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Attorneys for Plaintiffs and Class Counsel

IN THE SUPERIOR COURT OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

JEFFREY JACOBS and MADELINE CASEY, on behalf of themselves and all others similarly situated,

Plaintiffs,

v.

LA-Z-BOY INCORPORATED, a Michigan corporation, STITCH INDUSTRIES INC., a Delaware corporation,

Defendants.

Case No. 25CU038051N

[E-FILE]

CLASS ACTION

MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF PLAINTIFFS' UNOPPOSED MOTION FOR ATTORNEYS' FEES, COSTS, AND INCENTIVE AWARD

Date: March 6, 2026
Time: 1:30 p.m.
Judge: Hon. Michael D. Washington
Dept: N-31

TABLE OF CONTENTS

Page

TABLE OF AUTHORITIES

Page(s)

Cases

TABLE OF AUTHORITIES (cont.)

Page(s)

TABLE OF AUTHORITIES (cont.)

TABLE OF AUTHORITIES (cont.)

I. INTRODUCTION

On October 31, 2025, the Honorable Michael D. Washington granted preliminary approval of the Settlement,[1] finding it fair, reasonable, and adequate. Plaintiffs now respectfully move for an award of attorneys' fees and costs in the amount of $1,325,000. As set forth in Plaintiffs' motion for preliminary approval, the Settlement makes available over $7 million in direct benefits to Class Members. Under the Settlement, Class Members will each receive $115 in direct compensation, in either cash or flexible store credit, at their election. (SA § III.C.1.) Class Members who submit a valid Claim Form will receive a cash payment ("Cash Benefit") of $115. (*Ibid.*) And Class Members who do not submit a Claim Form will automatically receive a website purchase voucher ("Credit Voucher") worth $115. (*Ibid.*)

Class Members have the opportunity to claim the full Settlement benefit, regardless of total participation. And as detailed in the motion for preliminary approval, the Notice plan is robust and multi-channeled—featuring a dedicated Settlement Website, direct Email Notice, Mail Notice, and a toll-free number for Class Members to learn more and to request further information about the Action—ensuring broad and effective outreach to Class Members who wish to submit Claim Forms. (SA §§ IV.C.2–6.)

The requested fee—unopposed and the product of arm's-length negotiations—represents under 16% of the total relief made available to the Settlement Class, which is well below the 25% benchmark commonly applied by California courts in common fund cases. As detailed in Plaintiffs' motion for preliminary approval (ROA No. 14), and as acknowledged by the Court, this is an exceptional consumer class action recovery in a false discount pricing case. Beyond the monetary benefit, the Settlement also served the broader public interest by deterring deceptive pricing practices and encouraging retailer compliance with California, Oregon, and Washington's consumer protection laws.

Following agreement on the material terms of Settlement, the Parties separately negotiated Class Counsel's attorneys' fees and costs in the amount of $1,325,000, as well as a proposed Incentive Award of $7,500 for each of the named Plaintiffs—both subject to Court approval. (SA § III.E.; Declaration of Todd D. Carpenter ("Carpenter Decl."), filed concurrently herewith, ¶ 6.) Plaintiffs now respectfully request that the Court approve the negotiated amounts, awarding $1,325,000 in attorneys' fees and costs

[1] All capitalized terms, unless otherwise defined, have the same definition as those terms in the Settlement Agreement and Release (ROA No. 16, Ex. 1) ("SA" or "Settlement).

to Class Counsel and a $7,500 Service Award to each of the Class Representatives in recognition of their time, efforts, and commitment in representing the Class throughout this litigation.

II. SUMMARY OF CLASS COUNSEL'S WORK

Prior to commencement of any case, Plaintiffs' Counsel performed an extensive investigation tracking items in Defendants La-Z-Boy Incorporated and Stitch Industries Inc.'s (collectively "Defendant" or "Joybird") stores beginning in February 2024 in California, Oregon, and Washington. (Carpenter Decl. ¶ 3; Franzini Decl. ¶ 10 [noting that Plaintiffs' Counsel also conducted an investigation of online pricing and discounts].) The investigation revealed that Defendant's pricing scheme (i.e., the manner in which the reference prices and purported discounts are conveyed to shoppers) appeared uniform at every location, regardless of what state it is in or when the observation was made. (Carpenter Decl. ¶ 3.) All products observed appear to have been "on sale" throughout the investigation, "discounted" against a false reference price that has never been observed as the actual selling price. In other words, all items had prices that were perpetually "discounted" by in-store signage indicating a large percentage off ("__% Off") discount. Likewise, online listings also included a "Save $__" amount in red font representing the difference between the strikethrough price and reduced price. (*Ibid.*)

Class Counsel concluded that Defendant consistently discounted its products and that Defendant infrequently offered or actually sold products at the reference price. These findings formed the foundation for claims under California's False Advertising Law ("FAL"),[2] the Federal Trade Commission Act ("FTCA"),[3] California's Unfair Competition Law ("UCL"),[4] California Consumer Legal Remedies Act ("CLRA"),[5] Oregon's Unfair Trade Practices Act ("UTPA"),[6] and Washington's Consumer Protection Act ("CPA").[7] (*Ibid.*) Defendant denies that its Products were perpetually sold at a discounted price, and denies all wrongdoing.

[2] Bus. & Prof. Code, § 17500 *et seq*.
[3] 15 U.S.C. §§ 45(a)(1), 52(a); see also 16 C.F.R. § 233.1(a), (b).
[4] Bus. & Prof. Code, § 17200 *et seq.*
[5] Civ. Code, § 1750 *et seq*.
[6] O.R.S. § 646.608.
[7] Wash. Rev. Code Ann. § 19.86.020.

On May 29, 2024, Plaintiff Jeffrey Jacobs filed a putative class action lawsuit against Defendant in the United States District Court for the Central District of California, entitled *Jeffrey Jacobs v. La-Z-Boy Incorporated et al.*, alleging that Defendant deceptively advertised discounts of its products at its Joybird physical stores and website, joybird.com. (Carpenter Decl. ¶ 4.) Defendant moved to dismiss the case on August 23, 2024, which the court denied on November 11, 2024. On October 18, 2024, Plaintiff Madeline Casey sent Defendant a notice letter demanding corrective action for Defendant's violation of Washington's Consumer Protection Act, making similar allegations against Defendant with respect to its pricing practices. (*Ibid.*)

On September 16, 2024, the Parties participated in a private mediation with the Honorable Ann I. Jones (Ret.). (Carpenter Decl. ¶ 6.) The mediation was productive, but the Parties were unable to reach agreement at that session. (*Ibid.*) On March 24, 2025, the Parties engaged in a second mediation with Bruce Friedman of JAMs. (*Ibid.*) The Parties were still unable to reach a settlement but continued negotiating through the mediator in the following weeks. (*Ibid.*) On April 9, 2025, the Parties reached a settlement and began drafting a term sheet laying out the material terms of the Settlement. (*Ibid.*)

As a result of these lengthy, detailed negotiations, Class Counsel was able to thoroughly assess the claims of the Settlement Class Members, Defendant's marketing practices, and Defendant's defenses. Each aspect of the Settlement Agreement was heavily negotiated, including (1) the value of Settlement Vouchers and cash payments available under the Settlement; (2) the distribution of those direct benefits, including the automatic distribution of Settlement Vouchers to Class Members for whom Defendant has contact information regardless of whether the Class member files a Claim; and (3) the Notice plan, including the content and form of the Notices. (*Ibid.*) Only after finalizing the substantive terms of the Settlement did the Parties separately negotiate Class Counsel's attorneys' fees, litigation costs, and the proposed service award to Plaintiffs. (Carpenter Decl. ¶ 7.)

On September 25, 2025, Plaintiffs filed an unopposed motion for preliminary approval, which the Court granted on October 31, 2025. (ROA No. 25.)

III. SUMMARY OF SETTLEMENT TERMS

On October 31, 2025, this Court granted preliminary approval of the Settlement for the following Class:

> All persons who, while in the states of California, Oregon, or Washington, purchased one or more products at a sale price on Defendant's Joybird website, joybird.com, or at a Joybird physical store location, from December 18, 2019 to October 31, 2025.

(SA § I.GG; ROA No. 25, ¶ 2.)

Each Settlement Class Member who submits a valid Claim Form will receive a Cash Benefit in the amount of $115. (SA § III.C.1.) Each Settlement Class Member who does not submit a valid Claim Form—those for whom Defendant already has contact information, or who provide updated information to the Settlement Administrator—will automatically receive a website purchase Credit Voucher in the amount of $115. (*Ibid.; id.* § III.C.4) The Claim Deadline, as ordered by the Court, is one hundred and five (105) days after Preliminary Approval, and falls on February 13, 2026. (ROA No. 25, ¶ 210.) The Settlement Administrator retains the right to audit Claims and may request additional information from Settlement Class Members submitting Claims to prevent the payment of fraudulent Claims. (SA § IV.D.)

The Cash Benefits and Credit Vouchers provide a meaningful and flexible benefit to Class Members. The Credit Vouchers are (1) redeemable on Defendant's website, (2) have no restrictions or blackout dates, (3) are freely transferrable and can be combined with any other promotions and (4) are valid for a period of two years after distribution. (See SA § III.C.5.) These features allow Class Members to realize immediate, no-strings-attached savings on merchandise of their choosing. This structure is comparable to other well-regarded consumer settlements. (See *In re Online DVD-Rental Antitrust Litig.* (9th Cir. 2015) 779 F.3d 934, 951 [approving gift card relief as a real and valuable benefit to class members].).

IV. FEE AWARD STANDARDS

A. The Provision for Payment of Attorneys' Fees and Costs in the Settlement Agreement is Appropriate and Should Be Enforced

The United States Supreme Court has repeatedly recognized that parties to a class action may properly negotiate the resolution of attorneys' fees alongside the settlement of the substantive claims. In *Evans v. Jeff D.* (1986) 475 U.S. 717, 738, fn. 30, the Court affirmed that "[p]arties to a class action may negotiate not only the amount of the plaintiff's recovery, but also the allocation of attorneys' fees." Similarly, in *Hensley v. Eckerhart* (1983) 461 U.S. 424, 437, the Court emphasized that "[i]deally, of course, litigants will settle the amount of a fee. A request for attorney's fees should not result in a second

major litigation." And in *Blum v. Stenson* (1984) 465 U.S. 886, 902 fn. 19, the Court noted that district courts "have a responsibility to encourage agreement" on fees between the parties.

Here, the requested fee and cost award of $1,325,000 was the product of adversarial, arm's-length negotiations between the Parties, and was not addressed until after agreement had been reached on all material terms of the Class Settlement. (Carpenter Decl. ¶ 7.) The fee amount fairly reflects the market value of Class Counsel's work in securing meaningful relief for thousands of consumers. As the Supreme Court recognized in *Deposit Guaranty National Bank v. Roper* (1980) 445 U.S. 326, 338:

> Given the unique reliance of our legal system on private litigants to enforce substantive provisions of law through class and derivative actions, attorneys providing the essential enforcement services must be provided incentives roughly comparable to those negotiated in the private bargaining that takes place in the legal marketplace, as it will otherwise be economic for defendants to increase injurious behavior.

Moreover, the Settlement releases Defendant from all claims asserted in the operative complaint, including those under the CLRA, Civil Code §§ 1750, et seq., which provides for the mandatory recovery of attorneys' fees and costs by a prevailing plaintiff. (See Civ. Code § 1780(e) ["The court shall award costs and attorneys' fees to a prevailing plaintiff . . ."].)

While the CLRA does not rigidly define "prevailing plaintiff," California courts apply a pragmatic approach, assessing whether the plaintiff succeeded "on a practical level." (*Graciano v. Robinson Ford Sales* (2006) 144 Cal.App.4th 140, 150.) In this case, Plaintiffs obtained a preliminary Class Settlement valued at approximately $8.3 million, with automatic relief provided to approximately 61,000 consumers without requiring claim forms. Under this standard, Plaintiffs clearly qualify as a prevailing party and are entitled to recover reasonable attorneys' fees.

In addition, attorneys' fees are independently justified under California's substantial benefit doctrine and the private attorney general statute, Code of Civil Procedure § 1021.5.[8] Class Counsel's

[8] Under the private attorney general doctrine, attorneys' fees are awarded in cases that enforce rights affecting public policies. (*California Common Cause v. Duffy* (1987) 200 Cal.App.3d 730, 741 ["The fundamental objective of section 1021.5 is to encourage suits effectuating a strong public policy by awarding substantial attorney's fees to those who successfully bring such suits."].) Successful litigants are entitled to fees when they have: (1) enforced an important right affecting the public interest; (2) conferred a significant benefit on the public or a large class of persons; and (3) imposed a financial burden on the plaintiff out of proportion to his individual stake. (*Baggett v. Gates* (1982) 32 Cal.3d 128, 142.) These criteria are easily met here. (See *Beasley v. Wells Fargo* (1991) 235 Cal.App.3d 1407, 1418 [noting consumer protection litigation has "long been judicially recognized to be vital to the public interest"] [internal citations omitted]; *Graham v. Daimler Chrysler Corp.* (2004) 34 Cal.4th 553, 561 [only 1,000

efforts conferred a substantial, enforceable benefit on a large group of consumers and served the public interest by curbing deceptive pricing practices and promoting compliance with consumer protection laws.

B. Applicable Fee Award Standards

California state "[c]ourts recognize two methods for calculating attorney fees in civil class actions: the lodestar/multiplier and the percentage of recovery method." (*Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 254 (*Wershba*). See *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1809 [recognizing that the percentage method is appropriate where "the amount was a 'certain or easily calculable sum of money'"] [internal citations omitted].) The key advantage of the percentage method, applicable here, is that it focuses on the benefit conferred on the Class resulting from the efforts of counsel. (*Lealao v. Beneficial California, Inc.* (2000) 82 Cal.App.4th 19, 48 (*Lealao*) [percentage of benefit method is result-oriented rather than process oriented].) Many federal courts, including the Ninth Circuit, have also developed a preference for using the percentage method. (See *Six (6) Mexican Workers v. Arizona Citrus Growers* (9th Cir. 1990) 904 F.2d 1301, 1311; *In re Hydroxycut Mktg. & Sales Practices Litig.* (S.D. Cal. Nov. 18, 2014, No. 09-2087 BTM(KSC)) 2014 WL 6473044, p. *9 [utilizing percentage-of-recovery method where settlement value was based in part on free product option].)

C. The Percentage Method Is the Appropriate Method for Calculating Fees in This Case

When a common fund is created for a Class benefit, Class Counsel may also request attorneys' fees based on a percentage of that fund: "[W]hen a number of persons are entitled in common to a specific fund, and an action brought by a plaintiff or plaintiffs for the benefit of all results in the creation or preservation of that fund, such plaintiff or plaintiffs may be awarded attorney's fees out of the fund." (*Serrano v. Priest* (1977) 20 Cal.3d 25, 34 (*Serrano III*).) The common fund doctrine is "based on the commonsense notion that the 'one who expends attorneys' fees in winning a suit which creates a fund from which others derive benefits, may require those passive beneficiaries to bear a fair share of the

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subject vehicles sold to California consumers satisfied the "large persons" requirement of Section 1021.5]; *Woodland Hills Residents Assn., Inc. v. City Council* (1979) 23 Cal.3d 917, 941 [The "financial burden" criterion is met when "the cost of the claimant's legal victory transcends his or her personal interest, that is, when the necessity of pursuing the lawsuit placed a burden on the plaintiff out of proportion to his or her individual stake in the matter."]; see also *Colgan v. Leatherman Tool Group, Inc.* (2006) 135 Cal.App.4th 663, 703 [considering enforcement of California consumer protection laws as an important right affecting the public interest]; *Hinojos v. Kohl's Corp.* (9th Cir. 2013) 718 F.3d 1098, 1101, 1107 [declaring unequivocally "price advertisements matter"].)

litigation costs.'" (*Consumer Cause, Inc. v. Mrs. Gooch's Natural Food Markets, Inc.* (2005) 127 Cal.App.4th 387, 397 [citation omitted].) The Supreme Court routinely awards attorney fees based on a percentage of the recovery. (See *Camden I Condo. Assn., Inc. v. Dunkle* (11th Cir. 1991) 946 F.2d 768, 773 [citing Supreme Court cases computing fees based on a percentage of the common fund].) The California Supreme Court in *Laffitte v. Robert Half Int'l Inc.* specifically addressed and held that trial courts could properly use a "percentage of the fund" method for calculating attorney's fees in a class action case:

> We join the overwhelming majority of federal and state courts in holding that when class action litigation establishes a monetary fund for the benefit of the class members, and the trial court in its equitable powers awards class counsel a fee out of that fund, the court may determine the amount of a reasonable fee by choosing an appropriate percentage of the fund created. The recognized advantages of the percentage method—including relative ease of calculation, alignment of incentives between counsel and the class, a better approximation of market conditions in a contingency case, and the encouragement it provides counsel to seek an early settlement and avoid unnecessarily prolonging the litigation []—convince us the percentage method is a valuable tool that should not be denied our trial courts.

(*Laffitte v. Robert Half Int'l Inc.* (2016) 1 Cal.5th 480, 503 [internal citations omitted].)

Further, in quantifying the value of Settlement consideration, courts generally calculate the ***full amount available under the Settlement, regardless of whether all Class Members claim their payment***. (See *Boeing Co. v. Van Gemert* (1980) 444 U.S. 472, 480-481; *Williams v. MGM-Pathe Communs. Co.* (9th Cir. 1997) 129 F.3d 1026, 1027 [holding district court abused its discretion by calculating fees as one-third of the class members' claims rather than one-third of entire settlement fund].)

V. THE REQUESTED FEE AWARD IS APPROPRIATE, FAIR AND REASONABLE UNDER THE PERCENTAGE METHOD

Settlement Class Members for whom Defendant has contact information will each receive $115 in direct compensation, in either cash or flexible store credit, at their election. (SA § III(C).) Class Members who submit a valid Claim Form will receive a Cash Benefit of $115. (*Ibid.*) Class Members who do not submit a Claim Form will automatically receive a website Credit Voucher worth $115. (*Ibid.*) Thus, every Settlement Class Member—even those who do nothing—will receive direct compensation from the Settlement. There are an estimated 61,000 Class Members in total, meaning that the total available Class Benefit is $7,015,000.

Plaintiffs' requested fee award of $1,325,000 represents less than 16% of the total value of the Settlement—well below the Ninth Circuit's 25% benchmark for percentage-of-recovery awards,[9] and also below the 33% figure often approved in California state courts.[10] (See *Consumer Privacy Cases*, 175 Cal.App.4th at pp. 553-54 ["[T]he total settlement amount, including fees, [should] be used as a yardstick to measure the reasonableness of the fees."]; Under these circumstances—including Class Counsel's efforts, the complexity of the case, and its extraordinary duration—the requested fee award is fair, reasonable, and well-supported under the percentage method.

The requested fee award is also fair and reasonable under the percentage method in light of Class Counsel's efforts and the outcome achieved. Importantly, the Parties did not negotiate fees until after reaching agreement on all other material terms of the Settlement. (See, e.g., Manual for Complex Litigation (4th ed. 2004.) ¶ 21.7 ["Separate negotiation of the class settlement before an agreement on fees is generally preferable."].) By deferring fee negotiations, Class Counsel ensured their interests remained aligned with those of the Class, and Defendant had every incentive to minimize the fee award to reduce the overall settlement cost. (See *Lealao*, *supra*, 82 Cal.App.4th at p. 33 ["The award to the class and the agreement on attorney fees represent a package deal."].)

The resulting $1,325,000 fee-and-cost award was the product of non-collusive, arm's-length negotiations that considered Class Counsel's substantial investment of time, the quality of the outcome, and the risk of ongoing litigation. Defendant also factored in the risk that Class Counsel could have sought, and potentially obtained, a larger fee—especially given the substantial direct benefit provided to the Class and the likelihood of further litigation if objections or appeals were filed. Rather than incur those risks, Defendant agreed to the requested award, subject to Court approval.

As noted, the requested award represents approximately 16% of the total available Class Benefit and falls well within the range traditionally accepted in both state and federal courts. California law authorizes courts to award market-based fees "to ensure that the fee awarded is within the range of fees freely negotiated in the legal marketplace in comparable litigation." (*Lealeo*, *supra*, 82 Cal.App.4th at p. 50.) The United States Supreme Court has likewise endorsed this approach. (See *Missouri v. Jenkins*

[9] See *Vizcaino v. Microsoft Corp.* (9th Cir. 2002) 290 F.3d 1043, 1047.

[10] See, e.g., *Laffitte*, *supra*, 1 Cal.5th at p. 506.

(1989) 491 U.S. 274, 285 [suggesting courts to look at the marketplace when assessing reasonableness of fee awards]; see also *Deposit Guar. Nat'l Bank*, *supra*, 445 U.S. at p. 338.)

Indeed, California state and federal courts have routinely awarded percentage fees of up to 40% or more in common fund cases of similar size and complexity. (See, e.g., *Birch v. Office Depot, Inc.* (S.D. Cal. Sept. 28, 2007, No. 06 CV 1690 DMS(WMC), 2007 WL 9776717 [awarding 40% fee on $16 million wage and hour class action]; *Rippee v. Bos. Mkt. Corp.* (S.D. Cal. Oct. 10, 2006, No. 05cv1360 BTM(JMA)), 2006 WL 8455400 [awarding 40% fee on $3.75 million wage and hour class action]; *Adauto v. Door Components, Inc.* (L.A. Sup. Ct. 2013, No. BC469230) [awarding 40% of settlement fund, plus costs]; *Ayala v. Denbeste Manufacturing, Inc.* (Kern Cnty. Sup. Ct. 2013, No. S-1500-CV-275248) [awarding attorneys' fees equaling approximately 40% of settlement funds, plus costs]; *Crandall v. U-Haul Int'l Inc.* (L.A. Sup. Ct. 2003, No. BC178775) [same].)

Here, although the requested fee is significantly lower than the percentage that courts often approve, the ultimate question is whether the result is fair and reasonable. (See *Powers v. Eichen* (9th Cir. 2000) 229 F.3d 1249, 1258.) To make that determination, courts often consider a set of factors identified by the Ninth Circuit, which—although not binding in this California state proceeding—offer persuasive and instructive guidance. These factors include (1) the results achieved; (2) the risks of continued litigation; (3) the skill required and applied; (4) the quality of counsel's work; and (5) the contingent nature of the fee and the financial burden borne by counsel. (See *Vizcaino*, *supra*, 290 F.3d at pp. 1048–50.) Each of these considerations, when applied to the present case, strongly supports approval of the requested fee award.

A. Class Counsel Achieved Excellent Results for the Class

Class Counsel obtained an outstanding result for the Class under challenging circumstances. The Parties reached as arm's-length Settlement—with the assistance of experienced mediators—following extensive investigation of Plaintiffs' claims and targeted, informal discovery of Defendant's sales data. The result is a Settlement delivering an estimated $7,015,000 in direct benefits to the Class, and approximately $8,300,000 in total value. (See *Broomfield v. Craft Brew All., Inc*. (N.D. Cal. Feb. 5, 2020) 2020 U.S. Dist. LEXIS 74801, at *80 [to calculate the value of a settlement for purposes of evaluating

fees, "the Ninth Circuit and [district courts in the Circuit] have included attorneys' fees, settlement administration costs, and litigation expenses" in the total value].)

Defendant denied liability and opposed Plaintiffs' ability to certify a class. Continued litigation would have posed substantial legal risks for Plaintiffs, including defeating a motion to deny certification, proving liability, presenting a viable damages model, prevailing at trial, and withstanding post-judgment appeals.

Despite these obstacles, Class Counsel secured real and immediate benefits for at least 40,000 California consumers, 12,000 Washington consumers, and 9,000 Oregon consumers. Even if the case had proceeded to trial and Plaintiffs prevailed, a regression-based damages model might have yielded a recovery significantly smaller than the $8.3 million value achieved here. Moreover, the costs of individual litigation would have dwarfed any individual recovery, rendering class litigation the one practical means of redress.

The Settlement thus provides prompt, tangible, and high-value relief—well before trial—while avoiding the considerable risks associated with establishing liability and proving damages.

B. Class Counsel Assumed Significant Risks

The requested fee award is also reasonable in light of the substantial risks Class Counsel undertook in prosecuting this case. From the outset, Plaintiffs faced serious litigation risks—including the potential denial of class certification, decertification post-certification, and the challenges of proving both liability and damages. These risks were far from theoretical. (See, e.g., *Chowning v. Kohl's Dept. Stores, Inc.* (9th Cir. 2018) 733 Fed. App'x 404, 405 [affirming summary judgment rejecting plaintiff's proposed resolution models in false discounting case].)

Class Counsel bore 100% of the financial risk throughout the litigation, advancing all costs and devoting substantial time and resources to investigating Defendant's conduct, analyzing legal theories, and litigating on both federal and state fronts. This included drafting multiple complaints, defeating a motion to dismiss, conducting detailed damages analysis, and participating in multiple mediations. (See Carpenter Decl. ¶¶ 4–6; Franzini Decl. ¶ 10.)

Counsel did so with no guarantee of success or compensation and turned down other paid work to pursue this matter on behalf of the Class. The contingency nature of this case meant that the risks were

real, ongoing, and fully absorbed by Class Counsel—a factor that strongly supports the reasonableness of the requested award.

C. The Complexity of the Litigation and Class Counsel's Skill

Litigating this class action through trial would have required substantial time and expense due to the legal and factual complexity of proving both liability and damages. Defendant was expected to vigorously oppose class certification, seek summary adjudication, and retain experts to contest key issues, such as whether its pricing practices affected consumer behavior and whether a measurable price premium resulted from its use of fictitious discounts.

Before filing suit, Class Counsel conducted an extensive, multi-phase investigation, which included tracking items in Defendant's stores beginning in February 2024 in California, Oregon, and Washington. (Carpenter Decl. ¶ 3.) This effort included monitoring and investigating products at Defendant's Joybird stores and on Defendant's website. (Carpenter Decl. ¶ 3; Franzini Decl. ¶ 10.) The investigation revealed a pervasive, uniform pricing scheme in which Defendant's products are routinely available at a discount, or in other words, Defendant's products are consistently advertised with regular prices that are perpetually "discounted" by in-store or online advertising indicating a large percentage off discount. (Carpenter Decl. ¶ 3.) These findings formed the factual backbone of the operative complaint and supported Plaintiffs' ability to allege a consistent and deceptive pricing pattern.

Counsel rigorously evaluated these theories in light of recent case law rejecting restitution-based damages in false discounting cases. (See, e.g., *Chowning*, *supra*, 733 Fed. App'x at p. 405; *Stathakos v. Columbia Sportswear Co.* (N.D. Cal. May 11, 2017, No. 15-CV-04543) 2017 WL 1957063, pp. *7–8.)

By resolving this case through Settlement, the Parties avoided protracted and costly litigation over these complex issues—including likely expert battles and appeals—while still delivering meaningful, immediate relief to the Settlement Class. The quality of the result reflects the experience, diligence, and strategic judgment of Class Counsel throughout the case.

D. Class Counsel Provided High-Quality Work

Class Counsel brought to this case substantial experience in complex class action litigation and a deep understanding of the legal and factual issues presented by deceptive pricing schemes. (See Carpenter Decl. ¶¶ 13–18; Franzini Decl. ¶¶ 3-9.) Their expertise and professional reputation were instrumental in

securing a Settlement that delivers outstanding results for the Class—results that likely could not have been achieved as efficiently or effectively without such qualifications.

Class Counsel devoted significant time and resources both before and after filing suit, including a comprehensive, multi-month investigation of Defendant's pricing practices. The Parties engaged in informal discovery and ultimately participated in multiple mediations with experienced and well-regarded mediators. These efforts culminated in a non-collusive, arm's-length resolution and a robust Notice plan, ensuring that Class Members would receive meaningful relief in a timely manner.

E. Class Counsel Took This Case on a Contingent Basis

"The risk that an attorney takes in the underlying public interest litigation has two components: the risk of not being a 'successful party,' i.e., not prevailing on the merits, and the risk of not establishing eligibility for an attorney fee award." (*Graham*, *supra*, 34 Cal.4th at p. 583.) Class Counsel undertook this litigation solely on a contingent basis, without any guarantee of recovery. (See Carpenter Decl. ¶ 8.)

Despite these risks, Class Counsel invested significant time and resources to develop the case and demonstrate to Defendant the substantial exposure it faced—ultimately securing a Settlement that provides meaningful relief to the Class. As California courts have recognized, contingency arrangements justify enhanced fees, in part because of the delay in compensation and the inherent risk of nonpayment. (See *Downey Cares v. Downey Community Dev. Comm'n* (1987) 196 Cal.App.3d 983, 997.) As legal scholars have explained, "[a] contingent fee must be higher than a fee for the same legal services paid as they are performed." (Posner, *Economic Analysis of Law* (4th ed. 1992) at 534, 567.)

For these reasons, and in light of the risks Class Counsel assumed, the requested fee award is eminently reasonable under the percentage-of-recovery method.

VI. LODESTAR/MULTIPLIER CROSS-CHECK SUPPORTS THE FEE AWARD

To ensure reasonableness, courts may cross-check a proposed percentage-based fee award against counsel's lodestar. (*Vizcaino*, *supra*, 290 F.3d at p. 1050.) The aim of both the lodestar and percentage-of-recovery approaches is to arrive at a fee award consistent with prevailing market rates. California courts regularly employ the lodestar/multiplier method when awarding fees in class action settlements. (See *Ketchum v. Moses* (2002) 24 Cal.4th 1122, 1132–33; *Serrano III*, *supra*, 20 Cal.3d at p. 48; *Lealao*, *supra*, 82 Cal.App.4th at p. 254.)

The lodestar method begins with a calculation of the reasonable number of hours spent on the case, multiplied by the prevailing hourly rates for attorneys and paralegals of comparable experience and skill. (See *Wershba*, *supra*, 91 Cal.App.4th at p. 254.) Courts may then apply a multiplier to account for factors such as contingency risk, quality of work, and results achieved. (*Ibid.*) The applicable hourly rates must reflect current market rates charged by private attorneys with similar qualifications and experience in comparable litigation. (See *Serrano v. Unruh* (1982) 32 Cal.3d 621, 640.) The lodestar may also include out-of-pocket expenses typically billed to a paying client, (*Bussey v. Affleck* (1990) 225 Cal.App.3d 1162, 1166), and time spent preparing the fee motion itself. (*Serrano*, *supra*, 32 Cal.3d at pp. 632–38.)

Here, Class Counsel's hourly rates are consistent with those charged by attorneys of comparable skill, experience, and reputation for similar class action work. (See Carpenter Decl. ¶ 13.) The requested $1,325,000 award is reasonable in light of Class Counsel's collective lodestar of $746,207.50 and out-of-pocket costs of $20,957.06—yielding a modest multiplier of approximately 1.7. (See *id.* at ¶¶ 10, 15; Franzini Decl. ¶ 10, 18.)

To date, Lynch Carpenter has spent 492 of hours of attorney time and 160 hours of paralegal time investigating and prosecuting this matter—exclusive of additional time that will be required to prepare for and attend the Final Approval Hearing. And Dovel & Lunder has spent an additional 368.1 hours of attorney and paralegal time on the matter thus far. (Franzini Decl. ¶ 10.) Collectively, partner-level attorneys have expended 366.8 hours and expect to spend at least 3.5 additional hours. Associates have billed 375.2 hours at rates between $550-$675 per hour. (See Carpenter Decl. ¶ 9–10; Franzini Decl. ¶ 10.) The current market rate for partner-level work in complex class action litigation is $1,195 per hour. (See Carpenter Decl. ¶ 13.) These rates have been approved by numerous California state and federal courts in similar matters. (See *ibid.*)

Accordingly, this lodestar cross-check confirms that the requested fee is fair, reasonable, and consistent with the market-based standards set forth under California law.

A. Class Counsel's Hourly Rates are Reasonable

The standard for determining a reasonable hourly rate is the fair market value of the attorney's services. (See *Ketchum*, *supra*, 24 Cal.4th at p. 1132.) Courts assess this by evaluating whether the requested rates fall "within the range of reasonable rates charged by and judicially awarded to comparable

attorneys for comparable work." (*Children's Hosp. & Med. Ctr. v. Bonta* (2007) 97 Cal.App.4th 740, 783.) Rates awarded to Class Counsel in similar matters—and to other attorneys practicing complex class action litigation in California—serve as appropriate benchmarks. (See *Davis v. City of San Diego* (2003) 106 Cal.App.4th 893, 904.)

Courts have routinely approved hourly rates for class action attorneys that are consistent with those requested here:

- *Owlink Tech., Inc. v. Cypress Tech. Co., Ltd.* (C.D. Cal. Dec. 12, 2023) 2023 U.S. Dist. LEXIS 231847, p. *8, [finding that hourly rates of $1,200 for partners and $900 for associates were reasonable];
- *Ramirez v. Trans Union, LLC* (N.D. Cal. Dec. 15, 2022) 2022 U.S. Dist. LEXIS 226302, p. *24 [finding that hourly rates ranging from $560 to $1,325 were in line with rates prevailing in the community];
- *Hazlin v. Botanical Labs, Inc.* (S.D. Cal. May 20, 2015, No. 13cv0618-KSC) 2015 WL 11237634, p. *7 [approving $750/hour in 2015 consumer class action];
- *Mount v. Wells Fargo Bank, N.A.* (Cal. Ct. App. Feb. 10, 2016, No. B260585) 2016 WL 537604 [finding reasonable rates ranging from $300 to $1,100];
- *In re Vitamin Cases* (Cal. Super. Ct. Apr. 12, 2004, No. 301803) 2004 WL 5137597 [approving $1,000/hour in consumer class action].

Class Counsel specializes in complex consumer class actions and regularly litigates such cases in both state and federal courts. (See Carpenter Decl. ¶¶ 13–18; Franzini Decl. ¶¶ 3-9.) The rates used to calculate the lodestar reflect prevailing market rates and have been repeatedly accepted by courts in comparable class actions. (See Carpenter Decl. ¶ 15; Franzini Decl. ¶¶ 14-15.)

B. Class Counsel's Hours are Reasonable

Class Counsel must demonstrate that the hours claimed were reasonable and necessary to the litigation. (See *Concepcion v. Amscan Holdings, Inc.* (2014) 223 Cal.App.4th 1309, 1320.) Hours are deemed reasonable when they reflect the time "reasonable expended in pursuit of the ultimate result achieved in the same manner that an attorney traditionally is compensated by a fee-paying client." (*Hensley*, *supra*, 461 U.S. at p. 431.) This includes not only time spent during the litigation, but also

reasonable pre-filing efforts—such as interviewing clients, investigating facts and legal theories, and preparing initial pleadings. (See *Webb v. Board of Educ.* (1985) 471 U.S. 234, 250 ["Most obvious examples are the drafting of the initial pleading and the work associated with the development of the theory of the case."].)

Here, Class Counsel expended substantial time investigating Defendant's pricing practices, researching the applicable law, drafting and filing multiple pleadings, participating in informal discovery, engaging in damages modeling, preparing for the mediations, and negotiating a final resolution. These efforts are outlined in detail in the concurrently filed Carpenter and Franzini Declarations. (See Carpenter Decl. ¶ 10; Franzini Decl. ¶ 10.) This work directly led to the Settlement now before the Court, which provides substantial and meaningful relief to California, Oregon, and Washington consumers. Additionally, the lodestar properly includes time spent preparing and litigating the attorneys' fee application. (See *Serrano*, *supra*, 32 Cal.3d at p. 639.)

C. The Requested Multiplier is Reasonable

Once the lodestar is calculated, courts may apply a multiplier to ensure that the fee award fairly compensates counsel for risk, effort, and the results achieved. (See *Wershba*, *supra*, 91 Cal.App.4th at p. 254.) The purpose of a multiplier is to incentivize attorneys to undertake public interest litigation and complex class actions that often require significant investment with no guarantee of recovery. (See *Ketchum*, *supra*, 24 Cal.4th at pp. 1132–33.) As the Ninth Circuit has recognized, without the possibility of a multiplier, few attorneys would be able to shoulder the burden of class litigation given the risk of receiving nothing. (See *In re Washington Public Powder Supply System Sec. Litig.* (9th Cir. 1994) 19 F.3d 1291, 1300.)

Multiplies ranging from 2 to 4—or even higher—are routinely approved in class action matters. (See, e.g., *Wershba*, *supra*, 91 Cal.App.4th at p. 225; *Vizcaino*, *supra*, 290 F.3d at p. 1051, fn. 6 [noting most multipliers fall within the 1.5 to 3 range]; *Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th 43, 60 [approving 2.5 multiplier]; *Sutter Health Ins. Pricing Cases* (2009) 171 Cal.App.4th 495, 512 [approving multiplier of 2.52]; *Ferrell v. Buckingharm Property Mgmt.* (E.D. Cal. Jan. 25, 2022, No. 119CV00332JLTBAKEPG) 2022 WL 224025, p. *3 [approving multiplier of 1.9 and noting a range of 1.9 to 5.1 as typical]; *Cavazos v. Salas Concrete, Inc.* (E.D. Cal. July 25, 2025,

No. 119CV00062DADEPG) 2022 WL 2918361, p. *14 [acknowledging multipliers in the 3–4 range as common in complex class actions].)

Here, the requested fee award reflects a modest multiplier of approximately 1.7, which falls well within the accepted range. (See Carpenter Decl. ¶ 15.) In evaluating multiplier reasonableness, courts consider several factors, including (1) the novelty and difficulty of the questions involved; (2) the skill displayed by counsel and the results obtained; and (3) the contingent nature of the fee. (*Ketchum*, *supra*, 24 Cal.4th at p. 1132; *Serrano III*, *supra*, 20 Cal.3d at p. 49.)

Each of these factors, many of which overlap with those discussed in the percentage-of-recovery analysis in Section V., fully supports the requested multiplier here. The case advanced important public interests embodied in California, Oregon, and Washingtons consumer protection laws and federal regulations prohibiting deceptive pricing. The Settlement provides real, tangible financial benefits to consumers and serves as a meaningful deterrent against future misconduct in the retail sector. This result, achieved in the face of complex legal and factual hurdles, justifies the requested number.

1. The Novelty and Difficult of the Questions Involved

This case presented novel and challenging questions concerning liability under several states' consumer protect laws (including California, Oregon, and Washington) and federal regulations governing transparency in discount price advertising. Plaintiffs' allegations raised complex legal issues related to establishing liability, proving damages, and identifying appropriate remedies. At trial, Plaintiffs would have borne the burden of demonstrating that Defendant's pricing representations were deceptive, materially influenced consumer purchasing decisions, and resulted in quantifiable harm. This would have required the development and presentation of a viable damages model, supported by expert testimony—an undertaking that would be both legally and economically demanding. (See Section V.C., *supra*.)

2. The Skills Displayed by Class Counsel and the Exceptional Results Obtained

Class Counsel, Lynch Carpenter, LLP and Dovel & Luner LLP, has significant experience in complex class actions, and with cases like this one alleging deceptive discounting practices. (Carpenter Decl. ¶¶ 13–18, Exhibit 1; Franzini Decl. ¶¶ 3-9, Exhibit 1.) Counsel has extensively litigated discount cases like this one, as well as negotiated other excellent settlements. Based on that experience, Class

Counsel has a proven track record of achieving outstanding results for millions of consumers in contested litigation.

Leveraging this experience, Class Counsel prosecuted this case efficiently and strategically—conducting a thorough investigation, evaluating the strengths and risks of the claims, and negotiating a resolution that delivers substantial, direct benefits to the Class. Rather than prolong litigation and risk delay or uncertainty, Class Counsel secured a meaningful recovery through a non-collusive, arm's-length process that reflects both legal acumen and a strong command of class action dynamics. (See Sections V.A. and V.D., *supra*.)

3. The Contingent Nature of the Fee Award Warrants the Requested Multiplier

"[A] contingent fee contract, since it involves a gamble on the result, may properly provide for a larger compensation that would otherwise be reasonable." (*Rader v. Thrasher* (1962) 57 Cal.2d 244, 253 [citations omitted].) That principle applies squarely here. Class Counsel undertook this matter on a pure contingency basis, assuming significant risk with no guarantee of compensation. This included the risk of uncompensated time spent investigating, briefing, litigating, and negotiating—as well as the risk of never recovering the substantial out-of-pocket costs advanced over the course of the case.

Courts have consistently recognized that such contingent risk justifies a positive multiplier. As the California Supreme Court explained:

> Under our precedents, the unadorned lodestar reflects the general local hourly rate for a *fee-bearing case*; it does *not* include any compensation for contingent risk … The adjustment to the lodestar figure, e.g., to provide a fee enhancement reflecting the risk that the attorney will not receive payment if the suit does not succeed, constitutes earned compensation; unlike a windfall, it is neither unexpected nor fortuitous. Rather, it is intended to approximate market-level compensation for such services, which typically includes premium for the risk of nonpayment or delay in payment of attorney's fees.

(*Ketchum*, *supra*, 24 Cal.4th at p. 1138; see Section V.E., *supra*.)

This case exemplifies the type of complex, high-risk litigation that warrants an upward adjustment. Class Counsel received no compensation during the pendency of the action and bore the risk of total loss. The requested multiplier is therefore well-supported by precedent and reflects fair market level compensation for the contingent nature of the work performed. (See Section V.E., *supra*.)

4. Class Counsel's Efforts in Achieving an Expeditious Resolution Support Multiplier

Class Counsel's efficiency in resolving this case further supports the requested multiplier. Rather than prolonging litigation through years of costly discovery, motion practice, trial, and likely appeal, Class Counsel secured an outstanding Settlement that delivers meaningful relief to the Class now—not years down the road. This result was achieved without sacrificing the quality or scope of relief, and without burdening the courts with unnecessary litigation.

California courts have long recognized that attorneys should be rewarded for achieving fair and efficient settlements. As the Court of Appeal explained in *Lealao v. Beneficial Cal., Inc.*: "Considering that our Supreme Court has placed an extraordinary high value on settlement, it would seem counsel should be rewarded, not punished, for helping to achieve that goal." (82 Cal.App.4th at p. 52 [internal citations omitted].) Federal courts are in accord. For example, in *Bowling v. Pfizer, Inc.*, the court emphasized that "[c]ounsel should be rewarded for settling a case in a swift and efficient fashion." ((S.D. Ohio 1996) 922 F. Supp. 1261, 1282–83.)

Here, Class Counsel's litigation strategy was diligent, effective, and expeditious. Counsel assumed substantial risk in terms of time, expense, and opportunity cost, and succeeded in delivering excellent results with minimal delay. Under these circumstances, a modest multiplier as a lodestar cross-check is not only appropriate but is essential to ensuring fair compensation for counsel's risk and performance, and to incentivize similar efficiency in future complex class actions.

VII. THE REQUESTED LITIGATION COSTS ARE REASONABLE

Class Counsel's request for reimbursement of $20,957.06 out-of-pocket litigation expenses is reasonable, necessary, and well-supported by California law. These costs, which are modest relative to the benefit conferred on the Class, are compensable under California Code of Civil Procedure se4ction 1021.5, as well as the Consumer Legal Remedies Act (CLRA). (See *Beasley*, *supra*, 235 Cal.App.3d at pp. 1419–20; Civ. Code § 1780, subd. (d).)

Importantly, these costs are of the type routinely billed to fee-paying clients and are standard in complex class action litigation. They include:

1. Court fees and service of process;
2. Filing fees;

3. Scanning, photocopying, printing, and other office related expenses (waived); and

4. Mediation and related preparation costs.

(See Carpenter Decl. ¶ 9; Franzini Decl. ¶ 18.)

All expenses were incurred in furtherance of litigation and directly contributed to achieving the favorable result for the Class. Moreover, Class Counsel's cost request is embedded within the overall $1,325,000 fee-and-cost award—demonstrating both efficiency and fiscal restraint. In light of the substantial relief obtained, these modest expenses are entirely appropriate and should be approved in full.

VIII. PLAINTIFFS ARE ENTITLED TO A REASONABLE INCENTIVE AWARD

Plaintiffs respectfully request a modest service award of $7,500 for each Plaintiff, in recognition of their efforts and risk undertaken in serving as Class Representatives. Incentive awards are a well-established and accepted feature of class action practice. As the Ninth Circuit explained:

> Incentive awards are fairly typical in class action cases [and are] intended to compensate class representatives for work done on behalf of the class, to make up for financial or reputation risk undertaken in bringing the action, and sometimes, to recognize their willingness to act as a private attorney general.

(*Rodriguez v. West Publishing Corp.* (9th Cir. 2009) 563 F.3d 948, 958–59.)

California courts are in accord. "[I]t is established that named plaintiffs are eligible for reasonable incentive payments to compensate them for the expense or risk that they have incurred in conferring a benefit on other members of the class." (*Munoz v. BCI Coca-Cola Bottling Co. of L.A.* (2010) 186 Cal.App.4th 399, 412.) Such awards are particularly appropriate "if [they are] necessary to induce an individual to participate in the suit." (*Cellphone Termination Fee Cases* (2010) 186 Cal.App.4th 1380, 1395.)

Here, Plaintiffs meaningfully contributed to the prosecution of this action. They reviewed pleadings, remained in regular communication with Class Counsel, and took active roles in representing the interests of the Class throughout the litigation. In doing so, Plaintiffs assumed both reputational exposure and financial risk. California courts have recognized that named plaintiffs in unsuccessful class actions may be personally liable for defendants' costs. (See *Early v. Superior Court* (2000) 79 Cal.App.4th 1420, 1433–34 [noting that class representatives are "the losing parties for purposes of costs."]; see also

In re Tobacco Cases II (2015) 240 Cal.App.4th 779, 805–07 [affirming award of $764,552.73 in costs against class representative in her individual capacity].)

In light of the risks undertaken, the services performed, and the public benefit conferred, the requested award is plainly reasonable and should be approved.

IX. CONCLUSION

For the foregoing reasons, Plaintiffs respectfully request that the Court grant Plaintiffs' unopposed motion and award: (1) attorneys' fees and litigation costs in the total amount of $1,325,000, and (2) an Incentive Award to each Plaintiff in the amount of $7,500, in recognition of their service as Class Representatives.

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