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13	Email: tcoates@msdlegal.com		
14	Attorneys for Plaintiff and the Proposed Class		
15			
16	SUPERIOR COURT OF THE STATE OF CALIFORNIA FOR THE COUNTY OF LOS ANGELES		
17	MIN WOO BAE, individually and on	Case No.: 21STCV45922	,
18	behalf of all others similarly situated,	(Assigned to Hon. Judge William F. Highberger,	
19	Plaintiff,	Dept. 10)	
20	v.	DECLARATION OF JC SUPPORT OF PLAINT	
21	PACIFIC CITY BANK,	FINAL APPROVAL OF SETTLEMENT	CLASS ACTION
22	Defendant.		
23		DATE: May 30, 2024 TIME: 11:00 PST	
24		DEPT.: 10	
25		Complaint filed: December	er 16, 2022
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27			
28			
	-1- DECLARATION OF JOSEPH M. LYON IN SUPPORT OF PLAINTIFF'S MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT		

I, Joseph M. Lyon, being competent to testify, make the following declaration:

I am an attorney duly licensed to practice in the State of California. I am the founder of The Lyon Firm, and my firm is one of those representing Plaintiff and the Settlement Class in this case. I am one of the lead attorneys in this matter, and I submit this Declaration in support of Plaintiff's Motion for Final Approval of Class Action Settlement ("Motion for Final Approval"). I make this Declaration based on my personal knowledge of the matters set forth herein and based on my active participation in all material aspects of this litigation. If called upon to do so, I could testify competently thereto.

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## The Data Incident, Proposed Classes, and Mediation

2. This case asserts that, as a result of an August 2021 Data Incident, Plaintiff's and Class Members' Private Information, which may have included loan applications, tax returns, Form W-2, payroll records, names, addresses, Social Security numbers, and other tax information was potentially exfiltrated and exposed to third parties.

14 3. Counsel for Plaintiff and the Class conducted thorough pre-complaint 15 investigations, including reviewing publicly available information and thoroughly evaluating 16 Plaintiff Bae as a class representative. During the pendency of the Litigation, the Parties began 17 discussing whether resolution of this Litigation was possible. In an effort to gain sufficient 18 information to make an informed demand and to conduct meaningful settlement discussions, 19 Plaintiff sent Defendant a list of settlement discovery requests. Through the responses to the 20 settlement discovery requests, Plaintiff determined the size of the Class, including how many Class 21 Members were from California, the extent of the Data Incident, the types of data sets potentially 22 compromised in the Data Incident, the type and amounts of insurance coverage Defendant had for 23 the Data Incident, data misuse (dark web activity) information, notice information, and the cost of 24 identity theft program previously offered. The Class consists of approximately 15,738 individuals, 25 inclusive of a Subclass of 9,844 California residents. Through information received from the 26 settlement discovery responses, Class Counsel were able to evaluate class-wide damages based on 27 the appropriate causes of action.

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4. Plaintiff, on behalf of the Class, was able to make an informed settlement demand
 after reviewing the settlement discovery responses. The Parties also agreed to mediate this case
 with Retired United States Magistrate Judge Morton Denlow on October 25, 2022. In preparation
 for the October 2022 mediation, the Parties exchanged mediation briefs including expert analysis
 from a defense consultant on risk distribution. The October 2022 mediation was productive, but
 ultimately unsuccessful in resolving the case.

5. Thereafter, Defendant retained new legal counsel. The Parties then re-engaged in settlement discussions and reset a mediation session with another experience mediator, Jill Sperber, on March 13, 2023. The Parties exchanged many counteroffers on March 13, 2022, but were unable to reach a settlement in principle during the mediation. Mediator Sperber then submitted a mediator's proposal to the Parties for a \$700,000 non-reversionary common fund, which was ultimately accepted by each Party.

The Settlement

6. After the extensive arms-length negotiations discussed above and settling in principle, the Parties spent the next several months negotiating the finer details of the Settlement and its exhibits. Both sides spent those months zealously advocating the position of their respective clients and the negotiations nearly terminated before an agreement was finally reached.

7. The \$700,000 non-reversionary common fund makes substantial cash benefits to Class Members including cash payments for lost time, out-of-pocket expenses, CCPA statutory claims, and \$50 pro rata cash payments. Additionally, Defendant has implemented certain cybersecurity enhancements that will assist in substantially limiting the potential for such a data incident to occur in the future. Given the uncertainty of Plaintiff's claims, Defendant contesting that the Private Information was uniformly exfiltrated and the significant expert costs associated with attempting to achieve class certification, and Class Counsel's projected damages to be roughly between \$1 million to \$6 million for this case, the \$700,000 common fund is a reasonable compromise for those damages projected at trial.

8. The Parties did not discuss the payment of attorneys' fees, expenses and/or service award to Plaintiff until after the primary terms of the Settlement had been agreed upon, other than that reasonable attorneys' fees, costs, expenses, and Service Award would be paid from the
 Settlement Fund if approved by the Court.

9. The Settlement in this case is a compromise of Plaintiff's and the Class's uncertain claims. Data breach litigation is a new and uncertain field without sufficient precedent in order to provide certainty as to what recoveries could be expected at trial.

#### **Preliminary** Approval

10. On August 1, 2023, Plaintiff moved for Preliminary Approval.

11. On August 3, 2023, the Court granted Preliminary Approval of the Settlement.

#### Class Notice and Administration

12. Per the Declaration of Jordan Turner of P&N, as a result of the Notice program, P&N was able to reach at total of 15,096 (95.9%) of Class Members. Following this highly successful Notice program, P&N received 399 claims, for a claims rate of 2.5%, and to date, no objections or exclusions have been received from Class Members.

14 13. During the original claims period, Class Counsel and P&N met and conferred about
15 what was an unexpectedly low initial claims rate. This resulted in Plaintiff requesting for the claims
16 period to be extended and that notice be issued also in Mandarin with the intended purpose of
17 having more Settlement Class Members participate in the Settlement. Class Counsel is appreciative
18 of the Court's time and attention to this matter including the Court's grant of Plaintiffs' request to
19 extend the claims period. Through the extension of the claims period, the claims rate rose to 2.5%.

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#### Basis for Class Representative Service Award

14. Plaintiff Bae has actively participated in this Litigation by staying informed about
the case, frequently communicating with Class Counsel, reviewing the allegations in the
Complaint, participating in settlement negotiations, and approving the terms of the Settlement
Agreement. Plaintiff has remained involved and responsive in this case since 2022. *See* Amended
Declaration of Min Woo Bae in Support of Plaintiff's Unopposed Motion for Preliminary
Approval, filed August 1, 2023.

### The Settlement is Fair and Reasonable

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1	15. Based on my experience in handling similar data breach class actions across the			
2	country, my extensive knowledge about the terms of the Settlement in this case, and the Notice			
3	program, I opine that the Settlement is fair and reasonable and one that warrants final approval.			
4	16. Neither Proposed Class Counsel nor Plaintiff have any involvement with or			
5	relationship to the Unclaimed Property Fund outside the context of this lawsuit.			
6	I declare under penalty of perjury under the laws of the State of California that the			
7	foregoing is true and correct.			
8	DATED: May 16, 2024			
9	/s/ Joseph M. Lyon			
10	Joseph M. Lyon			
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	DECLARATION OF JOSEPH M. LYON IN SUPPORT OF PLAINTIFF'S MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT			