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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

10 ANDREA BARTZ, ANDREA BARTZ, INC.
11 CHARLES GRAEBER, KIRK WALLACE
12 JOHNSON, and MJ + KJ, INC., individually and
13 on behalf of others similarly situated,

Case No. 3:24-cv-05417-WHA

ANTHROPIC PBC'S RESPONSE TO PLAINTIFFS' MOTION FOR ATTORNEYS' FEES

Plaintiffs,

V.

ANTHROPIC PBC.

Defendant.

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INTRODUCTION AND SUMMARY OF ARGUMENT

2 Plaintiffs have filed a fee motion seeking 20 percent of the settlement fund—\$300 million
3 before interest—with \$225 million going to Class Counsel and \$75 million split between three
4 additional law firms that do not serve as Class Counsel. Anthropic responds to emphasize two points.
5 First, there is scant justification or substantiation for the extraordinary fees sought by non-Class
6 Counsel—the Authors and Publishers “Coordination Counsel.” These three firms request awards of
7 95 times, 23 times, and 15 times the fees they claim to have incurred, well in excess of the multipliers
8 sought by Class Counsel. They took on none of the risk in this case and their claimed hours are
9 excessive. For example, one firm that appeared in this case on August 11, two weeks before the
10 parties signed the settlement term sheet, claims to have worked over 2400 hours between August
11 and November. To the extent the Court awards these three additional firms anything at all, the
12 awards should be reduced to a reasonable amount, which would allow for a larger recovery for the
13 Class.

14 Second, while Anthropic takes no position on the precise fee award that would be appropriate
15 for Class Counsel in this case, Anthropic notes that a significant body of caselaw calls into question
16 counsel’s proposal to use a benchmark percentage as the primary method to determine the fees in
17 the context of a “megafund” settlement like this. Applying a lodestar method would allow the Court
18 to review the hours incurred—as well as the significant number of hours that counsel predict they
19 will work in the future—to ensure that the award is reasonable and fair to the Class.

20 I. The Requested Awards to Non-Class-Counsel Should Be Substantially Reduced or
21 Eliminated Entirely

22 Edelson PC and Oppenheim + Zebrak (“O+Z”), describing themselves as Publishers’
23 Coordination Counsel,¹ seek a combined \$60 million in fees; Cowan DeBaets, Abrahams &
24 Sheppard LLP (“Cowan”), describing itself as Authors’ Coordination Counsel, seeks \$15 million.

²⁸ ¹ It is not clear which publishers, precisely, these firms represent.

1 ECF 505 at 17.² But there is no presumption that these three additional law firms deserve any
 2 compensation from the settlement fund at all.

3 To the contrary, the Court has already expressed its expectation that these firms would not
 4 be paid out of class funds. The Court stated at the September 8, 2025 settlement-approval hearing
 5 that “there will be not one penny paid to any lawyer except class counsel.” 9-8-25 Tr. 14:18-25. The
 6 Court noted that Class Counsel Susman Godfrey L.L.P. (“Susman”) and Lieff Cabraser (“Lieff”)
 7 had “taken it upon [themselves] to draw in this army of allied people to help solve this problem. But
 8 . . . they get their money from somebody else, not from the 1.5 . . . billion.” 9-8-25 Tr. 15:1-6. The
 9 Court went on to state that “every single one of these add-on lawyers and organizations is proceeding
 10 at their risk. And maybe they get paid by the author. Maybe they get paid by the publisher. But to
 11 ask that they’re going to get paid through the 1.5 billion directly by a court approved -- no, not yet,
 12 and probably never. But I can’t say ‘never’; I’ll just say ‘probably never.’” 9-8-25 Tr. 18:6-14.

13 **A. Non-Class Counsel Have Not Adequately Justified Any Award**

14 The Publishers’ and Authors’ Coordination Counsel’s descriptions of their work in this case
 15 do not justify reconsideration of the Court’s initial conclusion that they should not be paid out of
 16 the class settlement fund. The two “PCC” firms, Edelson and O+Z, submit only summaries of their
 17 hours and high-level categorical descriptions of their work, but fail to submit any billing records
 18 detailing that work. The description in their joint declaration reflects that, after the Court partially
 19 denied Anthropic’s summary judgment motion and certified the class, Edelson and O+Z sought to
 20 become involved in the litigation for the first time and began reaching out to publishers in an effort
 21 to find clients. ECF 505-4 at 10. Yet no major publisher or publisher association appears to have
 22 been willing to pay Edelson or O+Z to become involved, perhaps because the publishers were
 23 already represented by Class Counsel. *See* 9-8-25 Tr. 32:19-20 (this Court noting, to Susman and
 24 Lieff: “You’re the class counsel and you represent both authors and publishers”). Nonetheless,
 25 Edelson and O+Z entered appearances as “Publishers’ Coordination Counsel” on August 11, 2025—
 26 after the Layn Phillips mediation that led to the settlement had been scheduled, three days before
 27

28 ² All citations are to the page numbers reflected in ECF header stamps.

1 mediation statements were submitted, eight days before the mediation took place, and 14 days before
 2 the parties reached a settlement. *Cf.* 9-8-25 Tr. 38:22-25 (Court: “I have an uneasy feeling about all
 3 of these hangers-on that are in the shadows. When this kind of money gets on the table, people come
 4 out of the woodwork. And they want a piece of the action …”).

5 Unlike Edelson and O+Z, Cowan was listed as counsel of record on the complaint from the
 6 beginning. But Cowan’s declaration is vague as to the extent of its work representing the class before
 7 the settlement. It did not enter its appearance as “Authors’ Coordination Counsel” until September
 8 7, 2025, and the majority of its work occurred after the settlement was reached.³

9 It is not clear who the firms purport to be representing in this case. To the extent they are
 10 representing anyone at all, Anthropic presumes that it is large publishers, or trade groups of authors
 11 or publishers like the Association of American Publishers, who are perfectly capable of paying for
 12 their own counsel. At the very least, Edelson, O+Z, and Cowan should have to identify which class
 13 members (or trade groups) they have been retained by and which class members (or trade groups)
 14 they have been coordinating, so that the Court can understand which interests within the class they
 15 represent, and whether their clients represent a significant enough portion of the class such that
 16 compensation from the settlement fund is warranted.

17 But even if these firms had worked hard on the litigation at the request of Class Counsel on
 18 behalf of some portion of the class, that would not entitle them to recover from the settlement fund.
 19 “The mere fact that a non-designated counsel worked diligently and competently with the goal of
 20 benefiting the class is *not* sufficient to merit compensation.” *In re Volkswagen “Clean Diesel”*
 21 *Mktg., Sales Pracs., & Prods. Liab. Litig.*, 914 F.3d 623, 644-45 (9th Cir. 2019). Rather, counsel
 22 must establish that their efforts helped to “create, discover, increase, or preserve the class’s ultimate
 23 recovery.” *Id.* at 645. The declarations in this case do not show that the PCC or ACC firms did so.
 24 Edelson and O+Z offer the self-serving statement that the “\$1.5 billion settlement . . . would not

25
 26 ³ Although its billing records are not sufficiently detailed to allow for a precise calculation, two of
 27 Cowan’s timekeepers accounting for more than half of the total hours expended began work on or
 28 after August 27, 2025. ECF 505-5 at 7. That date is after the Court issued both the summary
 judgment and the class certification orders, and after the parties filed their notice of a settlement in
 principle.

1 exist but for the contributions of *the publishers* and the PCC.” ECF 505-4 at 12 (emphasis added).
 2 But the contribution of the publishers does not merit compensation to the PCC; the publishers are
 3 class members and are represented by Class Counsel. And the notion that the “Firms’ own
 4 experience negotiating large settlements” was “critical,” *id.*, is just not plausible. Lieff and Susman
 5 also have ample experience negotiating large settlements.

6 The PCC firms also assert that they “engaged in an all-out effort to assist Class Counsel in
 7 compiling the Works List” and that, “[w]ith that assistance from the PCC, Class Counsel was able
 8 to refine these matching processes and identify works which otherwise may not have been included.
 9 These efforts resulted in a Works List at least 20% larger than otherwise.” ECF 505-4 at 11-12. But
 10 it was Class Counsel’s role to improve the Works List. The PCC firms refer vaguely to “assistance,”
 11 but make no effort to explain what if any portion of that 20% increase was actually attributable to
 12 efforts by the PCC, as opposed to efforts by Class Counsel or the publishers/authors themselves.
 13 Indeed, Cowan, which served as “Authors’ Coordinating Counsel,” likewise takes credit for the
 14 Works List, asserting that it too improved the process of matching works to class criteria and that
 15 its efforts enabled “Class Counsel … to verify tens of thousands of additional works for inclusion
 16 on the Works List.” ECF 505-5 at 4-5. None of the additional firms explain how their involvement
 17 was non-duplicative and necessary to facilitate these improvements; nor do they submit billing
 18 records with descriptions that would allow the Court to identify how much time they spent on these
 19 tasks and how their work differed from work done by Class Counsel. The Class should not be
 20 required to pay five separate firms to perform duplicative work improving the Works List.

21 Similarly, O+Z and Edelson state that they have spent “hundreds of hours assisting
 22 publishers with the claims process,” for which they now seek compensation. ECF 505-4 at 18; *see*
 23 *also id.* at 13 (describing similar efforts). Class Counsel has hired a Claims Administrator, at a cost
 24 of \$15 million, whose job it is (among other things) to help *all* class members with the claims
 25 process, on an equal footing. It is not clear why the class should compensate Edelson and O+Z at
 26 law firm hourly rates for providing extra help to certain class members. And given the “incredibly
 27 claimant-friendly distribution process” O+Z and Edelson take credit for devising, which they
 28

1 “believe to be the most claimant-friendly ever designed,” ECF 505-4 at 12, it is especially hard to
 2 see why O+Z and Edelson deserve such extraordinary compensation for shepherding a group of
 3 unidentified claimants through that already claimant-friendly process. Indeed, Class Counsel has
 4 advised that they are engaged in the same communications with the class and the same town halls
 5 that the additional firms claim credit for. ECF 505-3 at 3.

6 Finally, the sheer number of hours that Edelson and O+Z have claimed in this case casts
 7 substantial doubt on the notion that most of their work, much less all of it, actually conveyed some
 8 concrete benefit to the class. O+Z entered the case on August 11, 2025, but claims that it billed
 9 2,404 hours through the end of November. That is 600 hours per month, or four people each working
 10 full time for four months straight, on a *settled* case where two other firms serve as lead counsel.
 11 Edelson claims 1007 hours over the same period. There is no plausible justification for reducing the
 12 class’s recovery for the purpose of paying these additional firms.

13 **B. At Minimum, Any Award to the Additional Firms Should be Significantly
 14 Reduced, and the Court Should Require the Submission of All Timesheets**

15 If the Court does decide to compensate the additional firms, any award should be steeply
 16 discounted from the request, and the Court should scrutinize their billing records to confirm that
 17 their claimed hours are reasonable, non-duplicative, and benefited the class as a whole.

18 The fees counsel seek would provide an unreasonably large recovery to the Publishers’ and
 19 Authors’ Coordination firms:

- 20 ● Cowan states that it billed 231 hours, or \$156,784 at rack rates. ECF 505-5 at 7. It is
 21 seeking \$15,000,000—a multiplier of **95.67**.
- 22 ● O+Z states that it billed 2404.2 hours, or \$1,603,999 at rack rates. ECF 505-4 at 20.
 23 It is seeking to recover \$37.5 million in fees—a multiplier of **23.38**.
- 24 ● Edelson states that it billed 1007 hours, or \$1,486,957.50 at rack rates. ECF 505-4 at
 25 20. It is seeking to recover \$22.5 million in fees—a multiplier of **15.13**.

26 Notably, *all* of these multipliers are substantially in excess of the multiplier sought by Class Counsel,
 27 which is either **13.45** or **9.32**, depending on whether future anticipated work is included.

1 The multipliers for the additional firms are extremely high even in comparison to the
 2 multipliers that courts in the Ninth Circuit apply to class counsel who actually are responsible for
 3 significant settlements. Most multipliers are in the low single digits, and double digit multipliers are
 4 nearly unheard of, especially in billion-dollar settlements like this one. ECF 505-7 at 13-15 (chart
 5 from Class Counsel's expert). A Ninth Circuit analysis of "class actions settlements nationwide ...
 6 found that 54 percent of lodestar multipliers fell within the 1.5 to 3.0 range, and that 83 percent of
 7 multipliers fell within the 1.0 to 4.0 range." *Nitsch v. DreamWorks Animation SKG Inc.*, 2017 WL
 8 2423161, at *8 (N.D. Cal. June 5, 2017). The "mean multiplier in common fund cases" in this Circuit
 9 is between 1.26 and 1.54. *Ward v. United Airlines, Inc.*, 2024 WL 269149, at *8 (N.D. Cal. Jan. 24,
 10 2024) (Alsup, J.).

11 In *Gutierrez*, for example, the Court rejected a 10.38 multiplier as "extraordinary" and "not
 12 justified" even when sought by class counsel who took a case to trial and whose "trial performance
 13 ranks as one of the best this judge has seen in sixteen years on the bench." *Gutierrez v. Wells Fargo
 14 Bank, N.A.*, 2015 WL 2438274, at *4, *7 (N.D. Cal. May 21, 2015) (Alsup, J.). The Court instead
 15 applied a 5.5 multiplier for one firm and a 2.0 multiplier for another. Judge Donato recently
 16 described a 4.0 multiplier as "very generous." *In re Zoom Sec. Litig.*, 2025 WL 3078702, at *4 (N.D.
 17 Cal. Nov. 4, 2025). In *Glumetza*, where class counsel obtained a very large megafund settlement
 18 "despite vigorous opposition from large multi-national companies with high-quality representation
 19 from six national law firms," the Court rejected a 4.99 multiplier as "too high" and applied a 2.2
 20 multiplier instead. *In re Glumetza Antitrust Litig.*, 2022 WL 327707, at *9 (N.D. Cal. Feb. 3, 2022)
 21 (Alsup, J.). Judge Koh has held that a 3.91 multiplier would result in "windfall profits" in a
 22 megafund case and instead applied a multiplier of 2.0. *Nitsch*, 2017 WL 2423161, at *9-10. And,
 23 again, those are the multipliers that courts find reasonable for class counsel who took on risk or
 24 performed unusually well in difficult circumstances, not for counsel who came on just before a
 25 settlement and whose principal contributions appear to have been unspecified "coordination" rather
 26 than litigation efforts.

1 It is not just the multipliers that are unreasonable here. These fee requests would result in an
 2 effective blended rate of \$64,935/hour for Cowan, \$22,344/hour for Edelson, and \$15,598/hour for
 3 O+Z. Courts have held that it would be “ridiculous” to award fees that would “translate to more than
 4 \$4,900 per hour.” *Gutierrez*, 2015 WL 2438274, at *8; *see Glumetza*, 2022 WL 327707, at *8
 5 (rejecting fee award that would translate into a blended rate of \$3,269/hour). And again, those are
 6 cases addressing fees to the lawyers who actually litigated the cases. The multipliers (and blended
 7 hourly rates) that the additional firms seek here are significantly higher than the multipliers and
 8 blended hourly rates sought by Lieff and Susman, firms which indisputably did the vast, vast
 9 majority of legal work and took all the risk.

10 The lodestar multiplier calculations and blended rates just described also assume that the
 11 hours that “Coordinating Counsel” have billed are reasonable and fair to the class. But counsel’s
 12 billing descriptions are so broad and vague that it is impossible to evaluate whether the time spent
 13 was reasonable. None of the firms provide any timesheets or detailed billing records. Cowan does
 14 not even break down its 231 hours by task. ECF 505-5 at 7. O+Z and Edelson break down their
 15 hours into broad categories, like “Case management” or “Client communication and defensive
 16 discovery,” that do not permit the Court to review for duplication or inefficiency. ECF 505-4 at 22.
 17 Indeed, “trying to craft an appropriate percentage for this megafund case without first reviewing
 18 counsel’s actual timesheets would likely result in picking a number out of the air.” *Gutierrez*, 2015
 19 WL 2438274, at *5 (internal quotation marks omitted); *see generally Reyes v. Bakery &*
 20 *Confectionery Union & Indus. Int’l Pension Fund*, 281 F. Supp. 3d 833, 853-57 (N.D. Cal. 2017)
 21 (reducing hours for inefficiency and other problems after providing defendants an opportunity to
 22 review timesheets).

23 Indeed, even a cursory review of the limited information provided reflects that inefficiency
 24 and duplication may be a significant concern. O+Z had ten different partners and associates working
 25 on this case—the same number as Susman. *Compare* ECF 505-4 at 20 with ECF 505-1 at 2. Edelson
 26 had an additional seven. ECF 505-4 at 20. O+Z assigned six different paralegals to the matter as
 27 well as a “program director” who alone billed 453.2 hours in the course of a few months. *Id.* A full
 28

1 third of O+Z's time—854.6 out of 2404.2 hours—was devoted to “case management,” with no
 2 further explanation. ECF 505-4 at 22. Together, six lawyers at the two firms devoted 88.2 hours to
 3 prepare for and appear at two court hearings where no one from either firm said a *single word*. ECF
 4 505-4 at 22. The two firms claim to have incurred a combined 1045 hours for “Client communication
 5 and defensive discovery” even though discovery was stayed two weeks after they entered
 6 appearances. ECF 505-4 at 22; ECF 354; ECF 355. Overall, these two firms billed 3411 hours over
 7 four months (August through November) for an average of 853 hours a month on a settled case
 8 where multiple other law firms were leading the charge. ECF 505-4 at 22.

9 All three additional firms also seek fees for *future* work. Together they claim to have already
 10 worked 3,642 hours. *See supra* at 5. They claim they will work an additional 2,195 hours in the
 11 future—110 for Cowan, 1,663 for O+Z, and 422.5 for Edelson. ECF 505-5 at 6; ECF 505-4 at 15,
 12 17-18. But none of the firms provide *any* detail to substantiate those predictions. It is hard to
 13 understand why it would be necessary or justified for these three firms to work more than 2,000
 14 additional hours between now and final approval—on top of the additional 5,356 hours Susman
 15 claims it will work in the future and the additional 6,535 hours Lieff claims it will work, ECF 505-
 16 1 at 7, ECF 505-3 at 7. The Works List, some portion of which these additional firms claim credit
 17 for, is complete and will not change. No additional settlement negotiations are forthcoming. And
 18 the claims process (for which the Administrator anticipates its own separate costs of around
 19 \$15,000,000) is well underway.

20 Plenty of cases have complicated class list issues but counsel, much less counsel who are
 21 not Class Counsel, do not suggest that fees incurred after preliminary approval will amount to more
 22 than 60% of the fees they incurred litigating a case.⁴ By comparison, in a megafund case involving
 23 a class of 194 million people, class counsel sought compensation for 1,500 future hours of work
 24

25 ⁴ The three additional firms state that they have worked a combined 3,642 hours through December
 26 3, 2025, when they filed the fee motion. They predict that they will work 2,195 hours in the future—
 27 60% of 3,642. Accordingly, they predict that their post-preliminary-approval fees will be *at least*
 28 60% of the fees they incurred before the September 25, 2025 preliminary approval. In reality, that
 percentage is likely substantially higher, since some of the 3,642 claimed past hours occurred
 between September 25, 2025 and December 3, 2025. Counsel do not provide billing records that
 allow the Court to determine the daily or even monthly breakdown of these claimed past hours.

1 after spending 40,047 hours—and the court still reduced their future hours lodestar by more than
 2 half because the “descriptions of future work are speculative and inappropriate.” *In re Yahoo! Inc.*
 3 *Customer Data Sec. Breach Litig.*, 2020 WL 4212811, at *24, *27, *29-30 (N.D. Cal. July 22, 2020),
 4 aff’d, No. 20-16633, 2022 WL 2304236 (9th Cir. June 27, 2022).⁵

5 Finally, to the extent the Court decides to award non-Class Counsel any compensation at all,
 6 it should not award a risk multiplier or should apply a downward multiplier. The normal reasons for
 7 applying an upward risk multiplier do not apply to the Authors’ Coordination Counsel and
 8 Publishers’ Coordination Counsel. A risk multiplier is generally justified “when (1) the attorneys
 9 reasonably take a case with the expectation that they will receive a risk enhancement if they prevail,
 10 (2) their hourly rates do not reflect that risk, and (3) there is evidence that the case was indeed risky.”
 11 *Gutierrez*, 2015 WL 2438274, at *7.

12 Here, however, non-Class Counsel could not reasonably have expected to receive a risk
 13 enhancement. There is very little evidence that, as to them, the case was significantly “risky.”
 14 Edelson and O+Z came in after this Court’s summary judgment ruling and class certification ruling,
 15 after the Layn Phillips mediation had been scheduled, and only a few days before the mediation took
 16 place. In other words, they entered at a time when they expected there to be substantial settlement
 17 pressure and a substantial opportunity for settlement. Nor would they have faced any significant risk
 18 if the case had not settled, given their limited role in the proceedings. They ultimately worked on
 19 the case only for a few months, most of which came *after* the settlement. And, while Cowan
 20 (Authors’ Coordination Counsel) was listed on the original complaint, it appears to have done almost
 21 no work until the settlement, and accordingly did not take on any risk either.

22 The Ninth Circuit has held that it is appropriate to apply downward multipliers to lodestars
 23 for counsel who played a more minor role in the recovery, *In re Hyundai & Kia Fuel Econ. Litig.*,
 24 926 F.3d 539, 572 (9th Cir. 2019), and such a downward multiplier would be appropriate here. At

25
 26 ⁵ As noted, counsel have requested a percentage-of-recovery fee rather than a lodestar fee award.
 27 Because their requested recovery includes anticipated future hours, the resulting multiplier
 28 described in their fees motion appears artificially low when performing the lodestar cross-check.
 Whether or not the Court awards fees based on the lodestar method, it should scrutinize the
 calculation of anticipated future hours to ensure they are reasonable and necessary.

1 minimum, these firms should not receive the same risk multiplier as Lieff and Susman. *See*
 2 *Gutierrez*, 2015 WL 2438274, at *9 (calculating different multipliers based on different level of
 3 contribution and risk from different law firms, and prohibiting the two firms “from sharing their
 4 awards with each other”); *Hyundai*, 926 F.3d at 572 (affirming district court’s decision to calculate
 5 different multipliers for different law firms that assumed different levels of risk and engaged in
 6 different levels of work).⁶

7 **II. A Significant Body of Caselaw Supports Use of the Lodestar Method When There Is a**
 8 **Large Settlement Fund**

9 Although Anthropic takes no position on the ultimate award that would be appropriate for
 10 Susman and Lieff, Anthropic notes that a significant body of precedent in this Circuit supports
 11 application of the lodestar method, rather than the percentage-of-the-fund method that counsel
 12 advocates. Class Counsel points to precedent observing that a “majority” of courts start with a 25%
 13 benchmark in common fund cases. ECF 505 at 19. But that is not the case in settlements involving
 14 megafunds, like this one.

15 In “a megafund action (a fund larger than \$100 million),” the Ninth Circuit has recognized,
 16 “the 25% benchmark is ‘of little assistance.’” *Glumetza Antitrust Litig.*, 2022 WL 327707, at *8
 17 (quoting *In re Optical Disk Drive Prods. Antitrust Litig.*, 959 F.3d 922, 931 (9th Cir. 2020)).
 18 “Although frequently mentioned in cases, the ‘25% benchmark rate’ is ‘a starting point’ that is not
 19 presumptively suitable in every case.” *In re Zoom Sec. Litig.*, 2025 WL 3078702, at *3. In particular,
 20 “where awarding 25% of a ‘megafund’ would yield windfall profits for class counsel in light of the
 21 hours spent on the case, courts should adjust the benchmark percentage or employ the lodestar
 22 method instead.” *Gutierrez*, 2015 WL 2438274, at *4 (quoting *In re Bluetooth Headset Products*
 23 *Liability Litigation*, 654 F.3d 935, 941-42 (9th Cir. 2011)). In *Gutierrez*, for example, the Court

24
 25 ⁶ According to the Declaration of Rachel Geman, the fees associated with Professor Samuel
 26 Issacharoff reflect an additional “contribution of \$93,440 to the lodestar.” ECF 505-3 at 14-15.
 27 However, the Motion does not appear to seek payments to Issacharoff from the fund. ECF 505 at 17
 28 (explaining percentage payouts to each firm from the fund). Accordingly, Anthropic presumes that
 Class Counsel is seeking to recover Professor Issacharoff’s fees as costs and not as a percentage of
 the fund. This should be clarified.

1 rejected a percentage approach because “blindly adopting the 25-percent benchmark in [a] \$203
 2 million megafund action would lead to an unreasonable result.” *Id.* “Applying that percentage in a
 3 ‘formulaic or mechanical fashion’ would result in a windfall to class counsel utterly divorced from
 4 the realities of the case.” *Id.* Rather, the award should be tied to the hours reasonably worked.
 5 *Glumetza*, 2022 WL 327707, at *8.

6 Courts in this district routinely reach similar conclusions. *See, e.g., In re High-Tech*
 7 *Employee Antitrust Litigation*, 2015 WL 5158730 (N.D. Cal. 2015) (rejecting class counsel’s
 8 request for 20.6% of a \$415 million settlement, which would have resulted in a combined multiplier
 9 of 4.8, and applying the lodestar method instead); *In re Zoom Sec. Litig.*, 2025 WL 3078702, at *4
 10 (rejecting class counsel’s request for 18.75% of a \$150 million settlement, which would have
 11 resulted in a multiplier of around 10, and applying the lodestar method instead). Class Counsel’s
 12 own expert states that courts overwhelmingly award far less than 25% of the fund in megafund
 13 cases. ECF 505-7 at 12-15.

14 Applying the percentage-of-recovery approach here could be viewed as resulting in windfall
 15 profits for Class Counsel. Although the Court has recognized that Class Counsel took on substantial
 16 risk and obtained an excellent per-person settlement, the size of the common fund here is largely
 17 attributable to the size of the class and to a statutory damages figure. “When the large size of the
 18 recovery is due to the large size of the class rather than counsel’s specialized skill and efforts, use
 19 of the lodestar method may be more appropriate.” *Gutierrez*, 2015 WL 2438274, at *5 (rejecting
 20 \$50.7 million fee request). The number of works on the Works List drove the total recovery here,
 21 but largely did not drive the costs (or risks) of litigating this matter. *See also Glumetza Antitrust*
 22 *Litig.*, 2022 WL 327707, at *10 (“[D]ue to economies of scale, it isn’t ten times harder to try a \$100
 23 million case as it is a \$10 million case.”).

24 All together, Class Counsel assert that they and the various other firms seeking fees billed
 25 26,191.1 hours, at a lodestar of \$22,304,844. ECF 505 at 29. A \$300 million award would result in
 26 a lodestar multiplier (for all the firms together) of 13.45 and a blended hourly rate of
 27
 28

¹ \$11,454.27/hour. Cf. Gutierrez, 2015 WL 2438274, at *8 (rejecting \$4,900/hour blended rate);
² Glumetza, 2022 WL 327707, at *8 (rejecting \$3,269/hour blended rate).

If Class Counsel's requested award is considered separately from the additional firms' requested awards, Class Counsel is proposing a multiplier of 12.1 for Susman and 11.66 for Lieff, based on hours to date. Susman's lodestar is \$9,312,610 and Lieff's is \$9,651,053.50, and each firm seeks an award of \$112,500,000, or 37.5% x 20% x \$1.5 billion. ECF 505-1 at 5; ECF 505-3 at 3. As noted above, those multipliers are far higher than is typical. *Supra* at 6 (citing cases).

8 Anthropic takes no position on the proper multiplier to apply to Class Counsel’s lodestar
9 amount or on whether the hours claimed by Class Counsel are reasonable. But Anthropic notes that
10 applying the lodestar method here would allow the Court to take account of various factors that
11 should inform the determination of what fee is reasonable and fair to the class, including the length
12 of the litigation, the relative contribution (or non-contribution) of each law firm seeking fees, as
13 well as the fact that the total amount of the fund in this case—from which the percentage-of-recovery
14 benchmark is measured—is largely attributable to the size of the class and statutory damages.
15 Anthropic also respectfully suggests that requiring additional details about the hours billed and the
16 work performed here, as well as additional detail supporting Class Counsel’s prediction that Susman
17 will need to work an additional 5,356 hours and Lieff will need to work an additional 6,535 on this
18 matter post-approval, would assist the Court in calculating Class Counsel’s correct lodestar and in
19 evaluating what fee is reasonable and fair to the class.

21 | Dated: December 17, 2025

Respectfully submitted,

ARNOLD & PORTER KAYE SCHOLER LLP

By: /s/ Douglas A. Winthrop
Douglas A. Winthrop

Attorney for Defendant
ANTHROPIC PBC

1 **CERTIFICATE OF SERVICE**

2 I am a resident of the State of California, over the age of eighteen years and not a party to
 3 the within-entitled action; my business address is Three Embarcadero Center, 10th Floor, San
 4 Francisco, California 94111. On December 17, 2025, the foregoing ANTHROPIC PBC'S
 5 RESPONSE TO PLAINTIFFS' MOTION FOR FEES was electronically served on the following:

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17 I declare under penalty of perjury under the laws of the State of California that the foregoing
18 is true and correct. Executed December 17, 2025 at San Francisco.

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21 Jerome E. Ferrer
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