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**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA**

LINNA CHEA, on behalf of the Lite Star,
Inc. Employee Stock Ownership Plan,

Plaintiff,

v.

LITE STAR ESOP COMMITTEE, B-K
LIGHTING, INC., NATHAN SLOAN,
KATHLEEN A. HAGEN, KATHLEEN A
HAGEN, as legal successor to DOUGLAS
W. HAGEN, ESTATE OF DOUGLAS W.
HAGEN, MIGUEL PAREDES, and
PRUDENT FIDUCIARY SERVICES,
LLC, a California Limited Liability
Company

Defendant.

Case No. 1:23-cv-00647-SAB

**PLAINTIFF'S MEMORANDUM OF LAW IN
SUPPORT OF MOTION FOR ATTORNEYS'
FEES, EXPENSES AND CLASS
REPRESENTATIVE SERVICE AWARD**

Hearing Date: January 21, 2026
Time: 10:00 AM
Courtroom: 9

Table of Contents

| | | |
|------|---|----|
| I. | INTRODUCTION..... | 1 |
| II. | BACKGROUND..... | 1 |
| III. | ARGUMENT | 2 |
| A. | Class Counsel are Entitled to a Fee Award of \$500,000 or 22% of the Common Fund. | 2 |
| 1. | The Results Achieved Weigh in Favor of Class Counsel’s Requested Fees..... | 3 |
| 2. | The Risks of Litigation Weigh in Favor of Class Counsel’s Requested Fees. | 4 |
| 3. | The Skill Required and Quality of Work Weigh in Favor of Class Counsel’s Requested Fees. | 5 |
| 4. | The Contingent Nature of the Fee and Financial Burden Carried Weigh in Favor of Class Counsel’s Requested Fees. | 6 |
| B. | The Lodestar Cross-Check Confirms the Reasonableness of Class Counsel’s Requested Fee Award..... | 6 |
| 1. | Class Counsel’s Hourly Rates are Reasonable Given the Experience, Skill, and Expertise Required to Litigate a Complex ERISA Case..... | 7 |
| 2. | The Hours Expended by Class Counsel are Reasonable..... | 9 |
| 3. | Class Counsel’s Requested Fees Reflect a Multiplier of Less than One. | 10 |
| C. | Class Counsel are Entitled to Reimbursement of Litigation and Settlement Administration Expenses..... | 11 |
| D. | The Named Plaintiff Should be Awarded a Service Payment..... | 13 |
| IV. | CONCLUSION | 14 |

TABLE OF AUTHORITIES

| Cases | Page(s) |
|---|----------------|
| <i>Acosta v. Evergreen Moneysource Mortgage Co.</i> , 2019 WL 6051117 (E.D. Cal. Nov. 15, 2019)..... | 10 |
| <i>Ahrendsen v. Prudent Fiduciary Servs., LLC</i> , 2023 WL 4139151 (E.D. Pa. June 22, 2023)..... | 8 |
| <i>Andrew-Berry v. Weiss</i> , No. 3:23-cv-00978-OAW (D. Conn. Aug. 4, 2025), ECF No. 70..... | 12 |
| <i>Becker v. Wells Fargo & Co.</i> , No. 0:20-cv-02016 (D. Minn. Sept. 1, 2022), ECF No. 285 | 8, 12 |
| <i>Beltran v. Olam Spices and Vegetables, Inc.</i> , 2023 WL 5817577 (E.D. Cal. 2023) | 11 |
| <i>In re Bluetooth Headset Prods. Liab. Litig.</i> , 654 F.3d 935 (9th Cir. 2011) | 7, 10 |
| <i>Blum v. Stenson</i> , 465 U.S. 886 (1984)..... | 7 |
| <i>Bravo v. City of Santa Maria</i> , 810 F.3d 659 (9th Cir. 2016) | 7, 10 |
| <i>Burnett. v. Prudent Fiduciary Servs., LLC</i> , No. 1:22-cv-00270-RGA (D. Del. Jan. 14, 2025), ECF No. 162..... | 8 |
| <i>Camacho v. Bridgeport Fin. Inc.</i> , 523 F.3d 973 (9th Cir. 2008) | 7 |
| <i>Carlin v. DairyAmerica, Inc.</i> , 380 F.Supp. 3d 998 (E.D. Cal. May 8, 2019) | 13 |
| <i>Chaudhry v. City of L.A.</i> , 751 F.3d 1096 (9th Cir. 2014) | 7 |
| <i>Chun-Hoon v. McKee Foods Corp.</i> , 716 F. Supp. 2d 848 (N.D. Cal. 2010)..... | 10 |
| <i>Connolly v. Weight Watchers N. Am. Inc.</i> , 2014 WL 3611143 (N.D. Cal. July 21, 2014)..... | 14 |
| <i>Cunningham v. Wawa, Inc.</i> , 2021 WL 1626482 (E.D. Pa. Apr. 21, 2021) | 8 |

| | | |
|----|---|------|
| 1 | <i>Davis v. City & County of S.F.</i> , | |
| 2 | 976 F.2d 1536 (9th Cir. 1992), <i>vacated in other part by</i> , 984 F.2d 345 (9th Cir. | |
| 3 | 1993)..... | 11 |
| 4 | <i>DeFazio v. Hollister, Inc.</i> , | |
| 5 | 854 F.Supp.2d 770 (E.D. Cal. 2012), <i>aff'd sub nom. DeFazio v. Hollister Employee</i> | |
| 6 | <i>Share Ownership Tr.</i> , 612 Fed. Appx. 439 (9th Cir. 2015)..... | 5 |
| 7 | <i>Etter v. Thetford Corp.</i> , | |
| 8 | 2017 WL 1433312 (C.D. Cal. Apr. 14, 2017) | 10 |
| 9 | <i>Foster v. Adams & Assocs., Inc.</i> , | |
| 10 | 2022 WL 425559 (N.D. Cal. Feb. 11, 2022) | 4, 8 |
| 11 | <i>Gamino v. KPC Healthcare Holdings, Inc.</i> , | |
| 12 | 2023 WL 3325190 (C.D. Cal. Mar. 11, 2023)..... | 4, 8 |
| 13 | <i>Hensiek v. Bd. of Dirs. of Casino Queen Holding Co., Inc.</i> , | |
| 14 | No. 3:20-cv-00377-DWD (S.D. Ill. Feb. 25, 2025), ECF No. 554..... | 8 |
| 15 | <i>Hensley v. Eckerhart</i> , | |
| 16 | 461 U.S. 424 (1983) | 9 |
| 17 | <i>Hunter v. County of Sacramento</i> , | |
| 18 | 2013 WL 5597134 (E.D. Cal. Oct. 11, 2013)..... | 9 |
| 19 | <i>Kanawi v. Bechtel Corp.</i> , | |
| 20 | 2011 WL 782244 (N.D. Cal. Mar. 1, 2011) | 12 |
| 21 | <i>Karpik v. Huntington Bancshares Inc.</i> , | |
| 22 | 2021 WL 757123 (S.D. Ohio Feb. 18, 2021) | 5 |
| 23 | <i>Kelly v. Wengler</i> , | |
| 24 | 822 F.3d 1085 (9th Cir. 2016) | 6 |
| 25 | <i>Krohnengold v. New York Life Ins. Co. et al.</i> , | |
| 26 | No. 1:21-cv-01778-JMF (S.D.N.Y. July 18, 2024), ECF No. 201 | 8 |
| 27 | <i>Kruger v. Novant Health</i> , | |
| 28 | 2016 WL 6769066 (M.D.N.C. Sept. 29, 2016)..... | 5 |
| | <i>In re Lenovo Adware Litig.</i> , | |
| | 2019 WL 1791420 (N.D. Cal Apr. 24, 2019) | 11 |
| | <i>In re M&T Bank Corp. ERISA Litig.</i> , | |
| | No. 1:16-cv-00375 (W.D.N.Y. Sept. 3, 2020), ECF No. 190..... | 13 |
| | <i>In re Marsh ERISA Litig.</i> , | |
| | 265 F.R.D. 128 (S.D.N.Y. 2010) | 13 |

| | | |
|----|--|-------|
| 1 | <i>McAfee v. Metropolitan Life Ins. Co.</i> , | |
| 2 | 625 F. Supp. 2d 956 (E.D. Cal. 2008) | 7 |
| 3 | <i>In re Mercury Interactive Corp. Sec. Litig.</i> , | |
| 4 | 618 F.3d 988 (9th Cir. 2010) | 2 |
| 5 | <i>Moreno v. City of Sacramento</i> , | |
| 6 | 534 F.3d 1106 (9th Cir. 2008) | 9 |
| 7 | <i>In re Omnivision Techs., Inc.</i> , | |
| 8 | 559 F. Supp. 2d 1036 (N.D. Cal. 2008)..... | 4 |
| 9 | <i>Ontiveros v. Zamora</i> , | |
| 10 | 303 F.R.D. 356 (E.D. Cal. 2014) | 11 |
| 11 | <i>Pfeifer v. Wawa, Inc.</i> , | |
| 12 | 2018 WL 4203880 (E.D. Penn. Aug. 31, 2018) | 5 |
| 13 | <i>Reetz v. Lowe’s Cos., Inc.</i> , | |
| 14 | No. 18-cv-00075 (W.D.N.C. Oct. 12, 2021), ECF No. 263 | 12 |
| 15 | <i>Rodriguez v. West Publishing Corp.</i> , | |
| 16 | 563 F.3d 948 (9th Cir. 2009) | 13 |
| 17 | <i>Rush v. GreatBanc Tr. Co.</i> , | |
| 18 | 2025 WL 975214 (N.D. Ill. Mar. 31, 2025) | 4 |
| 19 | <i>Salgado v. T-Mobile USA, Inc.</i> | |
| 20 | 2020 WL 3127931 (E.D. Cal. June 12, 2020) | 3 |
| 21 | <i>Savani v. URS Prof. Sols. LLC</i> , | |
| 22 | 121 F. Supp. 3d 564 (D.S.C. 2015)..... | 5 |
| 23 | <i>Smith v. GreatBanc Tr. Co.</i> , | |
| 24 | No. 1:20-cv-02350 (N.D. Ill. Aug. 23, 2023), ECF No. 163..... | 8 |
| 25 | <i>Stanger v. China Elec. Motor, Inc.</i> , | |
| 26 | 812 F.3d 734 (9th Cir. 2016) | 6 |
| 27 | <i>Staton v. Boeing Co.</i> , | |
| 28 | 327 F.3d 938 (9th Cir. 2003) | 2 |
| | <i>Trs. of the Const. Indus. and Laborers Health and Welfare Tr. v. Redland Ins. Co.</i> , | |
| | 460 F.3d 1253 (9th Cir. 2006) | 11 |
| | <i>United Steelworkers of Am. v. Phelps Dodge Corp.</i> , | |
| | 896 F.2d 403 (9th Cir. 1990) | 7 |
| | <i>Urakhchin v. Allianz Asset Management of Am., L.P.</i> , | |
| | 2018 WL 8334858 (C.D. Cal. July 30, 2018)..... | 6, 12 |

| | | |
|----|---|----------|
| 1 | <i>Urlaub v. CITGO Petroleum Corp.</i> , | |
| | No. 1:21-cv-04133 (N.D. Ill. Jan. 28, 2025), ECF No. 176 | 8 |
| 2 | <i>In re Valeant Pharms. Int’l, Inc. Third-Party Payor Litig.</i> , | |
| 3 | 2022 WL 525807 (D.N.J. Feb. 22, 2022) | 10 |
| 4 | <i>Van Gerwen v. Guar. Mut. Life Co.</i> , | |
| 5 | 214 F.3d 1041 (9th Cir. 2000) | 6 |
| 6 | <i>Vizcaino v. Microsoft Corp.</i> , | |
| | 290 F.3d 1043 (9th Cir. 2002) | 3, 6, 10 |
| 7 | <i>Waldbuesser v. Northrop Grumman Corp.</i> , | |
| 8 | 2017 WL 9614818 (C.D. Cal. Oct. 24, 2017) | 12 |
| 9 | <i>Walsh v. Bowers</i> , | |
| 10 | 561 F.Supp.3d 973 (D. Haw. 2021) | 4 |
| 11 | <i>Weeks v. Kellog Co.</i> , | |
| | 2013 WL 6531177 (C.D. Cal. Nov. 23, 2013) | 14 |
| 12 | <i>Westfall v. Ball Metal Beverage Container Corp.</i> , | |
| 13 | 2025 WL 2753246 (E.D. Cal. 2025) | 3 |
| 14 | <i>Wren v. RGIS Inventory Specialists</i> , | |
| 15 | 2011 WL 1230826 (N.D. Cal. Apr. 1, 2011) | 9 |
| 16 | Other Authorities | |
| 17 | Fed. R. Civ. P. 23(h) | 1, 2 |

I. INTRODUCTION

Pursuant to Federal Rule of Civil Procedure 23(h), Class Counsel hereby moves the Court for an order awarding Plaintiff's counsel \$500,000 in attorneys' fees (representing approximately 22% of the of the common fund), reimbursement of \$44,833.94 for litigation expenses, and approval settlement administration expenses for the Settlement Administrator, Escrow Agent, and Independent Fiduciary. Class Counsel also seeks a service award of \$5,000 to the Class Representative.

II. BACKGROUND

Plaintiff filed this lawsuit on April 27, 2023. ECF No. 1. Defendants moved to dismiss on July 6, 2023. ECF No. 23 (PFS Defendants), ECF No. 24 (Hagen Defendants), ECF No. 25 (B-K Lighting). On January 25, 2024, Magistrate Judge Boone issued Findings and Recommendations (F&R), recommending denying the Motions to Dismiss except as to one count of the complaint. ECF No. 44. The three Defendant groups objected to the F&R. ECF Nos. 47, 48, 49. Judge Thurston largely adopted the F&R and granted the Motions to Dismiss with leave to amend with respect to Count VII (Anti-indemnification claim) with leave to amend and denied the remainder of the Motions to Dismiss. ECF No. 56. Plaintiff filed the First Amended Complaint on October 24, 2024 (ECF No. 59) (including a revised Count VII), which all Defendants Answered in November 2024. ECF Nos. 60, 61, 62. Shortly thereafter, Defendants proposed that the parties engage in mediation. Declaration of Daniel Feinberg ("Feinberg Decl.") ¶ 12.

In preparation for the mediation, Plaintiff requested and Defendants produced a targeted set of documents regarding the 2017 ESOP Transaction, including the Transaction binder, several years of financial statements and ESOP valuations, trustee minutes, board minutes, and other relevant documents. *Id.* ¶ 14. Plaintiff's counsel also consulted with an expert on ESOP valuations. *Id.* ¶ 13. The parties ultimately participated in a full day mediation on June 3, 2025, with mediator Maxine Aaronson, where they executed a written Confidential Settlement Term Sheet. *Id.*

The terms of the proposed settlement with Defendants are set forth in the Settlement Agreement. In short, the Agreement provides \$2.25 million of estimated aggregate economic value to the ESOP and its participants (prior to deductions for attorneys' fees, costs, settlement administration, and a service award). *Id.* ¶ 15. First, the Defendants will cause their insurers to pay \$1,500,000 into a

1 Qualified Settlement Fund and distributed to Class members under an approved Plan of Allocation. *Id.*
 2 Second, the principal amount owed on the Seller Note will be reduced by \$1 million, with a
 3 corresponding reduction in the Internal Note. *Id.* Without this concession, B-K would be obligated to
 4 pay this \$1 million. *Id.* Eliminating this debt substantially increases the value of the B-K Lighting
 5 stock owned by the ESOP by an estimated \$750,000 from what it otherwise would be. *Id.* Pursuant to
 6 the Plan of Allocation, Class Members who terminated employment and sold their shares of Company
 7 stock during the Class Period will receive a larger cash payment since they will not benefit from the
 8 increase in value of the ESOP's Company stock. *Id.*

9 On October 16, 2025, the Court granted Plaintiff's Motion for Preliminary Approval of Class
 10 Action Settlement. ECF No. 84.¹ The Preliminary Approval Order certified a settlement Class of all
 11 participants and beneficiaries of the Lite Sar, Inc. ESOP, excluding individual Defendants and their
 12 family members or beneficiaries. *Id.* at 17.

13 **III. ARGUMENT**

14 **A. Class Counsel are Entitled to a Fee Award of \$500,000 or Approximately 22% of the** 15 **Common Fund.**

16 Rule 23 permits a court to award "reasonable attorneys' fees . . . that are authorized by law or
 17 by the parties' agreement." Fed. R. Civ. P. 23(h). "Attorneys' fees provisions included in proposed
 18 class action settlement agreements are, like every other aspect of such agreements, subject to the
 19 determination of whether the settlement is 'fundamentally fair, adequate, and reasonable.'" *Staton v.*
 20 *Boeing Co.*, 327 F.3d 938, 963 (9th Cir. 2003) (quoting Fed. R. Civ. P. 23(e)). Rule 23(h) "requires
 21 that any class member be allowed an opportunity to object to the fee 'motion' itself." *In re Mercury*
 22 *Interactive Corp. Sec. Litig.*, 618 F.3d 988, 993-994 (9th Cir. 2010). Consistent with that requirement,
 23 the Court's Preliminary Approval Order set the date for submission of the fee motion as December 3,
 24 2025, well in advance of the January 5, 2026 deadline for Class Members to object to the Settlement.
 25 ECF No. 84 at 22.

27 ¹ On June 10, 2025, parties stipulated consent to reassign the case from Judge Thurston to Magistrate
 28 Judge Boone. ECF No. 76.

In the Ninth Circuit, the benchmark for a fee awarded to class counsel is 25% of the common fund recovered for the class. *Westfall v. Ball Metal Beverage Container Corp.*, 2025 WL 2753246, at *11 (E.D. Cal. 2025) (citing *In re Bluetooth Headset Prods. Liab. Litig.*, 654 F.3d 935, 942 (9th Cir. 2011)). Courts select a higher or lower percentage awarded in fees, depending on the circumstances of the case. *Salgado v. T-Mobile USA, Inc.* 2020 WL 3127931 (E.D. Cal. June 12, 2020). In this case, Class Counsel requests a fee award of approximately 22% of the common fund.

The Ninth Circuit has identified a number of factors that the Court may consider in assessing whether an award is reasonable, including: (1) the results achieved, (2) the risk of litigation, (3) the skill required and quality of work, and (4) the contingent nature of the fee and the financial burden carried by the plaintiffs. *See Vizcaino v. Microsoft Corp.*, 290 F.3d 1043, 1048–50 (9th Cir. 2002). These factors all support the reasonableness of Class Counsel’s requested fee award, particularly because it is less than the Ninth Circuit’s 25% benchmark.

1. The Results Achieved Weigh in Favor of Class Counsel’s Requested Fees.

The Settlement provides total economic relief of approximately \$2.25 million to the Class, approximately 45%-75% of the estimated maximum recovery of \$3 to 5 million. *Feinberg Decl.* ¶ 15. The specific amount of relief for each Class Member varies based on the number of shares allocated to the Class Member’s ESOP account. *Id.* ¶ 16. On average, Class Members can expect to recover \$11,000 in economic benefit per participant, before fees and costs. *Id.* Both forms of consideration – cash and non-cash in the form of the loan reduction – provide substantial value to Class Members. The loan reduction lowers the debt of both the ESOP and the Company, which causes the value of the ESOP’s equity interest (i.e., Company stock) to increase, and thereby increase the value of participants’ ESOP accounts.

While the Settlement is less than the amount that Class Members could recover at trial if the Court rules in Plaintiff’s favor on all the disputed issues, including loss calculations, it represents a significantly higher percentage of the risk-adjusted value of the Class claims as estimated by Class Counsel. As noted by the Court, the complexity of ERISA actions poses a significant risk of continued litigation. ECF No. 84 at 14. Given these challenges, the Settlement, which guarantees that Class Members will promptly receive a substantial recovery, is an excellent result for the Class.

The result here compares favorably with other court-approved settlements in ERISA actions in which courts have approved larger common fund fee awards. For example, in *Foster v. Adams & Assocs., Inc.*, 2022 WL 425559, at *5 (N.D. Cal. Feb. 11, 2022), the settlement represented approximately 28.5% of the maximum amount of the loss determined by the plaintiffs' expert. The *Adams* court granted class counsel's attorneys' fee request for 33.3% of the common fund, or \$1,000,000. *Id.* at *9-*11. In *Gamino v. KPC Healthcare Holdings, Inc.*, 2023 WL 3325190, at *4 (C.D. Cal. Mar. 11, 2023), the settlement represented approximately 7% of the estimated maximum total recovery. The *Gamino* court granted class counsel's fee request for 30% of the common fund, or \$2,700,000. *Id.* at *5-*6.

Considering the risks posed by continuing to litigate this case, Class Counsel has obtained an excellent result for the Class, which weighs in favor of approving the fee request for approximately 22% of the common fund.

2. The Risks of Litigation Weigh in Favor of Class Counsel's Requested Fees.

"The risk that further litigation might result in Plaintiffs not recovering at all, particularly a case involving complicated legal issues, is a significant factor in the award of fees." *In re Omnivision Techs., Inc.*, 559 F. Supp. 2d 1036, 1046–47 (N.D. Cal. 2008) (citing *Vizcaino*, 290 F.3d at 1049). The risks involved in litigating this case were previously outlined in the Motion for Preliminary Approval. ECF No. 79. At preliminary approval, the Court recognized that "ERISA actions are notoriously complex cases, and ESOP cases are often cited as the most complex of ERISA cases." ECF No. 79 at 13 (quoting *Foster v. Adams & Assocs., Inc.*, 2021 WL 4924849, at *6 (N.D. Cal. Oct. 21, 2021)). Due to the complex nature of this case, Plaintiff would have faced challenges and substantial risk if she litigated the claims through trial and possible appeals.

Several defense verdicts entered by courts after trial in a complex ERISA fiduciary breach actions illustrate the substantial risk of losing at trial. *E.g.*, *Walsh v. Bowers*, 561 F.Supp.3d 973 (D. Haw. 2021) (entering defense verdict in ESOP case after one week trial); *Rush v. GreatBanc Tr. Co.*, 2025 WL 975214 (N.D. Ill. Mar. 31, 2025) (entering defense verdict in ESOP case after 14-day trial). Even when plaintiffs successfully prove at trial that defendants breached their fiduciary duties, courts have sometimes concluded that those breaches resulted in no harm or loss to the Plan or the

participants. *DeFazio v. Hollister, Inc.*, 854 F.Supp.2d 770, 816 (E.D. Cal. 2012) (finding after trial that “the fiduciaries’ breaches of their duties did not cause a material harm to the Plan and plaintiffs [were] not entitled to damages”), *aff’d sub nom. DeFazio v. Hollister Employee Share Ownership Tr.*, 612 Fed. Appx. 439 (9th Cir. 2015). While Class Counsel have successfully tried ERISA cases and do not shy away from trial, they fully appreciate the risks involved.

For these reasons, the risks of litigation weigh in favor of Class Counsel’s requested fee award.

3. The Skill Required and Quality of Work Weigh in Favor of Class Counsel’s Requested Fees.

ERISA class actions are “complex” and require counsel with “specialized skills.” *Karpik v. Huntington Bancshares Inc.*, 2021 WL 757123, *9 (S.D. Ohio Feb. 18, 2021). “Very few plaintiffs’ firms possess the skill set or requisite knowledge base to litigate . . . class-wide, statutorily-based claims for pension benefits.” *Savani v. URS Prof. Sols. LLC*, 121 F. Supp. 3d 564, 573 (D.S.C. 2015). In addition to legal expertise, counsel in ERISA cases must possess “expertise regarding industry practices.” *Kruger v. Novant Health*, 2016 WL 6769066, *3 (M.D.N.C. Sept. 29, 2016). Even among the “notoriously complex” set of ERISA class actions, “ESOP cases are often cited as the most complex of ERISA cases.” *Pfeifer v. Wawa, Inc.*, 2018 WL 4203880, at *7 (E.D. Penn. Aug. 31, 2018).

Class Counsel here are law firms with unique and extensive experience in litigating numerous ESOP cases and the expertise required to litigate ESOP class actions. Declaration of Daniel Feinberg in Support of Plaintiff’s Motion for Preliminary Approval of Class Action Settlement, ECF No. 79-4, (“Mot. for Prelim. Appr. Feinberg Decl.”) ¶¶ 3-9; Declaration of Michelle Yau in Support of Plaintiff’s Motion for Preliminary Approval of Class Action Settlement, ECF No. 79-3, (“Mot. for Prelim. Appr. Yau Decl.”) ¶¶ 3-15. This case involved precisely the sort of legal and valuation issues that make litigation of this sort notoriously complex and specialized. At the outset of this case, Class Counsel dedicated significant efforts to investigating the 2017 ESOP transaction. Feinberg Decl. ¶ 11. Class Counsel drew on their significant litigation experience to successfully respond to the three Defendants’ separate Motions to Dismiss and Objections to Findings and Recommendations.

“The quality of Class Counsel’s work is further evidenced by the favorable settlement achieved,” on behalf of the Class. *Urakhchin v. Allianz Asset Management of Am., L.P.*, 2018 WL 8334858 at *6 (C.D. Cal. July 30, 2018). As noted, Class Counsel achieved a very good result for the Class in this case despite substantial challenges and given the significant litigation risk. *See supra*, Section I.B. Class Counsel’s diligence and experience in similar ERISA and ESOP class actions contributed to the favorable result. The specialized skill set brought to bear by Class Counsel on this complex case thus weigh in favor of the reasonableness of Class Counsel’s requested fee award, particularly because it is below the benchmark percentage and Counsel’s lodestar.

4. The Contingent Nature of the Fee and Financial Burden Carried Weigh in Favor of Class Counsel’s Requested Fees.

Class Counsel took this case on a contingent basis. Feinberg Decl. ¶ 8; Declaration of Michelle C. Yau (“Yau Decl.”) ¶ 14. As of November 1, 2025, Class Counsel have invested over 1,000 hours prosecuting this case. (FJWW invested 644.4 hours) Feinberg Decl. ¶ 3; (CMST invested 390.9 hours) Yau Decl. ¶ 10. Class Counsel have received no compensation for any efforts in this case since they were engaged by Plaintiff and have advanced all of the litigation expenses. Class Counsell undertook this representation despite the substantial risk that none of their expenses on behalf of the Class would be recouped. Feinberg Decl. ¶ 8; Yau Decl. ¶ 16. The significant contingent risks and financial burden assumed by Class Counsel in litigating this case thus weigh in favor of the reasonableness of the requested fees.

B. The Lodestar Cross-Check Confirms the Reasonableness of Class Counsel’s Requested Fee Award.

Counsel’s lodestar may “provide a useful perspective on the reasonableness of a given percentage award.” *Vizcaino*, 290 F.3d at 1050. The lodestar method consists of two steps. *Kelly v. Wengler*, 822 F.3d 1085, 1099 (9th Cir. 2016). First, a court multiplies a reasonable number of hours expended on the litigation by a reasonable hourly rate to arrive at a lodestar figure. *Stanger v. China Elec. Motor, Inc.*, 812 F.3d 734, 738 (9th Cir. 2016); *Kelly*, 822 F.3d at 1099. Second, the court determines whether to adjust the lodestar figure upward or downward using a multiplier based on factors not subsumed in the lodestar calculation. *Id.*; *Van Gerwen v. Guar. Mut. Life Co.*, 214 F.3d 1041, 1045 (9th Cir. 2000). Among those factors, “the degree of success obtained is the most critical

factor in determining the reasonableness of a fee award.” *Bravo v. City of Santa Maria*, 810 F.3d 659, 666 (9th Cir. 2016); *In re Bluetooth Headset Prods. Liab. Litig.*, 654 F.3d at 942 (the most crucial factor is “the benefit obtained for the class”). Here, Class Counsel’s the requested common fund fee award is less than Counsel’s lodestar fees.

The following chart summarizes Class Counsel's lodestar:

| Firm Name (Abbr.) | Name | Title | Years of Practice | Hours | Hourly Rate | Lodestar |
|-------------------|-------------------|-----------|-------------------|---------------|-------------|----------------------|
| CMST | Michelle Yau | Partner | 22 | 63.6 | \$ 1,155.00 | \$ 73,458.00 |
| CMST | Mary Bortscheller | Partner | 15 | 6.6 | \$ 800.00 | \$ 5,280.00 |
| CMST | Caroline Bressman | Associate | 7 | 128.4 | \$ 775.00 | \$ 99,510.00 |
| CMST | Ryan Wheeler | Associate | 6 | 64.0 | \$ 750.00 | \$ 48,000.00 |
| CMST | Yael Fisher | Law Clerk | | 64.5 | \$ 350.00 | \$ 22,575.00 |
| CMST | Doron Hadar | Paralegal | | 45.5 | \$ 395.00 | \$ 17,972.50 |
| CMST | Jillian Pincus | Paralegal | | 11.6 | \$ 395.00 | \$ 4,582.00 |
| CMST | Liz Luebesmier | Paralegal | | 6.7 | \$ 395.00 | \$ 2,646.50 |
| FJWW | Dan Feinberg | Partner | 37 | 296.7 | \$ 1,050.00 | \$ 311,535.00 |
| FJWW | Mary Bortscheller | Partner | 15 | 48.3 | \$ 800.00 | \$ 38,640.00 |
| FJWW | Anne Weis | Partner | 4 | 299.6 | \$ 500.00 | \$ 149,800.00 |
| TOTAL | | | | 1035.5 | | \$ 773,999.00 |

1. Class Counsel’s Hourly Rates are Reasonable Given the Experience, Skill, and Expertise Required to Litigate a Complex ERISA Case.

The established standard for determining a reasonable hourly rate is the rate “prevailing in the community for similar services of lawyers of reasonably comparable skill, experience, and reputation.” *Blum v. Stenson*, 465 U.S. 886, 895 n.11 (1984); *Camacho v. Bridgeport Fin. Inc.*, 523 F.3d 973, 979 (9th Cir. 2008). “Affidavits of the plaintiffs’ attorney and other attorneys regarding prevailing fees in the community, and rate determinations in other cases, particularly those setting a rate for the plaintiffs’ attorney, are satisfactory evidence of the prevailing market rate.” *United Steelworkers of Am. v. Phelps Dodge Corp.*, 896 F.2d 403, 407 (9th Cir. 1990); *Chaudhry v. City of L.A.*, 751 F.3d 1096, 1110 (9th Cir. 2014). When setting the proper rate, “it is appropriate to consider . . . other jurisdictions because ERISA cases involve a national standard, and attorneys practicing ERISA law in the Ninth Circuit tend to practice in different districts.” *McAfee v. Metropolitan Life*

1 *Ins. Co.*, 625 F. Supp. 2d 956, 975 (E.D. Cal. 2008) (quoting *Mogck v. Unum Life Ins. Co. of Am.*, 289
2 F. Supp. 2d 1181, 1191 (S.D. Cal. 2003)).

3 The hourly rates charged by Class Counsel are based on each professional's position,
4 experience, and expertise. Feinberg Jackson Worthman & Wasow LLP's ("FJWW") hourly rates fall
5 between \$350 and \$1,275. Feinberg Decl. ¶ 5. Cohen Milstein Sellers & Toll LLP's rates fall between
6 \$350 and \$1,155. Yau Decl. ¶ 10. The rates of the two firms represent the current billing rates for the
7 firm's professionals (or, for timekeepers who are no longer working at the firm, their rates in the year
8 that they last billed time on this matter) and the level of skill required in a complex class action case of
9 this type. Feinberg Decl. ¶ 5; Yau Decl. ¶ 11.

10 FJWW has been awarded attorneys' fees in two recent ERISA cases at the rates requested
11 herein. Feinberg Decl. ¶ 5. FJWW has been awarded fees in prior ERISA cases at their then-current
12 hourly rates. *See, e.g., Gamino v. KPC Healthcare Holdings, Inc.*, 2023 WL 3325190, at *6 (C.D. Cal.
13 Mar. 11, 2023); *Foster v. Adams & Assocs., Inc.*, 2022 WL 425559, at *9 (N.D. Cal. Feb. 11, 2022);
14 *Cunningham v. Wawa, Inc.*, 2021 WL 1626482, at *8 (E.D. Pa. Apr. 21, 2021). Similarly, CMST has
15 been awarded attorneys' fees in several ERISA cases within the past three years at their then-current
16 hourly rates. Yau Decl. ¶¶ 11-12. *See, e.g., Krohnengold v. New York Life Ins. Co. et al.*, No. 1:21-cv-
17 01778-JMF (S.D.N.Y. July 18, 2024), ECF No. 201 (approving \$6.27 million fee based on CMST's
18 hourly rates); *Urlaub v. CITGO Petroleum Corp.*, No. 1:21-cv-04133 (N.D. Ill. Jan. 28, 2025), ECF
19 No. 176 (finding CMST's billing rates "reasonable, particularly given the complexity of the case and
20 the skill and expertise of Class Counsel"); *Burnett v. Prudent Fiduciary Servs., LLC*, No. 1:22-cv-
21 00270-RGA (D. Del. Jan. 14, 2025), ECF No. 162 (same); *see also Hensiek v. Bd. of Dirs. of Casino*
22 *Queen Holding Co., Inc.*, No. 3:20-cv-00377-DWD (S.D. Ill. Feb. 25, 2025), ECF No. 554 (approving
23 fee based on CMST's hourly rates); *Smith v. GreatBanc Tr. Co.*, No. 1:20-cv-02350 (N.D. Ill. Aug.
24 23, 2023), ECF No. 163 (approving CMST's hourly rates as reasonable); *Ahrendsen v. Prudent*
25 *Fiduciary Servs., LLC*, 2023 WL 4139151, at *7-8 (E.D. Pa. June 22, 2023) (same); *Becker v. Wells*
26 *Fargo & Co.*, No. 0:20-cv-02016 (D. Minn. Sept. 1, 2022), ECF No. 285 (same).

27 Counsel's requested rates are also less than the hourly rates of other attorneys with similar
28 experience in ERISA class actions. These cases demonstrate that Class Counsel's rates are in line with

other attorneys of similar experience and skill handling complex litigation including complex ERISA litigation. Lynn Sarko of Keller Rohrback LLP states that his 2025 hourly rate is \$1,510, other partners in his firm's ERISA practice group have hourly rates from \$795-\$1,510, associate attorneys have hourly rates from \$495-\$800, and paralegals have hourly rates from \$355-\$460. Feinberg Decl. Ex. A at ¶ 7. Todd Schneider of Schneider Wallace Conttrell Konecky LLP states that his 2025 hourly rate is \$1,350, other partners in his firm's ERISA practice group have hourly rates from \$1,200 to \$1,350, associate attorneys have hourly rates from \$775-\$1,150, and paralegals have hourly rates from \$250-\$550. Feinberg Decl. Ex. B at ¶ 7. The hourly rates of other experienced ERISA class action litigators show that the hourly rates of Class Counsel are reasonable.

2. The Hours Expended by Class Counsel are Reasonable.

A reasonable number of hours expended by a party's counsel "is calculated by considering whether, in light of the circumstances, the time could reasonably have been billed to a private client." *Moreno v. City of Sacramento*, 534 F.3d 1106, 1111 (9th Cir. 2008). Counsel are expected to "make a good faith effort to exclude . . . hours that are excessive, redundant, or otherwise unnecessary." *Hensley v. Eckerhart*, 461 U.S. 424, 434 (1983). For a district court to "deny compensation" for work performed for purposes of the lodestar calculation "it must appear that the time claimed is obviously and convincingly excessive under the circumstances." *Hunter v. County of Sacramento*, 2013 WL 5597134 (E.D. Cal. Oct. 11, 2013) (quoting *Blackwell v. Foley*, 724 F.Supp.2d 1068, 1081 (N.D. Cal. 2010)). In assessing the reasonableness of the hours expended, courts have taken into account the fact that the amount of time billed by a plaintiff's counsel "is in large part a result of [a defendant's] aggressive defense strategy." *Wren v. RGIS Inventory Specialists*, 2011 WL 1230826, at *26 (N.D. Cal. Apr. 1, 2011).

Class Counsel performed significant work to litigate this case vigorously and efficiently. For purposes of preparing the Complaint and First Amended Complaint, Class Counsel conducted extensive factual and legal investigations into the 2017 ESOP Transaction. Feinberg Decl. ¶ 11. Class Counsel filed briefs in opposition to separate motions to dismiss brought by three different groups of Defendants. *See* ECF Nos. 23, 24, 25. All three Defendants also filed separate objections to Magistrate Judge Boone's Findings and Recommendations. ECF Nos. 47, 48, 49. Plaintiff defeated

Defendants’ Rule 12 motions, except as to one count of the Complaint, which was dismissed without prejudice. ECF No. 44. Class Counsel contributed significant time and effort to respond to the volume of Defendants’ pleadings. Class Counsel also devoted substantial time to reviewing and analyzing documents to prepare for the mediation, working with a valuation expert to prepare a damages analysis, and negotiating a favorable settlement. Feinberg Decl. ¶ 13.²

Class Counsel’s total hours as of November 1, 2025 are 1035.5 representing a lodestar of \$773,999. Feinberg Decl. ¶ 3. Considering efforts by Class Counsel to litigate this case efficiently, as well as the significant work performed over the past three years, the complexity of the legal issues presented, and Defendants’ aggressive defense, the 1035.5 hours expended by Class Counsel to date are reasonable.

3. Class Counsel’s Requested Fees Reflect a Multiplier of Less than One.

A court may adjust a lodestar figure upward or downward by considering “the benefit obtained for the class.” *In re Bluetooth Headset Prods. Liab. Litig.*, 654 F.3d at 942; *Bravo v. City of Santa Maria*, 810 F.3d 659, 666 (9th Cir. 2016) (“the degree of success obtained is the most critical factor”). In part, “[t]he purpose of granting plaintiffs’ attorneys a multiplier in a class action settlement is to reflect the risk that they assume in bringing a lawsuit.” *Etter v. Thetford Corp.*, 2017 WL 1433312, at *4 (C.D. Cal. Apr. 14, 2017). The majority of fee awards are 1.5 to 3 times higher than lodestar. *Vizcaino*, 290 F.3d at 1051 & n.6 (affirming multiplier of 3.65 and reporting multipliers of up to 19.6). By contrast, Class Counsel’s requested fee award represents a lodestar multiplier of 0.645 (i.e., a multiplier less than one) – in other words, the requested common fund award is a discount from Class Counsel’s lodestar. A lodestar multiplier of less than one “is strong evidence that the requested fees are reasonable,” *In re Valeant Pharms. Int’l, Inc. Third-Party Payor Litig.*, 2022 WL 525807, at *7 (D.N.J. Feb. 22, 2022); *Chun-Hoon v. McKee Foods Corp.*, 716 F. Supp. 2d 848, 854 (N.D. Cal. 2010) (A “multiplier of less than one, (sometimes called a negative multiplier) suggests that the negotiated fee award is a reasonable and fair valuation of the services rendered to the class by class counsel.”); *Acosta v. Evergreen Moneysource Mortgage Co.*, 2019 WL 6051117, at *16 (E.D. Cal.

² Class Counsel will submit their contemporaneous billing records for *in camera* review if requested by the Court.

Nov. 15, 2019) (the application of a negative multiplier of 0.91 “is inherently reasonable”). The lodestar cross-check thus confirms that Class Counsel’s requested fees are reasonable and supports their approval.

C. Class Counsel are Entitled to Reimbursement of Litigation and Settlement Administration Expenses.

“There is no doubt that an attorney who has created a common fund for the benefit of the class is entitled to reimbursement of reasonable litigation expenses from that fund.” *Ontiveros v. Zamora*, 303 F.R.D. 356, 375 (E.D. Cal. 2014) (internal quotation marks and citation omitted). Reasonable out-of-pocket litigation expenses are those that “would normally be charged to a fee paying client.” *Trs. of the Const. Indus. and Laborers Health and Welfare Tr. v. Redland Ins. Co.*, 460 F.3d 1253, 1257 (9th Cir. 2006); *Beltran v. Olam Spices and Vegetables, Inc.*, 2023 WL 5817577 (E.D. Cal. 2023) (“Attorneys may recover reasonable expenses that would typically be billed to paying clients in non-contingency matters.”).

Class Counsel requests reimbursement of a total of \$44,833.94 in litigation costs, which includes the following charges, all of which are recoverable in this Circuit: filing fees, process server fees, expert fees, electronic legal research costs, postage and courier fees, printing costs, and travel/lodging. *Feinberg Decl.* ¶ 6; *Yau Decl.* ¶ 15. Class Counsel has submitted with this motion an itemized sheet summarizing costs with this Motion. *Id.* Each of these categories of expenses are recoverable. *Davis v. City & County of S.F.*, 976 F.2d 1536, 1556 (9th Cir. 1992) (affirming that “out-of-pocket” expenses such as “travel, courier and copying costs” are reimbursable), *vacated in other part by*, 984 F.2d 345, 345 (9th Cir. 1993); *Trs. of Const. Indus. & Laborers Health & Welfare Tr.*, 460 F.3d 1253, 1259 (9th Cir. 2006) (holding that “reasonable charges for computerized research may be recovered”); *In re Lenovo Adware Litig.*, 2019 WL 1791420, at *9 (N.D. Cal. Apr. 24, 2019) (approving recovery of out-of-pocket expenses including “professional service fees (experts, investigators, accountants), travel fees, and discovery-related fees”).

The costs for which Class Counsel request reimbursement are substantially less than those reimbursed to plaintiffs’ lawyers in similar ERISA fiduciary breach settlements in the Circuit. *See Waldbuesser v. Northrop Grumman Corp.*, 2017 WL 9614818, *1 (C.D. Cal. Oct. 24, 2017)

(awarding over \$1.1 million in litigation expenses); *Kanawi v. Bechtel Corp.*, 2011 WL 782244, *1 (N.D. Cal. Mar. 1, 2011) (awarding over \$1.5 million in litigation expenses); *Urakhchin*, 2018 WL 8334858, at *7 (awarding almost \$600,000 in litigation expenses). These expenses are necessary to the successful prosecution of the case, and Class Counsel advanced them without any guarantee they would be recovered. Feinberg Decl. ¶ 8; Yau Decl. ¶¶ 16-18. These expenses are thus reasonable and appropriate for reimbursement.

Class Counsel also requests reimbursement of settlement administration expenses and the Independent Fiduciary's expense. The Settlement Administrator, Analytics Consulting LLC, is performing essential settlement administration services, such as preparing and distributing the Class Notices, establishing and managing a telephone line and website for Class Members, communicating with Class Members and with Class Counsel regarding the status of the settlement, and if final approval is granted, distributing the cash settlement proceeds and preparing any necessary tax reporting. Yau Decl. ¶ 21. Class Counsel selected Analytics after a competitive bidding process involving eight potential settlement administrators and is charging \$12,500 for its services, which is reasonable given the number of class members and complexity of this Settlement. *Id.* The settlement administration expenses represent only 0.5% of the common fund, which is consistent with or lower than administration expenses approved in comparable ERISA settlements. *See Memorandum, Andrew-Berry v. Weiss*, No. 3:23-cv-00978-OAW (D. Conn. Aug. 4, 2025), ECF No. 70, *approved by Order, Andrew-Berry*, No. 3:23-cv-00978-OAW (D. Conn. Sept. 19, 2025), ECF No. 81 (approving expenses of over \$13,000 to Analytics, reflecting less than 1% of the gross settlement value); *Memorandum, Becker v. Wells Fargo & Co.*, No. 0:20-cv-02016 (D. Minn. June 30, 2022), ECF No. 261, *approved by Order, Becker*, No. 0:20-cv-02016 (D. Minn. Sept. 1, 2022), ECF No. 285 (approving expenses of \$400,000 paid to Analytics, reflecting 1.2% of the gross settlement value); *Order, Reetz v. Lowe's Cos., Inc.*, No. 18-cv-00075 (W.D.N.C. Oct. 12, 2021), ECF No. 263 (approving settlement administration costs of \$160,545). Class Counsel also retained Huntington National Bank ("Huntington") to serve as the Escrow Agent to ensure receipt of the Cash Payment into the Qualified Settlement Fund and to invest the assets of the Qualified Settlement Fund and process deposits and withdrawals as specified in the Settlement Agreement. Yau Decl. ¶ 25. At Class

Counsel's direction, Huntington will invest the assets in an interest-bearing money market mutual fund. *Id.* Huntington waived its annual administrative fee and out-of-pocket expenses for its engagement on this Settlement, and it is compensated through fees from the fund's expense ratio like all other fund investors. *Id.*

Review of the Settlement by the Independent Fiduciary is required by Department of Labor regulations and is deemed to be a "critically important" benefit to plan participants. *See In re Marsh ERISA Litig.*, 265 F.R.D. 128, 139 (S.D.N.Y. 2010). Here, Fiduciary Counselors Inc.'s \$20,000 fee is reasonable when compared to what other firms charge. *See, e.g., Order, In re M&T Bank Corp. ERISA Litig.*, No. 1:16-cv-00375 (W.D.N.Y. Sept. 3, 2020), ECF No. 190 ¶ 3 (approving \$15,000 expense for independent fiduciary).

D. The Named Plaintiff Should be Awarded a Service Payment.

Incentive awards are "intended to compensate class representatives for work done on behalf of the class, to make up for financial or reputational risk undertaken in bringing the action, and, sometimes, to recognize their willingness to act as a private attorney general." *Rodriguez v. West Publishing Corp.*, 563 F.3d. 948, 958-59 (9th Cir. 2009). In the Ninth Circuit, courts have found that \$5,000 is a presumptively reasonable service award. *Carlin v. DairyAmerica, Inc.*, 380 F.Supp. 3d 998, 1024 (E.D. Cal. May 8, 2019). Here, Class Representative Linna Chea seeks a service award in the amount of \$5,000 for the time and effort expended on this class action, as well as the significant risk borne. The Class Representative played an integral in fact-gathering for this case by providing key documents and gathering information from other members of the Lite Star ESOP. *Feinberg Decl.* ¶ 17.

Ms. Chea consulted with counsel numerous times during the litigation. She was readily available by telephone or email and was extremely responsive. The Class Representative provided documents and background information to Class Counsel and participated in conference calls with Class Counsel to discuss case strategy, and the mediation. *Feinberg Decl.* ¶ 18. As a result of her efforts, the Class obtained a Settlement that translates into an average of approximately \$11,000 (before deduction of fees and expenses) per Class Member.

1 Additionally, as her name is now publicly available as Plaintiff and Class Representative in a
 2 lawsuit against their former employer, Plaintiff will now have to live with the potential stigma of
 3 having sued her former employer. *Connolly v. Weight Watchers N. Am. Inc.*, 2014 WL 3611143 at *4
 4 (N.D. Cal. July 21, 2014) (recognizing that plaintiffs assume the “risk of being stigmatized of
 5 disfavored by their current or future employers by suing their employer.”). An incentive award is
 6 particularly appropriate where, as here, there has been media attention. *Weeks v. Kellogg Co.*, 2013 WL
 7 6531177, at *36 (C.D. Cal. Nov. 23, 2013). For these reasons, the Class Representative’s
 8 contributions to the recovery obtained for the Class merits a service award of \$5,000.

9 IV. CONCLUSION

10 For the foregoing reasons, Plaintiff respectfully requests that the Court grant Class Counsel’s
 11 Motion for attorneys’ fees, reimbursement of expenses, and service award to the Class Representative.

12
 13 DATED: December 3, 2025

Respectfully Submitted,

14
 15 By: /s/ Daniel Feinberg

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26
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 28 *Counsel for Plaintiff*

CERTIFICATE OF SERVICE

I hereby certify that on December 3, 2025, I filed the foregoing document through the CM/ECF system, which caused a copy to be served on all counsel of record.

/s/ Anna Johnson
Anna Johnson