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IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA

SHEILA I. HOFSTETTER and ROGER  
MODERSBACH, as representatives of the  
classes, and on behalf of the general public,

No. C 10-01313 WHA

Plaintiffs,

v.

**ORDER GRANTING IN PART  
MOTIONS FOR ATTORNEY’S  
FEES, COSTS, AND PAYMENT  
TO CLASS REPRESENTATIVES**

CHASE HOME FINANCE, LLC,  
JP MORGAN CHASE BANK, N.A., and  
DOES 1–50, inclusive,

Defendants.

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**INTRODUCTION**

In this class action involving flood-insurance requirements, class counsel request attorney’s fees, costs, and additional payments to the class representatives. For the following reasons, these requests are **GRANTED** as follows.

**STATEMENT**

This is a class action challenging aspects of defendants’ practices regarding excessive and forced-placed flood insurance. In March 2011, four classes were certified to pursue class claims (Dkt. No. 178). A settlement agreement involving creation of a common fund in the amount of \$9,625,000 was reached, and preliminary approval was granted in August 2011 (Dkt. No. 220). After the settlement agreement was reached, a class of inadvertently excluded class members was discovered, and a second settlement involving creation of a second common fund of \$512,423.61

1 was reached for this second group of class members (Dkt. No. 233). At the fairness hearing held  
2 on November 7, the first settlement was approved. A fairness hearing pertaining to the second  
3 settlement is scheduled for February 2012. Class counsel now request attorney’s fees, costs, and  
4 reimbursement for the class representatives.

5 **ANALYSIS**

6 Class counsel request \$3,208,333 in attorney’s fees; \$230,000 in costs; and \$2,500 for  
7 each class representative. Each of these requests will be addressed in turn.

8 **1. STANDARD OF REVIEW.**

9 A court must ensure that attorney’s fees and costs awarded to class counsel are “fair,  
10 reasonable, and adequate.” *Staton v. Boeing Co.*, 327 F.3d 938, 963–64 (9th Cir. 2003).  
11 Attorney’s fees to be paid from a common fund, as we have here, are consistent with the  
12 “American Rule” (*i.e.*, that each party pays for its own litigation expenses), and “a litigant or a  
13 lawyer who recovers a common fund for the benefit of persons other than himself or his client is  
14 entitled to a reasonable attorney’s fee from the fund as a whole.” *Boeing Co. v. Van Gemert*,  
15 444 U.S. 472, 478 (1980).

16 Courts in the Ninth Circuit use two different approaches to gauge the reasonableness of a  
17 requested fee when there is a common fund. The first is the “lodestar” calculation, which may  
18 include a “risk multiplier” to enhance fees in certain circumstances. The Ninth Circuit also  
19 allows a calculation of fees based on a percentage of the common fund. A benchmark percentage  
20 is 25 percent. *Powers v. Eichen*, 229 F.3d 1249, 1256 (9th Cir. 2000).

21 **2. COSTS.**

22 Class counsel also request \$230,000 in out-of-pocket costs. Counsel provided detailed  
23 documentation of how these costs were incurred. While the figure is high, it is explained by large  
24 amounts attributed to expert fees, costs associated with class notice and settlement mailings, and  
25 travel. Counsel, however, rounded up their total. This order awards only the costs documented,  
26 which total \$229,978.34. Accordingly, class counsel’s request for costs is **GRANTED IN PART**.

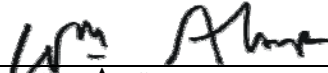


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members are paid and there is no more work to be done. This order awards \$229,978.34 in costs. Class counsel's request for \$2,500 each for class representatives Hofstetter and Modersbach is **GRANTED**.

**IT IS SO ORDERED.**

Dated: November 14, 2011.

  
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WILLIAM ALSUP  
UNITED STATES DISTRICT JUDGE