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LOS ANGELES
SUPERIOR COURT

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BY: LUIS BARAHONA

Attorneys for Plaintiffs

SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF LOS ANGELES
UNLIMITED JURISDICTION

FILED

19 KATHERINE WEBSTER, as executor of the
20 Estate of Anthony J. Ferrantino (deceased) and
21 as trustee of the Anthony J. Ferrantino Living
22 Trust, on her behalf and on behalf of others
23 similarly situated,

Plaintiff,

vs.

25 LEGALZOOM.COM, INC., a corporation; and
26 DOES 1 THROUGH 100,

Defendants.

) No. BC438637
) Assigned to: Hon. William F.
) Highberger
) ~~PROPOSED~~ ORDER AWARDING
) ATTORNEYS' FEES AND COSTS
) AND CLASS REPRESENTATIVE
) INCENTIVE AWARD
)
) Hearing: April 5, 2012
) Time: 1:30 p.m.
) Dept: 307
)
) Complaint Filed: May 27, 2010
) Trial Date: None

~~PROPOSED~~ ORDER AWARDING ATTORNEYS' FEES AND COSTS AND CLASS
REPRESENTATIVE SERVICE AWARD

1 This matter is before the Court on the Plaintiffs' Motion for award of attorneys' fees,
2 reimbursement of expenses, and incentive awards, in conjunction with the Joint Motion for
3 final approval of the Class Action Settlement Agreement entered into as of June 29, 2011 (the
4 "Settlement Agreement") by and between Defendant LegalZoom.com, Inc. on the one hand,
5 and the Representative Plaintiff Katherine Webster on behalf of herself and the Settlement
6 Class Members on the other hand (collectively the "Parties").

7 Pursuant to the Order Granting Conditionally Certifying Settlement Class and Directing
8 Dissemination of Class Notice, filed December 21, 2011 ("Conditional Certification Order"),
9 this Court preliminarily certified the Class for settlement purposes only, pursuant to the
10 Agreement attached as Exhibit 2 to the Declaration of Robert S. Arns filed in support of the
11 Joint Motion for Preliminary Approval, defined as follows:

12 All persons and entities who, from September 15, 2005 through June 16, 2011,
13 purchased a legal document or legal document assistant service from
14 LegalZoom.com, Inc.

15 Excluded from the Class are (1) individuals who submit a valid Request for
16 Exclusion in accordance with the procedures set forth in the Settlement; (2)
17 LegalZoom and its parents, affiliates, successors, predecessors, employees,
18 officers, directors; and (3) any person included on a government list of known or
19 suspected terrorists or other individuals, entities, and organizations of concern,
20 including, but not limited to, persons appearing on the United States Department
21 of the Treasury, Office of Foreign Assets Control List of Specially Designated
22 Nationals and Blocked Persons (the "SDN Lists")

23 Conditional Certification Order, ¶2.

24 The Court has read the declarations of Class Counsel Robert S. Arns and Kathryn A.
25 Stebner in support of the firms' fee application, as well as the Declarations of Matthew
26 O'Donnell, Esq., Jerome Fishkin, Esq., Richard Pearl, Esq., Steven R. Weinmann, Esq., and
27 the Class representative Katherine Webster. Based on review of these declarations, the Court
28 concludes that the settlement was negotiated at arm's length, in good faith, and was not

1 collusive. The Court further finds that Class Counsel were fully informed about the strengths
2 and weaknesses of the Plaintiff's case when they entered into the Settlement Agreement.

3 Plaintiffs' Class Counsel has made a showing in support of a lodestar analysis of the value
4 of their services. The lodestar amount incurred by the two firms combined was \$3,356,920, and
5 their costs totaled \$60,042.61; however, pursuant to the Settlement Agreement, Class Counsel
6 are only seeking \$2,200,000 in fees and costs combined. Class Counsel has agreed to forego
7 any further fees in the matter which they may incur in administering the settlement. They have
8 also stated that they are not seeking recovery for their legal assistants' hours on the case,
9 although such hours were incurred. The senior lawyers seek \$800/hour (Robert S. Arns), \$550
10 and hour (Kathryn Stebner), and \$550 /hour (Steven Weinmann), \$450 (Sarah Colby) and the
11 other lawyers and legal assistants who helped seek \$100-300/hours depending on experience
12 (Karman Ratliff, Robert Foss, George Kawamoto and Megan Thielman). The senior lawyers
13 "appear to have been the largest time billers, which is acceptable as that tends to further efficient
14 litigation. These rates are consistent with the applicable legal market (insofar as hourly billing
15 services are provided by attorneys as opposed to "pure" contingency fee arrangements). The
16 fees are also consistent with federal and state court fee approvals in similar class actions (as
17 stated in the declaration Richard Pearl), and lower than the commonly applicable contingency
18 fee agreements in the Northern California legal community, as supported by the Declaration of
19 Richard Pearl.
20

21 The requested fee of \$2,200,000 of the total anticipated recovery in value as compared
22 to the value actually given to the Class of a least \$6,822,375 (the value of the attorney review as
23 outlined in the O'Donnell and Fishkin Declarations) plus the monies paid out to Class members
24 who had previously requested refunds, is consistent with federal and state court fee approvals
25 in similar class actions (as stated in the declarations of Richard Pearl), and lower than the
26 commonly applicable contingency fee agreements in the Northern California legal community.
27

1 The fees are also supported as providing a public benefit under C.C.P. §1021.5, again supported
2 by the Fishkin declaration.

3 Class Counsel through the injunctive relief provided in the Consent Order, have thus
4 successfully prevented Defendants from undertaking further unauthorized practice of law, and
5 have saved the Class members and other members of the public from future loss of money or
6 property. Plaintiffs' expert Jerome Fishkin testified that this was a further benefit to the general
7 public and the Class. The "necessity and burden of private enforcement" also make a fee award
8 "appropriate." *Graham v. DaimlerChrysler Corp.*, 34 Cal.4th 553, 565 (2004) (quoting *Maria*
9 *P. v. Riles*, 43 Cal.3d 1281, 1289 (1987)) (the purpose of § 1021.5 is to encourage suits that
10 enforce important public policies "... by providing substantial attorney fees to successful
11 litigants in such cases"). Here, no public agency was enforcing California's prohibition against
12 the unlicensed practice of law against Defendants. Arns Dec. ¶10.

13
14 Expenses and disbursements of \$60,042.61 were incurred, and are supported by the
15 Arns and Stebner Declarations, and are approved as noted below. Defendants have agreed not
16 to oppose the Plaintiffs' request for payment of an incentive award to the Representative
17 Plaintiff, Katherine Webster, in the sum of \$7,000. Settlement Agreement, ¶ II E (3)(a). The
18 Class representative had to respond to myriad written discovery requests, and kept in regular
19 contact with class counsel, as set forth in the Arns and Webster declarations.

20 On April 5, 2012, all parties appeared at the fairness hearing by their respective
21 attorneys of record. An opportunity to be heard was given to all persons requesting to be heard
22 in accordance with the Preliminary Order and the Notice of Proposed Class Action Settlement,
23 whether represented by counsel or not. The Court presided at the fairness and fee / incentive
24 award hearing. The Court has reviewed and considered all of the pleadings filed in connection
25 therewith, the Settlement Agreement and all of the presentations and evidence submitted at the
26 hearing in support of the final approval of the Settlement Agreement and in support of the
27

1 motion for award of fees, reimbursement of expenses, and incentive awards. The objections
2 filed by three class members, including those of objector Randall Whiting, objector David
3 Hamann, and objector Abigail Mings, and objector Mike Mortimore, were each considered and
4 rejected.

5 The matter of the proposed fees, expenses, having been duly noticed, and having been
6 fully considered by the Court,

7 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:**

8 1. This Court has jurisdiction over the claims of the Class members asserted
9 in this action, personal jurisdiction over the Parties, and subject matter jurisdiction to approve
10 the requested awards of fees, expenses, and incentive award to the class representatives.

11 2. For the reasons set forth in the Conditional Certification Order (and
12 incorporated by reference herein), and as further set forth herein, this Court finds that the
13 applicable requirements of the California Code of Civil Procedure section 382, Civil Code §
14 1781, *et seq.*, and California Rules of Court, Rules 3.769 and 3.770 have been satisfied with
15 respect to the Settlement Class.

16 3. The Notice given to the members of the Settlement Class as to the
17 hearing on the fees, expenses and service awards complied with the Conditional Certification
18 Order and was reasonably calculated under the circumstances to fully and accurately inform the
19 Settlement Class members and of the pendency of this Action, all material elements of the
20 proposed Settlement Agreement, and their opportunity to exclude themselves from, to object to,
21 or to comment on the fees, expenses and service awards at the hearing.

22 4. A full opportunity has been afforded to the Settlement Class members
23 and others to participate in this hearing, and all persons wishing to be heard have been heard.
24 Accordingly, the Court determines that the Settlement Class members are bound by this Order.
25

1 5. Without affecting the finality of this Order, the Court reserves continuing
2 and exclusive jurisdiction over the Parties, to administer, supervise, construe and enforce the
3 Settlement Agreement in accordance with its terms for the mutual benefit of the Parties.

4 6. An award of attorneys' fees and costs of \$2,200,000.00 is hereby
5 approved and awarded to Class Counsel, pursuant to Cal. Code Civ. Proc. § 1021.5 and the
6 Settlement Agreement. Such award shall be paid by LegalZoom.com, Inc. according to the
7 terms of the Settlement Agreement, within fifteen (15) days after the Final Effective Date as
8 defined in the Settlement Agreement.

9 7. An incentive award of \$7,000.00 to representative plaintiff Katherine
10 Webster is hereby approved and awarded. Such award shall be eligible for payment according
11 to the terms of the Settlement Agreement.
12

13
14 Date 4/5/12

15 By: WILLIAM F. HIGHBERGER
16 Honorable William F. Highberger
17 Judge of the Superior Court

3 CERTIFICATE OF SERVICE

4 I, the undersigned, declare as follows:

5 I am a citizen of the United States, over the age of 18 years and not a party to, nor interested in, the
6 above-entitled action. I am an employee of The Arns Law Firm, A Professional Corporation, and my business
address is 515 Folsom Street, 3rd Floor, San Francisco, CA 94105

7 On March 9, 2012, I served the following: [PROPOSED] ORDER AWARDING ATTORNEYS'
8 FEES AND COSTS AND CLASS REPRESENTATIVE AWARD
on all interested parties in the above cause, by:

9 X OVERNIGHT MAIL by placing a true and correct copy thereof enclosed in a sealed overnight
10 service envelope with postage thereon fully prepaid. Said envelope was thereafter deposited with the overnight
11 service at San Francisco, California in accordance with this firm's business practice of collection and processing
correspondence for overnight service of which I am readily familiar. All correspondence is deposited with the
United States Postal Service on the same day in the ordinary course of business.

12 The envelopes were addressed as follows:

13 Kathryn Stebner
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22 I declare under penalty of perjury under the laws of the State of California that the foregoing is true and
23 correct:

24 Executed on March 9, 2012 at San Francisco, California.

25
26
27
28 
ALEXIS P. BLOOM