IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Richmond Division

MARIA CAMILA VALENCIA RIOS, AQUARIUS FILALI, and NADJI FILALI, *on behalf of themselves and all similarly situated individuals,* Plaintiffs, v. BELVEDERE NRDE, LLC, PEGASUS RESIDENTIAL, LLC, and GLENMOOR OAKS NRDE, LLC, Defendant.	Civil Action No. 3:25-cv-00474-REP-MRC

PLAINTIFFS' MEMORANDUM IN SUPPORT OF
MOTION FOR ATTORNEYS' FEES, COSTS, AND SERVICE AWARDS

Plaintiffs Maria Camila Valencia Rios, Aquarius Filali, and Nadji Filali, on behalf of themselves and the Settlement Class Members, submit this Memorandum in Support of their Motion for Attorneys' Fees, Costs, and Service Awards.

I. INTRODUCTION

Plaintiffs filed this class action against Defendants Pegasus Residential, LLC, Belvedere NRDE, LLC, and Glenmoor Oaks NRDE, LLC, alleging that Defendants violated the Virginia Consumer Protection Act and the Virginia Residential Landlord Tenant Act by imposing and misrepresenting several tenant "junk fees," including a Community Fee, a Pest Fee, and a Lease Administration Fee. Junk fees are commonly defined as "add-on charges that provide little to no value in exchange" for the price. Luke Herrine, *Unfairness, Reconstructed*, 42 Yale J. on Reg. 95, 122 (2025). Businesses use these fees to slowly drive-up the cost on consumers (and the profits for themselves)—often in an unfair, illegal and deceptive manner. As the Federal Trade

Commission recently explained, "[m]isleading fees are prohibited," and businesses "can't lie about the fees you charge."[1] Instead, businesses must "[t]ell the truth when it comes to fee-related information that matters, like what's being charged and why." *Id.* As Plaintiffs explained in their preliminary-approval papers, Defendants allegedly used these fees to increase profits while advertising lower rental prices and shifting substantial unlawful charges onto Virginia tenants.

After substantial litigation, including written discovery, motion practice, third-party subpoenas, several depositions, briefing on class certification, and a settlement conference before Judge Colombell followed by additional negotiations, the parties entered into a Settlement Agreement and Release. The proposed settlement creates a $3,862,000 Settlement Fund, provides automatic pro rata cash relief to Settlement Class Members, and requires Defendants to stop collecting the Community Fee and Lease Administration Fee from Virginia tenants moving forward. *See* Settlement Agreement §§ 1.15, 1.21, 1.24, 4.2, 4.5, 4.6.

This agreement to stop charging two of the Disputed Fees is itself highly valuable, as explained in the attached declaration of Kati Daffan, who worked as an attorney at the Federal Trade Commission for over 15 years. As she explains, Defendants' cessation of the Community Fee, alone, will give existing tenants a cost savings of approximately $1,680 over a five-year period (the average duration of a tenancy in Virginia). *See* Ex. 1 (Daffan Decl.) ¶ 17. Assuming the average class member has only 2.5 years remaining at a Pegasus property, this still results in at least $5 million in savings across the Pegasus Settlement Class, or $4.75 million in present day value. *Id.* ¶ 18. And those new tenants paying a Lease Administration Fee will similarly see approximately $561,000 in savings, for $5.3 million in total savings, in present day dollars, from

[1] Federal Trade Commission, *Getting to the bottom line: The FTC's bipartisan Junk Fees Rule and your business*, available at: https://www.ftc.gov/business-guidance/blog/2024/12/getting-bottom-line-ftcs-bipartisan-junk-fees-rule-your-business.

the injunctive relief alone. *Id.* ¶¶ 22-23. All told, Ms. Daffan conservatively estimates the total value of the Settlement to the Class Members, including injunctive relief and monetary payments (after deducting the maximum fee and service awards), is ***$8.3 million***. *Id.* ¶ 41.

Considering the significant risk carried by Class Counsel in bringing this case, which is the first of its kind in Virginia and presented yet-untested theories, as well as the groundwork laid by Counsel through prior litigations addressing similar issues,[2] the results of this Settlement are significant and have already set the standard for other tenant junk fee class actions. *See Turnage v. AION Mgmt. LLC*, No. 3:26-cv-840-REP, ECF No. 48 (E.D. Va. June 12, 2026) (granting preliminary approval of class settlement in analogous tenant junk fee case that was modeled off of the instant Settlement Agreement). This Settlement was also achieved only after Class Counsel spent significant manpower and resources over several months of litigation that included written discovery, depositions, motions to dismiss, a motion for a protective order, and a motion for class certification.

Based on the results achieved and Class Counsel's efforts to obtain them, Plaintiffs request one third of the cash fund, which would be an award of $1,287,333.33 in attorneys' fees, costs, and expenses and service awards of $15,000 each to Ms. Valencia Rios, Mr. Filali, and Mr. Filali. Defendants have agreed not to oppose these requests. Settlement Agreement §§ 4.5-4.6. Notably, although it represents one-third of the monetary fund, which is typical in common fund cases, the

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[2] *See Perrucci v. Hunter Warfield, Inc.*, No. 1:23-cv-872-CMH-WEF, ECF No. 55 (E.D. Va. Oct. 11, 2024) (granting final approval of class settlement against tenant debt collector that included reimbursement improper fees collected, payment of statutory damages, deletion of credit reporting, and agreement to halt collection of $9 million in accounts from Avalon Bay); *Begum v. Fair Collections & Outsourcing, Inc.*, No. 1:24-cv-893-PTG-WEF, ECF No. 83 (E.D. Va. Aug. 15, 2025) (granting final approval to class settlement with tenant debt collector, including removal of $15 million in tenant debt reported on credit reports and agreement to halt collection of disputed debt accounts moving forward).

requested fee award in fact represents approximately 15% of the Settlement's total value when accounting for the cost savings from the fees removed for the duration of Class Members' tenancies, which is less than half the 33% that this Court has opined is "not outside the realm of reasonable percentage awards." *Galloway v. Williams*, No. 3:19-cv-470, 2020 WL 7482191, at *11 (E.D. Va. Dec. 18, 2020) (citing *In re Celebrex (Celecoxib) Antitrust Litig.*, No. 2:14-cv-361, 2018 WL 2382091, at *5 (E.D. Va. Apr. 18, 2018)). And it is only a 2.09 multiplier of Counsel's current lodestar. Additionally, as Plaintiffs remained actively involved in the litigation by communicating with counsel, responding to discovery, sitting for depositions, participating in settlement efforts, and approving the settlement, Plaintiffs' request for a $15,000 service award each is not unreasonable and falls within the awards granted by judges in this District. *See* Ex. 2 (Kelly Decl.) ¶¶ 25, 35-38.

Accordingly, Plaintiffs respectfully request that the Court grant their Motion and issue an order awarding $1,287,333.33 in attorneys' fees, costs, and expenses, and $15,000 per Plaintiff in service awards.

II. ARGUMENT

A. Plaintiffs' service awards are appropriate.

Plaintiffs request service awards of $15,000 each for their participation in the litigation and service to the Settlement Class. That request is well-earned. Plaintiffs remained engaged throughout the litigation, participated in discovery, sat for depositions, stayed informed about the case, and were involved in negotiating and approving the settlement terms. Kelly Decl. ¶¶ 25, 35-38. Each Plaintiff assumed the burdens that Rule 23 places on class representatives and helped secure both monetary and injunctive relief for thousands of Virginia tenants.

Where class-representative involvement has been as meaningful as it was here, courts in this District have approved similar and even larger service awards. *See Hengle v. Asner*, No. 3:19-cv-250, ECF No. 230 ¶¶ 21-22 (awarding $10,000 per named plaintiff); *Gibbs v. Stinson*, No. 3:18-cv-676, ECF No. 346 ¶ 20 (E.D. Va. Aug. 16, 2022) (awarding $20,000 service awards to each of the 13 class representatives); *Gibbs v. TCV, V, LLP*, No. 3:19-cv-789, ECF No. 95 (E.D. Va. Mar. 29, 2021) (approving a $7,500 service award); *Turner v. ZestFinance, Inc.*, No. 3:19-cv-293, ECF No. 114 (E.D. Va. July 9, 2020) (awarding $5,000 service awards to the 25 class representatives). The requested service awards are therefore reasonable and appropriate.

B. The requested attorneys' fees, costs, and expenses are appropriate and should be awarded.

Class Counsel seek an award of $1,287,333.33 for attorneys' fees, costs, and expenses. That request represents one-third of the $3,862,000 Settlement Fund. *See* Settlement Agreement §§ 1.24, 4.5. Given the size of the recovery, the automatic payments to class members, the injunctive relief secured, the risks Class Counsel assumed, and the substantial work already performed and still required to complete final approval and settlement administration, the requested award is reasonable.

i. A percentage-of-the-fund fee is appropriate and reasonable here.

Rule 23(h) gives the Court authority to "award reasonable attorney's fees and nontaxable costs that are authorized by law or by the parties' agreement" in class actions. Fed. R. Civ. P. 23(h). As the Fourth Circuit has explained, "[t]here are two main methods for calculating the reasonableness of attorneys' fees—the lodestar method and the percentage-of-recovery method." *McAdams v. Robinson*, 26 F.4th 149, 162 (4th Cir. 2022). The lodestar method calculates the fees based on the number of hours spent, while the "percentage-of-recovery method considers the portion of the total settlement fund that will go to attorneys' fees." *Id*. The "district court may choose the method it deems appropriate based on its judgment and the facts of the case." *Id*. (citing *Jones v. Dominion Res. Servs., Inc.*, 601 F. Supp. 2d 756, 760 (S.D. W. Va. 2009) ("The Fourth Circuit has neither announced a preferred method for determining the reasonableness of attorneys' fees in common fund class actions nor identified factors for district courts to apply when using the percentage method.").

In common fund cases such as this, the preference of courts in the Fourth Circuit is to award a percentage of the fund, as this Court has observed. *Galloway v. Williams*, No. 3:19-cv-470, 2020 WL 7482191, at *5 (E.D. Va. Dec. 18, 2020) (Payne, J.) (noting that, "over time, certain customs have developed, both in the Fourth Circuit and across the country; for example, the favored method for calculating attorneys' fees in common fund cases is the percentage of the fund method."). The collective preference for the percentage method derives from common sense. For one, the allocation of a percentage of the fund comports with the equitable principles of quantum meruit and unjust enrichment by shifting the expense of litigation from named plaintiffs, who obtained the fund's benefits, to the absent class members, who benefit from the fund but likely contributed little, or nothing, to the process. *Brundle ex rel. Constellis Emp. Stock Ownership Plan v. Wilmington Tr., N.A.*, 919 F.3d 763, 785–86 (4th Cir. 2019), *as amended* (Mar. 22, 2019). As the Fourth Circuit has explained, awarding fees as a percentage of the common fund "hold[s] the beneficiaries of a judgment or settlement responsible for compensating the counsel who obtained the judgment or settlement for them." *Id.* at 786.[3]

[3] Most Circuits either permit or require the percentage method. 5 Newberg on Class Actions § 15:66 (5th ed. Dec. 2020 Update). For example, the Eleventh Circuit and the District of Columbia require the use of the percentage method. *Id.* at n.6 (citing cases). The Third Circuit prefers the percentage method. *Id.* at n.7. And the First, Second, Fifth, Sixth, Eight, Ninth, and Tenth allows district courts to use either method. *Id.* at n.5 (citing cases).

In addition to being fair, a percentage of the fund is also easily administered and saves valuable court and party resources, which heeds the Supreme Court's mandate that a "request for attorney's fees . . . not result in a second major litigation." *Hensley v. Eckerhart*, 461 U.S. 424, 437 (1983). The percentage method also aligns the interests of class counsel and the class members because it both motivates class counsel to generate the largest possible recovery for the class and rewards efficient litigation. *See In re Payment Card Interchange Fee & Merch. Disc. Antitrust Litig.*, 991 F. Supp. 2d 437, 440 (E.D.N.Y. 2014); *Swedish Hosp. Corp. v. Shalala*, 1 F.3d 1261, 1268–69 (D.C. Cir. 1993). This is because their fee increases with the class's take, removing any incentive to run up their hours in order obtain a higher fee. A percentage fee also encourages early settlements because class counsel will not receive additional fee for unnecessary motions or discovery. *Johnson v. Metro-Goldwyn-Mayer Studios, Inc.*, 2018 WL 5013764, at *11 (W.D. Wash. 2018) (noting that "the percentage-of-recovery method plays an important role in aligning the interests of the class and class counsel" and "[i]n such situations, class counsel is motivated to obtain the largest tangible benefit possible, to provide for the best possible notice to the class, and to assure that the claims process is not overly burdensome"); *In re Anthem, Inc. Data Breach Litigation*, 2018 WL 3960068, at *5 (N.D. Cal. 2018) ("By tying the award to the recovery of the Class, Class Counsel's interests are aligned with the Class, and Class Counsel are incentivized to achieve the best possible result."); *In re Payment Card Interchange Fee and Merchant Discount Antitrust Litigation*, 991 F. Supp. 2d 437, 440 (E.D.N.Y. 2014) ("The percentage method better aligns the incentives of plaintiffs' counsel with those of the class members because it bases the attorneys' fees on the results they achieve for their clients, rather than on the number of motions they file, documents they review, or hours they work."); *Swedish Hosp. Corp. v. Shalala*, 1 F.3d 1261, 1268–69 (D.C. Cir. 1993) (noting that "using the lodestar approach in common fund cases encourages significant elements of inefficiency," whereas "if a percentage-of-the-fund calculation controls, inefficiently expended hours only serve to reduce the per hour compensation of the attorney expending them").

By contrast, the lodestar method can be time consuming, can require voluminous time records, and may reward inefficiency. *See In re Gen. Motors Corp. Pick-Up Truck Fuel Tank Prods. Liab. Litig.*, 55 F.3d 768, 821 (3d Cir. 1995). Furthermore, a lodestar fee incentivizes class counsel to increase the number of hours they spend on a case in order to maximize their fees, regardless of whether that time actually advances the case or class members' interests. *In re General Motors Corp. Pick-Up Truck Fuel Tank Products Liability Litigation*, 55 F.3d 768, 821 (3d Cir. 1995) ("[T]he lodestar method has been criticized as giving class counsel the incentive to delay settlement in order to run up fees while still failing to align the interests of the class"). Indeed, the lodestar method is used in only a small percentage of class-action cases, usually those involving fee-shifting statutes or where the settlement provides injunctive relief that cannot be reliably calculated. *See, e.g.*, Theodore Eisenberg et al., *Attorneys' Fees in Class Actions: 2009-2013*, 92 N.Y.U. Law Review 937, 945 (2017) (finding the lodestar method used only 6.29% of the time from 2009-2013, down from 13.6% from 1993-2002 and 9.6% from 2003-2008); Brian T. Fitzpatrick, *An Empirical Study of Class Action Settlements and Their Fee Awards*, 7 J. Empirical L. Stud. 811, 832 (2010) (finding the lodestar method used in only 12% of settlements).

Unsurprisingly, the percentage method is overwhelmingly favored in common-fund cases. *See* Theodore Eisenberg, Attorneys' Fees in Class Actions: 2009-2013, 92 N.Y.U. L. Rev. 937, 945 (2017); Brian T. Fitzpatrick, An Empirical Study of Class Action Settlements and Their Fee Awards, 7 J. Empirical Legal Stud. 811, 832 (2010). Courts in this District—including this one—likewise favor the percentage-of-the-fund approach, as do courts elsewhere in the Fourth Circuit.

See, e.g., *Hengle*, ECF No. 230 ¶ 18 ("Because this is a common-fund case, it is appropriate to employ a percentage of the fund method for calculating a proper fee award."); *Galloway*, 2020 WL 7482191, at *5; *Thomas v. FTS USA, LLC*, No. 3:13-cv-825 (REP), 2017 WL 1148283, at *3 (E.D. Va. Jan. 9, 2017), *R&R adopted,* No. 3:13-cv-825, 2017 WL 1147460 (E.D. Va. Mar. 27, 2017) ("District Courts within this Circuit have also favored the percentage of the fund method."(citations omitted)); *see also Kelly v. Johns Hopkins Univ.*, No. 1:16-CV-2835-GLR, 2020 WL 434473, at *2 (D. Md. Jan. 28, 2020); *Seaman v. Duke Univ.*, No. 1:15-CV-462, 2019 WL 4674758, at *2 (M.D.N.C. Sept. 25, 2019); *Cox v. Branch Banking & Tr. Co.*, No. 5:16-CV-10501, 2019 WL 164814, at *5 (S.D. W. Va. Jan. 10, 2019) (collecting cases and stating "In sum, there is a clear consensus among the federal and state courts, consistent with Supreme Court precedent, that the award of attorneys' fees in common fund cases should be based on a percentage of the recovery. This consensus derives from the recognition that the percentage of fund approach is the better-reasoned and more equitable method of determining attorneys' fees in such cases."); *Krakauer v. Dish Network, L.L.C.*, No. 14-333, 2018 WL 6305785, at *2 (M.D.N.C. Dec. 3, 2018); *Phillips v. Triad Guar. Inc.*, No. 1:09CV71, 2016 WL 2636289, at *2 (M.D.N.C. May 9, 2016); *Archbold v. Wells Fargo Bank, N.A.*, No. 13-24599, 2015 WL 4276295, at *5 (S.D.W. Va. July 14, 2015) ("[T]he Court concludes that there is a clear consensus . . . that the award of attorneys' fees in common fund cases should be based on a percentage of the recovery.").

Although the Fourth Circuit has not established a benchmark for fee awards in common-fund cases, Class Counsel's request for one third of the Settlement Fund is well within the 25-to-40-percent range that courts within the Fourth Circuit have held appropriate—especially when considering the milliions in relief obtained for the class members.[4] It is also within the appropriate range found by the recent comprehensive study of attorneys' fees in class action cases. Theodore Eisenberg & Geoffrey P. Miller, *Attorney Fees in Class Action Settlements: An Empirical Study*, 1 J. Empirical Legal Studies 27, 31, 33 (2004) (noting "a remarkable uniformity in awards between roughly 30% to 33% of the settlement amount.").

Indeed, courts in this District have awarded one third of the common fund in other consumer protection cases. *See Hengle*, ECF No. 230 ¶ 20 (approving $13 million in fees, representing one third of the settlement's $39 million cash value); *Gibbs*, No. 3:17-cv-495, ECF No. 141 ¶ 24 (awarding $5,248,227.93 in fees, representing one-third of fund value); *Gibbs*, No. 3:19-cv-789, ECF No. 95 ¶ 19 (awarding $11,677,165.50, representing one-third of fund value); *Gibbs*, No. 3:20-cv-717, ECF No. 68 at 9–11 (same); *Turner*, No. 3:19-cv-293, ECF No. 114 (same); *Gibbs*, No. 3:18-cv-676, ECF No. 346 ¶ 20 (same); *Blackburn*, Case No. 3:22-cv-146, Dkt. 228 (E.D. Va.) (same).

ii. An award of one-third of the common fund in this case is reasonable.

Unlike other circuits, the Fourth Circuit has not established a benchmark for fee awards in common-fund cases. However, district courts in this Circuit typically consider the following factors: (1) the results obtained for the class; (2) the quality, skill, and efficiency of the attorneys

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[4] Indeed, "empirical studies show that, regardless whether the percentage method or the lodestar method is used, fee awards in the class actions average around one-third of the recovery." 4 Newberg *on Class Actions* § 14:6 (4th ed.); *see also In re Rite Aid Corp. Sec. Litig.*, 146 F. Supp. 2d 706, 735 (E.D. Pa. 2001) (review of 289 class action settlements shows "average attorney's fees percentage [of] 31.31%" with a median value that "turns out to be one-third."). In an analysis of such historic patterns, Silber and Goodrich explained that empirical evidence does not necessarily establish what a court should do in any given case, but it does provide guidance to the court in determining whether a fee is reasonable. Reagan W. Silber & Frank E. Goodrick, *Common Funds and Common Problems: Fee Objections and Class Counsel's Response*, 17 Rev. Litig. 525, 545–46 (1998).

involved; (3) the risk of nonpayment and the duration and complexity of the case; (4) objections by members of the class to the settlement terms or fees requested by counsel; (5) awards in similar cases; and (6) public policy. *Fangman v. Genuine Title, LLC,* No. CV RDB-14-0081, 2017 WL 86010, at *3-4 (D. Md. Jan. 10, 2017). Here, each of these factors supports the requested fee of one third of the common fund.

a. The Settlement achieves landmark relief for Class Members.

In the Fourth Circuit, "the most critical factor in calculating a reasonable fee award is the degree of success obtained." *McDonnell v. Miller Oil Co*., 134 F.3d 638, 641 (4th Cir. 1998) (citation and internal quotation omitted). Here, there is no question that the Settlement achieves significant results for the Class. As explained above and by Kati Daffan, an experienced attorney in the consumer protection field, this settlement not only provides $3.862 million in monetary payments, but also contains considerable cost savings in the form of cessation of two of the Disputed Fees, which she estimates provides $5.3 million in present day value to the class members because they no longer have to pay fees that they otherwise contractually agreed to pay. *See* Daffan Decl. ¶¶ 22-23. In total, the Settlement provides over $8 million in monetary and cost saving benefits to the class members.

To remove any doubt, Dale Pittman, a consumer lawyer who has been practicing for more than 50 years, has reviewed the Settlement and opines that the settlement is an extraordinary result for consumers. Ex. 3, Pittman Decl. ¶ 21. He has also opined about the reasonableness of the requested fees. *Id.* ¶¶ 21-30. And critically, the proposed settlement does not release viable claims or defenses that class members may have against Defendants that are not related to the specific causes of action in this case. Indeed, for those class members whose landlord did not participate, they are still entitled to seek additional relief for the same claims raised in this litigation. Settlement Agreement §§ 4.3-4.4.

b. Class Counsel are highly experienced in consumer class actions.

The quality and skill of Class Counsel in this case also supports an award of one-third of the common fund in this case. As outlined above, courts, including this Court, have repeatedly found Class Counsel to be among the most experienced lawyers in consumer class actions. *See, e.g.*, *Galloway*, 2020 WL 7482191, at *8 (finding that "Class Counsel and their firms have extensive backgrounds in complex and class action litigation and consumer protection litigation"); *Turner*, No. 3:19-cv-293 (E.D. Va.) ("[W]e have Ms. Kelly… here, who are well known to me as being experts in this field, but it looks like the other class counsel is like the all-star team of consumer litigation."); *Stinson*, 2021 WL 4812451, at *16 (finding that Class Counsel were adequate and noting that they had been involved for four years and "already obtained substantial relief for borrowers by securing two courts' approval of a class action settlement").

Indeed, Class Counsel's experience is demonstrated by the fact that before this litigation, there had been no consumer class actions in Virginia related to tenant junk fees. This was no doubt due to the novelty and untested nature of the theories presented. But as they have done in other fields, Class Counsel took on the challenge and prosecuted this case through motions to dismiss, extensive discovery (including depositions), a class certification brief, and extensive settlement negotiations, obtaining millions of dollars in relief in a first-of-its-kind class settlement for Virginia consumers.

Class Counsel utilized their skill in experience in consumer cases to obtain key wins in this case against Defendants, as well as to leverage this landmark settlement.

c. The risk of non-payment and complexity of this case favor the requested percentage.

Although every case has its complexities, the untested nature of the claims in this case presented unique challenges that significantly raised the likelihood of nonpayment for both the class members and Class Counsel. Indeed, as the Court observed during its December 2025 conference call with counsel, there were many issues presented in this case for the Court to sort through and that required its own commitment of resources to resolve. *See* Dec. 31, 2025 Call Tr. at 13.

Despite the untested nature of the theories in this case and the potential for a complete loss, Class Counsel took on the case on a 100% contingency, as they do with nearly all of their litigation. Kelly Decl. ¶¶ 10, 19. Class Counsel identified a problem in the marketplace that without their willingness to handle on a contingency basis, would have likely remain unaddressed. In that vein, Class Counsel advanced tens of thousands in costs for discovery and other litigation costs—as well as hundreds of hours of their time—without any expectation of payment, all so they could ultimately obtain relief of removal of the junk fees and monetary compensation for the Classes. *See, e.g.*, *Hash*, 2021 WL 12269064, at *4 (finding an award of 33% was reasonable, in part, because "the risk of non-payment at the outset of the case was high because Class Counsel took the case on a 100% contingent fee basis and advanced litigation expenses"). The complexity, coupled with the risk of non-payment, supports the requested fee award here.

d. There have been only two objections to date out of over 17,000 class members.

Although there have been two timely objections to date, both objectors claim—in identical objection letters—that the compensation is not sufficient and do not explain any basis for finding the fee award unreasonable or unearned. *See* ECF Nos. 93, 94. As explained above and will be more fully addressed in Plaintiffs' forthcoming Motion for Final Approval, these objections should be overruled because of the significant non-monetary and monetary relief provided to class members, as well as the risks of non-payment even if a judgment were obtained that the objectors fail to account for or address.

Nonetheless, even crediting the two objections out of over 17,000 class members, this factor still favors the requested fee award. As the Fourth Circuit has explained, an "almost complete lack of objection to the fee request provides additional support for the district court's decision to approve it." *Berry*, 807 F.3d at 619 (noting that only two objections to fee request is a "rare phenomenon" and evidence that the district court did not abuse its discretion in awarding fees). Here, the filing of only two objections to date out of over 17,000 class members indicates that the fee award is not unreasonable.

e. The award of one-third of the common fund is on-par with other consumer cases.

Class Counsel's request for one third of the monetary value of the Settlement also tracks with other consumer class actions. Although there is no directly analogous case because this is the first class settlement of its kind known to Class Counsel, courts in this District have repeatedly approved fees constituting one-third of the cash value of the settlement fund in other consumer class actions. *See Hengle*, Dkt. 230 ¶ 20 (approving $13 million in fees, representing one third of the settlement's $39 million cash value); *Gibbs v. Plain Green, LLC*, No. 3:17-cv-495, Dkt. 141 ¶ 24 (E.D. Va. Dec. 13, 2019) (awarding $5,248,227.93 in fees, representing one-third of fund value); *Gibbs v. TCV V, L.P.*, No. 3:19-cv-789, Dkt. 95 ¶ 19 (E.D. Va. Mar. 29, 2021) (awarding $11,677,165.50, representing one-third of fund value); *Gibbs v. Rees*, No. 3:20-cv-717, Dkt. 68 at 9–11 (E.D. Va. Mar. 26, 2021) (same); *Turner v. ZestFinance, Inc.*, No. 3:19-cv-293, Dkt. 114

(E.D. Va. July 9, 2020) (same); *Gibbs v. Stinson*, No. 3:18-cv-676, Dkt. 346 ¶ 20 (E.D. Va. Aug. 16, 2022) (same).

The same percentage is appropriate here. Even standing alone, Class Counsel's request for one-third of the monetary value of the Settlement is well within the 25-to-40-percent range that courts within the Fourth Circuit have found appropriate.[5] But when considered together with the injunctive relief, the percentage would amount to approximately 15% of the total value of the settlement (which Ms. Daffan conservatively estimates at $8.3 million). Daffan Decl. ¶¶ 20-23.

Compared to the overall relief obtained for the Class in this case, therefore, the fees request is patently reasonable, and it is also below the appropriate range found by a comprehensive study of attorneys' fees in class action cases. *See* Theodore Eisenberg & Geoffrey P. Miller, *Attorney Fees in Class Action Settlements: An Empirical Study*, 1 J. Empirical Legal Studies 27, 31, 33 (2004) (noting "a remarkable uniformity in awards between roughly 30% to 33% of the settlement amount").

f. The total value of the settlement further demonstrates that the requested percentage is reasonable.

It is well established that a court "must also consider the overall benefit to the class, including non-monetary benefits, when evaluating the fee request." *Bell v. Pension Comm. of ATH Holding Co., LLC*, 2019 WL 4193376, at *2 (citing *Spano v. Boeing Co*, 2016 WL 3791123, at *1

[5] Indeed, "empirical studies show that, regardless whether the percentage method or the lodestar method is used, fee awards in the class actions average around one-third of the recovery." 4 Newberg *on Class Actions* § 14:6 (4th ed.); *see also In re Rite Aid Corp. Sec. Litig.*, 146 F. Supp. 2d 706, 735 (E.D. Pa. 2001) (review of 289 class action settlements shows "average attorney's fees percentage [of] 31.31%" with a median value that "turns out to be one-third."). In an analysis of such historic patterns, Silber and Goodrich explained that empirical evidence does not necessarily establish what a court should do in any given case, but it does provide guidance to the court in determining whether a fee is reasonable. Reagan W. Silber & Frank E. Goodrich, *Common Funds and Common Problems: Fee Objections and Class Counsel's Response*, 17 Rev. Litig. 525, 545–46 (1998).

(S.D. Ill. Mar. 31, 2016)). In other words, when using the percent-of-the-fund approach, the awarded percentage should be "*based on both the monetary and non-monetary value of the settlement*." *Martin v. Caterpillar Inc.*, 2010 WL 11614985, at *3 (C.D. Ill. Sept. 10, 2010) (emphasis original). In litigation involving unlawful fees, such as improper overdraft fees, "forgiveness of debts owed is routinely included in the value of the settlement." *Hash*, 2021 WL 12269064 at *3 (citing *In re TD Bank, N.A. Debit Card Overdraft Fee Litig.*, No. 6:15MN02613 (D.S.C. Jan. 9, 2020), ECF No. 233 (for fee calculation, including in total value of $70 million settlement $43 million in cash and $27 million in debt forgiveness); *In re: Checking Account Overdraft Litig. (Commerce Bank)*, 2013 WL 11319243, *11-12 (S.D. Fla. Aug. 2, 2013) (for fee calculation, including in total value of $23.2 million settlement $18.3 million in cash and a change in posting practice with value of $4.9 million); *In re: Checking Account Overdraft Litig. (JP Morgan Chase Bank)*, No. 09-MD-02036-JLK (S.D. Fla. Dec. 19, 2012), ECF No. 3134 (for fee calculation, including in $162 million settlement value $110 million in cash and change in overdraft fee policy with an estimated value of $52 million over a two-year period)); *see also Gradie v. C.R. England, Inc.*, 2020 WL 6827783, at *12 (D. Utah Nov. 20, 2020) ("The Court finds it appropriate to include the debt relief portion of the Settlement in the gross value because the debt relief provides real and tangible benefit to Participating Class Members, and courts routinely include debt relief as part of the total settlement fund, as the cases cited by Plaintiffs demonstrate.").[6]

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[6] *See also Cullen v. Whitman Med. Corp.*, 197 F.R.D. 136, 147 (E.D. Pa. 2000) (finding it reasonable to include debt forgiveness in the total settlement value" in a student loan case); *Sorace v. Wells Fargo Bank*, 2024 WL 643229, at *10 (E.D. Pa. Feb. 15, 2024) ("Courts frequently include debt forgiveness in the value of settlements."); *Cosgrove v. Citizens Auto. Fin., Inc.*, 2011 WL 3740809, at *7 (E.D. Pa. Aug. 25, 2011) ("The Court finds that debt forgiveness provides a valuable award to class members."); *Smith v. CRST Van Expedited, Inc.*, 2013 WL 163293 (S.D.

Here, the total value of the settlement exceeds $8 million after accounting for the present value of the cost savings from Defendants' agreement to cease collecting two of the Disputed Fees. Daffan Decl. ¶¶ 20-23. The requested attorneys' fees amount, therefore, represents only approximately 15% of the conservatively estimated value of the settlement, which is half of the 30-33% range empirical studies have found to be awarded in most common fund cases. *See* Theodore Eisenberg & Geoffrey P. Miller, *Attorney Fees in Class Action Settlements: An Empirical Study*, 1 J. Empirical Legal Studies 27, 31, 33 (2004).

g. Public policy favors the requested percentage.

Finally, public policy favors an award of one-third of the Settlement's monetary value. When assessing the reasonableness of a class-action fee award, the "court must strike the appropriate balance between promoting the important public policy that attorneys continue litigating class action cases that 'vindicate rights that might otherwise go unprotected,' and perpetuating the public perception that 'class action plaintiffs' lawyers are overcompensated for the work that they do.'" *Fangman*, 2017 WL 86010, at *6 (quoting *Singleton*, 976 F. Supp. 2d at 687). This case provides a quintessential example of the public policy justifications behind class actions, as it obtains relief from landlords and property managers who are collecting additional fees in lease agreements, which would be difficult for any individual tenants to obtain relief without significant resources. Moreover, there should be no concerns that Class Counsel are seeking overpayment considering the overall value of the settlement.

Cal. Jan. 14, 2013) (including $9 million in debt relief in measuring the total value of settlement for purposes of calculating class counsel's fee award under the percentage-of-recovery method).

iii. A cross-check against Class Counsel's lodestar confirms the requested award is reasonable.

Although a lodestar cross-check is not required when the percentage method is used, it nonetheless confirms that the requested fee award is fair and reasonable. *See* Manual for Complex Litigation (Fourth) § 21.724; *Galloway*, 2020 WL 7482191, at *11 (recognizing that, when used as a mere cross-check, the documented hours "need not be exhaustively scrutinized by the district court").

In this case, Class Counsel expended 899.2 hours at rates deemed reasonable by counsel experienced in consumer litigation (*see* Ex. 3 (Pittman Decl.) ¶¶ 21-30). This results in a fee lodestar of $579,667.50. *See* Kelly Decl. ¶ 32. In addition to this time, Counsel advanced $35,820 in costs, for a total lodestar of $615,487.5. *Id.* ¶ 33. The requested $1,287,333.33 award thus represents a multiplier of approximately 2.09 before accounting for the additional final approval and administration work still required to complete this settlement.

That multiplier is comfortably within the range approved in class settlements, including in this District. *See, e.g., Hengle v. Asner*, No. 3:19-cv-250, ECF No. 230 (E.D. Va. Oct. 25, 2022) (approving a 4.33 multiplier in a consumer class action); *Skochin v. Genworth Fin., Inc.*, No. 3:19-cv-49, 2020 WL 6708388 (E.D. Va. Nov. 13, 2020) (finding a 9.05 multiplier not unreasonable in a lodestar cross-check); *Spartanburg Reg'l Health Servs. Dist., Inc. v. Hillenbrand Indus., Inc.*, No. 7:03-2141, 2006 WL 8446464 (D.S.C. Aug. 15, 2016) (approving a fee award resulting in a multiplier above 6); *Stop & Shop Supermarket Co. v. SmithKline Beecham Corp.*, No. 03-cv-04578, 2005 WL 1213926 (E.D. Pa. May 19, 2005) (approving a 15.6 multiplier); *New Eng. Carpenters Health Benefits Fund v. First Databank, Inc.*, No. 05-cv-11148, 2009 WL 2408560, at *2 (D. Mass. Aug. 3, 2009) (approving an 8.3 multiplier); *Beckman v. KeyBank, N.A.*, 293 F.R.D.

467, 481 (S.D.N.Y. 2013). Particularly given the result achieved, the risk assumed, and the work that remains, the requested award is reasonable and appropriate.

III. CONCLUSION

For these reasons, Plaintiffs respectfully request that the Court grant their Motion for Attorneys' Fees, Costs, and Service Awards and award: (1) $1,287,333.33 in attorneys' fees, costs, and expenses; and (2) service awards of $15,000 each to Plaintiffs Maria Camila Valencia Rios, Aquarius Filali, and Nadji Filali.

Respectfully submitted,
PLAINTIFFS

By: *<u>/s/ Kristi C. Kelly</u>*

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CERTIFICATION CONCERNING ARTIFICIAL INTELLIGENCE

I hereby certify that no artificial intelligence was employed in doing research for the preparation of this document, with the exception of such artificial intelligence embedded in the standard on-line legal research sources Westlaw, Lexis, FastCase, and Bloomberg.

I hereby certify that every citation to an authority contained in this document has been checked by an attorney in this case and/or a paralegal working at his/her direction as to the accuracy of the proposition for which it is offered, and the citation to authority provided.

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Exhibit 1

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Richmond Division

MARIA CAMILA VALENCIA RIOS, AQUARIUS FILALI, and NADJI FILALI, *on behalf of themselves and all similarly situated individuals*,	)	
Plaintiffs,	)	
v.	)	Civil Action No. 3:25-cv-474-REP-MRC
BELVEDERE NRDE, LLC, PEGASUS RESIDENTIAL, LLC, and GLENMOOR OAKS NRDE, LLC,	)	
Defendants.	)	

DECLARATION OF KATI DAFFAN

I, Kati Daffan, declare:

1. My name is Kati Daffan. I am over 21 years of age, sound of mind, capable of executing this declaration, and have personal knowledge of the facts stated herein, and they are all true and correct.

2. I am a founding partner of Vaca Daffan LLP, located at 1717 Pennsylvania Avenue NW, Suite 1025, Washington, DC 20006. Prior to February 21, 2026, I worked at the Federal Trade Commission ("FTC") for more than 15 years.

3. In May of 2010, I joined the FTC's Division of Marketing Practices, litigating nationwide cases about deceptive and unfair business practices in federal court. My cases as a line attorney resulted in orders with strong injunctive relief and judgments exceeding $57 million.

4. From 2014-2016, I worked as an Attorney Advisor to then-FTC Chairwoman Edith Ramirez. My portfolio included deceptive pricing practices, and I advocated for pricing transparency measures in many forums, including on Capitol Hill. One of my key functions as an Attorney Advisor for the Chairwoman was to help her assess the benefits of potential settlement offers and determine whether a particular case resolution would be in the public interest.

5. Beginning in November of 2016, I became part of the leadership team of the FTC's Division of Marketing Practices (DMP), where I played a key role in matters that resulted in the return of hundreds of millions of dollars to consumers. In this position, as well, I was responsible for assessing settlement offers to determine whether a resolution would benefit the public, in which case we would recommend it for approval by the FTC Commissioners. Deceptive pricing and hidden fees played a role in many of our cases.

6. As an Assistant Director in DMP, I also led a variety of rulemaking efforts and policy initiatives, including the agency's Every Community Initiative and Legal Services Collaboration. Through these programs, the FTC partnered with public interest organizations nationwide to hear about the problems affecting their low-income and underserved clients. Many of the issues we discussed with these partners related to housing, and rental units in particular.

7. Finally, I also worked as the FTC's Acting Deputy General Counsel for Legal Counsel from August 2023 to February 2024, where I supervised the office's work to advise agency staff on many matters, including pending rulemaking.

8. From the time I joined the FTC in 2010 until today, I have regularly trained lawyers and advocates on a wide array of topics related to consumer law. I have organized and presented training in partnership with the National Association of Consumer Advocates (NACA), the National Consumer Law Center (NCLC), Consumer Action, the Consumer

Federation of America, the Legal Services Corporation, the National Diversity Coalition, American Community Media, and many other organizations, including state and federal agencies. For example, on April 30, 2026, I presented on a panel regarding housing junk fees at the NACA/NCLC Spring Training. I also regularly speak with members of the press as an expert on consumer protection matters.

9. Prior to joining the Federal Trade Commission, I was a Skadden fellow serving working poor families in New York City at the Lenox Hill Neighborhood House. Among other work, I handled eviction-prevention cases in housing court and related appeals. I have also worked at a plaintiff-side civil rights firm and clerked for the Honorable Shira Scheindlin of the Southern District of New York. I graduated with honors from Columbia Law School and from Princeton University (*summa cum laude*).

10. During my career, including through escalating positions of responsibility at the Federal Trade Commission, I have become experienced in assessing the public impact of large litigation and policy initiatives.

<u>OPINION</u>

11. Class Counsel retained me in connection with this matter to review the Settlement Agreement entered by the Parties and preliminarily approved by the Court on April 16, 2026. Specifically, they asked me to opine based on my knowledge and experience on the kinds and extent of the relief provided to the Settlement Class Members in this case, as well as the renting public more generally, so that the Court has the benefit of my opinion in deciding whether to issue final approval, an award of attorney's fees, and service awards to the named Plaintiffs.

A. Background on Landlord-Tenant Junk Fees

12. Although only garnering legal attention in recent years, junk fees are not new to residential leasing. Consumers have long had to navigate a variety of hidden or misleading charges that crop up at every phase of the rental cycle, including mandatory fees at the time of application, lease-signing, month's end, or departure.[1] These fees harm consumers by obscuring the total rent, "causing renters to pay well above what is advertised."[2] Renters overwhelmingly say that that staying within their budget is "essential,"[3] and yet it may not be possible when undisclosed charges impair their ability to comparison shop and find affordable housing.[4] The Federal Trade Commission has worked to identify and address such practices, including through research, consumer education, warning letters, and enforcement actions; by creating an intra-agency Rental Housing Working Group; and by commencing a rulemaking proceeding to address unfair or deceptive acts or practices in the housing marketplace.[5] But this work is not sufficient to eliminate rental junk fees – they continue to proliferate.[6] As a result, the instant lawsuit and others like it play a critical role in addressing deception and shaping marketplace incentives.

[1] See Advance Notice of Proposed Rulemaking; request for public comment, 91 FR 12325, 12325 (Mar. 13, 2026), available at https://www.federalregister.gov/documents/2026/03/13/2026-04907/rule-on-unfair-or-deceptive-rental-housing-fee-practices (last visited July 14, 2026).
[2] *Id.*
[3] Zillow, Inc., "Renters: Results from the Zillow Consumer Housing Trends Report 2025" (Oct. 27, 2025), available at https://www.zillow.com/research/renters-housing-trends-report-2025-35647 (last visited July 14, 2026) (finding that 94% of renters surveyed deemed staying within their budget "essential").
[4] *See, e.g.*, 91 Fed. Reg. 12325, 12325-26 (Mar. 13, 2026).
[5] *See id.* at 12327 (collecting citations).
[6] *See, e.g.,* Zillow, Inc., "Renters: Results from the Zillow Consumer Housing Trends Report 2025," *supra* note 3 (finding that more than 70% of renters reported having to pay at least one mandatory fee or charge aside from the monthly rent).

13. Indeed, the Settlement Agreement in this case provides important relief that goes beyond the direct cash payments to renters. It addresses the negative effects of junk fees on consumers more broadly, including through direct cost savings, savings on search costs for finding a new apartment, and positive spillover effects in the rental marketplace.

B. The Injunctive Relief Provides Significant Ongoing and Future Cost Savings to Class Members and Prospective Pegasus Tenants

14. In addition to direct cash payments, Defendants have agreed in the Settlement Agreement to stop collecting the Community Fee, which ranged from $28-34 per month, as well as the $250-300 Lease Administration Fee on each new lease.

15. These monthly and per-lease savings, alone, will provide benefits to the class members for not only the remainder of their current leases, but also for the years they are likely to remain as tenants in their current apartment units.

16. An analysis by the National Association of REALTORS® concluded that due to a variety of factors including the high price of both renting and purchasing a home, the average time renters live in their homes has increased. Nationally, the average was 6.5 years in 2024, up from 5.9 years in 2019.[7] The National Association of REALTORS® reports that renters in Virginia stay in their homes for 5 to 7.5 years on average.

[7] Nadia Evangelou, "Renters Are Staying Longer, and It's Not Just Homeowners Who Are Feeling Locked In" (Mar. 25, 2026), *available at* https://www.nar.realtor/blogs/economists-outlook/renters-are-staying-longer-and-its-not-just-homeowners-who-are-feeling-locked-in (last visited July 14, 2026).

Metro Area	Number of Years Renters Stayed (2022)	Number of Years Renters Stayed (2024)
Staunton	6.3 years	7.5 years
Lynchburg	6.0 years	7.2 years
Roanoke	6.0 years	6.5 years
Winchester	7.1 years	6.4 years
Charlottesville	5.8 years	5.6 years
Harrisonburg	5.1 years	5.6 years
Richmond	6.2 years	5.6 years
Blacksburg	4.5 years	5.0 years
Northern Virginia	5.1 years	5.0 years

Image 1: From Virginia Realtors, "Understanding the Renter Lock-In Effect" (May 19, 2026), *available at* https://virginiarealtors.org/2026/05/19/understanding-the-renter-lock-in-effect (summarizing data from the National Association of REALTORS®).

17. Under the terms of the Settlement Agreement, Defendants will not assess the Community Fee of $28-34 per month going forward. Assuming that class members will stay in their current apartments for an average of 5 years (at the low end of the Virginia range) and that they will not have to pay a Community Fee of at least $28 per month, those Class Members at the beginning of their tenancy will see a cost savings, over the five year period, of $1,680, before accounting for the yearly increase in the Community Fee imposed at most of the properties. Even if one assumes that most class members are in the middle of their tenancy at a Pegasus property (or 2.5 years into the 5-year average), this still results in $840 in savings per lease for the remainder of the class members' likely tenancies, again without considering the yearly increase in the Community Fee.

18. Accordingly, the face value of Defendants' agreement to halt collection of the Community Fee under these conservative assumptions is at least $5 million across the Pegasus Settlement Class ($28 x 12 months x 2.5 remaining years x 5,970 leases[8] among class members).

19. In present value terms, this equates to an average of $796.30 in cost savings for each household.[9] Thus, the total present value in cost savings for the entire Settlement Class would be **more than $4.75 million** ($796.30 x 5,970).

20. Would Pegasus and the Settling Landlords continue complying with the proposed order but adjust their model over time? For example, would they add new fees that are disclosed properly, or raise the rent and advertise it truthfully? Such an outcome could certainly reduce the savings described above. However, if the Settling Landlords attempt to do this, they will face direct and healthy pressures from a competitive marketplace. Moreover, if increases do occur over time, the result will still be better for consumers, who can conduct their (critically important) search for housing based on transparent statements about the true cost of that housing. In addition to reducing search costs, it will help consumers avoid becoming trapped in a housing situation they cannot afford through no fault of their own. Such benefits are difficult to estimate but crucial, and I will say more below regarding why a more transparent pricing model would benefit consumers. However, in light of the Defendants' ability to adjust their pricing model over time, and to use a conservative approach, I will not incorporate a specific amount of monetary benefits to consumers outside of the Class from the elimination of Community Fees.

[8] The total number of leases among the class members is based on the Class List produced by Defendants and provided to Class Counsel, which shows 5,970 unique lease identification numbers across all class members.

[9] $PV = P * ((1 - (1 + r) ^ -n) / r)$, where PV is present value, P is the amount of the monthly payment, r is the monthly interest rate, and n is the number of monthly payments. For the interest rate, I used the approximate 5-year U.S. Treasury yield as of July 1, 2026, which was an annual rate of 4.2%.

21. In addition, many individuals in the Class paid more than $28 per month and the figures above do not account for fee increases over time. Thus, a present value of more than $4.75 million is a conservative estimate of the overall value of the injunctive relief agreed to under the Settlement Agreement with respect to the monthly Community Fee.

22. These figures are in addition to the cost savings from Defendants' $250-300 Lease Administration Fee. Without the Settlement Agreement, Defendants would have assessed this Administration Fee on each new lease. If we assume again that tenants will stay in their current apartments for an average of 5 years, that equates to an attrition rate of approximately 20% each year. Over a two-year period, this would mean 40% of leases (or 2,388 leases) would turn over. Applying the lowest Administration Fee assessed by Defendants (which is $250) to this total, we would see $597,000 over the next two years that class members – and some prospective tenants – will not have to pay with each new lease. In present value terms, that is equal to approximately $561,000 in savings for new lease signers.

23. Considered together with the Community Fee savings, the Lease Administration Fee savings provide approximately **$5.3 million in total savings**, in present day dollars, from the injunctive relief.

C. The Injunctive Relief Also Benefits Those Who Move to Another Rental Property

24. Of those who do move from a Pegasus property, many are likely to rent again at another property in Virginia, whether managed by Pegasus or another company. In both situations, they will continue to benefit from the Settlement Agreement in this case.

25. For example, those who move to another Pegasus property in Virginia will continue to benefit from the settlement in three measurable ways:

a. They will continue to experience cost savings from the Community Fee every month going forward;

b. They will not be charged a Lease Administration Fee ranging from $250-300 at the outset of their new tenancy (as considered above); and,

c. They will save on search costs, as described in greater detail herein.

26. Specifically, junk fees such as Defendants' Lease Administration and Community Fees cause consumers to incur higher search costs than they otherwise would if they had been presented with the true price upfront.[10] "When mandatory fees are obscured or misrepresented…consumers learn the full price at the end of the process and may need to re-assess whether they wish to purchase at a higher price than originally expected or to look for other options. Consumers incur longer search times to discover full prices and make informed purchasing decisions."[11]

27. The increased search costs caused by housing junk fees are not limited to wasted time and money spent looking for a place to live. Because fees may not be disclosed until lease-signing or the first bill, search costs can involve significant items such as "paying moving-related expenses and ending a prior lease," before a consumer determines that fees will make an apartment unsuitable.[12] Consumers can be stuck in an unaffordable lease, or they may

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[10] *See* Trade Regulation Rule on Unfair or Deceptive Fees, 90 Fed. Reg. 2006, 2079 (Jan. 10, 2025) (codified at 16 C.F.R. pt. 464), *available at* https://www.federalregister.gov/documents/2025/01/10/2024-30293/trade-regulation-rule-on-unfair-or-deceptive-fees (last visited July 14, 2026); Mary Sullivan, Fed. Trade Comm'n, *Economic Analysis of Hotel Resort Fees* 4 (2017), *available at* https://www.ftc.gov/system/files/documents/reports/economic-analysis-hotel-resort-fees/p115503_hotel_resort_fees_economic_issues_paper.pdf (last visited July 14, 2026); Fed. Trade Comm'n, "'That's the Ticket' Workshop: Staff Perspective" 4 (May 2020), *available at* https://www.ftc.gov/system/files/documents/reports/thats-ticket-workshop-staff-perspective/staffperspective_tickets_final-508.pdf (last visited July 14, 2026).

[11] 90 Fed. Reg. 2006, 2132 (Jan. 10, 2025).

[12] *See* 91 Fed. Reg. 12325, 12326 (Mar. 13, 2026).

need to incur costs to search for a new apartment. In the meantime, they may have missed out on a more desirable or affordable option.[13]

28. Because the Settlement Agreement requires Pegasus to cease collection of its two largest junk fees (in terms of dollars), those class members moving from one Pegasus property to another will inevitably save time and costs in searching for and locating a new apartment, as they will receive more accurate information regarding the rental costs at Pegasus's properties up front. These class members will therefore avoid having to pay application fees and wait to receive a lease or even their first monthly invoice before learning of the true cost of renting at a Pegasus property, saving them both time, opportunity costs, and nonrefundable expenses.

29. Even those class members who move to a non-Pegasus property are likely to experience a continued benefit from the Settlement Agreement. This is because when market actors—particularly large ones like Pegasus—charge junk fees, they exert an unhelpful influence in the marketplace that causes others to follow suit in a so-called "race to the bottom." As the FTC has explained:

> [O]nce bait-and-switch pricing tactics are used by some businesses to obscure the cost of a good or service, they tend to spread. Businesses that want to compete on the true price of their offering are undercut by businesses that use hidden or misleading fees to display an artificially low price. As studies confirm, in such instances, consumers cannot shop for price effectively. This forces businesses into a race to the bottom and results in more and more businesses using hidden and misleading fees to remain competitive.[14]

30. Pegasus is a relatively large management company; it has been on the National Multifamily Housing Council's list of the top 50 managers for several years.[15] Thus, this lawsuit

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[13] *See, e.g.,* 90 Fed. Reg. 2006, 2128 (Jan. 10, 2025) ("In some cases, taking the time to search for the full price from one firm may result in the consumer losing the opportunity to purchase the product from another firm.").
[14] 90 Fed. Reg. 2006, 2067 (Jan. 10, 2025).
[15] *See, e.g.,* NMHC's Top 50 Managers of 2026, *available at* https://www.nmhc.org/research-insight/the-nmhc-50/top-50-lists/2026-top-managers (last visited July 14, 2026).

and the agreement by Pegasus to stop charging a variety of junk fees is likely to have a positive effect on the marketplace. This effect will inure to the benefit of class members and other consumers shopping for rental housing with other management companies, both in terms of reducing junk fees paid and reducing search costs.

31. Finally, and relatedly, the greater transparency in rental pricing is likely to benefit class members and the public at large by reducing the overpayment for good and services in the residential rental marketplace through marketplace economics.[16] This is admittedly difficult to measure, but economic analysis supports the fact that "the shrouding of prices distorts the market outcome by leading consumers to consume more than they would if they were fully aware of the full price."[17] Here, because class members are on notice that fees like those charged in this case are potentially unlawful, they are more likely to demand price transparency and avoid junk fees in the future, which would create a supply-and-demand effect that further disincentivizes the imposition of such fees.

32. Thus, class members who change apartments in fewer than five years are likely to benefit from the Settlement Agreement even after their current tenancy. They may pay fewer junk fees for their new housing, they will likely have decreased search costs, and they may find it more possible to pay for the "amount" of housing they want at a price they're willing to pay, without suffering the harmful effects of deception as they pursue that goal.

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[16] *See, e.g.,* 90 Fed. Reg. 2006, 2078 (Jan. 10, 2025).

[17] 90 Fed. Reg. 2006, 2131 (Jan. 10, 2025) ("The overconsumption by consumers leads to a social cost in the form of deadweight loss because the resources used to produce the product would have been put to better use if consumer demand had not been distorted in this manner."); *see also id.* at 2129-32 (collecting references and describing the economic model that explains this effect).

D. Benefits to Class Members Whose Landlords Did Not Settle this Action

33. Finally, members of the Settlement Class who are not also in the Participating Landlords Subclass will receive the informational benefit of the class notice, which advises them of their right to pursue claims against their non-participating landlords for the same conduct. This will directly address the informational deficit that often prevents consumers from acting against junk fees. If even one class member at each non-participating landlord property asserted their rights against their landlord for the same conduct, they could both (a) increase the monetary benefits to the class members who reside at the same property through another class settlement, and/or (b) place further pressure on the marketplace to dissuade actors from charging the same fees in the future.

E. Benefits to Other Renters in Virginia

34. Outside of the direct and indirect benefits to the Settlement Class Members, the Settlement Agreement also benefits Virginians more broadly. First, other consumers interested in one of the many rental units managed by Pegasus are less likely to be misled. According to the FTC's analysis, the elimination of junk fees can result in "unquantified benefits, which may arise from a reduction in deadweight loss as consumers experience greater price transparency and make fewer mistake purchases."[18]

35. Behavioral and economic research helps explain this phenomenon, showing that "piecemeal numbers and explanations cannot cure the deception or mitigate the harms to consumers when businesses employ [deceptive] pricing tactics. Often consumers finish the transaction without an accurate understanding of the total price of goods or services."[19]

[18] 90 Fed. Reg. 2006, 2126 (Jan. 10, 2025).
[19] *Id*. at 2067.

36. The personal and societal consequences of such mistaken purchases are notable, because even modest increases in the cost of housing can have a significant negative effect on families who rent. Between 2001 and 2024, the median rent in the U.S. increased 30 percent after adjusting for inflation, while the median renter household income increased just 9 percent.[20] As noted by the Federal Trade Commission, "[m]ore than half of renters are 'cost-burdened, spending at least 30% of their income on rent' and, as a result, struggle to afford other basic necessities."[21]

37. Cost-burdened renters are at greater risk of falling into debt, which can have severe consequences. Indeed, rental debt in the U.S. is estimated at over $9.7 billion, with over 5 million households behind on rent.[22] Alleged rental debt often affects renters well into the future, through eviction proceedings, collection actions, wage or account garnishment, or negative marks on credit reports that threaten a consumer's ability to secure safe housing going forward.[23]

38. Finally, the Settlement Agreement provides benefits beyond the consumers who interact with Pegasus in the future because it sends an important signal to the marketplace that property managers and landlords must not mislead consumers about the true price of rental housing. This benefits fair competition, and specifically levels the playing field for rental housing providers who do advertise the true total rent.[24]

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[20] Joint Ctr. for Hous. Studies of Harvard Univ., "America's Rental Housing 2026" 29 (Mar. 12, 2026), *available at* https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_Americas_Rental_Housing_2026.pdf (last visited July 14, 2026).
[21] 91 Fed. Reg. 12325 (Mar. 13, 2026).
[22] Nat'l Equity Atlas, "Rent Debt in America: Stabilizing Renters is Key to Equitable Recovery", *available at* https://www.nationalequityatlas.org/research/dashboards/rent-debt-dashboard (last visited July 14, 2026).
[23] *See, e.g.,* National Consumer Law Center et al. Comment Regarding Unfair or Deceptive Rental Housing Fee Practices ANPRM, 7 (Apr. 13, 2026), *available at* *https://www.nclc.org/resources/nclc-naca-nhlp-nlihc-and-policylink-comments-re-the-ftcs-unfair-or-deceptive-rental-housing-fee-practices-anprm-project-no-207011* (last visited July 14, 2026).
[24] *See, e.g.*, 91 Fed. Reg. 12325, 12326 (Mar. 13, 2026).

CONCLUSION

39. This is an important case and a valuable settlement. Not only is the proposed Settlement Agreement, to my knowledge, the first classwide settlement related to tenant junk fees in Virginia, but it also does justice to the serious issues raised by the litigation and provides benefits well beyond the immediate payments to class members, creating lasting impacts in the rental marketplace.

40. In addition to the cash payments that each Class Member will receive, the Settlement Agreement provides cost savings estimated at $5.3 million in present day value. It will also help correct a failure in the Virginia rental market, where Pegasus, the Settling Landlords, and their competitors have competed not only on the quality and price of their housing, but on their ability to extract revenue through hidden fees. While the benefits of this correction are not easy to quantify, they are nevertheless foundational for a fair marketplace.

41. For this reason, it is my opinion that the Settlement's total value is at least **$8.3 million**, which accounts for the value of the cash payments to consumers (approximately $2.5 million if the Court awards the requested fees and costs), the injunctive relief ($5.3 million), and a conservative estimate of the savings to consumers from other positive effects of the settlement ($500,000).

BACKGROUND AND FACTS RELIED UPON

42. In addition to my experience at the Federal Trade Commission and the documents cited herein, I have relied upon the following resources:

- FTC enforcement actions: *FTC and State of Colorado* v. *Greystar Real Estate Partners, LLC,* No. 25-cv-00165 (D. Colo.); *FTC* v. *Invitation Homes Inc.,* No. 24-cv-04280 (N.D. Ga.).

- Ariel Nelson, April Kuehnhoff, Chi Chi Wu, & Steve Sharpe, Nat'l Consumer L. Ctr., "Too Damn High: How Junk Fees Add to Skyrocketing Rents" (Mar. 13, 2023), *available at* https://www.nclc.org/wp-content/uploads/2023/03/JunkFees-Rpt.pdf (last visited May 22, 2026).
- Chi Chi Wu, Ariel Nelson, April Kuehnhoff, & Caroline Cohn, Nat'l Consumer L. Ctr., "Digital Denials: How Abuse, Bias, and Lack of Transparency Harm Renters" (Sept. 26, 2023), *available at* https://www.nclc.org/wp-content/uploads/2023/09/202309_Report_Digital-Denials.pdf (last visited May 22, 2026).
- Manny Garcia, Renters: Results from the Zillow Consumer Housing Trends Report 2025 (Oct. 27, 2025), *available at* https://www.zillow.com/research/rentershousing-trends-report-2025-35647 (last visited May 22, 2026).
- The following FTC Rulemaking records:
    - From the Rulemaking on Trade Regulation Rule for Unfair or Deceptive Junk Fees, the November 8, 2022 Advance Notice of Proposed Rulemaking, the November 9, 2023 Notice of Proposed Rulemaking, the Informal Hearing record, and the January 10, 2025 Final Rule.
    - From the proposed Rule on Unfair or Deceptive Rental Housing Fee Practices, the March 13, 2026 Advance Notice of Proposed Rulemaking.

43. In addition, I have reviewed and relied upon documents from the instant matter, such as the first amended class action complaint, the motion for class certification, the motion for preliminary approval of a class action settlement, and the revised class settlement agreement.

I declare under penalty of perjury that the above is true and correct to the best of my knowledge.

Kati Daffan
Founding Partner
Vaca Daffan LLP
1717 Pennsylvania Ave. NW
Suite 1025
Washington, DC 20006

Date: July 20, 2026

EXHIBIT 2

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Richmond Division

MARIA CAMILA VALENCIA RIOS, AQUARIUS FILALI, and NADJI FILALI, *on behalf of themselves and all similarly situated individuals,* Plaintiffs, v. BELVEDERE NRDE, LLC, PEGASUS RESIDENTIAL, LLC, and GLENMOOR OAKS NRDE, LLC, Defendant.	Civil Action No. 3:25-cv-00474-REP-MRC

DECLARATION OF KRISTI C. KELLY

I, Kristi C. Kelly declare:

1. My name is Kristi C. Kelly. I am over 21 years of age, of sound mind, capable of executing this declaration, and have personal knowledge of the facts stated herein, and they are all true and correct.

2. I am one of the attorneys working on behalf of the Plaintiff in the above-styled litigation, and I am a founder and a partner of Kelly Guzzo, PLC, a law firm located at 3925 Chain Bridge Road, Suite 202, Fairfax, Virginia 22030. Prior to January 15, 2014, I was an attorney and equity partner at Surovell Isaacs Petersen & Levy, PLC, a nineteen-attorney law firm with offices in Fairfax, Virginia. My primary office was 4010 University Drive, Suite 200, Fairfax, Virginia 22030. I also worked for Legal Services of Northern Virginia, focusing exclusively on housing and consumer law for approximately three years prior to Surovell Isaacs Petersen & Levy, PLC.

3. Since 2006, I have been and presently am a member in good standing of the Bar of the highest court of the Commonwealth of Virginia, where I regularly practice law. Since 2007

and 2014, respectively, I also have been and presently am members in good standing of the Bars of the highest courts of the District of Columbia and Maryland. I am also admitted in the United States District Courts for the District of Columbia and Maryland.

4. My law firm is committed to representing the most vulnerable—and often overlooked—consumers. We work with various legal aid organizations to help identify areas of need, where our firm can "step up" and meet those need through class action litigation or pro bono work. Many of these cases seek remedies for credit reporting errors or lending abuses. Kelly Guzzo was the co-recipient of the 2019 Frankie Muse Freeman Organizational Pro Bono Award by the Virginia State Bar Association.

5. I have taught numerous Continuing Legal Education programs for other attorneys and for various legal aid organizations, state and local bar associations, and other groups focused on consumer law, such as the National Consumer Law Center, the Consumer Federation of America, the National Council of Higher Education, and the National Association of Consumer Advocates. I have taught courses about mortgage servicing abuses, landlord tenant defense, dealing with debt collectors, credit reporting, defenses to foreclosure, discovery in federal court, resolving cases, and internet lending. I also served as a panelist for the Consumer Financial Protection Bureau and Federal Trade Commission on the issue of credit reporting. I have also served as an adjunct professor at George Mason University's Antonin Scalia School of Law, teaching a course on consumer rights litigation.

6. My peers have recognized me as a Super Lawyer and Rising Star consistently for the past twelve years, and I was selected as a Top 50 Women's Virginia Super Lawyer in 2023. Additionally, I was selected to be members of the Virginia Lawyers Weekly "Leader in the Law," class of 2014, and Influential Women in the Law, class of 2020. I serve on the Board of Directors for the Legal Aid Justice Center and Virginia Poverty Law Center. I am a former State Chair for

Virginia of the National Association of Consumer Advocates and am currently a member of the Partners' Council for the National Consumer Law Center and Board of Directors of the National Association of Consumer Advocates.

7. I have also been appointed to the Merit Selection Panel for recommendation of magistrate judge appointees for the United States District Court for the Eastern District of Virginia, in both the Richmond and Alexandria Divisions.

8. My firm has litigated hundreds of consumer protection lawsuits in courts across the country. Several courts have recognized Kelly Guzzo's skill in the consumer protection arena. *See, e.g.*, Final Approval Hr'g Tr., *Campos-Carranza v. Credit Plus, Inc.*, No. 16-cv-120, at 5:3–7 (E.D. Va. Feb. 17, 2017) ("I think this is an extremely, as I say, extremely fair, reasonable, and adequate settlement. Again, the claims – and I think being generous on the time limit for the claims was also appropriate. So I have no difficulty in signing this order."); *Ceccone v. Equifax Info. Servs. LLC*, No. 13-1314, 2016 WL 5107202, at *6 (D.D.C. Aug. 29, 2016) ("Given these qualifications, and in light of Class Counsel's conduct in court and throughout these proceeding, this Court concludes that Class Counsel is qualified to prosecute the interests of this class vigorously."); *Dreher v. Experian Info. Sols., Inc.*, No. 11-00624, 2014 WL 2800766, at *2 (E.D. Va. June 19, 2014) ("Dreher's counsel is well- experienced in the arena of FCRA class action litigation."); Fairness Hr'g Tr., *Burke v. Seterus, Inc.*, No. 16-cv-785, at 9:19–22 (E.D. Va. 2017) ("Experience of counsel on both sides in this case is extraordinary. Ms. Kelly and Ms. Nash and their colleagues are here in this court all the time with these kinds of cases and do a good job on them.").

9. In each of the class cases where I have represented plaintiffs in a consumer protection case, including cases like the instant case, the Court found me to be adequate class counsel. *See Tsvetovat, v. Segan, Mason, & Mason, PC,* No. 1:12-cv-510 (E.D. Va.); *Conley v.*

First Tennessee Bank, No. 1:10-cv-1247 (E.D. Va.); *Dreher v. Experian Information Solutions, Inc.*, No. 3:11-cv-624 (E.D. Va.); *Shami v. Middle East Broadcast Network*, No. 1:13-cv-467 (E.D. Va.); *Goodrow v. Friedman & MacFadyen*, No. 3:11-cv-20 (E.D.Va.); *Kelly v. Nationstar*, Case No. 3:13-cv-311 (E.D. Va.); *Thomas v. Wittstadt*, No. 3:12-cv-450 (E.D. Va.); *Fariasantos v. Rosenberg & Associates, LLC*, No. 3:13-cv-543 (E.D. Va.); *Morgan v. McCabe Weisberg & Conway, LLC*, No. 3:14-cv-695 (E.D. Va.); *Burke v. Shapiro, Brown & Alt, LLP*, No. 3:14-cv-838 (E.D. Va.); *Bartlow, et al., v Medical Facilities of America, Inc.,* No. 3:16-cv-573 (E.D. Va.); *Blocker v. Marshalls of MA, Inc.,* No. 1:14-cv-1940 (D.D.C.); *Ceccone v. Equifax Info. Servs., LLC*, No. 1:13-cv-1314 (D.D.C.); *Jenkins v. Equifax Info. Servs., LLC*, No. 1:15-cv-443 (E.D. Va.); *Ridenour v. Multi-Color Corporation,* No. 2:15-cv-41 (E.D. Va.); *Hayes v. Delbert Services Corp.,* No. 3:14-cv-258 (E.D. Va.); *Campos-Carranza v. Credit Plus, Inc.,* No. 1:16-cv-120 (E.D. Va.); *Jenkins v. Realpage, Inc.*, No. 2:15-cv-1520 (E.D. Pa.); *Kelly v. First Advantage Background Services, Corp.*, No. 3:15-cv-5813 (D.N.J.); *Burke v. Seterus, Inc.,* No. 3:16-cv-785 (E.D. Va.); *Williams v. Corelogic Rental Property Solutions, LLC,* No. 8:16-cv-58 (D. Md.); *Clark v. Trans Union, LLC*, No. 3:15-cv-391 (E.D. Va.); *Clark v. Experian Information Solutions, Inc.*, No. 3:16-cv-32 (E.D. Va.); *Thomas v. Equifax Info. Servs., LLC*, No. 3:18-cv-684 (E.D. Va.); *Heath v. Trans Union, LLC*, No. 3:18-cv-720 (E.D. Va.), *Turner, v. ZestFinance, Inc.,* No. 3:19-cv-293 (E.D. Va.); *Galloway v. Williams*, No. 3:19-cv-470, 2020 WL 7482191, at *4 (E.D. Va. Dec. 18, 2020); *Gibbs v. TCV V, LP*, No. 3:19-cv-789 (E.D. Va.); *Gibbs v. Rees*, No. 3:20-cv-717 (E.D. Va.); *Pang v. Credit Plus, Inc.,* No. 1:20-cv-122 (D. Md.); *Brown v. RP On-Site, LLC,* No. 1:20-cv-482 (E.D. Va.); *Brown v. Corelogic Rental Property Solutions, LLC*, No. 3:20-cv-363 (E.D. Va.); *Hengle v. Asner,* No. 3:19-cv-250 (E.D. Va.); *Gibbs v. Stinson,* No. 3:18-cv-676 (E.D. Va.); *Stewart v. Lexis Nexis Risk Data Retrieval Services, LLC,* No. 3:20-cv-903 (E.D. Va.); *Hill-Green v. Experian Information Solutions, Inc.*, No. 3:19-cv-708 (E.D. Va.); *Blackburn v. A.C. Israel Enterprises*, No.

3:22-cv-146 (E.D. Va.); *Meeks v. Equifax Info. Servs., LLC*, No. 3:21-cv-7727 (N.D. Ca.); *Perucci v. Hunter Warfield, Inc.*, No. 1:23-cv-872-WEF (E.D. Va.); *McAfee v. CIC Mortgage Credit, Inc.*, No. 3:22-cv-0772 (E.D. Va.); *Meehan v. Capital One, N.A.,* No. 1:22-cv-1073 (E.D. Va.); *McAfee v. MeridianLink, Inc.*, No. 3:23-cv-439 (E.D. Va.); *Steinberg v. CoreLogic Credco, LLC*, No. 3:22-cv-498 (S.D. Cal.); *Meeks v. Consumer Adjustment Co., Inc.*, No. 3:21-cv-3266 (N.D. Cal.); *Fitzgerald v. Wildcat*, No. 3:20-cv-44 (W.D. Va.); *Simon v. Specialized Loan Servicing, LLC*, Case No. 1:23-cv-1159 (E.D. Va); *Begum v. Fair Collections & Outsourcing, Inc.*, No. 1:24-cv-893 (E.D. Va.); and *McKay v. Columbia Debt Recovery*, No. 1:25-cv-00520-WPB (E.D. Va.).

10. Nearly all of my law firm's work is contingent or brought under a fee-shifting statute so we generally will not charge our clients a fee. Despite doing all our cases on a contingency basis, we still maintain hourly rates and send monthly bills to our clients so they can see the time that has been expended on their cases. Our rates have increased over the past decade in accordance with our years practiced and increased experience, but our rates have always been approved by the Court where we have sought approval. *See, e.g.*, *Brown v. RP On-Site, LLC*, No. 1:20-cv-482 (E.D. Va.); *Gibbs v. Plain Green, LLC*, No. 3:17-cv-495 (E.D. Va. Dec. 13, 2019); *Turner v. ZestFinance, Inc.*, No. 3:19-cv-293 (E.D. Va. June 30, 2020); *Galloway v. Williams*, No. 3:19-cv-470, 2020 WL 7482191, at *11-12 (E.D. Va. Dec. 18, 2020); *Gibbs v. TCV V, LP*, No. 3:19-cv-789 (E.D. Va.); *Gibbs v. Rees*, No. 3:20-cv-717 (E.D. Va.). These rates have even approved as reasonable in individual cases. *Garmer v. Easy Motors*, No. 1:20-cv-540 (E.D. Va. Nov. 23, 2020) (ECF 27 at 50); *Tsuchida v. Blackacre 1031 Exch. Services, LLC*, No. 2019-15803 (Fairfax County Circuit Court); *Rivera v. Blackacre 1031 Exch. Services, LLC*, No. 2019-15802 (Fairfax County Circuit Court); and most recently in *Vela Diaz v. Equifax Info. Servs.*, LLC, No. 1:23-cv-308 (E.D. Va. Aug. 29, 2023) (ECF No. 28 at 3) ("These hourly rates fall within the lower range of the Vienna Metro matrix and have been approved in numerous cases in this district.").

11. My current hourly rate is $775.00.

12. Other attorneys from my firm that have worked on this case include Andrew Guzzo, Casey Nash, and Matthew Rosendahl. We were also assisted by paralegals Natalie Cahoon, Ayman Habib, and Daniel Rosendahl.

13. Andrew Guzzo was an associate at Surovell Isaacs Petersen & Levy, PLC and currently is a partner at Kelly Guzzo, PLC. He graduated from law school at Washington & Lee University in 2011. The entire time he has been practicing law, he has practiced exclusively in the field of consumer protection litigation, litigating more than 400 hundred cases in federal court, including dozens of class actions. He is licensed to practice law in Virginia and Hawaii. He was the State Chair for Hawaii of the National Association of Consumer Advocates. He has also taught and trained lawyers, including class action and internet lending training sessions for the National Consumer Law Center and National Association of Consumer Advocates, as well as trainings for the annual Virginia Legal Aid Conference and the Consumer Federation of America. He has been named a Super Lawyer Rising Star for the past several years. He received the National Consumer Law Center's Rising Star Award in 2019. His hourly rate is $750.

14. Casey Nash was an associate at Consumer Litigation Associates, PC and is currently an associate at Kelly Guzzo, PLC. I supervise and work closely with Casey. Her hourly rate is $725.00. She graduated from law school at the Catholic University of America in 2012. The entire time she has been practicing law, she has practiced exclusively in the field of consumer protection litigation. She has significant federal litigation experience, including litigation of over 250 federal cases and dozens of complex class actions. She is licensed to practice law in Virginia and Washington, D.C. She has been named a Super Lawyers' Rising Star in Virginia and Washington, D.C. for the past several years. She has also taught and trained lawyers, including providing training about the FCRA and other consumer protection statutes to legal aid

organizations and the National Consumer Law Center and National Association of Consumer Advocates. She has been approved as class counsel in numerous class actions, including some of the cases listed above, as well as several others that she litigated during her time at Consumer Litigation Associates. *See, e.g.*, *Soutter v. Equifax Information Services, LLC*, No. 3:10-cv-107 (E.D. Va.); *James v. Experian Information Solutions, Inc.*, No. 3:12-cv-908 (E.D. Va.); *Manuel v. Wells Fargo Nat'l Bank, N.A.*, No. 3:14-cv-00238 (E.D. Va.); *Milbourne v. JRK Residential Am., LLC*, No. 3:12-cv-00861 (E.D. Va.); *Thomas v. FTS USA, LLC*, No. 3:13-cv-825- REP (E.D. Va.).

15. Matthew Rosendahl is also a lawyer at Kelly Guzzo, PLC. Prior to joining Kelly Guzzo, Matt practiced law for three years at McGuireWoods LLP, where he worked on complex intellectual property litigation, including patent, trademark, copyright, and trade secrets cases in federal courts across the country. Matt was recognized as a Rising Star in Intellectual Property (Virginia) in 2023 and a Rising Star in Consumer Law (Virginia) in 2024 and 2025. Matt graduated *summa cum laude* from William & Mary Law School in 2018, after which he clerked for two years for the Honorable David J. Novak of the United States District Court for the Eastern District of Virginia. Matt has been published in the *William & Mary Law Review*, receiving nationwide recognition as a top 15 law student author. He has also published articles in the *William & Mary Environmental Law and Policy Review* and the *Creighton International and Comparative Law Journal*. In 2025, Matt successfully led a team of firm lawyers to obtain a $1.6 million jury verdict for 19 plaintiffs in Fairfax County Circuit Court. His hourly rate is $700.00.

16. Natalie Cahoon is a paralegal at Kelly Guzzo, PLC, with over eight years of experience in the legal field. She graduated from the University of Maine. Her hourly rate is $325.00.

17. Ayman Habib is a paralegal at Kelly Guzzo, PLC, who joined the firm in 2025. She is a graduate of George Mason University. Her hourly rate is $325.00.

18. Daniel Rosendahl is a paralegal at Kelly Guzzo, PLC and joined the firm in 2025. He graduated from the University of Virginia in 2020 and obtained a Certificate in Paralegal Studies from Boston University in 2021. Prior to joining Kelly Guzzo, he worked for two years as a paralegal on family law and landlord-tenant cases. His hourly rate is $325.00.

19. My law firm takes on significant risks in contingent fee cases like this one: the risk of time spent researching and evaluating claims; the risk of not prevailing on a case; and time lost for unsuccessful cases. Class actions are even riskier because they require more front-end work in addition to the risk of nonpayment. However, my law firm is committed to identifying problems in the marketplace and seeking redress for a class of consumers (where appropriate). We do this because it is important to prevent future misconduct, to seek relief for those harmed by the conduct who are usually unaware of their rights or unable to afford counsel, and to deter other actors from the same behavior. Kelly Guzzo, PLC has worked with tenants to advocate for their rights and prevent eviction for many years. Over the past five years, we have identified problematic practices in the landlord- tenant arena that includes the assessment and overcharge of certain fees. We first started suing the debt collectors that landlords would use to try to extract payments for debts that were largely bogus. These debt collectors would then report to the credit bureaus (Equifax, Experian and Trans Union) in an effort to coerce tenants into paying debts they did not believe they owed merely to protect the consumers' credit ratings. We have removed more than $100 million of junk tenant debts from Virginia consumers' credit reports and removed bogus charges assessed to the tenants through the settlements in *Perrucci, Begum* and *McKay.* More recently, as in this case, we have brought cases challenging those who actually assess the junk fees in the first place—the management companies and landlords—based on unfair and deceptive trade practices theories and the Virginia Residential Landlord Tenant Act.

20. In this case, which is our first direct landlord and management company case we filed, Plaintiffs asserted claims on behalf of the Settlement Class Members that Defendants violated the Virginia Consumer Protection Act and Virginia Residential Landlord Tenant Act by collecting and making misrepresentations in connection with several so-called "junk fees" assessed against tenants at Pegasus-managed apartment complexes throughout Virginia. As our brief indicates, this is a pervasive practice that has largely gone unchecked in Virginia and many other places for nearly a decade.

21. The settlement in this case provides significant relief for the Class Members based on Defendants' potential exposure and the continued harm to consumers from their business practices. Not only will the Settlement Class Members receive automatic, pro-rata damages payments, but Defendants have also agreed to stop collecting both the monthly Community Fee that ranged from $28-34 per month and the one-time Lease Administration Fee that ranged from $250-300. The proposed Settlement therefore addresses the very practices that gave rise to their claims and provides compensation to those forced to pay these fees during the Class Period. Plaintiffs achieved this result despite the yet untested nature of their theories of liability and extensive discovery and motions practice by and from Defendants, including depositions of all three of them. I am proud to be part of a settlement that achieves these results on behalf of tenants across the Commonwealth, who are unnecessarily burdened with these additional junk fees. It is also important that the settlement will not release claims against those landlords who did not contribute to the Settlement Fund, preserving claims tenants may still have against those entities.

22. Prior to the settlement, the parties engaged in extensive discovery, including meet and confers and depositions of multiple individuals, third party subpoenas, a motion for protective order, briefing on class certification, and a settlement conference before this Court. Based on the posture of the case, the parties were well aware of the strengths and weaknesses of their respective

positions. Discovery also helped to leverage a settlement that was in the Class Members' best interests.

23. However, no case is without risk. Here, Defendants raised several legal and factual defenses regarding their liability under the VCPA and VRLTA, including that the Disputed Fees are permissible under Virginia law and that this case is not appropriate for class treatment.

24. The settlement itself was obtained through multiple rounds of discussions between the parties and, ultimately, before Judge Colombell. Judge Colombell assisted the parties in reaching this settlement that provides significant benefits to the Class Members while accounting for the challenges in the case. With Judge Colombell's oversight and guidance, this arm's-length agreement accounted for the risks to both sides and involved substantial concessions, despite each side's strong belief in the strength of their positions.

25. Plaintiffs stayed up to date on the case's status. They participated in discovery, including sitting for depositions, provided responses to counsel's inquiries, and vigorously defended the Class Members' interests. Plaintiffs were also available for the settlement negotiations and were involved in negotiating and approving the settlement terms.

26. There was significant work left to do in this case, including additional discovery, a contested class certification motion, expert witness practice, dispositive motions, and trial preparation, as well as possible appeals. The Settlement avoids the time and expense of that work. Given the significant consideration that the Settlement provides, especially in light of the factual and legal questions involved, the outcome is outstanding. It provides company-wide changes to Defendants' practices that will significantly help avoid the very harm that led to this litigation in the first place, while also providing financial compensation to those who paid the Disputed Fees. As a result, I endorse the settlement as fair and adequate and would urge the Court to preliminarily approve the settlement.

27. In addition to the time and resources already invested in this case, I have no doubt that Class Counsel will spend a significant amount of additional time between now and the Final Approval Hearing and even after final approval to help administer the settlement.

28. The attorneys' fees in this case were negotiated by the parties separately from the Settlement Agreement and with the assistance and oversight of the Honorable Mark R. Colombell.

29. The negotiated fees in this case are supported by the actual hours worked and expenses incurred by Class Counsel.

30. Generally, if a task does not take more than 0.1 hours (or six minutes), attorneys and paralegals at Kelly Guzzo, PLC will not bill for that task. This includes reviewing routine court filings, fielding brief telephone calls, responding to short emails, etc.

31. As discussed above, we completed significant work in this case, including: (1) spending significant time and resources investigating the claims, reviewing Plaintiffs' documents, and preparing the complaint; (2) conducting discovery, including written discovery, third-party subpoenas, depositions, and motions practice; and (3) significant formal and informal settlement discussions.

32. The total amount of our attorneys' fees in this case is $579,667.50, which includes no estimated time for the work that we will complete between now and the final approval hearing, or after final approval if the settlement is approved. This includes all fees that my law firm has incurred prosecuting this case. A chart of the fees incurred by counsel is attached to this declaration as Exhibit A.

33. My law firm also advanced $35,820 in costs. These costs include filing fees, process server fees, federal express charges, discovery costs, research, and copying charges.

34. I am familiar with the fees charged by other attorneys and approved by this Court for class action litigation. I believe the rates of my law firm are consistent, if not low, compared with the prevailing market rates in Virginia for national class action work.

35. Lastly, but most importantly, Plaintiffs were committed to litigating this case as a class action and securing meaningful results for all consumers who have been impacted by the conduct alleged in this case.

36. Plaintiffs were willing to identify themselves in public litigation to challenge junk fees that others had accepted were simply part of renting.

37. Plaintiffs remained engaged in the litigation, regularly communicating with my office to stay updated on the case's status. They also provided documents to support their claims, reviewed the copies of pleadings, and each sat for a deposition.

38. I therefore believe a service award of $15,000.00 to each Plaintiff is appropriate and reasonable considering the risks involved and their investment in the litigation.

I declare under penalty of perjury of the laws of the United States that the foregoing is correct.

Signed this 20th day of July, 2026.

/s/ Kristi C. Kelly
Kristi C. Kelly

EXHIBIT A

Valencia Rios v. Belvedere NRDE, LLC
FEE CHART

CLASS COUNSEL:
Kelly Guzzo, PLC

Task	Kristi Kelly (A)	Andrew Guzzo (A)	Casey Nash (A)	Matthew Rosendahl (A)	Daniel Rosendahl (P)	Natalie Cahoon (P)	Ayman Habib (P)	Total
Correspondence and Administrative Work	32.0		9.3	12.6	3.0	5.2	4.8	66.9
Drafting and Preparing Pleadings	46.9	12.5	25.4	27.8	18.9	3.0		134.5
Discovery and Class Certification Work (includes meet and confers, written discovery, document review, depositions, third-party discovery, and analysis)	68.1	90.8	27.8	159.9	31.1	6.9	19.4	404.0
Mediation and Settlement Negotiations	21.7		5.5	20.3	0.9	0.2		48.6
Settlement Documents and Approval Papers	10.3		8.2	78.0	8.3			104.8
Class Member Contact and Settlement Administration	14.8	0.7	1.0	26.2	88.0	0.8		131.5
Attorneys' Fees Motion and Fee Chart				8.9				8.9
Total Hours	**193.8**	**104.0**	**77.2**	**333.7**	**150.2**	**16.1**	**24.2**	**899.2**
Hourly Rate	**$775**	**$750**	**$725**	**$700**	**$325**	**$325**	**$325**	
Individual Total Lodestar	**$150,195**	**$78,000**	**$55,970**	**$233,590**	**$48,815**	**$5,232.50**	**$7,865**	**$579,667.50**
Class Counsel Total Lodestar	**$579,667.50**							

A = Attorney; P = Paralegal

Exhibit 3

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Richmond Division

MARIA CAMILA VALENCIA RIOS, AQUARIUS FILALI, and NADJI FILALI, *on behalf of themselves and all similarly situated individuals,* Plaintiffs, v. BELVEDERE NRDE, LLC, PEGASUS RESIDENTIAL, LLC, and GLENMOOR OAKS NRDE, LLC, Defendant.	Civil Action No. 3:25-cv-00474-REP-MRC

DECLARATION OF DALE W. PITTMAN

I, Dale W. Pittman, Esquire, declare under penalty of perjury as follows:

1. My name is Dale W. Pittman. I am over the age of 18 and have personal knowledge of the facts set forth herein.

2. I am a member in good standing of the bars of the following courts:

Supreme Court of the United States
Washington, DC
February, 1997

Supreme Court of Virginia
Richmond, Virginia
June 8, 1976

U. S. Court of Appeals for the Fourth Circuit
Richmond, Virginia
September 2, 1980

United States District Court for the Western District of Virginia
Roanoke, Virginia

United States District Court for the Eastern District of Virginia
Richmond, Virginia
December 30, 1976

U.S. Bankruptcy Court for the Eastern District of Virginia
Richmond, Virginia
November, 1997.

3. I am a 1971 graduate of Hampden-Sydney College and a 1976 graduate of the T. C. Williams School of Law of the University of Richmond, Virginia. I am a member of the Virginia State Bar, the Virginia Trial Lawyers Association, the Virginia Bar Association, the National Association of Consumer Advocates, the Federal Bar Association, and the Petersburg Bar Association, of which I am a past President. I am a member of the Council of the Virginia State Bar, the State Bar's governing body, now serving in my sixth term on Bar Council, having served prior five terms over the course of the past twenty-five years, as the elected representative of the Eleventh Judicial Circuit. My sixth term on Bar Council began on July 1, 2023. I was a member of the Board of Governors of the Virginia Trial Lawyers Association for roughly thirty years, at which time I chaired the VTLA's Consumer Law Section. I serve on the Board of Directors of the Legal Services Corporation of Virginia (LSCV), which provides funding for programs offering

civil legal assistance to low-income Virginians. I served as President of the LSCV Board for five years.

4. From February 1, 1977, until September 13, 1996, I was employed by Southside Virginia Legal Services, in Petersburg, Virginia, the local Legal Aid Society, as its General Counsel (Chief Executive Officer). My caseload at Southside Virginia Legal Services evolved over the years into a primarily consumer law practice.

5. From September 16, 1996, until the present I have maintained a private law practice with an office located in Petersburg. My work in private practice is limited almost exclusively to the representation of consumers, with particular emphasis on representing consumers under the Fair Debt Collections Practices Act. I have a statewide consumer law practice and have represented consumers from all regions of the Commonwealth and elsewhere.

6. I was a contributing editor to the consumer law sections of *Virginia Practice Manual*, a practice manual for Legal Aid lawyers and for private lawyers handling cases under the auspices of *pro bono* initiatives in Virginia.

7. Pleadings and discovery from many of my consumer law cases appear in the National Consumer Law Center's *Consumer Law Pleadings*, nationally distributed form books of consumer law pleadings, beginning in 1994. Pleadings and discovery from my cases appear in Books 1, 2, 5, 6, 7, 10, and 11.

8. I have given over eighty lectures to lawyers that qualified for continuing legal education credit.

9. I have made two presentations on consumer protection law and litigation to Virginia's General District Court judges at the Judicial Conference of Virginia for General District

Court judges, one in 1987 on consumer protection laws generally, and one in 2008 on arbitration in consumer financial services cases.

10. My consumer protection law continuing legal education lectures include the following:

FDCPA Developments	National Consumer Law Center Consumer Rights Litigation Conference	October 26, 2024
Mastering Wrongful Repossession Case	National Association of Consumer Advocates Webinar	April 26, 2024
Proving Attorney Fees: The Effective and Ethical Method	Virginia Trial Lawyers Association Zoom CLE	October 6, 2022
Ethical Issues in FDCPA Practice	2022 Fair Debt Collection Conference, Orlando	April 25, 2022
Rental Repairs: Making the Right Choice for Your Client	Virginia Poverty Law Center Annual Statewide Training Conference	October 14, 2021
Spotting Violations of the FDCPA Regulations: Communications	National Consumer Law Center Fair Debt Collections Conference	March 4, 2021
Phone Cases	2018 Fair Debt Collections Conference, Chicago	March 19, 2018

Consumer Protection Litigation and Bankruptcy: Intersections and Collisions, Fair Debt Collections Practices Act	Richmond Bar Association, Richmond	October 24, 2017
Class Actions and Multiple Claims: End Games Planning (co-presenter with Judge John A. Gibney, Jr., Orran L. Brown, Sr, W. James Young, and M. Peebles Harrison)	Hampden-Sydney Bar Association CLE Event Hampden-Sydney, Virginia	October 20, 2017
Serious Illness, the Law, and Pro Bono Services, Part 3: Relief from Creditors	Legal Information Network Cancer, in conjunction with Virginia State Bar Access to Legal Services Committee	November 17, 2016
Representing the Pro Bono Client: Consumer Law Basics 2016	Practicing Law Institute, San Francisco	July 22, 2016
Fair Debt Collections Practices Act	Old Dominion Bar Association Winter Meeting, Williamsburg	January, 30, 2016
Fair Debt Collections Practices Act Overview	Virginia State Bar Young Lawyers Section Professional Development Conference	September 24, 2015
Consumer Law (FDCPA)	A Law Day Celebration Ft. Lee, Virginia	May 1, 2015
FDCPA: Ask the Experts	National Association of Consumer Advocates Fair Debt Collection Training Conference, Washington, DC	March 11, 2015

"It May Not Be a Payday Loan…."	Virginia Poverty Law Center 2014 Annual Statewide Legal Aid Conference, Portsmouth	October 23, 2014
Meeting the Legal Needs of Individuals Facing Serious Illness Through Pro Bono – Relief From Creditors	Virginia State Bar and the Legal Information Network for Cancer Webinar	April 23, 2014
Ethical Responsibilities of Class Counsel to Class Representatives, the Class and Objectors	Fair Debt Collection Practices Act Training Conference, San Antonio, Texas	March 8, 2014
Fair Debt Collections Practices Act	Working With Military Clients, Military Law Section of the Virginia State Bar, Williamsburg, Virginia	October 18, 2013
How the Consumer Bar Views FDCPA Compliance by Collection Attorneys	National Association of Retail Collection Attorneys Fall Collection Conference, Washington, DC	October 17, 2013
Making the Bad Guys Pay	Virginia Poverty Law Center, Richmond	May 9, 2013
FDCPA: Ask the Experts	National Association of Consumer Advocates Fair Debt Collection Training Conference, Baltimore	March 8, 2013
FDCPA Update	JAG School, Charlottesville, VA	December 11, 2012
Fair Debt Collections Practices Act	VA CLE, Charlottesville, VA	September, 2012

FDCPA	ABA Standing Committee on Legal Assistance to Military Personnel, George Mason University Law School	March 15, 2012
Fair Debt Collections Practices Act	Ft. Lee Legal Assistance Division JAG Office CLE	May 5, 2011
Handling Fair Debt Collections Practices Act Cases	65th Legal Assistance Course, The Judge Advocate General's Legal Center and School, Charlottesville	November 16, 2009
Handling Fair Debt Collections Practices Act Cases	VPLC Statewide Legal Aid Conference, Williamsburg	November 5, 2009
Challenging Predatory Small Loans	National Consumer Law Center Consumer Rights Litigation Conference, Philadelphia	October 23, 2009
The Fair Debt Collections Practices Act: Update 2009	VA CLE Webinar	September, 2009
Handling Fair Debt Collections Practices Act Cases	2009 Mid-Atlantic Joint Services Consumer Law Symposium, Naval Legal Service Office Mid-Atlantic Legal Assistance Department, Norfolk	June 12, 2009
Handling Fair Debt Collections Practices Act Cases	64th Legal Assistance Course, The Judge Advocate General's Legal Center and School, Charlottesville	April 2, 2009

Defending Consumers in Medical Debt Collection Cases	National Consumer Law Center's Consumer Rights Litigation Conference in Portland, Oregon	October, 2008
Combating Consumer Issues Facing the Military, FDCPA Cases	Consumer Law Intensive for Military Personnel Advocates, National Consumer Law Center's Consumer Rights Litigation Conference in Portland, Oregon	October, 2008
Issues in Arbitration Cases	Judicial Conference of Virginia for District Court Judges, Virginia Beach	August 13, 2008
A Perfect Storm – The Intersection of the FDCPA and the FCRA in Debt Collection Harassment Cases	Virginia CLE Solo and Small Firm Institute, Williamsburg	May 13, 2008
Defending Debt Collection Suits	National Consumer Rights Litigation Conference, Washington, D.C.	November 11, 2007
Emerging Issues in Debt Collection Abuse & False Credit Reporting	Virginia Trial Lawyers Association Solo & Small Firm Conference, Richmond	October 19, 2007
The Fair Debt Collections Practices Act (Including 2006 Amendments)	Virginia CLE	September 24, 2007
Fair Debt Collections Practices Act	Naval Legal Service Office Mid-Atlantic Joint Services Consumer Law Symposium, Norfolk	May 11, 2007

How to Win (or Not Lose) an Arbitration	National Consumer Rights Litigation Conference Miami, Florida	November 11, 2006
Consumer Debt Collection	59th Legal Assistance Course The Judge Advocate's School Charlottesville	November 2, 2006
Consumer Credit: Remedies You Should be Aware Of	Virginia Trial Lawyers Association Solo & Small Firm Conference, Williamsburg	October 20, 2006
Collection Law From Start to Finish (Presentation on the FDCPA)	National Business Institute Richmond	October 10, 2006
Overview of the Fair Debt Collections Practices Act	Framme Law Firm, Richmond	June 23, 2006
Fair Debt Collection Practices Act	Naval Justice School Newport, Rhode Island	May 22 , 2006
Fair Debt Collection Practices Act – Essential Tips for Both Debtors and Creditors	Virginia CLE - 4th Annual Advanced Consumer Bankruptcy, Richmond	April 28, 2006
Fair Debt Collection Practices Act	3rd Annual Naval Legal Service Office, Mid-Atlantic, Auto Fraud Symposium, Norfolk	April 12, 2006
What the Virginia Lawyer Must Know About Consumer Protection	Solo and Small Firm Conference – Virginia Trial Lawyers Association, Charlottesville	September 30, 2005

Points to Consider if You are Going to Arbitration	National Consumer Law Center's 13th Annual Consumer Rights Litigation Conference	November 7, 2004
Protecting Your Client's Consumer Rights – Fair Debt Collections Practices Act	Virginia CLE - Richmond and Tysons Corner	April 21 and 22, 2004
Fair Debt Collections Practices Act Training Conference – Practice Issues	National Consumer Law Center and National Association of Consumer Advocates, Kansas City	February 22, 2004
Fair Debt Collections Practices Act	Henrico County Bar Association and Virginia Creditor's Bar Association, Richmond	February 19, 2004
Using Experts in Automobile Sale Wreck Damage Cases	IVAN Diminished Value Conference, Chesapeake	January 31, 2004
Consumer Law: Everything You Need to Know to be an Expert in Handling the Latest in Consumer Cases	First Annual Solo and Small Firm Conference – Virginia Trial Lawyers Association, Charlottesville	October 10, 2003
Points To Consider If You Are Going To Arbitration	Virginia Women Attorney's Association, Southside Chapter, Petersburg	July 31, 2003
Fair Debt Collection Practices Act	Virginia CLE, First Advanced Consumer Bankruptcy Conference	May 2, 2003
Fair Debt Collection Practices Act Fair Credit Reporting Act	Naval Justice School Newport, Rhode Island	April 3, 2003

Overview of the Fair Debt Collections Practices Act	Framme Law Firm, Richmond	December 17 & 18, 2002
Arbitrating: Who's Afraid of the Big Bad Wolf?	National Consumer Law Center Consumer Rights Litigation Conference, Atlanta	October 26, 2002
Mobile Home Litigation Issues	National Consumer Law Center Consumer Rights Litigation Conference, Atlanta	October 25, 2002
Settlement Agreements and Confidentiality Issues: Recent Cases in the News and the Problems News Attention Can Create	Virginia Trial Lawyers Association Fall Fiesta, Richmond	September 28, 2002
Practice Pointers Roundtable	Virginia Trial Lawyers Association Fall Fiesta, Richmond	September 27, 2002
Arbitration and Beyond: What to Do If You Are Forced Into Arbitration and What Happens After the Arbitral Award	Virginia Trial Lawyers Association Fall Fiesta, Richmond	September 27, 2002
Fair Debt Collection	ABA Standing Committee on Legal Assistance for Military Personnel Legal Assistance Symposium, Quantico	August 15, 2002
Practical Applications of Consumer Protection Laws for the General Practitioner – Part II	Virginia Women Attorneys Association, Southside Chapter, Petersburg	June 27, 2002

Practical Applications of Consumer Protection Laws for the General Practitioner – Part I	Virginia Women Attorneys Association, Southside Chapter, Petersburg	April 25, 2002
Federal Court-Fun & Easy	Annual Statewide Legal Aid Conference, Virginia Beach	November 1, 2001
FDCPA Compliance for the Virginia Practitioner	National Business Institute CLE for Virginia Lawyers, Richmond	October 11, 2001
Use of Magnuson-Moss Warranty Act in the Recovery of Attorney's Fees	Virginia Trial Lawyers Association Fiesta 3, Richmond	September 28, 2001
Credit Reporting Abuse	Petersburg Kiwanis Breakfast Club, Petersburg	September 18, 2001
A Consumer Lawyer's Perspective on Mobile Home Transactions	Virginia Manufactured Housing Association, Virginia Beach	August 8, 2001
Debt Collection Harassment, Credit Reporting Abuse, Home Solicitation Sales, Fraud.	Elder Law Day	May 11, 2001
Truth in Lending Act and Title Issues in Car Sales	VA Independent Automobile Dealers Association, District 1 Dinner Meeting, Virginia Beach, Virginia	April 11, 2001
What Do These Attorneys Know About The Used Car Business That You Don't?	VA Independent Automobile Dealers Association, District 2 Dinner Meeting, Richmond, Virginia	January 30, 2001

Mobile Home Litigation Issues	National Consumer Law Center Consumer Rights Conference	October 28, 2000
Update on the Fair Debt Collection Practices Act	Virginia CLE®	July 12 and 19, 2000
Consumer Privacy in the Electronic Age	The Bar Association of the City of Richmond	May 31, 2000
Consumer Law Update for Virginia Practitioners, Fair Debt Collection Practices Act.	Virginia CLE®	December 7 and 8, 1999
Recent Developments in Fair Debt Collection, With an Emphasis on the Fourth Circuit	Annual Statewide Legal Aid Conference	November 3, 1999
Recent Developments in Fair Debt Collection	The Bankruptcy Section of the Bar Association of the City of Richmond	October 26, 1999
Consumer Law Seminar	Office of the Staff Judge Advocate, Ft. Eustis, Virginia	August 27, 1999
Automobile Fraud and Financing Issues	Annual Statewide Legal Aid Conference	November 11, 1998
Consumer Law for Support Staff	Annual Statewide Legal Aid Conference	November 11, 1998

First Day in Practice (Topic: Consumer Law Practice)	Virginia State Bar	November 3, 1998
Complying with the Fair Debt Collection Practices Act in Virginia	National Business Institute CLE for Virginia Lawyers	September 9, 1998
Basic Overview of Several Consumer Protection Laws Available to Assist Victims of Consumer Fraud and Abuse	Charlottesville-Albemarle Bar Association Bankruptcy/Creditors' Rights Committee	February 10, 1998
Overview of Consumer Law for Support Staff	Annual Statewide Legal Aid Conference	November 6, 1997
The Fair Debt Collection Practices Act	Annual Statewide Legal Aid Conference	November 6, 1997
Recent Developments under the Fair Debt Collection Practices Act	Virginia Creditor's Bar Association	September 25, 1997
Fair Debt Collection Practices Act	10th Circuit Bar Association, Keysville, VA	April 23, 1997
Complying With the Fair Debt Collection Practices Act in Virginia	National Business Institute CLE for Virginia Lawyers	February 11, 1997

State and Federal Consumer Protection Statutes Frequently Applicable to General District Court Cases	Judicial Conference of Virginia General District Court Judges	April 29, 1989
Everything Under the Sun You Ever Wanted to Know About Handling Home Improvement Cases	Elderly Law Task Force of Virginia Legal Services Programs	
Consumer Law for Non-Consumer Lawyers	Virginia Legal Services Attorneys	
Handing Home Improvement Cases	Consumer Law Training for Virginia Legal Services Attorneys	

11. The Summer 2006 edition of *The Journal of the Virginia Trial Lawyers Association* included "Disputing Home Loan Servicing Abuse Through RESPA," an article that I prepared for that publication.

12. For nearly a decade, I prepared annual reports on Virginia law for the American Bar Association's *Survey of State Class Action Law*.

13. I was Section Chairman and Program Moderator for a Virginia Trial Lawyers Association Consumer Law Seminar entitled "Keeping the Big Boys Honest," that took place on April 25, 1997, and covered the Fair Debt Collections Practices Act, the Fair Credit Reporting Act, Consumer Class Actions, Motor Vehicle Litigation, and Recovering Attorney's Fees in Consumer Litigation. I was Program Chair for the Consumer Law portion of the VTLA's February Fiesta CLE that took place in Williamsburg in February, 2000. I was a presenter on Mobile Home Sales, and in a Consumer Law Practice Roundtable. I was Program Chair for the Consumer Law portion

of the VTLA's Fall Fiesta that took place in Williamsburg on October 14 and 15, 2000, and was a presenter on Emerging Issues in Mobile Home Sales Fraud. I was Program Chair for the Consumer Law portion of the VTLA's Fiesta 3 that took place in Richmond on September 28 and 29, 2001, and was a presenter on "Use of the Magnuson-Moss Warranty Act to Recover Attorney's Fees." I was Program Chair for the Consumer Law portion of the VTLA's Fiesta 2002 that took place in Richmond on September 27 and 28, 2002, and was a presenter on "Settlement Agreements and Confidentiality Issues: Recent Cases in the News and the Problems News Attention Can Create," "Arbitration and Beyond: What to Do If You Are Forced Into Arbitration and What Happens After the Arbitral Award," and a roundtable participant in a "Practice Pointers Roundtable."

14. I was the 1996 recipient of the Virginia State Bar Legal Aid Award, given annually by the Virginia State Bar to recognize a Legal Aid attorney in Virginia who demonstrates innovation and creativity in advocacy and excellence in service to low-income clients. On November 9, 2007, I received the 2007 Consumer Attorney of the Year Award from the National Association of Consumer Advocates at its Annual Meeting in Washington, D.C. On October 21, 2010, I received the Virginia Lawyers Weekly "Leader in the Law 2010" award. On November 4, 2010, I received the Virginia Poverty Law Center's John Kent Shumate, Jr. Advocate of the Year Award, in recognition of my having made a significant impact in advocating for low-income Virginia residents. The Virginia Trial Lawyers Association recognized me as only the fifth recipient of its Oliver White Hill Courageous Advocate Award at the VTLA's 2014 annual convention, an award periodically presented to an advocate who has demonstrated courage and commitment to the ideals of justice in representing an individual or cause at considerable personal risk. I received the Dr. David E. Marion Award for Legal Excellence, presented by the Hampden-Sydney College Bar Association, on October 20, 2017. I was named to the Virginia Lawyers Hall

of Fame for 2019 by Virginia Lawyers Media, being honored for my career accomplishments, contributions to the development of the law in Virginia, contributions to the Bar and to the Commonwealth at Large and efforts to improve the quality of justice in Virginia. I have been selected to Virginia Super Lawyers every year since 2011. I am a fellow of the Virginia Law Foundation, whose mission is to promote, through philanthropy, the rule of law, access to justice, and law-related education. I am a member of the Virginia Poverty Law Center Advisory Council, a group of key community leaders advising the Center and serving as its ambassador by championing its mission of breaking down systemic barriers that keep low-income consumers in the cycle of poverty.

15. I have been involved in many consumer cases involving a range of consumer protection laws, with an emphasis on the Fair Debt Collection Practices Act. Fair Debt Collection Practices Act, Fair Credit Reporting Act, Real Estate Settlement Procedures Act, Truth in Lending Act, and Equal Credit Opportunity Act cases that I have handled alone or co-counseled with others include *Bayone, et al, v. RAM's Auto Sales*, Civil Action No. 81-0847 (E.D. Va. 1981); *Withers v. Eveland*, 988 F. Supp. 942 (E.D. Va. 1997); *Creighton v. Emporia Credit Service, Inc.,* 981 F. Supp. 411 (E.D. Va. 1997); *Morgan v. Credit Adjustment Board*, 999 F. Supp. 803 (E.D. Va. 1998); *Talbott v. GC Services Limited Partnership*, 53 F. Supp. 2d 846 (W.D. Va. 1999); *Talbott v. GC Services Limited Partnership*, 191 F.R.D. 99 (W.D. Va. 2000); *Woodard v. Online Information Servs.*, 191 F.R.D. 502 (E.D.N.C., Jan. 19, 2000); *Pitchford v. Oakwood Mobile Homes*, 124 F. Supp.2d 958, 961 (W.D. Va. 2000); *Sydnor v. Conseco Financial Services Corp.*, 252 F.3d 302, 305 (4th Circ. 2001); *Jones v. Robert Vest*, 2000 U.S. Dist. LEXIS 18413 (E.D. Va. 2000); *Kelly v. Jormandy*, 2005 U.S. Dist. LEXIS 29901 (W.D. Va. 2005); *Lynch v. McGeorge Camping Center,* 2005 U.S. Dist. LEXIS 10201, *12 (E.D. Va. 2005); *Thornton v. Cappo Mgmt.*

V, Inc., 2005 U.S. Dist. LEXIS 10202, *6 (E.D. Va. 2005); *Gansauer v. Transworld Systems, Inc.*, Civil Action No. 7:00cv00931 (W.D. Va. 2007); *Croy v. E. Hall & Associates, P.L.L.C.*, 2007 U.S. Dist. LEXIS 14830 (W.D. Va. 2007); *Turner v. Shenandoah Legal Group, P.C.*, 2006 U.S. Dist. LEXIS 39341 (E.D. Va., June 12, 2006); *Karnette v. Wolpoff & Abramson L.L.C.,* 444 F. Supp. 2d 640 (E.D. Va. 2006); *Karnette v. Wolpoff & Abramson, L.L.P.,* 2007 U.S. Dist. LEXIS 20794 (E.D. Va. March 23, 2007); *Bicking v. Law Offices of Rubenstein and Cogan*, 783 F. Supp. 2d at 841v (E.D. Va. 2011); *James v. Encore Capital Corp.*, No. 3:11cv226 (E.D. Va.), *Goodrow v. Friedman & MacFadyen, P.A.,* 788 F. Supp. 2d 464 (E.D. Va. 2011); *Goodrow v. Friedman & MacFadyen, P.A.,* 2013 U.S. Dist. LEXIS 105395 (E.D. Va. July 26, 2013); *Kelly v. Nationstar*, 2013 U.S. Dist. LEXIS 156515 (E.D. VA 2013); *Cross v. Prospect Mortgage, LLC*, 986 F. Supp. 2d 688 (E.D. Va. 2013); *Fariasantos v. Rosenberg & Associates, LLC*, 2014 WL 928206, 2014 U.S. Dist. LEXIS 30898, (E.D. Va. 2014); *DeCapri v. Law Offices of Shapiro Brown & Alt, LLP*, 2014 U.S. Dist. LEXIS 131979, 2014 WL 4699591 (E.D. Va. 2014); *Lengrand v. WellPoint*, No. 3:11-CV-333 (E.D. Va.); *Henderson v. Verifications, Incorporated*, Civil Action No. 3:11cv514 (ED Va.); and *Thomas v. Wittstadt Title & Escrow Company*, LLC, No. 3:12cv450 (E.D. Va.); *Soutter v. Equifax Information Services*, *LLC*, 307 F.R.D. 183 (E.D. Va. 2015); *Henderson v. Corelogic, Inc., et al.*, Civil Action No. 3:12cv97 (E.D. Va.); *Berry, et al. v. Schulman*, 807 F.3d 600 (4th Cir. 2015); *Henderson v. First Advantage Background Services Corp.*, Civil Action No. 3:14cv221 (E.D. Va.); *Hayes v. Delbert Services Corp.*, et al, Civil Action No. 3:14cv258 (E.D. Va.); *Cornell v. Brock & Scott, PLLC*, Civil Action No. 3:14cv841 (E.D. Va.); *Reese v. Stern & Eisenberg Mid Atlantic, PC*, Civil Action No. 3:16cv496 (E.D. Va.); *Bralley v. Carey*, 2011 U.S. Dist. LEXIS 107015 (E.D. Va. 2011); *Bralley v. Carey*, 2011 U.S. Dist. LEXIS 142896 (E.D. Va. 2011); *Bralley v. Carey*, 2012 U.S. Dist. LEXIS 15191 (E.D. Va. 2012); *Hicks v. Fay Servicing,* *LLC*, 3:17cv780 (E.D. Va.); *Biber v. Pioneer Credit Recovery, Inc.,* 2018 U.S. Dist. LEXIS 62325 (E.D. Va. 2018); *McClain v. Portfolio Recovery Associates, LLC*, 2:18cv482 (E.D. Va.); *Cassell v. Receivables Performance Management, LLC*, 7:2018cv648 (W.D. Va.); *Grimes v. SunTrust Bank*, 3:2019cv400 (E.D. Va.); *Taylor v. Timepayment Corporation*, 3:18cv378 (E.D. Va.); *Baker v. NRA*, Civil Action No. 3:19cv48 (W.D. Va.); *Curtis v. Propel Property Tax Funding*, 915 F.3d 234 (2019); *Street v. Glen Allen Towing & Recovery, Inc.*, 3:19cv567 (E.D. Va.); *Blank v. Hyundai Capital America, Inc.,* 3:19cv735 (E.D. Va.); *Tinnell v. Durham & Durham, LLP*, 3:2019cv632 (E.D. Va.); *Lynda B. Harris v. American Coradius International, LLC*, 3:20cv625 (E.D. Va.); *Carter v. R&B Corporation of Virginia,* 4:20cv202 (E.D. Va.); *Louk v. Wright Way Motors*, LLC, 5:2020cv14 (W.D. Va.); *Cowles v. Peroutka, Miller, Klima & Peters, P.A.*, 3:20cv470 (E.D. Va.); *Green v. Kinum, Inc.*, 3:20cv329 (E.D. Va.); *Turner v. Faber & Brand, LLC*, Civil Action No. 3:21cv30 (E.D. Va.); *Beavers v. Summit Community Bank, Inc.,* 1:21cv42 (W.D. Va.); *Paul v. Freedom Mortgage Corporation*, 2:21cv633 (E.D. Va.); *Beville v. Experian Information Solutions, Inc.,*3:21cv343 (E.D. Va.); *Mejias v. Hyundai Lease Titling Trust,* 3:21cv393 (E.D. Va.); *Bohannon v. Elite Auto, Inc.,* 3:21cv402 (E.D. Va.); *Henderson v. Source for Public Data, L.P.,* 540 Supp. 3d 539 (E.D. Va. 2021); 53 F.4th 110 (4th Cir. 2022); *Hammack v. PHH Mortgage Corporation*, 3:22cv111 (E.D. Va.); *McAfee v. Synchrony Bank, et.al*, 3:22cv261 (E.D. Va.); *McAfee v. CIC Mortgage Credit, Inc.*, 3:22cv772 (E.D. Va.); and *Tate v. Freedom Mortgage Corp.,* 2023 U.S. Dist. LEXIS 206292, 2023 WL 8006194 (D. Or. 2023); *Tate v. Freedom Mortgage Corp.,* 2023 U.S. Dist. LEXIS 206292, 2023 WL 8006194 (D. Or. 2023), *McAfee v. Synchrony Bank, et.al*, 3:22cv261 (E.D. Va.); and *McAfee v. CIC Mortgage Credit, Inc.*, 3:22cv772 (E.D. Va.). I was one of several lawyers representing plaintiff classes in a Multidistrict FDCPA class action, styled *In Re Dun & Bradstreet, Inc. Debt Collection Practices Litigation*, MDL

#1198. The cases, originally transferred by the Judicial Panel on Multidistrict Litigation to the Western District of Virginia, Danville Division, for consolidated pretrial proceedings, were centralized before the Northern District of Illinois for purposes of finalizing settlement. Classes were certified in *Talbott, Woodard, Gansauer, Karnette, Bicking, Goodrow, Kelly, Fariasantos, DeCapri, Lengrand, Henderson v. Verifications, Incorporated, Thomas, Soutter, Henderson v. Corelogic, Inc., Berry, Henderson v. First Advantage Background Services Corp., Hayes*, *Cornell*, *Reese,* and *Turner v. Faber & Brand*.

16. I served as Special Master in a case styled *Silva v. Haynes Furniture Company, Inc.,* Civil Action No. 4:04cv082, (E.D. Va.), an ECOA/FCRA class action, having been appointed by Judge Kelley on January 27, 2006.

17. Very few Virginia attorneys are willing to accept consumer cases because of the special expertise required and the risk of nonpayment. This case is not only a consumer case requiring such special expertise at the risk of nonpayment, but it is more complex than most consumer actions I have seen in my years of legal practice.

18. I have extensive experience in consumer cases brought this Court, and in the Eastern District of Virginia. I routinely represent plaintiffs in cases brought in the Eastern District of Virginia under the FDCPA and FCRA. I have been involved in many cases involving requests for attorneys' fees under different consumer protection claims and statute and am familiar with the rates charged by both plaintiffs' and defense attorneys in this region. My knowledge of the attorneys' fee recoveries, factors and rates in this District and this region comes from a variety of sources, including my own personal experience requesting, or opposing requests for, attorneys' fees, research and discussions with other attorneys, advertised rates, case decisions and other publications. I have had an opportunity to survey and I keep track of the attorneys' fees recovered

in complex and consumer finance class action cases in this District and Division, as well as in the consumer protection field.

19. Given the specific knowledge I have as to attorneys fees awarded and charged in this field and this market, I am able to testify as to the reasonable and expected ranges of fees in class action common fund settlements. In this District, an approved common fund percentage will almost always be between 25% and 35%. Within that range, the most common fee percentages are 30%, 33% and 35%.

20. The largest factor effecting the percentage of common fund approved is the size of the common fund. Cases that settle for gross funds in excess of $15,000,000 are more likely to have a fee set closer to 30%. Cases with gross settlement funds below $2,000,000 are more likely to have a fee set closer to 35%.

21. In this case, Plaintiffs and the Class recovered a gross settlement common fund greater than $2,000,000 but less than $5,000,000. While I believe this settlement for over 17,000 consumers is excellent, this is not a "superfund" settlement that would likely result in a lowered percentage. The 33.33% sought by Plaintiffs and Class Counsel here is a reasonable percentage that is not an outlier, but rather consistent with my expectations for the awards made for funds in this range.

22. I am familiar with the law firm of Kelly Guzzo PLC, who are Class Counsel in this case. I know from personal observation that each lawyer participating from Kelly Guzzo is a top-notch attorney. I also know from personal observation that they are among the very best attorneys who constitute Virginia's consumer-side consumer protection bar, and they are also among the best in their field nationwide.

23. In my opinion, Kelly Guzzo (KG) is one of America's best consumer-side consumer protection litigation law firms. Along with Consumer Litigation Associates, I cannot point to any other law firm in the country that I would describe as doing a better job representing consumers in federal court in consumer protection litigation.

24. I have known Kristi C. Kelly for roughly fourteen years. I have followed her career by attending consumer protection lectures that she has given, by consulting regularly with her on matters of consumer protection law, and by working together with her in cases that we have co-counseled. I know her to be an extremely skilled, thorough and tenacious litigator, who enjoys the well-deserved reputation of being among the leaders in consumer litigation nationwide, particularly class actions. She is also known for pushing the law in a consumer-friendly direction by bringing cases on novel issues that others might pass over, and doing so successfully, as this case demonstrates.

25. I have known Andrew J. Guzzo for roughly ten years. Throughout the time that I have known Mr. Guzzo, he has worked in affiliation with Ms. Kelly.

26. Mr. Guzzo and I have collaborated on motions briefing, discovery issues, and other aspects of a number of consumer protection matters, primarily in cases arising under the Fair Debt Collection Practices Act. As an example, we worked closely together on a Motion to Dismiss briefing in *Kelly v. Nationstar Mortgage*, Civil Action No. 3:13-cv-311(JAG), a Richmond Division FDCPA case. His work there, as in all the other work that I have seen him do, was excellent, and contributed significantly in my opinion to the favorable ruling that we received from Judge Gibney in that case. *Kelly v. Nationstar Mortgage, LLC*, 3013 U.S. Dist. Lexis 156515 (E.D. Va. 2013).

27. I have known Casey Nash for roughly eleven years, having met her through her work at CLA. I know Ms. Nash to be a conscientious, extremely bright, and hard-working lawyer who has assisted in developing and litigating several ground-breaking consumer-protection litigation theories in cases in which I have worked as co-counsel, including for example her enormous contributions to the Complaint preparation and briefing in *Goodrow v. Friedman & MacFadyen*, Civil Action No. 3:11-cv-20(MHL), a mortgage foreclosure case in the Richmond Division that asserted a number of cutting edge consumer protection theories.

28. I have known Matt Rosendahl for several years since his clerkship on the Eastern District of Virginia. Similarly, I have known Pat McNichol for several years through working with him on several consumer protection cases. Both as law clerks and in private practice, they have gained reputations as creative and hardworking lawyers and excellent advocates. Both are strong additions to the bench at KG.

29. Given the specific knowledge I have as to hourly rates charged and approved in this District and Division, I am comfortable stating that the average hourly rates for federal litigation attorneys in this District and Division range between $300 and at least $1,500. I am also comfortable stating that the customary hourly rates for specialized class action attorneys in financial services litigation are often higher.

30. I believe that the hourly rates and overall fee sought by Class Counsel in this matter are not only fair and reasonable, given their qualifications and success in obtaining a first-of-its-kind class settlement for tenant junk fees in Virginia, but also that anything less would underestimate the value of Class Counsel's work and effort expended on this litigation given its novelty and complexity. This case demanded specialized skill and experience that even some of the best consumer class action attorneys operating at the highest level of legal practice do not have.

It is clear to me that Class Counsel in this case both possess and implemented the necessary specialized skill and experience. In addition, they faced these challenges brilliantly while facing some of the most premier defense law firms in the country.

I declare under penalty of perjury of the laws of the United States that the foregoing is correct.

Signed this 20th day of July, 2026.

/s/ Dale W. Pittman
Dale W. Pittman