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10 UNITED STATES DISTRICT COURT
11 CENTRAL DISTRICT OF CALIFORNIA

12 DR. KEVIN DOUGLAS, Individually)
13 and on behalf of all others similarly)
14 situated,)

15 Plaintiff,)

16 vs.)

17 PLDT INC., MANUEL V.)
18 PANGILINAN, ALFRED S.)
19 PANLILIO, ANNABELLE L. CHUA,)
20 MARILYN A. VICTORIO-AQUINO,)
21 MA. LOURDES C. RAUSA-CHAN,)
22 GIL SAMSON D. GARCIA, JUNE)
23 CHERYL A. CABAL-REVILLA, AND)
24 JANE BASAS,)

25 Defendants.)
26)
27)
28)

Case No. 2:23-cv-00885-FLA-(MAAx)

CLASS ACTION

MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT LEAD
COUNSEL’S MOTION FOR AN
AWARD OF ATTORNEYS’ FEES AND
LITIGATION EXPENSES AND FOR AN
AWARD TO LEAD PLAINTIFF

Date: August 9, 2024

Time: 1:30 p.m.

Judge: Hon. Fernando L. Aenlle-Rocha

Courtroom: 6B

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1 **I. PRELIMINARY STATEMENT**

2 Lead Counsel respectfully submits its Motion for an Award of Attorneys’ Fees
3 and Litigation Expenses, and for an Award to Lead Plaintiff (“Fee and Expense
4 Application”), as supported by this Memorandum of Points and Authorities (“Fee and
5 Expense Memorandum”), the Declaration of Shannon L. Hopkins in Support of (1)
6 Lead Plaintiff’s Motion for Final Approval of Class Action Settlement, Approval of the
7 Plan of Allocation, and Final Certification of the Class and (2) Lead Counsel’s Motion
8 for an Award of Attorneys’ Fees and Litigation Expenses and for an Award to Lead
9 Plaintiff (“Hopkins Decl.”), and supporting exhibits thereto, filed herewith, and the
10 Stipulation of Settlement and its attachments filed with Court on February 16, 2024
11 (ECF 54-7 through ECF 54-13). Lead Counsel respectfully moves the Court for (i) an
12 award of attorneys’ fees in the amount of \$750,000, or 25% of the Settlement Amount,
13 for securing this favorable result for the Class; (ii) payment of its litigation expenses in
14 the amount of \$67,490.63, which it reasonably incurred in pursuing this Action; and
15 (iii) an award of \$5,000 to Lead Plaintiff, Dr. Kevin Douglas, in recognition of the time
16 and effort Dr. Douglas spent carrying out his duties to represent the Class.¹

17 The proposed Settlement is the result of a detailed investigation, hard-fought
18 litigation, and rigorous mediation. *See* Hopkins Decl. ¶79. ² As a result of arms-length
19 settlement negotiations overseen by well-respected mediator, Jed D. Melnick, Esq. of
20 JAMS, Lead Plaintiff and Lead Counsel achieved an exceptional recovery of \$3 million
21 for the benefit of the Class.³ Lead Counsel has not received any compensation for their
22

23 ¹ A Proposed Order Awarding Attorneys’ Fees and Litigation Expenses, and Award to Lead Plaintiff
will be submitted with Lead Plaintiff’s reply papers.

24 ² The terms of the Settlement are set forth in the Stipulation of Settlement dated February 16, 2024
25 (the “Stipulation” or “Settlement”). ECF 54-7. Unless otherwise noted, all internal quotation marks
26 and citations are omitted, all emphasis is added, and all capitalized terms not defined herein shall have
the same meaning ascribed to them in the Stipulation. “Ex.” refers to exhibits attached to the Hopkins
Declaration.

27 ³ The Class consists of all persons or entities who purchased or otherwise acquired PLDT ADS during
28 the period from January 1, 2019, through December 21, 2022, inclusive. Excluded from the Class are:
(1) the defendants; (2) any individual defendant’s Immediate Family Members; (3) any firm, trust,

1 work litigating this case, though they have expended considerable firm resources. Lead
2 Counsel’s request for an award of attorneys’ fees and litigation expenses is reasonable
3 and well within the range approved in similar matters. In litigating this case, Lead
4 Counsel advanced costs and devoted substantial time on a contingent basis. Lead
5 Counsel’s efforts include, *inter alia*, review and analysis of (i) PLDT’s public filings
6 with the SEC; (ii) PLDT’s public filings with the Philippine Stock Exchange, Inc.; (iii)
7 Defendants’ other public statements, including quarterly press releases, earning call
8 transcripts, and presentations; (iv) reports of securities and financial analysts, news
9 articles, and other commentary and analysis concerning PLDT and the industry in which
10 it operates; and (v) review of pertinent court filings. Hopkins Decl. ¶¶12-30. In addition,
11 Lead Counsel hired investigators who located confidential witnesses concerning the
12 allegations in the Complaint and consulted with damages, market efficiency and loss
13 causation experts. *Id.* Lead Counsel also undertook to serve the Complaint on all
14 individual defendants according to the Hague Convention on the Service Abroad of
15 Judicial and Extrajudicial Documents and through personal service in the Philippines.

16 In performing the above tasks, Lead Counsel spent 1,262.02 hours of professional
17 time, equating to a lodestar of \$799,017.75. *See* Ex. 3, Declaration of Shannon L.
18 Hopkins on Behalf of Levi & Korsinsky, LLP in Support of Lead Counsel’s Motion for
19 an Award of Attorneys’ Fees and Litigation Expenses (“Fee Decl.”) ¶7. Thus, Lead
20 Counsel’s request for an award of attorneys’ fees in the amount of \$750,000 represents
21 a 0.94 *negative* multiplier compared to its lodestar figure of \$799,017.75. *Id.* In the
22 Order Granting Lead Plaintiff’s Unopposed Motion for Preliminary Approval of Class
23 Action Settlement (“Preliminary Approval Order”) the Honorable Cormac J. Carney
24 preliminarily approved the \$750,000 fee, noting that “Lead Counsel achieved a

25 _____
26 corporation, or other entity in which a defendant has or had a controlling interest; (4) the Company’s
27 subsidiaries and affiliates; (5) any person who is an officer, director, or controlling person of the
28 Company; (6) the Company’s directors’ and officers’ liability insurance carriers, and any affiliates or
subsidaries thereof; (7) the legal representatives, affiliates, heirs, successors in interest, or assigns of
any such excluded person or entity; and (8) those Class Members who submit valid and timely requests
for exclusion.

1 significant result for the class and has ably litigated this case.” ECF 56 at 20. There are
2 no facts that have altered that preliminary decision, which should be affirmed. Lead
3 Counsel also requests reimbursement of its out-of-pocket litigation expenses incurred
4 in pursuing this Action, in the amount of \$67,490.63. *See* Fee Decl. ¶8. These expenses
5 were reasonable and necessary to prosecute and successfully resolve the claims against
6 Defendants. Finally, Lead Counsel seeks a service award of \$5,000 for Lead Plaintiff,
7 pursuant to 15 U.S.C. §78u-4(a)(4), in connection with his representation of the Class.

8 The reaction of the Class supports approval of Lead Counsel’s application for
9 fees and expenses. There have been no objections to Lead Counsel’s request for
10 litigation expenses or the award to Lead Plaintiff. Lead Counsel has received only one
11 meritless *pro se* objection to the fee request devoid of any substance and which was
12 prematurely submitted before Lead Counsel filed its Fee and Expense Application and
13 should, thus, be overruled. ECF 58. There have also been only two requests for
14 exclusion involving only fourteen PLDT ADSs and which lack merit. *See* Ex. 4, the
15 Declaration of Josephine Bravata Concerning: (A) Mailing of the Postcard Notice; (B)
16 Publication of the Summary Notice; and (C) Report on Requests for Exclusion and
17 Objections (“Bravata Decl.”), Ex. E.

18 For the reasons set forth herein, and in the Hopkins Decl. filed concurrently
19 herewith, Lead Counsel respectfully requests; (i) an award of attorneys’ fees in the
20 amount of \$750,000, or 25% of the Settlement Amount, for securing this favorable
21 result for the Class; (ii) payment of its litigation expenses in the amount of \$67,490.63,
22 which it reasonably incurred in pursuing this Action; and (iii) an award of \$5,000 to
23 Lead Plaintiff Dr. Kevin Douglas in recognition of the time and effort he spent fulfilling
24 his Lead Plaintiff duties to represent the Class.

25 **II. LEAD COUNSEL’S REQUEST FOR AN AWARD OF**
26 **ATTORNEYS’ FEES IS REASONABLE AND SHOULD BE**
27 **APPROVED**

28 “In a certified class action, the court may award reasonable attorney’s fees and
nontaxable costs that are authorized by law or by the parties’ agreement.” FED. R. CIV.

1 P. 23(h). The Private Securities Litigation Reform Act of 1995 (the “PSLRA”) provides
2 that “[t]otal attorneys’ fees and expenses rewarded by the court to counsel for the
3 plaintiff class shall not exceed reasonable percentage of the amount of any damages and
4 prejudgment interest actually paid to the class.” 15 U.S.C. §78u-4(a)(6). Accordingly,
5 determination of whether the requested fee award is reasonable rests within the sound
6 discretion of the Court, based on the circumstances of the case. *In re Bluetooth Headset*
7 *Prods. Liab. Litig.*, 654 F.3d 935, 942-43 (9th Cir. 2011).

8 As discussed below, Lead Counsel’s requested fee and expense award is
9 reasonable under the Ninth Circuit factors and well within the range of fees typically
10 awarded in similar matters.

11 **A. A Reasonable “Percentage-of-the-Fund” Recovered is the**
12 **Appropriate Method for Awarding Attorneys’ Fees in Common Fund**
13 **Cases**

14 The Supreme Court and Ninth Circuit recognize that attorneys who obtain a
15 “common fund” benefit for non-appearing class members are entitled to compensation
16 for their services from that settlement fund. *Boeing Co. v. Van Gemert*, 444 U.S. 472,
17 478 (1980) (“a lawyer who recovers a common fund for the benefit of persons other
18 than himself or his client is entitled to a reasonable attorney’s fee from the fund as a
19 whole”); *AdTrader, Inc. v. Google LLC*, 7 F.4th 803, 808 (9th Cir. 2021) (in common
20 fund cases, “counsel is allowed to recover attorneys’ fees from any settlement fund, so
21 that those class members who benefit from the lawsuit at no cost to themselves are not
22 unjustly enriched at the lawyers’ expense”); *Vincent v. Huges Air West, Inc.*, 557 F.2d
23 759, 769 (9th Cir. 1977) (an “attorney, whose efforts create, discover, increase or
24 preserve a fund to which others also have a claim[,] is entitled to recover from the fund
25 the costs of his litigation, including attorneys’ fees.”). The common fund doctrine serves
26 to fairly compensate counsel and to ensure that all class members proportionately
27 contribute to the litigation costs expended on their behalf. *Vincent*, 557 F.2d at 696.

28 To determine what portion of a common fund is reasonable to award as an
attorney’s fee, courts have employed the “percentage-of-recovery” and “lodestar”

1 calculation methods. *Bluetooth Headset*, 654 F.3d at 942-43. Under the percentage-of-
2 recovery method, “the court simply awards the attorneys a percentage of the fund
3 sufficient to provide class counsel with a reasonable fee.” *Kim v. Allison*, 8 F.4th 1170,
4 1181 (9th Cir. 2021), quoting *Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1029 (9th Cir.
5 1998). The lodestar method requires multiplying the number of hours class counsel
6 reasonably expended on the litigation by a reasonable hourly rate. *In re Online DVD-*
7 *Rental Antitrust Litig.*, 779 F.3d 934, 949 (9th Cir. 2015).

8 The Ninth Circuit prefers the percentage-of-recovery method in cases that result
9 in common-fund settlements because “the benefit to the class is easily quantified[.]”
10 *Bluetooth Headset*, 654 F.3d at 942. In addition, application of the percentage-of-
11 recovery method reduces judicial burdens by eliminating the detailed and “more time-
12 consuming” lodestar analysis. *Id.*; *Vigueras v. Red Robin Int’l, Inc., et al.*, 2020 WL
13 13042573, at *4 (C.D. Cal. Dec. 2, 2020) (determining class counsel’s attorneys’ fees
14 based on the percentage-of-recovery method and considering lodestar figures for the
15 “singular” purpose of ensuring that class counsel is not overcompensated). The
16 percentage-of-recovery method is particularly appropriate where, as here, “the
17 defendants provide monetary compensation to the plaintiffs and class benefit is easy to
18 quantify.” *Kim*, 8 F.4th, at 1181, quoting *In re Hyundai & Kia Fuel Econ. Litig.*, 926
19 F.3d 539, 570 (9th Cir. 2019).

20 As described in §II.B.7 *infra*, Lead Counsel incurred a negative .94 lodestar
21 multiplier. Accordingly, the Class benefits from applying the percentage-of-the fund
22 method, as the lodestar method would result in higher attorneys’ fees. *Galavis v. Bank*
23 *of Am., N.A.*, 2020 WL 5898800, at *4 (C.D. Cal. July 14, 2020) (determining that class
24 counsel’s request for attorneys’ fees based on the percentage-of-recovery method was
25 reasonable because the common fund fee award represented a multiplier of 0.91
26 compared to class counsel’s lodestar figure); *Taylor v. TIC - The Indus. Co.*, 2018 WL
27 6131198, at *10 (C.D. Cal. Aug. 1, 2018) (approving a percentage-of-recovery based
28 award of 25% with a negative lodestar multiplier of 0.5). In sum, the weight of authority

1 supports application of the percentage-of-recovery method in determining Lead
2 Counsel’s award of attorneys’ fees.

3 **B. The Requested 25% “Benchmark” Fee Award is Fair, Reasonable,**
4 **and Appropriate Under Ninth Circuit Precedent**

5 Under the percentage-of-recovery method, the Ninth Circuit typically applies a
6 25% benchmark for a reasonable fee award. *Bluetooth Headset*, 654 F.3d at 942
7 (“[C]ourts typically calculate 25% of the fund as the ‘benchmark’ for a reasonable fee
8 award”). *See also, Powers v. Eichen*, 229 F.3d 1249, 1256-57 (9th Cir. 2000) (same);
9 *Six (6) Mexican Workers v. Ariz. Citrus Growers*, 904 F.2d 1301, 1311 (9th Cir. 1990)
10 (same). Using that 25% benchmark as a baseline, courts review the reasonableness of
11 the fee award by considering the *Vizcaino* factors of: “(1) the results achieved; (2) the
12 risk of litigation; (3) the skill required and the quality of work; (4) the contingent nature
13 of the fee and the financial burden carried by the plaintiffs; and (5) awards made in
14 similar cases.” *In re Amgen Sec. Litig.*, 2016 WL 10571773, at *8 (C.D. Cal. Oct. 25,
15 2016), citing *Vizcaino v. Microsoft Corp.*, 290 F.3d 1043, 1048-50 (9th Cir. 2002)
16 (finding class counsel’s request for an attorneys’ fee award of 25% of the total
17 settlement amount reasonable under the percentage of the common fund method
18 because “it both matches the ‘benchmark’ and meets the [*Vizcaino*] reasonableness
19 factors”). Courts also consider (6) the reaction of the class; and (7) a comparison with
20 class counsel’s lodestar as relevant factors for determining the reasonableness of an
21 award of attorneys’ fees. *In re Heritage Bond Litig. v. U.S. Trust Co. of Tex., N.A.*,
22 2005 WL 1594389, at *15-17 (C.D. Cal. June 10, 2005); *In re Omnivision Techs. Inc.*,
23 559 F. Supp.2d 1036, 1048 (N.D. Cal. 2008).

24 Consideration of each of the above factors confirms that Lead Counsel’s
25 requested fee of 25% of the Settlement, or \$750,000, is fair and reasonable.

26 **1. Vizcaino Factor 1: The Proposed Settlement Is an Excellent**
27 **Result That Exceeds Comparable Class Action Settlements**

28 “The touchstone for determining the reasonableness of attorneys’ fees in a class
action is the benefit to the class.” *Lowery v. Rhapsody Int’l, Inc.*, 75 F.4th 985, 988 (9th

1 Cir. 2023). In evaluating the result achieved, courts consider the Settlement as a
2 percentage of recoverable damages. *Omnivision*, 559 F. Supp. 2d at 1046 (finding that
3 a settlement was a “substantial achievement” where the recovery represented 9% of the
4 possible damages, which was more than triple the average recovery in securities class
5 action settlements); *Jiangchen v. Rentech, Inc.*, 2019 WL 5173771, at *9 (C.D. Cal.
6 Oct. 10, 2019) (finding settlement was a “favorable outcome” where the settlement
7 amount represented 10% of the total maximum damages potentially available); *In re*
8 *Quality Systems, Inc. Securities Litigation*, No. 8:13-cv-01818, ECF 117, 120 (C.D.
9 Cal., Nov. 19, 2018) (approving the \$19 million Settlement which represented
10 approximately 7%-13% of estimated damages).

11 Here, the \$3 million recovery under the proposed Settlement constitutes
12 approximately 15.4% of the maximum theoretical aggregate damages of \$19.5 million,
13 assuming Lead Plaintiff prevailed on all claims against Defendants. In the Preliminary
14 Approval Order, the Honorable Cormac J. Carney found that the Settlement Amount is
15 “an exceptional result.” ECF 56 at 18. Moreover, the proposed Settlement exceeds
16 recent comparable class action settlements. *See Hunt v. Bloom Energy Corp.*, 2024 WL
17 1995840, at *6, 8 (N.D. Cal. May 6, 2024) (finding that class counsel’s requested fee
18 of 30% of the settlement amount was reasonable because the settlement represented
19 5.2% of the estimated maximum damages potentially available in the action, and was
20 therefore a good result for the class); *Vataj v. Johnson*, 2021 WL 5161927, at *9 (N.D.
21 Cal. Nov. 5, 2021) (finding that the \$10 million settlement represents an “excellent
22 result” for the class where it represents 2% of the \$468 million in losses estimated by
23 plaintiffs’ expert); *see also* Ex. 5, Edward Flores and Svetlana Starykh, *Recent Trends*
24 *in Securities Class Action Litigation: 2023 Full-Year Review* at 26, Figure 22 (NERA
25 Jan. 23, 2024) (median ratio of settlement to investor losses was 1.8% in 2023); Ex. 6,
26 L.T. Bulan, L.E. Simmons, *Securities Class Action Settlements, 2023 Review and*
27 *Analysis*, Cornerstone Research (2024) at 6, Figure 5 (stating that the median
28 comparable securities class action settlements in Rule 10b-5 cases in 2023 resulted in a

1 recovery of 15.2% of estimated damages). Accordingly, the Court should approve Lead
2 Counsel’s request for attorneys’ fees.

3 **2. Vizcaino Factor 2: Continued Litigation Posed Serious Risk of a**
4 **Reduced Recovery for the Class, or No Recovery at All**

5 It is commonly known that “securities actions are highly complex and ...
6 securities class litigation is notably difficult and notoriously uncertain.” *Hefler v. Wells*
7 *Fargo & Co.*, 2018 WL 6619983, at *13-14 (N.D. Cal. Dec. 18, 2018); *Redwen v. Sino*
8 *Clean Energy, Inc.*, 2013 WL 12129279, at *5-6 (C.D. Cal. Mar. 13, 2013) (similar).
9 Courts consider such a risk another important factor in determining a fair fee award.
10 *Vizcaino*, 290 F.3d 1043, at 1048 (“[r]isk is a relevant circumstance”). In particular,
11 courts view the risk that further litigation would lead to reduced recovery, or no
12 recovery at all, as a significant factor weighing in favor of awarding fees. *See e.g.*
13 *Heritage Bond*, 2005 WL 1594389, at *14 (“the risks assumed by Class Counsel,
14 particularly the risk of non-payment or reimbursement of expenses, is a factor in
15 determining counsel’s proper fee award”); *Hunt*, 2024 WL 1995840, at *8 (finding that
16 class counsel’s requested fee of 30% of the settlement amount was reasonable because
17 plaintiff took significant risk in litigating the case even though its efforts might result
18 in not recovery at all); *Todd v. STARR Surgical Co.*, 2017 WL 4877417, at *5 (C.D.
19 Cal. Oct. 24, 2017) (award of a 25% attorneys’ fee was reasonable because of the
20 significant risk of receiving an inferior award if litigation were to continue given the
21 high standard for proving the elements of scienter, causation, and damages).

22 Here, while Lead Plaintiff remains confident in his ability to prevail on the
23 motion to dismiss, Defendants have expressly denied and continue to deny all charges
24 of wrongdoing or liability against them arising out of any of the conduct, statements,
25 acts or omissions alleged, or that could have been alleged, in the Action. Indeed,
26 Defendants’ Motion to Dismiss challenged all aspects of the Complaint, including
27 falsity, scienter, and loss causation. Hopkins Decl. ¶¶26-29. For example, Defendants
28 argued that, despite the admitted budget overrun, PLDT’s historically reported capital

1 expenditure figures were accurate as evidenced by the fact PLDT never restated those
2 figures. *See* ECF 47 at 13-16, 20-23. Defendants further argued that their capital
3 expenditure statements were forward-looking and protected by the PSLRA’s safe
4 harbor as they discussed “continuing” budget overruns and inactionable opinions for
5 which Lead Plaintiff failed to allege were not reasonably held. Defendants further
6 argued that their 5G statements were literally true because, while Defendant Victorio-
7 Aquino purportedly “misspoke” during the Special Call when she said PLDT “stopped”
8 the 5G rollout during the Class Period, investors were not misinformed because in the
9 same Special Call, Defendant Panlilio corrected her statement stating the rollout merely
10 “slowed down.” This was an issue of fact and Lead Plaintiff would have to convince a
11 jury to accept his version of the facts. Defendants also advanced credible scienter
12 arguments that they had no personal pecuniary motive to make false statements, such
13 as to profit from insider selling, and that Lead Plaintiff failed to adequately allege the
14 reports they had access to contained any information contradicting their public
15 statements. Defendants were likely to continue those challenges throughout the
16 litigation at class certification, summary judgement, and trial.

17 Defendants also advanced several credible arguments disputing both causation
18 and damages, thereby highlighting the risk that continued litigation could result in
19 reduced, or no, recovery for the Class. For instance, Defendants likely would have
20 argued that Lead Plaintiff has not plead facts demonstrating that the ADS price drop
21 was caused by the purported revelation of prior misstatements instead of PLDT’s
22 disclosure of new “firm-specific facts” about its future financial condition—i.e., the
23 impact of the capital expenditure budget overrun on PLDT’s financial results in the
24 future. Hopkins Decl. ¶56. Providing loss causation and damages often becomes a
25 “hotly contested trial with a battle of the experts that could be difficult for a jury to
26 understand.” *Defrees v. Kirkland*, 2018 WL 11365544, at *5 (C.D. Cal. July 26, 2018).
27 If Defendants’ expert won, the Court or the jury may have found that Lead Plaintiff was
28 entitled to significantly lower damages than anticipated—or none at all.

1 Even assuming Lead Plaintiff was successful in proving liability and damages,
 2 continuing to litigate these issues would likely delay recovery for the Class and decrease
 3 the amount actually recovered below the \$3 million Settlement Amount. Hopkins Decl.
 4 ¶44; *see also Sudunagunta v. NantKwest, Inc.*, 2019 WL 2183451, at *5 (C.D. Cal. May
 5 13, 2019) (“[c]ontinued litigation carries the risk for the class of an inferior award or
 6 nothing”). *Destefano v. Zyngo, Inc.*, 2016 WL 537946, at *10, (N.D. Cal. Feb. 11, 2016)
 7 (“continuing litigation would not only be costly—representing expenses that would take
 8 away from any ultimate classwide recovery—but would also delay resolution and
 9 recovery for Settlement Class Members”). Moreover, were Lead Plaintiff to litigate this
 10 case through trial, the costs of litigation may exceed maximum damages. Thus, the risk
 11 of reduced recovery, or no recovery at all, is present here. By settling now, the Class
 12 will avoid these risks and delays and will receive an immediate recovery. Accordingly,
 13 this factor strongly favors approval of the requested fee.

14 **3. Vizcaino Factor 3: Lead Counsel are Experienced Class Action**
 15 **Practitioners Who Diligently and Skillfully Litigated Lead**
 16 **Plaintiff’s Claims Against Formidable Opposition**

17 “The prosecution and management of a complex national class action requires
 18 unique legal skills and abilities.” *Heritage Bond*, 2005 WL 1594389, at *12 (citation
 19 omitted). In evaluating the quality of class counsel’s representation of the Class, courts
 20 consider the level of effort required of counsel in prosecuting its case. *Hunt*, 2024 WL
 21 1995840, at *8 (finding that class counsel’s fee request was reasonable because class
 22 counsel demonstrated its skill and professionalism by conducting an extensive factual
 23 investigation and defending against motions to dismiss).

24 Here, Lead Counsels’ fee request is reasonable because they expended significant
 25 time and effort prosecuting the Action and achieving the Settlement. As set forth in in
 26 the Hopkins Declaration, Lead Counsel diligently investigated the claims, defenses, and
 27 underlying events that are the subject of the Action, devoted substantial time and
 28 resources researching and drafting their opposition to Defendants’ Motion to Dismiss,
 and drafted detailed mediation statements used to facilitate comprehensive discussions

1 at mediation with Defendants to produce a beneficial result for the Class. Hopkins Decl.
2 ¶¶21-32. The Complaint was based on Lead Counsel’s investigative efforts, which
3 included a thorough investigation of the claims and facts underlying this Action,
4 necessitating in-depth reviews and analysis of *inter alia*: (i) PLDT’s public filings with
5 the SEC; (ii) PLDT’s public filings with the Philippine Stock Exchange, Inc.; (iii)
6 Defendants’ other public statements, including quarterly press releases, earning call
7 transcripts, and presentations; (iv) reports of securities and financial analysts, news
8 articles, and other commentary and analysis concerning PLDT and the industry in which
9 it operates; and (v) review of pertinent court filings. *Id.*, ¶22. Lead Plaintiff also retained
10 an investigator who interviewed former PLDT employees in the Philippines about the
11 issues in this case, and retained financial experts to advise on market efficiency, loss
12 causation and damages. *Id.* Zealous advocacy on behalf of the class in the face of
13 qualified opposition counsel supports a fee award. *Wing v. Asarco Inc.*, 114 F.3d 986,
14 989 (9th Cir. 1997).

15 The clear benefit of Lead Counsel’s work product to the Class is evidenced by
16 the fact that this is not a case where Lead Counsel could “piggy back” off a previous
17 investigation by other plaintiffs or regulators. *Destefano*, 2016 WL 537946, at *17
18 (finding the risks of continued litigation substantial in part because “there was no
19 government investigation or accounting restatement—ordinarily, hallmarks of
20 securities fraud that might suggest a case has merit”); *In re Hi-Crush Partners L.P. Sec.*
21 *Litig.*, 2014 WL 7323417, at *15 (S.D.N.Y. Dec. 19, 2014) (finding class counsel’s fee
22 request reasonable because counsel independently developed factual allegations and
23 legal theories without the benefit of a “road map” established by a government
24 investigation). Rather, this is a case where Lead Counsel was required to use its
25 considerable experience in developing persuasive claims that convinced Defendants to
26 settle. *See Ex. 2, Levi & Korsinsky Firm Resume; In re Skilled Healthcare Grp., Inc.*,
27 2011 WL 280991, at *5 (C.D. Cal. Jan. 26, 2011) (granting \$750,000 in attorneys’ fees
28 on a \$3 million settlement because “a wealth of experience in securities litigation”

1 “deserves substantial compensation.”).

2 Moreover, Lead Counsel faced formidable adversaries. Throughout this
3 litigation, Defendants were represented by a prominent international defense firm with
4 significant experience in securities litigation. Courts evaluate the level of skill class
5 counsel demonstrated in the litigation in relation to the skill and experience of opposing
6 counsel. *Wing*, 114 F.3d at 989 (affirming class counsel’s fee award in part because of
7 the district court’s praise for class counsel’s work in light of “the quality of opposition
8 counsel”); *STAAR Surgical*, 2017 WL 4877417, at *5 (finding class counsel’s fee
9 request reasonable because of the considerable skill it demonstrated in the litigation
10 considering it did so “against experienced, highly skilled opposing counsel”).
11 Accordingly, this factor supports Lead Counsel’s fee request.

12 **4. Vizcaino Factor 4: Lead Counsel Dedicated Significant Firm**
13 **Resources to this Action on Contingency, Without Guarantee of**
14 **Reimbursement or Compensation**

15 Courts view the contingent nature of class counsel’s compensation, coupled with
16 their out-of-pocket expenses put towards pursuing complex litigation, as indicators of a
17 fee request’s reasonableness. *Mandalevy v. Bofi Holding, Inc.*, 2022 WL 4474263, at
18 *13 (S.D. Cal. Sept. 26, 2022) (finding that class counsel’s 2,323 billable hours and
19 \$138,631.36 spent litigating the action weighed in favor of approving their 25% fee
20 request considering the risk of non-payment associated with compensation on a
21 contingent-fee basis); *Brown v. China Integrated Energy Inc.*, 2016 WL 11757878, at
22 *11 (C.D. Cal. July 22, 2016) (“[the] significant financial burden and the amount of
23 time devoted by Lead Counsel to this case support the requested attorneys’ fees
24 award”); *Sypherd v. Lazy Dog Restaurants, LLC*, 2023 WL 1931319, at *5 (C.D. Cal.
25 Feb. 10, 2023) (Aenlle-Rocha, J.) (“Courts routinely enhance fees for attorneys who
26 assume representation in common fund cases on a contingent basis to compensate them
27 for the risk.”). Additionally, “public policy concerns favor the award of reasonable
28 attorneys’ fees and expenses in securities class action litigation[.]” *Quality Systems*, No.
8:13-cv-01818, ECF 120 at 3.

1 Here, Lead Counsel undertook this Action and assumed a “substantial risk that
2 there would be no recovery when it took the case on a contingent fee basis.” *In re*
3 *Broadcom Corp. Sec. Litig.*, 2005 U.S. Dist. LEXIS 41993, at *20 (C.D. Cal. Sept. 12,
4 2005) (approving class counsel’s fee award of 25% in because class counsel devoted
5 substantial time and expenses litigating its action despite the risk of non-payment
6 associated with litigating complex securities fraud issues); Hopkins Decl. ¶86.
7 Nonetheless, Lead Counsel diligently pursued the claims on behalf of the Class,
8 dedicating 1,262.02 hours of professional time, representing lodestar of \$799,017.75,
9 in addition to expending \$67,490.63 in out-of-pocket expenses without guarantee that
10 they would be reimbursed. Fee Decl. ¶¶7-8. Unlike Defendants’ counsel, who have
11 been compensated for their time at hourly rates, and have received reimbursements for
12 their expenses, Lead Counsel has not been compensated for any time or expenses spent
13 on this Action since its inception and would have received no compensation had they
14 not achieved this successful result for the Class. Hopkins Decl. ¶86. As described *supra*
15 in §II.B.2, the risk of reduced or no recovery from prolonged litigation in complex
16 actions of this nature is very real.

17 Accordingly, the considerable firm resources Lead Counsel devoted to this case
18 without guarantee of reimbursement or compensation supports finding that their 25%
19 fee request is reasonable.

20 **5. Vizcaino Factor 5: The Requested Fee is Consistent with Awards**
21 **Made in Similar Cases**

22 This Court and others in the Ninth Circuit routinely award attorneys’ fees
23 representing 25% of the Settlement Amount in complex securities fraud cases like this
24 one. *See STAAR Surgical*, 2017 WL 4877417, at *6 (awarding 25% of \$7 million
25 settlement amount); *Kaye v. Immunocellular Therapeutics, Ltd.*, 2019 U.S. Dist. LEXIS
26 201657, at *20 (C.D. Cal. Nov. 19, 2019) (awarding 25% of \$1.15 million settlement
27 amount); *Ramsey v. MRV Commc’ns, Inc.*, 2010 WL 11596641, at *8 (C.D. Cal. Nov.
28 16, 2010) (awarding 25% of \$10 million settlement amount); *In re Portland GE Sec.*

1 *Litig.*, 2022 WL 844077, at *10 (D. Or. Mar. 22, 2022) (awarding 25% of \$6.75 million
2 settlement amount); *Farrar v. Workhorse Grp. Inc.*, 2023 WL 5505981, at *9 (C.D. Cal.
3 July 24, 2023) (awarding 25% of \$35 million settlement amount); *see also, Killyoung*
4 *Oh v. Hanmi Fin. Corp.*, No. 2:20-cv-02844-FLA (JCx), ECF 88 (C.D. Cal. Mar. 19,
5 2024) (Aenlle-Rocha, J.) (granting preliminary approval in a securities class action case
6 for one-third of a \$3,000,000 settlement).

7 Lead Counsel, thus, respectfully requests that the Court approve its request for
8 attorneys' fees in the amount of 25% of the Settlement Amount, totaling \$750,000,
9 which is the Ninth Circuit's benchmark. *Staton v. Boeing Co.*, 327 F.3d 938, 968 (9th
10 Cir. 2003); *In re Capacitors Antitrust Litig.*, 2017 WL 9613950, at *3 (N.D. Cal. June
11 27, 2017) (Ninth Circuit applies "a twenty-five percent benchmark" in percentage of
12 the fund cases).

13 **6. The Reaction of the Class Supports Approval of Lead Counsel's** 14 **Fee Request**

15 Courts in the Ninth Circuit consider the reaction of the class when deciding
16 whether to award the requested fee. *Heritage Bond*, 2005 WL 1594389, at *15 ("The
17 presence or absence of objections . . . is also a factor in determining the proper fee
18 award"). A "small number of objections and requests for exclusion supports final
19 approval." *Kmiec v. Powerwave Techs., Inc.*, 2016 WL 5938709, at *4 (C.D. Cal. July
20 11, 2016); *Nat'l Rural Telecommms. Coop. v. DIRECTV, Inc.*, 221 F.R.D. 523, 529
21 (C.D. Cal. 2004) ("absence of a large number of objections to a proposed class action
22 settlement raises a strong presumption that the terms of a proposed class settlement
23 action are favorable to the class members.").

24 In accordance with the Preliminary Approval Order, the Court-approved Claims
25 Administrator, Strategic Claims Services, disseminated copies of the Postcard Notice
26 to potential class members, published the Summary Notice and posted the Stipulation,
27 Notice, Postcard Notice, and Proof of Claim form on the Claim Administrator's
28 website. Bravata Decl. ¶¶2-12. To date, 43,258 potential Class Members have been

1 notified either by Postcard Notice or email containing a direct link to the Notice and
2 Claim Form on the Settlement website. *Id.* at ¶8. Class members were informed in the
3 Notice that Lead Counsel would move for an award of attorneys’ fees in an amount of
4 25% of the Settlement Amount, payment of litigation expenses, and an award to Lead
5 Plaintiff. Hopkins Decl. at ¶62. Class members were also advised of their right to object
6 to these requests, and that such objections are required to be filed with the Court and
7 served on Counsel no later than July 15, 2024. *Id.*; ECF 54-9 at 13.

8 While the objection deadline has not passed, Lead Counsel has received only one
9 *pro se* objection to Lead Counsel’s fee request and the proposed Plan of Allocation. *See*
10 ECF 58 (the “Objection”). The Objection does not object to Lead Counsel’s request for
11 reimbursement of litigation expenses or Lead Plaintiff’s request for a service award.
12 With respect to Lead Counsel’s request for attorney’s fees, the Objection states only
13 that “Lead Counsel has not shown sufficient time or expense spent to justify the
14 payment of \$750,000,” but fails to explain why a 25% fee (which was preliminarily
15 approved) is not fair and reasonable in this case. ECF 58 at ¶8. Indeed, the Objection is
16 entirely silent about the results Lead Counsel achieved in light of the continued risks of
17 litigation. Moreover, while the Objection states that Lead Counsel did not provide
18 sufficient time or expense data to justify the award, it was prematurely filed prior to
19 when Lead Counsel’s fee application was due. Thus, the Objection fails to appreciate
20 that a 25% fee would result in a **negative** lodestar multiplier. *Abadilla v. Precigen, Inc.*,
21 2023 WL 7305053, at *13 (N.D. Cal. Nov. 6, 2023) (overruling objection to request for
22 attorney’s fees where “the Court finds the request for attorneys’ fees to be reasonable
23 under both the Ninth Circuit’s benchmark and the lodestar cross-check[.]”).

24 Unreasoned objections like this one are improper and should not be sustained.
25 *Skilled Healthcare Grp.*, 2011 WL 280991, at *6 (“the Court is not inclined to stray
26 from the Ninth Circuit’s twenty-five percent benchmark based on a lone objection
27 unsupported by specific facts”); *Moore v. Verizon Commc’ns Inc.*, 2013 WL 4610764, at
28 *10 (N.D. Cal. Aug. 28, 2013) (overruling objection to attorneys’ fees and expenses for

1 providing “no specific reason as to why the Settlement should not be approved based on
2 Class Counsel’s request.”); *In re Mattel, Inc. Sec. Litig.*, 2022 WL 2826448, at *5 (C.D.
3 Cal. May 18, 2022) (overruling objection to attorneys’ fees where objector offers no basis
4 for his calculation of substituted figure for what the attorneys’ fees ought to be).

5 Moreover, Lead Plaintiff supports the requested fee award. *See* Ex. 1, Declaration
6 of Lead Plaintiff Dr. Kevin Douglas in Support of: (a) Motion For Final Approval of
7 Class Action Settlement, Approval of the Plan of Allocation, and Final Certification of
8 the Class and (b) Lead Counsel’s Motion for an Award of Attorney’s Fees and
9 Litigation Expenses, and for an Award to Lead Plaintiff (“Douglas Decl.”) ¶10.
10 Accordingly, the reaction of the Class supports Lead Counsel’s fee request.

11 **7. A Negative Lodestar Crosscheck Confirms that the Requested**
12 **Fee is Reasonable**

13 While courts in the Ninth Circuit prefer the percentage-of-recovery method for
14 determining attorneys’ fees in common fund cases, “[w]here a court employs the
15 percentage-of-recovery method, the lodestar method is often used as a cross-check to
16 assess reasonableness.” *Johnson v. Gen. Mills, Inc.*, 2013 WL 3213832, at *5 (C.D. Cal.
17 June 17, 2013), citing *Vizcaino*, 290 F.3d at 1050-51. Courts routinely approve fee
18 awards in complex class action cases with lodestar multipliers between one and four.
19 *See e.g. Vizcaino*, 290 F.3d at 1051 (affirming fee award with 3.65 lodestar multiplier);
20 *Spann v. J.C. Penney Corp.*, 211 F. Supp. 3d 1244, 1265 (C.D. Cal. 2016) (awarding
21 fees with lodestar multiplier of 3.07); *Keith v. Volpe*, 501 F. Supp. 403, 414 (C.D. Cal.
22 1980) (awarding fees with lodestar multiplier of 3.5). A “negative” lodestar multiplier,
23 meaning class counsel’s requested fee falls below its lodestar figure for the action, is a
24 strong indicator that the requested fee is reasonable. *Amgen*, 2016 WL 10571773, at *9
25 (“courts have recognized that a percentage fee that falls below counsel’s lodestar
26 strongly supports the reasonableness of the award”).

27 The lodestar cross-check in this case readily confirms that the requested fee of
28 25% of the Settlement Amount is fair and reasonable, as Lead Counsel is requesting a
fee that is substantially *below* its lodestar figure. Fee Decl. ¶7. Lead Counsel spent a

1 total of 1,262.02 hours of professional time pursuing this Action. *Id.* Based on Lead
2 Counsel’s billing rates during the litigation, its total lodestar for this litigation is
3 \$799,017.75, resulting in a negative lodestar multiplier of 0.94.

4 “In determining a reasonable hourly rate, the district court should be guided by
5 the rate prevailing in the community for similar work performed by attorneys of
6 comparable skill, experience, and reputation.” *Destefano*, 2016 WL 537946, at *19,
7 citing *Chalmers v. City of Los Angeles*, 796 F.2d 1205, 1210-11 (9th Cir. 1986). Here,
8 Lead Counsel’s hourly billing rates range from \$500 for associates to \$1,000 for
9 partners. Fee Decl. ¶5. These rates are comparable to those of peer plaintiff and defense
10 firms litigating matters of similar complexity and have been approved by Courts in this
11 District and others. *See e.g. Mandalevy*, 2022 WL 4474263, at *14 (approving of
12 attorney rates of \$335 to \$1,025); *In re Nutanix Inc., Sec. Litig.*, 3:21-cv-04080, ECF
13 138 (N.D. Cal. May 28, 2021) (finding Levi & Korsinsky’s lodestar figure reasonable
14 with firm rates of \$300 to \$1,050); *In Re Restoration Robotics, Inc. Securities*
15 *Litigation*, 5:18-cv-03712, ECF 127 (N.D. Cal. Sept. 9, 2021) (granting Levi &
16 Korsinsky’s award of attorneys’ fees with firm rates of \$325 to \$1,050).

17 Accordingly, Lead Counsel’s requested fee of \$750,000, or 25% of the
18 Settlement Amount, is reasonable under the lodestar cross-check.

19 **III. LEAD COUNSEL’S LITIGATION EXPENSES ARE** 20 **REASONABLE**

21 The law permits attorneys to recover “out-of-pocket expenses that would
22 normally be charged to a fee paying client.” *Harris v. Marhoefer*, 24 F.3d 16, 19 (9th
23 Cir. 1994). *See also Gen. Mills*, 2013 WL 3213832, at *6 (quotation omitted) (attorneys
24 may “recover their reasonable expenses that would typically be billed to paying clients
25 in non-contingency matters”). Reasonable expenses may include “1) meals, hotels, and
26 transportation; 2) photocopies; 3) postage, telephone, and fax; 4) filing fees; 5)
27 messenger and overnight delivery; 6) online legal research; 7) class action notices; 8)
28 experts, consultants, and investigators; and 9) mediation fees.” *Id.*, quoting *In re*

1 *Immune Response Sec. Litig.*, 497 F. Supp. 2d 1166, 1177 (S.D. Cal. 2007). Courts
2 further recognize that if counsel’s compensation is contingent in nature, there is no
3 reason to accrue unnecessary or unreasonable expenses, meaning whatever expenses
4 they do accrue were reasonable and necessary. *Mandalevy*, 2022 WL 4474263, at *14
5 (finding counsel’s request for reimbursement of \$138,631.35 in litigation expenses
6 reasonable because the contingent nature of counsel’s compensation provided no
7 incentive to accrue unnecessary expenses).

8 Lead Counsel requests that the Court grant its application for reimbursement of
9 \$67,490.63 in litigation expenses, reasonably incurred and necessary to prosecute this
10 Action. Fee Decl. ¶8. The expenses were incurred from nine sources: 1) \$16,000.00 in
11 mediation fees, 2) \$15,000.00 in investigative fees, 3) \$14,916.63 in process server fees,
12 4) \$9,346.87 in research fees, 5) \$5,342.56 in travel costs, 6) \$3,589.75 in expert fees,
13 7) \$1,868.78 in meal costs, 8) \$1,035.42 in filing fees, and 9) \$390.62 in photocopy
14 costs. Hopkins Decl. ¶¶96, 97. The largest fee was \$16,000.00 for the services of Jed
15 D. Melnick Esq., who conducted a mediation session with the parties leading to the
16 Settlement of the litigation. Hopkins Decl. ¶97. Lead Counsel incurred \$15,000.00 in
17 expenses paid to private investigation services who conducted numerous fact interviews
18 with former PLDT employees located abroad. *Id.* Lead Counsel also incurred
19 considerable fees of \$14,216.63 for process servers to locate and personally serve the
20 Defendants abroad. *Id.*⁴

21 These expenses are all “of the sort ordinarily billable to paying clients.” *Kmiec*,
22 2016 WL 5938709, at *6. Lead Counsel incurred these expenses while litigating this
23 Action on a contingent-fee basis, without guarantee that they would receive
24 reimbursement or compensation. *Amgen*, 2016 WL 10571773, at *9 (“contingent fee
25 basis,” without guarantee of reimbursement or compensation, “counsels in favor of
26 approving the award.”). *Rentech, Inc.*, 2019 WL 5173771, at *10 (same).

27 Additionally, the Notice informed potential Class Members that Lead Counsel
28

⁴ For additional descriptions of expenses please see the Hopkins Declaration ¶97.

1 would apply for payment of litigation expenses from the Settlement Amount not to
 2 exceed \$100,000. Thus, Lead Counsel’s request is substantially below that disclosed in
 3 the Notice and, to date, no Class member has objected to this request for reimbursement.

4 Accordingly, because the expenses Lead Counsel incurred were of the sort
 5 normally reimbursed by fee-paying clients, the Court should approve its request for
 6 payment of \$67,490.63 in litigation expenses from the Settlement Amount.

7 **IV. LEAD PLAINTIFF’S REQUEST FOR AN AWARD PURSUANT TO**
 8 **THE PSLRA IS REASONABLE**

9 “[I]t is well-established that the court may grant a modest incentive award to a
 10 class representative, both as an inducement to participate in the suit and as
 11 compensation for time spent in litigation activities[.]” *In re Am. Apparel, Inc. S’holder*
 12 *Litig.*, 2014 WL 10212865, at *30 (C.D. Cal. July 28, 2014); *In re OSI Sys., Inc. Deriv.*
 13 *Litig.*, 2017 WL 5642304, at *5 (May 2, 2017) (“Named plaintiffs...are eligible for
 14 reasonable incentive payments as part of a settlement.”). In the Ninth Circuit, a \$5,000
 15 incentive award is “presumptively reasonable.” *Becerra-South v. Howroyd-Wright*
 16 *Empl. Agency, Inc.*, 2021 WL 606245, at *5-6 (C.D. Cal. Jan. 25, 2021). When
 17 evaluating the reasonableness of an incentive award, courts consider “‘the actions the
 18 plaintiff has taken to protect the interests of the class, the degree to which the class has
 19 benefitted from those actions,’ and the time the plaintiff spent pursuing the litigation.”
 20 *Id.*, quoting *Staton*, 327 F.3d at 977 (finding the requested \$5,000 award to lead plaintiff
 21 reasonable because she spent 60-65 hours on her duties as class representative, produced
 22 documents, and made herself available to answer questions); *Ayala v. AT&T Mobility*
 23 *Servs., LLC*, 2024 U.S. Dist. LEXIS 48470, at *15 (C.D. Cal. Mar. 18, 2024) (Aenlle-
 24 Rocha, J.) (approving \$5,000 award).

25 Here, Lead Plaintiff is a retired internal medicine doctor who formally worked as
 26 a physician in the United States Army. Douglas Decl. ¶3. Lead Plaintiff actively
 27 participated in the Action by: (a) researching news related to PLDT and its securities;
 28 (b) participating in telephone calls and sending and receiving emails with Lead Counsel;

1 (c) reviewing significant filings filed in the Action; (d) reviewing Court orders; (e)
2 consulting with Lead Counsel regarding the possibility of pursuing mediation, the
3 overall settlement prospects and objectives, and status of the Parties' negotiations; and
4 (f) evaluating and approving the proposed Settlement in light of all of the circumstances
5 concerning the Action. Douglas Decl. ¶5.

6 For these efforts, Lead Counsel respectfully submits that Lead Plaintiff should
7 receive an incentive award of \$5,000.

8 **V. CONCLUSION**

9 For the foregoing reasons, Lead Counsel respectfully requests: (i) an award of
10 attorneys' fees in the amount of \$750,000, or 25% of the \$3 million Settlement Amount,
11 for securing this favorable result for the Class; (ii) payment of its litigation expenses in
12 the amount of \$67,490.63, which it reasonably incurred in pursuing this Action; and
13 (iii) an award of \$5,000 to Lead Plaintiff Dr. Kevin Douglas in recognition of the time
14 and effort he spent carrying out his duties to represent the Class.

15
16 DATED: June 10, 2024

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17
18 /s/ David C. Jaynes

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Lead Counsel for Lead Plaintiff Dr. Kevin Douglas and the Class

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CERTIFICATE OF COMPLIANCE

I, David C. Jaynes, the undersigned counsel of record for Lead Plaintiff, hereby certifies that this brief contains 6,855 words, which complies with the 7,000 word limit of L.R. 11-6.1.

/s/ David C. Jaynes
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