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to Government Code § 6103**

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 COUNTY OF SAN FRANCISCO

14 **THE PEOPLE OF THE STATE OF
15 CALIFORNIA,**

16 Plaintiff,

17 v.

18 **VITOL INC., SK ENERGY AMERICAS,
19 INC., SK TRADING INTERNATIONAL
20 CO. LTD.; AND DOES 1- 30, INCLUSIVE,**

21 Defendants.

Case No. CGC-20-584456

**DECLARATION OF MICHAEL
JORGENSEN IN SUPPORT OF THE
CALIFORNIA ATTORNEY GENERAL'S
OFFICE'S MOTION FOR ATTORNEYS'
FEES AND COSTS**

Date: February 28, 2025

Time: 10:00 a.m.

Dept: 613

Judge: The Honorable Andrew Y.S.
Cheng

22
23 I, MICHAEL JORGENSEN, declare as follows:

24 1. I am a Supervising Deputy Attorney General in the Antitrust Section of the Attorney
25 General's Office. I am one of the attorneys representing the People of the State of California in
26 this case. I am admitted to practice in the State of California and make this declaration in support
27 of the California Attorney General's Motion for Attorneys' Fees and Costs. I have closely
28 participated in, or closely coordinated and monitored, all facets of this case. My responsibilities

1 have included exercising oversight over all attorneys working on this matter on behalf of the
2 Attorney General. I have personal knowledge of the facts stated herein and, if called as witness,
3 could and would competently testify to them. I make this declaration under penalty of perjury
4 under the laws of the State of California.

5 2. The Attorney General's Office has substantial experience in antitrust cases, including
6 *parens patriae* and class actions. The Attorney General's Office actively litigated and reached
7 significant settlements, along with a class, in the DRAM case (\$173 million), TFT/LCD case
8 (\$1.1 billion), and CRT case (\$4.95 million in conjunction with a nationwide settlement). In 2019,
9 the Antitrust Section settled with four pharmaceutical companies for their collusive pay-for-delay
10 agreements, securing nearly \$70 million for California and injunctions for up to 10 years. In
11 2021, the Antitrust Section settled with Sutter Health, securing a landmark \$575 million for
12 consumers and injunctions against Sutter Health for 10 years. Separately, the Attorney General's
13 Office has litigated high profile enforcement-only antitrust cases alongside federal agencies,
14 including *FTC et al. vs. Shkreli et al.*, *United States et al. v. American Airlines Group Inc. et al.*,
15 and *United States et al. v. Google LLC*.

16 **Litigation Background**

17 3. The present litigation began on May 4, 2020, when the Attorney General's Office
18 filed a Complaint in San Francisco Superior Court. Before filing this litigation, the Attorney
19 General's Office conducted a years-long investigation into gasoline spot market traders and
20 industry participants. To my knowledge, no other injured party or other enforcer had pursued any
21 claims against Defendants for the conduct challenged in this action prior to the Attorney
22 General's Office filing our Complaint.

23 4. Two days after the Attorney General's Office filed its Complaint, putative class
24 action litigants filed complaints in federal court, stating that Defendants' conduct became known
25 for the first time upon the filing of the Attorney General's Office's Complaint.

26 5. The nature of the California gasoline spot market presented unique challenges in this
27 action. The gasoline products in question were traded on an Over the Counter market, meaning
28 that they were traded directly between traders, sometimes with the assistance of a professional

1 broker. Market participants also could choose to report some or all of their transactions to a price
2 reporting agency, Oil Price Information Service (“OPIS”), at any time throughout the day. OPIS
3 published a daily price assessment for commodities based on whatever transactions for which
4 market participants chose to report the price and volume.

5 6. Gasoline traders are a small, tight-knit, and insular group. Their business relies on
6 repeated business with each other, and personal and professional relationships are heavily
7 intertwined. The Attorney General’s Office needed to engage industry experts to understand and
8 evaluate the industry and relationships.

9 7. Defendants SK Energy Americas (“SKEA”) and SK Trading International (“SKTI”)
10 are both subsidiaries of the SK Group, a large, Korean conglomerate. A number of SKEA’s and
11 virtually all of SKTI’s documents were in Korean. Many witnesses were no longer employed by
12 the same, or any part of the SK Group, and some did not reside in the United States and may not
13 have been available at trial. SKEA and SKTI also automatically deleted all emails after only two
14 weeks.

15 8. Conducting discovery therefore required the Attorney General’s Office to translate
16 documents from Korean, and conduct a number of depositions in Korean.

17 9. SKTI also challenged California courts’ personal jurisdiction over it. In addition to
18 evaluating Korean-language documents and depositions, SKTI’s challenge required extensive
19 briefing. Ultimately, the Attorney General’s Office defeated this personal jurisdiction challenge,
20 first at the trial Court, and then on appeal to the First District, then when SKTI unsuccessfully
21 sought a Writ of Certiorari from the California Supreme Court.

22 10. The Attorney General’s Office took significant risks by bringing this litigation. To
23 my knowledge, no private or public entity has sought to pursue the types of claims advanced on
24 behalf of consumers against gasoline traders until this effort led by the California Attorney
25 General’s Office. Specifically, to my knowledge, there are few cases that have sought to impose
26 liability for the market-wide impact of price index manipulation. Similar theories had been
27 rejected under the Federal Sherman Act because harm to consumers was insufficiently direct to
28 create standing, or as seeking to impose impermissible “umbrella damages.” (E.g., *Schwab Short-*

1 *Term Bond Market Fund v. Lloyds Banking Group PLC* (2d Cir. 2021) 22 F.4th 103, 109, 116–
2 117, 125.) To my knowledge, California courts had not passed judgement on similar theories.

3 11. Fact discovery spanned 17 months. Together, the parties and non-parties produced
4 over 3 million pages of documents. The parties conducted more than 56 depositions, producing
5 more than 11,000 pages of deposition transcripts, including many documents and depositions in
6 Korean.

7 12. Vitol retained Susman Godfrey LLP and Quinn Emanuel LLP in this action, while
8 SKEA and SKTI retained Covington & Burling LLP and K&L Gates LLP. Defendants
9 collectively deployed more than 40 attorneys in litigating this case. They served 91 requests for
10 production; two sets of special interrogatories and three sets of form interrogatories, totaling 74
11 interrogatories; and three sets of requests for admission, totaling 33 requests. These requests
12 ranged from broad sweeping requests to targeted ancillary requests. They noticed over 22
13 depositions.

14 13. Some of Defendants discovery requests focused on ancillary issues, such as campaign
15 contributions to the then-Attorney General.

16 14. At the time the Settlement Agreement was signed, the docket for the instant action
17 had over 930 entries, and this Court had issued 65 orders.

18 15. The settlement of the instant litigation has generated significant local and national
19 media coverage.

20 16. The Attorney General co-sponsored SBx1-2, which was signed into law by Governor
21 Newsom on March 28, 2023. It adds strict new regulatory requirements for traders (and others)
22 transacting in the California gas market and creates a new industry watchdog (the Division of
23 Petroleum Market Oversight contained within the California Energy Commission) with far-
24 reaching investigative and subpoena authority. Additionally, on October 14, 2024, Governor
25 Newsom signed ABX 2-1, which further regulates oil refineries, particularly with regards to
26 planned maintenance and its market impact.

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1 **Tracking and Limitations of Attorneys' Fees**

2 17. The time and expenses reported by the Attorney General's Office herein were
3 incurred for the benefit of the People. As the leader of the litigation team for the People, I am
4 familiar with the work performed by the Attorney General's Office.

5 18. The Attorney General's Office has a time-keeping system known as ProLaw, in
6 which attorneys and paralegals are required by office policy to keep contemporaneous time
7 records. Every ProLaw transaction consists of several elements that must be entered by the
8 attorney or paralegal timekeeper for a case, including: (1) the task code for the work performed
9 (e.g., "pleading preparation," "discovery – offensive," "dispositive motion," "mediation," etc.);
10 (2) the amount of time billed; and (3) a narrative description of the work performed. ProLaw time
11 entries are collected each week and they become a permanent record within ProLaw.

12 19. The Antitrust Section of the Attorney General's Office assigned timekeepers to tasks
13 based on who could best handle the complex antitrust work of the instant litigation.

14 20. The Attorney General's Office identified the billing entries for work performed in this
15 case by generating ProLaw reports for work billed to this case and sorting the entries for each
16 professional.

17 21. Because hours spent performing work connected with the Unfair Competition Law
18 claims are not compensable under the Cartwright Act, the Attorney General's Office eliminated
19 all hours of time that were spent on tasks pertaining exclusively to the Unfair Competition Law.
20 In doing so, the Attorney General's Office eliminated 957 hours.

21 22. To address any possible concerns regarding inefficiencies, the Attorney General's
22 Office eliminated billed time that appeared to be excessive, inefficient, duplicative, or otherwise
23 non-billable, as follows:

24 23. The Attorney General's Office eliminated all hours billed by Deputy Attorney
25 General Paul Moore to account for the fact that a portion of his role in this litigation was
26 administrative and many of his hours were related to his significant and meaningful role in the
27 investigative, pre-filing stage of the case.

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1 24. The Attorney General’s Office eliminated all hours billed by Deputy Attorney
2 General Henry Cornillie to account for possible inefficiencies because this time on the case was
3 limited in nature and duration.

4 25. The Attorney General’s Office eliminated all hours billed by Deputy Attorney
5 General Esther La, Associate Deputy Solicitor General Janill Richards, Deputy Attorney General
6 Jennifer Lee, Supervising Deputy Attorney General Julia Zuffelato, Associate Deputy Solicitor
7 General Kimberly Castle, and Associate Deputy Solicitor General Samuel Harbourt to account for
8 possible inefficiencies and the limited nature and duration of their roles.

9 26. Paralegal and legal assistant time is compensable and recoverable in an attorneys' fees
10 motion, so long as attorneys' fees are otherwise recoverable. (*See, e.g., Rancho Santa Fe*
11 *Association v. Dolan-King* (2004) 115 Cal.App.4th 28; *Guinn v. Dotson* (1994) 23 Cal.App.4th
12 262, 269.) Nonetheless, the Attorney General’s Office eliminated all hours billed by Senior Legal
13 Analyst (“SLA”) Elena Baughman, SLA Ivan Zogovic, SLA Laura Namba, SLA Sheila Rhoads,
14 and Legal Analyst (“LA”) Le Wee Yun. However, where tasks could appropriately be handled
15 by these lower cost timekeepers, such as these SLAs, members of the litigation team assigned
16 tasks to them.

17 27. The Attorney General’s Office is also not seeking any fees for time billed prior to
18 May 4, 2020, during the investigative phase of the case or in preparation for filing the Complaint.
19 Similarly, the Attorney General’s Office is not seeking fees for any time billed after the
20 Settlement Agreement was signed on October 11, 2023, even though that time is substantial and
21 ongoing.

22 28. To calculate its fees in this action, the Attorney General’s Office is relying on a
23 version of the *Laffey* matrix updated with a Bureau of Labor Statistics index called the Legal
24 Services Index (“LSI”), which estimates nationwide price increases for the legal market.
25 California state courts have approved using an index-adjusted version of the *Laffey* matrix,
26 revised upward by 9% to account for the cost-of-living differential in the Bay Area, to calculate
27 prevailing rates for government attorneys’ fees in the Bay Area. (*See Syers Properties III, Inc. v.*
28 *Rankin* (2014) 226 Cal.App.4th 691, 702 [upholding lodestar calculation for an Alameda County

1 case using rates found in the *Laffey* matrix, adjusted upward by nine percent].) The 2021 to 2022
2 rates are being used as they represent the average between 2020 and 2023.

3 **Results of Attorneys' Fees Calculation**

4 29. Using the methodology described in paragraph 28, the total lodestar for the Attorney
5 General's Office is \$27,167,943.99. The chart below sets forth the fees incurred by the Attorney
6 General's Office, broken out by attorney or paralegal, with the number of hours incurred, the
7 hourly rate, and the amount of fees generated for those hours.

Name	Title	Hourly Rate (2021 – 22)	Hours Billed	Fees Generated
Adam Miller	DAG	\$1,001.71	279.00	\$279,477.09
Divya Rao	DAG	\$736.84	6,452.50	\$4,754,460.10
Elena O. Baughman	SLA	\$226.72	4,726.50	\$0
Eric J. Chang	DAG	\$510.12	3,465.00	\$1,767,565.80
Esther H. La	DAG	\$1,001.71	1.25	\$0
Henry Cornillie	DAG	\$510.12	191.00	\$0
Ivan Zogovic	SLA	\$226.72	528.75	\$0
Jamie L. Miller	SDAG	\$832.76	4,348.00	\$3,620,840.48
Janill L. Richards	SAAG	\$1,001.71	4.50	\$0
Jennifer A. Lee	DAG	\$1,001.71	3.25	\$0
Julia A. Zuffelato	SDAG	\$1,001.71	0.50	\$0
Kimberly M. Castle	ADSG	\$510.12	26.00	\$0
Laura C. Namba	SLA	\$226.72	25.25	\$0
Lauren Pomeroy	DAG	\$736.84	494.5	\$364,367.38
Le Wee Yun	LA	\$226.72	1,556.75	\$0
Michael Battaglia	DAG	\$832.76	1,058.25	\$881,268.27
Michael W. Jorgenson	SDAG	\$1,001.71	3,195.50	\$3,200,964.305
Nell G. Moley	DAG	\$736.84	1,546.75	\$1,139,707.27

Nicole S. Gordon	DAG	\$832.76	1,147.75	\$955,800.29
Paul A. Moore III	DAG	\$832.76	5,635.50	\$0
Paul H. Lazarow	DAG	\$510.12	2,168.5	\$1,106,195.22
Paula Blizzard	SAAG	\$1,001.71	112.25	\$112,441.95
Robert B. McNary	DAG	\$832.76	519.75	\$432,827.01
Ryan J. McCauley	DAG	\$832.76	3,778.75	\$3,146,791.85
Samuel T. Harbourt	ADSG	\$736.84	38.00	\$0
Sheila L. Rhoads	SLA	\$226.72	176.25	\$0
Susan J. Welch	DAG	\$832.76	4,437.75	\$3,695,580.69
Tai S. Milder	DAG	\$832.76	2,053.00	\$1,709,656.28
Totals			47970.75	\$27,167,943.99

Costs Incurred

30. The Attorney General’s Office incurred significant unreimbursed costs expended in connection with the prosecution of this litigation. These expenses were incurred for the benefit of the People.

31. These costs were tracked and maintained by the Attorney General’s Office as vendor invoices were received and paid and expense reports were submitted by attorneys and staff, and vendors provided usage reports.

32. I have reviewed the Attorney General’s Office’s costs to determine whether they were appropriately charged to this matter and to confirm that these costs were accurate and supported by invoices, receipts, or other documentation.

33. I have organized the Attorney General’s Office’s unreimbursed costs into six categories: (1) testifying experts; (2) court reporters/transcripts; (3) service of process; (4) translations and translators (5) mediator; and (6) remote court appearances.

1 34. These expenses are summarized as follows:
2

3 Category	Amount
4 Testifying Experts	\$7,866,720.45
5 Outside Counsel	\$5,627,846.56
6 Court Reporters/Transcripts	\$110,251.29
7 Service of Process	\$3,529.90
8 Translations and Translators	\$127,761.45
9 Mediator	\$25,568.34
10 Remote Court Appearances	\$3,930.78
11 Total Costs	\$13,765,608.77

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13 35. Below, I give the cost totals and subtotals for each category and explain the contents
14 of each category.

15 36. Experts/Consultants: \$7,866,720.45. The Attorney General's Office paid a total of
16 \$7,866,720.45 for four testifying experts. This does not include any non-testifying experts and
17 consultants.

18 37. Outside Counsel: \$5,627,846.56. The Attorney General's Office paid a total of
19 \$5,627,846.56 to Bona Law LLP and Tucker Ellis LLP. These firms provided necessary
20 supplementation to the Attorney General's Office's resources to ensure the efficient prosecution
21 of the case.

22 38. Court Reporter/Transcripts: \$110,251.29. The Attorney General's Office paid a total
23 of \$110,251.29 for court reporter services, transcripts and related services for depositions and
24 court hearings.

25 39. Service of Process: \$3,529.90. The Attorney General's Office paid \$3,529.90 to serve
26 legal process to witnesses and/or custodians of records.
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40. Translations and Translators: \$127,761.45. The Attorney General's Office paid \$127,761.45 for translation services. This included the translation of key Korean-language documents to English as well as Korean-language interpreters to translate during depositions.


41. Mediator: \$25,568.34. The Attorney General's Office paid a total of \$25,568.34 for mediator services.

42. Remote Court Appearance: \$3,930.78. The Attorney General's Office paid a total of \$3,930.78 for remote court appearance services.

43. These expenses were reasonable and necessary to the prosecution of the action and do not duplicate any expenses paid by other parties or non-parties.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed December 6, 2024, in San Francisco, California.


MICHAEL JORGENSON
Supervising Deputy Attorney General