

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION**

CONNIE YUAN, individually and on behalf of
all others similarly situated,

Plaintiff,

v.

HOMETRUST MORTGAGE CO.,

Defendant.

Case No. 1:22-cv-01355-DII

**DECLARATION OF RAINA C.
BORRELLI IN SUPPORT OF
PLAINTIFF’S MOTION TO
APPROVE FEES, COSTS, AND
SERVICE AWARD**

I, Raina Borrelli, hereby declare as follows:

1. I am over the age of 18, I have personal knowledge of the facts stated in this Declaration and, if called to testify, I could and would testify to the matters stated herein.

2. I am a partner of Turke & Strauss, LLP, and was appointed Settlement Class Counsel for Plaintiff Connie Yuan in this litigation against Hometrust Mortgage Co. I submit this declaration in support of Plaintiff’s Motion for Attorneys’ Fees, Costs and Expenses, and Service Award (the “Fee Motion”) incurred in connection with the prosecution of the above-captioned action. Unless otherwise stated, I have personal knowledge of the following facts and could and would competently testify thereto.

LITIGATION BACKGROUND AND CLASS COUNSEL’S WORK

3. Plaintiff Connie Yuan was a customer of Hometrust and a data breach victim, having received a Notice of Data Breach letter from Hometrust dated December 2022. Later that same month, Plaintiff sued Hometrust to remediate the harm its breach had caused her, including identity theft, asserting sixth counts and demanding Hometrust’s reimburse her losses. Filed in

Plaintiff the western District of Texas, the suit is captioned, *Connie Yuan v. Hometrout Mortgage Co.*, 2022-cv-01355-LY.

4. Prior to filing this case, Plaintiff's counsel conducted extensive pre-suit discovery to ascertain all publicly available details about the cause, scope, and result of the data breach, as well as about the damages suffered by the Plaintiff and the Class.

5. Plaintiff has been impacted the same as all Settlement Class Members and has the same interests as them. Plaintiff has assisted in the investigation of this case, reviewed and approved pleadings, stayed in contact with Settlement Class Counsel, and answered Settlement Class Counsel's many questions. Plaintiff is informed of the risks of continued litigation and the benefits of early resolution.

6. Shortly after filing the Complaint, the Parties agreed to explore mediation. No Rule 12 motions were filed and no formal discovery has been conducted.

7. The Parties engaged in Federal Rule of Evidence 408 communications and informal discovery and were able to make significant progress negotiating a term sheet prior to mediation with Mr. John DeGroote, an experienced mediator with DeGroote Partners. To settle Plaintiff Yuan's claims, her counsel evaluated the class's makeup, the breach's size, and the type of information it exposed, e.g. social security numbers and dates of birth, key ingredients for identity theft, all to address the harm the breach may cause. These steps helped to ensure Class Counsel had sufficient facts and information to make an informed decision about resolution and mediate the dispute.

8. On April 11, 2023, the Parties mediated with Mr. John DeGroote, from DeGroote Partners, a mediator experienced in resolving class action cases. Under his guidance, the Parties

negotiated at “arm’s length,” communicating their positions through him and evaluating the strengths and weaknesses underlying their claims and defenses.

9. From the start, the Parties agreed they would not negotiate Proposed Class Counsel’s attorney fees or Plaintiff’s service award until they agreed on the settlement agreement’s core terms, thus avoiding conflict between Plaintiff and the Settlement Class. This session with Mr. DeGroot resulted in a Settlement.

10. Throughout all negotiations, Settlement Class Counsel and counsel for Hometruster fought hard for the interests of their respective clients.

11. After a full day of an in-person mediation, in Dallas, Texas, the parties agreed on the key terms of the Settlement and executed a term sheet. In the weeks that followed, the Parties diligently negotiated and edited drafts of the Settlement, the Notices, a Claim Form, and other exhibits, and agreed Kroll would serve as Claims Administrator. Kroll has a trusted and proven track record of supporting hundreds of class action administrations, with vast legal administration experience.

12. After reaching the Settlement, Class Counsel drafted the settlement agreement and exhibits, prepared and submitted the Motion for Preliminary approval (which was granted), and implemented the Settlement by working with defendant and the claims administrator to effectuate notice. And although the case settled before conducting full blown formal discovery, counsel’s efforts maximized the Agreement’s value by redirecting resources from litigation to settlement.

13. The Settlement provides significant relief to the Settlement Class Members. Of the various forms of relief available in national consumer protection class actions (injunctive, declaratory, coupons, gift cards, cash compensation, etc.), the relief obtained by Class Counsel in this case is of the most preferable form: remedial relief plus cash compensation.

14. The result achieved in this Settlement is notable because the Parties were able, through capable and experienced counsel, to reach a negotiated Settlement without involvement of the Court. Class Counsel worked on behalf of the Settlement Class to obtain information from Defendant regarding the Data Incident and used that information (along with their experience and the knowledge gained from other data breach class actions) to negotiate the Settlement.

15. Although I believe that Plaintiff and the Class would ultimately prevail in the litigation on a class-wide basis, data breach class actions are still new and can present novel and complex issues, making a successful outcome difficult to predict. Also, a successful outcome would ensue, if at all, only after prolonged and arduous litigation with an attendant risk of drawn-out appeals.

16. Additionally, based upon my experience, small class actions such as this (with only 17,300 victims) do not attract the same level of attention that larger data breaches (such as Equifax and the like) do.

17. Among national consumer protection class action litigation, data breach cases are some of the most complex and involve a rapidly evolving area of law. As such, these cases are particularly risky for plaintiffs' attorneys. Accordingly, the value of the services received by the Plaintiff and the Settlement Class in this case is commensurate with the attorneys' fees, costs and expenses, and service awards sought here.

18. Class Counsel here has many years of experience litigating complex class action cases, as detailed in their firm resumes submitted with the Motion for Preliminary Approval (*see* D.E. 27-3, 27-4, 27-5). Turke & Strauss LLP and Meyer Wilson Co., LPA, both maintain national practices focusing on consumer class action litigating in general, and data breaches in particular. And Joe Kendall of Kendall Law Group is a 42-year lawyer and former United States District

Judge in the Northern District of Texas. Class Counsel's cumulative experience enabled them to effectively litigate and resolve this case for the benefit of the Settlement Class.

19. Finally, Notice of the Settlement has been given in accordance with the terms of the Settlement Agreement. As of this date, no Settlement Class Members have objected to the Settlement, including the requested attorney fees, reimbursement of expenses or the service award/incentive payment to Plaintiff, or opted out of the Settlement.

CLASS COUNSEL'S LODESTAR

20. Class Counsel, comprised of the firms Strauss & Turke, Meyer Wilson, Co., LPA, and Kendall Law Group, expended 237.8 hours on the litigation, from inception, mediation and settlement, and even now through claims administration. Class Counsel will spend additional time on this matter to prepare the motion for final approval and as they continue to be involved in the claims administration process. These hours results in a lodestar of \$137,686.

21. Class Counsel took this case on a 100% contingent basis.

CLASS COUNSEL'S REASONABLE EXPENSES

22. Class Counsel incurred \$6,054.99 in reasonable expenses, the majority of which are attributable to the mediation conducted in Dallas, Texas, that ultimately resulted in this Settlement.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury of the United States of America that the foregoing is true and correct.

Executed this 28th day of August, at Eagan, Minnesota.

/s/ Raina C. Borrelli
Raina C. Borrelli