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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

KATHLEEN GRACE, REGINA DELGADO, ALICIA GRIJALVA, JAVIER TERRAZAS, and all others similarly situated,

Plaintiffs,

v.

THE WALT DISNEY COMPANY, WALT DISNEY PARKS AND RESORTS US, INC., SODEXO, INC., SODEXOMAGIC, LLC and Does 1-100,

Defendants.

Case No. 30-2019-01116850-CU-OE-CXC

CORRECTED NOTICE OF MOTION AND MOTION FOR ATTORNEYS' FEES AND REIMBURSEMENT OF COSTS; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF

[*Concurrently filed herewith: Declarations of Randy Renick, Sarah Grossman-Swenson, Prof. Charles Silver, and Richard M. Pearl, and Exhibits; [Proposed] Order*]

Date: September 12, 2025
Time: 9:00 a.m.
Judge: Hon. William D. Claster
Dept.: CX101

Action Filed: December 6, 2019

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TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD AND ALL INTERESTED PARTIES:

PLEASE TAKE NOTICE that on September 12, 2025, at 9:00 a.m., or as soon thereafter as the matter may be heard in in Department CX101 of the above-entitled Court, located at 751 West Santa Ana Blvd., Santa Ana, California 92701, Plaintiffs Kathleen Grace, Regina Delgado, Alicia Grijalva, and Javier Terrazas ("Plaintiffs"), individually and on behalf of all similarly situated individuals, will and hereby do move this Court to award reasonable attorneys' fees and the reimbursement of costs to Plaintiffs' counsel as follows: in the amount of $34,950,000 (15% of the common fund) and the reimbursement of costs in the amount of $452,532.85 as part of their class action settlement reached with Defendants The Walt Disney Company and Walt Disney Parks and Resorts US, Inc.; and in the amount of $262,500 (15% of the common fund) and reimbursement of costs in the amount of $7500 as part of their class action settlement reached with Defendants Sodexo, Inc. and SodexoMAGIC, LLC. Plaintiffs seek an award of attorneys' fees in the total combined amount of $35,212,500, and reimbursement of litigation costs in the combined amount of $460,032.85 for the Disney Settlement and the Sodexo Settlement.

This motion, brought pursuant to Rule 3.769 of the California Rules of Court, is based upon this Notice, the Memorandum of Points and Authorities, the Declarations of Randy Renick, Sarah Grossman-Swenson, Professor Charles Silver, and Richard M. Pearl, and accompanying exhibits filed herewith, the other records, pleadings, and papers filed in this action, and upon such other documentary and oral evidence or argument as may be presented to the Court at the hearing of this motion.

DATED: July 18, 2025

Respectfully submitted,

HADSELL STORMER RENICK & DAI LLP

MCCRACKEN, STEMERMAN & HOLSBERRY, LLP

By: */s/ Randy Renick*
Randy Renick, *Attorneys for Plaintiffs & the Plaintiff Class*

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

After years of litigation over the interpretation of the City of Anaheim's Living Wage Ordinance, successfully achieving a controlling court of appeal decision regarding its interpretation, *Grace v. The Walt Disney Co.*, 93 Cal.App.5th 549, 555 (2023), rev. denied Oct. 25, 2023, and continuing to fight for full backpay and interest as well as penalties for over a year thereafter, Class Counsel obtained a historic settlement of $233,000,000 on behalf of 51,478 Class Members in their settlement with Defendants The Walt Disney Company and Walt Disney Parks and Resorts US, Inc. ("Disney" or "Disney Defendants") (hereinafter "Disney Settlement") and a settlement of $1,750,000 on behalf of 544 Class Members in their settlement with Defendants Sodexo, Inc. and SodexoMAGIC, LLC ("Sodexo" or "Sodexo Defendants") (hereinafter "Sodexo Settlement").

As the Class Members will be receiving all of the wages owed to them under the Living Wage Ordinance, 10% annual interest on the wages, as well as substantial penalties under the Labor Code beyond that, the settlement can only be described as an exceptional result. Indeed, according to Professor Charles Silver, one of the nation's foremost experts on attorney's fees, a survey focused on FLSA/wage and hour class actions confirms that the Disney settlement was the largest recovery of that kind in 2024. *See* Declaration of Charles Silver (hereinafter "Silver Decl."), § IV.B, p. 7. The Court of Appeal decision obtained in this action also caused Defendants to change their pay practices—a substantial monetary benefit for tens of thousands of existing Class Members as well as for future employees.

The Court granted preliminary approval of the Disney Settlement on March 25, 2025, and of the Sodexo Settlement on May 2, 2025. The attorneys' fees and costs sought as part of the Disney Settlement are for claims brought on behalf of nonexempt current and former individuals employed by Disney in Disney theme parks and hotels in Anaheim, California, on or after January 1, 2019, who reside in California, and who were not paid hourly wages or service charges of at least the amounts required by the City of Anaheim's Living Wage Ordinance ("LWO"), Title 6, Chapter 6.99 of the Anaheim Municipal Code, at any time from January 1, 2019, to March 25, 2025. The attorneys' fees

and costs sought as part of the Sodexo Settlement are for claims brought on behalf of nonexempt current and former individuals employed by Sodexo, Inc. or any of its subsidiaries, parents, and affiliated entities, including but not limited to SodexoMagic, LLC, and who worked in Disney theme parks and hotels in Anaheim, California on or after January 1, 2019, and who were not paid hourly wages of at least the amounts required by the LWO at any time from January 1, 2019, to May 2, 2025.

The Disney Settlement provides that Plaintiffs Regina Delgado, Alicia Grijalva, and Javier Terrazas ("Disney Plaintiffs") and Class Counsel may apply for an award of reasonable attorneys' fees not to exceed 15% of the total settlement fund, $34,950,000, and reimbursement of litigation costs not to exceed $740,000. *See* Class Action Settlement Agreement with the Disney Defendants ("Disney Settlement Agreement"), Exhibit 1 to the Declaration of Randy Renick (hereinafter "Renick Decl."). The Sodexo Settlement provides that Plaintiff Kathleen Grace ("Sodexo Plaintiff") and Class Counsel may apply for an award of reasonable attorneys' fees not to exceed 15% of the total settlement fund, $262,500, and reimbursement of litigation costs not to exceed $7,500.[1] *See* Class Action Settlement Agreement with the Sodexo Defendants ("Sodexo Settlement Agreement"), Exhibit 2 to Renick Decl. Plaintiffs and Class Counsel hereby move the Court for an award of reasonable attorneys' fees in the total combined amount of $35,212,500 (with $34,950,000 from the Disney Fund and $262,500 from the Sodexo Fund),[2] and reimbursement of litigation costs in the combined amount of $460,032.85 (with $452,532.85 from the Disney Fund and $7,500 from the Sodexo Fund) for the Disney Settlement and the Sodexo Settlement.

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[1] The Sodexo settlement permits Plaintiffs to seek up to 25% of the settlement fund in reasonable attorney's fees, Ex. 2, § 9.1, but Counsel are seeking only 15% of the fund. Similarly, Counsel unilaterally decided to seek only 15% of the Settlement Fund in Disney and included that number in the Settlement Agreement.

[2] The Court has discretion as to the allocation of attorney's fees in cases with multiple defendants. *See Heppler v. J.M. Peters Co.*, 73 Cal. App. 4th 1265, 1297 (1999). Here, Plaintiffs' consolidated request seeks an award of combined attorney's fees from two separate settlements negotiated on behalf of distinct groups of employees who worked for the two sets of defendant-employers in this action. While no formal apportionment is needed given that there is no claim of joint, shared liability as between the two sets of defendants, the fee requested as to each is fair and reasonable as it reflects each set's liability; the Sodexo Class is roughly 1/100 of the size of the Disney Class. *See also Friends of the Trails v. Blasius*, 78 Cal.App.4th 810, 837 (2000) (recognizing multiple acceptable approaches to apportionment where defendants face joint liability including "by degree of each defendant's liability").

The request of 15% of the two common funds is readily justifiable given the extraordinary results achieved for the settlement class, the risks undertaken by Class Counsel in litigating this case, the novelty and difficulty of this class action, the skill and experience of Class Counsel, the quality of work required to achieve this settlement, and the contingent nature of the representation. The percentage sought is also much lower than the typical fee award in California class actions and the median of fee awards in all federal circuits, as well as the percentage clients typically pay for contingent fee representations. Silver Decl. § IV.C(6), pp. 15-18.

A lodestar cross-check confirms that the award sought is reasonable given the range of multipliers that state and federal courts have approved in class actions with large settlements. Silver Decl. § VI, pp. 27-28. *See e.g., Vizcaino v. Microsoft Corp*., 290 F.3d 1043, 1052 (9th Cir. 2002) (collecting $50-200 million common fund cases with cross-check multipliers from 0.6-19.6); *see In re Natural Gas Trust Cases Price Indexing*, 2006 Cal. Super. LEXIS 1302 at *9 (2006) (acknowledging that "numerous cases have applied multipliers of between 4 and 12 to counsel's lodestar in awarding fees."). Moreover, based on the common fund factors analysis, the required multiplier is reasonable given the circumstances of this litigation. Silver Decl. § IV.C, p. 8.

Counsel also seek reimbursement of litigation costs in the amount of $460,032.85, which includes the cost of months of work by a well-respected economic expert conducting calculations and performing analysis of massive amounts of data regarding the tens of thousands of employees. The costs incurred should be reimbursed as they were necessary to the litigation of the action and reasonable. They were essential in putting Plaintiffs into a strong position for trial and settlement.

The settlement is an outstanding result in light of all of the relevant circumstances, and the fees requested are reasonable under the accepted "percentage of the fund" method with a lodestar cross-check. In addition, the litigation costs expended were necessarily incurred and reasonable. Accordingly, Plaintiffs respectfully request that the Court grant the requested award of attorneys' fees and the reimbursement of costs.

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II. BACKGROUND[3]

In 2018, the voters of Anaheim adopted "Measure L," an ordinance requiring hospitality industry employers to pay a living wage of $15 per hour starting on January 1, 2019. Whether the Defendants were required to comply with the City of Anaheim's Living Wage Ordinance ("LWO") and pay Plaintiffs the living wage rate depended on whether Disney had an agreement with the City that provides them with the right to a "City Subsidy," which is defined as a right to a rebate of taxes. The case turned on the 1996 Infrastructure and Parking Finance Agreement ("Finance Agreement") between Disney and the City of Anaheim, which provided Disney with, among other things, over $240 million in public funds for Disney to use to help construct California Adventure, Downtown Disney, and its new parking garage, with money raised through the sale of municipal bonds by the City of Anaheim Public Financing Authority ("Authority") that Disney was permitted to pay back with its own future tax revenues, and a right to future reimbursement from the Disney taxes paid over by the City to the Trustee if that tax money bond Disney routed through the City to the Trustee was not enough to cover payments due on its bonds. To understand the intricacies of the complex financial arrangement between Disney and the City of Anaheim required Class Counsel to spend substantial time and resources analyzing complex bond agreements and financial transactions. See Declaration of Sarah Grossman-Swenson (hereinafter "Swenson Decl.") ¶¶ 23-24. It also required legal expertise to understand and interpret complex business contract terms, which Counsel has.

After interviewing Defendants' employees and reviewing their wage statements, Plaintiffs and Counsel determined that Defendants were paying employees in many job positions less than the hourly wage rate required by the LWO. Renick Decl. ¶ 13; Swenson Decl. ¶ 21. On December 6, 2019, Plaintiffs Kathleen Grace, Regina Delgado, Alicia Grijalva, and Javier Terrazas ("Plaintiffs")[4] filed a wage-and-hour class action against the Disney Defendants and Sodexo Defendants, alleging that they had violated the LWO by failing to pay their employees at the proper wage rate and owed the class of workers backpay as well as derivate penalties under the California Labor Code.

[3] A more detailed case history was described in Plaintiffs' motions for preliminary approval and will be provided in Plaintiffs' motions for final approval.

[4] Plaintiff Thomas Bray was also named in the complaint but subsequently withdrew as a class representative and named plaintiff.

On February 21, 2020, Disney Defendants filed a demurrer, joined by Sodexo Defendants, arguing that the Living Wage Ordinance did not apply to Disney because Disney did not receive a "City Subsidy," defined as a "tax rebate" in the LWO. Due to Class Counsel's compelling legal analysis and unique ability to unpack the complicated financial arrangement to expose the right to a tax rebate it provided, the Court overruled the demurrer on August 28, 2020. The Court held that "even under the Disney Defendants' definition [of a 'rebate'], the Credit Enhancement Agreement could be construed as creating a City Subsidy." *Grace*, 93 Cal.App.5th at 555, (2023) (quoting this Court's decision overruling Defendants' demurrer). Renick Decl. ¶ 14.

On April 30, 2021, the Disney Defendants filed their motion for summary judgment. The Court granted the summary judgment motion on grounds that Disney was not an employer covered by the LWO because the agreements between the Disney Defendants and the City (1) did not give the Disney Defendants a right to a rebate of taxes because any rights arising from the agreements were contractual in nature, (2) provided for an abatement of debt service payments, not taxes, and (3) did not set aside any of Disney's tax monies for reimbursement. Based on the Court's holding that the LWO did not cover Disney, the grant of summary judgment meant that Plaintiffs and the Class would receive nothing in the action. Renick Decl. ¶ 15.

Plaintiffs appealed. The appeal presented an issue of first impression under California statutory law—the meaning of "City Subsidy" and "a right to receive a rebate of . . . tax" in the LWO. As a result of Counsel's skill, ability, and persuasive lawyering, Plaintiffs obtained a full reversal of the grant of summary judgment from the Court of Appeal. The July 13, 2023, decision was a complete victory for Plaintiffs as the Court of Appeal not only granted a reversal, but also affirmatively held that Defendants must comply with the LWO: "Disney receives a 'City Subsidy' within the meaning of the LWO and is therefore required to pay its employees a living wage." *Grace*, 93 Cal.App.5th at 560. It was also a victory for the entire class as the Court had granted Plaintiffs' earlier motion for class certification. Indeed, following the denial of Defendants' petition for review on October 25, 2023, the Parties agreed that Defendants' liability under the Living Wage Ordinance was established by the Court of Appeal decision. In addition, on October 29, 2023, the Disney Defendants began complying with the LWO, paying their employees in compliance with the hourly wage rates set by the LWO. Renick Decl. ¶ 17.

The Sodexo Defendants began complying with the LWO on or about November 24, 2023. *Id.* The Disney Defendants also adjusted their service charge practices so they are no longer retaining any portion of any service charges, but instead, paying all service charges to employees. *Id.*

After remand, the class was recertified with a stipulated amended class definition, and additional Class Members were served with Class Notice. As described more fully below, Plaintiffs then spent considerable time seeking discovery regarding damages and preparing for mediation. Given that the class exceeded 50,000 employees, they engaged an expert who could assist in running calculations based on the massive amount of payroll and timekeeping data produced by Defendants covering the Class period starting in January 2019. Swenson Decl. ¶ 53; Renick Decl. ¶ 18. Based on their longtime experience with complex class actions, Class Counsel were able to develop a complete damages model with which they were able to accurately value the class members' claims down to the penny based on their actual hours worked and rates of pay. Renick Decl. ¶¶ 18, 64.

Class Counsel then made the strategic decision to participate in separate mediations with the Disney Defendants and the Sodexo Defendants given that Defendants employed separate employees. Renick Decl. ¶ 19. The first mediation was with the Disney Defendants before Judge Layn Phillips (ret.) and involved two rounds of briefing in advance of the mediation on July 12, 2024. Plaintiffs reached a settlement with the Disney Defendants on July 17, 2024, pursuant to a mediator's proposal. Swenson Decl. ¶ 54; Renick Decl. ¶ 19.

While Plaintiffs and the Sodexo Defendants participated in a mediation on July 16, 2024, the matter did not resolve. The Sodexo Defendants then filed a motion for summary adjudication, arguing a good faith defense and that Plaintiff Grace's claims were barred by the settlement of a different class action. Plaintiffs filed their opposition to the summary adjudication motion on October 18, 2024. Shortly thereafter, Plaintiffs reached a settlement with the Sodexo Defendants on November 1, 2024. Swenson Decl. ¶¶ 55-56; Renick Decl. ¶ 20.

III. LEGAL ARGUMENT

A. Plaintiffs' Attorneys' Fees Request Is Appropriate Under Applicable Standards

Under the common fund doctrine, "when a number of persons are entitled in common to a specific fund, and an action brought by a plaintiff or plaintiffs for the benefit of all results in the

creation or preservation of that fund, such plaintiff or plaintiffs may be awarded attorney's fees out of the fund.'" *Laffitte v. Robert Half Internat. Inc.*, 1 Cal. 5th 480, 497 (2016) (*quoting Serrano v. Priest*, 20 Cal.3d 25, 35 (1977) (*Serrano III*)). "In awarding a fee from the fund or from the other benefited parties, the trial court acts within its equitable power to prevent the other parties' unjust enrichment." *Id.* at 480-81.

"The choice of a fee calculation method is generally one within the discretion of the trial court, the goal under either the percentage or lodestar approach being the award of a reasonable fee to compensate counsel for their efforts." *Id*. at 504. In the last few decades, both federal and state courts have regularly approved a percentage fee calculation in determining a fee award where the class action settlement establishes a common fund for the benefit of the class out of which the attorney's fee is awarded. *Id.* at 480, 493-94, 502. Indeed, as the California Supreme Court has recognized, "most courts and commentators now believe that the percentage method is superior." *Id.* at 494 (quoting American Law Institute, *Principles of the Law of Aggregate Litig* § 3.13 (2010)). *See also* Silver Decl. § VI, p. 24.

In *Laffitte*, the California Supreme Court addressed the issue of whether a court may calculate a fee award from a class action common fund as a percentage of a fund, with a lodestar-multiplier cross-check of the selected percentage, holding: "trial courts have discretion to conduct a lodestar cross-check on a percentage fee . . . [or] to forgo a lodestar cross-check and use other means to evaluate the reasonableness of the requested percentage fee." *Id.* at 506. As the court noted, a lodestar cross-check is a method that can be used to prevent "windfall profits" in large settlements, sometimes called "mega funds." *Id.* at 496. Here, application of a percentage and lodestar cross-check approach confirms that the requested fee award of 15% of the two settlement funds, for a combined amount of $35,212,500, is reasonable.

B. Class Counsel's Fee Request Is Supported by the Percentage-of-the-Recovery Analysis

California courts evaluating common fund fee awards consider the factors identified by the California Supreme Court in *Serrano III*, such as the results obtained by counsel, the risks and potential value of the litigation, contingency, novelty and difficulty and the skill shown by counsel. *Laffitte*, 1 Cal. 5th at 503-04. Courts also evaluate a requested percentage based on whether it falls

within the range that courts typically award, and whether it is in line with the market rate for contingent fee representations. *Id.* at 504.

1. The Requested Percentage Is Reasonable and Well Supported by the Facts and Circumstances of this Case

Plaintiffs request a fee award of 15% of the settlement funds, which is significantly lower than the average fee amount of one-third, or 33 1/3%, awarded by California courts in class action cases. *Laffitte v. Robert Half Int'l. Inc.*, 231 Cal. App. 4th 860, 878 (2014) (affirming that "use of a percentage of 33 1/3 percent of the common fund is consistent with, and in the range of, awards in other class action lawsuits"); *In re Consumer Privacy Cases*, 175 Cal. App. 4th 545, 557, n.13 (2009) ("'Empirical studies show that, regardless whether the percentage method or the lodestar method is used, fee awards in class actions average around one-third of the recovery.'"). *See also* Silver Decl. § IV.C(6).

Fifteen percent is also lower compared to fee awards in federal court class actions. As leading attorney's fees expert Professor Silver explains, all federal circuits have means and medians well above 15 percent, with the median in the Ninth Circuit at 25 percent. *See* Silver Decl. § V; Table 3. His research found dozens of "mega fund" cases with a settlement exceeding $100 million with fee awards of 20 percent or more. *See id.*, § V; Table entitled "MEGA-FUND CASES WITH FEE AWARDS OF 20 PERCENT OR MORE." The research also uncovered three mega fund cases from 2024 that had fee awards in the range of 25%-28.8%, and a report on antitrust cases from 2023 showing that the median fee award was largely 30% for recoveries up to $249 million and 25%-26% for recoveries between $249 to $999 million. *See id.*, § V; Figure 14.

As discussed more fully below, *see infra* Section III.D., based on the facts and circumstances of this case, a 15% fee percentage is entirely appropriate. Here, Class Counsel achieved highly favorable, non-reversionary settlements for the Class, enabling each claimant to recover *all* of their damages, plus 10% interest, plus penalties, based on their actual hours worked and damages incurred. Class Counsel achieved a very successful result with a large recovery for individual class members with respect to both settlements. As for the Disney Settlement, the average total recovery per class member for all 51,478 class members, including all categories of backpay, service charges, retirement, interest, and penalties, is $3,488.30. Renick Decl. ¶ 73. The largest total recovery is $154,277.40. *Id.*

For the 51,256 class members with back wage claims, the average wage claim with interest is $2,603. *Id.* For the 3,095 class members with service charge claims, the average service charge claim with interest is $2,400. *Id.* As for the Sodexo Settlement, the average total recovery per class member for all 547 Class members, including all categories of backpay, interest, and penalties, is $2,398. Renick Decl. ¶ 74. The largest total recovery is $17,800. *Id*. For the 544 Class members with back wage claims, the average wage claim with interest is $2,116. *Id*.

This settlement was achieved after five years of hard-fought litigation, extensive investigation of extremely complicated bond transaction documents, and months of arms-length negotiations, including full-day mediations with retired United Stated District Court Judge Layn Phillips and Steve Pearl, both of whom are experienced wage and hour mediators. The requested fee is fair and reasonable given the substantial work performed to date by Counsel to obtain a settlement with significant benefit to the Class, especially given that Counsel undertook the risks and expense of the litigation of a novel issue of statutory law with complex facts on a contingent basis. Renick Dec., ¶¶ 12-20; 28; Swenson Decl., ¶¶ 19-23, 25-27, 30-31, 39-40, 66-67.

2. The Requested Percentage Is Well in Line with the Market Rate for Contingent Fee Representations.

The percentage method provides for "a better approximation of market conditions in a contingency case." *Laffitte*, 1 Cal. 5th at 503. As Professor Silver explains, the market rate is the fee percentage that maximizes clients' expected recoveries, so courts should set percentages at that rate. Silver Decl. § IV.C(3), pp. 11-13. After years of study regarding the market rate for contingent fee representations, Professor Silver was able to conclude that "when sophisticated business clients seek to recover money in risky commercial lawsuits involving large stakes, they typically pay contingent fees ranging from 30 percent to 40 percent, with fees of 33 percent or more being promised in most cases." Silver Decl. § IV.C(6), pp 15-18. This was true with "little variation in fee percentages across cases of different sizes." *Id.*

Thus, the Court should award a fee percentage that is in line with the market rate for contingent fee representations. Fifteen percent is well in line with the market rate.

C. Class Counsel's Fee Request Is Also Supported by the Lodestar Approach

"A lodestar cross-check [] provides a mechanism for bringing an objective measure of the work performed into the calculation of a reasonable attorney fee." *Laffitte*, 1 Cal. 5th at 504. The foundation of the lodestar formula consists of the hours expended and the hourly rates of counsel. *Serrano III,* 20 Cal. 3d at 48-49, n.23; *Lealao v. Beneficial California, Inc*., 82 Cal. App. 4th 19, 40 (2000). "Once the court has fixed the lodestar, it may increase or decrease that amount by applying a positive or negative 'multiplier' to take into account a variety of other factors, including the quality of the representation, the novelty and complexity of the issues, the results obtained, and the contingent risk presented." *In re Consumer Privacy Cases,* 175 Cal. App. 4th at 556. *See also Serrano III*, *supra*, 20 Cal.3d at 49.

Here, the fee requested is $35,212,500, and the lodestar is $6,059,605, resulting in a multiplier of 5.8. Renick Dec., ¶ 21; Swenson Decl., ¶ 61.[5]

1. Class Counsel's Lodestar Is Reasonable

The number of hours expended by Class Counsel and the hourly rates of the attorneys who worked on this case are reasonable. As set forth herein and more fully in the declarations of counsel, Class Counsel has spent 5696.2 hours (through July 14, 2025) since this case was investigated and then filed on December 6, 2019, with an anticipated 720 future hours between the two firms,[6] and has a lodestar of $6,059,605.[7] Renick Dec., ¶¶ 21, 23; Swenson Decl., ¶ 61.

The hours can be divided into the following five phases: (1) Initiating Lawsuit, Opposing Demurrer, and Discovery [January 2019 to March 2021]; (2) Continued Discovery, Opposing Summary Judgment and Seeking Class Certification [April 2021 to December 2021]; (3) Filing Appeal and

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[5] In their declarations, Class Counsel describe the work they performed for this case. They will also lodge their billing records reports for the Court's review in advance of the hearing on the motion pursuant to the Court's request for billing records at final approval.

[6] "[I]t is appropriate for a court to consider future hours in a lodestar crosscheck." *Perez v. Rash Curtis & Assocs.*, No. 4:16-cv-03396-YGR, 2020 U.S. Dist. LEXIS 68161, at *62-*63 (N.D. Cal. Apr. 17, 2020) (concluding 13.42 (5,450 hours), 15.42 (4,088 hours), and 18.15 (2,725 hours) multipliers in scenarios considering future litigation hours were all "within the surveyed acceptable range in the Ninth Circuit").

[7] *See Laffitte*, 1 Cal. 5th at 505 ("[T]rial courts conducting lodestar cross-checks have generally not been required to closely scrutinize each claimed attorney-hour, but have instead used information on attorney time spent to 'focus on the general question of whether the fee award appropriately reflects the degree of time and effort expended by the attorneys.'") (quoting Newberg on Class Actions (5th ed. 2015) § 15:86, p. 331).

Opposing Petition for Review [January 2022 to October 2023]; (4) Post-Remand: Discovery, Opposing Sodexo's Motion for Summary Adjudication, and Mediation [November 2023 to December 2024]; and (5) Settlement and Court-Approved Process [January 2025 to present].

1) Initiating Lawsuit, Opposing Demurrer, and Discovery (January 2019 to March 2021)

From January 2019 to March 2021, McCracken, Stemerman & Holsberry, LLP ("MSH") and Hadsell Stormer Renick & Dai LLP ("HSR&D") expended 553.5 hours on the following tasks: Investigating the legal and factual theories, drafting the Complaint, opposing the Demurrer, and commencing discovery. Swenson Decl. ¶ 18; Renick Decl. ¶ 44.

When the LWO became effective in January 2019, Class Counsel was contacted about Disney and Sodexo's non-compliance with the LWO by employees who worked for Defendants. Swenson Decl. ¶ 21; Renick Decl. ¶¶ 12-13, 45. MSH was very familiar with the LWO; MSH Partner Rich McCracken has drafted and litigated enforcement of a number of local living wage ordinances. Swenson Decl. ¶ 19. Over the months that followed, Counsel had numerous conversations with employees and reviewed their wage statements, Defendants' pay policies, and other employment-related documents, engaged in extensive analysis of the complex financial arrangement between Disney and the City of Anaheim from 1996, comprised of several agreements, and conducted thorough research of the LWO and related wage and hour violations. Swenson Decl. ¶ 19-24; They met with and had several conversations with the named plaintiffs and drafted the complaint. Renick Decl. ¶ 45.

On December 6, 2019, Plaintiffs filed the class action complaint on behalf of a class of workers against the Disney Defendants and the Sodexo Defendants alleging violation of the LWO, the Labor Code section 203 (waiting time penalties), Labor Code sections 510, 1194 and 1198 (overtime wages), Business and Professions Code section 17200 (UCL), and Labor Code section 2698 (PAGA).

On February 21, 2020, the Disney Defendants filed their demurrer, which the Sodexo Defendants joined, claiming that Disney was not an "employer" under the LWO because it did not receive a "tax rebate" from the City of Anaheim. The demurrer required extensive research regarding statutory interpretation and further review of the financial agreements between Disney and the City. Swenson Decl. ¶ 26; Renick Decl. ¶ 47. Counsel drafted Plaintiffs' opposition to the demurrer, which

they filed on March 23, 2020, and prepared for and participated in argument at the hearing. The Court overruled the demurrer on August 28, 2020.

Plaintiffs devised a class action discovery plan, focused initially on interpreting the policies and practices governing complex financial transactions between Disney, the City of Anaheim, Anaheim Public Financing Authority, and a bond trustee. Swenson Decl. ¶¶ 29-30; Renick Decl. ¶ 48. Over the several months that followed, the parties engaged in extensive discovery requiring substantial meeting and conferring. In October and November 2020, Plaintiffs served written discovery, including special interrogatories and requests for production of documents, on the Disney Defendants and the Sodexo Defendants and subpoenaed documents from third-party City of Anaheim. Renick Decl. ¶ 48. Defendants responded and produced tens of thousands of pages of documents, including wage statements, grievances, communications, personnel documents of the named plaintiffs, financial documents and agreements, collective bargaining agreements, and employment policies. The City of Anaheim also responded and produced hundreds of pages of documents relating to the Disney financial agreements with the City at issue in the case. Plaintiffs then took a person most qualified ("PMQ") deposition of the City of Anaheim regarding the documents produced on February 17, 2021. Swenson Decl. ¶ 31; Renick Decl. ¶ 48. The Disney Defendants also served special interrogatories and requests for production of documents on Plaintiffs. Counsel had numerous conversations with the named plaintiffs to obtain documents and information to respond to the requests. Renick Decl. ¶ 48; Swenson Decl. ¶ 34. In March 2021, Plaintiffs issued a deposition subpoena to third-party Bank of New York Mellon Trust Company, NA ("BNY") related to the structure of the Indenture of Trust between the Anaheim Public Financing Authority and BNY Western Trust Company, as well as first and second supplemental indentures. Swenson Decl. ¶ 33; Renick Decl. ¶ 49. The documents had to do with how BNY allocated revenues, principal, and interest to the 1997, 2007, and 2019 bonds. *Id.* Plaintiffs engaged in substantial meeting and conferring with BNY prior to the production of documents. *Id.*

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2) Continued Discovery, Opposing Summary Judgment and Seeking Class Certification (April 2021-December 2021)

From April 2021 to December 2021, MSH and HSR&D expended 683.7 hours on the following tasks: Conducting informal and formal discovery, opposing summary judgment, seeking class certification, and providing class notice. Swenson Decl. ¶ 35; Renick Decl. ¶ 50.

During this time, Counsel continued to gather information and documents to respond to Defendants' discovery requests and to seek discovery from the Defendants. They spoke to the named plaintiffs, gathered evidence, performed targeted research on class certification issues, and drafted their class certification motion and supporting documents. Renick Decl. ¶ 51. Plaintiffs followed up with additional discovery to Disney in June 2021, including additional requests for production of documents, form interrogatories, and requests for admissions to Disney, and negotiated a stipulation regarding the authenticity of documents. *Id.*; Swenson Decl. ¶ 38.

Plaintiffs' counsel also researched the factual and legal issues raised by the Disney Defendants in their motion for summary judgment in support of the argument that no agreement between the Disney Defendants and the City provided Disney with a right to a rebate of taxes. To prepare for the filing of their class certification motion and the opposition to Defendants' motion for summary judgment, Plaintiffs reviewed the thousands of pages of documents produced by Defendants and the City of Anaheim. Swenson Decl. ¶¶ 36-37; Renick Decl. ¶ 52. They also met and conferred with Defendants about PMQ depositions of Disney and Sodexo and stipulations regarding aspects of class certification.

After Plaintiffs filed their motion for class certification on May 10, 2021, the parties continued to engage in critical discovery, both sides taking key depositions. The five named plaintiffs met with Counsel and prepared for their depositions, which Defendants took in May and June 2021. Swenson Decl. ¶ 34; Renick Decl. ¶ 53. Plaintiffs sought further documents from the City of Anaheim regarding the multiple agreements comprising its complex financial agreement with Disney reached in 1996. Renick Decl. ¶ 53.

After a thorough review of the voluminous production, Plaintiffs took the second deposition of a

City of Anaheim employee, the Finance Department budget supervisor D'Anne Lee, on July 8, 2021. Swenson Decl. ¶ 38; Renick Decl. ¶ 54.

After an extensive meet and confer between the parties regarding Plaintiffs' class certification motion, the parties were able to reach a stipulation whereby Plaintiffs agreed to dismiss one of the five named plaintiffs and Defendants agreed not to oppose the motion. Swenson Decl. ¶ 36; Renick Decl. ¶ 55. Counsel drafted a Plan of Class Action Notice, Class Notice and Exclusion Form, provided to Defendants for review and submitted them to the Court. On August 13, 2021, the Court approved the Plan of Notice. They then effectuated notice to the more than 25,000 Disney class members and the almost 300 Sodexo Class Members on September 10, 2021. Renick Decl. ¶ 55.

Given the complexities of the agreements comprising the financial agreement at issue, and the multi-layered legal arguments presented by Defendants' motion for summary judgment, substantial legal research and analysis as well as marshalling of evidence was required for Plaintiffs to structure and draft their opposition brief, separate statement, and other supporting documents. After filing their opposition papers on September 17, 2021, Plaintiffs carefully reviewed the reply brief filed by Defendants and spent considerable time preparing and presenting oral argument at the hearing on October 29, 2021. The Court did not, however, agree with Plaintiffs' arguments, and it granted Defendants' motions for summary judgment, entering Judgment on December 16, 2021.

3) Filing Appeal and Opposing Petition for Review (January 2022-October 2023)

From January 2022 to October 2023, MSH and HSR&D expended 708.4 hours on the following tasks: briefing and oral argument for the appeal; opposing the petition for review. Swenson Decl. § 43; Renick Decl. ¶ 57.

Plaintiffs filed their Notice of Appeal on January 5, 2022. The briefing on appeal required extensive time addressing each argument raised by Defendants below and the grounds ruled on by the Court in granting summary judgment. Given the intricacies of the financial arrangement, careful attention was required to describing the various agreements that comprised the arrangement and clearly presenting Plaintiffs' legal arguments in Appellants' Opening Brief, which was filed with a seven-volume appendix containing over 4,000 pages on July 22, 2025. Swenson Decl. ¶ 44; Renick Decl. ¶ 58. Substantial time was also required to review and analyze Defendants filed Appellees' Brief on

October 21, 2022, and conduct additional research to file Appellants' Reply Brief and Reply Appendix on November 21, 2022. *Id.*; Swenson Decl. ¶ 45. At the invitation of the court, Plaintiffs also filed a supplemental brief regarding their request for judicial notice of ballot materials on May 8, 2023. Upon receipt of the calendar notice on May 9, 2023, Counsel spent considerable time preparing for and presenting argument before the assigned panel of the Court of Appeal on June 23, 2023. Swenson Decl. ¶ 46; Renick Decl. ¶ 58.

On July 13, 2023, the Court of Appeal issued an opinion reversing the grant of summary judgment and holding that Disney received a City Subsidy under the LWO and was required to pay its employees the living wage. Following the decision, Plaintiffs and Class Counsel immediately began pursuing the next steps to prosecute the case, engaging in strategy sessions, communicating with the named plaintiffs, and conducting legal research. Renick Decl. ¶ 59.

Then, on August 18, 2023, the Disney Defendants filed a petition for review presenting the issue for review of whether every payment made by a tax-collecting entity is a tax rebate. Class Counsel carefully reviewed and analyzed the issue presented and the arguments made in the petition, and prepared and filed an Answer. Swenson Decl. ¶ 47; Renick Decl. ¶ 60. On October 25, 2023, the California Supreme Court denied review.

4) Post-Remand: Discovery, Opposing Sodexo's Motion for Summary Adjudication, and Mediation (November 2023-December 2024)

From November 2023 to December 2024, MSH and HSR&D expended 2169.9 hours on the following tasks: amending complaint; providing notice; conducting discovery regarding damages; participating in mediation; opposing Sodexo's motion for summary adjudication; and preparing a class action approval motion. Swenson Decl. ¶ 49; Renick Decl. ¶ 61.

As the matter was on appeal for a year and a half, Plaintiffs and Counsel conducted research and took steps to make certain the complaint and class definition were updated based on new developments in the law and the increased class period. After conferring with Defendants and obtaining their agreement, Plaintiffs filed a First Amended Complaint adding a claim for violation of Labor Code section 226 on December 1, 2023, seeking statutory penalties and PAGA penalties for alleged wage statement violations, based on new authority from the California Supreme Court which had been issued

while Plaintiffs' case was on appeal. Swenson Decl. ¶50; Renick Decl. ¶ 62. Plaintiffs also submitted an amended PAGA notice to the LWDA. Plaintiffs also drafted and presented an amended class definition for the Class Notice and plan for an updated notice to be provided to additional Class Members who did not previously receive Class Notice, which Defendants did not oppose. The Court approved the amended class definition for recertification, and additional Class Members were served with Class Notice. After Defendants produced the class data, Class Counsel worked with the Administrator and Defendants to make certain that any additional class members were identified. On February 16, 2024, Class Notice was provided to the additional Class Members, which included over 25,000 individuals. *Id.*

Plaintiffs and the Disney Defendants conducted extensive discovery related to damages during this time. On January 10, 2024, Plaintiffs served discovery requests seeking class information, time records, payroll records, related pay and timekeeping systems, pay and timekeeping policies, and collective bargaining agreements reflecting wage rates. Plaintiffs also sought discovery from the Sodexo Defendants, including payroll data, information regarding collective bargaining agreements, and other follow-up and updated discovery based on Sodexo's prior productions in late 2020 and early 2021. Plaintiffs engaged a well-respected economic expert, Dr. Phillip Johnson of Econ One, to assist with organizing and performing calculations on the five years of voluminous data produced by the Defendants for the more than 50,000 Disney Class Members and the more than 500 Sodexo Class Members, which included more than 36 million lines of data in Disney's Payroll data alone. The production also included extensive termination, 401k, and service charges data. Swenson Decl. ¶¶ 51-53; Renick Decl. ¶ 63.

Plaintiffs and the Disney Defendants then agreed to mediate with the Honorable Layn Phillips (Ret.) in July 2024. Swenson Decl. ¶ 54; Renick Decl. ¶ 64. In preparation for mediation, Class Counsel spent considerable time developing a complete damage model to determine the amount of wages, statutory penalties, Private Attorneys General Act penalties, and interest that might be recovered at trial. For the claims against Disney, this model also included wages for the categories of 401(k) payments and service charges. Counsel worked with their expert Econ One to calculate

damages based on the massive amount of payroll and timekeeping data produced. For each Class Member, the model took into account the shifts worked during the class period, the appropriate rate of pay, and the rate actually paid. When applicable, it also included the 401(k) matching contribution made and what should have been made if proper LWO rates had been paid, as well as the service charge amounts actually paid and what should have been paid under the LWO. In addition, the model was used to calculate the interest accrued on each of the categories of damages. Finally, the model included a valuation of the penalties that might be available on each claim. Based on the model, Plaintiffs were able to accurately value the maximum value of their claims. Plaintiffs and Disney exchanged thoroughly-researched opening and reply briefs addressing the relevant factual and legal issues in advance of the mediation with Judge Phillips, which took place on July 12, 2024. Pursuant to a mediator's proposal, Plaintiffs reached a settlement in principle with the Disney Defendants on July 17, 2024. Swenson Decl. ¶¶ 54-55; Renick Decl. ¶ 64.

Plaintiffs and the Sodexo Defendants participated in a mediation with Steve Pearl on July 16, 2024, and Plaintiffs were able to utilize the model they set up for the Disney case to analyze the much smaller amount of data for Sodexo. As the matter did not resolve at mediation, Plaintiffs continued to pursue discovery from Sodexo regarding its payroll data and alleged good faith defense to the penalties sought by Plaintiffs. On August 27, 2024, the Sodexo Defendants filed a motion for summary adjudication, arguing that the good faith defense barred Plaintiffs' waiting time and wage statement statutory claims for statutory and PAGA penalties even after the Court of Appeal's decision on July 13, 2023, and that Plaintiff Grace's claims were also barred because of the settlement of a different class action against Sodexo of which she was a class member. Plaintiffs conducted research and pursued discovery from Sodexo regarding their defenses and filed their opposition to the summary adjudication motion on October 18, 2024. After Plaintiffs filed their opposition, the parties continued to engage in settlement negotiations through the mediator. Pursuant to a mediator's proposal, Plaintiffs reached a settlement in principle with the Sodexo Defendants on November 1, 2024. The parties executed a Term Sheet containing all material points of the settlement. They then engaged in negotiations of a long form settlement agreement. Swenson Decl. ¶¶ 56-57; Renick Decl. ¶ 65.

From July 17, 2024, to December 13, 2024, Plaintiffs and the Disney Defendants negotiated and then executed a long form settlement agreement entitled Class Action Settlement Agreement which included the Class Notice. Plaintiffs spent substantial time reviewing the settlement terms and preparing for and drafting their motion for preliminary approval of the settlement on December 13, 2024. Swenson Decl. ¶ 58; Renick Decl. ¶ 66. Plaintiffs and the Disney Defendants also stipulated to Plaintiffs' filing of a Second Amended Complaint. *Id.*

5) Settlement and Court-Approved Process (January 2025-present)

From January 2025 to July 14, 2025, MSH and HSR&D expended 1580.7 hours on the following tasks: settlement administration, meeting and communication with Class Members regarding the settlement administration and claims process, and preparing class action approval motions. Swenson Decl. ¶ 59; Renick Decl. ¶ 67. Class counsel anticipate expending an additional 720 hours on administration and final approval. *Id.*; Swenson Decl. ¶60.

On January 17, 2025, the Court held a hearing regarding the Disney Settlement and confirmed its tentative ruling continuing the hearing on the preliminary approval motion to permit the parties to address the Court's queries regarding the dispute and administration process and scope of the settlement release. The parties negotiated those changes and submitted a joint supplemental response to the Court on February 21, 2025. Thereafter, the Court granted Preliminary Approval of the Settlement Agreement on March 25, 2025. After time spent confirming the contact information for the Class Members data and the process for the Notice, which included creation of settlement website, with links for individual class members to update contact information, elect method of payment, and request exclusion, notice was emailed and mailed to the Class and completed on June 3, 2025. Renick Decl. ¶ 68.

After months of negotiations, on March 27, 2025, Plaintiff and the Sodexo Defendants executed a long form settlement agreement entitled Class Action Settlement Agreement which included the Class Notice. Plaintiffs spent substantial time reviewing the settlement terms and then preparing for and drafting their motion for preliminary approval of the settlement, filed on March 27, 2025. On May 2, 2025, the Court held a hearing and granted Plaintiff's motion for preliminary approval after Counsel orally addressed the concerns raised in the Court's tentative ruling. The Court

further ordered Plaintiff to submit a revised proposed order, which the Court signed on May 8, 2025. After time spent confirming the contact information for the Class Members and the process for the Notice, which included creation of settlement website with links to update contact information, elect method of payment, request exclusion, etc., notice was completed by email and US mail to the Class on June 2, 2025. Renick Decl. ¶ 69.

After the Court granted preliminary approval of the Settlements, Counsel worked closely with their expert Econ One and the Settlement Administrator to ensure that the calculations of each individual Class Member's share of the Disney Settlement and of the Sodexo Settlement were accurately determined and could be included in the Notice. In addition, Counsel has spent considerable time since holding both in-person and virtual meetings with Class Members and responding to inquiries to be certain Class Members understand the settlement terms and the notice and claims process. In addition, Counsel has also established a hotline for Class Members to call with any questions they have regarding their individual settlement share. In addition to drafting the motions for preliminary approval and addressing the Court's related questions and concerns, Counsel have also prepared the instant motion for attorney's fees and costs, and started drafting the final approval motions. Counsel will continue to work on the matter, performing various tasks including drafting the motions for final approval, reviewing additional inquiries from Class Members, preparing for and handling the final approval hearing, and working with the Settlement Administrator to ensure that payments to the Class Members are completed properly and expediently. Renick Decl. ¶ 70.

A reasonable rate for a lodestar cross-check is typically based upon the prevailing market rate in the community for similar work performed by attorneys of comparable skill, experience, and reputation. *Heritage Pac. Fin., LLC v. Monroy,* 215 Cal. App. 4th 972, 1009 (2013). As explained in the declaration of Richard Pearl, the leading fee expert in California and author of *California Attorney Fee Awards*, the rates for the timekeepers from each of the Class Counsel firms are reasonable.[8] Pearl Decl. ¶¶ 15-17. That is true whether measured against "noncontingent," "market rates charged" to paying clients by these specific attorneys and timekeepers and others of comparable skill and

[8] As Richard Pearl explains, citing authorities, court-awarded attorneys' fees in California are always determined based on current rates. Pearl Decl. ¶ 17 n.2.

experience in Los Angeles and Orange County, or against rates "judicially awarded comparable attorneys" for comparable contingency work in the Southern California market. *Id*.; *see also, e.g., Children's Hosp. & Med. Ctr. v. Bonta*, 97 Cal. App. 4th 740, 782–83 (2002) (affirming trial court's rate determination based on expert declarations providing evidence of this type). As set forth in the supporting declarations of Richard M. Pearl and Charles Silver,[9] the hourly rates applied here are consistent with the attorneys' skill and experience and reflect the prevailing market rates. Renick Decl., ¶¶ 30-32; Swenson Decl., ¶¶ 13-15; Declaration of Richard M. Pearl (hereinafter "Pearl Decl.") ¶¶ 15, 19-22, 28, 30-37; Silver Decl. § VI, pp. 24-28.

D. The Factors Identified in *Serrano III* Support the Lodestar Fee Requested

In *Serrano III*, 20 Cal. 3d at 49, the California Supreme Court identified several factors for augmenting or diminishing the lodestar figure, including the following: the novelty and difficulty of the questions involved and the skill displayed in presenting them; the extent to which the nature of the litigation precluded other employment by the attorneys; and the contingent nature of the fee award based on the uncertainty of prevailing on the merits and establishing eligibility for the award.

1. The Novelty and Difficulty of the Questions Involved and the Skill Displayed in Presenting Them

This case involved unique legal issues regarding enforcement of the City of Anaheim Living Wage Ordinance, including complex labor law issues of preemption as well as questions of statutory interpretation regarding the meaning of the terms "City Subsidy" and "rebate … of taxes." Swenson Decl. ¶¶ 21, 25-27. Class counsel in this action were uniquely qualified to handle these issues. Both of the firms representing the Class, McCracken, Stemerman & Holsberry, LLP and Hadsell Stormer Renick & Dai, LLP, have extensive experience litigating on behalf of workers in matters involving various living wage ordinances. The two firms served as Class Counsel in the City of Los Angeles *Service Charge Cases*, in which they successfully defended the constitutionality of the City of Los Angeles's Service Charge Ordinance on behalf of workers from five airport-area hotels. *See Garcia v.*

[9] To calculate the lodestar cross check, a court must determine the reasonable hourly rate for the services rendered by class counsel. *In re Consumer Privacy Cases*, 175 Cal. App. 4th at 556.

Four Points Sheraton LAX, 188 Cal. App. 4th 36 (2010). Both firms have served as counsel in similar living wage ordinance class action cases, including *Espino v. Sky Chefs*, Los Angeles Superior Court Case No.19STCV44265, and *Aguilar v. Flying Foods Group Pacific, Inc.,* Los Angeles Superior Court Case No. BC 553539, which involved classes of airline catering workers who alleged claims for unpaid overtime and other wage and hour violations. Hadsell Stormer Renick & Dai LLP and McCracken, Stemerman & Holsberry, LLP are two of the preeminent plaintiff-side employment and labor firms in California whose work in this matter was commensurate with their skill and experience. Renick Dec., ¶¶ 3-10, Swenson-Grossman Dec., ¶¶ 3-13.

In this matter, Class Counsel aggressively litigated the case to the great benefit of the Class. In addition to obtaining reversal of summary judgment on appeal, Plaintiffs meticulously prepared the matter for mediation. As a result of that work, an outstanding result was reached with a $233,000,000 Settlement on behalf of the Class Members who worked for Disney and $1,750,000 on behalf of the Class Members who worked for Sodexo.

2. The Extent to Which the Nature of the Litigation Precluded Other Employment by Class Counsel.

The number of cases the Plaintiffs' two firms, McCracken, Stemerman & Holsberry, LLP and Hadsell Stormer Renick & Dai LLP, are able to take is limited, and the firms must be extremely selective about the cases they do take. Class Counsel must regularly decline to take cases which they believe are meritorious and, but for the issue of staffing, would otherwise accept. Taking on larger class action cases, such as the present case, utilizes a significant portion of the firms' staff and resources and prevents the firms from taking cases which are likely to be equally or more remunerative than the present case and prevents the firms from taking on other matters. Renick Dec., ¶ 28; Swenson Decl. ¶ 71.

3. The Contingent Nature of the Fee Award Based on the Uncertainty of Prevailing on the Merits and Establishing Eligibility for the Award

The contingent nature of this case presented a material risk for Class Counsel. Indeed, Plaintiffs initially lost the case in the trial court before prevailing on appeal. This matter—like many wage and hour cases—involved complex and unsettled legal issues, including interpretation of the City of Anaheim Living Wage Ordinance. Had this matter proceeded to trial on remedies and then on

appeal, it is possible that Plaintiffs would have recovered significantly less, and the Class would have had their payments delayed for years. Moreover, if the proposed Settlement had not been achieved, continued litigation of the claims would take substantial time and possibly confer no additional benefit to the Class. It was also likely that the penalties would continue to be fiercely litigated by the parties; accordingly, many more years of litigation, which inevitably involves significant additional expenses, was a real possibility. Renick Dec., ¶ 29; Swenson Decl. ¶ 67.

E. A Multiplier on the Lodestar of 5.8 is Reasonable and Appropriate

Based on the total lodestar of $6,059,605, the lodestar cross-check results in a multiplier of 5.8. An upward multiplier is supported by the factors California and federal courts consider for this determination. *See Lealao*, 82 Cal. App. 4th at 26; *see also Hanlon v. Chrysler Corp.*, 150 F.3d 1011 1029 (9th Cir. 1998). Here, Class Counsel achieved a very successful result with a very large recovery for individual class members with respect to both settlements, after litigation of complex legal and factual issues, where Defendants petitioned for review to the California Supreme Court. This was not a run-of-the-mill wage-and-hour case, but instead, a case that turned on a series of complex financial transactions between Disney and the City of Anaheim. Class Counsel's theory of Defendants' liability in the case was novel and was not accepted initially by either the City of Anaheim or the trial court. The Disney Settlement provides for recovery of 100% of the wages, service charges, retirement contributions, and 10% interest on all of those damages; 66% of statutory penalties and 34% of PAGA penalties sought after July 13, 2023; or 193% of statutory penalties and 388% of PAGA penalties sought after October 25, 2023. The Sodexo Settlement provides for recovery of 100% of the wages, and 10% interest on those damages; 50% of statutory penalties and 41% of PAGA penalties sought after July 13, 2023; or 149% of statutory penalties and 230% of PAGA penalties sought after October 25, 2023. Swenson Decl. ¶ 69.

Plaintiffs' fee request, requiring a 5.8 multiplier to their lodestar, is well supported as there is established authority for common fund fee awards in this range and above. Courts applying a lodestar cross-check regularly approve fees with multipliers beyond 6 and into the double digits. *See e.g., Vizcaino* 290 F.3d at 1052 (collecting $50-200 million common fund cases with cross-check multipliers from 0.6-19.6); *Steiner v. Am. Broadcasting Co.,* 248 Fed. App'x 780, 783 (9th Cir. 2007) (finding

cross-check multiplier of 6.85 was "well within the range of multipliers the courts have allowed"); *In re Nat'l Collegiate Athletic Ass'n Athletic Grant-in-Aid Cap Antitrust Litig.*, 2017 WL 6040065, at *8 (N.D. Cal. Dec. 6, 2017) (awarding a 20% fee from a $208 million settlement fund), aff'd, 768 Fed. App'x 651 (9th Cir. 2019); *In re Rite Aid Corp. Sec. Litig.*, 362 F.Supp.2d 587, 589-90 (E.D. Pa. 2005) (awarding 25% fee from $126 million settlement fund for 6.96 multiplier). In a recent wage and hour class action case decided under California law, which also turned on an issue of statutory law like here, the court concluded that "a significant enhancement [was] warranted to fairly compensate class counsel for the exceptional results achieved." *Kang v. Wells Fargo Bank, N.A.*, No. 17-cv-06220-BLF, 2021 WL 5826230, at *55 (N.D. Cal. Dec. 8, 2021). After the parties reached a $95,696,122.35 settlement, the court awarded a 22% fee award, or $21,053,146.92, which required a 5.5 multiplier. *Id.* at *56.

California courts and "numerous cases have applied multipliers of between 4 and 12 to counsel's lodestar in awarding fees." *See In re Natural Gas Trust Cases Price Indexing*, 2006 Cal. Super. LEXIS 1302, *9 (2006); *Glendora Cmty. Redevelopment Agency v. Demeter*, 155 Cal. App. 3d 465, 479 (1984) (affirming a 12-times multiplier of counsel's hourly rate and expressly rejecting the argument that the requested fee was exorbitant or unconscionable). "California trial courts have considerably wider latitude than their federal counterparts in the selection of factors that may be used to adjust the lodestar and that, therefore, 'an upward or downward adjustment from the lodestar figure will be far more common under California law than under federal law.'" *Lealao*, *supra*, 82 Cal. App. 4th at 42 (citing *Weeks v. Baker & McKenzie*, 63 Cal. App. 4th 1128, 1173 (1998)).

This fee request seeking a multiplier is further justified based on the strength of the tailored common fund factors analysis conducted above. *Dunk v. Ford Motor Co.*48 Cal. App. 4th, 1794, 1801 (1996) ("[t]he list of factors is not exhaustive and should be tailored to each case"). Indeed, per the common fund factor analysis above,

> the market value of the services provided by…counsel in a case of this magnitude must take into consideration that any compensation has been deferred … from the time an hourly fee attorney would begin collecting fees from his or her client; that the demands of the present case substantially precluded other work during that extended [deferral] period, which makes the ultimate risk of not obtaining fees all the greater …; and that a failure to fully compensate for the enormous risk in bringing even a wholly meritorious case would effectively immunize large or politically powerful defendants from being held to answer for constitutional deprivations [or deprivations of statutory rights], resulting in harm to the public.

Taylor v. Nabors Drilling USA, LP, 222 Cal. App. 4th 1228, 1252 (review denied) (citing *Horsford v. Bd. of Trustees of Cal. State Univ*., 132 Cal. App. 4th 359, 399–400 (2005). Furthermore,

> the unadorned lodestar [only] reflects the general local hourly rate for a fee-bearing case; it does not include any compensation for contingent risk.... The adjustment to the lodestar figure, e.g., to provide a fee enhancement reflecting the risk that the attorney will not receive payment if the suit does not succeed, constitutes earned compensation; unlike a windfall, it is neither unexpected nor fortuitous. Rather, it is intended to approximate market-level compensation for such services, which typically includes a premium for the risk of nonpayment or delay in payment of attorney fees…In cases involving the enforcement of constitutional or statutory rights, such fee enhancements may make such cases economically feasible to competent private attorneys.

Id. (citing *Ketchum v. Moses* 24 Cal.4th 1122, 1138 (2001); *Ctr. for Biological Diversity v. Cnty. of San Bernardino* 185 Cal. App. 4th 866, 899 (2010)).

Given the extraordinary outcome, including the controlling court of appeal decision requiring a change of pay practice by Defendants going forward, and the enormous risk of loss and contingent nature of the fee award in this case, Plaintiffs' Counsel should be awarded the requested amount as "[a]warding larger multipliers when class actions settle for larger sums provides the upside potential that is needed to encourage lawyers to take significant risks." *See* Silver Decl. § VI (citing *In re Buspirone*, 01-md-1410 (S.D.N.Y. Apr. 11, 2003) ($220 million settlement with lodestar multiplier of 8.46 awarded); *In re Credit Default Swaps Antitrust Litig.*, No. 13MD2476 DLC, ECF No. 554 (S.D.N.Y. April 18, 2016) ($1.86 billion settlement with lodestar multiplier of 6.36 awarded)).

Based on the common fund factors analysis above, a 5.8 multiplier is reasonable given the circumstances of this litigation.

F. Plaintiffs' Request for Reimbursement of Costs Is Reasonable and Proper

In total, as set forth in the declarations of counsel submitted to this Court, Class Counsel have incurred an aggregate of $460,032.85 in unreimbursed expenses in prosecuting this case, all of which were reasonable and necessary to bring this case to closure. Renick Decl., ¶¶ 71-72, Exhibit 3; Swenson Decl., ¶ 64, Exhibit 2. All of the categories of costs sought here are typically billed to a client. *Id.* In particular, the significant work completed by Econ One in calculating damages and penalties in advance of mediation was instrumental in demonstrating that Plaintiffs were ready for trial on remedies, facilitating resolution of the case prior to trial. Renick Decl. ¶¶ 63-64. Their equally impressive work in calculating the damages owed to each employee based on actual hours worked and

rates paid has ensured that the settlement is fair and equitable for all members of the class.

As one commentator noted, "the prevailing view is that expenses are awarded in addition to the fee percentage." Conte, Attorney Fee Awards, § 2.08 at pp. 50-51 (2d Ed. 1977). Indeed, courts routinely reimburse class counsel for the costs incurred in prosecuting cases on a contingent fee basis. *See In re Businessland Sec. Litig.,* 1991 WL 427887 (N.D. Cal. 1991), at *2-3 (N.D. Cal. 1991). This is particularly true in class action cases, where class counsel who "has created a common fund for the benefit of the class is entitled to reimbursement of reasonable litigation expenses from that fund." *Ontiveros v. Zamora*, 303 F.R.D. (E.D. Cal. 2014). *See also Serrano III,* 20 Cal.3d at 35 (describing the awarding of costs in California courts under the "common fund" theory); *Rider v. County of San Diego*, 11 Cal. App. 4th 1410, 1422–23 (1992) (awarding costs under the "common fund" theory). The recovery of costs is to include all out-of-pocket costs not part of overhead which are typically billed to a client. *Bussey v. Affleck*, 225 Cal. App. 3d 1162 (1990). In wage-and-hour cases specifically, courts routinely approve the reimbursement of fees for plaintiffs' economic experts. *See, e.g.*, *Mostajo v. Nationwide Mut. Ins. Co.*, 2023 WL 2918657 at *30-31 (E.D. Cal. Apr. 12, 2023); *Bellinghausen v. Tractor Supply Co.*, 306 F.R.D. 245, 265 (N.D. Cal. 2015). The costs sought by Class Counsel are reasonable and were necessarily incurred in order to advance the litigation for the benefit the Class. *Bussey*, 225 Cal. App. 3d at 1162.

IV. CONCLUSION

For the foregoing reasons, Plaintiffs respectfully request that the Court approve their motion for an award of attorneys' fees to Class Counsel in the amount of $35,212,500 ($34,950,000 from the Disney Settlement Fund and $262,500 from the Sodexo Settlement Fund) and reimbursement of litigation costs in the amount of $460,032.85 ($452,532.85 from the Disney Settlement Fund and $7,500 from the Sodexo Settlement Fund).

Date: July 18, 2025

Respectfully submitted,

HADSELL STORMER RENICK & DAI LLP

MCCRACKEN, STEMERMAN & HOLSBERRY, LLP

By: */s/ Randy Renick*
Randy Renick, *Attorneys for Plaintiffs & the Plaintiff Class*