Plaintiffs and Class Counsel respectfully submit this Supplemental Memorandum to update the Court regarding various matters relating to the Settlement in this action, and file herewith [Amended Proposed] Orders reflecting this update.

Regarding their fee request, Class Counsel seek 33% of the Settlement Fund, but the exact dollar amount of the fee request was approximate at the time of the filing of their motion for fees (Dkt. 369 at 1, n. 2 (noting that 33% of the total requested fee award "will be slightly higher than \$23.1 million")), given that half of the Settlement Fund (\$35 million) had been deposited in an interest-bearing account shortly after the Order Granting Preliminary Settlement Approval in May of 2024, and so had been accruing interest since that time. *Id.* The interest on the Settlement Fund as of September 10, 2024 has now been determined, and the taxes owed by the Fund and due on September 16, 2024 have also been determined. The current amount of the Settlement Fund (after taxes due) equals \$35,357,025.29. The precise dollar amount of the requested fee, or 33 percent of the total Settlement Fund, inclusive of the additional \$35 million Letter of Credit which will be drawn upon in 2025, is \$23,217,818. The [Amended Proposed] Order reflects this amount.

Regarding the Settlement, there has been some very recent activity involving Class Members opting into and out of the Settlement. Of the 11 valid requests for exclusion, eight (8) have been withdrawn. Dkt. 379,  $\P$  7. Additionally, four (4) of the six (6) invalid exclusion requests have been corrected. *Id.* Thus, as of September 12, 2024, there are a total of seven (7) valid requests for exclusion and two (2) invalid requests for exclusion. *Id.*<sup>1</sup>

For the Court's convenience, the redlined changes to the originally-filed [Proposed] Orders reflecting the updates described herein and inserting docket numbers where appropriate, are attached hereto as Exhibit 1 (Final Approval of

<sup>&</sup>lt;sup>1</sup> The requests are invalid because the properties are not part of the Class.

Telephone: (206) 623-1900

Case	2:16-cv-03157-PSG-SSC	Document 380 #:12174	Filed 09/12/24	Page 4 of 5	Page ID
1	Facsimile: (206) 623-3384				
2	A. Barry Cappello (CSB No. 037835)				
3	Leila J. Noël (CSB No. 114307) Lawrence J. Conlan (CSB No. 221350)				
4			vrence J. Conlan PPELLO & NOÌ		1350)
5		831	State Street		
6			ta Barbara, CA 9 ephone: (805) 56		
7			simile: (805) 965		
8		Cla	ss Counsel		
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## **CERTIFICATE OF SERVICE**

I, Wilson Dunlavey, hereby certify that on September 12, 2024, I caused to be electronically filed the Plaintiffs' Supplemental Memorandum of Points and Authorities in Support of Motion for Final Approval of Class Action Settlement, Motion for Fees, Expenses, and Services Awards, and Motion to Approve of Plan of Allocation with the Clerk of the United States District Court for the Central District of California using the CM/ECF system, which shall send electronic notification to all counsel of record.

/s/ Wilson M. Dunlavey

# EXHIBIT 1

[PROPOSED] ORDER GRANTING FINAL APPROVAL OF PROPOSED SETTLEMENT

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WHEREAS, plaintiffs Grey Fox, LLC, MAZ Properties, Inc., Bean Blossom, LLC, Winter Hawk, LLC, Mark Tautrim, Trustee of the Mark Tautrim Revocable Trust, and Denise McNutt, individually and in their representative capacities ("Class Representatives"), and Defendant Pacific Pipeline Company ("PPC") and Sable Offshore Corp., as successor by merger of Sable Offshore Holdings LLC and Flame Acquisition Corp. ("Sable," and collectively with PPC, "Settling Parties"), have reached a proposed settlement of the Class claims, which is embodied in the Settlement Agreement filed with the Court;

WHEREAS, on May 1, 2024, an Order Granting Preliminary Approval of Proposed Settlement ("Preliminary Approval Order") was entered by this Court, preliminarily approving the proposed Settlement of this Action pursuant to the terms of the Settlement Agreement and directing that Notice be given to the members of the Settlement Class;

WHEREAS, pursuant to the Settlement Agreement, Class Members have been provided with Notice informing them of the terms of the proposed Settlement and of a Final Approval Hearing to, inter alia: (a) determine whether the proposed Settlement should be finally approved as fair, reasonable, and adequate so that the Final Approval Order and Judgment should be entered; (b) consider any timely objections to this Settlement and the Parties' responses to such objections; (c) rule on any application for attorneys' fees and expenses; (d) rule on any application for incentive awards; and (e) determine whether the Plans of Distribution that will be submitted by Class Counsel should be approved;

WHEREAS, a Final Approval Hearing was held on September 13, 2024. Prior to the Final Approval Hearing, proof of completion of Notice was filed with the Court, along with declarations of compliance as prescribed in the Preliminary Approval Order. Class Members were adequately notified of their right to appear at the hearing in support of or in opposition to the proposed Settlement, any

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application for attorneys' fees and expenses, any application for incentive awards, and/or the Plans of Distribution submitted by Class Counsel;

WHEREAS, no Class Members have filed objections challenging the fairness of the Settlement, indicating a positive reaction from the Classes and further supporting the reasonableness of the Settlement;

WHEREAS, the Class Representatives have applied to the Court for final approval of the proposed Settlement of the Action (Dkt. #368), the terms and conditions of which are set forth in the Settlement Agreement;

NOW, THEREFORE, the Court having read and considered the Settlement Agreement and accompanying exhibits and the Motion For Final Settlement Approval, having heard any objectors or their counsel appearing at the Final Approval Hearing, having reviewed all of the submissions presented with respect to the proposed Settlement, and having determined that the Settlement is fair, adequate, and reasonable and in the best interests of the Class Members, it is hereby ORDERED, ADJUDGED and DECREED THAT:

- 1. The capitalized terms used in this Order Granting Final Approval of Proposed Settlement have the same meaning as defined in the Settlement Agreement.
- 2. This Court has personal jurisdiction over Plaintiffs, all Settlement Class Members, and the Settling Parties, and the Court has subject matter jurisdiction to approve and enforce this Settlement and Settlement Agreement and all Exhibits thereto.
- 3. The Court finds that the Notice set forth in Article XI of the Settlement Agreement, detailed in the Notice Plan attached to the Declaration of Gina Intrepido-Bowden of JND Legal Administration, and effectuated pursuant to the Preliminary Approval Order: (a) constitutes the best notice practicable under the circumstances of this Action; (b) constitutes due and sufficient notice to the Classes of the terms of the Settlement Agreement and the Final Approval Hearing; and (c)

fully complied with the requirements of the Federal Rules of Civil Procedure, the United States Constitution, and any other applicable law, including the Class Action Fairness Act of 2005, 28 U.S.C. § 1715.

The Court confirms and finally certifies, for settlement purposes only, the Settlement Class, pursuant to Rules 23(b)(3) and 23(e), consisting of

All owners of real property, other than those excluded in Paragraph 3.2 of the Agreement, through which Line 901 and/or Line 903 passes pursuant to Right-of-Way Grants, and the owner(s) of APN No. 133-070-004, for which land rights were initially conveyed via condemnation rather than through a Right-of-Way Grant, other than those Persons excluded in Paragraph 3.2. The real property parcels through which Line 901 and/or Line 903 passes, as described above, are set forth in Exhibit A. For avoidance of doubt, the Settlement Class includes the classes and subclass certified by the Court's January 28, 2020, and November 1, 2023 orders in their entirety, as well as any other Persons (if any such other Persons exist) included in the definition in this Paragraph.

The following entities and individuals are excluded from the Settlement Class:

- Class Counsel; a.
- Settling Parties and Settling Parties' officers, directors, b. employees, agents, and representatives;
- Settling Parties' Affiliates, and Settling Parties' Affiliates' c. officers, officers, directors, employees, agents, and representatives;
  - d. any fossil fuel company;
  - e. any government entity or division; and
  - f. the judges who have presided over this Action.
- The final Settlement Class also excludes any members of the 5. provisional Settlement Class who submitted a timely and valid exclusion from the Settlement in accordance with the Court's Order granting preliminary approval of the Settlement (ECF Dkt. #325).

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- 6. Based on the papers filed with the Court and the presentations made to the Court at the hearing, the Court now gives final approval to the Settlement and finds that the Settlement is fair, reasonable, and adequate, and in the best interests of the Settlement Class Members, and treats them equitably relative to one another. The Court has specifically considered the factors relevant to class settlement approval. See, e.g., Fed. R. Civ. P. 23(e); Churchill Vill., L.L.C. v. Gen. Elec., 361 F.3d 566 (9th Cir. 2004); In re Bluetooth Headset Products Liability Litig., 654 F.3d 935 (9th Cir. 2011).
  - Among the factors supporting the Court's determination a. are: the significant relief provided to Class Members; the risks of ongoing litigation, trial, and appeal; the risk of maintaining class action status through trial and appeal; the extensive discovery to date; and the positive reaction of Class Members.
  - b. The Court further finds that, for settlement purposes only, the Settlement Class meets the requirements for class certification under Federal Rules of Civil Procedure 23(a) and 23(b)(3). Specifically, the Court finds, for settlement purposes only, that (1) the Settlement Class Members are sufficiently numerous such that joinder is impracticable; (2) there are questions of law and fact common to Settlement Class Members; (3) proposed Settlement Class Representatives' claims are typical of those of the Settlement Class Members; (4) proposed Settlement Class Representatives and Settlement Class Counsel have fairly and adequately represented the interests of the Settlement Class Members; and (5) the predominance and superiority requirements of Rule 23(b)(3) are satisfied.
  - c. The Court finds that the Settlement was negotiated at arm's length and was free of collusion. It was negotiated with experienced, adversarial counsel after extensive discovery, and with

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- the aid of neutral, qualified mediators. Further, the attorneys' fees and costs award was the subject of a separate application to the Court.
- 7. The Settlement Agreement and every term and provision thereof are deemed incorporated in this Order and have the full force of an order of this Court.
- 8. Upon the Effective Date, all Class Members, except the seven valid opt outs, have, by operation of this Order, fully, finally and forever released, relinquished, and discharged the Released Parties pursuant to Article VIII of the Settlement Agreement.<sup>1</sup>
- 9. This Final Approval Order, the Settlement Agreement, the Settlement that it reflects, and any and all acts, statements, documents or proceedings relating to the Settlement are not, and must not be construed as, or used as, an admission by or against Defendant or Settling Parties of any fault, wrongdoing, or liability on their part, or of the validity of any claim or of the existence or amount of damages.
- 10. The above-captioned Action is dismissed in its entirety with prejudice. Except as otherwise provided in orders separately entered by this Court on any Class Counsel's application for attorneys' fees and expenses, any application for and service awards, and their motion for approval of the Plan of Allocation submitted by Class Counsel, the parties will bear their own expenses and attorneys' fees.
- 11. Without affecting the finality of this Order and the accompanying Judgment, the Court reserves jurisdiction over the implementation of the Settlement, including enforcement and administration of the Settlement Agreement, including any releases in connection therewith, and any other matters related or ancillary to the foregoing.
- 12. This order, in conjunction with the orders granting fees, expenses, and services awards, the plan of allocation, and final judgment, close the case.

<sup>&</sup>lt;sup>1</sup> A <u>full and complete</u> list of <u>properties by parcel number that those who</u> opted out of the Settlement is attached to this Order as Exhibit A.

# **EXHIBIT A**

## **OPT OUT LIST**

	APN NUMBER	<u>Name</u>	CITY/STATE
1.	081-150-002	The Land Trust for Santa Barbara County	Santa Barbara, CA
2.	081-150-028	The Land Trust for Santa Barbara County	Santa Barbara, CA
3.	131-200-013	Jack & Shannon Selvidge	Santa Maria, CA
4.	131-200-002	Barak & Alyssa Moffitt Revocable Trust	Santa Maria, CA
5.	131-200-003	Barak & Alyssa Moffitt and Lanny Zamora	Santa Maria, CA
6.	131-200-001	Timothy Bennett	Santa Maria, CA
7.	099-400-017	ZACA Preserve, LLC	Los Olivos, CA

# EXHIBIT 2

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Before the Court is Plaintiffs' unopposed motion for attorneys' fees, expenses, and class representative service awards. Dkt. #369. The Court conducted a fairness hearing on September 13, 2024. Having considered the moving papers and the information provided at the hearing, the Court GRANTS Plaintiffs' motion.

#### I. **BACKGROUND**

This case arises from an oil spill that occurred at Refugio State Beach in Santa Barbara County on May 19, 2015. The facts have been repeatedly recounted in the Court's prior orders, and the Court will address here only those facts relevant to Plaintiffs' request for fees, expenses, and service awards.

The parties have engaged in over eight years of hard-fought litigation in order to arrive at the \$70 million Settlement before the Court for final approval. See Mot.; see also Settlement Agreement, Dkt. #303-1, Ex. 1 (setting forth the terms of the Settlement). During this time, the parties conducted extensive discovery, which included among other things exchanging more than 1.4 million pages of documents, disclosing 13 experts and producing 21 expert reports, and taking over 20 depositions. See #Dkt. 371, Declaration of Robert J. Nelson in Support of Final *Approval*, ("Nelson Decl.") ¶¶ 14-6. Plaintiffs also successfully certified a Class, see Dkt. 100, which was subsequently amended. See Dkt. \$#258. The Parties filed multiple summary judgment motions. See, e.g., Dkts. #109, 267. Finally, the Settlement was reached only after the parties participated in multiple formal mediations over the course of many years. See Nelson Decl. ¶¶ 5-6.

Plaintiffs now bring this motion seeking the Court's approval of the following awards: (1) attorneys' fees of 33% of the total Settlement, totaling \$23,217,818; (2) reimbursement of \$1,195,207 in litigation expenses; and (3) three service awards of \$20,000 to Class Representatives, for a total of \$60,000. See generally Mot.

The Court considers each in turn.

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### **ATTORNEYS' FEES** II.

## **Legal Standard**

Awards of attorneys' fees in class action cases are governed by Federal Rule of Civil Procedure 23(h), which provides that, after a class has been certified, the court may award reasonable attorneys' fees and nontaxable costs. See Fed. R. Civ. P. 23(h). The court, however, "must carefully assess" the reasonableness of the fee award. See Staton v. Boeing Co., 327 F.3d 938, 963 (9th Cir. 2003).

Where litigation leads to the creation of a common fund, courts can determine the reasonableness of a request for attorneys' fees using either the percentage-of-recovery method or the lodestar method. See In re Bluetooth Headset *Prods. Liab. Litig.*, 654 F.3d 935, 944 45 (9th Cir. 2011) (finding that courts may use either method to gauge the reasonableness of a fee request but encouraging courts to employ a second method as a cross-check after choosing a primary method).

Under the percentage-of-recovery method, courts typically use 25% of the fund as a benchmark for a reasonable fee award. See Id. at 942. However, the percentage can vary, and courts have awarded more or less than 25% of the fund in attorneys' fees as they deemed appropriate. See, e.g., Vizcaino v. Microsoft Corp., 290 F.3d 1043, 1047 (9th Cir. 2002) (noting that courts generally award between 20 and 30% of the common fund in attorneys' fees). When assessing the reasonableness of a fee award, courts consider "(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; and (5) awards made in similar cases." In re Omnivision Techs., Inc., 559 F. Supp. 2d 1036, 1046 (N.D. Cal. 2008) (citing Vizcaino, 290 F.3d at 1048 50).

### В. **Discussion**

After over eight years of litigation and roughly 17,812.37 hours of work,

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Class Counsel now seek an award of 33% of the \$70 million gross settlement.<sup>1</sup> This amount is a modest departure from the federal benchmark given the circumstances of this case. *See* Mot. at 5:5, 17:12; Nelson Decl. ¶¶ 27-9. As such, the Court applies the percentage-of-recovery method and analyzes Plaintiffs' fee request under the *Vizcaino* factors.

Due to the exceptional circumstances of this case and the Court's extensive involvement in supervising the last eight years of litigation, the Court diverts from its usual practice and finds it unnecessary to cross-check the reasonableness of the requested award using the lodestar method. *Cf. Fischel v. Equitable Life Assur. Soc'y of U.S.*, 307 F.3d 997, 1007 (9th Cir. 2002) (holding that the district court did not err by using only the lodestar method to calculate fees given that the parties settled early in the litigation).

## i. Results Achieved

"The overall result and benefit to the class from the litigation is the most critical factor in granting a fee award." *In re Omnivsion Techs.*, Inc., 559 F. Supp. 2d at 1046. "[T]he law appropriately provides for some upward adjustment [from the federal benchmark] where the results achieved are significantly better than the norm." *Rodman v. Safeway, Inc.*, No. CV 11-3003 JST, 2018 WL 4030558, at \*3 n.3 (N.D. Cal. Aug. 22, 2018).

Here, Class Counsel secured impressive results for the Class. The median payment to each of the 183-176 Class Properties will be approximately \$90,000, the average payment will be approximately \$230,000, and the minimum payment will be approximately \$50,150. Class member recoveries through this Settlement for clarification of easement rights are significantly greater – indeed, often orders of

<sup>&</sup>lt;sup>1</sup> Half of the Settlement proceeds (\$35 million) has been earning interest pursuant to the Settlement. *See* Settlement at pages 41, 45. Accordingly, 33% of the total award is -\$23,217,818. will be slightly higher than \$23.1 million.

<sup>&</sup>lt;sup>2</sup> This number differs from the Settlement, because 7 parcels have opted out from the Settlement.

1	magnitude greater – than the price the Class members were paid for their original
2	easements when adjusted for inflation. Mot. at 4-5; Nelson Decl. ¶ 8. In short,
3	through this Settlement, Class Counsel has successfully negotiated payments to
4	Class members for clarification for easement rights that far exceed the
5	consideration originally paid for those easements when adjusted for inflation. Mot.
6	at 4, 5:4; cf. In re Heritage Bond Litig., No. 02-ML-1475-DT (RCX), 2005 WL
7	1594389, at *8 (C.D. Cal. June 10, 2005)(awarding 33.33% in fees to counsel
8	where the class recovered 23% of the total net loss after fees were deducted);
9	Carlin v. DairyAmerica, Inc., 380 F. Supp. 3d 998, 1021, 1023 (E.D. Cal. 2019)
10	(awarding 33.3% of a \$40 million common fund that represented 48% of damages).
11	Not only does the Settlement provide meaningful monetary relief to members
12	of the Class, but the recovery was also obtained in the face of complex and hotly
13	disputed issues that were central to Plaintiffs' case, including unique contract
14	interpretation issues as well as technical disputes over the meaning of pipeline
15	operation and maintenance. Mot. at 6:14-20. Moreover, there is no supporting
16	precedent for the claim that forms that basis of this Settlement: that the easements
17	had all terminated as a result of the Pipeline shutdown. And there is likewise no
18	direct precedent for the Subclass members' claim that their easements had all
19	terminated for an additional reason - the automatic termination clauses in the
20	easements. See Mot. at 6:8-20; Nelson Decl. ¶ 12; see also Vizcaino, 290 F.3d at
21	1048 (affirming the district court's finding that counsel "achieved exceptional
22	results for the class" in the face of difficult facts, "in the absence of supporting
23	precedents," and despite "[Defendant's] vigorous opposition throughout the
24	litigation"); Lopez v. Youngblood, CV-F-07-0474 DLB, 2011 WL 10483569, at *6
25	(E.D. Cal. Sept. 2, 2011)(exceeding the federal benchmark where "[t]he authority
26	upon which Plaintiffs were able to rely was relatively scant").
27	Finally, no Class members objected to Class Counsel's fee request.
28	Accordingly, the Court is persuaded that this factor weighs in favor of an upward

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departure from the federal benchmark.

### ii. **Risk of Litigation**

In assessing the fairness and reasonableness of an award of attorneys' fees, the risk that further litigation might result in no recovery is a "significant factor." In re Omnivision Techs., 559 F. Supp. 2d at 1046 47. As mentioned above, Plaintiffs' case hinged on the resolution of several complex and disputed issues, and a loss at trial or on appeal on any of these issues could have precluded Class recovery in whole or part. See Mot. at 7:2 16. This risk is only magnified by the novelty and length of this litigation. Thus, this factor supports the requested fee award of 33% of the common fund.

## The Skill Required and the Quality of Work

The Court also considers the skill required to prosecute and manage this litigation, as well as Class Counsel's overall performance. See In re Omnivision *Techs.*, 559 F. Supp. 2d at 1047.

Having witnessed the complexities of the legal and factual issues at play in this case, the Court finds Class Counsel's litigation efforts notable. For example, Class Counsel successfully certified the Class, and subsequently amended it, despite the lack of precedent to rely upon as to the certification of the class or the underlying claim certified. Nelson Decl. ¶ 12 ("To Class Counsel's knowledge, there is no direct supporting precedent for the claim that forms the basis of this Settlement [or]...certification of the easement class."). Moreover, for much of the litigation, Plains sought to install a second pipeline, asserting that the easements negotiated by Celeron permitted it to install a second pipeline through the Class Properties. Mot. at 7:24-28. Class Counsel fought this project for years, asserting that the easements did not permit the installation of a second pipeline. In the face of spirited opposition by Plaintiffs, including successfully defeating a motion to dismiss and summary judgment on that issue (Dkts. 80, 128), Plains and PPC ultimately abandoned the second pipeline, resulting in a consent decree judgment in favor of Plaintiffs on those claims. Dkt. #282. When Plains and PPC abandoned the

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second pipeline, it required Class Counsel to pivot and pursue claim 15, the new claim that the easements had terminated pursuant to common-law abandonment and, as to the Subclass, for the additional reason that the automatic termination provisions in many of the contracts was triggered.

These facts, in conjunction with the extensive and technical fact and expert discovery and the many formal daylong mediations, underscore the skill and effort needed to achieve the impressive \$70 million settlement result. See Mot. at 8:17-9:5; Nelson Decl. ¶ 5-6. And especially when considering that Defendants were represented by prominent litigation firms, Class Counsel's ability to get the case this far along evinces their high quality of work. See In re Am. Apparel, Inc. S'holder *Litig.*, No. CV 10-6352 MMM (JCGx), 2014 WL 10212865, at \*22 (C.D. Cal. July 28, 2014) ("In addition to the difficulty of the legal and factual issues raised, the court should also consider the quality of opposing counsel as a measure of the skill required to litigate the case successfully.").

As such, this factor, too, weighs in favor of awarding Class Counsel its requested fees.

### The Contingent Nature of the Fee and Financial iv. **Burden Carried by the Plaintiffs**

An upward departure from the federal benchmark may be warranted when Class Counsel faced the risk of walking away with nothing after investing substantial time and resources in the matter. See In re Omnivision Techs., Inc., 559 F. Supp. 2d at 1047 ("The importance of assuring adequate representation for plaintiffs who could not otherwise afford competent attorneys justifies providing those attorneys who do accept matters on a contingent-fee basis a larger fee."). Here, Class Counsel took this matter on a wholly contingent basis with no guarantee of recovery for over eight years. See Nelson Decl. ¶¶ 4, 20. The Court agrees that the substantial risks borne by Class Counsel in pursuing this class action for over eight years with no guarantee of recovering fees or litigation expenses also militates in favor of finding the requested fee award reasonable.

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#### v. Awards Made in Similar Cases

The requested attorneys' fees are comparable to awards authorized in similar cases. See, e.g., Williams v. MGM-Pathe Commc'n Co., 129 F.3d 1026, 1026 (9th Cir. 1997) (awarding 33% of the \$4.5 million settlement fund); Wren v. RGIS Inventory Specialists, No. C-06-05778 JCS, 2011 WL 1230826, at \*29 (N.D. Cal. Apr. 1, 2011) (finding a 42% fee award appropriate). Moreover, the Court compares the requested award to those from cases that are similar in size, complexity, and duration and concludes that an award of 33% is within the range of reasonableness permitted in this Circuit. See, e.g., In re Apollo Grp. Inc. Sec. Litig., 2012 WL 1378677, at \*3, \*7 (D. Ariz. Apr. 20, 2012) (33.33% of a \$145 million settlement awarded following seven years of litigation "pursued ... despite great risk"); Greenville v. Syngenta Crop Prot., Inc., 904 F. Supp. 2d 902, 904, 907 (S.D. Ill. 2012) (33.33% of \$105 million, equivalent to a 1.34 multiplier, in a seven-year long pollution case); see also In re Nat'l Collegiate Athletic Ass'n Athletic Grant-in-Aid Cap Antitrust Litig., No. 4:14-md-2541-CW, 2017 WL 6040065, at \*5 n.30 (N.D. Cal. Dec. 6, 2017) (collecting "mega-fund" cases from around the country, including those awarding fees of one-third the settlement fund).

Accordingly, similar cases establish that an upward departure from the federal benchmark is appropriate here.

### C. **Conclusion**

Based on the unique circumstances of this case and because all of the *Vizcaino* factors considered under the percentage-of-recovery method heavily support Class Counsel's requested fee, the Court forgoes cross-checking the reasonableness of the fee against the lodestar method. Ultimately, the Court is convinced that an award of 33% of the common fund is warranted and reasonable under the circumstances. As such, the Court GRANTS Plaintiffs' motion for \$33% of the gross Settlement -in attorneys' fees, for a total of \$23,217,818.

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## III. <u>LITIGATION EXPENSES</u>

In class action settlements, "[a]ttorneys may recover their reasonable expenses that would typically be billed to paying clients in non-contingency matters." See In re Omnivision Techs., 559 F. Supp. 2d at 1048. Here, Class Counsel requests reimbursement of \$1,195,207 in costs and expenses. See Mot at 16:24-6. This includes expenses that are typically charged to fee-paying clients, including filing fees, expert witness fees, mediation fees, deposition expenses, legal research fees, and copying and postage charges. See Nelson Decl. ¶ 28; Andrews Declaration of Juli E. Farris, Dkt. #956 ¶¶ 18-20; see also In re Lidoderm Antitrust *Litig.*, No. 14-md-02521-WHO, 2018 WL 4620695, at \*4 (N.D. Cal. Sept. 20, 2018) (awarding almost \$4 million in expenses for filing fees, computerized research, copies, postage and messenger services, experts, and case-related travel); In re NCAA Antitrust Litig., 2017 WL 6040065, at \*5, \*11 (finding expenses of over \$3 million were reasonable given that the matter was litigated for over three years). Given the duration and scope of this litigation, and after reviewing accompanying declarations, the Court is satisfied that the costs are reasonable. Finally, no Class members objected to Class Counsel's request for reimbursement of litigation expenses. Therefore, the Court GRANTS Plaintiffs' request for costs in the amount of \$1,195,207.

## IV. <u>CLASS REPRESENTATIVES' SERVICE AWARDS</u>

"Incentive awards are fairly typical in class action cases." *Rodriguez v. W. Publ'g Corp.*, 563 F.3d 948, 958 (9th Cir. 2009). When assessing requests for service awards, courts consider five principal factors:

(1) the risk to the class representative in commencing suit, both financial and otherwise; (2) the notoriety and personal difficulties encountered by the class representative; (3) the amount of time and effort spent by the class representative; (4) the duration of the litigation; (5) the personal benefit (or lack thereof) enjoyed by the class representative as a result of the litigation. *Van Vranken v. Atl. Richfield* 

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Co., 901 F. Supp. 294, 299 (N.D. Cal. 1995).

After reviewing the submitted declarations provided by the Class Representatives, see Nelson Decl. Exs. 3-5, the Court is satisfied that the requested service awards of \$20,000 each for Mr. Tautrim, Ms. McNutt, and Roger McMullin (on behalf of the Grey Fox entities) are appropriate. Throughout the case's trajectory, each Class Representative, among other things, searched for and provided facts used to compile Plaintiffs' operative complaint, helped Class Counsel analyze claims, and reviewed and approved the settlement. See Id. Mr. Tautrim and Ms. McNutt sat for deposition, and three individuals sat for deposition with on behalf of the Grey Fox entities. In short, they each dedicated time and effort to the benefit of the litigation without any assurance of receiving compensation in the immediate or near future, if ever. See, e.g., Nelson Decl., Ex. 3 (Declaration of Mark Tautrim) ¶ 9 ("I estimate that representatives on behalf of the above entites devoted more than 100 hours to the work."); *Id.*, Ex. 5 (Declaration of Roger McMullin) ¶ 9 ("I estimate that representatives on behalf of the above entities devoted more than 130 hours to the work."); *Id.*, Ex. 4 (Declaration of Denise McNutt) ¶ 9 ("I estimate that I devoted more than 80 hours to the work.").

Moreover, the Court recognizes that service awards of this size or even larger are common in class action cases. See Mot. at 17:13-18:13 (citing cases approving awards of \$20,000 to \$25,000); see also In re NCAA Antitrust Litig., 2017 WL 6040065, at \*11 & n.69 (finding the requested service awards of \$20,000 for each class representative consistent with service awards in other cases). Finally, the combined service awards represent less than 0.09% of the gross settlement, which is reasonable given the hours expended by the Class Representatives in pursuing class wide relief. See Edwards v. Chartwell Servs., Inc., No. CV 16-9187 PSG (KSx), 2018 WL 10455206, at \*1-2, \*8 (C.D. Cal. Aug. 27, 2018) (approving a \$10,000 enhancement award, which represented 1.25% of the gross settlement fund, when plaintiff spent approximately 55 hours assisting with the case and risked

# EXHIBIT 3

Plaintiffs have moved for an order approving the Plan of Allocation. Dkt. #\_\_\_\_\_\_. #370. Upon due consideration of the motion and all of the papers, pleadings and files in this action, and good cause appearing, the Court **GRANTS** the motion.

As part of its review of a proposed settlement, the trial court should consider "the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims." Fed. R. Civ. P. 23(e)(2)(C)(ii). "A claims processing method should deter or defeat unjustified claims, but the court should be alert to whether the claims process is unduly demanding." Fed. R. Civ. P. 23(e), 2018 adv. comm. note. Likewise, Rule 23(e)(2)(D) asks whether "the proposal [for distribution among class members] treats class members equitably relative to each other." Relevant considerations may include "whether the apportionment of relief among class members takes appropriate account of differences among their claims, and whether the scope of the release may affect class members in different ways that bear on the apportionment of relief." Fed. R. Civ. P. 23(e)(2), 2018 adv. comm. note.

Fundamentally, "[a]ssessment of a plan of allocation of settlement proceeds in a class action under Fed. R. Civ. P. 23 is governed by the same standards of review applicable to the settlement as a whole – the plan must be fair, reasonable, and adequate." *In re Illumina, Inc. Sec. Litig.*, No. 3:16-CV-3044-L-MSB, 2021 WL 1017295, at \*4 (S.D. Cal. Mar. 17, 2021) (*citing Class Pls. v. City of Seattle*, 955 F.2d 1268, 1284–85 (9th Cir. 1992)). The plan "need only have a reasonable, rational basis, particularly if recommended by experienced and competent class counsel." *Jenson v. First Tr. Corp.*, No. CV 05-3124 ABC (CTx), 2008 WL 11338161, \*9 (C.D. Cal. June 9, 2008) (citation omitted).

The Court has reviewed the Plan of Allocation and finds that it meets the standards for approval. First, the Plan pays Class Members directly, obviating the need for a claims process altogether. "[T]he goal of any distribution method is to get as much of the available damages remedy to class members as possible and in

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as simple and expedient a manner as possible." See Hilsley v. Ocean Spray Cranberries, Inc., 2020 WL 520616, at \*7 (S.D. Cal. Jan. 31, 2020) (quoting 4 William B. Rubenstein, *Newberg on Class Actions* § 13:53 (5th ed. Dec. 2021) update)). The proposed distribution plan is simple and expedient. This strongly supports approval.

The Court also finds that the Plan treats Class Members equitably and is fair, reasonable, and adequate. The Plan provides every Class Member with a uniform base payment of \$50,000 and compensates Class Members additionally based on reasonable, equitable, and objective criteria: the repair work on each Class Property (if any); the value of the Class Properties' easement and severance damages pursuant to expert proof; and the presence, if any, of automatic termination clauses in the easements.

Distribution methods such as these are regularly approved as fair and reasonable. Koenig v. Lime Crime, Inc., No. CV 16-503 PSG (JEMx), 2018 WL 11358228, at \*4 (C.D. Cal. Apr. 2, 2018) (approving payment of equal shares for portion of settlement); In re High-Tech Emp. Antitrust Litig., 2015 WL 5159441, at \*8 (N.D. Cal. Sept. 2, 2015) (approving payment based on "fractional share[s]"); Jenson, v. First Tr. Corp., 2008 WL 11338161, at \*10 (approving distinctions in plan of allocation as reasonably reflecting likelihood of recovery of subgroups within the class); In re Biolase, Inc. Sec. Litig., No. SA-CV-13-1300 JLS (FFMx), 2015 WL 12720318, at \*5 (C.D. Cal. Oct. 13, 2015) (variable pro rata distribution plan based upon relative injuries of class members approved). Accordingly, this strongly supports approval.

Finally, no Class members objected to the Plan of Allocation. This response speaks to the Class members' support for the Plan of Allocation. See In re Heritage Bond Litig., No. 02-ML-1475 DT, 2005 WL 1594403, at \*12 (C.D. Cal. June 10, 2005); see also In re Volkswagen "Clean Diesel" Mktg., Sales Pracs., & Prod.

[PROPOSED] ORDER GRANTING FINAL APPROVAL OF PROPOSED SETTLEMENT

WHEREAS, plaintiffs Grey Fox, LLC, MAZ Properties, Inc., Bean Blossom, LLC, Winter Hawk, LLC, Mark Tautrim, Trustee of the Mark Tautrim Revocable Trust, and Denise McNutt, individually and in their representative capacities ("Class Representatives"), and Defendant Pacific Pipeline Company ("PPC") and Sable Offshore Corp., as successor by merger of Sable Offshore Holdings LLC and Flame Acquisition Corp. ("Sable," and collectively with PPC, "Settling Parties"), have reached a proposed settlement of the Class claims, which is embodied in the Settlement Agreement filed with the Court;

WHEREAS, on May 1, 2024, an Order Granting Preliminary Approval of Proposed Settlement ("Preliminary Approval Order") was entered by this Court, preliminarily approving the proposed Settlement of this Action pursuant to the terms of the Settlement Agreement and directing that Notice be given to the members of the Settlement Class;

WHEREAS, pursuant to the Settlement Agreement, Class Members have been provided with Notice informing them of the terms of the proposed Settlement and of a Final Approval Hearing to, inter alia: (a) determine whether the proposed Settlement should be finally approved as fair, reasonable, and adequate so that the Final Approval Order and Judgment should be entered; (b) consider any timely objections to this Settlement and the Parties' responses to such objections; (c) rule on any application for attorneys' fees and expenses; (d) rule on any application for incentive awards; and (e) determine whether the Plans of Distribution that will be submitted by Class Counsel should be approved;

WHEREAS, a Final Approval Hearing was held on September 13, 2024. Prior to the Final Approval Hearing, proof of completion of Notice was filed with the Court, along with declarations of compliance as prescribed in the Preliminary Approval Order. Class Members were adequately notified of their right to appear at the hearing in support of or in opposition to the proposed Settlement, any

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application for attorneys' fees and expenses, any application for incentive awards, and/or the Plans of Distribution submitted by Class Counsel;

WHEREAS, no Class Members have filed objections challenging the fairness of the Settlement, indicating a positive reaction from the Classes and further supporting the reasonableness of the Settlement;

WHEREAS, the Class Representatives have applied to the Court for final approval of the proposed Settlement of the Action (Dkt. #368), the terms and conditions of which are set forth in the Settlement Agreement;

NOW, THEREFORE, the Court having read and considered the Settlement Agreement and accompanying exhibits and the Motion For Final Settlement Approval, having heard any objectors or their counsel appearing at the Final Approval Hearing, having reviewed all of the submissions presented with respect to the proposed Settlement, and having determined that the Settlement is fair, adequate, and reasonable and in the best interests of the Class Members, it is hereby ORDERED, ADJUDGED and DECREED THAT:

- 1. The capitalized terms used in this Order Granting Final Approval of Proposed Settlement have the same meaning as defined in the Settlement Agreement.
- 2. This Court has personal jurisdiction over Plaintiffs, all Settlement Class Members, and the Settling Parties, and the Court has subject matter jurisdiction to approve and enforce this Settlement and Settlement Agreement and all Exhibits thereto.
- 3. The Court finds that the Notice set forth in Article XI of the Settlement Agreement, detailed in the Notice Plan attached to the Declaration of Gina Intrepido-Bowden of JND Legal Administration, and effectuated pursuant to the Preliminary Approval Order: (a) constitutes the best notice practicable under the circumstances of this Action; (b) constitutes due and sufficient notice to the Classes of the terms of the Settlement Agreement and the Final Approval Hearing; and (c)

fully complied with the requirements of the Federal Rules of Civil Procedure, the United States Constitution, and any other applicable law, including the Class Action Fairness Act of 2005, 28 U.S.C. § 1715.

4. The Court confirms and finally certifies, for settlement purposes only, the Settlement Class, pursuant to Rules 23(b)(3) and 23(e), consisting of

All owners of real property, other than those excluded in Paragraph 3.2 of the Agreement, through which Line 901 and/or Line 903 passes pursuant to Right-of-Way Grants, and the owner(s) of APN No. 133-070-004, for which land rights were initially conveyed via condemnation rather than through a Right-of-Way Grant, other than those Persons excluded in Paragraph 3.2. The real property parcels through which Line 901 and/or Line 903 passes, as described above, are set forth in Exhibit A. For avoidance of doubt, the Settlement Class includes the classes and subclass certified by the Court's January 28, 2020, and November 1, 2023 orders in their entirety, as well as any other Persons (if any such other Persons exist) included in the definition in this Paragraph.

The following entities and individuals are excluded from the Settlement Class:

- a. Class Counsel;
- b. Settling Parties and Settling Parties' officers, directors, employees, agents, and representatives;
- c. Settling Parties' Affiliates, and Settling Parties' Affiliates' officers, officers, directors, employees, agents, and representatives;
  - d. any fossil fuel company;
  - e. any government entity or division; and
  - f. the judges who have presided over this Action.
- 5. The final Settlement Class also excludes any members of the provisional Settlement Class who submitted a timely and valid exclusion from the Settlement in accordance with the Court's Order granting preliminary approval of the Settlement (Dkt. #325).

- 6. Based on the papers filed with the Court and the presentations made to the Court at the hearing, the Court now gives final approval to the Settlement and finds that the Settlement is fair, reasonable, and adequate, and in the best interests of the Settlement Class Members, and treats them equitably relative to one another. The Court has specifically considered the factors relevant to class settlement approval. *See, e.g.*, Fed. R. Civ. P. 23(e); *Churchill Vill., L.L.C. v. Gen. Elec.*, 361 F.3d 566 (9th Cir. 2004); *In re Bluetooth Headset Products Liability Litig.*, 654 F.3d 935 (9th Cir. 2011).

  a. Among the factors supporting the Court's determination are: the significant relief provided to Class Members; the risks of ongoing litigation, trial, and appeal; the risk of maintaining class
  - action status through trial and appeal; the extensive discovery to date; and the positive reaction of Class Members.

    b. The Court further finds that, for settlement purposes only, the Settlement Class meets the requirements for class certification under Federal Rules of Civil Procedure 23(a) and 23(b)(3).

    Specifically, the Court finds, for settlement purposes only, that (1) the Settlement Class Members are sufficiently numerous such that joinder
  - is impracticable; (2) there are questions of law and fact common to Settlement Class Members; (3) proposed Settlement Class Representatives' claims are typical of those of the Settlement Class Members; (4) proposed Settlement Class Representatives and Settlement Class Counsel have fairly and adequately represented the interests of the Settlement Class Members; and (5) the predominance
  - c. The Court finds that the Settlement was negotiated at arm's length and was free of collusion. It was negotiated with experienced, adversarial counsel after extensive discovery, and with

and superiority requirements of Rule 23(b)(3) are satisfied.

- the aid of neutral, qualified mediators. Further, the attorneys' fees and costs award was the subject of a separate application to the Court.
- 7. The Settlement Agreement and every term and provision thereof are deemed incorporated in this Order and have the full force of an order of this Court.
- 8. Upon the Effective Date, all Class Members, except the seven valid opt outs, have, by operation of this Order, fully, finally and forever released, relinquished, and discharged the Released Parties pursuant to Article VIII of the Settlement Agreement.<sup>1</sup>
- 9. This Final Approval Order, the Settlement Agreement, the Settlement that it reflects, and any and all acts, statements, documents or proceedings relating to the Settlement are not, and must not be construed as, or used as, an admission by or against Defendant or Settling Parties of any fault, wrongdoing, or liability on their part, or of the validity of any claim or of the existence or amount of damages.
- 10. The above-captioned Action is dismissed in its entirety with prejudice. Except as otherwise provided in orders separately entered by this Court on Class Counsel's application for attorneys' fees and expenses, and service awards, and their motion for approval of the Plan of Allocation, the parties will bear their own expenses and attorneys' fees.
- 11. Without affecting the finality of this Order and the accompanying Judgment, the Court reserves jurisdiction over the implementation of the Settlement, including enforcement and administration of the Settlement Agreement, including any releases in connection therewith, and any other matters related or ancillary to the foregoing.
- 12. This order, in conjunction with the orders granting fees, expenses, and services awards, the plan of allocation, and final judgment, close the case.

<sup>&</sup>lt;sup>1</sup> A full and complete list of properties by parcel number that opted out of the Settlement is attached to this Order as Exhibit A.

# **EXHIBIT A**

# **OPT OUT LIST**

	APN NUMBER	<u>Name</u>	CITY/STATE
1.	081-150-002	The Land Trust for Santa Barbara County	Santa Barbara, CA
2.	081-150-028 The Land Trust for Santa Barbara County		Santa Barbara, CA
3.	131-200-013	Jack & Shannon Selvidge	Santa Maria, CA
4.	131-200-002	131-200-002 Barak & Alyssa Moffitt Revocable Trust	
5.	131-200-003	Barak & Alyssa Moffitt and Lanny Zamora	Santa Maria, CA
6.	131-200-001	Timothy Bennett	Santa Maria, CA
7.	099-400-017	ZACA Preserve, LLC	Los Olivos, CA

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Before the Court is Plaintiffs' unopposed motion for attorneys' fees, expenses, and class representative service awards. Dkt. #369. The Court conducted a fairness hearing on September 13, 2024. Having considered the moving papers and the information provided at the hearing, the Court GRANTS Plaintiffs' motion.

#### I. **BACKGROUND**

This case arises from an oil spill that occurred at Refugio State Beach in Santa Barbara County on May 19, 2015. The facts have been repeatedly recounted in the Court's prior orders, and the Court will address here only those facts relevant to Plaintiffs' request for fees, expenses, and service awards.

The parties have engaged in over eight years of hard-fought litigation in order to arrive at the \$70 million Settlement before the Court for final approval. See Mot.; see also Settlement Agreement, Dkt. #303-1, Ex. 1 (setting forth the terms of the Settlement). During this time, the parties conducted extensive discovery, which included among other things exchanging more than 1.4 million pages of documents, disclosing 13 experts and producing 21 expert reports, and taking over 20 depositions. See #Dkt. 371, Declaration of Robert J. Nelson in Support of Final *Approval*, ("Nelson Decl.") ¶¶ 14-6. Plaintiffs also successfully certified a Class, see Dkt. 100, which was subsequently amended. See Dkt. #258. The Parties filed multiple summary judgment motions. See, e.g., Dkts. #109, 267. Finally, the Settlement was reached only after the parties participated in multiple formal mediations over the course of many years. See Nelson Decl. ¶¶ 5-6.

Plaintiffs now bring this motion seeking the Court's approval of the following awards: (1) attorneys' fees of 33% of the total Settlement, totaling \$23,217,818; (2) reimbursement of \$1,195,207 in litigation expenses; and (3) three service awards of \$20,000 to Class Representatives, for a total of \$60,000. See generally Mot.

The Court considers each in turn.

### II. ATTORNEYS' FEES

# A. <u>Legal Standard</u>

Awards of attorneys' fees in class action cases are governed by Federal Rule of Civil Procedure 23(h), which provides that, after a class has been certified, the court may award reasonable attorneys' fees and nontaxable costs. *See* Fed. R. Civ. P. 23(h). The court, however, "must carefully assess" the reasonableness of the fee award. *See Staton v. Boeing Co.*, 327 F.3d 938, 963 (9th Cir. 2003).

Where litigation leads to the creation of a common fund, courts can determine the reasonableness of a request for attorneys' fees using either the percentage-of-recovery method or the lodestar method. *See In re Bluetooth Headset Prods. Liab. Litig.*, 654 F.3d 935, 944 45 (9th Cir. 2011) (finding that courts may use either method to gauge the reasonableness of a fee request but encouraging courts to employ a second method as a cross-check after choosing a primary method).

Under the percentage-of-recovery method, courts typically use 25% of the fund as a benchmark for a reasonable fee award. *See Id.* at 942. However, the percentage can vary, and courts have awarded more or less than 25% of the fund in attorneys' fees as they deemed appropriate. *See*, e.g., *Vizcaino v. Microsoft Corp.*, 290 F.3d 1043, 1047 (9th Cir. 2002) (noting that courts generally award between 20 and 30% of the common fund in attorneys' fees). When assessing the reasonableness of a fee award, courts consider "(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; and (5) awards made in similar cases." *In re Omnivision Techs., Inc.*, 559 F. Supp. 2d 1036, 1046 (N.D. Cal. 2008) (citing Vizcaino, 290 F.3d at 1048 50).

#### B. Discussion

After over eight years of litigation and roughly 17,812.37 hours of work,

Class Counsel now seek an award of 33% of the \$70 million gross settlement.<sup>1</sup> This amount is a modest departure from the federal benchmark given the circumstances of this case. *See* Mot. at 5:5, 17:12; Nelson Decl. ¶¶ 27-9. As such, the Court applies the percentage-of-recovery method and analyzes Plaintiffs' fee request under the *Vizcaino* factors.

Due to the exceptional circumstances of this case and the Court's extensive involvement in supervising the last eight years of litigation, the Court diverts from its usual practice and finds it unnecessary to cross-check the reasonableness of the requested award using the lodestar method. *Cf. Fischel v. Equitable Life Assur. Soc'y of U.S.*, 307 F.3d 997, 1007 (9th Cir. 2002) (holding that the district court did not err by using only the lodestar method to calculate fees given that the parties settled early in the litigation).

#### i. Results Achieved

"The overall result and benefit to the class from the litigation is the most critical factor in granting a fee award." *In re Omnivsion Techs.*, Inc., 559 F. Supp. 2d at 1046. "[T]he law appropriately provides for some upward adjustment [from the federal benchmark] where the results achieved are significantly better than the norm." *Rodman v. Safeway, Inc.*, No. CV 11-3003 JST, 2018 WL 4030558, at \*3 n.3 (N.D. Cal. Aug. 22, 2018).

Here, Class Counsel secured impressive results for the Class. The median payment to each of the 176 Class Properties will be approximately \$90,000, the average payment will be approximately \$230,000, and the minimum payment will be approximately \$50,150.<sup>2</sup> Class member recoveries through this Settlement for clarification of easement rights are significantly greater – indeed, often orders of

<sup>&</sup>lt;sup>1</sup> Half of the Settlement proceeds (\$35 million) has been earning interest pursuant to the Settlement. *See* Settlement at pages 41, 45. Accordingly, 33% of the total award is \$23,217,818.

<sup>&</sup>lt;sup>2</sup> This number differs from the Settlement, because 7 parcels have opted out from the Settlement.

magnitude greater – than the price the Class members were paid for their orig	ginal
easements when adjusted for inflation. Mot. at 4-5; Nelson Decl. ¶ 8. In short	rt,
through this Settlement, Class Counsel has successfully negotiated payments	s to
Class members for clarification for easement rights that far exceed the	
consideration originally paid for those easements when adjusted for inflation	. Mot.
at 4, 5:4; cf. In re Heritage Bond Litig., No. 02-ML-1475-DT (RCX), 2005 V	VL
1594389, at *8 (C.D. Cal. June 10, 2005)(awarding 33.33% in fees to counse	el
where the class recovered 23% of the total net loss after fees were deducted):	;
Carlin v. DairyAmerica, Inc., 380 F. Supp. 3d 998, 1021, 1023 (E.D. Cal. 20	19)
(awarding 33.3% of a \$40 million common fund that represented 48% of dark	nages).
Not only does the Settlement provide meaningful monetary relief to m	embers
of the Class, but the recovery was also obtained in the face of complex and h	otly
disputed issues that were central to Plaintiffs' case, including unique contract	t
interpretation issues as well as technical disputes over the meaning of pipelin	ne
operation and maintenance. Mot. at 6:14-20. Moreover, there is no supporting	g
precedent for the claim that forms that basis of this Settlement: that the easer	nents
had all terminated as a result of the Pipeline shutdown. And there is likewise	no
direct precedent for the Subclass members' claim that their easements had all	1
terminated for an additional reason - the automatic termination clauses in the	<u>,</u>
easements. See Mot. at 6:8-20; Nelson Decl. ¶ 12; see also Vizcaino, 290 F.3	d at
1048 (affirming the district court's finding that counsel "achieved exceptional	ıl
results for the class" in the face of difficult facts, "in the absence of supporting	ng
precedents," and despite "[Defendant's] vigorous opposition throughout the	
litigation"); Lopez v. Youngblood, CV-F-07-0474 DLB, 2011 WL 10483569,	, at *6
(E.D. Cal. Sept. 2, 2011)(exceeding the federal benchmark where "[t]he auth	ority
upon which Plaintiffs were able to rely was relatively scant").	
Finally, no Class members objected to Class Counsel's fee request.	

Accordingly, the Court is persuaded that this factor weighs in favor of an upward

departure from the federal benchmark.

#### ii. Risk of Litigation

In assessing the fairness and reasonableness of an award of attorneys' fees, the risk that further litigation might result in no recovery is a "significant factor." *In re Omnivision Techs.*, 559 F. Supp. 2d at 1046 47. As mentioned above, Plaintiffs' case hinged on the resolution of several complex and disputed issues, and a loss at trial or on appeal on any of these issues could have precluded Class recovery in whole or part. *See* Mot. at 7:2 16. This risk is only magnified by the novelty and length of this litigation. Thus, this factor supports the requested fee award of 33% of the common fund.

### iii. The Skill Required and the Quality of Work

The Court also considers the skill required to prosecute and manage this litigation, as well as Class Counsel's overall performance. *See In re Omnivision Techs.*, 559 F. Supp. 2d at 1047.

Having witnessed the complexities of the legal and factual issues at play in this case, the Court finds Class Counsel's litigation efforts notable. For example, Class Counsel successfully certified the Class, and subsequently amended it, despite the lack of precedent to rely upon as to the certification of the class or the underlying claim certified. Nelson Decl. ¶ 12 ("To Class Counsel's knowledge, there is no direct supporting precedent for the claim that forms the basis of this Settlement [or]...certification of the easement class."). Moreover, for much of the litigation, Plains sought to install a second pipeline, asserting that the easements negotiated by Celeron permitted it to install a second pipeline through the Class Properties. Mot. at 7:24-28. Class Counsel fought this project for years, asserting that the easements did not permit the installation of a second pipeline. In the face of spirited opposition by Plaintiffs, including successfully defeating a motion to dismiss and summary judgment on that issue (Dkts. 80, 128), Plains and PPC ultimately abandoned the second pipeline, resulting in a consent decree judgment in favor of Plaintiffs on those claims. Dkt. #282. When Plains and PPC abandoned the

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second pipeline, it required Class Counsel to pivot and pursue claim 15, the new claim that the easements had terminated pursuant to common-law abandonment and, as to the Subclass, for the additional reason that the automatic termination provisions in many of the contracts was triggered.

These facts, in conjunction with the extensive and technical fact and expert discovery and the many formal daylong mediations, underscore the skill and effort needed to achieve the impressive \$70 million settlement result. See Mot. at 8:17-9:5; Nelson Decl. ¶ 5-6. And especially when considering that Defendants were represented by prominent litigation firms, Class Counsel's ability to get the case this far along evinces their high quality of work. See In re Am. Apparel, Inc. S'holder *Litig.*, No. CV 10-6352 MMM (JCGx), 2014 WL 10212865, at \*22 (C.D. Cal. July 28, 2014) ("In addition to the difficulty of the legal and factual issues raised, the court should also consider the quality of opposing counsel as a measure of the skill required to litigate the case successfully.").

As such, this factor, too, weighs in favor of awarding Class Counsel its requested fees.

#### The Contingent Nature of the Fee and Financial iv. **Burden Carried by the Plaintiffs**

An upward departure from the federal benchmark may be warranted when Class Counsel faced the risk of walking away with nothing after investing substantial time and resources in the matter. See In re Omnivision Techs., Inc., 559 F. Supp. 2d at 1047 ("The importance of assuring adequate representation for plaintiffs who could not otherwise afford competent attorneys justifies providing those attorneys who do accept matters on a contingent-fee basis a larger fee."). Here, Class Counsel took this matter on a wholly contingent basis with no guarantee of recovery for over eight years. See Nelson Decl. ¶¶ 4, 20. The Court agrees that the substantial risks borne by Class Counsel in pursuing this class action for over eight years with no guarantee of recovering fees or litigation expenses also militates in favor of finding the requested fee award reasonable.

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#### v. Awards Made in Similar Cases

The requested attorneys' fees are comparable to awards authorized in similar cases. See, e.g., Williams v. MGM-Pathe Commc'n Co., 129 F.3d 1026, 1026 (9th Cir. 1997) (awarding 33% of the \$4.5 million settlement fund); Wren v. RGIS Inventory Specialists, No. C-06-05778 JCS, 2011 WL 1230826, at \*29 (N.D. Cal. Apr. 1, 2011) (finding a 42% fee award appropriate). Moreover, the Court compares the requested award to those from cases that are similar in size, complexity, and duration and concludes that an award of 33% is within the range of reasonableness permitted in this Circuit. See, e.g., In re Apollo Grp. Inc. Sec. Litig., 2012 WL 1378677, at \*3, \*7 (D. Ariz. Apr. 20, 2012) (33.33% of a \$145 million settlement awarded following seven years of litigation "pursued ... despite great risk"); Greenville v. Syngenta Crop Prot., Inc., 904 F. Supp. 2d 902, 904, 907 (S.D. Ill. 2012) (33.33% of \$105 million, equivalent to a 1.34 multiplier, in a seven-year long pollution case); see also In re Nat'l Collegiate Athletic Ass'n Athletic Grant-in-Aid Cap Antitrust Litig., No. 4:14-md-2541-CW, 2017 WL 6040065, at \*5 n.30 (N.D. Cal. Dec. 6, 2017) (collecting "mega-fund" cases from around the country, including those awarding fees of one-third the settlement fund).

Accordingly, similar cases establish that an upward departure from the federal benchmark is appropriate here.

#### C. **Conclusion**

Based on the unique circumstances of this case and because all of the *Vizcaino* factors considered under the percentage-of-recovery method heavily support Class Counsel's requested fee, the Court forgoes cross-checking the reasonableness of the fee against the lodestar method. Ultimately, the Court is convinced that an award of 33% of the common fund is warranted and reasonable under the circumstances. As such, the Court GRANTS Plaintiffs' motion for \$33% of the gross Settlement in attorneys' fees, for a total of \$23,217,818.

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# III. <u>LITIGATION EXPENSES</u>

In class action settlements, "[a]ttorneys may recover their reasonable expenses that would typically be billed to paying clients in non-contingency matters." See In re Omnivision Techs., 559 F. Supp. 2d at 1048. Here, Class Counsel requests reimbursement of \$1,195,207 in costs and expenses. See Mot at 16:24-6. This includes expenses that are typically charged to fee-paying clients, including filing fees, expert witness fees, mediation fees, deposition expenses, legal research fees, and copying and postage charges. See Nelson Decl. ¶ 28; Andrews Declaration of Juli E. Farris, Dkt. #956 ¶¶ 18-20; see also In re Lidoderm Antitrust *Litig.*, No. 14-md-02521-WHO, 2018 WL 4620695, at \*4 (N.D. Cal. Sept. 20, 2018) (awarding almost \$4 million in expenses for filing fees, computerized research, copies, postage and messenger services, experts, and case-related travel); In re NCAA Antitrust Litig., 2017 WL 6040065, at \*5, \*11 (finding expenses of over \$3 million were reasonable given that the matter was litigated for over three years). Given the duration and scope of this litigation, and after reviewing accompanying declarations, the Court is satisfied that the costs are reasonable. Finally, no Class members objected to Class Counsel's request for reimbursement of litigation expenses. Therefore, the Court GRANTS Plaintiffs' request for costs in the amount of \$1,195,207.

# IV. CLASS REPRESENTATIVES' SERVICE AWARDS

"Incentive awards are fairly typical in class action cases." *Rodriguez v. W. Publ'g Corp.*, 563 F.3d 948, 958 (9th Cir. 2009). When assessing requests for service awards, courts consider five principal factors:

(1) the risk to the class representative in commencing suit, both financial and otherwise; (2) the notoriety and personal difficulties encountered by the class representative; (3) the amount of time and effort spent by the class representative; (4) the duration of the litigation; (5) the personal benefit (or lack thereof) enjoyed by the class representative as a result of the litigation. *Van Vranken v. Atl. Richfield* 

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Co., 901 F. Supp. 294, 299 (N.D. Cal. 1995).

After reviewing the submitted declarations provided by the Class Representatives, see Nelson Decl. Exs. 3-5, the Court is satisfied that the requested service awards of \$20,000 each for Mr. Tautrim, Ms. McNutt, and Roger McMullin (on behalf of the Grey Fox entities) are appropriate. Throughout the case's trajectory, each Class Representative, among other things, searched for and provided facts used to compile Plaintiffs' operative complaint, helped Class Counsel analyze claims, and reviewed and approved the settlement. See Id. Mr. Tautrim and Ms. McNutt sat for deposition, and three individuals sat for deposition with on behalf of the Grey Fox entities. In short, they each dedicated time and effort to the benefit of the litigation without any assurance of receiving compensation in the immediate or near future, if ever. See, e.g., Nelson Decl., Ex. 3 (Declaration of Mark Tautrim) ¶ 9 ("I estimate that representatives on behalf of the above entites devoted more than 100 hours to the work."); *Id.*, Ex. 5 (Declaration of Roger McMullin) ¶ 9 ("I estimate that representatives on behalf of the above entities devoted more than 130 hours to the work."); *Id.*, Ex. 4 (Declaration of Denise McNutt) ¶ 9 ("I estimate that I devoted more than 80 hours to the work.").

Moreover, the Court recognizes that service awards of this size or even larger are common in class action cases. See Mot. at 17:13-18:13 (citing cases approving awards of \$20,000 to \$25,000); see also In re NCAA Antitrust Litig., 2017 WL 6040065, at \*11 & n.69 (finding the requested service awards of \$20,000 for each class representative consistent with service awards in other cases). Finally, the combined service awards represent less than 0.09% of the gross settlement, which is reasonable given the hours expended by the Class Representatives in pursuing class wide relief. See Edwards v. Chartwell Servs., Inc., No. CV 16-9187 PSG (KSx), 2018 WL 10455206, at \*1-2, \*8 (C.D. Cal. Aug. 27, 2018) (approving a \$10,000 enhancement award, which represented 1.25% of the gross settlement fund, when plaintiff spent approximately 55 hours assisting with the case and risked

Plaintiffs have moved for an order approving the Plan of Allocation. Dkt. #370. Upon due consideration of the motion and all of the papers, pleadings and files in this action, and good cause appearing, the Court **GRANTS** the motion.

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As part of its review of a proposed settlement, the trial court should consider "the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims." Fed. R. Civ. P. 23(e)(2)(C)(ii). "A claims processing method should deter or defeat unjustified claims, but the court should be alert to whether the claims process is unduly demanding." Fed. R. Civ. P. 23(e), 2018 adv. comm. note. Likewise, Rule 23(e)(2)(D) asks whether "the proposal [for distribution among class members] treats class members equitably relative to each other." Relevant considerations may include "whether the apportionment of relief among class members takes appropriate account of differences among their claims, and whether the scope of the release may affect class members in different ways that bear on the apportionment of relief." Fed. R. Civ. P. 23(e)(2), 2018 adv. comm. note.

Fundamentally, "[a]ssessment of a plan of allocation of settlement proceeds in a class action under Fed. R. Civ. P. 23 is governed by the same standards of review applicable to the settlement as a whole – the plan must be fair, reasonable, and adequate." In re Illumina, Inc. Sec. Litig., No. 3:16-CV-3044-L-MSB, 2021 WL 1017295, at \*4 (S.D. Cal. Mar. 17, 2021) (citing Class Pls. v. City of Seattle, 955 F.2d 1268, 1284–85 (9th Cir. 1992)). The plan "need only have a reasonable, rational basis, particularly if recommended by experienced and competent class counsel." Jenson v. First Tr. Corp., No. CV 05-3124 ABC (CTx), 2008 WL 11338161, \*9 (C.D. Cal. June 9, 2008) (citation omitted).

The Court has reviewed the Plan of Allocation and finds that it meets the standards for approval. First, the Plan pays Class Members directly, obviating the need for a claims process altogether. "[T]he goal of any distribution method is to get as much of the available damages remedy to class members as possible and in

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27 28 as simple and expedient a manner as possible." See Hilsley v. Ocean Spray Cranberries, Inc., 2020 WL 520616, at \*7 (S.D. Cal. Jan. 31, 2020) (quoting 4 William B. Rubenstein, *Newberg on Class Actions* § 13:53 (5th ed. Dec. 2021) update)). The proposed distribution plan is simple and expedient. This strongly supports approval.

The Court also finds that the Plan treats Class Members equitably and is fair, reasonable, and adequate. The Plan provides every Class Member with a uniform base payment of \$50,000 and compensates Class Members additionally based on reasonable, equitable, and objective criteria: the repair work on each Class Property (if any); the value of the Class Properties' easement and severance damages pursuant to expert proof; and the presence, if any, of automatic termination clauses in the easements.

Distribution methods such as these are regularly approved as fair and reasonable. Koenig v. Lime Crime, Inc., No. CV 16-503 PSG (JEMx), 2018 WL 11358228, at \*4 (C.D. Cal. Apr. 2, 2018) (approving payment of equal shares for portion of settlement); In re High-Tech Emp. Antitrust Litig., 2015 WL 5159441, at \*8 (N.D. Cal. Sept. 2, 2015) (approving payment based on "fractional share[s]"); Jenson, v. First Tr. Corp., 2008 WL 11338161, at \*10 (approving distinctions in plan of allocation as reasonably reflecting likelihood of recovery of subgroups within the class); In re Biolase, Inc. Sec. Litig., No. SA-CV-13-1300 JLS (FFMx), 2015 WL 12720318, at \*5 (C.D. Cal. Oct. 13, 2015) (variable pro rata distribution plan based upon relative injuries of class members approved). Accordingly, this strongly supports approval.

Finally, no Class members objected to the Plan of Allocation. This response speaks to the Class members' support for the Plan of Allocation. See In re Heritage Bond Litig., No. 02-ML-1475 DT, 2005 WL 1594403, at \*12 (C.D. Cal. June 10, 2005); see also In re Volkswagen "Clean Diesel" Mktg., Sales Pracs., & Prod.

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13 14 15 16	Class Counsel (additional counsel listed at signature)  UNITED STATE  CENTRAL DISTR		
18   19   20   21   22   23   24   25   26   27   28	GREY FOX, LLC, et al.  Plaintiffs,  v.  PLAINS ALL AMERICAN PIPELINE, L.P., et al.,  Defendants.		16-cv-03157-PSG-JEM  ED] FINAL JUDGMENT  September 13, 2024 1:30 p.m.  Hon. Philip S. Gutierrez 6A

Case No. 2:16-cv-03157-PSG-JEM

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The Court, having entered on [DATE] a Final Approval Order approving the
Settlement between plaintiffs Grey Fox, LLC, MAZ Properties, Inc., Bean Blossom
LLC, Winter Hawk, LLC, Mark Tautrim, Trustee of the Mark Tautrim Revocable
Trust, and Denise McNutt, individually and in their representative capacities ("Class
Representatives"), and Defendant Pacific Pipeline Company ("PPC") and Sable
Offshore Corp., as successor by merger of Sable Offshore Holdings LLC and Flame
Acquisition Corp. ("Sable," and collectively with PPC, "Settling Parties"), it is
hereby ORDERED, ADJUDGED, and DECREED that:

- Judgment is hereby entered in this case as to the Settlement in accordance with the Court's [DATE] Final Approval Order as to all claims against Defendant in this Action.
- The Settlement and all of its terms, shall have full force and effect. See 2. #Dkt. 303-1, Ex. 1.
- 3. This Order approves the Settlement in all respects, including Section IV. B ("Final Order and Judgment").
- The Parties shall take all actions required of them in the Final Approval Order and the Settlement Agreement.
- The above-captioned action is DISMISSED in its entirely with 5. prejudice.
- 6. Except as otherwise provided in orders separately entered by this Court on the application for attorneys' fees and expenses and the application for service awards submitted by Class Counsel, the Parties will bear their own expenses and attorneys' fees.
- Without affecting the finality of this Order and the accompanying Judgment, the Court reserves jurisdiction over the implementation of the Settlement, including enforcement and administration of the Settlement Agreement, including any releases in connection therewith, and any other matters related or ancillary to the Settlement.

1	8.	This document constitutes a final judgment pursuant to Federal Rule of
2	Civil Proc	edure 54 and a separate document for purposes of Federal Rule of Civil
3	Procedure	58(a).
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5	DATED:	
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8		Hon. Philip S. Gutierrez
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