

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
WESTERN DIVISION**

In re:

BUILDERS MUTUAL DATA SECURITY
INCIDENT LITIGATION

Case No. 5:23-CV-579-M-KS

**DECLARATION OF RAINA BORRELLI IN SUPPORT OF PLAINTIFFS' MOTION
FOR ATTORNEYS' FEES, REIMBURSEMENT OF EXPENSES
AND SERVICE AWARDS**

I, Raina Borrelli, declare as follows:

1. I am an attorney admitted *pro hac vice* to practice before the United States District Court for the Eastern District of North Carolina. I am privileged to serve as Co-Lead Class Counsel for proposed Class Counsel (“Class Counsel”) on behalf of the Plaintiffs and the putative class in this litigation. I am a partner at the firm Strauss Borrelli PLLC. I submit this Declaration in support of Plaintiffs’ Motion for Attorneys’ Fees, Reimbursement of Expenses, and Service Awards to Plaintiffs.

2. I incorporate by reference the Joint Declaration of Proposed Class Counsel Supporting Motion For Preliminary Approval of Class Action Settlement (ECF No. 40). That declaration explained the qualifications of Class Counsel, their work on behalf of the Class in this case, the history of settlement negotiations, the bases for settlement, and the relief that settlement will afford the class.

3. The Settlement came about as a result of protracted arm’s length negotiations, including a full-day mediation under the supervision of retired Federal Case Magistrate Judge and experienced data breach mediator, Morton Denlow of JAMS (“Judge Denlow”).

4. Before conducting any settlement discussions in this case, Plaintiffs submitted informal settlement discovery requests to Defendants for the purpose of gaining sufficient information to submit a well-informed demand to Defendants. In response to the informal requests, Defendants disclosed information about this case, including the scope of the Data Incident at issue, confirmation of the class size of 106,918 individuals, the data sets impacted in the Data Security Incident, the availability of insurance coverage and ability to pay, and other important information regarding the Data Incident. Using their vast experience litigating data breach actions, Class Counsel also took into consideration the value of settlements in analogous data breach actions and the risk that Defendants would prevail at class certification, summary judgment, or trial. With this information in hand, Plaintiffs and Defendants participated in settlement discussions and the aforementioned full-day mediation.

5. After the exchange and review of informal discovery, the drafting and exchange of detailed mediation statements, and the full-day mediation, the Parties reached a proposed agreement including certain material terms, which are memorialized in the Settlement Agreement (“S.A.”).

6. On August 27, 2024, the Court preliminarily approved the Settlement Agreement (“S.A.”) (ECF No. 42).

7. Under the Settlement Agreement, Class Counsel may seek up to one-third (1/3) of the Settlement Fund (\$491,617.50) and up to \$25,000 in litigation expenses. *See* S.A., ¶ 101. However, at this time, Class Counsel only seeks reimbursement of \$12,661.51 in litigation expenses, which includes reimbursement for mediation costs, filing fees, service fees, and

expenses and travel to and from the Final Approval Hearing.¹ The majority of expenses are attributable to the costs of Judge Denlow's mediation fee.

8. Class Counsel have undertaken this case on a contingency fee basis and have not received any payment for their work in this case to date and have not been reimbursed for any of their litigation expenses. Furthermore, due to accepting representation of Plaintiffs in this matter and pursuing the case on behalf of the Settlement Class, Class Counsel were precluded from working on certain other class action cases including certain other data breach class action cases.

9. In total, three of the leading class action firms in the field of data privacy litigation cooperated to efficiently prosecute this action. Each invested substantial hours of both attorney and paralegal time.

10. Class Counsel have endeavored to limit expenses wherever possible. Class Counsel's litigation expenses to date are relatively minimal and reasonable. Class Counsel's expenses of \$12,661.51 primarily include mediation fees paid to Judge Denlow and filing fees. These fees are reasonable because each expense was incurred in the prosecution of this litigation.

11. Class Counsel will continue to expend substantial additional time and other minimal expenses continuing to protect the Class's interest through the Final Approval Hearing and throughout settlement administration.

12. Class Counsel also hold the informed opinion that the fee request of \$491,617.50 and expenses of \$12,661.51 are reasonable and justified in this case.

13. Class Counsel and local counsel kept detailed daily records regarding the amount of time attorneys and professional staff spent on this Litigation, and the lodestar calculation is

¹ Travel expenses related to the final approval hearing are not yet included in this total. Class Counsel will provide an update total of their expenses in their motion for final approval.

based on each firm's current billing rates. The information was prepared from contemporaneous, daily time records regularly prepared and maintained by each firm. Based upon these records and as set forth in greater detail below, our firms have expended 317.2 hours on this litigation as of November 22, 2024 which, multiplied by the current hourly rates of the attorneys and other professionals, amounts to \$193,889.50 in lodestar. This results in a modest lodestar multiplier of 2.5 which, based on our experience and the law in the Fourth Circuit, supports the requested fee award.

14. In our judgment and based on our years of experience in class action litigation and other litigation, the number of hours expended, and the services performed by our firms, were reasonable and necessary for our collective representation of Plaintiffs and the Settlement Class. Our firms invested substantial time, effort, and resources into the litigation of this risky and uncertain case with no guarantee or promise of return on our investments.

15. We have general familiarity with the range of hourly rates typically charged by plaintiffs' class action counsel in the geographical areas where our firms practice and throughout the United States, both on a current basis and historically. From that basis, we are able to conclude that the rates charged by our firms are within the range of market rates charged by attorneys and professional staff of equivalent experience, skill and expertise for legal services furnished in complex contingency class action litigation such as this.

16. Our firms expended a significant amount of time litigating this case and securing the Settlement for the Class. We took meaningful steps to ensure the efficiency of our work and to avoid duplication of efforts. We expect to maintain a high level of oversight and involvement in addressing any issues raised by the notice and claims process, preparing and filing the final approval motion, defending against any potential objections, attending the final approval hearing,

and overseeing the distribution of funds following final approval; therefore, our firms anticipate incurring at least \$20,000 to \$40,000 in additional lodestar in the future.

17. The total amount of time expended by each firm is listed below:

Firm	Hours	Lodestar
Siri & Glimstad LLP	113.6	\$56,031.50
Strauss Borrelli PLLC	100.9	\$68,590.00
Srourian Law Firm, P.C.	76.4	\$53,888.00
Rhine Law Firm, P.C.	26.3	\$15,380.00
TOTALS:	317.2	\$193,889.50

18. We assert the attorneys' fees sought are fair and reasonable for undertaking this case on a contingency basis, and for obtaining relief for Plaintiffs and the Settlement Class.

19. Where possible, Class Counsel made efforts to carefully assign work so as to avoid duplication of efforts and have the work completed by the appropriate level of attorney.

20. The time described above does not include charges for expense items. Expense items are billed separately, and such charges are not duplicated in our firms' billing rates. These expenses were necessary to the investigation, prosecution, and settlement of this Action. A breakdown of our firms' costs and expenses, which we assert are reasonable and were entirely self-funded, are pulled from computerized databases maintained by individuals in the accounting office of our respective firms and which were checked for accuracy, are reflected below. These expenses were incurred for mediation costs, filing fees, pro hac fees, and mailing.

Firm	Expenses
Siri & Glimstad LLP	\$4,460.20
Strauss Borrelli PLLC	\$3,625.00
Srourian Law Firm, P.C.	\$3,733.39
Rhine Law Firm, P.C.	\$842.92
TOTALS:	\$12,661.51

21. These expenses were necessary and reasonable for the Litigation and are modest in

comparison to the enormous costs that likely would have been incurred if litigation had continued. These expenses are an accurate reflection of the books and records of our firms. These books and records are prepared from expense vouchers, check records, and other source materials. It is anticipated that costs will continue to accrue, including, but not limited to, costs associated with preparation of the motion for final approval of the Settlement and additional travel expenses to appear at the Final Fairness Hearing.

22. The Settlement Agreement also calls for reasonable service awards to Plaintiffs in the amount of \$5,000.00 each, subject to approval of the Court, in addition to any benefits provided to Settlement Class Members. The service awards are meant to recognize Plaintiffs for their efforts on behalf of the Settlement Class, including assisting in the investigation of the case, maintaining contact with Class Counsel, reviewing the pleadings, answering Class Counsel's many questions, communicating with Class Counsel during and following the Settlement negotiations, and reviewing the terms of the Settlement Agreement. Plaintiffs also put their personal reputations at risk by being named in the Consolidated Class Action Complaint and putting themselves forward for public scrutiny. Plaintiffs were not promised a service award, nor did they condition their representation on the expectation thereof.

23. We strongly believe that the Settlement is favorable for the Settlement Class. The Settlement addresses the types of injury and repercussions sustained by Settlement Class members in the wake of the Data Incident. The Settlement was achieved in a case that was both risky and complex. In the opinion of the undersigned, the settlement is fair, reasonable, adequate, and the request for attorneys' fees and costs and service awards should be granted.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: November 26, 2024

/s/ Raina Borrelli
Raina Borrelli