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**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

JEFFERY ETTER; SUSAN ETTER;  
PAUL KAHLER; FRAN CURTIS;  
MICHELLE CURTIS; LESLIE  
CRAWSHAW; RICHARD KAYLOR;  
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LEONARD SOMERVILLE; ORRENE  
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ALICE KNIGHT; ALAN BURKHART;  
SANDRA BURKHART; GEORGE  
FREDERICK; KATHLEEN FREDERICK;  
ALAN GREAGER; and, LINDA  
GREAGER, individually, and on behalf of  
themselves and all others similarly situated,

Plaintiffs,

v.

THETFORD CORPORATION, a Delaware  
corporation; NORCOLD, INC., a Delaware  
corporation; THE DYSON-KISSNER-  
MORAN CORPORATION, a Delaware  
corporation; and, DOES 1 to 50, inclusive,

Defendants.

Case No. 8:13-CV-00081-JLS-RNB

*Assigned for all purposes to the  
Honorable Josephine Staton*

**SETTLING PLAINTIFFS' REPLY  
MEMORANDUM OF POINTS AND  
AUTHORITIES IN SUPPORT OF  
MOTION FOR ATTORNEYS' FEES  
AND COSTS REIMBURSEMENT OF  
EXPENSES AND SERVICE  
AWARDS TO CLASS  
REPRESENTATIVES**

Date: September 16, 2016  
Time: 2:30 p.m.  
Courtroom: 10A

Date Action Filed: December 12, 2012  
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*This document also relates to the following related action:*

CHARLES CHOW, JOHN ROBINSON,  
RANDY DUPREE, RAY BURKHEAD,  
GORDON WILLIAMSON AND LINDA  
PIERSON, individually, and on behalf of  
themselves and all others similarly situated,

Plaintiffs,

v.

NORCOLD, INC., a Delaware corporation;  
THETFORD CORPORATION, a Delaware  
corporation; THE DYSON-KISSNER-  
MORAN CORPORATION, a Delaware  
corporation; and DOES 1 to 50, inclusive.

Defendants.

Case No.: SACV14-06759

*Assigned for all purposes to the  
Honorable Josephine Staton*

Date Action Filed: August 28, 2014

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1 **I. INTRODUCTION**

2 The fee petition filed by Class Counsel requesting an attorneys' fees award  
3 consistent with the Ninth Circuit's 25% benchmark should be approved. The fee  
4 requested is inherently reasonable given the results secured for the Class, the significant  
5 professional time and expense invested in the case to date by Class Counsel and risks  
6 presented. The petition requests 25% of the \$36 million Monetary Fund secured by the  
7 settlement, which represents only 18% of the total settlement benefits when the  
8 additional non-monetary benefits are included. Viewed on a lodestar basis, the motion  
9 seeks a multiplier of 2.08, which is also well within reason for the reasons cited in the  
10 petition, especially since it is certain to drop once future work that is necessary for Class  
11 Counsel to perform over the next three years is considered. Class Counsel ask that the  
12 Court award the full \$9 million fee requested and exercise its discretion to allocate it  
13 equitably between Class Counsel and Non-Settling Plaintiffs' Counsel ("NSP Counsel"  
14 or "Beard") based on their respective time, contributions, risks and conduct.

15 NSP Counsel's request that the Court award a fee less than the 25% benchmark is  
16 unwarranted. Just a few months ago, NSP Counsel fully supported the Court granting a  
17 fee award equal to the 25% benchmark. Mr. Beard called Class Counsel and proposed  
18 seeking the maximum fee, assigning 40% of the fee to NSP Counsel, and, in exchange,  
19 confirmed that NSP's would no longer delay matters by pursuing any further objections  
20 or appeals. (Robinovitch Decl. ¶¶84-85 and Exs. D-G (Doc. 480).) While Class Counsel  
21 declined Mr. Beard's offer to engage in such an arrangement, that does not justify any  
22 reduction from the benchmark.

23 NSP Counsel's request that the Court award them half of any fee award should  
24 also be rejected. For the Court to award NSP Counsel a positive multiplier, while Class  
25 Counsel receives a negative multiplier (less than their actual lodestar) would be  
26 unwarranted given that Class Counsel did far more work in this case, devoted more  
27 resources, took greater risks, and ultimately negotiated, advocated, and secured this  
28 settlement for the Class. In contrast, NSP Counsel actually enhanced the risks to the

1 Class, going so far as to suggest that the Class would be better off litigating this case in a  
2 bankruptcy court than accepting the settlement fund already secured. (Doc. 429 at 4.)

3 **II. SUMMARY**

4 In contrast to NSP Counsel's continued criticism of the settlement and Class  
5 Counsel, more than 45,100 Class members have now filed claims seeking immediate  
6 distribution of the settlement funds, while only 41 Class members have elected to  
7 exclude themselves, and only one Class member other than the Non-Settling Plaintiffs  
8 has objected. Robin Decl. (Doc. 510, 517.) The sole objection was unrelated to  
9 attorneys' fees. This confirms widespread support by the Class for the settlement and  
10 Class Counsel's work, despite NSP Counsel's continued negative remarks.

11 As demonstrated in their opening brief (Doc. 479) and the supporting Robinovitch  
12 Declaration (Doc. 480), Class Counsel's work in this case negotiating, securing, and  
13 then preserving the settlement in the face of substantial risks and pitfalls was  
14 exceptional. But for their efforts, there would be no settlement and Class members  
15 could easily find themselves unsecured creditors as Norcold pursued available  
16 alternative options to address class claims, pursuing their own low-dollar claims on  
17 individual bases should class certification have been denied, or with nothing at all should  
18 Defendants have prevailed on summary judgment or at trial. *See generally* Robinovitch  
19 Decl. at ¶¶ 26-44 (discussing risk factors and citing other cases where similar risks  
20 materialized). No facts or special circumstances justify a downward departure from the  
21 25% benchmark. If anything, the facts and circumstances of the case show that an  
22 enhancement to the benchmark would be warranted had Class Counsel sought one.

23 In contrast, NSP Counsel's request that the Court only award a reduced 20% fee,  
24 of which they receive half, should be rejected. There is no basis for such an award  
25 when: (1) NSP Counsel did not secure the settlement fund for the Class; (2) NSP  
26 Counsel have less than half the lodestar time of Class Counsel, of which most was  
27 devoted to the pursuit of unsuccessful objections that were eventually overruled and  
28 other conduct that did not benefit the Settlement Class; (3) in April NSP's Counsel



1 themselves indicated support for an award equal to the 25% benchmark with Class  
2 Counsel receiving a greater share; (4) NSP Counsel’s new proposal would illogically  
3 result in a *positive* multiplier for themselves while leaving Class Counsel with a *negative*  
4 multiplier, a gap which would only increase as Class Counsel remains obligated to do all  
5 future work over the next three years to implement and administer the settlement; (5)  
6 NSP Counsel’s conduct of filing serial objections created the need for Class Counsel to  
7 spend significant additional time to protect the settlement and to and avoid further delays  
8 in the distribution to the Class; (6) Non-Settling Plaintiffs’ and NSP Counsel’s conduct  
9 since July 2014 sought to prejudice and disrupt a fair settlement and class notice process  
10 through biased and inaccurate media and/or internet postings aimed at the Class; and (7)  
11 Class Counsel had the added burden of carrying the vast majority of the litigation costs.

12 While NSP Counsel boldly claims that the settlement “would not exist without the  
13 efforts of Non-Settling Plaintiffs’ Counsel and their Attorneys,” nothing could be further  
14 from the truth. The settlement now before the Court was secured and protected by Class  
15 Counsel – not by NSP Counsel. Mr. Beard turned his back towards settlement  
16 negotiations in June 2014, ignored facts altogether and applicable risks, and ultimately  
17 played no role in helping to secure the settlement fund. He continues to refer to it as  
18 “paltry” and demand that it be rejected so the case can be placed back on a litigation  
19 track. While Mr. Beard did make positive contributions early in the litigation, at some  
20 point, he became more interested in his own vendettas against Defendants and their  
21 executives and not in securing a settlement in the range Defendants could be expected to  
22 pay before pursuing other options that would leave the Class with less. Had NSP  
23 Counsel had their way, the settlement discussions would have abruptly ended in June  
24 2014, over thirty million dollars would have been immediately taken off the table, and  
25 class certification would have either been denied a few short days later, or if the motion  
26 were granted, Norcold would be pursuing reorganization with a bankruptcy judge while  
27 the instant claims withered on the vine.

1 Should the Court award NSP Counsel any fees, Class Counsel believes that those  
2 fees should be limited to Mr. Beard’s positive contributions to this litigation – time spent  
3 before the day the settlement was reached on July 22, 2014. The Hagens Berman firm  
4 did not contribute any value to this case and should not be compensated for entering an  
5 appearance at the eleventh hour to attempt a hostile takeover and present an “alternative”  
6 settlement proposal that has never been before the Court. Certainly, no argument exists  
7 for Hagens Berman to claim any risk multiplier – they have never borne any risk at all.

8 **III. ARGUMENT**

9 **A. NO FACTS JUSTIFY A DEPARTURE FROM THE NINTH CIRCUIT’S**  
10 **25% BENCHMARK.**

11 As shown in Class Counsel’s opening papers, to date Class Counsel have devoted  
12 more than \$4.4 million in professional time and expenses towards securing the  
13 settlement fund for the Class. Class Counsel accomplished this in the face of  
14 extraordinary risks on the merits with respect to class certification and with respect to  
15 Defendants’ ability to seek protection in the bankruptcy courts to cleanse it of the class  
16 claims. The total value of the settlement, which includes a \$36 million non-reversionary  
17 monetary fund, as well as the automatic provision of extended warranties to N6 and N8  
18 owners in the Class, can be valued at more than \$50 million and is fair and reasonable to  
19 the Class given the significant risks and other factors presented. *See Roberts v.*  
20 *Electrolux Home Prods*, 2014 WL 4568632, at \*6,12 (C.D. Cal. Sept. 11, 2014)  
21 (granting final approval to settlement of washing machines prone to fire with \$8 million  
22 cash fund and other non-monetary benefits totaling \$35.5 million; awarding \$8 million  
23 attorneys’ fee equal to 21% of total fund and 1.23 lodestar multiplier). Class Counsel’s  
24 request for \$9 million in fees, to be allocated by the Court, represents 18% of the total  
25 settlement value and 25% of the settlement’s monetary fund component.<sup>1</sup> The request,

26 <sup>1</sup> Contrary to Non-Settling Plaintiffs’ suggestion, there is no “clear sailing agreement”  
27 in the Settlement Agreement. A “clear sailing agreement” is a provision in a settlement  
28 in which defendants agreed not to object to an award of attorneys’ fees up to a certain amount.  
*See In re Toy-R-Us FACTA Litig.*, 295 F.R.D. 438, 458 (C.D. Cal. 2014) (“In general, a  
clear sailing agreement is one where the party paying the fee agrees not to contest the  
amount to be awarded by the fee-setting court so long as the award falls beneath a

1 therefore, is well within the standard for awarding fees in the Ninth Circuit and  
2 commensurate with the fees in other cases.<sup>2</sup> See *In re Omnivision Technologies, Inc.*,  
3 559 F. Supp. 2d 1036, 1047–48 (N.D. Cal. 2007) (“However, in most common fund  
4 cases, the award exceeds that benchmark. ...nearly all common fund awards range  
5 around 30% ... [and] ‘absent extraordinary circumstances that suggest reasons to lower  
6 or increase the percentage, the rate should be set at 30%.’”)(internal citations omitted).

7 There is no basis for any downward departure from the Ninth Circuit’s 25%  
8 benchmark, as Non-Settling Plaintiffs suggest. In cases like this, where the risk of non-  
9 payment is due to the Defendants’ financial condition or threatened bankruptcy, courts  
10 routinely award *more than* the 25% benchmark fee (and positive multipliers), *not less*.  
11 This holds true even where the state of the Defendants’ financial limitations results in  
12 the class receiving less than their desired “home run” settlement. This is because the  
13 risks faced in such situations are *enhanced*, not reduced.

14 In *Torrisi v. Tucson Elec. Power Co.*, 8 F.3d 1370, 1376 (9th Cir. 1993), the Ninth  
15 Circuit found that the 25% benchmark applied and awarded a fee of \$7.5 million (a 2.5  
16 multiplier of a \$3 million lodestar) with respect to a \$30 million settlement, noting that  
17 in cases where the defendant’s financial wherewithal added to the risk of non-recovery a  
18 downward departure from the benchmark was not warranted, rather the opposite was.  
19 As the Court there explained: “Moreover, it is a double contingency; first, they must  
20 prevail on the class claims, and then they must find some way to collect what they win.”  
21 *Id.* at 1376-77. Numerous other cases are in accord:

22 negotiated ceiling.” citing *Weinberger v. Great Northern Nekoosa Corp.*, 925 F.2d 518,  
23 520 n. 1 (1st Cir.1991).) Section VII of the Settlement Agreement in this case contains  
24 no such term. While Section VII permits applications for attorneys’ fees up to the  
25 amount of the Ninth Circuit’s 25% benchmark, it contains no language limiting any  
26 Defendants’ ability to object to any fee petition should they wish to do so. After  
27 receiving Non-Settling Plaintiffs fee motion, Class Counsel promptly clarified this with  
28 defense counsel, informing them they could file an objection if they so choose.

<sup>2</sup> NSP Counsel’s criticism of the opinions of Professor Brian Fitzpatrick here (Doc. 508  
at p. 1, footnote 1) is misplaced. In their fee petition filed April 23, 2013 in *In re Toyota  
Unintended Acceleration Marketing Sales Practices Litig.*, No. 8:10 ml-2151 (C.D.  
Cal.)(Docket 3563), NSP counsel (Hagens Berman) had no difficulty holding up  
Professor Fitzpatrick as a well-respected authority on class action attorneys’ fees when  
seeking a 25% fee and 2.48 multiplier and citing many similar risks.

- 1 • In *In re Heritage Bond Litig.*, 2005 WL 1594389, at \*14 (C.D. Cal. June 10,  
2 2005) the court awarded a 33 1/3 % fee in case where the Defendant had a  
3 limited ability to pay, various related entities were insolvent and all insurers  
4 except one disclaimed coverage;
- 5 • In *Hester v. Vision Airline, Inc.*, 2014 WL 3547643 at \*11 (D. Nev. July 17,  
6 2014) the court awarded a 30% fee noting “Class Counsel has achieved an  
7 exceptionally favorable result... in view of Vision's threatened bankruptcy,  
8 which would likely result in little recovery, if any”;
- 9 • *In re EVCI Career College Sec. Litig.*, 2007 WL 2230177, at \*17 (S.D.N.Y.  
10 July 27, 2007), the Court awarded class counsel fees equal to 25% of the  
11 settlement fund, amounting to a 2.48 multiplier, noting “Given the Company’s  
12 limited financial wherewithal and the wasting nature of its insurance policies,  
13 Lead Counsel maximized the Class’s recovery. Accordingly, a lodestar  
14 multiplier of 2.48 is justified here, and is within the range found to be  
15 reasonable by courts that have used lodestar cross checks in complex class  
16 actions with outstanding results in the face of substantial risks”;
- 17 • *In re Warner Commc’ns Sec. Litig.*, 618 F.Supp. 735, 746 (S.D.N.Y.1985)  
18 where defendant cited to risk of bankruptcy, the court approved the settlement  
19 noting that “certainty of payment of the settlement is advantageous to the  
20 class” and awarded fees that were slightly less than 25% of the settlement  
21 fund;
- 22 • *In re Safety Component Sec. Litigs*, 166 F. Supp. 2d 72 100 (D.N.J 2001) the  
23 court found that threat of non-payment from “D & O” insurance carrier  
24 “weigh[ed] overwhelmingly” in favor of approval of fee request of one-third  
25 of a common fund;
- 26 • In *Cullen v. Whitman Medical Corp.*, 197 F.R.D. 136, 149 (E.D. Pa. 2000) the  
27 court awarded a 33 1/3% fee and 2.04 multiplier where: “The risk of  
28 nonpayment in this case was acute. The settlement represented more than  
Whitman Medical Corporation's total profits over the past five years.

1 ...Whitman lacked significant unencumbered hard assets against which  
2 plaintiffs could levy had a judgment been obtained.”;

- 3 • In *Maine State Retirement System v. Countrywide Financial Corp.*, 2013 WL  
4 6577020, at \*13 (C.D. Cal. Dec. 5 2013) the Court considered the risk the  
5 defendant would file bankruptcy in evaluating the reasonableness of a class  
6 settlement, ultimately approving it as fair, as well as class counsel’s request  
7 for 17% of the \$85 million gross settlement fund, plus nearly \$3 million in  
8 litigation expenses; and
- 9 • In *McPhail v. First Command Financial Planning, Inc.*, No. 05-cv-179, 2009  
10 WL 839841, at \*7-8 (S.D. Cal. March 30, 2009), the court granted final  
11 approval of a \$12 million settlement where the Defendant had limited  
12 available assets and would have been forced into bankruptcy if a judgment in  
13 the amount demanded (\$175 million) were obtained. Considering this risk,  
14 the Court granted fees equal to 30% of the first \$10 million recovered and  
15 25% on the remaining \$2 million.

16 Here the risks facing Class Counsel and the Class cannot be underestimated. As  
17 made clear throughout the mediation sessions, the risks of a bankruptcy filing to address  
18 the class claims were significant. Throughout the negotiations, Class Counsel had to  
19 carefully walk the line between securing a reasonable settlement fund for the Class and  
20 not pushing Defendants (or the case) over the edge to the point where the Class would be  
21 more likely to ultimately receive less if critical motions were denied or a bankruptcy  
22 filing resulted. *See* Robinovitch Decl. ¶¶ 28-44 (discussing risks presented). The  
23 settlement fund secured represents several years of Norcold’s profits and is  
24 commensurate with the fail rate reported on the Incident Log. While more money is  
25 always sought, few companies can realistically provide the equivalent of full refunds for  
26 every product sold over a ten-year period. Despite NSP Counsel’s statement that the  
27 merit risks present in this case were minimal, that is simply not true. Beard actually lost  
28 the *Reis* action at trial. In the Somerville’s subrogation case, summary judgment was

1 granted in favor Norcold on statute of repose, economic loss doctrine and other grounds.  
2 NSP’s counsel themselves note: “Up to 2010, they [defendants] had been universally  
3 successful in litigating claims on an individual basis.” (Doc. 492 at 5.) In the midst of  
4 the mediation, an adverse decision in *Landen v. Electrolux Home Prods.*, No. 13-cv-  
5 1033 (C.D. Cal. July 1, 2014) was issued. Had this Court followed that decision at the  
6 motion hearing scheduled for just three days after the settlement was reached, the Class  
7 here would be receiving nothing. The declarations of Norcold’s President Kevin Phillips  
8 and Independent Director Joseph Farnan make clear that Defendants remain prepared to  
9 promptly pursue other options they have to address the class claims if the settlement here  
10 is not completed. (Docs. 418, 419.) As Mr. Brandlin’s Declaration makes clear, if that  
11 occurs, as unsecured creditors, the Class’ chance of a receiving any recovery is low as  
12 all of Defendants’ assets are pledged to secured creditors who would have priority.  
13 Brandlin Decl. at ¶¶ 11-33, 38-48, 58-66. (Doc. 334.) Therefore, to claim, as NSP  
14 Counsel does, that “the litigation risks,” were and continue to be “negligible” is untrue.

15 Based on the foregoing, the requested \$9 million fee is reasonable whether viewed  
16 under the percentage of the common fund method or the lodestar-plus-multiplier  
17 method. Both methods require the Court to consider the risks presented. There is no  
18 reason to discount the aggregate fee to 20% of the fund or to award Class Counsel a  
19 negative multiplier due to “negligible” risks, as Non-Settling Plaintiffs propose.

20 **B. NON-SETTLING PLAINTIFFS’ COUNSEL’S REQUEST THAT THEY BE**  
21 **ALLOCATED 50% OF ANY FEES AWARDED IS UNWARRANTED.**

22 NSP Counsel’s request that they be allocated half of any attorneys’ fee award  
23 cannot be justified. Before addressing the NSP Counsel’s request for such a division, it  
24 is necessary to correct certain facts presented in their filings, which incorrectly attempt  
25 to discount Class Counsel’s contribution. (Docs. 492, 508.)

26 **1. Correction of Relevant Facts.**

27 **a. The Case Not Initiated Solely by Beard.**

28 Any suggestion by Mr. Beard that he alone originated and litigated all meaningful  
aspects of this case is inaccurate. In 2011, Mr. Beard was discussing another case with

1 Mr. Ridout when the topic of his individual *Reis v. Norcold* case came up. Mr. Ridout  
2 had prior class action experience, while Beard had none, and raised the idea of pursuing  
3 a separate class action against Norcold. *See* C. Ridout Declaration filed Sept. 9, 2016  
4 Mr. Ridout then contacted other attorneys with extensive class action experience and the  
5 ability to finance such a case, including Zimmerman Reed (“ZR”). Starting in late  
6 December 2011, the three firms began collectively working together to develop the class  
7 claim theories, market for clients and to file the initial complaint. *Id.*

8 Many individual tort theories pursued by Mr. Beard in his individual tort cases  
9 were at odds with successful class action practice and therefore, it was ZR that worked  
10 primarily on developing the legal theories and class claims that had the best chance to  
11 survive a class certification challenge. Any suggestion that Beard alone was responsible  
12 for drafting the complaint or obtaining knowledge of Norcold’s defective products,  
13 investigating facts or pursuing discovery is inaccurate. As shown on the Thompson  
14 Declaration (Doc. 106-1) there were nearly 100 cases already filed against Norcold by  
15 lawyers other than Beard dating back to at least 2003. Early on, other cases were  
16 investigated, reviewed and eventually discovery requests were served demanding the  
17 production of the prior fact and expert witness testimony from all of Defendants’ other  
18 cases (including any Beard handled), so that testimony could be used to in this case. *See*  
19 Order granting Motion to Compel (Doc. 130). At the same time the complaint in this  
20 case was filed, another large class action firm, Seeger Weiss based in New York, was  
21 actively looking to bring a similar action. *See* Seeger Weiss website (showing marking  
22 materials dated December 27, 2012). It was Zimmerman Reed’s effort, strategy,  
23 ingenuity and class action experience that strongly contributed to getting the case off the  
24 ground and expanded through the First Amended Complaint (Doc. 40).

25 While Beard may have learned certain facts about the subject defect during  
26 discovery in his individual *Reis* case, he was eventually fully compensated for that work  
27 by those other clients. This case does not provide an opportunity for him to bill again  
28 for that time or those expenses.

1           **b. Beard Overstates his Role in the Case and Improperly Discounts Class**  
2           **Counsel’s Contribution.**

3           While it is certainly true that Beard contributed to the prosecution of the case  
4 through discovery up and until the time that the mediation started in June 2014, he  
5 hardly was “solely responsible” for doing all substantive and meaningful work, to Class  
6 Counsel’s exclusion, as he suggests. After the case was filed, Mr. Robinovitch took the  
7 lead on the substantive legal work, development of case theories and the class  
8 certification motion plan, as well as on discovery, whereas Beard focused his efforts  
9 more on discovery. Throughout 2013 and until the settlement was reached in 2014,  
10 Robinovitch worked extensively on the case, along with Beard. Robinovitch Decl. ¶¶ 3,  
11 7-26 and Exh. J. (Doc. 480.) In addition to doing the majority of the brief writing and  
12 legal research during this period, including that related to the class certification motions,  
13 Robinovitch played a major role in the discovery process with Beard. Mr. Beard did not  
14 hold a monopoly on the discovery process and development of the factual record here, as  
15 he suggests. Robinovitch drafted discovery requests and Plaintiffs’ responses; reviewed  
16 documents produced; prepared the named plaintiffs for and defended nearly all of their  
17 depositions, many out-of-state; helped prepare the Plaintiffs’ experts’ (Orion Kieffer and  
18 Peter Layson) for depositions in Jacksonville, Florida with Beard and then defended  
19 those depositions; visited with Kieffer and Layson at AEGI’s testing facility in  
20 Jacksonville to inspect cooling units, obtain demonstrations and learn facts about the  
21 subject defects; met with and helped secure the testimony of Plaintiffs’ NHTSA expert,  
22 Alan Kam; and helped prepare for and attended the depositions of Defendants’  
23 employees Mary Pouliot, Bob Cutright and Jerry Alexander. *Id.* Beard’s suggestion,  
24 therefore, that he “*alone* took the depositions of Defendants’ corporate witnesses,  
25 conducted tests of exemplar Norcold refrigerators and interacted with experts” overstates  
26 his role and discounts Robinovitch’s. NSP Brief at 6. (Doc. 492.)

27           While Beard now criticizes Class Counsel’s time in this case and tries to  
28 downplay their contribution, his characterizations of what actually occurred at the time



1 are inaccurate. It is hardly “churning” a file for two lawyers to meet with their  
2 mechanical engineer expert witnesses, obtain demonstrations and then attend their  
3 depositions when their testimony is at the heart of the central disputes presented. Beard  
4 had no class experience, so it was important for someone who did to participate in their  
5 deposition preparation to best avoid creating a record full of individualized issues and  
6 pitfalls. The same holds true with other key depositions of Defendants’ executives.  
7 Sending two lawyers with different backgrounds and expertise to prepare for and take  
8 such depositions is hardly excessive; in fact, it is the low end of the norm in complex  
9 litigation. For Beard to now claim that Robinovitch was a mere “minder” sent to  
10 “observe,” instead of lending substantive contributions by helping to propose lines of  
11 inquiry, questions and exhibits, while avoiding Rule 23 pitfalls, is inaccurate. Further,  
12 the case ultimately had numerous fact, discovery and other disputes which implicated  
13 multiple facets of the case that crossed lines between discovery, motion practice, experts  
14 and in turn, attorney responsibility. Thus, it was more than reasonable to have the case  
15 staffed as it was, prior to two groups’ split at the mediation. Tellingly, Mr. Beard never  
16 raised any such protests about Class Counsel’s work, time or participation at the time of  
17 these events took place, claiming all billable time was exclusively his.<sup>3</sup>

18  
19 <sup>3</sup> The other examples to which NSP refer also lack proper context. For example,  
20 when the initial class certification motion was filed on December 27, 2013 (Doc. 52) Mr.  
21 Beard reviewed the form of the briefs. When the class certification motion papers had to  
22 be refiled following the Court’s April 24, 2014 Order (Doc. 116), substantial new work  
23 was done to reform the motion papers to more succinctly address the arguments, defenses  
24 and witness objections that Class Counsel were now aware from having the benefit of  
25 seeing the theories in Defendants’ initial response (Doc. 73) expert reports (Docs. 75-78)  
26 , and to address new expert witness testimony not previously presented by the parties in  
27 their opening briefs (e.g., Alan Kam and William Boyde McMakin) (Docs. 92, 145).  
28 Despite any formatting issues, all of this new time benefitted the Class as helped to  
present a stronger motion that focused more succinctly on the key disputes, witness  
testimony and legal defenses presented by Defendants. *See* Ridout Decl., Sept. 9 2016.

NSP’s reference to the January 22, 2015 discovery hearing before Magistrate  
Judge Block also lacks proper context. In December 2014, NSP’s sought to delay matters  
far longer than eventually occurred through overly broad discovery requests, which  
appeared to disregard the Court’s December 9, 2014 order (Doc. 275) that only granted  
NSP’s “limited” additional discovery. As counsel of record in the case and for the  
proposed Class, whose interests were directly affected by the additional delays sought,  
Class Counsel properly participated in meet and confer sessions and tried to broker  
reasonable compromises between NSP’s counsel and Defendants who were at polar ends  
of the dispute. While at the January 22, 2015 hearing, Magistrate Judge Block indicated

1 ZR and RLO were responsible for providing all other lawyer and paralegal  
2 support, since Beard, as a solo practitioner, had no such infrastructure. While Beard now  
3 feigns surprise to learn that others besides him were working on the case, and discounts  
4 their contributions as duplicative, that is not the case. He never protested working with  
5 Robinovitch, associates such as Brad Buhrow, or paralegals such as Stacy Bethea, with  
6 whom he was in regular contact on a near daily basis.

7 It is also significant that ZR and RLO were also responsible for financing the case  
8 since Beard indicated he lacked the ability to do so. This included paying for expert  
9 witness fees, deposition costs and the expenses for named plaintiffs to travel to  
10 California for depositions (i.e., Eppers, McBride, Crawshaw, Pearce) and mediation fees.  
11 As shown below, Beard's attempt to take credit for many of these costs and represent  
12 them as his own, also distorts Class Counsel's contribution.

13 The work and time Class Counsel devoted to this case is commensurate with other  
14 cases of this nature. See *Roberts v. Electrolux Home Prods.* 2014 WL 4568632, at  
15 \*6,12 (C.D. Cal. Sept. 11, 2014). The mere fact that Defendants eventually chose not to  
16 file certain motions does not mean that Class Counsel was unwise to prepare the case for  
17 the same, as well as future proceedings and trial. While Class Counsel's time did  
18 increase after the initial term sheet was reached in July 2014, that time was necessary to  
19 protect and secure the settlement benefits for the Class from NSP Counsel who were  
20 determined to disrupt the settlement at all costs. In addition to formal objections and  
21 oppositions filed with the Court, NSP Counsel sent biased communications to the  
22

23 that he wanted to discuss the remaining issues in dispute with counsel for NSP's and  
24 Defendants that does not refute that or render Class Counsel's attendance and  
25 participation improper. Class Counsel submitted their written positions on the matters to  
26 the Court and were never instructed not to attend the hearing in advance. (Docs. 278,  
27 284.) Eventually, Magistrate Judge Block rejected or limited the scope of the vast  
28 majority of Beard's requests, and his order was far more consistent with the middle-of-  
the-road position Class Counsel's took than Beard's uncompromising position. (Docs.  
288, 291.) Class Counsel's attempt to avoid longer delays and to help focus the  
supplemental discovery to what was actually needed, ultimately benefitted the Class and  
Class Counsel's work can in no manner be characterized as unnecessary or in conflict  
with the Class' interests as Mr. Beard improperly suggests. See *Ridout Decl.*, Sept. 9  
2016.

1 Settling Plaintiffs and the media to manufacture bad publicity. Some of the named  
2 plaintiffs ultimately complained of Beard's tactics (e.g., Fredericks, Greager) and  
3 ultimately requested that Mr. Beard withdraw as their counsel. It is NSP Counsel  
4 themselves that created the need for much of the extra work Class Counsel engaged in to  
5 protect the settlement for the Class. Defending the fairness of the settlement from NSP  
6 Counsel's constantly changing objections cannot be equated with inflated time records  
7 as NSP Counsel now suggests. The real irony is that without the successful efforts of  
8 Class Counsel's, NSP Counsel would have abandoned the very settlement from which  
9 they now seek fees.

10 In sum, Class Counsel do not dispute that Mr. Beard worked diligently on this  
11 case through the start of the mediation in June 2014, but to suggest that the case was  
12 predominantly litigated by him, and to discount Class Counsel's contribution through  
13 that point in time, is incorrect.

14 **2. Any Fee Award to NSP Counsel Should Be Limited to Mr. Beard's**  
15 **Time Prior to July 22, 2014.**

16 While Mr. Beard contributed to the case up and until the mediation in June / July  
17 2014, at that point he became a staunch objector of the settlement doing more to object  
18 and pursue his own agenda than to offer constructive help that would benefit the Class.  
19 Should the Court award NSP Counsel any fees, Class Counsel believes that those fees  
20 should be limited to Mr. Beard's positive contributions to this litigation – time spent  
21 before the initial term sheet was executed on July 22, 2014 (approximately 1,058 hours).  
22 *See Dryer v. NFL*, No 09-2182, at \*8-9 (D. Minn. Dec. 26, 2013) (Order on Attorneys'  
23 Fees) and *Dryer v. NFL*, No 09-2182, at \*2 (D. Minn. Feb. 4, 2014)(Order on Attorneys'  
24 Fees)(reducing objectors' counsel's fees for time spent "on efforts to impede the  
25 settlement" and for doing "everything in their power to prevent the settlement from  
26 succeeding," as it did not accrue to the benefit of the class). Class Counsel have  
27 analyzed Mr. Beard's time and expense records and believe that his relative share of the  
28 lodestar pre-settlement at his specified rate amounts to 20.6% of the total lodestar. Any  
fee awards to Mr. Beard at all should be capped at the same.

1 **C. THE STANDARD FOR OBJECTORS' COUNSEL TO RECEIVE FEES IS**  
2 **NOT SATISFIED.**

3 **1. Applicable Standard for Objector's Counsel to Be Awarded Fees.**

4 After the mediation ended on July 22, 2014, NSP Counsel announced to the  
5 settling parties and Judge West that he would become an objector to the settlement. *See*  
6 Notice of Intent to Object filed August 21, 2014. (Doc. 176.) The standard for objectors  
7 to be awarded fees from a class action settlement is different than for class counsel. *See*  
8 *Rodriquez v. Disner*, 688 F.3d 645, 658-59 (9th Cir. 2012). Only where objections result  
9 in an increase to the common fund, may objectors' counsel claim entitlement to fees on  
10 the same equitable principles as class counsel. *Vizcaino v. Microsoft Corp.*, 290 F.3d  
11 1043, 1051–52 (9th Cir. 2002). Conversely, objectors who do “not increase the fund or  
12 otherwise substantially benefit the class members” are not entitled to fees, even if they  
13 bring “about minor procedural changes in the settlement agreement.” *Id.* at 1051; *see*  
14 *also Reynolds v. Beneficial Nat'l Bank*, 288 F.3d 277, 288 (7th Cir. 2002) (explaining  
15 that “[t]he principles of restitution that authorize” the award of fees to objectors “also  
16 require, however, that the objectors produce an improvement in the settlement worth  
17 more than the fee they are seeking; otherwise they have rendered no benefit to the  
18 class”); *In re TCT-LCD (Flat Panel) Antitrust Litig.*, 2013 WL 1365900, at \* 14-16  
19 (N.D. Cal. 2013)(denying objector's counsel's request for fees where work did not  
20 substantially benefit the class). The time Beard submits for work conducted after July  
21 22, 2014, as well as Hagen's Berman's entire fee, should be governed pursuant to this  
22 standard. The Court should also consider and balance the additional work, burdens and  
23 delays created by their objections.

24 **2. NSP Counsel Did Not Help Create The Pool of Settlement Benefits.**

25 It is also inaccurate accurate for NSP's Counsel to say that the “settlement that is  
26 before the Court for final approval would not exist without the efforts of Non-Settling  
27 Plaintiffs and their attorneys.” NSP Fee Brief at 1 (Doc. 492). While Mr. Beard  
28 certainly helped initiate and litigate this case through time of the mediation in June 2014,

1 during the six mediation sessions his role changed and he elected to become an objector.  
2 His time since that point has been focused primarily on undermining the settlement  
3 process and relentlessly pursuing a series of objections, which have now been  
4 overruled.<sup>4</sup> *See, Dryer, supra* (discounting time spent by former co-counsel trying to  
5 obstruct settlement). Plainly, Mr. Beard did not help secure the settlement fund now  
6 before the Court – he announced early in the mediation process personal animosity  
7 towards Defendants’ Chairman, refused to review the financial information provided  
8 demonstrating serious risks (which were confirmed by an expert CPA, *see* Brandlin  
9 Decl. (Doc. 334)), walked out of the mediation and did not sign the Settlement  
10 Agreement. If Mr. Beard had his way there would be no settlement today, the initial  
11 offer of \$33 million (and current \$36 million) would have been withdrawn and Norcold  
12 would be pursuing the alternative remedies discussed in the Phillips and Farnan  
13 Declarations (Docs. 418-419). *See also* NSP Objection filed August 26, 2016 (Doc.  
14 506). In their October 2, 2015 objection, NSP Counsel went so far as to indicate a  
15 preference for litigating the claims before the bankruptcy courts over accepting the  
16 current settlement. (Doc. 429 at 4.)

17 **3. NSP Counsel Did Not Secure Modifications That Enhanced the**  
18 **Settlement. Instead, They Only Provided A Constantly Moving Target.**

19 NSP Counsel did not help “reshape” and “improve” the settlement in any  
20 constructive manner. Mr. Beard never agreed to any settlement terms or any  
21 modifications negotiated to address concerns raised by the Court in its October 14, 2014  
22 and June 15, 2015 orders. Instead, Class Counsel negotiated any modifications with  
23 Defendants to address any concerns raised by the Court only for Mr. Beard to then  
24 proceed to file a different series of objections each time, many taking positions that were  
25 inconsistent with his own prior positions. Eventually his arguments became circular and  
26 instead of being offered as constructive suggestions that could benefit the Class and

27 <sup>4</sup> Mr. Beard has filed no less than 8 different objections to the settlement: September 20,  
28 2014 (Doc. 200); November 21, 2014 (Doc. 259); March 13, 2015 (Doc. 319); October 2,  
2015 (Doc. 429); October 29, 2015 (Doc. 441); November 3, 2015 (Doc. 445); November  
23, 2015 (Doc. 451) and August 26, 2016 (Doc. 506).

1 advance this matter, represented little more than an attempt to continue to frustrate the  
2 settlement process through the presentation of a constantly moving target. *See Dryer v*  
3 *NFL, supra* at \*3, fn. 5 (Order Dec. 26, 2013)(giving “no credence whatsoever to  
4 contention that certain counsel were willing too quickly and cheaply and that the efforts  
5 of [objector’s counsel] were significantly effective in increasing the [defendant’s] final  
6 contribution to settlement beyond an amount that might otherwise have been obtained”)

7 For instance, Mr. Beard cannot take credit for helping to secure the additional \$3  
8 million for the Monetary Fund in the summer of 2015: in his October 2, 2015 Objection  
9 (Doc. 429) he called the addition “paltry” and mere “window dressing”, objected to it,  
10 and by then he had changed horses and was pursuing an “alternative” non-cash,  
11 injunctive settlement model that eliminated the majority of the current settlement Class  
12 (including most of the Non Settling Plaintiffs themselves), which was shown to not be  
13 viable in its promise to replace “every 1200 refrigerator” and based on incorrect data.  
14 *See Docs. 429, 431, 433, 434.* The additional \$3 million added to the Monetary Fund in  
15 September 2015 was negotiated and secured solely by Class Counsel in response to  
16 which Mr. Beard’s continued to object. NSP Objection filed Oct. 2, 2015 (Doc. 429).

17 Mr. Beard also cannot take credit for helping to secure any change in the  
18 Allocation Plan. His positions here too have been completely inconsistent. For instance,  
19 while he initially argued that N6 and N8 owners in the Class should get greater shares in  
20 the Monetary Fund, he later abandoned that position and proceeded to argue that they  
21 should not share in the monetary aspect of settlement fund at all and that warranties and  
22 inspections were sufficient compensation due to the reduced risk N6 and N8 owners  
23 face. *See Objection, Oct. 2, 2015 at 20-21 (Doc. 429)*(“Non-Settling Plaintiffs agree  
24 with Settling Plaintiffs and Defendants that the fire risk associated with N6/N8 units is  
25 significantly less than the risk for Series 1200 units... Non-Settling Plaintiffs agree that  
26 a blanket replacement program for N6/N8 Series refrigerators is not necessary”). Then,  
27 a month later, NSP’s Counsel changed course again and proceeded to argue in new  
28

1 objections that N6 and N8 class members should be allocated greater shares to fund  
2 replacement cooling units. *See* Objection, Nov. 23, 2015 at 1-3, 5-6 (Doc. 451).

3 The same holds true with respect to the allocation of shares to former 1200 owners  
4 who alleged financial loss from the diminution of value of their RVs due to the presence  
5 of an undesirable Norcold refrigerator in them. Prior to the mediation, Beard fully  
6 supported having former 1200 series owners in the Class. Their allegations were  
7 specifically included in the complaint and supported by plaintiffs' discovery answers  
8 and deposition testimony. *See* FAC ¶29<sup>5</sup>; J. Etter Dep. at p. 123. As such, at the  
9 mediation, Defendants demanded a release from those Class members as part of any  
10 settlement. However, in October 2015, Beard changed course and suddenly argued that  
11 these Class members should receive nothing, going so far as to argue they lacked  
12 standing to have even filed a claim in the first place. Objection, Oct. 2, 2015 at 12 (Doc.  
13 429)(" Though these persons are only allocated a single share, it is incomprehensible  
14 why they should get even that, since it is implausible that they even have standing to  
15 participate in a lawsuit against Defendants, having suffered no harm at all."). Again, this  
16 was entirely circular given Beard's and NSP's prior pursuit of these claims.

17 The other objections that NSP's Counsel presented to the Allocation Plan sought  
18 to add non-class members to the Settlement Class (those owning units manufacturing  
19 dates back to 1997), while removing others, despite the fact such claims were not  
20 specifically defined in the class definition in the operative Complaint in *Etter*. *See* FAC  
21 ¶78 (defining class period to "dates back the length of the longest applicable statute of  
22

23 <sup>5</sup> *See* First Amended Complaint ¶29 (Doc. 40):

24 "29... Regardless of a manifested defect, each Plaintiff has been injured, *inter alia*,  
25 because their injuries consist of economic losses which include the diminished  
26 value of their RV which results once the full truth regarding the ongoing Norcold  
27 defective gas absorption refrigerators is made public. The information currently in  
28 the marketplace regarding the defective Norcold gas absorption refrigerators has  
caused the value of the RV's containing them to partially drop and once the full  
extent and complete truth about the defective Norcold gas absorption refrigerators  
and the continuing risk of fire despite recalls and retrofits is made public the value  
of any RV containing a Norcold gas absorption refrigerator will drop even more,  
causing further injury to Plaintiffs and the Class.

1 limitations for any claim asserted on behalf of that Class or Sub-Class from the date this  
2 action was commenced”, which in no state extends to 1997).

3 In short, the vast majority NSP Counsel’s time subsequent to the mediation has  
4 been spent pursuing a never-ending series of objections that created the need for  
5 thousands of hours of additional attorney time than had they acted in a more constructive  
6 and less combative manner.

7 **4. NSP Counsel’s Time After July 2014 Did Not Benefit the Class.**

8 Much of the time Mr. Beard spent on this matter after the mediation did not  
9 benefit the Class.

10 **a. Time Spent for False Attacks on Class Counsel.**

11 Beard’s time records show considerable time spent in the summer of 2014 on  
12 researching the *Dryer v NFL* and *Rocha v. FedEx* cases, only to inaccurately present the  
13 court’s conclusions in those cases to the Court in effort to undermine Class Counsel’s  
14 character and adequacy to represent the Class under Fed. R. Civ. P. 23(a)(4). In truth,  
15 those cases only showed the very opposite of what Beard presented them for. As  
16 previously reported, the Eighth Circuit upheld approval of the class settlement  
17 Zimmerman Reed helped secure, while also upholding the district court’s order granting  
18 summary judgment in favor of Defendants. This work did not benefit the Class but  
19 certainly created the need for Class Counsel to spend time responding to these attacks.

20 **b. Communications with the Somerville’s Who Are Represented by  
21 Class Counsel.**

22 Mr. Beard billed for multiple hours spent communicating with Orrene and  
23 Leonard Somerville in June 2015 some nine months *after* the Court ordered him to  
24 withdraw from their representation at the October 14, 2014 hearing due to a conflict of  
25 interest. *See* Notice of Withdrawal filed Nov. 10, 2014. (Doc. 233.) The Somerville’s  
26 remain named Plaintiffs who signed the initial Settlement Agreements, have filed claims  
27 seeking to participate in the class settlement and have not filed any objections. The  
28 Somerville’s continue to be represented by Class Counsel, thus, engaging in multiple



1 hours of conferences with them in June 2015 was not only improper conduct by Mr.  
2 Beard but cannot be said to have been for the benefit of the Class.<sup>6</sup>

3 Further, among the billable time NSP Counsel states was devoted to this case was  
4 that for: “...(13) regular contact and communication with Plaintiffs *and Class members*;  
5 and (14) the time spent communicating and *assisting Class members in the*  
6 *consideration of the Settlement.*” (Doc. 492 at 15). NSP Counsel were not appointed by  
7 the Court to help notify the Class regarding the settlement and assist them in filing  
8 claims. This would appear to be at odds with their role as staunch opponents of the  
9 settlement, as previously addressed at the October 14, 2014 hearing. If the advice  
10 provided was similar to which is stated in the eight objections that NSP have filed or  
11 along the lines of the highly critical but erroneous comments Mr. Etter published in May  
12 2016, there may have been interference with the court-ordered notice and need for  
13 neutral communications.<sup>7</sup> Robinovitch Decl. at ¶¶ 93-94 and Exh. I (Doc. 480). It would  
14 not appear that this time benefitted the Class.

15 **c. Time Spent Investigating Defendants’ Insurance and Finances.**

16 Significant time was spent by NSP Counsel pursuing objections and discovery  
17 that was inconsistent with the facts learned before or during the mediation. For instance,  
18 Mr. Beard confirmed in April 2014 that there was no insurance for the class claims  
19 (Docs. 109, 112), yet turned his back on that position to present objections claiming  
20 insurance existed. After seeking leave to conduct discovery, he could not present any  
21 evidence of coverage for the class claims. Order, June 15, 2015 at 19. (Doc. 402).

22  
23 <sup>6</sup> See *Williams v Quinn*, 2010 WL 3021576 (N.D. Ill. July 29, 2010). (Rule of  
24 professional responsibility governing communications with represented parties precluded  
25 attorney, who represented class members who objected to proposed settlement, from  
26 initiating contact with additional class members without first obtaining permission from  
27 the class counsel, who represented the class members, in class-action lawsuit).

28 <sup>7</sup> See *Fleury v. New Richmond*, 2007 WL 2349284 (N.D. Cal. Aug. 15 2007 ) (finding  
that there was “a real threat to the integrity of the lawsuit and potential settlement” when  
a named plaintiff published aggressive and misleading comments about the settlement  
and counsel). See *In Re Payment Card Interchange Fee and Merchant Discount Antitrust*  
*Litig.*, 2014 WL 4966072, at \*30-31 (E.D.N.Y Oct. 3, 2014) (“courts have taken various  
curative actions to “prevent court-approved class notification materials from being  
nullified by competing and inaccurate information.”

1 The same holds true with regard time spent addressing Defendants’ financial  
2 condition and ability to pay more due to restrictive loan covenants in their financing  
3 agreement. This significance of the FCCR covenant was explained at length during the  
4 mediation sessions when Defendants’ outside restructuring consultant from New Jersey  
5 came to the mediation, yet NSP Counsel chose to not attend or disregard the information  
6 provided. When it came time to submit his report on March 13, 2015, following the  
7 supplemental discovery period, the accountant that NSP Counsel hired failed to address  
8 that critical loan covenant which remained central to the analysis. *See* Lesch report ¶¶  
9 20-24(Doc. 319-1). *See also* Brandlin Decl. ¶45 (Doc. 334). As a result, much of the  
10 time spent during the supplemental discovery period was to create an incomplete report.

11 **d. Time Generating Negative Media Publicity.**

12 Mr. Beard’s time records show significant time starting in September 2014 and  
13 continuing through at least November 2014 that was spent corresponding with and/or  
14 sending materials to (1) Mr. Etter about “RV postings” and “Forbes”; (2) reporters such  
15 as Mr. Fisher, to help generate negative publicity about the settlement. During this  
16 period, articles were published and several posts critical of the settlement and citing  
17 inaccurate facts were made on www.irv2.com by Mr. Etter. This did not assist the Class.

18 **e. Researching a Non-Existent RICO Claim.**

19 Mr. Beard’s time records also show substantial time in the summer of 2015  
20 devoted to researching RICO law and drafting some type of complaint. Perhaps this was  
21 for a different case, as the instant action has never had any RICO claim.

22 **f. Time Spent on an “Alternative” Settlement Model That Was  
23 Never Accepted and Never Before this Court.**

24 Finally, significant amounts of NSP Counsel’s time was spent on presenting an  
25 alternative claims-made settlement that NSP Counsel claimed was “better,” but has  
26 never been accepted or put before the Court for approval. Notably that proposal, while  
27 shown to be based on erroneous factual assumptions and to unfeasible in many respects  
28 given the true costs and limitations on Norcold’s production capacity, excluded the  
majority of Class members from the ability to file a claim to share in the Monetary Fund

1 (all former 1200 series owners and all N6 and N8 owners), including many NSP's  
2 themselves (i.e., Richard Kahler, Emil Vargo). As such, it is unclear how devoting time  
3 to such matters can be said to be for the benefit of the current Settlement Class and  
4 recoverable from their settlement.

5 **5. Even After Having Objections Overruled NSP and NSP Counsel**  
6 **Continue to Create Risks and Delays for the Class.**

7 Even after having their objections overruled in the Court's Preliminary Approval  
8 Order (Doc. 468), Non-Settling Plaintiffs have continued to create risks, delays and try  
9 to impede the settlement process for the Class.

10 On April 7, 2016, Mr. Beard contacted Class Counsel and threatened to file  
11 further objections and appeals, delaying the distribution of any settlement proceeds  
12 unless Non-Settling Plaintiffs and NSP Counsel were paid the fees they demanded  
13 through a private agreement. Robinovitch Decl. ¶¶84-85 and Exhibits D - G (Doc. 480).

14 A few weeks later, in May 2016 after the internet banner notice was published on  
15 certain RV websites approved by the Court, Mr. Etter published negative and misleading  
16 comments about the settlement on one of those websites in effort to help drive and  
17 solicit objections. Among other things, his comments incorrectly indicated that the relief  
18 to N6 and N8 owners (informing them they would receive no share of the monetary fund  
19 instead of 5 shares, but only warranties), the scope of the release (telling class members  
20 that the settlement provided Defendants a complete release against future liability  
21 instead of a limited release), and stated continued disregard if Defendants were pushed  
22 into bankruptcy and the current settlement fund was lost, commenting "So what?" See  
23 Robinovitch Decl. at ¶¶ 93-94 and Exh. I (Doc. 480.)

24 **6. As Objectors' Counsel, Hagens Berman Is Not Due Fees.**

25 The Hagens Berman firm entered an appearance in this case as counsel for  
26 objectors very late in the proceedings – May 27, 2015 – and do not satisfy the above-  
27 referenced standard for an award of fees. Hagen Berman's initial action in the case was  
28 to send Class Counsel a letter on June 16, 2015 threatening to take over the litigation  
unless Class Counsel immediately abandoned the settlement and ceded control of the

1 case to them. *See* Robinovitch Decl. at ¶ 74 and Exhibit B (Doc. 480). While they claim  
2 to have conducted over \$200,000 of billable work in this case, they have failed to  
3 produce time records describing what they actually did. From filings, however, it  
4 appears that all they did was propose an “alternative” claims-made / coupon settlement  
5 model that they claimed was “better,” but: (1) was never accepted by Defendants; (2)  
6 has never been before the Court for consideration; (3) sought to eliminate the majority  
7 of the Class from the ability to share in the monetary benefits; (4) was shown to be based  
8 on incomplete facts and thus, unfeasible. *See* Plaintiffs’ Reply in Support of Motion for  
9 Settlement Approval. (Doc. 431.) Other than that, all they did was join Beard in his  
10 continuing series of objections, which were ultimately overruled in the March 29, 2016  
11 order. Such time does not satisfy the standard for objectors’ counsel to be awarded fees.

12 **D. IT WOULD BE INEQUITABLE TO AWARD NSP COUNSEL A**  
13 **POSITIVE MULTIPLIER AND CLASS COUNSEL A NEGATIVE**  
14 **MULTIPLIER.**

15 NSP Counsel’s proposal that they receive 50% of any fees awarded, resulting in  
16 them receiving a positive multiplier and Class Counsel a negative multiplier is unjust.  
17 Even without discounting any of NSP’s fees for work done pursuing unsuccessful  
18 objections, NSP’s fees would amount to approximately 31.7% of the total lodestar.<sup>8</sup>  
19 This figure will further drop, as Class Counsel still must do all of the future work to  
20 implement the settlement and defend it against appeals. As such, it would be inequitable  
21 to award NSP’s counsel 50% of the fees.

22 **E. NSP COUNSEL SEEK REIMBURSEMENT FOR EXPENSES THEY DID**  
23 **NOT INCUR.**

24 The party that funds the litigation should be paid a multiplier because, like time  
25 advanced on a contingent basis, out of pocket expenses are advanced with the risk that  
26 they may never be reimbursed. Class Counsel’s out of pocket expenses are significant  
27 and range from paying expert witness fees, to paying deposition costs, to paying

28 <sup>8</sup> In their fee petition, NSP’s claim a total lodestar of \$1,968,722.40 (Doc. 492 at 14), while Class Counsel’s total lodestar through August 10, 2016 is \$4,233,553.55 (Doc. 479 at 23-24). Thus, NSP’s fees represent 31.7% of the total fees (\$1,968,722.40 / \$6,202,275.95) through that date. Excluding Hagen’s Berman’s lodestar NSP’s counsel’s fees represent 29.3 % of the total (\$1,760,070.00 / \$5,993,623.55).

1 plaintiffs' travel expenses to fly to California for depositions, to paying the mediators  
2 fees. In contrast, total expenses Mr. Beard claims exceed \$74,189.52 (*see* Exhibit B to  
3 Mr. Beard's Declaration filed August 11, 2016 (Doc. 493-2)), but review of certain  
4 entries on show that the true number is really a small percentage of that.

5 **1. Claiming Payments to Experts That Beard Did Not Make.**

6 Mr. Beard claims that he paid \$33,256.95 for expert witness fees to AEGI (Orion  
7 Kieffer and Peter Layson) and for their expert deposition. But to-date, Mr. Beard has not  
8 paid these experts anything for their services in this case. Instead, Class Counsel  
9 (Ridout Lyon & Ottoson) paid AEGI's initial \$5,000 retainer, while a \$33,256.95  
10 balance remains outstanding. A copy of AEGI's invoices that were sent to Class  
11 Counsel on August 23, 2016, confirming this are attached to the Ridout Declaration.

12 **2. Deposition Fees That Beard *Did Not* Actually Pay.**

13 In his Declaration Mr. Beard claims that he paid the following amounts:

- |  |            |
|--|------------|
| 14 a. Transcription fee Jeff Etter deposition 8/8/13       | \$638.75   |
| 15 b. Transcription fee Susan Etter deposition 8/8/13      | \$283.70   |
| 16 c. Transcription fee Emil Vargo deposition 8/26/13      | \$540.05   |
| 17 d. Transcription fee Jerry Alexander deposition 9/20/13 | \$1,172.65 |
| 18 e. Transcription fee Harris deposition 12/10/13         | \$3,083.30 |

19 (Doc. 493-2 at 3). In truth, Mr. Beard *did not* pay these expenses; Class Counsel did.  
20 Copies of the checks Zimmerman Reed sent to the third-party court reporting companies  
21 for these costs are attached to the Ridout Declaration.

22 **3. Charging for Case Expenses in *Other* Cases.**

23 In his August 11, 2016 Declaration, Mr. Beard claims that he paid \$1,620.00 in  
24 November 3013 for "Reis trial transcripts", but *Reis* was a separate, independent action  
25 which Beard tried to a defense verdict and which later settled. Any such expenses were  
26 incurred solely for purposes of that case and were the responsibility of Mr. Reis. For  
27 Mr. Beard to attempt to be reimbursed again for those same costs here is improper.  
28

1           **4. Air Travel for Other Cases.**

2           In his Declaration, Beard claims that he should be reimbursed for the following:

3           10/15/13 travel expense air fare Dallas                                 \$639.60

4           3/6/14 travel expense air fare SLC/Oak                                     \$207.00

5           These expenses are believed to be for travel on matter other than for this case. No  
6 trips were taken to either Salt Lake City or Dallas for this case. Mr. Beard's *Dubose*  
7 case was venued in Salt Lake City and the flight may have been for that case. The only  
8 witness from Texas was Plaintiffs Dennis Osha who passed away after executing the  
9 original settlement agreement. Mr. Robinovitch travelled to Austin, Texas to prepare  
10 him for and defend his deposition in late September 2013.

11           **5. Extra Air Travel and Rental Car Expenses.**

12           Mr. Beard's declaration shows multiple air travel expenses from the same date  
13 being billed in the same amounts. For instance:

14           10/15/13 air fare Columbus Ohio                                     \$639.60

15           10/15/13 air fare Dallas   \$639.60

16           There was one trip to Columbus when Mr. Beard and Mr. Robinovitch went there  
17 for the Mary Pouliot and Bob Cutright depositions. There were no trips to Dallas. Mr.  
18 Beard also appears to have billed twice for airfare for the April 10, 2015 hearing:

19           4/10/15     Travel expense air fare Los Angeles                     \$446.00

20           4/10/15     Travel expense air fare LA   \$520.00

21           In addition, Mr. Beard's declaration includes the following:

22           1/19/13     Travel expense Hertz rental 1/13-19                                 \$530.66

23           1/21/14     Travel expense Hertz rental Jacksonville Florida     \$530.66

24           There was one trip to Jacksonville for this case for expert depositions from  
25 January 14-17, 2014. To claim this expense twice is improper.

26           **6. Travel to Jacksonville for AEGI Depositions.**

27           As indicated, there was one trip to Jacksonville for this case when Mr. Beard and  
28 Mr. Robinovitch went to prepare and defend forensic engineers' Orion Kieffer and Peter

1 Layson for their expert depositions, and to inspect refrigerators and obtain  
2 demonstrations at their facility. The depositions occurred on January 15 and 16, 2014.  
3 Beard, however, brought his wife with him and stayed extra days in Florida for  
4 vacation. The following expenses reflect this:

5	1/19/13	Travel expense Hertz rental 1/13-19	\$530.66
6	1/13/14	Travel expense air fare Jacksonville FL	\$1,794.00
7	1/19/14	Travel Expense hotel Jacksonville FL 1/13-19, 2013	\$2,290.45
8	1/21/14	Travel expense Hertz rental Jacksonville Florida	\$530.66

9 **IV. CONCLUSION**

10 For all the above stated reasons, Class Counsel ask that the Court award the full  
11 \$9 million fee requested and exercise its discretion to allocate it equitably between Class  
12 Counsel and NSP Counsel based on their respective time, contributions, risks and  
13 conduct as discussed above.

14 Respectfully submitted,

15 ZIMMERMAN REED, LLP

16 Dated: September 9, 2016

/s/Hart L. Robinovitch

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## Responses, Replies and Other Motion Related Documents

[8:13-cv-00081-JLS-RNB Jeffery Etter, et al. v. Thetford Corporation, et al.](#)

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**Case Name:** Jeffery Etter, et al. v. Thetford Corporation, et al.

**Case Number:** [8:13-cv-00081-JLS-RNB](#)

**Filer:** Ray Burkhead  
Charles Chow  
Randy Dupree  
George Frederick  
Kathleen Frederick  
James Pearce  
Linda Pierson  
Craig Post  
John Robinson  
Gordon Williamson

**Document Number:** [521](#)

#### Docket Text:

**REPLY in support of NOTICE OF MOTION AND MOTION for Attorney Fees and Costs, Reimbursement of Expenses and Service Awards to Class Representatives[479] filed by Plaintiffs Ray Burkhead, Charles Chow, Randy Dupree, George Frederick, Kathleen Frederick, James Pearce, Linda Pierson, Craig Post, John Robinson, Gordon Williamson. (Robinovitch, Hart)**

#### 8:13-cv-00081-JLS-RNB Notice has been electronically mailed to:

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