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15 **UNITED STATES DISTRICT COURT**
16 **NORTHERN DISTRICT OF CALIFORNIA**
17 **SAN FRANCISCO DIVISION**

19 JOE S. YEARBY, on behalf of himself and all
20 others similarly situated,

21 Plaintiff,

22 v.

23 AMERICAN NATIONAL INSURANCE
COMPANY,

24 Defendant.

Case No. 3:20-cv-09222-EMC

**DECLARATION OF STEVEN G.
SKLAVER IN SUPPORT OF
PLAINTIFF'S MOTION FOR
ATTORNEYS' FEES,
REIMBURSEMENT OF LITIGATION
EXPENSES, AND SERVICE AWARD**

1 I, Steven G. Sklaver, hereby declare as follows:

2 1. I submit this declaration in support of Plaintiff’s motion for attorneys’ fees,
3 reimbursement of litigation expenses, and service award for the Plaintiff in connection with the
4 proposed class action settlement between Plaintiff Joe S. Yearby, individually and on behalf of the
5 Class¹ and Defendant American National Insurance Company (“ANICO”).

6 2. I am a member in good standing of the State Bar of California. I am a partner of the
7 law firm of Susman Godfrey L.L.P., and counsel of record for Plaintiff in the above-captioned
8 action. I have personal knowledge of the facts set forth herein and, if called to testify as a witness,
9 could and would testify competently thereto.

10 3. Class Counsel Susman Godfrey has significant experience with insurance litigation
11 and class actions, including class actions and settlements in cases involving breach-of-contract
12 claims against life insurers. Susman Godfrey has represented numerous classes of policyowners
13 seeking recovery from life insurers including AXA Equitable Life Insurance Company, North
14 American Company for Life and Health Insurance, Genworth Life and Annuity Insurance
15 Company, Security Life of Denver Insurance Company, Lincoln Life & Annuity Company of New
16 York, ReliaStar Life Insurance Company, John Hancock Life Insurance Company (U.S.A.),
17 Phoenix Life Insurance Company, and PHL Variable Insurance Company.² Susman Godfrey has
18 substantial experience prosecuting large-scale class actions. My firm’s results in such cases have
19 been lauded by federal judges as “superb,” *Fleisher v. Phoenix Life Ins. Co.*, No. 11-cv-8405
20 (S.D.N.Y. Sep. 24, 2015), Dkt. 319, “the best settlement pound for pound for the class I’ve ever
21

22 ¹ Unless otherwise noted, all capitalized terms mean the same as in the Settlement Agreement,
23 attached as Exhibit 2 to the Declaration of Steven Sklaver in Support of Plaintiff’s Motion for
Preliminary Approval of Class Action Settlement, Dkt. 82-2 at 25.

24 ² The following is a non-exhaustive list of life insurance cases in which Susman Godfrey has been
25 found to be “adequate” class counsel: *Fleisher v. Phoenix Life Ins. Co.*, 2013 WL 12224042, at *12
26 (S.D.N.Y. July 12, 2013); *Vida Longevity Fund, LP v. Lincoln Life & Annuity Co. of N.Y.*, 2022
27 WL 986071, at *5 (S.D.N.Y. Mar. 31, 2022); *In re AXA Equitable Life Ins. Co. COI Litig.*, 2020
28 WL 4694172, at *16 (S.D.N.Y. Aug. 13, 2020); *Hanks v. Lincoln Life & Annuity Co. of N.Y.*, 330
F.R.D. 374, 387 (S.D.N.Y. 2019); *Advance Tr. & Life Escrow Servs., LTA v. ReliaStar Life Ins.
Co.*, 2022 WL 911739, at *11 (D. Minn. Mar. 29, 2022); *Advance Tr. & Life Escrow Servs., LTA
v. N. Am. Co. for Life & Health Ins.*, 592 F.Supp.3d 790, at 809–10 (S.D. Iowa 2022); *37 Besen
Parkway, LLC v. John Hancock Life Ins. Co.*, No. 15-cv-9924 (S.D.N.Y. Nov. 1, 2018), Dkt. 139
¶¶ 7–8.

1 seen,” *id.*, and “quite extraordinary,” *37 Besen Parkway, LLC v. John Hancock Life Insurance Co.*,
 2 No. 15-cv-9924, Dkt. 164 at 20:10 (S.D.N.Y. Mar. 18, 2019). A copy of the firm’s class action
 3 profile and my profile along with the profiles of the other counsels of record for Plaintiff are
 4 attached as exhibits to my prior declaration in support of preliminary approval, Dkt. 82-2 at 8,
 5 which demonstrate the extensive experience that Susman Godfrey and many of the individual
 6 attorneys who are working on this case have in complex civil litigation, including specifically in
 7 the litigation of cost of insurance disputes.

8 4. I was among the principal negotiators of the proposed class action settlement (the
 9 “Settlement”). Following extensive negotiations, the parties reached an agreement on November
 10 22, 2022, and the parties then negotiated a long-form Settlement Agreement, a true and correct
 11 copy of which was submitted in connection with Plaintiff’s Motion for Preliminary Approval of
 12 Class Action Settlement, Dkt. 82-2 at 25. It is the opinion of Class Counsel that the settlement is
 13 fair, adequate, and reasonable.

14 5. The principal terms of the Settlement are as follows:

- 15 • **CASH**. A \$5 million cash payment, reduced for post-settlement opt-outs, which is
 16 equal to 88% of all COI overcharges collected by ANICO from the Class Policies
 17 between January 10, 2010 and February 28, 2023. This is not a claims-made
 18 settlement; checks will be mailed directly to Class members without requiring them
 19 to submit proof of their claim, using ANICO’s records, and settlement funds do not
 20 revert to ANICO.
- 21 • **CLASS COI RATE SCHEDULE INCREASE FREEZE**. A freeze on any cost of
 22 insurance (“COI”) rate scale increase for five years. That means ANICO will not
 23 raise COI rate scales for 5 years even if ANICO has a change in cost factors during
 24 that time that it contends would otherwise permit a COI rate increase under the terms
 25 of the policies. That is significant given the surge in mortality that ANICO might
 26 claim due to the COVID-19 pandemic, and that other carriers have suggested is a
 27 reason to raise rates. As a result, Policyholders will have the ability to predict, with
 28 certainty, what their COI obligations will be for 5 years.

- 1 • **VALIDITY STIPULATION & STOLI WAIVER.** As part of the Settlement,
2 ANICO has agreed not to challenge the validity and enforceability of any eligible
3 policies owned by participating Class members on the grounds of lack of an
4 insurable interest, stranger originated life insurance (“STOLI”), or
5 misrepresentations in the application for such policies.

6 6. The Settlement is the result of extensive, arms-length negotiations between the
7 parties with the assistance of an experienced mediator, Vaughn R. Walker, a retired United States
8 District Judge.

9 7. Through the life of the case, the parties have exchanged numerous settlement offers
10 and counter-offers and engaged in an unsuccessful mediation on February 16, 2022, in person in
11 San Francisco. Following extensive document and third-party discovery, the parties renewed
12 mediation discussions in September 2022 and on November 22, 2022, the parties attended another
13 mediation which resulted in agreement for a final settlement. A long-form settlement agreement
14 was heavily negotiated and agreed to thereafter, Dkt. 82-2 at 25.

15 8. Throughout the process, the Settlement negotiations were conducted by highly
16 qualified and experienced counsel on both sides at arm’s length. Class Counsel was well informed
17 of material facts and the negotiations were hard-fought and non-collusive. Class Counsel analyzed
18 all of the contested legal and factual issues to thoroughly evaluate ANICO’s contentions, and
19 advocated in the settlement negotiation process for a fair and reasonable settlement that serves the
20 best interests of the Class. Given the complexities and expert witness issues involved in COI cases,
21 they are extraordinarily expensive to try, and there was a serious risk that further litigation expenses
22 would have severely diminished the distributions given that the total alleged historical damages
23 through February 28, 2023 are only \$5,704,128. *See, e.g., Leonard, et. al. v. John Hancock Life*
24 *Ins. Co. of New York*, No. 1:18-cv-04994-AKH, Dkt. 208 at 14 (S.D.N.Y. March 11, 2022)
25 (expenses of \$1,427,596.29); *Helen Hanks v. Voya Retirement Life Ins. & Annuity Co.*, No. 1:16-
26 cv-06399-PKC, Dkt. 293 at 16 (S.D.N.Y. April 4, 2022) (expenses of \$2,183,929.18).

27 9. The Settlement awards both cash relief and non-cash relief to the Settlement Class.
28 With respect to the cash relief, a \$5 million Settlement Fund will be funded for the benefit of the

1 Settlement Class. *See* Settlement Agreement § 39. This amount will be reduced, on a *pro-rata* basis
2 measured by the measured by the face amount for each policy that timely and validly opts out
3 during the Rule 23(e)(4) opt-out period. *See id.* § 45.³ No portion of the Final Settlement Fund (*i.e.*
4 the post-reduction amount) will revert back to ANICO. *See id.* §§ 40, 45.

5 10. Mr. Robert Mills, Plaintiff’s damages expert, estimated in connection with
6 preliminary approval that between January 1, 2010 and February 28, 2023, the Settlement Class
7 was overcharged \$5,704,128. Dkt. 82-6 at 5. A cash payment by ANICO of \$5 million therefore
8 represents approximately 88% of those alleged overcharges through that period. This Settlement
9 represents an especially good result for the Class because none of the cash in the Settlement fund
10 will be returned to ANICO.

11 11. The Settlement Agreement also provides two forms of significant non-cash relief.
12 *First*, for a period of five years after the date on which the Court approves the settlement, “American
13 National agrees that Cost of Insurance Rates on the Class Policies will not be increased above the
14 year-to-year increases contemplated under Defendant’s current rate schedules in effect on
15 November 23, 2022.” *See* Settlement Agreement § 49. *Second*, “American National agrees to not
16 take any legal action (including asserting as an affirmative defense or counter-claim), or cause to
17 take any legal action, that seeks to void, rescind, cancel, have declared void, or seeks to deny
18 coverage under or deny a death claim for any Class Policy based on: (1) an alleged lack of valid
19 insurable interest under any applicable law or equitable principles; or (2) any misrepresentation
20 allegedly made on the application for, or otherwise made in applying for the policy” *Id.* § 50.

21 12. As set forth in the Declaration of Keith McNally, an expert with extensive
22 experience in the life insurance industry and with longevity-based products, submitted in
23 connection with Plaintiff’s Motion for Preliminary Approval of Class Action Settlement, Dkt. 82-
24 3 at 7, the value of the nonmonetary relief made available to potential Class Members is \$362,289,
25 bringing the value of the total gross benefits to \$5,362,289.00.

26
27 ³ For example, “if 1% of the total face amount of the in-scope policies owned by members of the
28 Class is attributable to Opt-Outs, the Settlement Fund will be reduced by 1% (*i.e.*, to \$4,950,000).”
See id.

1 13. The Settlement provides for an incentive award of up to \$25,000 for Plaintiff and
2 class representative Joe Yearby for her services on behalf of the Settlement Class. *See* Settlement
3 Agreement §§ 21, 60. The Settlement Agreement also provides for attorneys’ fees in an amount not
4 to exceed 33 1/3% of the gross benefits provided to the Settlement Class and reimbursement for all
5 expenses incurred or to be incurred.⁴ *See id.* §§ 61–62. The amounts as approved by the Court will
6 be paid out of the Final Settlement Fund. *See id.* §§ 19, 21, 48, 61–62.

7 14. On August 11, 2023, the Court granted Plaintiff’s Motion for Preliminary Approval
8 of Class Action Settlement, certifying the Settlement Class for purposes of judgment on the
9 proposed Settlement, preliminarily approving the Settlement, appointing Plaintiff Joe S. Yearby to
10 serve as Class Representative and Susman Godfrey as Class Counsel pursuant to Rule 23(g),
11 appointing JND Legal Administration LLC (“JND”) as the Settlement Administrator, directing
12 class notice, and setting a final approval hearing for November 2, 2023. Dkt. 89.

13 15. This case was originally filed in December 2020, with Plaintiff asserting a claim of
14 breach of contract against ANICO in a putative class action lawsuit. Dkt. 1.

15 16. ANICO moved to transfer venue to the Southern District of Texas and to dismiss
16 based on lack of personal jurisdiction, *res judicata*, statute of limitations, and failure to state a
17 claim. Dkt. 25-28. Pursuant to Federal Rule of Civil Procedure 15(a)(1), Plaintiff filed a First
18 Amended Complaint (“FAC”) on April 23, 2021. Dkt. 31. ANICO moved to dismiss the FAC on
19 similar grounds as the original complaint, and also filed its renewed motion to transfer the action.
20 Dkts. 43-44. Plaintiff opposed the motions, Dkts. 46-47, after conducting jurisdictional discovery
21 by serving document requests related to ANICO’s activity in California on April 23, 2021. After
22 hearing oral argument, the Court denied the motion to transfer and granted in part and denied in
23 part the motion to dismiss, allowing Plaintiff to amend his tolling allegation. Dkt. 57. Plaintiff did
24 so by filing a Second Amended Complaint (“SAC”). Dkt. 61. ANICO did not move to dismiss the
25 SAC, and instead served its Answer. Dkt. 69.

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27
28

⁴ Although the Settlement allows for attorneys’ fees in an amount not to exceed 33 1/3% of the gross benefits provided to the Settlement Class, Susman Godfrey has moved for an award of \$1,250,000.00, or 23.3% of the gross benefits.

- 1 17. Susman Godfrey’s efforts in litigating this case include, but are not limited to:
- 2 • Pre-complaint research, investigation, and analysis of policy language;
- 3 • Drafting two amended complaints;
- 4 • Legal research, drafting, and oral argument preparation in responding to ANICO’s
- 5 motion to transfer venue and motion to dismiss;
- 6 • Service of 41 Requests for Production of documents, 13 Interrogatories, and
- 7 extensive negotiation over the scope of production and ESI protocol;
- 8 • Numerous meet and confer efforts with both ANICO and its auditors over the scope
- 9 of the discovery requests, including Rule 30(b)(6) deposition topics, and third-party
- 10 subpoenas;
- 11 • Production and review of over 18,000 pages of documents and data sets, including
- 12 documents produced pursuant to third-party subpoenas served on ANICO’s
- 13 independent auditors, Deloitte & Touche LLP and KPMG LLP, actuarial tables,
- 14 policy-level data of all class members’ policies, while repeatedly pressing ANICO
- 15 to remedy deficiencies in its productions; and
- 16 • Preparing mediation briefing and attending a full-day mediation conducted under
- 17 the supervision of Judge Walker (ret.), with continuing negotiations following the
- 18 first mediation; and
- 19 • Lengthy negotiations over the Settlement Agreement, and work in support of
- 20 obtaining preliminary settlement approval.

21 18. The risks Susman Godfrey faced here were high in this fully contingent case. First,

22 the key language at issue in the policies was heavily disputed. ANICO contended that its

23 interpretation of the key language at issue in the policies was right as a matter of plain language,

24 and supported dismissal. In ANICO’s motion to dismiss, ANICO argued that the “based on”

25 language in the Class Policies’ COI provision does not mean based “solely” on, and that it allows

26 ANICO to calculate COI charges to include factors other than only its expectations as to future

27 mortality experience, citing *Slam Dunk I, LLC v. Connecticut Gen. Life Ins. Co.*, 853 F. App’x. 451

28 (11th Cir. 2021). Dkt. 39 at 27–28. After extensive briefing and argument, the Court rejected this

1 argument at the motion to dismiss stage, finding that Plaintiff's interpretation of the Policy language
2 was "an entirely reasonable interpretation of the phrase 'based on.'" Dkt. 57 at 28–29. Had the
3 Court sided with ANICO, it could have resulted in complete dismissal.

4 19. ANICO's motion to dismiss also raised a *res judicata* defense that would have
5 eliminated Plaintiff's claim. ANICO argued that claim preclusion barred Plaintiff's claims because
6 he was a class member in a previously settled class action lawsuit against ANICO (called the
7 *Albanoski* Action) that supposedly raised the same claims. *See* Dkt. 39 at 24. After briefing and
8 argument, the Court rejected this argument at the pleading stage, which would have been fatal to
9 Plaintiff's claim. Dkt. 57 at 28.

10 20. ANICO also raised a statute of limitations defense in its motion to dismiss that, if
11 successful, could have eliminated most of the Class's damages. ANICO argued that policyholders
12 knew, from allegations and notices from a prior COI class action (resolved for the same
13 policyholders in 2006), that ANICO's COI rates included non-mortality factors. Dkt. 39 at 18.
14 ANICO maintained that the clock began running when policyholders received notice of the
15 allegation that ANICO COI rates included non-mortality factors in the prior case. Dkt. 49 at 10–
16 11. Because the Class period here began in 2010, if the Court had applied limitations to claims
17 arising before December 2016, it could have reduced Plaintiff's damages by almost 60%. After
18 briefing and argument, the Court largely rejected these arguments, but held that claims based on
19 facts that occurred before December 18, 2016, were dismissed with leave to amend. Dkt. 57 at 22.
20 Plaintiff amended its complaint within 30 days of that Order to add allegations for claims beginning
21 on January 1, 2010. Dkt. 61. Rather than moving to dismiss that amended complaint, ANICO
22 answered. Dkt. 69.

23 21. ANICO also sought to dismiss for lack of personal jurisdiction. ANICO argued in
24 its motion to dismiss that because it was located and headquartered in Galveston, Texas and issued
25 Plaintiff's policy *from* Galveston, and because Plaintiff had moved away from California before
26 2010, that the Court lacked personal jurisdiction over ANICO. Dkt. 39 at 11–17. Susman Godfrey
27 conducted jurisdictional discovery and obtained a favorable ruling that denied the motion to dismiss
28 for lack of personal jurisdiction. Dkt. 57 at 20.

1 22. The nature of the claims in this case meant that both liability and damages would
2 likely come down to dueling expert opinions about actuarial standards, insurance principles,
3 technical actuarial assumptions, documents, and data. For example, the correctness of Plaintiff’s
4 but-for COI rates would have been the subject of extensive, competing expert testimony about the
5 correct actuarial assumptions to use and the reasonableness of the but-for redetermination
6 methodology. ANICO would have also argued that basing COI rates on expectations of future
7 “mortality experience” is actuarially insupportable, in that professional actuarial principles and
8 standards require insurers to consider provision for operating expenses, reserves, and funds to
9 ensure continued operations, and must test rates to assure sufficiency for longevity. Without those
10 considerations, ANICO maintained, the Policies could never have been issued from an actuarial or
11 regulatory perspective. Dkt. 84 at 3–4. ANICO also pointed to COVID-related impacts on mortality
12 expectations and argued that Plaintiff’s damages model ignored those impacts. Such a “battle of
13 the experts” would have been a jury issue and inherently unpredictable.

14 23. Susman Godfrey faced other risks, too. ANICO would have vigorously opposed
15 class certification, which by no means would have been a certainty. Even getting to trial in a timely
16 manner itself was a risk, in light of pandemic-generated backlogs in the federal courts and given
17 that the complaint was filed in December 2020. And even if Plaintiff had prevailed at every risky
18 stage in this Court—class certification, summary judgment, and trial—there was a real risk that the
19 damages awarded could have been far less than the amount sought. *See, e.g., Meek v. Kansas City*
20 *Life Ins. Co.*, 19-cv-472, Dkt. 311, 329-30 (W.D. Mo. May 25 & June 20, 2023) (the Class sought
21 \$18 million but recovered less than \$1 million, *i.e.*, less than 6%, with partial decertification granted
22 post-trial). The risk would have continued after that with the inevitable filing of decertification
23 motions, post-verdict motions, and appeals.

24 24. Moreover, Susman Godfrey did not have the benefit of government investigations,
25 let alone indictments, consent decrees, or guilty pleas. Thus, this is not an instance where a plaintiff
26 was merely following the lead of the government.

27 25. Susman Godfrey also bore financial risk in taking on this case—over \$182,413.25
28 in advanced expenses and 864.2 hours in attorney time over the almost three years in which this
case has been litigated to date—all of which could have resulted in no compensation had the case

1 been lost. All in, Susman Godfrey invested about \$837,598.25, with no guarantee that the firm
2 would receive any compensation.

3 26. Susman Godfrey frequently takes high-stakes non-class commercial cases on a
4 contingent fee basis. In cases like this one where the firm is advancing expenses, the firm has a
5 standard contingency agreement, under which it receives 40% of the gross sum recovered by a
6 settlement that is agreed upon, or other resolution that occurs, on or before the 60th day preceding
7 any trial, plus reimbursement of expenses. Sophisticated parties and institutions have agreed to
8 these standard market terms. The firm receives 45% of gross recoveries received after that time.
9 The requested fee here of 23.3% of the gross recovery is less than what Susman Godfrey would
10 receive under its standard contingency agreement entered into in a competitive market.

11 27. Unlike many firms on the class action side, Susman Godfrey represents plaintiffs
12 and defendants. When entering into result-based fee deals, Susman Godfrey strives for a substantial
13 return on its investment in time and expenses to compensate for risks and opportunity costs,
14 including the risk of no recovery and the opportunity cost of foregoing work on hourly billing work
15 that provides a steady income stream. As is common in the industry, Susman Godfrey's standard
16 contingency percentages are based upon the gross amount recovered and provide for the
17 recoupment of any advanced expenses.

18 28. The total lodestar value of Susman Godfrey's professional services is \$655,185.00.
19 The requested attorneys' fee represents a lodestar multiplier of 1.91 for the time worked through
20 August 20, 2023. This lodestar multiplier is likely to decrease given that Susman Godfrey will need
21 to expend additional time and effort to fully resolve this case, including the time to prepare papers
22 in support of final approval, and shepherding the notice and disbursement process once the
23 Settlement has final approval. Based upon its experience in other class action cases, Susman
24 Godfrey estimates that the multiplier will only decrease as Susman Godfrey invests additional
25 attorney time into preparing to move for final approval, managing Class Member inquiries about
26 the Settlement, and administering the Settlement if it obtains final approval from the Court.

27 29. Susman Godfrey spent approximately 864.2 hours of work at hourly rates ranging
28 from \$400 to \$1,300. Of that amount, approximately 44.1 hours (\$41,150.00) were spent on work

1 related to the complaint and amended complaints; 196.9 hours (\$131,410.00) were spent on
 2 discovery-related work; 236.9 hours (\$180,850.00) were spent opposing ANICO's motion to
 3 dismiss and motion to transfer; 95.3 hours (\$91,790.00) were spent performing work related to
 4 mediations; 166.1 hours (\$129,390.00) were spent working on the proposed settlement and related
 5 motions; 87.4 hours (\$57,745.00) were spent on general case management work; and 37.5 hours
 6 (\$22,850.00) were spent performing legal research unrelated to the motions to dismiss and transfer.

7 30. The schedule below is a summary reflecting the amount of time spent, through
 8 August 24, 2023 by the attorneys and professional support staff of Susman Godfrey who were
 9 involved in this litigation. The following schedule was prepared from daily time records regularly
 10 prepared and maintained by Susman Godfrey, which are available at the request of the Court. Time
 11 expended in preparing this application for fees and reimbursement of expenses are excluded and
 12 not reflected below.

Attorneys	Current Rate	Hours	Value
Ard, Seth	\$1,200	24.7	\$29,640.00
Downs, Kevin	\$600	551.4	\$330,840.00
Kirkpatrick, Ryan	\$1,000	56.8	\$56,800.00
Sklaver, Steven	\$1,300	165.2	\$214,760.00
Paralegals	Current Rate	Hours	Value
Santos, Vanessa	\$350	55.4	\$19,390.00
Sacaza, Malenda	\$275	4.2	\$1,155.00
Stanley, Joanna	\$400	6.5	\$2,600.00
Totals		864.2	\$655,185.00

23 31. All time spent litigating this matter was reasonably necessary and appropriate to
 24 prosecute the action, and the results achieved further confirm that the time spent on the case was
 25 proportionate to the amounts at stake.

26 32. The hourly rates for Susman Godfrey's attorneys and professional staff are the
 27 firm's standard hourly rates. The hourly rates of Susman Godfrey's attorneys who worked on this
 28

1 case range from \$600 for an associate, and \$1,000-\$1,300 for partners. Susman Godfrey only has
 2 equity partners. All partners and associates who worked on this case are based in either New York,
 3 Los Angeles, or Houston. The hourly rates of paralegals range from \$275-\$400.

4 33. In a nationwide survey of AmLaw 50 law firms performed by PwC Product Sales,
 5 LLC and issued in June 2022, the median standard billing rate for equity partners was \$1,374, the
 6 1st quartile standard billing rate was \$1,531, and the 3rd quartile standard billing rate was \$1,248.
 7 Here, all of the SG partners (all of whom are based in New York or Los Angeles) working on this
 8 matter have billing rates below the 2022 median standard billing rate for equity partners.

9 34. The same survey stated that the median standard billing rate for associates was \$895,
 10 the 1st quartile standard billing rate was \$944, and the 3rd quartile standard billing rate was \$779.
 11 The billing rates of the associate who has worked on this case is below the 2022 3rd quartile
 12 standard billing rate for associates.

13 35. As detailed and categorized in the below schedule, Susman Godfrey has advanced
 14 a total of \$182,413.25 in un-reimbursed expenses in connection with the prosecution of this
 15 litigation. These expenses were reasonably necessary to the prosecution of this action and directly
 16 benefitted the Class, and are of the type that Susman Godfrey normally incurs in litigation.

Expense Category	Cumulative Expenses
Photocopies/Reproduction/Messenger Services	\$186.23
Document Review Hardware/Hosting	\$4,772.68
Experts/Consultants	\$160,115.50
Filing/Service/Court Reporter Fees/Transcripts/Court Fees	\$2,082.47
Mediation	\$11,640.00
Research/Westlaw	\$3,621.46

24 36. The vast majority of these expenses were due to expert work performed by Robert
 25 Mills and Demeter Capital. Both Mr. Mills and Demeter Capital were closely involved in the
 26 discovery and mediation process, to help ensure that ANICO had provided all the information
 27 needed to accurately calculate what Plaintiff contends are the total COI overcharge for the Class.
 28

1 37. Consultants from Demeter Capital, a firm with deep COI and life insurance
2 experience, reviewed ANICO's mortality data as well as data related to COI charges for the Class
3 policies to determine what Plaintiff contends are ANICO's best estimate of future mortality
4 experience for the Class policies. Demeter Capital also performed a valuation analysis of the
5 noncash benefits to the Class in the proposed Settlement. *See* Decl. of Keith McNally, Dkt. 82-3.

6 38. Robert Mills, an economist with Micronomics Inc., reviewed and analyzed
7 ANICO's policy data and COI charge data, as well as the expectations as to future mortality
8 experience calculated by Demeter Capital, to calculate what Plaintiff contends are the COI charges
9 that ANICO should have charged if it had based them on its expectations as to future mortality. Mr.
10 Mills then determined the total COI overcharges at issue for the Class on a policy-by-policy basis.
11 Mr. Mills' and Demeter Capital's work accounted for \$159,223.00 in expenses for approximately
12 226 hours of work.

13 39. Susman Godfrey also requests the Court approve payment of Settlement
14 Administration Expenses under paragraph 34 of the Settlement. The Settlement Administrator has
15 incurred \$9,137.73 through August 20, 2023, and will incur additional expenses as Settlement
16 payments are distributed, with total Settlement Administration Expenses estimated at \$62,520. *See*
17 Declaration of Gina Intrepido-Bowden ("Intrepido-Bowden Decl.") ¶¶ 3–4. Pursuant to the
18 Settlement, Susman Godfrey seeks permission to reimburse the foregoing Settlement
19 Administration Expenses pursuant to paragraph 34 of the Settlement, and such additional expenses
20 as may be incurred by the Settlement Administrator.
21

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

24 Executed this 25th day of August, 2023, in Los Angeles, California.

25
26 /s/ Steven G. Sklaver
 Steven G. Sklaver