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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

IN RE COUNTRYWIDE FINANCIAL
CORPORATION SECURITIES
LITIGATION

Lead Case No.
CV-07-05295 MRP (MANx)

This Document Applies to: All Actions

**[PROPOSED] ORDER
AWARDING ATTORNEY'S
FEES AND EXPENSES
TO LEAD COUNSEL**

Date: November 15, 2010
Time: 1:00 p.m.
Courtroom: 12
Judge: Hon. Mariana R. Pfaelzer

1 **THIS MATTER** having come before the Court on Lead Counsel’s
2 Petition, pursuant to Rules 23(h) and 54(d)(2) of the Federal Rules of Civil
3 Procedure, for an Award of Attorney’s Fees and Reimbursement of Expenses, and
4 certain submissions in support of the Petition, including the Memorandum of
5 Points and Authorities in Support of Lead Counsel’s Petition for an Award of
6 Attorney’s Fees and Reimbursement of Expenses; the accompanying Declaration
7 of Joel H. Bernstein in Support of Plaintiffs’ Motion for Final Approval of
8 Settlement and Plan of Allocation of Net Settlement Fund and Lead Counsel’s
9 Petition for an Award of Attorney’s Fees and Reimbursement of Expenses, and
10 certain exhibits thereto; the accompanying Declaration of Michael H. Diamond,
11 with exhibits; and the accompanying Compendium of Individual Declarations
12 Submitted in Support of Lead Counsel’s Petition for an Award of Attorney’s Fees
13 and Reimbursement of Expense; the Court having considered all papers filed and
14 proceedings had herein, having found the Settlement of this action to be fair,
15 reasonable, and adequate and otherwise being fully informed;

16 **WHEREAS**

17 A. All of the capitalized terms used herein shall have the same
18 meanings as set forth in the Amended Stipulation and Agreement of Settlement
19 (Docket No. 841, entered June 29, 2010) (the “Settlement Agreement”).

20 B. Lead Counsel, on behalf of all Plaintiffs’ Counsel, has filed a
21 Petition for an Award of Attorney’s Fees and Reimbursement of Expenses;

22 C. This Court entered an Order Granting Preliminary Approval to
23 Settlement and Directing Dissemination of Notice to the Class, dated August 2,
24 2010 (Docket No. 973, entered August 3, 2010) (the “Preliminary Approval
25 Order”), preliminarily approving the proposed Settlement, directing individual
26 and publication notice to potential Class Members, scheduling a hearing for
27 November 15, 2010 (the “Fairness Hearing”), and providing Class Members with
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1 an opportunity to object to, *inter alia*, Lead Counsel's Petition for an Award of
2 Attorney's Fees and Reimbursement of Expenses and to be heard concerning such
3 objections;

4 D. Notice has been provided to the members of the Class in accordance
5 with the Preliminary Approval Order, as evidenced by the Declaration of Thomas
6 R. Glenn of Rust Consulting, Inc. Regarding Notice to Class, dated October 8,
7 2010;

8 E. The Notice disseminated to Class Members in accordance with the
9 Preliminary Approval Order disclosed the maximum attorney's fee Lead Counsel
10 would seek and the approximate amount of expenses for which Lead Counsel
11 would seek reimbursement;

12 F. Pursuant to the Preliminary Approval Order and as set forth in the
13 Notice, any objections to Lead Counsel's petition for a Fee and Expense Award
14 were to be filed and served by October 18, 2010; and

15 G. The Court held the Fairness Hearing on November 15, 2010 and has
16 determined that the proposed Settlement of the Action on the terms and
17 conditions provided in the Settlement Agreement is fair, reasonable, and adequate
18 and should be approved by the Court, and entered the Final Judgment as provided
19 for in the Settlement Agreement;

20 **WHEREAS**, the Court, having considered all matters submitted to it at the
21 hearing, along with all prior submissions by the Parties to the Settlement and
22 others, and any objections filed by Class Members, and otherwise having
23 determined the reasonableness of the requests set forth in Lead Counsel's Petition
24 for an Award of Attorney's Fees and Reimbursement of Expenses;

1 **NOW, THEREFORE, IT IS HEREBY ORDERED:**

2 1. This Court has jurisdiction over the subject matter of this application
3 and all matters relating thereto, including all members of the Class who have not
4 timely and validly requested exclusion.

5 2. Due and adequate notice of the maximum attorney’s fee Lead
6 Counsel would request, and the approximate amount of expenses for which Lead
7 Counsel would seek reimbursement, were directed to all persons who were
8 reasonably identifiable Class members, advising them of their right to object
9 thereto.

10 3. The Court hereby awards Lead Counsel attorneys’ fees of
11 _____, or approximately _____% of the Settlement Fund,
12 plus interest earned at the same rates earned by the Gross Settlement Fund. Such
13 attorney’s fees shall be paid to Lead Counsel from the Gross Settlement Fund.

14 4. Additionally, the Court hereby awards Lead Counsel reimbursement
15 of expenses in the amount of \$_____, plus interest on the amount of
16 expenses actually paid by Plaintiffs’ Counsel as of September 15, 2010, earned at
17 the same rates earned by the Gross Settlement Fund. Such expenses shall be paid
18 to Lead Counsel from the Gross Settlement Fund.

19 5. The Court finds that the amount of fees awarded is reasonable under
20 the “percentage-of-recovery” method, given, *inter alia*:

- 21 a. the \$624 million Settlement recovery obtained for the
- 22 Class;
- 23 b. the obstacles and risks of non-recovery at trial including
- 24 (i) a verdict of non-liability for lack of scienter, a truth-
- 25 on-the-market defense, or lack of loss causation, or (ii)
- 26 no damages notwithstanding a verdict of liability;
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- 1 c. the time and effort involved over more than two-and-a-
- 2 half years of active litigation, including overcoming
- 3 motions to dismiss, successfully certifying the Class,
- 4 conducting discovery involving nearly 30 million pages
- 5 of documents and 81 depositions, and negotiation and
- 6 settlement;
- 7 d. the highly competitive fee agreement negotiated by
- 8 Lead Plaintiffs at the outset of litigation;
- 9 e. the contingent nature of that negotiated fee;
- 10 f. the relative amount of the fee in comparison to other
- 11 settlement funds of similar size; and
- 12 g. a lodestar “multiplier” of less than 1.0.

13 *See* 15 U.S.C. § 78u-4(a)(6) (fees “shall not exceed a reasonable percentage”);
14 *Rodriguez v. West Publ’g Corp.*, 563 F.3d 948, 967 (9th Cir. 2009) (attorney’s
15 fees must be “reasonable in the circumstances”); *Vizcaino v. Microsoft Corp.*, 290
16 F.3d 1043 (9th Cir. 2002) (examining factors, including risk of litigation,
17 financial burden of contingent representation, result achieved, and customary fees
18 for similar cases).

19 6. The Court finds that the reimbursement of expenses requested,
20 including relating to consulting and testifying experts, electronic document
21 hosting of the nearly 30 million pages produced in this case, travel, computer
22 research, and duplicating are reasonable under the circumstances, and typical of
23 those billed by attorneys to paying clients in the marketplace. *Harris v.*
24 *Marhoefer*, 24 F.3d 16, 19 (9th Cir. 1994) (looking to whether expenses are of the
25 type typically billed by attorneys to paying clients in the marketplace); *In re*
26 *Immune Response Sec. Litig.*, 497 F. Supp. 2d 1166, 1177 (S.D. Cal. 2007)
27 (reimbursing expert fees that are “crucial or indispensable to the litigation at
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1 hand”); 15 U.S.C. § 78u-4(a)(4) (permitting reimbursement of expenses “directly
2 relating to the representation of the class to any representative party serving on
3 behalf of a class”). Reimbursement of the expenses requested is further
4 reasonable in light of Lead Plaintiffs’ careful auditing of Plaintiffs’ Counsel’s
5 expenses, including disallowance of certain substantial expenses.

6 7. The attorney’s fees awarded, and interest earned thereon, shall be
7 paid to Lead Counsel subject to the terms, conditions, and obligations of the
8 Settlement Agreement, and pursuant to the timing set forth in ¶¶ 28 and 29
9 thereof, which terms, conditions and obligations are incorporated therein.

10 8. The expense reimbursement awarded, together with the interest
11 earned on those expenses actually paid as of September 15, 2010, shall be paid to
12 Lead Counsel subject to the terms, conditions, and obligations of the Settlement
13 Agreement, and pursuant to the timing set forth in ¶¶ 28 and 29 thereof, which
14 terms, conditions and obligations are incorporated therein

15 9. Lead Counsel shall thereafter allocate the Fee and Expense Award
16 payable as follows: (a) the attorney’s fees approved in paragraph 3 above among
17 all Plaintiffs’ Counsel in a manner that, in Lead Counsel’s good-faith judgment,
18 reflects such counsel’s contribution to the institution, prosecution, or resolution of
19 the Action; and (b) the expenses approved in paragraph 4 hereof, among each
20 Plaintiffs’ Counsel as approved by the Court.

21 10. The Court hereby retains and reserves jurisdiction over all matters
22 relating to the administration, consummation, enforcement, and interpretation of
23 the Settlement Agreement, and for any other necessary purpose, including, but
24 not limited to, any distribution to Authorized Claimants under the terms and
25 conditions of the Settlement Agreement and pursuant to further orders of this
26 Court.

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IT IS SO ORDERED.

Dated: _____, 2010

HON. MARIANA R. PFAELZER
UNITED STATES DISTRICT JUDGE