

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

IN RE AUTOMOTIVE PARTS ANTITRUST
LITIGATION

In Re: AIR CONDITIONING SYSTEMS

THIS RELATES TO:
ALL DIRECT PURCHASER ACTIONS

CASE NO. 12-MD-02311
HON. MARIANNE O. BATTANI

2:13-cv-02701-MOB-MKM

ORDER

AND NOW, upon consideration of Direct Purchaser Plaintiffs' Motion for an Award of Attorneys' Fees and Litigation Expenses (the "Motion"), the Memorandum in support thereof, and the declarations and exhibits attached thereto, and following a hearing on the Motion, it is hereby ORDERED that the Motion is GRANTED:

1. The Court has considered the relevant case law and authority and finds that awards of attorneys' fees and reimbursement of litigation costs and expenses to the Direct Purchaser Plaintiffs and their counsel are appropriate under Fed. R. Civ. P. 23(h) and Fed. R. Civ. P. 54(d)(2).

2. The Court engages in a two-part analysis when assessing the reasonableness of a petition seeking an award of attorneys' fees. *In re Cardinal Health Inc. Sec. Litig.*, 528 F. Supp. 2d 752, 760 (S.D. Ohio 2007). The Court first determines the method of calculating the attorneys' fees: it applies either the percentage of the fund approach or the lodestar method. *Id.*; *Van Horn v. Nationwide Prop. and Cas. Inc. Co.*, 436 Fed. Appx. 496, 498 (6th Cir. 2011).

3. The Court has the discretion to select the appropriate method for calculating attorneys' fees "in light of the unique characteristics of class actions in general, and of the unique

circumstances of the actual cases before them.” *Rawlings v. Prudential-Bache Properties, Inc.*, 9 F.3d 513, 516 (6th Cir. 1993). In common fund cases, the award of attorneys’ fees need only “be reasonable under the circumstances.” *Id.* The Court has also analyzed and weighed the six factors described in *Ramey v. Cincinnati Enquirer, Inc.*, 508 F.2d 1188 (6th Cir. 1974).

4. The Court will award fees to Direct Purchaser Plaintiffs’ counsel using the percentage-of-the-fund approach. This method of awarding attorneys’ fees is preferred in this district because it eliminates disputes about the reasonableness of rates and hours, conserves judicial resources, and aligns the interests of class counsel and the class members. *Rawlings*, 9 F.3d at 515; *Shane Group, Inc. v. Blue Cross Blue Shield of Michigan*, No. 10-cv-14360, 2015 WL 1498888, at *15 (E.D. Mich. March 31, 2015); *In re Packaged Ice Antitrust Litig.*, 08-MDL-01952, 2011 WL 6209188, at *16 (E.D. Mich. Dec. 13, 2011); *In re Delphi Corp. Sec. Derivative & ERISA Litig.*, 248 F.R.D. 483, 502 (E.D. Mich. 2008); *Cardinal*, 528 F. Supp. 2d at 762 (the Sixth Circuit has “explicitly approved the percentage approach in common fund cases.”); *In re Skelaxin (Metaxalone) Antitrust Litig.*, 2014 WL 2946459, *1 (E.D. Tenn. Jun. 30, 2014). The total amount of the settlement funds before the Court is \$8,750,000.

5. The requirements of Fed. R. Civ. P. 23(h)(1) have been satisfied. Notice of the relief requested in the motion before the Court was mailed to 1,732 potential class members. In addition, a summary notice was published in *The Wall Street Journal* and *Automotive News*, and an Informational Press Release was also issued nationally through PR Newswire’s “Auto Wire.” Further, the notice is posted on the website dedicated to this litigation. There were no objections.

6. The Court grants the Direct Purchaser Plaintiffs’ request for reimbursement of litigation expenses in the amount of \$43,529.90.

7. Counsel for the Direct Purchaser Plaintiffs request a fee award of 30% of the settlement funds. The 30% is within the range of fee awards made by courts in this Circuit. *In re Prandin Direct Purchaser Antitrust Litig.*, 2015 WL 1396473 (E.D. Mich. Jan. 20, 2015) (awarding one-third of the fund); *In re Packaged Ice Antitrust Litig.*, 2011 WL 6209188, at *19; *Skelaxin*, 2014 WL 2946459, at *1; *In re Southeastern Milk Antitrust Litig.*, 2013 WL 2155387, at *8 (E.D. Tenn. May 17, 2013); *Thacker v. Chesapeake Appalachia, L.L.C.*, 695 F. Supp. 2d, 521, 528 (E.D. Ky. 2010); *Bessey v. Packer and Plainwell, Inc.*, No. 4:06-CV-95, 2007 WL 3173972, at *4 (W.D. Mich. 2007); *Delphi*, 248 F.R.D. at 502-03; *In re National Century Financial Enterprises, Inc. Investment Litig.*, 2009 WL 1473975 (S.D. Ohio May 27, 2009); *Kogan v. AIMCO Fox Chase, L.P.*, 193 F.R.D. 496, 503 (E.D. Mich. 2000).

8. The Court has considered the six *Ramey* factors in weighing a fee award to counsel for the Direct Purchaser Plaintiff: (1) the value of the benefits rendered to the class; (2) society's stake in rewarding attorneys who produce such benefits in order to maintain an incentive to others; (3) whether the services were undertaken on a contingent fee basis; (4) the value of the services on an hourly basis [the lodestar cross-check]; (5) the complexity of the litigation; and (6) the professional skill and standing of counsel on both sides. 508 F.2d at 1194-97.

9. The settlement funds total \$8,750,000. The settlement in the Direct Purchaser Air Conditioning Systems case confers a substantial cash benefit on the members of the Settlement Class and the value of the settlement is immediate and readily quantifiable.

10. Direct Purchaser Plaintiffs' Counsel vigorously and effectively pursued the Direct Purchasers' claims. These efforts included factual investigation, drafting complaints, reviewing and analyzing documents, obtaining information about the claims from the settling Defendant and

another Defendant, negotiating the terms of the settlement, and preparing the settlement documents.

11. The settlement amount constitutes a “common fund.” It has long been recognized that attorneys who recover a common fund for others are entitled to reasonable attorneys’ fees from that fund.

12. The results achieved provide a clear benefit to the Settlement Classes: an immediate and certain payment of \$8,750,000 plus accrued interest, less attorneys’ fees, litigation costs and expenses, and notice and claims administration costs.

13. Direct Purchaser Plaintiffs’ Counsel are operating on a contingency basis and bore a significant risk of non-payment in pursuing these claims.

14. Antitrust actions are inherently complex. The legal and factual issues are complicated and highly uncertain in outcome. This case is no exception.

15. In the absence of this settlement, Direct Purchaser Plaintiffs would have been facing continued litigation against all Defendants. Under the settlement, the Valeo Defendants have agreed to cooperate with Direct Purchaser Plaintiffs’ Counsel in connection with the continuing litigation against the non-settling Defendants.

16. As the Court has previously found, Interim Lead and Liaison Counsel are qualified to litigate class action antitrust claims, and they have performed their duties skillfully.

17. The reaction of the class members was favorable. The Settlement Class is composed of sophisticated direct purchasers of Air Conditioning Systems, including parts suppliers, and manufacturers of motor vehicles. The absence of objections is an indication that an attorneys’ fee of 30% is reasonable.

18. As of June 30, 2018, Direct Purchaser Plaintiff's Counsel had devoted \$1,810,061.25 in professional time at their historical billing rates to pursuing this case for the Direct Purchasers.

19. The Court finds that Direct Purchaser Plaintiff's Counsel performed their tasks diligently, efficiently, and reasonably, and that their billing rates and lodestar are appropriate.

20. The Court conducted a lodestar "cross-check" with respect to the attorneys' fee award. The fee requested represents a multiplier of approximately 1.44 on the lodestar. The Court finds that a 1.44 multiplier is further evidence of the reasonableness of the fee request. *See Cardinal*, 528 F. Supp. 2d at 767-68 (approving multiplier of 6 and observing that "[m]ost courts agree that the typical lodestar multiplier" in a large class action "ranges from 1.3 to 4.5.")

21. After considering the appropriate factors, the Court finds that attorneys' fees of 30% are reasonable. However, the Court finds it is appropriate to deduct litigation costs and expenses before applying the 30% to the remainder of the settlement funds. The Court therefore awards attorneys' fees to counsel for the Direct Purchaser Plaintiffs in the amount of 30% of the settlement funds after costs and expenses are deducted. Specifically, the Court awards a fee of \$2,611,941.03, which is 30% of the \$8,750,000 settlement funds after deducting the Court's award of reimbursement of costs and expenses of \$43,529.90.

IT IS SO ORDERED.

Date: October 18, 2018

s/Marianne O. Battani
MARIANNE O. BATTANI
United States District Judge