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12 SUPERIOR COURT OF THE STATE OF CALIFORNIA

13 COUNTY OF ORANGE

14 In re CERADYNE, INC. SHAREHOLDER) Lead Case No. 30-2012-00604001-CU-BT-CXC
LITIGATION) (Consolidated with
15) Case No. 30-2012-00604931-CU-SL-CXC)

16 This Document Relates To:)

17 ALL ACTIONS.)

) CLASS ACTION

) Assigned to: Judge Thierry P. Colaw

18)
19) PLAINTIFFS' COUNSEL'S MEMORANDUM
20) OF POINTS AND AUTHORITIES IN
21) SUPPORT OF MOTION FOR AN AWARD OF
22) ATTORNEYS' FEES AND EXPENSES

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1 This is a shareholder class action brought by representative plaintiffs Adam Golovoy,
2 Parmanand Kumar, and City of Hialeah Employees' Retirement System (together, "Plaintiffs" or "Class
3 Representatives"), on behalf of a class of the former public shareholders of Ceradyne, Inc. ("Ceradyne"
4 or the "Company"), bringing claims for breach of fiduciary duty against the former members of the
5 Company's Board of Directors (the "Board," and together with Ceradyne, "Defendants") in connection
6 with the sale of Ceradyne to 3M Company and its affiliates for \$35.00 per share in cash (the
7 "Transaction"). Plaintiffs and their counsel ("Plaintiffs' Counsel") submit this memorandum in support
8 of their request for an award of attorneys' fees and expenses, including awards to Plaintiffs for their
9 representation of the Class.¹

10 **I. INTRODUCTION**

11 After over four years of hard-fought litigation, which included the filing of five complaints (four
12 amendments to Plaintiffs' initial pleading), four dispositive motions, a motion for preliminary
13 injunction, two motions to compel, over 158,000 pages of document discovery, twelve depositions,
14 hundreds of interrogatories and requests for admission, and with a fiercely contested motion for class
15 certification pending, Plaintiffs' Counsel secured the all-cash Settlement of \$11.3 million, plus agreed-
16 upon interest, on behalf of the Class.² A tremendous result like this is demonstrably rare. In its most
17 recent study concerning shareholder litigation over corporate mergers and acquisitions of public
18 companies, Cornerstone Research reported that, among the hundreds of lawsuits filed during 2015 and
19 the first half of 2016, only six of those cases resulted in any monetary recovery for stockholders. Ravi
20 Sinha, *Shareholder Litigation Involving Acquisitions of Public Companies*, at 5 (Cornerstone Research
21 2016), attached as Exhibit A to the Joint Declaration of Maxwell R. Huffman and Michael Van Gorder

22 ¹ All capitalized terms not otherwise defined herein shall have the same meanings as set forth in the
23 Stipulation of Settlement filed June 14, 2017, and the Notice of Amendments filed September 11, 2017
(together, the "Stipulation" or the "Settlement").

24 ² The "Class" includes all record and beneficial owners of Ceradyne common stock who received
25 consideration for their shares in the sale of Ceradyne to 3M Company at the price of \$35.00 per share,
26 pursuant to either the Tender Offer or the second step Merger. Excluded from the Class are the
27 Defendants, their estates, Defendants' respective successors, heirs and assigns, Defendants' immediate
28 family members, and any company, trust, or other entity in which a Defendant owned, or beneficially
controlled or held, as of November 27, 2012, a fifty percent or more interest. Also excluded from the
Class is any Person who exercised their appraisal rights under Section 262 of the General Corporation
Law of the State of Delaware or who validly requests exclusion from the Class.

1 in Support of Plaintiffs’ Motion for Final Approval of Class Action Settlement (“Joint Decl.”),
2 submitted herewith. The study noted that in merger-related litigation, “[m]onetary consideration paid to
3 shareholders has remained relatively rare.” *Id.* This Settlement’s standing amongst such few others
4 highlights the outstanding nature of this recovery, relative to the significant risk in litigating post-
5 merger cases.

6 Having secured this benefit for the Class, Plaintiffs’ Counsel now respectfully move for: (i) an
7 award of attorneys’ fees in the amount of 30% of the Settlement Amount,³ (ii) payment of \$177,548.69
8 for expenses that were necessary to the prosecution of this Action, and (iii) service awards of \$5,000
9 each for Plaintiffs and Class Representatives Adam Golovoy, Parmanand Kumar, and City of Hialeah
10 Employees’ Retirement System in connection with their time spent prosecuting this Action on behalf of
11 the Class. Counsel and their paraprofessionals spent 4,726 hours prosecuting this Action with a
12 resulting lodestar of \$2,587,479.50. This reflects a lodestar multiplier of just 1.31. Considering only
13 attorney time, the lodestar multiplier is still just 1.40.

14 California Supreme Court precedent supports these awards. In *Laffitte v. Robert Half Int’l Inc.*,
15 1 Cal. 5th 480 (2016) (“*Laffitte*”), the California Supreme Court affirmed a one-third percentage-based
16 fee award to class counsel as part of a \$19 million settlement in a wage and hour class action. The
17 following aspects of *Laffitte* support the fees, expenses and service awards requested here:

- 18 • The Court approved a fee to class counsel of just over 33%. *Id.* at 485. Here, Plaintiffs’
19 Counsel requested a fee of 30%.
- 20 • The lodestar multiplier cross-check in *Laffitte* was 2.13, excluding work performed on
21 the appeal. *Id.* at 487. Here, Plaintiffs’ Counsel’s lodestar multiplier is only 1.31.
- 22 • The court awarded *Laffitte* class counsel their litigation expenses, in addition to the one-
23 third award of attorneys’ fees, representing a combined fee and expense award of over
24 34% of the common fund. *See Laffitte v. Robert Half Int’l Inc.*, 231 Cal. App. 4th 860,
25 871 (2014) (“*Laffitte App.*”). Here, the combined total of requested fees and expenses is
26 just 31.3%.
- The *Laffitte* class representatives were awarded individual payments not to exceed
\$80,000. *Id.* at 866. Here, service awards for a far less amount of \$5,000 for each Class
Representative – for a total of \$15,000 – is being requested.

27 ³ The “Settlement Amount” is \$11,300,000 in cash plus interest thereon of 0.04% per annum, which
28 began accruing when the Court entered the order granting preliminary approval of the Settlement.

- 1 • The Court noted with approval that the settlement provided no reversion to defendants. *Laffitte*, 1 Cal. 5th at 486. Here, if approved, the Settlement also provides no reversion to Defendants.
- 2
- 3 • The *Laffitte* case, like the present Action, was settled before trial. *Id.* at 487.

4 For the reasons set forth herein, in Plaintiffs' Memorandum of Points and Authorities in Support
5 of Motion for Final Approval of Class Action Settlement and Approval of Plan of Allocation (the "Final
6 Approval Memorandum"), submitted herewith, and in the Joint Declaration, Plaintiffs' Counsel
7 respectfully submit that the requested attorneys' fees are fair and reasonable, and, in light of the risks
8 undertaken, the diligent efforts of counsel, and the outstanding result obtained, should be approved by
9 the Court. The expenses requested by Plaintiffs' Counsel are similarly reasonable, were necessary for
10 the successful prosecution of the Action, and should also be awarded. Finally, given their active
11 involvement in and supervision of this multi-year litigation and their essential role in effectuating the
12 Settlement, the service awards requested for the Class Representatives are reasonable and should be
13 granted.

14 **II. THE COURT SHOULD AWARD PLAINTIFFS' COUNSEL REASONABLE**
15 **ATTORNEYS' FEES USING THE PERCENTAGE METHOD**

16 **A. The Common Fund Doctrine Allows the Court to Compensate Attorneys**
17 **for Their Efforts in Creating a Common Fund**

18 Where, as here, the litigation created a common fund for the benefit a class, courts have the
19 power to award plaintiffs' counsel their reasonable attorneys' fees and expenses out of that fund. In
20 *Laffitte*, the California Supreme Court held that the trial court may award class counsel a fee from a
21 common fund based on a percentage of the fund created. 1 Cal. 5th at 503. In so doing, the Court
22 recognized the advantages of using the percentage method of awarding attorneys' fees as a percentage
23 of the common fund, including the "relative ease of calculation, alignment of incentives between
24 counsel and the class, a better approximation of market conditions in a contingency case, and the
25 encouragement it provides counsel to seek an early settlement and avoid unnecessarily prolonging the
26 litigation." *Id.*

27 The *Laffitte* ruling is consistent with decisions from courts throughout the country, including the
28 United States Supreme Court. *See Blum v. Stenson*, 465 U.S. 886, 900 n.16 (1984) (holding under the

1 common fund doctrine a reasonable fee may be based “on a percentage of the fund bestowed on the
2 class”). In fact, the California Supreme Court recognized that “[c]urrently, all the circuit courts either
3 mandate or allow their district courts to use the percentage method in common fund cases; none require
4 sole use of the lodestar method [and] [m]ost state courts to consider the question in recent decades have
5 also concluded the percentage method of calculating a fee award is either preferred or within the trial
6 court’s discretion in a common fund case.” *Laffitte*, 1 Cal. 5th at 493-94 (citation omitted).

7 Compensating counsel with a percentage of the common fund is not only fair, but it also
8 incentivizes efficient litigation. *Id.* at 503 (finding that percentage awards align the incentives of
9 counsel with those of the class). As noted by a task force charged by the Third Circuit to investigate
10 court-awarded attorneys’ fees, “any and all inducement or inclination to increase the number of . . .
11 hours will be reduced, since the amount of work performed will not . . . alter the contingent fee.”
12 Report of the Third Circuit Task Force, *Court Awarded Attorney Fees*, 108 F.R.D. 237, 258 (Oct. 8,
13 1985). Utilizing a percentage fee creates “a substantial inducement” for plaintiffs’ counsel to work
14 efficiently, since “counsel’s compensation will not be enhanced by a delay.” *Id.*

15 An appropriately determined contingency fee further reflects the lost opportunities to develop
16 other clients and the foregone ability to accept competing engagements. *See Franklin Balance Sheet*
17 *Inv. Fund v. Crowley*, No. Civ.A. 888-VCP, 2007 WL 2495018, at *12 (Del. Ch. Aug. 30, 2007)
18 (holding that the court should compensate “plaintiffs’ attorneys for their lost opportunity cost . . . , the
19 risks associated with the litigation, and a premium”). Courts have also noted that “[a] contingent fee
20 must be higher than a fee for the same legal services paid as they are performed. The contingent fee
21 compensates the lawyer not only for the legal services he renders but for the loan of those services. The
22 implicit interest rate on such a loan is higher because the risk of default (the loss of the case, which
23 cancels the debt of the client to the lawyer) is much higher than that of conventional loans.” *Ketchum*
24 *v. Moses*, 24 Cal. 4th 1122, 1132-33 (2001) (citation omitted).

25 **B. The Requested Fee of 30% Is Reasonable in This Case**

26 In determining the reasonableness of a fee request, California courts typically consider the
27 following “basic factors”: (1) the result obtained; (2) the time and labor required; (3) the contingent
28 nature of the case and the delay in payment; (4) the extent to which the nature of the litigation precluded

1 other employment; (5) the experience, reputation, and ability of class counsel, the skill they displayed in
2 the litigation, and the complexity and difficulty of the case; and (6) the informed consent of the clients
3 to the fee agreement. *In re Cal. Indirect Purchaser X-Ray Film Antitrust Litig.*, No. 960886, 1998 WL
4 1031494, at *3 (Alameda Super. Ct. Oct. 22, 1998); *see also Serrano v. Priest*, 20 Cal. 3d 25, 49
5 (1977); *Dunk v. Ford Motor Co.*, 48 Cal. App. 4th 1794, 1810 n.21 (1996). “However, no rigid formula
6 applies and each factor should be considered only ‘where appropriate.’” *Nat. Gas Anti-Trust Cases*,
7 No. 4221, 2006 WL 5377849, at *3 (San Diego Super. Ct. Dec. 11, 2006) (citation omitted). Providing
8 guidance as to an appropriate range for a reasonable fee, the Court of Appeals observed in *Laffitte* that
9 “the trial court’s use of a percentage of 33-1/3 percent of the common fund is consistent with, and in the
10 range of, awards in other class action lawsuits.” *Laffitte App.*, 231 Cal. App. 4th at 878. The court also
11 explained that “[e]mpirical studies show that, regardless whether the percentage method or the
12 lodestar method is used, fee awards in class actions average around one-third of the recovery.” *Id.*
13 (citations omitted).

14 Here, the requested fee is below that average and consistent with recent awards from this Court,
15 as well as other courts in California and nationwide in similar shareholder class actions. *In re Epicor*
16 *Software Corp. S’holder Litig.*, No. 30-2011-00465495-CU-BT-CXC, slip op. (Orange Super. Ct. Oct.
17 24, 2014) (awarding 30% fee in merger-related shareholder class action) (Joint Decl., Ex. B); *In re*
18 *Avalanche Biotechnologies, Inc. S’holder Litig.*, No. CIV536488, slip op. (San Mateo Super. Ct. Jan.
19 19, 2018) (awarding 33% fee in securities class action) (Joint Decl., Ex. C); *In re ITC Holdings Corp.*
20 *S’holder Litig.*, No. 2016-151852-CB, slip op. (Oakland Cnty. Cir. Ct. Sept. 25, 2017) (awarding 30%
21 fee in merger-related shareholder class action) (Joint Decl., Ex. D). Moreover, as discussed below, the
22 requested fee award for Plaintiffs’ Counsel is also supported by: (1) the result they achieved; (2) the
23 time and effort they put into the litigation; and (3) the contingent nature of the representation and
24 associated risk of loss.

25 **1. The Result Achieved in this Action**

26 Courts have consistently recognized that the result achieved is an important factor to be
27 considered in making a fee award. *Hensley v. Eckerhart*, 461 U.S. 424, 436 (1983) (“most critical
28 factor is the degree of success obtained”); *In re King Res. Co. Sec. Litig.*, 420 F. Supp. 610, 630

1 (D. Colo. 1976) (“the amount of the recovery, and end result achieved are of primary importance, for
2 these are the true benefit to the client”). In this case, a Settlement Amount of \$11.3 million in cash, plus
3 agreed-upon interest, has been obtained through the efforts of Plaintiffs’ Counsel. This is a highly
4 favorable result given the risks of proving liability and damages, while providing an immediate and
5 certain recovery for Class Members without the risk, expense and delay of the completion of discovery,
6 summary judgment, trial and appeals. As emphasized herein, this is a rare monetary settlement in
7 shareholder class action challenging the merger of a public company, which underscores the uniquely
8 favorable outcome of this Action.

9 **2. Time and Effort Required**

10 As noted above, Plaintiffs’ Counsel invested 4,726 hours of time in aggressively litigating the
11 Action for more than four years before the Settlement was reached. During this time, Plaintiffs’
12 Counsel, *inter alia*: researched, drafted and filed five complaints (four amendments to Plaintiffs’ initial
13 pleading); filed a motion for preliminary injunction in attempt to enjoin the closing of the Transaction;
14 opposed three demurrers and a motion for judgment on the pleadings; reviewed and analyzed
15 approximately 158,000 pages of discovery documents produced by Ceradyne’s directors and officers,
16 Citigroup Global Markets and 3M Company; deposed key members of the Board, Ceradyne’s senior
17 management team and Citigroup; responded to voluminous discovery requests directed to Plaintiffs that
18 were ostensibly an attempt to fatigue Plaintiffs’ Counsel; and litigated a fiercely contested motion for
19 class certification. *See* Joint Decl., ¶¶13, 22-23. This was all time well spent, as the \$11.3 million
20 Settlement could not have been secured but for these efforts.

21 The requested award of attorneys’ fees is also reasonable in comparison to the lodestar for
22 Plaintiffs’ Counsel. Lodestar is determined by multiplying the number of hours worked by the hourly
23 rates of the attorneys and paraprofessionals. *Serrano*, 20 Cal. 3d at 48-49. An appropriate fee award
24 will generally be a multiple of counsel’s lodestar because “the unadorned lodestar reflects the general
25 local hourly rate for a *fee-bearing case*; it does *not* include any compensation for contingent risk,
26 extraordinary skill, or any other factors a trial court may consider.” *Ketchum*, 24 Cal. 4th at 1138
27 (emphasis in original); *see also Chavez v. Netflix, Inc.*, 162 Cal. App. 4th 43, 61 (2008) (“[A] lodestar
28 enhancement based on ‘quality of representation’ by definition involves considerations not captured by

1 counsel's hourly rates.") (citation omitted). Although a comparison of lodestar to the requested fees is
2 not required, "[a] lodestar cross-check" will provide the court with "a mechanism for bringing an
3 objective measure of the work performed into the calculation of a reasonable attorney fee." *Laffitte*, 1
4 Cal. 5th at 504.⁴

5 Here, the requested fees for Plaintiffs' Counsel result in a low multiplier of approximately 1.31,
6 which is well below the range of multipliers that have been deemed reasonable by California courts.
7 See *Wershba v. Apple Comput., Inc.*, 91 Cal. App. 4th 224, 255 (2001) (recognizing that "[m]ultipliers
8 can range from 2 to 4 or even higher"). Indeed, "numerous cases have applied multipliers of between 4
9 and 12 to counsel's lodestar in awarding fees." *Nat. Gas Anti-Trust Cases*, 2006 WL 5377849, at *4;
10 *Sternwest Corp. v. Ash*, 183 Cal. App. 3d 74, 76 (1986) (remanding for a lodestar enhancement of "two,
11 three, four or otherwise"); *Glendora Cmty. Redevelopment Agency v. Demeter*, 155 Cal. App. 3d 465
12 (1984) (affirming a 12-times multiplier of counsel's hourly rate and expressly rejecting the argument
13 that the requested fee was exorbitant or unconscionable). Accordingly, the lodestar for Plaintiffs'
14 Counsel and the applicable multiplier reinforces the fairness of the requested fee award.

15 3. The Contingent Nature of the Representation

16 Courts have consistently recognized that the risk of receiving little or no recovery is a major
17 factor in considering an award of attorneys' fees. See *Goldberger v. Integrated Res., Inc.*, 209 F.3d 43,
18 54 (2d Cir. 2000) (the level of risk taken by plaintiff's counsel is "perhaps the foremost' factor" in
19 considering the appropriate percentage award) (citation omitted). This makes sense because in the legal
20 marketplace, an attorney who takes a case on contingency expects a higher fee than an attorney who is
21 paid as the case goes along, win or lose. See *Rader v. Thrasher*, 57 Cal. 2d 244, 253 (1962); *Salton Bay*
22 *Marina, Inc. v. Imperial Irrigation Dist.*, 172 Cal. App. 3d 914, 955 (1985) ("'riskiness,' difficulty or
23

24 ⁴ In *Laffitte*, the Court observed: "With regard to expenditure of judicial resources, we note that trial
25 courts conducting lodestar cross-checks have generally not been required to closely scrutinize each
26 claimed attorney-hour, but have instead used information on attorney time spent to 'focus on the general
27 question of whether the fee award appropriately reflects the degree of time and effort expended by the
28 attorneys.' . . . The trial court in the present case exercised its discretion in this manner, performing the
cross-check using counsel declarations summarizing overall time spent, rather than demanding and
scrutinizing daily time sheets in which the work performed was broken down by individual task." *Id.*
(citations omitted).

1 contingent nature of the litigation is a relevant factor in determining a reasonable attorney fee award”).

2 As the Court of Appeals explained in *Cazares v. Saenz*, 208 Cal. App. 3d 279 (1989):

3 In addition to compensation for the legal services rendered, there is the *raison*
4 *d’etre* for the contingent fee: the contingency. The lawyer on a contingent fee contract
5 receives nothing unless the plaintiff obtains a recovery. Thus, in theory, a contingent
6 fee in a case with a 50 percent chance of success should be twice the amount of a
7 noncontingent fee for the same case. . . .

8 Finally, even putting aside the contingent nature of the fee, the lawyer under
9 such an arrangement agrees to delay receiving his fee until the conclusion of the case,
10 which is often years in the future. The lawyer in effect finances the case for the client
11 during the pendency of the lawsuit. If a lawyer was forced to borrow against the legal
12 services already performed on a case which took five years to complete, the cost of such
13 a financing arrangement could be significant.

14 *Id.* at 288.

15 Here, Plaintiffs’ Counsel undertook this litigation on a contingent fee basis, assuming a
16 significant risk that the litigation would yield no recovery and leave them uncompensated. Unlike
17 counsel for Defendants, who are paid an hourly rate and paid for their expenses on a regular basis,
18 Plaintiffs’ Counsel have not been compensated for any time or expense since this case began in October
19 2012. Moreover, Plaintiffs’ Counsel faced significant risk of establishing both liability and damages.
20 As discussed above and detailed in the Joint Declaration, there was significant risk that Plaintiffs would
21 not be able to convince the trier of fact that the evidence demonstrated intentional and/or disloyal
22 misconduct by the Board, and any mistakes that were merely careless or a breach of the duty of care
23 could not support liability. There was also significant risk that even assuming that Plaintiffs were able
24 to demonstrate liability, Defendants would be able to convince the trier of fact that the Transaction price
25 was a fair price for Ceradyne and its shareholders, and the Class would end up with no damages or
26 recovery.

27 The contingent nature of counsel’s representation and the sizable financial risks borne by
28 Plaintiffs’ Counsel further support the percentage fee requested. It simply cannot be disputed that the
risk of no recovery in complex cases is very real. As the court in *In re Xcel Energy, Inc.* recognized,
“The risk of no recovery in complex cases of this sort is not merely hypothetical . . . [p]recedent is
replete with situations in which attorneys representing a class have devoted substantial resources in
terms of time and advanced costs yet have lost the case despite their advocacy.” 364 F. Supp. 2d 980,

994 (D. Minn. 2005). For example, in *In re Oracle Corp. Sec. Litig.*, No. C 01-00988 SI, 2009 U.S. Dist. LEXIS 50995 (N.D. Cal. June 16, 2009), *aff'd*, 627 F.3d 376 (9th Cir. 2010), a case that the Robbins Geller firm prosecuted, the court granted summary judgment to defendants after eight years of litigation, and after class counsel incurred over \$6 million in expenses, and worked over 100,000 hours, representing a lodestar of approximately \$40 million. Similarly, in a case against JDS Uniphase Corporation, after a lengthy trial involving securities claims, the jury reached a verdict in defendants' favor. See *In re JDS Uniphase Corp. Sec. Litig.*, No. C-02-1486 CW (EDL), 2007 WL 4788556 (N.D. Cal. Nov. 27, 2007).

Because the fee in this matter was entirely contingent, the only certainties were that there would be no fee without a successful result and that such a successful result would be realized only after considerable and difficult effort. Despite such risks, Plaintiffs' Counsel committed significant resources of both time and money to vigorously and successfully prosecute the Action for the Class' benefit.

C. Proposed Distribution of Attorneys' Fees

Pursuant to ¶7.3 of the Stipulation, Class Counsel are to allocate the fee and expense award amongst Plaintiffs' Counsel in a manner which they, in good faith, believe reflects the contributions of such counsel to the prosecution of the Action and the Settlement. Here, Class Counsel proposes that the fee and expense award be distributed as follows:⁵

Firm	Fees	Expenses	Fees Plus Expenses
Robbins Geller Rudman & Dowd LLP	\$2,082,262.20	\$151,204.34	\$2,233,466.54
Faruqi & Faruqi, LLP	\$745,800.00	\$21,365.97	\$767,165.97
Ryan & Maniskas, LLP	\$91,542.80	\$3,327.07	\$94,869.87
Monteverde & Associates PC	\$186,450.00	\$1,651.31	\$188,101.31
Cypen & Cypen	\$283,945.00	N/A	\$283,945.00

⁵ The totals in the following table reflect the attorneys' fees totaling 30% of Defendants' \$11,300,000 cash contribution to the Settlement Amount. The attorneys' fees from the accrued interest thereon shall be similarly split in the same proportionate manner.

1 **III. THE REQUESTED EXPENSES ARE REASONABLE, WERE NECESSARY**
2 **FOR PROSECUTING THE ACTION, AND SHOULD BE APPROVED**

3 Attorneys who create a common fund for the benefit of a class are entitled to payment from the
4 fund of reasonable litigation expenses because those who benefit from their effort should share in the
5 cost. *Laffitte App.*, 231 Cal. App. 4th at 871; *Rider v. Cty. of San Diego*, 11 Cal. App. 4th 1410, 1423
6 n.6 (1992). The relevant standard for awarding expenses is whether the costs are of the type typically
7 billed by attorneys to paying clients in the marketplace. *See Beasley v. Wells Fargo Bank*, 235 Cal.
8 App. 3d 1407, 1419 (1991); *Harris v. Marhoefer*, 24 F.3d 16, 19 (9th Cir. 1994).

9 Here, in order to aggressively and successfully litigate this Action, Plaintiffs' Counsel incurred
10 expense of \$177,548.69. These expenses include: (1) fees paid to outside expert consultants; (2) court
11 fees; (3) court reporter fees, videographer fees and transcripts; (4) necessary on-line research;
12 (5) transportation, hotels, and out-of-town meals associated with attending hearings, depositions and
13 client meetings; (6) database management charges; and (7) photocopying and telephone charges.⁶ The
14 expenses are reasonable in light of the work performed, the legal and factual issues presented, and the
15 vigorous defense.

16 Moreover, these expenses are the type that are normally charged to paying clients, and were
17 incurred in accordance with each firm's regular policies. They were entirely necessary for this Action,
18 and, given their reasonable amount when compared with the scale and duration of the Action, should be
19 paid in the amount requested. *See Missouri v. Jenkins*, 491 U.S. 274, 287 n.9 (1989) (expenses which
20 are billed in accordance with the "prevailing practice" are subject to reimbursement); *In re Am. Bus.*
21 *Fin. Servs. Noteholders Litig.*, No. 05-232, 2008 U.S. Dist. LEXIS 95437, at *53-*54 (E.D. Pa. Nov.
22 21, 2008) (approving expenses for "delivery and freight, class notice costs, duplication costs, online
23 legal research, travel, meals, experts, telephone, fax services, transcripts, postage, messenger, mediator,
24 filing and court fees, service fees, transportation and press releases" based on declarations of counsel).

25 ⁶ Declaration of Maxwell R. Huffman Filed on Behalf of Robbins Geller Rudman & Dowd LLP in
26 Support of Application for Award of Attorneys' Fees and Expenses, ¶6; Declaration of Nadeem Faruqi
27 Filed on Behalf of Faruqi & Faruqi, LLP in Support of Application for Award of Attorneys' Fees and
28 Expenses, ¶6; Declaration of David E. Bower Filed on Behalf of Monteverde & Associates PC in
Support of Application for Award of Attorneys' Fees and Expenses, ¶6; Declaration of Richard A.
Maniskas Filed on Behalf of Ryan & Maniskas, LLP in Support of Application for Award of Attorneys'
Fees and Expenses, ¶6.

1 **IV. THE REQUESTED SERVICE AWARDS ARE REASONABLE**

2 Service awards of \$5,000 each are requested for Plaintiffs and Class Representatives Adam
3 Golovoy, Parmanand Kumar, and City of Hialeah Employees' Retirement System for their time
4 incurred in ensuring that the Class was adequately represented in the Action. The purpose of service
5 awards is to "encourage participation of plaintiffs in the active supervision of their counsel." *Varljen v.*
6 *H.J. Meyers & Co.*, No. 97 CIV. 6742 (DLC), 2000 U.S. Dist. LEXIS 16205, at *14 n.2 (S.D.N.Y.
7 Nov. 8, 2000). Plaintiffs were extremely dedicated to the prosecution of this Action, which required
8 them to regularly confer with their counsel, review pleadings and motions, search for and/or collect
9 trading records and other responsive material related to Ceradyne as part of the discovery process,
10 prepare for and have their depositions taken by Defendants' counsel, and discuss and consider the
11 proposed Settlement.⁷ Approving service awards to Plaintiffs is warranted as a public policy
12 consideration and has ample precedent under the law. *See, e.g., Laffitte App.*, 231 Cal. App. 4th at 866
13 (approving up to \$80,000 service awards for named plaintiffs); *Williams, Inc. v. Kaiser Sand & Gravel*
14 *Co.*, No. C91 4028 MHP, 1995 U.S. Dist. LEXIS 14262, at *6-*7 (N.D. Cal. Sept. 19, 1995) (granting
15 \$10,000 incentive award to single plaintiff); *Xcel Energy*, 364 F. Supp. 2d at 1000 (\$100,000
16 collectively awarded to lead plaintiff group as reimbursement).

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26 ⁷ See Declaration of Plaintiff Adam Golovoy in Support of Motion for Final Approval of Class
27 Action Settlement; Declaration of Plaintiff Parmanand Kumar in Support of Motion for Final Approval
28 of Class Action Settlement; Declaration of Robert Williams, III in Support of Motion for Final
Approval of Class Action Settlement, submitted herewith.

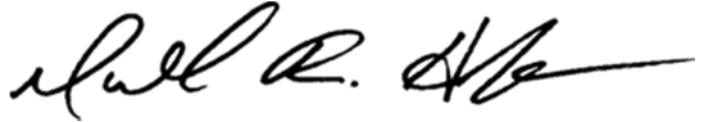
1 **V. CONCLUSION**

2 For the reasons set forth herein, in the Final Approval Memorandum, and in the Joint
3 Declaration, Plaintiffs' Counsel respectfully submit that the motion for an award of attorneys' fees and
4 expenses is fair, reasonable and appropriate, and should therefore be granted. Additionally, the
5 requested awards to Plaintiffs for their representation of the Class are fair and reasonable and should
6 also be approved.

7 DATED: February 15, 2018

Respectfully submitted,

8 ROBBINS GELLER RUDMAN
9 & DOWD LLP
10 RANDALL J. BARON
11 A. RICK ATWOOD, JR.
12 DAVID T. WISSBROECKER
13 MAXWELL R. HUFFMAN



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DECLARATION OF SERVICE BY MAIL

I, the undersigned, declare:

1. That declarant is and was, at all times herein mentioned, a citizen of the United States and a resident of the County of San Diego, over the age of 18 years, and not a party to or interested party in the within action; that declarant’s business address is 655 West Broadway, Suite 1900, San Diego, California 92101.

2. That on February 15, 2018, declarant served the PLAINTIFFS’ COUNSEL’S MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION FOR AN AWARD OF ATTORNEYS’ FEES AND EXPENSES by depositing a true copy thereof in a United States mailbox at San Diego, California in a sealed envelope with postage thereon fully prepaid and addressed to the parties listed on the attached Service List.

3. That there is a regular communication by mail between the place of mailing and the places so addressed.

I declare under penalty of perjury that the foregoing is true and correct. Executed on February 15, 2018, at San Diego, California.



JACLYN STARK

CERADYNE

Service List - 2/15/2018 (12-0157)

Page 1 of 1

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