

1 Jeff D. Friedman (173886)
Shana E. Scarlett (217895)
2 HAGENS BERMAN SOBOL SHAPIRO LLP
715 Hearst Avenue, Suite 202
3 Berkeley, CA 94710
Telephone: (510) 725-3000
4 Facsimile: (510) 725-3001
jefff@hbsslaw.com
5 shanas@hbsslaw.com

6 Steve W. Berman (*Pro Hac Vice*)
Jerrod C. Patterson (*Pro Hac Vice*)
7 HAGENS BERMAN SOBOL SHAPIRO LLP
1918 Eighth Avenue, Suite 3300
8 Seattle, WA 98101
Telephone: (206) 623-7292
9 Facsimile: (206) 623-0594
steve@hbsslaw.com

10 *Class Counsel*

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13 UNITED STATES DISTRICT COURT
14 NORTHERN DISTRICT OF CALIFORNIA
15 SAN JOSE DIVISION

16 IN RE ANIMATION WORKERS ANTITRUST
17 LITIGATION

No. 14-CV-4062 LHK

18 DECLARATION OF KENNETH JUE
19 REGARDING ADMINISTRATION
20 COSTS

21 THIS DOCUMENT RELATES TO:
22 ALL ACTIONS

1 1. I am employed as a senior project manager of the Class Action Group at Kurtzman
2 Carson Consultants (“KCC”). KCC serves as the Court-appointed Administrator of the settlements
3 and litigation with Defendants Sony Pictures Animation, Inc. and Sony Pictures Imageworks, Inc.,
4 Blue Sky Studios, Inc., Pixar, Lucasfilm Ltd., LLC, DreamWorks Animation SKG, Inc, The Walt
5 Disney Company, and Two Pic MC LLC f/k/a ImageMovers Digital LLC. As the senior project
6 manager at KCC, I oversee the administrative services provided in this matter. I have personal
7 knowledge of the facts set forth herein and, if called as a witness, could and would testify
8 competently thereto.
9

10 2. On July 6, 2016, KCC was appointed the Settlement Administrator in the *In re:*
11 *Animation Workers Antitrust Litigation*. On October 12, 2016, in connection with the Sony and Blue
12 Sky settlements, I submitted a declaration stating KCC had incurred \$36,062.92 in costs and
13 expenses and estimated \$59,432.17 in additional costs for a total of \$95,495.05 (“Sony/Blue Sky
14 Estimate”). I submit this declaration at the request of Class Counsel to provide a summary of costs
15 incurred since that declaration and summarize anticipated future costs.
16

17 **Sony/Blue Sky Estimate Background**

18 3. The Sony/Blue Sky Estimate showed that KCC had incurred \$36,062.92 in costs and
19 expenses and anticipated \$59,432.17 in future costs for a total of \$95,495.05. The anticipated costs
20 were based on and related to those two settlements. They also reflected an estimate of one additional
21 year of settlement administration. Those costs included data work, website development and
22 maintenance, phone support, distribution of payments to class members, with post-distribution
23 follow-up consisting of tracking undeliverable checks and reissuance of checks upon request.
24

25 4. The Sony/Blue Sky Estimate also inadvertently omitted and underestimated certain
26 costs. It mistakenly omitted the cost of setting up and printing tax forms with the issuance of checks.
27 It also significantly underestimated the costs related to payroll. At the time of the estimate, KCC
28

1 determined payroll would need to be set up with 15 states based on the review of the data and
2 reliance on KCC's request that data from defendants include the most recent state where the
3 employee worked. In the end, KCC found that many additional work states in its ongoing review of
4 the data, and we now know that all 51 states will require payroll set up.

5
6 5. The Sony/Blue Sky Estimate did not include all of the costs necessary for claims
7 administration for the rest of the case. For example, it did not include any costs related to the final
8 disposition of uncashed funds as that process was not provided for in the settlement agreements.

9 **Incurred Costs Related to the DreamWorks and Disney Settlements**

10 6. On March 2, 2017, the Court issued its Order Amending Settlement Notice and
11 Granting Motion for Preliminary Approval of Class Action Settlement for the Disney Defendants
12 (ECF No. 382) and had previously preliminarily approved the DreamWorks Settlement (ECF No.
13 353). This second notice, as described below, and related administration costs, were not included in
14 the Sony/Blue Sky Estimate. As ordered by the Court, KCC provided a notice to Class Members by
15 sending the Email Notice to 4,008 Class Members and mailed the Long Form Notice to 10,989 Class
16 Members.
17

18 7. For the work performed by KCC in excess of the \$95,495.00 amount previously
19 approved by the Court, KCC has incurred \$59,587.00 in costs and expenses, most of which is
20 attributable to the setup, implementation, and costs related to the second notice. These fees and
21 expenses include address searches (\$5,007), notice mailings with postage (\$5,157.76), phone support
22 (\$1,497.89) data development (\$22,276), case setup and management (\$11,182), accounting and
23 income tax work (\$3,933), among other costs.
24

25 **Incurred Costs for Data Work**

26 8. Because of the quality of the data files provided to KCC, as additional data work and
27 calculations were applied and reviewed, the data work became increasingly complex and gaps in the
28

1 data were identified. KCC received data from the 7 defendants (Blue Sky, Disney, Pixar, Lucasfilm,
2 IMD, DreamWorks, and Sony). Each original dataset spanned anywhere from a singled spreadsheet
3 file with two worksheets (BlueSky) to 54 spreadsheets encompassing multiple HR systems used
4 during the class period (Lucasfilm). The datasets needed to be reviewed by KCC for relevancy,
5 standardized into a consistent format, and analyzed so that they could be used to determine eligibility
6 and eligible compensation. Since receiving the original datasets, KCC received supplemental data
7 from various defendants, including Blue Sky in late October 2016 and Disney in July 2017, after the
8 Sony/Blue Sky Estimate.
9

10 9. To date, since the first datasets were received in July of 2016, KCC has invoiced for
11 515 hours for work related to data. This work included identifying the original class list and
12 generating multiple notice tables (two email notice tables and two mailed notice tables), updating the
13 database as needed when supplemental data files were provided by the various defendants, reviewing
14 and analyzing the data to try to determine eligible compensation amounts, and identifying missing
15 data or inconsistent data.
16

17 10. After Final Approval, while in the process of attempting to analyze and calculate
18 compensation amounts, KCC brought to the attention to class counsel that KCC was encountering
19 difficulties with the data preventing them from quickly finalizing calculations of eligible
20 compensation. Class counsel suggested utilizing the damage analysis from the Plaintiffs' Economic
21 Experts ("Expert Data") and combining with KCC's database. This alleviated some of the calculation
22 issues KCC was having, but required additional hours to integrate the Expert Data with KCC's.
23

24 11. In light of the amount of time it took to complete work on the data and for the benefit
25 of class members, KCC has agreed to provide an administration fee discount of \$40,000.00,
26 representing 400 hours of data work, and has agreed to pay invoices in the sum of \$13,058.15 for the
27 work performed by Plaintiffs' Economic Expert in the calculation of class compensation amounts.
28

1 KCC is not seeking reimbursement for the payment to the Expert. With this discount, KCC will be
2 compensated for only a small percentage of its work related to data.

3 **Anticipated Costs**

4 12. KCC estimates an additional \$104,590.50 plus sales tax in additional settlement
5 administration costs. A considerable amount of this expense is payroll related expenses. While KCC
6 would have had payroll expenses in its distribution of the Sony/Blue Sky Settlements and included
7 those in the Estimate, as explained above, it is necessary to set up payroll for 51 states instead of 15
8 states (\$20,700). The costs also include issuing the W2 and Form 1099s (\$18,150) and issuing tax
9 forms separately from the check issuance (\$5,280), remaining distribution calculations for payroll
10 deductions and calculating the employers' share of taxes needed (\$3,000), and running an address
11 search on class members missing a work state so that their current location is used for tax reporting
12 (\$4,435).
13

14 **Overall Request**

15 13. KCC requests the Court approve \$127,026 in additional fees and expenses
16 (\$59,587.00 incurred beyond the \$95,495.09 previously approved by the Court minus the \$40,000.00
17 data discount + \$104,590.50 in anticipated remaining costs through distribution + \$2,848.50 in sales
18 tax).
19

20 **High Tech Claims Administration Expenses**

21 14. Total claims administrator expenses in *High Tech* were over \$427,000 as incurred by
22 KCC.
23

1 I declare under penalty of perjury under the laws of the State of California that the foregoing
2 is true and correct. Executed on this 23rd day of April 2018 at Louisville, Kentucky.
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7 KENNETH JUE
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