THE HONORABLE MICHAEL SCOTT 1 Department 9 Noted for Hearing: March 4, 2024 2 With Oral Argument 3 4 5 6 7 8 IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON 9 **COUNTY OF KING** 10 COLUMBIA DEBT RECOVERY, LLC, a Washington 11 limited liability company, NO. 20-2-16403-8 SEA 12 Plaintiff/ REPLY DECLARATION OF SAM LEONARD IN 13 Counterclaim-Defendant, **SUPPORT OF DEFENDANTS/ COUNTERCLAIM-PLAINTIFFS/THIRD-PARTY** 14 VS. PLAINTIFFS' MOTION FOR ATTORNEYS' FEES, COSTS AND SERVICE AWARDS 15 JORDAN PIERCE, an individual, and DONTE 16 GARDINER, an individual, 17 Defendants/ Counterclaim-Plaintiffs, 18 and 19 **GUSTAVO CORTEZ, TOWANA PELTIER and** 20 DARIUS MOSELY, 21 Third-Party Plaintiffs, 22 vs. 23 COLUMBIA DEBT RECOVERY, LLC, a Washington 24 limited liability company, 25 Third-Party Defendant, 26 27 REPLY DECLARATION OF SAM LEONARD IN SUPPORT OF DEFENDANTS/ COUNTERCLAIM-PLAINTIFFS/THIRD-PARTY PLAINTIFFS' MOTION FOR ATTORNEYS' FEES, COSTS AND SERVICE AWARDS - 1

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and 1 JORDAN PIERCE, DONTE GARDINER, THOMAS G. HELLER, MARY ASHLEY ANCHETA, BETHANY 3 HANSON, MEGAN SHANHOLTZER, CRYSTAL PAWLOWSKI, AND TALIA LUCKEN, 4 Third-Party Plaintiffs, 5 VS. 6 THRIVE COMMUNITIES MANAGEMENT, LLC, 7 a Washington limited liability company, 8 THRIVE COMMUNITIES, INC., a Washington corporation, and BELKORP HOLDINGS, INC., 9 a Washington Corporation d/b/a THE EDEN, 10 Third-Party Defendants. 11 12 I, Sam Leonard, declare under penalty of perjury under the laws of the State of 13 Washington that the following is true and correct to the best of my knowledge: 14 I am co-counsel for Third-Party Plaintiffs in this case. 1. 15 2. I make this declaration based on my own personal knowledge and upon a 16 review of the documents attached hereto. 17 3. I am over the age of 18 and competent to testify to the matters herein. 18 4. I write primarily to provide facts in response to the Declaration of Benjamin J. 19 Stone. 20 5. As an initial matter, Mr. Stone's testimony that he has "dedicated [his] practice 21 exclusively to complex civil litigation" (Stone Declaration ¶ 4) is not accurate. While Mr. Stone 22 does practice complex litigation, he also represents collection agencies in straightforward 23 individual collection abuse cases. For example, attached hereto as Exhibit 5 is a true and 24 correct copy of the complaint filed in the matter of Alex Gallegos vs. National Credit Systems, 25 Inc., King County Superior Court Cs. No. 18-2-09350-3 SEA. I pulled this complaint off of the 26 King Couty Superior Court's electronic records website. Mr. Stone represented National Credit 27 REPLY DECLARATION OF SAM LEONARD IN SUPPORT OF DEFENDANTS/ COUNTERCLAIM-PLAINTIFFS/THIRD-PARTY PLAINTIFFS' MOTION FOR ATTORNEYS' FEES, COSTS AND SERVICE AWARDS - 2 TERRELL MARSHALL LAW GROUP PLLC 936 North 34th Street, Suite 300 Case No. 20-2-09220-7 SEA

Systems (NCS) in this relatively low dollar individual collection abuse case brought against NCS in 2018. Attached as Exhibit 6 is a true and correct copy of a declaration Mr. Stone filed in that case on behalf of NCS.

- 6. Mr. Stone's representation that he exclusively practices complex litigation is not accurate and raises questions about the accuracy of other assertions in his declaration.
- 7. Mr. Stone reasons that this case was not hard fought and is nothing exceptional because "[I]itigation is litigation" and "even in cases that are not contentious, motions to compel are filed because the attorneys simply cannot agree on the scope of all discovery sought." Stone Declaration ¶ 8. Mr. Stone's opinion that discovery disputes are reasonable in all litigation is reflected in *Gallegos*. In *Gallegos*, Mr. Stone's client was sanctioned three times for failing to respond to discovery requests. Attached hereto as Exhibit 7 are true and correct copies of discovery orders in *Gallegos* and the associated sanction orders. The sanctions levied in *Gallegos*, a relatively straightforward individual action, totaled more than \$20,000.
- 8. Here the time spent going back and forth over reasonable discovery requests was largely the result of CDR's refusal to produce certain information and documents, as evidenced by the Court's ruling granting in part Third-Party Plaintiffs' motion to compel. If Mr. Stone's opinion that discovery disputes and time spent reviewing documents are the norm in litigation, the amounts sought in fees related to discovery are reasonable.
- 9. Mr. Stone misreads my time records and opines that this case does not appear to be extremely hard fought in part because there is very little time billed to the task of reviewing discovery records. He states that my time records only reflect 1.4 hours reviewing CDR's discovery responses. That is not accurate. My time records reflect that I spent 4.3 hours reviewing CDR's discovery responses: an hour reviewing CDR's discovery responses on 3/29/2021, .8 reviewing CDR discovery and drafting discovery letter on 5/28/2021, .4 reviewing CDR's discovery on 6/9/2021, an hour reviewing CDR's discovery on 9/1/2021, a half hour reviewing CDR's discovery responses on 4/4/2023, and .2 and .4 an hour related to

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REPLY DECLARATION OF SAM LEONARD IN SUPPORT OF DEFENDANTS/ COUNTERCLAIM-PLAINTIFFS/THIRD-PARTY PLAINTIFFS' MOTION FOR ATTORNEYS' FEES, COSTS AND SERVICE AWARDS - 4

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reviewing CDR discovery on 4/20/2023. Mr. Stone also fails to account for the significant amount of time that I spent reviewing discovery records in preparing briefs, drafting correspondence attempting to obtain complete responses from CDR, and time spent meeting with CDR's counsel regarding its incomplete discovery responses.

10. Regarding Mr. Stone's assertion that I should have been able to handle this case alone and that my rate is higher than he believes is appropriate, it is critical to note three things. First, I represent clients, like Mr. Pierce and Mr. Gardiner, solely on contingency with no guarantee that I will be compensated for the time I spend on litigation. Mr. Stone, who defends collection abuse claims, is paid hourly by his corporate clients. Washington's appellate courts regularly find that comparing the rates charged by defendants' attorneys in consumer protection actions with those of the plaintiffs' attorneys is not appropriate given this distinction in how each is paid. See Ewing v. Glogowski, 198 Wn. App. 515, 525, 394 P.3d 418, 424 (2017) ("The trial court awarded a 1.5 multiplier because of the significant risk that they would never be compensated for their work, because of the remedial nature of the CPA and DTA, and to encourage representation of clients with claims under those statutes. The trial court did not abuse its discretion by awarding attorney fees with a multiplier far greater than the underlying judgment.") Second, consumer protection attorneys that represent consumers in collection abuse litigation are extremely hard to come by. I am one of just a handful of consumer attorneys that represent low-income consumers in debt collection abuse cases. This is because, my clients would not be able to afford legal services were they required to pay hourly rates. Washington courts have repeatedly held that consumer attorneys that practice in my area of the law perform a legal service that is not palatable to most attorneys, indicating the specialized nature of my practice. See Target Nat'l Bank v. Higgins, 180 Wn. App. 165, 193, 321 P.3d 1215, 1229 (2014). Third, I am a solo attorney with a significant case load given the dearth of practitioners willing to represent individuals with issues like my clients. At any given time, I am working multiple class actions and tens of collection abuse and

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consumer debt defense cases, as well as providing pro-bono legal services to others that call my office. I also provide pro bono legal services to individuals that seek help at two consumer debt legal clinics where I volunteer. I co-counsel on a vast majority of my cases. I do this to ensure that my clients receive the same level of representation that their adversaries receive, and, in some instances, to encourage younger attorneys to practice in this area of the law. It would be unwise of me to not co-counsel on a complex consumer class action, such as this case, where two of the defendants are represented by national law firms with hundreds of attorneys.

11. It is important to note that Mr. Stone spends much of his declaration counting attorneys and not time. It is the amount of time spent on a case and the hourly rates of counsel, not the number of attorneys that work on a case, that is determinative of whether the amount of fees sought is reasonable. The Terrell Marshall Law Group, Mr. Arons (prior to his passing), and I have teamed up on numerous consumer class actions and obtained great results for our clients. Our collaboration on cases is a litigation strategy that was successful here and has been successful in numerous cases through which we have helped tens of thousands of individuals that would not otherwise be able to find representation. The result of this case is class members receiving over eighty percent of the damages alleged. An award of the total amount of the fees we are seeking is appropriate and well below prior fee awards our firms have received in similar class cases.

Signed this 16th day of February, 2024.

By: /s/ Sam Leonard Sam Leonard, WSBA #46498

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1	DECLARATION O	F SERVICE
2	I, Blythe H. Chandler, hereby certify that on	February 16, 2024, I caused true and correct
3	copies of the foregoing to be served via the means	indicated below:
5	Brad Fisher, WSBA #19895 Email: bradfisher@dwt.com DAVID WRIGHT TREMAINE LLP	U.S. Mail, postage prepaid Hand Delivered via Messenger Service Overnight Courier
6 7 8	920 Fifth Avenue, Suite 3300 Seattle, Washington 98104 Telephone: (206) 622-3150 Facsimile: (206) 757-7700	☐ Facsimile ☐ Electronic Mail ☐ King County Electronic Filing System
9	Jeffrey I. Hasson, WSBA #23741 Email: hasson@hassonlawllc.com HASSON LAW, LLC	U.S. Mail, postage prepaidHand Delivered via Messenger ServiceOvernight Courier
10 11	9385 SW Locust Street Tigard, Oregon 97223 Telephone: (503) 255-5352	Facsimile Electronic Mail King County Electronic Filing System
12 13 14	Facsimile: (503) 255-6124 Attorneys for Plaintiff/Counterclaim-Defendant Columbia Debt Recovery, LLC	
15 16 17 18 19 20 21 22 23 24 25 26	William H. Walsh, WSBA #21911 Email: wwalsh@cozen.com Karl Neumann, WSBA #48078 Email: kneumann@cozen.com Email: krhym@cozen.com Email: dmargulis@cozen.com Email: dbowzer@cozen.com COZEN O'CONNOR 999 Third Avenue, Suite 1900 Seattle, Washington 98104 Telephone: (206) 340-1000 Attorneys for Third-Party Defendants Thrive Communities Management, LLC and Thrive Communities, Inc.	□ U.S. Mail, postage prepaid □ Hand Delivered via Messenger Service □ Overnight Courier □ Facsimile □ Electronic Mail □ King County Electronic Filing System
27	REPLY DECLARATION OF SAM LEONARD IN SUPPORT OF DEFI COUNTERCLAIM-PLAINTIFFS/THIRD-PARTY PLAINTIFFS' MOT ATTORNEYS' FEES. COSTS AND SERVICE AWARDS - 6	·

1 2 3 4 5 6 7	Scott R. Weaver, WSBA #29267 Email: weaver@carneylaw.com Kenneth Wayne Hart, WSBA #15511 Email: hart@carneylaw.com Email: weinberg@carneylaw.com Email: fuhrmann@carneylaw.com Email: caufman@carneylaw.com CARNEY BADLEY SPELLMAN, P.S. 701 Fifth Avenue, suite 3600 Seattle, Washington 98104 Telephone: (206) 607-4165 Facsimile: (206) 467-8215	
8	Attorneys for Third-Party Defendant	
9	Belkorp Holdings, Inc., d/b/a The Eden	
10	I declare under penalty of perjury under the laws of the State of Washington and the	
11	United States that the foregoing is true and correct.	
12	DATED this 16th day of February, 2024.	
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14	By: <u>/s/ Blythe H. Chandler, WSBA #43387</u> Blythe H. Chandler, WSBA #43387	
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