

**UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS**

Johnny Cruz, on behalf of himself and all others similarly situated,

Plaintiff,

v.

Raytheon Company, Kelly B. Lappin, in her capacity as Plan Administrator for the Raytheon Company Pension Plan for Hourly Employees, the Raytheon Company Pension Plan for Salaried Employees, the Raytheon Non-Bargaining Retirement Plan, the Raytheon Bargaining Retirement Plan, and the Raytheon Retirement Plan for Engineers & Contractors, Inc. and Aircraft Credit Employees, and John/Jane Does 1-10,

Defendants.

Case No. 1:19-cv-11425-PBS

**DECLARATION OF DOUGLAS P. NEEDHAM IN SUPPORT OF PLAINTIFF'S  
MOTION FOR FINAL APPROVAL OF CLASS SETTLEMENT AND MOTION FOR  
ATTORNEYS' FEES, EXPENSES AND CASE CONTRIBUTION AWARD**

I, Douglas P. Needham, pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am a partner with the law firm of Izard, Kindall & Raabe ("IKR"), co-counsel for the Plaintiff, Johnny Cruz ("Plaintiff" or "Cruz"). I make this Declaration in support of Plaintiff's Motion for Final Approval of Class Settlement and Motion for Attorneys' Fees, Expenses and Case Contribution Award. A true and accurate copy of the proposed Settlement Agreement, and the exhibits thereto, is attached as Exhibit A to this Declaration.

2. I have been actively involved in the prosecution of this Action, am familiar with its proceedings, and have personal knowledge of the matters set forth herein based on my active supervision and participation in all material aspects of the Action and if called to do so, I could and would testify competently thereto.

**I. Summary of Plaintiff's Claims**

3. Plaintiff filed this Action on behalf of participants and beneficiaries receiving pension benefits in the form of a Joint and Survivor Annuity (“JSA”) or Preretirement Survivor Annuity (“PSA”) from six pension plans (the “Covered Plans”) sponsored by Raytheon: the Raytheon Retirement Plan for Engineers & Contractors, Inc. and Aircraft Credit Employees (“RE&C Plan”); the Raytheon Bargaining Retirement Plan (“Bargaining Plan”); the Raytheon Company Pension Plan for Hourly Employees (“Hourly Plan”); the Raytheon Company Pension Plan for Salaried Employees (“Salaried Plan”); and the Raytheon Non-Bargaining Retirement Plan (“Non-Bargaining Plan”). Each of the Covered Plans is part of the Raytheon Master Pension Trust (“Master Trust”).

4. Under Section 205(d) and (e) of ERISA, a plan’s “Qualified Joint and Survivor Annuity” (the “QJSA”), Qualified Optional Survivor Annuities (“QOSAs”) offered by a plan must be “actuarially equivalent” to the single-life annuity (“SLA”) that the participant could have taken when he or she began receiving benefits, and Qualified Pre-Retirement Survivor Annuities (“QPSAs”) must be equal to the survivor benefit of the plan’s QJSA. Complaint (“Compl.”), Dkt. 1, at ¶¶ 19–22 (citing ERISA Section 205(d) and (e), 29 U.S.C. §§ 1055(d) and (e)). Two benefit forms are “actuarially equivalent” when they have the same present value, so long as the present values of both benefits are calculated using the same, reasonable actuarial assumptions. *Id.* at ¶¶ 27–30.

5. The actuarial assumptions that are used to calculate present values for purposes of determining actuarial equivalence involve mortality and interest rates. Mortality assumptions, which are generally based on a mortality table, estimate how long benefit payments will be made and, therefore, how many benefit payments will be made, based on the ages of the participant and,

(in the case of JSAs), the beneficiary. Interest rate assumptions discount the value of expected future payments to a present value. The Complaint alleges that Raytheon calculated Class Members' JSA and PSA benefits using outdated mortality and interest rate assumptions (or conversion factors based on, or consistent with, outdated mortality and interest rate assumptions), which caused Class Members' benefits to be less than an "actuarially equivalent" amount. Dkt. 1, ¶¶ 1, 84, 89. In other words, Plaintiff alleged that (a) the present values of Class Members' JSA benefits generally were less than present values of the SLAs they could have taken when they retired using mortality and interest rate assumptions that were reasonable when Class Members began receiving their benefits; and (2) that PSA benefits were lower than the survivor portion of the plan's Qualified JSA that would have been actuarially equivalent to an SLA on the date benefits commenced.

## **II. Summary of the Litigation**

6. Prior to filing the Complaint, IKR and co-counsel Bailey & Glasser LLP (B&G) engaged in a detailed investigation of the terms of the Covered Plans and applicable law and regulations. We consulted with an actuarial expert, Dr. Mitchell I. Serota, concerning the Covered Plans' actuarial assumptions and how benefits were calculated under those assumptions.

7. Plaintiff filed the Complaint on June 27, 2019. Dkt. 1. On September 9, 2019, Defendants filed a Motion to Dismiss the Complaint. Dkt. 7. On September 30, 2019, Plaintiff filed a memorandum in opposition to Defendants' motion. Dkt. 19. Defendants filed a reply memorandum on October 18, 2019. Dkt. 22. On December 9, 2019, the Court held a hearing on Defendants' motion to dismiss (Dkt. 26), and, on January 17, 2020, issued a written decision denying the motion. Dkt. 28.

8. On February 3, 2020, the Court entered a Scheduling Order which identified as a

“threshold issue. . . . the question of whether the .90 conversion factor used” to calculate Mr. Cruz’s JSA violated ERISA’s actuarial equivalence requirement. Dkt. 34. Under the Scheduling Order, the Parties engaged in document discovery and exchanged expert reports. *Id.* Defendants produced thousands of pages of documents, many of which were dense reports requiring an in-depth knowledge of actuarial issues. Between March 6 and August 7, 2020, the Parties engaged in fact and expert discovery, including the exchange of expert reports and depositions of the Parties’ respective actuarial experts. Dkt. 34.

9. In his report dated April 24, 2020 (the “Serota Report”), Plaintiff’s expert opined that the applicable conversion factor for each plan participant should have been based on reasonable mortality and interest rate assumptions as of the date of that participant’s retirement. The Serota Report determined the amount of the JSA that was actuarially equivalent to the SLA that Mr. Cruz could have selected when he retired. Serota’s actuarial equivalence calculation was based on (a) the mortality table in Raytheon’s 715 Report (blended 50% male and 50% female) for the year ending before the Mr. Cruz retired; and (b) the discount rate on the December 31 before Mr. Cruz retired based on the FTSE Above-Median Index (which closely tracks the rates in Raytheon’s 715 reports for the Mr. Cruz’ plan). Serota Report, Dkt. 61-8, at ¶ 102. The Serota Report then compared the monthly benefit that Mr. Cruz is currently receiving to the JSA that was actuarially equivalent to the SLA that Mr. Cruz could have selected when he retired. Based on that analysis, Serota concluded that Mr. Cruz’s JSA benefit was less than the actuarial equivalent of the SLA that he could have taken.

10. After the completion of expert discovery, the Parties each moved for summary judgment and filed supporting and opposition briefs. Dkts. 49, 54, 62 & 64. Plaintiff filed the Serota Report in support of his Motion for Summary Judgment and also moved to exclude the

testimony of Defendants' expert, Thomas Terry. Dkt. 53.

### **III. Settlement Discussions**

11. In mid-September of 2020, the Parties had preliminary discussions concerning whether the case might be resolved by settlement. These discussion continued over a period of months, and included multiple teleconferences, conference calls, and written communications. The Parties thoroughly discussed their evaluations of the strengths and weaknesses of the case and exchanged multiple settlement proposals.

12. The Parties reached an agreement in principle on November 16, 2020 that Class Members would recover 40% of their total calculated benefit shortfall using the methodology set forth in the Serota Report both for past and future benefit payments, less any amounts awarded by the Court for attorneys' fees and expenses, as well as any case contribution award for Mr. Cruz. This allowed the Parties to inform the Court, during a November 19, 2020 conference, that the Parties had reached an agreement in principle. The Court set a January 27, 2021 hearing date to consider a Motion for Preliminary Approval. Dkt. 69.

13. The Parties next negotiated a term sheet (the "Term Sheet") that reduced to writing the essential terms of the proposed Settlement. The Parties finalized the Term Sheet on November 23, 2020. In the Term Sheet, the Defendants agreed to provide data necessary for Plaintiff's actuarial expert to review and opine on the damages calculations generated by applying the terms of the Settlement to the information maintained by the Covered Plans for each individual Class Member.

14. Defendants provided data to Plaintiff concerning the recalculation of benefits pursuant to the terms of the Settlement for each Class Member. Plaintiff engaged Serota & Associates Inc. to review and analyze the data. After extensive review, which included questions,

comments and revisions relayed through counsel, Serota & Associates concluded that the final dataset performed the calculations consistent with the requirements of the Settlement. *See* Declaration of Mitchell I. Serota, attached as Exhibit B, at ¶¶ 20-22.

15. While counsel worked with the experts to validate the data file that would be used to calculate settlement benefits, the Parties also began to negotiate the text of the detailed Settlement Agreement. The Parties reached agreement on all terms other than attorneys' fees by the end of January. In accordance with the provisions of the Term Sheet, Plaintiff also produced data and analysis to Defendants concerning the issue of attorneys' fees and expenses. The Parties negotiated that issue last and came to agreement on that term of the Settlement on February 5, 2021.

16. The Settlement Agreement was finalized and executed on February 12, 2021.

17. On February 12, 2021, Plaintiff filed an unopposed motion for preliminary approval of the Settlement, which the Court granted on February 23, 2021. *See* Dkts. 76, 79.

#### **IV. Analysis of Key Settlement Terms**

18. ***Total Benefit to the Class:*** If Plaintiff had prevailed at trial on both liability and damages, the "make whole" relief would have been the difference in value of JSAs and PSAs calculated during the Class Period with the Covered Plans' assumptions compared to the Serota Assumptions. The present value of that difference is approximately \$147.92 million. The value of the proposed Settlement, approximately \$59.17 million, is 40% of this maximum damage amount.

19. Based on an analysis of the data provided by Defendants and reviewed by Plaintiff's expert, the Settlement will provide real and meaningful benefits. The following chart shows the calculated shortfall, damages, gross recovery and recovery net of fees and expenses based on average and median class members, as well as showing the maximum amount under the

Settlement. The second half of the chart provides the same analysis with respect to present value:

Measure	Average	Median	Maximum
<b>Monthly Benefits</b>			
Class Member monthly benefit payment shortfall	\$ 51.88	\$ 13.89	\$ 1,136.22
Class Member annuitized monthly damages	\$ 62.97	\$ 34.60	\$ 1,812.13
Class Member gross monthly benefit adjustment	\$ 25.19	\$ 13.84	\$ 724.85
Class Member net monthly benefit adjustment	\$ 21.40	\$ 11.76	\$ 615.83
<b>Present Values</b>			
Present value of damages per Class Member	\$ 13,939	\$ 3,595	\$ 326,563
Present value of gross settlement per Class Member	\$ 5,576	\$ 1,438	\$ 130,625
Present value of net settlement per Class Member	\$ 4,737	\$ 1,222	\$ 110,979

20. Class Members will receive the increase in benefits in the same form as the pension benefits that are the basis of their claims. Further, because Class Members receive additional pension benefits over the course of their lifetimes, as opposed to a single lump sum payout, they can avoid the potential tax repercussions that can accompany a large payout. In prior cases that I have worked on, some retirees have raised concerns that receiving a single lump sum payout was not ideal because it could impact their taxes and/or jeopardize their eligibility for certain health insurance benefits, which are dependent on annual income amounts. Additionally, the Settlement is non-reversionary. The payments will be made automatically and fully over the course of the Class Members' lives, ensuring that none of the Settlement will be returned to Raytheon.

21. ***Equitable Treatment of Class Members:*** The methodology for calculating each Class Member's benefit flows directly and necessarily from the claims alleged in the Complaint. Each Class Member's JSA or PSA benefit is compared to the benefit that would have resulted from using the Serota Report analysis (the "Serota Assumptions"). If the actual benefit is less than Serota opined it should have been, the Class Member will receive an increase in his or her monthly benefit payments. That increase will take into account both past annuity payments and annuity payments to be made in the future. Each Class Member will receive exactly the same percentage of the difference in the total value of their pension benefit compared to the value of the benefit

they would have received using the Serota Assumptions. Class Members who are already receiving a monthly benefit that exceeds the actuarial equivalent of the SLA they could have selected (or, for PSAs, the survivor benefit they could have received if the Serota Assumptions were used to calculate it) will not receive increased benefits under the Settlement because they have no calculable loss; however, no Class Member's current benefit amounts will be reduced. The Settlement is thus structured to ensure that every Class Member is treated equitably, receiving a benefit increase that reflects their damages under the theory of the case.

22. **Release:** If approved, all Class Members will be deemed to provide a release of certain claims. Plaintiff took care to ensure that the scope of the release is tailored to the claims at issue in the case. Specifically, the Settlement releases only claims “arising on or before December 31, 2020 (1) that were brought, or could have been brought, arising out of or relating to the allegations in the Complaint, or (2) relating to the actuarial assumptions or factors used by the Covered Plans to calculate benefits.” Settlement, § IV.A. The Settlement further specifies that “individual claims by Class Members (other than Plaintiff) that are not related to the conversion of an SLA to a JSA or a PSA” are not released. *Id.*

23. **Provisions Related to Attorneys' Fees, Expenses and Case Contribution Award:** As noted above, the Parties first negotiated the terms of the Class-wide benefits that would be provided under the Settlement. These negotiations created a definitely determinable benefit increase amount, the present value of which is \$59.17 million. Under the Settlement, Plaintiff will ask the Court to make an award of attorneys' fees and expenses, together with a case contribution award for Mr. Cruz. As in any common fund case, these awards would be paid by the Class by reducing each Class Member's calculated benefit by a percentage that is equal to the award's percentage of the total Settlement's present value.



24. The Settlement caps the total amount that Plaintiff may request for attorneys' fees, expenses and the Case Contribution Award at \$8.9 million. Importantly, while Plaintiff cannot request more than this amount, the Settlement specifically reserves Defendants' right to object to Plaintiff's request. There is no "clear sailing" provision. Moreover, the Settlement is not conditioned upon the Court awarding a particular amount for fees, expenses or a Case Contribution Award. If the Court approves the requested fees, expenses and Case Contribution Award in full, each Class Member's benefit increase will be reduced by approximately 15.04% ( $8.9 \div 59.17 = 0.1504$ ). As a result, each Class Member would receive 34% of their maximum damages ( $59.17 - 8.9 = 50.27$ ;  $50.27 \div 147.92 = 0.34$ ).

#### **V. Evaluation of the Reasonableness of the Settlement**

25. IKR has substantial experience in class actions, complex litigation and ERISA litigation. A copy of the firm's resume is attached to this Declaration as Exhibit C. Over the course of the past several years, IKR and B&G have served as counsel for Plaintiffs in several cases involving ERISA's actuarial equivalence requirements. Published decisions in these cases include *Herndon v. Huntington Ingalls Indust. Inc.*, No. 19-52, 2020 WL 5809965, at \*1 (E.D. Va. Aug. 28, 2020) (cross-motions for summary judgment), *report and recommendation adopted sub nom. Herndon v. Huntington Ingalls Indus., Inc.*, No. 19-52, 2020 WL 5809996 (E.D. Va. Sept. 29, 2020); *Belknap v. Partners Healthcare Sys., Inc.*, No. 19-11437-FDS, 2020 WL 4506162 (D. Mass. Aug. 5, 2020) (motion to dismiss); *Smith v. Rockwell Automation, Inc.*, 438 F. Supp. 3d 912 (E.D. Wis. 2020) (same); *Duffy v. Anheuser-Busch Companies, LLC*, 449 F. Supp. 3d 882 (E.D. Mo. 2020) (same); *Smith v. U.S. Bancorp*, No. 18-3405, 2019 WL 2644204, at \*1 (D. Minn. June 27, 2019) (same); *Torres v. Am. Airlines, Inc.*, 416 F. Supp. 3d 640 (N.D. Tex. 2019) (same).

26. Based on our experience, knowledge of evolving caselaw and substantial investigation of the facts at issue in this case, IKR strongly supports the proposed Settlement. Several factors are particularly important to this analysis.

27. While the case survived Defendants' Motion to Dismiss (and, in Counsel's view, was likely to survive Defendants' Motion for Summary Judgment), both liability and damages turned on the Parties' experts' dueling views of "reasonable" actuarial assumptions. Defendants' expert, Mr. Terry, provided an expert report and testimony suggesting that the JSA benefits received by Mr. Cruz and, by extension, other Class Members, met ERISA's actuarial equivalence requirements. Dkt. 61-9. If the Court had credited Terry entirely, Plaintiff's case would have failed altogether. If the Court had credited Terry even *in part*, damages to the Class might have been dramatically lower. For example, even if the Court only credited Terry's proposed discount rate assumption, that would have substantially lowered the amount of damages. Plaintiff believes that Terry's analysis is incorrect and that it would not prevail at trial. However, cases that turn on the testimony of battling experts in arcane fields present significant risks for both parties.

28. This case was filed on June 27, 2019, which coincidentally was the same date that Judge Magnuson denied a motion to dismiss in *Smith v. U.S. Bancorp*, No. 18-3405-PAM-KMM, 2019 WL 2644204, at \*1 (D. Minn. June 27, 2019)). Prior to that date, no court had ruled on whether plans that used outdated actuarial factors might violate ERISA's actuarial equivalence requirements. While the statutory requirement is long-standing, until that time its application had not been tested in court. Even as of now, no similar case has gone to trial, nor has any appellate court weighed in on the soundness of the legal theory at the heart of the case. Defendants have made numerous legal arguments that, if credited, would result in a judgment in their favor. While Plaintiff believes that Defendants' legal arguments are without merit, there is no question that this

area of law is evolving and that Defendants' arguments create a risk that Plaintiff might recover less than a full recovery, or nothing at all.

## **VI. Evaluation of the Reasonableness of the Attorneys' Fee Request**

29. Plaintiff has requested an award of \$8,501,751.77 in attorneys' fees. As noted above, the Settlement provides that this amount will be paid by the Defendant in the first instance, but, like payments for litigation expenses and the Case Contribution Award (discussed below), the percentage of the Settlement awarded in attorneys' fees will be applied as a reduction to Class Members' future benefits. In this way, the Class that benefits from the Settlement will share equally in paying for the legal services that generated that benefit, just as in any other common fund case.

30. Plaintiff's requested fee is 14.37% of the Settlement's \$59.17 million present value. "Standard awards in the First Circuit range from 20% at the low end to 33% at the high end. More commonly, courts in this Circuit award fees between 25% (the benchmark) and 30%." *Bettencourt v. Jeanne D'Arc Credit Union*, No. 17-12548-NMG, 2020 WL 3316223, at \*2 (D. Mass. June 17, 2020) (citing cases).

31. This case is factually, technically and legally complex, requiring counsel to master then intricacies of obscure provisions of ERISA, the Pension Protection Act, the Tax Code and implementing regulations, as well as the complexities of actuarial valuations and benefit calculations. It could only be litigated by firms with a high degree of competence in ERISA law, complex litigation and class actions. The attorneys at IKR and B&G are well-qualified. Indeed, they are almost the only firms involved in litigating the question of whether retirement plans that have failed to update their actuarial assumptions and conversion factors are providing actuarially equivalent benefits to plan participants.

32. Litigating the case on a pure contingency required counsel to shoulder an unusually high degree of risk. The theory of the case was novel and untested, and proving both liability and damages required sophisticated expert testimony. Just developing the complaint and the expert testimony concerning the Court's narrowed question of actuarial equivalence for Mr. Cruz's benefit under one of the Covered Plans required the expenditure of over \$300,000. If the case been litigated to trial, counsel would have had to pay far greater amounts out of pocket, with no assurance of recovering those expenses, not to mention the investment of countless hours of attorney time.

#### **VII. Information Concerning Counsel's Lodestar and Expenses**

33. In preparation for filing this motion, I reviewed IKR's time and out-of-pocket expenses in connection with the current litigation.

34. The information in this declaration regarding my firm's time and expenses is taken from contemporaneous time and expense printouts prepared and maintained by my firm in the ordinary course of business. The time reflected in my firm's lodestar calculation and the expenses for which payment is sought are reasonable and were necessary for the effective and efficient prosecution and resolution of the litigation. In addition, the expenses are all of a type that would normally be charged to a fee-paying client in the private legal marketplace. IKR prosecuted this case on a wholly contingent basis and has not received any compensation to date for either its litigation expenses or its time.

35. A summary of IKR's hours and lodestar in the case as of April 14, 2021, is shown in the following table:

Attorney	Years of Practice	Rate	Hours	Lodestar
Robert A. Izard	37	\$ 925	355.75	\$ 329,068.75
Mark P. Kindall	32	\$ 850	490.75	\$ 417,137.50
Craig A. Raabe	32	\$ 850	1.75	\$ 1,487.50
Seth R. Klein	24	\$ 750	29.25	\$ 21,937.50
Douglas P. Needham	12	\$ 650	803.25	\$ 522,112.50
Oren Faircloth	4	\$ 350	283.25	\$ 99,137.50
Jude Reid	Paralegal	\$ 180	21.75	\$ 3,915.00
<b>Total</b>			1,985.75	\$1,394,796.25

36. Biographical details for the IKR attorneys who worked on the case are included at the end of the Firm's resume, attached as Exhibit C to this declaration.

37. The hourly rates shown in the chart are IKR's normal rates for both hourly customers and class action work (although hourly clients can receive a discount for prompt payment). IKR's class action work is a specialized national practice; we do not charge differential rates based on the location where a lawsuit is filed. Courts have approved IKR's fees in class actions litigated all over the country.

38. In the course of our nationwide practice, attorneys at IKR have worked with many of the firms that typically represent plaintiffs in ERISA class actions nationwide. As a result, we are familiar with the rates charged by other firms in our practice area. In our experience, our rates are broadly in line with rates of other firms with nationwide ERISA class action practices, and have been the basis for awards of fees in courts around the country.

39. Firms that litigate high-stakes class action cases against major international corporations such as Raytheon can only succeed with lawyers who are able to match the experience, talent and resources of the largest, most respected law firms in the country. The firms

representing Defendants in this action – Covington & Burling LLP and Goodwin Procter LLP – are both major national and international firms, each with over 1300 lawyers and each with offices around the country and around the world. Attorneys at Covington & Burling and Goodwin Procter have hourly rates that generally exceed those of either IKR or B&G.

40. The following chart compares the hourly rates for Plaintiff’s counsel in this case who billed the majority of the hours in the litigation to billing rates shown for attorneys from Defendants’ firms in the recent cases of *Kravitz v. U.S. Dept. of Commerce*, No. 18-cv-1041 (D. Md. Aug. 15, 2019) (attached as Exhibit D) and *In re: Anthony Scott Levandowski*, No. 20:30242 (U.S. Bankruptcy Ct. N.D. Cal. Jan. 15, 2021) (attached as Exhibit E):

Plaintiff's Counsel	Years of Practice & Hourly Rates for Plaintiff's Counsel	Years of Practice & Hourly Rate, C&B, 2019 Filing in <i>Kravitz v. DOC</i>	Years of Practice & Hourly Rate, GP 2020 Filing in <i>In re: Levandowski</i>
Robert Izard, IKR	37/\$925	26/\$1120	26/\$1160
Mark Kindall, IKR	32/\$850	26/\$1120	26/\$1160
Gregory Porter, B&G	25/\$900	26/\$1120	26/\$1160
Douglas Needham, IKR	12/\$650	14/\$895	11/\$870
Mark Boyko, B&G	17/\$650	14/\$895	11/\$870
Oren Faircloth, IKR	4/\$350	4/\$625	4/\$780

41. Neither *Kravitz* nor *Levandowski* were ERISA cases. However, hourly rates charged in those cases are not dissimilar to rates charged by the large, national law firms that typically defend major ERISA class actions. A 2018 study of attorney rates by Valeo Partners, which was submitted in support of the approval of a class action settlement in *Moitoso v. FMR LLC*, No. 1:18-cv-12122-WGY (D. Mass.) provided information on hourly rates of attorneys from a variety of firms and practice areas. A copy of the Valeo Partner’s Report is attached as Exhibit F. The report included rates for many of the firms that we have litigated against in complex and sophisticated class actions over the years: DLA Piper, Jones Day, Sidley Austin, Morgan, Lewis

& Bockius, Gibson, Dunn & Crutcher, Paul Weiss, Goodwin Procter, Alston & Bird and O'Melveny & Myers. The average rates shown in the report for these nine firms' ERISA practice groups are shown in the following table:

Attorney Designation	Hourly Rate
Senior Partner (25+ Years' experience)	\$1175
Partner (<25 Years' experience)	\$1043
Senior Associate (>5 Years' experience)	\$871
5th Year Associate	\$502
3rd Year Associate	\$400

42. Again, the rates shown in the chart above are generally higher – and, in the case of senior partners, substantially higher – than the hourly rates charged by IKR or B&G.

### **VIII. Information Concerning Expenses**

43. IKR and B&G have also incurred \$388,248.23 in out-of-pocket expenses while prosecuting this case. B&G's expenses, which total \$ 182,954.37 to date, are detailed in paragraph 3 of the accompanying declaration of Gregory Porter. To date, IKR's out-of-pocket expenses for this litigation are \$205,293.86, as summarized by category in the table below. IKR and B&G are not including in their claimed litigation expenses the payments made to Professor Charles Silver for his opinion concerning the requested fee award.

Category	Amount
Court Costs	\$1,300.00
Expert Fees	\$193,979.23
Research/Discovery	\$163.90
Sheriff/Service Fees	\$85.00
Transcripts	\$8,667.15
Costs for presentation materials for hearing	209.06
Travel	\$618.69
Postage/Delivery	\$270.83
<b>Total Expenses</b>	<b>\$205,293.86</b>

44. In addition, Plaintiff's personal attorneys, James Glaser and Sean C. Flaherty of Keches Law Group, P.C., devoted their time to the case and will be compensated from the award to Class Counsel in accordance with a fee agreement approved by Plaintiff. A copy of Attorney Flaherty's declaration is attached as Exhibit G.

#### **IX. Information About the Case Contribution Award**

45. Class Counsel has requested that the Court award a case contribution award to Mr. Cruz of up to \$10,000. That amount would reduce the amount awarded for attorney's fees and expenses.

46. Mr. Cruz has been an active participant in the litigation from the outset, providing documents to Plaintiff's counsel, reviewing court filings and consulting with counsel when the Settlement was being negotiated. The case could not have been litigated without Mr. Cruz. His efforts on behalf of all members of the Class deserve compensation. A declaration from Mr. Cruz is attached as Exhibit H.



**X. Information Concerning Notice to the Class**

47. Under the Settlement Agreement, Defendants agreed to provide Class Members with copies of the approved Class Notice by First Class Mail, addressed to the address of each Class Member as shown on Raytheon's records. Settlement, Section II.B.2. Counsel for Defendants confirmed that Defendants sent 10,605 copies of the Class Notice by First-Class Mail on April 9, 2021, and the Settlement website, <https://www.raytheonpensionsettlement.com/>, which contains a copy of the Class Notice, the Settlement Agreement and exhibits, and the Court's Preliminary Approval Order, went live on March 29, 2021. IKR has already received inquiries from Class Members who have received their notices.

**XI. Expert Declaration**

48. Following the Court's approval of Plaintiff's Motion for Preliminary Approval, Class Counsel retained Charles Silver, the Roy W. and Eugenia C. McDonald Chair of Civil Procedure at the University of Texas School of Law, to provide the court with an expert opinion on the question of whether the counsel's fee request is reasonable. Professor Silver has provided a declaration concerning the fee issues in this case, which is attached as Exhibit I. As noted above, Class Counsel are not seeking reimbursement for the amounts paid to Professor Silver for his opinion in this case.

**XII. Unpublished Decisions Cited In Briefs**

49. The Memorandum of Law In Support of Plaintiff's Motion for Final Approval of Class Settlement and the Memorandum of Law in Support of Plaintiff's Motion for Attorneys' Fees, Expenses and a Case Contribution Award cite several unpublished decisions, which are attached to this declaration in Exhibit J. The decisions are: *Moitoso v. FMR, LLC, et al.*, No. 18-12122, Dkt. No. 271 (D. Mass. Feb. 26, 2021); *Owens v. Metropolitan Life Ins. Co.*, No. 14-74,

Dkt. No. 239 (N.D. Ga. Nov. 19, 2019); *Prince v. Eaton Vance Corp.*, No. 18-12098, Dkt. No. 57 (D. Mass Sept. 24, 2019); *Richards-Donald v. Teachers Insurance and Annuity Ass'n of America*, No. 15-8040, Dkt. No. 55 (S.D.N.Y. Oct. 20, 2017); *Velazquez v. Massachusetts Fin. Services Co.*, No. 17-11249 Dkt. No. 108 (D. Mass Dec. 5, 2019)

I declare under penalty of perjury that the foregoing is true to the best of my knowledge information and belief.

Executed this 16th day of April, 2021 in West Hartford, Connecticut.

/s/ Douglas P. Needham  
Douglas P. Needham