Kane Moon (SBN 249834)
kmoon@moonlawgroup.com
Lilit Ter-Astvatsatryan (SBN 320389)
lilit@moonlawgroup.com
Linh H. Tran (SBN 349486)
ltran@moonlawgroup.com
MOON LAW GROUP, PC
1055 W. Seventh St., Suite 1880

MOON LAW GROUP, PC 1055 W. Seventh St., Suite 1880 Los Angeles, California 90017 Telephone: (213) 232-3128 Facsimile: (213) 232-3125

Attorneys for Plaintiff SANDRA L. DELGADO

FILED

Superior Court of California County of Los Angeles

05/13/2024

David W. Stayton, Executive Officer / Clerk of Court

By: A. He Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

SANDRA L. DELGADO, individually, and on behalf of all others similarly situated,

Plaintiff,

VS.

MORTON GRINDING, INC., a California corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No.: 21STCV34037

CLASS AND REPRESENTATIVE ACTION

Assigned for All Purposes to the Honorable Stuart M. Rice, Department 1

[PROPOSED] ORDER GRANTING PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT

PRELIMINARY APPROVAL HEARING:

Date: May 13, 2024 Time: 10:30 a.m.

Dept.: 1

Action Filed: September 15, 2021

Trial Date: Not set

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| PROPOSED | PRELIMINARY APPROVAL ORDER

The Court, having considered Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement, the accompanying Memorandum of Points and Authorities, the supporting Declarations of Kane Moon and Plaintiff Sandra L. Delgado ("Plaintiff"), the Supplemental Declaration of Kane Moon, and good cause appearing,

HEREBY ORDERS, ADJUDGES, AND DECREES AS FOLLOWS:

- 1. The Court grants preliminary approval of the proposed Settlement and the Settlement Class based upon the terms set forth in the First Amended Class Action and PAGA Settlement Agreement and Class Notice (the "Settlement") attached as **Exhibit 1** to the Supplemental Declaration of Kane Moon in Support of Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement. The Court finds, on a preliminary basis, that the Settlement appears to be fair, adequate, and reasonable, and thus, meets the requirements for preliminary approval. The Court also preliminarily finds that the terms of the Settlement appear to be within the range of possible approval, pursuant to California Code of Civil Procedure section 382 and applicable law.
- 2. The Settlement falls within the range of reasonableness of a settlement which could ultimately be given final approval by this Court, and appears to be presumptively valid, subject only to any objections that may be raised before and/or at the Final Approval Hearing and final approval by this Court. The Court notes that Defendant Morton Grinding, Inc. ("Defendant") (together with Plaintiff, the "Parties") agree to create a common, non-reversionary gross fund of \$425,000.00 (the "Gross Settlement Amount"), and in addition to Defendant's employer's payroll taxes owed on the wage portions of Individual Class Payments, to cover (a) Individual Class Payments to Participating Class Members; (b) Administration Expenses Payment of up to \$10,000.00; (c) PAGA Penalties of \$20,000.00 for settlement of claims for civil penalties under the Private Attorneys General Act, Labor Code sections 2698, *et seq.* ("PAGA"), and distributed as 25% (\$5,000.00) to Aggrieved Employees and 75% (\$15,000.00) to the California Labor and Workforce Development Agency (the "LWDA"); (d) the Class Representative Service Payment of up to \$7,500.00 to Plaintiff; (e) the Class Counsel Fees Payment of not more than thirty-three

and one third percent (33 1/3%) of the Gross Settlement Amount (currently estimated to be \$141,666.67); and (f) the Class Counsel Litigation Expenses Payment for reimbursement of litigation expenses up to \$16,000.00.

- 3. The Court finds on a preliminary basis that: (1) the settlement amount is fair and reasonable to the Class Members when balanced against the probable outcome of further litigation relating to class certification, liability and damages issues, and potential appeals; (2) significant informal discovery, investigation, research, and litigation have been conducted such that counsel for the respective Parties at this time are able to reasonably evaluate their respective positions; (3) settlement at this time will avoid substantial costs, delay, and risks that would be presented by the further prosecution of the litigation; and (4) the proposed Settlement has been reached as the result of serious, informed, adversarial, and arms-length negotiations between the Parties. Accordingly, the Court preliminarily finds that the Settlement was entered into in good faith and meets the requirements for preliminary approval.
- 4. A final approval hearing on the question of whether the proposed Settlement, Class Counsel's attorneys' fees and costs, Settlement Administration Costs, the PAGA Payment, and the Class Representative Service Award should be finally approved as fair, reasonable, and adequate as to the members of the Class is hereby set in accordance with the Implementation Schedule set forth below.
- 5. The Court provisionally certifies, for settlement purposes only, the following class ("Class Members"): All persons employed by Defendant in California and classified as non-exempt employees who worked for Defendant during the Class Period. The "Class Period" means the period from September 15, 2017 to May 1, 2024. Excluded from the Class will be any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 6. Further, the Court provisionally certifies, for settlement purposes only, the following "Aggrieved Employees": any person employed by Defendant in California and classified as a non-exempt employee who worked for Defendant during the PAGA Period. The "PAGA Period" means the period from September 13, 2020, to May 1, 2024.

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- 7. Release of Claims. Effective on the date when Defendant fully fund the entire Gross Settlement Amount and the Court enters an order granting Final Approval of this Settlement, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:
 - a. <u>Released Parties</u>. "Released Parties" means: Defendant and any parent, subsidiary, affiliate, predecessor or successor entity, and all agents, employees, contracting parties, joint employers, officers, directors and attorneys thereof.
 - Plaintiff's Release. Plaintiff and her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, Plaintiff's PAGA Notice ("Plaintiff's Release.") Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of Section 1542 of the California Civil Code, which reads: A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.
 - c. <u>Release by Participating Class Members</u>. All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs,

administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint during the Class Period, including, e.g., any and all claims arising under California Labor Code sections 201, 202, 203, 204, 218.5, 218.6, 226, 226.7, 510, 512, 1174(d), 1194, 1194.2, 1197, 1198, and the applicable Industrial Welfare Commission Wage Orders based on any alleged failure to pay minimum wage; failure to pay overtime compensation; failure to pay paid time off wages; failure to provide meal periods; failure to authorize and permit rest periods; failure to timely pay final wages; failure to timely pay wages during employment; failure to provide accurate wage statements; failure to keep adequate records; and unfair business practices arising under California Business and Professions Code section 17200 et seq. Excluded from this portion of the release are claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the Plaintiff's PAGA Notice during the PAGA Period. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

d. Release by Class Members Who Are Aggrieved Employees. All Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and/or the Plaintiff's PAGA Notice during the PAGA Period, including any claim for PAGA penalties based on alleged violations of California Labor Code sections 201, 202, 203, 204, 218.5, 218.6, 226, 226.7, 510, 512, 1174(d), 1194, 1194.2, 1197, 1198, and the applicable Industrial Welfare Commission Wage Orders based on any alleged failure to pay minimum wage; failure to pay overtime compensation; failure to pay paid

time off wages; failure to provide meal periods; failure to authorize and permit rest periods; failure to timely pay final wages; failure to timely pay wages during employment; failure to provide accurate wage statements; and/or failure to keep adequate records.

- 8. The Court, for purposes of this Preliminary Approval Order, hereby refers to and adopts all terms and definitions as set forth in the Settlement.
- 9. The Court finds, for settlement purposes only, that the Settlement Class meets the requirements for certification under California Code of Civil Procedure section 382 in that: (1) the Settlement Class is so numerous that joinder is impractical; (2) there are questions of law and fact that are common, or of general interest, to all Settlement Class Members, which predominate over individual issues; (3) Plaintiff's claims are typical of the claims of the Settlement Class Members; (4) Plaintiff and Class Counsel will fairly and adequately protect the interests of the Settlement Class Members; and (5) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.
- 10. The Court appoints, for settlement purposes only, Plaintiff as the "Class Representative." The Court approves, on a preliminary basis, payment of a Class Representative Service Award to Plaintiff of up to \$7,500.00 from the Gross Settlement Amount, in addition to the amount she is eligible to receive as a Class Member, for her contributions and participation in the litigation, for the risks and duties attendant to her role as the Class Representative, and for her general release of claims against the Released Parties. To the extent the final amount awarded is less, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members.
- 11. The Court appoints, for settlement purposes only, Plaintiff's Counsel Moon Law Group, PC as "Class Counsel." The Court approves, on a preliminary basis, Class Counsel's ability to request attorneys' fees of up to thirty-three and one third percent (33 1/3%) of the Gross Settlement Amount (currently estimated to be \$141,666.67), as well as reimbursement for actual costs not to exceed \$16,000.00, payable from the Gross Settlement Amount. To the extent actual costs are less and/or the final amounts awarded for fees and/or costs are less, the remainder will

be retained in the Net Settlement Amount for distribution to Participating Class Members.

- 12. The Court appoints Apex Class Action Administration as the "Settlement Administrator" with payment, payable from the Gross Settlement Amount, for administration costs not to exceed \$10,000.00, except upon a showing of good cause and as approved by the Court. To the extent administration costs are less, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members.
- 13. The Settlement Administrator shall perform services and duties as provided for in the Settlement, including, but not limited to, mailing the Class Notice via first-class U.S. Mail, in English and Spanish, to Class Members. Class Members shall not be required to submit a claim form to receive individual settlement payments.
- 14. The Court approves the designation of Court Appointed Special Advocates of Los Angeles as the *cy pres* beneficiary of any uncashed settlement checks, pursuant to California Code of Civil Procedure section 384.
- 15. The Court approves the Class Notice in substantially similar form and content as is attached to the Settlement as **Exhibit A.** The Court finds, on a preliminary basis, that the plan for distribution of the Class Notice satisfies due process, provides the best notice practicable under the circumstances, and constitutes due and sufficient notice to all persons entitled thereto.
- 16. The obligations set forth in the Settlement are deemed part of this Preliminary Approval Order, and the Parties and Settlement Administrator are ordered to carry out the Settlement according to its terms and provisions.
 - 17. The Court orders the following Implementation Schedule:

Defendant to provide the Administrator with the Class Data	Within 15 calendar days after entry of this Preliminary Approval Order
Administrator to mail the Class Notice	Within 14 calendar days after receiving the Class Data from Defendant

Response Deadline for Class Members	Within 60 calendar days after the Administrator mails the Class Notice (extended by 14 calendar days for any re-mailed Class Notices)
Last Day to File a Motion For Final Settlement Approval	At least 16 court days before the Final Approval Hearing:
Final Approval Hearing	U&q à^¦ÁJÊÄQ€Q ÊÁNGÁF€KH€ÁQE ÁSJ Ö^]ædq ^}oÁFÁÙ]¦ðj*ÁÙd^^ơÁÔ[ઁ¦ơQĮč•^

- 18. The Court reserves the right to continue the date of the Final Approval Hearing without further notice to Class Members.
- 19. The Settlement is preliminarily approved but is not an admission by Defendant of the validity of any claims in this class action, or of any wrongdoing by Defendant or of any violation of law. Neither the Settlement nor any related document shall be offered or received in evidence in any civil, criminal, or administrative action or proceeding other than as may be necessary to consummate or enforce the Settlement.

IT IS SO ORDERED.

DATED: TælÁFHÉÁG€G

Stuart M. Rice/Judge

THE HONORABLE STUART M. RICE
Judge of the Superior Court, Los Angeles County