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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

JACKLYN FEIST, individually and on behalf of all others similarly situated; and ANGELICA ZIMMER, individually and on behalf of all others similarly situated,  
Plaintiff,  
v.  
PETCO ANIMAL SUPPLIES, INC.,  
Defendants.

Case No.: 3:16-cv-01369-H-MSB

**ORDER**

**(1) CERTIFYING SETTLEMENT CLASS;**

**(2) GRANTING FINAL APPROVAL OF CLASS SETTLEMENT; and**

**(3) APPROVING PLAINTIFFS' REQUEST FOR ATTORNEYS' FEES, COSTS, AND INCENTIVE PAYMENT**

[Doc. Nos. 41, 42]

On September 18, 2018, Plaintiffs filed a motion for final approval of class action settlement and a request for attorneys' fees, costs, and class representative service awards. (Doc. Nos. 41, 42.) On November 16, 2018, the Court held a hearing on the motions. (Doc. No. 47.) Mark S. Greenstone appeared on behalf of Plaintiffs and Frederick W. Kosmo, Jr. appeared on behalf of Defendant. (Id.) For the following reasons, the Court grants both motions.

**Background**

Petco Animal Supplies, Inc. (“Defendant”) is a major national retailer that primarily sells pet care products and services. Angelica Zimmer (“Zimmer”) is a former Petco employee, and Jacklyn Feist (“Feist”) is a former Petco job applicant (collectively, “named plaintiffs”). (Doc. No. 36, Second Amended Complaint, ¶¶ 30–35.) Plaintiffs allege that Defendant obtained and reviewed consumer reports detailing their financial histories after Plaintiffs applied for jobs at Defendant’s stores, without first providing Plaintiffs the notice required by the Fair Credit Reporting Act, 15 U.S.C. § 1681 (“FCRA”). (Id. ¶¶ 30–35, 51.) Zimmer was hired by a Petco store and worked there for roughly five months. (Id. ¶ 35.) Feist was not hired, allegedly because of adverse information on her consumer report. (Id. ¶ 33.) Feist alleges that she was not properly notified that Defendant would be reviewing her consumer report and was thus “deprived of an opportunity to review and challenge the report upon which . . . her denial of employment was based.” (Id.)

On May 5, 2016, Plaintiffs filed this class action in the San Diego County Superior Court. (Doc. No. 1-2.) They asserted three different claims for violations of FCRA and sought to represent a class of “All persons regarding whom Defendant procured or caused to be procured a consumer report for employment purposes during the period from May 1, 2014 through December 31, 2015” (“Disclosure Class”), including a proposed subclass of “[a]ll persons regarding whom Defendant took adverse action subsequent to procuring a consumer report and did not receive a pre-adverse action notification letter during the period May 1, 2014 through December 31, 2015” (“Adverse Action Subclass”). (Doc. No. 36 ¶ 54.) On June 6, 2016, Defendant removed the action to this District on the basis of federal question jurisdiction. (Doc. No. 1.) Defendant moved to dismiss the complaint for failure to state a claim and lack of standing on July 15, 2016, (Doc. No. 7-1), but the Court denied the motion on November 22, 2016. (Doc. No. 16.) Defendant answered the complaint on December 22, 2016. (Doc. No. 17.)

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1 On January 18, 2018, the parties notified the Court that they had reached a global  
2 settlement following mediation before the Honorable Leo S. Papas (Retired), a former  
3 Magistrate Judge of this Court. (Doc. No. 28.) After further negotiations, Plaintiffs moved  
4 for preliminary approval of the parties' class settlement on April 20, 2018. (Doc. No. 34.)  
5 The Court granted preliminary approval of the class settlement. (Doc. No. 39.) On  
6 September 18, 2018, Plaintiffs filed a motion for final approval of class action settlement  
7 and a request for attorneys' fees, costs, and class representative service awards. (Doc. Nos.  
8 41, 42.)

9 Under the proposed settlement, Defendant will pay \$1,200,000 to establish a  
10 nonreversionary settlement fund to resolve the litigation. (See Doc. No. 34-3, Proposed  
11 Settlement, at 7.) The settlement allocates \$10,000 as an incentive award for the lead  
12 Plaintiffs, \$300,000 for attorney fees, up to \$15,725.26 to cover costs of suit, up to  
13 \$114,028.88 to pay the settlement administrator, and the remainder to participating class  
14 members. (Id.; Doc. No. 41-1 at 11; see Doc. No. 45-1 ¶ 12.) The estimated 37,279  
15 members of the Disclosure Class will each receive roughly \$20, while the estimated 52  
16 members of the Adverse Action Subclass will receive an additional \$150. (Doc. No. 41-1  
17 at 7.) In exchange for these payments, Defendant will be released from "all claims based  
18 on the failure to provide a proper disclosure and/or obtain a proper authorization and/or  
19 provide a pre-adverse action notification letter, in connection with an employment-related  
20 background check under the FCRA and all related, analogous or corresponding federal or  
21 state laws, which any Participating Class Member has ever had, or hereafter may claim to  
22 have, against the Released Parties related to consumer reports procured by Defendant  
23 during the period from May 1, 2014 through December 31, 2015." (Doc. No. 34-3 at 12,  
24 26–27.)

25 Defendant provided notice to 35,681 class members constituting 95% of the total  
26 class. (Doc. Nos. 42-2 ¶ 37; 45-1 ¶ 9.) The case administrator posted the notice on the  
27 settlement website accessible 24 hours per day and 7 days per week to potential class  
28 members. (Doc. No. 42-2 ¶ 38.) In addition, the case administrator established a toll free

1 number, fax number, e-mail address, and mailing address to accommodate potential class  
2 member inquiries. (*Id.*) As of September 18, 2018, there have been no objections and four  
3 timely requests for exclusion were received. (*Id.* ¶ 38.) Non-objecting class members will  
4 be paid automatically, without need to file a claim. (*Id.* ¶ 4.) Any unclaimed funds will be  
5 donated to the National Consumer Law Center as cy pres recipient. (Doc. No. 40 at 2.)

## 6 Discussion

### 7 **I. Class Certification**

8 A class may be certified under Federal Rule of Civil Procedure 23(a) if: (1) the class  
9 is so numerous that joinder of all members individually is impracticable; (2) questions of  
10 law or fact are common to the class; (3) the claims or defenses of the class representative  
11 are typical of the claims or defenses of the class; and (4) the person representing the class  
12 is able to fairly and adequately protect the interest of all members of the class. Furthermore,  
13 Rule 23(b)(3) requires a finding “that the questions of law or fact common to class  
14 members predominate over any questions affecting only individual members, and that a  
15 class action is superior to other available methods for fairly and efficiently adjudicating the  
16 controversy.”

17 In its order certifying the class for settlement purposes, the Court determined that  
18 the class met the requirements of Rule 23(a) and Rule 23(b)(3). (Doc. No. 39.) The class  
19 includes all individuals who applied for jobs at Petco stores during the class period and for  
20 whom Petco reviewed consumer reports. (*Id.* at 4.) The Adverse Action Subclass includes  
21 those members of the Disclosure Class who were subject to an adverse employment action  
22 as a result of the information contained in their consumer reports. (*Id.*)

23 The settlement class meets the numerosity, commonality, typicality, and adequacy  
24 of representation requirements of Rule 23(a). The numerosity prerequisite is met if “the  
25 class is so numerous that joinder of all members is impracticable.” Fed. R. Civ. P. 23(a)(1).  
26 Plaintiffs estimate that the Disclosure Class exceeds 37,000 members, while the Adverse  
27 Action Subclass contains roughly 52 members. (Doc. No. 34-1 at 7.) “Courts generally  
28 find that the numerosity factor is satisfied if the class comprises 40 or more members and

1 will find that it has not been satisfied when the class comprises 21 or fewer.” Nunez v.  
2 BAE Sys. San Diego Ship Repair Inc., 292 F. Supp. 3d 1018, 1032 (S.D. Cal. 2017); see  
3 also Bee, Denning, Inc. v. Capital Alliance Group, 310 F.R.D. 614, 624 (S.D. Cal. 2015);  
4 Gomez v. Rossi Concrete, Inc., 270 F.R.D. 579, 588 (S.D. Cal. 2010). Accordingly, the  
5 proposed classes meet the numerosity prerequisite in this case.

6 The commonality prerequisite is met if there are “questions of law or fact common  
7 to the class.” Fed. R. Civ. P. 23(a)(2). Rule 23(a)(2) is construed permissively. Hanlon  
8 v. Chrysler Corp., 150 F.3d 1011, 1019 (9th Cir. 1998). “[T]he key inquiry is not whether  
9 the plaintiffs have raised common questions, ‘even in droves,’ but rather whether class  
10 treatment will ‘generate common answers apt to drive the resolution of the litigation.’”  
11 Abdullah v. U.S. Sec. Assoc., Inc., 731 F.3d 952, 957 (9th Cir. 2013) (quoting Wal-Mart  
12 Stores, Inc. v. Dukes, 564 U.S. 338, 350 (2011)). Here, whether Defendant provided the  
13 proposed class members with adequate FCRA notice implicates numerous common  
14 questions of law and fact. See, e.g., Singleton v. Domino’s Pizza, LLC, 976 F. Supp. 2d  
15 665, 675 (D. Md. 2013) (finding commonality requirement satisfied for FCRA settlement  
16 class based on questions of “where [defendant] violated the FCRA by using [a form] to  
17 obtain consent from prospective and/or current employees to procure consumer reports for  
18 employment purposes”); Roe v. Frito-Lay, Inc., No. 14-cv-00751-HSG, 2016 WL  
19 4154850, at \*3 (N.D. Cal. Aug. 5, 2016) (“The [c]ourt finds that the proposed class satisfies  
20 the commonality requirement because, at a minimum, [d]efendant’s alleged policies and  
21 practices concerning provision of a pre-adverse action notice as required by the FCRA  
22 implicate class members’ claims as a whole.”). Accordingly, the commonality prerequisite  
23 is met.

24 Typicality requires that “the claims or defenses of the representative parties [be]  
25 typical of the claims or defenses of the class.” Fed. R. Civ. P. 23(a)(3). A plaintiff’s claims  
26 are “‘typical’ if they are reasonably co-extensive with those of absent class members.”  
27 Hanlon, 150 F.3d at 1020. Typicality requires that a representative plaintiff “possess the  
28 same interest and suffer the same injury as the class members.” Gen. Tel. Co. of the Sw.

1 v. Falcon, 457 U.S. 147, 156 (1982). Here, Zimmer suffered the same alleged injury as the  
2 Disclosure Class—Petco reviewed her consumer report without providing adequate FCRA  
3 notice. Feist suffered the same alleged injury as the Adverse Action Subclass—her offer of  
4 employment was rescinded because of the information contained in her consumer report,  
5 and she was not given an opportunity to correct any false information in the report. The  
6 Court accordingly finds the typicality requirement satisfied.

7 Adequacy of representation under Rule 23(a)(4) requires that the class representative  
8 be able to “fairly and adequately protect the interests of the class.” Fed. R. Civ. P. 23(a)(4).  
9 Representation is adequate if the plaintiff and class counsel: (1) do not have any conflicts  
10 of interest with other class members and (2) will prosecute the action vigorously on behalf  
11 of the class. Hanlon, 150 F.3d at 1020. Here, there do not appear to be any conflicts of  
12 interest between Plaintiffs and the absent class members. Plaintiffs and their counsel have  
13 vigorously prosecuted the interests of the class, and class counsel has extensive experience  
14 in complex class action litigation. (See Doc. No. 34-2 ¶¶ 12–17.) Accordingly, Plaintiffs  
15 and their counsel are adequate representatives of the proposed class.

16 The settlement class also meets the predominance and superiority requirements of  
17 Rule 23(b)(3). The predominance inquiry tests whether the proposed class is “sufficiently  
18 cohesive to warrant adjudication by representation.” Hanlon, 150 F.3d at 1022 (quoting  
19 Amchem Prod., Inc. v. Windsor, 521 U.S. 591, 594 (1997)). Here, the significant common  
20 issue in this case is whether Defendant provided adequate FCRA notice to the class  
21 members before obtaining their consumer reports. Moreover, the legal remedies for the  
22 class members and subclass members are the same—monetary damages, which differ only  
23 based on whether adverse action was taken as a result of the information in the class  
24 members’ consumer reports. Accordingly, the Court concludes that the issues common to  
25 the proposed class are significant and predominate over individual issues. See Singleton,  
26 976 F. Supp. 2d at 677 (predominance satisfied for FCRA settlement class where the  
27 “‘Applicant Class’ would have to show that [defendant] violated FCRA by procuring or  
28 causing to be procured a consumer report based on a . . . form that prospective applicants

1 complete” and the “‘Adverse Action Class’ would need to establish that [defendant] took  
2 an adverse employment action against prospective and current employees without sending  
3 a pre-adverse action notice and/or copy of the consumer report on which the adverse action  
4 was taken”).

5 The superiority inquiry requires determination of “whether objectives of the  
6 particular class action procedure will be achieved in the particular case.” Hanlon, 150 F.3d  
7 at 1023 (citation omitted). Notably, the class-action method is considered to be superior if  
8 “classwide litigation of common issues will reduce litigation costs and promote greater  
9 efficiency.” Valentino v. Carter-Wallace, Inc., 97 F.3d 1227, 1234 (9th Cir. 1996) (citation  
10 omitted). Here, there is no evidence that absent class members wish to pursue their claims  
11 individually. Moreover, any class member who wanted to pursue an individual claim could  
12 elect not to participate in the settlement agreement. Thus, the superiority requirement is  
13 met here.

14 Accordingly, the Court certifies the following settlement class:

15 All persons regarding whom Defendant procured or caused to be procured a  
16 consumer report for employment purposes during the period from May 1,  
17 2014 through December 31, 2015. Included in the Settlement Class is a  
18 subclass consisting of those against whom Petco took an adverse action  
19 subsequent to procuring a consumer report and did not receive a pre-adverse  
20 action notification letter.

## 21 **II. Settlement**

22 Rule 23(e) requires a court to determine whether a proposed settlement is  
23 “fundamentally fair, adequate, and reasonable.” Staton v. Boeing Co., 327 F.3d 938, 959  
24 (9th Cir. 2003). To make this determination, a court must consider a number of factors,  
25 including: (1) the strength of the plaintiff’s case; (2) the risk, expense, complexity, and  
26 likely duration of further litigation; (3) the risk of maintaining class action status  
27 throughout the trial; (4) the amount offered in settlement; (5) the extent of discovery  
28 completed and the stage of the proceedings; (6) the experience and views of counsel; (7)  
the presence of a governmental participant; and (8) the reaction of class members to the

1 proposed settlement. Id. “In addition, the settlement may not be the product of collusion  
2 among the negotiating parties.” In re Mego Fin. Corp. Sec. Litig., 213 F.3d 454, 458 (9th  
3 Cir. 2000) (citing Class Plaintiffs v. City of Seattle, 955 F.2d 1268, 1290 (9th Cir. 1992)).

4 “In deciding whether to approve a proposed settlement, the Ninth Circuit has a  
5 ‘strong judicial policy that favors settlements, particularly where complex class action  
6 litigation is concerned.’” In re Heritage Bond Litigation, 2005 WL 1594403, at \*2 (C.D.  
7 Cal. June 10, 2005) (quoting Class Plaintiffs v. Seattle, 955 F.2d 1268, 1276 (9th Cir.  
8 1992)). The Ninth Circuit favors deference “to the private consensual decision of the  
9 [settling] parties,” particularly where the parties are represented by experienced counsel.  
10 Rodriguez v. West Publishing Corp., 563 F.3d 948, 965 (9th Cir. 2009). “In reality, parties,  
11 counsel, mediators, and district judges naturally arrive at a reasonable range for settlements  
12 by considering the likelihood of a plaintiff’s or defense verdict, the potential recovery, and  
13 the chances of obtaining it, discounted to present value.” Id.

#### 14 A. The Strength of Plaintiffs’ Case and Risk of Further Litigation

15 Both parties have expended significant time, effort, and resources supporting their  
16 positions, and they would continue to do so if the settlement failed to receive final approval.  
17 (Doc. No. 41-1 at 16–22.) The disputed factual and legal issues would be complex and  
18 costly to resolve at trial. (Id.) Both sides have considered the uncertainty and risk of the  
19 outcome of future litigation, the burdens of proof, and the general difficulties and delays  
20 of litigation. (Id. 16–22, 26.) These considerations led the parties to conclude that a timely  
21 settlement would be best for everyone involved. (See id. at 26.) See Linney v. Cellular  
22 Alaska P’ship, 151 F.3d 1234, 1242 (9th Cir. 1998) (“[I]t is the very uncertainty of outcome  
23 in litigation and avoidance of wasteful and expensive litigation that induce consensual  
24 settlement.”) (internal quotation marks and citation omitted). The Court concludes that the  
25 strength of the parties’ positions as well as the risk of further litigation weigh in favor of  
26 approving the settlement.

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1           B. The Settlement Amount

2           The estimated total value of benefits to the class is \$793,274.74, with each class  
3 member receiving one of two compensation levels based on whether they were subject to  
4 an adverse employment action. (Doc. No. 34-1 at 7.) The average recovery for each of  
5 the roughly 37,000 Disclosure Class members will be \$20, while the average recovery for  
6 the roughly 52 Adverse Action Subclass members will be \$170. (Doc. No. 41-1 at 7.)  
7 Courts have approved similar FRCA class settlements measured on a per-class member  
8 basis. See e.g., In re Toys R Us-Delaware, Inc.--Fair & Accurate Credit Transactions Act  
9 (FACTA) Litig., 295 F.R.D. 438, 454 (C.D. Cal. 2014) (holding that, because each class  
10 member could have recovered between \$100 and \$1000, a \$5 or \$30 settlement award for  
11 each member’s FCRA claim was “not a de minimis amount”); Moore v. Aerotek, Inc., No.  
12 2:15-CV-2701, 2017 WL 2838148, at \*4 (S.D. Ohio June 30, 2017) (approving a FRCA  
13 class settlement with per class member payments of between \$13–\$80).

14           This settlement is a good result for the class and eliminates the risks, expenses, and  
15 delay associated with continued litigation. Moreover, the settlement amount is the result  
16 of arm’s-length negotiation conducted by experienced counsel. Accordingly, the Court  
17 concludes that the amount offered in settlement weighs in favor of granting final approval  
18 of the settlement.

19           C. The Extent of Discovery Completed and Stage of Proceedings

20           The parties have litigated this case for nearly two years. This settlement follows  
21 significant discovery, which included exchange of initial disclosures, comprehensive sets  
22 of interrogatories, and document requests, as well as substantial discussions between the  
23 parties concerning the relative strengths of Plaintiffs’ claims and Defendant’s defenses.  
24 (Doc. No. 42-2 ¶¶ 19–20.) Class Counsel analyzed Defendant’s online application and  
25 disclosure form, and obtained the named plaintiffs’ personnel files. (Id. ¶ 4.) In addition,  
26 the parties participated in a formal mediation conducted by the Honorable Leo Papas  
27 (Retired). (Id. ¶ 21.) Accordingly, the parties’ significant investigation, discovery, and  
28 settlement discussions weighs in favor of granting final approval of the settlement. See

1 Linney v. Cellular Alaska P’ship, 151 F.3d 1234, 1239 (9th Cir. 1998) (holding that class  
2 action settlements are appropriate if “the parties have sufficient information to make an  
3 informed decision about settlement”).

4 D. The Experience and Views of Counsel

5 Class counsel has extensive experience acting as class counsel in the class action  
6 litigation field. (Doc. No. 42-5.) Class counsel recommends that the settlement is both  
7 fair and adequate, a factor that weighs in favor of granting approval. (Doc. No. 42-2 at 7,  
8 25.) See Staton, 327 F.3d at 959.

9 E. The Reaction of the Class Members to the Proposed Settlement

10 As of September 18, 2018, there have been no objections and five timely requests  
11 for exclusion were received.<sup>1</sup> (Doc. No. 46 ¶¶ 2–3.) “It is established that the absence of  
12 a large number of objections to a proposed class action settlement raises a strong  
13 presumption that the terms of a proposed class settlement action are favorable to the class  
14 members.” Nat’l Rural Telecommunications Coop. v. DIRECTV, Inc., 221 F.R.D. 523,  
15 529 (C.D. Cal. 2004). The complete lack of objections is indicative of the adequacy of the  
16 settlement. Accordingly, the reaction of the class members weighs in favor of granting  
17 final approval.

18 F. Collusion

19 The collusion inquiry addresses the possibility that the agreement is the result of  
20 either overt misconduct by the negotiators or improper incentives of certain class members  
21 at the expense of other members of the class. Staton, 327 F.3d at 960. In the present case,  
22 because there is no evidence of overt misconduct, the Court’s inquiry focuses on the aspects  
23 of the settlement that lend themselves to self-interested action.

24 The \$5,000 incentive award (\$10,000 total) for the named plaintiffs does not appear  
25 to be the result of collusion. The Court evaluates incentive awards using “relevant factors  
26 includ[ing] the actions the plaintiff has taken to protect the interests of the class, the degree  
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<sup>1</sup> A list of the individuals who have opted out of the agreement is provided in Doc. No. 46-1, Exhibit A.

1 to which the class has benefitted from those actions, . . . [and] the amount of time and effort  
2 the plaintiff expended in pursuing the litigation . . . .” Id. at 977 (quoting Cook v. Niedert,  
3 142 F.3d 1004, 1016 (7th Cir. 1998)). The named plaintiffs have protected the interests of  
4 the class by engaging in investigation and discovery, attending an early neutral evaluation  
5 conference, and assisting counsel with other aspects of the case. (Doc. Nos. 42-1 at 28–  
6 29; 42-6 ¶ 2; 42-7 ¶ 2.) Therefore, the \$5,000 award (\$10,000 total) for the named plaintiffs  
7 appears to be reasonable in light of their efforts in this litigation.

8 Additionally, the attorneys’ fees do not appear to be the result of collusion.  
9 Plaintiff’s counsel may simultaneously negotiate the merits of the action and attorneys’  
10 fees. Staton, 327 F.3d at 971. The attorneys’ fees and litigation costs sought by Plaintiff’s  
11 counsel are reasonable under the circumstances.

12 After considering all applicable factors, the Court concludes the settlement is “fair,  
13 reasonable, and adequate.” Fed. R. Civ. P. 23(e)(2); Staton, 327 F.3d at 960. Accordingly,  
14 the Court grants Plaintiff’s motion for final approval of the settlement.

### 15 **III. Cy Pres Recipient**

16 In the Court’s order preliminarily approving the class settlement, the Court noted  
17 that the parties failed to designate a cy pres recipient. (Doc. No. 39 at 10.) The Court  
18 preliminarily approved the class action settlement on the condition that the parties submit  
19 a cy pres recipient that complies with Ninth Circuit case law. (Id.) On June 25, 2018, the  
20 parties jointly designated the National Consumer Law Center (“NCLC”) as the cy pres  
21 recipient. (Doc. No. 40.) The Court approves the designation.

22 The parties may designate a cy pres recipient so long as the recipient qualifies as  
23 “the next best distribution” to giving the funds to class members. Dennis v. Kellogg Co.,  
24 697 F.3d 858, 865 (9th Cir. 2012). “There must be a driving nexus between the plaintiff  
25 class and the cy pres beneficiaries.” Id. (citation omitted). As such, a cy pres award must  
26 be “guided by (1) the objectives of the underlying statute(s) and (2) the interests of the  
27 silent class members, and must not benefit a group too remote from the plaintiff class[.]”  
28 Id. (quotation marks and citations omitted). Here, the parties have selected NCLC as a cy

1 pres recipient of any residual remaining in the reserve fund. (Doc. No. 40.) NCLC shares  
2 in the objectives of the FCRA by training and advising advocates on consumer legal issues,  
3 working on state and federal commissions and legislatures concerning consumer legal  
4 issues, and publishing treatises on fair credit reporting that include extensive discussions  
5 on issues related to the FCRA. (Doc. No. 40-1 ¶¶ 4, 10.) Accordingly, there is an  
6 appropriate nexus between the designated cy pres recipient and the Plaintiff class.

#### 7 **IV. Attorneys’ Fees, Expenses, and Incentive Payment to Class Representative**

8 With respect to the attorneys’ fees, the Ninth Circuit has established a 25%  
9 “benchmark” for common fund cases. Stanger v. China Elec. Motor, Inc., 812 F.3d 734,  
10 738 (9th Cir. 2016). This “benchmark percentage should be adjusted, or replaced by a  
11 lodestar calculation, when special circumstances indicate that the percentage recovery  
12 would be either too small or too large in light of the hours devoted to the case or other  
13 relevant factors.” Six Mexican Workers v. Arizona Citrus Growers, 904 F.2d 1301, 1311  
14 (9th Cir. 1990). Regardless of whether a court uses the percentage approach or the lodestar  
15 method, the main inquiry is whether the end result is reasonable. Powers v. Eichen, 229  
16 F.3d 1249, 1258 (9th Cir. 2000). The Ninth Circuit has identified a number of factors that  
17 may be relevant in determining if the award is reasonable: (1) the results achieved; (2) the  
18 risks of litigation; (3) the skill required and the quality of work; (4) the contingent nature  
19 of the fee; (5) the burdens carried by class counsel; and (6) the awards made in similar  
20 cases. See Vizcaino v. Microsoft Corp., 290 F.3d 1043, 1048–50 (9th Cir. 2002).

21 Here, Plaintiffs have requested an award of \$300,000 in attorneys’ fees. The  
22 requested amount of attorneys’ fees is 25% of the total settlement fund of \$1,200,000.  
23 (Doc. No. 42-1 at 7.) The overall award Plaintiffs’ counsel achieved for the class was quite  
24 favorable, and the risks of continuing to litigate this case were real and substantial.  
25 Moreover, class counsel took this case on a contingent fee basis, bearing the entire risk and  
26 cost of litigation. (Doc. No. 42-2 ¶ 51.) The request for attorneys’ fees in the amount of  
27 25% of the common fund follows the Ninth Circuit’s benchmark. See Vasquez v. Coast  
28 Valley Roofing, Inc., 266 F.R.D. 482, 491 (E.D. Cal. 2010) (“The typical range of

1 acceptable attorneys' fees in the Ninth Circuit is 20% to 33 1/3% of the total settlement  
2 value, with 25% considered the benchmark.”). Finally, class counsel has represented that  
3 the fees calculated under the lodestar method would be \$351,084. (Doc. No. 42-2 ¶ 42.)  
4 Thus, the amount class counsel requests is less than what class counsel would receive under  
5 the lodestar method. See In re Bluetooth Headset Prods. Liab. Litig., 654 F.3d 935, 944–  
6 45 (9th Cir. 2011) (encouraging district courts to cross-check their calculations under the  
7 percentage-of-recovery method against the lodestar method). Accordingly, the Court  
8 concludes that the request for fees is reasonable and grants class counsel \$300,000 in  
9 attorneys' fees.

10 Plaintiff has represented to the Court that class counsel has incurred litigation  
11 expenses in the amount of \$12,875.69. (Doc. No. 42-2 ¶ 58.) After reviewing counsel's  
12 declaration regarding expenses, the Court concludes that the request for \$12,875.69 in  
13 litigation expenses is reasonable and grants class counsel's request for these fees.

14 Finally, the \$5,000 incentive payment for each of the named plaintiffs (\$10,000  
15 total) is reasonable. “The criteria courts may consider in determining whether to make an  
16 incentive award include: 1) the risk to the class representative in commencing suit, both  
17 financial and otherwise; 2) the notoriety and personal difficulties encountered by the class  
18 representative; 3) the amount of time and effort spent by the class representative; 4) the  
19 duration of the litigation and; 5) the personal benefit (or lack thereof) enjoyed by the class  
20 representative as a result of the litigation.” Cox v. Clarus Mktg. Grp., LLC, 291 F.R.D.  
21 473, 483 (S.D. Cal. 2013) (citations omitted). After reviewing these factors, the Court  
22 concludes that the requested incentive payment is reasonable. The \$10,000 total award is  
23 well within the acceptable range awarded in similar cases. See Fulford v. Logitech, Inc.,  
24 No. 08-CV-02041, 2010 WL 807448, at \*3 n.1 (N.D. Cal. 2010) (collecting cases awarding  
25 incentive payments ranging from \$5,000 to \$40,000). The named plaintiffs have protected  
26 the interests of the class by engaging in investigation and discovery, attending an early  
27 neutral evaluation conference, and assisting counsel with other aspects of the case. (Doc.  
28 Nos. 42-1 at 28–29; 42-6 ¶ 2; 42-7 ¶ 2.) Accordingly, the Court approves the \$5,000

1 incentive payment for each of the named plaintiffs for a total of \$10,000.

2 **Conclusion**

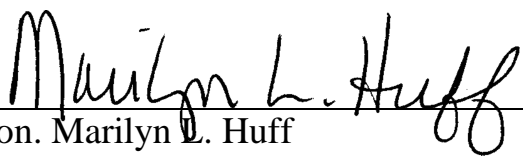
3 The Court has jurisdiction over the subject matter of this action and all parties to the  
4 action, including all settlement class members. The Court certifies the settlement class and  
5 grants final approval of the settlement. All persons who satisfy the class definition, except  
6 those class members who timely and validly excluded themselves from the class, are  
7 settlement class members bound by this judgment. The form and method of notice satisfied  
8 the requirements of the Federal Rules of Civil Procedure and the United States  
9 Constitution, including the Due Process Clause.

10 The Court grants class counsel \$300,000 in attorneys’ fees and \$12,875.69 in  
11 expenses. The Court grants class representatives Zimmer and Feist each an incentive  
12 payment of \$5,000 for a total of \$10,000. The attorneys’ fees, expense awards, and  
13 incentive payment will be paid out of the settlement fund created by Defendant Petco.

14 Without affecting the finality of this judgment, the Court reserves jurisdiction over  
15 the implementation, administration, and enforcement of this judgment and the settlement  
16 and all matters arising thereunder. This document shall constitute a judgment for purposes  
17 of Rule 58 of the Federal Rules of Civil Procedure. The Court dismisses the action with  
18 prejudice, and no costs shall be awarded other than those specified in this order or provided  
19 by the settlement agreement. The Clerk of Court shall close this case.

20 **IT IS SO ORDERED.**

21 Dated: November 16, 2018

22   
23 Hon. Marilyn L. Huff  
24 United States District Judge  
25  
26  
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