

BURSOR & FISHER, P.A.
Scott A. Bursor (SBN 276006)
scott@bursor.com
L. Timothy Fisher (SBN 191626)
ltfisher@bursor.com
Thomas A. Reyda (SBN 312632)
treйда@bursor.com
1990 North California Boulevard, Suite 940
Walnut Creek, CA 94596
Telephone: (925) 300-4455

FARUQI & FARUQI, LLP
Barbara A. Rohr (SBN 273353)
brohr@faruqilaw.com
Benjamin Heikali (SBN 307466)
bheikali@faruqilaw.com
10866 Wilshire Boulevard, Suite 1470
Los Angeles, CA 90024
Telephone: (424) 256-2884
Facsimile: (424) 256-2885

Co-Lead Class Counsel
[Additional counsel on signature page]

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

ENZO FORCELLATI and LISA
ROEMMICH, on Behalf of Themselves
and all Others Similarly Situated,

Plaintiffs,

v.

HYLAND’S, INC., STANDARD
HOMEOPATHIC LABORATORIES,
INC., and STANDARD
HOMEOPATHIC COMPANY,

Defendants.

Case No. 2:12-CV-01983-ODW-MRW

CLASS ACTION

**PLAINTIFFS’ MEMORANDUM OF
POINTS AND AUTHORITIES IN
SUPPORT OF MOTION FOR
FINAL APPROVAL OF CLASS
ACTION SETTLEMENT**

Date: August 14, 2017
Time: 1:30 p.m.
Courtroom: 5D, 5th Floor

Hon. Otis D. Wright, II

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 Plaintiffs Enzo Forcellati and Lisa Roemmich (the “Plaintiffs”) respectfully
3 submit this memorandum in support of Plaintiffs’ Motion for Final Approval of
4 Class Action Settlement (the “Motion”).

5 **I. INTRODUCTION**

6 This is a class action suit brought by Plaintiffs on behalf of themselves and all
7 others similarly situated against Defendants Hyland’s, Inc., Standard Homeopathic
8 Laboratories, Inc., and Standard Homeopathic Company (the “Defendants”), for
9 misrepresenting that their children’s products were “Safe & Effective” for treating
10 cold and flu symptoms and that they were “100% Natural.”

11 This Court granted preliminary approval of the Settlement¹ on February 7,
12 2017. The Settlement includes all persons in the United States who purchased the
13 challenged Hyland’s products (the “Settlement Class Products”)² between March 8,
14 2008, and March 30, 2017. Under the terms of the Settlement, Defendants have
15 agreed to pay each Settlement Class Member who submits a valid claim form either
16 (1) a full refund of the MSRP for up to two units of the Settlement Class Products
17 with no proof of purchase, or (2) a full refund for three or more units of the
18 Settlement Class Products if proof of purchase is submitted. 10/14/2016 Fisher
19 Decl., Ex. 1, III.3.1(a). The Parties have also agreed to injunctive relief in the form
20 of Defendants including a money back guarantee on the Hyland’s website. *Id.* at
21 III.3.2.

22
23 ¹ The Stipulation of Settlement (“Settlement” or “Settlement Agreement”) and its
24 exhibits are attached as Exhibit 1 to the October 14, 2017 Declaration of L. Timothy
25 Fisher (“10/14/2016 Fisher Decl.”), Dkt. No. 275-2, filed with the Motion for
26 Preliminary Approval, Dkt. No. 275. All capitalized terms herein that are not
27 otherwise defined have the definitions set forth in the Settlement Agreement.

28 ² The Settlement Class Products are: (i) Cold ‘n Cough 4 Kids, (ii) Cough Syrup with
100% Natural Honey, (iii) Sniffles ‘n Sneezes 4 Kids, (iv) Cold Relief Strips 4 Kids
with Zinc, (v) Nighttime Cold ‘n Cough 4 Kids, (vi) Complete Flu Care 4 Kids, (vii)
Baby Teething Gel, (viii) Baby Cough Syrup, (ix) Baby Gas Drops, (x) Baby Infant
Earache Drops, and (xi) Baby Nighttime Tiny Cold Syrup. 10/14/2016 Fisher Decl.,
Ex. A. at 1.38.

1 This Settlement Agreement was reached "on the eve of trial." Preliminary
2 Approval Order, Dkt. No. 288, at *1. Furthermore, the Settlement was only reached
3 after extended arm's-length negotiations between experienced attorneys familiar
4 with the legal and factual issues of this case, and several full day mediation sessions
5 before the Magistrate Judge Jay C. Gandhi. Accordingly, "Plaintiffs and their
6 counsel had sufficient information to evaluate the strengths and weaknesses of the
7 case and to conduct informed settlement discussions." *Id.* Most significantly, Class
8 Counsel was aware that the plaintiffs in *Allen v. Hyland's, Inc.*, who advanced nearly
9 identical claims against Defendants as those at issue in this Action, lost at trial on
10 every claim. *See Allen v. Hyland's Inc.*, Case No. 12-cv-01150-DMG-MAN, Dkt.
11 426 (Verdict Form); *see also Lewert v. Boiron, Inc.*, Case No. 11-cv-10803, Dkt. 447
12 (Verdict Form). The defense verdicts in the *Allen* and *Boiron* trials are a stark
13 illustration of the risks inherent in trial – class members recovered nothing. Despite
14 Defendants' recent success in the *Allen* case, Class Counsel successfully negotiated a
15 Settlement that will make near total relief available to Class Members who receive
16 notice of this Settlement.

17 The response of the Class overwhelmingly favors final approval of the
18 Settlement. In accordance with the notice program approved by the Court, direct
19 mail and email notice were delivered to more than 1.3 million prospective Settlement
20 Class Members. *See* Declaration of Lana Lucchesi ("Lucchesi Decl."), ¶¶ 7-12.
21 These prospective Settlement Class Members were identified through two rounds of
22 subpoenas that were issued to retailers nationwide. Declaration of L. Timothy
23 Fisher in Support of Plaintiffs' Motion for Final Approval of Class Action
24 Settlement and Motion for an Award of Attorneys' Fees, Costs and Expenses, and
25 Service Awards ("6/19/2017 Fisher Decl."), ¶¶ 20 and 34. Furthermore, the
26 Settlement Administrator, Kurtzman Carson Consultants LLC ("KCC"), utilized
27 Internet Banner ads and published notice of the Settlement in USA Today once a
28

1 week for four consecutive weeks. Lucchesi Decl.at ¶ 13. As of June 19, 2017,
2 Settlement Class Members have submitted 129,066 claim forms, no Settlement Class
3 Member has submitted an objection, and only fourteen have opted out. *Id.* at ¶¶ 16-
4 18. As shown below, the Settlement not only satisfies Rule 23’s “fair, reasonable,
5 and adequate” standard, but it is an outstanding result for Plaintiffs and the
6 Settlement Class Members. Accordingly, the Court should grant Final Approval of
7 the Settlement.

8 **II. BACKGROUND OF THE CASE**

9 **A. The Filing of the *Forcellati* Action**

10 On March 8, 2012, Plaintiff Enzo Forcellati commenced a proposed class
11 action against Defendants Hyland’s, Inc., and Standard Homeopathic Company
12 entitled *Forcellati v. Hyland’s Inc. et al.*, Case No. 12-cv-1983-GHK (C.D. Cal) (the
13 “*Forcellati* Action”). *See* Complaint, Dkt. No. 1. Plaintiff Forcellati asserted claims
14 on behalf of himself and a proposed nationwide class of purchasers of (i) Cold ‘n
15 Cough 4 Kids, (ii) Cough Syrup with 100% Natural Honey 4 Kids, (iii) Sniffles ‘n
16 Sneezes 4 Kids, (iv) Cold Relief Strips 4 Kids with Zinc, and (v) Nighttime Cold ‘n
17 Cough 4 Kids. Plaintiff Forcellati alleged that Defendants made false and
18 misleading statements about their children’s products, such as that the products were
19 “Safe & Effective” for treating cold and flu symptoms and that they were “100%
20 Natural.” *See generally id.* Plaintiff Forcellati further alleged that, in fact, the
21 products are no better than a placebo because the ingredients in the products are
22 ultra-diluted. *See generally id.* Based on his allegation that none of the products
23 could provide natural relief from illnesses, Plaintiff Forcellati brought claims
24 individually and on behalf of a putative class for violation of the Magnuson-Moss
25 Warranty Act, 15 U.S.C. § 2301, *et seq.*, for unjust enrichment, for breach of express
26 warranty, for breach of implied warranty, for violation of the New Jersey Consumer
27 Fraud Act, N.J.S.A. § 58:8-1, *et seq.*, for violation of the Consumer Legal Remedies
28

1 Act (“CLRA”), California Civil Code § 1750, *et seq.*, for violation of the False
2 Advertising Law (“FAL”), California Business & Professions Code §§ 17500 *et seq.*,
3 and for violation of the Unfair Competition Law (“UCL”), California Business &
4 Professions Code §§ 17200 *et seq. Id.*

5 On April 23, 2012, Defendants filed a motion to dismiss. Dkt. No. 9. On
6 April 30, 2012, Plaintiff Forcellati opposed. Dkt. No. 16. On June 1, 2012, the
7 Court dismissed Plaintiff’s unjust enrichment claim but denied the remaining
8 portions of Defendants’ motion. Dkt. No. 27. On June 15, 2012, Defendants
9 answered Plaintiff Forcellati’s complaint. Dkt. No. 33.

10 On July 20, 2012, Hyland’s removed an action entitled *Roemmich v. Hyland’s*
11 *Inc. et al.* from the Superior Court of California, County of Los Angeles to the
12 United States District Court, Central District of California (Case No. 12-cv-6256)
13 (the “*Roemmich* Action”). On November 8, 2012, the Court ordered that the
14 *Forcellati* and *Roemmich* Actions be consolidated, and appointed Bursor & Fisher,
15 P.A. and Faruqi & Faruqi LLP as co-lead counsel in the *Forcellati* and *Roemmich*
16 Actions (hereafter the “Consolidated Action” or the “Action”). Dkt. No. 43. On
17 December 7, 2012, Plaintiffs Enzo Forcellati and Lisa Roemmich, filed a
18 Consolidated Amended Class Action Complaint that added Lisa Roemmich as a
19 Plaintiff to the Action. Dkt. No. 44. In addition to the claims in Plaintiff Forcellati’s
20 Complaint, the Consolidated Amended Class Action Complaint also asserted claims
21 for Violation of the Missouri Merchandising Practices Act, Mo. Ann. Stat. §§
22 407.010, *et seq. Id.*

23 On January 7, 2013, Hyland’s filed a motion to dismiss Plaintiffs’ prayer for
24 punitive damages in the Consolidated Amended Class Action Complaint. Plaintiffs
25 opposed. Dkt. No. 49. On February 14, 2013, the Court denied Defendants’ motion.
26 Dkt. No. 56.

1 **B. The Parties Begin Discovery and the Court Grants**
2 **Plaintiffs' Motion for Class Certification**

3 Following denial of Defendants' second motion to dismiss, Plaintiffs
4 propounded document requests seeking documents concerning Hyland's
5 advertisements, sales, testing of its products, and the manner in which its products
6 are created and manufactured. *See* 6/19/2017 Fisher Decl., ¶ 13. In response to
7 Plaintiffs' document requests, Hyland's produced and Plaintiffs' counsel reviewed
8 more than 52,000 pages of documents. *Id.* at ¶ 14. After Plaintiffs' counsel
9 reviewed these documents, they deposed Dr. Iris Bell, Defendants' Director of
10 Scientific Affairs, and Thanh-Thao Minh Le, Defendants' Vice President of
11 Marketing. *Id.* Defendants deposed Plaintiff Enzo Forcellati, and Plaintiff Lisa
12 Roemmich. *Id.*

13 On September 16, 2013, Plaintiffs filed a motion for class certification. Dkt.
14 No. 82. In support of that motion, Plaintiffs submitted an expert report from Dr.
15 Arthur P. Grollman, a recognized clinical pharmacology expert. *Id.* After deposing
16 Dr. Grollman on October 28, 2013, Defendants opposed Plaintiffs' motion for class
17 certification. Dkt. No. 94. In support of their opposition, Defendants marshalled
18 expert reports from Dr. David Stewart, Dr. David Cristofaro, Dr. Amalia Punzo, and
19 Dr. Peter Fisher. *Id.* Before filing their reply, Plaintiffs deposed each of
20 Defendants' experts. 6/19/2017 Fisher Decl., ¶ 14. On December 19, 2013, the
21 Court requested that the Parties submit supplemental briefing on the issue of whether
22 the proposed class was ascertainable, a then unsettled question of law in the Ninth
23 Circuit. Dkt. No. 124. The Parties filed their supplemental briefs on February 3,
24 2014. Dkt. No. 133. Subsequently, on April 9, 2014, in a landmark ruling, the Court
25 declined to follow Third Circuit and held that the ascertainability standard articulated
26 in *Carrera v. Bayer Corp.*, 727 F.3d 300 (3d Cir. 2013) was inapplicable in the Ninth
27 Circuit. Dkt. No. 144, at 5-6. The Court granted Plaintiffs' motion for class
28 certification and certified the following Rule 23(b)(3) class for monetary relief with

1 respect to Plaintiffs’ claims for violation of Magnuson-Moss Act, 15 U.S.C. § 2301,
2 *et seq.*, breach of express warranty, breach of implied warranty, violation of the
3 CLRA, violation of the FAL, and violation of the UCL:

4 (a) A nationwide class of all persons in the United States who purchased the
5 following Hyland’s products on or after March 8, 2008: (i) Cold ‘n Cough 4
6 Kids, (ii) Cough Syrup with 100% Natural Honey 4 Kids, (iii) Sniffles ‘n
7 Sneezes 4 Kids, (iv) Cold Relief Strips 4 Kids with Zinc, and (v) Nighttime
8 Cold ‘n Cough 4 Kids;

9 (b) A 49-state class of all persons in the United States except for those in
10 California who purchased Hyland’s Complete Flu Care 4 Kids on or after
11 March 8, 2008.

12 Dkt. No. 144. The Court appointed the law firms of Bursor & Fisher, P.A., and
13 Faruqi & Faruqi, LLP as class counsel (“Class Counsel”). *Id.* The Court appointed
14 Plaintiffs Enzo Forcellati and Lisa Roemmich as Class Representatives. *Id.* The
15 Court, however, denied Plaintiffs’ request to certify a Rule 23(b)(2) class for
16 injunctive relief, and denied certification of Plaintiffs’ proposed New Jersey and
17 Missouri subclasses. *Id.* In response to the Court’s decision to certify a nationwide
18 class, on April 23, 2014, Defendants filed a petition for permission to appeal
19 pursuant to Fed. R. Civ. P. 23(f). 6/19/2017 Fisher Decl., ¶ 19. On April 30, 2014,
20 Plaintiffs filed an answer in opposition to Defendant’s petition. *Id.* On July 8, 2014,
21 the Ninth Circuit denied Defendant’s Fed. R. Civ. P. 23(f) petition. Dkt. No. 154.

22 On August 4, 2014, the Court issued an Order Re Form and Dissemination of
23 Notice to the Class. Dkt. No. 155. In that Order, the Court instructed Plaintiffs to
24 select a claims administrator and provide the Court with evidence of the selected
25 administrator’s qualifications. *Id.* On August 11, 2014, Plaintiffs submitted a notice
26 of their selection of Kurtzman Carson Consultants (“KCC”) as claims administrator.
27 Dkt. No. 156. Plaintiffs submitted a declaration from KCC that detailed their long
28

1 experience with class action notice and settlement administration. Dkt. No. 156-1.
2 Based on that declaration, on August 12, 2014, the Court approved Class Counsel's
3 retention of KCC as the claims administrator in this case. Dkt. No. 157. Thereafter,
4 on September 18, 2014, KCC sent notice to Class Members by email and U.S. Mail.
5 6/19/2017 Fisher Decl., ¶ 20.

6 **C. The Parties Complete Discovery and the Court Denies**
7 **Defendants' Motion for Summary Judgment**

8 While notice was being sent to the Class Members, the Parties continued
9 working with experts and taking discovery. Plaintiffs deposed Defendants'
10 marketing employees, Jennifer Jacobs and Amy Fox, as well as Mark Phillips, a
11 Hyland's pharmacist. 6/19/2017 Fisher Decl., ¶ 21. Additionally, while this
12 litigation was pending, a study on one of the products at issue, Cold 'n Cough 4
13 Kids, was in progress at the University of Washington. *Id.* To evaluate that study,
14 Plaintiffs subpoenaed and obtained study documents from the University of
15 Washington. *Id.* Plaintiffs also deposed the chief investigator of the study, Dr.
16 James Taylor, after interim results were produced, and again after final results were
17 produced. *Id.* After the results of Defendants' study were available, Plaintiffs
18 deposed Dr. Bell a second time. *Id.* Plaintiffs' and Defendants' experts also issued
19 opinions on the interim results of the study, and then supplemented their opinions
20 once final results were available. *Id.* Plaintiffs also deposed Defendants' experts Dr.
21 Paolo Bellavite, and Dr. Edward Calabrese. *Id.* Defendants deposed Plaintiffs'
22 experts Dr. Elizabeth Howlett, Dr. Grollman, Dr. R. Barker Bausell, Dr. Edzard
23 Ernst, and Mr. Colin Weir. *Id.* Finally, Plaintiffs deposed Hyland's CEO Dr. John
24 Borneman. *Id.*

25 After the Parties completed extensive discovery, including twenty-four
26 depositions, on September 5, 2014, Defendants filed a motion for summary
27 judgment. *Id.* at ¶15; Dkt. No. 159. Plaintiffs opposed in a joint brief on that same
28

1 date, submitting expert reports from Dr. Grollman, Dr. R. Barker Bausell and Dr.
2 Edzard Ernst as well as hundreds of pages of evidence from the depositions they had
3 taken. 6/19/2017 Fisher Decl., ¶ 23. On January 12, 2015, the Court denied
4 Defendants' motion for summary judgment. Dkt. No. 179.

5 **D. The Parties Prepare for Trial**

6 Since a class had been certified and Defendants' motion for summary
7 judgment had been denied, the Parties began preparation for trial. 6/19/2017 Fisher
8 Decl., ¶ 18. The Parties exchanged exhibit lists, witness lists, objections, motions *in*
9 *limine*, pre-trial conference statements, and trial briefs. *See e.g.* Dkt. No. 204-12,
10 215, 224-25. Plaintiffs visited the courtroom to test their electronic presentations.
11 6/19/2017 Fisher Decl., ¶ 25. The Parties began to prepare their witnesses, and
12 marked exhibits with the Court's official exhibit tags. *Id.*

13 On October 22, 2015, Hyland's filed an *ex parte* application to continue the
14 trial based on their contention that Plaintiffs' trial brief raised new issues. Dkt. No.
15 239. On October 23, 2015, just days before the pretrial conference and the
16 commencement of the trial, the Court vacated the trial schedule to consider Hyland's
17 request for judicial estoppel, to consider the Parties' motions *in limine*, and to
18 evaluate Defendants' objections to the deposition videos to be used at trial. Dkt. No.
19 245.

20 **E. The Parties Lengthy Settlement Negotiations Finally**
21 **Result in a Settlement in July 2016**

22 Throughout the case, the Parties attempted to resolve this matter. As early as
23 October 30, 2012, Plaintiffs and Hyland's participated in a full-day in-person
24 mediation with Robert A. Meyer of Loeb & Loeb LLP. 6/19/2017 Fisher Decl., ¶
25 26. On May 9, 2013, the Parties participated in a second full-day in-person
26 mediation with Mr. Meyer. *Id.*

1 On February 10, 2015, Judge King ordered the Parties to participate in a
2 settlement conference with Magistrate Judge Jay C. Gandhi. *Id.* at ¶ 27. On March
3 25, 2015, the Parties participated in a full-day in-person settlement conference with
4 Judge Gandhi, but the case did not settle. Dkt. No. 189.

5 On September 23, 2015, Judge King ordered the Parties to participate in a
6 second settlement conference with Judge Gandhi. Dkt. No. 216. On October 19,
7 2015, the Parties participated in a second full-day in-person settlement conference
8 with Judge Gandhi, but the case again did not settle. Dkt. No. 217.

9 On June 2, 2016, Judge Gandhi ordered the Parties to participate in a third
10 settlement conference with him. Dkt. No. 267. On July 6, 2016, the Parties
11 participated in a third full-day in-person settlement conference with Judge Gandhi.
12 Dkt. No. 268. At long last, the Parties made substantial progress towards a
13 settlement. 6/19/2017 Fisher Decl., ¶ 30. After continuing to work with Judge
14 Gandhi following the July 6, 2016 settlement conference, the Parties finally reached
15 this Settlement on July 18, 2016. *Id.* There can be no question that the Parties
16 “Agreement was reached as a result of extensive arm’s length negotiations between
17 the parties and their counsel.” Preliminary Approval Order, Dkt. No. 288, at *1.

18 **F. *Kaatz v. Hyland’s Inc. et al.*, 16-cv-00237-VB (S.D.N.Y)**

19 On January 12, 2016, Plaintiffs Marie Kaatz and Abigail Gagliardi
20 commenced an action entitled *Kaatz v. Hyland’s Inc. et al.* (United States District
21 Court, Southern District of New York, Case No. 7:16-cv-00237-VB) (the “*Kaatz*
22 *Action*”), as a proposed class action, asserting claims for violation of New York
23 General Business Law §§ 349 and 350, the consumer protection statutes of all fifty
24 states, and the Magnuson-Moss Warranty Act, 15 U.S.C. § 2301, *et seq.*, as well as
25 for breach of express warranty, for breach of implied warranty of fitness for a
26 particular purpose, for negligent misrepresentations, and for unjust enrichment.
27 *Kaatz Action*, Dkt. No. 1.

1 The *Kaatz* Action asserted claims with respect to Hyland’s (i) Baby Teething
2 Gel; (ii) Baby Cough Syrup, (iii) Baby Gas Drops, (iv) Baby Infant Earache Drops,
3 and (v) Baby Nighttime Tiny Cold Syrup. *Id.* Like Plaintiffs Forcellati and
4 Roemmich, the Plaintiffs in the *Kaatz* Action allege that Defendants’ baby products
5 are not effective for relieving symptoms and are not 100% natural. *Compare*
6 Consolidated Complaint, Dkt. No. 44, ¶ 46 with *Kaatz* Complaint, Dkt. No. 1, ¶ 2.
7 Also like the Plaintiffs in the Consolidated Action, the Plaintiffs in the *Kaatz* Action
8 allege that the products do not provide any benefits beyond that of a placebo.
9 *Compare* Consolidated Complaint, Dkt. No. 44, ¶ 63 with *Kaatz* Complaint, Dkt. No.
10 1, ¶ 2. Indeed, the Plaintiffs in the *Kaatz* Action copied word-for-word large swaths
11 of the Consolidated Complaint in this Action. *Compare, e.g.,* Consolidated
12 Complaint, Dkt. No. 44, ¶¶ 15-17, 19-20, 22-23, 25-41 with *Kaatz* Complaint, Dkt.
13 No. 1, ¶¶ 29-34, 39- 45, 49-59.

14 These baby products are marketed along with Hyland’s children’s products
15 because all those products are meant to fill the gap left by the FDA’s determination
16 that children under a certain age should not take traditional over-the-counter
17 medications for their illnesses. 10/14/2016 Fisher Decl., Ex. 2, February 11, 2014
18 Deposition of Amy Fox, 84:8-86:14; *id.* at Ex. 3 (Exhibit 17 to Fox deposition:
19 “Finding safe medicines for babies and children is challenging for parents,’ says
20 Amy Fox, vice president of product innovation at Hyland’s. ‘It’s important to feel
21 confident and secure in what you’re giving your child, which is why we put so much
22 care into the medicines we create.”); *id.* (specifying that that Baby Tiny Cold
23 Tablets, and Baby Cough Syrup were safe alternatives to traditional OTC products
24 for babies 6 months to 2 years, and that Cold ‘n Cough 4Kids, Sniffles ‘n Sneezes
25 4Kids, and Cough Syrup with 100% Natural Honey 4Kids were safe alternatives for
26 children 2-12); *see also e.g. id.* at Ex. 2, Deposition of Amy Fox, 79:12-25; *id.* at Ex.
27 4 (Exhibit 15 to Fox deposition).

1 On July 6, 2016, the District Court for the Southern District of New York
2 denied Defendants' motion to dismiss the Complaint in the *Kaatz* Action, but limited
3 the New York Plaintiffs' claims under New York General Business Law §§ 349 and
4 350, breach of implied warranty of fitness for a particular purpose, for negligent
5 misrepresentations, and for unjust enrichment to a putative class of New York
6 purchasers. *Kaatz* Action, Dkt. No. 29. On July 20, 2016, Defendants filed an
7 answer to the Complaint in the *Kaatz* Action, denying liability. *Kaatz* Action, Dkt.
8 No. 31.

9 Given the substantial similarity between this litigation and the *Kaatz* Action,
10 the Parties agreed that Plaintiffs should file a Second Amended Consolidated Class
11 Action Complaint that includes all the children's and baby products. *See* 10/14/2016
12 Fisher Decl., Ex. 1, Stipulation of Settlement, Recitals CC. (discussing agreement to
13 filing of Second Amended Consolidated Complaint); *id.* at § I. Definitions 1.36, 1.38
14 (defining Settlement Class and Settlement Class Products to include Defendants'
15 baby products).

16 After extensive negotiation with Defendants and execution of the Settlement,
17 on October 14, 2016, Plaintiffs filed a motion for preliminary approval of class
18 action settlement. *See* Notice of Motion for Preliminary Approval of Class Action
19 Settlement, Dkt. No. 275; Plaintiffs' Memorandum in Support of Motion for
20 Preliminary Approval of Class Action Settlement, Dkt. No. 275-1. Concurrently
21 with the Motion for Preliminary Approval, Plaintiffs also filed their motion for leave
22 to amend the Consolidated Complaint as discussed above. 6/19/2017 Fisher Decl., ¶
23 34. Judge King granted Plaintiffs' motion for leave to amend to add the baby
24 products but ordered that Plaintiffs' counsel obtain contact information for those
25 purchasers by serving subpoenas on the retailers of those products. *Id.* Judge King
26 also requested a few minor changes to the proposed notices and the preliminary
27 approval order. *See* 11/28/2016 Transcript of Proceedings at 3:21-24; *see also*,

1 2/6/2017 Declaration of L. Timothy Fisher, Exhibit 1 (Dkt. No. 287-1)). Plaintiffs
2 made Judge King’s requested changes to the notices and proposed preliminary
3 approval order. 2/6/2017 Declaration of L. Timothy Fisher, Exs. 2-5. In addition,
4 Class Counsel also served subpoenas on the retailers of Hyland’s baby products. *Id.*,
5 Ex. 6 and ¶18. These efforts secured the contact information for approximately
6 577,000 settlement class members who purchased the baby products. *Id.* at ¶18.

7 On February 7, 2017, this Court granted preliminary approval of the
8 Settlement. Dkt. No. 288.

9 **III. CLASS CERTIFICATION FOR SETTLEMENT PURPOSES IS**
10 **APPROPRIATE**

11 The Ninth Circuit has recognized that certifying a settlement class to resolve
12 consumer lawsuits is a common occurrence. *Hanlon v. Chrysler Corp.*, 150 F.3d
13 1011, 1019 (9th Cir. 1998). When presented with a proposed settlement, a court
14 must first determine whether the proposed settlement class satisfies the requirements
15 for class certification under Rule 23. In assessing those class certification
16 requirements, a court may properly consider that there will be no trial. *Amchem*
17 *Prods., Inc. v. Windsor*, 521 U.S. 591, 620 (1997) (“Confronted with a request for
18 settlement-only class certification, a district court need not inquire whether the case,
19 if tried, would present intractable management problems for the proposal is that there
20 be no trial.”) (citation omitted).

21 In the Preliminary Approval Order, this Court provisionally certified the
22 Settlement Class, appointed Class Representatives and appointed Co-Lead Counsel
23 to represent Settlement Class Members, and made findings under Rule 23. Dkt. No.
24 288. Thus, the Court may rely on the same rationale as explained in the Preliminary
25 Approval Order to find that class certification is appropriate under Fed. R. Civ. P.
26 23(a) and (b) for settlement purposes. *See In re Netflix Privacy Litig.*, 2013 U.S.
27 Dist. LEXIS 37286, at *10 (N.D. Cal. Mar. 18, 2013). For the reasons set forth
28

1 below and in the Preliminary Approval Order, this Class meets the requirements of
2 Rule 23(a) and (b).

3 **A. The Requirements Of Rule 23(a) Are Met**

4 To achieve class certification, the proposed class must meet the numerosity,
5 commonality, typicality, and adequacy of representation requirements of Federal
6 Rule of Civil Procedure 23(a). *See Staton v. Boeing Co.*, 327 F.3d 938, 953 (9th Cir.
7 2003). In the Preliminary Approval Order, the Court found that the requirements for
8 certification of the Settlement Class under Rule 23(a) have been satisfied. Dkt. No.
9 288, at *2. There is no reason to question those findings.

10 **B. The Requirements Of Rule 23(b) Are Met**

11 Under Rule 23(b)(3), the court must find “that the questions of law or fact
12 common to class members predominate over any questions affecting only individual
13 members, and that a class action is superior to other available methods for fairly and
14 efficiently adjudicating the controversy.” Fed. R. Civ. P. 23(b)(3). As discussed
15 above, this litigation primarily focuses on questions common to the class as a whole.
16 In fact, this Court held that Plaintiffs have met their burden to show that the issues
17 common to the class predominate over questions the individual issues. Dkt. No. 288,
18 at *2. Again, there is no reason to question those findings.

19 **IV. THE STANDARD FOR FINAL APPROVAL OF CLASS ACTION**
20 **SETTLEMENTS**

21 In evaluating a class action settlement under Rule 23, a district court must
22 determine whether the settlement is fundamentally fair, reasonable, and adequate.
23 Fed. R. Civ. P. 23(e)(2). In evaluating the fairness of a class action settlement,
24 courts are mindful that the law favors the compromise and settlement of class action
25 suits. *See, e.g., Churchill Vill., L.L.C. v. Gen. Elec. Co.*, 361 F.3d 566, 576 (9th Cir.
26 2004); *Class Plaintiffs v. City of Seattle*, 955 F.2d 1268, 1276 (9th Cir. 1992);

1 *Officers for Justice v. Civil Serv. Comm'n of the City and Cty of S.F.*, 688 F.2d 615,
2 625 (9th Cir. 1982). The *Manual for Complex Litigation* states:

3 The judge can encourage the settlement process by asking at the first
4 pretrial conference whether settlement discussions have occurred or
5 might be scheduled.

6 *Manual*, Fourth § 13.11 at 167. “Courts have afforded a presumption of fairness and
7 reasonableness of a settlement agreement where that agreement was the product of
8 non-collusive, arms’ length negotiations by capable and experienced counsel.” *In re*
9 *Netflix Privacy Litig.*, No. 5:11-CV-00379 EJD, 2013 U.S. Dist. LEXIS 37286, at
10 *10-11 (N.D. Cal. Mar. 18, 2013). In such circumstances, counsel’s assessment and
11 judgment are entitled to a presumption of reasonableness, and the court is entitled to
12 rely heavily upon counsel’s assessment and judgment. *See Boyd v. Bechtel Corp.*,
13 485 F. Supp. 610, 622 (N.D. Cal. 1979). Indeed, “the court’s intrusion upon what is
14 otherwise a private consensual agreement negotiated between the parties to a lawsuit
15 must be limited to the extent necessary to reach a reasoned judgment that the
16 agreement is not the product of fraud or overreaching by, or collusion between, the
17 negotiating parties, and that the settlement, taken as a whole, is fair, reasonable and
18 adequate to all concerned.” *Officers for Justice*, 688 F.2d at 625. Moreover, where,
19 as here, the settlement was reached after the class was certified by the court concerns
20 over potential for collusion are ameliorated and heightened scrutiny of the settlement
21 is not required. *In re Ferrero Litigation*, 583 Fed. Appx. 665, 668 (9th Cir., July 16,
22 2014). Ultimately, however, the decision to approve a settlement is committed to the
23 sound discretion of the trial judge. *Hanlon*, 150 F.3d at 1026.

24 **V. THE SETTLEMENT AGREEMENT IS FAIR, ADEQUATE, AND**
25 **REASONABLE**

26 In answering the question of whether a settlement is fair, adequate and
27 reasonable as prescribed by Rule 23(e), district courts should balance several factors:

1 (1) the strength of plaintiffs' case; (2) the risk, expense, complexity, and likely
2 duration of further litigation; (3) the risk of maintaining class action status
3 throughout the trial; (4) the amount offered in settlement; (5) the extent of discovery
4 completed and the stage of the proceedings; (6) the experience and views of counsel;
5 and (7) the reaction of the class members to the proposed settlement. *Hanlon*, 150
6 F.3d at 1026; *Churchill*, 361 F.3d at 575. Here, the balance of the factors weighs
7 heavily in favor of the Settlement being fair, adequate and reasonable.

8 **A. Terms of the Settlement**

9 **1. Monetary and Non-Monetary Relief for**
10 **Settlement Class Members**

11 Pursuant to the terms of the Settlement, Settlement Class Members who
12 submitted or submit timely claim forms could choose one of the following monetary
13 Settlement benefits:

14 **(1) Without Proof of Purchase.** Claims for a full refund of the MSRP for up
15 to two (2) unit purchases of Settlement Class Products will be paid without
16 requiring proof of purchase.

17 **(2) With Proof of Purchase.** Claims for a full refund for three (3) or more unit
18 purchases of Settlement Class Products will be paid with proof of purchase
19 to avoid fraudulent claims. Settlement Class Members who submit proof of
20 purchase that reveals the actual price paid for a Settlement Class Product
21 will receive a refund of the actual price paid. If proof of purchase does not
22 reveal the actual price paid for a Settlement Class Product, the Settlement
23 Class Member will be receive a refund of the MSRP for each Settlement
24 Class Product.

25 10/14/2016 Fisher Decl., Ex. A §III.3.1(a).

26 Furthermore, the Settlement also includes injunctive relief in the form of
27 Defendants' addition of a money back guarantee on their website. *Id.* at §III.3.2.

1 “To assess whether the amount offered is fair, the Court may compare the
2 settlement amount to the parties’ estimates of the maximum amount of damages
3 recoverable in a successful litigation.” *See Shames v. Hertz Corp.*, No. 07-CV-2174-
4 MMA(WMC), 2012 U.S. Dist. LEXIS 158577, at *19 (S.D. Cal. Nov. 5, 2012)
5 (citing *In re Mego Fin. Corp. Sec. Litig.*, 213 F.3d 454, 459 (9th Cir. 2000)). Here,
6 the maximum amount of damages that each Settlement Class Member would be
7 entitled to recover if Plaintiffs were successful at trial would be the retail price of
8 each of the Settlement Class Products that they purchased. Since Settlement Class
9 Members can receive full refunds with proof of purchase and two full refunds
10 without submitting any proof of purchase, the Settlement Class Members are
11 receiving exactly the amount that Plaintiffs sought to recover on their behalf in this
12 Action. *Shames*, 2012 U.S. Dist. LEXIS 158577 at *20-21 (granting final approval
13 of settlement and noting that “[w]hen compared to the estimated actual damages [of
14 \$3 a day], the \$2 cash option represents a recovery of at least 67% of actual
15 damages” and “compensates each class member for nearly all of—or slightly more
16 than—his or her actual damages”). Therefore, the Settlement benefits are clearly fair
17 to the Settlement Class Members.

18 As of June 19, 2017, Settlement Class Members have submitted 129,066 claim
19 forms. *Id.* at ¶¶ 16-18. That number will only increase as the claim filing deadline is
20 June 28, 2017.³ Accordingly, the Settlement has been a resounding success.

21 **2. Release and Discharge of Claims**

22 The Settlement provides for the full release and discharge of any and all
23 claims or causes of action that have been, might have been, are now, or could have
24 been brought relating to the transactions, actions, conduct and events that are the
25 subject of this action or settlement, arising from or related to the allegations in the
26

27 ³ After that claims deadline, Plaintiffs will submit a supplemental declaration attesting to the
28 precise number of claims received, objections and opt-outs.

1 complaint filed in the Action or Defendants' marketing, advertising, promoting or
2 distributing of the Settlement Class Products. 10/14/2016 Fisher Decl., Ex. A
3 VII.7.1

4 **3. Payment of Attorneys' Fees, And Costs and**
5 **Expenses**

6 The Parties have reached an agreement, in good faith, concerning the award of
7 attorneys' fees and costs to be paid by Defendants to Class Counsel. Pursuant to the
8 Settlement, Class Counsel will make an application to the Court for an Attorneys'
9 Fee and Expense Award in an amount not to exceed \$2.9 million, which includes
10 reimbursement of Class Counsel's costs and expenses. *Id.* at IV.4.2. These cost and
11 expenses amount to \$754,804.19 and were reasonably incurred to secure the benefit
12 obtained on behalf of the class. Class Counsel thus only seeks a fee award of
13 \$2,145,195.80. 6/19/2017 Fisher Decl., ¶ 44. Class Counsel's Motion for
14 Attorneys' Fee and Expense Award is filed concurrently with this Motion. *Id.* Class
15 Counsel's lodestar of \$5,515,329.75 greatly exceeds the \$2,145,195.80 requested fee
16 award. Indeed, this reduction produces an inverse multiplier of .39. *Id.*

17 **4. Compensation for Class Representatives**

18 In addition to the relief discussed above, Defendants have also agreed to pay
19 service awards to the Class Representatives, Enzo Forcellati and Lisa Roemmich, in
20 the amount of \$5,000 each. *Id.* at IV.4.1. These service awards will be paid in
21 recognition of the time and effort that the Class Representatives expended in
22 pursuing this Action and in fulfilling their obligations and responsibilities as Class
23 Representatives, including responding to discovery, attending their depositions, and
24 preparing to appear at trial. *Id.*; *In re Nucoa Real Margarine Litig.*, No. CV 10-
25 00927 MMM (AJWx), 2012 U.S. Dist. LEXIS 189901, at *107-18 (C.D. Cal. June
26 12, 2012) (approving a \$8,000 incentive award); *Carter v. Anderson Merchs., LP*,
27 No. EDCV 08-0025-VAP (OPx), 2010 U.S. Dist. LEXIS 55629, at *17 (C.D. Cal.

1 May 11, 2010) (“Given the relatively small size of the proposed [\$5000] recognition
2 payments, the Court thus approves the recognition payments requested for both
3 Carter and Lanasa.”)

4 **5. Payment of Notice and Administrative Costs**

5 Under the Settlement, Defendants are responsible the costs of the Settlement
6 Notice and Administration. *Id.* at III.3.3. KCC estimates that these costs will
7 amount to \$760,124.45. Lucchesi Decl., ¶ 19.

8 **B. Strengths of Plaintiffs’ Case**

9 In determining the likelihood of a plaintiff’s success on the merits of a class
10 action, “the district court’s determination is nothing more than an amalgam of
11 delicate balancing, gross approximations and rough justice.” *Officers for Justice*,
12 688 F.2d at 625 (internal quotations omitted). The court may “presume that through
13 negotiation, the parties, counsel, and mediator arrived at a reasonable range of
14 settlement by considering Plaintiff’s likelihood of recovery.” *Garner v. State Farm*
15 *Mut. Auto. Ins. Co.*, No. CV 08 1365 CW (EMC), 2010 U.S. Dist. LEXIS 49477, at
16 *24 (N.D. Cal. Apr. 22, 2010) (citing *Rodriguez v. W. Publ’g Corp.*, 563 F.3d 948,
17 965 (9th Cir. 2009)).

18 When Class Counsel engaged in arm’s-length negotiations with Defendants’
19 counsel, Class counsel was thoroughly familiar with the applicable facts, legal
20 theories and defenses. 10/14/2016 Fisher Decl., ¶15. Plaintiffs’ theory of recovery
21 is that Defendants uniformly misrepresented that the Settlement Class Products were
22 “Safe & Effective” for treating cold and flu symptoms and that they were “100%
23 Natural.” *See generally* Complaint, Dkt. No. 1. Plaintiffs further alleged that, in
24 fact, the products are no better than a placebo because the ingredients are ultra-
25 diluted. *See generally id.* In reliance on these representations, Plaintiffs and other
26 Class Members purchased the Settlement Class Products at a premium and therefore
27 suffered damages. *See generally id.*

1 **C. Risk of Continuing Litigation**

2 Despite Class Counsel’s views regarding the strength of Plaintiffs’ claims,
3 proceeding in this litigation in the absence of settlement posed substantial risks to the
4 Settlement Class. Although Plaintiffs continue to believe that they could prove to a
5 jury that the products are mere placebos, the Settlement Class could recover nothing
6 if the Class was decertified, or if Defendants were to obtain an order excluding one
7 or more of Plaintiffs’ experts on a motion in limine, succeed on other evidentiary
8 objections, or prevail at trial or on appeal. Such considerations have been found to
9 weigh heavily in favor of settlement. *See Rodriguez*, 563 F.3d at 966; *Curtis-Bauer*
10 *v. Morgan Stanley & Co., Inc.*, No. C 06-3903 THE, 2008 U.S. Dist. LEXIS 85028,
11 at *13 (N.D. Cal. Oct. 22, 2008) (“Settlement avoids the complexity, delay, risk and
12 expense of continuing with the litigation and will produce a prompt, certain, and
13 substantial recovery for the Plaintiff class.”). At trial, Plaintiffs would have to
14 convince the jury to accept their and their experts’ position that the Settlement Class
15 Products are ineffective and to reject contrary testimony from Defendants’ highly-
16 qualified experts. In this “battle of experts,” it is virtually impossible to predict with
17 any certainty which testimony would be credited, and ultimately, which expert
18 opinion on efficacy of the products would be accepted by the jury. By settling
19 Plaintiffs avoid the risk of trial and guarantee a recovery to the class. Since the risks
20 of proceeding to trial are substantial, this bird in the hand is worth more than two in
21 the bush, and therefore the Settlement warrants final approval. *See e.g., Nat’l Rural*
22 *Telecomm. Coop. v. DIRECTV, Inc.*, 221 F.R.D. 523, 526 (C.D. Cal. 2004).

23 Indeed, a jury in a similar case involving several of Defendants’ other
24 homeopathic products concluded that the plaintiffs had not met their burden of proof
25 and found for Defendants on every claim. *See Allen v. Hyland’s Inc.*, C.D. Cal. Case
26 No. 12-cv-01150-DMG-MAN, Dkt. 426 (Verdict Form); *see also Lewert v. Boiron,*
27 *Inc.*, C.D. Cal. Case No. 11-cv-10803, Dkt. 447 (Verdict Form). The *Allen* trial
28

1 makes clear that a favorable result could not be guaranteed for the class. There is no
2 guarantee that the verdict in this action would be any different than the verdict in the
3 *Allen* action. See *Shames*, 2012 U.S. Dist. LEXIS 158577, at *18 (“Plaintiffs faced
4 significant uncertainty and risk of nonrecovery at trial, making a pre-trial settlement
5 a reasonable tactical choice.”).

6 Even if Plaintiffs were to prevail on the issue of liability, there would still be
7 risks in establishing the existence of monetary damages at trial. The experience of
8 Class Counsel has taught them that the above-described factors can make the
9 outcome of trial extremely uncertain.

10 Not only would Plaintiffs need to be prove damages, but they would also have
11 to collect them. Here, there are significant concerns regarding the financial
12 instability of Defendants. Specifically, Mr. Krombrach, the then Chief Financial
13 officer of Standard Homeopathic Company, stated “the Company's cash flow and its
14 ability to fund its ongoing operations have been seriously compromised.” 6/19/2017
15 Fisher Decl., ¶ 52, Ex. M, *Affiliated Health Care Assocs., P.C. v. Handit2 Network,*
16 *LLC*, Case No. 1:13-cv-05782, Dkt. No. 101, the Declaration of Daniel M.
17 Krombach (N.D. Ill Jan. 6, 2016). “[R]isk that the class will lose should the suit go
18 to judgment on the merits justifies a compromise that affords a lower award with
19 certainty.” *Murray v. GMAC Mortg. Corp.*, 434 F.3d 948, 952 (7th Cir. 2006).

20 Finally, even if Plaintiffs were to prevail at trial, risks to the Class remain. For
21 example, in *In re Apple Computer Securities Litigation*, No. C-20148(A)-JW 1991
22 U.S. Dist. LEXIS 15608, *1 (N.D. Cal. Sept. 6, 1991), the jury rendered a verdict for
23 plaintiffs after an extended trial. Based on the jury’s findings, recoverable damages
24 would have exceeded \$100 million. *Id.* However, weeks later, the trial court
25 overturned the verdict and ordered a new trial with respect to the corporate
26 defendant. *Id.* at *2. By settling, Plaintiffs and the Settlement Class avoid these
27 risks, as well as the delays and risks of the appellate process. Careful consideration
28

1 of the above risks supports approval of the Settlement as fair, adequate and
2 reasonable.

3 **D. The Extent of Discovery and Status of Proceedings**

4 Under this factor, courts evaluate whether class counsel had sufficient
5 information to make an informed decision about the merits of the case. *See In re*
6 *Mego Fin. Corp. Sec. Litig.*, 213 F.3d at 459. The Settlement was reached on the eve
7 of trial, after four years of litigation, during which time, Plaintiffs completed
8 extensive discovery. 6/19/2017 Fisher Decl., ¶¶ 6-25; *see In re Yahoo Mail Litig.*,
9 No. 13-CV-4980-LHK, 2016 U.S. Dist. LEXIS 115056, at *22-24 (N.D. Cal. Aug.
10 25, 2016) (granting final approval of class settlement where plaintiffs had engaged in
11 years of extensive briefing and discovery, and therefore “developed an informed
12 perspective on this case's strengths and weaknesses”); *In re Nucoa Real Margarine*
13 *Litig.*, No. CV 10-00927 MMM (AJWx), 2012 U.S. Dist. LEXIS 189901, at *49-50
14 (C.D. Cal. June 12, 2012) (“The greater the amount of discovery that has been
15 completed, the more likely it is that the parties have a clear view of the strengths and
16 weaknesses of their cases.”) (internal citations omitted); *Low v. Trump Univ., LLC*,
17 No. 3:10-cv-00940-GPC-WVG, 2017 U.S. Dist. LEXIS 49739, at *15-16 (S.D. Cal.
18 Mar. 31, 2017) (where case is near trial, and the parties have conducted extensive
19 discovery the extent of discovery and the stage of the proceedings weigh in favor of
20 the proposed settlement) (internal citations omitted). Given the procedural history of
21 this Action, there can be no doubt that Class Counsel had sufficient information to
22 make an informed decision about the merits of this case as compared to the benefit
23 provided by the proposed Settlement. Additionally, substantial settlement
24 negotiations have taken place between the Parties. 6/19/2017 Fisher Decl., ¶¶ 26-31.
25 Notably, when a settlement is negotiated at arm’s-length by experienced counsel,
26 there is a presumption that it is fair and reasonable. *See In re Pac. Enters. Sec. Litig.*,
27 47 F.3d 373, 378 (9th Cir. 1995). The Parties also worked closely with Judge
28

1 Gandhi, who ultimately led the Parties to resolution. 6/19/2017 Fisher Decl., at ¶¶
2 26-31; *In re Bluetooth Headset Prods. Liab. Litig.*, 654 F.3d 935, 946 (9th Cir. 2011)
3 (“[The] presence of a neutral mediator [is] a factor weighing in favor of a finding of
4 non-collusiveness.”). Thus, this factor weighs strongly in favor of final approval.

5 **E. Experience and Views of Counsel**

6 The recommendations of Class Counsel should be given a presumption of
7 reasonableness. *In re Omnivision Techs., Inc.*, 559 F. Supp. 2d 1036, 1043 (N.D.
8 Cal. 2008). Deference to Class Counsel’s evaluation of the Settlement is appropriate
9 because “[p]arties represented by competent counsel are better positioned than courts
10 to produce a settlement that fairly reflects each party’s expected outcome in
11 litigation.” *Rodriguez*, 563 F.3d at 967 (citing *In re Pac. Enters. Sec. Litig.*, 47 F.3d
12 373, 378 (9th Cir. 1995)).

13 Here, the Settlement was negotiated by counsel with extensive experience in
14 consumer class action litigation. 10/14/2016 Fisher Decl., Exs. 5-7 (Class Counsel
15 firm resumes). Indeed, this Court and Judge King found Class Counsel are qualified
16 to represent the Class as co-lead Class Counsel. Dkt. No. 144, 288. Based on their
17 collective experience, Class Counsel concluded that the Settlement provides
18 exceptional results for the Settlement Class while sparing the Class from the
19 numerous uncertainties that would result from continued and protracted litigation.
20 10/14/2016 Fisher Decl., ¶15. Moreover, the fact that the Settlement was negotiated
21 over the course of several mediation sessions, in front of a highly experienced
22 mediator, is one factor that demonstrates the Settlement was anything but collusive.
23 *See, e.g., Chun-Hoon v. McKee Foods Corp.*, 716 F. Supp. 2d 848, 852 (N.D. Cal.
24 2010) (“The armslength negotiations, including a day-long mediation before Judge
25 Lynch, indicate that the settlement was reached in a procedurally sound manner.”);
26 *In re M.L. Stern Overtime Litig.*, No. 07-CV-0118-BTM (JMA), 2009 U.S. Dist.
27 LEXIS 31650, at *13 (S.D. Cal. Apr. 13, 2009) (granting preliminary approval and
28

1 stating that “the settlement was reached with the supervision and assistance of an
2 experienced and well-respected independent mediator”); *Cohorst v. BRE Props.,*
3 *Inc.*, 3:10-CV-2666-JM-BGS, 2011 U.S. Dist LEXIS 151719, at *35 (S.D. Cal. Nov.
4 14, 2011) (“For example, voluntary mediation before a retired judge [] are highly
5 indicative of fairness.) (internal quotation marks omitted). This factor therefore
6 supports a finding by the Court that the Settlement is fair, adequate and reasonable.

7 **F. Presence of a Governmental Participant**

8 The government need not be involved with a class action settlement.
9 However, the Class Action Fairness Act (“CAFA”) requires that notice of a
10 settlement be delivered to the Attorney General of the United States, and to each
11 attorney general of each state where class members reside. 28 U.S.C. § 1715(b).
12 Said notices have been sent regarding the Settlement. Lucchesi Decl., at ¶¶ 3-6.
13 Here, no attorney general has objected. *Id.* The lack of government involvement
14 weighs in favor of approving the Settlement as agreed to by the Parties. *Schuchardt*
15 *v. Law Office of Rory W. Clark*, 314 F.R.D. 673, 685 (N.D. Cal. 2016) (weighing this
16 factor in favor of approval when “neither state nor federal officials lodged any
17 objection after receiving notice of the Settlement Agreement.”); *Petersen v. CJ Am.,*
18 *Inc.*, No. 3:14-cv-02570-DMS-JLB, 2016 U.S. Dist. LEXIS 140187, at *8 (S.D. Cal.
19 Sept. 30, 2016) (granting final approval of a consumer class action settlement and
20 acknowledged that appropriate notice regarding the settlement and that “no such
21 objections or comments were received.”).

22 **G. Reactions of Class Members**

23 As of June 19, 2017, no Settlement Class Member has objected to the
24 Settlement.⁴ Lucchesi Decl., at ¶ 17; *see also Churchill*, 361 F.3d at 577 (weighing
25 the low number of objectors in favor of settlement). The absence of objections raises
26

27 ⁴ The deadline for filing objections or opting out, June 28, 2017, has not yet occurred. After that
28 deadline, Plaintiffs will submit a supplemental declaration attesting to the number of objections and
opt-outs.

1 a strong presumption that the terms of the Settlement are favorable to the Class.
2 *Nat'l Rural Telecomms. Coop. v. DIRECTV, Inc.*, 221 F.R.D. 523, 529 (C.D. Cal.
3 2004) (“[T]he absence of a large number of objections to a proposed class action
4 settlement raises a strong presumption that the terms of the proposed class action
5 settlement are favorable to the class members.”). Furthermore, as of June 19, 2017,
6 of those who responded to the Class notices, 129,066 individuals had submitted
7 timely claim forms while only fourteen individuals have opted out (approximately
8 .01% of total responses). Lucchesi Decl., at ¶¶ 16 and 18; *Churchill*, 361 F.3d at 577
9 (affirming settlement approval where only 45 out of approximately 90,000 class
10 members objected); *Chun-Hoon v. McKee Foods Corp.*, 716 F. Supp. 2d 848, 852
11 (N.D. Cal. 2010) (where “[a] total of zero objections and sixteen opt-outs
12 (comprising 4.86% of the class) were made from the class of roughly three hundred
13 and twenty-nine (329) members,” that the reaction of the class “strongly supports
14 settlement.”). Here, since no one has objected to the Settlement and only fourteen
15 Class Members have excluded themselves, the Court should find that the
16 “presumption of fairness” applies in this Settlement and this factor should weigh
17 heavily in favor of Settlement approval.

18 VI. NOTICE

19 The Parties agreed to a notice plan and the Class Notice forms, which the
20 Court approved in its Preliminary Approval Order. *See* Dkt. No. 288 at ¶¶ 7-9. The
21 approved notice plan informed the Settlement Class of their rights and followed a
22 comprehensive plan for delivery of notice by U.S. postal mail, e-mail, publication
23 notice, and internet banner ads, and therefore was the best notice practicable given
24 the circumstances of this Action. *See* Dkt. No. 288 at ¶ 9 (The Court found this
25 notice plan “to comply with all legal requirements, including but not limited to the
26 Due Process Clause of the United States Constitution.”). Indeed, each of these forms
27 of notice accurately informed Settlement Class Members of the salient terms of the
28

1 Settlement, the date of the Final Approval hearing, and the rights of all parties,
2 including Class Member rights to file objections and to opt out of the Class.
3 10/14/2016 Fisher Decl., Ex. 1, Stipulation of Settlement (Notices: Exs. C, D, F).
4 This notice plan (similar if not identical to the method used in countless other class
5 actions) was appropriate because it fairly and adequately afforded Settlement Class
6 Members the opportunity to learn about the Settlement and to make an informed
7 decision regarding the proposed Settlement. *Jonsson v. USCB, Inc.*, No. CV 13-
8 8166 FMO (SHx), 2015 U.S. Dist. LEXIS 69934, at *8 (C.D. Cal. May 28, 2015)
9 (granting final approval of settlement and finding that nearly identical notice plan
10 “fairly and adequately informed the class members of the nature of the action” and
11 met the requirements of Rule 23). In fact, the quality of notice afforded under the
12 notice plan was superior to many similar class action settlements because subpoenas
13 issued to numerous national retailers enabled KCC to provide direct notice to many
14 Class Members. 6/19/2017 Fisher Decl., ¶¶ 20 and 34; Lucchesi Decl., ¶¶ 7-12.
15 Thus, the notice plan previously approved by the Court and subsequently executed
16 by KCC amply satisfies the requirements of due process.

17 Pursuant to the Settlement, and after the Court granted preliminary approval of
18 the Settlement, notice of the Settlement was disseminated to the Settlement Class
19 Members through U.S. postal mail, e-mail, publication notice, and internet banner
20 ads. Lucchesi Decl., at ¶¶ 7-15; *Boring v. Bed Bath & Beyond of Cal. LLC*, No. 12-
21 CV-05259-JST, 2014 U.S. Dist. LEXIS 90258, at *3 (N.D. Cal. June 30, 2014)
22 (finding adequate notice where parties implemented the approved notice plan).

23 VII. CONCLUSION

24 For the foregoing reasons, Plaintiffs respectfully request that the Court grant
25 final approval to the Settlement Agreement and enter the Final Approval Order in the
26 form submitted herewith.

1 Dated: June 19, 2017

BURSOR & FISHER, P.A.

By: /s/ L. Timothy Fisher

L. Timothy Fisher

Scott A. Bursor (SBN 276006)

scott@bursor.com

L. Timothy Fisher (SBN191626)

ltfisher@bursor.com

Thomas A. Reyda (SBN 312632)

treyda@bursor.com

1990 North California Blvd., Suite 940

Walnut Creek, CA 94596

Telephone: (925) 300-4455

FARUQI & FARUQI, LLP

Barbara A. Rohr (SBN 273353)

brohr@faruqilaw.com

Benjamin Heikali (SBN 307466)

bheikali@faruqilaw.com

10866 Wilshire Boulevard, Suite 1470

Los Angeles, CA 90024

Telephone: (424) 256-2884

Facsimile: (424) 256-2885

FARUQI & FARUQI, LLP

Nadeem Faruqi (*pro hac vice*)

nfaruqilaw.com

685 3rd Avenue, 26th Floor

New York, NY 10017

Telephone: (212) 983-9330

Facsimile:(212) 983-9331

VOZZOLO LLC

Antonio Vozzolo (*pro hac vice*)

avozzolo@vozzolo.com

345 Route 17 South

Upper Saddle River, New Jersey 07458

Telephone: (201) 630-8820

Facsimile: (201) 604-8400

Co-Lead Class Counsel