

SAXENA WHITE P.A.
David R. Kaplan (SBN 230144)
dkaplan@saxenawhite.com
505 Lomas Santa Fe Dr., Suite #180
Solana Beach, CA 92075
Telephone: (858) 997-0860
Facsimile: (858) 369-0096

MOTLEY RICE LLC
Max N. Gruetzmacher (*pro hac vice*)
mgruetzmacher@motleyrice.com
Christopher F. Moriarty (*pro hac vice*)
cmoriarty@motleyrice.com
28 Bridgeside Blvd.
Mt. Pleasant, SC 29464
Telephone: (843) 216-9000

*Counsel for Lead Plaintiffs and Lead Counsel for the
Proposed Settlement Class*

[Additional Counsel Listed on Signature Page]

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

STEVEN LEVENTHAL, Individually and
on Behalf of All Others Similarly Situated,

Plaintiff,

vs.

CHEGG, INC., DANIEL L.
ROSENSWEIG, ANDREW J. BROWN,
and NATHAN SCHULTZ,

Defendants.

Case No.: 5:21-cv-09953-PCP

**LEAD COUNSEL’S: (I) NOTICE OF
MOTION AND MOTION FOR AN
AWARD OF ATTORNEYS’ FEES
AND REIMBURSEMENT OF
LITIGATION EXPENSES; AND (II)
MEMORANDUM OF LAW IN
SUPPORT THEREOF**

Hearing Date: April 24, 2025
Time: 10:00 a.m.
Dept: Courtroom 8
Judge: Hon. P. Casey Pitts

TABLE OF CONTENTS

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

TABLE OF AUTHORITIES ii

NOTICE OF MOTION AND MOTION FOR AN AWARD OF ATTORNEYS’ FEES vi

AND REIMBURSEMENT OF LITIGATION EXPENSES vi

STATEMENT OF ISSUES TO BE DECIDED vii

I. INTRODUCTION 1

II. FACTUAL AND PROCEDURAL HISTORY OF THE LITIGATION..... 4

III. THE COURT SHOULD APPROVE LEAD COUNSEL’S FEE REQUEST 4

 A. Lead Counsel Are Entitled To A Common Fund Fee Award..... 4

 B. The Court Should Calculate The Fee As A Percentage Of The Common Fund 5

 C. The Relevant Factors Support the 25% Fee Request..... 6

 1. The Results Achieved Support The Fee Request..... 7

 2. The Litigation Was Risky And Complex..... 8

 3. The Skill Required And The Quality And Efficiency Of Lead Counsel’s Work Support The Fee Request..... 11

 4. The Contingent Nature Of The Action And Financial Burden Carried by Lead Counsel Weigh In Favor Of Awarding The Requested Fee 13

 5. A 25% Fee Award Is the Ninth Circuit’s Benchmark and Comparable to Awards In Similar Cases 14

 6. Lack of Opposition Supports Granting the Requested Fees 15

 7. A Lodestar Cross-Check Supports the Requested Fee 16

IV. LEAD COUNSEL’S EXPENSES ARE REASONABLE AND SHOULD BE APPROVED 19

V. LEAD PLAINTIFFS’ REIMBURSEMENT SHOULD BE APPROVED..... 19

VI. CONCLUSION..... 21

TABLE OF AUTHORITIES

Cases

Abadilla v. Precigen, Inc.,
2023 WL 7305053 (N.D. Cal. Nov. 6, 2023) 17

Bernstein v. Ginkgo Bioworks Holdings, Inc.,
2024 WL 5112227 (N.D. Cal. Dec. 13, 2024)..... 19

Boeing Co. v. Van Gemert,
444 U.S. 472 (1980)..... 4

Brown v. China Integrated Energy Inc.,
2016 WL 11757878 (C.D. Cal. July 22, 2016)..... 10

Chang v. Wells Fargo Bank, N.A.,
2023 WL 6961555 (N.D. Cal. Oct. 19, 2023)..... 7, 14, 20

Cheng Jiangchen v. Rentech, Inc.,
2019 WL 5173771 (C.D. Cal. Oct. 10, 2019)..... passim

Ching v. Siemens Indus., Inc.,
2014 WL 2926210 (N.D. Cal. June 27, 2014)..... 13

Destefano v. Zynga, Inc.,
2016 WL 537946 (N.D. Cal. Feb. 11, 2016) passim

Fleming v. Impax Labs., Inc.,
2022 WL 2789496 (N.D. Cal. July 15, 2022)..... 6, 18, 20

Grae v. Corrections Corp. of Am.,
2021 WL 5234966 (M.D. Tenn. Nov. 8, 2021) 14

Hanlon v. Chrysler Corp.,
150 F.3d 1011 (9th Cir. 1988) 5

Hatamian v. Advanced Micro Devices, Inc.,
2018 WL 8950656 (N.D. Cal. Mar. 2, 2018)..... 14, 16

Hayden v. Portola Pharms. Inc.,
2023 WL 2375242 (N.D. Cal. Mar. 6, 2023)..... 16, 19, 20

HCL Partners Ltd. P’ship v. Leap Wireless Int’l, Inc.,
2010 WL 4156342 (S.D. Cal. Oct. 15, 2010)..... 17

Hefler v. Wells Fargo & Co.,
2018 WL 6619983 (N.D. Cal. Dec. 18, 2018)..... 6, 9, 10, 18

1 *Hensley v. Eckerhart*,
 2 461 U.S. 424 (1983)..... 7

3 *Hunt v. Bloom Energy Corp.*,
 4 2024 WL 1995840 (N.D. Cal. May 6, 2024)..... 4

5 *In re Amgen Inc. Sec. Litig.*,
 6 2016 WL 10571773 (C.D. Cal. Oct. 25, 2016)..... 3, 16

7 *In re Apple Inc. Device Performance Litig.*,
 8 50 F.4th 769 (9th Cir. 2022) 4

9 *In re Banc of Calif. Sec Litig.*,
 10 2020 WL 1283486 (S.D. Cal. Mar. 16, 2020) 14

11 *In re BHP Billiton Ltd. Sec. Litig.*,
 12 2019 WL 1577313 (S.D.N.Y. Apr. 10, 2019)..... 15

13 *In re Bluetooth Headset Prod. Liab. Litig.*,
 14 654 F.3d 935 (9th Cir. 2011) 5

15 *In re Checking Account Overdraft Litig.*,
 16 830 F. Supp. 2d 1330 (S.D. Fla. 2011) 12

17 *In re FibroGen, Inc. Sec. Litig.*,
 18 No. 3:21-cv-02623-EMC, ECF No. 252 (N.D. Cal. Apr. 4, 2024)..... 18

19 *In re HD Supply Holdings, Inc. Sec. Litig.*,
 20 2020 WL 8572953 (N.D. Ga. July 21, 2020)..... 15

21 *In re Hi-Crush Partners L.P. Sec. Litig.*,
 22 2014 WL 7323417 (S.D.N.Y. Dec. 19, 2014) 5

23 *In re Immune Response Sec. Litig.*,
 24 497 F. Supp. 2d 1166 (S.D. Cal. 2007)..... 11

25 *In re Impinj, Inc. Sec. Litig.*, No.
 26 3:18-cv-05704, ECF No. 106 (W.D. Wash. Nov. 20, 2020) 14

27 *In re Ocean Power Techs., Inc.*,
 28 2016 WL 6778218 (D.N.J. Nov. 15, 2016) 12

In re Ocwen Fin. Corp. Sec. Litig.,
 No. 9:14-cv-81057, ECF No. 340 (S.D. Fla. Dec. 22, 2017)..... 15

In re Omnivision Techs.,
 559 F. Supp. 2d 1036 (N.D. Cal. 2008)..... 5, 7

In re Oracle Corp. Sec. Litig.,
 2009 WL 1709050 (N.D. Cal. June 16, 2009)..... 13

1 *In re Oracle Corp. Sec. Litig.*,
 2 627 F.3d 376 (9th Cir. 2010) 13

3 *In re QuantumScape Sec. Class Action*,
 4 2025 WL 353556 (N.D. Cal. Jan. 22, 2025) 3, 6, 14, 20

5 *In re Rayonier Inc. Sec. Litig.*,
 6 2017 WL 4542852 (M.D. Fla. Oct. 5, 2017) 15

7 *In re SanDisk LLC Secs. Litig.*,
 8 No. 3:15-cv-01455-VC, slip op. (N.D. Cal. Oct. 23, 2019)..... 14

9 *In re Silver Wheaton Corp. Sec. Litig.*,
 10 2020 WL 4581642 (C.D. Cal. Aug. 6, 2020)..... 3, 6, 14, 20

11 *In re Stable Road Acquisition Corp.*,
 12 2024 WL 3643393 (C.D. Cal. Apr. 23, 2024) passim

13 *In re Twitter Sec. Litig.*,
 14 No. 4:16-cv-05314-JST, ECF No. 664-1 (N.D. Cal. Oct. 13, 2022) 18

15 *In re Veeco Instruments Inc. Sec. Litig.*,
 16 2007 WL 4115808 (S.D.N.Y. Nov. 7, 2007)..... 16

17 *In re Volkswagen “Clean Diesel” Mktg. Sales Pracs., & Prods. Liab. Litig.*,
 18 2019 WL 2077847 (N.D. Cal. May 10, 2019)..... 3

19 *In re Wash. Pub. Power Supply Sys. Sec. Litig.*,
 20 19 F.3d 1291 (9th Cir. 1994) 5

21 *Leventhal v. Chegg, Inc.*,
 22 2022 WL 4099454 (N.D. Cal. Sept. 7, 2022) 11

23 *Marcus v. J.C. Penney Co., Inc.*,
 24 2017 WL 6590976 (E.D. Tex. Dec. 18, 2017)..... 15

25 *Marcus v. J.C. Penney Co., Inc.*,
 26 2018 WL 307024 (E.D. Tex. Jan. 4, 2018)..... 15

27 *McDermid v. Inovio Pharms., Inc.*,
 28 2023 WL 227355 (E.D. Pa. Jan. 18, 2023)..... 14

Oliveira v. Language Line Servs., Inc.,
 2025 WL 586589 (N.D. Cal. Feb. 24, 2025) 6, 17

Pardi v. Tricida, Inc.,
 2024 WL 4336627 (N.D. Cal. Sept. 27, 2024) 9

Plymouth Cnty. Ret. Sys. v. Patterson Cos., Inc.,
 2022 WL 2093054 (D. Minn. June 10, 2022)..... 14

1 *Pokorny v. Quixtar, Inc.*,
 2 2013 WL 3790896 (N.D. Cal. July 18, 2013)..... 7

3 *Purple Mountain Tr. v. Wells Fargo & Co.*,
 4 2023 WL 11872699 (N.D. Cal. Sept. 26, 2023) 15

5 *Rieckborn v. Velti PLC*,
 6 2015 WL 468329 (N.D. Cal. Feb. 3, 2015) 10

7 *Ryan v. Flowserve Corp.*,
 8 No. 3:03-cv-01769, ECF No. 954 (N.D. Tex. May 11, 2010)..... 15

9 *Schulein v. Petroleum Dev. Corp.*,
 10 2015 WL 12762256 (C.D. Cal. Mar. 16, 2015)..... 7

11 *Tellabs, Inc. v. Makor Issues & Rights, Ltd.*,
 12 551 U.S. 308 (2007)..... 5

13 *Vataj v. Johnson*,
 14 2021 WL 5161927 (N.D. Cal. Nov. 5, 2021) 8, 16, 17

15 *Vinh Nguyen v. Radient Pharm. Corp.*,
 16 2014 WL 1802293 (C.D. Cal. May 6, 2014) 6

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

19 *Wong v. Arlo Techs., Inc.*,
 20 2021 WL 1531171 (N.D. Cal. Apr. 19, 2021) 8

21 **Rules**

22 Fed. R. Civ. P. 23(h) vi, 4

23 **Statutes**

24 15 U.S.C. § 78u-4(a)(4) vii, 20

25

26

27

28

**NOTICE OF MOTION AND MOTION FOR AN AWARD OF ATTORNEYS' FEES
AND REIMBURSEMENT OF LITIGATION EXPENSES**

PLEASE TAKE NOTICE that, pursuant to Rule 23(h) of the Federal Rules of Civil Procedure and the Court's Modified Order Preliminarily Approving Settlement and Providing for Notice ("Preliminary Approval Order," ECF No. 192), on April 24, 2025, at 10:00 a.m., before the Honorable P. Casey Pitts, at the United States District Court for the Northern District of California, Courtroom 8, 4th Floor, 280 South First Street, San Jose, CA 95113, Lead Counsel Saxena White P.A. ("Saxena White") and Motley Rice LLC ("Motley Rice," and together with Saxena White, "Lead Counsel") will, and hereby do, move the Court for an Order awarding attorneys' fees and reimbursement of litigation expenses in the above-captioned securities class action (the "Action").¹

This motion is based on the following Memorandum of Law, the Joint Declaration and exhibits thereto, Lead Plaintiffs' accompanying Memorandum of Law in support of their Motion for Final Approval of Class Action Settlement and Approval of Plan of Allocation (the "Final Approval Memorandum," filed contemporaneously herewith); the Declaration of Kathleen Brauns Regarding (A) Mailing of the Notice Packet, (B) Publication of Summary Notice, (C) Report on Requests for Exclusion to Date (*see* "Brauns Decl.," Ex. C to the Joint Declaration); Lead Plaintiffs' Unopposed Motion for Preliminary Approval of Class Action Settlement and Memorandum of Points and Authorities in Support Thereof (ECF No. 189, "Preliminary Approval Memorandum"); the Stipulation; all prior pleadings, papers, and Orders in this Action; and such additional information or argument as may be required by the Court.

A proposed Order will be submitted with Lead Counsel's reply submission on or before April 10, 2025.

¹ Unless otherwise defined herein, all capitalized terms have the meanings set forth in the Stipulation and Agreement of Settlement ("Stipulation" or "Settlement Agreement," ECF No. 189-2) and the concurrently filed Joint Declaration of David R. Kaplan and Christopher F. Moriarty in Support of (I) Lead Plaintiffs' Motion for Final Approval of Class Action Settlement and Plan of Allocation, and (II) Lead Counsel's Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses ("Joint Declaration" or "Joint Decl."). Citations herein to "¶ ____" and "Ex. ____" refer, respectively, to paragraphs in, and exhibits to, the Joint Declaration. Unless otherwise noted, all emphasis is added and all internal quotation marks and citations are omitted.

STATEMENT OF ISSUES TO BE DECIDED

1
2 (1) Whether the Court should approve as fair and reasonable Lead Counsel’s
3 application for an award of attorneys’ fees in the amount of 25% of the Settlement Fund (i.e., the
4 Settlement Amount, plus interest earned thereon);

5 (2) Whether the Court should approve the request for reimbursement of \$261,602.23
6 in out-of-pocket litigation expenses incurred by Lead Counsel in this Action; and

7 (3) Whether the Court should approve the request for reimbursement of \$3,500 to KBC
8 Asset Management NV (“KBC”) and \$1,400 to Pompano Beach Police and Firefighters’
9 Retirement System (“Pompano P&F,” and together, with KBC, “Lead Plaintiffs”), for a total of
10 \$4,900, for costs incurred related to Lead Plaintiffs’ representation of the Settlement Class in this
11 Action, as authorized by the Private Securities Litigation Reform Act of 1995 (15 U.S.C. § 78u-
12 4(a)(4) (the “PSLRA”)).

1 MEMORANDUM OF LAW

2 I. INTRODUCTION

3 After three years of hard-fought litigation, working on a fully contingent basis and with no
4 guarantee of compensation, Lead Counsel secured a Settlement consisting of a cash fund of
5 \$55,000,000 on behalf of the Settlement Class. By any measure, the Settlement constitutes an
6 outstanding result. Among other things, it is over *five times* the national median recovery for
7 securities class action settlements between 2014-2022, nearly *seven times* the median recovery in
8 in the Ninth Circuit from 2014-2023, and would have ranked in the *top 20%* of all securities class
9 action settlements nationwide in 2023. This outstanding result for the Settlement Class was
10 achieved as a direct result of the extensive efforts and vigorous advocacy of Lead Counsel.

11 Beyond its size, the benefits of the \$55 million cash Settlement are clear when weighed
12 against the many legal and practical risks facing Lead Plaintiffs and the Settlement Class, including
13 the very real risk that they would recover significantly less—or nothing at all—had the litigation
14 continued. Defendants would have advanced vigorous challenges at class certification, summary
15 judgment, and trial on each of the core elements of the securities fraud claims at issue in this
16 Action. While Lead Plaintiffs and Lead Counsel believe they had compelling counterarguments
17 and, absent the Settlement, would have vigorously prosecuted this Action through trial and any
18 appeals, the Settlement Class nonetheless faced a significant risk that Defendants’ arguments
19 would have eliminated most or all of the alleged damages. And, even if Lead Plaintiffs prevailed
20 on all their counterarguments, the Settlement Class faced severe collectability risk. Given Chegg’s
21 precarious financial condition and uncertain future prospects, the most likely source of funds
22 available to fund any future judgment or settlement is a “wasting” directors-and-officers (“D&O”)
23 insurance policy that, had this Action continued, would have been steadily depleted. The
24 Settlement avoids the diversion of this critical source of funds to pay defense costs, rather than
25 compensating the Settlement Class.

26 Despite these considerable legal and practical risks, as well as the uncertainty inherent in
27 all complex securities litigation, Lead Counsel consistently committed significant amounts of time
28

1 and money to the vigorous prosecution of this Action for the benefit of the Settlement Class. From
2 the outset, Lead Counsel conducted an extraordinarily thorough investigation of the claims. Lead
3 Counsel's investigation encompassed interviews of scores of university professors, deans, and
4 other faculty; interviews of numerous former Chegg employees; review and analysis of substantial
5 document productions made by several of the nation's most renowned institutions of higher
6 learning in response to public records requests; a comprehensive empirical analysis of Chegg's
7 online platform and archived data; extensive consultation with industry and financial experts;
8 review and analysis of Chegg's public SEC filings, conference call transcripts, and other public
9 statements; and review and analysis of securities analyst reports, news reports, social media, and
10 industry publications.

11 Based on this thorough investigation, Lead Counsel: (a) prepared a particularized 126-
12 page Complaint to meet the exacting standards of the PSLRA and Fed. R. Civ. P. 9(b); (b)
13 successfully opposed Defendants' Motion to Dismiss the Complaint, and their subsequent Motion
14 for Reconsideration; and (c) conducted substantial and meaningful discovery from Defendants and
15 numerous non-parties. These extensive efforts prompted Defendants to engage in
16 mediation/settlement discussions with Lead Plaintiffs at a critical juncture in the case under the
17 oversight of the Hon. Layn Phillips (Fmr.), a nationally renowned mediator of complex securities
18 litigation, and two of his esteemed colleagues—which involved the preparation of detailed
19 mediation statements accompanied by voluminous evidentiary support, responding to Defendants'
20 equally detailed submissions. Ultimately, Lead Counsel's skill and perseverance resulted in the
21 Parties' acceptance of Judge Phillips' mediator's recommendation to settle the Action for \$55
22 million in cash—an excellent result for the Settlement Class representing nearly all of Chegg's
23 D&O insurance.

24 Considering the outstanding recovery and the significant efforts undertaken in achieving
25 it, Lead Counsel respectfully requests a fee award of 25% of the Settlement Fund. The requested
26 award seeks no enhancement to the Ninth Circuit's benchmark rate, and is squarely in line with
27 the fee awards in this District, elsewhere in the Ninth Circuit, and across the nation in similar
28

1 complex securities fraud class action settlements. *See, e.g., In re QuantumScape Sec. Class Action*,
2 2025 WL 353556, at *5 (N.D. Cal. Jan. 22, 2025) (awarding 30% of \$47.5 million settlement); *In*
3 *re Volkswagen “Clean Diesel” Mktg. Sales Pracs., & Prods. Liab. Litig.*, 2019 WL 2077847, at
4 *4 (N.D. Cal. May 10, 2019) (granting 25% fee from \$48 million settlement); *In re Silver Wheaton*
5 *Corp. Sec. Litig.*, 2020 WL 4581642, at *4 (C.D. Cal. Aug. 6, 2020) (awarding 30% fees of \$41.5
6 million recovery).

7 Not only is Lead Counsel’s request consistent with the Ninth Circuit benchmark, *see In re*
8 *Amgen Inc. Sec. Litig.*, 2016 WL 10571773, at *9 (C.D. Cal. Oct. 25, 2016) (finding benchmark
9 25% award on \$95 million settlement in securities class action was “below the range allowed in
10 similar cases”) (collecting cases), but a lodestar cross-check further confirms the reasonableness
11 of the request. Specifically, the requested fee equates to a modest lodestar multiplier of 1.4, which
12 is at “the lower end of the Ninth Circuit’s scale.” *Destefano v. Zynga, Inc.*, 2016 WL 537946, at
13 *21 (N.D. Cal. Feb. 11, 2016) (granting class counsel’s fee request and noting that the 1.7
14 multiplier was “towards the lower end of the Ninth Circuit’s scale”); *see also Vizcaino v. Microsoft*
15 *Corp.*, 290 F.3d 1043, 1051-52 (9th Cir. 2002) (affirming 3.65 lodestar multiplier and citing
16 numerous examples of higher multipliers).

17 The endorsement of the Settlement Class also weighs heavily in support of the requested
18 fee award. First, Lead Plaintiffs—two sophisticated institutional investors who have actively
19 supervised this Action from its inception—fully endorse Lead Counsel’s fee request. Second, to
20 date, not a single objection to the fee request (or any other aspect of the Settlement) has been filed
21 by any Settlement Class Member, which is particularly significant given that approximately 90%
22 of the Settlement Class consists of institutional investors with fiduciary responsibilities to their
23 clients. *See, e.g., Zynga*, 2016 WL 537946, at *18 (holding that “the lack of objection by any
24 Class Members also supports the 25 percent fee award”).

25 Lead Counsel also request reimbursement of \$261,602.23 in litigation expenses. This
26 amount is reasonable and well within that typically expended by class counsel and reimbursed by
27 courts in similar cases. *See infra* § IV. The requested service awards of \$3,500 and \$1,400 for
28

1 Lead Plaintiffs KBC and Pompano P&F, respectively, are also modest, in-line with or substantially
 2 below similar requests routinely awarded in securities class actions, and are expressly
 3 contemplated by the PSLRA. *See infra* § V.

4 For the reasons detailed below, in the Final Approval Memorandum, and in the Joint
 5 Declaration, Lead Plaintiffs and Lead Counsel respectfully request approval of this Motion.

6 **II. FACTUAL AND PROCEDURAL HISTORY OF THE LITIGATION**

7 Lead Counsel respectfully refer the Court to the accompanying Joint Declaration for a
 8 detailed description of Lead Plaintiffs’ allegations, the procedural history, efforts of counsel, risks
 9 of proceeding with the Litigation, and the Settlement. Relevant history and facts are also set out
 10 in Lead Plaintiffs’ Preliminary Approval and Final Approval Memoranda, incorporated by
 11 reference. *See* Northern District of California Procedural Guidance for Class Action Settlements
 12 (“Guidelines”), Final Approval, § 2 (“If the plaintiffs choose to file two separate motions, they
 13 should not repeat the case history and background facts in both motions. The motion for attorneys’
 14 fees should refer to the history and facts set out in the motion for final approval.”).²

15 **III. THE COURT SHOULD APPROVE LEAD COUNSEL’S FEE REQUEST**

16 **A. Lead Counsel Are Entitled To A Common Fund Fee Award**

17 It is well-settled that Lead Counsel are “entitled to an award of reasonable attorneys’ fees
 18 and reimbursement of litigation expenses from the common fund they created for the benefit of a
 19 class.” *Hunt v. Bloom Energy Corp.*, 2024 WL 1995840, at *7 (N.D. Cal. May 6, 2024) (citing
 20 Fed. R. Civ. P. 23(h)); *see also Boeing Co. v. Van Gemert*, 444 U.S. 472, 478 (1980) (“a litigant
 21 or a lawyer who recovers a common fund for the benefit of persons other than himself or his client
 22 is entitled to a reasonable attorney’s fee from the fund as a whole”). Indeed, the Ninth Circuit has
 23 held that “a private plaintiff, or his attorney, whose efforts create, discover, increase or preserve
 24 a fund to which others also have a claim is entitled to recover from the fund the costs of his
 25 litigation, including attorneys’ fees.” *In re Apple Inc. Device Performance Litig.*, 50 F.4th 769,
 26

27
 28 ² The Guidelines may be accessed at <http://www.cand.uscourts.gov/forms/procedural-guidance-for-class-action-settlements/> (last visited Feb. 27, 2025).

1 785 (9th Cir. 2022). The purpose of the common fund doctrine is to adequately compensate class
2 counsel for services rendered and to ensure that all class members contribute equally towards the
3 costs associated with the litigation. *See Hunt*, 2024 WL 1995840, at *7 (directing “those who
4 benefit from the creation of the fund [to] share the wealth with the lawyers whose skill and effort
5 helped create it”) (quoting *In re Wash. Pub. Power Supply Sys. Sec. Litig.*, 19 F.3d 1291, 1300 (9th
6 Cir. 1994) (alternation in original)).

7 Moreover, courts have “‘recognized that, in addition to providing just compensation,
8 awards of attorneys’ fees from a common fund serve to encourage skilled counsel to represent
9 those who seek redress for damages inflicted on entire classes of persons, and to discourage future
10 misconduct of a similar nature.’” *In re Hi-Crush Partners L.P. Sec. Litig.*, 2014 WL 7323417, at
11 *17 n.15 (S.D.N.Y. Dec. 19, 2014). Indeed, the Supreme Court has stated that securities class
12 actions such as this one are “an essential supplement to . . . civil enforcement actions” brought by
13 the SEC. *Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 551 U.S. 308, 313 (2007).

14 **B. The Court Should Calculate The Fee As A Percentage Of The Common Fund**

15 The Ninth Circuit has consistently approved the use of the percentage-of-recovery method
16 in common fund cases. *See Vizcaino*, 290 F.3d at 1050 (holding that “the primary basis of the fee
17 award remains the percentage method”); *Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1029 (9th Cir.
18 1988) (noting the district court’s “discretion to use either a percentage or lodestar method” in
19 “‘common-fund’ cases where the settlement or award creates a large fund for distribution to the
20 class”). Indeed, the percentage method “is typically used where attorney’s fees will be paid out of
21 a common fund.” *Cheng Jiangchen v. Rentech, Inc.*, 2019 WL 5173771, at *5 (C.D. Cal. Oct. 10,
22 2019); *see also In re Omnivision Techs.*, 559 F. Supp. 2d 1036, 1046 (N.D. Cal. 2008) (the “use
23 of the percentage method in common fund cases appears to be dominant”).

24 This percentage method is particularly appropriate in common fund cases where, as here,
25 “the benefit to the class is easily quantified.” *In re Bluetooth Headset Prod. Liab. Litig.*, 654 F.3d
26 935, 942 (9th Cir. 2011). “‘Because the benefit to the class is easily quantified in common-fund
27 settlements,’ [] the Ninth Circuit . . . permit[s] courts ‘to award attorneys a percentage of the
28

1 common fund in lieu of the often more time-consuming task of calculating the lodestar.” *Oliveira*
2 *v. Language Line Servs., Inc.*, 2025 WL 586589, at *4 (N.D. Cal. Feb. 24, 2025) (citing *Bluetooth*
3 at 941) (Pitts, J.). As courts have explained, “[t]here are significant benefits to the percentage
4 approach, including consistency with contingency fee calculations in the private market, aligning
5 the lawyers’ interests with achieving the highest award for the class members, and reducing the
6 burden on the courts that a complex lodestar calculation requires.” *Vinh Nguyen v. Radiant Pharm.*
7 *Corp.*, 2014 WL 1802293, at *9 (C.D. Cal. May 6, 2014). Moreover, “application of the
8 percentage-of-the-fund method is consistent with the PSLRA, which provides that “[t]otal
9 attorneys’ fees and expenses awarded by the court to counsel for the plaintiff class shall not exceed
10 a *reasonable percentage* of the amount’ recovered for the class.” *In re Stable Road Acquisition*
11 *Corp.*, 2024 WL 3643393, at *11 (C.D. Cal. Apr. 23, 2024) (citing 15 U.S.C. § 78u-4(a)(6) and
12 noting “the near-universal adoption of the percentage method in securities cases” (alteration and
13 italics in original)).

14 **C. The Relevant Factors Support the 25% Fee Request**

15 “For more than two decades, the Ninth Circuit has set the benchmark for an attorneys’ fee
16 award in a successful class action [at] twenty-five percent of the entire common fund.” *Hefler v.*
17 *Wells Fargo & Co.*, 2018 WL 6619983, at *12 (N.D. Cal. Dec. 18, 2018). In many instances,
18 courts within this Circuit (including this Court) award fees greater than the benchmark. *See, e.g.*,
19 *Oliveira*, 2025 WL 586589, at *10-11 (finding “reasonable” “an award of 30% of the common
20 fund”) (Pitts, J.); *In re QuantumScape*, 2025 WL 353556, at *6 (awarding 30% of \$47.5 million
21 settlement as it is “consistent with awards in similar cases within the Ninth Circuit”); *In re Silver*
22 *Wheaton*, 2020 WL 4581642, at *4 (awarding 30% fees of \$41.5 million recovery); *Fleming v.*
23 *Impax Labs., Inc.*, 2022 WL 2789496, at *8-9 (N.D. Cal. July 15, 2022) (awarding 30% fees of
24 \$33 million settlement). Here, Lead Counsel do not request any enhancement to the Ninth
25 Circuit’s benchmark. The fee request is therefore presumptively reasonable and squarely within
26 the range of percentages courts in this Circuit award in similar securities fraud class action
27 settlements.

1 Moreover, the attorneys’ fee request is fair and reasonable when one considers the relevant
2 factors, including: (i) the results achieved; (ii) the risk of litigation; (iii) the skill required and the
3 quality of work; (iv) the contingent nature of the fee and the financial burden carried; and (v)
4 awards made in similar actions. *Vizcaino*, 290 F.3d at 1048-50. The Ninth Circuit has explained
5 that these factors should not be used as a rigid checklist or weighed individually, but, rather, should
6 be evaluated in light of the totality of the circumstances. *Id.* As set forth below, all of the *Vizcaino*
7 factors favor approving the requested fee.³

8 1. The Results Achieved Support The Fee Request

9 The result achieved by counsel is a significant—if not the most important—factor in
10 considering an attorneys’ fee request. *See Hensley v. Eckerhart*, 461 U.S. 424, 436 (1983) (stating
11 that the “most critical factor is the degree of success obtained”); *Chang v. Wells Fargo Bank, N.A.*,
12 2023 WL 6961555, at *7 (N.D. Cal. Oct. 19, 2023) (“The touchstone for determining the
13 reasonableness of attorneys’ fees in a class action is the benefit to the class.”) (quoting *Lowery v.*
14 *Rhapsody Int’l, Inc.*, 69 F.4th 994, 997 (9th Cir. 2023)).

15 As discussed, the result achieved—the creation of a \$55 million settlement fund—is an
16 outstanding result for the Settlement Class that will provide Settlement Class Members with an
17 immediate cash recovery, while avoiding the substantial expense, delay, risk, and uncertainty of
18 continued litigation.

19 Quantitatively, the \$55 million Settlement Amount is an excellent result. Measured by
20 size, the \$55 million Settlement Amount is nearly *four times* the median recovery of \$14 to \$15
21 million for securities class action settlements in 2023 and 2024, over *five times* the approximately
22
23
24

25 ³ Of note, while a 25% fee is the “benchmark” in the Ninth Circuit, courts have observed that, in
26 “most common fund cases, the award *exceeds* that benchmark,” with a 30% fee the norm “absent
27 extraordinary circumstances that suggest reasons to lower or increase the percentage.”
28 *Omnivision*, 559 F. Supp. 2d at 1047-48 (awarding a 28% fee); *accord Rentech, Inc.*, 2019 WL 5173771, at *9 (awarding 33.3% fee); *Schulein v. Petroleum Dev. Corp.*, 2015 WL 12762256, at *1 (C.D. Cal. Mar. 16, 2015) (awarding 30% fee); *Pokorny v. Quixtar, Inc.*, 2013 WL 3790896, at *1 (N.D. Cal. July 18, 2013) (awarding 27.3% fee).

1 \$10 million median recovery for securities class action settlements between 2014-2022,⁴ and
 2 nearly *seven times* the \$9 million median recovery in securities class action settlements in the
 3 Ninth Circuit from 2014 through 2023.⁵ In fact, the \$55 million Settlement Amount would have
 4 ranked in the *top 20%* of all securities class action settlements in 2023, and the *top 15%* of all
 5 securities class action settlements between 2014-2022.⁶

6 The Settlement is also an excellent result measured in percentage terms. Lead Plaintiffs’
 7 financial expert calculated realistic damages ranging from \$893 million to \$1.435 billion.⁷ Thus,
 8 based on Lead Plaintiffs’ experts’ calculations, the Settlement Amount represents a recovery of
 9 4% to 6% of Lead Plaintiffs’ potential recoverable damages. This is approximately *2-3 times* the
 10 median percentage recovery in similar cases with potential damages of \$1 billion or more,⁸ and in-
 11 line with—or above—the percentage recovery achieved in other approved settlements in this
 12 District and elsewhere in the Ninth Circuit. *See, e.g., Wong v. Arlo Techs., Inc.*, 2021 WL 1531171,
 13 at *9, *11 (N.D. Cal. Apr. 19, 2021) (granting 25% fee award where recovery was 2.35% of the
 14 total damages); *Vataj v. Johnson*, 2021 WL 5161927, at *9 (N.D. Cal. Nov. 5, 2021) (granting
 15 25% fee award where settlement was “consistent with the 2–3% average recovery . . . in other
 16 securities class action settlements”).

17 2. The Litigation Was Risky And Complex

18 “The risk that further litigation might result in Plaintiffs not recovering at all, particularly
 19 a case involving complicated legal issues, is a significant factor in the award of fees.” *Rentech*,
 20 2019 WL 5173771, at *9. This risk can be based on litigation uncertainties, the “collectability of
 21

22
 23 ⁴ NERA, *Recent Trends in Securities Class Action Litigation: 2024 Full-Year Review*, at 22-23
 and Figure 22 (Jan. 22, 2025) (Joint Decl. at Ex. G, “NERA Report”).

24 ⁵ *See* Cornerstone Research, *Securities Class Action Settlements, 2023 Review and Analysis*, at 4,
 20 (March 2024) (Joint Decl. at Ex. F, “Cornerstone Report”).

25 ⁶ *Id.*

26 ⁷ Declaration of Matthew D. Cain, Ph.D. Regarding Calculation of Settlement Class’s Estimated
 Damages, ECF No. 189-3 at ¶¶ 6, 17; *see also* Joint Decl., ¶ 83.

27 ⁸ *See* Cornerstone Report at 6 (finding that the median recovery for settlements in 2023 with over
 28 \$1 billion in damages was 2.0%, and noting the figure was only slightly higher (2.6%) from 2014
 to 2022).

1 any judgment achieved,” or both. *Zynga*, 2016 WL 537946, at *17. While courts have always
2 recognized that securities class actions carry significant risks, post-PSLRA rulings make it clear
3 that the risk of no recovery has increased significantly based on industry and legal trends.⁹ *See*,
4 *e.g.*, *Hefler*, 2018 WL 6619983, at *13 (recognizing “that, in general, securities actions are highly
5 complex and that securities class litigation is notably difficult and notoriously uncertain”). This
6 Action was no exception.

7 This Action presented many hotly contested issues of both fact and law and Defendants
8 presented formidable defenses to both liability and damages. Indeed, throughout the litigation and
9 settlement negotiations, Defendants adamantly denied liability and asserted various defenses to
10 the elements of falsity, scienter, and loss causation—the core of Lead Plaintiffs’ securities fraud
11 claims. *See Zynga*, 2016 WL 537946, at *17 (“[T]he risks associated with this case were
12 substantial given the challenges of obtaining class certification and establishing the falsity of the
13 misrepresentations and loss causation.”). Looking ahead, Defendants would have mounted a
14 vigorous opposition to class certification, an increasingly contested issue in securities fraud class
15 actions. *See Pardi v. Tricida, Inc.*, 2024 WL 4336627, at *7 (N.D. Cal. Sept. 27, 2024) (explaining
16 that, given recent developments in case law, class certification in securities actions “could require
17 essentially a mini-trial . . . in advance of a full trial regarding the actual merits”). In addition,
18 Defendants would have challenged Lead Plaintiffs’ damage calculations. Any one of the foregoing
19 issues, if they were decided in Defendants’ favor, could have ended Lead Plaintiffs’ case or
20 severely restricted any prospects for recovery.

21 Lead Plaintiffs also recognize that evidence produced in discovery would be susceptible to
22 different interpretations, including by industry and financial experts, meaning that continued
23 litigation would lead to a difficult and contested “battle of the experts.” Key issues in these expert
24 battles would be whether Chegg’s stock price was “impacted” by the alleged false and misleading
25 statements; what amount of the stock price movement was attributable to the fraud (versus market
26

27
28 ⁹ Indeed, over half of all securities class actions are dismissed at the pleading stage. *See* NERA
Report at 17, fig. 15.

1 and industry forces); whether Chegg’s user data and usage rates were indicative of increased
2 cheating during the Class Period; the reasons for Chegg’s decline in subscriber growth; and the
3 calculation of damages—including reductions for any “confounding” news. The Court or the jury
4 might not agree with Lead Plaintiffs’ experts that the evidence demonstrated that Defendants made
5 materially false and misleading statements that caused the Settlement Class’s loss. *See Brown v.*
6 *China Integrated Energy Inc.*, 2016 WL 11757878, at *11 (C.D. Cal. July 22, 2016) (“Plaintiffs
7 acknowledge that much of their evidence would have been expert witness testimony that may not
8 have been credited by the factfinder . . . and they may have difficulty collecting any judgment they
9 might obtain against Defendants” meaning “the high risks associated with this litigation weigh in
10 favor of awarding Lead Counsel’s requested fee.”). And, even if successful at trial, Lead Plaintiffs
11 would still face the risk of an unfavorable ruling in a dispositive post-trial motion or a reversal on
12 appeal. *See Hefler*, 2018 WL 6619983, at *13 (noting that because “any victory in this Court
13 would almost certainly have had to be defended on appeal as well,” this factor supported fee
14 request).

15 Additionally, due to the Company’s precarious financial condition, uncertain future, and
16 the magnitude of alleged damages, it was a near certainty that Chegg would have *no* ability to
17 withstand a full adverse judgment. Indeed, the \$55 million settlement amount represented over
18 *twelve times* the Company’s net cash on hand at the time the Settlement was reached—and nearly
19 *one-third its entire market capitalization*. Joint Decl., ¶ 11. Moreover, on that same date,
20 Chegg’s stock price traded (and continues to trade) between \$1-2 per share—a tiny fraction of the
21 over \$113 per share heights reached during the Class Period. This critical ability-to-pay issue
22 placed an additional layer of uncertainty on the Settlement Class’s ability to recover on its claims.
23 *See Rieckborn v. Velti PLC*, 2015 WL 468329, at *21 (N.D. Cal. Feb. 3, 2015) (finding company’s
24 “precarious financial condition . . . highlight[ed] the considerable risk involved in litigating this
25 action on a contingent fee basis, and the skill required to perform such work”); *Rentech*, 2019 WL
26 5173771, at *9 (approving 33% fee award because “the uncertainty of Rentech’s future” meant
27 “continued litigation presented a high risk for Plaintiffs,” and the “obstacles to obtaining
28

1 compensation even in the event of a judgment in their favor” meant this “factor also supports Lead
2 Counsel’s fee request”).

3 In sum, substantial risks and uncertainties made it far from certain that any recovery, let
4 alone a \$55 million recovery, would ultimately be obtained. Accordingly, this factor strongly
5 supports the requested fee award. *See, e.g., Zynga*, 2016 WL 537946, at *17 (approving
6 benchmark award where “Lead Counsel understood . . . there would always be an issue as to
7 collectability”); *In re Immune Response Sec. Litig.*, 497 F. Supp. 2d 1166, 1176 (S.D. Cal. 2007)
8 (finding “the risk that the funds available for a judgment would be depleted due to litigation
9 expenses” supported benchmark fee award).

10 **3. The Skill Required And The Quality And Efficiency Of Lead 11 Counsel’s Work Support The Fee Request**

12 In determining a reasonable fee, courts often consider the quality of the work performed
13 and the skill required in the action. “The prosecution and management of a complex national class
14 action requires unique legal skills and abilities. This is particularly true in securities cases because
15 the Private Securities Litigation Reform Act makes it much more difficult for securities plaintiffs
16 to get past a motion to dismiss.” *Rentech*, 2019 WL 5173771, at *10.

17 Here, as Judge Davila recognized in appointing Saxena White and Motley Rice as lead
18 counsel, the firms are “are both highly qualified and experienced in securities class litigation.”
19 *Leventhal v. Chegg, Inc.*, 2022 WL 4099454, at *4 (N.D. Cal. Sept. 7, 2022); ECF No. 105 at 7
20 (citing Lead Counsel’s past successful recoveries).¹⁰ Lead Counsel’s experience and expertise
21 allowed them to effectively: (a) conduct a comprehensive pre-filing investigation and then draft a
22 detailed 126-page Complaint that satisfied the PSLRA’s exacting pleading standards; (b) identify
23 the myriad complex issues involved in this Action and then propound multiple sets of document
24 and written discovery on Defendants and non-parties focused on those and other relevant issues;
25 (c) successfully oppose Defendants’ Motion to Dismiss the Complaint and subsequent Motion for

26
27 ¹⁰ Lead Counsel’s substantial experience and achievements in the field of complex securities and
28 shareholder litigation is detailed in their respective firm resumes, attached as Exhibit 6 to the
Motley Rice Fee Decl. and Exhibit 4 to the Saxena White Fee Decl.

1 Reconsideration; (d) formulate strategies to effectively prosecute the Action and leverage a large
2 and prompt recovery; and (e) negotiate a favorable settlement at the optimal time for the Settlement
3 Class. *See Zynga*, 2016 WL 537946, at *17 (“Here, Lead Counsel engaged in significant pre-filing
4 investigation, shepherded this case past [] motions to dismiss and a motion for reconsideration,
5 and reached a settlement quickly before expending resources that would otherwise have gone to
6 the Class after further litigation” and finding “the skill required and quality of work performed
7 supports the fee award sought.”); *In re Checking Account Overdraft Litig.*, 830 F. Supp. 2d 1330,
8 1359 (S.D. Fla. 2011) (“Class Counsel took on a great deal of risk . . . and turned a potentially
9 empty well into a significant [recovery]. That kind of initiative and skill must be adequately
10 compensated to insure that counsel of this caliber is available to undertake these kinds of risky but
11 important cases in the future.”).

12 “The quality of opposing counsel is also relevant to the quality and skill that class counsel
13 provided.” *Zynga*, 2016 WL 537946, at *17; *see also Rentech*, 2019 WL 5173771, at *10 (finding
14 “requested fee” supported because “Lead Counsel faced a vigorous defense” from “a respected
15 national law firm”). Here, Defendants were primarily represented by Cooley LLP (“Cooley”), a
16 global law firm with approximately 1,300 attorneys and 19 offices worldwide—including over
17 100 lawyers focused on securities litigation—with a well-deserved reputation for vigorous
18 advocacy in the defense of complex civil cases.¹¹ *See In re Ocean Power Techs., Inc.*, 2016 WL
19 6778218, at *28 (D.N.J. Nov. 15, 2016) (“Here, Defendants were represented by . . . Cooley
20 LLP . . . [a] prominent law firm[] with substantial experience in securities class actions,” and the
21 “fact that Plaintiff’s Counsel achieved this Settlement for the Class in the face of such formidable
22 legal opposition further evidences the quality of their work.”). In the face of this capable
23 adversary, Lead Counsel was able to advance the securities fraud claims through dispositive
24 motions—which included a hotly contested, over an hour-long hearing on Defendants’ motion to
25

26
27 ¹¹ *See* www.cooley.com/about; *see also* Vault, *2024 Vault Law 100*, [https://vault.com/best-](https://vault.com/best-companies-to-work-for/law/top-100-law-firms-rankings#rankings-group-2)
28 [companies-to-work-for/law/top-100-law-firms-rankings#rankings-group-2](https://vault.com/best-companies-to-work-for/law/top-100-law-firms-rankings#rankings-group-2) (ranking Cooley as the
24th most prestigious law firm in the United States).

1 dismiss—and secure a significant recovery for the Settlement Class. Those facts further support
2 Lead Counsel’s fee request.

3 **4. The Contingent Nature Of The Action And Financial Burden Carried**
4 **by Lead Counsel Weigh In Favor Of Awarding The Requested Fee**

5 Lead Counsel also undertook this Action on an entirely contingent basis and litigated the
6 claims with no guarantee of compensation or reimbursement of expenses. Courts have recognized
7 that such representation serves the public interest and that class counsel in such cases may be
8 appropriately compensated with an enhanced fee. *See Zynga*, 2016 WL 537946, at *18 (noting
9 that “when counsel takes on a contingency fee case and the litigation is protracted, the risk of non-
10 payment after years of litigation justifies a significant fee award”); *Ching v. Siemens Indus., Inc.*,
11 2014 WL 2926210, at *8 (N.D. Cal. June 27, 2014) (granting “enhanced fee” to compensate class
12 counsel “for the risk that they might be paid nothing at all for their work”). Further, the
13 “importance of assuring adequate representation for plaintiffs who could not otherwise afford
14 competent attorneys justifies providing those attorneys who do accept matters on a contingent-fee
15 basis a larger fee than if they were billing by the hour or on a flat fee.” *Rentech*, 2019 WL
16 5173771, at *10.

17 Although Lead Counsel successfully opposed Defendants’ efforts to dismiss the case at the
18 pleading stage, there was no guarantee that the Settlement Class would overcome the multitude of
19 other risks attendant to class certification, summary judgment, trial, and potential appeals—no
20 matter how much time and effort they devoted to the case. *See, e.g., In re Oracle Corp. Sec. Litig.*,
21 2009 WL 1709050 (N.D. Cal. June 16, 2009), *aff’d*, 627 F.3d 376 (9th Cir. 2010) (affirming
22 summary judgment in favor of defendants after eight years of litigation, and after class counsel
23 incurred over \$6 million in expenses, and accrued over 100,000 hours of lodestar).

24 Unlike counsel for Defendants, who were likely paid and reimbursed for their fees and
25 expenses on an ongoing basis, Lead Counsel have not received any compensation for their efforts
26 over the course of the Action. Lead Counsel have invested over 13,110 hours of work in this
27 Action, equating to a total lodestar of \$9,811,027.75, and advanced expenses of \$261,602.23,
28 knowing that if their efforts were not successful, they would recover no fees for their time or any

1 reimbursement for their reasonable litigation expenses. *See* Joint Decl. ¶¶ 108, 120. Courts within
2 the Ninth Circuit have consistently recognized that “the risk of non-payment after years of
3 litigation justifies a significant fee award.” *Zynga*, 2016 WL 537946, at *18 (finding “over \$3
4 million in time worked on the matter all with the possibility of little to no recovery” supported the
5 requested 25% benchmark fee); *Chang*, 2023 WL 6961555, at *7 (“The risk that counsel took in
6 litigating this case on a contingency basis for the last few years weighs in favor of a substantial
7 attorneys’ fee award.”). And, substantial additional work will be required of Lead Counsel going
8 forward (in implementing the Settlement and overseeing claims administration and distribution of
9 Settlement funds)—work that will not be compensated beyond Lead Counsel’s existing fee
10 request.

11 **5. A 25% Fee Award Is the Ninth Circuit’s Benchmark and Comparable**
12 **to Awards In Similar Cases**

13 As discussed in § III.C. above, the Ninth Circuit has established a 25% fee—the amount
14 requested by Lead Counsel here—as a benchmark. Fee awards of 25% or more are routinely
15 awarded in similar securities class action settlements in this District and throughout the Ninth
16 Circuit. *See, e.g., Vizcaino*, 290 F.3d at 1050-51 (affirming award of 28% of \$97 million
17 settlement, representing a 3.65 multiplier); *In re QuantumScape*, 2025 WL 353556, at *5
18 (awarding 30% of \$47.5 million settlement fund); *In re SanDisk LLC Secs. Litig.*, No. 3:15-cv-
19 01455-VC, slip op. (N.D. Cal. Oct. 23, 2019), ECF No. 284 (awarding 25% of \$50 million
20 settlement fund); *Hatamian v. Advanced Micro Devices, Inc.*, 2018 WL 8950656, at *1 (N.D.
21 Cal. Mar. 2, 2018) (awarding 25% of \$29.5 million settlement fund); *In re Silver Wheaton*, 2020
22 WL 4581642, at *4 (awarding 30% of \$41.5 million settlement); *In re Impinj, Inc. Sec. Litig.*, No.
23 3:18-cv-05704, ECF No. 106 at 1 (W.D. Wash. Nov. 20, 2020) (awarding 25% fees on a \$20
24 million settlement); *In re Banc of Calif. Sec Litig.*, 2020 WL 1283486, at *1 (S.D. Cal. Mar. 16,
25 2020) (awarding 33% of \$19,750,000 settlement fund).

26 In addition, the 25% fee requested in this Action is consistent with fee decisions in
27 comparable cases decided around the country. *See, e.g., McDermid v. Inovio Pharms., Inc.*, 2023
28 WL 227355, at *11-13 (E.D. Pa. Jan. 18, 2023) (awarding 27.5% of \$44 million settlement);

1 *Plymouth Cnty. Ret. Sys. v. Patterson Cos., Inc.*, 2022 WL 2093054, at *1 (D. Minn. June 10,
2 2022) (awarding 33.3% of \$63 million settlement); *Grae v. Corrections Corp. of Am.*, 2021 WL
3 5234966, at *1 (M.D. Tenn. Nov. 8, 2021) (awarding 33.3% of \$56 million settlement); *In re HD*
4 *Supply Holdings, Inc. Sec. Litig.*, 2020 WL 8572953, at *1 (N.D. Ga. July 21, 2020) (awarding
5 30% of \$50 million settlement); *In re BHP Billiton Ltd. Sec. Litig.*, 2019 WL 1577313, at *1
6 (S.D.N.Y. Apr. 10, 2019) (same); *In re Ocwen Fin. Corp. Sec. Litig.*, No. 9:14-cv-81057, ECF No.
7 340 at 2 (S.D. Fla. Dec. 22, 2017) (awarding 25% fees on a \$56 million settlement); *In re Rayonier*
8 *Inc. Sec. Litig.*, 2017 WL 4542852, at *3 (M.D. Fla. Oct. 5, 2017) (awarding 30% of \$73 million
9 settlement); *Marcus v. J.C. Penney Co., Inc.*, 2017 WL 6590976, at *6 (E.D. Tex. Dec. 18, 2017),
10 *report and recommendation adopted*, 2018 WL 307024 (E.D. Tex. Jan. 4, 2018) (awarding 30%
11 of \$97.5 million settlement in fees and noting “[i]t is not unusual for attorneys’ fees awarded under
12 the percentage method to range between 25% to 30% of the fund or more”); *Ryan v. Flowserve*
13 *Corp.*, No. 3:03-cv-01769, ECF No. 954 at 1-2 (N.D. Tex. May 11, 2010) (awarding 25% fees on
14 \$55 million settlement).

15 Accordingly, the fee request is squarely within the range of percentages awarded by courts
16 in this Circuit and elsewhere in similar complex securities class action cases, and is fair and
17 reasonable given the extensive efforts and extraordinary result obtained by Lead Counsel in the
18 face of significant litigation risks and practical risks.

19 **6. Lack of Opposition Supports Granting the Requested Fees**

20 Courts in the Ninth Circuit also consider the reaction of the class when deciding whether
21 to award the requested fee, and frequently find that a lack of objections supports the requested fee
22 award. *See, e.g., Purple Mountain Tr. v. Wells Fargo & Co.*, 2023 WL 11872699, at *5 (N.D. Cal.
23 Sept. 26, 2023) (finding “no objections to the fees or expenses . . . by Class Members” supported
24 fee request); *Stable Rd.*, 2024 WL 3643393, at *14 (noting fact that ““only one objection to the fee
25 request was received is powerful evidence that the requested fee is fair and reasonable.””); *accord*
26 *Guidelines, Final Approval, § 1.*

1 The Court-approved Notice advised potential Settlement Class Members that Lead Counsel
2 would be requesting an award of attorneys' fees not to exceed 25% of the Settlement Fund and
3 reimbursement of out-of-pocket expenses not to exceed \$490,000, plus interest earned at the same
4 rate as the Settlement Fund. As of this filing, not a single objection to counsel's fee and expense
5 request has been received, which strongly supports the fee request. *See Zynga*, 2016 WL 537946,
6 at *18 (finding that "the lack of objection by any Class Members also supports the 25 percent fee
7 award").¹²

8 Lead Plaintiffs' endorsement of the fee request further supports its approval. *See Joint*
9 *Decl. at Exs. A and B; see also Hatamian*, 2018 WL 8950656, at *2 (approving fee where request
10 was "reviewed and approved as fair and reasonable by Class Representatives [including KBC],
11 sophisticated institutional investors"); *In re Veeco Instruments Inc. Sec. Litig.*, 2007 WL 4115808,
12 at *8 (S.D.N.Y. Nov. 7, 2007) ("Since passage of the PSLRA, courts . . . have found that in a
13 PSLRA case, a fee request which has been approved and endorsed by a properly-appointed lead
14 plaintiff is 'presumptively reasonable,' especially where the lead plaintiff is a sophisticated
15 institutional investor."); *Hayden v. Portola Pharms. Inc.*, 2023 WL 2375242, at *2 (N.D. Cal. Mar.
16 6, 2023) (approving 25% fee request supported by lead plaintiffs and noting that "institutional
17 investors that have been directly involved in the prosecution and resolution of the Action . . . have
18 substantial interests in ensuring that any fees and expenses paid to counsel are duly earned and not
19 excessive").

20 **7. A Lodestar Cross-Check Supports the Requested Fee**

21 To ensure the reasonableness of a fee awarded under the percentage-of-recovery method,
22 courts in this Circuit may cross-check the proposed fee award against counsel's lodestar, although
23 such a cross-check is not required. *See Vataj*, 2021 WL 5161927, at *8 (noting that "trial courts
24 have discretion to conduct a lodestar cross-check on a percentage fee" but "also retain the
25 discretion to forgo" such an analysis); *In re Amgen Inc.*, 2016 WL 10571773, at *9 ("Although
26

27
28 ¹² The deadline for the filing of objections is March 27, 2025. Should any objections be received,
Lead Counsel will address them in their reply papers, due on April 10, 2025.

1 an analysis of the lodestar is not required for an award of attorneys’ fees in the Ninth Circuit, a
2 cross-check of the fee request with a lodestar amount can demonstrate the fee request’s
3 reasonableness.”); *HCL Partners Ltd. P’ship v. Leap Wireless Int’l, Inc.*, 2010 WL 4156342, at
4 *2 (S.D. Cal. Oct. 15, 2010) (noting that “lodestar analysis is not necessary when the requested
5 fee is within the accepted benchmark”).

6 A lodestar cross-check involves a two-step analysis. *First*, the Court multiplies the number
7 of hours each attorney reasonably expended on the litigation by the attorney’s reasonable hourly
8 rate to obtain the lodestar. *See Vataj*, 2021 WL 5161927, at *8. Under the cross-check method,
9 the Court need not focus on each hour billed nor “review actual billing records,” but can use a
10 rough calculation “rely[ing] on summaries submitted by the attorneys.” *Abadilla v. Precigen, Inc.*,
11 2023 WL 7305053, at *14 (N.D. Cal. Nov. 6, 2023) (“The lodestar cross-check calculation need
12 entail neither mathematical precision nor bean counting . . . [Courts] may rely on summaries
13 submitted by the attorneys and need not review actual billing records.”). *Second*, the Court adjusts
14 that lodestar figure by applying a multiplier to reflect such factors as “the time and labor required,
15 the result achieved, the quality of representation, whether the fee is fixed or contingent, the novelty
16 and difficulty of the questions involved, and awards in similar cases.” *Stable Rd.*, 2024 WL
17 3643393, at *15. “When the lodestar is used as a cross-check, ‘the focus is not on the necessity
18 and reasonableness of every hour of the lodestar, but on the broader question of whether the fee
19 award appropriately reflects the degree of time and effort expended by the attorneys.’” *Id.*

20 Here, a lodestar cross-check strongly demonstrates the reasonableness of the requested
21 fees. Lead Counsel have collectively spent 13,110 hours in connection with the Litigation,
22 resulting in a total lodestar of \$9,811,027.75. Joint Decl. ¶ 108.¹³ Thus, the fee request would
23 represent a modest multiplier of 1.4—well within the range commonly approved in securities class
24

25 ¹³ With respect to the Guidelines for Final Approval § 2 (Attorneys’ Fees), *see* lodestar and expense
26 declarations attached as Ex. D (Motley Rice) and Ex. E (Saxena White), each attached to the Joint
27 Declaration. These declarations provide the names of the attorneys and paraprofessionals who
28 worked on the Action, the hourly rates chargeable by each attorney and paraprofessional, the
lodestar value of the time expended by such attorneys and paraprofessionals, and the unreimbursed
disbursements of these firms. Appended to those declarations are the Firm Resumes for Lead
Counsel, which address the background and experience of those firms.

1 actions and other complex litigation.¹⁴ See, e.g., *Oliveira*, 2025 WL 586589, at *10-11 (finding
2 “reasonable” “an award of 30% of the common fund” and “a multiplier of approximately 2.0”)
3 (Pitts, J.); *Impax*, 2022 WL 2789496, at *9 (approving fees equal to a lodestar multiplier of 2.6
4 given “numerous decisions from this district approving multipliers ranging from 2.5 to 4.3”);
5 *Zynga*, 2016 WL 537946, at *21 (noting that the 1.7 multiplier was “towards the lower end of the
6 Ninth Circuit’s scale”); *Stable Rd.*, 2024 WL 3643393, at *15 (“A multiplier of 1.76 is well within
7 the range of multipliers commonly awarded in securities class actions and other complex
8 litigation” and “supports the Court’s finding that the awarded fee is reasonable.”); *Vizcaino*, 290
9 F.3d at 1050-51 & n.6 (upholding a fee award which reflected a lodestar multiplier of 3.65 and
10 noting lodestar awards regularly include a multiplier in the “1.5-3.0 range”). Accordingly, a
11 lodestar cross-check confirms the reasonableness of Lead Counsel’s fee request.¹⁵

12 In sum, Lead Counsel’s requested fee award is reasonable and in line with what courts in
13 this Circuit award in class actions such as this one, whether calculated as a percentage of the fund
14
15
16

17 ¹⁴ Notably, the lodestar does not include time for additional services to be provided by Lead
18 Counsel to the Settlement Class, including attending the final settlement hearing, responding to
19 Settlement Class Members’ inquiries, supervising the Claims Administrator in the review and
processing of claims, preparing and filing a motion for distribution of the Settlement funds, and
overseeing the distribution of checks to Settlement Class Members.

20 ¹⁵ “Courts may find hourly rates reasonable based on evidence of other courts approving similar
21 rates or other attorneys engaged in similar litigation charging similar rates.” *Hashem v. NMC*
22 *Health PLC*, 2022 WL 3573145, at *2 (C.D. Cal. Apr. 8, 2022). Here, Lead Counsel’s rates are
23 consistent with other attorneys of comparable ability and reputation engaged in similar litigation
24 See, e.g., *Impax*, 2022 WL 2789496, at *9 (N.D. Cal. July 15, 2022) (in 2022, approving hourly
25 rates of \$760 to \$1,325 for partners, \$895 to \$1,150 for counsel, and \$175 to \$520 for associates,
26 as “in line with prevailing rates in this district for personnel of comparable experience, skill, and
27 reputation”); *Hefler*, 2018 WL 6619983, at *14 (in 2018, finding rates ranging from \$650 to \$1,250
28 for partners or senior counsel and from \$400 to \$650 for associates as “reasonable”). In fact, Lead
Counsel’s rates have recent judicial approval in this District. See, e.g., *In re FibroGen, Inc. Sec.*
Litig., No. 3:21-cv-02623-EMC, ECF No. 252, Ex. E (N.D. Cal. Apr. 4, 2024) and Order Awarding
Attorneys’ Fees and Expenses, ECF No. 259 (N.D. Cal. Aug. 1, 2024) (approving Saxena White’s
then-current rates of \$1,085 for shareholders, \$825-\$1,085 for directors, and \$400-\$795 for
attorneys and senior attorneys); *In re Twitter Sec. Litig.*, No. 4:16-cv-05314-JST, ECF No. 664-1
(N.D. Cal. Oct. 13, 2022) (setting forth Motley Rice’s then-current rates of \$725-\$1,100 for
member attorneys, \$425-\$600 for associate attorneys, and \$175-\$750 for paralegals and other
litigation support professionals) and ECF No. 670 (N.D. Cal. Nov. 21, 2022) (approving fee
request).

1 or as a multiple of counsel's lodestar. As discussed above, each of the factors considered in the
2 Ninth Circuit also supports the reasonableness of the requested fee.

3 **IV. LEAD COUNSEL'S EXPENSES ARE REASONABLE AND SHOULD BE**
4 **APPROVED**

5 "Attorneys may recover their reasonable expenses that would typically be billed to paying
6 clients in non-contingency matters." *Rentech*, 2019 WL 5173771, at *11; *see also Zynga*, 2016
7 WL 537946, at *22 (noting that "courts throughout the Ninth Circuit regularly award litigation
8 costs and expenses—including photocopying, printing, postage, court costs, research on online
9 databases, experts and consultants, and reasonable travel expenses—in securities class actions, as
10 attorneys routinely bill private clients for such expenses in non-contingent litigation").

11 The Notice apprised potential Settlement Class Members that Lead Counsel would seek
12 expenses in an amount not to exceed \$490,000. *See* Stipulation, Ex. A-1 (Long Form Notice) at
13 ¶¶ 5, 74; Ex. A-4 (Postcard Notice). Lead Counsel have incurred expenses in an aggregate amount
14 of \$261,602.23 in prosecuting this Action, significantly less than the cap set forth in the Notice.
15 These expenses, which are outlined in the declarations from Lead Counsel submitted
16 contemporaneously herewith, are of the type generally approved by courts for reimbursement. *See*
17 Joint Decl. at ¶¶ 120-29 and Exs. D & E. Such expenses were critical to Lead Counsel's success
18 in achieving the Settlement and, like the other categories of expenses for which Lead Counsel seek
19 reimbursement, are consistent with costs normally incurred by class counsel prosecuting securities
20 fraud class actions. *See, e.g., Bernstein v. Ginkgo Bioworks Holdings, Inc.*, 2024 WL 5112227, at
21 *7 (N.D. Cal. Dec. 13, 2024) (awarding \$203,929.20 in costs in \$17.75 million settlement,
22 principally for experts, mediation fees, e-discovery hosting fees, and court costs); *Portola Pharms.*,
23 2023 WL 2375242, at *2 (awarding \$750,612.54 in costs in \$17.5 million settlement, principally
24 for consultant/expert fees, online research charges, mediation fees, and travel).

25 **V. LEAD PLAINTIFFS' REIMBURSEMENT SHOULD BE APPROVED**

26 The PSLRA authorizes the Court to allow reimbursement to a representative plaintiff for
27 its "reasonable costs and expenses (including lost wages) directly relating to the representation of
28 the class to any representative party serving on behalf of a class." 15 U.S.C. § 78u-4(a)(4). "In

1 the Ninth Circuit, service awards of up to \$5,000 are ‘presumptively reasonable.’” *Chang v. Wells*
2 *Fargo Bank, N.A.*, 2023 WL 6961555, at *8 (N.D. Cal. Oct. 19, 2023); *see also Impax*, 2022 WL
3 2789496, at *10 (noting that service awards are expressly authorized by the PSLRA, “‘are fairly
4 typical in class action cases,’” and are designed to “‘compensate class representatives for work
5 done on behalf of the class’”).

6 As detailed in the Joint Declaration and the declarations from each Lead Plaintiff, KBC
7 and Pompano P&F both expended time and effort in representing the interests of the Settlement
8 Class in this Action, including the review of pleadings and filings; conducting regular
9 communications with Lead Counsel concerning case developments; and supervising the settlement
10 process. For their service on behalf of the Settlement Class, KBC and Pompano P&F seek
11 reimbursement of \$3,500 and \$1,400, respectively, for an aggregate amount of \$4,900. Lead
12 Plaintiffs’ request is “presumptively reasonable” and well within the amounts commonly awarded
13 by courts to representative plaintiffs in securities class actions. *See, e.g., In re QuantumScope*,
14 2025 WL 353556, at *6 (approving PSLRA award of \$12,500 to the lead plaintiff and \$5,000 each
15 to two additional named plaintiffs); *Stable Rd.*, 2024 WL 3643393, at *16 (approving “PSLRA
16 award in the amount of \$10,000 to reimburse [lead plaintiff] for time spent prosecuting the
17 Action”); *Portola Pharms*, 2023 WL 2375242, at *2 (approving PSLRA award of \$10,000 to lead
18 plaintiff and \$8,500 to additional named plaintiff); *In re Silver Wheaton*, 2020 WL 4581642, at *4
19 (finding “reasonable” PSLRA award of \$12,500 to each of seven lead plaintiffs).¹⁶

20
21
22
23
24
25
26
27 ¹⁶ The Notice advised Settlement Class Members that Lead Plaintiffs would seek up to \$20,000 as
28 a reimbursement. No Settlement Class Member has objected to that (significantly higher) amount
as of the date of this filing. *See* Stipulation, Ex. A-1 (Long Form Notice) at ¶¶ 5, 74.

1 **VI. CONCLUSION**

2 For all the foregoing reasons, Lead Counsel respectfully request that the Court award
3 attorneys' fees of 25% of the Settlement Fund, litigation expenses in the amount of \$261,602.23,
4 and PSLRA reimbursements to Lead Plaintiffs in the amounts of \$3,500 for KBC and \$1,400 for
5 Pompano P&F. A proposed order will be submitted with Lead Counsel's reply papers, after the
6 March 27, 2025 objection and exclusion deadline has passed.

7 Dated: February 27, 2025

Respectfully submitted,

8 /s/ David R. Kaplan
9 **SAXENA WHITE P.A.**
10 David R. Kaplan (SBN 230144)
11 Emily R. Bishop (SBN 319383)
12 Marti L. Worms (SBN 205552)
13 505 Lomas Santa Fe Dr.
14 Suite #180
15 Solana Beach, CA 92075
16 Telephone: (858) 997-0860
17 Facsimile: (858) 369-0096
18 dkaplan@saxenawhite.com
19 ebishop@saxenawhite.com
20 mworms@saxenawhite.com

Maya Saxena (*pro hac vice*)
Jonathan Lamet (*pro hac vice*)
7777 Glades Road, Suite 300
Boca Raton, FL 33434
Telephone.: 561.394.3399
Facsimile: 561.394.3382
msaxena@saxenawhite.com
jlamet@saxenawhite.com

Steven B. Singer (*pro hac vice*)
Kyla Grant (*pro hac vice*)
10 Bank Street, 8th Floor
White Plains, New York 10606
Telephone: (914) 437-8551
ssinger@saxenawhite.com
kgrant@saxenawhite.com

*Counsel for Lead Plaintiff Pompano Beach
Police and Firefighters' Retirement System,
and Co-Lead Counsel for the Proposed
Settlement Class*

MOTLEY RICE LLC
Max N. Gruetzmacher (*pro hac vice*)
mgruetzmacher@motleyrice.com
Christopher F. Moriarty (*pro hac vice*)
cmoriarty@motleyrice.com

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

Neli Traykova Hines (*pro hac vice*)
ntraykova@motleyrice.com
28 Bridgeside Blvd.
Mt. Pleasant, SC 29464
Telephone: (843) 216-9000
Facsimile: (843) 216-9450

*Counsel for Lead Plaintiff KBC Asset
Management NV, and Co-Lead Counsel
for the Proposed Settlement Class*

ROSSMAN LEGAL
Gregg Rossman (*pro hac vice*)
6840 Griffin Rd.
Davie, Florida 33314
Telephone: (954) 440-0908
gregg@rossmanlegal.com

*Additional Counsel for Lead Plaintiff
Pompano Beach Police and Firefighters'
Retirement System*

CERTIFICATE OF SERVICE

I hereby certify under penalty of perjury that on February 27, 2025, I authorized the electronic filing of the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to all counsel or parties of record.

Dated: February 27, 2025

SAXENA WHITE P.A.

/s/ David R. Kaplan
David R. Kaplan

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