1 LAW OFFICES OF RONALD **BURSOR & FISHER, P.A.** L. Timothy Fisher (SBN 191626) A. MARRON 2 ltfisher@bursor.com RONALD A. MARRON (SBN 175650) 1990 North California Blvd., Suite 940 ron@consumersadvocates.com 3 LILACH HALPERIN (SBN 323202) Walnut Creek, CA 94596 Telephone (925) 300-4455 4 lilach@consumersadvocates.com Facsimile (925) 407-2700 651 Arroyo Drive 5 San Diego, CA 92103 Telephone (619) 696-9006 6 Facsimile (619) 564-6665 7 LAW OFFICE OF ROBERT L. TEEL 8 ROBERT L. TEEL (SBN 127081) lawoffice@rlteel.com 9 1425 Broadway, Mail Code: 20-6690 Seattle, Washington 98122 10 Telephone (866) 833-5529 Facsimile (855) 609-6911 11 12 Counsel for Plaintiffs and the Class 13 UNITED STATES DISTRICT COURT 14 SOUTHERN DISTRICT OF CALIFORNIA 15 TODD HALL and GEORGE Case No. 3:19-cv-01715-JO-AHG 16 ABDELSAYED individually and on 17 behalf of all others similarly situated, **DECLARATION OF ROBERT** Plaintiffs, TEEL IN SUPPORT OF MOTION 18 FOR PRELIMINARY APPROVAL 19 v. Date: May 15, 2024 20 MARRIOTT INTERNATIONAL, INC., Time: 8:30 a.m. 21 a Delaware corporation, Courtroom 4C 22 Hon. Jinsook Ohta Defendant. 23 24 25 26 27 28 DECLARATION OF ROBERT TEEL IN SUPPORT

DECLARATION OF ROBERT TEEL IN SUPPORT OF MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT CASE NO. 19-CV-01715-JO-AHG

Pursuant to 28 U.S.C. § 1746, I, Robert Teel, hereby declare and state as follows:

1. I am a member in good standing of the State Bar of California, and the United States District Court for the Southern District of California. I, along with my co-counsel, represent Plaintiffs Todd Hall and George Abdelsayed ("Plaintiffs") and serve as class counsel pursuant to the Court's Order granting in part Plaintiffs' motion for class certification in the above-captioned matter. ECF No. 180. I make this declaration in support of Plaintiffs' Motion for Preliminary Approval of Class Action Settlement (the "Motion"). This declaration is based on my own personal knowledge, and if called to testify, I could and would do so competently on the matters stated herein.

#### BACKGROUND

- 2. I have served as counsel for the Plaintiffs in this action since September 13, 2019, shortly after the initial complaint in this case (the "Action") was filed. I have been actively and personally involved in the (a) research, preparation, and drafting of the first amended complaint, (b) review and research for the oppositions to the motions to dismiss the first amended complaint, (c) research, preparation, and drafting of the first amended complaint for public injunctive relief in the related Case No. 3:23-cv-01764-JO-AHG (originally filed in San Diego Superior Court and removed to this court by Defendant and referred to herein as the "State Case"), (d) mediation and negotiation of the proposed resolution of this case and the State Case litigation, and (e) the pretrial preparation and proceedings. Collectively, this Action and the State Case are referred to herein as the "Litigation".
- 3. On September 9, 2019, Plaintiff Todd Hall initiated a putative class action against Marriott alleging that it intentionally deceived consumers in its business practices about the characteristics and total cost of a stay at its hotels. ECF No. 1. The initial complaint asserted claims for violations of Cal. Civ. Code §§ 1750, et seq. ("CLRA"), violations of Cal. Bus. & Prof. Code §§ 17500, et seq.

("FAL"), violations of the Cal. Bus. & Prof. Code §§ 17200, et seq. ("UCL"), and unjust enrichment. *Id*.

- 4. In response to Defendant's motion to dismiss (ECF No. 11) Plaintiffs filed a first amended complaint adding new claims for negligent misrepresentation, concealment, and intentional misrepresentation. ECF No. 15. Marriott once again moved to dismiss the amended complaint. ECF No. 18. After full briefing, the Court denied Marriott's motion to dismiss. ECF No. 31.
- 5. Plaintiffs filed a second amended complaint adding plaintiffs Julie Drassinower, Kevin Branca, and Jesse Heineken. ECF No. 54. On March 23, 2021, Plaintiffs moved to consolidate this case with related Case No. 3:21-cv-00402-BEN-JLB. ECF No. 72. On April 27, 2021, the Court granted the motion to consolidate. ECF No. 78.
- 6. On May 27, 2021, Plaintiffs filed the operative consolidated third amended complaint ("Complaint") which added Plaintiff George Abdelsayed as a named plaintiff. The Complaint alleges claims for violations of the CLRA, FAL, UCL and for unjust enrichment, negligent misrepresentation, concealment, and intentional misrepresentation. ECF No. 82. Marriott answered the Complaint, and with the pleadings settled discovery continued in earnest.
- 7. At the time the pleadings were settled extensive discovery had already been underway, including the exchange of multiple sets of written interrogatories and requests for admission, the production of thousands and thousands of pages of documents, and the issuance of a number of subpoenas. Protracted discovery disputes ensued after the filing of the third amended Complaint with the parties filing numerous additional discovery motions, including without limitation Plaintiffs' motion to compel discovery responses, the parties joint motion for determination of discovery disputes, Marriott's objection under Fed. R. Civ. Proc. 72(a) to the Court's order on the parties joint motion to determine discovery disputes, and the parties joint

motion for determination of discovery dispute relating to the second deposition of since dismissed plaintiff Kevin Branca.

- 8. Defendant moved for summary judgment on April 8, 2022. ECF No. 140. Plaintiffs moved for partial summary judgment (ECF No. 143) and class certification (ECF No. 144) on April 15, 2022. Plaintiffs' motion for partial summary judgment asked the Court to hold that Marriott's business practices violated the CLRA, FAL, and UCL and that several of Marriott's affirmative defenses failed as a matter of law or because Marriott had no evidence. Plaintiffs' certification motion sought to certify both Rule 23(b)(2) and 23(b)(3) classes as well as an issues class under Rule 23(c)(4).
- 9. On March 30, 2023, this Court issued an Order Granting in Part and Denying in Part the Parties' Motions for Summary Judgment and Granting in Part and Denying in Part Plaintiffs' Motion to Certify the Class (the "Order"). ECF No. 180. In the Order, the Court denied Plaintiffs' request to certify the proposed classes under FRCP 23(b)(2) and (b)(3) but certified an "issues class" pursuant to FRCP 23(c)(4) (the "Class"). *Id.* at 41-42. The Court also appointed the named Plaintiffs, Messrs. Hall and Abdelsayed, as class representatives and me and my co-counsel at Bursor & Fisher, P.A. and the Law Office of Ronald A. Marron as the issues-class counsel.
- 10. The Court further held Plaintiffs are not entitled to restitution and injunctive relief under their CLRA, FAL, UCL, or unjust enrichment claims because (a) Plaintiffs lack standing to seek injunctive relief, and (b) the Court lacks jurisdiction over Plaintiffs' equitable claims. *See* ECF No. 180 at 9:7-11; 10:17-18; 11:2-3; 11:17-24; and 12:14-18. As a result, Plaintiffs' remaining claims in this case are (a) as Class representatives for liability only, and (b) individually for both liability and damages under the CLRA and for concealment. ECF No. 180 at 12:19-20.
- 11. Following the Court's dismissal without prejudice of their equitable and injunctive relief claims, Plaintiffs filed the State Case in San Diego County Superior

Court on July 13, 2023, requesting *only* public injunctive relief. *See* generally State Case complaint at State Case ECF No. 1-2 at 1-28. Defendant removed the State Case to this Court on September 25, 2023. State Case ECF No. 1. Plaintiffs' motion to remand followed on October 25, 2023. State Case No. ECF No. 6. The motion to remand is still pending.

# SETTLEMENT BACKGROUND

- 12. Settlement negotiations in this action initially commenced on September 18, 2023 when I wrote counsel for Defendant and suggested a private settlement conference as a path to resolution of the Litigation. After a status hearing with the Court on October 4, 2023, in parallel with the continuing active litigation the parties agreed to conduct a full day of mediation before the Hon. Peter D. Lichtman (Ret.) in Los Angeles, California.
- 13. On November 14, 2023, the parties participated in a nearly all-day mediation before Judge Lichtman who is very experienced in class action matters and previously served as head of the Los Angeles County Superior Court's Mandatory Settlement Program. He also was one of the founders of the Superior Court's Complex Civil Litigation program, and twice served as its supervising judge.
- 14. A "robust and healthy exchange" took place at the mediation. While the mediation did not result in an immediate settlement, the morning after the mediation on November 15, 2023 Judge Lichtman issued a take it or leave it "mediator's proposal". If the parties accepted, they were to inform the Court that it was recommended to forego the class matter as all objectives had been satisfied both legislatively and by way of corporate compliance. The essential terms and conditions for a global resolution of the Litigation in accordance with the mediator's proposal were accepted by all parties on November 17, 2023.

### THE MEDIATED PROPOSED SETTLEMENT

15. On November 20, 2023, the parties filed a joint notice informing the Court that the Litigation had settled subject to the Court's approval. ECF No. 204.

The parties also informed the Court they anticipated a joint motion to dismiss would be filed within 30 days. *Id.* Later that day Magistrate Judge Goddard set a telephonic settlement disposition conference for December 28, 2023. ECF No. 205. The parties jointly submitted a brief update to the Court via email regarding the status of the settlement and work required to file the joint motion to dismiss.

- 16. My co-counsel, Mr. Fisher, took the lead drafting and negotiating the written settlement agreement, all the terms of which were provided to the Court with the exception of the total amount of monetary consideration paid to reimburse Plaintiffs for costs and expenses primarily associated with the expert survey and formulation of the damages model (*see* generally ECF No. 214) as well as a fraction of counsels' lodestar. The written settlement agreement was signed by Plaintiffs on January 5, 2024 and by Defendant on January 18, 2024. *See* ECF 231-3 for a true and complete copy of the settlement agreement redacting only the "Settlement Amount" and dollar amount therefrom going to Plaintiffs' counsel.
- 17. On October 25, 2023, I prepared a Joint Status Report Re: Mediation Outcome seeking to generally disclose the terms of the Agreement to the Court. However, in response Marriott declined to agree to disclose any terms of the Agreement. In response to the report on the mediation outcome, Magistrate Judge Goddard set a Settlement Disposition Conference for December 28, 2023. ECF No. 205. My co-counsel, Mr. Fisher, prepared, and we jointly negotiated with Marriott's counsel, a Joint Settlement Status Report Via Email Only.
- 18. After the parties filed the initial Joint Dismissal Motion (ECF No. 207), the Court ordered supplemental briefing regarding the terms of the Agreement in relation to their Joint Motion to Dismiss. ECF No. 210. The parties then filed a Joint Statement of Facts and Supplemental Briefing Regarding Terms of the Settlement Agreement in Support of Motion to Vacate the Portion of the Court's March 30, 2023 Order Certifying an Issues-Only Class, and to Dismiss the Action with Prejudice (ECF No. 214). On February 14, 2024, the Court issued its tentative decision to deny

the Joint Dismissal Motion (ECF No. 217) and confirmed the denial of the Parties' joint motion to vacate the issues-only Class certification order and approve the settlement on February 21, 2024 (ECF No. 220).

19. The Parties held two more settlement conference with Magistrate Judge Goddard on February 26, 2024 (ECF No. 227) and March 1, 2024 (ECF No. 229), but the case did not settle. Following the Court's denial of the Joint Dismissal Motion and the failed settlement conferences with the Court, and after law and motion proceedings in connection with a dispute between the Parties about Plaintiffs' request to compel disclosure to the Court of the mediator's proposed settlement amount, the parties began to finalize preparation for a jury trial which was scheduled for April 22, 2024.

## THE EVE OF TRIAL SETTLEMENT

- 20. I was the attorney responsible for (a) engaging in the extraordinarily extensive, adversarial, and arm's-length settlement negotiations with Defendant's counsel in an effort to resolve the Litigation, and (b) preparing this case for trial. Throughout the litigation and settlement process, Plaintiffs pushed Defendant hard to change their business practices to eliminate virtually all risk of Class members, California consumers, and the public being deceived about the total cost of a stay at a Marriott hotel.
- 21. The Court's rejection of Plaintiffs' damages model for certification of a damages class meant that hundreds of thousands of Class members would still have to try their individualized damages claims either through bifurcated proceedings in this Action, or by filing their own individual lawsuits. Absent settlement, a genuine and significant risk exists that Defendant could prevail at trial or on appeal resulting in no benefit from the change in Defendant's business practices for the Class, California consumers, or the public as called for by the settlement.
- 22. In addition, although Plaintiffs continue to believe that the Rule 23(c)(4) class certification was proper, appropriate, and stands on solid legal footing, they

faced years of further litigation, including at the appellate level in response to a near certain decertification motion from Defendant. And, as in all litigation, there exists a distinct possibility and appreciable risk that Plaintiffs might not prevail on liability or at trial on liability.

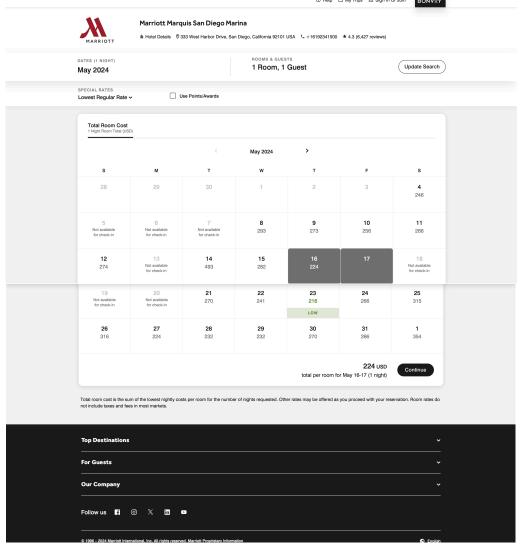
# REACHING THE CURRENT PROPOSED CLASS SETTLEMENT

- 23. In light of the serious risks Plaintiffs faced in obtaining relief for the Class, and with the assistance of the mediator and Magistrate Goddard, and only after engaging in exhaustive and extensive arm's-length settlement negotiations and pretrial proceedings, the Parties were able to negotiate and achieve a class action settlement on the terms and conditions attached hereto as Exhibit 1. During the over six months the Parties were engaged co-extensively in settlement discussions and hard-fought litigation, the Parties communicated with the mediator, the Court, and each other, alone and in various combinations, in briefings, correspondence, telephonic and video conference meetings, and formal negotiation sessions involving hundreds and hundreds of man hours of time.<sup>1</sup>
- 24. The terms and conditions of the settlement: (1) do not require any Class member other than the named Plaintiffs to release any of their claims or any kind; (2) provide for a change in Defendant's business practices that eliminates virtually all risk of Class members, consumers, and the public being deceived about the total price of a stay at a Marriott hotel; (3) provide that if required by the Court, Class members will receive notice of this Action (which has heretofore not been provided) and the settlement, and an opportunity to object; and (4) require a reporting by Defendant to ensure its compliance with the terms and conditions of the settlement. Without the settlement, Defendant would have no incentive to change or monitor its business practices in the way in which it has agreed to do to ensure compliance with the best practices available at the highest level regarding its advertising practices.

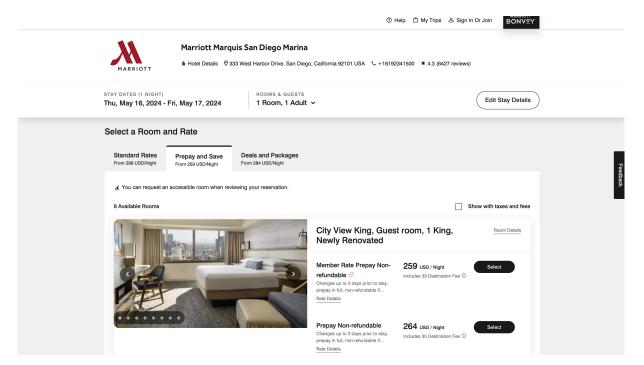
<sup>&</sup>lt;sup>1</sup> Since September 19, 2023 I have personally spent over 730 hours on this Litigation, the vast majority of which is related to the settlement efforts and trial preparation in this action.

Protecting consumer rights has always been the engine driving this litigation. The benefits from the settlement combine to promote justice and preserve and protect not only the Class members' rights, but those of the public as well.

25. For example, in addition to other modifications to Defendant's business practices which will benefit Class members and consumers, the settlement requires that within six months of the Effective Date, Marriott shall modify the "calendar view" on the Marriott U.S. Website so the cost identified for each calendar day is not less than the lowest available Total Room Price, not the lowest available Room Rate. The settlement requires Defendant to change its current business practices so when booking a stay using Defendant's calendar view, the first price shown includes the mandatory resort fee. For example, on May 4<sup>th</sup> the price on the calendar view for the



cost of a stay in a Marriott hotel room for the night of May 16, 2024 was "224". But, when the consumer clicks on the "Continue" link he or she is informed that the true cost of the stay advertised including the mandatory resort fee is not "224", but is actually either "259" or "264".



26. Without the change required by the settlement in this aspect of Marriott's business practices, Class members and other consumers who are making price comparisons of a Marriott hotel based on Marriott's calendar view to other hotels are being deceived about the true cost of the stay. Without the change in business practices, even those consumers who continue on into the booking flow are still required to do math in their head to reconcile the \$224 advertised cost on the calendar view to the true cost with the resort fee of either \$259 or \$264.<sup>2</sup> The settlement requirement to change the calendar view to disclose the total room price to be consistent with the booking flow virtually eliminates any risk that Class

<sup>&</sup>lt;sup>2</sup> The screenshots above are true and correct copies captured on May 4, 2024 at https://www.marriott.com/search/availabilityCalendar.mi?isRateCalendar=true&pr opertyCode=SANDT&isSearch=true&currency=&costTab=total#/2/ and https://www.marriott.com/reservation/rateListMenu.mi

members and California consumers will be deceived about the total room price of when comparison shopping Marriott hotels to other competing hotels.

# NOTICE AND CLASS REPRESENTATIVES

- 27. Class Counsel Bursor & Fisher, P.A. has years of experience working with numerous notice issues and has hosted numerous websites providing notice to Class members in other cases, and it stands ready, willing, and able to do so in this case replete with search engine optimization. After extensive negotiations, Defendant acquiesced to Plaintiffs request to provide (and pay for at Class counsel's expense) website notice if required by the Court.
- 28. Each of the Class representatives constructively and effectively contributed to the prosecution of the claims on behalf of the Class. The Class representatives have regularly communicated with Class counsel to stay abreast of the developments in this litigation and have stayed informed and familiar with all developments in the case. They have read the applicable pleadings, understand them, and have vigorously prosecuted the action. Each of them searched for documents and information in hard copy and throughout their online accounts and provided those documents to Class counsel in response to Defendants' written discovery requests. Each Plaintiff was also fully deposed at length by defense counsel.
- 29. Further, each Class representative participated in the mediations telephonically, and I have personally spent dozens of hours with Mr. Hall preparing for trial. Each Class representative was consulted on the terms of the settlement agreement before it was signed, approved its terms, and supports its approval by the Court. Each Class representative has expressed his continued willingness to protect the Class until the settlement is approved and implemented.
- 30. Each Class representative also spent dozens of hours of their time to contribute to the prosecution of this case on behalf of the Class. In order to secure

<sup>&</sup>lt;sup>3</sup>See, e.g., settlement notice recently hosted on the Bursor & Fisher, P.A. firm website at https://www.bursor.com/c-j-v-cognosphere-important-settlement-information/

the settlement, and in contrast to the Class members, each Class representative has agreed to a general release of his claims for monetary damages. In light of their commitment of time, effort, and dedication, as well as in recognition of the release of their claims for monetary damages, I believe it is appropriate under applicable Ninth Circuit and Southern District case law that each of them receives a service award in the amount of \$5,000 to be paid by Defendant if approved by the Court. No Class representative has been promised the receipt of any service award.

31. My co-counsel and I have undertaken an extensive amount of work involving thousands of hours of professional time and effort in this action and hundreds of thousands of dollars of expenses, including payment of expert fees and costs. As Class counsel we have demonstrated our devotion of the resources necessary to pursue this Action to its ultimate outcome. We have pledged to continue this work and effort through the settlement approval and administration process and the ongoing compliance reporting period.

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

Dated: May 10, 2024

/s/ Robert Teel

Robert Teel, An Attorney for Plaintiffs and

the Class