UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF CALIFORNIA

In re Silvergate Capital Corporation Securities Litigation

In re Silvergate · No. 3:22-cv-01936-JES-MSB · Decided September 3, 2025

SUMMARY

The United States District Court for the Southern District of California awarded attorneys' fees and litigation expenses in the Silvergate Capital securities class action. The court approved attorneys' fees of $6,375,000, litigation expenses of $991,648.74, and specified service awards to the lead plaintiffs, payable from the $37.5 million settlement fund.

CASE DETAILS

COURT	United States District Court for the Southern District of California
WRITING FOR THE COURT	James E. Simmons Jr.
JURISDICTION	United States District Court for the Southern District of California
DECIDED	September 3, 2025
DOCKET	3:22-cv-01936-JES-MSB
DISPOSITION	other
PROCEDURAL POSTURE	Following preliminary and final approval of a class-action settlement, Lead Counsel moved for an award of attorneys' fees and litigation expenses, and the court entered an order granting the motion.
STANDARD OF REVIEW	The court assessed the requested attorneys' fees and litigation expenses for fairness and reasonableness, considering the percentage of the common fund, the results achieved, litigation risks, counsel's skill and quality of work, the contingent nature of the representation, comparable awards, the class's reaction, and a lodestar cross-check.
PRECEDENTIAL VALUE	Unknown; district-court order awarding attorneys' fees and expenses in a class-action settlement.

TOPICS

class actions · attorney fees · costs · commercial litigation · civil procedure

PRACTICE AREAS

Securities litigation Class actions Attorneys' fees

QUESTIONS PRESENTED

1. Whether the requested attorneys' fees and litigation expenses were fair and reasonable under the percentage-of-the-fund method.
2. Whether the notice provided to settlement class members regarding the fee and expense application satisfied Rule 23, the Private Securities Litigation Reform Act, due process, and applicable law.
3. Whether the lead plaintiffs should receive reimbursement for reasonable costs and expenses incurred in representing the settlement class.

HOLDINGS

1. The requested attorneys' fees of 17% of the $37.5 million Settlement Fund, or $6,375,000 plus interest, and litigation expenses of $991,648.74 were fair and reasonable and were awarded from the Settlement Fund.
2. Notice of Lead Counsel's fee and expense application satisfied Rule 23, the Private Securities Litigation Reform Act, due process, and other applicable law and constituted the best notice practicable under the circumstances.
3. The court awarded specified amounts from the Settlement Fund to the lead plaintiffs for reasonable costs and expenses directly related to their representation of the settlement class.

KEY QUOTATIONS

> *"The form and method of notifying the Settlement Class of the motion for an award of attorneys' fees and expenses satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure, the Private Securities Litigation Reform Act of 1995 (15 U.S.C. § 78u-4(a)(7)), due process, and all other applicable law and rules, constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons and entities entitled thereto."* (at 1)

> *"In considering Lead Counsel's motion for an award of attorneys' fees and payment of Litigation Expenses, the Court has considered the reasonableness of the request in light of percentage of the common fund awards in similar cases and additional factors including (1) the results achieved, (2) the risks of litigation, (3) the skill required and the quality of work, (4) the contingent nature of the fee and the financial burden carried by the Lead Plaintiffs, (5) awards made in similar cases, (6) the class's reaction, and (7) a lodestar cross-check."* (at 2)

> *"Lead Counsel are hereby awarded attorneys' fees in the amount of 17% of the Settlement Fund, or $6,375,000 (plus interest earned at the same rate as the Settlement Fund)."* (at 3)

FACTUAL BACKGROUND

Lead Counsel prosecuted a securities class action on a wholly contingent basis and obtained a $37.5 million cash settlement fund for the settlement class. Counsel devoted more than 6,700 hours to the litigation, with a lodestar of approximately $6.18 million through June 30, 2025. Notice of the fee application was mailed to more than 218,000 potential settlement class members and no objections to the requested fees or expenses were filed.

PROCEDURAL HISTORY

The securities class action was resolved through a settlement creating a $37.5 million cash settlement fund. After notice to the settlement class and a September 3, 2025 settlement hearing, the court considered and approved Lead Counsel's fee and expense application and awarded service-related costs to the lead plaintiffs.

DISPOSITION

other

CASES CITED

- Vizcaino v. Microsoft Corp., 290 F.3d 1043, 1048-50 (9th Cir. 2002)
- In re Online DVD-Rental Antitrust Litigation, 779 F.3d 934, 949 (9th Cir. 2015)

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