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10  
11 **UNITED STATES DISTRICT COURT FOR THE**  
12 **CENTRAL DISTRICT OF CALIFORNIA**

13  
14 JASON LEWIS, DANIELLE HALL,  
15 JUSTIN THORNTON, on behalf of  
16 themselves and all others similarly  
17 situated,

18 Plaintiffs,

19 v.

20  
21 GREEN DOT CORPORATION;  
22 GREEN DOT BANK;  
23 MASTERCARD INCORPORATED;  
24 and MASTERCARD  
INTERNATIONAL INCORPORATED,

25 Defendants.

Case No.: 2:16-cv-03557-FMO-AGR

**CLASS ACTION**

**PLAINTIFFS' SUPPLEMENT  
IN SUPPORT OF AMENDED  
MOTION FOR PRELIMINARY  
APPROVAL OF CLASS ACTION  
SETTLEMENT**

Hon. Fernando M. Olguin

Hearing Date: April 13, 2017

Hearing Time: 10:00 A.M.

Courtroom: 6D

1 **SUPPLEMENT IN SUPPORT OF AMENDED MOTION FOR PRELIMINARY**  
2 **APPROVAL OF CLASS ACTION SETTLEMENT**

3 Plaintiffs Jason Lewis, Danielle Hall, and Justin Thornton hereby respectfully  
4 submit this supplement in support of the amended motion for preliminary approval of  
5 class action settlement. This supplement provides a reference index of the concerns  
6 regarding the Settlement raised by the Court in the hearing on the motion for preliminary  
7 approval held on January 12, 2017 with the corresponding manner in which the parties  
8 addressed the concern in the Amended Settlement now submitted for the Court's  
9 consideration. Defendants consented to the Plaintiffs providing this reference index in  
10 advance of the hearing on the amended motion for preliminary approval scheduled for  
11 Thursday, April 13, 2017.

12  
13 DATED: April 11, 2017

Respectfully submitted,

14  
15 By: /s/ John A. Yanchunis

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	<b>Court’s Comments Regarding Original Settlement</b>	<b>Parties’ Redress In The Amended Settlement</b>
1.	<p>“If the damages aren't anywhere near this, then why don't you renegotiate it and lower the amount. I mean, I understand you're referring to the New York case and what happened there, but that case isn't controlled by <i>Bluetooth</i>.” (Prelim. App. Hearing Trans. (“Trans.”), 6:22-7:1, Jan. 12, 2017.)</p>	<p>The parties negotiated an amended settlement providing a \$1.5 million guaranteed minimum with cap total of \$3.5 million for Tier 2 and 3 claims. If claims filed do not equal or exceed the guaranteed minimum, the remaining portion of the guaranteed minimum will be distributed to a <i>cy pres</i> recipient. (Amended Settlement Agreement (“ASA”) §IV.5, pg. 11.) Settlements with this minimum/maximum structure of this proposed settlement have been approved by courts in this Circuit post-<i>Bluetooth</i>. See, e.g., Order, <i>Vanwagoner v. Siemens Indus., Inc.</i>, No. 2:13-cv-01303-KJM-EFB, Dkt. No. 38 (E.D. Cal. Dec. 17, 2014) (approving a settlement agreement that contained both a cap and a de facto floor on total class member payments); Order Granting Plaintiffs’ Motion for Final Settlement Approval, <i>Vandervort v. Balboa Capital Corp.</i>, No. SACV 11-1578-JLS (JPRx), Dkt. No. 126 (C.D. Cal. Mar. 27, 2014) (approving an agreement that provided for a maximum and minimum total payout).</p>

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<p>2.</p>	<p>“The other issue I have is the release includes a Section 1542 waiver, which provides that a general release does not extend to claims that are unknown at the time the release is executed. A general release under Section 1542 is often far broader than a class-action release, which should be limited to the claims and facts set forth in the operative complaint . . . . So I think you should look at possibly removing Section 9.5 on Page 18 of the settlement agreement.” (Trans., 13:16 – 14:16.)</p>	<p>Section/Language removed from the release in the Amended Settlement Agreement (ASA § IX, pg. 18.)</p>
<p>3.</p>	<p>“[T]he class definition that you want to settle now appears to differ from the class definition in the consolidated complaint.” (Trans., 13:20-22.)                  “But the consolidated complaint makes no mention of the Green Dot prepaid card. . . . either you need to file an amended complaint and put it in, the plaintiffs will need to do that, or you will need to give me authority in the supplemental brief that you're going to file as to why I can release claims.” (Trans., 14:10-15.)</p>	<p>Plaintiffs amended the complaint to include a class definition that mirrored the definition in the settlement agreement. Allegations were amended also to encompass Green Dot cards. (ECF Doc. 89, ¶ 60, pg. 12; ASA § III.2, pg. 8.)                  The parties also submitted a supplemental declaration of Teresa Watkins, VP of Financial Processing Operations for Green Dot Corporation. This supplemental declaration provided further explanation of the various Green Dot prepaid cards affected by the Service Disruption. (Watkins Dec. ¶¶2, 4, pg. 2.)</p>

<p>1 2 3 4 5 6 7 8 9</p>	<p>4. “How did you arrive, for example, at the Tier 2 and Tier 3 claim caps and the aggregate caps? How did you determine that the amounts are adequate, fair, and reasonable? I'll need to see more justification for it in a supplemental brief.” (Trans., 15:9-13.)</p>	<p>Plaintiffs’ memorandum in support of preliminary approval provides details as to the knowledge which guided the parties in their discussions. Specifically, the memorandum sets forth a detailed comparison of the cap amounts with the amounts approved in the UniRush settlement and the actual claims data from the settlement. (Memo. Section IV.A.2., also the Supplemental Declaration of John A. Yanchunis, ¶¶ 7-9, pg. 3-4.)</p>
<p>10 11 12 13 14 15 16 17 18</p>	<p>5. “And with respect to the pre-settlement relief, the settlement agreement states that certain settlement class members with an active account received \$50 credit towards their accounts. . . . But the motion refers to some settlement class members receiving the \$50 credit. Which class members received the \$50 credit?” (Trans., 15:16-22.)</p>	<p>The Amended Settlement Agreement states: “Certain Settlement Class Members who had an active Green Dot account in May and June 2016 received credits to their accounts in the amount of \$50.00 each. Green Dot issued approximately 58,275 \$50 credits (for an approximate total of \$2,913,750.00).” (ASA § IV 1 (b), pg. 9.)</p>
<p>19 20 21 22 23 24 25 26 27 28</p>	<p>6. “The settlement agreement states that plaintiff’s counsel is primarily responsible for causing the defendants to provide the fee holiday and the \$50 credit and defendants were to submit declarations to that effect. Was one submitted? I don't think I saw one about that.” (Trans. 18: 5-9.)</p>	<p>The parties submitted the Declaration of Steven W. Streit, President and CEO of Green Dot Corporation. (Streit Dec. ¶ 3, pg. 2.)</p>

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<p>7.</p>	<p>“With respect to the Tier 1 and the one-month holiday fee, how much are the fees, or the fee? I mean, what is the value? . . . . But I would like to have a sense of what is the value of the fee if you can tell me that.” (Trans. 19:7-22.)</p>	<p>The Amended Settlement Agreement states that the fees for the affected Green Dot cards fell within a range of \$3.00 - \$7.95. (ASA § IV.1 (a), pg. 9.) The supplemental declaration of Teresa Watkins, provides additional information regarding the monthly fees of affected Green Dot prepaid cards. (Watkins Dec. ¶ 4, pg. 2.) For further reference as to the value of the one-month fee holiday, Ms. Watkins states that the two-month Fee Holiday provided to approximately 58, 257 accounts amounted to \$428,268. (Watkins Dec. ¶ 8(a), pg. 3.)</p>
<p>8.</p>	<p>“Now, Tier 3, the settlement agreement states that if class members fail to submit sufficient documentation, their claims will be classified as a Tier 2 claim. Will any effort be made by the settlement administrator to contact the class member to alert him or her of the inadequacy of submissions and to request additional? (Trans. 21:18-24.) I don't think that it's -- it's a lot of effort to draft an e-mail to the person and say, you know: ‘We received your claim submission. It appears to be deficient for the following reasons.’ Give them a deadline.” (Trans. 22:22-25.)</p>	<p>The Amended Settlement Agreement provides that the Settlement Administrator will send an email to Tier 3 claimants whose documentation is insufficient and those claimants will have 30 days from the date of the notice to provide additional documentation. If sufficient documentation is not received within 30 days, the claim will be reclassified as a Tier 2 claim. (ASA § IV.7 (g), pg. 12.)</p>

<p>1 2 3 4 5 6 7 8</p>	<p>9. “I expect more on the notice. Expect a description of all the different documents, what they say.” (Trans. 23:21-23.)</p>	<p>Plaintiffs’ memorandum was amended to fully address the notice program. (Memo. Section III.C.3., pg. 5.) Further, the memorandum was amended to address in greater detail how the proposed notice program meets the requirements of Fed. R. Civ. P. 23(e). (Memo. Section IV.D., pg. 26.)</p>
<p>9 10 11 12 13 14 15 16 17 18 19 20 21 22</p>	<p>10. “[T]he settlement agreement isn't very specific about what's going to be mailed to the class members and what's going to be on the website, so I think it's important to know that.” (Trans., 24:7-9.)</p>	<p>The Amended Settlement Agreement provides that the Mail Notice (Ex. B to the ASA) will be mailed to all class members. (ASA § VII.2, pg. 15.) The Amended Settlement Agreement states that the Short Form Notice (Ex. C) and the Long Form Notice (Ex. D) will be posted on the settlement website. (ASA § VII.4, pg. 16.) Amended Settlement Agreement also specifies that each of these Notices would advise that the Claim Form will be available online for electronic submission or download. The Plaintiffs’ memorandum in support of preliminary approval was amended to provide this information in the section regarding notice. (Memo. Section III.C.3, pg. 5.)</p>

23 DATED: April 11, 2017

Respectfully submitted,

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