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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION

IN RE: USC STUDENT HEALTH  
CENTER LITIGATION

No. 2:18-cv-04258-SVW

[Consolidated with:  
No. 2:18-cv-04940- SVW-GJS,  
No. 2:18-cv-05010-SVW-GJS,  
No. 2:18-cv-05125-SVW-GJS, and  
No. 2:18-cv-06115-SVW-GJS]

**DECLARATION OF LAYN R.  
PHILLIPS**

1 I, LAYN R. PHILLIPS, declare under penalty of perjury as follows:

2 1. I submit this Declaration in my capacity as the mediator in the above-  
3 captioned action and in connection with the proposed settlement of claims in the  
4 above-captioned class action (the “Settlement”).

5 2. The parties’ negotiations were conducted in confidence and under my  
6 supervision. All participants in the mediation and negotiations executed a confidentiality  
7 agreement indicating that the mediation process was to be considered settlement  
8 negotiations for the purpose of Rule 408 of the Federal Rules of Evidence, protecting  
9 disclosure made during such process from later discovery, dissemination, publication  
10 and/or use in evidence. By making this declaration, neither I nor the parties waive in any  
11 way the provisions of the confidentiality agreement or the protections of Rule 408. While  
12 I cannot disclose the contents of the mediation negotiations, the parties have authorized  
13 me to inform the Court of the procedural and substantive matters set forth below to be  
14 used in support of approval of the Settlement. Thus, without in any way waiving the  
15 mediation privilege, I make this declaration based on personal knowledge and I am  
16 competent to testify as to the matters set forth herein.

17 3. I am a former U.S. District Judge, a former United States Attorney, and a  
18 former litigation partner with the firm of Irell & Manella LLP. I currently serve as a  
19 mediator and arbitrator with my own alternative dispute resolution company, Phillips  
20 ADR Enterprises (“PADRE”), which is based in Corona Del Mar, California. I also  
21 serve as a Fellow in the American College of Trial Lawyers.

22 4. In 1984, after serving as an antitrust prosecutor and an Assistant United  
23 States Attorney in Los Angeles, California, I was nominated by President Reagan to  
24 serve as the United States Attorney in Tulsa, Oklahoma. In 1987, I was nominated by  
25 President Reagan to serve as a United States District Judge for the Western District of  
26 Oklahoma.

1           5.     I left the federal bench in 1991 and joined Irell & Manella, where for 23  
2 years I specialized in alternative dispute resolution, complex civil litigation and  
3 internal investigations. In 2014, I left Irell & Manella to found my own company,  
4 PADRE, which provides mediation and other alternative dispute resolution services.

5           6.     Over the past 25 years, I have served as a mediator and arbitrator in  
6 connection with large, complex cases, including successfully mediating the Michigan  
7 State sex-abuse cases, *Denhollander v. Mich. State Univ.*, No. 1:17-cv-00029 (W.D.  
8 Mich.). I have also mediated numerous other cases involving allegations of sexual  
9 harassment including the 21st Century Fox Derivative Litigation prompted by  
10 allegations of a hostile work environment at Fox News.

11           7.     On July 2, 2018, Interim Class Counsel and Defendants participated in a  
12 full-day mediation session before me. The participants included (i) Interim Class  
13 Counsel, Hagens Berman Sobol Shapiro, Lieff Cabraser and Girard Sharp, as well as  
14 other lawyers on the plaintiffs' side; (ii) in-house representatives for USC; and (iii)  
15 USC's outside counsel at Quinn Emanuel. In advance of the mediation session, the  
16 parties exchanged and submitted detailed mediation statements and supporting  
17 exhibits addressing liability and damages. During the mediation, counsel for each side  
18 formally presented arguments regarding their clients' positions. The work that went  
19 into the mediation statements and competing presentations and arguments was  
20 substantial.

21           8.     During the mediation session, I engaged in extensive discussions with  
22 counsel in an effort to find common ground between the parties' respective positions.  
23 During these discussions, I challenged each side separately to address the weaknesses  
24 in each of their positions and arguments. In addition to vigorously arguing their  
25 respective positions, the parties exchanged several rounds of settlement demands and  
26 offers. However, the parties were not able to reach any agreement during the first  
27 mediation session.

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1           9.     Despite being unable to reach any agreement at the first mediation session,  
2 I urged the parties to schedule a further meeting with each side's respective damages  
3 expert to discuss their views on the maximum recoverable damages in this case, as well  
4 as the assumptions and considerations that formed the basis of their calculations of  
5 damages.

6           10.    In advance of the second mediation session, the parties each exchanged  
7 and submitted supplemental mediation statements, including additional exhibits,  
8 addressing liability and damages. The supplemental mediation statements further set  
9 out the relative merits of each party's positions, including as to likely damages in the  
10 event liability was found.

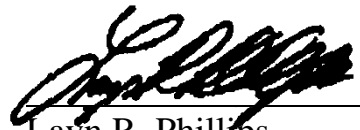
11           11.    On August 20, 2018 and October 26, 2018, Interim Class Counsel and  
12 counsel for Defendants participated in addition mediation session before me. The  
13 parties reached an agreement-in-principle and a term sheet outlining the essential  
14 terms of the settlement on October 18, 2018. Interim Class Counsel and counsel for  
15 Defendants also participated in additional mediation sessions via teleconference with  
16 me on August 24, 2018, August 31, 2018, September 4, 2018, January 18, 2019, and  
17 January 31, 2019. The parties negotiated attorneys' fees for Interim Class Counsel  
18 only after reaching agreement on the monetary relief for the Class.

19           12.    The mediation process was an extremely hard-fought negotiation from  
20 beginning to end. The hard-fought nature was in part exemplified by the need for  
21 additional post term sheet briefing and a mediation session where I heard arguments  
22 on issues that the parties could not resolve when it came to finalizing the documents.  
23 Although I cannot disclose specifics regarding the participants' positions, there were  
24 many complex issues that required significant thought and practical solutions.  
25 Throughout the mediation process, the negotiations between the parties were vigorous  
26 and conducted at arm's-length and in good faith.

1           13. Based on my experience as a litigator, a former U.S. District Judge and a  
2 mediator, I believe that the Settlement represents a recovery and outcome that is  
3 reasonable and fair for the Settlement Class and all parties involved. I further believe it  
4 was in the best interests of the parties that they avoid the burdens and risks associated  
5 with taking a case of this size and complexity to trial, and that they agree on the  
6 Settlement now before the Court. I strongly support the Court’s approval of the  
7 Settlement in all respects.

8           14. Lastly, the advocacy on both sides of the case was excellent. All counsel  
9 displayed the highest level of professionalism in zealously and capably representing  
10 their respective clients.

11           I declare under penalty of perjury that the foregoing facts are true and correct  
12 and that this declaration was executed this 12th day of February, 2019.

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15 Layn R. Phillips

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