

**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

Craftwood Lumber Company, on behalf of
itself and all others similarly situated,

Plaintiff,

v.

Senco Brands, Inc.,

Defendant.

Case No. 1:14-cv-06866

Hon. John Robert Blakey

**Declaration of C. Darryl Cordero in Support of Motion for Final Approval and Motion for
Award of Attorneys' Fees and Reimbursement of Expenses**

I, C. Darryl Cordero, declare:

1. I am an attorney with the law firm of Payne & Fears LLP, and am lead counsel for Plaintiff Craftwood Lumber Company and the preliminarily certified settlement class in this action. Since 1983 I have been an attorney admitted to practice within the state of California, and since 2011 have been admitted to the general bar of this Court. I am also admitted to practice before the United States Supreme Court, the United States Court of Appeals for the Second Circuit, the United States Court of Appeals for the Ninth Circuit, the United States District Court for the Eastern District of Wisconsin, and all federal district courts within the state of California. I have personal knowledge of the following facts, and would and could competently testify thereto if called as a witness in this action.

My Experience and Background

2. I have been in the private practice of law for over 33 years. After graduating from Harvard Law School in 1981, I served as law clerk to the Hon. Harry Lee Hudspeth, United States District Judge for the Western District of Texas, between 1981 and 1982. After completing my clerkship I was admitted to practice in California in 1983.

3. I am a business litigator. My practice concentrates on complex, high-stakes litigation, and is national in scope. I have represented clients in litigated matters in California, Florida, Illinois, Missouri, New Mexico, New York, New Jersey, and Wisconsin. I also have represented clients in connection with legal disputes in courts outside the United States. These matters have included antitrust, RICO, complex contract disputes, complex insurance disputes of all types (insurance coverage, insurance program disputes, reinsurance, reinsurance brokerage, and managing general agent issues), business torts and Medicaid reimbursement. Over the past ten years about two-thirds of my practice has been in federal court and one-third in state court.

4. I have extensive experience prosecuting class actions, including class actions for violations of the Telephone Consumer Protection Act. Since 2006 I have served as lead counsel in at least 20 TCPA class cases, including this one. All cases have involved the facsimile transmission of material that my clients contended violated the TCPA. The following are some of the recent TCPA cases I have prosecuted as lead counsel:

a. Between 2011 and 2015 I prosecuted TCPA claims against Interline Brands in the United States District Court for the Northern District of Illinois. (*Craftwood*

Lumber Co. v. Interline Brands, Inc., No. 11 CV 4462.) In March 2015, the Hon. Amy J. St. Eve approved a \$40 million class settlement I had negotiated with co-counsel. I believe based on my experience prosecuting TCPA cases that Interline Brands was the largest recovery for junk fax violations of the act in the 25-year history of the law. (The TCPA was enacted in 1991.)

b. Last month I negotiated a comprehensive settlement of the RehabCare junk fax litigation pending in the Eastern District of California. (*R. Fellen, Inc. v. RehabCare Group, et al.*, No. 1:14-cv-02081-DAD-BAM.) Under the proposed settlement, the defendants will pay \$25 million to a class of about 12,800 fax recipients between 2010 and 2014. The settlement, which followed two years of litigation, is set for preliminary approval hearing before the Hon. Dale A. Drozd on April 18, 2017. I believe based on my experience prosecuting TCPA cases that if approved, this would be the third-largest recovery for junk fax violations of the act.

5. I have also prosecuted other class cases far outside the TCPA realm. In the late 1980s I represented a class of California hospitals that challenged Medi-Cal reimbursement practices of the State Department of Health Services (*Goleta Valley Comm. Hosp., et al., v. State Dep't of Health Services*). In that case, I obtained substantial relief for the class following a favorable summary judgment ruling by Judge Richard A. Gadbois of the Central District of California.

6. Between 1994 and 2001 I was lead counsel for a class of over 600 California hospitals in the United States District Court for the Eastern District of California (*Loma Linda Univ. Med. Ctr., et al. v. Farmers Group, Inc., et al.*). The hospitals challenged Farmers Group's accountings for a California hospital self-insurance program in which, the hospitals contended,

Farmers had improperly retained program surplus. In September 2000, following a phase I trial and arbitration hearing, Chief Judge William B. Schubb approved a \$51 million common-fund recovery I had negotiated for the hospital class.

7. Since 2002 I have been a non-equity partner with Payne & Fears LLP. Payne & Fears is a business-oriented firm of about 50 lawyers. The firm has four California offices (Los Angeles, Irvine, San Francisco, and Silicon Valley) and additional offices in Las Vegas, Phoenix, and Salt Lake City. The firm specializes in labor and employment consulting and litigation, business litigation, and insurance litigation. The vast majority of the firm's work is performed under standard hourly billing arrangements; contingency matters like this case are very much the exception to the rule. A true and correct copy of a firm summary is attached hereto as Exhibit A.

The Proposed Class Settlement

8. I have served as lead counsel for Craftwood Lumber Company in this case for the past three and a half years. As the Court knows, this case concerns more than 28,000 fax transmissions by Defendant Senco Brands, Inc., of promotional material. In December 2016, following several months of negotiation through an outside mediator, Craftwood and SBI entered into a proposed class settlement agreement. (I was principal negotiator for Craftwood and the settlement class.) The settlement establishes a \$3 million, non-reversionary settlement fund for the class of SBI fax ad recipients (as more particularly defined in the settlement).

9. I strongly recommend that the Court give final approval to the proposed settlement. As I recounted in my declaration submitted in support of preliminary approval (D.E. 146-2), our firm prosecuted this case diligently for over two years. We conducted extensive

written discovery of SBI and its fax-broadcasting operations and defenses to the underlying TCPA claims. We deposed, in many cases multiple times, current and former SBI employees. And we consulted with Robert Biggerstaff, a noted expert in fax transmission databases, to identify the number of successful transmission of faxes and the fax telephone numbers to which they were sent.

10. The Court will also recall the numerous motions and disputes between the parties, many of which required extensive briefing. On behalf of Craftwood Lumber Company, we opposed two SBI motions to stay the case (D.E. 35, D.E. 55), filed several motions to compel discovery from SBI, and filed a comprehensive amended motion for class certification.¹ At the time of settlement, we were preparing to oppose a renewed summary judgment motion by SBI (D.E. 132), and an SBI motion to dismiss for alleged lack of standing and mootness (D.E. 134). Both motions were filed in late September 2016.

11. In my opinion, the proposed settlement provides substantial benefit to class members. The settlement is unusual among consumer cases, and TCPA cases in particular, by providing automatic distribution of settlement funds to all class members. In my experience handling TCPA junk fax claims over a decade, the vast majority of such settlements require class members to complete and submit claim forms within a fixed time-frame in order to receive payment. In this case, the average class member will receive \$800 or \$104 per successful fax transmission, on a gross basis, before fees, expenses and any incentive award. In my opinion this

¹ On September 5, 2014, concurrently with the filing of the complaint, we filed a class certification motion (D.E. 3) in an attempt to protect against an SBI pick-off settlement offer, as then afforded by Seventh Circuit precedent. *See Damasco v. Clearwire Corp.*, 662 F.3d 891, 895 (7th Cir. 2011), *overruled on other grounds in Chapman v. First Index, Inc.*, 796 F.3d 783 (7th Cir. 2015).

compares extremely favorably to other TCPA class settlements, even those in which “average” recovery statistics are bolstered by a claims-filing requirement.

12. The proposed settlement also avoid significant risks that class members would recover nothing if the case were litigated further. At the time of settlement, Craftwood’s amended motion for class certification was pending. (D.E. 109, filed July 1, 2016.) The Seventh Circuit has opined that class certification in TCPA junk fax cases is the “norm.”² I was optimistic that there were no circumstances that would take this case outside the norm, and that the motion would be granted. Yet nothing can be taken for granted in a rule 23 class certification inquiry. Courts often deny certification in consumer cases, and in TCPA junk fax cases in particular.

13. Also pending at the time was SBI’s renewed motion for summary judgment (D.E. 132). In brief, SBI sought summary judgment on the asserted ground that Craftwood had provided prior express permission to “Senco” (by which it meant Senco *Products*, Inc.), and that SBI acquired this alleged “permission” when it purchased the assets of Senco Products out of bankruptcy. (*See* D.E. 132-2, pp. 19-29.) SBI also argued that it had no liability for failing to include opt-out notices in its faxes to Craftwood because it had sought and obtained a retroactive waiver from the FCC of the regulation (47 C.F.R. § 64.1200(a)(3)(iv)) requiring opt-out notices in solicited faxes. (*Id.* p. 24.)

² *Ira Holtzman, C.P.A. & Assocs., Ltd v. Turza*, 728 F.3d 682, 684 (7th Cir. 2013).

14. Although I believed Craftwood could successfully oppose SBI's motion, there was risk that SBI would prevail. At the time, SBI had received a retroactive waiver from the FCC of the regulation requiring opt-out notices on solicited faxes.³ The PEP argument rested entirely on alleged permission Craftwood had given Senco Products to receive fax advertisements.⁴ In my opinion the evidence did not support this contention, and instead supported the position that Craftwood had *not* consented to receive fax advertisements from Senco Products. I also believed the evidence would establish that alleged PEP from customers and others was not among the assets SBI had acquired from Senco Products in the Asset Purchase Agreement executed in the bankruptcy proceeding.⁵ And in our opposition to the motion, we would have argued that PEP is not transferable to another entity as a matter of law. Nevertheless, there was a risk that the Court could see these issues differently and that SBI could prevail on its motion.

15. Also pending at the time of settlement was SBI's motion to dismiss. SBI advanced two primary arguments for dismissal. First, SBI argued that its faxes did not cause injury to Craftwood, and Craftwood therefore lacked standing under *Spokeo, Inc. v. Robins*, 136

³ Last Friday the District of Columbia Circuit held that the FCC exceeded its statutory authority under the TCPA in issuing the regulation in the first place. *See Bais Yaakov of Spring Valley v. Federal Commc'ns Comm'n*, No. 14-1234, 2017 WL 1192909 (D.C. Cir. Mar. 31, 2017).

⁴ To the best of my knowledge, SBI never contended that it had directly received permission to send fax advertisements to Craftwood. Rather, the PEP contention always rested on the allegation that Craftwood had given permission to Senco Products, and that the alleged "permission" was acquired by Senco Brands in the bankruptcy sale.

⁵ The APA excluded from the sale any "contract" that was not expressly identified in the agreement. (*See* D.E. 107-5, p. 67.) A "contract" was broadly defined to include any "agreement" or "understanding" to which Senco Products was a party. (*Id.*, p. 55.) Alleged permission to send fax advertisements was not among the "agreements" identified in the APA. (*Id.* pp. 70-76.)

S. Ct. 1540 (2016), *as revised* (May 24, 2016). Second, SBI contended that it had successfully mooted Craftwood's individual claims by serving successive Rule 68 offers and proposing to tender funds in accordance with Rule 67. (D.E. 134.)

16. In my opinion SBI was unlikely to prevail on the motion to dismiss. The Sixth⁶ and Eleventh⁷ Circuits have held that junk fax recipients have standing to assert claims under Article III because they suffer concrete and particularized injuries. And as Judge Durkin stressed last month, "all of the District Courts within this circuit that have considered it have held that a violation of the TCPA gives rise to a concrete injury under Article III."⁸ Although I was confident the Court would not rule otherwise in our case, I can't discount the possibility that SBI could have persuaded the Court to follow other district courts that have held junk fax recipients lack Article III standing.⁹

17. I also believed that SBI would not prevail in its case-long effort to "moot" Craftwood's claims through repeated pick-off attempts. I believe the Court would have followed *Campbell-Ewald's* directive that "a would-be class representative with a live claim of her own must be accorded a fair opportunity to show that [class] certification is warranted."¹⁰ Yet the Supreme Court also left for another day the "hypothetical" issue whether a defendant could

⁶ *Imhoff Inv., L.L.C. v. Alfocchino, Inc.*, 792 F.3d 627, 633 (6th Cir. 2015).

⁷ *Palm Beach Golf Ctr.-Boca, Inc. v. John G. Sarris, D.D.S., P.A.*, 781 F.3d 1245, 1251 (11th Cir. 2015).

⁸ *Heather McCombs, D.P.M., L.L.C. v. Cayan LLC*, No. 15 C 10843, 2017 WL 1022013, at *4 (N.D. Ill. Mar. 16, 2017).

⁹ *E.g., ARcare v. Qiagen N. Am. Holdings, Inc.*, No. CV-16-7638PA, 2017 WL 449173 (C.D. Cal. Jan. 19, 2017); *St. Louis Heart Ctr., Inc. v. Nomax, Inc.*, No. 4:15-cv-517RLW, 2017 WL 1064669 (E.D. Mo. Mar. 20, 2017).

¹⁰ *Campbell-Ewald Co. v. Garcia*, 136 S. Ct. 663, 672 (2016).

eliminate Article III jurisdiction by depositing the full amount of the plaintiff's individual claim in an account payable to the plaintiff, followed by entry of judgment for the plaintiff in that amount.¹¹ After Campbell-Ewald, several courts have expressly held that the "hypothetical" pick-off tactic does not defeat federal jurisdiction.¹² But other courts have ruled the opposite way.¹³ As with the Article III standing issue, a favorable outcome from Craftwood's perspective was far from certain, and there was a chance SBI could prevail.

18. In my opinion, the settlement affords excellent benefits to the entire class of SBI fax recipients, and continued litigation in an effort to enhance those benefits was not justified due to several risks that would preclude any class recovery.

The Motion to Recover Attorneys' Fees and Costs

19. In the motion for an award of reasonable attorneys' fees and expenses, we have asked the Court to evaluate the requested fees using the percentage-of-the-fund method. Nevertheless, I am providing "lodestar" data for work by Payne & Fears LLP attorneys and paralegals in case the Court wishes to cross-check the percentage recovery against the collective lodestar of all attorneys on the case.

¹¹ *Id.* at 672.

¹² *Chen v. Allstate Ins. Co.*, 819 F.3d 1136, 1146 (9th Cir. 2016); *Bais Yaakov of Spring Valley v. Graduation Source, LLC*, 2016 WL 872914, at *1 (S.D.N.Y. Mar. 7, 2016).

¹³ *South Orange Chiropractic Ctr., LLC v. Cayan LLC*, No. 15-13069, 2016 WL 1441791, at *5 (D. Mass. Apr. 12, 2016); *Price v. Berman's Auto., Inc.*, No. 14-763, 2016 WL 1089417, at *3 (D. Md. Mar. 21, 2016).

20. Through March 31, 2017, attorneys and paralegals at Payne & Fears LLP have devoted 2,165 professional hours working on this litigation. My personal work accounts for about one-third of this time—709.9 hours. Calculated at Payne & Fears's hourly rates for national, complex litigation of this type, the dollar equivalent of this time is \$1,180,610. A summary schedule of hours worked by P&F firm personnel (as of March 31, 2017) is attached as Exhibit B.

21. All hours I expended, and those expended by other attorneys working with me and under my direction, were in my judgment reasonably expended in connection with the prosecution of this case. Among other things, I and other Payne & Fears attorneys took the following steps to prosecute the case:

a. We opposed two SBI motions to stay the action. The first motion, filed in December 2014, was granted over Craftwood's opposition. (In August 2015 the Court vacated the stay and permitted active litigation to proceed. *See* D.E. 53.) The second motion, filed in September 2016, was denied by the Court. (*See* D.E. 71.)

b. We filed and prosecuted several motions to compel SBI to comply with written discovery, including interrogatories and rule 34 requests.

c. We moved to compel deposition testimony from SBI after SBI, in response to Craftwood's rule 30(b)(6) deposition notice, produced witnesses that were not prepared to testify on subjects set forth in the notice. (D.E. 89.) The Court granted the motion and ordered SBI to produce knowledgeable witnesses in Los Angeles. (D.E. 91.)

d. We took depositions of five current and former employees of SBI—Lynn Broderick (Florence, KY, Mar. 16, 2016); Mike Britton (Florence, KY, Mar. 16, 2016, and Los Angeles, June 14, 2016); Bill England (Florence, KY, Mar. 17, 2016, and Los Angeles, June 14, 2016); Clifford Mentrup (Los Angeles, June 15, 2016); and Brian Holland (Los Angeles, August 12, 2016).

e. I attended and defended depositions noticed by SBI of Craftwood Lumber Company (David Brunjes, witness, Aug. 24, 2016) and former Craftwood employee Scott Masheris (Aug. 11, 2016). Both depositions took place in Deerfield.

f. I attended the full-day mediation in Santa Monica, California, on April 6, 2016, and had numerous follow-up calls with mediator Bruce Friedman over the course of the succeeding months, ultimately leading to settlement. Before and after the mediation, I had several in-person and telephone discussions with SBI lead attorney Ana Tagvoryan concerning potential settlement.

g. I negotiated all material terms of settlement term sheet with Ms. Tagvoryan. As part of this work, I drafted the settlement term sheet (D.E. 141-1) and the Class Action Settlement Agreement (D.E. 145).

h. Throughout the case I had regular communications with Craftwood president David Brunjes concerning case developments, strategy, and settlement initiatives.

i. P&F's Scott Luskin and I prepared the motion for preliminary approval of

settlement and all supporting papers (D.E. 146, D.E. 147, D.E. 148).

j. In the course of this litigation, P&F attorneys attended 13 status hearings in this Court. I attended status hearings on Dec. 9, 2014, Dec. 19, 2014, Aug. 3, 2015, Oct. 1, 2015, Nov. 4, 2015, Nov. 18, 2015, Dec. 17, 2015, May 24, 2016, July 7, 2016, July 21, 2016 (telephonic appearance), Aug. 23, 2016, and Dec. 14, 2016. My colleague Scott Luskin attended the Sept. 21, 2016, status hearing.

Fee Allocations Under Co-Counsel Agreements

22. Before this litigation commenced, Payne & Fears and my professional corporation (C. Darryl Cordero, Inc.) entered into written co-counsel agreements with Class Counsel (Guin, Stokes & Evans, LLC, and Frank Owen), and Scott Zimmermann. In October 2013, Payne & Fears LLP, my professional corporation, Frank Owen and Scott Zimmermann entered into a Co-Counsel Agreement with regard to proposed litigation against Senco Brands, Inc. Around the same time, Payne & Fears, my professional corporation, Guin, Stokes & Evans, LLC, and Scott Zimmermann entered into a Co-Counsel Agreement, also with regard to the proposed litigation. Both agreements were approved by Craftwood president David Brunjes.

23. Scott Zimmermann withdrew from the case one year ago (*see* D.E. 81) and is not Class Counsel. Nevertheless, he has requested compensation for working on the case until withdrawal under formulas set forth in the co-counsel agreements. Payne & Fears and I do not oppose this request, understanding of course that all attorneys' fees in this case are ultimately subject to the Court's approval.

24. The agreements generally call for any attorneys' fees recovery in this case to be allocated based on the parties' relative shares of "Total Lodestar": (1) all hours worked on the Case,¹⁴ (2) times stated hourly rates. The hourly rates are calculated at the Payne & Fears's national rate in effect at the time the work is performed. This includes time of Scott Zimmermann, who has told me that he doesn't have an effective hourly rate but is assigned my hourly rate for purposes of determining his lodestar.

25. The allocation to Frank Owen, however, is not based on the hours he works on the case. Under the Co-Counsel Agreement among Payne & Fears, Mr. Owen, and Scott Zimmermann, Mr. Owen is accorded a "Client Maintenance Fee" equal to 10 percent of any attorneys' fee recovery, regardless of his percentage of total lodestar.

26. The agreements call for the allocation to be made based on lodestar percentages at the time fees are paid. Nevertheless, because the vast majority of work in the case has already been performed and to give the Court a general idea of the indicated distributions, I prepared interim accountings under the agreements. Under the Co-Counsel Agreement among Payne & Fears, GSE, and Scott Zimmermann, GSE is allocated its relative share of lodestar with respect to 80 percent of the gross attorneys' fees. Through March 31, 2017, the total lodestars of the four firms (P&F, Owen, GSE, and Zimmermann), calculated at rates set forth in the agreements, was 1,261,744.75.¹⁵ GSE accounted for \$32,007, or 2.536725 percent of this amount. GSE's

¹⁴ The agreement among P&F, Zimmermann and Owen defines "Total Lodestar" as "the sum of all hourly charges on the Case by all attorneys and paralegals."

¹⁵ I obtained these figures from "invoices" and time reports by each firm. For Scott Zimmermann, an invoice dated June 2, 2016, reports that he spent 153.9 hours on the case. For GSE, an invoice dated February 28, 2017, shows that Mr. Watkins spent 43.9 hours on the case, and Mr. Watkins (footnote continued)

indicated share of fees, assuming the Court grants the motion for fees in the one-third amount requested, is therefore \$19,955.52. A true and correct copy of the interim accounting I prepared for calculating GSE's fee allocation is attached hereto as Exhibit C.

27. Under the Co-Counsel Agreement among P&F, Owen and Zimmermann, Owen automatically receives 10 percent of the total fee, as mentioned above. The net fee remaining *after* payments to Owen and GSE is then allocated between P&F and Zimmermann based on the two firms' relative lodestars. Through March 31, 2017, the P&F lodestar was \$1,101,138.75 and the Zimmermann lodestar was \$104,244.50, for a total of \$1,205,383.25. Again assuming total fees are awarded in the amount requested, P&F would be entitled to 91.351755 percent of the net fees, or \$790,223.01, and Mr. Zimmermann would be entitled to 8.648245 percent of the net fees, or \$74,811.14. A true and correct copy of the interim accounting I prepared for the P&F, Owen and Zimmermann fee allocations is attached hereto as Exhibit D.

Costs

28. My firm incurred costs to prosecute this case in the amount of \$52,750, which are reflected in the table below. These costs were contemporaneously recorded in the firm's billing system on an ongoing basis. With the exception a few small charges (e.g., in-house

informed me on April 3 that he worked an additional two hours in March 2017. For Frank Owen, an invoice dated January 30, 2017, shows that he spent 34.3 hours on the case. And for P&F, a report prepared by the firm's accounting department and provided to me by firm CFO Peter Hernandez on April 3 shows firm attorneys and paralegals spent 2,165 hours on the case, with a lodestar equivalent of \$1,180,610. I have reviewed this report, which is an update of firm pro-forma billings through Feb. 28, 2017. Before submitting final proposed allocations to the Court at the final approval hearing, I will conduct my standard review of all time entries by firm attorneys and paralegals.

photocopies), all costs reflect amounts the firm was charged by an outside vendor or other third party (expert consultant, airline, courier, express mail, etc.).¹⁶ The firm regularly charges such costs to other clients, and our hourly rates reflect an expectation of their recoupment. I believe that the costs were necessary and appropriate to properly represent Craftwood and the settlement class. They include:

Item	Amount
Delivery Services	\$2,673.47
Deposition Transcripts	\$4,546.30
Experts	\$13,110.00
Hearing Transcripts	\$174.90
Mediator Charges	\$3,562.50
Notary	\$16.66
Filing Fees and Court Costs	\$218.00
Outside Counsel	\$1,250.00
Photocopies (in-house)	\$774.00
Photocopies (outside)	\$1,305.90
Postage	\$94.81
Private Investigator	\$41.42
Telephone	\$15.33
Travel Expenses	\$24,966.99
Total	\$52,750.28

29. I would like to provide some further explanation for the more significant expenses.

a. **Mediation charges (\$3,562.50).** As noted in our final approval brief, the case eventually settled with the assistance of Bruce Friedman, a JAMS mediator. Payne & Fears paid mediator charges of \$3,562.50 to JAMS.

¹⁶ Consistent with Seventh Circuit precedent, no charges for computerized legal research or Pacer charges are included in this total.

b. ***Experts and Consultants (\$13,110)***. As discussed in the motion for preliminary approval, we retained Robert Biggerstaff to prepare a Master Facsimile Transmission Record based on SBI's fax transmission records and related data. Payne & Fears has agreed to pay Mr. Biggerstaff \$9,000 for his services. We have also consulted with Richard Sherwin, a corporate finance expert, concerning SBI's financial condition. Payne & Fears paid Mr. Sherwin a total of \$4,110.

c. ***Deposition transcripts (\$4,546.30)***. These are court-reporter and transcript charges for the five depositions of current and former SBI employees, and transcripts of the depositions of Craftwood (David Brunjes) and Scott Masheris, a third party witness. My firm paid court \$4,546.30 for reporter and transcript charges for all depositions.

d. ***Travel expenses (\$24,966.99)***. I took 12 out of town trips in connection with the case, including 11 court hearings. In several cases, I had court appearances or business in other cases, in which case I would allocate the travel expenses between the two matters. In other cases I combined business on this case with a court appearance, such as the Craftwood deposition on Aug. 24, 2016, immediately following the status hearing the prior day. This category also includes my travel to northern Kentucky in March 2016 to take depositions of SBI and several SBI employees. The total P&F travel expenses break down as follows: airfare (\$10,277.44); ground transportation (\$1,986.33); parking (\$165); internet access (\$127.35); lodging (\$6,126.08); meals (\$2,655.99); and tips (\$30). Among other things, this expense includes the cost of Scott Luskin's travel to Florence, KY, in June 2016 to take the deposition of former SBI employee Brian Holland under subpoena (\$1,850). (As the Court may recall, Mr. Holland failed to appear for his deposition and the deposition later took place in Los Angeles.)

This category also includes \$3,599 for travel expenses incurred by Craftwood's President, David Brunjes, relating to his attendance at the April 2016 mediation, and July 2015 mediation (which SBI cancelled at the last minute).

e. ***Delivery services (\$2,636.14)***. These are predominately Federal Express charges. It also includes some local delivery charges.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed this fifth day of April 2017 at Los Angeles, California.

/s/ C. Darryl Cordero
C. Darryl Cordero

CERTIFICATE OF SERVICE

The undersigned, an attorney, states that on this fifth day of April, 2017, he caused the foregoing **Declaration of C. Darryl Cordero in Support of Motion for Final Approval and Motion for Award of Attorneys' Fees and Reimbursement of Expenses** to be filed electronically with the Clerk of Court using the CM/ECF system, and which will send electronic notification to the following:

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/s/ C. Darryl Cordero

C. Darryl Cordero

Exhibit A

PAYNE & FEARS

Payne & Fears LLP was founded in 1992 in Orange County with only two lawyers, James L. Payne and Daniel F. Fears. Now with seven offices (Los Angeles, Orange County, San Francisco, Silicon Valley, Las Vegas, Phoenix and Salt Lake City) and more than 50 highly skilled lawyers, Payne & Fears has developed a reputation that is consistent with its founding principles of delivering outstanding legal services in a cost-efficient, flexible and client-friendly manner.

Our reputation for excellence, personalized service and efficiency began with our representation of employers in labor and employment matters. That reputation has grown to include business litigation and transactions and insurance coverage. Our three core practices comprise the following areas of expertise:

Employment Law:

- Employment Litigation & Arbitration
- Class and Collective Action Litigation
- Trade Secret & Unfair Competition
- Labor-Management Relations and Collective Bargaining
- Employment Training, Practices & Procedures

Business Law:

- Business Litigation
- Construction Litigation
- Financial Institutions Litigation
- Intellectual Property
- Unfair Business Practices
- Real Estate
- Appellate Law
- Business Transactions

Insurance Coverage:

- Intellectual Property/ Business Torts
- Business Interruption Claims
- Construction Defects
- First Party Property Damage
- Professional Liability
- Employment Practices Liability

Some of the largest companies in the world, as well as smaller, emerging companies and nonprofit organizations choose Payne & Fears to represent them for their most pressing legal matters. Whether advising our clients how to avoid legal problems or representing them in cases with millions of dollars at stake, our clients know that Payne & Fears consistently delivers the results they want.

At Payne & Fears we take our work seriously, but try not to take ourselves too seriously. Our clients enjoy our unintentionally ominous name. And we confess that sometimes we smile (just a little) when opponents say we live up to it.

Exhibit B

Attorney (Position)	Years of Experience	Hours	Hourly Rate	Total
Daniel F. Fears (Founder & Managing Partner)	33	0.70	\$760	\$532
C. Darryl Cordero (Partner)	35	709.90	\$775	\$550,173
Sean A. O'Brien (Partner)	30	113.05	\$585	\$66,134
Daniel F. Lula (Partner)	16	85.90	\$595	\$51,111
Eric M. Kennedy (Partner)	13	21.90	\$590	\$12,921
Scott O. Luskin (Partner)	12	594.10	\$470	\$279,227
Matthew K. Brown (Partner)	12	68.00	\$470	\$31,960
Matsuishi, Robert T. (Associate)	9	1.20	\$460	\$552
Philip K. Lem (Associate)	8	175.10	\$445	\$77,920
Jonathan W. Black (Associate)	6	26.60	\$395	\$10,507
Leilani L. Jones (Associate)	3	181.20	\$320	\$57,984
Blake A. Dillion (Associate)	2	1.00	\$305	\$305
Jenna M. Wysong (Associate)	2	13.20	\$305	\$4,026
Paralegals	N/A	173.30	\$215	\$37,260
Payne & Fears Sub Total		2,165.15		\$1,180,610

Exhibit C

**GUIN, STOKES & EVANS SENCO BRANDS ACCOUNTING
(INTERIM AS OF MAR. 31, 2017)**

Net Attorneys' Fees

a. Gross attorneys' fees recovery	983,333.00
b. Paragraph 5(b) adjustment	(196,666.64)
c. Net Attorneys' Fees	786,666.36

Total Lodestar ¹	
P&F	1,101,138.75
Zimmermann (153.9 hrs.)	104,244.50
GSE	32,007.00
Owen	24,354.50
Total	1,261,744.75

GSE Fee

a. Net Attorneys' Fees	786,666.36
b. GSE percentage of total lodestar	.02536725
c. GSE Attorneys' Fees	19,955.52

¹ All lodestar figures are calculated at P&F national rates, per the co-counsel agreement.

Exhibit D

**PAYNE & FEARS/ZIMMERMANN/OWEN SENCO BRANDS
ACCOUNTING (INTERIM AS OF MAR. 31, 2017)**

Fee Recovery

Gross Fee Recovery	983,333.00
Less: Guin, Stokes & Evans Fees	(19,955.52)
Less: Owen Fees	(98,333.33)
Total Net Recovery to Payne & Fears/Zimmermann	865,044.15

Fee Percentages¹

Payne & Fears Percentage of Net Fee Recovery	91.351755%
Fee Split	790,233.01
Zimmermann Percentage of Net Fee Recovery	8.648245%
Fee Split	74,811.14

¹ The Payne & Fears (P&F) and Zimmermann combined lodestar is \$1,205,383.25, as adjusted.