

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

KATHLEEN RYAN-BLAUFUSS,
CATHLEEN MILLS and KHEK KUAN, on
behalf of themselves and all others similarly
situated,
Plaintiffs

v.

TOYOTA MOTOR CORPORATION,
TOYOTA MOTOR SALES, U.S.A., INC.,
and DOES 1-10, inclusive
Defendants

STEVEN KOSAREFF and LAURA KAKISH,
on behalf of themselves and all others
similarly situated,
Plaintiffs

v.

TOYOTA MOTOR CORPORATION,
TOYOTA MOTOR SALES USA, INC., and
DOES 1-10, inclusive,
Defendants

No. 8:18-CV-00201-JLS-KES

**FINDINGS REGARDING
CATALYST ISSUES**

Special Master Patrick A. Juneau

The catalyst theory permits an award of attorney fees “without a corresponding alteration in the legal relationship of the parties.” *Graham v. DaimlerChrysler Corp.*, 34 Cal. 553, 570 (2004) (quoting *Buckhannon Board & Home Care, Inc. v. W. Va. Dept. of Health and Human Servs.*, 532 U.S. 598, 605 (2001)) (emphasis in original). Because the parties’ settlement agreement has altered their legal relationship (or will, assuming that the Court ultimately approves the parties’ agreement), there are common law and statutory bases for awarding attorney fees. See Cal. Civ. Code § 1780(e); Cal. Code Civ. Proc. § 1021.5; *Fletcher v. A. J. Indus., Inc.*, 266 Cal. App. 2d 313, 324–25 (1968). Thus, to that extent, the catalyst theory is inapplicable. *Vasquez v. State of California*, 45 Cal. 4th 243, 260 (2008).

Nonetheless, Plaintiffs seek an independent assessment of whether the Litigation was a catalyst that motivated Toyota to conduct Safety Recalls J0V and 20TA10 to determine the value

of the benefits conferred by their settlement of the Litigation, and whether Plaintiffs are entitled to “credit” for the monetary value of the recall software as determined from Settlement Class Members’ perspective. Accordingly, the causation aspect of the catalyst issue is the important issue here.

Having considered Plaintiffs’ Memorandum of Points and Authorities regarding Catalyst Issues, the evidence submitted therewith, and the parties’ oral presentations regarding this matter, I hereby make the findings set forth below, each of which is based on substantial evidence. *See Godinez v. Schwarzenegger*, 132 Cal. App. 4th 73, 91-92 (2005) (discussing substantial evidence requirement).

1. Catalytic Effect. The prosecution of the above-captioned consolidated class-action lawsuits (the “Litigation”) was a catalyst motivating Defendants Toyota Motor Corporation and Toyota Motor Sales U.S.A., Inc. (collectively, “Toyota”) to provide the primary relief sought by Plaintiffs Kathleen Ryan-Blaufuss, Cathleen Mills, Khek Kuan, Steven Kosareff, and Laura Kakish, on behalf of themselves and all others similarly situated (collectively, “Plaintiffs”). Having reviewed the materials that Plaintiffs have provided to me, I find that Safety Recalls J0V and 20TA10 have achieved the primary relief Plaintiffs sought in the Litigation, and that the Litigation was a catalyst in Toyota providing that relief, as well as an extended warranty (Warranty Enhancement Program 20TE10) that extends coverage to 20 years from first use without no mileage limitation, which has been modified to provide additional benefits by virtue of the Settlement Agreement the parties negotiated.

2. Merits of the Litigation. The claims Plaintiffs have alleged in the Litigation seek to benefit hundreds of thousands of consumers. Having become familiar with the claims and the defenses at issue in the Litigation before and after my appointment as Special Master, I find that the Litigation achieved its catalytic effect as a result of its merit, and not due to nuisance or expense.

3. Reasonable Attempts to Resolve the Litigation. I find Plaintiffs’ efforts to resolve the litigation by sending demand letters at the outset of the Litigation constituted a sufficient attempt to resolve their dispute with Toyota. *See, e.g., Graham*, 34 Cal. at 577 (“Lengthy prelitigation negotiations are not required, nor is it necessary that the settlement demand be made by counsel, but a plaintiff must at least notify the defendant of its grievances and proposed remedies and give the defendant the opportunity to meet its demands within a reasonable time”); *see also Vasquez*, 45 Cal. 4th at 257-60.

DATED: November 11, 2021



PATRICK A. JUNEAU
Special Master