

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES – GENERAL

Case No. 2:21-cv-06918-FWS-JC

Date: March 7, 2025

Title: Ivan Baron v. HyreCar Inc., *et al.*

Present: **HONORABLE FRED W. SLAUGHTER, UNITED STATES DISTRICT JUDGE**

Rolls Royce Paschal
Deputy Clerk

N/A
Court Reporter

Attorneys Present for Plaintiff:

Attorneys Present for Defendant:

Not Present

Not Present

PROCEEDINGS: (IN CHAMBERS) ORDER GRANTING MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND PLAN OF ALLOCATION [132] [143] AND GRANTING IN SUBSTANTIAL PART MOTION FOR ATTORNEY FEES AND REIMBURSEMENT OF LITIGATION EXPENSES [134]

Plaintiff Ivan Baron (“Plaintiff”) filed this putative securities class action in August 2021 against Defendants HyreCar Inc. (“HyreCar”), HyreCar’s Chief Executive Officer, Joseph Furnari, and its Chief Financial Officer, Robert Scott Brogi (collectively, “Defendants”). (Dkt. 1 (Complaint).) In November 2021, Judge Percy Anderson, who previously presided over the case, appointed Turton Inc. as lead Plaintiff (“Lead Plaintiff”) and approved Glancy Prongay & Murray LLP as lead counsel (“Lead Counsel”). (Dkt. 62.) After substantial motion practice and discovery, a mediation session, and further settlement discussions, the parties reached a proposed settlement (the “Settlement”) based on a mediator’s proposal to resolve the case for \$1,900,000 in cash for the benefit of the settlement class. This court preliminarily approved the Settlement in July 2024. (Dkt. 128 (“Prelim. App. Order”).) After the settlement administrator gave notice to 13,875 potential class members, the claims processor received 6,739 proof of claim forms, no requests for exclusion, and no objections. (Dkt. 143-4 (Declaration of Josephine Bravata with Exhibits, “Final Bravata Decl.”) at 7.) Now before the court are two motions: (1) Lead Plaintiff’s Unopposed Motion for Final Approval of Class

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Action Settlement and Plan of Allocation (Dkts. 132 (Notice of Motion), 133 (Memorandum, “Final Approval Motion” or “FA Mot.”)), and (2) Lead Counsel’s Motion for An Award of Attorneys’ Fees and Reimbursement of Litigation Expenses (Dkts. 134 (Notice of Motion), 135 (Memorandum, “Fee Motion” or “Fee Mot.”)). At the court’s request, (Dkt. 140), Lead Plaintiff also submitted final claims information, (Dkt. 143). No opposition to the Final Approval Motion or the Fee Motion has been filed. (*See generally* Dkt.) Lead Plaintiff filed a Reply in support of the Final Approval Motion and Fee Motion. (Dkt. 139.) The court held a hearing on the Final Approval Motion and the Fee Motion on March 6, 2025. (Dkt. 144.) Based on the state of the record, as applied to the applicable law, the Final Approval Motion is **GRANTED** and the Fee Motion is **GRANTED IN SUBSTANTIAL PART**.

I. Background

A. Factual and Procedural Background

In the operative Second Amended Complaint, Lead Plaintiff brings claims against Defendants for (1) violation of Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”), and Securities and Exchange Commission (“SEC”) Rule 10b-5 against all Defendants, and (2) violation of Section 20(a) of the Exchange Act against Furnari and Brogi. (Dkt. 75 (“SAC”) ¶¶ 182-200.) The SAC alleges, in summary, that HyreCar, a “tightly-controlled public company led by” Brogi and Furnari, used a conflicted third-party insurance adjuster to manipulate HyreCar’s earnings by concealing certain expenses and under-accruing liability for its insurance reserves, resulting in inaccurate financial statements. (*Id.* ¶ 2.) As a result of making false earnings statements, HyreCar’s stock value increased. (*Id.* ¶¶ 105-11.) “Capitalizing on these artificially-inflated prices, [Furnari and Brogi] cashed out,” and engaged in “suspicious insider selling.” (*Id.* ¶¶ 112-14.)

The pleadings in this case were filed after Lead Counsel “conducted a comprehensive investigation of the claims,” including by “(a) reviewing and analyzing (i) HyreCar’s filings with the SEC, (ii) public reports, blog posts, reports prepared by securities and financial

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analysts, and news articles concerning HyreCar, (iii) HyreCar’s investor call transcripts, press releases and other public statements made by Defendants prior to, during, and after the Settlement Class Period, and (iv) other publicly available material related to HyreCar; (b) retaining and working with a private investigator who conducted an investigation that involved, *inter alia*, contacting former HyreCar employees and other sources of relevant information; and (c) consultation with an accounting expert and an expert in loss causation, damages and market efficiency.” (FA Mot. at 2.)

Judge Anderson granted Defendants’ motion to dismiss Lead Plaintiff’s First Amended Complaint, concluding that Lead Plaintiff’s claims failed because Lead Plaintiff “failed to adequately allege any actionable misrepresentation or omission” and to “sufficiently allege falsity.” (Dkt. 74 at 8-10.) Lead Plaintiff then “sought to address the pleading deficiencies” and so filed the operative SAC. (Dkt. 136 (Declaration of Ex Kano S. Sams II, “Sams Decl.”) ¶ 18.) After Defendants filed a motion to dismiss the SAC, (Dkt. 76), the case was transferred to this court, (Dkt. 80). The court denied Defendants’ motion to dismiss the SAC. (Dkt. 94.) Around that time, “HyreCar announced the receipt of a grand jury subpoena in connection with a criminal investigation being conducted by the U.S. Attorney’s Office for the Central District of California, and the Department of Justice’s Criminal Fraud Section.” (Sams Decl. ¶ 20.)

Shortly after the court denied Defendants’ motion to dismiss the SAC, “Lead Plaintiff served discovery on Defendants and third parties, including comprehensive requests for production, and reviewed documents produced by a third party.” (Sams Decl. ¶ 21.) Two months after discovery began, “HyreCar filed a Notice of Bankruptcy Filing with the Court.” (*Id.* ¶ 22.)

At this point, the parties “agreed to engage in mediation.” (Sams Decl. ¶ 23.) Before mediation, the parties “exchanged mediation briefs containing detailed analyses of the strengths, risks, and potential issues in the litigation with Defendants.” (FA Mot. at 3.) The parties then “participated in an unsuccessful full-day mediation session with a well-respected mediator of complex cases—Jed Melnick, Esq. of JAMS—and engaged in months of further negotiations

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that culminated in a mediator’s recommendation to resolve the Action for \$1,900,000 in cash for the benefit of the Settlement Class.” (*Id.*) The court granted preliminary approval of the proposed settlement on July 19, 2024. (Dkt. 128 (“Preliminary Approval Order”).)

B. The Proposed Settlement

Under the Settlement, Defendants agree to pay a Settlement Fund of \$1,900,000 to resolve the claims in this case. (Dkt. 121-1 (Stipulation and Agreement of Settlement, “SA”) at 16 ¶ 1.rr.) The Net Settlement Fund—the gross settlement amount minus taxes and court-approved payments to Lead Plaintiff, Lead Counsel, and the settlement administrator—will be distributed *pro rata* to Authorized Claimants. (*Id.* at 12 ¶ 1.z; *id.* at 23 ¶ 9.) To be an Authorized Claimant, class members must submit a Claim Form reflecting proof of loss. (*Id.* at 31 ¶ 24.) In exchange for the Settlement’s benefits, participating class members agree to release “all claims and causes of action . . . (i) asserted in the [SAC] []; or (ii) [that they] could have asserted in any forum that arise out of or are based upon the allegations, transactions [and] facts [] set forth, or referred to in the Complaint.” (*Id.* at 15 ¶ 1.nn.)

1,143 claimants are eligible for distributions from the settlement fund. (Final Bravata Decl. ¶ 19.) Assuming each of those claimants receives a payment, the average distribution per claimant after taxes and court-approved payments would likely be hundreds of dollars. Given the nature of a *pro rata* settlement, some claimants would receive much more and some much less.

C. Notice to the Class and Response

After the court granted preliminary approval of the Settlement, (*see generally* Prelim. Appr. Order), the court-appointed settlement administrator, Strategic Claims Services (“SCS”), caused “a total of 13,875 potential Settlement Class Members [to be] either mailed a Postcard Notice or emailed a link to the Notice and Claim Form.” (Dkt. 139-1 (Supplemental Declaration of Josephine Bravata, “Supp. Bravata Decl.”) ¶ 4.) “SCS also sent the Depository

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Trust Company (‘DTC’) a Notice and Claim Form for the DTC to publish on its Legal Notice System (‘LENS’),” which “provides DTC participants the ability to search and download legal notices as well as receive e-mail alerts based on particular notices or particular CUSIPs once a legal notice is posted.” (Dkt. 136-2 (Declaration of Josephine Bravata, “Bravata Decl.”) ¶ 8.) SCS further caused the Summary Notice to be “published once in *Investor’s Business Daily* and transmitted once over the *PR Newswire*.” (*Id.* ¶ 9, Ex. D.) SCS also maintained a toll-free telephone number for potential class members and a case-specific website that, as of February 6, 2025, “has received 4,268 pageviews from 1,421 unique users.” (Bravata Decl. ¶¶ 10-11; Final Bravata Decl. ¶ 6.)

Of the 7,240 Postcard Notices mailed to potential class members, 378 “were returned to as undeliverable.” (Bravata Decl. ¶ 5 n.2; Supp. Bravata Decl. ¶ 5.) 25 of the returned notices “include[ed] forwarding address information from the USPS and those notices were promptly remailed.” (Bravata Decl. ¶ 5 n.2; Supp. Bravata Decl. ¶ 5.) The remaining 353 “Postcard Notices returned as undeliverable were ‘skip-traced’ to obtain updated addresses and” 167 “were re-mailed to updated addresses.” (Bravata Decl. ¶ 5 n.2; Supp. Bravata Decl. ¶ 5.) So, only 186 of the total Postcard Notices remain undelivered—an amount just under 3% of the total Postcard Notices.

“The Postcard Notice, Notice, Summary Notice, and Settlement Website informed potential Settlement Class Members that written requests for exclusion are to be mailed to SCS such that they are received no later than October 24, 2024.” (Bravata Decl. ¶ 12.) “SCS has not received any exclusion requests.” (Supp. Bravata Decl. ¶ 8.)

“The Postcard Notice, Notice, Summary Notice, and Settlement Website, further informed Settlement Class Members seeking to object to the Settlement, the proposed Plan of Allocation or Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses, that objections must have been filed with Lead Counsel, Individual Defendants’ Counsel as well as the Clerk of the Court, on or before October 24, 2024.” (*Id.*

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¶ 9.) “SCS has not been notified of any objections or received any misdirected objections.”
(*Id.*)

II. Discussion

In deciding whether to grant the Final Approval Motion and the Fee Motion, the court analyzes (1) whether to certify a class for settlement purposes, and (2) the fairness of the Settlement.

A. Class Certification

Lead Plaintiff seeks to certify a class of: “all persons and entities that purchased or otherwise acquired the publicly traded common stock of HyreCar Inc. from May 13, 2021 through August 10, 2021, both dates inclusive, and were damaged thereby.”¹ (SA at 16 ¶ 1.ss.) When a plaintiff seeks provisional class certification for settlement purposes, a court must

¹ “Excluded from the Settlement Class are: (a) persons who suffered no compensable losses, and (b)(i) Defendants; (ii) any person who served as a partner, control person, officer and/or director of HyreCar during the Settlement Class Period, and members of their Immediate Families; (iii) present and former parents, subsidiaries, assigns, successors, affiliates, and predecessors of HyreCar; (iv) any entity in which the Defendants have or had a controlling interest; (v) any trust of which [Furnari or Brogi] is the settler or which is for the benefit of [Furnari or Brogi] and/or member(s) of their Immediate Families; (vi) Defendants’ liability insurance carriers; and (vii) the legal representatives, heirs, successors, predecessors, and assigns of any person or entity excluded under provisions (i) through (vi) hereof. Also excluded from the Settlement Class are any persons and entities who or which submit a request for exclusion from the Settlement Class that is accepted by the Court. For the avoidance of doubt, ‘affiliates’ are persons or entities that directly, or indirectly through one or more intermediaries, control, are controlled by or are under common control with one of the Defendants.” (SA at 16 ¶ 1.ss.)

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ensure Federal Rule of Civil Procedure 23(a)'s four requirements and at least one of Rule 23(b)'s requirements are met. *See Amchem Prods., Inc. v. Windsor*, 521 U.S. 591, 620 (1997); *Staton v. Boeing Co.*, 327 F.3d 938, 952–53 (9th Cir. 2003); Fed. R. Civ. P. 23(e)(1)(B)(i) (stating that notice to the class must be given “if giving notice is justified by the parties’ showing that the court will likely be able to . . . certify the class for purposes of judgment on the proposal”). In this case, Plaintiff seeks certification under Rule 23(b)(3), which permits certification if a court “finds the questions of law or fact common to the members of the class predominate over any questions affecting only individual members, and a class action is superior to other available methods for the fair and efficient adjudication of the controversy.” Fed. R. Civ. P. 23(b)(3).

The court previously concluded that Plaintiff presented sufficient evidence to show that the proposed class satisfies the Rule 23(a) and (b)(3) requirements. (*See* Prelim. Appr. Order at 7-13.) Having reviewed those requirements again, the court adopts its prior analysis regarding class certification and grants certification of the proposed class for settlement purposes only. *See Atzin v. Anthem, Inc.*, 2022 WL 4238053, at *3 (C.D. Cal. Sept. 14, 2022) (“Nothing has changed to disturb that conclusion, and class certification remains appropriate.”).

B. Fairness of the Settlement

Although there is a “strong judicial policy that favors settlements, particularly where complex class action litigation is concerned,” *Linney v. Cellular Alaska P’ship*, 151 F.3d 1234, 1238 (9th Cir. 1998), a settlement of class claims requires court approval. Fed. R. Civ. P. 23(e). This is because “[i]ncentives inhere in class-action settlement negotiations that can, unless checked through careful district court review of the resulting settlement, result in a decree in which the rights of class members, including the named plaintiffs, may not be given due regard by the negotiating parties.” *Staton*, 327 F.3d at 959 (cleaned up).

Rule 23(e) governs class action settlement approval. Courts may approve class action settlements only when they are “fair, reasonable, and adequate.” Fed. R. Civ. P. 23(e)(2). In

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making this determination, courts must consider whether (A) the class representatives and class counsel have adequately represented the class, (B) the proposal was negotiated at arm’s length, (C) the relief provided for the class is adequate, and (D) the proposal treats class members equitably relative to each other. *Id.* 23(e)(2)(A-D).

1. Lead Plaintiff’s and Lead Counsel’s Adequacy

For reasons including those explained in the court’s analysis of the Rule 23(a) factors at the preliminary approval stage, the court finds Plaintiff and Lead Counsel have ably represented the class to date and have secured a significant settlement. (Prelim. Appr. Order at 9-10.) “The Court is unaware of any conflict of interest between [Lead Plaintiff] and the proposed class.” *Dean v. China Agritech*, 2012 WL 1835708, at *5 (C.D. Cal. May 3, 2012); (*see* Prelim. Appr. Order at 10). Lead “Plaintiff’s claims are identical to those of the class and [h]e has every incentive to vigorously pursue those claims.” *Becerra-S. v. Howroyd-Wright Emp. Agency, Inc.*, 2020 WL 8571838, at *3 (C.D. Cal. Oct. 5, 2020). “Nor is there any evidence that [Lead Counsel] will not adequately represent or protect the interests of the class.” *Id.* Lead Counsel has significant experience litigating securities class actions and appears “qualified and competent.” *Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1020 (9th Cir. 1988), *overruled on other grounds by Wal-Mart Stores, Inc. v. Dukes*, 564 U.S. 338 (2011); (*see* FA Mot. at 7; Prelim. Appr. Order at 10). Accordingly, the court finds this factor weighs in favor of granting final approval.

2. Arm’s Length Negotiation

Rule 23(e)(2)(B) requires that “the proposal was negotiated at arm’s length.” Fed. R. Civ. P. 23(e)(2)(B). Lead Plaintiff represents that on “September 27, 2023, the Parties held a virtual mediation session that was overseen by a well-respected mediator of complex actions, Jed Melnick.” (Sams Decl. ¶ 24.) “No agreement was reached during the mediation, but negotiations continued, facilitated by Mr. Melnick, over a potential settlement.” (*Id.*) “These negotiations culminated in a recommendation by Mr. Melnick that the Parties settle the Action

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for a \$1.9 million cash payment ... On November 2, 2023, the Parties accepted Mr. Melnick’s recommendation.” (*Id.* ¶ 25.)

The court finds that Lead Plaintiff has made an adequate showing that the Settlement is the result of arms-length negotiations between the parties. As the court explained in the Preliminary Approval Order, the parties’ settlement negotiations occurred before a neutral private mediator who is “an experienced complex business litigation mediator who has resolved over 1,000 disputes in his career.” *Brightk Consulting Inc. v. BMW of N. Am., LLC*, 2023 WL 2347446, at *6 (C.D. Cal. May 16, 2013) (“Mr. Melnick’s involvement in the settlement supports the argument that it is non-collusive.”); *See In re Bluetooth Headset Prods. Liab. Litig.*, 654 F.3d 935, 948 (9th Cir. 2011) (explaining that although the “mere presence of a neutral mediator . . . is not on its own dispositive,” it is “a factor weighing in favor of a finding of non-collusiveness”); *Hashemi v. Bosley, Inc.*, 2022 WL 2155117, at *6 (C.D. Cal. Feb. 22, 2022) (“The parties extensively negotiated the Settlement over several months prior to mediation and ultimately reached a final agreement only after arms-length negotiations before [the] mediator.”); *Thompson v. Transamerica Life Ins. Co.*, 2020 WL 6145105, at *3 (C.D. Cal. Sept. 16, 2020) (“The Settlement is the product of extensive negotiations between the Parties with the assistance, and direct supervision, of an experienced and highly-regarded nationally-renowned mediator . . . who conducted a full-day, in-person mediation with all Parties as well as a follow-up mediation telephone conference with all Parties.”). And the negotiations occurred between experienced counsel. *See Nguyen v. Radiant Pharms. Corp.*, 2014 WL 1802293, at *3 (C.D. Cal. May 6, 2014) (“The fact that experienced counsel involved in the case approved the settlement after hard-fought negotiations is entitled to considerable weight.”) (cleaned up). Moreover, as explained in the Preliminary Approval Order and further explained in Section II.B.3.c., *infra*, the Settlement does not have any of the “subtle signs’ of collusion”. *Roes, 1-2 v. SFBSC Mgmt., LLC*, 944 F.3d 1035, 1048 (9th Cir. 2019); *see Briseno v. ConAgra Foods, Inc.*, 998 F.3d 1014, 1022 (9th Cir. 2021). It does not have a clear sailing agreement or a reverter provision, and, as discussed in Section II.B.3.c., *infra*, Lead Counsel does not seek a disproportionate fee.

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Finally, the fact that the Settlement is the result of the parties accepting a mediator’s proposal further supports a finding that the Settlement was negotiated at arm’s length. (Sams Decl. ¶ 25); *see Lusk v. Five Guys Enterprises LLC*, 2022 WL 4791923, at *9 (E.D. Cal. Sept. 30, 2022) (“The fact that the parties engaged in mediation and that the Settlement is based on a mediator’s proposal further supports a finding that the settlement agreement is not the product of collusion.”); *Garcia v. Schlumberger Lift Sols.*, 2020 WL 6886383, at *13 (E.D. Cal. Nov. 24, 2020), *report and recommendation adopted*, 2020 WL 7364769 (E.D. Cal. Dec. 15, 2020) (explaining that the fact that “the parties chose to accept the mediator’s proposal, meaning this settlement was one that the third-party mediator proposed, rather than an amount determined through the negotiations of the parties,” suggested a lack of collusion); *In re MyFord Touch Consumer Litig.*, 2019 WL 1411510, at *8 (N.D. Cal. Mar. 28, 2019) (considering the fact that settlement was based on mediator’s proposal as factor in favor of finding arm’s length negotiations).

The court is satisfied that the parties negotiated the Settlement at arm’s length.

3. Adequacy of Class Relief

In determining whether class relief is “adequate,” courts must analyze “(i) the costs, risks, and delay of trial and appeal; (ii) the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims; (iii) the terms of any proposed award of attorney’s fees, including timing of payment; and (iv) any agreement required to be identified under Rule 23(e)(3).” Fed. R. Civ. P. 23(e)(2)(C).² In this context, the court also considers Lead Plaintiff’s request to be reimbursed for costs and expenses.

² Before Congress codified these factors in 2018, the Ninth Circuit instructed district courts to apply the following factors in determining whether a settlement agreement was fair, reasonable, and accurate: “[1] the strength of plaintiffs’ case; [2] the risk, expense, complexity, and likely duration of further litigation; [3] the risk of maintaining class action status throughout the trial; [4] the amount offered in settlement; [5] the extent of discovery completed, and the stage of the

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a. The Costs, Risks, and Delay of Trial and Appeal

The Settlement reflects a substantial outcome for class members. The Net Settlement Amount (just under \$2 million) will be divided *pro rata* based on class members' Recognized Loss divided by the total Recognized Losses of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. (Sams Decl. ¶ 55.) Individual class members will each receive an average recovery of hundreds of dollars. (See Supp. Bravata Decl. ¶ 19; SA at 16 ¶ 1.rr.) This is a favorable result for the class, especially given the significant risks Lead Plaintiff and the class would face maintaining this action.

Most significantly, Lead Plaintiff represents that “the only viable source of recovery—HyreCar’s \$10 million D&O insurance—was rapidly depleting because of the costs associated with defending not only this Action, but also the proceedings brought by the DOJ and SEC.” (FA Mot. at 14); *see Gutierrez v. Amplify Energy Corp.*, 2023 WL 3071198, at *3 (C.D. Cal. Apr. 24, 2023) (“[T]he monetary relief here is a strong result for the Class in light of the costs and risks of delay of litigation, particularly given Amplify’s available funds. . . . [T]he Settlement represents a large portion of the insurance funds that remain available to Amplify to pay claims—an amount that will only decrease with time as Amplify pays ongoing clean-up, litigation and other costs.”); *In re Diamond Foods, Inc., Sec. Litig.*, 2014 WL 106826, at *2 (N.D. Cal. Jan. 10, 2014) (“It is not unreasonable for counsel and the class representative to prefer the bird in hand, given concerns about Diamond’s strained financial state and its ability to pay a judgment following further litigation.”) (cleaned up); *In re Critical Path, Inc.*, 2002 WL 32627559, at *7 (N.D. Cal. June 18, 2002) (“Through protracted litigation, the settlement

proceedings; [6] the experience and views of counsel; [7] the presence of a governmental participant; and [8] the reaction of the class members to the proposed settlement.” *Roes, I-2*, 944 F.3d at 1048; *Staton*, 327 F.3d at 959. These are the factors Plaintiff addresses in the Motion. (See generally Mot.) And the court still considers these factors to the extent that they shed light on the Rule 23(e) inquiry. See *Wong v. Arlo Techs., Inc.*, 2021 WL 1531171, at *8 (N.D. Cal. Apr. 19, 2021).

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class could conceivably extract more, but at a plausible risk of getting nothing . . . ; watching Critical Path fall into bankruptcy; and, most certainly, drying up the available insurance.”); *Stratton v. Glacier Ins. Administrators, Inc.*, 2006 WL 3388528, at *4 (E.D. Cal. Nov. 22, 2006) (considering “self-exhausting nature of defendants’ insurance policies and lack of identifiable assets sufficient to satisfy judgments” under this factor to weigh in favor of granting final approval). In other words, by settling now, Lead Plaintiff and the class get a portion of Defendants’ “remaining insurance proceeds rather than those proceeds being used to litigate this case and related shareholder derivative suits and governmental investigations.” *Farrar v. Workhorse Grp., Inc.*, 2023 WL 5505981, at *6 (C.D. Cal. July 24, 2023)

The court further finds the benefits class members will receive under the Settlement present a fair compromise given the costs, risks, and delay of trial and appeal. For one thing, “securities actions are highly complex” and “securities class litigation is notably difficult and notoriously uncertain.” *Hefler v. Wells Fargo & Co.*, 2018 WL 6619983, at *13 (N.D. Cal. Dec. 18, 2018), *aff’d sub nom. Hefler v. Pekoc*, 802 F. App’x 285 (9th Cir. 2020) (quotation omitted); *Redwen v. Sino Clean Energy, Inc.*, 2013 WL 12129279, at *5 (C.D. Cal. Mar. 13, 2013) (“Courts experienced with securities fraud litigation routinely recognize that securities class actions present hurdles to proving liability that are difficult for plaintiffs to clear.”) (cleaned up). Specifically, Lead Plaintiff and the class would have been challenged in proving scienter, which is “complex and difficult to establish at trial.” *In re Immune Response Sec. Litig.*, 497 F. Supp. 2d 1166, 1172 (S.D. Cal. 2007). Indeed, the court observed in ruling on Defendants’ motion to dismiss that “on a percentage basis, the amount of stock sold by HyreCar’s executives cuts against a finding a strong inference of scienter” (Dkt. 94 at 32.)

Further, Lead Plaintiff identifies that potential defenses to “loss causation and damages pose substantial risks to recovery at trial because each side would have presented expert testimony.” (FA Mot. at 13); *Farrar*, 2023 WL 5505981, at *7 (“Extensive and expensive expert discovery would also be necessary” to proceed to trial). There would also be significant costs and risks associated with class certification, summary judgment practice, and trial. *See In re Portal Software, Inc. Sec. Litig.*, 2007 WL 4171201, at *3 (N.D. Cal. Nov. 26, 2007)

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(“Additional consideration of increased expenses of fact and expert discovery and the inherent risks of proceeding to summary judgment, trial and appeal also support the settlement.”). Even if Lead Plaintiff were able to certify a class, there would also be a risk that the court could later decertify the class. *See In re Netflix Privacy Litig.*, 2013 WL 1120801, at *6 (N.D. Cal. Mar. 18, 2013) (“The notion that a district court could decertify a class at any time is one that weighs in favor of settlement.”). And even if Lead Plaintiff could secure a better result than the Settlement represents at trial, any result obtained after additional litigation or trial would take significantly longer and there is a risk that Lead Plaintiff could have received much less, or nothing at all. *See In re Omnivision Techs., Inc.*, 559 F. Supp. 2d 1036, 1041-42 (N.D. Cal. 2008) (discussing how a class action settlement offered an “immediate and certain award” considering significant obstacles posed through continued litigation).

As explained in the Preliminary Approval Order, the Settlement also appears reasonable when considering all of these costs and risks in the context of Lead Plaintiff’s potential recovery. Lead Counsel estimates that a successful verdict on all claims could result in maximum damages of approximately \$96 million. (Sams Decl. ¶ 42.) The Settlement reflects an approximately 2% recovery of that amount. (*Id.*) This amount is in line with percentage recoveries other courts have found to be fair and adequate. *See, e.g., In re Broadcom Corp. Sec. Litig.*, 2005 WL 8153007, at *6 (C.D. Cal. Sept. 14, 2005) (“In any event, even a 2.7 cent recovery for every dollar of claimed damages would not be inconsistent with the average recovery in securities class action cases.”); *In re LJ Int’l, Inc. Sec. Litig.*, 2009 WL 10669955, at *4-5 (C.D. Cal. Oct. 19, 2009) (approving settlement with recovery of 4.5% of maximum damages).

The court finds that elimination of all these costs, risks, and delays weighs heavily in favor of approving the Settlement. *Rodriguez v. W. Publ’g Corp.*, 563 F.3d 948, 966 (9th Cir. 2009); *Curtis-Bauer v. Morgan Stanley & Co., Inc.*, 2008 WL 4667090, at *4 (N.D. Cal. Oct. 22, 2008) (“Settlement avoids the complexity, delay, risk and expense of continuing with the litigation and will produce a prompt, certain, and substantial recovery for the Plaintiff class.”).

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b. The Effectiveness of the Proposed Method of Distribution of Class Relief

Next, the court must consider “the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims.” Fed. R. Civ. P. 23(e)(2)(C). “Often it will be important for the court to scrutinize the method of claims processing to ensure that it facilitates filing legitimate claims.” Fed. R. Civ. P. 23 advisory committee’s note to 2018 amendment. “A claims processing method should deter or defeat unjustified claims, but the court should be alert to whether the claims process is unduly demanding.” *Id.*

In this case, the court finds the claims processing and relief distribution processes are well-established and effective. SCS will process claims under the guidance of Lead Counsel, allow claimants an opportunity to cure any deficiency in their claim or request review of any denial of their claim, and ultimately mail or wire each Authorized Claimant their *pro rata* share of the Net Settlement Fund. (FA Mot. at 15.) This process “has been long found to be effective, as well as necessary, insofar as neither Lead Plaintiff nor Defendants possess the individual investor trading data required for a claims-free process to distribute the Net Settlement Fund.” *In re Stable Road Acquisition Corp.*, 2024 WL 3643393, at *7 (C.D. Cal. Apr. 23, 2024) (approving settlement with nearly identical distribution process).

If, nine months after the initial distribution, “any funds remain in the Net Settlement Fund, by reason of uncashed checks or otherwise, the Claims Administrator will conduct a second distribution” if “it is cost-effective to do so.” (Dkt. 143-2 at 7.) “During the Second Distribution, any amounts remaining in the Net Settlement Fund after the Initial Distribution,” and after payment of court-ordered fees and costs, “will be redistributed to all Authorized Claimants in the Initial Distribution who cashed their distribution checks and would receive at least \$10.00 from the Second Distribution.” (*Id.*) “Following the Second Distribution, additional redistributions will occur following the same process of the Second Distribution until no funds remain in the Net Settlement Fund or until Lead Counsel, in consultation with the

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Claims Administrator, determines that additional distributions are no longer economically feasible.” (*Id.*) “Finally, if any funds remain in the Net Settlement Fund after payment of any further Notice and Administration Costs and Taxes, the remaining balance shall be contributed to the Public Justice Foundation, a non-sectarian, not-for-profit organization dedicated to, among other things, investor education and advocacy.” (*Id.* at 7-8.) The court finds that this distribution is reasonably calculated to efficiently distribute relief, and that the Public Justice Foundation is a suitable *cy pres* beneficiary. (*See* Dkt. 143-3) (collecting securities cases in which the Public Justice Foundation received court approval as the *cy pres* beneficiary.)

c. Attorney Fees Award

Next, the court must consider “the terms of any proposed award of attorneys’ fees, including timing of payment,” in determining whether the class’s relief is adequate. Fed. R. Civ. P. 23(e)(2)(c). “The ‘touchstone’ for that analysis is ‘the benefit to the class’—class counsel can only reap rewards if they have delivered results for class members.” *In re California Pizza Kitchen Data Breach Litig.*, 2025 WL 583419, at *9 (9th Cir. Feb. 24, 2025). When reviewing attorney fee requests in class action settlements, courts have discretion to apply the percentage-of-the-fund method or the lodestar method to determine reasonable attorney fees. *See Powers v. Eichen*, 229 F.3d 1249, 1256 (9th Cir. 2000); *Bluetooth*, 654 F.3d at 944-45. In considering the proposed attorney fee award, the court must also scrutinize the Settlement for three factors that tend to show collusion: (1) when counsel receives a disproportionate distribution of the settlement, (2) when the parties negotiate a “clear sailing arrangement,” under which the defendant agrees not to challenge a request for agreed-upon attorney fees, and (3) when the agreement contains a “kicker” or “reverter” clause that returns unawarded fees to the defendant, rather than the class. *Briseno v. ConAgra Foods, Inc.*, 998 F.3d 1014, 1022 (9th Cir. 2021).

Here, Lead Counsel seeks one-third of the \$1,900,000 Gross Settlement Amount. (Fee Mot. at 1.) “Although 25% of the anticipated settlement value is a useful benchmark to keep in mind in all cases, [] caselaw affords district courts discretion to refrain from attempting to

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measure the unmeasurable.” *Campbell v. Facebook, Inc.*, 951 F.3d 1106, 1126 (9th Cir. 2020); *see also In re Easysaver Rewards Litig.*, 906 F.3d 747, 758 (9th Cir. 2018) (noting the Ninth Circuit has “generally held” a fee award within 25% of the total recovery as a “benchmark” for “reasonable” fee award in a class action settlement).

For several reasons, the court finds an award above the benchmark is appropriate here. First, “[i]n awarding percentages of the class fund, courts frequently take into account the size of the fund,” and “[c]ases of under \$10 Million,” like this one, “will often result in result in fees above 25%.” *Craft v. Cnty. of San Bernardino*, 624 F. Supp. 2d 1113, 1127 (C.D. Cal. 2008). Second, California courts routinely grant 33 $\frac{1}{3}$ % attorney fee awards in class action settlements such as this one. (Fee Mot. at 18-19 (collecting cases).) “Indeed, for securities class action settlements settled between 2014 and 2023 with a gross settlement value of under \$5 million, the median attorneys’ fee as a percentage of settlement value was 33.0%.” (Fee Mot. at 19 (citing Dkt. 136-5).) And third, courts depart upward from the 25% benchmark after considering “the extent to which class counsel achieved exceptional results for the class, whether the case was risky for class counsel, whether counsel’s performance generated benefits beyond the cash settlement fund, the market rate for the particular field of law (in some circumstances), the burdens class counsel experienced while litigating the case (e.g., cost, duration, foregoing other work), and whether the case was handled on a contingency basis.” *In re Online DVD-Rental Antitrust Litig.*, 779 F.3d 934, 954-55 (9th Cir. 2015) (internal quotations omitted). Finally, the lack of a single objector or request for exclusion among the class members is strong evidence that the requested fee is reasonable. *Immune Response Sec. Litig.*, 497 F.Supp.2d at 1177 (“The lack of objection from any Class Member supports the attorneys’ fees award”).

A lodestar cross-check also confirms the reasonableness of the requested award. Courts commonly perform a lodestar cross-check to assess the reasonableness of the percentage award. *See In re Apple Inc. Device Performance Litig.*, 50 F.4th 769, 784 (9th Cir. 2022) (“A cross-check is discretionary, but we encourage one when utilizing the percentage-of-recovery method.”); *Vizcaino*, 290 F.3d at 1050 (“Calculation of the lodestar, which measures the

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lawyer’s investment of time in the litigation, provides a check on the reasonableness of the percentage award.”); *Bluetooth*, 654 F.3d at 943 (encouraging a “comparison between the lodestar amount and a reasonable percentage award”); *see also Chambers v. Whirlpool Corp.*, 980 F.3d 645, 663 (9th Cir. 2020) (confirming that a lodestar cross-check is “ordinarily” not required). Lead Counsel submitted evidence of a \$1,414,626.25 lodestar, so the requested fee of \$633,333.33 represents a significant reduction. (Dkt. 136-3.) Whereas “courts have routinely enhanced the lodestar to reflect the risk of non-payment in common fund cases,” and “multiples ranging from one to four are frequently awarded in common fund cases when the lodestar method is applied,” *Vizcaino*, 290 F.3d at 1051 n.6, here Lead Counsel seeks an award at less than half the value of their lodestar. *See also Gutierrez*, 2023 WL 3071198, at *6 (describing multipliers ranging from one to four as “presumptively acceptable”) (citing *Dyer v. Wells Fargo Bank, N.A.*, 303 F.R.D. 326, 334 (N.D. Cal. 2014)). The court has reviewed the information provided and concludes that the lodestar amount with the fractional multiplier fairly compensates the attorneys in this case given the result they achieved for the class; the able representation of counsel; the investigation, discovery, litigation, negotiation, and other work performed; and the substantial risk counsel undertook in this securities class action. *See In re Coordinated Pretrial Proc. in Petroleum Prod. Antitrust Litig.*, 109 F.3d 602, 607 (9th Cir. 1997) (explaining that comparing the lodestar fee to the 25% benchmark “resembles what lawyers commonly do when they draft a bill based on hours spent, consider the bottom line as compared with the value of the result, then cut the bill if the total seems excessive as compared with the results obtained”). The court therefore concludes that Lead Counsel’s lodestar confirms the reasonableness of the fees sought.

In addition, the court has also reviewed Lead Counsel’s request for \$114,016.12 in litigation costs incurred mostly through expert fees, mediation, a private investigation firm, and online research. (Fee Mot. at 23-24; Dkt. 136-4.) The court observes that these are generally the types of expenses that are reasonably and necessarily incurred in litigation and routinely charged to paying clients in non-contingency cases. *See Bato v. Lab’y Corp. of Am. Holdings*, 2011 WL 13412376, at *17 (C.D. Cal. Mar. 14, 2011) (explaining that discovery costs “paved the way for settlement,” and computerized legal research “was necessary to examine the legal

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basis for plaintiffs’ claims” and to oppose a motion to dismiss). The court therefore finds \$114,016.12 in costs to be reasonable and supported by the documentation submitted. Further, the court observes that the requested amount of costs is less than the \$163,500 maximum which this court previously set. (Prelim. Appr. Order at 8.)

The court will make only one change in calculating Lead Counsel’s fee: it will apply the percentage award after deducting litigation and administration costs from the common fund. “In other words, to calculate attorney fees in this case, the court will apply the [percentage fee award] to the amount the class recovers.” *Farrar*, 2023 WL 5505981, at *10; *Carter v. Vivendi Ticketing US LLC*, 2023 WL 8153712, at *8 (C.D. Cal. Oct. 30, 2023). Calculating the percentage fee before deducting expenses would mean that Lead Counsel not only gets reimbursed for its costs but also receives an additional 33% of those costs as a fee. *See, e.g., Smith v. Experian Info. Sols., Inc.*, 2020 WL 6689209, at *7 (C.D. Cal. Nov. 9, 2020) (calculating benchmark fees by deducting litigation costs and settlement administrator costs from the settlement amount, and taking 25% of that amount); *In re Apple iPhone/iPad Warranty Litig.*, 40 F. Supp. 3d 1176, 1182 (N.D. Cal. 2014) (same); *Kmiec v. Powerwave Techs., Inc.*, 2016 WL 5938709, at *5 (C.D. Cal. July 11, 2016) (same); *Kanawi v. Bechtel Corp.*, 2011 WL 782244, at *3 (N.D. Cal. Mar. 1, 2011) (same). And deducting the settlement administrator’s expenses before calculating the fee ensures that class counsel’s incentive remains keeping those costs low. *Farrar*, 2023 WL 5505981, at *10; *Carter*, 2023 WL 8153712, at *8. Subtracting from the \$1,900,000 million Settlement amount \$114,016.12 in litigation costs (Sams Decl. ¶ 62), and \$82,000 in administration expenses³ yields \$1,703,983.88. Applying the 33.33% rate to that sum yields \$567,994.63. Accordingly, the court will award Lead Counsel \$567,994.63 in attorney fees.

In addition to the amount of Lead Counsel’s fees and costs, the court must scrutinize the timing of payment. Fed. R. Civ. P. 23(e)(2)(c). Here, the Settlement provides that “any attorneys’ fees and Litigation Expenses that are awarded by the Court shall be paid to Lead

³ At the final approval hearing, Lead Counsel informed the court that SCS’ administrative costs total \$82,000.

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Counsel immediately upon award.” (SA at 26 ¶ 16.) Class members’ payments will be distributed to Authorized Claimants following the “Effective Date,” which will also be on or soon after the date the court issues this Order. (Dkt. 143-1 ¶ 6; SA at 35-36 ¶ 31.) These terms could allow counsel to collect their fee before class members are paid, which in turn could cast a slight shadow on the proposed fee and cost arrangements. *See, e.g., Razo v. AT&T Mobility Servs., LLC*, 2022 WL 4586229, at *13 (E.D. Cal. Sept. 29, 2022) (“[C]ounsel will receive payment at the same time as class members, and the timing of payment does not weigh against preliminary approval of the Class Settlement.”). “However, especially given the strong showing of arm’s length negotiation and lack of collusion in this case,” the court finds that even if counsel receives their fees slightly before Authorized Claimants’ payments are disbursed, any “gap between payments standing alone does not appear so significant as to weigh against granting final approval of the Settlement.” *Farrar*, 2023 WL 5505981, at *10.

d. Agreements Required to Be Identified Under Rule 23(e)(3)

The court must also consider whether there is “any agreement required to be identified under Rule 23(e)(3),” Fed. R. Civ. P. 23(e)(2)(C)(iv)—that is, “any agreement made in connection with the proposal,” *id.* 23(e)(3). The parties have reached a confidential supplemental agreement (“Supplemental Agreement”) that allows Defendants to terminate the Settlement if class members possessing a certain aggregate number of securities exclude themselves from the Settlement. (FA Mot. at 16-17.) To protect the settlement class, the specific terms of the Supplemental Agreement are confidential “to prevent third parties from utilizing it for the improper purpose of obstructing the settlement and obtaining higher payouts.” *Thomas v. MagnaChip Semiconductor Corp.*, 2017 WL 4750628, at *5 (N.D. Cal. Oct. 20, 2017). “This type of agreement is common in securities fraud actions and does not weigh against [final] approval.” *Jiangchen v. Rentech, Inc.*, 2019 WL 5173771, at *7 (C.D. Cal. Oct. 10, 2019) (citing *In re Carrier IQ, Inc., Consumer Privacy Litig.*, 2016 WL 4474366, at *5 (N.D. Cal. Aug. 25, 2016) (observing that the court was not troubled by the opt out deal between the parties)).

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e. Reimbursement of Lead Plaintiff’s Costs and Expenses

Next, the court considers Lead Plaintiff’s request for \$10,000 as reimbursement for time spent working on this case. (Fee Mot. at 24-25.) “The [PSLRA] prohibits granting incentive awards to class representatives in securities class actions.” *Rodriguez v. West Publ’g Corp.*, 563 F.3d 948, 960 n.4 (9th Cir. 2009). But the “PSLRA allows class representatives to recover ‘reasonable costs and expenses (including lost wages) directly relating to the representation of the class.’” *Schwartz v. Arena Pharms., Inc.*, 775 Fed. Appx. 342, 343 (9th Cir. 2019) (quoting 15 U.S.C. § 78u-4(a)(2)(A)(vi)).

As previously stated, Judge Anderson appointed Turton Inc. as Lead Plaintiff in this action. (Dkt. 62.) Michael Criden, the President and Director of Turton, explains that he facilitated this litigation, including by reviewing “all significant pleadings” and evaluating and approving “the proposed settlement.” (Dkt. 136-1 (Declaration of Michael Criden, “Criden Decl.”) ¶ 1, 6.) Criden notes that the time he spent on this case is time that he “would have spent at working on behalf of Turton and, thus, represented a cost to Turton.” (*Id.* ¶ 14.) Criden submits that \$10,000 is the appropriate figure for reimbursement because he spent “approximately 11 hours” on behalf of the class and that his “billable rate is \$900 per hour.” (*Id.* ¶ 1, 14.)

However, the court declines to award \$10,000 to Lead Plaintiff because the record does not sufficiently demonstrate that this amount represents Lead Plaintiff’s “reasonable costs and expenses.” 15 U.S.C. § 78u-4(a)(2)(A)(vi). Courts in this circuit regularly decline reimbursement for a PSLRA plaintiff who seeks reimbursement based on the plaintiff’s “generalized statement that he would have spent the time he spent on this case ‘on other work.’” *Schueneman v. Arena Pharmaceuticals, Inc.*, 2019 WL 6700880, at *1 (S.D. Cal. Dec. 9, 2019); *In re Lyft Inc. Sec. Litig.*, 2023 WL 5068504, at *13 (N.D. Cal. Aug. 7, 2023) (denying reimbursement for a plaintiff “who spent substantial time on [the] case [but] has not provided

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documentation of any actual costs, expenses, or lost wages related to litigation”); *In re Yahoo! Inc. Sec. Litig.*, 2018 WL 4283377, at *3 (N.D. Cal. Sept. 7, 2018) (denying reimbursement where plaintiffs put forward “conclusory estimates of the hours spent on this case and their billing rates”); *In re TVIA Inc. Sec. Litig.*, 2008 WL 2693811, at *1 (N.D. Cal. July 7, 2008) (denying reimbursement for plaintiff who spent fifty hours spent on the action at an alleged rate of \$300). Criden’s status as an employee of Turton does not change this result because Turton does not show “that it paid compensation ‘directly as a result of the litigation.’” *In re Twitter Inc. Sec. Litig.*, 2022 WL 17248110, at *2 (N.D. Cal. Nov. 21, 2022). The fact that Criden points to the hourly rate he charges as an attorney as an estimate of his value further demonstrates that Turton cannot show a specific out-of-pocket expense it incurred in service of this litigation. *See id.* (plaintiff’s attempt to “set an ‘effective hourly rate’ for its employees’ time does not solve this problem, because that hourly rate was not the cost incurred by” plaintiff).

The court acknowledges that some courts from this circuit allow reimbursement under a similar theory as Lead Plaintiff provides here. *See Stable Road*, 2024 WL 3643393, at *16 (granting “PSLRA award in the amount of \$10,000 to reimburse [the lead plaintiff] for time spent prosecuting the Action”); *Zaidi v. Adamas Pharma., Inc.*, 2024 WL 4342186, at *2 (N.D. Cal. Sept. 27, 2024) (awarding “\$10,000 from the Settlement Fund as reimbursement for [the lead plaintiff’s] reasonable costs and expenses directly related to his representation of the Settlement Class”). But those cases do not adequately reconcile that the PSLRA “does not allow for incentive awards for class representatives.” *Schwartz*, 775 Fed. Appx. at 343; *see Stable Road*, 2024 WL 3643393, at *16; *Zaidi*, 2024 WL 4342186, at *2.

The court recognizes Criden’s significant efforts in prosecuting this case and facilitating this Settlement. But “the Congressional Committee’s comments [on the PSLRA] demonstrate a clear intent to remove financial incentive for becoming a lead plaintiff.” *In re ESS Tech., Inc. Sec. Litig.*, 2007 WL 3231729, at *3 (N.D. Cal. Oct. 30, 2007.) And Lead Plaintiff does not

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submit adequate support for the notion that he incurred any reimbursable expenses under the PSLRA. Accordingly, the court **DENIES** Lead Plaintiff’s request for reimbursement in the amount of \$10,000.

4. Equitable Class Member Treatment

The final Rule 23(e) factor turns on whether the proposed settlement “treats class members equitably relative to each other.” Fed. R. Civ. P. 23(e)(2). “Matters of concern could include whether the apportionment of relief among class members takes appropriate account of differences among their claims, and whether the scope of the release may affect class members in different ways that bear on the apportionment of relief.” Fed. R. Civ. P. 23 advisory committee’s note to 2018 amendment.

Under the Settlement, Authorized Claimants will receive their “*pro rata* share of the Net Settlement Fund.” (FA Mot. at 17.) “Specifically, an Authorized Claimant’s *pro rata* share shall be the Authorized Claimant’s Recognized Claim divided by the total of Recognized claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.” (*Id.*) “This difference in treatment is appropriate and reasonable.” *Farrar*, 2023 WL 5505981, at *11 (finding a *pro rata* settlement in a securities case treats class members equitably). Accordingly, the court concludes the Settlement treats class members equitably.

5. Response to Notice

The court also considers the class’ response to the notice in determining whether the Settlement is fair, reasonable, and adequate. *See Alfred v. Pepperidge Farm*, 2022 WL 17066171, at *7 (C.D. Cal. Mar. 4, 2022) (“Because the notice process has been completed, the reaction of Class Members to the Settlement Agreement may be considered in evaluating whether it is fair and appropriate.”). As explained, “a total of 13,875 potential Settlement Class Members were either mailed a Postcard Notice or emailed a link to the Notice and Claim form.” (Supp. Bravata Decl. ¶ 4.) SCS also “maintains a toll-free telephone number ... for potential

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Settlement Class Members to call and obtain information about the Settlement.” (*Id.* ¶ 6.) SCS also established and maintained a settlement website that “received 4,268 pageviews from 1,421 unique users.” (*Id.* ¶ 7.) With this notice and engagement, no class member opted out or objected to the Settlement. (*Id.* ¶¶ 8-9.) The court finds this record indicates overall support for the Settlement and supports final approval. *See, e.g., Hashemi*, 2022 WL 18278431, at *6 (“Very few objections and opt-outs create a strong presumption that the Settlement is beneficial to the Class and thus warrants final approval.”); *In re Lifelock, Inc. Mktg. & Sales Practices Litig.*, 2010 WL 3715138, at *6 (D. Ariz. Aug. 31, 2010) (explaining that low number of timely written objections and requests for exclusion supported settlement approval); *National Rural Telecommunications Cooperative v. DIRECTV, Inc.*, 221 F.R.D. 523, 529 (C.D. Cal. 2004) (“The absence of a single objection to the Proposed Settlement provides further support for final approval of the Proposed Settlement. It is established that the absence of a large number of objections to a proposed class action settlement raises a strong presumption that the terms of a proposed class settlement action are favorable to the class members.”).

6. Summary

In sum, after analyzing the Rule 23(e)(2) factors, and taking into consideration the factors the Ninth Circuit has provided to guide the court’s Rule 23(e)(2) analysis, the court concludes that the Settlement is fair, reasonable, and adequate. *See* Fed. R. Civ. P. 23(e)(2); *Kim*, 8 F.4th at 1178; *Roes, I-2*, 944 F.3d at 1048; *Staton*, 327 F.3d at 959.

III. Disposition

For the foregoing reasons, the Final Approval Motion is **GRANTED** and the Fee Motion is **GRANTED IN SUBSTANTIAL PART**. The Fee Motion is **GRANTED** in all respects except that the court calculates the fee award by applying the percentage fee award after deducting litigation and administration costs from the common fund, for a total fee award of \$567,994.63, and the court **DENIES** Lead Plaintiff’s request for reimbursement of \$10,000.