

1 Carolyn H. Cottrell (SBN 166977)
Ori Edelstein (SBN 268145)
2 Michelle S. Lim (SBN 315691)
SCHNEIDER WALLACE
3 COTTRELL KONECKY LLP
2000 Powell Street, Suite 1400
4 Emeryville, California 94608
Telephone: (415) 421-7100
5 Facsimile: (415) 421-7105
ccottrell@schneiderwallace.com
6 oedelstein@schneiderwallace.com
mlim@schneiderwallace.com
7

8 Attorneys for Plaintiffs, and the Putative Class
and Collective
9

10 **UNITED STATES DISTRICT COURT**
NORTHERN DISTRICT OF CALIFORNIA
11

12 DAVID CHAVEZ and VINCENT
SLAUGHTER, on behalf of themselves and all
13 others similarly situated,

14 Plaintiffs,

15 vs.

16 STELLAR MANAGEMENT GROUP VII,
LLC; STELLAR MANAGEMENT GROUP,
17 INC. d/b/a QSI QUALITY SERVICE
INTEGRITY; THE VINCIT COMPANY, LLC
18 d/b/a THE VINCIT GROUP and VINCIT
ENTERPRISES,

19 Defendants.
20

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

[PROPOSED] AMENDED ORDER
GRANTING PRELIMINARY APPROVAL
OF SETTLEMENT

Filed: March 13, 2019
Trial Date: None

Final Approval Hearing:
March 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 15th Floor, of the above captioned court, the Honorable Joseph C. Spero presiding. Defendants in
4 the Action do not oppose the motion. Good cause appearing, the Court granted Plaintiff’s Motion
5 for Preliminary Approval of the Class Settlement on August 25, 2021. Thereafter, the parties
6 submitted supplemental information showing good cause to amend the Court’s Order Granting
7 Preliminary Approval of the Class Action Settlement, including an Third Amendment to Class
8 Action Settlement and Release (the “Amended Settlement Agreement”). The Court hereby amends
9 its prior order and makes the following findings and orders:

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

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

26 A hearing was held before this Court on April 16, 2021 for the purpose of determining,
27 among other things, whether the proposed Settlement is within the range of possible approval, if
28

1 Notices of the Settlement to Members of the California Class and FLSA Collective Members are
2 appropriate, and whether a formal fairness hearing, also known as a final approval hearing, should
3 be scheduled. Appearing at the hearing was Schneider Wallace Cottrell Konecky LLP on behalf of
4 Plaintiffs, the Collective, and Putative Class and Goodwin Procter LLP on behalf of Defendants
5 Stellar Management Group VII, LLC (“SMGVII”; Stellar Management Group, Inc. d/b/a QSI
6 Quality Service Integrity (“SMGINC”); and The Vincit Company, LLC d/b/a The Vincit Group
7 and Vincit Enterprises (“Vincit”) (collectively, “Defendants” or “QSI”).

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

10 1. The Court hereby GRANTS preliminary approval of the terms and conditions
11 contained in the Settlement, attached to the Declaration of Carolyn H. Cottrell in support of
12 Plaintiffs’ Motion for Preliminary Approval of Settlement as **Exhibit 1**, and in the First, Second,
13 and Third Amendments to Class Action Settlement Agreement and Release [Dkt. Nos. 134-2, 138,
14 147-1, and 153-1], as to the Class (together, the “Settlement”). The Court preliminarily finds that
15 the terms of the Settlement appear to be within the range of possible approval, pursuant to Federal
16 Rule of Civil Procedure 23 and applicable law.

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

26 3. The Court hereby GRANTS conditional certification of the provisional California
27 Class, in accordance with the Settlement, for the purposes of this Settlement only. The California
28

1 Class is defined as Plaintiffs and all individuals employed by Defendants in a Covered Position in
2 the State of California at any time between March 13, 2015 through and including December 31,
3 2020.

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

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

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

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

25 8. The Court hereby conditionally appoints Schneider Wallace Cottrell Konecky LLP
26 as Counsel for the Class. The Court hereby conditionally appoints Plaintiffs Chavez and Slaughter
27 as Class Representatives for the California Class.

28

1 9. The Court hereby appoints Schneider Wallace Cottrell Konecky LLP as Counsel for
2 the Collective. The Court hereby appoints Plaintiff Slaughter as Collective representative for the
3 Collective.

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

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

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

27 13. The Court further acknowledges that Plaintiff's counsel will submit a request for
28

1 attorneys' fees of up to one-third of the Gross Settlement Amount, or \$1,416,666.52, plus their
2 costs, not to exceed \$50,000. The Court ORDERS that Plaintiffs' counsel file a motion for approval
3 of attorneys' fees and costs and service awards, at least 35 days before the opt-out deadline.

4 14. The Court ORDERS that Plaintiff's counsel shall file a motion for final approval of
5 the Settlement, with the appropriate declarations and supporting evidence, including a declaration
6 setting forth the identity of any California Class Members who request exclusion from the
7 Settlement, at least 35 days before the Final Approval Hearing.

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

12 16. The Court ORDERS that each Member of the California Class shall be given a full
13 opportunity to object to the Rule 23 component of the proposed Settlement and request for
14 attorneys' fees, and to participate at a Final Approval Hearing. The Court VACATES the
15 previously-set Final Approval Hearing of February 18, 2022, and sets the Final Approval Hearing
16 to commence on March 18, 2022 at 9:30 a.m. remotely via the online platform Zoom,
17 [https://cand-](https://cand-uscourts.zoomgov.com/j/1619260804?pwd=RE5qWDhGOTdWWTZUOFIOKzhNc3pjZz09)
18 [uscourts.zoomgov.com/j/1619260804?pwd=RE5qWDhGOTdWWTZUOFIOKzhNc3pjZz09](https://cand-uscourts.zoomgov.com/j/1619260804?pwd=RE5qWDhGOTdWWTZUOFIOKzhNc3pjZz09),
19 Webinar ID: 161 926 0804, Password: 050855, Dial in: US: +1 (669) 254-5252 or +1 (646) 828-
20 7666, International numbers: <https://cand-uscourts.zoomgov.com/u/advFLxrTkx>.¹ Any Class
21 Member seeking to object to the proposed Settlement may do so by filing such objection in writing
22 with the Court and serving such objection on Plaintiffs' counsel and Defendants' counsel, and do
23 not waive their right to object at the Final Approval Hearing by failing to submit a written objection.

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

26 _____
27 ¹ Instructions to access the hearing via Zoom are also available at
<https://cand.uscourts.gov/judges/spero-joseph-c-jcs/>.

1	Deadline for Defendants to provide Heffler with the Class List	Within 15 business days after the date of this order
2	Deadline for Heffler to mail the Notice of Settlement to Class Members	Within 10 business days after Heffler receives the Class List
3	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
4	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 Individual Settlement Payments owed to each Rule 23 Class Member and Opt In Plaintiff; (iii) the final number of Rule 23 Class Members who have submitted objections or valid letters requesting exclusion from the Settlement; and (iv) the number of undeliverable Notices of Settlement.	Within 30 calendar days after the opt out/objection deadline (the “Notice Deadline”)
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
7	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
8	Final Approval Hearing	<u>March 18, 2022 at 9:30 AM</u>
9	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
10	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

1 2 3	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
4 5 6	Check-cashing deadline	180 days after issuance
7 8	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
9 10 11	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


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

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

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

20 **IT IS SO ORDERED.**

21 Dated: September 27, 2021

22 
23 _____
24 JOSEPH C. SPERO
25 UNITED STATES ~~DISTRICT COURT~~ JUDGE
26 CHIEF MAGISTRATE