

1	<b>Table A1 Lead Counsel Statutory Fees and Costs</b>	
2	Lead Counsel Lodestar Statutory Fees	\$36,176,970.00
3	Costs	\$7,750,642.55
4	<b>Total Statutory Fees and Costs</b>	<b>\$43,927,612.55</b>
5	Less T-Mobile Settlement of Relator's Statutory Attorneys' Fees	(\$300,000.00)
6	Less Sprint Settlement of Relator's Statutory Attorneys' Fees	(\$2,000,000.00)
7	<b>Unreimbursed Statutory Fees &amp; Costs Before Final Settlements</b>	<b>\$41,727,612.55</b>
8	Less Verizon Settlement of Statutory Fees and Costs	(\$3,450,000.00)
9	Less AT&T Settlement of Statutory Fees and Costs	(\$13,000,000.00)
10	<b>Unreimbursed Statutory Fees &amp; Costs After Final Settlements</b>	<b>\$27,277,612.55</b>

55. SG and CC undertook this case entirely on a contingency basis and with no guarantee that their extensive investment of time or out-of-pocket expenses would ever be reimbursed. SG and CC advanced well over \$7 million in litigation costs in this case, and are seeking no bonus or interest on that invested capital. In contingency cases—many of which SG takes on behalf of sophisticated and otherwise fee-paying clients, rather than in cases requiring court-approval—SG seeks to earn a return for the risk that it takes by securing a premium on its investment, usually at least three times its investment. Here, despite the risk that SG faced with this fully contingent case, SG does not even seek to be reimbursed in full, requesting even less than its ordinary hourly rates and the return of its significant invested capital.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 12th day of June in Los Angeles, California.

  
Amanda Bohn

33

Case No 14-2012-00127517

DECLARATION OF AMANDA BOHN TO RELATOR'S MOTIONS FOR APPROVAL OF SETTLEMENTS WITH AT&T AND VERIZON DEFENDANTS

## EXHIBIT I



**2018 Real Rate Report®**  
thru September 2018

The Industry's  
Leading Analysis  
of Law Firm  
Rates, Trends,  
and Practices



ELM Solutions

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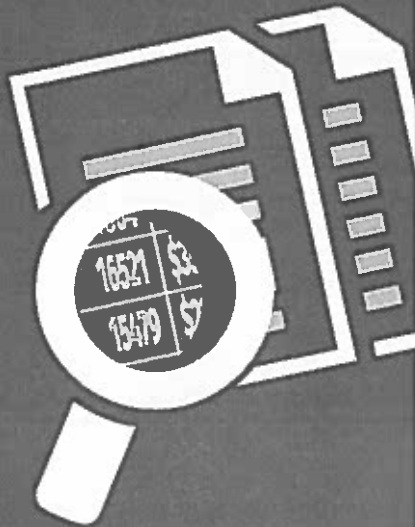
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When you have to be right

# Section I: High-Level Data Cuts



2018 Real Rate Report

## Section I: High-Level Data Cuts Cities

Q3 2018 - Real Rates for Partners and Associates						Trend Analysis (Mean)		
City	Role	n	First Quartile	Median	Third Quartile	Q1 2017	Q1 2016	Q1 2015
Albany, GA	Partner	10	\$240	\$275	\$345	\$307	\$343	\$327
Albany, NY	Partner	52	\$258	\$300	\$351	\$313	\$300	\$317
Albuquerque, NM	Associate	34	\$208	\$225	\$250	\$232	\$217	\$219
Albuquerque, NM	Partner	15	\$230	\$253	\$315	\$279	\$276	\$243
Alhambra, CA	Partner	472	\$372	\$549	\$480	\$548	\$527	\$515
Alhambra, CA	Associate	453	\$263	\$355	\$470	\$374	\$342	\$348
Aliso Viejo, CA	Partner	12	\$295	\$295	\$410	\$362	\$341	\$322
Austin, TX	Partner	100	\$360	\$476	\$484	\$522	\$446	\$481
Austin, TX	Associate	91	\$265	\$300	\$393	\$326	\$312	\$312
Baltimore, MD	Partner	199	\$396	\$550	\$720	\$573	\$445	\$501
Baltimore, MD	Associate	241	\$309	\$392	\$504	\$410	\$400	\$368
Camden, NJ	Associate	12	\$180	\$225	\$244	\$216	\$184	\$183
Randolph, NJ	Partner	128	\$290	\$344	\$413	\$361	\$340	\$329
Randolph, NJ	Associate	104	\$214	\$245	\$308	\$252	\$241	\$225
North City, ND	Partner	23	\$243	\$250	\$283	\$280	\$282	\$289
North City, ND	Associate	11	\$177	\$190	\$223	\$209	\$202	\$195
Rockton, MA	Partner	462	\$355	\$530	\$425	\$434	\$451	\$462
Rockton, MA	Associate	547	\$281	\$413	\$550	\$440	\$464	\$486
Bridgeport, CT	Partner	27	\$275	\$400	\$475	\$417	\$411	\$421
Bridgeport, CT	Associate	29	\$204	\$250	\$325	\$267	\$279	\$276
Buffalo, NY	Partner	75	\$297	\$337	\$345	\$320	\$309	\$304
Buffalo, NY	Associate	52	\$208	\$235	\$255	\$238	\$220	\$212
Burlington, VT	Partner	18	\$210	\$243	\$250	\$252	\$256	\$256
Charlotte, NC	Partner	22	\$294	\$300	\$360	\$334	\$318	\$324
Charlotte, NC	Associate	14	\$280	\$246	\$250	\$253	\$225	\$229
Charlotte, NC	Partner	30	\$280	\$250	\$334	\$278	\$268	\$242
Charlotte, NC	Associate	17	\$183	\$165	\$175	\$178	\$182	\$185
Chandler, AZ	Partner	134	\$396	\$525	\$648	\$551	\$548	\$552
Chandler, AZ	Associate	117	\$257	\$320	\$375	\$345	\$345	\$343
Chicago, IL	Partner	1790	\$425	\$762	\$888	\$718	\$645	\$671
Chicago, IL	Associate	1360	\$310	\$435	\$575	\$467	\$436	\$427
Clarks Summit, PA	Partner	78	\$360	\$425	\$484	\$431	\$413	\$413
Clarks Summit, PA	Associate	82	\$278	\$240	\$294	\$257	\$246	\$244

## Section I: High-Level Data Cuts Cities

Q3 2018 - Real Rates for Partners and Associates						Trend Analysis (Mean)		
City	Role	n	First Quartile	Median	Third Quartile	Q1 2018	Q1 2017	Q1 2016
Clarkston, GA	Partner	18	\$300	\$400	\$440	\$373	\$381	\$225
Clarkston, GA	Associate	22	\$201	\$295	\$325	\$263	\$188	\$183
Cleveland, OH	Partner	323	\$361	\$480	\$595	\$488	\$469	\$446
Cleveland, OH	Associate	308	\$234	\$284	\$350	\$303	\$282	\$274
Columbus, GA	Partner	58	\$300	\$385	\$463	\$392	\$368	\$365
Columbus, GA	Associate	41	\$200	\$250	\$276	\$248	\$249	\$234
Columbus, OH	Partner	73	\$374	\$439	\$516	\$452	\$413	\$407
Columbus, OH	Associate	40	\$255	\$300	\$370	\$321	\$281	\$281
Dallas, TX	Partner	282	\$385	\$588	\$819	\$619	\$592	\$587
Dallas, TX	Associate	379	\$320	\$470	\$605	\$474	\$432	\$410
Dallas, TX	Partner	21	\$341	\$379	\$465	\$418	\$427	\$401
Denver, CO	Partner	155	\$354	\$440	\$525	\$452	\$445	\$416
Denver, CO	Associate	133	\$250	\$286	\$345	\$306	\$299	\$301
San Marcos, CA	Partner	24	\$275	\$480	\$495	\$421	\$335	\$337
San Marcos, CA	Associate	15	\$265	\$286	\$321	\$283	\$243	\$246
Detroit, MI	Partner	141	\$250	\$350	\$410	\$347	\$363	\$338
Detroit, MI	Associate	107	\$195	\$223	\$290	\$245	\$253	\$243
Florida, FL	Partner	12	\$283	\$321	\$440	\$340	\$317	\$308
Grand Rapids, MI	Partner	11	\$347	\$455	\$565	\$440	\$398	\$364
Grand Rapids, MI	Associate	12	\$250	\$290	\$340	\$330	\$316	\$307
Groveland, CA	Partner	38	\$349	\$385	\$450	\$380	\$397	\$377
Groveland, CA	Associate	46	\$225	\$260	\$304	\$275	\$267	\$251
Hartford, CT	Partner	16	\$305	\$350	\$395	\$369	\$330	\$310
Hartford, CT	Associate	58	\$206	\$250	\$300	\$256	\$272	\$259
Hickory, NC	Partner	38	\$250	\$300	\$400	\$334	\$331	\$328
Hickory, NC	Associate	22	\$165	\$180	\$200	\$183	\$189	\$193
Indianapolis, IN	Partner	200	\$405	\$625	\$810	\$641	\$615	\$609
Indianapolis, IN	Associate	188	\$225	\$299	\$410	\$351	\$343	\$362
Indianapolis, IN	Partner	139	\$337	\$405	\$495	\$414	\$396	\$384
Indianapolis, IN	Associate	67	\$190	\$248	\$331	\$268	\$254	\$247
Jackson, MS	Partner	81	\$289	\$350	\$400	\$352	\$330	\$329
Jackson, MS	Associate	61	\$175	\$225	\$251	\$198	\$169	\$195
Jacksonville, FL	Partner	33	\$250	\$300	\$385	\$333	\$307	\$340
Jacksonville, FL	Associate	21	\$189	\$248	\$277	\$242	\$253	\$248

## Section I: High-Level Data Cuts Cities

Q3 2018 - Real Rates for Partners and Associates						Trend Analysis (Mean)		
City	Role	n	First Quartile	Median	Third Quartile	Q1 2018	Q1 2017	Q1 2016
Kansas City, MO	Partner	167	\$344	\$417	\$484	\$418	\$423	\$435
Kansas City, MO	Associate	158	\$225	\$270	\$320	\$264	\$266	\$248
Las Vegas, NV	Partner	15	\$200	\$230	\$313	\$239	\$260	\$259
Las Vegas, NV	Associate	18	\$150	\$180	\$241	\$194	\$217	\$210
Las Vegas, NV	Partner	52	\$245	\$433	\$555	\$438	\$399	\$365
Las Vegas, NV	Associate	42	\$241	\$272	\$310	\$271	\$256	\$250
Littleton, CO	Partner	20	\$295	\$300	\$325	\$318	\$312	\$327
Littleton, CO	Associate	32	\$215	\$235	\$288	\$264	\$270	\$256
Littleton, CO	Partner	12	\$160	\$180	\$195	\$186	\$180	\$182
Los Angeles, CA	Partner	999	\$450	\$695	\$955	\$718	\$691	\$686
Los Angeles, CA	Associate	1361	\$382	\$550	\$721	\$559	\$529	\$494
Madison, WI	Partner	49	\$273	\$330	\$410	\$337	\$352	\$362
Madison, WI	Associate	32	\$208	\$225	\$235	\$213	\$205	\$197
Madison, WI	Partner	17	\$357	\$378	\$470	\$399	\$376	\$414
Madison, WI	Associate	14	\$280	\$316	\$485	\$362	\$346	\$345
Manchester, NH	Partner	13	\$360	\$380	\$525	\$413	\$410	\$327
Memphis, TN	Partner	42	\$275	\$374	\$410	\$345	\$345	\$329
Memphis, TN	Associate	22	\$193	\$206	\$235	\$209	\$217	\$207
Minneapolis, MN	Partner	258	\$304	\$450	\$595	\$467	\$444	\$431
Minneapolis, MN	Associate	193	\$225	\$300	\$399	\$321	\$304	\$291
Minneapolis, MN	Partner	121	\$290	\$365	\$446	\$396	\$384	\$390
Minneapolis, MN	Associate	87	\$224	\$270	\$310	\$279	\$268	\$260
Minneapolis, MN	Partner	232	\$300	\$429	\$579	\$456	\$443	\$423
Minneapolis, MN	Associate	202	\$250	\$310	\$410	\$361	\$318	\$304
Missoula, MT	Partner	120	\$337	\$420	\$474	\$409	\$401	\$390
Missoula, MT	Associate	102	\$215	\$234	\$270	\$247	\$249	\$236
North Haven, CT	Partner	24	\$324	\$385	\$443	\$390	\$395	\$412
North Haven, CT	Associate	24	\$229	\$285	\$322	\$281	\$279	\$270
North Haven, CT	Partner	113	\$225	\$305	\$350	\$308	\$296	\$293
North Haven, CT	Associate	83	\$185	\$225	\$230	\$221	\$209	\$195
North Haven, CT	Partner	2564	\$400	\$725	\$1,201	\$910	\$812	\$844
North Haven, CT	Associate	3653	\$310	\$508	\$790	\$603	\$572	\$549
Oakland, CA	Partner	40	\$200	\$308	\$350	\$291	\$285	\$279
Oakland, CA	Associate	22	\$169	\$203	\$215	\$196	\$195	\$189
Oakland, CA	Partner	29	\$280	\$365	\$395	\$342	\$323	\$310
Oakland, CA	Associate	13	\$193	\$216	\$230	\$213	\$213	\$201

**Section I: High-Level Data Cuts**  
Cities

City	Role	n	Trend Analysis (Mean)			Trend Analysis (Mean)		
			1st Quarter	2nd Quarter	3rd Quarter	Q1 2016	Q1 2017	Q1 2018
Chicago IL	Partner	104	\$370	\$448	\$553	\$460	\$453	\$434
	Associate	96	\$230	\$269	\$310	\$276	\$274	\$277
Philadelphia PA	Partner	894	\$450	\$600	\$765	\$615	\$596	\$578
	Associate	1014	\$288	\$362	\$480	\$373	\$364	\$342
Phoenix AZ	Partner	140	\$270	\$350	\$450	\$364	\$381	\$387
	Associate	79	\$200	\$244	\$300	\$253	\$246	\$231
Pittsburgh PA	Partner	192	\$325	\$440	\$585	\$449	\$449	\$455
	Associate	254	\$244	\$321	\$394	\$327	\$312	\$306
Portland ME	Partner	50	\$250	\$354	\$449	\$370	\$387	\$353
	Associate	20	\$186	\$223	\$288	\$215	\$221	\$221
Portland OR	Partner	329	\$350	\$405	\$512	\$431	\$415	\$387
	Associate	150	\$300	\$342	\$385	\$340	\$300	\$275
Providence RI	Partner	21	\$105	\$295	\$513	\$377	\$397	\$345
	Associate	19	\$205	\$225	\$235	\$225	\$221	\$210
Raleigh NC	Partner	65	\$385	\$385	\$450	\$383	\$385	\$361
	Associate	57	\$235	\$290	\$305	\$274	\$247	\$238
Richmond VA	Partner	108	\$340	\$500	\$700	\$525	\$484	\$482
	Associate	131	\$274	\$343	\$430	\$351	\$335	\$325
Rochester NY	Partner	28	\$243	\$275	\$365	\$313	\$313	\$329
	Associate	18	\$198	\$214	\$260	\$233	\$217	\$249
Sarasota FL	Partner	31	\$350	\$385	\$454	\$453	\$452	\$442
	Associate	17	\$275	\$304	\$358	\$324	\$326	\$294
Seattle WA	Partner	66	\$281	\$345	\$433	\$379	\$362	\$338
	Associate	19	\$196	\$205	\$230	\$211	\$221	\$211
San Diego CA	Partner	140	\$250	\$385	\$675	\$525	\$499	\$495
	Associate	132	\$180	\$225	\$290	\$299	\$305	\$279
San Francisco CA	Partner	448	\$475	\$695	\$895	\$702	\$651	\$623
	Associate	378	\$295	\$446	\$567	\$463	\$440	\$408
San Jose CA	Partner	219	\$525	\$753	\$939	\$748	\$777	\$734
	Associate	99	\$318	\$490	\$609	\$494	\$490	\$462
San Juan PR	Partner	48	\$191	\$210	\$254	\$226	\$228	\$224
	Associate	30	\$158	\$155	\$165	\$157	\$157	\$150
Savannah GA	Partner	11	\$284	\$306	\$369	\$334	\$299	\$279
	Associate	294	\$410	\$528	\$644	\$535	\$482	\$446
Seattle WA	Associate	187	\$279	\$340	\$450	\$373	\$327	\$305

**Section I: High-Level Data Cuts**  
Cities

City	Role	n	Trend Analysis (Mean)			Trend Analysis (Mean)		
			1st Quarter	2nd Quarter	3rd Quarter	Q1 2016	Q1 2017	Q1 2018
San Jose CA	Partner	155	\$263	\$356	\$451	\$365	\$357	\$361
	Associate	112	\$192	\$225	\$250	\$229	\$213	\$211
San Jose CA	Partner	30	\$239	\$257	\$324	\$278	\$286	\$281
	Associate	11	\$170	\$178	\$196	\$173	\$187	\$185
San Jose CA	Partner	16	\$264	\$388	\$479	\$390	\$348	\$420
San Jose CA	Partner	103	\$275	\$378	\$478	\$388	\$388	\$384
	Associate	58	\$274	\$270	\$304	\$266	\$266	\$267
San Jose CA	Partner	13	\$255	\$388	\$508	\$305	\$290	\$386
San Jose CA	Partner	30	\$428	\$519	\$569	\$448	\$513	\$489
	Associate	24	\$250	\$348	\$483	\$357	\$278	\$318
San Jose CA	Partner	14	\$221	\$240	\$338	\$259	\$273	\$291
San Jose CA	Partner	19	\$320	\$375	\$420	\$362	\$403	\$378
	Associate	11	\$179	\$200	\$225	\$200	\$221	\$213
San Jose CA	Partner	1822	\$428	\$789	\$941	\$800	\$770	\$752
	Associate	1328	\$395	\$500	\$625	\$522	\$492	\$480
San Jose CA	Partner	41	\$559	\$908	\$895	\$777	\$737	\$678
	Associate	77	\$468	\$510	\$676	\$538	\$494	\$411
San Jose CA	Partner	11	\$350	\$425	\$523	\$428	\$378	\$381
	Associate	12	\$200	\$241	\$318	\$274	\$230	\$243

**PROOF OF SERVICE**

I, the undersigned, declare:

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is 1900 Avenue of the Stars, Suite 1400, Los Angeles, California 90067-6029.

On June 12, 2020, I served the foregoing document(s) described as follows:

**DECLARATION OF AMANDA BONN IN SUPPORT OF RELATOR'S MOTIONS FOR APPROVAL OF SETTLEMENTS WITH AT&T AND VERIZON DEFENDANTS**

on the interested parties in this action by placing true copies thereof enclosed in sealed envelopes addressed as stated on the attached service list, as follows:

**BY MAIL:**  
I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice, it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

**BY PERSONAL SERVICE:**  
I caused to be delivered such envelope by hand to the offices of the addressee.

**BY FEDERAL EXPRESS OR OVERNIGHT COURIER**

**BY FAX**  
I served by facsimile as indicated on the attached service list.


**XX BY ELECTRONIC MAIL**  
I caused said documents to be prepared in portable document format (PDF) for e-mailing and served by electronic mail as indicated on the attached service list.

Executed on June 12, 2020, at Los Angeles, California.

**XX (State)** I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

(Federal) I declare that I am employed in the office of a member of the bar of this Court at whose direction the service was made.

Helen Danilson  
(Type or Print Name)

  
(Signature)

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Case No. 34-2017-001271-17

PROOF OF SERVICE

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Case No. 34-2017-001271-17

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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF SACRAMENTO

STATE OF CALIFORNIA et al., et rel. OnTheGo  
Wireless, LLC

Plaintiffs,

vs.

CELLCO PARTNERSHIP, doing business as  
VERIZON WIRELESS, et al

Defendants

Case No. 34-2012-00127517

[PUBLIC-REDACTED]  
DECLARATION OF STEVEN M.  
SHEPARD IN SUPPORT OF  
RELATOR'S MOTIONS FOR  
APPROVAL OF SETTLEMENTS WITH  
AT&T AND VERIZON DEFENDANTS

Date: September 24, 2020  
Time: 11:00 a.m.  
Dept. 92 or 96, Hon. Judge Holzer Hershey

Public - Redacts Materials from Conditionally Sealed Record

Case No. 34-2012-00127517

DECLARATION OF STEVEN M. SHEPARD IN SUPPORT OF RELATOR'S MOTIONS FOR APPROVAL OF  
SETTLEMENTS WITH AT&T AND VERIZON DEFENDANTS

I, Steven M. Shepard, declare as follows:

1. I am a member of the State Bar of New York and a partner with the law firm of  
Susman Godfrey L.L.P. ("SG"), counsel for Plaintiffs Regents of the University of California, et  
al., and Plaintiff-Relator OnTheGo Wireless, LLC ("Plaintiffs"). I am admitted to practice before  
this Court pro hac vice. I submit this declaration in support of Relator's Motions for Approval of  
Settlements with the AT&T and Verizon Defendants. I have personal knowledge of the matters  
set forth herein, and if called as a witness I could and would competently so testify.

2. My role. In the litigation of this case, I was the attorney who led the efforts to (1)  
conduct offensive data discovery in order to obtain the necessary data from AT&T and Verizon,  
and to (2) work with Plaintiffs' experts to analyze that data and prepare a damages model. My  
work included: supervising and coordinating closely with a team of testifying and consulting  
experts, meeting-and-confering with opposing counsel concerning data production issues, taking  
depositions related to data and damages issues, and briefing and arguing motions to compel  
regarding data issues. Ever since Plaintiffs settled with AT&T and Verizon, I have been the  
attorney who (3) led the effort to allocate the settlement amounts among the Plaintiff entities,  
working closely with Plaintiffs' data analysis expert in this matter, Philip Kline.

Verizon Settlement Agreements and Related Exhibits

3. Attached hereto as Exhibit A is a true and correct copy of Relator's Settlement  
and Release Agreement with Verizon (the "Verizon Settlement Agreement"). Relator's counsel  
will collect signature pages from each Intervenor and submit them to the Court prior to the  
settlement approval hearing.

4. Attached hereto as Exhibit B is a true and correct copy of the Notice of Proposed  
Settlement and Consent and Release that Relator will serve upon Non-Intervenor who are  
allocated a portion of the Verizon Settlement ("Non-Intervenor Customer Notice"). The Court has  
approved the form and contents of this notice, as well as the procedure for Non-Intervenor  
Customers to join in the settlement. Together with this Notice, Relator will serve unredacted  
copies of the Motion for Approval of Relator's Settlement with Verizon, and all exhibits thereto,  
to the Verizon Non-Intervenor Customers.

Case No. 34-2012-00127517

DECLARATION OF STEVEN M. SHEPARD IN SUPPORT OF RELATOR'S MOTIONS FOR APPROVAL OF  
SETTLEMENTS WITH AT&T AND VERIZON DEFENDANTS

5. Attached hereto as Exhibit C is a true and correct copy of the Notice of Proposed  
Settlement that Relator will serve upon Non-Intervenor who were not customers of Verizon and  
who are not allocated any portion of the Verizon Settlement ("Non-Intervenor Non-Customer  
Notice"). The Court has approved the form and contents of this notice. This notice directs the  
Verizon Non-Intervenor Non-Customers to a website from which they can download the publicly  
filed versions of the Motion for Approval of Relator's Settlement with Verizon, and all exhibits  
thereto.

AT&T Settlement Agreements and Related Exhibits

6. Attached hereto as Exhibit D is a true and correct copy of Relator's Settlement  
and Release Agreement with AT&T in this action (the "AT&T Settlement Agreement"). Relator's  
counsel will collect signature pages from each Intervenor and submit them to the Court prior to  
the settlement approval hearing. Relator and Nevada settled with AT&T through the same  
mediation process that led to the California settlement. AT&T has executed a separate settlement  
agreement with Relator and Nevada, which resolves the Nevada action.

7. Attached hereto as Exhibit E is a true and correct copy of the Notice of Proposed  
Settlement and Consent and Release that Relator will serve upon Non-Intervenor who are  
allocated a portion of the AT&T Settlement ("Non-Intervenor Customer Notice"). The Court has  
approved the form and contents of this notice, as well as the procedure for Non-Intervenor  
Customers to join in the settlement. Together with this Notice, Relator will serve unredacted  
copies of the Motion for Approval of Relator's Settlement with AT&T, and all exhibits thereto, to  
the AT&T Non-Intervenor Customers.

8. Attached hereto as Exhibit F is a true and correct copy of the Notice of Proposed  
Settlement that Plaintiffs will serve upon Non-Intervenor who were not customers of AT&T and  
who are not allocated any portion of the AT&T Settlement ("Non-Intervenor Non-Customer  
Notice"). The Court has approved the form and contents of this notice. This notice directs the  
AT&T Non-Intervenor Non-Customers to a website from which they can download the publicly  
filed versions of the Motion for Approval of Relator's Settlement with AT&T, and all exhibits  
thereto.

Case No. 34-2012-00127517

DECLARATION OF STEVEN M. SHEPARD IN SUPPORT OF RELATOR'S MOTIONS FOR APPROVAL OF  
SETTLEMENTS WITH AT&T AND VERIZON DEFENDANTS

AT&T Settlement Allocations for California Government Entities

9. Plaintiffs' data analysis expert, Philip Kline, is familiar with the billing data that  
AT&T produced during this litigation for the California government plaintiffs, as a result of Mr.  
Kline's work in this litigation. (AT&T's billing data was complete; the AT&T "missing data"  
issue, described elsewhere, concerned usage data not billing data.) Mr. Kline used this billing  
data to determine each of the California plaintiff entities' spending on relevant AT&T wireless  
services. After the term sheet was signed, AT&T provided Relator's counsel with the same kind  
of billing data for Nevada government entities purchasing from AT&T during the relevant period.  
(The term sheet required AT&T to provide this data.) Mr. Kline used that billing data to  
determine the Nevada plaintiff entities' spending on relevant AT&T wireless services. The same  
methodology was used for all Government Plaintiffs (both in California and Nevada). Mr.  
Kline's methodology and results are further described in his declaration, which is submitted  
contemporaneously herewith.

a. The AT&T Overall Proposed Allocation is Appendix B to Mr. Kline's  
Declaration, and is Exhibit A to the AT&T Settlement Agreement. AT&T agreed to settle both  
actions (California and Nevada) for a combined payment of \$51 million. The AT&T Overall  
Proposed Allocation shows the portion of that amount that has already been allocated to the  
Nevada Plaintiffs, and shows how the remainder is proposed to be allocated among the California  
Plaintiffs.

b. The AT&T Overall Proposed Allocation allocates \$47,904,307 to  
California government entities. This settlement amount represents [REDACTED] of the revenues these  
California government entities paid AT&T for wireless services during the relevant period.

c. The Court is not being asked to make any findings regarding the  
Nevada Action against AT&T. The remaining \$3,095,693, of the \$51 million settlement, was  
allocated to settle the Nevada Action. These numbers are in direct proportion to what AT&T's  
data shows to have been the spending by California and Nevada government entities on AT&T  
wireless services. AT&T's data shows that California Plaintiffs account for 94% of AT&T's total  
relevant wireless services revenue; relevant revenue from the Nevada Plaintiffs accounts for the

Case No. 34-2012-00127517

DECLARATION OF STEVEN M. SHEPARD IN SUPPORT OF RELATOR'S MOTIONS FOR APPROVAL OF  
SETTLEMENTS WITH AT&T AND VERIZON DEFENDANTS

1 remaining 6%. The Court is not asked to review or approve the terms of the Nevada settlement,  
2 to approve any allocations to Nevada entities, or to approve the Nevada Relator's share. The  
3 Office of the Nevada Attorney General has already agreed to a 43% Relator's share of the Nevada  
4 recovery.

5 d. The AT&T settlement for California Non-Intervenor exceeds the Sprint  
6 "benchmark" by [REDACTED]. The AT&T "relevant revenue" used to prepare the AT&T Overall  
7 Proposed Allocation is the amount paid for wireless services. Other revenue, such as equipment  
8 purchases (e.g., new phones) is excluded from the AT&T revenue figures. However, this  
9 exclusion (of equipment purchases) was not made for the Sprint allocations due to data  
10 limitations. As a result, in order to make a fair comparison between the two settlements, it is  
11 appropriate to use the total AT&T revenue from Non-Intervenor, including equipment purchases.  
12 That number is [REDACTED] according to the Kline Declaration, ¶ 22. The current projected  
13 gross proceeds, to Non-Intervenor, is \$27,864,816, which is [REDACTED] of the expanded AT&T  
14 revenue including equipment purchases. In the Sprint settlement, by contrast, Non-Intervenor  
15 were allocated just [REDACTED] of Sprint's revenue (including equipment purchases). A [REDACTED] recovery for  
16 Non-Intervenor from AT&T is [REDACTED] higher than the Non-Intervenor [REDACTED] recovery from Sprint.  
17 If Relator had settled for [REDACTED] of AT&T's expanded revenue from Non-Intervenor [REDACTED]  
18 [REDACTED], then the gross proceeds to Non-Intervenor, from AT&T, would be just [REDACTED].  
19 Instead, the current projected gross proceeds from AT&T to Non-Intervenor is \$27,864,816—  
20 about [REDACTED] higher.

21 e. The AT&T Overall Proposed Allocation allocates the settlement among all  
22 Government Plaintiffs (in Nevada and California) based solely on the amount of spending, by  
23 each Government Plaintiff, on AT&T wireless services.

24 f. Each Government Plaintiff's spending with AT&T on wireless services is  
25 the best available proxy for damages. A more precise damages calculation with respect to AT&T  
26 would be extremely complicated, if not impossible, to perform, because calculating each  
27 Government Plaintiff's damages would require generating optimization reports for each plaintiff,  
28 among other complex steps. Relator's experts had not yet begun to create optimization reports for

1 in the AT&T Overall Proposed Allocation. In addition, these entities will collectively receive all  
2 of the remaining 10% allocations to the Non-Consenting Non-Intervenor, which will be  
3 distributed among the Intervenor and Consenting Non-Intervenor in proportion to those entities'  
4 relevant wireless spending. This re-allocation will be shown in the AT&T California Final  
5 Proposed Allocation, which Relator will submit to the Court prior to the Approval Hearing.

6 12. No allocation to Non-Intervenor Non-Customers. AT&T and Relator have  
7 agreed that the Non-Intervenor Non-Customers are not parties to the settlement and are not bound  
8 by the broad release therein (other than the releases of the specific CFCA claims that Relator  
9 asserted). Non-Intervenor Non-Customers will accordingly receive notice of the settlement  
10 informing them of the date for the settlement approval hearing and the deadline for objections,  
11 with directions to a webpage from which they can download the complete service packet and  
12 contact information for counsel.

13 Verizon Settlement Allocations for California Government Entities

14 13. Plaintiffs' data analysis expert, Philip Kline, is familiar with the billing data that  
15 Verizon produced during this litigation for the California government plaintiffs, as a result of Mr.  
16 Kline's work in this litigation. Mr. Kline used this billing data to determine the spending on  
17 Verizon wireless services for the California plaintiff entities. After the term sheet was signed,  
18 Verizon provided Relator's counsel with the same kind of billing data for Nevada government  
19 entities purchasing from Verizon during the relevant period. (The term sheet required Verizon to  
20 provide this data.) Mr. Kline used that billing data to determine the Nevada plaintiff entities'  
21 spending on relevant Verizon wireless services. The same methodology was used for all  
22 Government Plaintiffs (both in California and Nevada). Mr. Kline's methodology and results are  
23 further described in his declaration, which is submitted contemporaneously herewith.

24 a. Verizon settled this Action, and Relator's Nevada Action, for a single \$76 million  
25 payment. The Verizon Overall Proposed Allocation shows the portion of the \$76 million Verizon  
26 settlement that has already been allocated to the Nevada plaintiffs, and shows how the remaining  
27 portion is proposed to be allocated among the California Plaintiffs. The Verizon Overall

1 any Phase I or Phase II entities with respect to AT&T—nor could they possibly have done so,  
2 since at the time of settlement AT&T had not yet completed its production of the necessary usage  
3 data required to prepare these reports.

4 g. For all California political subdivisions, Mr. Kline analyzed their wireless  
5 spending from 2007 to February 28, 2018 to prepare the AT&T Overall Proposed Allocation.  
6 The year 2007 was chosen because that is the year in which California and Nevada entities were  
7 first eligible to obtain quarterly optimization reports from AT&T under the WSCA I contract. The  
8 WSCA 1523 (or WSCA I) contract was completely executed and effective on October 10, 2006.  
9 Therefore, the first quarter in which optimization could have been provided under that agreement  
10 was the quarter beginning in January 2007. The end date of February 28, 2018, was the date of  
11 the most recent data produced by AT&T.

12 h. Appendix C to the Kline Declaration identifies 115 Non-Intervenor Non-  
13 Customers. These are California subdivisions that were named as Plaintiffs in Relator's  
14 Complaint, but which, according to AT&T's data, bought less than \$500 worth of wireless  
15 services from AT&T during the period of 2007 through February 2018. See Kline Decl. ¶ 19.  
16 These Non-Intervenor Non-Customers are listed in the AT&T Overall Proposed Allocation as  
17 having \$0 of revenue, and receiving \$0 in settlement proceeds.

18 10. Allocation to Non-Consenting Non-Intervenor. Non-Consenting Non-  
19 Intervenor will only receive 90% of the allocations shown on the AT&T Overall Proposed  
20 Allocation. That reduction recognizes that the scope of their release is limited solely to the CFCA  
21 claims. The remaining 10% of the settlement allocation for Non-Consenting Non-Intervenor  
22 will be redistributed amongst the California Intervenor and California Consenting Non-  
23 Intervenor in proportion to their spending on wireless services with AT&T. None of this  
24 remaining 10% will be distributed to the Nevada plaintiffs. This re-allocation will be shown in  
25 the AT&T California Final Proposed Allocation, which Relator will submit to the Court prior to  
26 the Approval Hearing.

27 11. Allocation to Intervenor and Consenting Non-Intervenor. Intervenor and  
28 Consenting Non-Intervenor will receive 100% of their respective settlement allocations set forth

1 Proposed Allocation is Exhibit A of the Verizon Settlement Agreement, and is also Appendix B  
2 of the Kline Verizon Declaration.

3 b. The Verizon Overall Proposed Allocation allocates \$68,231,673 to California  
4 government entities. This settlement amount represents [REDACTED] of the total revenues these  
5 California government entities paid Verizon for wireless services during the relevant period.

6 c. The Court is not being asked to make any findings regarding the Nevada  
7 Action against Verizon. The remaining \$7,768,327 is allocated to settle the Nevada Action.  
8 The State of Nevada signed the same Verizon Settlement Agreement that is submitted to this  
9 Court. However, this Court is not being asked to approve any aspect of the settlement with  
10 Nevada. (AT&T, by contrast, entered into separate Settlement Agreements—one with the  
11 California entities, another with Nevada.) [REDACTED]  
12 [REDACTED]  
13 [REDACTED]

14 Verizon's data shows that California Plaintiffs account for [REDACTED] of Verizon's total  
15 relevant wireless services revenue; relevant revenue from the Nevada Plaintiffs accounts for the  
16 remaining [REDACTED]. The Office of the Nevada Attorney General has already agreed to a 43%  
17 Relator's share of the Nevada recovery.

18 d. For California Non-Intervenor, the Verizon settlement exceeds the Sprint  
19 "benchmark" by [REDACTED]. The Verizon "relevant revenue" used to prepare the Verizon Overall  
20 Proposed Allocation is the amount paid for wireless services. Other revenue, such as equipment  
21 purchases (e.g., new phones) is excluded from the Verizon revenue figures. However, this  
22 exclusion was not made for the Sprint allocations due to data limitations. As a result, in order to  
23 make a fair comparison between the two settlements, it is appropriate to use the Verizon total  
24 revenue from Non-Intervenor, including equipment purchases. That number is [REDACTED].  
25 Kline Verizon Decl., ¶ 22. The current projected gross proceeds from the Verizon settlement, to  
26 Non-Intervenor, is \$50,252,615, which is [REDACTED] of the expanded Verizon revenue including  
27 equipment purchases. A [REDACTED] recovery for Non-Intervenor from Verizon is [REDACTED] higher than the  
28 Non-Intervenor [REDACTED] recovery from Sprint. [REDACTED] If Relator had settled for [REDACTED] of

1 Verizon's relevant revenue from Non-Intervenor [REDACTED], then the gross proceeds to  
2 Non-Intervenor, from Verizon, would be just [REDACTED]. Instead, Non-Intervenor will  
3 receive an additional [REDACTED] above that number.

4 c. The Verizon Overall Proposed Allocation allocates the settlement among  
5 Government Plaintiffs based solely on the amount of spending, by each Government Plaintiff, on  
6 Verizon wireless services.

7 f. Each Government Plaintiff's spending with Verizon on wireless services is the  
8 best available proxy for damages. A more precise damages calculation with respect to Verizon  
9 would be extremely complicated to perform, because calculating each Government Plaintiff's  
10 damages would require generating optimization reports for each plaintiff, among other complex  
11 steps. Although Plaintiffs' experts had, at the time of the settlement, made significant progress in  
12 preparing optimization reports for the Phase I Plaintiffs with respect to Verizon, Plaintiffs'  
13 experts have not begun this work for any of the Phase II entities.

14 g. For all California political subdivisions except County of Los Angeles, Mr. Kline  
15 analyzed their wireless spending from 2011 to October 2019 to prepare the Verizon Overall  
16 Proposed Allocation. The year 2011 was chosen because that is the year in which the State of  
17 California entered into its first Participating Addendum with Verizon under the WSCA 1523 (or  
18 WSCA 1) contract. During the first half of 2011, the vast majority of California plaintiff  
19 subdivisions (Intervenor and Non-Intervenor alike) began to purchase under this California  
20 Participating Addendum. As of 2011, therefore, Verizon was obligated to provide "lowest cost  
21 available" wireless services through "optimization reports" to the California political  
22 subdivisions. Before 2011, Verizon was likely not obligated to do so for California subdivisions,  
23 because the earlier California Wireless Contract (or CWC) did not require Verizon to provide  
24 "optimization reports" to any California government entity besides the State of California. The  
25 County of Los Angeles's wireless spending was analyzed for the period from March 2017 to  
26 October 2019, because only in March 2017 did the County of Los Angeles begin purchasing from  
27 Verizon under a contract that incorporated WSCA.

1 h. For the State of California, wireless spending from January 1, 2006, through  
2 October 2019 was used to prepare the Verizon Overall Proposed Allocation, because 2006 is the  
3 year in which the State of California began purchasing from Verizon under the California  
4 Wireless Contract ("CWC"), and that contract required "optimization reports" to be provided to  
5 the State.

6 i. For the Nevada entities, wireless spending from January 1, 2007 to October 2019  
7 was used to prepare the Verizon Overall Proposed Allocation. The start date of January 1, 2007  
8 was used for the Nevada entities because the Nevada entities should have begun receiving  
9 "lowest cost available" wireless services through quarterly "optimization reports" under the  
10 WSCA 1523 (or WSCA 1) contract beginning in January 2007. The WSCA 1523 contract was  
11 completely executed as of October 6, 2006. Therefore, the first quarter in which optimization  
12 could have been provided to the Nevada entities was the quarter beginning in January 2007.

13 j. October 2019 was used as the end-date for all government entities in the Verizon  
14 Overall Proposed Allocation, because that is the last month for which Verizon produced relevant  
15 data.

16 k. Appendix C to the Kline Verizon Declaration identifies 28 Non-Intervenor Non-  
17 Customers of Verizon. These are California subdivisions that were named as Plaintiffs in  
18 Relator's Complaint, but which, according to Verizon's data, purchased less than \$500 of  
19 wireless services from Verizon during the period of 2011 through 2019. See Kline Verizon Decl.,  
20 ¶ 19. These Non-Intervenor Non-Customers are listed in the Verizon Overall Proposed  
21 Allocation as having \$0 of revenue, and receiving \$0 in settlement proceeds.

22 14. Allocation to Non-Consenting Non-Intervenor, Non-Consenting Non-  
23 Intervenor will only receive 90% of the allocations shown on the Verizon Overall Proposed  
24 Allocation. That reduction recognizes that the scope of their release is limited solely to the CFCA  
25 claims. The remaining 10% of the settlement allocation for Non-Consenting Non-Intervenor will  
26 be redistributed amongst the consenting California Plaintiffs (the Intervenor and Consenting  
27 Non-Intervenor) in proportion to their spending on wireless services with Verizon. None of this  
28 remaining 10% will be distributed to the Nevada plaintiffs. This re-allocation will be shown in

1 the Verizon California Final Proposed Allocation, which Relator will submit to the Court prior to  
2 the Approval Hearing.

3 15. Allocation to Intervenor and Consenting Non-Intervenor. Intervenor and  
4 Consenting Non-Intervenor will receive 100% of their respective settlement allocations set forth  
5 in the Verizon Overall Proposed Allocation. In addition, these entities will collectively receive  
6 all of the remaining 10% allocations to the Non-Consenting Non-Intervenor, which will be  
7 distributed among the Intervenor and Consenting Non-Intervenor in proportion to those entities'  
8 relevant wireless spending. This re-allocation will be shown in the Verizon California Final  
9 Proposed Allocation, which Relator will submit to the Court prior to the Approval Hearing.

10 16. No allocation to Non-Intervenor Non-Customers. Verizon and Plaintiffs have  
11 agreed that the Non-Intervenor Non-Customers are not parties to the settlement and are not bound  
12 by the broad release therein (other than the releases of the specific CFCA claims that Relator  
13 asserted). Non-Intervenor Non-Customers will accordingly receive notice of the settlement  
14 informing them of the date for the settlement approval hearing and the deadline for objections,  
15 with directions to a webpage from which they can download the complete service packet and  
16 contact information for counsel.

17 **Susman Godfrey's Offensive Data Discovery and Expert Analysis**

18 17. **Offensive Data Discovery.** One of the most logistically complex aspects of this  
19 case was obtaining the necessary data from AT&T and Verizon to enable Plaintiffs' expert team  
20 to construct a liability and damages model premised on Defendants' failure to provide quarterly  
21 optimization reports.

22 a. Simply obtaining the necessary billing, usage, and rate plan data for  
23 hundreds of California government entities in the proper format was an ongoing effort that took  
24 years of discovery requests, conferring with Plaintiffs' experts, filing multiple motions to compel,  
25 and engaging in extensive meet-and-confer discussions with counsel for AT&T and Verizon.

26 b. SG served multiple interrogatories on AT&T and Verizon seeking the  
27 identification of their relevant back-end systems for storing billing, usage, and rate plan data. SG  
28 also moved to compel PMK depositions from AT&T and Verizon on these issues and took those

1 depositions in order to identify and understand the carriers' internal data storage systems and the  
2 formats in which data could be extracted.

3 c. SG then spent approximately two years repeatedly meeting-and-confering  
4 with AT&T, Verizon, and Plaintiffs' experts in order to ensure that all of the relevant data was  
5 produced in a usable format and that Plaintiffs' experts correctly understood the meaning and  
6 relationships of hundreds of relevant tables and data fields.

7 d. As a result of its efforts, SG determined that AT&T had not produced  
8 certain critically important usage data necessary to prove liability and damages. SG took multiple  
9 Persons Most Knowledgeable depositions, engaged in months of meeting-and-confering, and  
10 filed numerous motions to compel in order to determine the reason why such data was missing.

11 As a result of SG's committed efforts over the course of nearly two years, AT&T was finally  
12 forced to concede that certain of its data was only maintained in invoices that were stored in a  
13 "binary archive" back-up system that would take months to restore—a fact that AT&T had never  
14 disclosed in the course of discovery. SG then filed a successful motion to sanction AT&T for this  
15 conduct, to compel AT&T to restore the back-up system, and to postpone and bifurcate the  
16 AT&T trial from the Verizon trial to ensure that all of the necessary data would be produced.

17 18. **Expert Analysis.** SG worked closely with a team of high-caliber experts to analyze  
18 the data produced by AT&T and Verizon and produce a damages model that would hold up to  
19 *Daubert* scrutiny. SG's models incorporated and analyzed more than 147 gigabytes of billing and  
20 usage data produced by AT&T and Verizon. To put that in perspective: 32-bit Excel programs  
21 cannot even open files larger than 2 gigabytes. For the case against AT&T and Verizon, SG  
22 identified, hired, and worked closely with three separate experts, each supported by their own  
23 staff.

24 a. Philip Kline. As set forth in his separate declaration submitted herewith,  
25 Mr. Kline is currently a Managing Director at Ankura Consulting Group, where his practice  
26 focuses on valuation and transactional services. During most of this case, Mr. Kline worked  
27 at the consulting group 284 Partners, which merged with Ankura near the end of 2019. More  
28 information about Mr. Kline is available at: <https://ankura.com/people/philip-w-kline>. In this

1 litigation, Mr. Kline and his staff ingested the massive data productions from AT&T and Verizon  
2 into an SQL database, organized and analyzed that data, identified relationships between data  
3 tables and fields, identified areas of missing data, and assisted me in taking discovery of the  
4 meaning of numerous data fields and codes. Mr. Kline also prepared usable exports, from these  
5 massive data files, for use by the other experts.

6 b. Cameron Sowder. Mr. Sowder has a 22-year career in Telecoms Expense  
7 Management. Since 2004, he has owned and operated his own consultancy, Sowder  
8 Communications. Mr. Sowder has created, applied, and audited optimization reports for dozens  
9 of corporate clients purchasing wireless services from AT&T and Verizon. More information  
10 about Mr. Sowder is available at: <https://www.linkedin.com/in/sowder/>.

11 c. William Wecker. Dr. Wecker is a statistician and applied mathematician.  
12 His qualifications and a list of his professional publications are shown in his *curriculum vitae*,  
13 which is available at <https://www.wwecker.com/whowisewilliamewecker/>.

14 19. Together, these three expert teams organized and analyzed a massive amount of  
15 data for the "Phase I" entities in this case, in order to prepare a complex damages model, as  
16 follows:

17 a. *First*, Relator's experts reconstructed, from complex data, the relevant  
18 terms and conditions for each and every one of the tens of thousands of rate plans that AT&T and  
19 Verizon offered to California government customers during the 13-year damages period. Verizon  
20 produced data relating to 99,534 rate plans that were offered during the 13-year damages period.  
21 Each of those rate plans, in turn, included up to 442 fields describing dozens of relevant terms and  
22 conditions. AT&T produced data relating to 11,545 applicable rate plans. Each of the AT&T rate  
23 plans, in turn, included nearly 200 relevant terms and conditions. Mr. Kline and his team, with the  
24 assistance of Mr. Sowder, created a data key setting forth the relevant rate plan provisions of each  
25 of the more than 110,000 rate plans at issue.

26 b. *Second*, Mr. Kline and his team reviewed the California Administrative Fee  
27 Reports (which AT&T and Verizon had sent to the State of California, each quarter, in connection  
28 with their administrative fee payments) in order to identify "Phase I" government entity accounts

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1 for which AT&T and Verizon had not produced data. This led to Verizon producing data on  
2 1,118 additional accounts ("ECPD Profile IDs"). This was a material addition to the 350  
3 accounts for which Verizon had originally produced data. This effort by Mr. Kline's team also  
4 led to AT&T producing data for an additional 174 accounts.

5 c. *Third*, Relator's experts obtained, organized, validated and analyzed  
6 massive data showing hundreds of thousands of government employees' usage of wireless  
7 services (*i.e.*, the amounts of various kinds of voice minutes, text messages, and data services that  
8 each individual used each month). Verizon and AT&T each produced thousands of overlapping  
9 tables reflecting such data, which Mr. Kline and his team ingested, validated, and organized. I  
10 worked closely with Mr. Kline to understand what additional information and data to press for in  
11 meet-and-confer efforts and motions to compel. This collaboration eventually revealed AT&T's  
12 failure to produce critical usage data from an undisclosed back-up system.

13 d. *Fourth*, once the Verizon billing data production was complete, Dr.  
14 Wecker generated representative sampling plans of Verizon billing data covering each "Phase I"  
15 government entity that purchased from Verizon. Dr. Wecker and his team also performed  
16 extensive preparatory work to develop similar sampling plans covering each "Phase I" entity that  
17 purchased from AT&T.

18 e. *Fifth*, optimization expert Cameron Sowder, assisted by four staff  
19 employees, prepared more than 300 optimization reports for entity-quarters identified in Dr.  
20 Wecker's sampling plans. These reports recommended, for each employee, the one Verizon rate  
21 plan (of all of those tens of thousands) that would have been thought most likely to provide the  
22 lowest cost for that employee in the coming months, based on the employee's prior usage. Mr.  
23 Sowder then prepared alternative billing data for each employee, based on the charges that each  
24 employee would have received, if Mr. Sowder's recommended rate plan had been used by that  
25 employee. Mr. Sowder and his team also did extensive preparatory work to conduct a similar  
26 exercise for the "Phase I" Plaintiff entities who purchased from AT&T.

27 f. *Sixth*, Dr. Wecker then projected the results from each entity's sample of  
28 alternative Verizon billing data, prepared by Mr. Sowder's team, to calculate an estimate of the

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1 total alternative billing for each entity across all quarters in the damage period. Dr. Wecker then  
2 compared the estimated alternative billing to the actual billing for each "Phase I" entity across the  
3 entire damages period to calculate damages as the difference between (1) the alternative billing  
4 (based on applying the newly-created optimization reports' recommended plans to the employees'  
5 actual usage in subsequent months) and (2) the invoices the entity actually paid (based on the  
6 plans that the entity's employees actually used). Dr. Wecker also developed statistical  
7 methodology and performed statistical calculations to determine the accuracy of his specific  
8 damage estimates for each "Phase I" entity.

9 g. *Seventh*, Mr. Sowder and his team also reviewed and analyzed more than  
10 1,000 reports, produced by AT&T and Verizon during "Phase I" document discovery, which  
11 reports the Defendants intended to claim constituted "optimization reports." Mr. Sowder was  
12 prepared to testify in detail as to why these reports failed to provide the "Phase I" entities with  
13 true optimization and lowest-cost available services.

14 I declare under penalty of perjury under the laws of the State of California that the foregoing  
15 is true and correct.

16 Executed this 9th day of June, 2020, in New York, New York.

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18 \_\_\_\_\_  
19 Steven M. Shepard

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DECLARATION OF STEVEN M. SHEPARD IN SUPPORT OF RELATOR'S MOTIONS FOR APPROVAL OF SETTLEMENTS WITH AT&T AND VERIZON DEFENDANTS

Exhibit A

## SETTLEMENT AND RELEASE AGREEMENT (VERIZON)

This Settlement and Release Agreement ("Settlement Agreement") is entered into by and between, on the one hand, the Regents of the University of California, City of Chino, City of Corona, City of Fontana, City of Fresno, City of Long Beach, City of Oxnard, City of Rancho Cucamonga, City of Ripon, City of Riverside, City of Sacramento, City of San Bernardino, City of San Mateo, City of Santa Rosa, City of Vernon, Los Angeles County, Marin County, Orange County, Riverside County, Sacramento County, San Bernardino County, Santa Cruz County, Sonoma County, Stanislaus County, Yuba County, Santa Ana Unified School District, Sonoma County Water Agency, and Woodbridge Fire District (collectively, the "California Intervenor(s)"), the State of Nevada and all political subdivisions of the State of Nevada, including but not limited to those government entities identified in Exhibit 1 to the Amended Complaint ("Nevada Intervenor(s)"; and together with the California Intervenor(s), the "Intervenor(s)"), the Board of Trustees of the California State University ("CSU"), and OnTheGo Wireless, LLC ("Relator"), on its own behalf and on behalf of the "California Non-Intervenor(s)", defined to mean the State of California, the government entities listed in Exhibit A as Non-Intervening Real Party in Interest California Political Subdivision Government Plaintiffs, and those California Political Subdivisions that initially intervened and subsequently withdrew (the Relator, CSU, and the Intervenor(s), collectively, "Plaintiffs"), and, on the other hand, Celloco Partnership d/b/a Verizon Wireless ("Verizon"), through their authorized representatives.

### RECITALS

1. Verizon is a Delaware general partnership, with its principal place of business in New Jersey. Verizon provides wireless services and equipment.

2. On or about September 30, 2005, the State of California entered into the California Wireless Contract with Verizon (the "CWC Contract") for the purchase of wireless

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as selected from the set of rate plans that were made available to the customer under the contract).

3. On July 5, 2012, Relator filed under seal a *qui tam* action in the Superior Court for Sacramento County, captioned *State of California ex rel. OnTheGo Wireless, LLC v. Celloco Partnership d/b/a Verizon Wireless, et al.*, Case No. 34-2012-00127517 (the "California Action"), pursuant to the California False Claims Act ("CFCA"), on behalf of real parties in interest the State of California and political subdivisions identified therein (the "California Government Entities") naming as defendants Celloco Partnership d/b/a Verizon Wireless, a Delaware general partnership; Nextel of California, Inc. d/b/a Sprint Nextel and Nextel Communications, a Delaware corporation; Sprint Solutions, Inc., a Delaware corporation; New Cingular Wireless National Accounts, LLC, d/b/a Cingular Wireless n/k/a AT&T Mobility National Accounts, LLC, a Delaware limited liability company; T-Mobile USA, Inc.; and, Does 1-50 (collectively, "Defendants").

4. Pursuant to the CFCA, following receipt of the original complaint, the California Attorney General was required to provide a copy of Relator's original complaint to the political subdivisions identified therein. The California Attorney General declined to intervene on October 23, 2015. All California Government Entities have had an opportunity to intervene.

5. The California Action was unsealed in December 2015. The First Amended Complaint and Complaint in Intervention was filed on March 28, 2016. The Second Amended Complaint and Complaint in Intervention was filed on May 6, 2016. The Third Amended Complaint ("California TAC") was filed on June 28, 2019.

6. The California TAC alleges in relevant part that Verizon failed to comply with the CWC and WSCA Contracts, the California Participating Addendum, and participating addenda

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equipment and services. In addition, the Western States Contracting Alliance ("WSCA"), acting by and through the State of Nevada, awarded Verizon Contract #1523 and Contract #1907 (collectively, the "WSCA Contracts") for the purchase of wireless equipment and services. The State of California and Verizon executed a Participating Addendum to the WSCA Contracts, Master Price Contract #7-10-70-15 (the "California Participating Addendum"). The State of Nevada and Verizon executed a Participating Addendum to the WSCA Contracts (the "Nevada Participating Addendum" and collectively with the California Participating Addendum and the Nevada Participating Addendum, the "Participating Addenda"). The CWC, WSCA Contracts, and Participating Addenda are collectively referred to herein as the "Contracts." In addition, between 2005 and 2019, some of the subdivisions of the State of California named in Relator's complaints and some of the Nevada Intervenor(s) also executed other agreements with Verizon, including but not limited to participating addenda to the WSCA Contracts; sub-participating addenda to the Participating Addenda, authorized user agreements; and other separately negotiated contracts. The term "Other Agreements" means: any contract executed between 2005 and 2019 by Verizon and a California Government Entity named in the TAC or any prior Complaint or a Nevada Intervenor named in the Nevada AC, the Nevada Complaint in Intervention, or any other prior Complaint, which pertains to the purchasing of wireless services, and which either (1) incorporates terms of the WSCA Contracts and/or the Participating Addenda by reference, or (2) contains other provisions that are alleged to require Verizon to provide government customers purchasing wireless services from Verizon pursuant to those agreements with (i) rate plan optimization or optimization reports (e.g., rate plan analyses or price plan analyses) or (ii) wireless services at the lowest cost available (or similar obligations to charge each subscriber based on the lowest-cost rate plan for that subscriber's particular usage,

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and/or authorized user agreements with subdivisions of California, with respect to provisions that Relator and the California Intervenor(s) allege required Verizon to provide its California government customers purchasing wireless services from Verizon pursuant to those agreements with "rate plan optimization reports" and wireless services at the lowest cost available, thereby allegedly overcharging those California government customers.

7. The California TAC pleads claims a) on behalf of Intervenor(s) for violations of the CFCA, for unfair business practices under California Business & Professions Code §§ 17200 *et seq.*, for breach of written contract, and for unjust enrichment; b) on behalf of CSU for unfair business practices under California Business & Professions Code §§ 17200 *et seq.*, for breach of written contract, and for unjust enrichment; c) by Relator, pursuant to the provisions of Cal. Government Code § 12652(c)(1), for violations of the CFCA on behalf of itself and the California Non-Intervenor(s). Plaintiffs seek damages, treble damages, civil monetary penalties, restitution, injunctive relief, attorneys' fees and costs, and a relator's share pursuant to Cal. Gov't Code § 12652(g).

8. On November 12, 2012, Relator filed under seal a *qui tam* action, *State of Nevada ex rel. OnTheGo Wireless LLC v. Celloco Partnership et al.*, Case No. CV 12-03093, in the Second Judicial District Court in Washoe County, Nevada (the "Nevada Action"), pursuant to the *qui tam* provisions of the Nevada False Claims Act ("NFCA"), Nev. Rev. Stat. § 357; Hawaii False Claims Act, Haw. Rev. Stat. §§ 661-21 *et seq.* & 46-171 *et seq.*; Iowa False Claims Law, Iowa Code § 685.1 *et seq.*; Montana False Claims Act, Mont. Code Ann. § 17-8-401 *et seq.*; and New Mexico Fraud Against Taxpayers Act, N.M. Stat. Ann. § 49-9-1 *et seq.* (collectively, the "Nevada Action False Claims Laws"), on behalf of the State of Nevada and certain of its political subdivisions, the State of Hawaii and the counties of Oahu, Maui, Hawaii, and Kauai,

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the State of Iowa, the State of Montana and certain of its political subdivisions, and the State of New Mexico, naming as defendants Celco Partnership d/b/a Verizon Wireless, a Delaware general partnership; Sprint Solutions, Inc., a Delaware corporation; New Cingular Wireless National Accounts, LLC, d/b/a Cingular Wireless n/a AT&T Mobility National Accounts, LLC, a Delaware limited liability company; and T-Mobile. The State of Nevada, on behalf of itself and all of its political subdivisions, subsequently intervened in that action under the Nevada False Claims Act ("NFCA") (the State of Nevada and all of its political subdivisions are included as "Intervenor" as that term is used herein, and are referred to herein as the "Nevada Intervenor"). The Nevada Intervenor and Relator are the plaintiffs in the Nevada Action ("the Nevada Plaintiff") and both are included as "Plaintiff" as that term is used herein.

9. The Nevada Action was unsealed on April 14, 2016. The Amended Complaint ("Nevada AC") was filed on April 11, 2016. Nevada's Complaint in Intervention ("Nevada Complaint in Intervention") was filed on February 27, 2019.

10. The Nevada AC and the Nevada Complaint in Intervention make similar allegations against Verizon as are alleged in the California TAC, with respect to the WSCA Contracts, and certain participating addenda and/or authorized user agreements with the states and political subdivisions included in the Nevada AC. By order dated October 10, 2019, the court in the Nevada Action granted Defendants' motion to dismiss, and dismissed the Nevada Plaintiffs' claims. By order dated November 6, 2019, the court in the Nevada Action amended the October 10, 2019 order and dismissed the Nevada Plaintiffs' claims with prejudice. On November 7, 2019, the Nevada Plaintiffs filed a notice of appeal of that order (the "Nevada Appeal"). On February 11, 2020, the Nevada Plaintiffs and Verizon filed a Joint Motion to Dismiss the appeal with prejudice (the "Nevada Dismissal Motion"). The Nevada Dismissal

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#### DEFINITIONS

16. "Settling Government Entities" means Intervenor, CSU, and the Consenting California Non-Intervenor.
17. "Settling Plaintiffs" means the Settling Government Entities and Relator.
18. "Parties" means Settling Plaintiffs and Verizon.
19. "California Court" means the Superior Court of Sacramento County.
20. "Nevada Court" means the Second Judicial District Court for the County of Washoe.
21. "Execution Date" means the day that this document has been executed by Relator, Verizon, the State of Nevada (on behalf of itself and all of its subdivisions), and counsel for the California Intervenor.
22. The "Settlement Amount" to be paid by Verizon to the Settling Plaintiffs on the terms and conditions set forth herein is seventy-six million dollars (\$76,000,000.00). The division and allocation of the Settlement Amount between and among the Plaintiffs is a matter that has been (and will be) handled separately by and among Plaintiffs without Verizon's involvement. Verizon shall not be deemed to have endorsed or been responsible for any allocation proposed therein or the use of the proceeds by any ultimate recipient. As part of the Settlement Agreement, Verizon will not contest the allocations of the Settlement Amount or any part of them.
23. The "Proposed Allocation," attached hereto as Exhibit A, sets forth the shares of the Settlement Amount that Plaintiffs propose to allocate to the California Intervenor, California Non-Intervenor, the Nevada Intervenor, Relator, and Plaintiffs' counsel, in connection with the California Action and the Nevada Action. The Proposed Allocation will be submitted to the California Court in support of this Settlement Agreement. The Proposed Allocation is a matter

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Motion did not provide for any remand to the trial court for approval of this Settlement or for any further action, by that Court, regarding claims against Verizon. The Nevada Dismissal Motion was granted by the Nevada Supreme Court on February 14, 2020. The Parties agree that this order by the Nevada Supreme Court has terminated the Nevada Action against Verizon.

11. Verizon expressly disputes and denies all of Plaintiffs' allegations, including those in the California Action and the Nevada Action. Verizon maintains that it complied in full with the Contracts and Other Agreements and that it committed no wrongdoing, let alone a "False Claims Act" violation. This Settlement Agreement does not constitute and may not be deemed an admission of liability or wrongdoing by Verizon. Verizon enters this Settlement Agreement solely as a compromise, for finality to avoid further litigation expenses.

12. This Settlement Agreement is not a concession by Settling Plaintiffs that their claims are not well founded. Settling Plaintiffs dispute Verizon's contention that Verizon complied with the Contracts and committed no wrongdoing.

13. This Settlement Agreement resulted from good faith, arm's-length settlement negotiations, including two full-day mediation sessions before the Honorable Gary Fees.

14. The Parties (as defined below), who have each received independent legal advice in this matter, understand, acknowledge, and agree that the execution of this Settlement Agreement constitutes the settlement and compromise of disputed claims. This Settlement Agreement is inadmissible as evidence against any Party except to enforce the terms of the Settlement Agreement.

15. To avoid the delay, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as set forth herein.

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that has been (and will be) handled separately by and among Plaintiffs without Verizon's involvement. Verizon shall not be deemed to have endorsed or been responsible for any allocation proposed therein or the use of the proceeds by any ultimate recipient. As part of the Settlement Agreement, Verizon will not contest the Proposed Allocation or any part of it.

24. "Contracts" and "Other Agreements" have the meanings assigned in paragraph 2.

25. Covered Conduct. As to the Parties in the California Action, "Covered Conduct" includes all allegations in the California Action (in the California TAC or any prior Complaint) relating to Verizon. As to the Parties in the Nevada Action, "Covered Conduct" includes all allegations in the Nevada Action (in the Nevada AC, the Nevada Complaint in Intervention, or any other Complaint) relating to Verizon. As to all Parties, "Covered Conduct" includes the allegations that Verizon failed to comply with the CWC and WSCA Contracts, and participating addenda thereto, with respect to provisions that Plaintiffs allege required Verizon to (a) provide government customers purchasing wireless services from Verizon pursuant to those agreements with (i) rate plan optimization or optimization reports (e.g., rate plan analyses or price plan analyses) or (ii) wireless services at the lowest cost available (or similar obligations to charge each subscriber based on the lowest-cost rate plan for that subscriber's particular usage, as selected from the set of rate plans that were made available to the customer under the contract), thereby allegedly overcharging those government customers; and (b) retain books and records (including billing or usage data). In addition to the foregoing, as to the Relator, Relator Releasing Parties, and the Relator Non-Cooperation Parties (as defined below), "Covered Conduct" also includes any allegation or contention, asserted by any of the Relator, Relator Releasing Parties, or Relator Non-Cooperation Parties (as defined below) on behalf of

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themselves or on behalf of any governmental entity, that Verizon failed to comply in any way with the Contracts or the Other Agreements.

#### TERMS AND CONDITIONS

##### Settlement Amount, Release, and Dismissal with Prejudice

26. The Parties agreed to settle both the California Action and the Nevada Action for one total payment, plus a separate payment for attorneys' fees. The "Settlement Amount" to be paid by Verizon on the terms and conditions set forth herein is seventy-six million dollars (\$76,000,000.00).

27. The allocation of the Settlement Amount among the Settling Plaintiffs and California Non-Intervenor in the California Action is a matter that has been (and will be) handled separately by and among Settling Plaintiffs without Verizon's involvement. Verizon was not consulted about the allocations of the Settlement Amount nor has it had any input into the allocations. Verizon shall not be deemed to have endorsed or been responsible for any such allocation, the distribution of the Settlement Amount to the ultimate recipients, or the use of the proceeds by any ultimate recipient. As part of the Settlement Agreement, Verizon will not contest such allocations.

28. In exchange for and in consideration of Verizon's agreement to pay the Settlement Amount, the Settling Plaintiffs agree to dismiss their claims in the California Action, and to dismiss their appeal in the Nevada Action, against Verizon with prejudice as set forth herein. It is the Parties' intention and a condition of this Settlement Agreement that all claims of the Settling Plaintiffs against Verizon in the California Action and the Nevada Action be dismissed with prejudice. The Parties, through their counsel, shall execute a Judgment by Stipulation in the California Action dismissing the California Action with prejudice ("California Stipulated Judgment") in the form attached as Exhibit E, to be submitted to the California Court

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for attorneys' and other professionals' fees and disbursement, interest, expenses and costs, penalties, controversies, trespasses, and any other form of relief or remedy in law or equity, or whatever kind or nature and however denominated, whether sealed or unsealed, in contract, tort, or otherwise, known or unknown, vested or contingent, suspected or unsuspected, anticipated or unanticipated, and asserted or unasserted, foreseen or unforeseen, including all direct or indirect liability (including, without limitation, vicarious liability) that the Government Entity Releasing Parties ever have asserted, could have asserted, or may assert in the future against the Verizon Released Parties, arising out of or in any way connected with the Covered Conduct as to the Verizon Released Parties, including but not limited to claims under the CFCA, or on theories of breach of contract, unjust enrichment, or unfair business practices. For the avoidance of doubt, the phrase "in any way connected with the Covered Conduct" includes without limitation any allegation, whether expressly asserted in the California Action or Nevada Action or not, that Verizon failed to comply with any provisions of the Contracts or Other Agreements that allegedly required Verizon to provide government customers purchasing wireless services from Verizon pursuant to those Contracts or Other Agreements with (i) rate plan optimization or optimization reports (e.g., rate plan analyses or price plan analyses), or (ii) wireless services at the lowest cost available (or similar obligations to charge each subscriber based on the lowest-cost rate plan for that subscriber's particular usage, as selected from the set of rate plans that were made available to the customer under the contract), thereby allegedly overcharging those government customers.

30. Release by Relator Releasing Parties. Relator, on behalf of itself, together with all of its current, former, and future affiliates, parents, members, subsidiaries and any entity owned or controlled by Relator, and their respective owners (including but not limited to Jeffrey

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in accordance with Paragraph 46 below after the Court enters the Approval Order. The Parties, through their counsel, have already submitted the Nevada Dismissal Motion to dismiss the Nevada Appeal, which motion has already been granted by the Nevada Supreme Court.

29. Release by Settling Government Entities. In consideration of the obligations of Verizon set forth in this Settlement Agreement, and conditioned upon Verizon's payment of the Settlement Amount as set forth below, the Settling Government Entities, on behalf of themselves, any and all of their current and former governing authorities, boards, commissions, officials, elected officials, officers, directors, managers, representatives, employees, contractors, administrators, departments, divisions, agencies, instrumentalities, fiduciaries, principals, agents, predecessors, successors and assigns, as well as the heirs, personal representatives, executors, administrators, predecessors, successors, and assigns of each of the foregoing, in each case past and present (the "Government Entity Releasing Parties"), release and forever discharge Verizon, together with all of its current and former affiliates, parents, members and subsidiaries, and their respective owners, shareholders, parents, members, subsidiaries, affiliates, divisions, officers, directors, employees, agents, partners, managers, representatives, and principals, and the heirs, personal representatives, executors, administrators, trustees, beneficiaries, predecessors, successors, subrogees and assigns (direct or indirect) of any of them, in each case past and present (the "Verizon Released Parties"), of and from any and all manner of claims, rights, actions, suits, grounds for complaint, causes of action, arbitrations, liens, debts, sums of money, demands, controversies, grievances, allegations, accusations, judgments, and liabilities of any kind or nature whatsoever, as well as all forms of relief, including all remedies, costs, losses, liabilities, damages (whenever incurred and of any kind whatsoever, including compensatory, statutory, liquidated, exemplary, or punitive damages), accounts, reckonings, bonds, bills, claims

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Smith), shareholders, parents, members, subsidiaries, affiliates, divisions, officers, directors, employees, agents, managers, representatives, and principals, and the heirs, personal representatives, executors, administrators, trustees, beneficiaries, predecessors, successors, subrogees and assigns (direct or indirect) of any of them, and any entity owned or controlled by Jeffrey Smith, in each case past, present, or future ("Relator Releasing Parties"),<sup>1</sup> release the Verizon Released Parties of and from any and all manner of claims, rights, actions, suits, grounds for complaint, causes of action, arbitrations, liens, debts, sums of money, demands, controversies, grievances, allegations, accusations, judgments, and liabilities of any kind or nature whatsoever, as well as all forms of relief, including all remedies, costs, losses, liabilities, damages (whenever incurred and of any kind whatsoever, including compensatory, statutory, liquidated, exemplary, or punitive damages), accounts, reckonings, bonds, bills, claims for attorneys' and other professionals' fees and disbursement, interest, expenses and costs, penalties, controversies, trespasses, and any other form of relief or remedy in law or equity, or whatever kind or nature and however denominated, whether sealed or unsealed, in contract, tort, or otherwise, known or unknown, vested or contingent, suspected or unsuspected, anticipated or unanticipated, and asserted or unasserted, foreseen or unforeseen, including all direct or indirect liability (including, without limitation, vicarious liability) that the Relator Releasing Parties ever have asserted, could have asserted, or may assert in the future against the Verizon Released Parties, arising out of, related to, or in any way connected with the Covered Conduct or in any way connected to any other provision of the Contracts, the Other Agreements (irrespective of whether such provision is connected with the Covered Conduct), or any other contract pursuant to which a California Government Entity named in the TAC or any prior Complaint or a Nevada

<sup>1</sup> Notwithstanding the above, "Relator Releasing Parties" does not include Richard Knudsen

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Intervenor named in the Nevada AC, the Nevada Complaint in Intervention, or any other prior Complaint, purchased wireless services, as to the Verizon Released Parties, including but not limited to claims under the CFCA, NFCA or any similar statute, or on theories of breach of contract, unjust enrichment, or unfair business practices. For purposes of this paragraph, "Contracts" includes that certain contract between Verizon and the Utah Division of Purchasing, #MA 152-1, having effective date of August 12, 2019, or any contract that incorporates terms of that contract by reference.

31. The releases set forth in Paragraph 29 above expressly does not include any release of the following:

- a) Claims not arising out of or in any way connected with the Covered Conduct as to the Verizon Released Parties, including any civil or administrative liability arising under state or municipal tax laws; any criminal liability; any civil or administrative liability that the Verizon Released Parties have or may have under any state or municipal statute, regulation, or rule not covered by the Settlement Agreement; any liability arising out of litigation pending as of the Execution Date, other than the California Action and the Nevada Action; any liability based on obligations created by this Settlement Agreement, and any liability for failure to deliver goods or services due, provided that any such liability does not arise out of or is not in any way connected with the Covered Conduct.
- b) Claims that the Settling Plaintiffs do not have the authority to release, including claims belonging to:
  - i) Non-Consenting Non-Intervenors, as that term is defined in Paragraph 43, except the specific claims Relator asserted on behalf

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liability (including, without limitation, vicarious liability) that the Verizon Releasing Parties ever have asserted, could have asserted, or may assert in the future against the Government Entity Releasing Parties and the Relator Releasing Parties, arising out of or in any way connected with the Covered Conduct or the California Action, the Nevada Action, and their investigation and prosecution thereof. The releases in this paragraph expressly do not encompass claims for amounts due on or for goods or services sold or provided.

33. The releases contained in paragraphs 29 and 32 above are general releases of claims arising out of or in any way connected with the Covered Conduct as to Verizon and the Parties intend and agree that each shall be interpreted, construed, and enforced as such. Without limiting the foregoing, the Parties, having been fully advised by counsel of the contents of Section 1542 of the Civil Code of the State of California, expressly waive and relinquish all rights and benefits afforded by Section 1542, and do so understanding and acknowledging the significance of such specific waiver of Section 1542. Section 1542 of the Civil Code of the State of California states as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Thus, notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and complete release of claims, each Party expressly acknowledges that this Settlement Agreement is intended to include in its effect, without limitation, all claims arising out of or in any way connected with the Covered Conduct as to Verizon that such Party does not know of or suspect to exist in such Party's favor at the time of signing this Settlement Agreement.

**Covenant Not to Sue, Covenant of Non-Commencement, and Other Actions**

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of the Non-Consenting Non-Intervenors under California Government Code section 12651(a) in the California Action pertaining to the Covered Conduct.

- ii) Claims by entities who are not parties to this Agreement, except the specific claims Relator asserted on behalf of the Non-Consenting Non-Intervenors under California Government Code section 12651(a) in the California Action pertaining to the Covered Conduct.

32. Release by Verizon. In consideration of the obligations of the Settling Plaintiffs set forth in this Settlement Agreement, and conditioned upon Settling Plaintiffs fulfilling their obligations in this Settlement Agreement, Verizon on behalf of itself and the Verizon Released Parties (the "Verizon Releasing Parties") fully and finally releases the Government Entity Releasing Parties and the Relator Releasing Parties of and from any and all manner of claims, rights, actions, suits, grounds for complaint, causes of action, arbitrations, liens, debts, sums of money, demands, controversies, grievances, allegations, accusations, judgments, and liabilities of any kind or nature whatsoever, as well as all forms of relief, including all remedies, costs, losses, liabilities, damages (whenever incurred and of any kind whatsoever, including compensatory, statutory, liquidated, exemplary, or punitive damages), accounts, reckonings, bonds, bills, claims for attorneys' and other professionals' fees and disbursement, interest, expenses and costs, penalties, controversies, trespasses, and any other form of relief or remedy in law or equity, or whatever kind or nature and however denominated, whether scaled or unscaled, in contract, tort, or otherwise, known or unknown, vested or contingent, suspected or unsuspected, anticipated or unanticipated, and asserted or unasserted, foreseen or unforeseen, including all direct or indirect

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34. Covenant Not to Sue. The Parties hereby covenant and agree that no Party will (i) pursue, assert, file, commence, pursue, intervene in, institute, maintain or prosecute any claim arising out of or in any way connected with the Covered Conduct as to Verizon or the Verizon Released Parties, including (but not limited to) by way of claim, third-party claim, crossclaim, or counterclaim, or by right of representation or subrogation, against any other Party; (ii) participate in the pursuit, assertion, filing, commencement, institution, intervention in, maintaining or prosecution of any claim arising out of or in any way connected with the Covered Conduct as to Verizon or the Verizon Released Parties against any other Party; and (iii) if involuntarily included in any claim arising out of or in any way connected with the Covered Conduct as to Verizon or the Verizon Released Parties (e.g., in a class action) will withdraw therefrom. For the avoidance of doubt, the phrase "in any way connected with the Covered Conduct" includes without limitation any allegation, whether expressly asserted in the California Action or Nevada Action or not, that Verizon failed to comply with any provisions of Contracts or Other Agreements that allegedly required Verizon to provide government customers purchasing wireless services from Verizon pursuant to those Other Agreements or Contracts with (i) rate plan optimization or optimization reports (e.g., rate plan analyses or price plan analyses), or (ii) wireless services at the lowest cost available (or similar obligations to charge each subscriber based on the lowest-cost rate plan for that subscriber's particular usage, as selected from the set of rate plans that were made available to the customer under the contract), thereby allegedly overcharging those government customers. Some of the Contracts and Other Agreements continue in force at the time of this settlement. The covenant in this paragraph also applies to any claim that Verizon failed to comply with any provisions of Contracts or Other Agreements that allegedly required Verizon to provide government customers purchasing wireless services

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from Verizon pursuant to those Other Agreements or Contracts with (i) rate plan optimization or optimization reports (e.g., rate plan analyses or price plan analyses), or (ii) wireless services at the lowest cost available (or similar obligations to charge each subscriber based on the lowest-cost rate plan for that subscriber's particular usage, as selected from the set of rate plans that were made available to the customer under the contract), thereby allegedly overcharging those government customers that may accrue in the future under the Contracts or Other Agreements. For the avoidance of doubt, this covenant is not limited to California, Nevada, or the states encompassed by the California Action and/or the Nevada Action, but extends to all jurisdictions anywhere in the United States or the world. As to Verizon, the covenant in this paragraph expressly does not encompass claims for amounts due on or for goods or services sold or provided.

35. **Relator's Covenant Not to Sue.** Relator, on behalf of itself and the Relator Releasing Parties, makes the same covenant and agreement described in the immediately preceding paragraph. Moreover, Relator and the Relator Releasing Parties extend this covenant and agreement to claims arising out of, related to, or in any way connected to the Covered Conduct, the Contracts, or the Other Agreements. For purposes of this paragraph, "Contracts" includes that certain contract between Verizon and the Utah Division of Purchasing, #MA 152-1, having effective date of August 12, 2019, or any contract that incorporates terms of that contract by reference.

36. **Relator's Non-Cooperation Covenant.**

a) **Covenant A.** Relator hereby covenants and agrees that Relator, the Relator Releasing Parties, Jeffrey Smith, any entity owned or controlled by Relator or Jeffrey Smith, and their attorneys (Constantine Cannon, Susman Godfrey, Joe Gensblea Law and

assertion, filing, commencement, institution, intervention in, maintaining or prosecution of any manner of claims, actions, investigation, suits, grounds for complaint, causes of action, arbitrations, demands, controversies, grievances, allegations, or accusations, in law or equity, or whatever kind or nature and however denominated, whether sealed or unsealed, in contract, tort, or otherwise, known or unknown, vested or contingent, suspected or unsuspected, anticipated or unanticipated, and asserted or unasserted, foreseen or unforeseen, arising out of, related to, or in any way connected with the Covered Conduct, the Contracts, or the Other Agreements (as those terms are defined in Paragraphs 24 and 25 as to Relator), as to Verizon or the Verizon Released Parties; provided however that this paragraph does not prevent Relator from complying with any order of a court compelling Relator or a Relator Releasing Party to participate in any such action. Notwithstanding the foregoing, nothing in this paragraph or Settlement Agreement shall (a) restrict Relator's counsel's (Constantine Cannon, Susman Godfrey, Joe Gensblea Law and Mediation, and the Law Offices of Matthew L. Sharp) right to practice law in contravention of the laws, ethics rules, or regulations of any jurisdiction or (b) covenant or agree to such a restriction. For purposes of this paragraph, "Contracts" includes that certain contract between Verizon and the Utah Division of Purchasing, #MA 152-1, having effective date of August 12, 2019, or any contract that incorporates terms of that contract by reference. For the avoidance of doubt, these covenants are not limited to California, Nevada, or the states encompassed by the California Action and/or the Nevada Action, but extends to all jurisdictions anywhere in the United States or the world.

Mediation, and the Law Offices of Matthew L. Sharp) (collectively, the "Relator Non-Cooperation Parties" or individually, a "Relator Non-Cooperation Party") will, on or before the Finalization Date, destroy all work product (including expert materials) developed for or used in connection with the California Action, the Nevada Action, or any Other Action or contemplated Other Action by Relator's attorneys or experts, and will cause any experts (disclosed or undisclosed) or consultants (disclosed or undisclosed) engaged in connection with any such action to destroy any such work product and confirm that it has done so as set forth in subsection (c) of this paragraph, below. Notwithstanding the immediately preceding sentence, Relator's undersigned counsel of record in the California Action and the Nevada Action may retain one copy of such work product (as defined above, including expert materials), for compliance purposes only; provided however that the Relator Non-Cooperation Parties (i) as of the Execution Date, shall not use or disclose such work product to any person or entity (including any Relator Releasing Party), unless required to do so by order of a court of competent jurisdiction; and (ii) as of the Execution Date, if any Relator Non-Cooperation Party receives a subpoena seeking the production of such work product, it shall object to such subpoena and shall assert the attorney-client privilege and the work product doctrine, and all other appropriate objections and privileges, and it shall also litigate those objections in court to the extent the objections are challenged by the party issuing the subpoena and litigation ensues. Relator further hereby covenants and agrees that the Relator Non-Cooperation Parties, beginning as of the Execution Date, take no action, except as required by law, to assist, cooperate, contribute to, promote, support, collaborate, or otherwise be involved in or further in any way the pursuit, investigation,

b) **Motions to Dismiss.** The Relator Non-Cooperation Parties shall move to dismiss with prejudice as to the Relator Non-Cooperation Parties any pending complaints, claims, actions, investigation, suits, causes of action, arbitrations, demands, allegations, or accusations, in law or equity, or whatever kind or nature and however denominated, filed or unfiled, sealed or unsealed, in which any Relator Non-Cooperation Party is a party or otherwise involved in any way, arising out of, related to, or in any way connected with the Covered Conduct, Other Agreements, or the Contracts, as to Verizon or the Verizon Released Parties, in any jurisdiction in any forum or court ("Other Actions"), or, if the Relator Non-Cooperation Parties are not permitted by law to dismiss an Other Action, confirms that the Relator Non-Cooperation Parties has taken all necessary steps to withdraw from the Other Action. For purposes of this paragraph, "Contracts" includes that certain contract between Verizon and the Utah Division of Purchasing, #MA 152-1, having effective date of August 12, 2019, or any contract that incorporates terms of that contract by reference.

c) **Certified Statement.** Within the date set forth below, Relator shall produce to Verizon a certified statement that (i) identifies all Other Actions or, if Relator is prohibited by law from disclosing the existence of an Other Action, certifies as much, and (ii) confirms that the Relator Non-Cooperation Parties have complied with subparagraphs (a) and (b) above. The parties acknowledge that the current COVID-19 lockdown may have caused some of the relevant court systems to restrict a Relator Non-Cooperation Party's ability to move to dismiss or move to withdraw from certain Other Actions. Therefore, the date by which Relator must produce this certified statement shall be: (1) for all Other Actions for which the relevant courts are accepting filings as of the

Finalization Date, Relator shall produce a certified statement to Verizon within 14 days of the Finalization Date; and (2) for all Other Actions for which the relevant courts are not accepting filings as of the Finalization Date, Relator shall produce a certified statement to Verizon within the later of the following: (i) 7 days of the relevant courts beginning to again accept filings, or (ii) 14 days of the Finalization Date.

17. The Relator Non-Cooperation Parties hereby represent that they have not assigned, sold, subrogated, pledged, loaned, hypothecated, conveyed, or otherwise transferred, voluntarily or involuntarily, and covenant and agree that they will not assign, subrogate, pledge, loan, hypothecate, convey, or otherwise transfer, voluntarily or involuntarily, any rights they may have in or to any claims, actions, investigations, suits, grounds for complaint, causes of action, arbitrations, demands, controversies, grievances, allegations, or accusations, in law or equity, or whatever kind or nature and however denominated, filed or unfiled, sealed or unsealed, in which any Relator Releasing Party is a party or otherwise involved in any way, arising out of, related to, or in any way connected with the Covered Conduct (as that term is defined in Paragraph 25 as to Relator), or the Contracts or the Other Agreements, as to Verizon or the Verizon Released Parties, in any jurisdiction in any forum or court.

18. Nothing in this Settlement Agreement prohibits Relator from providing Telecommunications Expense Management ("TEM") services to clients, including to clients purchasing from Verizon under WSCA Contracts, such services to include rate plan optimization and related services including, identifying optimal rate plan selections, communicating recommended plan changes to Verizon, auditing whether requested changes have been made and communicating with Verizon on behalf of clients to identify and obtain optimum rate plan selections. Relator and the Relator Releasing Parties may and shall not, in connection with these

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Complaint or a Nevada Intervenor named in the Nevada AC, the Nevada Complaint in Intervention, or any other prior Complaint, purchased wireless services.

Settlement Approval Notice to California Non-Intervenors and Judgment Procedures in the California Action

19. Relator shall obtain approval of this Settlement Agreement from all governing bodies of all of the California Intervenors and CSU.

40. Relator shall file a proposed Order on Process for Approval of Verizon and AT&T Settlements with the California Court, which is attached hereto as Exhibit B, which will set the process for obtaining approval of the Verizon and AT&T settlements by the California Court, the dates for objections and consents to be submitted by the California Non-Intervenors, and approves the notices to be sent to California Non-Intervenors, as may be augmented by the California Court (the "Approval Process Order").

41. At such time as is ordered by the California Court in the Approval Process Order, Relator shall file a motion with the California Court (the "Approval Motion") that (a) provides the Proposed Allocation, (b) states that the terms of the Settlement Agreement, including the Proposed Allocation, are appropriate under the allegations of the California Action, taking into account the best interests of the parties involved and the public purposes behind the CFCA, are fair, adequate and reasonable, and were reached in good faith; and (c) requests that the California Court enter an order (the "Approval Order"), substantially in the form attached as Exhibit D.

42. At such time as is ordered by the California Court in the Approval Process Order, Relator shall notify California Non-Intervenors of this Settlement Agreement, by sending a notice to each California Non-Intervenor, substantially in the forms included in Exhibits 1 and 2 to the Approval Process Order (as may be augmented by the California Court). These notices shall not be sent until at least one week following the date that the Relator files the Approval

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TEM services or otherwise: (a) advise or suggest to any of their clients or customers that the Contracts or Other Agreements require Verizon to provide its government customers purchasing wireless services from Verizon with optimization reports or similar reports (e.g., price plan analyses, rate plan analyses), or wireless services at the lowest cost available; (b) advise or suggest to any of their clients or customers that they are being or were overcharged by Verizon, under the Contracts or Other Agreements, because of any alleged failure by Verizon to provide optimization reports or similar reports (e.g., price plan analyses, rate plan analyses), or wireless services at the lowest cost available; or (c) advise or suggest to any of their clients or customers that they are entitled to credits or adjustments to payments made pursuant to the Contracts or Other Agreements, because of any alleged failure by Verizon to provide optimization reports or similar reports (e.g., price plan analyses, rate plan analyses), or wireless services at the lowest cost available; or (d) advise or suggest to any of their clients or customers that they have any claims or causes of action against Verizon related to any provisions of the Contracts or Other Agreements that refer to optimization reports or similar reports (e.g., price plan analyses, rate plan analyses), or wireless services at the lowest cost available, or (e) otherwise advise or suggest to any of their clients or customers that Verizon failed to comply with any provisions of the Contracts or Other Agreements that refer to optimization reports or similar reports (e.g., price plan analyses, rate plan analyses), or wireless services at the lowest cost available. For purposes of this paragraph: (1) "Contracts" includes that certain contract between Verizon and the Utah Division of Purchasing, #MA 152-1, having effective date of August 12, 2019, or any contract that incorporates terms of that contract by reference; and (2) "Other Agreements" includes any contract pursuant to which a California Government Entity named in the TAC or any prior

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Motion as set forth in paragraph 41 above. These notices are substantially the same as the notices which have already been approved by the California Court for use in settlements with other Defendants in the California Action (the "California Non-Intervenor Notice"). The California Non-Intervenor Notice shall explain that California Non-Intervenors to which funds are allocated in the Proposed Allocation, Exhibit A hereto, have the opportunity to consent to the terms of the Settlement Agreement by executing and returning a Consent and Release by Non-Intervenor Customers substantially in the form attached as Exhibit C hereto, by the date set by the California Court in the Approval Process Order. California Non-Intervenors who thereby choose to participate in the Settlement Agreement shall be referred to as "Consenting California Non-Intervenors." Relator and Verizon understand that the Office of the Attorney General of the State of California has requested that relevant departments, agencies, and other units of the State be given the opportunity to consent on an individual basis. Relator shall notify all units of the State of California eligible to receive a portion of the settlement payment to the extent the identities of such units are reasonably available, and provide each unit with the opportunity to consent on an individual basis by sending each unit the California Non-Intervenor Notice. If a unit of the State of California consents to this Agreement, then that unit shall be treated as a "Consenting Non-Intervenor," otherwise, it will be treated as a "Non-Consenting Non-Intervenor."

43. All other California Non-Intervenors are referred to as "Non-Consenting California Non-Intervenors." Any Non-Consenting California Non-Intervenor shall be entitled to receive only 90% of the share, if any, that was allocated to it in the Proposed California Allocation (the "Non-Consenting California Non-Intervenor Portion"). Any California Non-Intervenor that wishes to receive the full share allocated to it in the Proposed California

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Allocation must affirmatively consent to this Settlement Agreement as provided in Paragraphs 42. The remaining portion of the share, if any, that was allocated to the Non-Consenting California Non-Intervenor in the Proposed California Allocation shall be referred to as the "Non-Consenting California Non-Intervenor Remainder." Settling Plaintiffs shall distribute the Non-Consenting California Non-Intervenor Remainder to the California Intervenor, CSU, and the Consenting California Non-Intervenor to whom the Proposed California Allocation allocates a share (collectively, the "Settling California Government Entities"), in proportion to each Settling California Government Entity's Proposed Allocation of the total Proposed California Allocation for all Settling California Government Entities.

44. Any Non-Consenting California Non-Intervenor are not "Parties" as defined by and used in the Settlement Agreement. Any Non-Consenting California Non-Intervenor, any and all of their governing authorities, boards, commissions, officials, officers, directors, managers, representatives, employees, contractors, administrators, departments, divisions, agencies, instrumentalities, fiduciaries, accountants, auditors, consultants, insurers and reinsurers, principals, law firms, attorneys, brokers, vendors, partners, privies, agents, affiliates, predecessors, successors and assigns, as well as the heirs, personal representatives, executors, administrators, predecessors, successors, and assigns of each of the foregoing, in each case past and present are nonetheless bound by Relator's release of the Verizon Released Parties from the specific claims Relator asserted under Government Code section 12651(a) in the California Action, subject to approval by the California Court, pursuant to California Government Code Section 12652(c)(1). The Non-Consenting California Non-Intervenor are not otherwise bound by any of the terms of the Settlement Agreement, including specifically the other releases contained herein.

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#### Payment

49. Verizon shall pay the Settlement Amount to counsel for Relator no later than thirty (30) days after the later of: (1) the Finalization Date, or (2) the date that the Relator Non-Cooperation Parties comply with all requirements of paragraph 36(b) and (c), above. The "Finalization Date" shall be the date when the last of the following events occurs: a) the Execution Date; b) the date that each of the California Intervenor approves and executes the Settlement Agreement; c) the date of entry of the Stipulated Judgment by the California Court, if there has been no opposition or objection made to the California Court, or if any person or entity has objected to the entry of the Approval Order or Stipulated Judgment by the California Court, then (d) either (i) the date of the passage of the deadline under California Rule of Court 8.104(a) to file a notice of appeal or (ii) if any notice of appeal has been filed, the date of the final disposition of any such appeal, which disposition approves entry of the Approval Order and Stipulated Judgment.

50. Verizon shall make payment of the Settlement Amount by electronic funds transfer to Constantine Cannon LLP for deposit in account number 76-0223952-2 (bank routing number 226070403) of Constantine Cannon LLP. Constantine Cannon LLP shall provide Verizon with a properly completed and duly executed Form W-9 for that client trust account on or before the date the Approval Motion is filed.

51. As already stated, the allocation of the Settlement Amount is a matter that has been (and will be) handled separately by and among Plaintiffs without Verizon's involvement. Verizon was not consulted about the allocation of the Settlement Amount nor has it had any input into the allocation. For this reason, Verizon shall not be deemed to have endorsed or been responsible for any such allocation or the use of the proceeds by any ultimate recipient. As part of the Settlement Agreement, however, Verizon will not contest such allocation.

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45. At such time as is ordered by the California Court in the Approval Process Order, Relator shall supplement the Approval Motion by (a) identifying all Consenting California Non-Intervenor; (b) updating the Proposed Allocation to reflect the final shares allocated to each Settling Plaintiff and Non-Consenting California Non-Intervenor (the "Final Allocation"); and (c) stating that the terms of the Settlement Agreement, including the Final Allocation, are appropriate under the allegations of the California Action, taking into account the best interests of the parties involved and the public purposes behind the CFCA, are fair, adequate and reasonable, and were reached in good faith.

46. Verizon and Relator shall cooperate together to request from the California Court a date for the Approval Hearing, to be held as early as is reasonably convenient. At the Approval Hearing and thereafter, Verizon and Relator shall take any reasonable steps needed in order to enable the Court to enter the Approval Order and Stipulated Judgment. After the California Court enters an Approval Order consistent with the material terms of this settlement and Exhibit D, Plaintiffs shall execute and file the Stipulated Judgment in the form provided hereto as Exhibit E, and ask the California Court to enter it.

#### Dismissal of the Appeal of the Nevada Action

47. The Nevada Supreme Court has granted the joint motion of the Nevada Plaintiffs and Verizon to dismiss the appeal of the trial court's order dismissing all claims against Verizon. The Nevada Plaintiffs and Verizon agree that this dismissal of the appeal has ended the Nevada Action against Verizon.

48. The Nevada Plaintiffs represent that Relator and the Nevada Attorney General have entered into a separate side letter agreeing to the portion of the Settlement Amount that will be allocated to the Nevada Intervenor and agreeing to the Relator's share of that allocated amount.

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52. On the same day that Verizon pays the Settlement Amount, Verizon shall also pay to Relator's counsel \$23,450,000.00 ("Relator's Attorney's Fees Amount") in settlement of Relator's claims for reasonable attorneys' fees, costs, and expenses pursuant to Cal. Gov't Code § 12652(g)(8), Nev. Rev. Stat. § 357.180(1), and any other statute providing for recovery of attorneys' fees, costs, and expenses. The payment shall be made by electronic funds transfer to Constantine Cannon LLP for deposit in account number 76-0223952-2 (bank routing number 226070403) of Constantine Cannon LLP. Constantine Cannon LLP shall provide Verizon with a properly completed and duly executed Form W-9 for that client trust account on or before the date the Approval Motion is filed. The allocation of the Relator's Attorney's Fees Amount among Plaintiffs' counsel, and the allocation of the Attorneys' Fees Amount between work on the California Action and work on the Nevada Action, are matters that have been (and will be) handled separately by and among Plaintiffs' counsel without Verizon's involvement. Verizon was not consulted about the allocation of Relator's Attorney's Fees Amount among Plaintiffs' counsel nor has it had any input into the allocation. For this reason, Verizon shall not be responsible for and shall not be deemed to have endorsed any such allocation or the use of the proceeds by any ultimate recipient. Payment of the Relator's Attorney's Fees Amount constitutes payment in full by Verizon for any and all of Relator's attorney's fees and costs by Verizon in the California Action and the Nevada Action. Verizon shall not be liable for, and all Plaintiffs waive and release, any other claims for attorneys' fees or costs incurred or to be incurred relating to the claims of any Plaintiffs in any way connected with the Covered Conduct.

53. Under no circumstances shall Verizon be obligated as a result of this Settlement Agreement, the California Action, the Nevada Action, or any claim released herein to pay to

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Plaintiffs, or any of their counsel, by way of damages, penalties, fees, or otherwise, more than the Settlement Amount and the Relator's Attorneys' Fees Amount set forth.

**Additional Terms of Settlement**

34. Should the Intervenor's governing bodies decline to approve all material aspects of the Settlement Agreement, then Verizon and Plaintiffs shall meet and confer in good faith in an effort to negotiate a revised Settlement Agreement that is mutually acceptable to Verizon and Plaintiffs. If, after good faith meet and confer, the Parties are unable to negotiate a revised Settlement Agreement that is mutually acceptable to Verizon and Plaintiffs, Verizon, at its sole discretion, shall have the option of declaring the Settlement Agreement null and void by providing Plaintiffs written notice within five business days of any such decision, in which case Verizon shall have no obligation to pay the Settlement Amount or the Relator Attorneys Fees Amount, and the Parties shall return to their positions as of the date prior to this Settlement Agreement, the Parties shall proceed as if no settlement had been attempted, except as to any stay ordered in the case, and the Parties further agree to mutually consent to the adjournment of the May 20, 2020 trial date and make in good faith any necessary application to set a new trial date.

35. If the California Court makes rulings materially altering the terms of the Settlement Agreement, or if for any reason the California Court determines not to enter a final judgment consistent with the material terms of this Settlement Agreement, then Verizon and Plaintiffs shall meet and confer in good faith in an effort to negotiate a revised Settlement Agreement that is mutually acceptable to Verizon and Plaintiffs and consistent with the Court's rulings or guidance. If, after good faith meet and confer, the Parties are unable to negotiate a revised Settlement Agreement that is mutually acceptable to Verizon and Plaintiffs and consistent with the Court's rulings or guidance, Verizon or Plaintiffs may declare the Settlement

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California Action (the "Protective Order") which were produced by Plaintiffs to Verizon and/or which were produced by Verizon to Plaintiffs, the finalization and approval of this Settlement constitutes a final termination of the action between the Parties, and each Party will destroy or return to the producing party any Non-Retainable Materials (as defined in the Protective Order) in accordance with paragraph 9 of the Protective Order. The Parties further agree that they continue to be bound by the restrictions in the Protective Order, as provided in paragraph 9a of the Protective Order. Notwithstanding the foregoing, nothing in this paragraph shall impact, alter or limit the requirements of paragraph 36, above, or relieve the Relator Non-Cooperation Parties from any obligation set forth in paragraph 36.

39. The Parties agree that this Agreement is the result of a compromise within the provisions of California Evidence Code § 1152, and any similar statutes or rules, and shall not be used or admitted in any proceeding for any purpose including, but not limited to, as evidence of liability or wrongdoing by any of the Verizon Released Parties, nor shall it be used for impeachment purposes, to refresh recollection, or any other evidentiary purpose; provided, however, that this paragraph shall not apply to any claims to enforce any provision of this Agreement.

60. This Settlement Agreement is intended to be for the benefit of the Parties only.

61. Aside from the payment of the Relator's Attorneys' Fees Amount as set forth in Paragraph 52 above, each Party shall bear its own legal fees and other costs incurred in connection with this matter, including the preparation, performance, and enforcement of this Settlement Agreement.

62. This Settlement Agreement is enforceable regardless of its tax consequences. Each Parties make no representations regarding the Settlement Agreement's tax consequences. Each

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Agreement null and void by providing written notice within five business days of any such decision, in which case Verizon shall have no obligation to pay the Settlement Amount or the Relator Attorneys Fees Amount, and the Parties shall return to their positions as of the date prior to this Settlement Agreement, the shall proceed as if no settlement had been attempted, except as to any stay ordered in the case, and the Parties further agree to mutually consent to the adjournment of the May 20, 2020 trial date and make in good faith any necessary application to set a new trial date.

56. Should this Settlement Agreement for any reason not become final, all Parties reserve their rights to make all arguments and defenses whatsoever, including but not limited to challenges to the Relator's ability to proceed on behalf of any or all California Non-Intervenor and objections to any attempts to intervene in the litigation (past or future), and each Party agrees that it shall not assert that another Party has waived or is otherwise prevented from asserting any argument or defense by virtue of negotiating, entering, or seeking approval of this Settlement Agreement.

57. All Parties agree and hereby stipulate that the five-year period in California Code of Civil Procedure section 583.310, *et seq.*, has been extended and tolled during the time period beginning (1) on the date on which the Parties sought a discovery stay from the California Court and extending until (2) the date on which any Party informs the other Parties that (a) the Court has entered an order that either declines to approve all material aspects of the Settlement Agreement or materially alters the terms of the Settlement Agreement, and (b) the Party deems the five-year period to have recommenced.

58. The Parties agree that with respect to documents designated as containing Confidential or Highly Confidential Information pursuant to the Protective Order entered in the

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Party is solely responsible for any and all taxes, interest, and penalties due and owing, if any, should any monetary benefit described in this Settlement Agreement and/or any other documents related to this Settlement Agreement, be deemed as taxable.

63. Each Party and signatory to this Settlement Agreement represents that it freely and voluntarily enters into this Settlement Agreement with the benefit of legal counsel and without any degree of duress or compulsion.

64. All questions with respect to the construction or interpretation of the Settlement Agreement and the Parties' rights and liabilities as they relate to the California Action shall be governed by the laws of the State of California. This Settlement Agreement is enforceable pursuant to Section 664.6 of the California Code of Civil Procedure. The exclusive jurisdiction and venue for any dispute relating to this Settlement Agreement as it relates to the California Action is the Superior Court for the County of Sacramento. All questions with respect to the construction or interpretation of the Settlement Agreement and the Parties' rights and liabilities as they relate to the Nevada Action shall be governed by the laws of the State of Nevada. The exclusive jurisdiction and venue for any dispute relating to this Settlement Agreement as it relates to the Nevada Action is the Second Judicial District Court for the County of Washoe. This Settlement Agreement and any other document referenced herein or attached hereto is admissible solely in any action or proceeding to enforce the terms of this Settlement Agreement.

65. This Settlement Agreement is the result of arm's-length negotiation between the Parties, and all Parties, directly and through counsel, have contributed substantially and materially to its preparation. For purposes of confirming this Settlement Agreement, this Settlement Agreement shall be deemed to have been drafted by all Parties to this Settlement Agreement and shall not, therefore, be construed against any Party for that reason in any

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subsequent dispute, and the canon of contract interpretation set forth in California Civil Code Section 1634 as well as under any other statutes or common law principles of similar effect (both in California and in any foreign jurisdiction) shall not be applied.

66. This Settlement Agreement constitutes the complete agreement between the Parties with respect to resolution of the Covered Conduct and supersedes any and all other prior and contemporaneous oral or written agreements, communications, or representations.

67. This Settlement Agreement is executed without reliance upon any representations, understandings, or commitments, whether formal or informal, or oral or written, by any Party, except those representations made in this Settlement Agreement.

68. This Settlement Agreement may not be amended except by written consent of Verizon and Settling Plaintiffs.

69. The undersigned represent and warrant that they are fully authorized to execute this Settlement Agreement on behalf of the Parties so indicated by their signature.

70. This Settlement Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Settlement Agreement.

71. This Settlement Agreement is binding on the Parties' successors, transferees, heirs, and assigns.

72. Facsimiles or PDF copies of signatures shall constitute acceptable, binding signatures for purposes of this Settlement Agreement.

73. Each Party represents and warrants that:

a) it has the full legal authority, right, and capacity to enter into this Settlement Agreement and to bind the Party to perform its obligations hereunder,

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c) it has read and understands this Settlement Agreement and it has had the opportunity to consult with its attorney before signing it.

74. Each of the Parties hereto agrees to execute and deliver, or to cause to be executed and delivered, all such instruments, and to take all such action necessary to effectuate the intent and purposes of, and to carry out the terms of, this Settlement Agreement.

75. Any failure by any Party to insist upon the strict performance by any other Party of any of the provisions of this Settlement Agreement shall not be deemed a waiver of any of the provisions hereof, and such Party, notwithstanding such failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of this Settlement Agreement to be performed by such other Party. No waiver, express or implied, by any Party of any breach or default in the performance by the other Party of its obligations under this Settlement Agreement shall be deemed or construed to be a waiver of any other breach, whether prior, subsequent or contemporaneous, under this Settlement Agreement.

76. All of the exhibits attached to this Settlement Agreement are material and integral parts hereof and are hereby incorporated by reference as if fully set forth herein.

77. The Parties and their respective counsel agree to cooperate fully with one another in order to effect the consummation of the settlement of the California Action and the Nevada Action.

78. Any notices required under this Settlement Agreement shall be provided by e-mail and U.S. mail, as follows:

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including any third-party authorization necessary to release the claims being released hereunder.

b) this Settlement Agreement has been duly and validly executed and delivered by such Party and, assuming due authorization, execution and delivery by the other Parties, constitutes a legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms;

c) the execution and delivery of this Settlement Agreement, the performance by such Party of its obligations hereunder, and the consummation of the transactions contemplated hereby, will not: (i) result in the violation by such Party of any statute, law, rule, regulation, or ordinance or any judgment, decree, order, writ, permit, or license of any governmental or regulatory authority applicable to such Party; or (ii) require such Party to obtain any consent, approval or action of any person, which consent, approval, or action has not already been obtained or accomplished by such Party;

d) it has not assigned, conveyed, or transferred, voluntarily or involuntarily, any claims based on the Covered Conduct, or any interest in or part or portion thereof, specifically including any rights arising out of claims related to the Covered Conduct, to any other person or entity. Relator has signed agreements in which he has agreed to transfer a portion of Relator's recovery from the California Action and Nevada Action (i.e., the relator's share) to others (e.g., Constantine Cannon), but those agreements do not give the other parties (a) any rights to the claims themselves, (b) any right or power to prevent Relator from dismissing the claims, or (c) any right or power to prevent Relator from making and adhering to the covenants, representations, and other agreements that Relator has made in this Agreement. And,

34

**To Plaintiff:**

William Christopher Carmody  
wccarmody@susmanandfrey.com  
Arun Subramanian  
asubramanian@susmanandfrey.com  
Amanda K. Bonn  
abonn@susmanandfrey.com  
Steven Shepard  
sshpcarl@susmanandfrey.com  
Susman Godfrey LLP  
1301 Ave. of the Americas, Fl. 32  
New York, NY 10019

Wayne T. Lamprey  
wlamprey@constantinecannon.com  
Anne Hayes Hartman  
ahartman@constantinecannon.com  
Ari Yampolsky  
ayampolsky@constantinecannon.com  
Constantine Cannon LLP  
150 California Street, Suite 1600  
San Francisco, California 94111

**To Verizon:**

Mathew S. Rosengart  
mrosengart@gtlaw.com  
Eric D. Wong  
ewong@gtlaw.com  
Greenberg Traurig, LLP  
1840 Century Park E #1900  
Los Angeles, CA 90067

[SIGNATURE PAGES FOLLOW BEGINNING ON NEXT PAGE]

36

**SIGNATURES**

**APPROVED AS TO FORM AND CONTENT:**

Dated: June 10, 2020

**GREENBERG TRAURIG, LLP**

By: [Signature]  
/s/ Mathew S. Rosengart  
Mathew S. Rosengart  
Attorney for Verizon

**AGREED:**

Dated: June 9, 2020

**CELCO PARTNERSHIP**

By: [Signature]  
Craig Sijman  
Executive Vice President and Chief  
Administrative, Legal and Public Policy  
Officer - Verizon  
(on behalf of Celco Partnership)

**APPROVED AS TO FORM AND CONTENT AND AGREED AS TO PARAGRAPH 36:**

Dated: June 10, 2020

**CONSTANTINE CANNON LLP**

By: [Signature]  
Wayne T. Lengua  
Attorney for Relator, on behalf of itself and the  
California Non-Intervenor, and for the  
California Intervenor

Dated: June 11, 2020

**SUSMAN GODFREY LLP**

By: [Signature]  
William Christopher Carmody  
Attorney for Relator, on behalf of itself and the  
California Non-Intervenor, and for the California  
Intervenor

**AGREED:**

Dated: June 10, 2020

**ONTHEGO WIRELESS, LLC**

By: [Signature]  
Jeffrey Smith  
Its Managing Member

**SIGNATURE PAGE FOR CALIFORNIA INTERVENORS - VERIZON SETTLEMENT AGREEMENT**

Dated:

\_\_\_\_\_  
Signature  
\_\_\_\_\_  
Print Name  
\_\_\_\_\_  
Title  
On behalf of:  
\_\_\_\_\_  
Intervenor Name

**SIGNATURE PAGE FOR NEVADA PLAINTIFFS - VERIZON SETTLEMENT AGREEMENT**

Dated: June 11, 2020

[Signature]  
Signature  
Gregory L. Zunino  
Print Name  
Deputy Solicitor General  
Title

On behalf of the State of Nevada and its  
Political Subdivisions





**EXHIBIT B**

**ORDER ON PROCESS FOR APPROVAL**

[TK NOTE. TO BE UPDATED WITH WHATEVER ENDS UP BEING FILED]

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

On behalf of \_\_\_\_\_

Non-Intervenor Name

**EXHIBIT C**

**CONSENT AND RELEASE BY CALIFORNIA NON-INTERVENOR**

1. The undersigned has received and reviewed a copy of the Settlement and Release Agreement executed by and between Defendant Celco Partnership d/b/a Verizon Wireless ("Verizon"), Relator OnTheGo Wireless, LLC, and the political subdivisions that intervened in *State of California ex rel. OnTheGo Wireless, LLC v. Celco Partnership d/b/a Verizon Wireless, et al.*, Case No. 34-2012-00127517, which is pending in the Superior Court for Sacramento County ("Settlement Agreement"), and the Notice of Proposed Settlement.
2. The undersigned hereby represents and warrants that he or she is fully authorized to provide binding consent on behalf of the Non-Intervenor identified below.
3. By signing below and returning this document to Plaintiffs' counsel pursuant to the terms of and by the deadline set forth in the Notice, the identified Non-Intervenor hereby agrees to be bound by the terms of the Settlement Agreement, including specifically the releases contained therein, and to be treated as a Party to the Settlement Agreement for all applicable purposes.

**EXHIBIT D**

**APPROVAL ORDER (CALIFORNIA ACTION)**

Test for Proposed Order for Approval of Settlement with Defendant Verizon

The Plaintiffs' Motion for Approval of Settlement with Defendant Verizon ("Motion") came on for noticed hearing before the Honorable Judy Holzer Hersher, presiding, on the date and time set forth above. Appearances are reflected on the record.

Due and adequate notice having been given of the motion, and the Court having considered the moving papers, including all points and authorities and evidence submitted therewith, and any opposition or objections to the Motion, and the arguments of counsel at hearing, and all other matters properly presented to the Court in relation thereto, and good cause appearing therefore, IT IS HEREBY ORDERED THAT:

1. The Court finds that the Settlement is fair, reasonable, in the best interests of the parties involved, and in furtherance of the public purposes behind the California False Claims Act, California Government Code sections 12650 et seq ("CFCA").
2. The Court finds that the Non-Intervenor Customers identified as Consenting Non-Intervenor on Exhibit A hereto have consented to the settlement and are deemed parties to the Settlement Agreement for all purposes.
3. The release provisions of the Settlement are fair and reasonable.
4. The proposed pro rata settlement allocation among the California Plaintiffs based on the Final Allocation set forth on Exhibit A hereto is fair and reasonable.
5. The Court approves a 25% allocation to Relator from the Intervenor's gross settlement allocation.
6. The Court approves a TK% allocation to Relator from the Non-Intervenor's gross settlement allocation.

EXHIBIT E

STIPULATED JUDGMENT (CALIFORNIA ACTION)

Whereas, Plaintiffs reached a settlement with Defendant Celco Partnership d/b/a Verizon Wireless ("Verizon"), which settlement was subject to approval by this Court and the satisfaction of conditions agreed to by the Settling Parties;

Whereas, on \_\_\_\_\_ the Court entered the Approval Order approving the settlement between Plaintiffs and Verizon on the terms and conditions set forth therein, and,

Whereas, all conditions for submission of this stipulated judgment have now occurred. Now, therefore, the Settling Parties stipulate and agree that pursuant to California Government Code section 12652(c)(1), all claims in the California Action against Verizon are hereby DISMISSED in their entirety WITH PREJUDICE, but that the court retain jurisdiction to enforce the terms of the Settlement Agreement and Stipulated Judgment.

[PROPOSED] ORDER

The court, having reviewed the above stipulation of the parties, and being familiar with the record of this case, dismisses this action as to Defendant Celco Partnership d/b/a Verizon Wireless ("Verizon") with prejudice. However pursuant to Code of Civil Procedure § 664.6 and any other relevant statutory provisions, and the parties' above stipulation and Settlement Agreement and Stipulated Judgment, this court retains jurisdiction over this case and over the parties personally for such further orders, hearings and other proceedings as may be appropriate to enforce the terms of the parties' Settlement Agreement and Stipulated Judgment.

Exhibit B

Non-Intervenor Customer Notice (Verizon Settlement)

Notice of settlement with defendant Celco Partnership d/b/a Verizon Wireless, and distribution of settlement proceeds in State of California ex rel. OnTheGo Wireless, LLC v. Celco Partnership d/b/a Verizon Wireless, et al., Case No. 34-2012-00127517 (Sacramento Superior Court)

Dear Sir or Madam,

You are receiving this letter because [ENTITY] is a non-intervening real party in interest ("Non-Intervenor") in State of California ex rel. OnTheGo Wireless, LLC v. Celco Partnership d/b/a Verizon Wireless, et al., Case No. 34-2012-00127517, which is pending in the Superior Court for Sacramento County. Defendant Celco Partnership d/b/a Verizon Wireless ("Verizon") and Plaintiffs have entered into a Settlement Agreement in the case, and [ENTITY] has been identified as a party that will receive a share of the Verizon settlement payment.

The lawsuit

The lawsuit was filed by Relator OnTheGo Wireless, LLC on July 5, 2012, pursuant to the California False Claims Act ("CFCA"), on behalf of real parties in interest the State of California and political subdivisions identified therein. The lawsuit, which named several defendants, including Verizon, generally alleged that Defendants failed to comply with the terms of cooperative purchasing agreements the Western States Contracting Alliance ("WSCA") awarded to Defendants to provide wireless equipment and services to California government entities. As relevant here, Plaintiffs allege the WSCA agreements, and other agreements related to them, required Verizon to provide its California government customers purchasing wireless services pursuant to those agreements with "rate plan optimization reports" and wireless services at the lowest cost available. Verizon's alleged failure to comply with these provisions resulted in overcharges to those California government customers. Verizon disputes and denies all of the Relator's allegations and maintains that it complied in full with the WSCA agreements.

The settlement

The parties have agreed to settle this case with respect to Verizon. Copies of documents filed with the Court in support of the settlement, which include the Settlement Agreement and the Court's order approving this notice procedure, are included herewith. Copies of these documents may also be downloaded at: <http://constantinnecommsonline.com/Non-Intervenor>

To receive the full amount of the share allocated to a Non-Intervenor in the Proposed Allocation, if any, the Non-Intervenor must execute the Consent Page provided in the Addendum and return the executed Consent Page to Plaintiffs' counsel by September 17, 2020. By doing so, a Non-Intervenor affirmatively consents to the terms of the Settlement Agreement, including the general release contained therein. Original signatures are not required.

The executed Consent Page may be returned to Plaintiffs' counsel by PDF to:

E-mail to: [WirelessOptIn@constantinnecommson.com](mailto:WirelessOptIn@constantinnecommson.com)

You will receive a reply confirming receipt of the Consent Page. Please use this address for the submission of Consent Pages only. Contact information for any questions is below.

If a Non-Intervenor does not execute the Consent Page, and therefore does not agree to be bound by the Terms of the Settlement Agreement, then the Non-Intervenor will receive only 50% of the amount allocated to it in the Proposed Allocation.

In addition, Plaintiffs will apply to the Court for a Relator's share pursuant to California Government Code section 12652(g)(3) and attorney fees pursuant to California Government Code section 12652(g)(8). As set forth in the Motion for Approval and the Proposed Allocation, Plaintiffs are requesting a Relator's share of 43% with respect to any amounts allocated to Non-Intervenor, and have entered into a Settlement Agreement with Verizon to receive attorney's fees.

Hearing

The Court has set a hearing for final approval of the Settlement Agreement for September 24, 2020, at 11:00am in Department 92 or 96 of the Sacramento Superior Court, located at 9405 Kiefer Boulevard, Sacramento, California. The purpose of the hearing is to determine whether the terms of the Settlement Agreement—including but not limited to the dismissal of the California Action with prejudice as to Verizon, the releases, and the Proposed Allocation among the Parties, Relator, and Plaintiffs' counsel—are in all respects fair, adequate, and reasonable, and in the best interests of the parties involved, serve the public purposes behind the CFCA, and should be finally approved.

In the event that it becomes necessary to postpone this hearing, then Relator's counsel will, within 5 calendar days of the Court's postponement order: (a) serve the order on you by mail, and (b) make the order available on the website: <http://constantinnecommsonline.com/Non-Intervenor>

Similarly, in the event that it becomes necessary to disallow in-person appearances at the hearing, then within 5 calendar days of the Court's order requiring any attendance at the hearing to be remote/telephonic rather than in-person, Relator's counsel will (a) serve the order on you by mail, and (b) make the order available on the website. Such service shall include an updated notice that contains meeting identification number(s) and login information, if any, that are necessary for remote attendance.

How to object

The Court has ordered that any Non-Intervenor who objects to the approval of the proposed settlement may appear at the Hearing to show cause why the proposed settlement should not be approved. Pursuant to the Court's order, objections to the settlement shall be heard, and any papers or briefs submitted in support of said objections shall be considered by the Court.

Any Non-Intervenor wishing to make an objection is requested to file written notice of its intention to object, together with supporting papers stating specifically the factual basis and legal grounds of the objection, and to serve copies thereof upon counsel for Plaintiffs and Verizon, on or before September 17, 2020.



1 **Additional information**

2 If you have any questions about this notification and settlement payment, or the terms of the  
3 Settlement Agreement, please contact.

4 Anne Hartman  
5 Constantine Cannon LLP  
6 150 California Street, Suite 1600  
7 San Francisco, CA 94111

8 Telephone: (415) 766-3532

9 E-mail: [ahartman@constantinecannon.com](mailto:ahartman@constantinecannon.com)

10 If the recipient of this letter is not an attorney who represents [ENTITY] in civil legal proceedings,  
11 you may want to consult with such counsel.

12 Sincerely,

13 \_\_\_\_\_  
14 Wayne T. Lamprey  
15 Anne Hayes Hartman  
16 Ari M. Yampolsky  
17 CONSTANTINE CANNON LLP  
18 150 California Street, Suite 1600  
19 San Francisco, CA 94111  
20 Telephone: (415) 639-4001  
21 Facsimile: (415) 639-4002

# Exhibit C

1 **Non-Intervenor Non-Customer Notice (Verizon Settlement)**

2 **Dear Sir or Madam,**

3 You are receiving this letter because [ENTITY] is a non-intervening real party in interest ("Non-  
4 Intervenor") in *State of California ex rel. OnTheGo Wireless, LLC v. Celco Partnership d/b/a*  
5 *Verizon Wireless, et al.*, Case No. 34-2012-00127517, which is pending in the Superior Court for  
6 Sacramento County. Defendant Celco Partnership d/b/a Verizon Wireless ("Verizon") and  
7 Plaintiffs have entered into a Settlement Agreement in the case.

8 [ENTITY] has been identified as a party that did not make purchases from Verizon under the  
9 contracts at issue in the case during the relevant time period, and therefore will not receive a share  
10 of the Verizon settlement payment. No further action is required from you at this time. However,  
11 if you would like more information about the settlement, or if you would like to object to the  
12 settlement:

13 **Download files regarding settlement**

14 Copies of documents filed with the Court in support of the settlement, which include the  
15 Settlement Agreement and the Court's order approving this notice procedure, may be downloaded  
16 at: <https://constantinecannon.biz.com/Non-Intervenor>. In addition, you may contact counsel  
17 identified below to obtain the documents.

18 **Hearing**

19 The Court has set a hearing for final approval of the Settlement Agreement for September 24,  
20 2020, at 11:00am in Department 92 or 96 of the Sacramento Superior Court, located at 9605  
21 Kiefer Boulevard, Sacramento, California. The purpose of the hearing is to determine whether the  
22 terms of the Settlement Agreement—including but not limited to the dismissal of the California  
23 Action with prejudice as to Verizon, the releases, and the Proposed Allocation among the Parties,  
24 Relator, and Plaintiffs' counsel—are in all respects fair, adequate, and reasonable, and in the best  
25 interests of the parties involved, serve the public purposes behind the CFCA, and should be finally  
26 approved.

27 In the event that it becomes necessary to postpone this hearing, then Relator's counsel will, within  
28 5 calendar days of the Court's postponement order, (a) serve the order on you by mail, and (b)  
make the order available on the website: <https://constantinecannon.biz.com/Non-Intervenor>

Similarly, in the event that it becomes necessary to disallow in-person appearances at the hearing,  
then within 5 calendar days of the Court's order requiring any attendance at the hearing to be  
remote/telephonic rather than in-person, Relator's counsel will (a) serve the order on you by mail,  
and (b) make the order available on the website. Such service shall include an updated notice that  
contains meeting identification number(s) and login information, if any, that are necessary for  
remote attendance.

1 **How to object**

2 The Court has ordered that any Non-Intervenor who objects to the approval of the proposed  
3 settlement may appear at the Hearing to show cause why the proposed settlement should not be  
4 approved. Pursuant to the Court's order, objections to the settlement shall be heard, and any  
5 papers or briefs submitted in support of said objections shall be considered by the Court.

6 Any Non-Intervenor wishing to make an objection is requested to file written notice of its  
7 intention to object, together with supporting papers stating specifically the factual basis and legal  
8 grounds of the objection, and to serve copies thereof upon counsel for Plaintiffs and Verizon, on  
9 or before September 17, 2020.

10 **Additional information**

11 If you have any questions about this notification, or the terms of the settlement agreement, you  
12 may contact counsel for the Relators and Intervenor:

13 Anne Hartman  
14 Constantine Cannon LLP  
15 150 California Street, Suite 1600  
16 San Francisco, CA 94111

17 Telephone: (415) 766-3532

18 E-mail: [ahartman@constantinecannon.com](mailto:ahartman@constantinecannon.com)

19 If the recipient of this letter is not an attorney who represents [ENTITY] in civil legal proceedings,  
20 you may want to consult with such counsel.

21 Sincerely,

22 \_\_\_\_\_  
23 Wayne T. Lamprey  
24 Anne Hayes Hartman  
25 Ari M. Yampolsky  
26 CONSTANTINE CANNON LLP  
27 150 California Street, Suite 1600  
28 San Francisco, CA 94111  
Telephone: (415) 639-4001  
Facsimile: (415) 639-4002

# Exhibit D

EXECUTION VERSION – MAY 22, 2020

## SETTLEMENT AND RELEASE AGREEMENT (AT&T – CALIFORNIA)

This Settlement and Release Agreement (“Settlement Agreement”) is entered into by and between, on the one hand, the Regents of the University of California, City of Chino, City of Corona, City of Fontana, City of Fresno, City of Long Beach, City of Oxnard, City of Rancho Cucamonga, City of Ripon, City of Riverside, City of Sacramento, City of San Bernardino, City of San Mateo, City of Santa Rosa, City of Vernon, Los Angeles County, Marin County, Orange County, Riverside County, Sacramento County, San Bernardino County, Santa Cruz County, Sonoma County, Stanislaus County, Yuba County, Santa Ana Unified School District, Sonoma County Water Agency, Woodbridge Fire District (collectively, the “Intervenor”), the Board of Trustees of the California State University (“CSU”), and Relator (defined as OnTheGo Wireless LLC (“OnTheGo”), Jeffrey Smith, any current principal/employee of OnTheGo, and any entity that OnTheGo or Jeffrey Smith controls), on its own behalf and on behalf of the “Non-Intervenor,” defined to mean the State of California, the government entities listed in Exhibit A as Non-Intervening Real Party in Interest Political Subdivision Government Plaintiffs, and those Political Subdivisions that initially intervened and subsequently withdrew, including Madera County, (the Relator, CSU, and the Intervenor, collectively, “Plaintiffs”), and, on the other hand, New Cingular Wireless National Accounts, LLC d/b/a Cingular Wireless, now known as AT&T Mobility National Accounts LLC (“AT&T”), through their authorized representatives

## RECITALS

1. AT&T is a Delaware limited liability company with its principal place of business in Dallas, Texas. AT&T provides wireless services and equipment.
2. On July 5, 2012, Relator filed under seal a *qui tam* action in the Superior Court for Sacramento County, captioned *State of California ex rel. OnTheGo Wireless, LLC v. Ctelco*

1

EXECUTION VERSION – MAY 22, 2020

Partnership d/b/a Verizon Wireless, et al., Case No. 34-2012-00127517 (the “California Action”), pursuant to the California False Claims Act (“CFCA”), on behalf of real parties in interest the State of California and political subdivisions identified therein (the “Government Entities”) naming as defendants Ctelco Partnership d/b/a Verizon Wireless, a Delaware general partnership; Nextel of California, Inc. d/b/a Sprint Nextel and Nextel Communications, a Delaware corporation; Sprint Solutions, Inc., a Delaware corporation; New Cingular Wireless National Accounts, LLC, d/b/a Cingular Wireless s/k/a AT&T Mobility National Accounts, LLC, a Delaware limited liability company; T-Mobile USA, Inc., and Does 1-50 (collectively, “Defendants”).

3. Pursuant to the CFCA, following receipt of the original complaint, the California Attorney General was required to provide a copy of Relator’s original complaint to the political subdivisions identified therein. All Government Entities have had an opportunity to intervene.

4. The California Action was unsealed in December 2015. The Second Amended Complaint and Complaint in Intervention was filed on May 6, 2016. A Third Amended Complaint (“TAC”) was filed on June 28, 2019.

5. The TAC claims are based in part upon certain contracts, as follows: On or about August 31, 2006, the Western States Contracting Alliance (“WSCA”), acting by and through the State of Nevada, awarded AT&T Contract #1523, and on or about April 9, 2012, WSCA, acting by and through the State of Nevada, awarded AT&T Contract #1907 (collectively, the “WSCA Contracts”), both for the purchase of wireless equipment and services. The State of California and AT&T executed Participating Addenda to the WSCA Contracts, Master Price Contracts #7-06-70-01 and #7-11-70-17 (the “California Participating Addenda”), which incorporated the terms of the WSCA Contracts and (at times) California DGS RFO 1070.

2

EXECUTION VERSION – MAY 22, 2020

6. The TAC alleges in relevant part that AT&T failed to comply with the WSCA Contracts and the California Participating Addenda. Plaintiffs allege that provisions of these contracts required AT&T to provide its government customers under those agreements with “rate plan optimization reports” and with wireless services at the lowest cost available. Plaintiffs further claim that AT&T did not comply with those provisions, thereby allegedly overcharging those government customers. Finally, Plaintiffs allege that the WSCA Contracts described above required AT&T to preserve certain data and documents, which AT&T supposedly failed to do.

7. The term “Covered Conduct,” as used in this Settlement Agreement, includes all allegations in the California Action (in the TAC or any prior Complaint) relating to AT&T, including but not limited to, (1) AT&T’s alleged failure to comply with the WSCA Contracts, participating addenda thereto, and California’s related Request for Offer DGS-1070, with respect to provisions that Plaintiffs allege required AT&T to provide government customers purchasing wireless services from AT&T pursuant to those agreements with “optimization reports” and wireless services at the “lowest cost available,” thereby allegedly overcharging those government customers; and (2) AT&T’s alleged failure to comply with provisions of the WSCA Contracts that Plaintiffs allege required AT&T to maintain certain records identified in the TAC or any prior Complaint.

8. The TAC pleads claims by a) Intervenor for violations of the CFCA, for unfair business practices under California Business & Professions Code §§ 17200 et seq., for breach of written contract, and for unjust enrichment; b) CSU for unfair business practices under California Business & Professions Code §§ 17200 et seq., for breach of written contract, and for unjust enrichment; c) Relator, pursuant to the provisions of Cal. Government Code § 12652(c)(1), for violations of the CFCA on behalf of itself and Non-Intervenor. Plaintiffs seek damages, treble

3

damages, civil monetary penalties, restitution, injunctive relief, attorneys' fees and costs, and a relator's share pursuant to Cal. Gov. Code § 12652(g).

9. On November 12, 2012, Relator filed under seal a *qui tam* action, *State of Nevada ex rel. OnTheGo Wireless LLC v. Celco Partnership et al.*, Case No. CV 12-01003, in Nevada District Court, County of Washoe (the "Nevada Action"), on behalf of the State of Nevada and certain of its political subdivisions, the State of Hawaii and the counties of Oahu, Maui, Hawaii, and Kauai, the State of Iowa, the State of Montana and certain of its political subdivisions, and the State of New Mexico, pursuant to the false claims acts of each of those jurisdictions, naming as defendants Celco Partnership d/b/a Verizon Wireless, a Delaware general partnership; Sprint Solutions, Inc., a Delaware corporation; New Cingular Wireless National Accounts, LLC, d/b/a Cingular Wireless n/k/a AT&T Mobility National Accounts, LLC, a Delaware limited liability company; and T-Mobile USA, a Delaware corporation. The State of Nevada subsequently intervened in that action on behalf of itself and its subdivisions, and the State of Nevada and Relator (the "Nevada Plaintiffs") are the current Plaintiffs in the Nevada action.

10. This Settlement Agreement is not an admission of liability or wrongdoing by AT&T. AT&T denies all Plaintiffs' allegations, including, but not limited to, those contained in the California Action and the Nevada Action.

11. This Settlement Agreement resulted from good faith, arm's-length settlement negotiations, including multiple mediation sessions and subsequent discussions with the Honorable Gary Foess and the Honorable Layn Phillips.

12. The Parties understand, acknowledge, and agree that the execution of this Settlement Agreement constitutes the settlement and compromise of disputed claims. This

or been responsible for any allocation proposed therein or the use of the proceeds by any ultimate recipient. As part of the Settlement Agreement, AT&T will not contest the Proposed Allocation or any part of it.

**TERMS AND CONDITIONS**

**Settlement Amount, Release, and Dismissal with Prejudice**

20. The Parties and the Nevada Plaintiffs have agreed to settle both the California Action and the Nevada Action for one total payment of \$51,000,000 (the "Settlement Funds"), plus a separate payment for attorneys' fees of \$13,000,000, according to the terms and conditions set forth herein and in the concurrent settlement agreement concerning the Nevada Action. The allocation of Settlement Funds between the California Action and the Nevada Action is a matter that has been (and will be) handled separately by and among Settling Plaintiffs and the Nevada Plaintiffs without AT&T's involvement. AT&T was not and will not be consulted about the allocation of the Settlement Funds nor has it had any input into the allocation. For this reason, AT&T shall not be deemed to have endorsed or been responsible for any such allocation or the use of the proceeds by any ultimate recipient. As part of this Settlement Agreement, however, AT&T will not contest such allocation. As used in this Agreement, the "Settlement Amount" refers to the portion of any Settlement Funds allocated to Settling Plaintiffs, which has been determined to be \$47,904,307.

21. In exchange for and in consideration of AT&T's agreement to pay the Settlement Amount, the Settling Plaintiffs agree to dismiss their claims in the California Action against AT&T with prejudice as set forth herein. It is the Parties' intention and a condition of this Settlement Agreement that all claims of the Settling Plaintiffs against AT&T in the California Action be dismissed with prejudice. The Parties, through their counsel, shall execute a Judgment

Settlement Agreement is inadmissible as evidence against any Party except to enforce the terms of the Settlement Agreement.

13. To avoid the delay, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as set forth herein.

**DEFINITIONS**

14. "Settling Government Entities" means Intervenor, CSU, and the Consenting Non-Intervenor, as that term is defined in Paragraph 29 below.

15. "Settling Plaintiffs" means the Settling Government Entities and Relator.

16. "Parties" means Settling Plaintiffs and AT&T.

17. "Court" means the Superior Court of Sacramento County.

18. "Effective Date" means the day that this document was executed by the counsel identified below, provided, however, that the Settlement Agreement shall not become effective unless and until: a) the Finalization Date, as that term is defined in Paragraph 35; and b) the Settlement Amount, as that term is defined in Paragraph 20, is released on the Distribution Date, as that term is defined in Paragraph 36.

19. The "Proposed Allocation," attached hereto as Exhibit A, sets forth the shares of the Settlement Amount that Settling Plaintiffs propose to allocate to Intervenor, Non-Intervenor, Relator, and Plaintiffs' counsel, and will be submitted to the Court in support of this Settlement Agreement. To the extent that Exhibit A includes revenue figures for AT&T, it (and any other documents containing AT&T's revenue data) shall be filed under seal with the Court. The Proposed Allocation is a matter that has been (and will be) handled separately by and among Settling Plaintiffs without AT&T's involvement. AT&T shall not be deemed to have endorsed

by Stipulation ("Stipulated Judgment") in the form attached as Exhibit D, to be submitted to the Court following Final Approval of this settlement as set forth below.

22. In consideration of the obligations of AT&T set forth in this Settlement Agreement, and conditioned upon AT&T's payment of the Settlement Amount, the Settling Government Entities, on behalf of themselves, any and all of their governing authorities, boards, commissions, officials, officers, directors, managers, representatives, employees, contractors, administrators, departments, divisions, agencies, instrumentalities, fiduciaries, accountants, auditors, consultants, insurers and reinsurers, principals, law firms, attorneys, brokers, vendors, partners, privies, agents, predecessors, successors and assigns, as well as the heirs, personal representatives, executors, administrators, and predecessors of each of the foregoing, in each case past and present, and each of their successors and assigns (the "Government Entity Releasing Parties"), release AT&T, together with all of its current and former affiliates, parents, members and subsidiaries, and their respective current or former owners, shareholders, parents, members, subsidiaries, affiliates, divisions, officers, directors, employees, contractors, administrators, brokers, vendors, partners, privies, agents, managers, representatives, fiduciaries, accountants, auditors, consultants, insurers and reinsurers, principals, law firms, and attorneys, and the heirs, personal representatives, executors, administrators, trustees, beneficiaries, predecessors, successors, subrogees and assigns (direct or indirect) of any of them, in each case past or present (the "AT&T Released Parties"), from any and all claims, rights, actions, suits, grounds for complaint, causes of action, arbitrations, liens, demands, controversies, grievances, allegations, accusations, judgments, and liabilities of any kind or nature whatsoever, as well as all forms of relief, including all remedies, costs, losses, liabilities, damages (whenever incurred and of any kind whatsoever, including compensatory, statutory, liquidated, exemplary, or punitive

wages, benefits, debts, expenses, penalties, interest, and attorneys' and other professionals' fees and disbursements, and any other form of relief or remedy in law, equity, or whatever kind or nature and however denominated, whether sealed or unsealed, in law or equity, in contract, tort, or otherwise, known or unknown, suspected or unsuspected, anticipated or unanticipated, and asserted or unasserted, foreseen or unforeseen, including all direct or indirect liability (including, without limitation, vicarious liability) that the Government Entity Releasing Parties ever have, had, or may have had arising out of or in any way connected with the Covered Conduct as to the AT&T Released Parties.

23. Except as to the Nevada Action, which Relator, AT&T, and the State of Nevada intend to settle with a separate settlement agreement, the Relator on behalf of itself, together with all of its current and former affiliates, parents, members and subsidiaries, and their respective current or former owners, shareholders, parents, members, subsidiaries, affiliates, divisions, officers, directors, employees, contractors, administrators, brokers, vendors, partners, privies, agents, managers, representatives, fiduciaries, accountants, auditors, consultants, insurers and reinsurers, principals, law firms, and attorneys, and the heirs, personal representatives, executors, administrators, trustees, beneficiaries, predecessors, successors, subrogees and assigns (direct or indirect) of any of them, in each case past, present or future ("Relator Releasing Parties"), release the AT&T Released Parties from any and all claims, rights, actions, suits, grounds for complaint, causes of action, arbitrations, liens, demands, controversies, grievances, allegations, accusations, judgments, and liabilities of any kind or nature whatsoever, as well as all forms of relief, including all remedies, costs, losses, liabilities, damages (whenever incurred and of any kind whatsoever, including compensatory, statutory, liquidated, exemplary, or punitive damages), wages, benefits, debts, expenses, penalties, interest, and attorneys' and other professionals' fees

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way connected with the Covered Conduct. Thus, as a matter of law, any TAC claims asserted on behalf of the Non-Consenting Non-Intervenor, but not under Government Code section 12651(a), are not released, and

- ii) any California entities who are not parties to this Agreement.

25. In consideration of the obligations of the Settling Plaintiffs set forth in this Settlement Agreement, and conditioned upon Settling Plaintiffs fulfilling their obligations in this Settlement Agreement, AT&T on behalf of itself and the AT&T Released Parties (the "AT&T Releasing Parties") fully and finally releases the Government Entity Releasing Parties and the Relator Releasing Parties from any and all claims, rights, actions, suits, grounds for complaint, causes of action, arbitrations, liens, demands, controversies, grievances, allegations, accusations, judgments, and liabilities of any kind or nature whatsoever, as well as all forms of relief, including all remedies, costs, losses, liabilities, damages (whenever incurred and of any kind whatsoever, including compensatory, statutory, liquidated, exemplary, or punitive damages), wages, benefits, debts, expenses, penalties, interest, and attorneys' and other professionals' fees and disbursements, and any other form of relief or remedy in law, equity, or whatever kind or nature and however denominated, whether sealed or unsealed, in law or equity, in contract, tort, or otherwise, known or unknown, suspected or unsuspected, anticipated or unanticipated, and asserted or unasserted, foreseen or unforeseen, including all direct or indirect liability (including, without limitation, vicarious liability) that AT&T ever has asserted, could have asserted, or may assert in the future against them, arising out of or in any way connected with the California Action and their investigation and prosecution thereof, or arising out of or in any way connected

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and disbursements, and any other form of relief or remedy in law, equity, or whatever kind or nature and however denominated, whether sealed or unsealed, in law or equity, in contract, tort, or otherwise, known or unknown, suspected or unsuspected, anticipated or unanticipated, and asserted or unasserted, foreseen or unforeseen, including all direct or indirect liability (including, without limitation, vicarious liability) that the Relator Releasing Parties ever have, had, or may have had arising out of or in any way connected with the Covered Conduct in any jurisdiction.

24. The releases set forth in Paragraphs 22-23 above expressly do not encompass:

- a) Claims not arising out of or in any way connected with the Covered Conduct as to the AT&T Released Parties, including, any civil or administrative liability arising under state or municipal tax laws; any criminal liability; any civil or administrative liability that the AT&T Released Parties have or may have under any state or municipal statute, regulation, or rule not covered by the Settlement Agreement; any liability arising out of any lawsuit in which the complaint was served on AT&T before January 31, 2020, pending as of the Effective Date, other than the California Action; any liability based on obligations created by this Settlement Agreement, and any liability for failure to deliver goods or services due, provided that any such liability does not arise out of the Covered Conduct.
- b) Claims that the Settling Plaintiffs do not have the authority to release, including claims belonging to:
  - i) Non-Consenting Non-Intervenor, as that term is defined in Paragraph 29, except the specific claims Relator asserted on behalf of the Non-Consenting Non-Intervenor under Government Code section 12651(a) in the California Action arising out of or in any

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with the Covered Conduct. The releases in this paragraph expressly do not encompass claims for amounts due on goods or services sold or provided that do not arise out of or are in any way connected with the Covered Conduct.

26. The releases contained in paragraphs 22 through 25 above are general releases of claims arising out of or in any way connected with the Covered Conduct and the Parties intend and agree that each shall be interpreted, construed, and enforced as such. Without limiting the foregoing, the Parties, having been fully advised by counsel of the contents of Section 1542 of the Civil Code of the State of California, expressly waive and relinquish all rights and benefits afforded by Section 1542, and do so understanding and acknowledging the significance of such specific waiver of Section 1542. Section 1542 of the Civil Code of the State of California states as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Thus, notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and complete release of claims, each Party expressly acknowledges that this Settlement Agreement is intended to include in its effect, without limitation, all claims arising out of or in any way connected with the Covered Conduct as to AT&T that such Party does not know of or suspect to exist in such Party's favor at the time of signing this Settlement Agreement.

27. Settling Plaintiffs and AT&T hereby covenant and agree that no Party will (i) assert, file, commence, pursue, intervene in, institute, maintain, or prosecute any claim arising out of or in any way connected with the Covered Conduct as to AT&T, including (but not limited to) by way of third-party claim, crossclaim, or counterclaim, or by right of representation or subrogation, against any other Party; (ii) participate in the assertion, filing, commencing,

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pursuing, intervening in, instituting, maintaining, or prosecuting of any claim arising out of or in any way connected with the Covered Conduct as to AT&T against any other Party; and (iii) if involuntarily included in any claim arising out of or in any way connected with the Covered Conduct as to AT&T (e.g., in a class action) will withdraw therefrom

- a) For the avoidance of doubt, this covenant is not limited to California, Nevada, or the states encompassed by the California Action and the Nevada Action, but extends to all jurisdictions anywhere in the United States or the world.
- b) For the further avoidance of doubt, AT&T acknowledges that if there were any other actions initiated by Relator against AT&T in other jurisdictions, and if those actions are currently pending under seal pursuant to those jurisdictions' laws, then: (1) Relator may presently be prevented from disclosing any information about those actions to AT&T by law; and (2) if such actions did exist, then nothing in this Settlement Agreement would prohibit Relator from complying with any order of a court, or any duly issued subpoena or other lawful order, from an authority in any such jurisdiction.
- c) Relator acknowledges that, if any such actions did exist, then this Settlement Agreement would bar Relator and its current counsel of record in the California Action and the Nevada Action from taking any action other than those required by an order of court, a duly issued subpoena, or other lawful order.
- d) Relator represents and warrants that it has disclosed to AT&T all known pending suits against AT&T, to which Relator is a party, that relate in any way to the Covered Conduct in any jurisdiction, except for those suits that the Settling Plaintiffs are prohibited by law from disclosing to AT&T.

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#### Settlement Approval and Joinder Procedures

28. Within the time set by the California Court, Relator shall file a motion with the California Court (the "Approval and Notice Motion") requesting that the California Court enter an order (the "Approval Order"), substantially in the form attached as Exhibit C, that (a) identifies all Consenting California Non-Intervenor; (b) holds that the terms of the Settlement Agreement, including the Final California Allocation (defined below), are appropriate under the allegations of the California Action, taking into account the best interests of the parties involved and the public purposes behind the CFCA, are fair, adequate and reasonable, and were reached in good faith; and, (c) makes such further orders as may be appropriate and necessary. The Motion for Final Approval of Settlement will also attach and submit an unexecuted copy of the California Stipulated Judgment, substantially in the form attached as Exhibit D hereto.

29. Non-Intervenors to which Settlement Funds are allocated in the Proposed Allocation, Exhibit A hereto ("Non-Intervenor Customers"), shall be provided the opportunity to consent to the terms of the Settlement Agreement by executing and returning a Consent and Release by Non-Intervenor substantially in the form attached hereto as Exhibit B by a date to be set by the California Court. Non-Intervenors who thereby choose to participate in the Settlement Agreement shall be referred to as "Consenting Non-Intervenors." All other Non-Intervenors are referred to as "Non-Consenting Non-Intervenors." Relator and AT&T understand that the Office of the Attorney General of the State of California has requested that certain departments, agencies, and other units of the State be given the opportunity to consent to the Settlement Agreement on an individual basis. Relator shall notify all such departments, agencies, and units of the State of California eligible to receive a portion of the Settlement Funds to the extent the identities of such departments, agencies, and units are reasonably available, and provide each such department, agency, and unit with the opportunity to consent on an individual basis by

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c) Relator will move to dismiss with prejudice any pending claims in any jurisdiction against AT&T as to Relator if those claims relate in any way to Covered Conduct, to optimization services or reporting, to the alleged obligation to provide wireless services at the "lowest cost available" to any person or entity, or to any of the claims and allegations set forth in the TAC or any prior Complaint in the California Action or in the Nevada Action.

f) Relator represents and warrants that it has not assigned in whole or in part any claims or potential claims relating to Covered Conduct, to optimization services or reporting, to the alleged obligation to provide wireless services at the "lowest cost available" to any other person or entity, or any of the claims and allegations set forth in the TAC or any prior Complaint in the California Action or in the Nevada Action. Furthermore, Relator will not assign any such claims or potential claims to any other person or entity. Relator has signed agreements in which it has agreed to transfer a portion of Relator's recovery from the California Action and Nevada Action (i.e., the Relator's share) to others (e.g., Constantine Cannon), but those agreements do not give the other parties (a) any rights to the claims themselves, (b) any right or power to prevent Relator from dismissing the claims, or (c) any right or power to prevent Relator from making and adhering to the covenants, representations, and other agreements that Relator has made in this Agreement.

g) Except only when required by law, neither Relator nor Relator's current counsel of record in the Civil and Nevada Actions will cooperate with any other governmental entity or its counsel in furtherance of the false claims allegations asserted against AT&T in the Civil and Nevada Actions.

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sending each such department, agency, and unit the California Non-Intervenor Notice. Upon its consent to this Settlement Agreement, each such department, agency, and unit shall be treated as a "Consenting Non-Intervenor." Otherwise, it will be treated as a "Non-Consenting Non-Intervenor."

30. Any Non-Consenting Non-Intervenor shall be entitled to receive only 90% of the share, if any, that was allocated to it in the Proposed Allocation (the "Non-Consenting Non-Intervenor Portion"). Any Non-Intervenor that wishes to receive the full share allocated to it in the Proposed Allocation must affirmatively consent to this Settlement Agreement and Addendum as provided in Paragraph 29. The remaining portion of the share, if any, that was allocated to the Non-Consenting Non-Intervenors in the Proposed Allocation shall be referred to as the "Non-Consenting Non-Intervenor Remainder." Settling Plaintiffs shall distribute the Non-Consenting Non-Intervenor Remainder to the Intervenor and Consenting Non-Intervenors to whom the Proposed Allocation allocates a share (collectively, the Settling Government Entities, as defined in Paragraph 14), in proportion to each Settling Government Entity's Proposed Allocation of the total Proposed Allocation for all Settling Government Entities. Prior to the Approval Hearing, Plaintiffs shall file with the Court a Final Allocation that reflects the final shares allocated to each Settling Government Entity and Non-Consenting Non-Intervenor.

31. Any Non-Consenting Non-Intervenors are not "Parties" as defined by and used in the Settlement Agreement. Any Non-Consenting Non-Intervenors, any and all of their governing authorities, boards, commissions, officials, officers, directors, managers, representatives, employees, contractors, administrators, departments, divisions, agencies, instrumentalities, fiduciaries, accountants, auditors, consultants, insurers and reinsurers, principals, law firms, attorneys, brokers, vendors, partners, privies, agents, affiliates, predecessors, successors and

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assigns, as well as the heirs, personal representatives, executors, administrators, predecessors, successors, and assigns of each of the foregoing, in each case past or present are nonetheless bound by Relator's release of the AT&T Released Parties from the specific claims Plaintiffs asserted under Government Code section 12651(a) in the California Action in any way connected to the Covered Conduct, pursuant to California Government Code Section 12652(c)(1). The Non-Consenting Non-Intervenor are not otherwise bound by any of the terms of the Settlement Agreement, including specifically the other releases contained herein.

32. AT&T and Relator shall cooperate together to request from the California court a date for the Approval Hearing, to be held as early as is reasonably convenient. Prior to the Approval Hearing, Relator shall file a Final California Allocation that reflects the adjustments to each entity's allocation that are caused by any Non-Consenting California Non-Intervenor's failure to consent. At the Approval Hearing and thereafter, AT&T and Relator shall take any reasonable steps needed in order to enable the Court to enter the Final Approval Order and Stipulated Judgment. After the California Court enters an Approval Order consistent with the material terms of this Settlement Agreement, Plaintiffs shall execute and file the Stipulated Judgment in the form provided hereto as Exhibit D.

33. If any California entity challenges the Proposed Allocation prior to the Approval Hearing on the ground that the underlying AT&T data mis-states any entity's spending on AT&T wireless services, then AT&T agrees to make reasonable, good-faith efforts to assist Relator's counsel in responding to the challenge, including, if necessary, reasonable efforts to obtain additional information and/or data. Settling Plaintiffs will not request any such assistance unless there is a challenge by a California entity.

filed. If the requisite Form W-9 is not received prior to the date for the Motion for Final Approval, AT&T shall instead release the Settlement Amount within seven (7) days of receiving the completed form. The allocation of the Settlement Amount is a matter that has been (and will be) handled separately by and among Settling Plaintiffs and Nevada Plaintiffs without AT&T's involvement. AT&T was not consulted about the allocation of the Settlement Amount nor has it had any input into the allocation. For this reason, AT&T shall not be deemed to have endorsed or been responsible for any such allocation or the use of the proceeds by any ultimate recipient. As part of the Settlement Agreement, however, AT&T will not contest such allocation.

37. By the deadline established in Paragraph 35, AT&T shall also pay to Relator's counsel \$13,000,000 in settlement of Relator's claims for reasonable attorneys' fees, costs, and expenses pursuant to Cal. Gov't Code § 12652(g)(1), Nev. Rev. Stat. § 357.180(1), and any other statute providing for recovery of attorneys' fees, costs, and expenses in both the California Action and the Nevada Action ("Relator's Attorneys' Fees Amount"). The payment shall be made by electronic funds transfer to Constantine Cannon LLP for deposit in account number 76-0223952-2 (bank routing number 226070403) of Constantine Cannon LLP. Constantine Cannon LLP shall provide AT&T with a properly completed and duly executed Form W-9 for that client trust account on or before the date the Motion for Final Approval is filed. The allocation of the Relator's Attorneys' Fees Amount among Plaintiffs' counsel, and between the California Action and the Nevada Action, is a matter that has been (and will be) handled separately by and among Plaintiffs' counsel without AT&T's involvement. AT&T was not consulted about the allocation of Relator's Attorneys' Fees Amount among Plaintiffs' counsel or between the California Action and the Nevada Action, nor has it had any input into the allocation. For this reason, AT&T shall not be responsible for and shall not be deemed to have endorsed any such allocation or the use of

#### Payment and Final Dismissal

34. All Parties agree that entry of judgment is expressly contingent upon: (a) the Intervenor, through their authorized representatives, obtaining all necessary approvals for this Settlement Agreement from their governing bodies; and (b) the Court granting the Motion for Approval of Settlement and entering the Approval Order. Plaintiffs shall file an unexecuted version of the Stipulated Judgment with the California Court together with the Motion for Approval, and the Motion for Approval will request that the Court enter the Stipulated Judgment promptly after entering the Approval Order.

35. The "Finalization Date" shall be a) the date of entry of the Stipulated Judgment by the Court, if there has been no opposition or objection made to the Court, or b) if any person or entity has objected, (i) the date of the passage of the deadline under California Rule of Court 8.104(a) to file a notice of appeal or (ii) if any notice of appeal has been filed, the date of the final disposition of any such appeal, which disposition approves entry of the Stipulated Judgment.

36. Within seven (7) days of the Finalization Date, AT&T shall release the Settlement Amount to Relator's counsel for further disbursement pursuant to the Final Allocation approved by the Court ("Distribution Date") if, at that time, the Nevada Plaintiffs and AT&T have executed a complete, final settlement agreement relating to the Nevada Action. If a settlement agreement concerning the Nevada Action has not been executed by seven (7) days after the Finalization Date, AT&T shall instead release the Settlement Amount as described in this paragraph within seven (7) days of the Nevada settlement agreement being executed. The payment shall be made by electronic funds transfer to Constantine Cannon LLP for deposit in account number 76-0223952-2 (bank routing number 226070403) of Constantine Cannon LLP. Constantine Cannon LLP shall provide AT&T with a properly completed and duly executed Form W-9 for that client trust account on or before the date the Motion for Final Approval is

the proceeds by any ultimate recipient. Payment of the Relator's Attorneys' Fees Amount constitutes payment in full by AT&T for any and all of Relator's attorneys' fees and costs by AT&T in the California Action and in the Nevada Action. AT&T shall not be liable for, and all Plaintiffs waive and release, any other claims for attorneys' fees or costs incurred or to be incurred regarding claims related in any way to the Covered Conduct.

38. Upon making the payment of the Settlement Amount and Relator's Attorneys' Fees Amount, AT&T shall have no rights to the allocation or distribution of the Settlement Amount or Relator's Attorneys' Fees Amount. Under no circumstances shall AT&T be obligated as a result of this Settlement Agreement, the California Action, or any claim released herein to pay to Plaintiffs, or any of their counsel, by way of damages, penalties, fees, or otherwise, more than the Settlement Amount and the Relator's Attorneys' Fees Amount set forth. Relator further represents and warrants that the Relator's Attorneys' Fees Amount includes all fees and costs incurred in connection with the Nevada Action, which AT&T and the Nevada Plaintiffs shall settle under separate agreement, and that it will not seek additional fees or costs from AT&T in connection with the Nevada Action.

#### Additional Terms of Settlement

39. Should the Intervenor's governing bodies or the Court decline to approve all material aspects of the Settlement Agreement, if the Court makes rulings materially altering the terms of the Settlement Agreement, if the Settling Parties and Nevada are not able to agree on the allocation of the Settlement Funds between the Settling Parties and Nevada, or if for any reason the Court determines not to enter a final order or judgment consistent with the terms of this Settlement Agreement, then AT&T or Plaintiffs may declare the Settlement Agreement null and void by providing written notice within five (5) business days of any such decision, in which case the Parties shall return to their positions as of the date prior to this Settlement Agreement,



the California Action shall proceed as if no settlement had been attempted, except as to any discovery stay ordered in the case, and AT&T shall have no obligation to make any payment, including payment of any portion of the Settlement Funds or Relator's Attorneys' Fees. However, notwithstanding the foregoing, in the event the Court determines not to enter a final order or judgment consistent with the material terms of this Settlement Agreement, AT&T and Plaintiffs shall meet and confer in good faith in an effort to negotiate a revised Settlement Agreement that is mutually acceptable to AT&T and Plaintiffs and consistent with the Court's rulings.

40. AT&T may declare this Settlement Agreement null and void by providing written notice if no settlement agreement is executed in the Nevada Action before the Finalization Date or if a court rejects or materially alters the terms of any such settlement agreement before the Finalization Date. If either of those events occur, then AT&T and Plaintiffs shall meet and confer in good faith in an effort to negotiate a revised Settlement Agreement that is mutually acceptable to AT&T and Plaintiffs and Nevada, and/or is consistent with the court's rulings.

41. Should this Settlement Agreement for any reason not become final, all Parties reserve their rights to make all arguments and defenses whatsoever, including, but not limited to, challenges to the Relator's ability to proceed on behalf of any or all Non-Intervenor and objections to any attempts to intervene in the litigation (past or future), and each Party agrees that it shall not assert that another Party has waived or is otherwise prevented from asserting any argument or defense by virtue of negotiating, entering, or seeking approval of this Settlement Agreement.

42. All Parties agree and hereby stipulate that the five-year period in California Code of Civil Procedure section 583.310, *et seq.*, has been extended and tolled during the time period

compromise within the provisions of California Evidence Code § 1152, and any similar statutes or rules, and shall not be used or admitted in any proceeding for any purpose including, but not limited to, as evidence of liability or wrongdoing by any of the AT&T Released Parties, nor shall it be used for impeachment purposes, to refresh recollection, or any other evidentiary purpose, provided, however, that this paragraph shall not apply to any claims to enforce any provision of this Agreement.

45. This Settlement Agreement is intended to be for the benefit of the Parties only.

46. Aside from the payment of the Relator's Attorneys' Fees Amount as set forth in Paragraph 37 above, each Party shall bear its own legal fees and other costs incurred in connection with this matter, including the preparation and performance of this Settlement Agreement.

47. This Settlement Agreement is enforceable regardless of its tax consequences. The Parties make no representations regarding the Settlement Agreement's tax consequences. Each Party is solely responsible for any and all taxes, interest, and penalties due and owing, if any, should any monetary benefit described in this Settlement Agreement and/or any other documents related to this Settlement Agreement, be deemed as taxable.

48. Each Party and signatory to this Settlement Agreement represents that it freely and voluntarily enters into this Settlement Agreement with the benefit of legal counsel and without any degree of duress or compulsion.

49. **Dispute Resolution and Enforcement.** All questions with respect to the construction or interpretation of the Settlement Agreement and the Parties' rights and liabilities shall be governed by the laws of the State of California. This Settlement Agreement and any

beginning (1) on the date on which the Parties sought a discovery stay and extending until (2) the date on which any Party informs the other Parties that (a) the Court has entered an order that either declines to approve all material aspects of the Settlement Agreement or materially alters the terms of the Settlement Agreement; and (b) the Party deems the five-year period to have recommenced.

43. The Parties agree that with respect to documents designated as containing Confidential or Highly Confidential Information pursuant to the Protective Order entered in the California Action (the "Protective Order") which were produced by Plaintiffs to AT&T and/or which were produced by AT&T to Plaintiffs, the finalization and approval of this Settlement Agreement constitutes a final termination of the action between the Parties, and each Party will destroy or return to the producing party any such documents containing Confidential or Highly Confidential Information within 15 days of the Finalization Date in accordance with paragraph 9 of the Protective Order, unless the Parties have either stipulated to or obtained a court order allowing for the retention of those documents. In addition, the Parties will either return or destroy all "Non-Returnable Materials" subject to the Protective Order (as defined in Paragraph 9b of that Order). The timing to complete the return or destruction of documents pursuant to this paragraph specifically supersedes any potentially different deadline set forth in the Protective Order. The Parties further agree that they continue to be bound by the restrictions in the Protective Order after the Effective Date, as provided in paragraph 9a of the Protective Order.

44. This Settlement Agreement does not constitute an admission by any of the AT&T Released Parties, or evidence of any liability or wrongdoing whatsoever, including, but not limited to, any liability or wrongdoing with respect to any allegations that were or could have been raised in the California Action. The Parties agree that this Agreement is the result of a

other document referenced herein or attached hereto is admissible in any action or proceeding to enforce the terms of this Settlement Agreement.

a) **Disputes between Non-Intervenor and AT&T.** If any disputes arise out of this Settlement Agreement between Non-Intervenor on the one hand, and AT&T on the other hand, said disputes are to be resolved by the Superior Court for the County of Sacramento, including by means of actions brought pursuant to Section 664.6 of the California Code of Civil Procedure. If any Non-Intervenor so chooses, in its sole discretion, then the Non-Intervenor may make use of the arbitration procedure described immediately below.

b) **Disputes between Intervenor or Relator and AT&T.** If any disputes arise out of finalization of the settlement documentation or the settlement itself, between Intervenor or Relator on the one hand, and AT&T on the other hand, said disputes are to be resolved by Judge Lynn R. Phillips first by way of mediation, and if mediation is unsuccessful, then by way of final binding, non-appealable arbitration by Judge Phillips. If Judge Phillips is not available, then the final binding, non-appealable arbitration shall be conducted in California under the provisions of the then-current rules of the American Arbitration Association by a mutually agreed-upon arbitrator.

50. This Settlement Agreement is the result of arm's-length negotiation between the Parties, and all Parties, directly and through counsel, have contributed substantially and materially to its preparation. For purposes of construing this Settlement Agreement, this Settlement Agreement shall be deemed to have been drafted by all Parties to this Settlement Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute, and the canon of contract interpretation set forth in California Civil Code

Section 1614 as well as under any other statutes or common law principles of similar effect (both in California and in any foreign jurisdiction) shall not be applied.

51. This Settlement Agreement constitutes the complete agreement between the Parties with respect to resolution of the Covered Conduct and supercedes any and all other prior and contemporaneous oral or written agreements, communications, or representations.

52. This Settlement Agreement is executed without reliance upon any representations, understandings, or commitments, whether formal or informal, or oral or written, other than those expressly set forth in this Settlement Agreement.

53. This Settlement Agreement may not be amended except by written consent of AT&T and Settling Plaintiffs.

54. The undersigned represent and warrant that they are fully authorized to execute this Settlement Agreement on behalf of the Parties so indicated by their signature.

55. This Settlement Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Settlement Agreement.

56. This Settlement Agreement is binding on the Parties' successors, transferees, heirs, and assigns.

57. Facsimile or PDF copies of signatures shall constitute acceptable, binding signatures for purposes of this Settlement Agreement.

58. Each Party represents and warrants that:

- a) it has the full legal authority, right, and capacity to enter into this Settlement Agreement and to bind the Party to perform its obligations hereunder, including any third-party authorization necessary to release the claims being released hereunder;

provisions hereof, and such Party, notwithstanding such failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of this Settlement Agreement to be performed by such other Party. No waiver, express or implied, by any Party of any breach or default in the performance by the other Party of its obligations under this Settlement Agreement shall be deemed or construed to be a waiver of any other breach, whether prior, subsequent or contemporaneous, under this Settlement Agreement.

61. All of the exhibits attached to this Settlement Agreement are material and integral parts hereof and are hereby incorporated by reference as if fully set forth herein.

62. The Parties and their respective counsel agree to cooperate fully with one another in order to effect the consummation of the settlement of the California Action.

63. Any notices required under this Settlement Agreement shall be provided by both e-mail and also by U.S. mail, as follows:

**To Plaintiffs:**

William Christopher Carmody  
bcarmody@susmangodfrey.com  
Arun Subramanian  
asubramanian@susmangodfrey.com  
Amanda K. Bonn  
abonn@susmangodfrey.com  
Steven Shepard  
sshepard@susmangodfrey.com  
Susman Godfrey LLP  
1301 Ave. of the Americas, Fl. 32  
New York, NY 10019

Wayne T. Lamprey  
wlamprey@constantinocannon.com  
Anne Hayes Hartman  
ahartman@constantinocannon.com  
Ari Yampolsky  
ayampolsky@constantinocannon.com  
Constantine Cannon LLP  
150 California Street, Suite 1600  
San Francisco, California 94111

b) this Settlement Agreement has been duly and validly executed and delivered by such Party and, assuming due authorization, execution and delivery by the other Parties, constitutes a legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms;

c) the execution and delivery of this Settlement Agreement, the performance by such Party of its obligations hereunder, and the consummation of the transactions contemplated hereby, will not (i) result in the violation by such Party of any statute, law, rule, regulation, or ordinance or any judgment, decree, order, writ, permit, or license of any governmental or regulatory authority applicable to such Party; or (ii) require such Party to obtain any consent, approval or action of any person, which consent, approval, or action has not already been obtained or accomplished by such Party;

d) it has not assigned, subrogated, pledged, loaned, hypothecated, conveyed, or otherwise transferred, voluntarily or involuntarily, any claims based on the Covered Conduct, or any interest in or part or portion thereof, specifically including any rights arising out of or in any way connected with claims based on the Covered Conduct, to any other person or entity; and

e) it has read and understands this Settlement Agreement and it has had the opportunity to consult with its attorneys before signing it.

59. Each of the Parties hereto agrees to execute and deliver, or to cause to be executed and delivered, all such instruments, and to take all such action necessary to effectuate the intent and purposes of, and to carry out the terms of, this Settlement Agreement.

60. Any failure by any Party to insist upon the strict performance by any other Party of any of the provisions of this Settlement Agreement shall not be deemed a waiver of any of the

**To AT&T:**

John C. Richter  
jrictor@kslav.com  
Nikesh Jindal  
njindal@kslav.com  
King & Spalding LLP  
1700 Pennsylvania Avenue, N.W.  
Washington, D.C. 20006

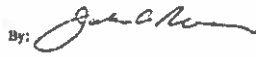
[SIGNATURE PAGES FOLLOW BEGINNING ON NEXT PAGE]

**SIGNATURES**

**APPROVED AS TO FORM AND CONTENT:**

Dated: June 10, 2020

King & Spalding LLP

By: 

John C. Richter  
Attorney for New Cingular Wireless National  
Accounts, LLC d/b/a Cingular Wireless, now  
known as AT&T Mobility National Accounts  
LLC

**AGREED:**

Dated: May 22, 2020

NEW CINGULAR WIRELESS NATIONAL  
ACCOUNTS, LLC D/B/A CINGULAR  
WIRELESS, NOW KNOWN AS AT&T  
MOBILITY NATIONAL ACCOUNTS LLC

By:   
Xavier Williams

Its: President - Government Solutions &  
National Business

**APPROVED AS TO FORM AND CONTENT:**

Dated: June 10, 2020

CONSTANTINE CANNON LLP

By: 

Wayne T. Langrey  
Attorney for Relator, on behalf of itself and  
political subdivisions identified in the Third  
Amended Complaint, and for Intervenor

Dated: June 11, 2020

SUSMAN GODFREY LLP

By: 

William Christopher Carmody  
Attorney for Relator, on behalf of itself and  
political subdivisions identified in the Third  
Amended Complaint, and for Intervenor

Dated: June 10, 2020

ONTHEOD WIRELESS, LLC

By: 

Jeffrey Smith  
Its: Managing Member

~~CONFIDENTIAL - SUBJECT TO ATTORNEY-CLIENT PRIVILEGE~~

~~CONFIDENTIAL - SUBJECT TO ATTORNEY-CLIENT PRIVILEGE~~

**SIGNATURE PAGE FOR INTERVENORS - AT&T SETTLEMENT AGREEMENT**

Dated:

Signature

Print Name

Title

On behalf of:

Intervenor Name

Non-Consenting Non-Intervenor Remainder, 15  
Non-Consenting Non-Intervenor, 14  
Non-Intervenor Customers, 14  
Non-Intervenor, 1  
Parties, 5  
Plaintiffs, 1  
Proposed Allocation, 5  
Protective Order, 21  
Relator, 1

Relator Releasing Parties, 8  
Relator's Attorneys' Fees Amount, 18  
Settlement Agreement, 1  
Settlement Amount, 6  
Settling Government Entities, 5  
Settling Plaintiffs, 5  
Stipulated Judgment, 7  
TAC, 2  
WSCA, 2  
WSCA Contracts, 2

**EXHIBITS AND DEFINED TERMS**

**Exhibits**

- A. Proposed Allocation
- B. Consent and Release by Non-Intervenor
- C. Final Approval Order
- D. Stipulated Judgment

**Defined Terms**

- |                                      |   |
|--------------------------------------|---|
| Finalization Date, 17                | Defendants, 2                             |
| AT&T Released Parties, 7             | Effective Date, 5                         |
| AT&T Releasing Parties, 10           | Final Allocation, 15                      |
| California Participating Addendum, 2 | Government Entities, 2                    |
| CFLA, 2                              | Government Entity Releasing Parties, 7    |
| Civil Action, 2                      | Intervenor, 1                             |
| Consenting Non-Intervenor, 14        | Nevada Action, 4                          |
| Court, 5                             | Nevada Plaintiffs, 4                      |
| CSU, 1                               | Non-Consenting Non-Intervenor Portion, 15 |

**EXHIBIT A  
PROPOSED ALLOCATION**

**EXHIBIT A  
PROPOSED ALLOCATION**

AT&T Revenue (Charge Subject to Optimization)	Ballot Item Amount	\$51,888,888
	Intersector Relator's Share	23%
	CA Non-Intersector Relator's Share, subject to court approval	4%
	NY Relator's Share, subject to court approval	4%
	Intersector Contingent Fee	8%

Entity	Gross Ballot Item Allocation	Relator's Share - Subject to court approval	Intersector Contingent Fee	Net Settlement Allocation
<b>California Intersectors</b>				
1 Regents of the University of California	\$1,371,428	\$1,371,428	\$63,515	\$1,166,485
2 Board of Trustees of the California State University	\$1,543,713	\$1,543,713	\$71,573	\$1,248,227
3 City of Chico	\$11,842	\$11,842	\$558	\$10,736
4 City of Colton	\$138,013	\$138,013	\$6,421	\$125,449
5 City of Corona	\$0	\$0	\$0	\$0
6 City of Fontana	\$18	\$18	\$1	\$15
7 City of Fullerton	\$11,923	\$11,923	\$562	\$10,844
8 City of Hemet	\$128,813	\$128,813	\$6,023	\$114,237
9 City of Inglewood	\$16,933	\$16,933	\$793	\$15,140
10 City of Lancaster	\$16,933	\$16,933	\$793	\$15,140
11 City of Modesto	\$16,933	\$16,933	\$793	\$15,140
12 City of Orange	\$16,933	\$16,933	\$793	\$15,140
13 City of Palmdale	\$16,933	\$16,933	\$793	\$15,140
14 City of Pomona	\$16,933	\$16,933	\$793	\$15,140
15 City of Redlands	\$16,933	\$16,933	\$793	\$15,140
16 City of Riverside	\$16,933	\$16,933	\$793	\$15,140
17 City of San Bernardino	\$16,933	\$16,933	\$793	\$15,140
18 City of San Diego	\$16,933	\$16,933	\$793	\$15,140
19 City of San Jose	\$16,933	\$16,933	\$793	\$15,140
20 City of San Luis Obispo	\$16,933	\$16,933	\$793	\$15,140
21 City of Santa Ana	\$16,933	\$16,933	\$793	\$15,140
22 City of Santa Clara	\$16,933	\$16,933	\$793	\$15,140
23 City of Santa Cruz	\$16,933	\$16,933	\$793	\$15,140
24 City of Stockton	\$16,933	\$16,933	\$793	\$15,140
25 City of Sunnyvale	\$16,933	\$16,933	\$793	\$15,140
26 City of Tustin	\$16,933	\$16,933	\$793	\$15,140
27 City of Ukiah	\$16,933	\$16,933	\$793	\$15,140
28 City of Van Nuys	\$16,933	\$16,933	\$793	\$15,140
29 City of Visalia	\$16,933	\$16,933	\$793	\$15,140
30 City of Yuba City	\$16,933	\$16,933	\$793	\$15,140
31 County of Alameda	\$16,933	\$16,933	\$793	\$15,140
32 County of Butte	\$16,933	\$16,933	\$793	\$15,140
33 County of Colusa	\$16,933	\$16,933	\$793	\$15,140
34 County of Contra Costa	\$16,933	\$16,933	\$793	\$15,140
35 County of El Dorado	\$16,933	\$16,933	\$793	\$15,140
36 County of Fresno	\$16,933	\$16,933	\$793	\$15,140
37 County of Inyo	\$16,933	\$16,933	\$793	\$15,140
38 County of Kern	\$16,933	\$16,933	\$793	\$15,140
39 County of Kings	\$16,933	\$16,933	\$793	\$15,140
40 County of Lake	\$16,933	\$16,933	\$793	\$15,140
41 County of Los Angeles	\$16,933	\$16,933	\$793	\$15,140
42 County of Marin	\$16,933	\$16,933	\$793	\$15,140
43 County of Merced	\$16,933	\$16,933	\$793	\$15,140
44 County of Monterey	\$16,933	\$16,933	\$793	\$15,140
45 County of Nevada	\$16,933	\$16,933	\$793	\$15,140
46 County of Orange	\$16,933	\$16,933	\$793	\$15,140
47 County of Placer	\$16,933	\$16,933	\$793	\$15,140
48 County of Plumas	\$16,933	\$16,933	\$793	\$15,140
49 County of Santa Barbara	\$16,933	\$16,933	\$793	\$15,140
50 County of Santa Clara	\$16,933	\$16,933	\$793	\$15,140
51 County of Santa Cruz	\$16,933	\$16,933	\$793	\$15,140
52 County of San Diego	\$16,933	\$16,933	\$793	\$15,140
53 County of San Francisco	\$16,933	\$16,933	\$793	\$15,140
54 County of San Joaquin	\$16,933	\$16,933	\$793	\$15,140
55 County of San Mateo	\$16,933	\$16,933	\$793	\$15,140
56 County of Santa Inez	\$16,933	\$16,933	\$793	\$15,140
57 County of Stanislaus	\$16,933	\$16,933	\$793	\$15,140
58 County of Sutter	\$16,933	\$16,933	\$793	\$15,140
59 County of Tehama	\$16,933	\$16,933	\$793	\$15,140
60 County of Trinity	\$16,933	\$16,933	\$793	\$15,140
61 County of Yuba	\$16,933	\$16,933	\$793	\$15,140
<b>Non-California Intersectors</b>				
62 Nevada Electric	\$1,371,428	\$1,371,428	\$63,515	\$1,166,485
63 Nevada Electric	\$1,371,428	\$1,371,428	\$63,515	\$1,166,485
<b>Total</b>	<b>\$51,888,888</b>	<b>\$51,888,888</b>	<b>\$2,450,000</b>	<b>\$47,088,888</b>

Appendix B of the Declaration of P. Kline dated June 8, 2020  
AT&T Proposed Allocation DEC. OF P. KLINE IN SUPP. OF MOT. FOR APPROVAL OF AT&T SETTLEMENT Case No. 34-2012-00127517

**EXHIBIT A  
PROPOSED ALLOCATION**

Entity	Gross Ballot Item Allocation	Relator's Share - Subject to court approval	Intersector Contingent Fee	Net Settlement Allocation
64 City of Alameda	\$16,933	\$16,933	\$793	\$15,140
65 City of Alhambra	\$16,933	\$16,933	\$793	\$15,140
66 City of Anaheim	\$16,933	\$16,933	\$793	\$15,140
67 City of Berkeley	\$16,933	\$16,933	\$793	\$15,140
68 City of Bakersfield	\$16,933	\$16,933	\$793	\$15,140
69 City of Brea	\$16,933	\$16,933	\$793	\$15,140
70 City of Buena Vista	\$16,933	\$16,933	\$793	\$15,140
71 City of Calicut	\$16,933	\$16,933	\$793	\$15,140
72 City of Canoga Park	\$16,933	\$16,933	\$793	\$15,140
73 City of Chico	\$16,933	\$16,933	\$793	\$15,140
74 City of Chula Vista	\$16,933	\$16,933	\$793	\$15,140
75 City of Citrus	\$16,933	\$16,933	\$793	\$15,140
76 City of Claremont	\$16,933	\$16,933	\$793	\$15,140
77 City of Colton	\$16,933	\$16,933	\$793	\$15,140
78 City of Corona	\$16,933	\$16,933	\$793	\$15,140
79 City of Costa Mesa	\$16,933	\$16,933	\$793	\$15,140
80 City of Covington	\$16,933	\$16,933	\$793	\$15,140
81 City of Danville	\$16,933	\$16,933	\$793	\$15,140
82 City of Downey	\$16,933	\$16,933	\$793	\$15,140
83 City of El Cajon	\$16,933	\$16,933	\$793	\$15,140
84 City of El Monte	\$16,933	\$16,933	\$793	\$15,140
85 City of Escondido	\$16,933	\$16,933	\$793	\$15,140
86 City of Fontana	\$16,933	\$16,933	\$793	\$15,140
87 City of Fullerton	\$16,933	\$16,933	\$793	\$15,140
88 City of Gardena	\$16,933	\$16,933	\$793	\$15,140
89 City of Glendale	\$16,933	\$16,933	\$793	\$15,140
90 City of Hemet	\$16,933	\$16,933	\$793	\$15,140
91 City of Huntington Beach	\$16,933	\$16,933	\$793	\$15,140
92 City of Inglewood	\$16,933	\$16,933	\$793	\$15,140
93 City of Industry	\$16,933	\$16,933	\$793	\$15,140
94 City of Irvine	\$16,933	\$16,933	\$793	\$15,140
95 City of Joliet	\$16,933	\$16,933	\$793	\$15,140
96 City of Lancaster	\$16,933	\$16,933	\$793	\$15,140
97 City of Lawton	\$16,933	\$16,933	\$793	\$15,140
98 City of Leavenworth	\$16,933	\$16,933	\$793	\$15,140
99 City of Lincoln	\$16,933	\$16,933	\$793	\$15,140
100 City of Livermore	\$16,933	\$16,933	\$793	\$15,140
101 City of Long Beach	\$16,933	\$16,933	\$793	\$15,140
102 City of Los Angeles	\$16,933	\$16,933	\$793	\$15,140
103 City of Los Alamitos	\$16,933	\$16,933	\$793	\$15,140
104 City of Los Banos	\$16,933	\$16,933	\$793	\$15,140
105 City of Manteca	\$16,933	\$16,933	\$793	\$15,140
106 City of Merced	\$16,933	\$16,933	\$793	\$15,140
107 City of Modesto	\$16,933	\$16,933	\$793	\$15,140
108 City of Monterey	\$16,933	\$16,933	\$793	\$15,140
109 City of Mountain View	\$16,933	\$16,933	\$793	\$15,140
110 City of Napa	\$16,933	\$16,933	\$793	\$15,140
111 City of Norwalk	\$16,933	\$16,933	\$793	\$15,140
112 City of Oceanside	\$16,933	\$16,933	\$793	\$15,140
113 City of Orange	\$16,933	\$16,933	\$793	\$15,140
114 City of Orangevale	\$16,933	\$16,933	\$793	\$15,140
115 City of Palmdale	\$16,933	\$16,933	\$793	\$15,140
116 City of Pomona	\$16,933	\$16,933	\$793	\$15,140
117 City of Redlands	\$16,933	\$16,933	\$793	\$15,140
118 City of Redwood City	\$16,933	\$16,933	\$793	\$15,140
119 City of Redwood Valley	\$16,933	\$16,933	\$793	\$15,140
120 City of Richmond	\$16,933	\$16,933	\$793	\$15,140
121 City of Rosemead	\$16,933	\$16,933	\$793	\$15,140
122 City of Sacramento	\$16,933	\$16,933	\$793	\$15,140
123 City of San Bernardino	\$16,933	\$16,933	\$793	\$15,140
124 City of San Diego	\$16,933	\$16,933	\$793	\$15,140
125 City of San Francisco	\$16,933	\$16,933	\$793	\$15,140
126 City of San Jose	\$16,933	\$16,933	\$793	\$15,140
127 City of San Luis Obispo	\$16,933	\$16,933	\$793	\$15,140
128 City of Santa Ana	\$16,933	\$16,933	\$793	\$15,140
129 City of Santa Clara	\$16,933	\$16,933	\$793	\$15,140
130 City of Santa Cruz	\$16,933	\$16,933	\$793	\$15,140
131 City of Santa Fe	\$16,933	\$16,933	\$793	\$15,140
132 City of Santa Rosa	\$16,933	\$16,933	\$793	\$15,140
133 City of Stockton	\$16,933	\$16,933	\$793	\$15,140
134 City of Sunnyvale	\$16,933	\$16,933	\$793	\$15,140
135 City of Tustin	\$16,933	\$16,933	\$793	\$15,140
136 City of Ukiah	\$16,933	\$16,933	\$793	\$15,140
137 City of Van Nuys	\$16,933	\$16,933	\$793	\$15,140
138 City of Visalia	\$16,933	\$16,933	\$793	\$15,140
139 City of Yuba City	\$16,933	\$16,933	\$793	\$15,140
140 County of Alameda	\$16,933	\$16,933	\$793	\$15,140
141 County of Butte	\$16,933	\$16,933	\$793	\$15,140
142 County of Colusa	\$16,933	\$16,933	\$793	\$15,140
143 County of Contra Costa	\$16,933	\$16,933	\$793	\$15,140
144 County of El Dorado	\$16,933	\$16,933	\$793	\$15,140
145 County of Fresno	\$16,933	\$16,933	\$793	\$15,140
146 County of Inyo	\$16,933	\$16,933	\$793	\$15,140
147 County of Kern	\$16,933	\$16,933	\$793	\$15,140
148 County of Kings	\$16,933	\$16,933	\$793	\$15,140
149 County of Lake	\$16,933	\$16,933	\$793	\$15,140
150 County of Los Angeles	\$16,933	\$16,933	\$793	\$15,140
151 County of Marin	\$16,933	\$16,933	\$793	\$15,140
152 County of Merced	\$16,933	\$16,933	\$793	\$15,140
153 County of Monterey	\$16,933	\$16,933	\$793	\$15,140
154 County of Nevada	\$16,933	\$16,933	\$793	\$15,140
155 County of Orange	\$16,933	\$16,933	\$793	\$15,140
156 County of Placer	\$16,933	\$16,933	\$793	\$15,140
157 County of Plumas	\$16,933	\$16,933	\$793	\$15,140
158 County of Santa Barbara	\$16,933	\$16,933	\$793	\$15,140
159 County of Santa Clara	\$16,933	\$16,933	\$793	\$15,140
160 County of Santa Cruz	\$16,933	\$16,933	\$793	\$15,140
161 County of San Diego	\$16,933	\$16,933	\$793	\$15,140
162 County of San Francisco	\$16,933	\$16,933	\$793	\$15,140
163 County of San Joaquin	\$16,933	\$16,933	\$793	\$15,140
164 County of San Mateo	\$16,933	\$16,933	\$793	\$15,140
165 County of Santa Inez	\$16,933	\$16,933	\$793	\$15,140
166 County of Stanislaus	\$16,933	\$16,933	\$793	\$15,140
167 County of Sutter	\$16,933	\$16,933	\$793	\$15,140
168 County of Tehama	\$16,933	\$16,933	\$793	\$15,140
169 County of Trinity	\$16,933	\$16,933	\$793	\$15,140
170 County of Yuba	\$16,933	\$16,933	\$793	\$15,140

Appendix B of the Declaration of P. Kline dated June 8, 2020  
AT&T Proposed Allocation DEC. OF P. KLINE IN SUPP. OF MOT. FOR APPROVAL OF AT&T SETTLEMENT Case No. 34-2012-00127517

**EXHIBIT A  
PROPOSED ALLOCATION**

Entity	Gross Ballot Item Allocation	Relator's Share - Subject to court approval	Intersector Contingent Fee	Net Settlement Allocation
107 City of Redlands (New)	\$0	\$0	\$0	\$0
108 City of Redwood City	\$16,933	\$16,933	\$793	\$15,140
109 City of Redwood Valley	\$16,933	\$16,933	\$793	\$15,140
110 City of Richmond	\$16,933	\$16,933	\$793	\$15,140
111 City of Roseme				



**EXHIBIT B**  
**CONSENT AND RELEASE BY NON-INTERVENOR**

**Consent and Release for Non-Intervenor**

1. The undersigned has received and reviewed a copy of the Settlement and Release Agreement executed by and between Defendant New Cingular Wireless National Accounts, LLC d/b/a Cingular Wireless, now known as AT&T Mobility National Accounts LLC ("AT&T"), Relator OnTheGo Wireless, LLC, and the political subdivisions that intervened in *State of California ex rel. OnTheGo Wireless, LLC v. Celco Partnership d/b/a Verizon Wireless, et al.*, Case No. 34-2012-00127517, which is pending in the Superior Court for Sacramento County ("Settlement Agreement"), the Notice of Proposed Settlement, and the Order of the California Court approving the settlement approval process.

2. The undersigned hereby represents and warrants that he or she is fully authorized to provide binding consent on behalf of the Non-Intervenor identified below:

3. By signing below and returning this document to Plaintiffs' counsel pursuant to the terms of and by the deadline set forth in the Court's Order, the identified Non-Intervenor hereby agrees to be bound by the terms of the Settlement Agreement, including specifically the releases contained therein, and to be treated as a Party to the Settlement Agreement for all relevant purposes.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

On behalf of \_\_\_\_\_

\_\_\_\_\_  
Non-Intervenor Name

Consent and Release by Non-Intervenor

Consent and Release by Non-Intervenor

2

WITNESSES

**EXHIBIT C**

**FINAL APPROVAL ORDER**

**Text for Proposed Order for Final Approval of Settlement with Defendant AT&T**

The Plaintiffs' Motion for Final Approval of Settlement with Defendant AT&T ("Motion") came on for noticed hearing before the Honorable Judge Holzer Hershler, presiding, on the date and time set forth above. Appearances are reflected on the record.

Due and adequate notice having been given of the motion, and the Court having considered the moving papers, including all points and authorities and evidence submitted therewith, and any opposition or objections to the Motion, and the arguments of counsel at hearing, and all other matters properly presented to the Court in relation thereto, and good cause appearing therefore, IT IS HEREBY ORDERED THAT:

1. The Court issued a Tentative Ruling on \_\_\_\_\_, which required appearances. The Tentative Ruling is attached as Exhibit A hereto and incorporated herein.
2. The Court finds that the Settlement is fair, reasonable, in the best interests of the parties involved, and in furtherance of the public purposes behind the California False Claims Act, California Government Code sections 12650 et seq ("CFCA").
3. The Court finds that the Non-Intervenor Customers identified as Consenting Non-Intervenor on Exhibit B hereto have consented to the settlement and are deemed parties to the Settlement Agreement for all purposes.
4. The release provisions of the Settlement are fair and reasonable.
5. The proposed pro rata settlement allocation among AT&T customers based on the Final Allocation set forth on Exhibit B hereto is fair and reasonable.
6. The Court approves a 25% allocation to Relator from the Intervenor's gross settlement allocation.
7. The Court approves a \_\_\_% allocation to Relator from the Non-Intervenor's gross settlement allocation.

**EXHIBIT D**

**STIPULATED JUDGMENT**

Whereas, Plaintiffs reached a settlement with Defendant New Cingular Wireless National Accounts, LLC d/b/a Cingular Wireless, now known as AT&T Mobility National Accounts LLC ("AT&T"), which settlement was subject to approval by this Court and the satisfaction of conditions agreed to by the Settling Parties;

Whereas, on \_\_\_\_\_ the Court entered the Final Approval Order approving the settlement between Plaintiffs and AT&T on the terms and conditions set forth therein, and,

Whereas, all conditions for submission of this stipulated judgment have now occurred;

Now, therefore, the Settling Parties stipulate and agree that pursuant to California Government Code section 12652(e)(1), all claims in the Civil Action against AT&T are hereby DISMISSED in their entirety WITH PREJUDICE.

**[PROPOSED] ORDER**

The court, having reviewed the above stipulation of the parties, and being familiar with the record of this case, dismisses this action as to Defendant New Cingular Wireless National Accounts, LLC d/b/a Cingular Wireless, now known as AT&T Mobility National Accounts LLC ("AT&T") with prejudice.



# Exhibit E

## Non-Intervenor Customer Notice (AT&T Settlement)

Notice of settlement with defendant New Cingular Wireless National Accounts, LLC d/b/a Cingular Wireless, now known as AT&T Mobility National Accounts LLC ("AT&T"), and distribution of settlement proceeds in *State of California ex rel. OnTheGo Wireless, LLC v. Celco Partnership d/b/a Verizon Wireless, et al.*, Case No. 34-2012-00127517 (Sacramento Superior Court)

**Dear Sir or Madam,**

You are receiving this letter because [ENTITY] is a non-intervening real party in interest ("Non-Intervenor") in *State of California ex rel. OnTheGo Wireless, LLC v. Celco Partnership d/b/a Verizon Wireless, et al.*, Case No. 34-2012-00127517, which is pending in the Superior Court for Sacramento County. Defendant New Cingular Wireless National Accounts, LLC d/b/a Cingular Wireless, now known as AT&T Mobility National Accounts LLC ("AT&T"), and Plaintiffs have entered into a Settlement Agreement in the case, and [ENTITY] has been identified as a party that will receive a share of the AT&T settlement payment.

### The lawsuit

The lawsuit was filed by Relator OnTheGo Wireless, LLC on July 5, 2012, pursuant to the California False Claims Act ("CFCA"), on behalf of real parties in interest the State of California and political subdivisions identified therein. The lawsuit, which named several defendants, including AT&T, generally alleged that Defendants failed to comply with the terms of cooperative purchasing agreements the Western States Contracting Alliance ("WSCA") awarded to Defendants to provide wireless equipment and services to California government entities. As relevant here, Plaintiffs allege the WSCA agreements, and other agreements related to them, required AT&T to provide its California government customers purchasing wireless services pursuant to those agreements with "rate plan optimization reports" and wireless services at the lowest cost available. AT&T's alleged failure to comply with these provisions resulted in overcharges to those California government customers. AT&T disputes and denies all of the Relator's allegations and maintains that it complied in full with the WSCA agreements.

### The settlement

The parties have agreed to settle this case with respect to AT&T. Copies of documents filed with the Court in support of the settlement, which include the Settlement Agreement and the Court's order approving this notice procedure, are included herewith. Copies of these documents may also be downloaded at: <https://constantinecannon.com/Non-Intervenor>

To receive the full amount of the share allocated to a Non-Intervenor in the Proposed Allocation, if any, the Non-Intervenor must execute the Consent Page provided in the Addendum and return the executed Consent Page to Plaintiffs' counsel by September 17, 2020. By doing so, a Non-Intervenor affirmatively consents to the terms of the Settlement Agreement, including the general release contained therein. Original signatures are not required.

The executed Consent Page may be returned to Plaintiffs' counsel by PDF to:

E-mail to: [WirelessOptim@constantinecannon.com](mailto:WirelessOptim@constantinecannon.com)

You will receive a reply confirming receipt of the Consent Page. Please use this address for the submission of Consent Pages only. Contact information for any questions is below.

If a Non-Intervenor does not execute the Consent Page, and therefore does not agree to be bound by the Terms of the Settlement Agreement, then the Non-Intervenor will receive only 90% of the amount allocated to it in the Proposed Allocation.

In addition, Plaintiffs will apply to the Court for a Relator's share pursuant to California Government Code section 12652(g)(3) and attorney fees pursuant to California Government Code section 12652(g)(8). As set forth in the Motion for Approval and the Proposed Allocation, Plaintiffs are requesting a Relator's share of 43% with respect to any amounts allocated to Non-Intervenors, and have entered into a Settlement Agreement with AT&T to receive attorneys' fees.

### Hearing

The Court has set a hearing for final approval of the Settlement Agreement for September 24, 2020, at 11:00am in Department 92 or 96 of the Sacramento Superior Court, located at 9605 Kiefer Boulevard, Sacramento, California. The purpose of the hearing is to determine whether the terms of the Settlement Agreement—including but not limited to the dismissal of the California Action with prejudice as to AT&T, the releases, and the Proposed Allocation among the Parties, Relator, and Plaintiffs' counsel—are in all respects fair, adequate, and reasonable, and in the best interests of the parties involved, serve the public purposes behind the CFCA, and should be finally approved.

In the event that it becomes necessary to postpone this hearing, then Relator's counsel will, within 5 calendar days of the Court's postponement order, (a) serve the order on you by mail, and (b) make the order available on the website: <https://constantinecannon.com/Non-Intervenor>

Similarly, in the event that it becomes necessary to disallow in-person appearances at the hearing, then within 5 calendar days of the Court's order requiring any attendance at the hearing to be remote/telephonic rather than in-person, Relator's counsel will (a) serve the order on you by mail, and (b) make the order available on the website. Such service shall include an updated notice that contains meeting identification number(s) and login information, if any, that are necessary for remote attendance.

### How to object

The Court has ordered that any Non-Intervenor who objects to the approval of the proposed settlement may appear at the Hearing to show cause why the proposed settlement should not be approved. Pursuant to the Court's order, objections to the settlement shall be heard, and any papers or briefs submitted in support of said objections shall be considered by the Court.

Any Non-Intervenor wishing to make an objection is requested to file written notice of its intention to object, together with supporting papers stating specifically the factual basis and legal

grounds of the objection, and to serve copies thereof upon counsel for Plaintiffs and AT&T, on or before September 17, 2020.

### Additional information

If you have any questions about this notification and settlement payment, or the terms of the Settlement Agreement, please contact:

Anne Hartman  
Constantine Cannon LLP  
150 California Street, Suite 1600  
San Francisco, CA 94111

Telephone: (415) 766-3532

E-mail: [ahartman@constantinecannon.com](mailto:ahartman@constantinecannon.com)

If the recipient of this letter is not an attorney who represents [ENTITY] in civil legal proceedings, you may want to consult with such counsel.

Sincerely,

Wayne T. Lamprey  
Anne Hayes Hartman  
Ari M. Yampolsky  
CONSTANTINE CANNON LLP  
150 California Street, Suite 1600  
San Francisco, CA 94111  
Telephone: (415) 639-4001  
Facsimile: (415) 639-4002

# Exhibit F

## Non-Intervenor Non-Customer Notice (AT&T Settlement)

Dear Sir or Madam,

You are receiving this letter because [ENTITY] is a non-intervening real party in interest ("Non-Intervenor") in *State of California ex rel. OnTheGo Wireless, LLC v. Celco Partnership db a Verizon Wireless, et al.*, Case No. 34-2012-00127517, which is pending in the Superior Court for Sacramento County. Defendant New Cingular Wireless National Accounts, LLC d/b/a Cingular Wireless, now known as AT&T Mobility National Accounts LLC ("AT&T"), and Plaintiffs have entered into a Settlement Agreement in the case.

[ENTITY] has been identified as a party that did not make purchases from AT&T under the contracts at issue in the case during the relevant time period, and therefore will not receive a share of the AT&T settlement payment. No further action is required from you at this time. However, if you would like more information about the settlement, or if you would like to object to the settlement.

### Download filings regarding settlement

Copies of documents filed with the Court in support of the settlement, which include the Settlement Agreement and the Court's order approving this notice procedure, may be downloaded at: <http://constantinecannon.biz.com's/Non-Intervenor>. In addition, you may contact counsel identified below to obtain the documents.

### Hearing

The Court has set a hearing for final approval of the Settlement Agreement for September 24, 2020, at 11:00am in Department 92 or 96 of the Sacramento Superior Court, located at 9605 Kiefer Boulevard, Sacramento, California. The purpose of the hearing is to determine whether the terms of the Settlement Agreement—including but not limited to the dismissal of the California Action with prejudice as to AT&T, the releases, and the Proposed Allocation among the Parties, Relator, and Plaintiffs' counsel—are in all respects fair, adequate, and reasonable, and in the best interests of the parties involved, serve the public purposes behind the CFCA, and should be finally approved.

In the event that it becomes necessary to postpone this hearing, then Relator's counsel will, within 5 calendar days of the Court's postponement order, (a) serve the order on you by mail, and (b) make the order available on the website: <http://constantinecannon.biz.com's/Non-Intervenor>

Similarly, in the event that it becomes necessary to disallow in-person appearances at the hearing, then within 5 calendar days of the Court's order requiring any attendance at the hearing to be remote/telephonic rather than in-person, Relator's counsel will (a) serve the order on you by mail, and (b) make the order available on the website. Such service shall include an updated notice that contains meeting identification number(s) and login information, if any, that are necessary for remote attendance.

### How to object

The Court has ordered that any Non-Intervenor who objects to the approval of the proposed settlement may appear at the Hearing to show cause why the proposed settlement should not be approved. Pursuant to the Court's order, objections to the settlement shall be heard, and any papers or briefs submitted in support of said objections shall be considered by the Court.

Any Non-Intervenor wishing to make an objection is requested to file written notice of its intention to object, together with supporting papers stating specifically the factual basis and legal grounds of the objection, and to serve copies thereof upon counsel for Plaintiffs and AT&T, on or before September 17, 2020.

### Additional information

If you have any questions about this notification, or the terms of the Settlement Agreement, you may contact counsel for the Relators and Intervenor.

Anne Hartman  
Constantine Cannon LLP  
150 California Street, Suite 1600  
San Francisco, CA 94111

Telephone: (415) 766-3332

E-mail: [ahartman@constantinecannon.com](mailto:ahartman@constantinecannon.com)

If the recipient of this letter is not an attorney who represents [ENTITY] in civil legal proceedings, you may want to consult with such counsel.

Sincerely,

Wayne T. Lamprey  
Anne Hayes Hartman  
Ari M. Yampolsky  
CONSTANTINE CANNON LLP  
150 California Street, Suite 1600  
San Francisco, CA 94111  
Telephone: (415) 639-4001  
Facsimile: (415) 639-4002

## PROOF OF SERVICE

I, the undersigned, declare:

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is 1900 Avenue of the Stars, Suite 1400, Los Angeles, California 90067-6029.

On June 12, 2020, I served the foregoing document(s) described as follows:

### DECLARATION OF STEVEN M. SHEPARD IN SUPPORT OF RELATOR'S MOTIONS FOR APPROVAL OF SETTLEMENTS WITH AT&T AND VERIZON DEFENDANTS

on the interested parties in this action by placing true copies thereof enclosed in sealed envelopes addressed as stated on the attached service list, as follows:

#### BY MAIL

I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice, it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

#### BY PERSONAL SERVICE

I caused to be delivered such envelope by hand to the offices of the addressee.

#### BY FEDERAL EXPRESS OR OVERNIGHT COURIER

#### BY FAX

I served by facsimile as indicated on the attached service list.

#### BY ELECTRONIC MAIL

I caused said documents to be prepared in portable document format (PDF) for e-mailing and served by electronic mail as indicated on the attached service list.

Executed on June 12, 2020, at Los Angeles, California.

(State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

(Federal) I declare that I am employed in the office of a member of the bar of this Court at whose direction the service was made.

Helen Danicsson  
(Type or Print Name)

  
(Signature)

SERVICE LIST

1		
2	W Scott Cameron (SBN 229828) scameron@kslaw.com KING & SPALDING LLP 621 Capitol Mall, Suite 1500 Sacramento, CA 95814	Attorneys for Defendant New Cingular Wireless National Accounts, LLC, d/b/a Cingular Wireless n/a/a AT&T Mobility National Accounts
3	John C. Richter (Admitted Pro Hac Vice) jrichter@kslaw.com Nikesh Jindal njindal@kslaw.com Peter Cooch pcooch@kslaw.com Anne Voigts avoigts@kslaw.com Margaret Farquhar Thomas (Pro Hac Vice) mfthomas@kslaw.com Jenna Carly Stern (Pro Hac Vice) jstern@kslaw.com Jessica Rapoport (Pro Hac Vice) jrapoport@kslaw.com David Matern (Pro Hac Vice) dmatern@kslaw.com Kelli Gaulte (Pro Hac Vice) kgaulte@kslaw.com Christina Kung (SBN 324754) ckung@kslaw.com Jacqueline Duobinis jduobinis@kslaw.com KING & SPALDING LLP 1700 Pennsylvania Ave NW, Suite 200 Washington, DC 20006	Attorneys for Defendant New Cingular Wireless National Accounts, LLC, d/b/a Cingular Wireless n/a/a AT&T Mobility National Accounts
4	Bailey J. Langer (SBN 307753) blanger@kslaw.com KING & SPALDING LLP 101 Second Street, Suite 2300 San Francisco, CA 94105 Telephone: (415) 318-1214 Facsimile: (415) 318-1300	
5	Brian Priestley (SBN 301586) bpriestley@kslaw.com KING & SPALDING LLP 633 West Fifth Street Suite 1700 Los Angeles, CA 90071 Telephone: (213) 443-4344	

1	Facsimile: (213) 443-4310	
2	Matthew H. Dawson mdawson@kslaw.com KING & SPALDING LLP 601 South California Avenue Suite 100 Palo Alto, CA 94304 Tel. (650) 422-6725	
3	Colin H. Murray (SBN 159142) colinmurray@bakermckenzie.com Anne M. Keltz (SBN 291710) Anne Keltz@bakermckenzie.com BAKER & MCKENZIE LLP Two Embarcadero Center, 11th Fl. San Francisco, CA 94111	Attorneys for Defendants Sprint Solutions, Inc., and Nextel of California, Inc.
4	Jessica L. Averitt (Pro Hac Vice) jessica.averitt@bakermckenzie.com BAKER & MCKENZIE LLP 700 Louisiana, Suite 3000 Houston, TX 77002	
5	Jonathan M. Wilan (Pro Hac Vice) jonathan.wilan@bakermckenzie.com John Woods (Pro Hac Vice) john.woods@bakermckenzie.com BAKER & MCKENZIE LLP 815 Connecticut Avenue, N.W. Washington, DC 20006	
6	Hedi K. Hubbard (Pro Hac Vice) hhubbard@wvc.com John E. Joiner (Pro Hac Vice) jjoiner@wvc.com William P. Ashworth (Pro Hac Vice) w.ashworth@wvc.com Ashley W. Hardin (Pro Hac Vice) ahardin@wvc.com Alec Swafford (Pro Hac Vice) aswafford@wvc.com Shauna M. Kramer (Pro Hac Vice) skramer@wvc.com Taylor G. Weaver (Pro Hac Vice) tweaver@wvc.com Sean M. Quinn (CA State Bar No. 314041) sqm@wvc.com Monika Isia Jasiewicz (Pro Hac Vice)	Attorneys for Defendants Sprint Solutions, Inc., and Nextel of California, Inc.

1	mmesquita@wvc.com Anna K. Tsionas (CA State Bar No. 319520) atsionas@wvc.com Michael Mesquita (CA State Bar No. 310354) mmesquita@wvc.com WILLIAMS & CONNOLLY LLP 715 Twelfth Street, N.W. Washington, D.C. 20005	
2	Mark McGrory mark.mcgrory@eriseip.com Erise IP, P.A. (Pro Hac Vice) 7015 College Blvd. Suite 700 Overland Park, KS 66211 Tel. 913-777-5604	Attorney for Defendants, Sprint Solutions, Inc., and Nextel of California, Inc.
3	Steve Y. Koh (Pro Hac Vice) skoh@perkinscoie.com Erin K. Earl (Pro Hac Vice) kearl@perkinscoie.com PERKINS COIE LLP 1201 Third Avenue, Suite 4900 Seattle, WA 98101	Attorneys for Defendant T-Mobile USA, Inc.
4	Bobbie Wilson (SBN 148317) bwilson@perkinscoie.com Samita Bali (SBN 274108) sbali@perkinscoie.com PERKINS COIE LLP 505 Howard Street, Suite 1000 San Francisco, CA 94105	Attorneys for Defendant T-Mobile USA, Inc.
5	Matthew S. Rosengart mrosengart@glaw.com GREENBERG TRAUIG LLP 1840 Century Park East, Suite 1900 Los Angeles, CA 90067	Attorneys for Defendant Celco Partnership d/b/a Verizon Wireless
6	Jeremy A. Meyer jmeyer@glaw.com Shiraz Zohar zohar@glaw.com David A. Cherit dcherit@glaw.com GREENBERG TRAUIG LLP 1201 K Street, Suite 1100 Sacramento, CA 95814	Attorneys for Defendant Celco Partnership d/b/a Verizon Wireless
7	Matthew F. Bruno (Pro Hac Vice) mbruno@glaw.com Eric D. Wong (Pro Hac Vice) ewong@glaw.com	

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21 Attorneys for Plaintiffs  
22 Regents of the University of California, et al.  
23 and Plaintiff-Relator OnTheGo Wireless, LLC

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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF SACRAMENTO

STATE OF CALIFORNIA et al., *ex rel.*, OnTheGo  
Wireless, LLC

Plaintiffs,

vs.

CELCO PARTNERSHIP, doing business as  
VERIZON WIRELESS, et al.

Defendants

Case No. 34-2012-00127317

[PUBLIC REDACTED]  
DECLARATION OF PHILIP KLINE IN  
SUPPORT OF MOTION FOR  
APPROVAL OF SETTLEMENT WITH  
VERIZON DEFENDANTS

Date: September 24, 2020  
Time: 11:00 a.m.  
Dept. 92 or 96, Hon. Judy Holzer Hersher

Public - Redacts Materials from Conditionally Sealed Record

Case No. 34-2012-00127317

DEC. OF P. KLINE IN SUPP. OF MOT. FOR APPROVAL OF VERIZON SETTLEMENT

DECLARATION

I, Philip W. Kline, declare as follows:

- I am a Managing Director at Ankura Consulting Group, where my practice focuses on valuation and transactional services.
- I have performed valuations in a variety of contexts, including damages quantification, bankruptcy, tax planning, and tax disputes. I have represented a broad range of clients, including charitable foundations, small companies, and multi-national corporations. I have assisted in the quantification of damages resulting from numerous causes of action, including patent infringement, copyright infringement, trademark infringement, theft of trade secrets, unfair competition, unjust enrichment, breach of contract, and false advertising. In connection with my IP valuation work, I have gained extensive experience in processing large databases produced in litigation.
- I am a Certified Public Accountant (CPA) licensed in the state of Illinois.
- I have held a variety of leadership positions in industry organizations. I am a past American Bar Association (ABA), Intellectual Property Law (IPL) Section liaison to the Licensing Executive Society's Intellectual Property Valuation and Standards Committee. I am a past chair of the ABA, IPL Section's Monetization and Valuation of IP Committee and a past chair of the ABA, IPL Section's Economics of the Profession Committee. I am a past member of the Certified Licensing Professional (CLP) Standards, Admissions, and Recertification Committee and the CLP Exam Development Committee.
- I have been named one of the World's Leading IP Strategists by Intangible Asset Management. I am a Certified Public Accountant (CPA) licensed in the state of Illinois and a Certified Licensing Professional (CLP) - a designation started by the Licensing Executive Society. I hold a B.A. from The University of Southern California in Economics and International Relations, Magna Cum Laude. I have also written several articles and have given presentations related to my profession. My curriculum vitae is attached as Appendix A.
- I have been asked by Susman Godfrey LLP ("Counsel") to perform certain calculations to assist the Court and the Parties in allocating the settlement amount agreed by

- 2 -

Case No. 34-2012-00127317

DEC. OF P. KLINE IN SUPP. OF MOT. FOR APPROVAL OF VERIZON SETTLEMENT 416229-1

Plaintiffs and Celco Partnership ("Verizon") between the various plaintiff entities ("Proposed Settlement Allocation")

7 To perform this allocation, I used each entity's share of the total Verizon charges that may have been subject to optimization ("optimizable charges"). Optimizable charges are those that relate to wireless services and exclude other charges, primarily equipment, I was asked to determine optimizable charges for the State of California beginning in 2006 and for all California political subdivisions (except County of Los Angeles) beginning in 2011. For County of Los Angeles, I was instructed by Counsel to determine optimizable charges beginning on March 1, 2017. I was asked to determine optimizable charges for the State of Nevada and its political subdivisions beginning in 2007. For all entities, I was asked to determine optimizable charges through the most recent data provided by Verizon, which was October 5th, 2019.

8. I have relied on data provided by Verizon from a database called Vision (the "Vision Database") which contains billing information.<sup>1</sup> Verizon produced tables from the Vision Database in comma separated text files. Many of these files contain more than 1 million rows of data with several files containing over 30 million rows. To view and extract data, I imported these files into a Structured Query Language ("SQL") server and executed queries.

9. Specifically, I have relied on the following Vision Database tables to prepare the optimizable charges by entity.

- BL\_ACCT contains information relating to each account, such as the account name. I understand that this table associates each account to a customer. Furthermore, I understand that each account receives an invoice for each month of use.
- CUSTOMER contains information relating to each customer, such as the customer name.
- ECPD\_PROFILE contains information relating to each ECPD profile.
- ECPD\_PROFILE\_CUST correlates each customer to an ECPD profile.

<sup>1</sup> I have relied on the tables produced from the following: VZW2243386, VZW4007099, and a set of tables containing data relating to Nevada produced on January 16, 2020.

- 3 -

Case No. 34-2012-00127317

DEC. OF P. KLINE IN SUPP. OF MOT. FOR APPROVAL OF VERIZON SETTLEMENT 416229-1

- CUST\_BILL contains information relating to each invoice, such as the cycle end date and total charges; and
- CUST\_BL\_MTN\_SUM contains a detail summary of charges for each mobile telephone number ("MTN") by invoice, including access, data, equipment, and tax charges among others.

10. To allocate the settlement amount between the various plaintiff entities, it was first necessary to correlate the various accounts in the Verizon data with the various entities. To do so, I relied on ECPD profile IDs, each of which I understand belongs to only one entity. I relied in part on Exhibit F to the Joint Status Conference Statement filed with the Court on January 13,

2017, a document in which Verizon correlated certain ECPD profile IDs to various plaintiffs. For ECPD profiles IDs not correlated by Verizon, I used the ECPD name as shown in the Vision Database, information from various California Administrative Fee Reports, and guidance from Counsel to correlate those ECPD Profile IDs with various plaintiff entities. In total, I correlated over 2,000 ECPD profile IDs to the various plaintiff entities.

11. Verizon provided a separate Vision Database containing the data discussed above, relating to accounts owned by various State of Nevada entities and Nevada subdivisions. Counsel requested that all Nevada entities be grouped together in one line on the Proposed Settlement Allocation. I have not reviewed or assigned accounts from this production to separate Nevada entities.

12. Once each ECPD profile ID was correlated to an entity, I determined the optimizable charges for each relevant ECPD profile ID. I understand from Counsel, and from conversations with Cameron Sowder, an expert on Telecons Expense Management, that Verizon optimizable charges include home air charges, access charges, enhanced service charges, data charges, and text, picture, and video charges. I understand that these charges are stored by mobile telephone number ("MTN") and invoice in the CUST\_BL\_MTN\_SUM table in the Vision Database, specifically in the following fields:

- UIM\_HM\_AIR\_AMT;
- TOT\_ACCESS\_CHG\_AMT;

- 4 -

Case No. 34-2012-00127317

DEC. OF P. KLINE IN SUPP. OF MOT. FOR APPROVAL OF VERIZON SETTLEMENT 416229-1

- c. TOT\_EH\_IQ\_SVC\_AMT;
- d. UIM\_MTN\_DATA\_AMT; and
- e. UIM\_MTN\_TPV\_AMT.

13. The sum of these five fields are the total optimizable charges for a given MTN and a given invoice.

14. To associate these optimizable charges with each ECPD, and thereby each plaintiff entity, I correlated ECPD profile ID's and MTNs by associating: (1) each ECPD with its component "Customers" using the ECPD\_PROFILE\_CUST table;<sup>2</sup> (2) each Customer with its component "Accounts" using the BL\_ACCT table; (3) each account with its associated invoices using the CUST\_BILL table; and, (4) each invoice with its associated MTN(s) using the CUST\_BL\_MTN\_SUM table.

15. I note that Verizon did not provide detailed data in the CUST\_BL\_MTN\_SUM table for invoices prior to 2008. Instead, Verizon only provided the total charges for each invoice. The total charge for each invoice is contained in the CUST\_BILL table in the BL\_TOT\_CUR\_CHG field. I understand that the total charge value is the total current charges due for a billing period and is the amount that appears on the invoice. Therefore, for the State of California entities in 2006 and 2007, and for the Nevada entities in 2007, I estimated optimizable charges by applying the ratio of optimizable charges to total charges from 2008 - 2019 to the 2006 and 2007 total charge figures.


16. Having calculated each plaintiff entity's optimizable charges, I then calculated each plaintiff entity's share of the total optimizable charges for all entities (including California and Nevada) during the relevant time periods described in Paragraph 7. That total was [REDACTED]. I then multiplied each entity's share of the total optimizable charges by the total settlement value (of \$76 million) to calculate each entity's gross settlement allocation.

<sup>2</sup> I note that from time to time a customer may be associated with different ECPD profiles. The effective start and end dates of a customer's associations to an ECPD profile is shown in the ECPD\_PROFILE\_CUST table and these reassignments are reflected in my correlation of accounts to entities.

PLAINTIFF GROUP	TOTAL CHARGES
California Intervenor	[REDACTED]
California Non-Intervenor	[REDACTED]

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 15 day of May, 2020 at Ann Arbor, Michigan

  
/ Philip W. Kline

17. From each entity's gross settlement allocation, I was instructed to deduct the Relator's Share, which I was instructed was 25% for Intervenor, 43% for California Non-Intervenor, and 43% for Nevada entities.

18. I was also instructed to deduct an additional 8% intervenor contingent fee from the Intervenor's share.

19. I was then asked by Counsel to remove all optimizable charges for non-intervenor entities with either: (1) total optimizable charges of less than \$500; or, (2) use settlement allocation of less than \$50. I did so and re-performed the steps described in paragraphs 16-18 above.

20. At the request of Counsel, I have summarized my findings in the following appendices:

- a. Appendix B: A spreadsheet showing the results of the calculations described above for California and Nevada, but with the optimizable charges not presented.
- b. Appendix C: A spreadsheet showing the results of the calculations described above only for California and its political subdivisions, but with the optimizable charges not presented.

21. At the request of counsel, I have summed the total optimizable charges for all three groups of plaintiff entities, during the time periods described above in Paragraph 7. The totals are:

PLAINTIFF GROUP	OPTIMIZABLE CHARGES	PERCENT OF TOTAL OPTIMIZABLE CHARGES
California Intervenor	[REDACTED]	[REDACTED]
California Non-Intervenor	[REDACTED]	[REDACTED]
Total California Government Entities	[REDACTED]	[REDACTED]
Nevada Plaintiffs	[REDACTED]	[REDACTED]
Grand Totals	[REDACTED]	[REDACTED]

22. I have also been asked by counsel to state the total charges for the two groups of California entities during this period, including equipment and other charges, for purposes of comparing this settlement to an earlier settlement with Sprint. (I am informed that the Sprint settlement was based on Sprint revenue numbers that included equipment and other charges.) Those totals are:

# Appendix A



**PHILIP W. KLINE  
CURRICULUM VITAE**

May 2020

Philip W. Kline is a Managing Director at Ankura Consulting Group, where his practice focuses on intellectual property (IP) valuation, litigation consulting, IP strategy, and transactional services.

Mr. Kline has extensive experience in IP valuation and monetization, including assisting clients in negotiating IP licenses. He has represented a broad range of clients, including charitable foundations, small companies, and multi-national corporations. Mr. Kline has valued IP in a variety of contexts, including damages quantification, bankruptcy, tax planning, and tax disputes. Mr. Kline has assisted in the quantification of damages resulting from numerous causes of action, including patent infringement, copyright infringement, trademark infringement, theft of trade secret, unfair competition, unjust enrichment, breach of contract, and false advertising.

Mr. Kline's experience also spans a variety of industries. He has worked extensively in the wireless telecommunications space, assisting both licensors and licensees in assessing whether proposed royalty rates for standard essential patents are fair, reasonable, and non-discriminatory. He has also worked on engagements pertaining to medical devices, consumer electronics, industrial networking, and transportation.

Mr. Kline has held a variety of leadership positions in industry organizations. He was the American Bar Association (ABA), Intellectual Property Law (IPL) Section's liaison to the Licensing Executive Society's Intellectual Property Valuation and Standards Committee. He is a past chair of both the ABA, IPL Section's Monetization and Valuation of IP Committee and the ABA, IPL Section's Economics of the Profession Committee. Mr. Kline is a past member of the Certified Licensing Professional (CLP) Standards, Admissions, and Recertification Committee and the CLP Exam Development Committee.

Mr. Kline has been named one of the *World's Leading IP Strategists* by Intangible Asset Management. He is a Certified Public Accountant (CPA) licensed in the state of Illinois and Certified Licensing Professional (CLP) – a designation started by the Licensing Executive Society. Mr. Kline holds a B.A. from The University of Southern California in Economics and International Relations. *Magna Cum Laude*.

Appendix A of the Declaration of P. Kline dated May 15, 2020

**PROFESSIONAL EXPERIENCE**

- Managing Director, Ankura Consulting Group, Dec. 2019 – Present
- Managing Director, 284 Partners, Jul. 2014 – Dec. 2019
- Director, 284 Partners, Jan. 2012 – Jun. 2014
- Associate, 284 Partners, Feb. 2011 – Dec. 2011
- Associate, Ocean Tomo, Jan. 2009 – Dec. 2010
- Analyst, Ocean Tomo, Feb. 2007 – Dec. 2008

**SELECT CAUSE OF ACTION EXPERIENCE**

- Unfair Competition
- Patent Licensing Support
- Unjust Enrichment
- Patent Transfer Pricing
- Breach of Contract
- Patent Valuation
- Copyright Infringement
- Trademark Infringement
- False Advertising
- Trademark Transfer Pricing
- Legal Malpractice
- Trade Secret Misappropriation
- Patent Infringement
- Licensing Advisory

**SELECT PRODUCT AND INDUSTRY EXPERIENCE**

- Angioplasty Catheters
- Mobile Devices
- Business Intelligence Software
- Retail Taxonomies
- Commercial Packaging
- Semiconductor Design
- Consumer Products
- Semiconductor Manufacturing
- Data Optimization
- Software Licensing
- Digital Cameras
- Sports Equipment
- Footwear
- Standard Essential Patents
- Hospital Equipment
- Video Game Consoles
- Industrial Manufacturing
- 2D Barcodes

**EXPERT TESTIMONY**

- Union Apparel Group LTD v. Thomas Lam, et al. v. Jenny Chen*  
Index No. 653867/2016  
Primary Action: Breach of Contract  
Industry: Apparel  
Venue: Supreme Court of the State of New York, County of New York

Appendix A of the Declaration of P. Kline dated May 15, 2020

**EXPERT ENGAGEMENTS**

- Fleet Engineers, Inc. v. Mudguard Technologies, LLC*  
Case No. 1:12-cv-01143  
Primary Action: Patent Infringement  
Industry: Shipping/Transportation  
Venue: United States District Court, Western District of Michigan

- Rain Corporation v. Parry et al.*  
Case No. 1:13-cv-03331  
Primary Action: Copyright Infringement, Breach of Contract, Unfair Competition  
Industry: Theater  
Venue: United States District Court, Southern District of New York

**SELECT OTHER LITIGATION CONSULTING EXPERIENCE**

- Federal Trade Commission v. Qualcomm Incorporated*  
Case No. 5:17-cv-00220  
Primary Action: FRAND Licensing  
Industry: Telecommunications  
Venue: United States District Court, Northern District of California

- In Re: Qualcomm Antitrust Litigation*  
Case No. 5:17-cv-0773  
Industry: Telecommunications  
Primary Action: FRAND Licensing  
Venue: United States District Court, Northern District of California

- Huawei Technologies Co., Ltd., et al. v. Samsung Electronics Co., Ltd., et al.*  
Case No. 3:16-cv-02787  
Primary Action: FRAND Licensing  
Industry: Telecommunications  
Venue: United States District Court, Northern District of California

- Evolved Wireless, LLC v. ZTE Corporation et al.*  
Case No. 1:15-cv-00546-SLR-SRF  
Primary Action: Patent Infringement  
Industry: Telecommunications  
Venue: United States District Court, District Court of Delaware

- In the Matter of: Certain Memory Modules and Components Thereof, and Products Containing the Same – SK hynix, Inc.*  
Investigation No. 337-TA-1023  
Primary Action: FRAND Licensing  
Industry: Semiconductor  
Venue: United States International Trade Commission

- Unwired Planet International Ltd., et al. v. Huawei Technologies Co. Ltd., et al.*  
Claim No. HP-2014-000005  
Primary Action: FRAND Licensing  
Industry: Telecommunications  
Venue: High Court of Justice of England and Wales, Chancery Division, Patents Court

- Confidential Arbitration on behalf of Huawei Technologies Co. Ltd.*  
Case No.: 01-14-0002-2610  
Primary Action: N/A  
Industry: Telecommunications  
Venue: International Center for Dispute Resolution

- Confidential Arbitration on behalf of Nokia Corporation*  
Case No.: 19602/AGF  
Primary Action: N/A  
Industry: Telecommunications  
Venue: International Chamber of Commerce, International Court of Arbitration

- Namtel, Inc. v. Balluff, Inc. and H.H. Barnum Company*  
Case No. 2:13-cv-11049-DML-MKM  
Primary Action: Patent Infringement  
Industry: Industrial Automation  
Venue: United States District Court, Eastern District of Michigan

- In the Matter of: Certain Wireless Devices with 3G and/or 4G Capabilities and Components Thereof – Client ZTE Corporation*  
Investigation No.: 337-TA-868  
Primary Action: FRAND Licensing  
Industry: Telecommunications  
Venue: United States International Trade Commission

- NeoMedia, Inc. v. Scanbury, Inc.*  
Case No.: 13 117 01730 12  
Primary Action: Breach of Contract  
Industry: Consumer Electronics  
Venue: American Arbitration Association, New York

- In Re: Eastman Kodak Company et al.*  
Case No.: 1:12-cv-10204  
Primary Action: Bankruptcy  
Industry: Digital Imaging  
Venue: United States Bankruptcy Court, Southern District of New York

Appendix A of the Declaration of P. Kline dated May 15, 2020

Appendix A of the Declaration of P. Kline dated May 15, 2020

*Ethicon Endo-Surgery, Inc., et al. v. Covidien Inc., et al.*  
Case No.: 1:11-cv-00871  
Primary Action: Patent Infringement  
Industry: Medical Devices  
Venue: United States District Court, Southern District of Ohio

*Schiff Container Systems, Inc., Mauser Corp. and NCG, LLC*  
Case No.: 1:09-cv-03609  
Primary Action: Trademark Infringement  
Industry: Shipping Containers  
Venue: United States District Court, Northern District of Georgia

*Conceptus, Inc. v. Hologic, Inc.*  
Case No.: 3:09-cv-02280  
Primary Action: Patent Infringement  
Industry: Medical Devices  
Venue: United States District Court, Northern District of California

*Alfred E. Mann Foundation for Scientific Research v. Cochlear Corporation et al.*  
Case No.: 2:07-cv-08108  
Primary Action: Patent Infringement  
Industry: Medical Devices  
Venue: United States District Court, Central District of California

*Advanced Micro Devices, Inc. et al. v. Samsung Electronics Co. Ltd. et al.*  
Case No.: 3:08-cv-00986  
Primary Action: Patent Infringement  
Industry: Semiconductor  
Venue: United States District Court, Northern District of California

*Ethicon Endo-Surgery, Inc. v. Crescendo Technologies, et al.*  
Case No.: 1:07-cv-01016  
Primary Action: Trade Secret Misappropriation, Breach of Contract  
Industry: Medical Devices  
Venue: United States District Court, Southern District of Ohio

*Hochstein et al. v. Microsoft Corporation et al.*  
Case No.: 2:04-cv-73071  
Primary Action: Patent Infringement  
Industry: Consumer Electronics  
Venue: United States District Court, Eastern District of Michigan

*PalTalk Holdings, Inc. v. Microsoft Corporation*  
Case No.: 2:06-cv-00367  
Primary Action: Patent Infringement  
Industry: Consumer Electronics  
Venue: United States District Court, Eastern District of Texas

*Boston Scientific Corporation et al. v. Johnson & Johnson et al.*  
Case No.: 3:02-cv-00790  
Primary Action: Patent Infringement  
Industry: Medical Devices  
Venue: United States District Court, Northern District of California

EDUCATION /  
LICENSES /  
PROFESSIONAL  
ASSOCIATIONS

B.A. Economics, International Relations, The University of Southern California,  
*Magna Cum Laude*

Certified Public Accountant, State of Illinois, License No. 065.049423

Certified Licensing Professional, Licensing Executives Society, Certificate No. 2256

Named as one of World's 1000 Leading Patent Professionals by Intangible Asset Management in 2019

Named as one of World's 300 Leading IP Strategists by Intangible Asset Management in 2017 through 2019

American Bar Association, Intellectual Property Law Section, Chairman of the  
Monetization and Valuation of IP Committee, September 2017 – August 2019

American Bar Association, Intellectual Property Law Section, Liaison to the  
Licensing Executive Society's Intellectual Property Valuation and Standards  
Committee, June 2016 – August 2019

Certified Licensing Professional, Standards, Admissions, and Recertification  
Committee Member, January 2017 – December 2017

American Bar Association, Intellectual Property Law Section, Continuing Legal  
Education Board, Webinar Chair – Specialty (Languages Expert), September 2016 –  
August 2017

American Bar Association, Intellectual Property Law Section, Past Chairman of the  
Economics of the Profession Committee, September 2014 – August 2016

American Bar Association, Intellectual Property Law Section, Past Vice-Chairman  
of the Economics of the Profession Committee, September 2012 – August 2014

Certified Licensing Professional, Past Exam Development Committee Member,  
January 2014 – December 2015

PUBLICATIONS /  
PRESENTATIONS

*"IP Financing: 360° Market and Legal Dynamics,"* ABA Business Law  
Section, Annual Meeting CLE Presentation, September 2018

*"IP Valuation & Portfolio Management: Nuts & Bolts,"* ABA IPL CLE  
Webinar, June 2018

*"The Fundamentals of Intellectual Property Valuation,"* LES RTP Chapter  
Presentation, October 2017

*"Assessing the Value of Intellectual Property in Rapidly Changing Markets  
and Law,"* AIPLA Webinar, August 2017

*"IP Portfolio Management: Maximizing the Value while Minimizing the  
Cost,"* American Bar Association, Continuing Legal Education Webinar,  
January 2017

*"An Up Close Look into the Proposed Updates of the Antitrust Guidelines for  
Licensing of Intellectual Property,"* American Bar Association, Continuing  
Legal Education Webinar, October 2016

*"Novartis v. Energy Lab: District Court Guidance on the Entire Market Value  
Rule,"* LES Insights, August 2016, co-authored with Ryan Penkowski

*"ACI v. Google: District Court Guidance on Smallest Saleable Unit and  
Revenue from Intra-related Product Offerings,"* LES Insights, July 2016, co-  
authored with Ryan Penkowski

*"Oracle America, Inc. v. Google Inc.: Profit Apportionment Post Uniloc,"*  
LES Insights, August 2011, co-authored with Christopher Schulte

*"Convasive Inc. v. Dell, Inc., et al.: Profit Apportionment Post Uniloc,"* LES  
Insights, July 2011, co-authored with Christopher Schulte

CONTACT

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Ann Arbor, MI 48104

(734) 369-3574 Direct  
(213) 926-1602 Cell  
Philip.kline@ankura.com

# Appendix B

Verizon Expenses (Charges Subject to Optimization)	Estimated Amount	\$74,000,000
Interest on Retainer's Share	25%	
CA Non-Interest on Retainer's Share, subject to court approval	45%	
NY Retainer's Share, subject to court approval	40%	
Interest Contingent Fee	0%	

Entity	Gross Settlement Amount	Retainer's Share - Subject to court approval	Interest Contingent Fee	Net Settlement Amount
<b>Collaborative Settlements</b>				
1 Regents of the University of California	\$4,197,253	\$1,148,164	\$187,412	\$1,333,676
2 Board of Trustees of the California State University	\$1,206,183	\$332,681	\$108,455	\$452,659
3 City of Chicago	\$84,000	\$23,174	\$8,770	\$34,944
4 City of Dallas	\$375,000	\$104,419	\$34,953	\$135,367
5 City of Houston	\$8,721	\$2,411	\$869	\$3,690
6 City of Irvine	\$204,079	\$56,816	\$18,124	\$79,756
7 City of Long Beach	\$300,000	\$83,521	\$27,807	\$113,328
8 City of Oakland	\$308,000	\$84,204	\$27,807	\$113,811
9 City of San Francisco	\$116,147	\$32,277	\$10,575	\$45,127
10 City of San Jose	\$108,118	\$29,344	\$9,511	\$38,855
11 City of San Jose	\$130,000	\$36,211	\$11,601	\$47,812
12 City of Sacramento	\$121,471	\$33,419	\$10,801	\$44,220
13 City of San Bernardino	\$25,041	\$6,911	\$2,267	\$9,179
14 City of San Diego	\$137,297	\$37,293	\$11,923	\$49,416
15 City of Santa Ana	\$117,800	\$32,499	\$10,575	\$43,074
16 City of Seattle	\$136,914	\$37,129	\$11,873	\$49,002
17 County of Los Angeles	\$299,800	\$83,007	\$27,400	\$110,407
18 County of Alameda	\$1,000,000	\$275,000	\$88,750	\$353,750
19 County of Orange	\$1,801,340	\$495,363	\$158,273	\$653,636
20 County of Riverside	\$60,124,000	\$16,533,000	\$5,179,120	\$21,712,120
21 County of Sacramento	\$2,124,421	\$583,607	\$185,211	\$768,818
22 County of San Bernardino	\$1,800,788	\$480,206	\$154,403	\$634,609
23 County of Santa Clara	\$16,101	\$4,297	\$1,393	\$5,690
24 County of Sonoma	\$517,111	\$137,278	\$43,404	\$183,682
25 County of Utah	\$431,812	\$112,758	\$36,481	\$149,239
26 County of Virginia	\$1,000,000	\$250,000	\$79,375	\$329,375
27 San Diego Unified School District	\$10,000	\$2,700	\$875	\$3,475
28 Santa Ana Unified School District	\$125,000	\$33,250	\$10,750	\$44,000
29 Sonoma County Water Agency	\$11,575	\$3,146	\$1,016	\$4,302
30 Washington Fire District	\$118,000	\$31,740	\$10,245	\$42,985
<b>Collaborative Settlements Sub-Total</b>				
	\$17,276,247	\$4,684,564	\$1,484,335	\$6,173,463
<b>Verizon Plaintiffs</b>				
11 Nevada Plaintiffs	\$1,786,137	\$490,181	\$156,617	\$642,919
	\$1,786,137	\$490,181	\$156,617	\$642,919
<b>California Post-Settlement Road Parties to Litigation</b>				
12 State of California	\$23,216,494	\$6,005,213	\$1,937,000	\$8,042,423
	\$23,216,494	\$6,005,213	\$1,937,000	\$8,042,423
<b>Collaborative Settlements Sub-Total</b>				
	\$40,492,741	\$10,690,774	\$3,421,335	\$14,102,703
<b>Collaborative Settlements Total</b>				
	\$40,492,741	\$10,690,774	\$3,421,335	\$14,102,703
<b>Non-Collaborative Settlements</b>				
13 Alameda County Public Works Department	\$10,000	\$2,700	\$875	\$3,475
14 Alameda County Public Works Department	\$10,000	\$2,700	\$875	\$3,475
15 Anderson Union High School District	\$0	\$0	\$0	\$0
16 Antelope Valley Regional Water District	\$0	\$0	\$0	\$0
17 Apple Valley Unified School District	\$3,125	\$831	\$270	\$1,026
18 Arroyo Valley Unified School District	\$15,000	\$3,938	\$1,279	\$5,145
19 Arroyo Valley Unified School District	\$15,000	\$3,938	\$1,279	\$5,145
20 Berkeley Unified School District	\$114,000	\$29,640	\$9,534	\$39,174
21 California State University, East Bay	\$1,200,000	\$312,000	\$100,800	\$392,800
22 California State University, East Bay	\$1,200,000	\$312,000	\$100,800	\$392,800
23 California State University, East Bay	\$1,200,000	\$312,000	\$100,800	\$392,800
24 California State University, East Bay	\$1,200,000	\$312,000	\$100,800	\$392,800
25 California State University, East Bay	\$1,200,000	\$312,000	\$100,800	\$392,800
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30 California State University, East Bay	\$1,200,000	\$312,000	\$100,800	\$392,800
31 California State University, East Bay	\$1,200,000	\$312,000	\$100,800	\$392,800
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136 California State University, East Bay	\$1,200,000	\$312,000	\$100,800	\$392,800
137 California State University, East Bay	\$1,200,0			









1	<a href="mailto:masiewicz@wcc.com">masiewicz@wcc.com</a>	
2	Aana K. Tzortzis (CA State Bar No. 319520) <a href="mailto:atzortzis@wcc.com">atzortzis@wcc.com</a>	
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14 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
15 FOR THE COUNTY OF SACRAMENTO

16 STATE OF CALIFORNIA et al. ex rel. OnTheGo  
17 Wireless, LLC

18 Plaintiffs,

19 vs.

20 CELLCO PARTNERSHIP, doing business as  
21 VERIZON WIRELESS, et al.

22 Defendants

Case No. 14-2012-00127517

23 [PUBLIC REDACTED]  
24 NOTICE OF MOTION AND MOTION  
25 FOR APPROVAL OF SETTLEMENT  
26 WITH VERIZON; MEMORANDUM OF  
27 POINTS & AUTHORITIES

28 Date: September 24, 2020  
Time: 11:00 a.m.  
Dept. 92 or 96, Hon. Judy Holzer Hershler

24 Public - Redacts Materials from Conditionally Sealed Record

Case No. 14-2012-00127517

NOTICE OF MOTION AND MOTION FOR APPROVAL OF SETTLEMENT WITH VERIZON

1 NOTICE OF MOTION AND MOTION  
2 TO ALL PARTIES AND REAL PARTIES IN INTEREST:

3 PLEASE TAKE NOTICE THAT on Thursday, September 24, 2020 at 11:00 a.m., or as  
4 soon thereafter as the matter may be heard, in Department 92 or 96 of the above-captioned court,  
5 located at 9605 Kiefer Boulevard in Sacramento, California, Plaintiff-Relator OnTheGo Wireless,  
6 LLC ("the Relator" or "OTG") and intervening parties the Regents of the University of California,  
7 City of Chino, City of Corona, City of Fontana, City of Fresno, City of Long Beach, City of Oxnard,  
8 City of Rancho Cucamonga, City of Ripon, City of Riverside, City of Sacramento, City of San  
9 Bernardino, City of San Mateo, City of Santa Rosa, City of Vernon, Los Angeles County, Marin  
10 County, Orange County, Riverside County, Sacramento County, San Bernardino County, Santa  
11 Cruz County, Sonoma County, Stanislaus County, Yuba County, San Diego Unified School District,  
12 Santa Ana Unified School District, Sonoma County Water Agency, Woodridge Fire District, and  
13 the Board of Trustees of the California State University ("Intervenors," and, collectively with  
14 Relator, "Plaintiffs") will and hereby do move for an order approving a) the settlement with Celco  
15 Partnership d/b/a Verizon Wireless ("Verizon"), pursuant to a settlement agreement between the  
16 parties and California Government Code section 12652(c)(1), and b) the settlement amounts, and  
17 bases for those settlement amounts, allocated among the Intervenors, the Non-Intervenors, the  
18 Relator, and the Relator's counsel.

19 This motion is based on this Notice of Motion and Motion, the Memorandum of Points and  
20 Authorities, and the Declarations of Amanda Bonn, Steven M. Shepard, Ari Yampolsky, and Phillip  
21 Klue submitted herewith.

22 DATED: June 12, 2020

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24 ARUN SUBRAMANIAN  
25 STEVEN SHEPARD  
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Case No. 14-2012-00127517

NOTICE OF MOTION AND MOTION FOR APPROVAL OF SETTLEMENT WITH VERIZON

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20 Plaintiff-Relator OnTheGo Wireless, LLC

Case No. 14-2012-00127517

NOTICE OF MOTION AND MOTION FOR APPROVAL OF SETTLEMENT WITH VERIZON

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**MEMORANDUM OF POINTS AND AUTHORITIES**

**I. INTRODUCTION**

After years of hard-fought litigation, *Qui Tam* Plaintiff OnTheGo Wireless LLC ("Relator" or "OTG") has reached a settlement agreement with Verizon that will, if approved in connection with this motion, provide \$68,231,673 to California government entities. This settlement amount represents a significant portion of the total revenues these California government entities paid Verizon for wireless services during the relevant period.

This settlement occurred after four years of active litigation, and after two day-long mediations before the Hon. Gary Feece. Judge Feece of Phillips ADR is a former federal judge on the United States District Court for the Central District of California, who (1) previously focused his private practice on defense of False Claims Act litigation prior to taking the bench and (2) gained extensive familiarity with the merits of this action in his successful mediation of the Sprint settlement.<sup>1</sup>

Since this case was filed in 2012, Relator, intervenors, and their counsel have had to fight hard every step of the way to achieve this exceptional result in the face of overwhelming obstacles. Plaintiffs' counsel invested more than 63,114 hours and \$7,750,642.55 in costs in this case, all without any guarantee that they would prevail and be compensated. (Bound Decl. ¶ 56.) Intervenor-witnesses withstood a scorched-earth discovery campaign, which taxed the resources and time of hundreds of government employees. And Relator made personal sacrifices, losing all of its business providing outside optimization services to Verizon because Relator chose to pursue this case. Relator, intervenors, and their counsel overcame incredible obstacles—each and every one of which made any recovery in this case costly to achieve and far from certain—to obtain a phenomenal result.

Based on their extraordinary efforts, Relator, intervenors, and their counsel have achieved a settlement that is fair, reasonable, and in the best interests of intervenors and non-intervenor alike. California entities will receive \$68,231,673 in the Verizon settlement. The allocation of those proceeds is based on relevant factors this Court has previously approved in connection with the Sprint settlement, including (1) each entity's wireless spending with Verizon during the relevant

<sup>1</sup> See <http://www.phillipsadr.com/bios/gary-feece/>.

MEMORANDUM OF POINTS AND AUTHORITIES

period; (2) the increased discovery burdens borne by Intervenor compared to Non-Intervenor; and (3) whether or not Non-Intervenor Customers "opt-in" and agree to be bound by the Settlement Agreement. Based on these factors, the settlement proceeds will be allocated among the following three groups, whose scope of release is outlined as follows:

- **Intervenor.** Thirty (30) Intervenor will sign the Settlement Agreement and participate as full parties, thereby releasing all claims within the scope of the release including their claims for breach of contract.
- **Non-Intervenor Verizon Customers.** Two-hundred-and-forty-eight (248) Non-Intervenor Customers, including the State of California, are allocated funds under the Settlement Agreement. The settling parties have agreed that a Non-Intervenor Customer may expressly agree in writing to be bound by the terms of the Settlement Agreement, in which case it will be subject to the full scope of the release and will receive its full settlement allocation. Non-Intervenor Customers who do not opt in will receive 90% of their settlement allocations and only their California False Claims Act ("CFCA") claims will be released.
- **Non-Intervenor Non-Customers.** Twenty-eight (28) Non-Intervenor were named in the complaint but were not customers of Verizon during the relevant time period. These entities are not allocated any share of the settlement under the Settlement Agreement, as they have no damages. The Settlement Agreement releases only CFCA claims against Verizon on behalf of these Non-Intervenor Non-Customers, and not any common law or other claims.

(Shepard Decl. ¶¶ 14-16. Kline Decl. App'x C.)

Relator also seeks approval of a 43% relator's share with respect to recoveries by Non-Intervenor pursuant to Section 12652(g)(3) of the Government Code. This amount is consistent with the CFCA and justified by Relator's efforts in securing this exceptional recovery on behalf of Non-Intervenor against Verizon. It also ensures that Intervenor receive a 10% greater net allocation than Non-Intervenor (after accounting for Intervenor's 8% contingency fee arrangement with lead counsel) to reward their significant efforts in participating in the case throughout discovery. The below chart shows the resulting gross and net settlement allocations for Intervenor and Non-Intervenor Customers.<sup>2</sup>

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<sup>2</sup> (Kline Decl. App'x C at 5)

Entity	Gross Allocation	Relator's Share	Intervenor Contingent Fee	Net Allocation
Intervenor (26)	\$17,979,057	25%	\$4,494,764	\$13,484,293
Non-Intervenor (161)	\$50,252,615	43%	\$21,601,625	\$28,650,990
<b>Grand Totals</b>	<b>\$68,231,673</b>		<b>\$26,106,389</b>	<b>\$42,125,284</b>

Notably, the Office of the California Attorney General has indicated that, based on its review of the Settlement Agreement and Plaintiffs' moving papers, it does not intend to oppose Relator's request.

Finally, Relator's counsel settled their claim for statutory attorneys' fees and costs with Verizon in the amount of \$23,450,000. Plaintiffs do not anticipate that any Non-Intervenor will object to the settlement of Relator's claim for fees and costs. However, should any Non-Intervenor object, the Court should approve such fees and costs as fair and reasonable. *United States ex rel. Killinger v. Northrop Corp.*, 25 F.3d 715, 725 (9th Cir. 1994) (affirming district court faced with objection by non-intervenor government entity to "hold a hearing to determine whether the proposed settlement fairly and reasonably allocates the settlement funds" including whether "the amount paid to [Relator] and his counsel is" a "fair appraisal of the value of his case and services rendered by his counsel").

Even after accounting for the statutory attorneys' fees and costs awarded in connection with the Sprint and T-Mobile settlements, Plaintiffs' counsel have invested more than \$41,727,612.55 in statutory attorneys' fees and costs in this action that have not been reimbursed. In connection with their request for fees in the Verizon and AT&T settlements, Plaintiffs' counsel do not seek a multiplier on their lodestar, nor do they even seek to be fully compensated. Instead, Plaintiffs' counsel seek to recover \$5,277,612.55 less than their as-yet unreimbursed attorneys' fees and costs—with Verizon paying approximately two-thirds of that amount and AT&T paying the remaining third (\_\_\_\_\_). (Bonn Decl. ¶ 57 & Tbl. 3.)

Relator respectfully requests that the Court approve the settlement in full.

## II. FACTUAL AND PROCEDURAL SUMMARY

### A. Claims and Defenses

Relator filed this case in 2012 under the *qui tam* provisions of the California False Claims Act ("the CFCA"). Cal. Gov't Code § 12650 *et seq.* Relator filed suit on behalf of the State of California and approximately 300 California political subdivisions against the four largest wireless service providers – AT&T, Sprint, T-Mobile, and Verizon (collectively, "Defendants").<sup>1</sup> Relator alleges that Defendants (1) contracted to deliver wireless services to Plaintiffs at the "lowest cost available" via "rate plan optimization" and (2) knowingly failed to do so, thereby overcharging Plaintiffs and violating the CFCA.

More specifically, Verizon first entered into a purchasing agreement, the California Wireless Contract ("CWC") with the State of California in 2005. (Third Amended Complaint "TAC" ¶ 43.) Subsequently, in or around 2010, Plaintiffs allege that Verizon agreed to extend the terms and conditions of its Western States Contracting Alliance ("WSCA") contracts—which it negotiated with Nevada—to the State of California, its agencies, and political subdivisions. (*Id.* ¶ 90.) Plaintiffs allege that the CWC, the WSCA contracts, and the corresponding contract(s) covering Verizon's sales to California government entities, required Verizon to provide rate-plan optimization to "ensure that each subscriber is utilizing the most appropriate plan" based on the subscriber's use of wireless services. (*Id.* ¶¶ 33, 60, 71.) According to Plaintiffs, rate-plan optimization, if performed, would have saved the government entities 20% or more on their wireless-services costs. (*Id.* ¶ 153.) By failing to provide rate-plan optimization on a quarterly basis, Plaintiffs contend that Verizon fraudulently overbilled the government entities and failed to provide service at the lowest cost available.

<sup>1</sup> In addition to this action, Verizon is also a defendant in *State of Nevada et al. ex rel. OnTheGo Wireless v. Celco Partnership et al.*, 2d Judicial District Washoe County Case No. CV12-03093, filed December 12, 2012 (the "Nevada Action"). The State of Nevada filed a complaint in intervention in that action on February 27, 2019. The Settlement Agreement, attached to the declaration of Steven M. Shepard as Exhibit A, also settles the Nevada Action and is signed by the Nevada Attorney General's Office. The Court is not being asked to make any decisions with respect to the Nevada Action.

Verizon has denied liability, arguing, among other things, that the contracts did not have the meaning Plaintiffs alleged, that Verizon did not act with scienter, that any alleged failure to provide optimization reports was not material, and that any damages, if any, would be speculative and minimal. In its October 21, 2019, verified Answer to the TAC, Verizon asserted that the government plaintiffs (1) waived any right to recovery, ratified Verizon's conduct, or otherwise modified Verizon's obligations; (2) failed to mitigate or avoid their damages; (3) were not parties to the contracts alleged; (4) failed to give notice to Verizon of the alleged breaches; (5) made performance impossible; and (6) consented to Verizon's actions.<sup>4</sup>

In December 2015, 45 government entities intervened in the action and, in addition, brought additional common-law claims for breach of contract, unfair business practices, and unjust enrichment. The Intervenor include the Regents of the University of California, the Trustees of the California State University,<sup>5</sup> the County of Sacramento, the City of Sacramento, and dozens of other local government entities. The remaining government entities on whose behalf Relator sued, including the State of California, did not intervene. Instead, these "Non-Intervenor" relied on Relator to prosecute their claims. Fifteen (15) political subdivisions that initially intervened have since withdrawn their interventions. (Bonn Decl. ¶ 24.) For purposes of the settlement, and under the CFCA, they are treated as Non-Intervenor.

Along with their CFCA claims, Intervenor also asserted on their own behalf common-law claims predicated on Defendants' failure to provide optimization, optimization reports, and the lowest cost available. Those claims include (1) unfair business practices in violation of Business and Professions Code section 17200 (Third Claim for Relief); (2) breach of written contract (Fourth Claim for Relief); and (3) unjust enrichment (Fifth Claim for Relief). (See TAC ¶¶ 193-207.)

In addition, Intervenor amended their complaint in June 2019, for three reasons. (See ROA 790, Pts. Mot. for Leave to Amend at 7 (describing amendments).) First, Intervenor asserted an additional common-law claim for "Breach of Written Contract: Failure to Retain Records"—a claim

<sup>4</sup> See Affirmative Defense Nos. 4-7, 9-10, 12-14, and 27.

<sup>5</sup> The Trustees of the California State University intervened solely as to the common-law claims.

1 based on Verizon's failure to comply with the recordkeeping requirements of the WSCA contracts  
2 (Seventh Cause of Action).<sup>6</sup> (*Id.*, see also TAC §§ 21R-25.) Second, Intervenor and Relator asserted  
3 an additional CFCA claim under Government Code section 12651(a)(8) based on Verizon's  
4 discovery that it was "not performing optimization (and therefore not providing services at the  
5 'lowest cost available') and Verizon's failure to "disclose[] this fact to the government." (ROA  
6 790, Pths.' Mot. for Leave to Amend at 7; see also TAC §§ 20R-17.) Third, Plaintiffs "add[ed] factual  
7 allegations regarding "Verizon's "promises and representations to Government Plaintiffs that they  
8 could purchase, and in fact were purchasing, wireless services under the WSCA Contracts."<sup>7</sup> (ROA  
9 790, Pths.' Mot. for Leave to Amend at 7.)

10 Following the Complaint's unsealing, briefing on Defendant's demurrers, and the  
11 subsequent initiation of fact discovery in early 2017, this case was actively litigated for nearly three  
12 years prior to settlement.

13 **B. Efforts by Relator, Intervenor, and Counsel to Overcome Obstacles.**

14 As shown below, Relator, Intervenor, and their counsel made herculean efforts and  
15 sacrifices to achieve this settlement in the face of numerous and significant obstacles to recovery.

16 **1. Efforts to Overcome Discovery Obstacles**

17 Thirty Intervenor—many of whom, in turn, had dozens of decentralized departments  
18 responsible for wireless purchasing—collectively (1) collected and produced over 1 million  
19 documents from 915 separate custodians totaling 6,157,076 pages; (2) prepared over 4,000  
20 responses to Verizon's interrogatories, requests for production, requests for admission, and written  
21 questions seeking detailed data and information about Intervenor's wireless purchasing and  
22 practices over a 13-year-period; and (3) presented their current and former employees in 132

25 <sup>6</sup> Because the claims described in this paragraph are common-law claims rather than CFCA claims,  
26 they are asserted by Intervenor solely on their own behalf, and not by Relator on behalf of Non-  
27 Intervenor.

28 <sup>7</sup> Plaintiffs also made edits relating to Government Plaintiffs who had withdrawn their intervention  
and the then-pending settlement with Sprint. (ROA 790, Pths.' Mot. for Leave to Amend at 7 n.3.)  
6 Case No. 14-2011-00127(11)

1 (*Id.* at § 22(a) & n.10.) Plaintiffs and their counsel were required to engage in such extensive motion  
2 practice that bi-weekly (and sometimes even more frequent) calls with the Special Discovery Master  
3 were required. (*Id.* § 27.) Through November 26, 2019, Plaintiffs filed 18 motions to compel that  
4 involved Verizon (in addition to responding to four motions to compel that Verizon filed against  
5 Plaintiffs). (*Id.*) These included motions to compel that Plaintiffs filed to rebutt inentless privilege  
6 objections that Verizon repeatedly and unsuccessfully asserted—motion practice that forced  
7 Verizon to produce many of its most damaging documents (*Id.* at § 22(c).) Plaintiffs' counsel  
8 reviewed Verizon's document production of 712,939 documents totaling approximately 4,039,735  
9 pages. (*Id.* at § 22(d).) Plaintiffs also took depositions of 23 Verizon witnesses, resulting in damning  
10 admissions by Verizon's employees that significantly increased Verizon's risk. (*Id.* at § 26.)

11 **2. Efforts to Overcome Data and Damages Obstacles**

12 In addition, this case demanded extensive data analysis in order to prove both liability and  
13 damages. The necessary data analysis was, as a technical matter, ferociously complicated, costly,  
14 and time-consuming. Simply obtaining the necessary data in the proper format was an ongoing effort  
15 that took years of discovery requests, conferring with Plaintiffs' experts, filing multiple motions to  
16 compel, and engaging in extensive meet-and-confer discussions with Verizon. (Shepard Decl. §§  
17 17-19.)

18 Once Verizon produced its data, Plaintiffs' counsel and expert consultants spent hundreds  
19 of hours ingesting, organizing, and analyzing that data. (*Id.*) Plaintiffs' counsel paid over \$3 million  
20 to a team of high-caliber experts who—in tandem with counsel's extensive involvement and  
21 supervision—built the enormously complex damages models that this case required. (Bonn Decl. §  
22 48.) Three different expert teams worked as follows:<sup>8</sup>

- **Data Processing.** Data processing expert Philip Kluse and his team ingested, validated, and organized the thousands of overlapping tables produced by Verizon and created a data key for each quarter's rate plans, in which each quarter contained up to 99,534 rate plans that had to be analyzed. (There

26 <sup>8</sup> This dollar amount also pertains to work done relating to the case against AT&T. Notably, these  
27 experts did not conduct significant work on the case against Sprint, and did no work on the T-Mobile  
28 case, as T-Mobile settled before substantially producing its billing and usage data.

1 depositions that were either noticed by, cross-noticed by, or attended by Verizon's counsel (Bonn  
2 Decl. § 24-25 & n.11.)

3 The amount of time spent by Intervenor and counsel collecting documents, investigating  
4 the facts necessary to prepare written discovery responses, and preparing for depositions was  
5 extraordinary. Not only were there 30 separate Intervenor, but many of them had dozens or even  
6 hundreds of sub-divisions that made separate wireless purchasing decisions. For instance, while the  
7 California State University system is only technically a single Intervenor, 21 separate campuses plus  
8 the Chancellor's Office were involved in responding to discovery (Bonn Decl. § 24(c).) Many of  
9 those campuses, in turn, had further decentralized wireless purchasing among various departments.  
10 (*Id.*) As a result, the burdens on certain Intervenor were especially severe. For instance, the  
11 University of California Board of Regents alone had to prepare answers to 649 Requests for  
12 Admission (RFAs), while the California State University had to prepare responses to 116 RFAs.<sup>9</sup>  
13 (*Id.* at § 24(d).) In yet another example, the University of California identified more than 650  
14 separate departments that had a role in independently purchasing and managing wireless services,  
15 which led Defendants to request the production of documents from low-level custodians spread out  
16 amongst hundreds of diffuse departments. (*Id.* § 24(e).)

17 This Court bifurcated discovery into Phase I and Phase II. In addition to the 30 Intervenor,  
18 Phase I also included the State of California and eight other Non-Intervenor. In order to prepare  
19 for Phase I, Relator's counsel worked closely with the State AG's Office to identify and produce  
20 relevant documents and to identify and interview relevant witnesses. (Bonn Decl. § 24(f).) Relator's  
21 counsel also took third-party document discovery from the remaining Non-Intervenor in Phase I.  
22 (*Id.*)

23 At the same time as Intervenor and counsel bore these extensive discovery obligations,  
24 Plaintiffs' counsel pressed Verizon to produce relevant discovery. Plaintiffs' counsel served seven  
25 sets of requests for production, six sets of special interrogatories, and one set of form interrogatories.

27 <sup>9</sup> Although Intervenor prepared responses to all of Verizon's RFAs, the parties' agreement to stay  
discovery obviated the need to serve some of the RFA responses. (Bonn Decl. § 24(b) n.11.)

1 were 52 quarters in the thirteen-year damages period.) Each of those rate  
2 plans, in turn, included usually 100 relevant terms and conditions:

- **Statistical Modeling.** Statistician Bill Wecker generated a separate random sample of each California government entity's billing and usage data for analysis and computed the final damages amounts.
- **Optimization Analysis.** Optimization expert Cameron Sowder, assisted by four staff employees, prepared hundreds of optimization reports for the billing and usage data in the sample quarters identified by Wecker. Mr. Sowder and his team also analyzed the hundreds of reports that Verizon had sent to the California government entities, in order to prepare to show that these reports did not qualify as "optimization" reports.

3 (Shepard Decl. §§ 18-19.)

4 Each one of these steps of analysis was fraught with technical challenges. Successfully  
5 completing this critically-important effort required Plaintiffs' counsel to work hand-in-hand with  
6 their experts, grapple with complicated logistical and technical data issues, meet-and-confer  
7 extensively with Verizon, and file numerous motions to compel.

8 **3. Efforts to Overcome Verizon's Defenses**

9 Verizon asserted several defenses that could have wiped out Plaintiffs' claims altogether, at  
10 summary judgment or trial, if credited by the Court or the jury. Verizon raised challenges to  
11 materiality, causation, and scienter—any one of which could have, if credited, resulted in a total  
12 loss to Plaintiffs.

13 **Demurrers.** Verizon, along with the other Defendants, filed three joint demurrers that  
14 Plaintiffs' counsel successfully briefed and argued. Those demurrers challenged multiple aspects of  
15 Plaintiffs' case, ranging from challenging Plaintiffs' interpretation of the Master Contracts, to  
16 questioning whether the public disclosure bar applied, to asserting that Plaintiffs had failed to plead  
17 the requisite elements of the CFCA claim with particularity. (Yampolsky Decl. § 18.) Plaintiffs'  
18 counsel overcame these demurrers in full. (*Id.*) Years later, when Plaintiffs sought to amend the  
19 Complaint to add allegations against Verizon based on facts learned in discovery, Plaintiffs' counsel  
20 once again successfully briefed (1) a motion for leave to amend and (2) Verizon's subsequent  
21 demurrer. (Bonn Decl. §§ 27, 34.)

22 **Materiality.** Defendants including Verizon argued that Plaintiffs could not establish  
23 materiality because (1) many Intervenor did not specifically request "optimization reports"; (2)



1 some intervenors hired third-party optimization firms; and (3) all intervenors continued paying their  
2 wireless invoices after joining this lawsuit. (*Id.* ¶ 6.) Verizon argued that these facts established a  
3 lack of materiality under *Universal Health Servs. v. United States ex rel. Escobar*, 136 S. Ct. 1989,  
4 2003-04 (2016) (holding when “the Government regularly pays a particular type of claim in full,  
5 despite actual knowledge that certain requirements were violated, and has signaled no change in  
6 position, that is strong evidence that the requirements are not material”).

7 *Scienter.* Verizon argued that it did not act with the requisite scienter under the CFCA.  
8 Verizon attempted to advance several alternative interpretations of the WSCA contracts, including  
9 by arguing that: (a) optimization reports were only required to be sent to Nevada (the lead state that  
10 negotiated the WSCA contracts), not to government customers in California; (b) optimization  
11 reports only had to be sent when the customer specifically requested them; (c) “optimization” could  
12 have meant other things besides selecting the “lowest cost available” rate plan; and (d) the “lowest  
13 cost available” provision was prefatory and did not impose a binding obligation on Verizon. (Bonn  
14 Decl. ¶ 7.)

15 *Causation and Damages.* Verizon also raised several defenses relating to causation and  
16 damages. Verizon attempted to elicit testimony that California Government Customers did not  
17 always follow recommendations regarding wireless services that Verizon made. Verizon apparently  
18 intended to argue that (1) even if it had provided optimization reports, California Government  
19 Customers would not necessarily have accepted the “lowest cost available” rate plans and (2)  
20 therefore, Plaintiffs could not prove causation and non-speculative damages. (*Id.* ¶ 8.)

21 Plaintiffs disagree vehemently with Defendants’ arguments above. However, Relator,  
22 intervenors, and counsel went to great lengths to gather discovery necessary to defeat these  
23 arguments. Continued litigation would carry the risk that the Court or jury might credit one or more  
24 such defenses, any one of which could have reduced Plaintiffs’ recovery to zero.

#### 25 C. Settlement Agreement with Verizon

26 Given the litigation risks both sides faced, Verizon and Plaintiffs agreed to discuss  
27 settlement. Verizon and Plaintiffs participated in two day-long mediations on October 24, 2019 and  
28

1 generally Kline Decl.) In this case, as was the case in the Sprint and T-Mobile settlements, the  
2 spending on Verizon wireless services is the best available proxy for damages. (Shepard Decl.  
3 ¶ 13(f).)

4 The Verizon Overall Proposed Allocation is Appendix B to the Kline Declaration, and is  
5 incorporated into the Verizon Settlement Agreement (it is Exhibit A to the Verizon Settlement  
6 Agreement). Appendix C to the Kline Declaration shows the allocations to California entities only,  
7 and organizes the California entities into three groups: Intervenor, Non-Intervenor Customers, and  
8 Non-Intervenor Non-Customers.<sup>12</sup>

9 The result is that out of the total \$76 million settlement, \$68,231,673 is allocated among  
10 California Plaintiffs, while the remaining \$7,768,327 is allocated to the Nevada Action. (Kline Decl.  
11 App’x B at 6.)

12 [REDACTED] Verizon’s  
13 data shows that California Plaintiffs account for [REDACTED] of Verizon’s total relevant wireless services  
14 revenue; relevant revenue from Nevada Plaintiffs accounts for the remaining [REDACTED]. (Shepard Decl.  
15 ¶ 13(e).)

16 Intervenor and Consenting Non-Intervenor, who will become parties to the Settlement  
17 Agreement as described more fully below, will each receive 100% of their respective settlement  
18 allocations set forth in the Verizon Overall Proposed Allocation. (*Id.* ¶ 15.) Non-Consenting Non-  
19 Intervenor who do not “opt in” to the Settlement Agreement will only receive 90% of their  
20 settlement allocations. (*Id.* ¶ 14.) The remaining 10% of the settlement allocations for Non-  
21 Consenting Non-Intervenor will be redistributed amongst the California Intervenor and California  
22 Consenting Non-Intervenor in proportion to their spending on wireless services with Verizon. (*Id.*)

23  
24 and “optimization” claims.) This approach was not possible with Sprint due to data limitations, and  
25 thus spending on equipment was also considered for Sprint.

26 <sup>12</sup> In light of a confidentiality designation by Verizon, the version of Appendix C that is being  
27 publicly filed in support of this motion has been redacted to exclude one column, which shows for  
28 each entity the following percentage: (gross allocation to the entity) / (total relevant wireless  
spending by all California entities). Pursuant to Cal. R. Court 2.551(b)(3), Plaintiffs have lodged an  
unredacted copy of this document with the Court.

1 November 21, 2019, before the Honorable Gary Fees of Phillips ADR, with representatives of  
2 several intervenors in attendance. (*Id.* at ¶ 3.) In written submissions to the mediator, the parties  
3 provided candid assessments of their cases and their settlement positions. (*Id.*) At the mediation,  
4 Judge Fees discussed with each side the complexity of the legal and factual issues, and assisted the  
5 parties in narrowing their differences. (*Id.*)

6 Ultimately, the parties agreed that Verizon would pay \$76 million to settle all claims in this  
7 action and the Nevada Action, and executed a binding settlement term sheet. (*Id.*) Verizon and  
8 Plaintiffs’ counsel also separately negotiated and executed a term sheet to settle Plaintiffs’ counsel’s  
9 claim for statutory attorney fees and costs pursuant to Cal. Gov’t Code §12652(g)(8). (*Id.*)

10 In the months since the mediation, the parties have drafted and negotiated a long-form  
11 Settlement Agreement with respect to this California Action and the Nevada Action. (Shepard Decl.  
12 ¶ 3 & Ex. A thereto.) Relator and Verizon have approved and executed the Settlement Agreement.  
13 The Settlement Agreement is conditioned on certain events, including this Court’s entry of an order  
14 in a form incorporated as part of the Settlement Agreement. While the Settlement Agreement  
15 submitted with this motion addresses both the Nevada and the California Action, Plaintiffs ask this  
16 Court to issue rulings with respect to settlement of the California Action only. Plaintiffs are not  
17 asking this Court to issue any rulings with respect to settlement of the Nevada Action, or to approve  
18 any allocation to Nevada entities.

#### 19 D. Proposed Preliminary Allocation of Verizon Settlement Proceeds

20 Plaintiffs’ expert Phillip Kline prepared the allocation of settlement funds using data  
21 produced by Verizon.<sup>10</sup> Mr. Kline applied the same principles that were used in preparing the  
22 previously-approved Sprint and T-Mobile settlement allocations, allocating settlement funds based  
23 solely on each entity’s spending on Verizon wireless services during the relevant period.<sup>11</sup> (See

24  
25 <sup>10</sup> Verizon takes no position on the allocation of the settlement payment between this action and the  
Nevada Action, or the allocation of the settlement payment between intervenors and Non-  
Intervenor in this action. (Shepard Decl. Ex. A ¶ 27).

26  
27 <sup>11</sup> Mr. Kline was able to further refine the approach here by excluding spending on equipment and  
focusing only on wireless services spending (which is pertinent to Plaintiffs’ “lowest cost available”  
28

1 None of this remaining 10% will be distributed to any Nevada entities. This re-allocation, among  
2 the California entities, will be shown in the Verizon California Final Proposed Allocation, which  
3 Relator will submit to the Court prior to the Approval Hearing. The Verizon California Final  
4 Proposed Allocation will be an updated version of Appendix C to the Kline Declaration, and it will  
5 show the final proposed allocation amount for each California entity after making the calculations  
6 described above.

#### 7 E. Proposed Process for Obtaining Consent to the Verizon California Settlement

8 On June 1, 2020, the Court approved the Joint Motion and set the Approval Hearing for  
9 September 24, 2020. (ROA 1067.) The same Order also approved the notices to be sent, by Relator,  
10 to all Non-Intervenor informing the Non-Intervenor of the settlement. (*Id.*)

11 Each Intervenor has approved (or is in the process of approving) the terms of the Settlement  
12 Agreement and its Exhibit A (the Verizon Overall Proposed Allocation). (Bonn Decl. ¶ 3(d).)  
13 Plaintiffs will collect signature pages from each Intervenor, and submit them to the Court prior to  
14 the Approval Hearing. (*Id.*)

15 In addition, by the time of the Approval Hearing, Relator’s counsel will have fulfilled the  
16 Court-approved notice procedure for notifying Non-Intervenor Customers and providing them with  
17 (1) an opportunity to object and (2) instructions for executing a Consent and Release by which such  
18 Non-Intervenor may join the Settlement Agreement as parties. (*Id.* at ¶ 3(e).) The notice packet  
19 sent to Non-Intervenor Customers will include unredacted versions of this Motion for Approval and  
20 all exhibits thereto.

21 Relator’s counsel have consulted with the Office of the California Attorney General and  
22 attorneys for Defendants regarding the State of California’s participation in this “opt-in” procedure.  
23 Based on those consultations, Relator’s counsel understand that a significant number of state  
24 agencies may consent to this settlement, and thereby obtain their 100% allocation. That did not  
25 occur in the earlier T-Mobile and Sprint settlements (no part of the State of California consented to  
26 those settlements). The Office of the Attorney General, Plaintiffs, and Verizon agree that Susan  
27 Godfrey L.L.P. will also provide specific notice to the various state agencies, identified by the Office

of the Attorney General, that account for the vast majority of the State's allocated settlement dollars. Those agencies will then be afforded an opportunity to "opt in" to the settlement by providing consents to Relator's counsel. State agencies that opt-in will be treated as Consenting Non-Intervenors under the settlement.

Relator also has identified 26 Non-Intervenor Non-Customers. (Shepard Decl. ¶ 13(k); Kline Decl. App'x C.) These are California subdivisions that were named as Plaintiffs in Relator's Complaint, but which, according to Verizon's data, did not buy material amounts of wireless services from Verizon during the period of 2011 to 2019. (*Id.*) These Non-Intervenor Non-Customers are listed as a separate category in Appendix C to the Kline Declaration, which shows them as having \$0 of revenue, and receiving \$0 in settlement proceeds. (*Id.*) Verizon and Plaintiffs have agreed that these Non-Intervenor Non-Customers are not parties to the settlement and are not bound by the broad releases therein. (Shepard Decl. Ex. A ¶ 44.) Non-Intervenor Non-Customers will accordingly receive notice of the settlement informing them of the date for the settlement approval hearing and the deadline for objections, contact information for counsel, and directions to a website from which they can download the publicly filed versions of this Motion for Approval and all exhibits thereto. (*Id.*)

**F. Scope of Release by Consenting and Non-Consenting Non-Intervenors.**

The Settlement Agreement protects the rights of Consenting and Non-Consenting Non-Intervenors with respect to the scope of their release in several ways.

Non-Intervenors may consent to the join the Settlement Agreement by executing a "Consent and Release by Non-Intervenor" should they wish to receive their full settlement allocation (rather than 90% of it). (Shepard Decl. ¶ 4, *Id.* Ex. A ¶ 42.) Those who do so become parties to the Settlement Agreement as "Consenting Non-Intervenors." Intervenor and Consenting Non-Intervenor Customers agree to release Verizon from "any and all manner of claims . . . arising out of or in any way connected with the Covered Conduct . . ." (Shepard Decl. Ex. A ¶ 29, 42.) Covered Conduct includes "all allegations in the California Action (in the California TAC or any prior Complaint) relating to Verizon." (*Id.* ¶ 25.) This release not only releases CFCA claims, but

[the CFCA]. *Id.* Protection of the public fisc is the primary policy behind the CFCA. *See State of California ex rel. Bovee v. Bank of Am. Corp.*, 126 Cal. App. 4th 225, 236 (2005) ("The ultimate purpose of the [CFCA] is to protect the public fisc."); *Am. Contract Servs. v. Allied Mold & Die, Inc.*, 94 Cal. App. 4th 854, 858 (2001) (same). The Ninth Circuit has interpreted similar provisions of the federal False Claims Act, upon which the CFCA was patterned, to permit the Court to review and approve a settlement agreement between a relator and a defendant, even over the government's objection, so long as it is fair and reasonable. *Killingworth*, 25 F.3d at 725.

California courts approving settlements in the analogous class action context limit their inquiry "to the extent necessary to reach a reasoned judgment that the agreement is not the product of fraud or overreaching by, or collusion between, the negotiating parties, and that the settlement, taken as a whole, is fair, reasonable and adequate to all concerned." *In re Microsoft I-I Cases*, 135 Cal. App. 4th 706, 723 (2006) (quotation marks and citation omitted). California courts presume that a settlement is fair where it "is the result of arms-length negotiation, investigation and discovery . . . are sufficient to permit counsel and the court to act intelligently, counsel are experienced in similar litigation, and the percentage of objectors is small." *Id.* (quotation marks and citation omitted) In exercising their broad discretion to approve settlements, California courts "should consider relevant factors, which may include, but are not limited to the strength of plaintiffs' case, the risk, expense, complexity and duration of further litigation . . . the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction of [absent class members] to the proposed settlement." *Id.* (quotation marks and citation omitted).

**IV. THE SETTLEMENT IS FAIR, REASONABLE, AND IN THE BEST INTERESTS OF INTERVENORS AND NON-INTERVENORS.**

**A. The Settlement Is Entitled to a Presumption of Fairness.**

A trial court applies a "presumption of fairness" to a settlement that is the product of "arms-length negotiation," where "investigation and discovery . . . are sufficient to permit counsel and the court to act intelligently, counsel are experienced in similar litigation," and there is only a small percentage of objectors. *Id.*

also common-law claims including claims for breach of contract. However, this release is limited to claims "arising out of or in any way connected with the Covered Conduct"—the same limitation used in the settlement agreement with Sprint. (*Id.* ¶ 31(n).)

By contrast, the Settlement Agreement limits the scope of release for Non-Consenting Non-Intervenors to the asserted CFCA claims only. The Settlement Agreement provides that the release of claims of Non-Consenting Non-Intervenor Customers who are not parties to this Agreement is limited to "the specific claims Relator asserted on behalf of the Non-Consenting Non-Intervenors under California Government Code section 12651(n) in the California Action pertaining to the Covered Conduct." (*Id.* ¶¶ 31(b), 44.) Thus, only the specific CFCA claims alleged in Relator's complaints will be released on behalf of Non-Consenting Non-Intervenor Customers, as authorized by the CFCA, Cal. Gov't Code § 12652(c)(1). For instance, Intervenor's TAC added a cause of action for "Breach of Written Contract: Failure to Retain Records" based on Verizon's failure to comply with the recordkeeping requirements of the WSCA Contracts. (TAC ¶¶ 218-24.) Because these recordkeeping requirements were never the basis for Plaintiffs' CFCA claims, Non-Consenting Non-Intervenors would not release any claims based on them.

The Settlement Agreement also protects Intervenor, Consenting Non-Intervenors, and Non-Consenting Non-Intervenors alike by (1) expressly disclaiming any release based on "[c]laims not arising out of or in any way connected with the Covered Conduct" and (2) enumerating specific categories of potential reserved claims, in language that closely tracks similar language from the T-Mobile and Sprint settlement agreements. (Shepard Decl. Ex. A ¶ 31(n).)

Finally, the "exclusive jurisdiction and venue for any dispute relating to this Settlement Agreement as it relates to the California Action is the Superior Court for the County of Sacramento," meaning this Court has jurisdiction over any such dispute. (*Id.* ¶ 64.)

**III. LEGAL STANDARDS**

A relator may release CFCA claims only as "part of a court approved settlement." Cal. Gov't Code § 12652(c)(f). The Court must determine whether dismissal—and, accordingly, the settlement—is in "the best interests of the parties involved" and furthers "the public purposes behind

This settlement is entitled to a presumption of fairness. *Id.* The combined settlement of \$76 million, to settle the California and Nevada Actions, was the product of an arms-length negotiation and a mediator's proposal. That negotiation occurred seven years after this action was filed and after (1) an extensive investigation while the matter remained under seal; (2) briefing, argument, and decisions by this Court on Verizon's multiple demurrers, and (3) nearly three years of active and voluminous discovery. The parties mediated before the Hon. Gary Fees, an experienced mediator, retired federal judge, and former False Claims Act litigator—who had experience successfully mediating Relator's claims against Sprint. (Boun Decl. ¶ 3(a).) This settlement therefore resulted from an arms-length negotiation, based on an investigation and discovery sufficient to permit counsel and the Court to intelligently assess its fairness.

**B. The Settlement Is Fair and Reasonable Under the Relevant Factors.**

There is no reason to question the presumption of fairness here, as all relevant factors confirm that this is not only a fair but an exceptional settlement. The Sprint "benchmark," the risk associated with further litigation, the extent of discovery, and the expense, complexity and duration of further litigation all confirm that this settlement represents an outstanding result for Non-Intervenors.

**1. The Settlement Is Fair in Comparison to the Prior Sprint Settlement**

The settlement represents [redacted] of the total revenues that California government entities paid Verizon for wireless services during the relevant period. (Shepard Decl. ¶ 13(b).) The Sprint settlement, by contrast, represented [redacted] of Sprint's revenue from California government customers. This settlement thus exceeds the Sprint "benchmark" by [redacted]. (*Id.* ¶ 13(d).) To put a dollar value on those percentages: If Relator had agreed to settle with Verizon for the Sprint benchmark, then Non-Intervenors' gross recovery would be approximately [redacted] lower. (*Id.*)

**2. The Settlement Is Fair Given the Risks Associated with Further Litigation.**

From the beginning of this case, Defendants including Verizon expressed total confidence that they would prevail at summary judgment or trial and that damages were either unprovable or else very low. More specifically, Verizon asserted the defenses described in Part II.B.3 above.

1 Plaintiffs strongly disagree with Verizon's materiality, scienter, causation, and damages arguments.  
2 But continuing to litigate would present the risk of defeat at summary judgment, trial, or on appeal—  
3 resulting in zero recovery. The settlement is fair in light of avoiding such risk.

4 **3. The Settlement Is Fair Given the Extent of Discovery, the Stage of**  
5 **Proceedings, and the Expense, Complexity, and Duration of Further**  
6 **Litigation.**

7 The settlement is also fair in light of (a) the extensive discovery Relator, Intervenor, and  
8 their counsel have already conducted and (b) the expense, complexity, and duration of continued  
9 discovery, trial, and any appeals. The defensive and offensive discovery obligations on Relator,  
10 Intervenor, and Relator's counsel described in Part II.B.1 above and the accompanying Bonn,  
11 Shepard, and Yampolsky declarations were nothing short of crushing. Indeed, 15 Intervenor  
12 *dropped out* precisely because of the enormous burden of their defensive discovery obligations,  
13 which taxed limited government resources. (Bonn Decl. ¶ 24.) These tasks also have been incredibly  
14 time consuming and costly for Plaintiffs' counsel. The burdens on Intervenor's and counsel's time  
15 and resources would only have continued to grow if litigation had continued.

16 Indeed, at the time of settlement, Verizon was threatening to depose an additional 78  
17 Intervenor witnesses in a six-week period. (*Id.* ¶ 10.) Plaintiffs' counsel anticipated incurring  
18 significant additional time and costs to finalize and serve their expert reports, review the reports of  
19 and depose Verizon's experts, prepare rebuttal reports, brief summary judgment and *Daubert*  
20 motions, and prepare for trial. (*Id.*) And while a trial had been set for May 2020, that was only a  
21 Phase I trial for 30 Intervenor and eight Non-Intervenor. After resolution of that trial, Relator and  
22 Relator's counsel faced the prospect of further protracted litigation, discovery, summary judgment,  
23 and potentially another trial for the hundreds of remaining Phase II Non-Intervenor. And of course,  
24 that is to say nothing about resolution of any appeals that Verizon may have pursued if Plaintiffs  
25 prevailed at trial. (*Id.*)

26 Continued litigation would require the investment of significant additional expenses, taxing  
27 the resources of Relator, Relator's counsel, Intervenor, and eventually Non-Intervenor. While  
28 Relator's counsel have put together a compelling case, even if they were to prevail, it could be years

1 on behalf of Non-Consenting Non-Intervenor. Nor would it permit the release of potential CFCA  
2 claims relating to conduct not at issue in the present action.

3 Relator has addressed this concern in several ways. Here again, Relator and Verizon have  
4 modeled this release procedure on the precedents set by this Court in the Sprint and T-Mobile  
5 settlements. *First*, Non-Intervenor only waive non-CFCA claims to the extent that they "opt in,"  
6 execute a Consent and Release, and thereby voluntarily become parties to the Settlement  
7 Agreement. *Second*, Non-Consenting Non-Intervenor only release "the specific claims Relator  
8 asserted ... under California Government Code section 12651(a) in the California Action pertaining  
9 to the Covered Conduct."<sup>14</sup> (Shepard Decl. Ex. A ¶ 31(b)(1).) *Third*, this Court has jurisdiction  
10 disputes arising from the Settlement Agreement. See *supra* Part II.F.

11 Thus, both the settlement allocation plan and the scope of the release with respect to Non-  
12 Intervenor are fair, reasonable, and consistent with the CFCA.

13 **V. RELATOR'S REQUEST FOR A 43% SHARE OF NON-INTERVENOR**  
14 **SETTLEMENT PROCEEDS IS JUSTIFIED.**

15 Relator's request for a 43% share of settlement proceeds recovered for Non-Intervenor is  
16 also fair and justified by the extraordinary efforts Relator, Intervenor, and counsel have devoted  
17 toward this litigation. The Office of the Attorney General does not intend to object to this amount.  
18 (Yampolsky Decl. ¶ 29.) In the related Nevada Action, the Office of the Attorney General of Nevada  
19 has agreed to a 43% Relator's share. (Shepard Decl. ¶ 13(c).)

20 The CFCA entitles Relator to a share of the recovery by the Intervenor and Non-  
21 Intervenor. Cal. Gov't Code § 12652(g)(2). The Verizon Overall Proposed Allocation reflects a  
22 43% Relator's share of the California Non-Intervenor's gross allocation, for a total of \$26,103,389,  
23 with \$21,608,625 from the Non-Intervenor's settlement allocation.<sup>15</sup> (Kline Decl. App'x B at 6.)

24  
25 <sup>14</sup> This provision means that non-CFCA claims arising from Covered Conduct are not released. Nor  
26 would Non-Consenting, Non-Intervenor release CFCA claims that were not asserted in this suit.

27 <sup>15</sup> Verizon was not consulted and takes no position regarding Relator's share and, as set forth in the  
28 Settlement Agreement, denies Plaintiffs' allegations. (Shepard Decl. Ex. A ¶ 51.)

1 until Non-Intervenor would see any recovery at all. (*Id.* ¶ 11.) Thus, a settlement representing  
2 of Verizon's relevant revenue is fair and reasonable in light of the stage of the proceedings discovery  
3 conducted to date, as well as the expense, complexity, and potentially prolonged duration of further  
4 litigation before Non-Intervenor could secure a recovery.

5 **C. The Scope of Release and Settlement Allocation Plan Are Fair and Reasonable.**

6 Not only is the overall amount of the settlement fair, but the allocation of settlement funds  
7 among Intervenor, Non-Intervenor Verizon Customers, and Non-Intervenor Non-Customers—as  
8 well as the scope of the release for Non-Intervenor—is also fair and reasonable.

9 The Verizon Overall Proposed Allocation is fair and reasonable to all California  
10 Government Plaintiffs. As described in detail in Part II.D above, each government entity's share of  
11 purchases made from Verizon under the contracts, as reflected in the revenue data provided by  
12 Verizon, is the basis of its settlement allocation.<sup>13</sup> Consenting Non-Intervenor who choose to be  
13 bound by the Settlement Agreement will receive 100% of their allocation, while Non-Consenting  
14 Non-Intervenor will receive 90% (with the remaining 10% being distributed among Intervenor  
15 and Consenting Non-Intervenor). This proposed allocation plan distributes the settlement proceeds  
16 fairly and transparently. (Shepard Decl. ¶ 13.)

17 The Settlement Agreement also protects Non-Intervenor with respect to the scope of their  
18 release. If a relator brings "a civil action for a violation" of the CFCA for itself and "either for the  
19 State of California ... or for a political subdivision" and litigates the case without intervention, "the  
20 *qui tam* plaintiff shall have the same right to conduct the action as the Attorney General or  
21 prosecuting authority would have had if it had chosen to proceed." Cal. Gov't Code § 12652(f)(1).  
22 This right includes the right to dismiss the action and "waive[] or release[]" a claim for a CFCA  
23 violation as "part of a court approved settlement of a false claim civil action brought under [the  
24 CFCA]." *Id.* § 12652(c)(1). However, the CFCA does not authorize the release of non-CFCA claims

25  
26 <sup>13</sup> Verizon takes no position on the allocation of the settlement payment between Intervenor and  
27 Non-Intervenor in this action, except to the extent that the Parties have agreed to the 10% reduction  
28 for Non-Intervenor in the absence of a signed Consent and Release. (Shepard Decl. Ex. A ¶¶ 27,  
43.)

1 Yampolsky Decl. ¶ 2.) As required by the CFCA, each California government entity pays the  
2 Relator's share from its settlement allocation.

3 California Government Code section 12652(g)(3) entitles a relator to receive from Non-  
4 Intervenor an amount that the Court determines is "reasonable for collecting the civil penalty and  
5 damages on behalf of the government," which amount "shall be not less than 25 percent and not  
6 more than 50 percent of the proceeds of the action or settlement." Cal. Gov't Code § 12652(g)(3).  
7 In light of the legislative history of the federal FCA and the Department of Justice's Relator Share  
8 Guidelines,<sup>16</sup> federal courts look to numerous factors in determining a relator's percentage share of  
9 the proceeds, including:

- 10 • The significance of the information provided to the government;
- 11 • Whether the government would ever have known about the FCA violation but for  
12 the information or documents the relator provided;
- 13 • Whether the relator's complaint exposed a widespread scheme;
- 14 • Whether the relator cooperated with the government and its investigation;
- 15 • The contribution of the relator's counsel; and
- 16 • Whether the relator and relator's counsel performed work that was helpful to  
17 settlement negotiations or helped to negotiate a settlement.<sup>17</sup>

18 Based on these factors, Relator's extensive participation in this case—with respect to  
19 prosecuting the claims against all the Defendants, in general, and to Verizon, in particular—merits  
20 a 43% share of the Non-Intervenor's settlement allocation for several reasons.

21  
22 <sup>16</sup> S. Rep. No. 99-345, at 28 (1986), reprinted in 1986 U.S.C.A.N. 5266, 5293; U.S. Dep't of  
23 Justice, Guidelines Regarding Relator's Share (Dec. 10, 1996), reprinted in 11 False Claims Act  
24 and *Qui Tam* Quarterly Review, at 17-19 (Oct. 1997).

25 <sup>17</sup> See, e.g., *United States ex rel. Shea v. Verizon Communications*, 844 F. Supp. 2d 78, 81-82, 83-  
26 84 (D.D.C. Feb. 23, 2012); *United States ex rel. Rille v. Hewlett-Packard Co.*, 784 F. Supp. 2d 1097,  
27 1100-01 (E.D. Ark. 2011); *United States ex rel. Johnson-Pocharati v. Rapid City Reg'l Hosp.*, 252  
28 F. Supp. 2d 892, 897-98, 899-900 n.1-2 (D.S.D. 2003); *United States ex rel. Alderson v. Quorum  
Health Grp.*, 171 F. Supp. 2d 1323, 1332-35, 1338 (M.D. Fla. 2001); *United States ex rel. Pratt v.  
Alliant Technologies*, 50 F. Supp. 2d 942, 948 (C.D. Cal. 1999).

A. A 43% Share Is Appropriate Because of the Extraordinary Results Relator Obtained for Non-Intervenor.

First, Relator should be rewarded with a 43% share in light of the extraordinary results achieved on behalf of Non-Intervenors against Verizon. As discussed in Part IV.B.) above, this settlement exceeds the Sprint benchmark by [REDACTED]. (Shepard Decl. ¶ 13(d).) In dollar terms, that means Non-Intervenors obtained about [REDACTED] more from Verizon than they would have obtained if Relator had settled at the Sprint benchmark. (Id.) Relator achieved this exceptional result notwithstanding the serious challenges presented by the case against Verizon, as described in Part II.B above—including various defenses on the merits, heavy discovery obligations, significant expenses, and complex logistical and expert work. Increasing Relator's share to 43%, as opposed to the 42% Relator's share in the Sprint settlement, will amount to an additional \$502,526 for Relator.<sup>18</sup> (Yampolsky Decl. ¶ 25.) That amount, in turn, represents only [REDACTED] of the [REDACTED] increase in dollar recovery that Relator achieved for Non-Intervenors in the Verizon settlement, as compared with the Sprint settlement.

B. A 43% Share Is Appropriate Because of Relator's Extraordinary Efforts and Sacrifices.

Second, Relator's efforts against Verizon were extraordinary. The efforts by Relator's counsel during this litigation are described in Part II.B above, Part VI below, and in the accompanying Bonn, Shepard, and Yampolsky Declarations. These efforts were much greater than Relator's efforts against Sprint (there were only seven Sprint-related depositions, and only preliminary Sprint-related expert work). The vastly increased efforts by Relator against Verizon also merit an increase to a 43% Relator's share.

But Relator's efforts and sacrifices to bring this case to fruition began much earlier. Relator discovered and reported to the government a long-running, widespread fraud about which the government was unaware. Relator brought to bear years of experience in the field of telecommunications expense management to understand that Defendants did not produce genuine

<sup>18</sup> The total gross settlement allocation, to all California Non-Intervenors, is \$50,252,615. (Shepard Decl. ¶ 13(d).) One percent of that amount is \$502,526.

understand that the government's wireless lines were not optimized (such as detailed usage data and the elements and price terms of all rate plans available under the contracts to the government); and (3) Verizon did provide, from time to time, misleading analyses that Verizon tried to pass off as rate-plan optimization, but were a far cry from the genuine article. (Id. ¶ 14.) Moreover, Relator's investigation made clear that the same conduct affected numerous government entities. (Id.)

Relator also made additional sacrifices to pursue this case. Relator had previously provided outside optimization services to Verizon for many of Verizon's commercial customers. After the State of California declined to intervene, Verizon terminated all dealings with Relator, thereby ending Relator's business and blackballing its founder and owner, Jeffrey Smith, from further work in the industry. Verizon also threatened to sue Relator for breach of contract, and to seek sanctions against Relator, if Relator moved forward with the CFCA claims. Relator persevered on behalf of Non-Intervenors despite the real costs, and the real risks, it endured. (Id. ¶ 17.)

These facts support an enhanced Relator's share from Non-Intervenors' settlement proceeds with respect to the Verizon settlement.

C. The Relator's Share Treats Intervenor and Non-Intervenor Fairly.

Third, a 43% Relator's share of the Non-Intervenors' recovery appropriately recognizes the significant resources that Intervenor devoted to the pursuit of this matter.

The CFCA, unlike the federal False Claims Act, offers a larger share to a relator when a government entity does not intervene. Compare Cal. Gov't Code § 12652(g)(3) (awarding a relator up to 50 percent of a government entity's recovery) with 31 U.S.C. § 3730(d)(2) (capping the relator's award at 30 percent). The Legislature departed from federal precedent because it understood some CFCA cases are so complex and risky that they require a large reward to encourage whistleblowers and their lawyers to prosecute them. This case – which involves hundreds of local-government victims and thus immense litigation burdens – is one of them.

Intervenor agreed, when signing up Relator's counsel to represent them, that Relator would receive a 25% share of Intervenor's gross proceeds, and that Relator's counsel would receive an 8% contingency fee (in addition to their statutory attorneys' fees). (Yampolsky Decl. ¶ 27.) In total,

rate-plan optimization reports in accordance with their contractual obligations. (Yampolsky Decl. ¶ 9.) Having worked as a vendor for several of the Defendants, as well as sat across the table from them when Defendants' commercial customers hired Relator to reduce their wireless costs, Relator knew Defendants produced a multiplicity of reports to their customers that might look like – and in some cases even be called – rate-plan optimization reports. (See, e.g., TAC ¶¶ 111-119.) Relator also knew that real optimization reports required specific elements – a line-by-line analysis of historic usage, consideration of all rate plans available to the user, and, critically, a selection from those available rate plans of the one that would yield the lowest cost – and that Defendants did not provide such analyses to their government customers on a regular basis. (Yampolsky Decl. ¶ 9.) These facts support a 43% Relator's share. See, e.g., *United States ex rel. Alderson v. Quorum Health Grp.*, 171 F. Supp. 2d 1323, 1332 (M.D. Fla. 2001) (approving relator's share 1% below the federal maximum where “the weight and importance of [the relator's] initial allegations and his knowledge of hospital cost accounting formed the enduring foundation upon which the multi-million dollar recovery stands”).

Relator and its counsel met with and evaluated the claims of many California government entities, reviewing their records and interviewing their employees to assess the strength and scope of their claims. The information the Relator provided, the Relator's expertise in understanding and explaining the contracts and their requirements, and the Relator's analysis of government purchaser's records led to more than three dozen California political subdivisions – including some of the largest political subdivisions – intervening in the action. This is particularly notable because the political subdivisions did so despite the declination of the State of California. (Yampolsky Decl. ¶¶ 8-15.)

Relator's complaint exposed a widespread, long-running scheme that caused the State of California and hundreds of its political subdivisions to pay significantly more for wireless services than they should have paid. Relator revealed a fraud about which the government did not know. Until Relator stepped forward, the government did not know about the fraud because (1) the contracts were complex; (2) the government did not have access to the information needed to

therefore, Intervenor agreed to give up 33% of their gross proceeds. (Id.) Intervenor struck this deal with Relator early on in the case—before anyone realized just how massive the discovery obligations would be. If Relator is awarded a 43% share of Non-Intervenors' gross proceeds, that will mean that Intervenor will receive *net* proceeds that are 10% higher (67% of the gross) than the *net* proceeds that Non-Intervenors will receive (57% of the gross). (Id.)

This 10% differential between Intervenor's and Non-Intervenors' net recovery is an appropriate reward for the Intervenor, in compensation for the tremendous sacrifices that Non-Intervenors made to participate in this case. As described in Part II.B.1 above, Intervenor spent thousands of hours to collect and produce millions of pages of documents from hundreds of decentralized e-mail custodians, to respond to a never-ending barrage of interrogatories and written questions from Defendants, and to prepare for and attend depositions. By contrast, this case required much less from Non-Intervenors. (Id. ¶ 28.) The case settled before any Non-Intervenor, including the State of California, had to produce a single witness for a deposition. (Id.) Few Non-Intervenors produced any documents, and the few that did collectively produced less than 10% of the number of documents the Intervenor produced. (Id.)

For all of these reasons, Relator respectfully submits that a 43% Relator's share of the Non-Intervenors' settlement proceeds is warranted.

VI. IF ANY NON-INTERVENOR OBJECTS, THE COURT SHOULD FIND THAT \$33,450,000 FOR STATUTORY ATTORNEYS' FEES AND COSTS IS FAIR AND REASONABLE.

Finally, Relator's counsel settled with Verizon for \$23,450,000 to resolve their claim for statutory attorneys' fees and costs pursuant to Cal. Gov't Code § 12652(g)(8). (Bonn Decl. ¶ 3(c); Shepard Decl. Ex. A ¶ 52.) This amount was separately negotiated after the parties had negotiated a settlement in principle of Plaintiffs' CFCA and related claims against Verizon. (Bonn Decl. ¶ 3(c).) Neither Intervenor nor Verizon objects to this settlement. Plaintiffs do not anticipate that any Non-Intervenor will object. However, should any such objection arise, the Court should approve this allocation for counsel's attorneys' fees and costs as fair and reasonable.



1 Where the government or a relator prevails in or settles a CFCA action, the relator "shall  
2 receive an amount for reasonable expenses that the court finds to have been necessarily incurred,  
3 plus reasonable costs and attorney's fees." Cal. Gov. Code § 12652(g)(8). By virtue of the  
4 settlement, Plaintiff prevailed in the CFCA action as to Verizon, entitling the Relator to such  
5 "reasonable expenses . . . plus reasonable costs and attorney's fees."

6 Where a government entity has declined to intervene but subsequently objects to the  
7 settlement of Relator's claim for statutory attorneys' fees and costs, the Court must "hold a hearing  
8 to determine whether the proposed settlement fairly and reasonably allocates the settlement funds,"  
9 including whether the "amount to be paid to [Relator] and his counsel" is "a fair appraisal of the  
10 value of his case and [the] services rendered by his counsel . . ." *Killingworth*, 25 F.3d at 725.  
11 Should any Non-Intervenor object, Plaintiffs respectfully submit that \$23,450,000 for attorneys'  
12 fees and costs is "fair appraisal" of the value of counsel's services and should be approved.

13 A. Plaintiffs' Counsel Have Incurred \$41,727,612.55 in As-Yet Unreimbursed  
14 Statutory Attorneys' Fees and Costs.

15 The accompanying declarations of Relator's counsel Amanda Bonn, Steven Shepard, and  
16 Ari Yampolsky describe the relevant work performed, the hours worked, the basis for the hourly  
17 fees of each professional, and the expenses incurred.<sup>29</sup> Lead counsel have invested 63,114 hours  
18 that equate to attorney fees of \$36,176,970 at present rates. (Bonn Decl. ¶ 56.) Plaintiffs' counsel  
19 have also advanced costs of \$7,750,642.55 (*Id.*) Plaintiffs' counsel have thus invested more than  
20 \$43,927,612.55 in fees and costs to pursue this action. (*Id.*)

21 So far Relator's counsel have recovered \$2,200,000 in statutory fees in connection with the  
22 Sprint and T-Mobile settlements. (Bonn Decl. ¶ 57.) After accounting for those fees, Relator's  
23 counsel have advanced more than \$41,727,612.55 in statutory attorneys' fees and costs that have  
24 yet to be recovered. (*Id.*) And yet Relator's counsel seek a total of \$36,450,000 in connection with

25 <sup>29</sup> Counsel's actual statutory fees and costs are higher than the figures discussed in this section. This  
26 is because the data for Constantine Cannon and Susanna Godfrey are current through May 30, 2020.  
27 (Bonn Decl. ¶ 43; Yampolsky Decl. ¶ 51.) In addition, these figures do not include time incurred  
28 by local counsel or Relator's prior counsel.

1 counsel's higher rates . . . either in calculating the initial lodestar figure or in evaluating whether to  
2 award a multiplier . . ." *Envtl. Prot. Inf. Ctr. v. Dep't of Forestry & Fire Prot.*, 190 Cal. App. 4th  
3 217, 248 (2010). The lodestar is adjusted to account for factors such as "(1) the novelty and difficulty  
4 of the questions involved, (2) the skill displayed in presenting them, (3) the extent to which the  
5 nature of the litigation precluded other employment by the attorneys, [and] (4) the contingent nature  
6 of the fee award." *Kerthum*, 24 Cal. 4th at 1132 (citing *Serrano v. Priest*, 20 Cal. 3d 25, 49 (1977)  
7 ("Serrano III")). Such an enhancement is "intended to compensate for the risk of loss generally in  
8 contingency cases."

9 [T]he unadorned lodestar reflects the general local hourly rate for a *fee-bearing* case;  
10 it does not include any compensation for contingent risk, extraordinary skill, or any  
11 other factors a trial court may consider under *Serrano III*. The adjustment to the lodestar  
12 figure, e.g., to provide a fee enhancement reflecting the risk that the attorney will not  
13 receive payment if the suit does not succeed, constitutes earned compensation, unlike  
14 a windfall, it is neither unexpected nor fortuitous. Rather, it is intended to approximate  
15 market-level compensation for such services, which typically includes a premium for  
16 the risk of nonpayment or delay in payment of attorney fees. In this case, for example,  
17 the lodestar was expressly based on the general local rate for legal services in a  
18 *noncontingent* matter, where a payment is certain regardless of outcome.

19 *Id.* at 1138 (emphasis in original).

20 Relator's counsel have calculated the lodestar using current hourly rates. In *Alstott v.*  
21 *Jenkins*, 491 U.S. 274, 283-84 (1989), the Supreme Court recognized that because delayed and  
22 contingent legal fees should "[c]learly" not be valued at the same hourly rate as fees payable on an  
23 hourly basis, "an appropriate adjustment for delay in payment - whether by the application of  
24 current rather than historic hourly rates or otherwise" is appropriate. *See also Blackwell v. Foley*,  
25 724 F. Supp. 2d 1068, 1078 (N.D. Cal. 2010) (in an evaluation of an attorney-fee award under *inter*  
26 *alia*, California Code of Civil Procedure section 1021.5, holding that "Plaintiff's counsel are entitled  
27 to receive their *current* hourly rates as compensation for the delay in payment").

28 Relator's counsel's fees and costs to prosecute the claims against Defendants are difficult to  
allocate on a defendant-by-defendant basis. Prior to the case entering active litigation, investigative  
and research efforts helped the case as a whole, especially since all Defendants were parties to the  
WSCA Master Contracts with similar "lowest cost available" and "optimization" requirements.  
(Bonn Decl. ¶ 42.) Accordingly, Defendants filed joint demurrers. Even after the Court ruled on

1 the AT&T and Verizon settlements of their claim for statutory attorneys' fees and costs—  
2 \$23,450,000 from Verizon and \$13,000,000 from AT&T. (*Id.*) That means Lead Counsel have  
3 incurred an additional \$5,277,612.55 in statutory attorneys' fees and costs that they do not even  
4 seek to recover (*Id.* & Tbl. 3.) These numbers are reflected in the table below:<sup>30</sup>

Lead Counsel Statutory Fees and Costs	
Lead Counsel Lodestar Statutory Fees	\$36,176,970.00
Costs	\$7,750,642.55
Total Statutory Fees and Costs	\$43,927,612.55
Less T-Mobile Settlement of Relator's Statutory Attorneys' Fees	(\$200,000.00)
Less Sprint Settlement of Relator's Statutory Attorneys' Fees	(\$2,000,000.00)
Unreimbursed Statutory Fees & Costs Before Final Settlements	\$41,727,612.55
Less Verizon Settlement of Statutory Fees and Costs	(\$23,450,000.00)
Less AT&T Settlement of Statutory Fees and Costs	(\$13,000,000.00)
Unreimbursed Statutory Fees & Costs After Final Settlements	\$5,277,612.55

12 B. \$23,450,000 in Attorneys' Fees and Costs from Verizon Is Reasonable.

13 Relator's counsel's request for approval of \$23,450,000 in attorneys' fees and costs from  
14 Verizon is reasonable.

15 A court assessing attorneys' fees "begins with a touchstone or lodestar figure, based on the  
16 careful compilation of the time spent and reasonable hourly compensation of each attorney involved  
17 in the presentation of the case." *Kerthum v. Moses*, 24 Cal. 4th 1122, 1131-32 (2001) (quotation  
18 marks and ellipses omitted). As to the hours worked, "an award of attorney fees may be based on  
19 counsel's declarations, without production of detailed time records." *Rainbow Data Corp. v.*  
20 *Barrechea*, 175 Cal. App. 4th 1363, 1375 (2009). As for the hourly fee, courts have recognized  
21 that trial judges are best situated to decide, in their discretion, "the value of the professional services  
22 rendered in their courts." *Christian Research Inst. v. Alnor*, 165 Cal. App. 4th 1315, 1321 (2008).  
23 Where "local counsel is unavailable, a trial court is within its discretion to consider out-of-town

24 <sup>30</sup> Counsel are entitled to recover both statutory fees, as well as any contingency fee to which their  
25 clients (Intervenors and Relator) have agreed. *See, e.g., U.S. ex rel. De Pace v. Cooper Health Sys.*,  
26 940 F. Supp. 2d 208, 217 (D.N.J. 2013) (holding "the fee shifting provisions of the Federal False  
27 Claims Act do not prohibit an attorney from receiving both statutory attorneys' fees and a  
28 contingency fee"); *Reynolds v. Ford Motor Co.*, --- Cal. Rptr. 3d ---, 2020 WL 1921742, at \*2, 6  
(Ct. App. Apr. 21, 2020) (rejecting argument that plaintiff's "counsel was not entitled to recover  
both a contingency fee and statutory fee" for claims under the Song-Beverly Act). These numbers  
only address statutory fees.

1 the demurrers and discovery began in earnest, it remained difficult to attribute time on many tasks  
2 to any particular defendant. That is because Defendants worked together as part of a joint defense  
3 group, coordinating their discovery efforts and motion practice. For example, defendants served  
4 functionally identical document requests and written discovery on Intervenor and cross-noticed  
5 depositions. (*Id.*) Similarly, it is difficult to assess costs on a defendant-by-defendant basis. Costs  
6 incurred in connection with document hosting, depositions, and expert work benefited Plaintiff's  
7 case against all defendants.

8 The total amount of attorneys' fees and costs Plaintiffs seek from Verizon and AT&T  
9 combined is \$36,450,000. Of that amount, the Verizon portion is \$23,450,000, or 64% of the total,  
10 and the AT&T portion is \$13,000,000, or 36% of the total [REDACTED].

11 [REDACTED].  
12 [REDACTED].  
13 The number of hours lead counsel spent prosecuting the claims against Verizon is  
14 reasonable. This is particularly true in light of the complexity of the contracts, the large number of  
15 entities involved, the extraordinary damages to California government entities, and the procedural  
16 history of the case. As discussed in greater detail in Part II.B above and the accompanying  
17 declarations of Ms. Bonn, Mr. Shepard, and Mr. Yampolsky, Relator's counsel expended significant  
18 efforts (1) investigating the matter prior to filing; (2) assisting the California Attorney General's  
19 office with its investigation while the case was under seal; (3) coordinating with the 45 political  
20 subdivisions that initially intervened; (4) briefing and arguing multiple demurrers by Verizon; and  
21 (5) conducting an unprecedented volume of defensive and offensive fact discovery, expert analysis,  
22 and discovery-related motion practice on behalf of 30 separate Intervenor government entities  
23 against Verizon, one of the largest corporations in America.

24 In addition, lead counsel's hourly rates are reasonable. Lead counsel are highly skilled  
25 attorneys who have significant experience representing whistleblowers and government entities in  
26 false-claims actions like this one. Lead counsel are also among the only lawyers in California with  
27 successful experience in multi-party false-claims litigation and the resources to handle a case of this

1 magnitude, which involves representing a relator and intervening government entities in the same  
2 matter.

3 Relator's counsel bore (and continue to bear) the entire risk of litigation: counsel invested  
4 tens of millions of dollars in time and expenses (including over \$7 million in hard costs) without  
5 any guarantee of payment. Counsel persevered in the face of overwhelming obstacles—overcoming  
6 challenges on the merits, exceedingly complicated logistical and technical issues concerning the  
7 production of data, and voluminous discovery that was orders of magnitude higher than counsel can  
8 recollect encountering in any other matter they have ever litigated. Relator's counsel never gave up  
9 and achieved exceptional settlements on behalf of California government entities.

10 Relator therefore respectfully requests that, should any Non-Intervenor object, the Court  
11 approve an award of attorneys' fees and costs from Verizon of \$27,450,000.

12 **VII. CONCLUSION**

13 All aspects of the settlement are fair, reasonable, and in the best interests of all interested  
14 parties, including the Non-Intervenors not before the Court.

15 After receiving consents from Non-Intervenors, Relator will recalculate the allocation of the  
16 settlement amount, to reduce the allocation to Non-Consenting Non-Intervenors by 10%, to just  
17 90% of the amount shown on the Verizon Overall Proposed Allocation. That 10% will then be  
18 reallocated to California Intervenor and California Consenting Non-Intervenors in proportion to  
19 those entities' relevant revenue. The results of these calculations will be set forth in a Verizon  
20 California Final Proposed Allocation that Relator shall submit to the Court in advance of the hearing  
21 on this motion.

22 After the hearing on this motion, the Relator respectfully asks the Court to enter an order,  
23 substantially in the form of the Proposed Order attached hereto as Exhibit A, which shall:

- 24 • Approve the settlement with Verizon pursuant to the settlement agreement between  
the parties and California Government Code section 12652(c)(1);
- 25 • Approve Plaintiffs' request for \$23,450,000 in attorneys' fees and costs, should there  
be any objection to such fees and costs; and
- 26 • Approve the settlement amounts, and bases for those settlement amounts, allocated  
27 among the Intervenor, the Non-Intervenors, the Relator, and the Relator's counsel,  
as will be shown in the Final Proposed Allocation, as being within the range of

1 possible approval based on "the best interests of the parties involved" and "the public  
2 purposes behind [the CFCA]," pursuant to Government Code section 12652(c)(1).

3 After the Court enters an Order approving the above items, Plaintiffs then intend to execute and  
4 submit to the Court a Stipulated Judgment, substantially in the form of the proposed judgment  
5 attached hereto as Exhibit B, which will dismiss the case with prejudice.

6 DATED: June 12, 2020

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Plaintiff-Relator OnTheGo Wireless, LLC

1 **EXHIBIT A—PROPOSED ORDER APPROVING VERIZON SETTLEMENT**

2  
3 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
4 FOR THE COUNTY OF SACRAMENTO

5 STATE OF CALIFORNIA et al. ex rel. OnTheGo  
6 Wireless, LLC

Case No. 34-2012-00127517

[PROPOSED] ORDER APPROVING  
SETTLEMENT WITH VERIZON  
DEFENDANTS

7 vs.

8 CELLCO PARTNERSHIP, doing business as  
9 VERIZON WIRELESS, et al.

Dept. 92, Hon. Judy Holzer Hersher

10 Defendants.

11  
12 The Plaintiffs' Motion for Approval of Settlement with Defendant Verizon ("Motion") came  
13 on for noticed hearing before the Honorable Judy Holzer Hersher, presiding, on the date and time  
14 set forth above. Appearances are reflected on the record.

15 Due and adequate notice having been given of the motion, and the Court having considered  
16 the moving papers, including all points and authorities and evidence submitted therewith, and any  
17 opposition or objections to the Motion, and the arguments of counsel at hearing, and all other matters  
18 properly presented to the Court in relation thereto, and good cause appearing therefore.

19 **IT IS HEREBY ORDERED THAT:**

- 20 1. The Court finds that the Settlement is fair, reasonable, in the best interests of the  
21 parties involved, and in furtherance of the public purposes behind the California  
22 False Claims Act, California Government Code sections 12650 et seq. ("CFCA").
- 23 2. The Court finds that the Non-Intervenor Customers identified as Consenting Non-  
24 Intervenors on Exhibit A hereto have consented to the settlement and are deemed  
25 parties to the Settlement Agreement for all purposes.
- 26 3. The release provisions of the Settlement are fair and reasonable.

1 4. The proposed pro rata settlement allocation among the California Plaintiffs based on  
2 the Final Allocation set forth in the Final Proposed Allocation (Exhibit A hereto) is  
3 fair and reasonable.

4 5. The Court approves a 25% allocation to Relator from the Intervenor's gross  
5 settlement allocation.

6 6. The Court approves a 43% allocation to Relator from the Non-Intervenors' gross  
7 settlement allocation.

8  
9 **IT IS SO ORDERED.**

10 Dated: \_\_\_\_\_

11  
12 Hon. Judy Holzer Hersher  
13 Judge of the Superior Court

EXHIBIT B - PROPOSED STIPULATED JUDGMENT

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Regents of the University of California, et al.
and Plaintiff-Relator OnTheGo Wireless, LLC

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SACRAMENTO

STATE OF CALIFORNIA et al., et al. OnTheGo Wireless, LLC
Plaintiffs
vs.
CELLCO PARTNERSHIP, doing business as VERIZON WIRELESS, et al.
Defendants.
Case No. 34-2012-00127517
STIPULATED JUDGMENT DISMISSING CLAIMS AGAINST THE VERIZON DEFENDANTS
Dept. 92, Hon. Judy Holzer Hersher

WHEREAS, Plaintiffs reached a settlement with Defendant Celco Partnership d/b/a Verizon Wireless ("Verizon"), which settlement was subject to approval by this Court and the satisfaction of conditions agreed to by the Settling Parties;

2 Case No. 34-2012-00127517

EXHIBIT B - PROPOSED STIPULATED JUDGMENT AS TO VERIZON

WHEREAS, on \_\_\_\_\_ the Court entered the Final Approval Order approving the settlement between Plaintiffs and Verizon on the terms and conditions set forth therein; and,

WHEREAS, all conditions for submission of this stipulated judgment have now occurred;

NOW, THEREFORE, the Settling Parties stipulate and agree that pursuant to California Government Code section 12652(c)(1), all claims in the California Action against Verizon are hereby DISMISSED in their entirety WITH PREJUDICE, but that the Court retain jurisdiction to enforce the terms of the Settlement Agreement and Stipulated Judgment.

IT IS SO STIPULATED.

By: Matthew S. Rosengart GREENBERG TRAUBIG LLP
Attorneys for Defendant Celco Partnership d/b/a Verizon Wireless
By: William Christopher Carmody SUSMAN GODFREY LLP
Attorneys for Plaintiffs Regents of the University of California, et al. and Plaintiff-Relator OnTheGo Wireless, LLC

(PROPOSED) ORDER

The court, having reviewed the above stipulation of the parties, and being familiar with the record of this case, dismisses this action as to Defendant Celco Partnership d/b/a Verizon Wireless ("Verizon") with prejudice. However, pursuant to Code of Civil Procedure § 664.6 and any other relevant statutory provisions, and the parties' above stipulation and Settlement Agreement and Stipulated Judgment, this court retains jurisdiction over this case and over the parties personally for such further orders, hearings and other proceedings as may be appropriate to enforce the terms of the parties' Settlement Agreement and Stipulated Judgment.

IT IS SO ORDERED.

Dated: \_\_\_\_\_
Hon. Judy Holzer Hersher
Judge of the Superior Court

2 Case No. 34-2012-00127517

EXHIBIT B - PROPOSED STIPULATED JUDGMENT AS TO VERIZON

PROOF OF SERVICE

I, the undersigned, declare:

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is 1900 Avenue of the Stars, Suite 1400, Los Angeles, California 90067-6029

On June 12, 2020, I served the foregoing document(s) described as follows:

NOTICE OF MOTION AND MOTION FOR APPROVAL OF SETTLEMENT WITH VERIZON; MEMORANDUM OF POINTS & AUTHORITIES

on the interested parties in this action by placing true copies thereof enclosed in sealed envelopes addressed as stated on the attached service list, as follows:

BY MAIL

I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice, it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

BY PERSONAL SERVICE

I caused to be delivered such envelope by hand to the offices of the addressee.

BY FEDERAL EXPRESS OR OVERNIGHT COURIER

BY FAX

I served by facsimile as indicated on the attached service list.

BY ELECTRONIC MAIL

I caused said documents to be prepared in portable document format (PDF) for e-mailing and served by electronic mail as indicated on the attached service list.

Executed on June 12, 2020, at Los Angeles, California.

(State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

(Federal) I declare that I am employed in the office of a member of the bar of this Court at whose direction the service was made.

Helen Danielson
(Type or Print Name)
Signature

1 Case No. 34-2012-00127517

PROOF OF SERVICE

SERVICE LIST

Table with 2 columns: Name and Address, and Attorneys for Defendant New Cingular Wireless National Accounts, LLC, d/b/a Cingular Wireless n/a's AT&T Mobility National Accounts. Includes contact info for W. Sean Cameron, John C. Richter, Nikesh Jindal, Peter Cooch, Anne Voigts, Margaret Fitzgibbon Thomas, Jenna Carly Stern, Jessica Rapoport, David Mattem, Kelli Gulite, Christina King, Jacqueline Duobnis, Bailey J. Langer, and Brian Priestley.

2 Case No. 34-2012-00127517

EXHIBIT B - PROPOSED STIPULATED JUDGMENT AS TO VERIZON



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FILED/ENDORSED  
JUN - 1 2020

EXHIBIT 1: PROPOSED ORDER  
SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF SACRAMENTO

STATE OF CALIFORNIA et al., ex rel.  
OnTheGo Wireless, LLC

Case No. 34-2012-00127517

The Hon. Judy Hester Hesther  
Dept. 92

Plaintiffs,

vs.

CELCO PARTNERSHIP, doing business as  
VERIZON WIRELESS, et al.

PROPOSED ORDER APPROVING  
NOTICES OF THE VERIZON AND  
AT&T SETTLEMENTS

Defendants.

The Court, (1) having been advised that settlement agreements between Plaintiffs and Verizon and between Plaintiffs and AT&T (collectively the "Settlements" or "Settlement Agreements") have been executed; (2) having considered the Joint Motion to Approve Notices of the Verizon and AT&T Settlements to Non-Intervenor; (3) having considered the statements and arguments of counsel at the conferences held on March 3, March 17, and April 14, and (4) having previously ordered similar procedures to be followed in approving the prior settlements with T-Mobile and Sprint, and good cause appearing therefore, HEREBY ORDERS THAT:

1. The Approval Hearing ("the Hearing") shall commence on September 24, 2020, at 11:00am in Department 92 or 94, located at 9605 Klefer Boulevard, Sacramento, California. The purpose of the hearing is to determine whether the terms of the Settlements, including but not limited to the dismissal of the California Action with prejudice as to Verizon and AT&T, the releases, and the Proposed Allocations among the Parties, Relator, and Plaintiffs' counsel, are in all respects fair, adequate, and reasonable, in the best interests of the parties involved, and serve the public purposes behind the CFCA.

2. The Motions for Approval of the Verizon and AT&T Settlements shall be filed as soon as is reasonably practicable. These Motions shall attach the Settlement Agreements signed by Defendants, Relator, and counsel for Plaintiffs. Signatures of all intervenors are not required for purposes of filing the Motions. These Motions shall also attach Plaintiffs' preliminary Proposed Allocations, showing the amounts to be paid to each Plaintiff, to Relator, and to counsel for Plaintiffs.

3. The Court approves, as to form and content, the Notice of Proposed Settlement ("Non-Intervenor Customer Notice") attached hereto as Exhibits 1-A (for Verizon) and 2-A (for AT&T). Relator shall update these notices to include a deadline for comments and objections to be received, which deadline shall be 90 days from the date that the notices are mailed.

4. No sooner than one week after the Motions for Approval are filed, Relator shall cause the Non-Intervenor Customer Notice to be mailed by first class mail to those Non-Intervenor to which funds are allocated in the Proposed Allocations. This mailing shall also include a copy of this Order, and a copy of the Motions for Approval and all exhibits thereto. These materials shall also be made available by website. Relator is directed to file with the Court, and to serve upon all parties who have requested notice in this action, a declaration of such mailings.

5. The Court approves, as to form and content, the Notice of Proposed Settlement ("Non-Intervenor Non-Customer Notice") attached hereto as Exhibits 1-B (for Verizon) and 2-B (for AT&T). Relator shall update these notices to include a deadline for objections to be received, which deadline shall be 90 days from the date that the notices are mailed.

6. No sooner than one week after the Motions for Approval are filed, Relator shall cause the Non-Intervenor Non-Customer Notice to be mailed by first class mail to all Non-

Intervenor Non-Customers. This mailing shall inform the Non-Intervenor Non-Customers of the website at which they can obtain a copy of this Order, and a copy of the Motions for Approval and all exhibits thereto. Relator is directed to file with the Court, and to serve upon all parties who have requested notice in this action, a declaration of such mailings.

7. Any Non-Intervenor who objects to the approval of one or both of the proposed Settlements may appear at the Hearing to show cause why one or both of the proposed Settlements should not be approved. Objections to the Settlements shall be heard, and any papers or briefs submitted in support of said objections shall be considered by the Court at any time prior to or during the Approval Hearing.

8. In light of the ongoing health crisis caused by the spread of COVID-19, the Court authorizes Relator, the California Attorney General, Intervenor, and Non-Intervenor to file a motion with the Court, with service to counsel for Defendants and counsel for Plaintiffs, requesting to extend the 90-day deadline, and/or to postpone the Approval Hearing, and/or to disallow in-person appearances at the hearing and to instead require remote/telephonic appearances, for good cause shown. The Court may also sua sponte determine that any of these are necessary. In the event that it becomes necessary to postpone this hearing and/or to require that any appearances be made only through remote/telephonic means, then Relator's counsel will, within 5 calendar days of the Court's order, (a) serve the order on all Non-Intervenor by mail, and (b) make the order available on the website that Relator's counsel is using to communicate with the Non-Intervenor. Such service shall include an updated notice that contains meeting identification number(s) and login information, if any, that are necessary for remote/telephonic attendance.

IT IS SO ORDERED:

Judy Hester Hesther  
Hon. Judy Hester Hesther

EXHIBIT 1-A  
Non-Intervenor Customer Notice (Verizon Settlement)

Notice of settlement with defendant Celco Partnership d/b/a Verizon Wireless, and distribution of settlement proceeds in State of California ex rel. OnTheGo Wireless, LLC v. Celco Partnership d/b/a Verizon Wireless, et al., Case No. 34-2012-00127517 (Sacramento Superior Court)

Dear Sir or Madam,

You are receiving this letter because [REDACTED] is a non-intervenor real party in interest ("Non-Intervenor") in State of California ex rel. OnTheGo Wireless, LLC v. Celco Partnership d/b/a Verizon Wireless, et al., Case No. 34-2012-00127517, which is pending in the Superior Court for Sacramento County. Defendant Celco Partnership d/b/a Verizon Wireless ("Verizon") and Plaintiff have entered into a Settlement Agreement in the case, and [REDACTED] has been identified as a party that will receive a share of the Verizon settlement payment.

The lawsuit

The lawsuit was filed by Relator OnTheGo Wireless, LLC on July 3, 2012, pursuant to the California False Claims Act ("CFCA"), on behalf of real parties in interest the State of California and political subdivisions identified therein. The lawsuit, which named several defendants, including Verizon, generally alleged that Defendants failed to comply with the terms of cooperative purchasing agreements the Western States Contracting Alliance ("WSCA") awarded to Defendants to provide wireless equipment and services to California government entities. As relevant here, Plaintiff alleges the WSCA agreements, and other agreements related to them, required Verizon to provide its California government customers purchasing wireless services pursuant to these agreements with "rate plan optimization reports" and wireless services at the lowest cost available. Verizon's alleged failure to comply with these provisions resulted in overcharges to those California government customers. Verizon disputes and denies all of the Relator's allegations and maintains that it complied in full with the WSCA agreements.

The settlement

The parties have agreed to settle this case with respect to Verizon. Copies of documents filed with the Court in support of the settlement, which include the Settlement Agreement and the Court's order approving this notice procedure, are included herewith. Copies of these documents may also be downloaded at: [REDACTED]

To receive the full amount of the share allocated to a Non-Intervenor in the Proposed Allocation, if any, the Non-Intervenor must execute the Consent Page provided in the Addendum and return the executed Consent Page to Plaintiffs' counsel by [REDACTED] 2020. By doing so, a Non-Intervenor affirmatively consents to the terms of the Settlement Agreement, including the general release contained therein. Original signatures are not required.

1 The executed Consent Page may be returned to Plaintiffs' counsel by PDF to:  
2 E-mail to: WirelessOptics@constantinacannon.com  
3 You will receive a reply confirming receipt of the Consent Page. Please use this address for the  
4 submission of Consent Pages only. Contact information for any questions is below.  
5 If a Non-Intervenor does not execute the Consent Page, and therefore does not agree to be bound by  
6 the Terms of the Settlement Agreement, then the Non-Intervenor will receive only 90% of the  
7 amount allocated to it in the Proposed Allocation.  
8 In addition, Plaintiffs will apply to the Court for a Relator's share pursuant to California Government  
9 Code section 12652(g)(3) and attorney fees pursuant to California Government Code section  
10 12652(g)(4). As set forth in the Motion for Approval and the Proposed Allocation, Plaintiffs are  
11 requesting a Relator's share of 90% with respect to any amounts allocated to Non-Intervenors, and  
12 have entered into a Settlement Agreement with Verizon to receive attorney's fees.  
13 **Hearing**  
14 The Court has set a hearing for final approval of the Settlement Agreement for September 24, 2020,  
15 at 11:00am in Department 92 or 96 of the Sacramento Superior Court, located at 9605 Kiefer  
16 Boulevard, Sacramento, California. The purpose of the hearing is to determine whether the terms of  
17 the Settlement Agreement—including but not limited to the dismissal of the California Action with  
18 prejudice as to Verizon, the release, and the Proposed Allocation among the Parties, Relator, and  
19 Plaintiffs' counsel—are in all respects fair, adequate, and reasonable, and in the best interests of the  
20 parties involved, serve the public purposes behind the CPCA, and should be finally approved.  
21 In the event that it becomes necessary to postpone this hearing, then Relator's counsel will, within 5  
22 calendar days of the Court's postponement order, (a) serve the order on you by mail, and (b) make  
23 the order available on the website: <https://www.sccourt.ca.gov>  
24 Similarly, in the event that it becomes necessary to disallow in-person appearances at the hearing,  
25 then within 5 calendar days of the Court's order requiring any attendance at the hearing to be  
26 remote/telephonic rather than in-person, Relator's counsel will (a) serve the order on you by mail,  
27 and (b) make the order available on the website. Such service shall include an updated notice that  
28 contains meeting identification number(s) and login information, if any, that are necessary for  
29 remote attendance.  
30 **How to object**  
31 The Court has ordered that any Non-Intervenor who objects to the approval of the proposed  
32 settlement may appear at the Hearing to show cause why the proposed settlement should not be  
33 approved. Pursuant to the Court's order, objections to the settlement shall be heard, and any papers  
34 or briefs submitted in support of said objections shall be considered by the Court.  
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EXHIBIT 2-A  
Non-Intervenor Consent Notice (AT&T Settlement)

Notice of settlement with defendant New Cingular Wireless National Accounts, LLC d/b/a Cingular Wireless, now known as AT&T Mobility National Accounts LLC ("AT&T"), and distribution of settlement proceeds in State of California *ex rel. OnTheGo Wireless, LLC v. Celco Partnership d/b/a Verizon Wireless, et al.*, Case No. 34-2012-00127517 (Sacramento Superior Court)

Dear Sir or Madam,

You are receiving this letter because [REDACTED] is a non-intervenor real party in interest ("Non-Intervenor") in State of California *ex rel. OnTheGo Wireless, LLC v. Celco Partnership d/b/a Verizon Wireless, et al.*, Case No. 34-2012-00127517, which is pending in the Superior Court for Sacramento County. Defendant New Cingular Wireless National Accounts, LLC d/b/a Cingular Wireless, now known as AT&T Mobility National Accounts LLC ("AT&T"), and Plaintiffs have entered into a Settlement Agreement in this case, and [REDACTED] has been identified as a party that will receive a share of the AT&T settlement payment.

**The lawsuit**

The lawsuit was filed by Relator OnTheGo Wireless, LLC on July 5, 2012, pursuant to the California False Claims Act ("CFCA"), on behalf of real parties in interest the State of California and political subdivisions identified therein. The lawsuit, which named several defendants, including AT&T, generally alleged that Defendants failed to comply with the terms of cooperative purchasing agreements the Western States Contracting Alliance ("WSCA") awarded to Defendants to provide wireless equipment and services to California government entities. As relevant here, Plaintiffs allege the WSCA agreements, and other agreements related to them, required AT&T to provide to California government customers purchasing wireless services pursuant to those agreements with "rate plan optimization reports" and wireless services at the lowest cost available. AT&T's alleged failure to comply with those provisions resulted in overcharges to those California government customers. AT&T disputes and denies all of the Relator's allegations and maintains that it complied in full with the WSCA agreements.

**The settlement**

The parties have agreed to settle this case with respect to AT&T. Copies of documents filed with the Court in support of the settlement, which include the Settlement Agreement and the Court's order approving this notice procedure, are included herewith. Copies of these documents may also be downloaded at: [REDACTED]

To receive the full amount of the share allocated to a Non-Intervenor in the Proposed Allocation, if any, the Non-Intervenor must execute the Consent Page provided in the Addendum and return the executed Consent Page to Plaintiffs' counsel by [REDACTED] 2020. By doing so, a Non-Intervenor

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JOINT MOTION TO APPROVE NOTICES OF THE VERIZON AND AT&T SETTLEMENTS TO NON-INTERVENORS

affirmatively consents to the terms of the Settlement Agreement, including the general release contained therein. Original signatures are not required.

The executed Consent Page may be returned to Plaintiffs' counsel by PDF to:

E-mail to: WirelessOptin@constanincannon.com

You will receive a reply confirming receipt of the Consent Page. Please use this address for the submission of Consent Pages only. Contact information for any questions is below.

If a Non-Intervenor does not execute the Consent Page, and therefore does not agree to be bound by the Terms of the Settlement Agreement, then the Non-Intervenor will receive only 90% of the amount allocated to it in the Proposed Allocation.

In addition, Plaintiffs will apply to the Court for a Relator's share pursuant to California Government Code section 12652(g)(7) and attorney fees pursuant to California Government Code section 12652(g)(8). As set forth in the Motion for Approval and the Proposed Allocation, Plaintiffs are requesting a Relator's share of [REDACTED] with respect to any amounts allocated to Non-Intervenors, and have entered into a Settlement Agreement with AT&T to receive attorneys' fees.

**Hearing**

The Court has set a hearing for final approval of the Settlement Agreement for September 24, 2020, at 11:00am in Department 92 or 96 of the Sacramento Superior Court, located at 9605 Kiefer Boulevard, Sacramento, California. The purpose of the hearing is to determine whether the terms of the Settlement Agreement—including but not limited to the dismissal of the California Action with prejudice as to AT&T, the releases, and the Proposed Allocation among the Parties, Relator, and Plaintiffs' counsel—are in all respects fair, adequate, and reasonable, and in the best interests of the parties involved, serve the public purposes behind the CFCA, and should be finally approved.

In the event that it becomes necessary to postpone this hearing, then Relator's counsel will, within 5 calendar days of the Court's postponement order, (a) serve the order on you by mail, and (b) make the order available on the website: [REDACTED]

Similarly, in the event that it becomes necessary to disallow in-person appearances at the hearing, then within 5 calendar days of the Court's order requiring any attendance at the hearing to be remote/telephonic rather than in-person, Relator's counsel will (a) serve the order on you by mail, and (b) make the order available on the website. Such service shall include an updated notice that contains meeting identification number(s) and login information, if any, that are necessary for remote attendance.

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JOINT MOTION TO APPROVE NOTICES OF THE VERIZON AND AT&T SETTLEMENTS TO NON-INTERVENORS

**How to object**

The Court has ordered that any Non-Intervenor who objects to the approval of the proposed settlement may appear at the Hearing to show cause why the proposed settlement should not be approved. Pursuant to the Court's order, objections to the settlement shall be heard, and any papers or briefs submitted in support of said objections shall be considered by the Court.

Any Non-Intervenor wishing to make an objection is requested to file written notice of its intention to object, together with supporting papers stating specifically the factual basis and legal grounds of the objection, and to serve copies thereof upon counsel for Plaintiffs and AT&T, on or before [REDACTED] 2020.

**Additional information**

If you have any questions about this notification and settlement payment, or the terms of the Settlement Agreement, please contact:

Anne Harman  
Constanincannon.com  
150 California Street, Suite 1000  
San Francisco, CA 94111

Telephone: (415) 766-3532

E-mail: aharman@constanincannon.com

If the recipient of this letter is not an attorney who represents [REDACTED] in civil legal proceedings, you may want to consult with such counsel.

Letter to be signed by  
Counsel for Plaintiffs

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JOINT MOTION TO APPROVE NOTICES OF THE VERIZON AND AT&T SETTLEMENTS TO NON-INTERVENORS

EXHIBIT 2-B  
Non-Intervenor Non-Customer Notice (AT&T Settlement)

Dear Sir or Madam,

You are receiving this letter because [REDACTED] is a non-intervenor real party in interest ("Non-Intervenor") in State of California *ex rel. OnTheGo Wireless, LLC v. Celco Partnership d/b/a Verizon Wireless, et al.*, Case No. 34-2012-00127517, which is pending in the Superior Court for Sacramento County. Defendant New Cingular Wireless National Accounts, LLC d/b/a Cingular Wireless, now known as AT&T Mobility National Accounts LLC ("AT&T"), and Plaintiffs have entered into a Settlement Agreement in this case.

[REDACTED] has been identified as a party that did not make purchases from AT&T under the contracts at issue in the case during the relevant time period, and therefore will not receive a share of the AT&T settlement payment. No further action is required from you at this time. However, if you would like more information about the settlement, or if you would like to object to the settlement:

**Download relevant documents**

Copies of documents filed with the Court in support of the settlement, which include the Settlement Agreement and the Court's order approving this notice procedure, may be downloaded at: [REDACTED]. In addition, you may contact counsel identified below to obtain the documents.

**Hearing**

The Court has set a hearing for final approval of the Settlement Agreement for September 24, 2020, at 11:00am in Department 92 or 96 of the Sacramento Superior Court, located at 9605 Kiefer Boulevard, Sacramento, California. The purpose of the hearing is to determine whether the terms of the Settlement Agreement—including but not limited to the dismissal of the California Action with prejudice as to AT&T, the releases, and the Proposed Allocation among the Parties, Relator, and Plaintiffs' counsel—are in all respects fair, adequate, and reasonable, and in the best interests of the parties involved, serve the public purposes behind the CFCA, and should be finally approved.

In the event that it becomes necessary to postpone this hearing, then Relator's counsel will, within 5 calendar days of the Court's postponement order, (a) serve the order on you by mail, and (b) make the order available on the website: [REDACTED]

Similarly, in the event that it becomes necessary to disallow in-person appearances at the hearing, then within 5 calendar days of the Court's order requiring any attendance at the hearing to be remote/telephonic rather than in-person, Relator's counsel will (a) serve the order on you by mail, and (b) make the order available on the website. Such service shall include an updated notice that

15 Case No. 34-2012-00127517

JOINT MOTION TO APPROVE NOTICES OF THE VERIZON AND AT&T SETTLEMENTS TO NON-INTERVENORS

1 contains meeting identification number(s) and login information, if any, that are necessary for  
2 remote attendance.

3 **How to object**

4 The Court has ordered that any Non-Intervenor who objects to the approval of the proposed  
5 settlement may appear at the Hearing to show cause why the proposed settlement should not be  
6 approved. Pursuant to the Court's order, objections to the settlement shall be heard, and any papers  
7 or briefs submitted in support of said objections shall be considered by the Court.

8 Any Non-Intervenor wishing to make an objection is requested to file written notice of its intention  
9 to object, together with supporting papers stating specifically the factual basis and legal grounds of  
10 the objection, and to serve copies thereof upon counsel for Plaintiffs and AT&T, on or before  
11 ~~12:00 p.m.~~ 2020.

10 **Additional information**

11 If you have any questions about this notification, or the terms of the Settlement Agreement, you may  
12 contact counsel for the Relators and Intervenor:

13 Anne Hartman  
14 Constantine Cannon LLP  
15 150 California Street, Suite 1600  
16 San Francisco, CA 94111

17 Telephone: (415) 766-3532

18 E-mail: [ahartman@constantinecannon.com](mailto:ahartman@constantinecannon.com)

19 If the recipient of this letter is not an attorney who represents ~~(P&T)~~ in civil legal proceedings,  
20 you may want to consult with such counsel.

21 Letter to be signed by  
22 Counsel for Plaintiffs

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**July 27, 2020**

**TO: Honorable President and Board of Directors**

**FROM: Amy Reeh, Interim General Manager**

**SUBJECT: Discussion and Authorization for Interim General Manager to sign  
Emergency Service & Support Agreement with Valley Center Municipal Water District**

**PURPOSE:** To enter into an agreement with Valley Center Municipal Water District to provide temporary emergency support through a temporary emergency connection.

**SUMMARY:**

Due to the Forebay construction activities and up coming required shut downs from the San Diego County Water Authority and Metropolitan Water District of Southern California in September and November of 2020 the District was approached by Valley Center MWD to discuss an emergency connection to aid the District during these planned shutdowns. The agreement is a temporary agreement that will start today and end November 30, 2020. This connection will provide 6 cfs through a 6-inch connection to VCMWD.

**Recommended Actions:**

To approve the Emergency Service and Support Agreement

**SUBMITTED BY:**

A handwritten signature in blue ink that reads "Amy Reeh". The signature is written in a cursive style and is positioned above a horizontal line.

**Amy Reeh  
Interim General Manager**

**EMERGENCY AND SUPPORT SERVICES AGREEMENT  
BETWEEN YUIMA MUNICIPAL WATER DISTRICT AND VALLEY CENTER  
MUNICIPAL WATER DISTRICT – JULY 27, 2020 TO NOVEMBER 30, 2020**

THIS AGREEMENT is made July 27, 2020, between YUIMA MUNICIPAL WATER DISTRICT ("YUIMA") and VALLEY CENTER MUNICIPAL WATER DISTRICT ("VCMWD"), effective on July 27, 2020 ("Effective Date") in view of the following facts:

1. VCMWD is a municipal water district organized under the laws of the State of California. VCMWD is a member agency of San Diego County Water Authority ("Water Authority"), and its territory is included within the Metropolitan Water District of Southern California ("Met"). As a San Diego County Water Authority (Water Authority) member agency, VCMWD is entitled to purchase water from Water Authority and has constructed facilities and other works for the transmission of water from the aqueduct of the Water Authority, with existing conveyance and transmission facilities to permit emergency intertie into the distribution system of YUIMA.

2. YUIMA is a municipal water district organized under the laws of the State of California. YUIMA is a member agency of the Water Authority, and its territory is included within the Met service area.

3. YUIMA has ~~also~~ advised VCMWD that due to construction activity on its facilities, it will soon be unable to take water from its YUIMA No. 1 Aqueduct Connection as early as the week of July 27, 2020. Further, YUIMA and VCMWD have been advised by the Metropolitan Water District and Water Authority that the 1<sup>st</sup> San Diego Aqueduct will be removed from service for up to 10 days during the months of September and November, 2020.

4. As such, YUIMA has advised VCMWD that it will need a supplemental emergency source of water supply during the July, September and November period referenced above to adequately meet the needs of its service area.

5. So as to assist YUIMA on an as needed basis during the period beginning Monday, July 27, 2020 through November 30, 2020, VCMWD will provide emergency service to YUIMA at the connection point near Carne Way and Patricia Lane, Valley Center, California.

IT IS, THEREFORE, AGREED:

1. Commencing on the July 27, 2020 ending November 30, 2020, VCMWD agrees, in the event of an emergency or certain other rare and unusual, non-routine adverse events or circumstances that are outside the scope of normal operations (including, but not limited to, interruptions of deliveries of water from the Water Authority), to provide emergency delivery of water to YUIMA to assist YUIMA and its staff in responding effectively to such emergency or non-routine event or circumstance under the following conditions:



- a. During the emergency period, YUIMA will pay VCMWD the VCMWD wholesale rate in effect during the time water is delivered to YUIMA plus the applicable VCMWD pumping zone rate. if any, in effect at the time water is delivered by VCMWD facilities to YUIMA at the point of delivery for all water delivered to YUIMA.
  - b. When YUIMA has taken delivery of the water through the emergency service connection at the point of delivery, YUIMA shall be responsible for the water quality of said potable water being transmitted and delivered to YUIMA customers.
  - c. VCMWD is not responsible for any damage that may occur to YUIMA's distribution system as a result of accepting delivery of water through the VCMWD emergency service connection.
  - d. VCMWD is not responsible for any damage that may occur to any Yuima customer or any other third-party as a result of YUIMA accepting delivery of water through the VCMWD emergency connection.
  - e. At the end of the agreement period, in coordination with VCMWD, YUIMA will timely remove all equipment connecting the VCMWD water system to the YUIMA water system.
2. YUIMA hereby agrees that no priority will be given to YUIMA by VCMWD for the delivery of emergency potable water. Additionally, VCMWD reserves the right to cancel any scheduled delivery in the event of an emergency within VCMWD's operating system.
  3. YUIMA must contact VCMWD to request the use of the emergency service connection at the point of delivery at least 24 hours before taking delivery of water from the VCMWD system.
  4. This Agreement may be terminated by either party upon giving at least one (1) months' written notice of such termination to the other. This agreement shall continue in full force and effect until terminated by one or both parties per this section.
  5. To the fullest extent permitted by law, VCMWD, its directors, officers, employees, agents and volunteers shall not be held liable for any claims, liabilities or damages to any property of any person including that of YUIMA's employees, agents or customers, nor for personal injury to or death to any person caused by or resulting from any acts or omissions (active, passive or comparative, negligence included) of VCMWD or its directors, officers, employees, agents or volunteers arising out of, or alleged to have arisen out of, the performance or the failure to perform any of its obligations under this Agreement. YUIMA agrees to indemnify and hold free and harmless VCMWD and its directors, officers, employees, agents and volunteers

against any such claims, liabilities and damages and any cost and expense incurred by them on account thereof. It is agreed that this indemnity is not limited in any way by the extent of any policy of insurance held by either party or by any limitation on the types of damages, compensation or benefits payable under worker's compensation acts, disability acts, or other employee acts. The foregoing limitation on liability and indemnity shall not apply to physical damage to the property of third parties or to personal injury or death that is determined to have been caused or resulted from the active negligence or willful misconduct of a party indemnified.

6. It is understood and agreed by the parties hereto that nothing in this Agreement shall obligate VCMWD to provide any of the services or materials contemplated by this Agreement to YUIMA if, in the sole judgment of VCMWD's Management, providing such services or materials would compromise or jeopardize the interests of VCMWD, its employees or its customers.
7. All acts of VCMWD under this Agreement will be performed with the express understanding that VCMWD makes no warranties, expressed or implied, with respect thereto.

IN WITNESS WHEREOF, this Agreement has been executed on behalf of the parties by their duly authorized officer.

VALLEY CENTER MUNICIPAL WATER  
DISTRICT

YUIMA MUNICIPAL WATER DISTRICT

By: \_\_\_\_\_  
Gary Arant, General Manager

By: \_\_\_\_\_  
Amy Reeh, Interim General Manager

IV.  
INFORMATION / REPORTS



# GENERAL MANAGER'S NEWS & NOTES

## MONTHLY NEWS & UPDATES

### TOP NEWS

#### **Water Authority Board Sets 2021 Rates**

Following a public hearing on June 25, 2020, the San Diego County Water Authority's Board of Directors adopted rate increases for 2021 that were 30% lower than proposed in May 2020 following a series of refinements by staff. In addition, the Board directed staff to return in September or October with any further opportunities to reduce the 2021 rate increases, such as a decrease in rates set by the Metropolitan Water District of Southern California or the acquisition of federal or state economic stimulus funds.

As adopted in June, the all-in rates charged to the Water Authority's 24 member agencies will increase by 4.8% for untreated water and 4.9% for treated water in calendar year 2021. The new rates take effect January 1, 2021.

Rate increases were driven by reduced water sales, higher rates and charges from the Metropolitan Water District of Southern California and continued regional investments in supply reliability. Since the staff's rate proposal was released in May, the Water Authority re-evaluated several assumptions driven by COVID-19 recessionary pressures based on new economic data and forecasts. The Water Authority also funded some costs related to the Carlsbad Desalination Plant this year instead of in 2021. The 2021 rates and charges may be further reduced if MWD makes material changes when revisiting its budget and rates this fall.

The Water Authority's 2021 rates were developed in conjunction with an independent cost-of-service study to ensure rates and charges comply with state law, legal requirements, cost-of-service standards and Board policies, and strategic tools such as the Long-Range Financing Plan.

In addition, the 2021 rates were designed to ensure Board-adopted debt coverage ratios that support the Water Authority's strong credit ratings and minimize the cost of borrowing money for construction projects. The Water Authority maintains credit ratings of AAA with a stable outlook from S&P, AA+ from Fitch, and Aa2 with a stable outlook from Moody's.

#### **Water Authority Pilots Hispanic Outreach Program**

The Water Authority's Public Affairs Department is testing a new Hispanic outreach program – the agency's first developed in Spanish instead of translated from English. The goals of the program include increasing confidence in the region's public water agencies, enhancing perceptions about the safety and affordability of tap water, and building relationships with the Hispanic community.

The pilot program ran April through June, with the development of online ads about the safety and reliability of tap water and the role that member agencies play to serve the region. Those ads were tested to refine messages

and distribution channels for the Hispanic market countywide.

In addition, the Water Authority and its member agencies worked with doctor and local television host Diane Perez to promote the safety of tap water on social media and her television show on Televisa.

The Water Authority also is looking at opportunities to partner with community organizations that serve the Hispanic community and working with JPIC to assess next steps in the campaign.

## MWD's 2020 IRP Update and Rate Refinement Processes

At a Metropolitan Water District (MWD) Board retreat last October, staff highlighted its member agencies' changing demand on MWD and described MWD as at a "crossroads." At its June Integrated Water Resources Plan (IRP) Special Committee meeting, MWD staff indicated that the purpose of the 2020 IRP is shifting away from "[chasing a potential gap](#)" between supply and demand to focusing on addressing policy questions centered on MWD's role in water reliability, local resource development, water use efficiency, and potentially facility resilience. Specifically related to its funding of demand management efforts, MWD staff posed two questions: 1) "What role should Metropolitan take in assisting the region to plan for and comply with water conservation legislation;" and 2) "As supplies and demand come into balance for the region, should Metropolitan continue to fund water efficiency and local projects at the same level as now?" (MWD provides subsidies to member and sub-agencies for their local projects and conservation programs through its demand management programs—the Local Resources and Conservation Credits Programs.)

With the Appellate Court's ruling finalized, MWD could not charge its Water Stewardship Rate—a volumetric demand management cost recovery rate—for transporting the Water Authority's independent Colorado River supplies and undertook an effort to "study and determine the most appropriate cost allocation" for its demand management costs. In 2019, MWD staff proposed implementing a fixed charge placing more than 70 percent of the demand management costs on

transportation. Ultimately, the MWD Board deferred the demand management cost recovery decision opting to not "incorporate" the Water Stewardship Rate, or any other rates or charges to recover demand management costs, in its 2021 and 2022 rates and charges, and instead, chose to use reserves available from unspent Water Stewardship Rate collections to fund these costs. The Board will consider demand management funding through a rate refinement process in conjunction with the 2020 IRP update. More information on MWD's demand management cost allocation process is found in the *Metropolitan Water District's Demand Management Cost Methodology Update* memo starting on page 61 in the Water Authority's January 2020 Board packet materials found here: <https://www.sdcwa.org/meetings-and-documents>.

## Lake Mead Update

In the Colorado River Basin, dry conditions since April pushed hydrological conditions to well below normal for the water year and continued the long-term drought experienced since 2000. In spite of these conditions, Lake Mead recently reached its highest elevation in the past several years. A combination of factors including low demands and implementation of the Drought Contingency Plan helped improve the lake's level. The Colorado River annual accounting report released in May indicates record low water use as well as record storage in Lake Mead for California in 2019, both factors that contributed to Lake Mead's avoidance of further decline during continued drought. Further utilization of the Lake Mead storage program will help keep the lake above shortage trigger elevations and the Water Authority is working on gaining the ability to participate in these efforts.





## COMMUNITY OUTREACH

### Cooper's Hawk Chick and Nest Get Special Handling near Pipeline 5 Project

A Cooper's Hawk chick and nest is getting special attention after being discovered recently near a San Diego County Water Authority construction project. Environmental surveyors spotted the nest south of Gopher Canyon Road during the Pipeline 5 repair project in Moosa Canyon in North San Diego County. (March 27, 2020) Water Resources staff worked with staff from three other Water Authority departments - Right of Way, Operations & Maintenance, and Construction and Engineering - to reduce, minimize and monitor work activities in the area.

Limiting disturbance to the Cooper's Hawk chick and nest is part of the Water Authority's commitments required by its Natural Communities Conservation Plan and Habitat Conservation Plan, or NCCP/HCP. [hyperlink: <https://www.sdcwa.org/habitat-conservation>]

The NCCP/HCP plan, approved by the U.S. Fish and Wildlife Service and California Department of Fish and Game in December 2011, provides goals, guidelines, and specifications that comprise the Water Authority's Conservation Strategy for biological resources within its San Diego County Service Area and a portion of southwestern Riverside County.

When construction work was completed, Water Resource staff contacted the nonprofit group Bloom Research Inc. and biologists with Bio-Studies Inc., who are studying raptors in Southern California. "I met with the (Dustin Janeke on May 25, 2020) biologist at the nest location and the single chick was retrieved by climbing approximately 35 feet up the nest tree and carefully placing it in a travel bag and bringing the chick down to our blow off structure," said Summer Adleberg, Water Authority environmental biologist. She said the biologists collected data from the chick, including approximate age, size, sex and overall health, and they attached a USGS band to the bird's right ankle. The band has a unique eight-digit code that is entered into a federal bird banding database.

In general, bird banding allows scientists to study the Cooper's Hawk migration, their behavior, survival rate, reproductive success and population growth. If this bird is ever encountered again in the future, the band number will provide information as to exactly where and when this bird was banded. Pete Bloom, of Bloom Research Inc. is studying the natal dispersal behavior of raptors throughout southern California. Dustin Janeke, a biologist with Bio-Studies, a San Diego-based environmental company, is a permit-authorized volunteer assisting Mr. Bloom's research projects.

"When the data collection was completed, the chick was returned to its nest where he will stay for the next 2 to 3 weeks before he fledges and moves out on his own," said Adleberg.



*Cooper's hawk chick in the nest. Approximately 2-3 weeks old*



*Cooper's hawk being banded by biologist Dustin Janeke. (Bio-studies Inc.) Timing is important, band big enough to allow leg to grow to full adult size.*



*Data collection, measuring leg for band size, weight, age and health. Weighs about 1.5-2.0 ounces*



*Cooper's hawk chick with band attached. Started developing tail and wing feathers. Wing about 2 inches long*

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## COMMUNITY OUTREACH

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### Vicente Pump Station moving some water!

The San Vicente Pump Station was originally designed to provide a facility that could be operated to deliver water stored in San Vicente Reservoir to meet regional demand during emergency events that might disrupt the flow of water from Metropolitan into the region. With significant rainfall and lower than expected regional demand during this past winter, excess QSA water was placed into SDCWA's storage account in San Vicente Reservoir. In order to manage the stored water and to minimize CY2021 rate impacts, a proposed plan to utilize this stored water was developed.

The proposed plan was to begin pumping stored San Vicente water into the aqueduct system to supplement regional demand from June thru October with a goal to move approximately 30,000 acre-feet of water. In addition to pumping, the plan was to supply City of San Diego's Alvarado Water Treatment Plant is being delivered water by gravity from San Vicente thru the City's El Monte Pipeline while the San Diego 28 Flow Control Facility rehabilitation project is underway.

In early May, due to the desalination plant being offline for planned maintenance, regional demand was high enough to allow an early start to the planned pumping operation. O&M staff prepared the facility to be operated and supplemented the regional demand with the QSA water previously stored in San Vicente Reservoir. Operations, Rotating Equipment, and Technical Services worked together to prepare the facility to meet these needs. The aqueduct system was reconfigured to allow for this water to be safely blended with the MWD untreated flows utilizing the Rancho Peñasquitos Pressure Control Hydroelectric Facility and meet member agency demands. This water was delivered and treated successfully by Helix Water District (Levy WTP), Sweetwater Authority (Purdue WTP), and the City of San Diego (Miramar and Lower Otay WTPs) treatment plants. To date, almost 5,000 acre-feet of water has been pumped with an additional 10,000 acre-feet by gravity to Alvarado thru the City's El Monte Pipeline. This early start will help ensure our goal using 30,000 acre-feet by October is met.





## DEPARTMENT NEWS

### Water Authority Explores Use of Drones

The Engineering Department is wrapping a two-year pilot study for the use of drones. During the first year Federal Aviation Administration regulations, legal requirements, and training requirements were researched. Also, the costs and benefits of using drones were analyzed comparing in-house staff versus contractors. Based on the analysis it was determined that an in-house drone program was more cost effective.

Twenty-five inaccessible areas of the aqueducts were identified for the drone flights due to concerns of potential encroachments and/or potential soil eroding over the top of the pipe. These areas are not safe for staff to conduct site inspections for encroachments and erosion because of the steep and rugged terrain and/or thickness of vegetation. Property owner permission forms to allow flights were developed.

At the beginning of the second year, two staff from the Engineering Department's Right of Way Services division completed the Federal Aviation Administration requirements for drone pilot certifications. A low-cost drone was acquired, and staff completed training flights in November 2018 over two Water Authority fee owned parcels. The flights over the 25 inaccessible areas of the aqueduct began in January 2019 and were completed in February 2020. Areas of erosion were discovered in three of the inaccessible areas. A project has been initiated to

address the erosion areas in one of the inaccessible areas. The other two areas will be monitored.

In addition to these missions, a drone flight was conducted over one of our active relining construction projects in North County (Pipeline 5 Relining from Point of Delivery to Sage Road). The drone was used to record a video of a construction portal on Pipeline 5 to demonstrate the steel liner installation. Another drone flight at the Twin Oaks Water Treatment provided an aerial view of the solar battery installation relative to the surrounding solar panel arrays. Also, a drone flight was conducted over the temporary pipeline connection to Metropolitan Water District's pipeline that was used for water delivery while Pipeline 4 was being repaired at Moosa Canyon. These aerial videos were used in presentations to the Board as well as reports to help explain the specific project and construction progress. Other applications that support Water Authority programs are being explored. An overall evaluation is underway of the drone pilot study and will be completed before the end of 2020. This will help determine the future of the Water Authority's drone program and its incorporation into Water Authority programs.

*Aerial view of surge protection system for temporary water delivery system for Moosa Creek Repair.*



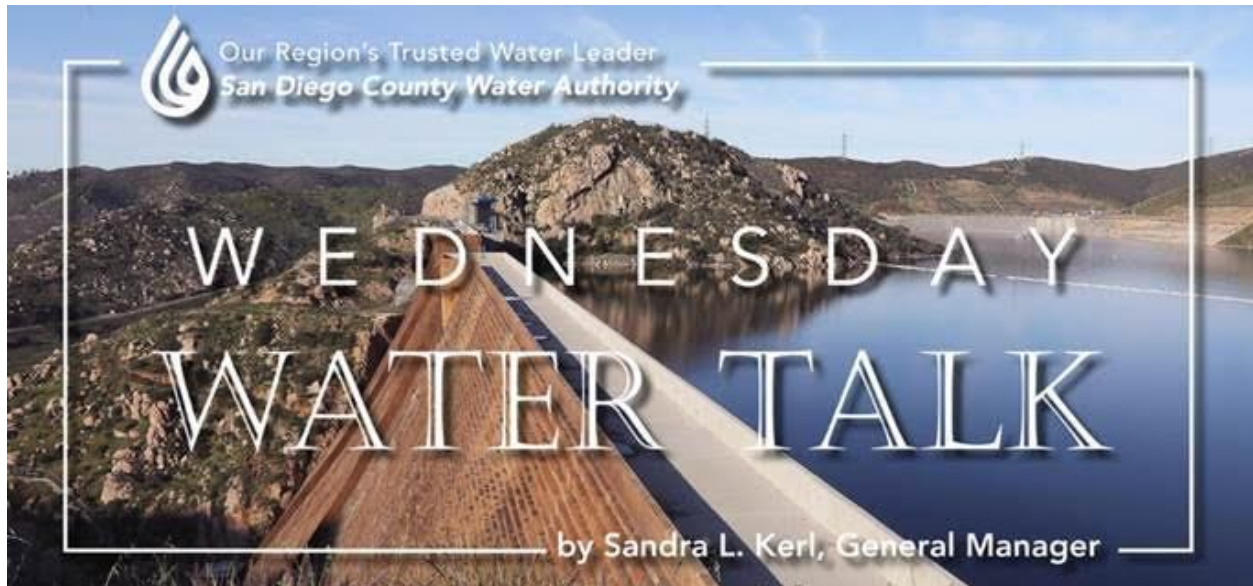
## HEADWATERS

### 1959: State Water Project Approved

In the late 1950s, San Diego County Water Authority officials, including then Board Chairman Fred A. Heilbron and General Counsel William H. Jennings, joined by Water Authority and Metropolitan Water District of Southern California Director Harry Griffen, were part of a historic effort to distribute water across the state. They endeavored to gain approval for the Burns-Porter Act authorizing the State Water Project. The California State Legislature approved the act in 1959, and California voters authorized funding for the project a year later.

Today, the State Water Project transports water from Northern California to urban residents and farmers throughout central and southern California, including San Diego County. In recent years, about 11% of the San Diego region's water supply has come from the State Water Project.





Good afternoon,  
San Diego County leaders.

I've got some **great news to share that benefits just about everyone in San Diego County: Strong and steady leadership by our Board of Directors** has saved ratepayers more than \$67 million by refinancing debt priced last week in New York. That brings to \$235 million our savings on bond refundings since 2010, a significant help in reducing the overall cost of regional water security investments.

It's a valuable reminder about **the importance of maintaining fiscal stability and strategic financial management** despite the recessionary headwinds and unusually challenging circumstances we find ourselves in due to COVID-19.

Let me explain. Over the past 20 years, the Water Authority has invested in a **nationally recognized strategy to ensure water supply reliability** in this semi-

arid region. That has served us well during the past two droughts, and it will benefit in future dry years as well.

The multi-billion-dollar investment will be paid over decades, much like a home mortgage. And, much like a home mortgage, **we can periodically take advantage of favorable market conditions to refinance the bonds.** That was the case last week, made possible by our Board setting rates for 2021. It was a difficult rate-setting process for everyone involved, resulting in rate increases of 4.8-4.9% for our member agencies. Our Board was very mindful and concerned about the economic hardships suffered by so many in our community as a result of the pandemic. However, the rate increases were necessary to offset rate increases by our wholesale supplier, the Metropolitan Water District of Southern California.

By adopting the rates, the Board signaled stability to the market and our strong credit ratings remained intact. That allowed us to strike when market conditions were optimal and complete two very complex refunding transactions a week earlier than planned. At the end of the day, **we saved \$27 million more than we projected in late May.**

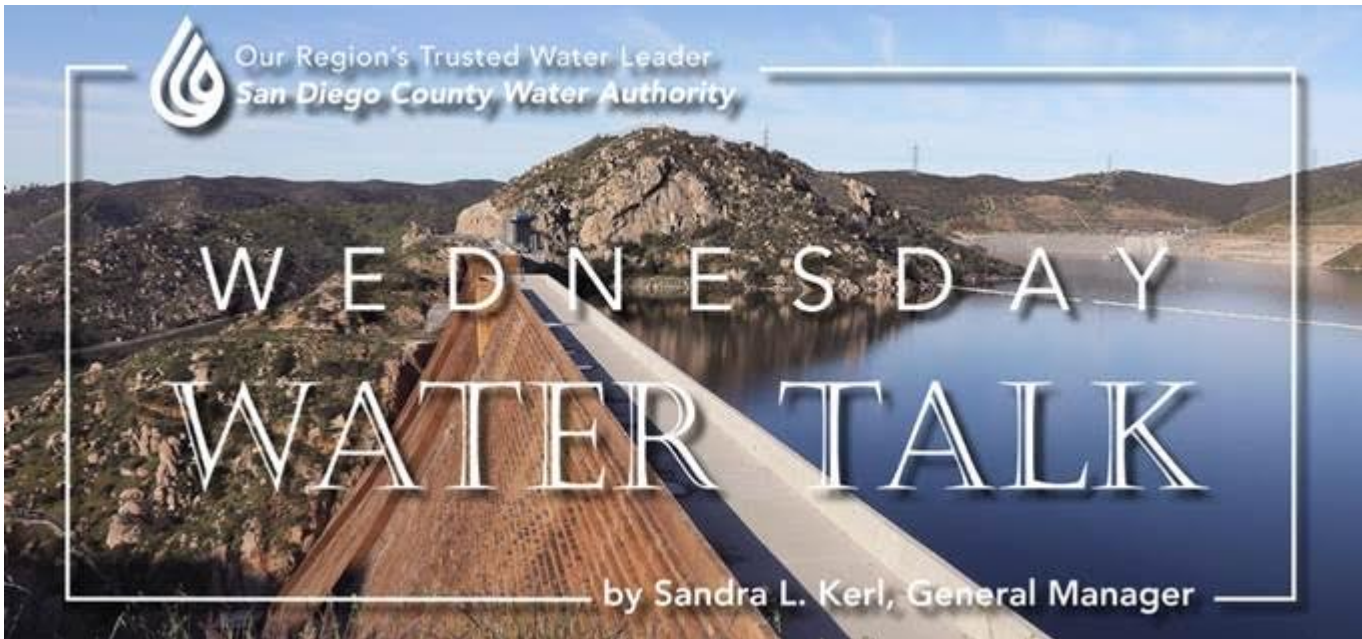
In affirming our credit ratings over the past few weeks, **the three major rating services cited the Water Authority's strong financial leadership,** including prudent strategies to manage issues related to COVID-19, our success diversifying water supplies, our commitment to infrastructure maintenance, and our financial reserves for managing contingencies, among other factors.

While we don't know what tomorrow will bring, we do know that **we'll remain committed to sound fiscal management on behalf of stakeholders and ratepayers across our region.** Thank you for your interest and support. I would love to hear from you at [GM@sdcwa.org](mailto:GM@sdcwa.org) with comments, suggestions or questions.

**Sandra L. Kerl**

**General Manager**

**San Diego County Water Authority**



Good afternoon, San Diego County leaders.

As the pandemic lingers long past what we initially anticipated, we continue to adjust our timelines and processes to accommodate the potential for additional weeks or months of telework. At the same time, we continue pursuing our core mission of providing a safe, reliable water supply for the San Diego region at an affordable cost because **it will be a foundation of the region's economic recovery.**

One of those core functions is **setting rates for the year ahead, based on numerous factors such as the cost of electricity, the cost of transporting water over long distances, and the cost of debt associated with the major water reliability investments our region has made over the past 30 years.** Setting budgets and rates is challenging every time – but this was extraordinary given all the complex and competing factors.

The good news is that the Water Authority's Board of Directors in late June adopted **rate increases for 2021 that are 30% lower than initially proposed** following a series of refinements by staff. As adopted, the all-in rates charged to the Water Authority's 24 member agencies will increase by 4.8% for untreated water and 4.9% for treated water in calendar year 2021.

**The increases were driven by reduced water sales, higher rates and charges from the Metropolitan Water District of Southern California and regional investments in supply reliability.**

The rates adopted by the Board are **the result of strategic measures** that include:

- Providing more than \$80 million in rate relief from the Rate Stabilization Fund over the next 24 months.
- Capitalizing on historically low interest rates and the Water Authority's strong credit ratings by restructuring debt at a significant savings.
- Planning to withdraw stored water to reduce water purchases while maintaining water reserves for future years – the result of careful planning and investments over more than



two decades.

- Trimming budget expenditures with a hiring freeze, reduced professional services contracts and reprioritizing more than \$30 million in capital projects.

In addition, **staff will return to the Board this fall with any additional opportunities to reduce the adopted rates**, such as a decrease in rates set by MWD or the acquisition of federal or state economic stimulus funds.

Thank you for your interest and support. I would love to hear from you at [GM@sdewa.org](mailto:GM@sdewa.org) with comments, suggestions or questions.



A handwritten signature in black ink that reads "Sandra L. Kerl". The signature is written in a cursive, flowing style.

**Sandra L. Kerl**

**General Manager**

**San Diego County Water Authority**

**YUIMA MUNICIPAL WATER DISTRICT**  
**ADMINISTRATIVE REPORT**

**July 27, 2020**

**Amy Reeh**

**Interim General Manager**

**CONTINUING PRIORITY – COVID-19**

As you are most likely aware, the Governor has re-implemented lockdown due to the recent increase in COVID-19 cases. In an effort to reduce possible exposure, the office remains closed to the public and office staff is working alternate schedules to reduce the number of people in the office. All staff is required to wear masks while in common areas of the office and work with office doors closed. The Operations staff are communicating via phone to discuss works tasks for each day and have been directed to wear masks if / when they come into contact with the public and if they need to enter the office. We are awaiting notification of being able to return to normal operations. Until then the office remains closed to the public and Board meetings will be held via Zoom. This is expected to continue through the end of the calendar year. The San Diego County Water Authority and member agencies are also conducting their board meetings in this same manner.

**ANNEXATIONS/NEW SERVICE REQUESTS**

Pauma Valley Water Company (PVWC) The PVWC Annexation Project Team continues to move forward with the necessary steps and documentation development to submit the annexation package to the San Diego County Water Authority.

Shadow Run (Schoepe) Annexation/De-Annexation: The EIR has been submitted to Metropolitan Water District and the annexation is awaiting approval and terms and conditions from MET.

Rancho Corrido Annexation: The Water Authority accepted the Metropolitan Water District's Terms & Conditions for the Rancho Corrido Annexation. The next step is to get approval from LAFCO for a district boundary and sphere of influence adjustment. The LAFCO application packet is being developed and the resolution presented at today's board meeting is part of that packet. Per LAFCO staff, it typically takes six months to complete the LAFCO process. Funds for the LAFCO application fee (estimated \$84,821.25) will be collected from Rancho Corrido prior to the filling of the application. The District's per acre annexation fee (estimated \$85,014.93) fee will be collected upon LAFCO approval. Below are the remaining steps needed to complete the annexation.

\*At the request of LAFCO, the Water Authority, its member agency, and MWD will each submit to LAFCO a Subject Agency Supplemental Information Form regarding the proposed annexation.

\* YMWD obtains LAFCO resolution approving annexation.

\* YMWD forwards annexation payment to MWD and Water Authority, based on current fees and charges.

\* YMWD certifies with LAFCO that all conditions are met.

\* LAFCO records certificate of completion.

\* Following annexation, YMWD shall annually submit for a five-year period to the Water Authority information required to comply the Water Authority's reporting requirements (Section 5 of the Water Authority Annexation packet) and with MWD's Administrative Code Section 3107 on Water Use Efficiency Guidelines.

## **REPORTING**

Consumer Confidence Report: Preparation of the Consumer Confidence Report (CCR) has been completed and the report has been posted to the District's website. A billing insert was included with the June bills notifying customers where to locate the report.

## **LEGISLATION**

Some of the effects of AB1668 and SB606 are beginning to be seen in the monthly and annual reporting the District is required to submit. This year's EARS report contained 5 new reporting sections aimed at collecting data for residential gallons per capita to use as a water efficiency standard.

Beginning in October 2020, AB1668 will require the District to submit yet another monthly report to the State to report the following information:

- Water System Identification
- Total Potable Water Production
- Population
- Percent Residential Use
- Water Shortage Response Level – in the event of mandatory cutbacks
  - Water Shortage Contingency Plan Actions (if any)
  - Communication Actions (if any)
  - Compliance and enforcement actions (if any)

This report will be due by the 28<sup>th</sup> of the month and carries a \$1000 / day fine for non-compliance.

Beginning in July 2022, SB606 will require an Annual Water Supply and Demand Assessment be completed and submitted to the State. ACWA is developing a template for water agencies to use for reporting purposes. The goal of AB606 is to identify significant water loss (slippage) and require action by the District that will result in reduction of water loss. Some mechanisms mentioned for controlling slippage is the replacement of older style meters and the performance of an annual leak detection program.



**SAN DIEGO COUNTY WATER AUTHORITY**

The San Diego County Water Authority has received grant funding that they have used to roll out several water campaigns. The first being the “Trust the Tap” water campaign that focuses on the fact that tap water is safer and more cost effective to drink than bottled water. They also produced a video titled “We’re Here for You” in which personnel from member agencies were featured. This video can be viewed on the District website; just go to the home page and click on the “Read More” button on the “We’re Here for You” slide.

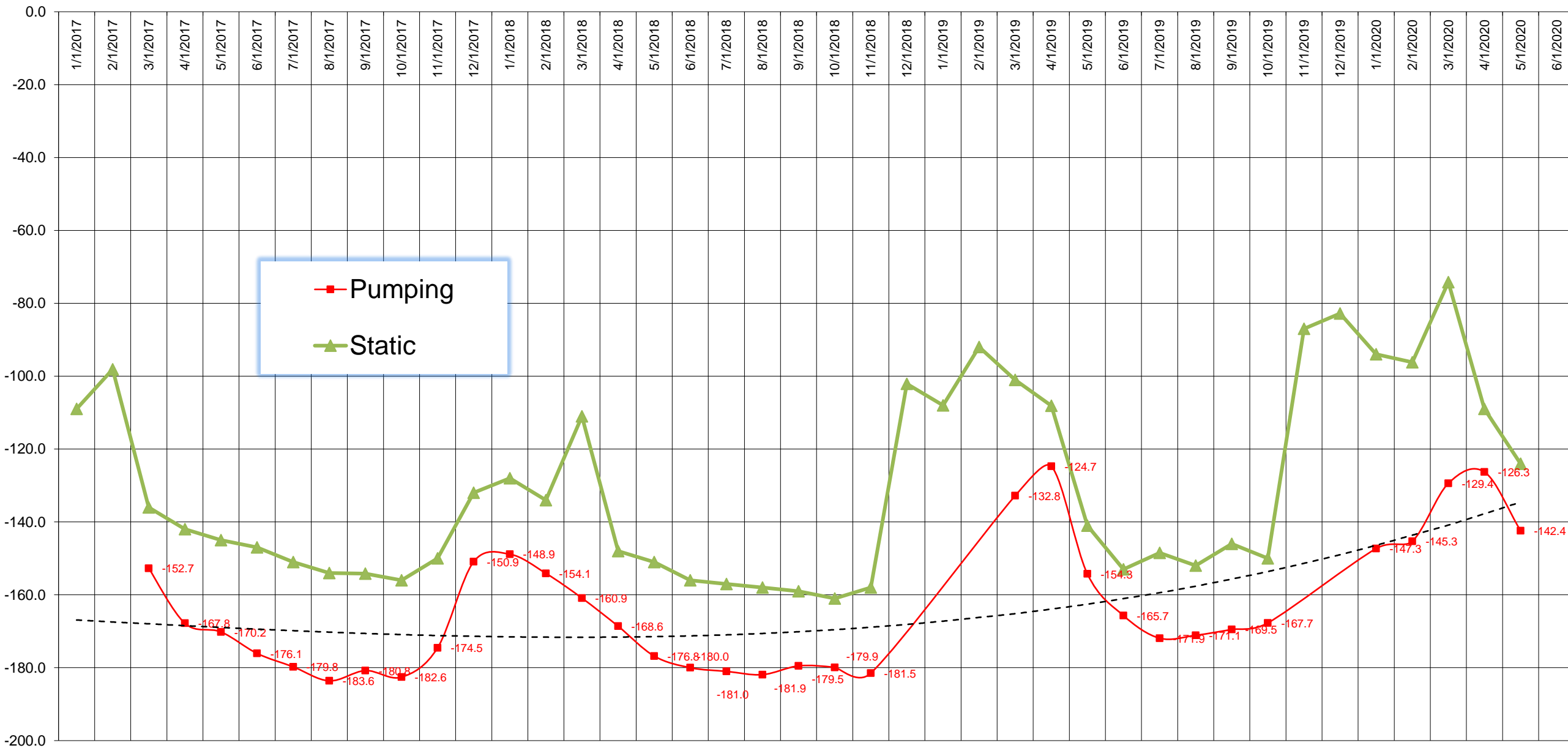
**Yuima Municipal Water District - Production/Consumption Report**

YUIMA GENERAL DISTRICT			FISCAL		CALENDAR	
	Jun-20	May-20	2019-20	2018-19	2020	2019
<b>Produced and Purchased Water</b>						
20-2006 IDA	0.0	0.0	0.3	0.0	0.0	0.3
10-1009 SDCWA	539.4	386.0	4684.7	4756.2	1345.3	4411.1
10-1001 SCHOEPE	16.4	15.7	109.1	63.4	76.3	66.5
<b>Total Produced and Purchased</b>	<b>555.8</b>	<b>401.7</b>	<b>4794.0</b>	<b>4819.6</b>	<b>1421.6</b>	<b>4477.9</b>
<b>Consumption</b>						
Back of Book 01 CUSTOMERS GENERAL DISTRICT	233.1	196.8	2325.5	2630.4	760.1	2220.2
10-2100 TAP 1	128.7	93.2	1062.0	1006.0	302.7	971.1
590 minus 20-2008 TAP 2	107.9	63.2	764.3	665.0	142.0	712.8
10-1200 TAP 3	92.1	65.3	678.6	593.3	237.6	616.9
<b>Total Consumption - Yuima</b>	<b>561.8</b>	<b>418.5</b>	<b>4830.5</b>	<b>4894.7</b>	<b>1442.4</b>	<b>4521.0</b>
Storage Level Changes	-3.2	8.0	3.5	-1.8	3.2	-1.3
Slippage - Acre Feet	-9.2	-8.8	-33.0	-77.1	-17.6	-44.4
<b>Slippage %</b>	<b>-1.7</b>	<b>-2.2</b>	<b>-0.7</b>	<b>-1.6</b>	<b>-1.2</b>	<b>-1.0</b>
<b>IMPROVEMENT DISTRICT "A"</b>						
<b>Produced Strub Zone Wells</b>						
20-2012 RIVER WELL 12	23.3	21.6	172.1	137.0	91.0	146.5
20-2091 RIVER WELL 19A	46.3	12.3	389.5	361.6	157.3	391.2
20-2020 RIVER WELL 20A	42.9	33.0	285.2	257.7	151.8	241.7
20-2025 RIVER WELL 25	33.9	30.1	241.2	152.2	133.0	173.9
20-2022 FAN WELL 22	21.5	18.4	190.5	135.5	83.7	146.2
<b>Total Produced Strub Zone Wells</b>	<b>167.9</b>	<b>115.4</b>	<b>1278.5</b>	<b>1044.0</b>	<b>616.8</b>	<b>1099.5</b>
<b>Produced Fan Wells</b>						
20-2007 WELL 7A	0.1	0.0	26.4	21.8	0.2	27.9
20-3000 WELL 10	0.0	0.0	6.3	6.1	0.0	6.7
20-2014 WELL 14	28.3	29.7	186.9	106.4	70.9	149.7
20-2017 WELL 17	16.7	5.4	48.0	39.7	22.9	34.6
20-2018 WELL 18	1.9	1.2	52.1	57.3	6.6	58.2
20-2023 WELL 23	6.0	3.6	40.7	28.1	14.9	32.4
20-2024 WELL 24	12.8	11.8	84.5	69.6	31.8	70.5
20-2029 WELL 29	5.6	4.8	82.3	57.9	13.9	89.6
20-20410-500 HORIZONTAL WELLS	11.1	10.0	202.9	129.6	98.3	173.9
Code K Usage WELL USE AGREEMENTS ("K")	28.1	23.2	193.9	127.8	88.6	151.5
<b>Total Produced Fan Wells</b>	<b>110.6</b>	<b>89.7</b>	<b>923.8</b>	<b>644.6</b>	<b>348.1</b>	<b>795.1</b>
<b>Total Produced Strub and Fan Wells</b>	<b>278.5</b>	<b>205.1</b>	<b>2202.3</b>	<b>1688.5</b>	<b>964.9</b>	<b>1894.7</b>
<b>Purchased Water</b>						
10-2100 TAP 1	128.7	93.2	1062.0	1006.0	302.7	971.1
590 minus 20-2008 TAP 2	107.9	63.2	764.3	665.0	142.0	712.8
10-1200 TAP 3	92.1	65.3	678.6	593.3	237.6	616.9
<b>Total Purchased Water</b>	<b>328.7</b>	<b>221.7</b>	<b>2505.0</b>	<b>2264.4</b>	<b>682.3</b>	<b>2300.8</b>
<b>Total Produced and Purchased</b>	<b>607.2</b>	<b>426.8</b>	<b>4707.3</b>	<b>3952.9</b>	<b>1647.2</b>	<b>4195.5</b>
<b>Consumption</b>						
Back of Book 02 CUSTOMERS IDA	580.5	413.4	4401.8	3720.7	1506.0	3893.9
Interdepartmental to Y			0.7	0.0	0.4	0.3
<b>Total Consumption - IDA</b>	<b>580.5</b>	<b>413.4</b>	<b>4402.5</b>	<b>3720.7</b>	<b>1506.4</b>	<b>3894.1</b>
Storage Level Changes	-3.9	0.0	2.0	-2.0	0.1	-1.6
Slippage - Acre Feet	22.8	13.4	306.8	230.1	140.9	299.7
<b>Slippage %</b>	<b>3.8</b>	<b>3.1</b>	<b>6.5</b>	<b>5.8</b>	<b>8.6</b>	<b>7.1</b>
<b>Combined General District and IDA</b>						
PRODUCED YUIMA	555.8	401.7	4794.0	4819.6	1421.6	4477.9
PRODUCED IDA	278.5	205.1	2202.3	1688.5	964.9	1894.7
<b>Total Produced and Purchased</b>	<b>834.3</b>	<b>606.8</b>	<b>6996.4</b>	<b>6508.1</b>	<b>2386.5</b>	<b>6372.6</b>
<b>Consumption</b>	<b>813.6</b>	<b>610.2</b>	<b>6727.3</b>	<b>6351.1</b>	<b>2266.1</b>	<b>6114.0</b>
Storage Level Changes	-7.1	8.1	5.5	-3.8	3.3	-2.9
Slippage - Acre Feet	13.6	4.6	273.9	153.1	123.3	255.3
<b>Slippage %</b>	<b>1.6</b>	<b>0.8</b>	<b>3.9</b>	<b>2.4</b>	<b>5.2</b>	<b>4.0</b>

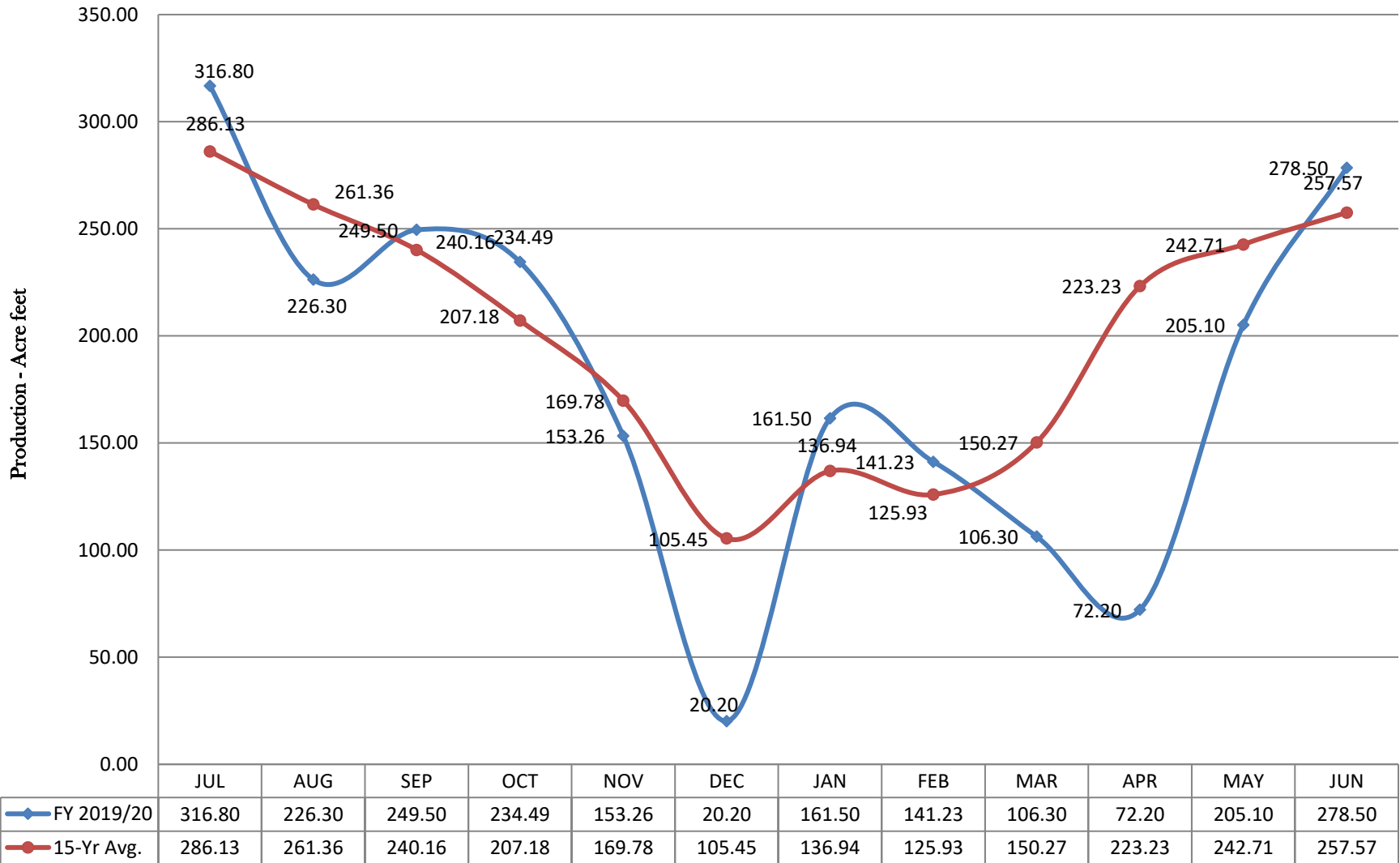
**Notes:**

- Forebay Construction Waste .1 AF
- Tank 4 Overflow 1 AF
- McNally Overflow 1 AF
- Construction Meter Hose Blowout .62 AF

**Yuima Municipal Water District**  
**River Well Static (21A) and Pumping Levels**  
**For Yuima Wells No. 12, 19A, 20A and 25**  
**(Increasing Inverse = improving water levels)**  
**Pumping and Static Levels (feet below ground level)**  
**(Updated June, 2020) 2017-Current**



Yuima Municipal Water District  
 Monthly Production from District-Owned Wells  
 in Acre-feet Updated June, 2020



# YUIMA MUNICIPAL WATER DISTRICT

## Well Level Report

(* static level with surrounding wells off 24 hrs)	January 2020			February 2020			March 2020			April 2020			May 2020			June 2020		
	Static Level	Pumping Level	GPM	Static Level	Pumping Level	GPM	Static Level	Pumping Level	GPM	Static Level	Pumping Level	GPM	Static Level	Pumping Level	GPM	*Static Level	Pumping Level	GPM
Monitor Well No. 21A Elev 800' Depth 251'	94			96.2			74.2			109			124			126		
Well No. 12 (River) Elev 800' Depth 207'	84.2	145.1	149		143.5	151	74	132.3	161		129.8	163		137.2	155		138.8	154
Well No. 19A (River) Elev 800' Depth 215'	89.8	141.9	402		139.9	399	75.9			106.5				146.4	380		150.1	365
Well No. 20A (River) Elev 800' Depth 225'	87.8	136.1	250		133.4	249	76	117	275		117.1	280		127.9	255		130.4	249
Well No 25 (River) Elev 805' Depth 210'	90.8	166.2	220		164.4	221	78.8	138.8	270		141.2	278		158	255		161.8	241
Well No. 3 (Fan) Elev 1220' Depth 547'	312.9			311.8			313.1			312.2			315.8			318.1		
Well No. 7A (Fan) Elev 1240' Depth 554'	254.6			251.9			240.8			241.8			247.9			250.8		
Well No. 8 (Fan) Elev 1227' Depth 1000'	336.5			333.3			327.1			326.8			329.9			329		
Well No. 9 (Fan) Elev 1252' Depth 436'	335.1			332.1			233.9			228.8			243.1			235.5		
Well No. 10 (Fan) Elev 1210' Depth 405'	228.8			210			203.6			202.1			218.2			202.2		
Well No. 13 (Fan) Elev 1280' Depth 403'	264.6			261.3			247.9			247.1			262.8			274.8		
Well No. 14 (Fan) Elev 1310' Depth 542'	261.9			391.6			268.3			266.3	343.3	338	283.5				385.6	275
Well No. 17 (Fan) Elev 1375' Depth 597'	342.6			340.3			338.3			337.1				423.1	129		428	123
Well No. 18 (Fan) Elev 2380' Depth 1000'	241.3			245.8			249			255			271			286		
Well No 22 (Fan) Elev 997.4' Depth 1100'	214.8	229.6	155		230.4	158	204.4				228.8	163		243.6	71		228.8	167
Well No. 23 (Fan) Elev 1587' Depth 963'	264.3	360.2	45		360.8	42	267.6	359.9	44		346.4	56	264.6				266.7	46
Well No. 24 (Fan) Elev 1530' Depth 582'	266.2	312.4	109	264.2			263				344.6	80		341.9	60		336.3	106
Well No. 28 (Fan) Elev 2335' Depth 550'																		
Well No. 29 (Fan) Elev 1314' Depth 450'	253.8			185.6			271.2			270	295.6	160	291.8				334.2	128
Well No. 41 (Horizontal) Elev 2627' Depth 555'																		
Well No. 42 (Horizontal) Elev 2632' Depth 675'																		
Well No. 43 Pressure Gauge: reads in psi																		
Well No. 44 (Horizontal) Elev 3040' Depth 465'																		
Well No. 45 (Horizontal) Elev 2900' Depth 770'																		
Well No. 46 (Horizontal) Elev 3050' Depth 870'																		
Well No. 47 (Horizontal) Elev 3050' Depth 1007'																		
Well No. 48 (Horizontal) Elev 3160' Depth 785'																		
Well No. 49 (Horizontal) Elev 3160' Depth 905'																		
Well No. 50 (Horizontal) Elev 3120' Depth 1215'																		
Well No. 51																		
Schoepe No. 2 (River) Elev 700' Depth 253'	149.9	190.8	19	150..5	183.1	30		188.1	48		183.2	41		184.9	46		191.3	28
Schoepe No. 3 (River) Elev 700' Depth 265'	152.8			150.6			138.9			137.2			141.4			148.1		
Schoepe No. 3-R (River) Elev 700' Depth 200'	151.1	164.3	60		161.8	60		160.8	94		160.1	94		161.8	87		150.3	68
Schoepe No. 4 (River) Elev 700' Depth 185'	120.2			118			117			114			113			129.6		
Schoepe No. 5 (River) Elev 700' Depth 1000'	126			119			116			116			119			136		

(* static level with surrounding wells off 24 hrs)	July			August			September			October			November			December		
	2019			2019			2019			2019			2019			2019		
	Static Level	Pumping Level	GPM	Static Level	Pumping Level	GPM	Static Level	Pumping Level	GPM	Static Level	Pumping Level	GPM	Static Level	Pumping Level	GPM	*Static Level	Pumping Level	GPM
Monitor Well No. 21A Elev 800' Depth 251'	148.5			152			146			150			87			86		
Well No. 12 (River) Elev 800' Depth 207'		168.5	141		170.5	150		167.4	127		163.9	127	89.2			79		
Well No. 19A (River) Elev 800' Depth 215'		165.9	380		162	390		162	390		162	390	90.3			83.1		
Well No. 20A (River) Elev 800' Depth 225'		171.6	211		170	200		166	210		163.3	210	91.8			81.3		
Well No 25 (River) Elev 805' Depth 210'		181.4	155		182	150		182.6	170		181.6	180	95.2			84.6		
Well No. 3 (Fan) Elev 1220' Depth 547'	312.2			312			312.4			312			310.1			306		
Well No. 7A (Fan) Elev 1240' Depth 554'	256.1	311.1	164	264			276	343	165	238.7		150	272.8	340.8	171	257.4		
Well No. 8 (Fan) Elev 1227' Depth 1000'	329.9			342			342.2			344.9			340.3			339		
Well No. 9 (Fan) Elev 1252' Depth 436'	239.1			255			260.4			264.2			257.2			337.2		
Well No. 10 (Fan) Elev 1210' Depth 405'	219.4	253.2	41	226			232	261.2	41	231.9	228		230.6	259.1	42	217.2		
Well No. 13 (Fan) Elev 1280' Depth 403'	288.4			277			303			303.1			301.2			296.1		
Well No. 14 (Fan) Elev 1310' Depth 542'		421	210		518	155		420	148		418	190	322	408	225	296.8		
Well No. 17 (Fan) Elev 1375' Depth 597'		440.6	73		392	72		393	52		368		356.2			343.2		
Well No. 18 (Fan) Elev 2380' Depth 1000'	289	486	151	229.3			239	401	135	316			241			239		
Well No 22 (Fan) Elev 997.4' Depth 1100'		141.4	148		227.8	146		240.2	148		239	148.2	228.3	240.1	151	229.1		
Well No. 23 (Fan) Elev 1587' Depth 963'		369	47		371	44		365.1	40		363.8	40.1	269.5	361.8	42	261.6		
Well No. 24 (Fan) Elev 1530' Depth 582'		345.3	101	278				341.8	97		343.7	98.3	268.4	339.8	99	266.4		
Well No. 28 (Fan) Elev 2335' Depth 550'																		
Well No. 29 (Fan) Elev 1314' Depth 450'		357	127		363	122	277	366	119		365.3	120	311.5	365.1	128	292.3		
Well No. 41 (Horizontal) Elev 2627' Depth 555'									15.0									
Well No. 42 (Horizontal) Elev 2632' Depth 675'									26.0									
Well No. 43 Pressure Gauge: reads in psi																		
Well No. 44 (Horizontal) Elev 3040' Depth 465'									9.0									
Well No. 45 (Horizontal) Elev 2900' Depth 770'																		
Well No. 46 (Horizontal) Elev 3050' Depth 870'									26.0									
Well No. 47 (Horizontal) Elev 3050' Depth 1007'									9.0									
Well No. 48 (Horizontal) Elev 3160' Depth 785'									37.0									
Well No. 49 (Horizontal) Elev 3160' Depth 905'																		
Well No. 50 (Horizontal) Elev 3120' Depth 1215'									33.0									
Well No. 51																		
Schoepe No. 2 (River) Elev 700' Depth 253'		191.5	19		296	16		195.5	21		192			293	18	142		
Schoepe No. 3 (River) Elev 700' Depth 265'	156			157			157.7			158.7			252			144.1		
Schoepe No. 3-R (River) Elev 700' Depth 200'		184.2	37		285	30		184.5	28		182	28		284	40	146		
Schoepe No. 4 (River) Elev 700' Depth 185'	128			115			117.5			122.7			223			116		
Schoepe No. 5 (River) Elev 700' Depth 1000'	131			224			121			122.9			225			119		

# YUIMA MUNICIPAL WATER DISTRICT

## REPORT OF DISTRICT WATER PURCHASED AND PRODUCED

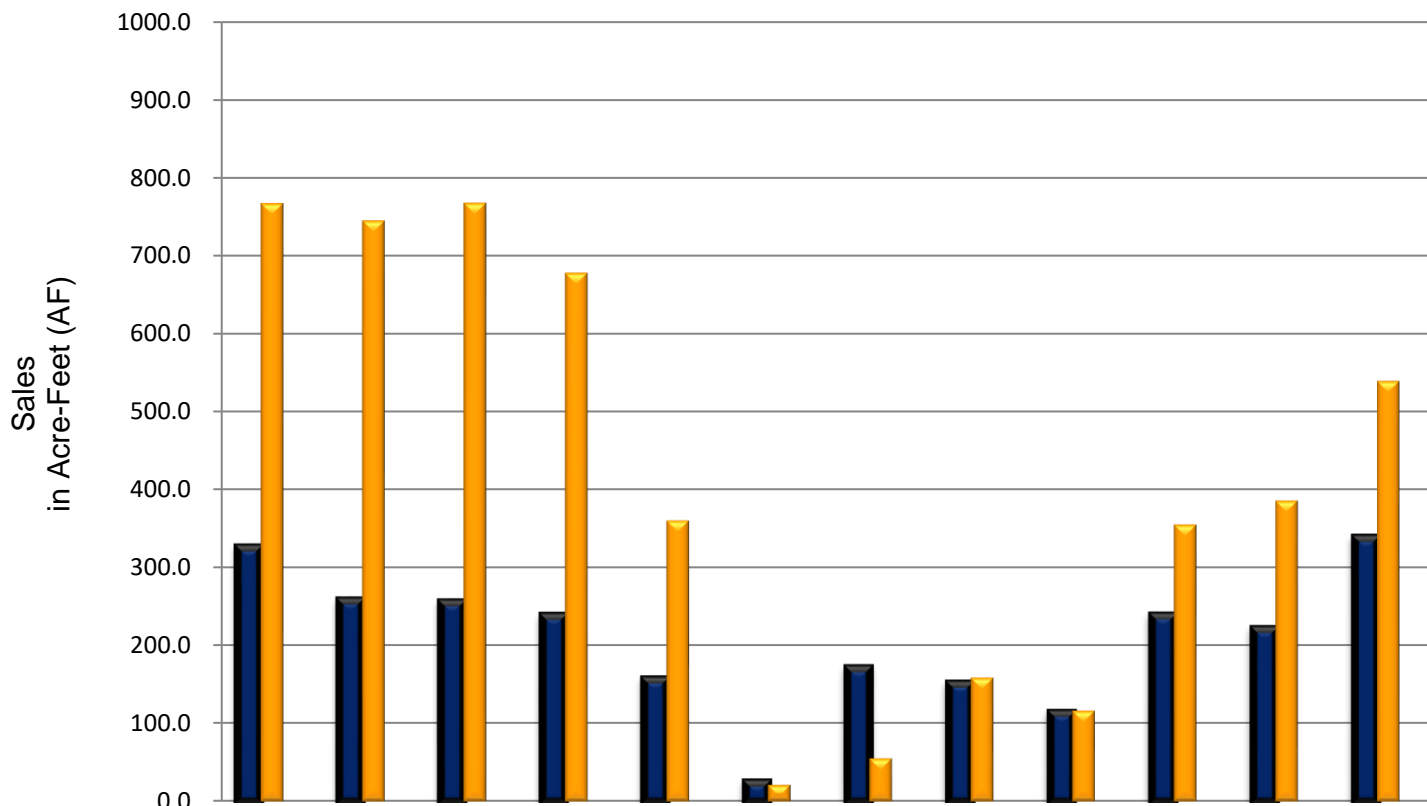
	Month Comparative One (1) Year Ago			Fiscal Year to Date Comparatives		
	Jun-20	Jun-19	%CHANGE	2019/20	2018/19	%CHANGE
LOCAL SUPPLY AUTHORITY	337.6	220.9	52.8%	2354.4	1751.9	34.4%
TOTAL PRODUCED & PURCHASED	877.0	637.3	37.6%	7039.1	6508.1	8.2%
CONSUMPTION	813.6	627.8	29.6%	6727.3	6351.1	5.9%
% LOCAL	38.5%	34.7%	3.8%	33.4%	26.9%	6.5%
%AUTHORITY	61.5%	65.3%	-3.8%	66.6%	73.1%	-6.5%

### FISCAL YEAR ENDING JUNE 30 COMPARATIVES

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
LOCAL SUPPLY	1688.5	2107.5	2058.1	2334.3	2726.6	3145.7	4199.9	4353.8	3356.5	2858.8	3729.7	2583.6	4060.1	3367.0
AUTHORITY SUPPLY	4819.6	4780.9	4470.6	3621.1	4468.4	4596.1	2149.3	1183.6	1617.7	2521.8	2347.0	3719.8	3573.5	3478.7
TOTAL PRODUCED & PURCHASED	6508.1	6888.4	6528.7	5955.4	7195.0	7744.8	6349.2	5537.4	4974.2	5380.6	6076.7	6303.4	7633.6	6845.7
CONSUMPTION	6351.1	6629.8	6379	5887.8	7175.6	7591.1	6310.3	5486.9	4959.0	5310.8	5909.0	6088.3	7380.5	6492.5
% LOCAL	25.9%	30.6%	31.5%	39.2%	37.9%	40.6%	66.1%	78.6%	67.5%	53.1%	61.4%	41.0%	53.2%	49.2%
% AUTHORITY	74.1%	69.4%	68.5%	60.8%	62.1%	59.4%	33.9%	21.4%	32.5%	46.9%	38.6%	59.0%	46.8%	50.8%



**YUIMA MUNICIPAL WATER DISTRICT  
WATER PRODUCED & PURCHASED  
2019/20**



	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
■ LOCAL SUPPLY PRODUCED	325.5	257.3	255.2	237.6	156.4	24.3	170.7	151.0	113.7	238.3	220.8	337.6
■ AUTHORITY PURCHASED	767.0	744.9	767.6	678.0	360.7	21.2	55.2	158.9	116.7	355.3	386	539.4
TOTAL PROD/PURCH	1092.5	1002.2	1022.8	915.6	517.1	45.5	225.9	309.9	230.4	593.6	606.8	877.0

# YUIMA MUNICIPAL WATER DISTRICT OPERATIONS REPORT

July , 2020

## Staff Report

### Forebay Pump Station Rehabilitation

Construction on the new pump station and tank are quickly coming to a close. All of the pumps, SCADA systems and other operational infrastructure has been installed. Tuesday, July 21<sup>st</sup> the new pumps were all tested and are running perfectly. SDG&E set the new transformer and meter and the HVAC system is due to be installed on the 24<sup>th</sup> of July. All of these preparations have been leading up to the main event: start up of the station. Use of this station will commence with the connection to the discharge line that comes into the valley and feeds our distribution system. This connection and station startup is scheduled for Wednesday, July 29<sup>th</sup>. During this time the District will need to shutdown its flow from the Water Authority connection for an estimated 12-hour period. During this time customers will be asked to curtail water use as much as possible. The District is aware that the temperature is an issue and do not want to ask growers to completely restrict their watering. We are also arranging for an emergency connection to Valley Center MWD for a small flow of 6 CFS to help supplement our water stores and local supply but this flow is not enough to keep up with demand so we will be asking growers to cut back on their use during this shutdown period.

### WELLS



#### YUIMA General District



<b>SCHOEPE WELLS</b>			
WELLS	FLOW / GPM	STATUS	↓ % CHANGE ↑
PVW2	30	IN SERVICE	0%
PVW3	0	OUT OF SERVICE - PUMP	0%
PVW3R	60	IN SERVICE	0%
PVW4	0	OFF DUE TO WATER LEVEL	0%
PVW5	0	OFF DUE TO WATER LEVEL	0%

#### IDA

<b>STRUB WELLS</b>			
WELLS	FLOW / GPM	STATUS	↓ % CHANGE ↑
12	151	IN SERVICE	0%
19A	399	OUT OF SERVICE - PUMP	0%

20A	249	IN SERVICE	0%
25	221	IN SERVICE	0%
22	158	IN SERVICE	0%

<b>FAN WELLS</b>			
WELLS	FLOW / GPM	STATUS	 % CHANGE 
3	0	OFF DUE TO WATER LEVEL	0%
7A	171	OFF – LOW DEMAND	0%
8	0	OFF DUE TO WATER LEVEL	0%
9	0	OFF DUE TO WATER LEVEL	0%
10	42	OFF – LOW DEMAND	0%
13	0	OFF DUE TO WATER LEVEL	0%
14	300	OFF – LOW DEMAND	0%
17	60	OFF – LOW DEMAND	0%
18	135	OFF – LOW DEMAND*	0%
23	45	OFF – LOW DEMAND	0%
24	109	OFF – LOW DEMAND	0%
29	128	OFF – LOW DEMAND	0%

<b>HORIZONTAL WELLS**</b>			
WELLS	FLOW / GPM	STATUS	 % CHANGE 
41	14	ON	0%
42	26	ON	0%
43	0	OFF DRILL BIT LODGED	0%
44	8	ON	0%
45	0	OFF - SEDIMENT	0%
46	26	ON	0%
47	5	ON	0%
48	37	ON	0%
49	9	ON	0%
50	16	ON	0%

\*Well #18 – Supplies “Ag Only” open reservoirs at 135 gpm, Pettis and Dunlap and is being used to supply both Reservoirs alternately, as required.

\*\* Horizontal Wells – Per SWRCB all supplies must be used for AG only; cannot blend due to high Iron and Manganese. Supplies going into Dunlap open reservoir. Repairs to the Horizontal well line are 70% completed. The line was relocated to mitigate future damage that occurs in the deep, difficult to access ravine. The line now parallels the well

line road and connects to the old Upper Catch line which also has been repaired.

**BOOSTER STATIONS**

<b>BOOSTER STATIONS</b>		
<b>STATION</b>	<b>PUMPS</b>	<b>STATUS</b>
PERRICONE	1,2,3,4	OK
FOREBAY	1,2,3,4	UNDER CONSTRUCTION
EASTSIDE	1,2,3	OK
1	1,2,3,4	OK
4	1,2,3	OK
6	1,2,3	OK
7	1,2,3	1 UNDER CONST., 2 OK, 3 OK
8	1,2,3,4	OK
SCHOEPE	1,2,3	1 – OUT OF SERVICE, 2 & 3 OK

**Schoepe**

Pump #1 is down due to failed VFD. However, due to low production and the large pump size (900 gpm), the District has decided the pump station can operate efficiently with Pumps 2 & 3 only and has taken the pump out of service.

**RESERVOIRS AND TANKS**

With the exception of Forebay, all tanks and reservoirs are currently in normal operation. However, there are some issues that need to be addressed in the near future.

- Dunlap tank is a bolt together, galvanized tank with a life expectancy of 25 years. The tank is currently 19 years old and has high level of corrosion on the interior due to the high levels of iron and manganese that comes from the horizontal well water. The District used the tank to blend the horizontal well water until May of 2019 when the SWRCB directed us to stop that practice and only use the well water for agricultural purposes. Repair or replacement of the tank needs to occur. The District will seek information on all options available to make an informed decision as to what the best course of action will be.
- Eastside Tank was inspected and cleaned in May of 2019. The exterior of the tank was found to be in good condition with a few minor repairs. The interior of the tank, however, was found to be in extremely poor condition and was recommended to be recoated within the next three years. The tank should be re-inspected in 2022.
- Tank 1 was inspected and cleaned in 2019 and found to be in good condition. The exterior of the tank is in good condition. The interior of the tank is in good condition as well. The
- Tank 8 was also inspected and cleaned in May of 2019. The exterior is in good condition

with a small roof repair needed. The tank exterior should be recoated within the next 3-5 years. The interior of the tank was found to be in poor condition and was recommend to be recoated within the next three years. The tank should be re-inspected in 2022.

- Perricone Tank was last inspected and cleaned in April of 2018. The interior and exterior of the tank was recoated in 2016. The exterior of the tank was found to be in very good condition. The interior of the tank was found to be in overall good condition. There are a few minor areas of corrosions that can be fixed to mitigate any serious damage. This tank should be re-inspected in 2021 and repairs to the existing corrosion will be completed.
- Zone 4 Tank was inspected and cleaned in January of 2019 and was found to be in very good condition. Both the interior and exterior showed little signs of corrosion. The tank should be reinspected in 2022.
- McNally 1 Tank was last inspected and cleaned in 2016. The interior of the tank was found to be in fair-good condition with a few spots needing repair, which were completed at that time. The tank is due for inspection in 2021. The exterior of McNally 1 is in fair condition. The interior and exterior of this tank should be recoated in the next 3-5 years. The tank is due for inspection in the next fiscal year.
- McNally 2 Tank was inspected and cleaned in June 2019. The exterior of the tank is in fair condition and should be recoated in the next 3-5 years. The interior of the tank is in fair condition. The area above the waterline has corrosion issues that should be closely monitored and may dictate the recoating schedule. The tank should be re-inspected in 2022.
- Schoepe Tank is due for inspection; however, the Operations staff feels the tank is in poor condition.
- Forebay tank is under construction.

### **SYSTEM LEAKS/SLIPPAGE**

Water slippage for the month of March was at 10.3 percent. There was water loss at Perricone Tank of 1.3af and Tank 8 of .37af due to SCADA communication failures and the horizontal well line was damaged due to winter storms. All SCADA issues have been resolved and the well line repair is near completion.

### **Bacteriological samples**

The Yuima and IDA distribution systems and all special raw water groundwater well bacteriological tests were negative (Absent) for the month of March.

### **Other required water quality testing**

The required CDPH monthly samples were taken on Tuesday, April 14th.

### **Nitrate monitoring results**

Nitrate level summary for selected sites:

### **Nitrate Levels – Various Sites – Shown in MCL**

<b>Name</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>June</b>
	N	N	N	N	N	N
Strub Well 22	<b>25</b>	<b>24</b>				
Yuima FH	<b>4.8</b>	<b>4.8</b>				
DA “Strub” Wells	<b>6.78</b>	<b>6.38</b>				
Schoepe Blend	<b>8.0</b>	<b>7.6</b>				
Fan Well 7A	<b>36</b>	<b>33</b>				
Fan Well 10	<b>24</b>	<b>25.7</b>				
Fan Well 14	<b>18</b>	<b>16</b>				
Fan Well 17	<b>0.0.s</b>	<b>0.0.s</b>				
Fan Well 23	<b>8.4</b>	<b>8.2</b>				
Fan Well 24	<b>8.7</b>	<b>6.2</b>				
Fan Well 29	<b>20</b>	<b>20</b>				
Wells blend	<b>4</b>	<b>3.9</b>				

Note: Fan wells 7A, 10, 14, 17 & 29 are blended with imported water to reduce nitrate levels.

**DISTRICT OPERATIONS PERSONNEL**

There are no work limitations to the District’s Operations and Maintenance Staff at the present time.

**OTHER PROJECTS AND PROGRAMS**

***SCADA – Phase 2 Upgrade***

This capital project is on schedule to be completed in May 2020, however, this may be delayed due to the COVID-19 crisis and shelter in place orders.

***CWA Emergency Storage Project (ESP) Valley Center MWD / Yuima MWD Inter-tie***

The ESP team selected a firm to design the ESP connection from CWA to Yuima. This project is scheduled to be completed in March of 2021.

***Rincon Ranch Road Pipeline Replacement***

Currently TKE is working on the design specs and developing a bid package to go out to bid.

**Safety Programs and Training**

All scheduled trains have been postponed due to the COVID-19 crisis. All member agencies are communicating and working conjunctively to find alternative training options. Staff is using the available free online training provided by JPIA but some



trainings must be taken in a live class.

Water Meters and Services

*Meter Replacements, Downsizing and Removals*

Staff is working on meter replacements as time permits.

Puerto-La Cruz Conservation Crews

Work crews visited the District the early weeks of July to perform weed abatement throughout the District.

<b>LAZY "H" MWC, OTHER PROGRAMS AND EMERGENCY CONNECTIONS</b>		
<b>CONNECTIONS</b>	<b>AC/FT PURCHASED</b>	<b>COMMENTS</b>
LAZY H MWC	.00	
RANCHO ESTATES MWC	.00	
PAUMA RIDGE MWC		
RANCHO PAUMA MWC	.00	
RINCON OAKS	.07	
BORDEN 3 PARTY	.00	

# RAINFALL RECORD 2019/2020 YUIMA SHOP

Location: 34928 Valley Center Road, Pauma Valley @ 1050' elevation

	JULY	AUGUST	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	
1													
2													
3													
4						1.60							
5												0.16	
6						0.05				0.82		0.04	
7						0.06				0.97			
8						0.16				0.54			
9						0.01		0.20	0.08	0.72	0.02		
10									1.53	2.82			
11													
12									1.72	0.06			
13									0.43	0.02			
14									0.02				
15													
16									0.01				
17									0.43				
18										0.01	0.01		
19					1.54				0.17				
20					1.50								
21							0.17						
22								0.34	0.19				
23						0.33		0.10	0.39				
24						0.11							
25						0.10			0.16				
26			0.03			0.04			0.20				
27			0.02		0.27				0.06				
28			0.24		0.60								
29			0.01		0.24								
30					0.02								
31													TOTAL YEAR
TOTALS	0.00	0.00	0.30	0.00	4.17	2.46	0.17	0.64	5.39	5.96	0.03	0.20	19.32
1987/88 (B)	0.00	0.00	0.00	2.60	4.17	1.20	2.97	2.23	0.97	6.95	0.40	0.00	21.49
1988/89 (B)	0.00	1.25	0.00	0.00	1.36	4.78	1.38	3.25	0.60	0.25	0.43	0.00	13.30
1989/90 (B)	0.00	0.00	1.03	0.50	0.00	0.55	4.45	2.65	0.92	3.22	0.95	1.10	15.37
1990/91	0.32	0.93	0.00	0.16	0.83	0.85	1.30	2.60	13.10	0.20	0.00	0.00	20.29
1991/92	0.70	0.00	0.40	0.85	0.30	1.90	3.25	5.60	5.30	0.15	0.50	0.00	18.95
1992/93	0.00	1.75	0.00	1.55	0.00	5.10	17.25	8.60	1.55	0.00	0.00	0.70	36.50
1993/94	0.00	0.00	0.00	0.25	2.35	0.90	1.20	4.60	5.30	2.00	0.20	0.00	16.80
1994/95	0.00	0.00	0.00	0.40	0.80	0.75	9.35	3.00	9.40	2.00	0.75	1.10	27.55
1995/96	0.10	0.00	0.00	0.00	0.20	0.85	1.50	3.50	2.30	0.50	0.00	0.00	8.95
1996/97	0.00	0.00	0.00	0.00	4.55	2.40	6.35	0.75	0.00	0.00	0.00	0.00	14.05
1997/98	0.00	0.00	2.10	0.10	2.45	2.10	3.70	10.95	4.05	3.30	3.05	0.15	31.95
1998/99	0.00	0.00	1.15	0.00	2.45	1.36	1.93	1.00	0.80	2.32	0.05	0.50	11.56
1999/2000	0.25	0.00	0.10	0.00	0.10	0.25	0.60	5.20	1.55	0.95	0.45	0.00	9.45
2000/2001	0.00	0.00	0.05	0.98	0.45	0.00	2.80	6.20	1.70	1.70	0.50	0.00	14.38
2001/2002	0.00	0.00	0.00	0.00	1.35	1.90	0.60	0.15	1.80	0.65	0.00	0.00	6.45
2002/2003	0.00	0.00	0.20	0.00	2.85	3.60	0.25	6.40	3.45	2.10	0.65	0.00	19.50
2003/2004	0.00	0.40	0.00	0.00	1.55	1.55	0.70	4.25	0.75	1.05	0.00	0.00	10.25
2004/2005	0.00	0.40	0.00	7.20	1.55	4.55	8.70	6.60	1.75	1.05	0.10	0.00	31.90
2005/2006	0.50	0.00	0.10	1.85	0.00	0.50	1.75	2.45	3.55	2.65	0.50	0.00	13.85
2006/2007	0.00	0.20	0.30	0.40	0.05	1.40	0.50	2.70	0.30	0.80	0.10	0.00	6.75
2007/2008	0.00	0.25	0.00	0.20	0.50	5.30	5.80	3.80	0.60	0.00	1.00	0.00	17.45
2008/2009	0.00	0.00	0.00	0.00	1.60	4.95	0.05	4.45	0.30	0.75	0.00	0.00	12.10
2009/2010	0.00	0.00	0.00	0.00	1.10	3.65	7.45	4.00	0.55	2.60	0.00	0.00	19.35
2010/2011	0.20	0.00	0.00	3.15	1.45	8.60	1.25	4.40	2.65	0.30	0.40	0.05	22.45
2011/2012	0.00	0.00	0.15	0.65	2.65	1.20	1.15	2.05	2.25	3.15	0.10	0.00	13.35
2012/2013	0.00	0.00	1.50	0.40	0.45	2.70	1.50	1.25	1.70	0.10	0.40	0.00	10.00
2013/2014	0.28	0.00	0.00	1.48	0.15	0.40	0.25	0.95	2.95	0.80	0.00	0.00	7.26
2014/2015	0.00	0.20	1.00	0.00	1.00	4.90	0.70	0.90	1.60	0.75	1.20	0.50	12.75
2015/2016	1.90	0.30	1.70	0.35	0.90	2.65	3.40	1.15	1.50	0.75	0.40	0.00	15.00
2016/2017	0.00	0.00	1.00	0.16	1.75	4.37	7.17	6.05	0.20	0.00	1.34	0.00	22.04
2017/2018	0.07	0.12	0.13	0.00	0.00	0.00	3.18	0.88	2.55	0.01	0.12	0.00	7.06
2018/2019	0.00	0.00	0.00	1.27	2.51	1.63	2.34	7.98	1.68	0.40	1.83	0.12	19.76
Average/32	0.14	0.18	0.34	0.77	1.29	2.40	3.27	3.77	2.43	1.30	0.48	0.12	#FIELD!

# RAINFALL RECORD 2019/2020 JOHNSON

Location: 32000 block of Rincon Ranch Road, Pauma Valley @ 2055' elevation

Al Barretts record until 2009-10

	JULY	AUGUST	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	
1									0.15				
2													
3													
4													
5						2.30						0.50	
6													
7										1.70			
8						0.45				0.75			
9						0.30	0.25			0.25			
10								0.25					
11									1.70				
12										4.25			
13													
14													
15									2.75				
16									0.50				
17							0.15						
18								0.50					
19													
20							0.15						
21					4.10		0.15						
22													
23								0.50	0.50				
24													
25						0.35							
26						0.25							
27						1.50							
28			0.45			0.10							
29					2.50								
30													
31													
TOTALS	0.00	0.00	0.45	0.00	6.60	5.25	0.70	1.25	5.60	6.95	0.00	0.50	TOTAL YEAR 27.30
1987/1988	0.00	0.00	0.00	2.60	4.17	1.20	2.97	2.23	0.97	6.95	0.40	0.00	21.49
1988/1989	0.00	1.25	0.00	0.00	1.36	4.78	1.38	3.25	0.60	0.25	0.43	0.00	13.30
1989/1990	0.00	0.00	1.03	0.50	0.00	0.55	4.45	2.65	0.92	3.22	0.95	1.10	15.37
1990/1991	0.32	0.93	0.00	0.16	1.40	0.77	1.86	2.70	13.36	0.34	0.00	0.00	21.84
1991/1992	1.00	0.00	0.20	1.00	0.00	1.96	3.55	6.06	5.81	0.49	0.80	0.00	20.87
1992/1993	0.33	0.70	0.00	1.45	0.00	5.43	20.09	10.21	1.26	0.00	0.00	1.17	40.64
1993/1994	0.00	0.00	0.50	0.30	2.84	1.10	1.22	5.50	4.62	2.00	0.40	0.00	18.48
1994/1995	0.00	0.00	0.00	0.56	1.34	1.22	11.63	4.10	13.72	2.33	1.57	1.41	37.88
1995/1996	0.21	0.00	0.00	0.00	0.40	1.28	1.53	5.47	3.03	0.77	0.00	0.00	12.69
1996/1997	0.00	0.00	0.00	1.16	4.40	3.26	7.25	1.02	0.32	0.00	0.17	0.00	17.58
1997/1998	0.00	0.00	3.05	0.25	3.40	2.93	5.84	13.52	5.21	3.42	4.32	0.27	42.21
1998/1999	0.00	0.20	0.94	0.18	2.68	1.73	2.54	1.18	1.04	4.18	0.10	0.17	14.94
1999/2000	0.22	0.00	0.00	0.00	0.20	0.44	1.28	5.64	1.83	1.61	0.15	0.00	11.37
2000/2001	0.00	0.00	0.25	1.35	0.44	0.00	3.33	6.99	2.88	2.60	0.82	0.00	18.66
2001/2002	0.00	0.00	0.00	0.00	1.62	2.24	0.61	0.30	2.16	0.84	0.00	0.00	7.77
2002/2003	0.00	0.00	0.20	0.15	4.90	4.08	0.25	7.62	4.25	3.27	1.48	0.00	26.20
2003/2004	0.00	0.69	0.00	0.00	1.88	1.93	0.78	5.24	0.66	1.23	0.50	0.12	13.03
2004/2005	0.00	0.50	0.00	8.70	1.80	5.20	11.58	8.45	2.93	1.71	0.20	0.40	41.47
2005/2006	0.00	0.00	0.01	2.52	0.00	0.67	2.32	2.91	4.02	3.25	0.77	0.00	16.47
2006/2007	0.35	0.19	0.75	0.38	0.15	1.86	0.28	2.87	0.91	1.35	0.18	0.00	9.27
2007/2008	0.00	0.00	0.35	0.25	3.50	3.10	8.28	4.45	1.00	0.00	1.58	0.00	22.51
2008/2009	0.00	0.00	0.00	0.00	2.25	5.85	0.65	5.61	0.35	1.00	0.00	0.00	15.71
2009/2010	0.00	0.00	0.00	0.20	0.75	5.00	8.60	5.00	0.90	3.40	0.10	0.02	23.97
2010/2011	0.00	0.00	0.08	3.10	1.95	9.75	1.10	4.95	3.05	0.64	1.05	0.05	25.72
2011/2012	0.00	0.50	0.10	1.00	3.05	1.30	1.60	2.10	3.30	3.90	0.35	0.00	17.20
2012/2013	0.00	0.50	0.60	2.15	0.30	4.40	2.25	0.66	2.00	0.15	0.50	0.00	13.51
2013-2014	0.00	0.00	0.00	1.59	0.10	0.95	0.50	0.65	3.90	0.30	0.20	0.00	8.19
2014-2015	0.00	0.60	0.80	0.00	1.00	5.40	0.65	1.15	1.55	1.56	1.35	0.55	14.61
2015-2016	2.10	0.08	1.50	0.70	1.20	3.70	5.50	0.07	2.40	1.40	0.85	0.00	19.50
2016-2017	0.00	0.00	1.80	0.00	2.25	5.85	8.95	8.10	0.25	0.00	2.00	0.00	29.20
2017-2018	0.05	0.10	0.01	0.00	0.00	0.00	3.50	0.85	3.50	0.00	0.45	0.00	8.46
2018-2019	0.00	0.00	0.00	1.60	2.90	1.90	4.75	9.75	2.10	0.60	3.50	0.25	27.35
Average/32	0.14	0.20	0.38	1.00	1.63	2.81	4.10	4.41	2.96	1.65	0.79	0.17	20.23

**YUIMA MUNICIPAL WATER DISTRICT  
DELINQUENT ACCOUNTS LISTING  
7/21/2020**

<b>YUIMA</b>		
<u>ACCOUNT NUMBER</u>	<u>PAST DUE AMOUNT</u>	<u>ACTION</u>
	<u>\$ -</u>	

<b>IDA</b>		
<u>ACCOUNT NUMBER</u>	<u>PAST DUE AMOUNT</u>	<u>ACTION</u>
02-0906-03	89.37	Notice
02-2236-02	1,351.02	Notice
02-2984-09	372.50	Notice
02-3354-02	213.66	Notice
02-6500-00	2,205.45	Notice
02-6657-00	241.36	Notice
02-7125-00	159.95	Notice
02-7248-02	169.76	Notice
02-7249-01	153.41	Notice
02-7948-03	68.01	Notice
	<u>\$ 5,024.49</u>	

<b>LIENS FILED</b>		
02-5330-09	<u>5,172.55</u>	

<b>LIENS FILED / TRANSFERRED TO TAX ROLL</b>		
	<u>                    </u>	

V.  
OTHER BUSINESS