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14 and Collective

15 **UNITED STATES DISTRICT COURT**  
16 **NORTHERN DISTRICT OF CALIFORNIA**

17 DAVID CHAVEZ and VINCENT  
18 SLAUGHTER, on behalf of themselves and all  
19 others similarly situated,

20 Plaintiffs,

21 vs.

22 STELLAR MANAGEMENT GROUP VII,  
23 LLC; STELLAR MANAGEMENT GROUP,  
24 INC. d/b/a QSI QUALITY SERVICE  
25 INTEGRITY; THE VINCIT COMPANY, LLC  
26 d/b/a THE VINCIT GROUP and VINCIT  
27 ENTERPRISES,

28 Defendants.

Case No.: 3:19-cv-01353-JCS

**[PROPOSED] ORDER GRANTING  
PLAINTIFF'S MOTION FOR  
PRELIMINARY APPROVAL OF  
SETTLEMENT**

Date: April 16, 2021

Time: 9:30 a.m.

Judge: Hon. Joseph C. Spero

Ctrm.: G, 15<sup>th</sup> Floor

Filed: March 13, 2019

Trial Date: None

Final Approval Hearing:

February 18, 2022 at 9:30 AM

Via Zoom webinar

1 The Motion for Preliminary Approval of Settlement filed by David Chavez and Vincent  
2 Slaughter, Plaintiffs in this action (the “Action”), came on for hearing regularly in Courtroom G,  
3 15<sup>th</sup> Floor, of the above captioned court, the Honorable Joseph C. Spero presiding. Defendants in  
4 the Action do not oppose the motion.

5 In the operative complaint in the Action, Plaintiffs alleges that Defendants violated federal  
6 and California wage and hour laws with respect to current and former non-exempt employees,  
7 including Sanitation Workers, who have worked for Defendants. Throughout the relevant time  
8 period, Plaintiffs allege that Defendants committed violations as to Plaintiffs and Class and  
9 Collective Members by: (1) not paying Class and Collective Members proper minimum and  
10 overtime wages for work performed off-the-clock on a daily basis; (2) failing to provide Class and  
11 Collective Members with a reasonable opportunity to take meal and rest periods, and failing to  
12 compensate Class and Collective Members when such meal and rest periods are not taken; (3)  
13 failing to reimburse necessarily-incurred expenses; and (4) failing to issue accurate, itemized wage  
14 statements.

15 After discovery, deposition, and extensive investigation by Plaintiffs’ counsel, the Parties  
16 entered into private mediation with respected neutral mediator Mark Rudy in an attempt to resolve  
17 the claims. As a result of the mediation session on September 24, 2020 and further arm’s-length  
18 negotiations facilitated by Mr. Rudy, the Parties reached a global settlement that resolves all of the  
19 claims in all of the Actions. The Parties then executed a Class Action Settlement Agreement and  
20 Release (“Settlement”) on March 12, 2021.

21 A hearing was held before this Court on April 16, 2021 for the purpose of determining,  
22 among other things, whether the proposed Settlement is within the range of possible approval, if  
23 Notices of the Settlement to Members of the California Class and FLSA Collective Members are  
24 appropriate, and whether a formal fairness hearing, also known as a final approval hearing, should  
25 be scheduled. Appearing at the hearing was Schneider Wallace Cottrell Konecky LLP on behalf of  
26 Plaintiffs, the Collective, and Putative Class and Goodwin Procter LLP on behalf of Defendants  
27 Stellar Management Group VII, LLC (“SMGVII”; Stellar Management Group, Inc. d/b/a QSI  
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1 Quality Service Integrity (“SMGINC”); and The Vincit Company, LLC d/b/a The Vincit Group  
2 and Vincit Enterprises (“Vincit”) (collectively, “Defendants” or “QSI”).

3 Having reviewed the papers and documents presented, having heard the statements of  
4 counsel, and having considered the matter, the Court HEREBY ORDERS as follows:

5 1. The Court hereby GRANTS preliminary approval of the terms and conditions  
6 contained in the Settlement, attached to the Declaration of Carolyn H. Cottrell in support of  
7 Plaintiffs’ Motion for Preliminary Approval of Settlement as **Exhibit 1** [Dkt. No. 134-2]; in the  
8 Amendment to Class Action Settlement Agreement and Release, attached to Plaintiffs’  
9 Supplemental Briefing Regarding Zoom Civil Minute Order as **Exhibit 1** [Dkt. No. 138-1]; and in  
10 the Second Amendment to Class Action Settlement Agreement and Release [Dkt. No. 147-1], as  
11 to the Class (together, the “Settlement”). The Court preliminarily finds that the terms of the  
12 Settlement appear to be within the range of possible approval, pursuant to Federal Rule of Civil  
13 Procedure 23 and applicable law.

14 2. The Court finds on a preliminary basis that: (1) the settlement amount is fair and  
15 reasonable to the California Class Members when balanced against the probable outcome of further  
16 litigation relating to class certification, liability and damages issues, and potential appeals; (2)  
17 significant discovery, investigation, research, and litigation have been conducted such that counsel  
18 for the Parties at this time are able to reasonably evaluate their respective positions; (3) settlement  
19 at this time will avoid substantial costs, delay, and risks that would be presented by the further  
20 prosecution of the litigation; and (4) the proposed Settlement has been reached as the result of  
21 intensive, serious, and non-collusive negotiations between the Parties. Accordingly, the Court  
22 preliminarily finds that the Settlement was entered into in good faith.

23 3. The Court hereby GRANTS conditional certification of the provisional California  
24 Class, in accordance with the Settlement, for the purposes of this Settlement only. The California  
25 Class is defined as Plaintiffs and all individuals employed by Defendants in non-exempt positions  
26 in the State of California at any time between March 13, 2015 and the date the Court grants  
27 preliminary approval of the Settlement.

1           4.       The Court hereby GRANTS Approval of the terms and conditions contained in the  
2 Settlement as to the Collective of Opt In Plaintiffs. The Court finds that the terms of the Settlement  
3 are within the range of possible approval, pursuant to the Fair Labor Standards Act and applicable  
4 law.

5           5.       The Court finds that: (1) the settlement amount is fair and reasonable to the Collective  
6 Members when balanced against the probable outcome of further litigation relating to class  
7 certification, liability and damages issues, and potential appeals; (2) significant discovery,  
8 investigation, research, and litigation have been conducted such that counsel for the Parties at this  
9 time are able to reasonably evaluate their respective positions; (3) settlement at this time will avoid  
10 substantial costs, delay, and risks that would be presented by the further prosecution of the  
11 litigation; and (4) the proposed Settlement has been reached as the result of intensive, serious, and  
12 non-collusive negotiations between the Parties. Accordingly, the Court finds that the Settlement  
13 was entered into in good faith.

14           6.       The Court hereby conditionally certifies the Collective. The Collective is defined as  
15 Plaintiff Slaughter, all individuals who prior to the date of the Court's Preliminary Approval Order  
16 have filed a consent form to join this Action, and all additional Collective Members who opt in to  
17 the litigation and consent to the terms of the Settlement by negotiating the check in the gross amount  
18 of his or her Settlement Award.

19           7.       The Court hereby authorizes the retention of Heffler Claims Group as Settlement  
20 Administrator for the purpose of the Settlement, with reasonable administration costs estimated not  
21 to exceed \$85,000.

22           8.       The Court hereby conditionally appoints Schneider Wallace Cottrell Konecky LLP  
23 as Counsel for the Class. The Court hereby conditionally appoints Plaintiffs Chavez and Slaughter  
24 as Class Representatives for the California Class.

25           9.       The Court hereby appoints Schneider Wallace Cottrell Konecky LLP as Counsel for  
26 the Collective. The Court hereby appoints Plaintiff Slaughter as Collective representative for the  
27 Collective.

1           10.     The Court hereby APPROVES the Notices of Settlement attached to the Second  
2 Amendment to Class Action Settlement Agreement and Release as **Exhibit E** and **Exhibit F**. The  
3 Court finds that the Notice of Settlement, along with the related notification procedure  
4 contemplated by the Settlement, constitute the best notice practicable under the circumstances and  
5 are in full compliance with the applicable laws and the requirements of due process. The Court  
6 further finds that the Notices of Settlement appear to fully and accurately inform the Members of  
7 the California Class of all material elements of the proposed Settlement, of their right to be excluded  
8 from the Settlement, and of their right and opportunity to object to the Settlement. The Court also  
9 finds that the Notice of Settlement appears to fully and accurately inform the Members of the  
10 Collective of all material elements of the proposed Settlement.

11           11.     The Court hereby authorizes dissemination of the Notice of Settlement to Members  
12 of the California Class and the Collective. Subject to the terms of the Settlement, the Notice of  
13 Settlement shall be mailed via first-class mail to the most recent known address of each Member of  
14 the Class and the Collective within the timeframe specified in the Settlement, and sent via email to  
15 all such persons for whom Defendants have an email address. The Parties may not make changes  
16 to the proposed Notice of Settlement aside from those that are left blank for the Settlement  
17 Administrator to fill in unless approved by this Court.

18           12.     The Court hereby APPROVES the proposed procedure for Members of the California  
19 Class to request exclusion from the Rule 23 component Settlement, which is to submit a written  
20 statement requesting exclusion to the Settlement Administrator during the time period permitted  
21 under the Settlement. Any Class Member who submits a written exclusion shall not be a Member  
22 of the Class, shall be barred from participating in the Rule 23 component of the Settlement, and  
23 shall receive no benefit from the Rule 23 component of the Settlement.

24           13.     The Court further acknowledges that Plaintiff's counsel will submit a request for  
25 attorneys' fees of up to one-third of the Gross Settlement Amount, or \$1,416,666.52, plus their  
26 costs, not to exceed \$50,000. The Court ORDERS that Plaintiffs' counsel file a motion for approval  
27 of attorneys' fees and costs and service awards, at least 35 days before the opt-out deadline.  
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1 14. The Court ORDERS that Plaintiff’s counsel shall file a motion for final approval of  
 2 the Settlement, with the appropriate declarations and supporting evidence, including a declaration  
 3 setting forth the identity of any California Class Members who request exclusion from the  
 4 Settlement, at least 35 days before the Final Approval Hearing.

5 15. The Court ORDERS that Plaintiff’s counsel shall file a motion for approval of the  
 6 fee and cost award and of the service award to the Class Representative, with the appropriate  
 7 declarations and supporting evidence, to be heard at the same time as the motion for final approval  
 8 of the Settlement.

9 16. The Court further ORDERS that each Member of the California Class shall be given  
 10 a full opportunity to object to the Rule 23 component of the proposed Settlement and request for  
 11 attorneys’ fees, and to participate at a Final Approval Hearing, which the Court sets to commence  
 12 on February 18, 2022 at 9:30 a.m. remotely via the online platform Zoom, [https://cand-  
 13 uscourts.zoomgov.com/j/1619260804?pwd=RE5qWDhGOTdWWTZUOFIOKzhNc3pjZz09](https://cand-uscourts.zoomgov.com/j/1619260804?pwd=RE5qWDhGOTdWWTZUOFIOKzhNc3pjZz09),  
 14 Webinar ID: 161 926 0804, Password: 050855, Dial in: US: +1 (669) 254-5252 or +1 (646) 828-  
 15 7666, International numbers: <https://cand-uscourts.zoomgov.com/u/advFLxrTkx>.<sup>\*</sup> Any Class  
 16 Member seeking to object to the proposed Settlement may do so by filing such objection in writing  
 17 with the Court and serving such objection on Plaintiffs’ counsel and Defendants’ counsel, and do  
 18 not waive their right to object at the Final Approval Hearing by failing to submit a written objection.

19 17. Accordingly, GOOD CAUSE APPEARING, the Court hereby APPROVES the  
 20 proposed Notices of Settlement and adopts the following dates and deadlines:

21	Deadline for Defendants to pay the Gross Settlement Amount in the QSF	Within 10 business days after Preliminary Approval Order
22	Deadline for Defendants to provide Heffler with the Class List	Within 15 business days after the Court’s preliminary approval of the Settlement
23	Deadline for Heffler to mail the Notice of Settlement to Class Members	Within 10 business days after Heffler receives the Class List
24	Deadline for Rule 23 Class Members to postmark requests to opt-out or file objections to the Settlement (“Notice Deadline”)	65 days after Notice of Settlement are mailed
25	Deadline for Heffler to provide all counsel with a report showing (i) the names of Rule 23 Class Members and Opt In Plaintiffs; (ii) the	Within 30 calendar days after the opt out/objection deadline (the “Notice Deadline”)
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\* Instructions to access the hearing via Zoom are also available at <https://cand.uscourts.gov/judges/spero-joseph-c-jcs/>

1	Individual Settlement Payments owed to each Rule 23 Class Member and Opt In Plaintiff;	
2	(iii) the final number of Rule 23 Class Members who have submitted objections or valid letters requesting exclusion from the Settlement; and	
3	(iv) the number of undeliverable Notices of Settlement.	
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5	Deadline for Plaintiffs' counsel to file a motion for approval of attorneys' fees and costs and service awards	At least 35 days before the Notice deadline
6	Deadline for filing of Final Approval Motion	At least 35 days before Final Approval Hearing
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8	Deadline for Heffler to provide the Court and all Parties' counsel with a statement detailing the Settlement Administration Costs and the notice administration process	As soon as practicable
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10	Final Approval Hearing: Feb. 18, 2022	<b>At least 30 days after Notice Deadline</b>
11	Effective Date	The latest of the following dates: (i) if there are one or more objections to the settlement that are not subsequently withdrawn, then the date after the expiration of time for filing a notice of appeal of the Court's Final Approval Order, assuming no appeal or request for review has been filed; (ii) if there is a timely objection and appeal by one or more objectors, then the date after such appeal or appeals are terminated (including any requests for rehearing) resulting in the final judicial approval of the Settlement; or (iii) if there are no timely objections to the settlement, or if one or more objections were filed but subsequently withdrawn before the date of Final Approval, then the first business day after the Court's order granting Final Approval of the Settlement is entered
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20	Deadline for Heffler to calculate the employer share of taxes and provide Defendants with the total amount of Defendants' Payroll Taxes	Within 5 business days after final Settlement Award calculations are approved
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22	Deadline for Heffler to make payments under the Settlement to Participating Individuals, the LWDA, Class Representatives, Plaintiffs' counsel, and itself	Within 30 days after the Effective Date or as soon as reasonably practicable
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24	Check-cashing deadline	180 days after issuance
25	Deadline for Heffler to tender uncashed check funds to cy pres recipient Legal Aid at Work or redistribute such uncashed funds to Participating Individuals who cashed their Settlement Award checks	As soon as practicable after check-cashing deadline
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Deadline for Heffler to provide written certification of completion of administration of the Settlement to counsel for all Parties and the Court

Within 21 business days after the distribution of any uncashed funds

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18. The Court further ORDERS that, pending further order of this Court, all proceedings in the Actions, except those contemplated herein and in the Settlement, are stayed, and all deadlines are vacated.

19. If for any reason the Court does not execute and file a Final Approval Order and Judgment, the proposed Settlement subject to this Order and all evidence and proceedings had in connection with the Settlement shall be null and void.

20. The Court may, for good cause, extend any of the deadlines set forth in this Order or adjourn or continue the final approval hearing without further notice to the Class.

**IT IS SO ORDERED.**

Dated: August 25, 2021

