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14 Attorneys for Plaintiffs Victor Castaneda and Ricardo Lopez, individually
and on behalf of all others similarly situated and as
15 a representative of aggrieved employees

16 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

17 **FOR THE COUNTY OF ORANGE**

18 BRANDON CENTINO, VICTOR
19 CASTANEDA and RICARDO LOPEZ,
individually and on behalf of all others similarly
20 situated,

21 Plaintiffs,

22 vs.

23 ARROWHEAD PRODUCTS
CORPORATION, a Delaware corporation; and
24 DOES 1 through 25,

25 Defendants.

Case No.: 30-2018-00988493

*Assigned to Hon. Peter Wilson,
Department CX102*

**ORDER OF FINAL APPROVAL OF
CLASS ACTION SETTLEMENT**

Date: August 20, 2020

Time: 2:00 p.m.

Dept.: CX102

Complaint Filed: December 29, 2017

1 The Court, having considered whether to order final approval of the settlement of
2 this matter pursuant to the Stipulation of Class Action Settlement (the “Settlement
3 Agreement” or “Stipulation”), having granted preliminary approval on January 16, 2020,
4 having directed that notice be given to all Class Members of preliminary approval of the
5 Stipulation of Class Action Settlement and the final approval hearing and the right to be
6 excluded from or object to the settlement, having read and considered all of the papers of the
7 parties and their counsel, and having received no objections to the settlement, and good
8 cause appearing therefor,

9 IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

10 1. The Motion for Final Approval of the settlement is granted;

11 2. The parties to this action are Plaintiffs Victor Castaneda and Ricardo Lopez
12 (“Plaintiffs”) and Defendant Arrowhead Products Corporation (“Arrowhead” or
13 “Defendant”).

14 3. After participating in an arms’ length mediation, Plaintiffs and Defendant
15 have agreed to a proposed settlement of this action on behalf of the Class Plaintiffs seek to
16 represent. The terms of the proposed settlement are fully set forth in the Stipulation of Class
17 Action Settlement (the “Settlement Agreement” or “Stipulation”) attached as Exhibit A to
18 the Declaration of Aaron Gundzik in Support of Motion for Final Approval of Class Action
19 Settlement.

20 4. This Court has jurisdiction over the subject matter of this action (the
21 “Action”) and over all parties to the Action, including the Representative Plaintiffs and the
22 Class Members.

23 5. The terms used in this Order have the meaning assigned to them in the
24 parties’ Settlement Agreement.

25 6. The Court finds that the Settlement Class consists of all current and former
26 non-exempt employees of Defendant in California during the Class Period, from December
27 29, 2013 through September 22, 2019.

1 7. The Settlement Class Period is December 29, 2013 through September 22,
2 2019.

3 8. In settlement, Defendant will pay the gross amount of \$1,800,000, plus the
4 employer's share of all required payroll tax deductions. From this gross amount, the parties
5 propose to deduct \$15,000 in fees to be paid to the Settlement Administrator, Service and
6 Release Payments to the Representative Plaintiffs in the amount of \$7,500 each, Class
7 Counsel's costs of \$14,545.80, and Class Counsel's attorneys' fees of \$600,000, which is
8 justified in light of the benefit to the Class.

9 9. The amount remaining, after deductions approved by the Court, will be
10 distributed to Settlement Class Members based on the number of Qualifying Workweeks
11 each Settlement Class Member was employed by Defendant during the Class Period.

12 10. Five class members, Christine Waugh, David Pham, Jennifer Tang, Soi Chau
13 and Tina Chau, filed requests to be excluded from the settlement. Therefore, all members of
14 the Settlement Class with the exception of Christine Waugh, David Pham, Jennifer Tang,
15 Soi Chau and Tina Chau will receive a settlement payment and be bound by the releases and
16 Judgment.

17 11. Upon the receipt by the Settlement Administer, Phoenix Settlement
18 Administrators, of the gross settlement amount of \$1,800,000, plus the employer's share of
19 withholding taxes, from Defendant, each and every Released Claim of each Settlement Class
20 Member, with the exception of Christine Waugh, David Pham, Jennifer Tang, Soi Chau and
21 Tina Chau, is and shall be deemed to be released as against the Released Parties. Upon the
22 receipt by the Settlement Administer, Phoenix Settlement Administrators, of the gross
23 settlement amount of \$1,800,000, plus the employer's share of withholding tax, from
24 Defendant, all Settlement Class Members except Christine Waugh, David Pham, Jennifer
25 Tang, Soi Chau and Tina Chau will be precluded in the future from making any claim based
26 on, arising from, or relating to the allegations made in the Second Amended Complaint.

27 12. Neither the settlement, nor any of the terms set forth in the Settlement
28 Agreement, constitute any admission by Defendant, or any of the other Released Parties, of

1 liability to the Representative Plaintiffs or any Class Member, nor does this Final Approval
2 Order constitute a finding by the Court of the validity of any of the claims alleged in the
3 Action, or of any liability of Defendant or any of the other Released Parties.

4 13. The Court finds that the Notice of Proposed Class Action Settlement (“Notice
5 of Settlement”) has been mailed to all Class Members as previously ordered by the Court,
6 and that such Notice of Settlement fairly and adequately described the terms of the proposed
7 Settlement Agreement, the manner in which the Class Members could object to or
8 participate in the settlement, and the manner in which Class Members could opt out of the
9 Class, was the best notice practicable under the circumstances, was valid, due and sufficient
10 notice to all Class Members, and complied fully with Civil Code §1781(e), Rule of Court
11 3.769, due process and all other applicable laws. The Court further finds that a full and fair
12 opportunity has been afforded to Class Members to participate in the proceedings convened
13 to determine whether the proposed Settlement Agreement should be given final approval.

14 14. The Court finally approves of the distribution of the Net Settlement Amount
15 to the Settlement Class Members. Settlement Class Members are not required to submit a
16 claim form in order to receive payment. Rather, the gross amount paid to each Settlement
17 Class Member will be based on the number of qualifying workweeks (as defined in the
18 Settlement Agreement) each Settlement Class member worked for Defendant during the
19 Class Period (December 29, 2013 through September 22, 2019).

20 15. The Court finds that the Settlement Agreement is fair, reasonable and
21 adequate as to the Settlement Class, the named Plaintiffs and Defendant, and is the product
22 of good faith, arms’ length negotiations between the parties, and further, that the Settlement
23 Agreement is consistent with public policy, and fully complies with all applicable provisions
24 of law. Accordingly, the Court hereby finally and unconditionally approves the Settlement
25 Agreement and specifically approves of the allocation of the Gross Settlement Amount of
26 \$1,800,000 (“Gross Settlement Amount”), plus the payment of the employer’s share of all
27 applicable payroll taxes and fees, as follows:

- 1 a. The Court approves of the payment of Settlement Administration
2 Costs of \$15,000 to Phoenix Settlement Administrators;
- 3 b. The Court approves of Service and Release Payments in the amount
4 of \$7,500 each to Representative Plaintiffs Victor Castaneda and Ricardo Lopez, as payment
5 for their time and efforts in pursuing this Action, for the risks they have undertaken, and as
6 additional compensation for the expanded releases they are providing;
- 7 c. The Court approves of Class Counsel’s attorneys’ fees request of
8 \$600,000, which is one-third of the Gross Settlement Amount, finding that it is reasonable in
9 light of the benefit provided to the Class, to be distributed pursuant to the provisions of
10 paragraph 16 of this Order;
- 11 d. The Court approves of Class Counsel’s request for reimbursement of
12 litigation costs and expenses in the amount of \$14,545.80;
- 13 e. The Court approves of a payment to the Labor and Workforce
14 Development Agency (“LWDA”) in the amount of \$37,500 in settlement of claims under
15 the California Labor Code Private Attorneys General Act (“PAGA”);
- 16 f. The Court approves of payment of the remainder of the Gross
17 Settlement Amount (the “Net Settlement Amount”), approximately \$1,117,954.20, to the
18 Settlement Class Members who have not opted out of the settlement, pursuant to the terms
19 of the Stipulation of Class Action Settlement, Paragraph IV(L), and that all settlement
20 payments be deemed one-third wages, to be reported on a W-2 form, one-third as penalties
21 and one-third as interest.
- 22 g. If a Settlement Class Member’s settlement check(s) is not cashed
23 within 180 days of issuance, it shall be voided and the funds from all such uncashed checks
24 shall be sent to the California State Controller as unclaimed property.

25 16. The Court approves of the following implementation schedule for further
26 proceedings:

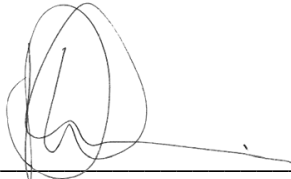
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- Settlement Effective Date: Pursuant to Section II(N) of the Settlement Agreement, the Effective Date is the date of the Court’s entry of Order of Final Approval of Class Action Settlement and Judgment.
- Deadline for Defendant to deliver the Gross Settlement Amount of \$1,800,000, plus the employer’s share of withholding taxes to the Settlement Administrator: Within seventy-five (75) calendar days after the Effective Date.
- Mailing of Payments to Class Members: Within ten (10) days of Defendant’s deposit of the Gross Settlement Amount with the Settlement Administrator.
- Payment to Class Representatives: Within ten (10) days of Defendant’s deposit of the Gross Settlement Amount.
- Payment to Class Counsel of Class Counsel’s attorneys’ fees and Class Counsel’s costs: Within ten (10) days of Defendant’s deposit of the Gross Settlement Amount.
- Payment to the Settlement Administrator: Within ten (10) days of Defendant’s deposit of the Gross Settlement Amount.
- Final Report from Settlement Administrator: After final distribution of Net Settlement Fund.

17. A compliance hearing is set for July 30, 2021 at 9:00 a.m. If a satisfactory compliance status report is filed at least 5 court days before the compliance hearing, no appearances will be required.

Dated: August 26, 2020



Hon. Peter Wilson