrast, the lodestar approach

is more often applied in federal fee-shifting cases, particularly in civil rights actions. *See, e.g.*, *Perdue v. Kenny A. ex rel. Winn*, 559 U.S. 542, 551 (2010). As Judge Cote has stated, the percentage method is preferred for several reasons:

First, it relieves the court of the cumbersome, enervating, and often surrealistic process of evaluating fee petitions. Second, it decreases plaintiff lawyers' incentive to run up the number of billable hours for which they would be compensated by the lodestar method. And finally, it decreases the incentive to delay settlement because the fee for the plaintiffs' attorneys does not increase with delay.

Varljen v. H.J. Meyers & Co., Inc., 2000 WL 1683656, at *5 (S.D.N.Y. Nov. 8, 2000) (citations omitted); In re EVCI Career Colleges Holding Corp. Sec. Litig., 2007 WL 2230177, at *16 (S.D.N.Y. Jul. 27, 2007) ("From a public policy perspective, the percentage method is the most efficient means of compensating the work of class action attorneys. It does not waste judicial resources analyzing thousands of hours of work, where counsel obtained a superior result.").

Under the circumstances of this case – wherein Class Counsel received an exceptional result for the Settlement Class – the Second Circuit prefers the percentage method. *See Wal-Mart Stores*, 396 F.3d at 121 (noting that the percentage method "directly aligns the interests of the class and its counsel and provides a powerful incentive for the efficient prosecution and early resolution of litigation"); *see also Pearlstein v. BlackBerry Ltd.*, 2022 WL 4554858, at *9 (S.D.N.Y. Sept. 29, 2022) ("[W]here counsel has created a common fund, attorneys' fees are properly determined on a percentage-of-recovery basis. The Second Circuit has approved this method.") (citations omitted).

B. The Reasonableness Of The Requested Fees Is Supported By This Circuit's Six-Factor *Goldberger* Test

The Second Circuit has articulated six factors that should be considered when determining the reasonableness of a requested percentage to award as attorneys' fees: "(1) the

time and labor expended by counsel; (2) the magnitude and complexities of the litigation; (3) the risk of the litigation ...; (4) the quality of representation; (5) the requested fee in relation to the settlement; and (6) public policy considerations." *Goldberger*, 209 F.3d at 50. These factors support Class Counsel's fee request.

1. Time And Labor Expended By Counsel

Class Counsel has been working on this case since August 2019, when it began investigating publishing companies' violations of the ARL. See Deckant Decl. ¶ 4. The theory of liability was relatively novel. See id. ¶¶ 4-8. As of the date Plaintiff filed her Complaint against Defendant in this matter, there was little, if any, binding authority interpreting the ARL's requirements of "visual proximity" and "affirmative consent" under Section 17602(a) of the ARL (neither of which are defined by statute), the gift provision under Section 17603 of the ARL, or the good faith safe harbor provision under Section 17604(b) of the ARL. See id. ¶¶ 6-7. Moreover, as already discussed, the developed case law regarding the ARL is sparse. See id. ¶¶ 4-5. Thus, the scope of the statute was, and remains, in dispute. See id ¶¶ 4-7. As a result, Class Counsel's investigation was extensive and involved in-depth research into, among other things, industry practices regarding automatic renewal offers, Defendant's billing practices, the legislative history of the ARL, the assertion of predicate claims for ARL violations under California's consumer protection statutes, application of the ARL's "gift" provision under Section 17603, application of the ARL's purported "safe harbor" provision under Section 17604 (and other similar statutes), and the requirements of statutory standing under California law. See id. Class Counsel also spoke with interested potential class members, drafted an initial demand letter, drafted the complaint and amended complaint, conducted meet-and-confer teleconferences with defense counsel, and opposed Defendant's motion to dismiss. See id. ¶¶ 8-9, 11-14.

Class Counsel expended considerable time and labor on the settlement process as well. First, Class Counsel thoroughly analyzed the informal discovery produced by Defendant to aid in settlement discussions prior to the mediation, which involved largely the same information that would have been produced in written discovery related to issues of class certification and summary judgment. See id. ¶ 15. Class Counsel also prepared for, attended, and participated in two full-day mediation sessions with Jill R. Sperber, an experienced neutral affiliated with Judicate West, on November 10, 2020, and December 12, 2023, which ultimately resulted in the prior (now-reversed) settlement in this case and the renewed Settlement Agreement now at issue, respectively. See id. ¶¶ 14-18, 24-32. In preparation for both mediations, and in order to help the Parties and Mediator evaluate any potential resolution of the Action, Class Counsel prepared detailed mediation statements outlining the strength of the Plaintiff's case, in addition to proposed class action settlement term sheets and charts comparing the instant case with other ARL cases that had settled. See id. ¶¶ 17, 25. On both occasions, Class Counsel also reviewed Defendant's mediation statements to evaluate the veracity of Defendant's arguments. See id. Also, in preparing to make settlement demands, Class Counsel devoted substantial time to researching the viability of different class-wide settlement structures under the relevant Second Circuit case law. See id. ¶ 16. Next, over the several-month period following each mediation, Class Counsel worked extensively with defense counsel to finalize and memorialize the settlement agreements into formal Class Action Settlement Agreements, including proposed class notice documents. See id. ¶ 30, 33. With respect to each settlement agreement, that process included multiple rounds of redlines and phone calls to discuss proposed edits. See id.

Thereafter, Class Counsel prepared and filed Plaintiff's Motions for Preliminary

Approval. See id. ¶ 34. Preliminary approval of the renewed Settlement Agreement now at issue

was granted on June 6, 2024. *See generally*, Order Granting Preliminary Approval (Dkt. 79). Since then, Class Counsel has, once again, worked with JND to: (i) carry out the Court-ordered notice plan; and (ii) monitor the settlement claims on a weekly basis. *See id.* ¶¶ 41-44. Class Counsel has also fielded calls and responded to emails from Settlement Class Members and, where applicable, assisted them with filing claims. *See id.* ¶ 44.

Thus, the work performed by Class Counsel to date has been comprehensive, complex, and wide ranging. This factor supports the requested fee award.

2. Magnitude And Complexity Of The Litigation

"[C]lass actions have a well deserved reputation as being most complex." In re Nasdaq Market-Makers Antitrust Litig., 187 F.R.D. 465, 477 (S.D.N.Y. 1998) (citation and quotation marks omitted); see also Shapiro v. JPMorgan Chase & Co., 2014 WL 1224666, at *21 (S.D.N.Y. Mar. 24, 2014) ("It is well settled that class actions are notoriously complex and difficult to litigate.") (internal citation omitted). This case was no exception, particularly because of its relative novelty. See Deckant Decl. ¶¶ 4-7. Specifically, this case involved a statute – California's ARL – that is in its nascent stages of litigation. See id. Briefing the relevant issues required both an examination of the statute's text using traditional canons of statutory interpretation and a review of the statute's legislative history. For example, the Parties would have likely argued over whether various of NYT's Checkout Page disclosures were presented in "visual proximity" to the request for consent on that page, and whether Defendant obtained Plaintiff's and Class Members' "affirmative consent" despite the fact that the Checkout Page for the NYT Subscriptions contained no checkbox or other mechanism that requires consumers to expressly manifest their assent to the automatic renewal offer terms associated with the NYT Subscriptions. Similarly, the Parties have opposing views as to whether Defendant's

NYT Subscriptions qualify as "goods, wares, merchandise, or products" and are therefore subject to the gift provision under Section 17603 of the ARL, which in turn would give rise to disputes amongst the Parties concerning the proper measure of classwide damages. *See id.* ¶ 5.

Moreover, Defendant would likely challenge Plaintiff's ability to establish statutory standing on her own behalf and/or on behalf of the putative Class. *See id.* ¶ 7.

Thus, the magnitude and complexity of the litigation support the requested fee award.

3. The Risk Of Litigation

This factor recognizes the risk of non-payment in cases prosecuted on a contingency basis where claims are not successful, which can justify higher fees. *See, e.g., In re Marsh ERISA Litig.*, 265 F.R.D. 128, 148 (S.D.N.Y. 2010) ("There was significant risk of non-payment in this case, and Plaintiffs' Counsel should be rewarded for having borne and successfully overcome that risk."); *In re Telik, Inc. Sec. Litig.*, 576 F. Supp. 2d 570, 592 (S.D.N.Y. 2008) (noting risk of non-payment in cases brought on contingency basis).

Here, Plaintiff's request for one-third of the Settlement in attorney's fees is justified given, *inter alia*, that the novelty of this case that made it complex presented a substantial risk of non-payment for Class Counsel. *See* Deckant Decl. ¶¶ 4-7, 36-39, 46. As there are few binding decisions interpreting the ARL, success on the legal issues presented by this case was far from certain. *See id.* ¶ 38. For instance, as noted above, Class Counsel faced the palpable risk that NYT's actions could be characterized as sufficient to qualify for the purported good faith "safe harbor" under Section 17604(b) of the ARL. *See id.* ¶¶ 7, 38. This risk was exacerbated by the fact that NYT retained highly qualified defense counsel who presented well-argued defenses in its motions to dismiss and mediation statements, as discussed below. Nonetheless, Class Counsel embarked on a fact-intensive investigation of NYT's practices, engaged in informal

discovery, and paid for and participated in two full-day mediation sessions, as well as months of additional discussions with the defense counsel in order to try and resolve the action. *See id.* ¶¶ 4-8, 14-18, 24-30. Class Counsel went out-of-pocket as to this investment of time and resources, despite the significant risk of nonpayment.

Thus, "[f]rom the outset, [Class Counsel] understood they were embarking on a complex, expensive, and likely lengthy litigation with no guarantee of ever being compensated" *In re N. Dynasty Mins. Ltd. Sec. Litig.*, 2024 WL 308242, at *15 (E.D.N.Y. Jan. 26, 2024) (citation omitted). The fact that Class Counsel undertook this representation, despite the significant risk of nonpayment, supports the requested fee award. *See, e.g., Lea*, 2021 WL 5578665, at *12; *Solis*, 2021 WL 2678651, at *3.

4. The Quality Of Representation

Class action litigation presents unique challenges and, by achieving a meaningful settlement over purported violations of a relatively untested statute, Class Counsel proved that they have the ability and resources to litigate this case zealously and effectively. In addition, Class Counsel are well-respected attorneys with significant experience litigating consumer class actions of similar size, scope, and complexity. *See* Deckant Decl. ¶¶ 36, 51-52, 54-57. Indeed, other judges in this District have previously commended Class Counsel's work in representing class members and achieving a meaningful settlement. *See, e.g., Taylor v. Trusted Media Brands, Inc.*, No. 7:16-cv-01812, Dkt. 87 ¶ 8 (S.D.N.Y. 2018) ("The Court finds that ... Class Counsel adequately represented the Settlement Class for the purposes of litigating this matter and entering into and implementing the Settlement Agreement."); *Russett, et al. v. The Northwestern Mutual Life Insurance Company*, No. 7:19-cv-07414-KMK, Dkt. 51 ¶ 8 (S.D.N.Y. 2020) (same); *Gregorio v. Premier Nutrition Corp.*, No. 17-cv-05987-AT, Dkt. 101 ¶ 9 (S.D.N.Y. 2019)

(same); Edwards v. Hearst Communications, Inc., No. 1:15-cv-09279, Dkt. 314 ¶ 8 (S.D.N.Y. 2019) (same); Ruppel v. Northwestern Mutual Life Insurance Co., No. 7:19-cv-07414-KMK, Dkt. 111 ¶ 8 (S.D.N.Y. 2018) (same). Moreover, Class Counsel has been recognized by courts across the country for its expertise litigating Rule 23 class action claims. See Deckant Decl. ¶ 51; see also id. Ex. 5, Firm Resume of Bursor & Fisher, P.A.

Furthermore, "[t]he quality of the opposition should be taken into consideration in assessing the quality of the plaintiffs' counsel's performance." *In re MetLife Demutualization Litig.*, 689 F. Supp. 2d 297, 362 (E.D.N.Y. 2010). As noted above, Class Counsel achieved an exceptional result in this case while facing well-resourced and experienced defense counsel. Class Counsel has litigated this case efficiently and effectively. The excellent result is a function of the high quality of that work, which supports the requested fee award. *See Solis*, 2021 WL 2678651, at *3 ("Quality of representation is best measured by results.' Plaintiffs received a considerable settlement sum in light of the risks posed by Plaintiffs' claims. ... [This result] demonstrates the quality of counsel's representation.") (citations omitted).

5. The Requested Fee In Relation To The Settlement

Class Counsel seeks fees, costs, and expenses totaling one-third of the \$2,375,000 all-cash settlement fund. As mentioned above, courts in this Circuit routinely approve fee requests for one-third of a common fund. *See* cases cited *supra*. "Here, the percentage requested, 33%, is in line with what other judges have awarded in this [D]istrict[.]" *Solis*, 2021 WL 2678651, at *2 (collecting cases). This factor thus supports approval of the requested fee award.

6. Public Policy Considerations

The final *Goldberger* factor concerns public policy. "Skilled counsel must be incentivized to pursue complex and risky claims [that protect the public on a contingency

basis]." Shapiro, 2014 WL 1224666, at *24. As such, reasonable fee awards must be provided in order to ensure that attorneys are incentivized to litigate class actions, which serve as private enforcement tools to police defendants who engage in misconduct. See id.; see also Lea, 2021 WL 5578665, at *13 ("[P]ublic policy favors the award of reasonable attorneys' fees in class action settlements.' Courts in this Circuit have recognized the importance of private enforcement actions and the corresponding need to incentivize attorneys to pursue such actions on a contingency fee basis.") (internal citation omitted). "Attorneys who fill the private attorney general role must be adequately compensated for their efforts"—otherwise the public risks an absence of a "remedy because attorneys would be unwilling to take on the risk." Massiah v. MetroPlus Health Plan, Inc., 2012 WL 5874655, at *7 (E.D.N.Y. Nov. 20, 2012) (citing Goldberger, 209 F.3d at 51). Further, when individual class members seek relatively small amounts of damages, "economic reality dictates that [their] suit proceed as a class action or not at all." Eisen v. Carlisle & Jacquelin, 417 U.S. 156, 161 (1974).

California undoubtedly has a strong interest in incentivizing lawyers to bring complex litigation under the ARL. *See, e.g., Lopez v. Stages of Beauty, LLC*, 307 F. Supp. 3d 1058, 1071 (S.D. Cal. 2018) ("The purpose of the ARL is to protect consumers from unwittingly consenting to automatic renewals or subscription orders.") (citation omitted); *Kissel v. Code 42 Software, Inc.*, 2016 WL 7647691, at *4-5 (C.D. Cal. Apr. 14, 2016) ("[T]he ARL was clearly enacted to protect consumers from 'the oppressive use of superior bargaining power' when entering into subscription or purchasing agreements.") (citation omitted); *see also* Cal. Bus. & Prof. Code § 17600 (statement of legislative intent). Class action litigation is the most realistic means of safeguarding the interests of low-income consumers who are disproportionately affected by renewal fees. The alternative to a class action in this case would have been no enforcement at

all, and NYT's allegedly unlawful conduct would have continued unabated. Accordingly, this factor thus supports the requested fee award.

C. The Requested Attorneys' Fees Are Also Reasonable Under A Lodestar Cross-Check

A lodestar cross-check further supports the requested fee. Courts applying the lodestar method generally apply a multiplier to take into account the contingent nature of the fee, the risks of non-payment, the quality of representation, and the results achieved. *See Wal-Mart Stores*, 396 F.3d at 121. Where the lodestar is "used as a mere cross-check, the hours documented by counsel need not be exhaustively scrutinized by the district court." *Goldberger*, 209 F.3d at 50; *see also Cassese v. Williams*, 503 F. App'x 55, 59 (2d Cir. 2012) (noting the "need for exact [billing] records [is] not imperative" where lodestar used as "mere cross-check").

To calculate lodestar, counsel's reasonable hours expended on the litigation are multiplied by counsel's reasonable rates. *See Pennsylvania v. Del. Valley Citizens' Council for Clean Air*, 478 U.S. 546, 565 (1986). The resulting figure may be adjusted at the court's discretion by a multiplier, taking into account various equitable factors. *See Shapiro*, 2014 WL 1224666, at *24 ("[U]nder the lodestar method, a positive multiplier is typically applied to the lodestar in recognition of the risk of litigation, the complexity of the issues, the contingent nature of the engagement, the skill of the attorneys, and other factors.") (quotations marks and citations omitted). The hourly billing rate to be applied is the hourly rate that is normally charged in the community where the counsel practices, *i.e.*, the "market rate." *See Blum v. Stenson*, 465 U.S. 886, 895 (1984); *see also Luciano v. Olsten Corp.*, 109 F.3d 111, 115-116 (2d Cir. 1997).

Here, the hourly rates used by Class Counsel are comparable to rates charged by attorneys with similar experience, skill, and reputation, for similar services in the New York and California legal markets. *See* Deckant Decl. ¶¶ 50-52, 54-57. The hours worked, lodestar fee,

and expenses for Class Counsel are set forth in the declaration of Mr. Deckant, submitted herewith. *See id.* ¶¶ 46, 49; *id.*, Exs. 2-3. In total, through July 26, 2024, Class Counsel has billed 1,069.8 hours, which at their hourly rates amounts to a lodestar of \$665,722.50. *See id.* ¶ 46. Therefore, the requested fee award currently reflects a 1.17 times multiplier on Class Counsel's regular hourly rates, which is well within the range of reasonableness. *See, e.g., Solis,* 2021 WL 2678651, at *4 ("Typically, courts use multipliers of 2 to 6 times the lodestar.") (citation omitted); *Bekker v. Neuberger Berman Group 401(K) Plan Inv. Committee,* 504 F. Supp. 3d 265, 271 (S.D.N.Y. 2020) (finding 5.85 is within the range of acceptable multipliers); *Pantelyat,* 2019 WL 402854, at *10 ("[A] multiplier of 4.89 falls within the realm of reasonableness.").6

In sum, Class Counsel's efforts in this case resulted in an exceptional recovery for the Settlement Class. Class Counsel should be rewarded for achieving this result.

II. THE REQUESTED INCENTIVE AWARD REFLECTS PLAINTIFF'S ACTIVE INVOLVEMENT IN THIS ACTION AND SHOULD BE APPROVED

Incentive awards are common in class action cases and serve to "compensate plaintiffs for the time and effort expended in assisting the prosecution of the litigation, the risks incurred by becoming and continuing as a litigant, and any other burdens sustained by the plaintiff[s]." *Reyes v. Altamarea Grp., LLC*, 2011 WL 4599822, at *9 (S.D.N.Y. Aug. 16, 2011). Incentive awards fulfill the important purpose of compensating plaintiffs for the time they spend and the risks they take. *See Moses*, 79 F.4th at 253-54 ("Incentive awards encourage class"

-

⁶ Class Counsel's lodestar multiplier is also reasonable because it will decrease further as Class Counsel spends additional time on notice and distribution issues. *See, e.g., Parker v. Jekyll & Hyde Entm't Holdings, LLC*, 2010 WL 532960, at *2 (S.D.N.Y. Feb. 9, 2010) ("[A]s class counsel is likely to expend significant effort in the future implementing the complex procedure agreed upon for collecting and distributing the settlement funds, the multiplier will diminish over time."); *Yuzary*, 2013 WL 5492998, at *11 ("The fact that Class Counsel's fee award will not only compensate them for time and effort already expended, but for time that they will be required to spend administering the settlement going forward, also supports their fee request.") (quotation marks and citation omitted).

representatives to participate in class action lawsuits[.] ... Such incentive awards often level the playing field and treat differently situated class representatives equitably relative to the class members who simply sit back until they are alerted to a settlement. Accordingly, ... district courts are permitted to grant incentive awards.") (citations omitted, collecting cases).

Here, the participation of Plaintiff Maribel Moses was critical to the ultimate success of the case. *See* Deckant Decl. ¶¶ 58-59. Ms. Moses spent approximately 40 hours protecting the interests of the Class through her involvement in this case. *See* Declaration of Maribel Moses ("Moses Decl.") ¶ 11. Plaintiff assisted Class Counsel in investigating her claims by detailing her account history and the automatic renewal charges associated with therewith, supplying supporting documentation, and aiding in drafting the Complaint. *See id.* ¶¶ 3-4, 6. During the course of this litigation, Plaintiff kept in regular contact with her lawyers to receive updates on the progress of the case and to discuss strategy. *See id.* ¶¶ 5, 7-8. Further, Plaintiff preserved documents likely to be requested in formal discovery and was prepared to testify at deposition and trial, if necessary. *See id.* ¶ 6. Finally, Plaintiff was actively consulted during the process of negotiating the prior and instant settlements and navigating appeal. *See id.* ¶ 7. On these facts, the requested incentive payment of \$5,000 is fair and reasonable. *See, e.g.*, Deckant Decl. Ex. 6, Preliminary Approval Hearing Transcript in *Russett*, No. 7:19-cv-07414 ("*NWM* Hearing Tr.").

Moreover, the requested \$5,000 is well within the range of incentive awards approved by other courts in this Circuit. *See Reyes*, 2024 WL 472841, at *6 n.5 ("Courts in this District have regularly approved service awards for individual representative plaintiffs ranging from \$1,000 to \$10,000. Other courts have suggested an even broader range of \$2,500 to \$85,000. Here, it is sufficient to note that the proposed award for [Plaintiff] is within either range.") (citations omitted, collecting cases); *Kurtz v. Kimberly-Clark Corp.*, 2024 WL 184375, at *4 (E.D.N.Y.

Jan. 17, 2024) ("Awards on an individualized basis have generally ranged from \$2,500 to \$85,000.") (citation omitted); *Hart v. BHH, LLC*, 2020 WL 5645984, at *5 (S.D.N.Y. Sept. 22, 2020) (same); *see also, e.g., Mateer v. Peloton Interactive, Inc.*, 2024 WL 1054983, at *2 (S.D.N.Y. Mar. 4, 2024) ("Service awards are granted as follows: \$21,450 to Mateer, \$21,450 to Johnson, and \$9,000 to Branchcomb. These awards are reasonable and promote equity because they were determined based on the lead Plaintiffs' contributions"); *Hezi v. Celsius Holdings, Inc.*, 2023 WL 2786820, at *6 (S.D.N.Y. Apr. 5, 2023) (approving service awards of \$5,000 and \$10,000); *Santos v. Nuve Miguel Corp.*, 2023 WL 2263207, at *3 (S.D.N.Y. Feb. 28, 2023) (approving a \$10,000 service award).

Thus, the incentive award is warranted.

CONCLUSION

For the foregoing reasons, Plaintiff respectfully requests that the Court: (1) approve attorneys' fees, costs, and expenses in the amount of \$791,666.66 (*i.e.*, one-third of the all-cash settlement fund); (2) grant Plaintiff an incentive award of \$5,000 in recognition of her efforts on behalf of the Class; and (3) award such other and further relief as the Court deems reasonable and just.

Dated: July 29, 2024 Respectfully submitted,

BURSOR & FISHER, P.A.

By: /s/ Neal J. Deckant
Neal J. Deckant

Neal J. Deckant 1990 N. California Blvd., 9th Floor Walnut Creek, CA 94596

Telephone: (925) 300-4455 Facsimile: (925) 407-2700 E-Mail: ndeckant@bursor.com

Class Counsel