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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

IN RE WELLS FARGO COLLATERAL PROTECTION INSURANCE LITIGATION

Case No. 8:17-ML-2797-AG-KES

PLAINTIFFS' MOTION FOR AN AWARD OF ATTORNEYS' FEES, REIMBURSEMENT OF EXPENSES, AND SERVICE AWARDS

Date: October 28, 2019
Time: 10:00 a.m.
Courtroom: 10-D

Hon. Andrew J. Guilford

TO THE COURT, ALL PARTIES, AND THEIR COUNSEL OF RECORD:

PLEASE TAKE NOTICE that on October 28, 2019 at 10:00 a.m., in Courtroom 10-D of the above-captioned Court, located at the Ronald Reagan Federal Building, United States Courthouse, 411 West Fourth Street, Santa Ana, CA, 92701-4516, the Honorable Andrew J. Guilford presiding, Plaintiffs Angelina Camacho, Odis Cole, Nyle Davis, Duane Fosdick, Regina-Gonzalez Phillips, Brandon Haag, Paul Hancock, Dustin Havard, Brian Miller, Analisa Moskus, Keith Preston, Victoria Reimche, Dennis Small, and Bryan Tidwell ("Plaintiffs" or "Representative Plaintiffs"), on behalf of themselves and all others similarly situated, will, and hereby do, move this Court to enter an award of attorneys' fees, expenses, and class representative incentive awards. Plaintiffs seek attorneys' fees in the amount of $36,000,000, reimbursable costs incurred in litigating the case in the amount of $483,489.04, and service awards of $7,500 for each of the named Representative Plaintiffs for their work in the prosecution of this case. The requested fees are reasonable as a percentage of the recovery to the Settlement Class and under a lodestar cross-check.

This Motion is based on: (1) this Notice of Motion and Motion; (2) the Memorandum of Points and Authorities in Support of Motion For An Award Of Attorneys' Fees, Reimbursement Of Expenses incorporated herewith; (3) the Joint Declaration of Roland Tellis, Roman Silberfeld, and David S. Casey, Jr. ("Joint Decl."), and exhibits thereto, filed concurrently herewith; (4) the Declaration of Court-Appointed Mediator Eric D. Green, filed concurrently herewith; (5) the Declaration of Professor Brian T. Fitzpatrick, filed concurrently herewith; (6) the Compendium of Declarations of each of the Representative Plaintiffs, filed concurrently herewith; (7) the records, pleadings, and papers filed, and documents produced in, this litigation; and (8) such other documentary and oral evidence or argument as may be presented to the Court at the hearing of this Motion.

Dated: August 30, 2019

Respectfully submitted,

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Plaintiffs' Steering Committee

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INTRODUCTION

After two years of contentious litigation, Plaintiffs reached a robust settlement to resolve claims that Wells Fargo & Company and Wells Fargo Bank, N.A. ("Wells Fargo") and National General Holdings Corp. and National General Insurance Company ("National General" and collectively, "Defendants"), along with their predecessors, forced millions of unsuspecting consumers to pay for duplicative, unnecessary, and overpriced Collateral Protection Insurance, or "CPI" from October 15, 2005 through September 30, 2016. Although the Settlement Agreement provides that Defendants will pay a minimum of $393.5 million and provide substantial non-monetary relief to consumers, Defendants are now expected to pay $432.4 million to the Settlement Class as part of the Settlement, in addition to attorneys' fees and costs. Having delivered these valuable benefits to the Settlement Class,[1] Plaintiffs respectfully seek an award of $36 million in attorneys' fees, reimbursement of $483,489.04 in costs reasonably incurred, and $7,500 in service awards to each of the named Plaintiffs for their role in prosecuting the litigation.

The Settlement is the result of contentious, prolonged, arm's-length negotiations between the parties, who participated in five in-person mediation sessions between May 2018 and March 2019, as well as numerous telephone sessions, with the Court-appointed mediator, Professor Eric D. Green. The Settlement confers substantial relief to consumers and dwarfs the original remediation plan that Wells Fargo announced before this litigation began, which provided a mere $64 million in cash and $16 million in non-cash account adjustments. The Settlement also memorializes Defendants' obligations to the Settlement Class in a formal agreement subject to enforcement by this Court.

Plaintiffs reached the Settlement after significant litigation and voluminous discovery. Plaintiffs reviewed more than 4 million pages of documents and took ten

[1] The capitalized terms in this brief have the same meanings as the terms defined in the Settlement Agreement (ECF No. 261-1, Ex. 1).

depositions and numerous informal interviews of Defendants' employees. The Settlement is particularly valuable in light of the potential risks of continued litigation that could have dramatically limited the size of the class and scope of the claims. Through perseverance against two well-funded adversaries, Class Counsel were able to achieve this Settlement and its exceptional results. Plaintiffs respectfully submit that their efforts should be rewarded.

The requested $36 million fee award is approximately eight percent of the total anticipated cash recovery for the Settlement Class—well below the 25 percent benchmark in the Ninth Circuit. The fees requested are based on a combined lodestar of $13,954,998.25. A lodestar cross-check results in a multiplier of 2.58, which is reasonable under the circumstances of this case. Class Counsel's lodestar is based on the reasonable hours Class Counsel expended multiplied by reasonable hourly rates, which were capped by Court order. Moreover, the fee award will be paid by Defendants from a separate fund. Thus, awarding the fees in full will not affect the benefits for Settlement Class members and will fairly compensate Class Counsel for their work in this case.

SUMMARY OF WORK BY CLASS COUNSEL

As described below, Class Counsel invested substantial time and money in prosecuting this case and achieving the exceptional result for the Settlement Class.

A. Origin of the Litigation

On July 27, 2017, the *New York Times* first reported the CPI scheme at the heart of this case. That day, Wells Fargo announced a proposed "remediation" program, which included $64 million in cash remediation plus $16 million in account adjustments on CPI policies placed between 2012 and 2017. This litigation followed.

On December 11, 2017, this Court issued a Case Management Order (ECF No. 35) appointing Robins Kaplan and Baron & Budd as Co-Lead Counsel; David S. Casey, Jr. of Casey, Gerry, Schenk, Francavilla, Blatt & Penfield, LLP as Liaison

Counsel; and Weitz & Luxenberg PC, the Gibbs Law Group, and Levin Sedran & Berman to the Plaintiffs' Steering Committee. The Court also appointed Eric Green as Mediator, allowing prompt settlement discussions. On January 4, 2018, Co-Lead Counsel held initial discussions with Wells Fargo about its proposed remediation program. Co-Lead Counsel advised Wells Fargo about the need and ways to avoid potentially misleading communications with class members concerning the interplay between the proposed remediation program and this litigation, and the critical documents necessary to commence meaningful settlement discussions. The parties engaged in formal and informal discovery about the CPI and remediation programs beginning in January 2018 and continuing throughout the litigation.

The parties worked throughout January 2018 to satisfy the deadlines in the Court's Case Management Order, including stipulating to a protective order, an ESI protocol, and an expanded scope of discovery. Plaintiffs also requested entry of an Order re Protocol for Common Benefit Work and Expenses ("Common Benefit Order") which sets specific guidelines for work performed and expenses incurred for the common benefit of all Plaintiffs in this case.

B. The Consolidated Complaint and Motions to Dismiss

On January 26, 2018, Plaintiffs filed a Consolidated Class Action Complaint alleging causes of action against Wells Fargo and National General for violations of the Racketeer Influenced and Corrupt Organizations Act ("RICO"), violations of the Bank Holding Company Act ("BHCA"), violations of the Consumer Legal Remedies Act ("CLRA"), violations of the California Unfair Competition Law ("UCL"), Fraud by Concealment, Unjust Enrichment, and violations of eleven state consumer protection statutes. On March 9, 2018, Defendants filed separate motions to dismiss, which Plaintiffs opposed. Following oral argument on June 18, 2018, the Court denied Defendants' motions to dismiss as to Plaintiffs' UCL claim, granted their motions to dismiss the CLRA claim without leave to amend, and granted their

motions to dismiss all other causes of action with leave to amend. (ECF No. 98.)

C. Initial Discovery

Plaintiffs engaged in substantial discovery that, among other things, informed the detailed allegations of the Amended Consolidated Class Action Complaint ("First Amended Complaint"). Plaintiffs reviewed critical documents concerning the CPI program, conducted a nearly full-day interview of one of Wells Fargo's key operations managers for the CPI program in Charlotte, North Carolina, and took comprehensive Rule 30(b)(6) depositions of Wells Fargo through four corporate designees on 10 topics. These topics covered: (1) the history and mechanics of the CPI program; (2) the financial and operational relationship between the parties; (3) the involvement of third parties in the CPI program; (4) customer-facing communications concerning CPI; (5) the payment of compensation between Defendants; (6) customer complaints concerning CPI; (7) Wells Fargo's internal controls and investigations into the CPI program; (8) fees and charges assessed to customers' accounts; (9) automobile repossessions; and (10) negative credit impact resulting from CPI placements.

D. The First Amended Complaint

On August 17, 2018, Plaintiffs filed a 113-page First Amended Complaint alleging causes of action for violations of RICO, the BHCA, the UCL, Fraud by Concealment, and Unjust Enrichment. The First Amended Action Complaint sets forth the alleged CPI scheme in exacting detail with citations to scores of documents and substantial deposition testimony. It describes: (1) the origin and history of the CPI program; (2) significant modifications to the CPI program; (3) the pricing structure, commissions, roles and responsibilities of the CPI vendors; (4) documents and agreements governing the operation of the CPI program; (5) Defendants' false and misleading statements and omissions to consumers; (6) the timeframe for, and structure of, CPI placements; (7) the identities and roles of Defendants' personnel responsible for managing the CPI program; (8) Defendants' oversight of the CPI

program through monthly management meetings and quarterly business reviews; (9) the total net written premiums paid to National General; (10) the total fees and commissions paid to Wells Fargo; (11) the limited exclusions from the CPI program; (12) Defendants' backdating of CPI policies to eliminate risk to Wells Fargo; (13) Defendants' deliberate failure to track customer complaints; (14) the escalation of critical issues relating to the CPI program to Wells Fargo's senior executives including then-Chief Executive Officer Tim Sloan, then-Chief Risk Officer Michael Loughlin, and Wells Fargo's Operating Committee, Executive Risk Management Committee ("ERMC"), and Board of Directors; and (15) insufficiencies in the remediation program that Wells Fargo initially proposed.

Defendants had designated "Confidential" most of the evidence supporting the First Amended Complaint. Plaintiffs challenged these designations and litigated to ensure that the allegations would be made public. Plaintiffs believed that the integrity of national banking and insurance institutions is a matter of grave public importance, and that customers should be able to learn the details of Defendants' now-defunct CPI program from those companies' contemporaneous documents, analyses, and testimony. After further negotiations, the parties agreed on a far-more limited set of redactions. Once the details of Defendants' CPI program became public, the press immediately published articles citing the damning evidence.[2] Plaintiffs' perseverance in ensuring public disclosure created enormous pressure on an already-embattled Wells Fargo to settle on favorable terms to the Settlement Class.

On October 1, 2018, Defendants filed separate motions to dismiss, and again Plaintiffs opposed. On December 14, 2018, the Court issued an Order re Motions to

[2] *See* Patrick Rucker, "Wells Fargo Executives Knew Auto Insurance Program Was Flawed: Lawsuit," Reuters, November 6, 2018 (https://www.reuters.com/article/us-wells-fargo-autos-lawsuit/wells-fargo-executives-knew-auto-insurance-program-was-flawed-lawsuit-idUSKCN1NB2WV); Ryan Felton, "The Scummiest Allegations That Wells Fargo's Execs Knew Its Auto Insurance Program Was a Mess," *Jalopnik*, November 20, 2018 (https://jalopnik.com/the-scummiest-allegations-that-wells-fargos-execs-knew-1830538130).

Dismiss denying National General's motion to dismiss in its entirety, and denying Wells Fargo's motion to dismiss as to Plaintiffs' RICO, UCL, Fraud by Concealment, and Unjust Enrichment claims. (ECF No. 203.) The Court granted Wells Fargo's motion to dismiss only as to the BHCA claim, allowing leave to amend. Defendants answered the First Amended Complaint on January 11, 2019.

E. Additional Party and Third-Party Discovery

Throughout the litigation, Plaintiffs persisted in their discovery efforts. Plaintiffs served Wells Fargo with 114 document requests and seven interrogatories. Plaintiffs served National General with 120 document requests and six interrogatories. In response to Plaintiffs' discovery requests, Defendants produced 663,880 documents that equaled approximately 4,472,564 pages. These documents relate to Defendants' internal and external communications, policies and procedures, loan practices, disclosures, CPI policies, and loan records.

Plaintiffs took the Rule 30(b)(6) deposition of Wells Fargo through four corporate designees, Rule 30(b)(1) depositions of three additional Wells Fargo witnesses, and Rule 30(b)(1) depositions of three National General witnesses. Plaintiffs had served a Rule 30(b)(6) deposition of National General plus deposition notices for an additional 15 defense witnesses—including Wells Fargo's former CEO Tim Sloan—and were prepared to take those depositions immediately prior to the mediation sessions that began to achieve a resolution of this case.

Plaintiffs also responded to 35 requests for production from National General, and 25 requests for production and seven interrogatories from Wells Fargo. Plaintiffs produced over 1,800 pages of documents in response to Defendants' discovery requests. Plaintiffs also were prepared to give depositions just prior to the achievement of an agreement-in-principle to settle this case.

Plaintiffs engaged in intense litigation against third party Oliver Wyman, arising out of Plaintiffs' March 2018 subpoena concerning the consulting firm's analysis of Wells Fargo's CPI program and proposed methodology for the bank's

initial remediation program. Despite having employed at least ten consultants on its project for Wells Fargo and having written a detailed 60-page report on the initial remediation methodology, Oliver Wyman initially produced only 16 documents. Because of this, Plaintiffs moved to compel production. Although Magistrate Judge Karen Scott granted Plaintiffs' motion to compel, Oliver Wyman defied the Court's Order. Oliver Wyman claimed that it possessed only 70 additional responsive documents—a result that was preposterous on its face. Only in the face of further motion practice did Oliver Wyman reverse course, admitting that it had produced an additional 1,418 documents to Wells Fargo for privilege review, with more to come.

This Court spent most of a Status Conference addressing how Oliver Wyman's delays impacted Plaintiffs' ability to prepare for an upcoming mediation: "You can tell Judge Scott … I fully support what she's doing. I urge her and everyone else to move this along. If you need to bring anything directly in front of me, you may."[3] After continued negotiation and litigation, Plaintiffs obtained 8,910 documents totaling approximately 40,685 pages from Oliver Wyman. Magistrate Judge Scott also awarded discovery sanctions to Plaintiffs, in an agreed amount of $40,000. Oliver Wyman acknowledged that it was continuing to consult for Wells Fargo over CPI remediation. Oliver Wyman's documents provided Plaintiffs with an unprecedented window into the shortcomings of Wells Fargo's methodology.

F. Second Amended Complaint

Discovery showed that the conduct at issue pertained not only to CPI policies that had been force-placed on automobile loans made through Wells Fargo Dealer Services ("WFDS"), but also to loans made through a separate division, Wells Fargo Auto Finance ("WFAF"). It also became clear that Wells Fargo lacked complete data concerning CPI placements from March 2002 to October 2005. In light of data gaps and the parties' intent to issue checks to class members rather than require them to

[3] Transcript of Proceedings dated Oct. 22, 2018 at 16:7-10.

file proofs of claim, the parties were not prepared to settle claims arising during the earlier period. The parties agreed that Plaintiffs would: (1) file an amended complaint incorporating WFDS and WFAF customers; (2) limit the class period to begin on October 15, 2005; and (3) toll the statute of limitations until the Court's final approval of the Settlement for any claims on behalf of customers who had a CPI Policy that was effective between March 1, 2002 and October 14, 2005. The Settlement does not release the claims on behalf of customers during the earlier period. Plaintiffs filed their Second Consolidated Amended Class Action Complaint on April 24, 2019.

ARGUMENT

I. The Court Should Approve Class Counsel's Request for Attorneys' Fees

A. Class Counsel Are Entitled to a Fee Award.

"In a certified class action, the court may award reasonable attorneys' fees and nontaxable costs that are authorized by law or by the parties' agreement." Fed. R. Civ. P. 23(h). "Attorneys' fees provisions included in proposed class action settlement agreements are, like every other aspect of such agreements, subject to the determination whether the settlement is 'fundamentally fair, adequate and reasonable.'" *Staton v. Boeing Co.*, 327 F.3d 938, 963 (9th Cir. 2003) (citation omitted). When plaintiff's counsel in a class action generate a common fund for the benefit of the class, counsel are entitled to a fair and reasonable fee award.[4] *Boeing Co. v. Van Gemert*, 444 U.S. 472, 478 (1980); *see also In re Omnivision Techs.*, 559 F.Supp.2d 1036, 1046 (N.D. Cal. 2007) ("*Omnivision*") ("a private plaintiff, or his attorney, whose efforts create, discover, increase or preserve a fund to which others also have a claim is entitled to recover from the fund the costs of his litigation, including attorneys' fees").

Courts must ensure that fee awards are reasonable. *In re Bluetooth Headset*

[4] Of course, attorneys' fees will not be paid by Settlement Class members from the common fund. Rather, Defendants will pay any fees awarded by the Court in addition to the amounts they will pay to the Settlement Class.

Products Liab. Litig., 654 F.3d 935, 941 (9th Cir. 2011) ("*Bluetooth*"); *In re Wash. Pub. Power Supply Sys. Sec. Litig.*, 19 F.3d 1291, 1294-95 n.2 (9th Cir. 1994) ("*WPPSS*"). The relevant factors include: "(1) the results achieved; (2) the risk of litigation; (3) the skill required and the quality of work; (4) the contingent nature of the fee and the financial burden carried by the plaintiffs; (5) awards made in similar cases; and (6) a comparison of the percentage and lodestar methods." *Jimenez v. O'Reilly Automotive Inc.*, No. SACV 12-00310 AG (JPRx), 2018 WL 6137591, at *2 (C.D. Cal. June 18, 2018) (Guilford, J.) (citing *Omnivision*, 559 F. Supp. 2d at 1046). *See In re Online DVD-Rental Antitrust Litig.*, 779 F.3d 934, 954–55 (9th Cir. 2015); *Vizcaino v. Microsoft Corp.*, 290 F.3d 1043, 1048-50 (9th Cir. 2002).

B. The Court Should Apply the "Percentage of the Fund" Method to Class Counsel's Fee Request.

Courts may determine reasonable attorneys' fees using the percentage method or the lodestar method. *Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1029 (9th Cir. 1998). Where the class settlement creates a common fund, as here, courts generally prefer to calculate attorneys' fees as a percentage of the fund. *Vizcaino*, 290 F.3d at 1047; *Jones v. San Diego Metro. Transit Sys.*, No.: 3:14-cv-01778-KSC, 2017 WL 5992360, at *4 (S.D. Cal. Nov. 30, 2017). The lodestar method is appropriately utilized in fee-shifting cases or cases involving hard-to-value equitable relief that is socially beneficial but "not easily monetized." *Bluetooth*, 654 F.3d at 941. "[T]he primary basis of the fee award remains the percentage method," with the lodestar used as "a cross-check on the reasonableness of a percentage figure." *Vizcaino*, 290 F.3d at 1050 & n.5.

Applying the percentage-of-fund method, courts in the Ninth Circuit "typically calculate 25% of the fund as the 'benchmark' for a reasonable fee award, providing adequate explanation in the record of any 'special circumstances' justifying a departure" from the benchmark. *Bluetooth*, 654 F.3d at 942; *Paul, Johnson, Alston & Hunt v. Graulty*, 886 F.2d 268, 273 (9th Cir. 1989) ("25 percent has been a proper

benchmark figure" and any modification should be "accompanied by a reasonable explanation of why the benchmark is unreasonable under the circumstances."). The benchmark percentage is "presumptively reasonable." *Nitsch v. DreamWorks Animation SKG Inc.*, No. 14-CV-04062-LHK, 2017 U.S. Dist. LEXIS 86124, at *23-24 (N.D. Cal. June 5, 2017). Here, where the fee request is approximately 8 percent of the total anticipated recovery for the Settlement Class, and the lodestar cross-check amounts to a 2.58 multiplier, there is no question that the fee request is reasonable.

1. Class Counsel Obtained an Exceptional Result.

The benefit obtained for the class is perhaps the single most important factor in determining the reasonableness of a fee request. *Bluetooth*, 654 F.3d at 942; *Omnivision*, 559 F. Supp. 2d at 1046. And the result here is exceptional. Defendants have agreed to pay a minimum of $393.5 million to the Settlement Class. Based on a continued analysis of claims that has taken place, the parties now anticipate that Defendants will pay at least $432.4 million, separate from any attorneys' fees and costs to Class Counsel ordered by the Court. Those payments will be made directly by mail without Settlement Class members having to file a claim.

The relief available under the Settlement Allocation Plan and the Settlement Distribution Plan is explained in detail in the Joint Declaration submitted herewith. (Joint Decl. ¶¶ 61-69.) In brief, Duplicative Coverage Customers and Five State Customers will receive a refund of fees, a refund of CPI premiums and interest, payment for additional interest on their loans, compensation for their inability to use these funds elsewhere, and adjustments to adverse credit reporting due to CPI.

Duplicative Coverage Customers and Five State Customers who had their vehicle repossessed during the time period when CPI impacted their accounts also will receive: (a) $4,000 as an estimate for the out-of-pocket transportation and non-transportation expenses they incurred due to the loss of their vehicle; (b) a refund of the repossession costs they paid to Wells Fargo; (c) a refund of the payments they made on their remaining automobile loan balance after the proceeds from their

vehicle's sale were applied to their loan (if applicable); (d) the difference in price between what their vehicle sold for at auction and their vehicle's Kelley Blue Book Lender Value at the time of repossession, to the extent that value is greater than their outstanding loan balance (if applicable); (e) a payment to provide a tax benefit if they previously had a deficiency balance waived and a 1099-C tax document was filed; (f) a payment to compensate for their inability to use the above funds elsewhere; and (g) the option to participate in Wells Fargo's no-cost telephonic mediation program if they are not satisfied with their compensation under the Settlement.

Under a "catch-all" Distribution Plan, $6,375,000 will be distributed *pro rata* to Settlement Class members who do not otherwise receive payments and who paid for CPI placed on their account that remained in effect, without reversal, for at least 120 days after the CPI Billing Date. And an additional $2,125,000 will be distributed *pro rata* to all other Settlement Class members who would not otherwise receive payment and who paid for CPI placed on their account that remaining in effect, without reversal, for less than 120 days after the CPI Billing Date.

Finally, the Settlement ensures that this Court reserves "continuing and existing jurisdiction over the Settlement, including all future proceedings concerning the administration, consummation, and enforcement of this Agreement." (ECF No. 262-1 at § I.F.14.) The ability for consumers to enforce this Settlement in Court is additional valuable consideration. In sum, Class Counsel achieved an exceptional result for consumers and should be awarded attorneys' fees for their efforts.

a. Pre-Litigation Events Underscore The Value of This Litigation And Class Counsel's Work

In assessing Class Counsel's work in achieving the $432 million settlement, it is important to review the events that preceded this litigation. Before this lawsuit was filed, there were ongoing investigations by the Office of the Comptroller of the Currency ("OCC") and the Consumer Financial Protection Bureau ("CFPB" and collectively, "Regulators") into Wells Fargo's CPI practices, an internal Wells Fargo

audit into its CPI program, the creation of a special "Steering Committee" of Wells Fargo executives to review the internal audit's findings, management's escalation of CPI concerns to Wells Fargo's then-CEO, and Wells Fargo's retention of a special consultant to design a so-called consumer "remediation" program.

And, yet, before this case was filed, the most Wells Fargo was prepared to pay consumers was $64 million of cash remediation and $16 million of account adjustments—$80 million in all. Wells Fargo offered no relief for pre-2012 borrowers who paid for unnecessary and inflated CPI premiums, and failed to repay the lucrative unearned commissions. And, incredibly, more than seven months before this case was filed, Wells Fargo's former CEO Tim Sloan believed that $80 million in remediation was extremely generous and more than sufficient to satisfy the Regulators.[5] All of that changed with this litigation.

b. Wells Fargo Did Not Remedy Its Deceptive CPI Practices Until Plaintiffs Commenced This Litigation

In 2012, personnel at WFDS reported problems with the CPI program to Wells Fargo's ERMC, a group of the bank's most senior executives. Rather than address the problems or terminate the program, John Stumpf, Wells Fargo's then-CEO, directed the ERMC to focus on commissions and the cost of CPI.[6] The ERMC did just that, making minor revisions to the CPI program, mostly as to pricing. While Wells Fargo eliminated the unearned commissions, it did not pass on the full savings to its customers, instead retaining a portion of that money.

In August 2015, an internal audit concluded that the bank's CPI billing practices were "deceptive": "Customers may not be aware that CPI charges are included and balance due has increased and are negatively impacted with potential NSF and late fees. … Risks: *Negative impact to customer (deceptive) and violation*

[5] Joint Decl. ¶ 75.
[6] *Id.* ¶ 77.

of regulations (CFBP)."[7] In January 2016, a Wells Fargo operational risk review revealed that borrowers were unable to remove CPI-related delinquencies reported to the credit bureaus.[8] In June and July 2016, WFDS and the Wells Fargo Risk Team identified and escalated three issues concerning the CPI Program to the C-Suite and the Board of Directors: (1) "Inadequacy of a 3rd party vendor's process to validate customer had their own insurance, resulting in unnecessary CPI placement"; (2) "Resulting impact on a borrower's delinquency status leading to potentially adverse credit reporting impacts"; and (3) Potential repossession based solely on past due CPI amounts, contrary to [line of business] policy."[9]

By July 2016, an analysis by Wells Fargo's risk team found that the bank may have been harming customers by inappropriately repossessing cars. The analysis also found that National General had financial incentives to find that the customer lacked independent insurance, and that CPI was painful to the customer.[10] Not surprisingly, a July 2016 presentation concluded that, "Keeping the program could lead to reputational risk and potential legal exposure."[11] Nonetheless, Wells Fargo's official explanation for ending the CPI program was that it could not implement certain operations and system enhancements quickly enough.[12]

c. Wells Fargo Worked With Regulators On Its Initial Remediation Plan Prior To This Litigation

In October 2016, Wells Fargo formed a Steering Committee of executives to address legal and reputational issues related to CPI and to devise proposals to mitigate harm to borrowers. Wells Fargo updated senior executives including Tim Sloan, the Board of Directors, and importantly, the Regulators throughout its analysis

[7] *Id.* ¶ 78 (quoting WFCPI_00048650 (emphasis added); *see also* WFCPI_00006404).
[8] *Id.* ¶ 79.
[9] *Id.* ¶ 80 (quoting WFCPI_00062871 at 872).
[10] *Id.* ¶ 82.
[11] *Id.* (quoting WFCPI_00015176 at 177).
[12] *Id.* ¶ 83.

of the CPI program and development of its initial remediation program in late 2016 and early 2017.[13] Wells Fargo considered its initial remediation program to be comprehensive, despite paying only $60 million to 570,000 customers.[14] But, Wells Fargo did not announce even this limited remediation effort until after the *New York Times* exposed the CPI program.

In December 2016, Wells Fargo senior managers met with Sloan to discuss the CFPB's investigation. Sloan believed that Wells Fargo's initial remediation plan was both extreme and sufficient to placate the Regulators.[15] Wells Fargo's privilege log indicates that the bank continued to discuss its initial remediation program with the Regulators throughout the first half of 2017.[16] However, the deficiencies in the initial remediation plan were only challenged after Plaintiffs sued.

On April 20, 2018, the Regulators issued Consent Orders accusing Wells Fargo of violating Federal Consumer Financial Law with respect to its CPI practices. The Regulators fined Wells Fargo for the identified practices, and ordered the bank to submit for review "a comprehensive written plan to develop and implement a program for remediation activities" by August 18, 2018.[17] The Consent Orders did not order Wells Fargo to pay consumers any specific dollar amount. Nor did they identify the individuals for whom remediation would be available, the methodology for determining who would qualify, the total dollar amount, the amounts available per person, the process and procedures for providing redress to consumers, or a mechanism by which consumers could enforce their rights to redress. The scope and

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[13] *Id.* ¶ 85.
[14] *Id.*
[15] *Id.* ¶ 86.
[16] *Id.* ¶ 87.
[17] *In the Matter of Wells Fargo Bank, N.A.*, File No. 2018-BCFP-0001 (Bureau of Consumer Financial Protection Apr. 20, 2018), Consent Order ("CFPB Consent Order") at ¶ 49, https://files.consumerfinance.gov/f/documents/cfpb_wells-fargo-bank-na_consent-order_2018-04.pdf; *In the Matter of Wells Fargo Bank, N.A. Sioux Falls, South Dakota*, AA-EC-2018-15 (Dep't of Treas. Comptroller of the Currency Apr. 20, 2018), Consent Order ("OCC Consent Order") at Art. VII, ¶ 1, https://www.occ.gov/static/enforcement-actions/ea2018-025.pdf.

extent of remediation would be the subject of ongoing discussions and negotiations not only between Wells Fargo and the Regulators, but also between Wells Fargo and Class Counsel to establish a settlement structure that would be acceptable to all stakeholders and enforceable by consumers through a Rule 23 class action settlement subject to the jurisdiction of this Court.

As described above, the first of five formal mediation sessions and countless telephone conferences among the parties in this litigation took place on May 8, 2018—less than three weeks after the Regulators issued the Consent Orders—affording Plaintiffs the opportunity to demand specific relief in the settlement structure that Wells Fargo would submit to the Regulators in subsequent months.

That all parties needed to reach agreement on the ultimate remediation program was apparent. The Consent Orders contemplated consumer litigation and required Wells Fargo to provide the Regulators with any proposed consumer remediation plan that would be implemented "pursuant to a legal judgment, court order, or negotiated settlement of any legal proceeding," at least 30 days in advance of its implementation.[18] Wells Fargo insisted that the settlement terms be conditioned on approval by the Regulators but agreed that it was "obligated to compensate the Settlement Class in accordance with the terms of this Settlement Agreement irrespective of any obligations undertaken by entering into the aforementioned Consent Orders." (ECF No. 262-1 at 19.) These provisions support what Co-Lead Counsel have long told this Court: "[I]t makes sense that folks get paid once."[19]

d. Wells Fargo's Pre-Litigation Remediation Plan Was Flawed

Wells Fargo began work on its initial remediation program in late 2016, reaching preliminary conclusions about the scope of its CPI problems and how

[18] CFPB Consent Order ¶ 54; OCC Consent Order at Art. VIII, ¶ 5.
[19] Transcript of Proceedings dated Aug. 30, 2018 at 8:6-7.

individual consumers were harmed.[20] Initially, WFDS adamantly opposed remediating customers with CPI-related repossessions.[21] This was indicative of Wells Fargo personnel's hostility toward making customers whole. In fact, the head of the remediation team later explained that personnel responsible for the CPI program lacked "a customer service mindset to err on the side of the customer."[22]

Although Wells Fargo retained Oliver Wyman in November 2016 to quantify CPI remediation for the policies issued from January 2012 to July 2016,[23] Wells Fargo designed the initial remediation program to limit its exposure at the expense of the customers it was purporting to make whole. For example, the initial remediation program sought to limit compensation to customers whose cars had been repossessed out of concern that Wells Fargo would be over-paying customers, regardless of the number of times it repossessed their cars.[24] Those proposed payments pale in comparison to what Settlement Class members with repossessions are recovering under the Settlement—$4,000 per repossession for any out-of-pocket transportation and non-transportation expenses in addition to other available relief.

Wells Fargo also refused to provide any remediation to customers who paid higher premiums for CPI due to commissions or above-market rates.[25] Wells Fargo intended to keep the benefit of having overcharged consumers for CPI. And of course, one of the primary deficiencies of Wells Fargo's original remediation program was that it solely applied to accounts with CPI placements from 2012 to 2016. This was despite the fact that the CPI program was in place for more than a decade, Wells Fargo had sufficient data to remediate customers going back to October 2005, and Wells Fargo had used the CPI program to generate revenue

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[20] Joint Decl. ¶¶ 92 & 93.
[21] *Id.* ¶ 94.
[22] *Id.* (quoting WFCPI_00060786).
[23] *Id.* ¶ 95.
[24] *Id.* ¶¶ 96-98.
[25] *Id.* ¶ 99.

through unearned commissions far earlier. This Settlement cures those defects by compensating customers going back to October 2005, while preserving claims of those who experienced force-placement before then.

Regulatory pressure was present during this period, but the outcome and Settlement are also due to the efforts of Class Counsel. *See* Declaration of Court-Appointed Mediator Eric D. Green, submitted herewith, ¶ 15. It would be extremely difficult, if not impossible, to quantify the specific value conferred by various stakeholders, but such parsing is not required. As Judge Breyer explained in overruling objections challenging the benefit that class counsel provided as compared to government-negotiated consent decrees, "[s]imply put, none of the agreements can be viewed in a vacuum and none can function without the others…." *In re Volkswagen "Clean Diesel" Marketing, Sales, Practices & Prods. Liab. Litig.*, MDL No. 2672 CRD, Order Granting Plaintiffs' Motion for Attorneys' Fees and Costs (N.D. Cal. Mar. 17, 2017) (ECF No. 3053).

Consumer class actions often work in tandem with government enforcement actions, or encourage regulators, to provide consumers with relief and ensure that companies cease deceptive practices.[26] Academic research shows that private class action lawsuits enhance recoveries obtained by government agencies for the same wrongdoing: "These studies suggest that government enforcement does not render private enforcement unnecessary. To the contrary: the law would not be enforced very effectively *without* private enforcement to supplement the government's efforts." Declaration of Professor Brian T. Fitzpatrick, submitted herewith, ¶ 7; *see*

[26] Consumer class actions, like this one, have a broader societal benefit, as deterrents to unlawful behavior and as private law enforcement regimes. *See* Myriam Gilles & Gary B. Friedman, *Exploding the Class Action Agency Costs Myth: The Social Utility of Entrepreneurial Lawyers*, 155 U. Pa. L. Rev. 103, 106 (2006) ("[T]he deterrence of corporate wrongdoing is what we can and should expect from class actions."); William B. Rubenstein, *On What A "Private Attorney General" Is—and Why It Matters*, 57 Vand. L. Rev.2129, 2168 (2004) ("[Class counsel's] clients are not just the class members, but the public and the class members; their goal is not just compensation, but deterrence and compensation.").

id. ¶ 19 ("[P]rivate enforcement still have a very big role to play—indeed, often the biggest role to play—even when the government is already on the case.").

Plaintiffs here are prevailing parties entitled to an award of attorneys' fees. As the Ninth Circuit has explained, "a plaintiff who succeeds in obtaining a court order incorporating an agreement that includes relief the plaintiff sought in the lawsuit is not a mere catalyst—he is a prevailing party for attorney's fees purposes." *See Labotest, Inc. v. Bonta*, 297 F.3d 892, 893 (9th Cir. 2002). But even under the Third Circuit's decision in *In re Prudential Ins. Co. Am. Sales Practice Litig. Agent Actions*, 148 F.3d 283, 337 (3d Cir. 1998)—which has not been adopted by the Ninth Circuit—counsel are entitled to attorneys' fees where they are a "material factor" in bringing about class-wide relief along with government regulators.[27] In light of the pre-litigation conduct, there is no question that Class Counsel were a material factor in achieving this exceptional result. That Wells Fargo was able to satisfy its obligations to the Regulators under the Consent Orders *and* resolve the claims in this litigation does not negate the value Class Counsel obtained for the Settlement Class. Class Counsel are entitled to a fee award, and the amount requested is reasonable.

2. Class Counsel Bore the Risk of Bringing This Case on a Contingency Basis.

"It is an established practice in the private legal market to reward attorneys for taking the risk of non-payment by paying them a premium over their normal hourly rates for winning contingency cases." *WPPSS*, 19 F.3d at 1299. Here, the contingent

[27] Although the Third Circuit in *Prudential* questioned the value of class counsel's work in achieving a settlement of deceptive insurance practices litigation that had been the subject of a detailed remediation plan developed by a multi-state governmental task force, on remand the district court found that class counsel indeed had been a material factor in creating the entire value of the settlement and granted their fee request in full. *In re Prudential Ins. Co. of Am. Sales Practice Litig.*, 106 F. Supp. 2d 721, 724 (D.N.J. 2000). Unlike in *Prudential*, here the Consent Orders provided guidelines to Wells Fargo for what the Regulators expected to be included in the bank's remediation program and allowed Wells Fargo, in conjunction with Plaintiffs and other stakeholders, to craft the details including the methodology for determining who qualified for remediation, the amounts recoverable, and the procedures for providing redress to consumers.

nature of the representation meant that, from the outset of the case, there was a significant risk of nonpayment to Class Counsel because of the risk of non-recovery by the class. Class Counsel represented the class on a purely contingent basis, investing considerable time and money in the prosecution of the action without any guarantee that those investments would ever be repaid.

There were several risks to recovery. First, although the parties deferred the deadline for a motion to compel arbitration, as many as half the Settlement Class members were parties to retail installment sales contracts that included arbitration provisions with class action waivers. Second, Defendants repeatedly raised a statute of limitations defense. While Plaintiffs' allegations withstood that defense at the motion to dismiss stage, Defendants would have raised it again in later proceedings. Had Defendants prevailed, up to six years of class claims could have been deemed time-barred. Third, National General asserted that it never directed the conduct of the alleged RICO enterprise, because it merely served an outside service provider to Wells Fargo. The trier of fact could have agreed with National General, which would have undermined Plaintiffs' treble damages RICO claim. Fourth, Plaintiffs' unearned commission theory was subject to challenge, including the possibility that the Court would have found the commissions to be lawful, thus eliminating class claims and undermining Plaintiffs' assertions of fraudulent intent. Fifth, the class may not have been certified for litigation purposes. Had any of these risks come to fruition, they would have greatly diminished the potential recovery for the Settlement Class and increased the likelihood of nonpayment to Class Counsel.

While the Consent Orders may have reduced the risk of non-recovery, the Regulators did not issue them until April 2018—nine months after the commencement of this case. Nor did Defendants cease their vigorous litigation of this case after the Consent Orders were issued. Simply put, the Regulators' involvement did not reduce the litigation risks—including arbitration, statute of limitation, RICO, unearned commissions, and class certification—described above.

The contingent nature of litigating a class action, the typical terms under which clients and law firms contract in the private marketplace, and the financial burden of advancing litigation costs can justify an *increase* from the 25% benchmark, because counsel litigate with no present payment and no guarantee of payment. *See Hendricks v. Starkist Co.*, No. 13-cv-00729-HSG, 2016 WL 5462423, at *12 (N.D. Cal. Sept. 29, 2016) (enhancement from 25% benchmark was warranted because class counsel carried a substantial financial burden of contingent representation); *WPPSS*, 19 F.3d at 1299 ("Contingent fees that may far exceed the market value of the services if rendered on a non-contingent basis are accepted in the legal profession as a legitimate way of assuring competent representation for plaintiffs who could not afford to pay on an hourly basis regardless whether they win or lose."). In light of these risks, the requested fee, which is far below the 25% benchmark, is reasonable.

3. Class Counsel Provided Exceptional Representation.

Class Counsel are experienced in complex class litigation and have expertise with consumer fraud, force-placed insurance, RICO, and other matters at issue in this case. This litigation was not easy. Defendants hired effective counsel and had the resources to defend themselves through trial and appeals. Class Counsel pursued an aggressive litigation strategy to obtain an outstanding settlement. The Court has recognized the challenges Class Counsel faced and their success in reaching this Settlement: "May I commend you for your good work. You've all been highly professional with some difficult issues. You have worked to resolve it. The Court appreciates your work on this."[28]

4. The Fee Requested Is Consistent With Awards In Other Cases.

The percentage fee request is well below awards in other large cases. Some megafund cases have awarded fees consistent with the 25% benchmark or even higher. *See, e.g, In re Lithium Ion Batteries Antitrust Litig.*, No. 4:13-md-02420-

[28] Transcript of Proceedings dated Apr. 8, 2019 at 9:6-9.

YGR (MDL), 2019 U.S. Dist. LEXIS 139327 (N.D. Cal. Aug. 16, 2019) (awarding 30% fee based on $113 million settlement fund); *In re Anthem, Inc. Data Breach Litig.*, No. 15-MD-02617-LHK, 2018 U.S. Dist. LEXIS 140137 (N.D. Cal. Aug. 17, 2018) (awarding 27% fee based on $115 million settlement fund); *In re Informix Corp. Sec. Litig.*, No. C 97-01289-CB, 1999 U.S. Dist. LEXIS 23579 (N.D. Cal. Nov. 23, 1999) (awarding 29.2% fee based on $137 million settlement fund). However, courts adjust the percentage in large cases where the benchmark "would yield windfall profits for class counsel." *Bluetooth*, 654 F.3d at 942.

Academic research shows that reducing percentage fee awards "incentivizes class counsel either to accept smaller settlement offers when larger ones were possible with a bit more work or to redirect their efforts away from bigger cases toward smaller cases. Neither of which is in the best interests of class members." Fitzpatrick Decl. ¶ 7. "Even still, the average fee award in settlements around the size of the settlement here is 17.8% and the median is 19.5%, both *well above* the request here." *Id.*; *see id.* ¶¶ 11-13 (citing academic studies).

Here, the requested fee award is approximately 8% of the total anticipated class recovery of $432.4 million. Even subtracting the cash amount of Wells Fargo's initial, pre-litigation remediation plan ($64 million), the requested fees are approximately 10% of the remaining $368 million. Per the Settlement Agreement, Defendants will pay any fees awarded separately; they will not diminish the class recovery. As a result, Plaintiffs' fee request is fair and reasonable.

5. A Lodestar Cross-Check Confirms the Reasonableness of the Requested Fee Award.

The Ninth Circuit has pointed out that "[t]he lodestar method is merely a cross-check on the reasonableness of a percentage figure, and it is widely recognized that the lodestar method creates incentives for counsel to expend more hours than may be necessary on litigating a case so as to recover a reasonable fee, since the lodestar method does not reward early settlement." *Vizcaino*, 290 F.3d at 1050 n.5.

Should the Court elect to perform a lodestar cross-check, it confirms the reasonableness of the requested fee.

The lodestar is calculated by multiplying the number of hours reasonably expended on the litigation by a reasonable hourly rate. *Bluetooth*, 654 F.3d at 941. Hourly rates should be guided by the prevailing market rates for similar work performed by attorneys of comparable skill, experience, and reputation. *Blum v. Stenson*, 465 U.S. 886, 895 (1984). "Courts may find hourly rates reasonable based on evidence of other courts approving similar rates or other attorneys engaged in similar litigation charging similar rates." *Parkinson v. Hyundai Motor Am.*, 796 F. Supp. 2d 1160, 1172 (C.D. Cal. 2010). "[I]t is well established that '[t]he lodestar cross-check calculation need entail neither mathematical precision nor bean counting . . . [courts] may rely on summaries submitted by the attorneys and need not review actual billing records.'" *Bellinghausen v. Tractor Supply Co.*, 306 F.R.D. 245, 264 (N.D. Cal. 2015) (citation omitted).

Here, the total lodestar is $13,954,998.25 based on 29,707.45 billable hours. *See* Joint Decl. ¶ 103. The Common Benefit Order caps billing rates at $800 per hour for partners (including for partners who have been approved at much higher rates in other litigation), $350-$550 per hour for associates, $300 per hour for document review attorneys, and $175-$325 per hour for paralegals and assistants. These rates are consistent with those charged by similarly experienced counsel in the Central District of California. *See Schroeder v. Envoy Air, Inc.*, No. CV 16-4911-MWF (KSx), 2019 U.S. Dist. LEXIS 76344, at *22-23 (C.D. Cal. May 6, 2019) (approving rates of $500 to $890 for partners and $350 to $750 for associates); *Keegan v. Am. Honda Motor Co*, No. CV 10-09508 MMM (AJWx), 2014 U.S. Dist. LEXIS 197404, at *66-68 (C.D. Cal. Jan. 21, 2014) (approving class counsel's hourly rates up to $875 for partners and $595 for associates); *Kearney v. Hyundai Motor Am.*, No. SACV 09-1298-JST (MLGx), 2013 U.S. Dist. LEXIS 91636, at *24-25 (C.D. Cal. Jun. 28,

2013) (approving hourly rates of up to $800 for partners).[29]

Applied to the requested $36 million fee, the lodestar cross-check yields a multiplier of 2.58. This is squarely within the range of multipliers approved in the Ninth Circuit. *See Vizcaino*, 290 F.3d at 1051 (upholding multiplier of 3.65 and noting that range between 1 and 4 is typically appropriate); *In re NCAA Ath. Grant-In-Aid Cap Antitrust Litig.*, No. 4:14-md-2541-CW, 2017 U.S. Dist. LEXIS 201108, at *22 (N.D. Cal. Dec. 6, 2017) ("*NCAA*") ("multipliers of 4.0 and above are frequently applied in granting fee awards from common funds"); *Gutierrez v. Wells Fargo Bank, N.A.*, No. C 07-05923 WHA, 2015 U.S. Dist. LEXIS 67298, at *25 n.3 (N.D. Cal. May 21, 2015) (multiplier of 4.53); *Buccellato v. AT&T Operations, Inc.*, No. C10–00463–LHK, 2011 WL 3348055, at *2 (N.D. Cal. Jun. 30, 2011) (approving percentage based fee award that represented multiplier of 4.3); *Craft v. County of San Bernardino*, 624 F. Supp. 2d 1113 (C.D. Cal. 2008) (approving 25% fee award with cross-check of 5.2 multiplier and collecting cases); *Parkinson*, 796 F. Supp. 2d at 1170 ("Where appropriate, multipliers may range from 1.2 to 4 or even higher."); *Van Vranken v. Atl. Richfield Co.* , 901 F. Supp. 294, 298–99 (N.D. Cal. 1995) (multiplier of 3.6 was "well within the acceptable range for fee awards in complicated class action litigation"; "[m]ultipliers in the 3–4 range are common").

II. CLASS COUNSEL'S EXPENSES WERE REASONABLE AND BENEFITED THE CLASS.

Class Counsel are entitled to reimbursement for reasonable expenses that are necessary and directly related to the prosecution of the action. *Vincent v. Hughes Air*

[29] *See also In re Optical Disk Drive Prods. Antitrust Litig.*, No. 10-md-2143-RS, 2016 U.S. Dist. LEXIS 175515 (N.D. Cal. Dec. 19, 2016) (approving rate of $950 per hour for senior partner); *In re Animation Workers Antitrust Litig.*, No. 14-cv-4062-LHK, 2016 U.S. Dist. LEXIS 156720 (N.D. Cal. Nov. 11, 2016) (approving rates of $845 to $1,200 per hour for senior attorneys, and rates up to $290 for paralegals); *POM Wonderful LLC v. Purely Juice, Inc.*, 2008 U.S. Dist. LEXIS 110460, at *4 (C.D. Cal. Sep. 22, 2008) (approving rates up to $750 for partners and $425 for associates "[b]ased on the Court's familiarity with the rates charged by other firms in the Los Angeles legal community" more than a decade ago).

West, 557 F.2d 759, 769 (9th Cir. 1977); *Omnivision*, 559 F. Supp. 2d at 1048 ("Attorneys may recover their reasonable expenses that would typically be billed to paying clients in non-contingency matters."); *Staton*, 327 F.3d at 974; Fed. R. Civ. P. 23(h). Reimbursable expenses include "'1) meals, hotels, and transportation; 2) photocopies; 3) postage, telephone, and fax; 4) filing fees; 5) messenger and overnight delivery; 6) online legal research; 7) class action notices; 8) experts, consultants, and investigators; and 9) mediation fees.'" *Johnson v. General Mills, Inc.*, No.: SACV 10-00061-CJC(ANx), 2013 U.S. Dist. LEXIS 90338, *20-*21 (C.D. Cal. June 17, 2013) (citation omitted); *Rutti v. Lojack Corp.*, No. SACV 06–350 DOC (JCx), 2012 WL 3151077, at *12 (C.D. Cal. July 31, 2012).

Here, Class Counsel spent $483,489.04 in recoverable litigation costs in this case. The costs are documented in the Joint Declaration and are consistent with the limitations set forth in the Common Benefit Order. Joint Decl. ¶ 104 & Ex. B. All the expenditures were reasonable and necessary to prosecute this case and to obtain the substantial settlement. The expenditures were made for the direct benefit of the Settlement Class and are reimbursable.

III. THE REQUESTED SERVICE AWARDS ARE REASONABLE

Service awards encourage victims to undertake the responsibilities and risks of representing classes and to recognize the time and effort spent in the case. *NCAA*, 2017 U.S. Dist. LEXIS 201108, at *25. Service awards "are fairly typical in class action cases" as they 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 Publ'g Corp.*, 563 F.3d 948, 958-59 (9th Cir. 2009). Courts evaluate service awards in light of "the actions the plaintiff has taken to protect the interests of the class, the degree to which the class has benefitted from those actions, … [and] the amount of time and effort the plaintiff expended in

pursuing the litigation." *Staton*, 327 F.3d at 977 (citation and quotation omitted).

The Representative Plaintiffs actively worked with Class Counsel in the investigation and prosecution of this litigation. They: (1) provided details about the force-placement of CPI on their Wells Fargo accounts; (2) searched for documents pertaining to their Wells Fargo accounts; (3) helped counsel prepare the complaints; (4) reviewed and approved each complaint before filing; (5) consulted with counsel about the case and stayed abreast of case developments; and (6) prepared responses to interrogatories and two sets of requests for production, which included searching for all responsive documentation.

The named Representative Plaintiffs lent their names to the case, so that they could help the millions of people who, like them, were adversely affected by Defendants' CPI program. Each spent considerable time and attention working on this case, always with the best interests of the Settlement Class in mind. The Settlement Class benefited from their efforts. Class Counsel respectfully request that the Court order service awards of $7,500 to each of the Representative Plaintiffs. These service awards are reasonable in light of the valuable benefits conferred to the Settlement Class. Similar awards have been approved in other cases. *See, e.g.*, *Seifi v. Mercedes-Benz USA, LLC*, No. 12-CV-05493 (TEH), 2015 WL 12952902, at *3 (N.D. Cal. Aug. 18, 2015) (awarding $9,000 service awards); *Vizzi v. Mitsubishi Motors N. Am., Inc.*, No. SACV 08-00650-JVS (RNBx), 2010 WL 11508375, at *11 (C.D. Cal. Mar. 29, 2010) (awarding $10,000 service award).

IV. CONCLUSION

The Settlement before the Court is an excellent result for the Settlement Class, and is the product of extensive, diligent litigation by Plaintiffs and Class Counsel. Accordingly, Plaintiffs respectfully request that the Court enter an order awarding Class Counsel $36,000,000 in attorneys' fees and $483,489.04 in reimbursable expenses, and granting $7,500 service awards to each of the Representative Plaintiffs.

Dated: August 30, 2019

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on August 30, 2019, I electronically filed the foregoing document entitled **PLAINTIFFS' MOTION FOR AN AWARD OF ATTORNEYS' FEES, REIMBURSEMENT OF EXPENSES, AND SERVICE AWARDS** with the Clerk of the Court for the United States District Court, Central District of California using the CM/ECF system and served a copy of same upon all counsel of record via the Court's electronic filing system.

/s/ Aaron M. Sheanin
Aaron M. Sheanin