UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF CALIFORNIA STEVEN ARNOLD, on behalf of himself and all) CASE NO.: 3:18-CV-02373-JD others similarly situated, Plaintiffs, [PROPOSED] ORDER RE RY APPROVAL OF CLASS v. ACTION SETTLEMENT DMG MORI USA, INC, an Illinois Corporation, and DOES 1-10, inclusive, Defendants.

The parties have agreed to settle the case on the terms presented in the motion for preliminary approval. Dkt. No. 119. Based on the Court's independent review of the motion and related papers, and the discussion at the hearing, preliminary approval is granted. This order modifies a proposed order filed by plaintiffs to accord with prior rulings in the case, and the Court's practices. The parties are advised that Paragraph 10 has been revised to state that no changes to the settlement terms may be made without the Court's prior approval, irrespective of whether the parties deem them to be substantive or not. In addition, attorney's fees and costs, and a potential service award to the class representative, will be taken up at the final approval hearing.

1. <u>Preliminary Approval of the Proposed Settlement.</u> The "Settlement Agreement and Release" ("Agreement") signed by the Parties on July 12, 2021, is preliminarily approved pending a Final Approval Hearing. The Court finds that settlement on the terms in the Agreement is fair, reasonable, and adequate and that such settlement is in the best interests of the Settlement Class, as that term is defined in the Agreement. The Court finds that the parties conducted an appropriate investigation, research, and discovery into the claims, and that their attorneys were able to

reasonably evaluate their respective positions. The Court finds that the Settlement was reached as a result of informed and non-collusive arm's-length negotiations facilitated by an experienced class action mediator.

- 2. <u>Settlement Class.</u> The Court certified a class consisting of "all persons residing in the United States for whom DMG procured or caused to be procured a consumer report for employment purposes on or after April 19, 2016." Dkt. No. 75 at 11. Plaintiff Arnold was confirmed as the class representative. *Id.* The parties propose to modify the class only by adding an end date of May 21, 2021. The proposed modification is accepted as the class definition for preliminary and final approval purposes. The Settlement Class consists of approximately 738 members.
- 5. <u>Appointment of Class Counsel.</u> The Court appointed the Desai Law Firm as class counsel. Dkt. No. 85. Aashish Desai and Adrianne De Castro of Desai Law Firm, P.C., are confirmed as counsel for the class.
- 6. <u>Claims Administrator.</u> CPT Group, Inc. is appointed to serve as the claims administrator ("Claims Administrator"). The Claims Administrator is authorized to mail the approved Settlement Notice to Settlement Class Members and further administer the settlement in accordance with the Agreement and this Order.
- 7. Notice of Proposed Class Action Settlement. The Court approves the form and content of the Settlement Notice attached to the Agreement as **Exhibit A**, with the correction that the case is pending in the Northern District of California, and not the Central District. The Court finds that the form and method for notifying the Settlement Class meet the requirements of Federal Rule of Civil Procedure 23(c)(2)(B) and all due process requirements, is the best notice practicable under the circumstances, and constitutes due and sufficient notice to all persons entitled to notice. Within ten (10) calendar days of the date of this Order, Defendants shall provide to the Claims Administrator a list of Settlement Class Members that identifies for each Settlement Class Member his/her name and last known mailing address. Within twenty (20) calendar days of the Court entering this Order, the Claims Administrator shall mail the Class Notice to each Settlement Class Member. Defendants' Counsel, Class Counsel, and the Claims Administrator collectively may correct immaterial errors on the Class Notice without approval from the Court, provided the

changes do not alter the preliminary approval by the Court. The Claims Administrator will follow the additional procedures set forth in Paragraph 41 of the Agreement.

- 8. Opting Out of the Settlement. Unless a Settlement Class Member timely opts out of the settlement described in the Agreement, he/she shall be bound by the terms and conditions of the Agreement and shall also be bound by the Court's Final Approval Order and Final Judgment enjoining all Settlement Class Members from pursuing, or seeking to reopen, any of the Released Claims against the Released Parties. A Settlement Class Member will not be entitled to opt-out of the settlement established by the Agreement unless he or she submits a written request to opt out or be excluded from the Settlement within forty-five (45) calendar days from the initial mailing of the Class Notice. The request must be post-marked by the Opt-Out deadline and include the individual's name and address; a statement that he or she wants to be excluded from the settlement in *Arnold, et al. v. DMG Mori, USA. Inc*, Case No. 2:14-cv-03471-FMO-AS; and the individual's signature.
- 9. Objecting to the Settlement. Settlement Class Members will have forty-five (45) calendar days from the initial emailing or mailing of the Class Notice to object to the settlement by filing a written objection with the Court. The objection must (i) clearly identify the case name and number; (ii) be submitted to the Court by filing the written objection through the Court's Case Management/Electronic Case Files ("CM/ECF") system, by mailing the written objection to the Claims Administrator, the Class Action Clerk for United States District Court for the Northern District of California, or by filing the written objection in person at any location of the United States District Court for the Northern District of California; and (iii) be filed or postmarked before the end of the Objection Period. Only Settlement Class Members who do not opt-out may file objections. Only objecting Settlement Class Members who make objections in the manner described in Paragraph 42 of the Agreement will be considered Objectors and will be permitted to be heard at the Final Fairness Hearing; Settlement Class Members who fail to make objections in the manner specified in Paragraph 42 of the Agreement are not considered Objectors, will be deemed to have waived any objections, will be foreclosed from seeking review or making any objection to the

settlement or the terms of the Agreement, and will not be permitted to be heard at the Final Fairness Hearing unless the Court orders otherwise.

- 10. <u>No Amendments.</u> No amendments may be made to the Settlement Agreement or Settlement Notice without the Court's prior approval, other than the correction of the District designation in the notice.
- 11. <u>Service Award.</u> Plaintiffs may request service payments to the Class Representative of up to \$5,000. The Court will decide the amount, if any, at the final approval hearing.
- 12. Attorneys Fees' and Costs. The parties have agreed to pay Class Counsel attorneys' fees up to the amount of \$450,000 from an "Attorneys' Fees Fund" as stated in the Agreement, and litigation costs in the amount of \$13,011.56 from the "Class Distribution Fund" as final payment for and complete satisfaction of any and all attorneys' fees and costs incurred by and/or owed to Class Counsel. The Court will take up the award of attorney's fees and costs, and the service award, at the final approval hearing. Counsel for plaintiffs will file a motion for fees and costs.
- 15. <u>Final Approval Hearing.</u> A Final Approval Hearing is set for December 9, 2021 at 10:00 a.m. At the hearing, the Court will consider any objections to the settlement; certification of the Settlement Class; the fairness, reasonableness, and adequacy of the proposed settlement; the reasonableness of Class Counsel's request for attorneys' fees, costs, and a service award; entry of a final approval order and a final judgment; and other related matters. In the event that the Final Effective Date does not occur, the Parties will be returned to their respective positions *nunc pro tunc* as those positions existed prior to the execution of the Settlement Agreement.
 - 16. Schedule. The Court sets the following additional deadlines:

Event	Deadline/Date
DMG to provide names and addresses of Class Members to Settlement Administrator	September 6, 2021
Notice date	September 16, 2021
Last day for class counsel to file motion for attorney's fees and costs, and any service award for class representative	September 16, 2021

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per 12, 2021
per 9, 2021

IT IS SO ORDERED.

Dated: August 27, 2021

Hon. James Ponato