

**IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF MISSOURI  
CENTRAL DIVISION**

TODD JANSON, GERALD T. ARDREY, CHAD M.  
FERRELL, and C & J REMODELING LLC, on behalf of  
themselves and on behalf of all others similarly situated,

Plaintiffs,

v.

LEGALZOOM.COM, INC.,

Defendant.

Case No. 2:10-cv-04018-NKL

**DEFENDANT LEGALZOOM.COM, INC.'S  
SUGGESTIONS IN SUPPORT OF JOINT MOTION FOR  
PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT**

Plaintiffs and Defendant LegalZoom.com, Inc. (“LegalZoom”) have agreed to a proposed class action settlement in this case encompassing all Missouri residents who were charged and paid fees to LegalZoom for the preparation of certain legal documents from December 18, 2004 to May 20, 2011. The parties have jointly moved for preliminary approval of the settlement. LegalZoom files these Suggestions in Support of the parties’ Joint Motion.

The law favors settlement, particularly in class actions and other complex cases where substantial resources can be conserved by avoiding the time, cost, and rigor of prolonged litigation. *See Little Rock School Dist. v. Pulaski County Special School Dist. No. 1*, 921 F.2d 1371, 1383 (8th Cir. 1990); *Cohn v. Nelson*, 375 F. Supp. 2d 844, 852 (E.D. Mo. 2005); *In re Wireless Tel. Fed. Cost Recovery Fees Litig.*, 2004 WL 3671053, \*8 (W.D. Mo. Apr. 20, 2004).

Courts generally adopt “an initial presumption of fairness when a proposed class settlement, which was negotiated at arm’s length by counsel for the class, is presented for court approval.” 4 *Newberg on Class Actions* § 11:41, at 90; *see also Little Rock School Dist.*, 921

F.2d at 1391 (class action settlement agreements “are presumptively valid.”); *Petrovic v. Amoco Co.*, 200 F.3d 1140, 1148 (8th Cir. 1999) (a “strong public policy favors agreements, and courts should approach them with a presumption in their favor.”).

When there have been arm’s-length negotiations between the parties, “judges should not substitute their own judgment as to optimal settlement terms for the judgments of the litigants and their counsel.” *Petrovic*, 200 F.3d at 1148-49 (internal quotation marks omitted). A class action settlement is “a private contract negotiated between the parties,” and a court should “intrude on that private consensual agreement merely to ensure that the agreement is not the product of fraud or collusion and that, taken as a whole, it is fair, adequate, and reasonable to all concerned.” *In re Wireless Tel. Fed. Cost Recovery Fees Litig.*, 396 F.3d 922, 934 (8th Cir. 2005) (citation omitted).

Judge Gaitan restated the factors a court should weigh in deciding whether to grant preliminary approval to a class action settlement:

The Court finds that the proposed Settlement Agreement meets the criteria for preliminary approval because this Court’s ‘preliminary evaluation of the proposed settlement does not disclose grounds to doubt its fairness or other obvious deficiencies, such as unduly preferential treatment of class representatives or of segments of the class, or excessive compensation for attorneys, and appears to fall within the range of possible approval.’ Manual for Complex Litigation, Third (Federal Judicial Center 1995), at § 30.41. Specifically, the Court finds the proposed Settlement Agreement was reached after arm’s-length negotiations between experienced attorneys familiar with the legal and factual issues of this case; that all Class Members are treated fairly under the Settlement Agreement; and that the provisions in the proposed Settlement Agreement regarding payment of Class Counsels’ attorneys’ fees and costs are reasonable. The Court also finds upon preliminary evaluation that the proposed Settlement Agreement substantially fulfills the purposes and objectives of this consumer class action, and provides substantial relief to the Class Members, without the cost, risk or delays of further litigation at the trial and appellate levels.

*Blando v. Nextel West Corp.*, No. 02-0921-FJG, Doc. 41, at 2 (W.D. Mo. filed Oct. 9, 2003).

As in *Blando*, the settlement here was reached after arm's-length negotiations between experienced attorneys familiar with the case's legal and factual issues. Although LegalZoom believes it has substantial defenses to plaintiffs' claims and would have prevailed at trial, LegalZoom has agreed to settle the case to avoid the risk and uncertainty attendant upon trial. LegalZoom has also agreed not to oppose Class Counsel's request for Attorneys' Fees, Costs, and Expenses or for Service Awards for named plaintiffs. The settlement provides substantial relief to Class Members. In *Blando*'s terms, the settlement is therefore well "within the range of possible approval."

Accordingly, LegalZoom respectfully requests that the Court grant the parties' Joint Motion for Preliminary Approval of the settlement they have reached.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that on September 28, 2011, I electronically filed the above and foregoing with the clerk of court using the CM/ECF system, which will send notice of electronic filing to all counsel of record.

s/ Robert M. Thompson