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17 **UNITED STATES DISTRICT COURT**  
18 **EASTERN DISTRICT OF CALIFORNIA**  
19 **SACRAMENTO DIVISION**

20 UNITED STATES OF AMERICA, *ex rel.*  
DENIKA TERRY, ROY HUSKEY III, and  
21 TAMERA LIVINGSTON, and each of them for  
themselves individually, and for all other persons  
22 similarly situated and on behalf of the UNITED  
STATES OF AMERICA

23 Plaintiffs/Relators,

24 vs.

25 WASATCH ADVANTAGE GROUP, LLC,  
WASATCH PROPERTY MANAGEMENT, INC.,  
26 WASATCH POOL HOLDINGS, LLC,  
CHESAPEAKE APARTMENT HOLDINGS, LLC,  
27 LOGAN PARK APARTMENTS, LLC, LOGAN  
PARK APARTMENTS, LP, ASPEN PARK  
28 HOLDINGS, LLC, BELLWOOD JERRON  
HOLDINGS, LLC, BELLWOOD JERRON

Case No.: 2:15-CV-00799-KJM-SCR

CLASS ACTION

**MEMORANDUM OF POINTS AND  
AUTHORITIES IN SUPPORT OF MOTION  
FOR REASONABLE FEES, COSTS, AND  
EXPENSES**

Date: Jan. 23, 2025  
Time: 10:00 a.m.  
Dept: Court 3, 15<sup>th</sup> Floor  
Before: Hon. Chief Judge Kimberly J. Mueller

1 APARTMENTS, LP, BENT TREE  
APARTMENTS, LLC, CALIFORNIA PLACE  
2 APARTMENTS, LLC, CAMELOT LAKES  
HOLDINGS, LLC, CANYON CLUB HOLDINGS,  
3 LLC, COURTYARD AT CENTRAL PARK  
APARTMENTS, LLC, CREEKSIDE HOLDINGS,  
4 LTD, HAYWARD SENIOR APARTMENTS, LP,  
HERITAGE PARK APARTMENTS, LP, OAK  
5 VALLEY APARTMENTS, LLC, OAK VALLEY  
HOLDINGS, LP, PEPPERTREE APARTMENT  
6 HOLDINGS, LP, PIEDMONT APARTMENTS,  
LP, POINT NATOMAS APARTMENTS, LLC,  
7 POINT NATOMAS APARTMENTS, LP, RIVER  
OAKS HOLDINGS, LLC, SHADOW WAY  
8 APARTMENTS, LP, SPRING VILLA  
APARTMENTS, LP, SUN VALLEY HOLDINGS,  
9 LTD, VILLAGE GROVE APARTMENTS, LP,  
WASATCH QUAIL RUN GP, LLC, WASATCH  
10 PREMIER PROPERTIES, LLC, WASATCH  
POOL HOLDINGS III, LLC,  
11 and DOES 1-4,

12 Defendants.

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**TABLE OF CONTENTS**

**Page**

1

2

3 I. INTRODUCTION ..... 1

4 II. BACKGROUND ..... 2

5 A. The Settlement Achieved Outstanding Results for the Certified Classes. .... 2

6 1. Injunctive and Monetary Relief..... 2

7 2. Attorneys’ Fees, Costs, and Expenses ..... 2

8 B. The Results Achieved Reflect Years of Dedicated and Skilled Litigation by

9 Class Counsel. .... 3

10 1. Case Initiation through Class Certification (Oct. 2013 through Oct. 2018)..... 4

11 2. Discovery, Bifurcation, and Summary Judgment (Nov. 2018 to Feb.

12 2024)..... 5

13 3. Remedies Discovery, Summary Judgment on Class Damages, and Initial

14 Trial Preparation (Dec. 2022 through Feb. 1, 2024) ..... 7

15 4. Pretrial Proceedings and Settlement (Feb. 2, 2024 through Jul. 27, 2024) ..... 8

16 5. Settlement Agreement and Approval Proceedings (Jul. 28, 2024 to

17 Present)..... 9

18 III. ARGUMENT ..... 10

19 A. Class Counsel’s Fees and Costs Are Proper Under Fee Shifting Principles. .... 10

20 1. Fee Shifting Applies to the Class Claims Successfully Litigated by

21 Plaintiffs. .... 10

22 2. Plaintiffs’ Lodestar is Reasonable. .... 13

23 a. Class Counsel’s Hours are Reasonable. .... 14

24 b. Class Counsel’s Requested Rates are Reasonable..... 15

25 3. A Lodestar Multiplier of 1.5 or More Would Be Appropriate in this

26 Case. .... 17

27 B. A Percent-of-Fund Cross Check Affirms the Reasonableness of the Award..... 19

28 C. Class Counsel’s Litigation Costs and Expenses Are Recoverable and

Reasonable..... 20

IV. CONCLUSION ..... 20

**TABLE OF AUTHORITIES**

**Page(s)**

**Federal Cases**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

*Anderson v. Safe Streets USA, LLC*,  
No. 2:18-CV-00323-KJM-JDP, 2024 WL 4826446 (E.D. Cal. Nov. 19, 2024)..... 16, 17

*Avery v. Akima Support Operations, LLC*,  
No. 2:19-CV-00924-DAD-AC, 2022 WL 4473211 (E.D. Cal. Sept. 26, 2022) ..... 16

*Bennett v. SimplexGrinnell LP*,  
No. 3:11-cv-01854-JST, 2015 WL 12932332 (N.D. Cal. Sept. 3, 2015)..... 20

*In re Bluetooth Headset Prods. Liab. Litig.*,  
654 F.3d 935 (9th Cir. 2011) ..... 10, 14, 17, 19

*City of Riverside v. Rivera*,  
477 U.S. 561 (1986) ..... 19

*Cooks v. TNG GP*,  
No. 2:16-CV-01160-KJM-AC, 2021 WL 5139613 (E.D. Cal. Nov. 4, 2021)..... 16, 17, 18

*Gutierrez v. Wells Fargo Bank, N.A.*,  
No. C 07-05923 WHA, 2015 WL 2438274 (N.D. Cal. May 21, 2015) ..... 18

*Hensley v. Eckerhart*,  
461 U.S. 424 (1983) ..... 16

*Kelly v. Denault*,  
374 F. Supp. 3d 884 (N.D. Cal. 2018)..... 11

*McCown v. City of Fontana*,  
565 F.3d 1097 (9th Cir. 2009) ..... 13

*Milburn v. PetSmart, Inc.*,  
No. 118CV00535DADSKO, 2019 WL 5566313 (E.D. Cal. Oct. 29, 2019) ..... 16, 21

*Miller v. CEVA Logistics USA, Inc.*,  
No. 2:13-cv-01321-TLN-CKD, 2015 WL 4730176 (E.D. Cal. Aug. 10, 2015) ..... 20

*Moore v. James H. Matthews & Co.*,  
682 F.2d 830 (9th Cir. 1982) ..... 14

*Mostajo v. Nationwide Mut. Ins. Co.*,  
No. 2:17-CV-00350-DAD-AC, 2023 WL 2918657 (E.D. Cal. Apr. 12, 2023) ..... 16, 17

*Nat’l Fed’n of the Blind v. Target Corp.*,  
No. C 06-01802 MHP, 2009 WL 2390261 (N.D. Cal. Aug. 3, 2009) ..... 18

1 *In re Optical Disk Drive Prods. Antitrust Litig.*,  
 2 959 F.3d 922 (9th Cir. 2020) ..... 20

3 *Ramirez v. Merrill Gardens, LLC*,  
 4 No. 1:22-CV-00542-SAB, 2024 WL 3011142 (E.D. Cal. June 11, 2024)..... 16

5 *Ridgeway v. Wal-Mart Stores, Inc.*,  
 6 269 F. Supp. 3d 975 (N.D. Cal. 2017)..... 15, 18

7 *Rodriguez v. Cnty. of Los Angeles*,  
 8 96 F. Supp. 3d 1012 (C.D. Cal. 2014), *aff’d*, 891 F.3d 776 (9th Cir. 2018) ..... 17, 18

9 *Smothers v. NorthStar Alarm Servs., LLC*,  
 10 No. 217CV00548KJMKJN, 2020 WL 1532058 (E.D. Cal. Mar. 31, 2020) ..... 16

11 *Staton v. Boeing Co.*,  
 12 327 F.3d 938 (9th Cir. 2003) ..... 19, 20

13 *United Steelworkers of Am. v. Phelps Dodge Corp.*,  
 14 896 F.2d 403 (9th Cir. 1990) ..... 15

15 *Velez v. Bakken*,  
 16 No. 2:17-cv-00960-WBS-KJN, 2019 WL 358703 (E.D. Cal. Jan. 29, 2019) ..... 20

17 *Vizcaino v. Microsoft Corp.*,  
 18 290 F.3d 1043 (9th Cir. 2002) ..... 19

19 **State Cases**

20 *Broughton v. Cigna Healthplans of Cal.*,  
 21 21 Cal. 4th 1066 (1999) ..... 11

22 *Children’s Hops. & Med. Ctr. v. Bonta*,  
 23 97 Cal. App. 4th 740 (2007) ..... 15

24 *City of Oakland v. Oakland Police & Fire Ret. Sys.*,  
 25 29 Cal. App. 5th 688 (2018) ..... 12

26 *Collins v. City of Los Angeles*,  
 27 205 Cal. App. 4th 140 (2012) ..... 13

28 *In re Conservatorship of Whitley*,  
 50 Cal. 4th 1206 (2010) ..... 12

*Estrada v. FedEx*,  
 154 Cal. App. 4th 1 (2007) ..... 12

*Graham v. DaimlerChrysler Corp.*,  
 34 Cal. 4th 553 (2004) ..... 12, 14, 17

1 *Holguin v. Dish Network LLC*,  
 2 229 Cal. App. 4th 1310 (2014)..... 13

3 *Kerkeles v. City of San Jose*,  
 4 243 Cal. App. 4th 88 (2015)..... 14

5 *Ketchum v. Moses*,  
 6 24 Cal. 4th 1122 (2001)..... 14, 17, 18

7 *Kim v. Euromotors W./The Auto Gallery*,  
 8 149 Cal. App. 4th 170 (2007)..... 11

9 *Monterey/Santa Cruz etc. Trades Council v. Cypress Marina Heights LP*,  
 10 191 Cal. App. 4th 1500 (2011)..... 12

11 *Peak-Las Positas Partners v. Bollag*,  
 12 172 Cal. App. 4th 101 (2009)..... 15

13 *Pellegrino v. Robert Half Int’l, Inc.*,  
 14 182 Cal. App. 4th 278 (2010)..... 18

15 *Serrano v. Unruh*,  
 16 32 Cal. 3d 621 (1982)..... 15

17 *Syers Props. III, Inc. v. Rankin*,  
 18 226 Cal. App. 4th 691 (2014)..... 3

19 *Woodland Hills Residents Ass’n, Inc. v. City Council*,  
 20 23 Cal. 3d 917 (1979)..... 11

21 **Federal Statutes**

22 42 U.S.C. § 1437f(a)..... 2, 11

23 False Claims Act..... 3

24 **State Statutes**

25 Cal. Civ. Code

26 § 1021.5 ..... 10, 11, 12, 13

27 § 1780(e)..... 11

28 Consumer Legal Remedies Act ..... 10

Unfair Competition Law..... 12

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Rules**

Fed. R. Civ. P.

23(b)(3).....2  
23(f).....5  
23(h) .....10, 20  
30(b)(6).....6, 7

**Regulations**

24 C.F.R. § 982.1(a)(1) .....2

1 **I. INTRODUCTION**

2 Through tireless advocacy for over a decade and numerous important litigation victories,  
3 Plaintiffs achieved a truly remarkable settlement of the Class Claims. The Settlement Agreement  
4 secures robust injunctive relief protecting Class Members from excess rent charges, affirming this  
5 crucial protection in the Section 8 program. The Settlement Agreement also provides full damages to  
6 Reimbursement Class members and nearly complete prejudgment interest. Achieving this outstanding  
7 outcome was not easy. It required thousands of hours of skilled work by Class Counsel, burdensome  
8 litigation demands, and significant contingency risk, among other challenges.

9 Plaintiffs respectfully request that the Court award Class Counsel \$312,0000 in costs and  
10 \$4,188,000 in attorneys' fees, equal to the full \$4.5 million set aside for this purpose in the Settlement  
11 Agreement. Both the lodestar and percent-of-recovery methods confirm that this amount appropriately  
12 compensates Class Counsel for their herculean effort necessary to the exceptional result obtained.

13 Class Counsel's post-billing judgment lodestar attributable to the Class Claims (*i.e.*, after  
14 deducting time for the FCA claim) is \$3,297,856.55 as November 30, 2024. Declaration of Anne  
15 Bellows, filed herewith, ¶ 11 ("Bellows Decl."). Class Counsel anticipate that they will have accrued  
16 another \$40,000 in lodestar by the end of the distribution of Class Member awards. *Id.* The requested  
17 fee award of \$4,188,000 reflects an effective multiplier of approximately 1.28 on pre-settlement fees,  
18 although the record in this case would easily support a multiplier of 1.5, or even higher.

19 A percent-of-recovery cross check confirms that the fee is reasonable in this case. Plaintiffs  
20 value the injunctive relief achieved under the Settlement Agreement at \$1,215,000, yielding a total  
21 monetary value of the class settlement at \$10,715,000. The requested fee award of \$4,188,000, which  
22 will not reduce the Class Recovery if granted in full, is 39% of that amount. This upward departure is  
23 well warranted in this case, where Class Counsel expended thousands of hours on this challenging  
24 case, taking on significant risk, and achieved a superb result for the Certified Classes.



1 **II. BACKGROUND**

2 **A. The Settlement Achieved Outstanding Results for the Certified Classes.**

3 The provisions of the Settlement Agreement resolving the Class Claims are discussed at length  
4 in Plaintiffs’ Motion for Final Approval of Class Action Settlement. *See* ECF No. 563-1 at 4:21-7:15,  
5 10:19-14:5 & record citations therein. The provisions embody essentially full relief for the Classes.

6 **1. Injunctive and Monetary Relief**

7 The injunctive relief puts a decisive and enforceable end to Defendants’ illegal and harmful  
8 practices that required Section 8 tenants to pay additional fees to begin or maintain their tenancy. The  
9 Court discussed these practices in its November 23, 2023 partial summary judgment order. Order 3:1-  
10 5:10, 11:20-13:16, ECF No. 278. The Settlement Agreement ensures that additional fees are fully  
11 optional for Section 8 tenants, that nonpayment of those fees does not jeopardize tenancy, and that  
12 Section 8 tenants are fully informed of these protections. *See* Settlement Agreement at 7-9.<sup>1</sup> Not only  
13 does this remedial relief fully cure the violation underlying Plaintiffs’ claims, it furthers the important  
14 purpose of the Section 8 program to provide affordable, secure housing to some of the lowest-income  
15 households in our society. *See* 42 U.S.C. § 1437f(a); 24 C.F.R. § 982.1(a)(1).

16 The monetary relief achieved by the Settlement Agreement for the Rule 23(b)(3) class is  
17 equally robust, providing full damages and prejudgment interest at approximately 9%. *See* ECF No.  
18 563-1 at 5:16-22 & record citations therein. These payments effectively implement the Court’s order  
19 on Plaintiffs’ motion for partial summary judgment regarding remedies. *See* ECF No. 352 at 5:14-6:15  
20 The Qualified Settlement Fund also covers the settlement notice costs and counseling for class  
21 members regarding any impact their individual settlement payments might have on their government  
22 benefits. *See* Settlement Agreement at 10, 13.

23 **2. Attorneys’ Fees, Costs, and Expenses**

24 The Settlement Agreement allocates \$4.5 million for payment of attorneys’ fees, costs, and  
25 expenses on the Class Claims. Settlement Agreement at 10. This amount is non-reversionary; any  
26 unawarded portion goes to *cy pres*. *Id.* at 10, 23. The Settlement Agreement *does not* include a clear

27 \_\_\_\_\_  
28 <sup>1</sup> Page numbers for the Settlement Agreement refer to the consecutive pagination at the bottom right  
corner of Exhibit A to the Declaration of Lori Rifkin in Support of Plaintiffs’ Motion for Final  
Approval of Class Action Settlement, ECF No. 563-2.

1 sailing provision; Defendants remain free to file an opposition. *See id.* at 10. As part of the settlement,  
 2 Defendants requested a payment plan of three roughly equal payments. *Id.* at 27. In order to ensure  
 3 the Reimbursement Class would timely receive full payment, Class Counsel agreed to delay receiving  
 4 the bulk of their fees and costs until the last payment, scheduled to occur in 2026. *Id.* at 27-28.

5 **B. The Results Achieved Reflect Years of Dedicated and Skilled Litigation by Class Counsel.**

6 Achieving this superlative result required thousands of hours of work addressing a large factual  
 7 record and the full gamut of pretrial procedures. In all, Class Counsel have devoted over 8,000 hours  
 8 to the Class Claims, after reductions for billing judgment. *See* Bellows Decl. ¶¶ 11, 17-27. These  
 9 hours exclude time devoted to the concurrently-litigated False Claims Act claim. *Id.* ¶ 17-20. Class  
 10 Counsel's hours and lodestar using local rates, summarized by task categories, are as follows:

Task Description	Hours	Lodestar
Case Administration	60.8	\$ 29,552.36
Fact Investigation	505.7	\$ 151,930.18
Analysis, Strategy, and Legal Research	527.4	\$ 216,766.58
Experts & Consultants	173.4	\$ 84,313.45
Settlement	470.8	\$ 235,783.59
Pleadings	297.7	\$ 132,205.30
Court Mandated Conferences	33.3	\$ 17,496.15
Summary Judgment Motions	690.4	\$ 287,872.33
Other Written Motions or Submissions	113.3	\$ 46,900.79
Class Action Procedures	965.4	\$ 464,876.56
Other Discovery	290.3	\$ 139,134.27
Written Discovery	74.1	\$ 32,953.60
Requests for Production and Document Productions	170.2	\$ 70,060.13
Document review	805.7	\$ 187,773.91
Depositions	619.5	\$ 271,853.19
Expert Depositions	79.2	\$ 35,623.34
Discovery Motions	204.4	\$ 85,351.33
Trial Preparation Re Fact Witnesses	415.2	\$ 166,313.41
Trial Preparation Re Expert Witnesses	110.2	\$ 51,903.25
Written Motions or Submissions for Trial	522.6	\$ 218,690.95
Other Trial Preparation and Support	727.5	\$ 290,599.06
Trial and Hearing Attendance	47.8	\$ 20,620.46
Post-Trial Motions	128.0	\$ 59,282.38
<b>Total</b>	<b>8,032.8</b>	<b>\$ 3,297,856.55</b>

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27 *Id.* ¶¶ 26-27 & Ex. 1. Class Counsel have also paid \$311,878.10 in costs, including expert costs, to  
 28 litigate the Class Claims, taking the risk that they would never recover these substantial amounts. *Id.* ¶

1 13. Plaintiffs provide an overview of Class Counsel’s work on the Class Claims immediately below.<sup>2</sup>

2 **1. Case Initiation through Class Certification (Oct. 2013 through Oct. 2018)**

3 In October 2013, Denika Terry contacted the Law Offices of Andrew Wolff to discuss her  
4 experience as a Wasatch Property Management tenant. Decl. of Andrew Wolff, filed herewith, ¶ 17,  
5 (“Wolff Decl.”) After initial fact and legal investigation, the Law Offices of Andrew Wolff brought on  
6 Centro Legal de la Raza as co-counsel for the prospective case. *Id.*; Decl. of Jesse Newmark, filed  
7 herewith, ¶ 20, (“Newmark Decl.”). The two organizations investigated Wasatch’s practices,  
8 developed the claims, and drafted and filed the complaint. Wolff Decl. ¶ 18, Newmark Decl. ¶ 20.

9 After the complaint was unsealed in the summer of 2016, Plaintiffs amended the complaint,  
10 defended against Defendants’ motion to dismiss, and undertook class discovery. ECF Nos. 18-70;  
11 Wolff Decl. ¶ 19; Newmark Decl. ¶ 21. Discovery even at that early stage required significant effort.  
12 Class Counsel litigated multiple discovery motions (ECF Nos. 44, 45, 47, 56, 58, 59, 62, 63, 65),  
13 defended Plaintiffs Terry and Huskey in deposition, and deposed three corporate designees.  
14 Defendants and Class Counsel also took eight third-party depositions of representatives of local  
15 housing authorities. Wolff Decl. ¶¶ 20, 21; Newmark Decl. ¶ 22. Additionally, after Class Counsel  
16 successfully moved to compel production of responsive documents, Defendants produced over  
17 360,000 pages of tenant files from Section 8 tenants, which provided crucial evidence for the  
18 depositions, class certification motion, motion to amend the complaint to cover Defendants’ properties  
19 statewide, and merits proceedings later in the case. Newmark Decl. ¶ 22.

20 Class Counsel filed motions for class certification and for leave to amend the complaint on  
21 August 25, 2017. ECF No. 71, 72. The Parties also engaged in mediation but did not reach a  
22 settlement. Newmark Decl. ¶ 25. After the Court granted the motions but conditioned certification of  
23 the injunctive relief class on substitution of an appropriate class representative, Class Counsel added  
24 Tamera Livingston as a class representative via stipulation and the Third Amended Complaint. *See*

25  
26 <sup>2</sup> Class Counsel provide a detailed summary of their work and the corresponding fees in the  
27 accompanying declarations. *See* Bellows Decl. ¶¶ 28-105, Newmark Decl. ¶¶ 11, 18-54, Nako Decl.  
28 ¶¶ 14-41, and Wolff Decl. ¶¶ 15-33. These summaries are an adequate basis for the Motion under  
California law, which does not require the submission of time records. *See Syers Props. III, Inc. v.*  
*Rankin*, 226 Cal. App. 4th 691, 699-700 (2014) (collecting authorities). Additionally, should the Court  
order it, Class Counsel are prepared to submit their detailed records for *in camera* review.

1 ECF Nos. 92, 94. Class Counsel then opposed Defendants' Rule 23(f) petition to the Ninth Circuit,  
2 which denied that petition on October 17, 2018. ECF No. 100.

3 Collectively, Class Counsel devoted 553.3 hours to the Class Claims during this phase.  
4 Newmark Decl. ¶ 29, Wolff Decl. ¶ 27.

5 **2. Discovery, Bifurcation, and Summary Judgment (Nov. 2018 to Feb. 2024)**

6 The Ninth Circuit's rejection of Defendants' Rule 23(f) petition did not end the Parties' dispute  
7 about class certification. Defendants initially refused to identify class members or provide their  
8 contact information for class notice. Bellows Decl. ¶ 36 After Class Counsel overcame that obstacle,  
9 Defendants then disputed the class period, requiring Plaintiffs to move for clarification or amendment  
10 of the class definition and for approval of class notice. *Id.* ¶¶ 36-37; ECF No. 107. The Court granted  
11 that motion on January 15, 2020, and Class Counsel managed the notice process, including numerous  
12 communications with class members. ECF No. 114; Bellows Decl. ¶ 39.

13 At the same time, Class Counsel began merits discovery. Plaintiffs sought document and data  
14 production, both requiring extensive meet and confer efforts and multiple motions to compel. Bellows  
15 Decl. ¶ 43. To resolve the deadlock regarding the production of data from Defendants' centralized  
16 property management software, Plaintiffs worked collaboratively with Defendants to hire a joint third-  
17 party expert to manage the identification and production of responsive data. *Id.* Plaintiffs also worked  
18 extensively with Defendants to elicit the production of electronically stored documents, a process that  
19 involved numerous meet and confer calls, revisions to proposed search protocols, and repeated follow-  
20 ups. *Id.* ¶ 44. Eventually, Defendants elected to produce a high volume of documents without first  
21 reviewing for responsiveness, resulting in the production of over 2.5 million pages of documents. *Id.*  
22 In total, Class Counsel devoted approximately 800 hours attributed to the Class Claims to reviewing  
23 the produced tenant files and the electronic productions made during subsequent phases. *Id.* ¶ 27.

24 While time consuming, this document review yielded crucial evidence supporting the Class Claims.

25 Plaintiffs' discovery efforts regarding Defendants' corporate structure gave rise to a dispute  
26 with Defendants, who lodged objections and largely declined to provide the requested discovery  
27 beyond listing, for the first time, the names of the entities that owned the properties where California  
28 class members lived. *Id.* ¶ 51. The Parties resolved the impasse by agreeing to bifurcate the case,

1 deferring the corporate structure issues to a subsequent phase, and stipulating to the filing of the Fifth  
2 Amended Complaint to add the previously undisclosed owner entities as Defendants. ECF No. 135.  
3 Despite retaining the same counsel to represent them, the new Defendants did not waive personal  
4 service, forcing Plaintiffs to expend numerous hours repeatedly attempting service. ECF Nos. 157-163,  
5 175-186, 192, 224, 227-229. After all Defendants were served, the Parties stipulated to amending the  
6 class certification order. ECF No. 226.

7 Meanwhile, discovery continued apace. During merits discovery, Plaintiffs propounded 104  
8 requests for production, 48 interrogatories, 60 requests for admission, and 71 requests for admission  
9 regarding authenticity. Bellows Decl. ¶ 40. Plaintiffs also took numerous depositions, including two  
10 Rule 30(b)(6) depositions, as well as fact depositions of current and former Wasatch Property  
11 Management executives. Bellows Decl. ¶ 49; Nako Decl. ¶ 19. After Defendants waived attorney-  
12 client privilege, Plaintiffs also deposed Defendants' in-house and outside counsel. Bellows Decl. ¶ 50.

13 During this period, Class Counsel also interviewed dozens of Section 8 tenants of Wasatch  
14 properties to gather information about Defendants' practices and identify potential trial witnesses. *Id.*  
15 ¶ 55. More than twenty tenants agreed to be disclosed as potential witnesses. *Id.* Class Counsel also  
16 extensively researched the U.S. Department of Urban and Housing Development's policies and  
17 practices related to the Section 8 program, gathered and analyzed dozens of local housing authority  
18 administrative plans, and conducted in-depth legal research on the Class Claims. *Id.* ¶ 56.

19 Though Class Counsel sought to resolve discovery issues collaboratively with opposing  
20 counsel to the extent possible, in order to address delays and impasses Plaintiffs filed numerous  
21 motions to compel and informal discovery letters during the merits phase, particularly as the discovery  
22 cut-off approached without Defendants completing important productions or fully responding to key  
23 written discovery. Bellows Decl. ¶ 42; Nako Decl. ¶¶ 17, 20; *see, e.g.*, Mots. Compel, ECF Nos. 115,  
24 152, 156, 197, 284, 292, 296, 313, 319 & Informal Discovery Statements, ECF Nos. 118, 148, 154,  
25 165. Defendants repeatedly indicated in their portions of the joint statements that they did not oppose  
26 production, without an explanation for why they had not yet done so; as a result, the magistrate judge  
27 repeatedly extended the fact discovery deadline. *See* ECF Nos. 170 191, 203.

28 The Parties also disclosed expert reports on January 28, 2022, and Plaintiffs disclosed a rebuttal

1 report on February 25, 2022. Bellows Decl. ¶ 57. Class Counsel deposed Defendants’ expert in March  
2 2022. Nako Decl. ¶ 21. Class Counsel also drafted a fact stipulation describing and providing  
3 definitions for the data produced by the joint expert. Bellows Decl. ¶ 57; ECF No. 242-4.

4 Following the completion of fact and expert discovery, the Parties filed cross-motions for  
5 summary judgment. ECF Nos. 241, 242. Defendants’ motion also requested decertification of the  
6 classes. ECF No. 241. This proved to be a critical juncture in the case. On November 22, 2022, the  
7 Court granted Plaintiffs’ motion “in its entirety,” finding liability on the class breach of contract and  
8 UCL claims. ECF No. 278. The Court denied Defendants’ motion and request for decertification. *Id.*

9 Class Counsel spent 3,698.1 hours on the Class Claims during this phase. Bellows Decl. ¶ 61.

10 **3. Remedies Discovery, Summary Judgment on Class Damages, and Initial Trial**  
11 **Preparation (Dec. 2022 through Feb. 1, 2024)**

12 Immediately after the Court’s order, as the Parties prepared for remedies discovery, Defendants  
13 raised a new argument that they would seek to reduce the class damages by their costs in providing  
14 services to the tenants. Bellows Decl. ¶¶ 62-63. They also indicated that they were altering some of  
15 their policies and practices, but declined to provide any details, requiring Plaintiffs to issue formal  
16 discovery on the issue. *Id.* Class Counsel explained to Defendants that their effort to reduce damages  
17 was legally baseless and invited them to drop that issue to limit litigation costs and fees. *Id.* Ex. 2.  
18 Class Counsel also sought to work with Defendants on the policy changes they would need to make to  
19 come into compliance, but Defendants declined to engage with them on this issue. *Id.* Ex. 3.

20 The Parties attended a settlement conference on March 15, 2023, for which Class Counsel and  
21 Class Representatives extensively prepared. ECF No. 293; Bellows Decl. ¶ 67. Defendants terminated  
22 the conference early in the day, bringing efforts at resolution to an abrupt halt. Bellows Decl. ¶ 68.

23 During remedies discovery, Plaintiffs issued discovery requests, took two further Rule 30(b)(6)  
24 depositions, and disclosed expert reports on both damages and injunctive relief issues. Bellows Decl.  
25 ¶¶ 70, 71; Nako Decl. ¶ 25-28. Defendants disclosed an expert accountant to support their bid to  
26 reduce class damages; Plaintiffs conducted discovery regarding his work and deposed him. Bellows  
27 Decl. ¶ 73. This discovery period also gave rise to numerous discovery disputes, requiring five  
28 motions to compel. *See* ECF Nos. 284, 292, 296, 313, 319. Plaintiffs also conducted further fact

1 investigation and tenant interviews regarding Defendants’ policy changes. *Id.* ¶ 71.

2 During the summer of 2023, Plaintiffs also sought Defendants’ agreement to the filing of a  
3 Sixth Amended Complaint to reflect Defendants’ recent changes to their policies and cut off damages.  
4 Bellows Decl. ¶ 75. Defendants did not respond, requiring Plaintiffs to file a motion for leave to  
5 amend. ECF Nos. 314, 315. The Court granted that motion on November 22, 2023. ECF No. 329.

6 On August 25, 2023, Plaintiffs sent a letter inviting Defendants to mediation to see if the  
7 Parties could resolve the case before December 1, 2023. Bellows Decl. ¶ 76. Plaintiffs cautioned  
8 Defendants that litigating the claims to judgment would significantly increase their financial exposure  
9 for Plaintiffs’ fees and costs. *Id.* Defendants did not agree to mediation.

10 On October 6, 2023, Plaintiffs filed a motion for partial summary judgment on the measure of  
11 class damages. ECF No. 323. The Court granted that motion on February 1, 2024. ECF No. 352.

12 As expert discovery was wrapping up and while Plaintiffs’ motions were pending, Class  
13 Counsel began preparing their pretrial filings, including drafting proposed fact stipulations, developing  
14 the exhibit list, analyzing and designating deposition testimony, designating discovery responses,  
15 conducting outreach to class members and local housing authorities to develop the witness list, and  
16 drafting motions in limine. Bellows Decl. ¶¶ 78-79. On the eve of the pretrial filing deadline, twelve  
17 defendants substituted in new counsel (later called “ONO Defendants”), who immediately moved *ex*  
18 *parte* to continue the final pretrial conference by 90 days, which Plaintiffs opposed. ECF Nos. 337-  
19 349. The Parties filed their first pretrial joint statement on February 2, 2024; the following week, the  
20 Court continued the final pretrial conference to March 29, 2024 and ordered the Parties to file an  
21 amended joint statement on March 15. ECF Nos. 353, 356.

22 Class Counsel spent 1,810.4 hours on the Class Claims during this phase. Bellows Decl. ¶ 81.

23 **4. Pretrial Proceedings and Settlement (Feb. 2, 2024 through Jul. 27, 2024)**

24 The entry of the new counsel for the ONO Defendants resulted in contentious pretrial filings,  
25 requiring extensive work by Class Counsel to address and counter each of the arguments raised by the  
26 new counsel. Bellows Decl. ¶ 80; ECF Nos. 349, 350, 353, 368, 370, 378, 387, 388, 392, 393. Even  
27 after the final pretrial conference, the Parties filed three additional joint statements addressing disputes  
28 on April 12, June 28, and July 17, 2024. ECF Nos. 386, 475, 526. Plaintiffs filed 9 motions in limine

1 and a request for judicial notice, opposed numerous motions in limine from both sets of Defendants,  
2 and completed other required pretrial filings including objections to exhibits and final trial briefs. ECF  
3 Nos. 404-431, 437-450, 476-477, 480, 482, 484-486, 488-491, 522-526.

4 During this period, ONO Defendants also filed three high-stakes motions—for judgment on the  
5 pleadings, for reconsideration of the bifurcation order, and for dismissal of the state-law claims. ECF  
6 Nos. 387, 388, 470. Class Counsel opposed these significant motions, obtaining favorable rulings to  
7 the first two, while the third was withdrawn by Defendants after settlement. ECF Nos. 398, 399, 545.

8 Throughout this period, Class Counsel were also busy with key trial preparation tasks,  
9 including drafting exams, subpoenaing and preparing trial witnesses, preparing exhibits, and planning  
10 their trial presentation to support the class requests for injunctive relief. Bellows Decl. ¶¶ 86, 89.

11 The Parties reinitiated settlement discussions. Class Counsel prepared a mediation brief and  
12 attended a two-day in-person mediation on June 20-21, 2024, but could not yet reach agreement. ECF  
13 No. 472. Following mediation, Class Counsel continued trial preparation and settlement discussions  
14 on parallel tracks. Bellows Decl. ¶ 88. Settlement talks accelerated following the hearing on the  
15 Parties' motions in limine on July 11, 2024. Nako Decl. ¶ 35. On July 27, 2024, the Parties reached a  
16 settlement in principle, embodied in a four-page memorandum of understanding. ECF No. 541.

17 Class Counsel spent 1,371.9 hours on the Class Claims during this phase. Bellows Decl. ¶ 91.

18 **5. Settlement Agreement and Approval Proceedings (Jul. 28, 2024 to Present).**

19 After filing the notice of settlement, Class Counsel turned to negotiating and drafting a long-  
20 form settlement agreement to ensure that the relief obtained for the Certified Classes was fully secured  
21 and enforceable. Newmark Decl. ¶ 49 Even with the memorandum of understanding in place,  
22 negotiating all of the complex terms of the 32-page final settlement required over a month of drafting  
23 and revisions, with constant and time-consuming written and verbal discussions between Defendants  
24 and Class Counsel. *Id.*; *see* Settlement Agreement. As outlined above, the final settlement agreement,  
25 Settlement provides essentially full relief to the certified classes, vindicating their claims. *See* Sec.  
26 II.A, *supra*. At the same time, Class Counsel prepared a motion for preliminary approval of the class  
27 settlement, which the Court granted on October 25, 2024. ECF Nos. 544, 562. Class Counsel  
28 continued their advocacy for the class, working to ensure effective administration of settlement notice,



1 responding to class member questions, and meeting and conferring with Defendants to ensure that the  
2 injunctive relief was fully implemented. Nako Decl. ¶ 38; Newmark Decl. ¶ 50. Class Counsel also  
3 prepared their motion for final settlement approval (ECF No. 563) and the present motion.

4 Class Counsel devoted 599 hours to the Class Claims from July 28 through November 30,  
5 2024. Bellows Decl. ¶ 95. Class Counsel estimate that by the close of class settlement administration  
6 they will have spent an additional 80 hours at a blended rate of \$500 on the final approval motion, fees  
7 motion, notice administration, and distribution of class member payments. *Id.* ¶ 96.

### 8 **III. ARGUMENT**

9 “[T]he court may award reasonable attorney’s fees and nontaxable costs that are authorized by  
10 law or by the parties’ agreement.” Fed. R. Civ. P. 23(h). In approving fees under a class action  
11 settlement, the Court has “an independent obligation to ensure that the award ... is reasonable.” *In re*  
12 *Bluetooth Headset Prods. Liab. Litig.*, 654 F.3d 935, 941 (9th Cir. 2011) (“*In re Bluetooth*”). Plaintiffs  
13 respectfully request an award of \$4.5 million in fees, costs and expenses, reflecting costs and expenses  
14 of \$312,000 and fees of \$4,188,000. These amounts are amply justified on this record.

#### 15 **A. Class Counsel’s Fees and Costs Are Proper Under Fee Shifting Principles.**

##### 16 **1. Fee Shifting Applies to the Class Claims Successfully Litigated by Plaintiffs.**

17 The Court has the discretion to select its method of fee calculation in this case. *See In re*  
18 *Bluetooth*, 654 F.3d at 942. A lodestar approach is supported by the fee-shifting authorities applicable  
19 to the Class Claims, including the Consumer Legal Remedies Act (“CLRA”), California Code of Civil  
20 Procedure section 1021.5, and Class Members’ leases. *See In re Bluetooth*, 654 F.3d at 941, 943 (the  
21 lodestar approach “is appropriate in class actions brought under fee shifting statutes”). Plaintiffs  
22 briefly address each source of fee shifting.

23 **CLRA.** Civil Code section 1780 subdivision (e) provides that “[t]he court shall award court  
24 costs and attorney’s fees to a prevailing plaintiff in litigation filed pursuant to this section.” *See*  
25 *Broughton v. Cigna Healthplans of Cal.*, 21 Cal. 4th 1066, 1086 (1999) (explaining that the fee  
26 shifting provision of Civ. Code section 1780(e) “is integral to making the CLRA an effective piece of  
27 consumer legislation”). Even in the context of a pretrial settlement, courts have observed that an  
28 award of fees to the prevailing plaintiff on a CLRA claim is “mandatory.” *Kim v. Euromotors W./The*

1 *Auto Gallery*, 149 Cal. App. 4th 170, 178-79 (2007). In this case, the complete injunctive relief  
2 achieved by Plaintiffs on the CLRA claim easily satisfies the standard for a “prevailing plaintiff.” *See*  
3 *id.* at 179-80 (adopting a functional definition of prevailing plaintiff based on whether the plaintiff  
4 achieved “most or all” of the relief sought on the claim) (citation omitted).

5 ***Code of Civil Procedure 1021.5.*** A court may award attorneys’ fees to a successful party in (1)  
6 any action that has resulted in the enforcement of an important right affecting the public interest, if: (2)  
7 a significant benefit, whether pecuniary or non-pecuniary, has been conferred on the general public or  
8 a large class of persons; (3) the necessity and financial burden of private enforcement are such as to  
9 make the award appropriate; and (4) such fees should not in the interest of justice be paid out of the  
10 recovery. Cal. Civ. Proc. Code § 1021.5. This fee-shifting doctrine “rests upon the recognition that  
11 privately initiated lawsuits are often essential to the effectuation of the fundamental public policies  
12 embodied in constitutional or statutory provisions,” and that without fee shifting “private actions to  
13 enforce such important public policies will as a practical matter frequently be infeasible.” *Woodland*  
14 *Hills Residents Ass’n, Inc. v. City Council*, 23 Cal. 3d 917, 933 (1979). Plaintiffs’ tireless litigation  
15 resulting in essentially full relief for the certified classes of very low-income tenants satisfies each  
16 requirement of section 1021.5.

17 *First*, in vindicating the right of Section 8 tenants to be protected from unapproved rent  
18 charges, Plaintiffs enforced a right that is of paramount importance in the “achievement of [the]  
19 fundamental legislative goals” of the Section 8 program. *See Woodland Hills*, 23 Cal. 3d at 936; 42  
20 U.S.C. § 1437f(a); *Kelly v. Denault*, 374 F. Supp. 3d 884, 892 (N.D. Cal. 2018) (“the Section 8  
21 voucher program exists to aid low-income families in obtaining housing, ‘and that purpose is clearly  
22 undermined when a program participant overcharges a beneficiary of the program.’”) (citation  
23 omitted). The enforcement of this important right was achieved both through the injunctive relief  
24 authorized by the Unfair Competition Law and through the award of damages and interest on the  
25 breach of contract claims; Section 1021.5 fee shifting applies equally to both claims. *See Graham v.*  
26 *DaimlerChrysler Corp.*, 34 Cal. 4th 553, 562, 578 (2004), *as modified* (Jan. 12, 2005) (“It is well  
27 settled that attorney fees under section 1021.5 may be awarded for consumer class action suits  
28 benefiting a large number of people.”) (holding Section 1021.5 fees could be awarded for success

1 obtained as a result of “a single breach of express warranty cause of action”).

2         *Second*, both the important injunctive relief provisions in the Final Settlement Agreement and  
3 the near-complete monetary relief confer “a significant benefit” on “a large class of persons,”  
4 collectively numbering thousands of current and former Section 8 tenants. *See Monterey/Santa Cruz*  
5 *etc. Trades Council v. Cypress Marina Heights LP*, 191 Cal. App. 4th 1500, 1523 (2011) (the “large  
6 class of persons” requirement was satisfied in case involving class of 900 construction workers).

7         *Third*, the necessity and financial burden of private enforcement makes an award appropriate in  
8 this case, as government agencies failed to take any actions to investigate or enforce class members’  
9 rights, and the financial burden on Plaintiffs is clear where their counsel dedicated thousands of hours  
10 over a decade on a contingency basis in order to vindicate claims that Defendants claimed throughout  
11 to be legally baseless, and these costs dwarf “the expected value of the litigant’s own monetary  
12 award.” *See In re Conservatorship of Whitley*, 50 Cal. 4th 1206, 1216 (2010). The Named Plaintiffs’  
13 ultimate recovery on the Class Claims, which exceeded any risk-adjusted expected value both at the  
14 outset and at critical junctures throughout, totaled only around \$20,000 in damages<sup>3</sup> plus prejudgment  
15 interest—an amount dwarfed by the lodestar and costs incurred by Class Counsel over the last ten  
16 years. Similarly, as evidenced by the ultimate numbers, the expected value of the class recovery did  
17 not “exceed[] by a substantial margin the actual litigation costs” related to the Class Claims. *See id.*  
18 (quoting *Los Angeles Police Protective League v. City of Los Angeles*, 188 Cal. App. 3d 1, 9-10  
19 (1986)). In these circumstances, courts hold that the class is entitled to “the bounty of a court-awarded  
20 fee in order to encourage litigation of the sort involved in this case.” *City of Oakland v. Oakland*  
21 *Police & Fire Ret. Sys.*, 29 Cal. App. 5th 688, 699-700 (2018); *see e.g., Estrada v. FedEx*, 154 Cal.  
22 App. 4th 1, 16-17 (2007) (Section 1021.5 satisfied because plaintiff pursued claims not only on his  
23 own behalf, but also for past and present drivers, ultimately obtained more than \$5 million for 209  
24 drivers, and counsel’s lodestar was more than \$5.56 million).

25         *Fourth*, the interests of justice compel a determination that the fee award should not be taken  
26 from the class recovery. *See* Cal. Civ. Proc. Code § 1021.5. “The court must exercise its discretion [in

27  
28 <sup>3</sup> Denika Terry’s total damages are \$2,487.09, Roy Huskey III’s total damages are \$6,893.32, and  
Tamera Livingston’s total damages are \$11,386.30. Bellows Decl. ¶ 106.

1 applying this factor] in accordance with the statutory objective of encouraging public interest litigation  
 2 that would not be pursued absent the prospect of a fee award.” *Collins v. City of Los Angeles*, 205 Cal.  
 3 App. 4th 140, 157 (2012). These considerations weigh heavily in favor of a fee award here. Low-  
 4 income tenants face many barriers to bringing legal challenges to unlawful practices, and few if any  
 5 attorneys will find it “‘economically feasible’ to provide services to low-income clients without a fee-  
 6 shifting provision[.]” *See McCown v. City of Fontana*, 565 F.3d 1097, 1104 (9th Cir. 2009) (citation  
 7 omitted). Moreover, in this case Plaintiffs were able to secure a Settlement Agreement that fully  
 8 protected the class monetary recovery while securing separate funds for the attorneys’ fee award.

9 ***Class Member Leases.*** Application of fee shifting principles is further supported by the  
 10 Wasatch Property Management form lease, applicable to all class members. The lease provides that in  
 11 any action “relating to the occupancy of the premises, construing the provisions of this Agreement, or  
 12 because of any default hereunder,” the “prevailing party shall be entitled to the payment of reasonable  
 13 costs, expenses and attorneys fees.”<sup>4</sup> Bellows Decl. Ex. 4 at 3, 20. Because the Tenancy Addendum to  
 14 the HAP Contract was required to be made a part of the lease, this provision extends to the violation of  
 15 that Addendum’s prohibition on excess rent charges. Bellows Decl. Ex. 5 at 8, 20. Thus, awarding  
 16 fees on a lodestar, fee-shifting basis is also supported by the lease. *See, e.g., Holguin v. Dish Network*  
 17 *LLC*, 229 Cal. App. 4th 1310, 1329 (2014) (fees under contract calculated with lodestar method).

18 **2. Plaintiffs’ Lodestar is Reasonable.**

19 The lodestar method “begins with a touchstone or lodestar figure” based on the reasonable  
 20 number of hours worked multiplied by “prevailing hourly rates” for the attorneys and their staff.  
 21 *Ketchum v. Moses*, 24 Cal. 4th 1122, 1131-32 (2001); *see also Graham*, 34 Cal. 4th at 579-80 (2004);  
 22 *In re Bluetooth*, 654 F.3d at 941 (same). Class Counsel’s lodestar for their work on the Class Claims  
 23 through November 30, 2024, after billing judgment, is \$3,297,856.55. Bellows Decl. ¶ 11.  
 24 Additionally, Plaintiffs estimate that by the end of class distribution they will have incurred another  
 25 \$40,000 in fees, corresponding to 80 hours at a blended rate of \$500. *Id.*

26  
 27 <sup>4</sup> The lease provision limits attorneys’ fees to \$1,000.00 “unless otherwise provided by law.” *Id.*  
 28 There is no limitation on costs and expenses. *See id.* Because the fee shifting statutes identified above  
 allow the award of fees on a lodestar basis without limitation, this case falls in the “unless otherwise  
 provided by law” clause and the \$1,000 limit does not apply. *See id.*

1                   **a.       Class Counsel’s Hours are Reasonable.**

2                    “[A]n attorney fee award should ordinarily include compensation for *all* the hours *reasonably*

3 *spent*” on a matter. *Ketchum*, 24 Cal. 4th at 1133 (emphasis in original); *see also Moore v. James H.*

4 *Matthews & Co.*, 682 F.2d 830, 839 (9th Cir. 1982) (citation omitted) (time reasonably spent

5 encompasses “every item of service which, at the time rendered, would have been undertaken by a

6 reasonable and prudent lawyer to advance or protect his client’s interest[.]”). “By and large, the court

7 should defer to the winning lawyer’s professional judgment as to how much time he was required to

8 spend on the case; after all, he won, and might not have, had he been more of a slacker.” *Kerkeles v.*

9 *City of San Jose*, 243 Cal. App. 4th 88, 104 (2015) (quoting *Moreno v. City of Sacramento*, 534 F.3d

10 1106, 1112 (9th Cir. 2008)).

11                    The hours dedicated by Class Counsel to prosecuting the Class Claims in this hard fought,

12 complex, and fact intensive case easily clear any reasonableness review. As detailed above and in the

13 supporting attorney declarations, Class Counsel’s work on this case addressed every facet of pre- and

14 post-filing investigation, pleading, discovery, class certification procedures, motion practice, and trial

15 preparation. *See* Sec. II.B, *supra*; *see also* Prelim. Approval Order, 7:14-15 (acknowledging “the

16 many years this case has been pending and the extensive pretrial litigation it has demanded”). In Class

17 Counsel’s judgment, each of the tasks they undertook was necessary to advance the litigation. *See*

18 Bellows Decl. ¶ 12; Newmark Decl. ¶ 8; Nako Decl. ¶ 9; Wolff Decl. ¶ 15.

19                    Though Plaintiffs sought to work cooperatively with Defendants—and succeeded in notable

20 areas like the joint retention of a data expert and the negotiation of the stipulation to bifurcate the case

21 and allow amendment of the complaint (and later the class certification order)—in most areas of the

22 litigation Class Counsel had to fight to overcome Defendants’ intransigence and at times glaring

23 unresponsiveness. A defendant “cannot litigate tenaciously and then be heard to complain about the

24 time necessarily spent by the plaintiff in response.” *Serrano v. Unruh*, 32 Cal. 3d 621, 638 (1982)

25 (citation omitted); *Peak-Las Positas Partners v. Bollag*, 172 Cal. App. 4th 101, 113 (2009) (affirming

26 the trial court’s finding that the defendant’s “vigorous defense necessitated a great deal of work by

27 experienced attorneys”). Notably, in February 2023, following the Court’s order granting Plaintiffs’

28 partial summary judgment motion on liability, Plaintiffs clearly set out for Defendants both the

1 monetary and injunctive relief flowing from the Court’s finding of liability. *See* Bellows Decl. Exs. 2,  
2 3. Defendants insisted on continuing to fight both monetary and injunctive relief, however, requiring  
3 Plaintiffs to complete remedies discovery on class issues, including expert disclosures and discovery,  
4 move for partial summary judgment on class damages, and prepare for a bench trial on their injunctive  
5 relief claims. *See* Secs. II.B.3 & II.B.4, *supra*. Defendants’ intransigence only increased throughout  
6 this period. After the ONO Defendants brought in new counsel, busy pre-trial preparations became a  
7 blizzard of substantive motions and contentious joint filings and trial preparation.

8 Class Counsel’s exercise of billing judgment further supports a finding that their hours are  
9 reasonable. Plaintiffs deducted 943 hours (corresponding to \$335,349.75 in fees) based on line-item  
10 review. *See* Bellows Decl. ¶¶ 22-23. Additionally, Plaintiffs applied a further 5% across-the-board  
11 reduction to account for any residual inefficiencies or unnecessary redundancies. *Id.*; *see Ridgeway v.*  
12 *Wal-Mart Stores, Inc.*, 269 F. Supp. 3d 975, 990-91 (N.D. Cal. 2017) (approving voluntary 5% across-  
13 the-board cut). Overall, Class Counsel’s billing judgment reduced their lodestar on the Class Claims  
14 by \$509,011.15, which is 13.4% of our initial lodestar of \$3,806,867.70. Bellows Decl. ¶ 25.

15 Accordingly, the Court should find that the time spent by Class Counsel was reasonable.

16 **b. Class Counsel’s Requested Rates are Reasonable.**

17 Requested hourly rates are reasonable if they are “within the range of reasonable rates charged  
18 by and judicially awarded to comparable attorneys for comparable work.” *Children’s Hops. & Med.*  
19 *Ctr. v. Bonta*, 97 Cal. App. 4th 740, 783 (2007). “[R]ate determinations in other cases ... are  
20 satisfactory evidence of the prevailing market rate.” *See United Steelworkers of Am. v. Phelps Dodge*  
21 *Corp.*, 896 F.2d 403, 407 (9th Cir. 1990). In complex litigation like this case, the appropriate  
22 benchmark is rates for attorneys engaged in “equally complex” matters. *Hensley v. Eckerhart*, 461  
23 U.S. 424, 430 n.4 (1983) (citation omitted).

24 Plaintiffs request compensation at billing rates based on other class action and comparably  
25 complex cases in the Eastern District of California. The requested rates are set out in Appendix A to  
26 this brief. Plaintiffs seek hourly rates of \$320 to \$695 for attorneys, and rates of \$75-\$250 for other  
27 staff. These rates are consistent with those awarded in the Eastern District of California in recent  
28 years. *See, e.g., Smothers v. NorthStar Alarm Servs., LLC*, No. 217CV00548KJMKJN, 2020 WL

1 1532058, at \*9 (E.D. Cal. Mar. 31, 2020) (using hourly rates ranging from \$300 to \$695 for attorneys).

2 Multiple cases support rates of \$600-\$695 for the most experienced attorneys on the team, each  
3 with thirty or more years of experience. *See id.* at \*9 (\$695 per hour for attorney with “nearly 30 years  
4 of experience); *Anderson v. Safe Streets USA, LLC*, No. 2:18-CV-00323-KJM-JDP, 2024 WL  
5 4826446, at \*3 (E.D. Cal. Nov. 19, 2024) (\$650 to \$750 per hour for attorneys with 30 years of  
6 experience); *Mostajo v. Nationwide Mut. Ins. Co.*, No. 2:17-CV-00350-DAD-AC, 2023 WL 2918657,  
7 at \*11 (E.D. Cal. Apr. 12, 2023) (same).

8 Hourly rates of \$535 to \$570 for attorneys with 17 to 26 years of experience also fall in the  
9 range of rates set in other cases. *See Ramirez v. Merrill Gardens, LLC*, No. 1:22-CV-00542-SAB,  
10 2024 WL 3011142, at \*27 (E.D. Cal. June 11, 2024) (\$550 hourly rate for attorney with 17 years of  
11 experience); *Avery v. Akima Support Operations, LLC*, No. 2:19-CV-00924-DAD-AC, 2022 WL  
12 4473211, at \*13 (E.D. Cal. Sept. 26, 2022) (\$650 hourly rate for attorney with 23 years of experience);  
13 *Cooks v. TNG GP*, No. 2:16-CV-01160-KJM-AC, 2021 WL 5139613, at \*6 (E.D. Cal. Nov. 4, 2021)  
14 (“Associates with ten to twenty years of experience have been awarded rates between \$550 to \$575;”  
15 and applying \$660 hourly rate for attorneys “with between twenty and thirty years of experience”).

16 Plaintiffs request rates of \$460 to \$495 for attorneys with 9 to 12 years of experience, including  
17 GBDH partner and lead counsel Anne Bellows. These rates are likewise supported by recent orders.  
18 *See, e.g., Smothers*, 2020 WL 1532058, at \*9 (\$495 per hour for partner with 11 years of experience);  
19 *Milburn v. PetSmart, Inc.*, No. 118CV00535DADSKO, 2019 WL 5566313, at \*10 (E.D. Cal. Oct. 29,  
20 2019) (\$495 hourly rate for associates with 7 to 11 years of experience).

21 The proposed hourly rates of \$320 to \$450 for associates, \$150 for law clerks, and \$75 to \$200  
22 for case clerks and paralegals are all within the range of recent orders as well. *See Anderson*, 2024 WL  
23 4826446, at \*3 (\$375 hourly rate for attorney with 3 years of experience); *Mostajo*, 2023 WL 2918657  
24 at \*11 (approving “a paralegal with an hourly rate of \$200; a law clerk with an hourly rate of \$200; a  
25 third-year attorney with an hourly rate of \$375”); *Cooks*, 2021 WL 5139613, at \*6 (“Courts in the  
26 Eastern District have accepted hourly rates between \$370 and \$495 for associates”). Case law also  
27 supports the proposed blended rate of \$500 for estimated remaining hours. *See Cooks*, 2021 WL  
28 5139613, at \*6 (approving \$500 blended rate for remaining work).

1           **3.       A Lodestar Multiplier of 1.5 or More Would Be Appropriate in this Case.**

2           After the lodestar is determined, “the court may adjust it upward or downward by an  
3 appropriate negative multiplier reflecting a host of ‘reasonableness’ factors, ‘including the quality of  
4 representation, the benefit obtained for the class, the complexity and novelty of the issues presented,  
5 and the risk of nonpayment.’” *In re Bluetooth*, 654 F.3d at 941-42 (citation omitted); *accord Ketchum*,  
6 24 Cal.4th at 1132 (also noting “the extent to which the nature of the litigation precluded other  
7 employment by the attorneys”). Here, each of these factors weigh strongly in favor of a multiplier of  
8 1.5 or more—well above the effective multiplier of approximately 1.28 requested by Plaintiffs.

9           Class Counsel obtained a truly superlative result for the certified classes—notwithstanding the  
10 challenging and complex nature of the issues in the case. *See* Section II.A, *supra*. As the Ninth  
11 Circuit has instructed, “[f]oremost among these considerations” affecting the multiplier “is the benefit  
12 obtained for the class.” *In re Bluetooth*, 654 F.3d at 942. Complete injunctive relief, full damages, and  
13 close to full prejudgment interest all qualify as an “exceptional benefit” for the class meriting a  
14 corresponding enhancement. *See Graham*, 34 Cal. 4th at 582. Plaintiffs’ achievement is particularly  
15 outstanding in light of the difficult and complex issues in the case. Those challenges, and “counsel’s  
16 demonstrated skill” in overcoming them, support a significant multiplier. *See Rodriguez v. Cnty. of*  
17 *Los Angeles*, 96 F. Supp. 3d 1012, 1025 (C.D. Cal. 2014), *aff’d*, 891 F.3d 776 (9th Cir. 2018); *see also*  
18 *Prelim. Approval Order 6:21-23* (“the court has presided over this case for several years as counsel  
19 litigated capably and vigorously on behalf of the plaintiffs and class”).

20           Similarly, Class Counsel assumed significant risk of never receiving payment in accepting and  
21 litigating this case for a decade on a contingency basis. California law recognizes that a multiplier  
22 “reflecting the risk that the attorney will not receive payment if the suit does not succeed, constitutes  
23 earned compensation.” *Ketchum*, 24 Cal. 4th at 1138; *see also id.* at 1136 (“The experience of the  
24 marketplace indicates that lawyers generally will not provide legal representation on a contingent basis  
25 unless they receive a premium for taking that risk.”); *see, e.g., Gutierrez v. Wells Fargo Bank, N.A.*,  
26 No. C 07-05923 WHA, 2015 WL 2438274, at \*7 (N.D. Cal. May 21, 2015) (awarding 2.0 multiplier  
27 solely based on the “seven-year risk of nonpayment and delay in fees,” though other factors weighed  
28 against a multiplier). Moreover, the intensive demands of the litigation precluded counsel from



1 accepting other prospective income-generating work, thus magnifying the risk. *See Ketchum*, 24 Cal.  
2 4th at 1132; Bellows Decl. ¶ 104; Newmark Decl. ¶ 57; Nako Decl. ¶ 44; Wolff Decl. ¶ 35.

3 On similar records, courts have awarded lodestar multipliers of 1.5 to 2.0. *See, e.g., Ridgeway*  
4 *v. Wal-Mart Stores, Inc.*, 269 F. Supp. 3d 975, 995-99 (N.D. Cal. 2017) (applying California law)  
5 (awarding 2.0 multiplier based on “contingent risk, the novelty, difficulty and complexity of the  
6 litigation, and the preclusion of other employment”); *Rodriguez*, 96 F. Supp. 3d at 1025 (2.0 multiplier  
7 was justified under California law due to the “financial risk Plaintiffs’ counsel assumed in litigating  
8 this case on a contingency basis, the difficulty of this case, and based on counsel’s demonstrated  
9 skill.”); *Pellegrino v. Robert Half Int’l, Inc.*, 182 Cal. App. 4th 278, 291-93 (2010) (affirming a 1.75  
10 multiplier based on difficulty of the issues, contingency risk, and results achieved); *Cooks*, 2021 WL  
11 5139613, at \*7 (1.97 multiplier based on quality of representation, contingency risk, and benefit to the  
12 class); *Nat’l Fed’n of the Blind v. Target Corp.*, No. C 06-01802 MHP, 2009 WL 2390261, at \*7-\*9  
13 (N.D. Cal. Aug. 3, 2009) (applying California law and awarding a 1.65 lodestar multiplier based on  
14 “the scope and significance of plaintiffs’ victory,” counsel’s skill, the preclusion of other employment,  
15 and contingency risk). Plaintiffs respectfully submit that a comparable multiplier is appropriate here.

16 Plaintiffs only request a multiplier on lodestar for the Class Claims accrued through the date of  
17 the Notice of Settlement (July 27, 2024), which is \$ 3,012,924.48. Bellows Decl. ¶ 97. Applying a  
18 relatively conservative multiplier of 1.5 results in \$4,519,386.72 in pre-settlement fees.<sup>5</sup> Class  
19 Counsel’s lodestar for all subsequent work on the Class Claims, including estimated remaining fees,  
20 totals \$327,263.38. *See id.* Summing these numbers, a fee award of \$4,846,650.10 would be proper  
21 here.<sup>6</sup> The amount afforded under the settlement, however, is less. After deducting Class Counsel’s  
22 costs and expenses from the \$4.5 million reserved for fees and costs, Plaintiffs seek a fee award of  
23 \$4,188,121.90 in fees, corresponding to an effective multiplier of 1.28 on pre-settlement lodestar.

24  
25 \_\_\_\_\_  
26 <sup>5</sup> Indeed, Plaintiffs’ pre-settlement fees alone justify a full award of \$4.5 million to Class Counsel,  
27 without taking into account all of the necessary work completed over the last four months or Class  
28 Counsel’s compensable costs and expenses.

<sup>6</sup> Nor should this amount be reduced based on the size of the class recovery. *See City of Riverside v. Rivera*, 477 U.S. 561, 574-79 (1986) (affirming fee award ten times greater than monetary recovery; rejecting notion that the fee award need be proportionate to monetary relief where “the plaintiff secures important social benefits that are not reflect in nominal or relatively small damages awards.”).

1 **B. A Percent-of-Fund Cross Check Affirms the Reasonableness of the Award.**

2 Plaintiffs' requested fee award is also reasonable if cross-checked against the percent-of-  
3 recovery method. *See In re Bluetooth*, 654 F.3d at 944 (district courts may cross-check lodestar  
4 calculations with the percent-of-fund method). The 25% benchmark rate is not rigid, but rather "a  
5 starting point for analysis." *Vizcaino v. Microsoft Corp.*, 290 F.3d 1043, 1048 (9th Cir. 2002).  
6 Ultimately, the fee percentage approved by the Court "must be supported by findings that take into  
7 account all of the circumstances of the case." *Id.*

8 In calculating the value of the settlement, the Court should include all monetary relief on the  
9 Class Claims, including fees and costs, as well as the value of the injunctive relief obtained by  
10 Plaintiffs. Because the injunctive relief applies to all additional services offered to Defendants'  
11 Section 8 tenants in California, and this case provides a clear historical record on the amount of such  
12 fees, it is possible to "accurately ascertain[]" the value of that relief for class members. *See Staton v.*  
13 *Boeing Co.*, 327 F.3d 938, 974 (9th Cir. 2003). The Court has already found it to be undisputed that  
14 "class members paid a total \$2,800,185 in additional service charges" during the 11.5-year period from  
15 May 2011 through November 2022, which corresponds to an average of about \$243,000 per year. *See*  
16 *Summ. J. Order re Remedies 2:16-18, ECF No. 352*. Multiplying that yearly average by the five-year  
17 period in which the Court will retain jurisdiction to enforce the settlement yields a value of \$1,215,000.  
18 This conservative amount does not account for increasing amenity fees in an era of inflation, nor is it  
19 able to incorporate the abstract value of reducing eviction threats and non-subsidized housing costs for  
20 a highly vulnerable population. Therefore, it is appropriate to value the class settlement at  
21 \$10,715,000 (including the \$5 million qualified settlement fund, the \$4.5 million for fees and costs,  
22 and the \$1.215 million valuation of the injunctive relief). *See Staton*, 327 F.3d at 974. Plaintiffs'  
23 requested fee award of \$4,188,000 is 39% of that amount.

24 An upward departure to 39% of the value of the class settlement is well justified on this record.  
25 Under Ninth Circuit precedent, an upward departure from the benchmark may be justified by a non-  
26 exhaustive list of factors, including whether counsel achieved "exceptional results for the class," risk  
27 accepted by class counsel including by litigating the case on a contingency basis, benefits achieved  
28 beyond the cash settlement fund, and "the burdens class counsel experienced while litigating the case."

1 *See In re Optical Disk Drive Prods. Antitrust Litig.*, 959 F.3d 922, 930 (9th Cir. 2020). For all the  
 2 same reasons discussed above in the multiplier analysis, these factors strongly support an upward  
 3 departure from the benchmark. Crucially, a 39% fee recovery **will not reduce** the class monetary  
 4 recovery, further supporting the requested upward departure.

5 Taking all of these factors into account, a fee award of 39% of the monetary value of the Class  
 6 Settlement is well-supported and within the range awarded in comparable cases. *See, e.g., Miller v.*  
 7 *CEVA Logistics USA, Inc.*, No. 2:13-cv-01321-TLN-CKD, 2015 WL 4730176, at \*8 (E.D. Cal. Aug.  
 8 10, 2015) (“California district courts usually award attorneys’ fees in the range of 30-40% in wage and  
 9 hour class actions that result in the recovery of a common fund under \$10 million”); *Bennett v.*  
 10 *SimplexGrinnell LP*, No. 3:11-cv-01854-JST, 2015 WL 12932332, at \*6 (N.D. Cal. Sept. 3, 2015)  
 11 (approving fees of 38.8% of \$4.9 million settlement in prevailing wage case); *see also Velez v. Bakken*,  
 12 No. 2:17-cv-00960-WBS-KJN, 2019 WL 358703, at \*2 (E.D. Cal. Jan. 29, 2019) (contingency fee  
 13 case on behalf of a minor) (approving fees of 40% of recovery, plus costs, based on counsel’s  
 14 experience with similar cases, the amount of time counsel spent investigating the claims, and the risk  
 15 counsel took in pursuing the action on a contingency basis).

16 **C. Class Counsel’s Litigation Costs and Expenses Are Recoverable and Reasonable.**

17 The Settlement Agreement also provides for reimbursement of Class Counsel’s litigation costs  
 18 and expenses from the \$4.5 million set aside. Settlement Agreement at 10. Awarding the \$312,000 in  
 19 out-of-pocket costs for the Class Claims is proper under class members’ leases, Rule 23(h), and  
 20 precedent. *See* Sec. III.A.1, *supra*; Fed. R. Civ. P. 23(h) (allowing award of nontaxable costs);  
 21 *Millburn*, 2019 WL 5566313, at \*10 (citation omitted) (class counsel may recover “typical out-of-  
 22 pocket expenses that are charged to a fee paying client” if they are reasonable and necessary).  
 23 Plaintiffs’ costs and expenses include standard travel costs, filing and court fees, online legal research,  
 24 costs associated with class notice, experts and consultants, mediation fees, service costs, and other  
 25 costs that would be charged to a fee-paying client. *See id.*; Bellows Decl. ¶ 13.

26 **IV. CONCLUSION**

27 For all the reasons set out above, Plaintiffs respectfully request that the Court order payment of  
 28 \$4.5 million to Class Counsel for their fees, costs, and expenses incurred related to the Class Claims.

1 Dated: December 20, 2024

Respectfully submitted,

2 GOLDSTEIN, BORGEN, DARDARIAN & HO

3 */s/ Anne P. Bellows*

4 Anne P. Bellows

5 Attorneys for Plaintiffs and Relators  
6 and the Certified Classes

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# **APPENDIX A**

<b>GBDH</b>		
Attorney or Biller	Years of Experience	Hourly Rate
Laura Ho, Shareholder	30	\$695
Anne Bellows, Partner	11	\$495
Kristen Burzynski, Associate	8	\$450
Beth Holtzman, Associate	7	\$440
Stephanie Tilden, Associate	3	\$345
Celina Malavé, Associate	2	\$320
Scott Grimes, Statistician	20	\$250
Scott Grimes, Paralegal	35	\$200
Damon Valdez, Paralegal	21	\$200
Christian Giannini, Paralegal	5	\$100
Gouri Chakraborty, Case Clerk	3	\$75
Law Clerks		\$150
<b>Law Offices of Andrew Wolff</b>		
Attorney or Biller	Years of Experience	Hourly Rate
Andrew Wolff, Principal	26	\$570
David Lavine, Associate	31	\$600
Christopher Beatty, Associate	17	\$535
Tony Ruch, Associate	18	\$550
Jocelyn Sperling, Contract Attorney	24	\$570
Brenna Wood Fitzpatrick, Associate	5	\$380
<b>Centro Legal de la Raza</b>		
Attorney or Biller	Years of Experience	Hourly Rate
Jesse Newmark, Litigation Director	18	\$550
Henrissa Basse, Staff Attorney	9	\$460
Law Clerk		\$150
<b>Impact Fund</b>		
Attorney or Biller	Years of Experience	Hourly Rate
Jocelyn Larkin, Of Counsel & former Executive Director	41	\$695
Lindsay Nako, Executive Director	19	\$550
Lori Rifkin, Litigation Director	20	\$550
Fawn Rajbhandari-Korr, Training Director & Staff Attorney	12	\$495
David Nahmias, Staff Attorney	6	\$410
Andrea Núñez, Fellow	4	\$360
Rianna Hidalgo, Fellow	3	\$345
Meredith Dixon, Staff Attorney	2	\$320

Anna Chau, Paralegal	3	\$100
Kat Vidt, Paralegal	3	\$100
Luna Khalil, Paralegal	3	\$100
Law Clerks		\$150