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15 UNITED STATES DISTRICT COURT
 16 NORTHERN DISTRICT OF CALIFORNIA
 17 SAN FRANCISCO DIVISION

18 FAITH BAUTISTA, Individually and on)
 19 Behalf of All Others Similarly Situated,)
 20 Plaintiff,)

21 vs.)

22 VALERO MARKETING AND SUPPLY)
 23 COMPANY,)
 Defendant.)

Case No. 3:15-cv-05557-RS

CLASS ACTION

**NOTICE OF MOTION AND
 UNOPPOSED MOTION FOR
 PRELIMINARY APPROVAL OF CLASS
 ACTION SETTLEMENT;
 MEMORANDUM OF POINTS AND
 AUTHORITIES IN SUPPORT**

Date: November 5, 2020

Time: 1:30 p.m.

Courtroom: 3 – 17th Floor

Judge: Hon. Richard Seeborg

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1 **NOTICE OF MOTION AND MOTION**

2 PLEASE TAKE NOTICE THAT on November 5, 2020, at 1:30 p.m., or on a date selected
3 by the Court, Plaintiff Faith Bautista will and hereby does respectfully move the Court, in the
4 courtroom of the Honorable Richard Seeborg, Courtroom 3, 17th Floor of the United States
5 District Court for the Northern District of California, located at 450 Golden Gate Avenue, San
6 Francisco, California 94102, for an Order granting preliminary approval of the Settlement and
7 directing notice of the Settlement to the Settlement Class.

8 This motion is based on the notice of motion and motion for an Order granting preliminary
9 approval of the Settlement and directing notice of the Settlement to the Settlement Class, the
10 following memorandum of points and authorities in support, the attached declarations and exhibits,
11 the arguments of counsel, and any other matters in the record or that properly come before the
12 Court.

13 **MEMORANDUM OF POINTS AND AUTHORITIES**

14 **I. INTRODUCTION**

15 The Parties have seen their fortunes change repeatedly over the course of this four-year-old
16 case. In 2017, the Court certified Plaintiff Faith Bautista’s (“Bautista” or “Plaintiff”) proposed Class
17 and thereafter ordered that notice of pendency be disseminated. In 2018, the Court decertified the
18 Class and granted summary judgment as to certain of Plaintiff’s legal theories and as to certain of
19 Defendant Valero Marketing and Supply Company’s (“Valero”) defenses. In 2019, the Ninth Circuit
20 granted Plaintiff’s Rule 23(f) petition for permission to file an interlocutory appeal of the Court’s
21 decertification Order. At each of these major turning points, the Parties attempted to mediate their
22 dispute. Now after four years of hard-fought litigation, three full-day private mediation sessions at
23 three significant litigation milestones, months of follow-up negotiations, and extensive oversight by,
24 and assistance from, a private mediator that culminated in a “mediator’s proposal,” the Parties have
25 reached a Settlement that they and the mediator are confident addresses Plaintiff’s complaint and
26 satisfies the criteria for approval of a class settlement.

27 Plaintiff alleges that Valero violated California’s consumer protection laws by permitting
28 Valero-branded stations in California to advertise separate “cash” and “credit” prices for gasoline

1 without requiring those stations to specify how debit card purchases would be treated. The
2 Settlement directly resolves this complaint by obligating Valero to adopt policies requiring any
3 and all Valero-branded stations that engage in split-pricing to prominently display *how* debit cards
4 will be charged, *i.e.*, whether they will be charged the “cash” or the “credit” price.

5 If approved, the Settlement will obviate the risks of further litigation while ensuring that
6 the Settlement Class receives meaningful injunctive relief that responds precisely to Plaintiff’s
7 primary complaint. As discussed below, the Settlement is a fair, reasonable, and adequate
8 resolution for the Settlement Class. Plaintiff respectfully requests that the Court preliminarily
9 certify the Settlement Class for settlement purposes, preliminarily approve the proposed
10 Settlement Agreement, attached hereto as Exhibit A, and direct notice of the Settlement to the
11 Settlement Class so that they can determine whether to accept or object to the Settlement, or opt
12 out of the Settlement Class.

13 **II. FACTUAL AND PROCEDURAL BACKGROUND**

14 **A. Plaintiff Files This Action, and the Parties Engage in Discovery**

15 Plaintiff filed this proposed class action on December 4, 2015. ECF No. 1. The complaint
16 generally alleged (and the operative complaint still alleges) that reasonable consumers would be
17 misled by split-pricing signage displayed at certain Valero-branded stations advertising a lower
18 “cash” price and higher “credit” price (but no “debit” price) for gasoline. *Id.* Plaintiff alleged that,
19 because consumers consider a debit card to be the same as cash, split-pricing signage would lead
20 reasonable consumers to conclude that their debit card purchases would be charged the lower cash
21 price when, in reality, they received the higher credit price at some (but not all) stations.

22 The Parties engaged in several rounds of Rule 12 motion practice. ECF Nos. 31, 45, 72. As
23 a result, certain causes of action were dismissed, and Plaintiff’s Second Amended Complaint was
24 largely upheld with three significant causes of action intact: (1) violations of the Consumer Legal
25 Remedies Act, Cal. Civ. Code §1750, *et seq.* (“CLRA”); (2) false and misleading advertising in
26 violation of the False Advertising Law, Cal. Bus. & Prof. Code §17500, *et seq.* (“FAL”); and
27 (3) violations of the Unfair Competition Law (“UCL”), Cal. Bus. & Prof. Code §17200, *et seq.* ECF
28 No. 78. Valero answered the Second Amended Complaint on December 22, 2016. ECF No. 82.

1 Throughout this time and thereafter, the Parties engaged in extensive discovery that
2 included the production, review, and analysis of thousands of pages of documents, and the
3 depositions of five Valero employees, two third-parties (a Valero distributor representative and a
4 Valero-branded station representative), the Plaintiff, two expert witnesses, and an investigator.
5 *See* Declaration of Christopher C. Gold (“Gold Decl.”), submitted herewith, ¶¶8-10; ECF Nos.
6 103, 111-112.

7 **B. Class Certification and the Parties’ First Mediation Session**

8 Plaintiff moved for class certification on May 26, 2017. ECF No. 87. The Parties engaged
9 in significant motion practice related to that motion, which included multiple motions to strike
10 expert evidence. ECF Nos. 105, 113-114, 117-119. On October 4, 2017, the Court granted
11 Plaintiff’s class certification motion, concluding that the proposed Class satisfied all of the
12 requirements of Rule 23(a) and (b)(3). ECF No. 123.

13 After the Court certified the litigation Class, the Parties agreed to participate in private
14 mediation. In late 2017, the Parties selected Cathy Yanni of JAMS¹ to act as the mediator and
15 thereafter submitted detailed mediation briefs for her review. On March 27, 2018, the Parties
16 attended a full-day, in-person mediation session but were unable to reach agreement despite their
17 best efforts. *See* Declaration of Cathy Yanni (“Yanni Decl.”), ¶¶4-9.

18 On May 24, 2018, Plaintiff moved for approval of a Class notice plan. ECF No. 136. On
19 June 7, 2018, the Parties fully briefed their respective motions, which included briefing on a
20 contested motion by Valero to file a sur-reply. ECF Nos. 140-141, 143-144, 147-148, 150. Valero
21 strongly objected to Plaintiff’s proposed method of identifying for Class members the Valero-
22 branded stations that were at issue (*i.e.*, that displayed allegedly deceptive signage). On July 16,
23 2018, the Court granted Valero’s motion and denied Plaintiff’s motion without prejudice. ECF
24

25 ¹ Ms. Yanni is a full-time specialist in ADR. Since joining JAMS in 1998, she has settled
26 thousands of cases. Her practice includes mediation and Special Master work. Her substantive
27 knowledge, her focused attention to detail, and her persistent follow up are the keys to her high
28 ability to “maintain good relations and credibility with both sides.” *Chambers USA* (2020).
<https://www.jamsadr.com/yanni/>.

1 No. 152. On August 3, 2018, Plaintiff filed a Renewed Motion for Approval of Class Notice Plan,
2 which included: (1) an online banner campaign; (2) a social media campaign; (3) a print campaign
3 in six California newspapers; (4) a national press release in English and Spanish; (5) an
4 informational website; and (6) a 90-day opt-out period. ECF No. 157. On August 15, 2018, the
5 Court granted Plaintiff's renewed Class notice plan, finding that the proposed method of providing
6 notice to the certified Class "satisfie[d] the requirements of Rule 23 . . . and due process." ECF
7 No. 164 at 1. Notice was provided pursuant to the Court's Order. ECF No. 246.

8 **C. Class Decertification and the Second Mediation Session**

9 On September 20, 2018, Valero moved to decertify the Class primarily on the grounds that
10 individualized issues predominated over common questions of fact and law. ECF No. 173. Valero
11 argued that because Plaintiff could not accurately identify the stations relevant to her liability
12 claims for the entirety of the class period, a trial on each station's signage during the relevant
13 period would require individualized evidence and that consideration of Plaintiff's evidence on the
14 issue would be unmanageable. *Id.* at 15. Valero and Plaintiff also cross-moved for summary
15 judgment on certain of Plaintiff's theories of liability and Valero's defenses. ECF Nos. 174, 193.

16 The Court heard argument on October 25, 2018 and ordered further briefing on whether
17 class certification would be appropriate under Rule 23(b)(2) instead of Rule 23(b)(3). ECF No.
18 237. The Parties filed supplemental briefs on November 9, 2018. ECF Nos. 243-244.

19 While these motions were under submission, the Parties attended a second full-day
20 mediation session with Ms. Yanni on November 29, 2018. Despite everyone's good-faith efforts,
21 they were unable to reach an agreement to resolve this case. Yanni Decl., ¶¶10-11.

22 On December 4, 2018, the Court issued an Order decertifying the Class, holding that the
23 Class still satisfied the requirements of Rule 23(a), but it no longer met the requirements of Rule
24 23(b)(3), including predominance and superiority. ECF No. 248. At the same time, the Court
25 partially granted the Parties' cross-motions for summary judgment. ECF No. 249. The Court
26 denied the Parties' cross-motions to exclude certain expert testimony. *Id.* at 2-6.

27 On December 17, 2018, Plaintiff sought permission to seek reconsideration of the Court's
28 decertification and summary judgment Orders, which the Court granted. ECF Nos. 250-251. The

1 Parties fully briefed Plaintiff's motion for reconsideration [ECF Nos. 254-255], which the Court
2 denied on February 6, 2019 [ECF No. 257.]

3 **D. Plaintiff's Rule 23(f) Petition and the Parties' Third Mediation**
4 **Session**

5 On February 20, 2019, Plaintiff filed her Rule 23(f) petition in the Ninth Circuit seeking
6 interlocutory review of the Court's Order decertifying the Class. ECF No. 261. On March 4, 2019,
7 Valero filed an opposition to Plaintiff's Rule 23(f) petition. Gold Decl., ¶11. On June 26, 2019,
8 the Ninth Circuit granted Plaintiff's Rule 23(f) petition and later set a briefing schedule. ECF No.
9 269; Gold Decl., ¶12. On September 17, 2019, the Ninth Circuit vacated the briefing schedule on
10 Plaintiff's appeal to allow the Parties to engage in settlement discussions. Gold Decl., ¶13.

11 The Parties' third full-day, in-person mediation session was held on October 29, 2019.
12 Although the Parties were unable to reach a final settlement that day, they made substantial
13 progress under Ms. Yanni's guidance. *See* Yanni Decl., ¶12.

14 Over the next two months, the Parties continued their settlement efforts through Ms. Yanni
15 as a neutral mediator. In December 2019, with Ms. Yanni's assistance and oversight, and
16 following a "mediator's proposal" by Ms. Yanni, the Parties reached an agreement in principle
17 providing for a settlement on the terms and subject to the conditions set forth in the Settlement
18 Agreement. Yanni Decl., ¶¶13-16. The Settlement Agreement is the product of arms-length
19 negotiations and reflects a recognition that the Parties face significant risks in continuing litigation;
20 each side has gained and lost the upper-hand during the pendency of the case, and although
21 Plaintiff is confident in her case, it is unclear who would prevail in the Ninth Circuit or at trial.
22 Yanni Decl., ¶17.

23 **III. SUMMARY OF THE PROPOSED SETTLEMENT**

24 **A. The Proposed Settlement Class**

25 The Settlement Class includes: "All persons who, between December 3, 2011 and the date
26 of preliminary approval, purchased gasoline using a debit card at a Valero-branded station in
27 California that advertised a 'cash' price and 'credit' price on Relevant Valero-Branded Signage
28 but the Relevant Valero-Branded Signage did not affirmatively disclose how gasoline purchased

1 with a debit card was priced, and were charged more money per gallon than the advertised ‘cash’
2 price.” S.A., §3.27. The Court previously certified a litigation Class consisting of “[a]ll persons
3 who, between December 3, 2011 and the final disposition of this action, purchased gasoline using
4 a debit card at a Valero-branded station in California that does not disclose how gasoline purchased
5 with a debit card is priced, and were charged more money per gallon than the advertised ‘cash’
6 price.” ECF No. 152 at 6 (modifying Class definition). The Parties intend for the Settlement Class
7 to include the same members and therefore use a similar Class definition, modified only for clarity,
8 not substance.

9 **B. The Proposed Class Relief**

10 The Settlement provides meaningful and valuable injunctive relief to the Settlement Class.
11 Under the Settlement Agreement, Valero will modify its approved signage and branding manuals
12 to address the central complaint in this Action. Valero agrees to: (1) no longer approve the use of
13 signage that advertises “cash” and “credit,” but omits debit prices; (2) amend its “Wholesale
14 Branding Manual” to include a statement that any station advertising discounted pricing must
15 indicate how debit cards will be charged; (3) provide fuel pump decals and signage that
16 prominently show debit card pricing to any Valero-branded stations that notify Valero that they
17 offer discounted pricing; and (4) promptly notify and demand compliance from any Valero-
18 branded stations it discovers are violating these terms. S.A., §4.2. These changes will come at
19 significant costs of time and money to Valero. *See* Declaration of Charles Pettibon, ¶¶7-10.

20 If Plaintiff had fully prevailed on each of her claims, Settlement Class members might have
21 received this same injunctive relief and a *de minimis* amount of actual damages (as the price
22 differential between the advertised “cash” and “credit” prices at Valero stations is often only
23 4-cents per gallon). *See Bautista v. Valero Mktg. & Supply Co.*, No. 15-cv-05557-RS, 2016 WL
24 3924117, at *4 (N.D. Cal. July 21, 2016). The compromise in the Settlement is appropriate given
25 the Court’s decertification of the Rule 23(b)(3) damages Class and its finding that Plaintiff lacked
26 evidence to identify each Valero station at issue, which is required to prove damages. *See* ECF
27 No. 248 at 3, 9-12.

28

1 **C. The Proposed Release of Claims**

2 In exchange for the Settlement consideration, Plaintiff and each Settlement Class member
3 *who does not opt out* agrees to release Valero and its parents, subsidiaries, affiliates, and all of
4 their respective officers, employees, and counsel in this matter of and from all Plaintiff's Released
5 Claims. S.A., §3.20. Plaintiff's Released Claims are limited to the claims asserted in the operative
6 complaint only. *Id.* This release is appropriate because any amount of individual damages
7 Settlement Class members could recover would be *de minimis* and uncertain, and as discussed
8 below, Settlement Class members have the right to exclude themselves from the Settlement Class
9 and retain any claims for damages they may have (subject to whatever defenses Valero may have).

10 **D. Class Counsel's Fees and Expenses and Plaintiff's Service Award**

11 Plaintiff intends to file a motion for an award of attorneys' fees and expenses and for a
12 service award to Plaintiff. This motion will accompany Plaintiff's motion for final approval of the
13 Settlement (and prior to the deadline for objections to the Settlement). Specifically, Plaintiff
14 intends to seek, and Valero has agreed to pay, attorneys' fees and expenses in the aggregate amount
15 of up to \$1,650,000, subject to Court approval. S.A., §4.7. Plaintiff's counsel have incurred out-
16 of-pocket expenses and charges of over \$500,000 in litigating this case (including expert witness
17 fees and Class notice fees), and have accumulated a lodestar of \$7,621,422.80. Gold Decl., ¶14.
18 Thus, Plaintiff's counsel will be seeking a substantial *negative* multiplier to their lodestar.

19 Plaintiff will further seek, and Valero has agreed to pay, a service award to Plaintiff of no
20 more than \$2,000 in light of the material amounts of time, effort, and money Plaintiff spent
21 participating in this Action and assisting in achieving the Settlement, including by providing
22 documentation concerning her experiences at Valero-branded stations, communicating with
23 counsel regarding the litigation, and being available for all mediations, including traveling by air
24 to participate in a full-day mediation. S.A., §4.9; Declaration of Faith Bautista ("Bautista Decl."),
25 ¶¶2-6. She also intends to request, and Valero does not oppose, reimbursement of up to \$2,000
26 for Plaintiff in actual out-of-pocket expenses incurred in connection with her service as a Class
27 representative. S.A., §4.11; Bautista Decl., ¶¶5-6. If approved, this reimbursement would be paid
28 from Class Counsel's fee and expense award. S.A., §4.11.

1 **E. The Proposed Settlement Notice Plan**

2 The Settlement Notice Plan replicates the Renewed Notice Plan that the Court previously
3 found “satisfie[d] the requirements of Rule 23 . . . and due process.” ECF No. 164 at 1. Like the
4 Renewed Notice Plan, the Settlement Notice Plan consists of: (1) an online banner ad campaign;
5 (2) a social media campaign; (3) a print campaign in six specific California newspapers; (4) a
6 national press release in English and Spanish; and (5) a dedicated informational website. *See*
7 Declaration of Cameron Azari, Esq. (“Azari Decl.”), ¶¶7-13; S.A., §§4.13-4.17; *compare* ECF
8 Nos. 136, 157, 164, 246. The dedicated informational website will be established by the same
9 notice and administration firm previously approved by the Court (formerly Garden City Group,
10 which has since merged into Epiq Class Action & Claims Solutions, Inc. (“Epiq”). S.A., §4.14.
11 Notice will be provided both in English and Spanish. Azari Decl., ¶9.

12 Like the previously approved Renewed Notice Plan, the Settlement Notice Plan is designed
13 to provide the Settlement Class with important information regarding the Settlement and their
14 rights thereunder, including a description of the material terms of the Settlement; a date by which
15 Settlement Class members may exclude themselves from, or “opt-out” of, the Settlement Class; a
16 date by which Settlement Class members may object to the Settlement; Class Counsel’s fee and
17 expense application and request for a service award and reimbursement of out-of-pocket expenses
18 for Plaintiff; the date of the final approval hearing; and information regarding the Settlement
19 website where Settlement Class members may access the Settlement Agreement and other
20 important documents. S.A., §§4.13-4.17. Notice pursuant to the Class Action Fairness Act of
21 2005 will be given. *Id.*, §4.17.

22 **F. Settlement Class Members’ Rights to Opt-Out or Object to the**
23 **Settlement**

24 Settlement Class members who do not wish to participate in the Settlement may opt-out of
25 the Settlement Class or object to the Settlement by sending a written request to the Settlement
26 Administrator at the address designated in the notice. Persons who timely opt-out preserve their
27 existing rights to individually pursue any claims they may have against Valero as alleged in the
28 operative complaint, including damages, subject to any defenses Valero may have. In accordance

1 with the District’s Guidance for Class Action Settlements,² the procedure for opting out requires
2 only that Settlement Class members provide the Settlement Administrator with their name, mailing
3 address, and email address or telephone number; an explanation of why they believe they are a
4 Settlement Class member; the words “Notification of Exclusion” or a statement that they want to
5 be excluded from the Settlement; and their signature. S.A., §4.19.

6 **IV. THE COURT SHOULD PRELIMINARILY APPROVE THE SETTLEMENT**

7 Rule 23(e) provides that class actions may be settled “only with the court’s approval.” The
8 Rule requires the parties to “provide the court with information sufficient to enable it to determine
9 whether to give notice of the proposal to the class[.]” which requires a “showing that the court will
10 likely be able to:” (1) “approve [the proposal] only after a hearing and only on finding that it is
11 fair, reasonable, and adequate”; and (2) “certify the class for purposes of judgment on the
12 proposal.” Rule 23(e)(1)(A)-(B) & (e)(2).

13 The factors the Court should consider when evaluating whether a proposed settlement is
14 fair, reasonable, and adequate are whether:

- 15 (A) the class representatives and class counsel have adequately represented the
16 class;
- 16 (B) the proposal was negotiated at arm’s length;
- 17 (C) the relief provided for the class is adequate, taking into account:
 - 18 (i) the costs, risks, and delay of trial and appeal;
 - 19 (ii) the effectiveness of any proposed method of distributing relief to the
20 class, including the method of processing class-member claims;
 - 20 (iii) the terms of any proposed award of attorney’s fees, including timing
21 of payment; and
 - 21 (iv) any agreement [made in connection with the proposal]; and
- 22 (D) the proposal treats class members equitably relative to each other.

23 Fed. R. Civ. P. 23(e)(2).

24 “When applying Rule 23(e), the courts use a two-step process for the approval of class
25 action settlements.” *Alabsi v. Savoya, LLC*, No. 18-cv-06510-KAW, 2020 WL 587429, at *4

26
27 _____
28 ² <https://www.cand.uscourts.gov/forms/procedural-guidance-for-class-action-settlements>.

1 (N.D. Cal. Feb. 6, 2020).³ “First, the Court decides whether the class action settlement deserves
 2 preliminary approval.” *Id.* “Second, after notice is given to class members, the Court determines
 3 whether final approval is warranted.” *Id.* “At the preliminary approval stage, the settlement need
 4 only be potentially fair.” *Chen v. Chase Bank USA, N.A.*, No. 19-cv-01082-JSC, 2020 WL 264332,
 5 at *6 (N.D. Cal. Jan. 16, 2020). “[A] full fairness analysis is unnecessary at this stage.” *Id.*

6 Courts in this District have held that preliminary approval of a settlement should be granted
 7 where the proposed settlement: “(1) appears to be the product of serious, informed, non-collusive
 8 negotiations; (2) does not grant improper preferential treatment to class representatives or other
 9 segments of the class; (3) falls within the range of possible approval; and (4) has no obvious
 10 deficiencies.” *Schneider v. Chipotle Mexican Grill, Inc.*, No. 16-cv-02200-HSG, 2020 WL
 11 511953, at *7 (N.D. Cal. Jan. 31, 2020); *see also Chen*, 2020 WL 264332, at *6; *Walsh v.*
 12 *CorePower Yoga LLC*, No. 16-cv-05610-MEJ, 2017 WL 589199, at *6 (N.D. Cal. Feb. 14, 2017);
 13 *Alabsi*, 2020 WL 587429, at *4. “Closer scrutiny is reserved for the final approval hearing.”⁴
 14 *Walsh*, 2017 WL 589199, at *9.

15 The proposed Settlement here satisfies each of the relevant factors and should be granted
 16 preliminary approval.

17 **A. The Proposed Settlement Is the Product of Serious, Informed, Non-**
 18 **Collusive Negotiations and a Mediator’s Proposal**

19 Plaintiff and Class Counsel vigorously litigated this Action on behalf of the Settlement
 20 Class prior to Settlement. Indeed, the Parties arrived at the Settlement Agreement only after
 21 extensive discovery, during which both sides became well acquainted with the relevant facts and
 22 law. *See Bailey v. Romanoff Floor Covering, Inc.*, No. 2:17-cv-00685-TLN-DMC, 2020 WL
 23 4018225, at *4 (E.D. Cal. July 16, 2020) (granting preliminary approval where “the Settlement
 24

25 ³ Internal citations, quotations, and footnotes omitted and emphasis added unless otherwise
 noted.

26 ⁴ Of course, the Court should still scrutinize the Settlement carefully enough at the initial stage
 27 so as to “identify[] any flaws [and] allow[] the parties to decide how to respond to those flaws . . .
 28 before they waste a great deal of time and money in the notice and opt-out process.” *See Alabsi*,
 2020 WL 587429, at *4.

1 Agreement appears to have been entered into only after substantial investigation that enabled the
2 Parties to make a reasoned and informed decision”). Before reaching an agreement, the Parties
3 engaged in extensive motion practice, including two motions to dismiss, two discovery motions, a
4 class certification motion, six *Daubert* motions, a motion for approval of class notice, a class
5 decertification motion, cross-motions for summary judgment, multiple motions for
6 reconsideration, and a Fed. R. Civ. P. 23(f) petition and answer.⁵ The Parties consequently “had
7 the benefit of several [substantive] decisions from this Court, including the Court’s [certification,
8 decertification,] and summary judgment order[s],” all of which helped them “assess the strengths
9 and weakness of their [respective] arguments and evidence[.]” *Harris v. Vector Mktg. Corp.*, No.
10 C-08-5198 EMC, 2011 WL 1627973, at *8 (N.D. Cal. Apr. 29, 2011). The discovery, motion
11 practice, and Court orders in this case collectively enabled the Parties to make reasoned and
12 informed decisions during arms-length settlement negotiations facilitated by an experienced
13 professional mediator.

14 The Class Settlement was negotiated at arm’s length. The Parties’ settlement negotiations
15 were extensive, consisting of three, separate in-person mediation sessions and months of additional
16 mediated discussions via telephone and email. Yanni Decl., ¶¶4-13. “[T]he involvement of a
17 neutral or court-affiliated mediator or facilitator in [the parties’] negotiations may bear on whether
18 they were conducted in a manner that would protect and further the class interests.” Rule
19 23(e)(2)(B) advisory committee’s note to 2018 amendment; *see also Satchell v. Fed. Exp. Corp.*,
20 No. C03-2659 SI, 2007 WL 1114010, at *4 (N.D. Cal. Apr. 13, 2007) (“The assistance of an
21 experienced mediator in the settlement process confirms that the settlement is non-collusive.”).
22 The Parties’ negotiations here were, at all times, overseen and facilitated by Ms. Yanni – an
23 experienced mediator who guided the Parties and helped them reach an agreement. Ms. Yanni
24 “never witnessed or sensed any collusiveness between the parties” and confirms that “the

25
26
27 ⁵ *See e.g.* ECF Nos. 45, 48, 52, 60, 69, 72, 75, 77-79, 81, 87, 92, 100, 103, 105, 111-114, 117-
28 119, 136-137, 140-141, 143-144, 147-148, 150, 157, 168-170, 173-175, 189, 193, 219-221, 224,
227-228, 230-233, 250, 254-255, 261.

1 settlement process was conducted at arm’s-length and, while professionally conducted, was quite
2 adversarial.” Yanni Decl., ¶14.

3 In fact, the material terms of the Settlement were the product of Ms. Yanni’s “mediator’s
4 proposal.” *Id.*, ¶13. And “[i]t was only upon reaching an agreement on the substantive terms of a
5 settlement and Class member relief that further and reasonable consideration was given to a
6 reasonable and appropriate amount of Plaintiff[’]s[] Counsel’s attorneys’ fees, Plaintiff[’]s[]
7 counsels[’] out-of-pocket costs incurred in prosecuting this case, and the named Plaintiff’s
8 incentive awards[.]” *Id.*, ¶14. The final Settlement Agreement the Parties reached is the product
9 of serious, informed, non-collusive negotiations after four years of zealous litigation where every
10 issue was contested. This factor weighs in favor of preliminary approval. *See Conti v. L’Oreal*
11 *USA S/D, Inc.*, No. 1:19-cv-00769-LJO-SKO, 2020 WL 416403, at *10 (E.D. Cal. Jan. 27, 2020)
12 (“A settlement is presumed fair if it follow[s] sufficient discovery and genuine arms-length
13 negotiation.”).

14 **B. The Proposed Settlement Does Not Grant Preferential Treatment**

15 If the Settlement is approved, Valero will take steps to address Plaintiff’s core concerns in
16 this case. Specifically, Valero will: (1) no longer approve the use of signage that advertises “cash”
17 and “credit” prices, but not “debit” prices; (2) amend its “Wholesale Branding Manual” to state
18 that any Valero-branded stations engaged in split-pricing must indicate how debit card purchases
19 will be charged; (3) provide fuel pump decals and signage indicating how debit cards will be
20 charged to any Valero-branded stations that notify Valero they offer discounted pricing; and (4)
21 notify and demand compliance from any Valero-branded stations it discovers are violating these
22 terms. S.A., §4.2. Plaintiff will not receive unique benefits from the injunctive relief. The relief
23 will benefit each Settlement Class member equally by clearly stating how debit card purchases are
24 treated and further ensuring that Settlement Class members make informed choices about where
25 and how to purchase gasoline.

26 Plaintiff does intend to seek a service award, but there is nothing improper about that. *See*
27 *Schneider*, 2020 WL 511953, at *10 (“because incentive awards are not per se unreasonable, the
28 Court finds that this factor weighs in favor of preliminary approval”). To the contrary, service

1 awards are “intended to compensate class representatives for work done on behalf of the class, to
2 make up for financial or reputational risk undertaken in bringing the action[,]” and are entirely
3 reasonable depending on the case and the amount requested. *Id.* “Incentive awards of \$5,000 have
4 been deemed presumptively reasonable in this District.” *Chen*, 2020 WL 2464332, at *7.

5 Given the amount of time, money, and energy she dedicated to this case and the Settlement
6 (including sitting for deposition and attending mediation), Plaintiff will seek a service award of up
7 to \$2,000. This amount is “relatively small, well within the usual norms of modest compensation
8 paid to class representatives for services performed in the class action.” *In re Online DVD-Rental*
9 *Antitrust Litig.*, 779 F.3d 934, 943 (9th Cir. 2015). It falls well within the range of service awards
10 this Court has awarded in other cases. *See, e.g., Lucero v. Solarcity Corp.*, No. 15-cv-05107-RS,
11 2018 WL 573593, at *2 (N.D. Cal. Jan. 26, 2018) (\$2,500); *EK Vathana v. Everbank*, No. 09-cv-
12 02338-RS, 2016 WL 3951334, at *3-4 (N.D. Cal. July 20, 2016) (\$12,500); *Milligan v. Toyota*
13 *Motor Sales, U.S.A., Inc.*, No. C 09-05418 RS, 2012 WL 10277179, at *9 (N.D. Cal. Jan. 6, 2012)
14 (\$5,000).

15 Plaintiff also intends to seek approval for reimbursement of up to \$2,000 in out-of-pocket
16 expenses incurred in connection with her service as a Class representative, to be paid out of Class
17 Counsel’s fee and expense award. S.A., §4.11; Bautista Decl., ¶¶5-6. The combined total Plaintiff
18 intends to seek for the service award **and** expense reimbursement (*i.e.*, \$4,000) is less than the
19 \$5,000 amount that courts in this District have found to be presumptively reasonable. Moreover,
20 while these amounts are reasonable, the “class settlement agreement provide[s] no guarantee that
21 the class representative[] w[ill] receive incentive payments, leaving that decision to later discretion
22 of the district court.” *DVD-Rental*, 779 F.3d at 943. Under these circumstances, this factor weighs
23 in favor of preliminarily approving the Settlement. *See Schneider*, 2020 WL 511953, at *10 (“The
24 Court will consider the evidence presented at the final fairness hearing and evaluate the
25 reasonableness of any incentive award request [at that time]. Nevertheless, because incentive
26 awards are not per se unreasonable, the Court finds that this factor weighs in favor of preliminary
27 approval.”).

28

1 **C. The Proposed Settlement Falls Within the Range of Possible Approval**

2 “To determine whether a settlement falls within the range of possible approval a court must
3 focus on substantive fairness and adequacy, and consider plaintiffs’ expected recovery balanced
4 against the value of the settlement offer.” *Conti*, 2020 WL 416403, at *11.

5 While this Court found that Plaintiff does not have individual standing to litigate injunctive
6 relief *at trial*, that finding does not bar her from securing that form of relief for herself and the
7 Class *in a settlement*. Just like an individual plaintiff in a non-class lawsuit against a single
8 defendant, a class representative who settles a dispute on behalf of a class is *not* limited to the
9 relief they could secure at trial. Parties to a class action are “free to agree to a settlement enforcing
10 a contractual obligation that could not be imposed without its consent” – provided, of course, that
11 the settlement terms are fair, reasonable, and adequate. *See Berry v. Schulman*, 807 F.3d 600, 610
12 (4th Cir. 2015). “[I]n the settlement context, ‘it is the parties’ agreement that serves as the source
13 of the court’s authority to enter any judgment at all.’” *Id.* (quoting *Local No. 93, Int’l Ass’n of*
14 *Firefighters, AFL-CIO C.L.C. v. City of Cleveland*, 478 U.S. 501, 522 (1986)); *see also Berry v.*
15 *LexisNexis Risk & Info. Analytics Grp., Inc.*, No. 3:11-CV-754, 2014 WL 4403524 (E.D. Va. Sept.
16 5, 2014) (“Courts in this district and elsewhere have found that the lack of a private right of action
17 does not preclude ... inclusion of injunctive relief in a negotiated settlement.”).⁶

18 The Settlement is fair, reasonable, and adequate. Valero has agreed to take steps that will
19 ensure consumers are more fully informed as to how their debit cards will be charged at Valero-
20 branded stations in California. S.A., §4.2; ECF No. 69 ¶¶1, 12. This change was at all times
21 Plaintiff’s primary goal in this litigation. *See* ECF No. 243 at 2 (“Injunctive relief enjoining Valero
22 from designing, creating, approving, and distributing misleading signage and marketing materials
23 that fail to disclose the price treatment of debit cards is a key component of Plaintiff’s claims under
24

25 ⁶ To be sure, a named plaintiff must have standing to bring claims against the defendant. But,
26 so long as she has such standing, she can settle those claims for whatever relief she and the court
27 find fair, reasonable, and adequate. Here, Plaintiff has standing to bring damages claims against
28 Valero in a 23(b)(3) class action and (after years of hard-fought litigation) has agreed that those
claims can and should be settled for the relief set forth in the Settlement Agreement. There is no
requirement that Plaintiff show that she would have been able to pursue that same relief at trial.

1 California’s UCL, FAL, and CLRA.”) (citing *Broomfield v. Craft Brew All., Inc.*, No. 17-cv-
2 01027-BLF, 2018 WL 4952519, at *8 (N.D. Cal. Sept. 25, 2018) (“[I]njunctive relief is the
3 primary form of relief available under the consumer protection laws.”)).

4 This injunctive relief secured through the Settlement is valuable to the Settlement Class
5 going forward given consumers’ shopping habits. According to a survey by the National
6 Association of Convenience Stores, “[g]as customers are increasingly saying that they prefer a
7 specific station to fill up. In fact, the percentage has almost doubled in six years (59% in 2019 vs.
8 31% in 2012).”⁷ Thus, Settlement Class members who previously purchased fuel at Valero-
9 branded stations are likely to return to Valero-branded stations and benefit from the new debit-
10 price disclosures with each subsequent purchase. See *Littlejohn v. Copland*, No. 19-55805, 2020
11 WL 3536531, at *2 (9th Cir. June 30, 2020) (rejecting objector’s argument that the injunctive relief
12 in that case was “worthless” because the “purchasers tend[ed] to be repeat buyers who would
13 derive value from the Settlement’s injunctive relief upon each future purchase”).

14 Similar settlements providing meaningful injunctive relief for the Class, and monetary
15 amounts only for attorneys’ fees, costs, and incentive payments to the named plaintiffs, have been
16 approved by numerous district courts in this Circuit, including this Court. See, e.g., *In re Quaker*
17 *Oats Labeling Litig.*, No. C 10-0502 RS, 2014 WL 12616763, at *1 (N.D. Cal. July 29, 2014)
18 (“The parties have shown . . . that a settlement providing only injunctive relief is appropriate here
19 given the value of that relief and the limited possibility of recovering damages and distributing
20 them in an economically-feasible manner.”); *Littlejohn v. Ferrara Candy Co.*, No. 3:18-cv-00658-
21 AJB-WVG, 2019 WL 2514720, at *5 (S.D. Cal. June 17, 2019) (approving settlement that affords
22 “meaningful injunctive relief”), *aff’d*, 819 F. App’x 491 (9th Cir. 2020); *Carr v. Tadin, Inc.*, 51 F.
23 Supp. 3d 970, 970 (S.D. Cal. 2014) (granting final approval of Rule 23(b)(2) settlement where
24 class members did not receive a direct monetary benefit but were required to release monetary
25 claims); *Guttmann v. Ole Mexican Foods, Inc.*, No. 14-cv-04845-HSG, 2016 WL 9107426, at *1

26
27
28 ⁷ NACS, *Consumer Behavior at the Pump*, at 7 (Mar. 2019), <https://www.-convenience.org/Topics/Fuels/Documents/How-Consumers-React-to-Gas-Prices.pdf>.

1 (N.D. Cal. Aug. 1, 2016) (same); *Johnson v. Triple Leaf Tea Inc.*, No. 3:14-cv-01570-MMC, 2015
2 WL 8943150, at *1 (N.D. Cal. Nov. 16, 2015) (same).

3 Injunctive relief in lieu of damages is particularly appropriate in this case given the Court’s
4 decertification Order, which leaves individual lawsuits as the only mechanism for Plaintiff and the
5 other Class members to recover any damages. But the amount of individual damages they may
6 have suffered is necessarily *de minimis* (the price differential between the advertised “cash” and
7 “credit” prices at Valero stations is often only 4-cents per gallon). *See Bautista*, 2016 WL
8 3924117, at *4. It would not be economically feasible to pursue individual lawsuits and damages
9 that are, for all practical purposes, unavailable. *See Lilly v. Jamba Juice Co.*, No. 13-cv-02998-
10 JST, 2015 WL 1248027, at *7-8 (N.D. Cal. Mar. 18, 2015) (approving injunctive relief settlement
11 where “Plaintiffs would face further difficulty in obtaining monetary compensation for class
12 members given the Court’s previous order declining to certify a class for the purposes of
13 determining liability due to the absence of a viable damages model”).

14 Although Plaintiff successfully sought review of the Court’s decertification Order,
15 permission to pursue an appeal does not suggest success on the merits. Even if Plaintiff were to
16 win on appeal, she would still need to establish liability and damages at trial. *Id.* at *7 (“in the
17 absence of the settlement, Plaintiffs would first need to succeed in establishing liability – which
18 Defendant still contests – at trial”). “This would take a considerable amount of time and expense
19 and Plaintiff[] would not be certain to succeed.” *Id.* In fact, there is a “significant risk that the
20 class would obtain nothing at trial.” *See Littlejohn*, 2020 WL 3536531, at *2. “In light of the
21 difficulty Plaintiff[] would face establishing damages on a classwide basis and the relatively small
22 amount of money individual class members would be entitled to, the risk, expense, complexity,
23 and likely duration of further litigation also support the conclusion that the settlement [for
24 injunctive relief] is substantively fair.” *Lilly*, 2015 WL 1248027, at *7; *see also Figueroa v.*
25 *Capital One, N.A.*, No. 18cv692 JM(BGS), 2020 WL 3250603, at *5 (S.D. Cal. June 16, 2020)
26 (“Ultimately, [i]n most situations, unless the settlement is clearly inadequate, its acceptance and
27 approval are preferable to lengthy and expensive litigation with uncertain results.”).

28

1 The injunctive relief here is sufficient consideration for Plaintiff and the Settlement Class
2 members in exchange for a release of their damages claims (asserted in the operative complaint)
3 against Valero. The Ninth Circuit in *Littlejohn* recently affirmed final approval of a settlement
4 that included substantially similar terms. The plaintiff there brought a proposed class action
5 alleging that the labeling and marketing of SweeTARTS candy was false and misleading. 2019
6 WL 2514720, at *1. The parties reached a settlement where the candy maker agreed to modify
7 SweeTARTS labels in exchange for a release of those claims, including damages claims. *Id.* at
8 *6. The settlement class there – like here – was provided notice and an opportunity to opt out. *Id.*
9 at *5. The Ninth Circuit affirmed approval of the settlement, explaining that the district court’s
10 ruling was “[c]onsistent with [its] precedent” and that the settlement was fair since it would benefit
11 class members in their future purchases of the candy. *Littlejohn*, 2020 WL 3536531, at *1-2. In
12 reaching this conclusion, the Ninth Circuit distinguished the “worthless” injunctive relief in *Koby*
13 *v. ARS Nat’l Servs., Inc.*, 846 F.3d 1071, 1081 (9th Cir. 2017), by reasoning that “SweeTARTS
14 purchasers tend to be repeat buyers who would derive value from the Settlement’s injunctive relief
15 upon each future purchase of SweeTARTS.” *Id.* at *2. The same is true here with respect to the
16 Settlement Class members who buy from Valero-branded stations.

17 As in *Littlejohn*, the Settlement here will benefit Settlement Class members in their future
18 purchases of Valero-branded gasoline, enabling them to make informed choices about where and
19 how to purchase gasoline. Also as in *Littlejohn*, the Settlement Class here will be provided notice
20 and an opportunity to opt out should they wish to preserve their individual claims for *de minimis*
21 damages.⁸ This Settlement is well within “the range of possible approval.”⁹ *Conti*, 2020 WL
22 416403, at *11.

23
24 ⁸ Although the Ninth Circuit *Littlejohn* decision did not mention it, the “absent class members
25 in [*Koby*] were not afforded notice and an opportunity to opt out” in the rejected settlement. *See*
Koby, 846 F.3d at 1078. That is a material distinction from the settlement agreements in *Littlejohn*
and here.

26 ⁹ Class Counsel intend to seek an award of attorneys’ fees and expenses of \$1,650,000 in the
27 aggregate, which represents a substantial *negative multiplier* on the \$7,621,422.80 lodestar. This
28 amount is not unreasonable, within the range of possible approval, and in any event is not a bar to
preliminary approval because it is subject to the Court’s discretion *after* the final approval hearing.

1 **D. There Are No Obvious (or Latent) Deficiencies**

2 As discussed above, there are no obvious or latent deficiencies with the Class Settlement
3 proposed here, and the Court can and should therefore grant preliminary approval. *See Schneider*,
4 2020 WL 511953, at *10.

5 **V. THE COURT SHOULD PRELIMINARILY CERTIFY A SETTLEMENT**
6 **CLASS**

7 “When presented with a proposed settlement, a court must . . . determine whether the
8 proposed settlement class satisfies the requirements for class certification under Rule 23.” *Graves*
9 *v. United Indus. Corp.*, No. 2:17-cv-06983-CAS-SKx, 2020 WL 953210, at *9 (C.D. Cal. Feb. 24,
10 2020). “In assessing those class certification requirements, a court may properly consider that
11 there will be no trial.” *Id.* Thus, a finding that a litigation class is inappropriate is not a barrier to
12 certification of a settlement class. *See Amchem Prods., Inc. v. Windsor*, 521 U.S. 591, 620 (1997)
13 (“Confronted with a request for settlement-only class certification, a district court need not inquire
14 whether the case, if tried, would present intractable management problems for the proposal is that
15 there be no trial.”).

16 **A. The Settlement Class Still Satisfies Rule 23(a)**

17 The requirements of Rule 23(a) are well known: numerosity, commonality, typicality, and
18 adequacy. *See Fed. R. Civ. P. 23(a); Ellis v. Costco Wholesale Corp.*, 657 F.3d 970, 979-80 (9th
19 Cir. 2011). When this Court issued its initial class certification Order it found that the proposed
20 Class satisfied each of these requirements. ECF No. 123 at 7, 10-11. And when it later decertified
21 that Class, the Court made clear that the proposed Class still satisfied Rule 23(a). ECF No. 248 at
22 12 (“[Rule 23(a)’s] requirements are satisfied for essentially the same reasons laid out in the Order
23 Granting Motion to Certify Class”). There is no reason to reach a different conclusion as to the
24 Settlement Class for settlement purposes. *Id.*

25 **1. Numerosity Is Met**

26 Rule 23(a)(1) requires that “the class is so numerous that joinder of all members is
27 impracticable[.]” “As a general matter, courts have found that numerosity is satisfied when class
28 size exceeds 40 members, but not satisfied when membership dips below 21.” *Slaven v. BP Am.*,

1 *Inc.*, 190 F.R.D. 649, 654 (C.D. Cal. 2000). Here, as the Court previously found, “[e]ven if only
2 some portion of the [relevant] Valero stations displayed the allegedly misleading signage to the
3 many consumers that use debit cards to purchase fuel, there are likely thousands of qualifying class
4 members.” ECF No. 123 at 7; *see also* ECF No. 248 at 12 (decertifying and noting that numerosity
5 is satisfied). Accordingly, numerosity is satisfied.

6 **2. Commonality Is Met**

7 Rule 23(a)(2) requires the existence of “questions of law or fact common to the class[.]”
8 Commonality is established if plaintiffs and class members’ claims “depend upon a common
9 contention[.]” “capable of classwide resolution [meaning] that determination of its truth or falsity
10 will resolve an issue that is central to the validity of each one of the claims in one stroke.” *Wal-*
11 *Mart Stores, Inc. v. Dukes*, 564 U.S. 338, 350 (2011). The required showing on the commonality
12 requirement is minimal, *Ries v. Ariz. Beverages USA LLC*, 287 F.R.D. 523, 536-37 (N.D. Cal.
13 2012), because “even a single common question will do[.]” *Kumar v. Salov N. Am. Corp.*, No. 14-
14 CV-2411-YGR, 2016 WL 3844334, at *4 (N.D. Cal. July 15, 2016).

15 The Court’s initial class certification Order found that the Class satisfied the commonality
16 requirement because there was a “sufficient basis upon which to allege that Valero subjected class
17 members to a common unlawful practice” by allegedly “produc[ing] marketing materials that . . .
18 were misleading as to the price treatment of debit cards” and “fail[ing] to include signs with a less
19 ambiguous (according to Bautista) credit/debit pricing option.” ECF No. 123 at 9. Because the
20 allegations remain the same, commonality is satisfied. ECF No. 123 at 9; *see also* ECF No. 248
21 at 12 (decertifying Class but finding commonality).

22 **3. Typicality Is Met**

23 “Typicality focuses on the class representative’s claim – but not the specific facts from
24 which the claim arose – and ensures that the interest of the class representative aligns with the
25 interests of the class.” *Just Film, Inc. v. Buono*, 847 F.3d 1108, 1116 (9th Cir. 2017). “The
26 requirement is permissive, such that representative claims are typical if they are reasonably
27 coextensive with those of absent class members; they need not be substantially identical.” *Id.*

28

1 The Court’s initial class certification Order found that typicality was satisfied because
2 Plaintiff “claim[ed] that Valero’s ambiguous signage caused her to pay a price higher than what
3 she would reasonably expect, and that this injury is typical of consumers exposed to the signage.”
4 ECF No. 123 at 10; *see also* ECF No. 248 at 12 (decertifying Class but finding typicality). Because
5 Plaintiff’s claims are unchanged, typicality is still satisfied.

6 **4. Adequacy Is Met**

7 Adequacy of representation is met where: (1) plaintiffs and their counsel do not have
8 conflicts of interests with other class members; and (2) where plaintiffs and their counsel prosecute
9 the action vigorously on behalf of the class. *See Staton v. Boeing Co.*, 327 F.3d 938, 957 (9th Cir.
10 2003). Adequacy is presumed where a fair settlement was negotiated at arm’s length. *See H.*
11 *Newberg & A. Conte*, 2 NEWBERG ON CLASS ACTIONS §11.28, at 11-59 (3d ed. 1992).

12 The Court previously found that “there [was] no reason to believe Bautista and class
13 counsel [could not] adequately represent the interests of the putative class.” ECF No. 123 at 11;
14 *see also* ECF No. 248 at 12 (decertifying Class finding adequacy satisfied). Class Counsel have
15 extensive experience and expertise in prosecuting complex class actions, and have vigorously
16 pursued the Class members’ claims throughout this litigation. *See* Gold Decl., ¶3; Yanni Decl.,
17 ¶¶7, 14-16. Neither Class Counsel nor Plaintiff has any conflicts of interest with the Settlement
18 Class. Adequacy is satisfied for settlement purposes.

19 **B. The Settlement Class Satisfies Rule 23(b)(3)**

20 A plaintiff seeking Rule 23(b)(3) certification must establish that: (1) common questions
21 predominate over questions affecting only individual class members; and (2) a class action would
22 be superior to other methods of adjudicating the controversy. *See* Fed. R. Civ. P. 23(b)(3).
23 Although this Court found in its decertification Order that these requirements were not satisfied
24 for litigation purposes, “whether a proposed class is sufficiently cohesive to satisfy Rule 23(b)(3)
25 is informed by whether certification is for litigation or settlement.” *In re Hyundai & Kia Fuel*
26 *Econ. Litig.*, 926 F.3d 539, 558 (9th Cir. 2019) (Rule 23(b)(3)’s factors “must be considered in
27 light of the reason for which certification is sought – litigation or settlement”). A class that is not
28 certifiable for trial on the merits may nonetheless be certifiable for settlement “if the settlement

1 obviates the need to litigate individualized issues that would make a trial unmanageable.” *Id.*
2 Here, none of the reasons for decertifying the Class apply to the Class for settlement purposes
3 because the Settlement requires Valero to adopt procedures that apply equally to *all* Valero-
4 branded stations located in California, obviating the need to litigate the individualized questions
5 about whether and when each Valero-branded station at issue displayed the allegedly misleading
6 signage. Moreover, class treatment is superior to individualized lawsuits given the *de minimis*
7 damages allegedly suffered by each individual Settlement Class member. *See Wolin v. Jaguar*
8 *Land Rover N. Am., LLC*, 617 F.3d 1168, 1175 (9th Cir. 2010) (“Where recovery on an individual
9 basis would be dwarfed by the cost of litigating on an individual basis, this factor weighs in favor
10 of class certification.”). For all of these reasons, class certification under Rule 23(b)(3) is
11 appropriate for the purposes of the Settlement.

12 **C. The Court Should Preliminarily Appoint Settlement Class Counsel**

13 Under Rule 23(g)(1)(B), “a court that certifies a class must [also] appoint class counsel
14 [who must] fairly and adequately represent the interests of the class[.]” In making this
15 determination, courts generally consider: (1) the proposed class counsel’s work in identifying or
16 investigating potential claims; (2) the proposed class counsel’s experience in handling class actions
17 or other complex litigation, and the types of claims asserted in the case; (3) the proposed class
18 counsel’s knowledge of the applicable law; and (4) the proposed class counsel’s resources
19 committed to representing the class. *See Fed. R. Civ. P. 23(g)(1)(A)(i-iv).*

20 Here, the proposed Class Counsel were already appointed as Class Counsel for purposes
21 of litigation [*see* ECF No. 123], and there is no reason they should not be reappointed for purposes
22 of settlement. Proposed Class Counsel have extensive experience prosecuting consumer class
23 actions. *See* Gold Decl., ¶3. They have spent substantial time and energy and hundreds of
24 thousands of dollars prosecuting this case. *Id.*, ¶14. Accordingly, the Court should preliminarily
25 appoint Christopher C. Gold and Stuart A. Davidson of Robbins Geller Rudman & Dowd LLP,
26 and Rafael Bernardino, Jr. of Hobson, Bernardino + Davis LLP as Class Counsel.

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1 **VI. THE PROPOSED NOTICE PLAN CONSTITUTES ADEQUATE NOTICE**
2 **AND SHOULD BE APPROVED**

3 Rule 23(e)(1)(B) requires courts to “direct notice in a reasonable manner to all class
4 members who would be bound by the proposal[.]” Rule 23 requires “the best notice that is
5 practicable under the circumstances, including individual notice to all members who can be
6 identified through reasonable effort.” Fed. R. Civ. P. 23(c)(2)(B); *Briseno v. ConAgra Foods, Inc.*,
7 844 F.3d 1121, 1128-29 (9th Cir. 2017). Due process requires “that notice must be reasonably
8 calculated, under all the circumstances, to apprise interested parties of the pendency of the action
9 and afford them an opportunity to present their objections.” *Eisen v. Carlisle & Jacquelin*, 417
10 U.S. 156, 174 (1974).

11 Notice plans are not expected to reach every class member. *Silber v. Mabon*, 18 F.3d 1449,
12 1453 (9th Cir. 1994). Rule 23 “recognizes it might be *impossible* to identify some class members
13 for purposes of actual notice.” *Briseno*, 844 F.3d at 1129 (original emphasis). If the names and
14 addresses of class members cannot be determined by reasonable efforts, notice by publication is
15 sufficient to satisfy the requirements of due process and Rule 23. *See Mullane v. Cent. Hanover*
16 *Bank & Trust Co.*, 339 U.S. 306, 317-18 (1950); *Carlough v. Amchem Prods., Inc.*, 158 F.R.D.
17 314, 325 (E.D. Pa. 1993); *see also Briseno*, 844 F.3d at 1129 (“Courts have routinely held that
18 notice by publication in a periodical, on a website, or even at an appropriate physical location is
19 sufficient to satisfy due process.”). A notice plan that reaches 70% of the class is adequate and
20 complies with Rule 23 and due process. *See Federal Judicial Center, Judges’ Class Action Notice*
21 *and Claims Process Checklist and Plain Language Guide* (2010), at 3, [https://www.fjc.gov/sites/](https://www.fjc.gov/sites/default/files/2012/NotCheck.pdf)
22 [default/files/2012/NotCheck.pdf](https://www.fjc.gov/sites/default/files/2012/NotCheck.pdf).

23 Valero does not maintain contact information for each Settlement Class member. The
24 Settlement Notice Plan will satisfy due process and Rule 23 because it targets Settlement Class
25 members through a combination of online banner ads, social media ads, press releases, and print
26 media channels designed to reach a minimum of 70% of the Settlement Class an average of three
27 times each. Azari Decl., ¶¶7-13. The plan includes a nationwide supplemental digital campaign and
28 national press release targeting Settlement Class members who have migrated from California or

1 who were temporarily in California at the time of their transaction, which will further enhance the
 2 reach and frequency of the Settlement Notice Plan. *Id.* This constitutes the best notice practicable
 3 under the circumstances and satisfies the Federal Judicial Center's standard for reasonable notice.
 4 *See Mirfasihi v. Fleet Mortg. Corp.*, 356 F.3d 781, 786 (7th Cir. 2004) (publication of notice in a
 5 national newspaper, plus an online publication, constitutes sufficient notice).

6 This Court previously approved a nearly identical notice plan in connection with class
 7 certification, noting that it satisfied the requirements of Rule 23 and due process. ECF No. 164 at
 8 1. For the same reasons, this Court should approve the proposed Settlement Notice Plan and
 9 appoint Epiq to serve as the Settlement Administrator.

10 **VII. THE COURT SHOULD SET A SCHEDULE FOR FINAL APPROVAL**

11 If the Court grants this motion, it should also set a schedule for final approval of the
 12 Settlement. Plaintiff respectfully proposes the following schedule:

13 Settlement website activated	15 calendar days after Order Directing Notice to Class
14 Notice first published in print and electronic sources	15 calendar days after Order Directing Notice to Class
15 Plaintiff to file motion for final approval and motion for award of attorneys' fees, expenses, and service award	No later than 35 calendar days before Final Approval Hearing
16 Last day to postmark requests for exclusion or file any objections	No later than 21 calendar days before Final Approval Hearing
17 Plaintiff to file any reply to any objection to the Settlement or Class Counsel's fee and expense request and Claim Administrator to file Declaration of Compliance regarding Notice	No later than 7 calendar days before Final Approval Hearing
18 Final Approval Hearing	At least 100 calendar days from the Order Directing Notice to the Class

23 **VIII. CONCLUSION**

24 For the foregoing reasons, Plaintiff respectfully requests that the Court preliminarily certify
 25 the Settlement Class, appoint Class Counsel, preliminarily approve the Settlement, and direct
 26 notice of the Settlement to the Class.
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DATED: September 30, 2020

Respectfully submitted,

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Settlement Class*

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CERTIFICATE OF SERVICE

I hereby certify under penalty of perjury that on September 30, 2020, I authorized the electronic filing of the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the e-mail addresses on the attached Electronic Mail Notice List, and I hereby certify that I caused the mailing of the foregoing via the United States Postal Service to the non-CM/ECF participants indicated on the attached Manual Notice List.

By: s/ Christopher C. Gold
Christopher C. Gold