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12 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

13 **COUNTY OF LOS ANGELES**

14 REBEKAH DIAZ, RANDI STENSBERG,  
15 RAFAEL URIBE, and VIRGINIA ZEBLEY,  
16 individuals, on behalf of themselves and on  
17 behalf of all persons similarly situated,

18 Plaintiff,

19 vs.

20 LOYAL SOURCE GOVERNMENT  
21 SERVICES LLC, a limited liability company;  
22 and DOES 1 through 50, inclusive,

23 Defendants.

**CASE NO.: 22STCV15413**

[consolidated with Case No. 22STCV22205]

**[PROPOSED] PRELIMINARY  
APPROVAL ORDER**

Hearing Date: October 4, 2023 \_  
Hearing Time: 10:30 a.m.

Judge: Hon. Stuart M. Rice  
Dept: SS-1

Date Filed: May 10, 2022  
Trial Date: Not set

24 This matter came before the Honorable Stuart M. Rice of the Superior Court of the State of  
25 California, in and for the County Los Angeles, on October 4, 2023, for hearing on the unopposed  
26 motion by Plaintiffs Rebekah Diaz, Randi Stensberg, Rafael Uribe, and Virginia Zebley  
27 (collectively, "Plaintiffs") for preliminary approval of the Settlement with Defendant Loyal Source  
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**PRELIMINARY APPROVAL ORDER**

1 Government Services LLC (“Defendant”). The Court, having considered the briefs, argument of  
2 counsel and all matters presented to the Court and good cause appearing, hereby GRANTS  
3 Plaintiffs’ Motion for Preliminary Approval of Class Action Settlement.

4  
5 **IT IS HEREBY ORDERED:**

6 1. The Court preliminarily approves the Class Action and PAGA Settlement  
7 Agreement (“Agreement”) attached as Exhibit #1 to the Declaration of Kyle Nordrehaug in  
8 Support of Plaintiffs’ Motion for Preliminary Approval of Class Action Settlement. This is based  
9 on the Court’s determination that the Settlement set forth in the Agreement is within the range of  
10 possible final approval, pursuant to the provisions of Section 382 of the California Code of Civil  
11 Procedure and California Rules of Court, rule 3.769.

12 2. This Order incorporates by reference the definitions in the Agreement, and all  
13 terms defined therein shall have the same meaning in this Order as set forth in the Agreement.

14 3. The Gross Settlement Amount that Defendant shall pay is One Million Nine  
15 Hundred Fifty Thousand Dollars (\$1,950,000). It appears to the Court on a preliminary basis that  
16 the settlement amount and terms are fair, adequate and reasonable as to all potential Class  
17 Members when balanced against the probable outcome of further litigation and the significant  
18 risks relating to certification, liability and damages issues. It further appears that investigation and  
19 research have been conducted such that counsel for the Parties are able to reasonably evaluate  
20 their respective positions. It further appears to the Court that the Settlement will avoid substantial  
21 additional costs by all Parties, as well as avoid the delay and risks that would be presented by the  
22 further prosecution of the Action. It further appears that the Settlement has been reached as the  
23 result of serious and non-collusive, arms-length negotiations.

24 4. The Court preliminarily finds that the Settlement appears to be within the range of  
25 reasonableness of a settlement that could ultimately be given final approval by this Court. The  
26 Court has reviewed the monetary recovery that is being granted as part of the Settlement and  
27 preliminarily finds that the monetary settlement awards made available to the Class is fair,  
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adequate, and reasonable when balanced against the probable outcome of further litigation and the significant risks relating to certification, liability, and damages issues.

5. The Agreement specifies for an attorneys' fees award not to exceed one-third of the Gross Settlement Amount, an award of litigation expenses incurred, not to exceed \$25,000, and proposed Class Representative Service Payments to the four Plaintiffs in an amount not to exceed \$10,000 each, which is \$40,000 in total for the two named Plaintiffs. The Court will not approve the amount of attorneys' fees and costs, nor the amount of any service award, until the Final Approval Hearing. Plaintiffs will be required to present evidence supporting these requests, including lodestar, prior to final approval.

6. The Court recognizes that Plaintiffs and Defendants stipulate and agree to representative treatment and certification of a class for settlement purposes only. This stipulation will not be deemed admissible in this or any other proceeding should this Settlement not become final. For settlement purposes only, the Court conditionally certifies the Class which consists of "all individuals who are or previously were employed by Defendant in California who were classified as hourly, non-exempt employees at any time during the Class Period, but excluding individuals who: (a) were hired on or before September 29, 2020, (b) have not worked for Defendant in California at any time since on or after January 29, 2021, and (c) were "Participating Class Members" in the settlement of the consolidated matters of *Ortega, et al. v. Loyal Source Government Services, LLC*, Case No. 3:20-cv-00879 and *Ortega v. Loyal Source Government Services, LLC*, Case No. 3:20-cv-01173 (the "*Ortega Settlement*")." The "Class Period" is September 29, 2020 through April 20, 2023.

7. The Court concludes that, for settlement purposes only, the Class meets the requirements for certification under section 382 of the California Code of Civil Procedure in that: (a) the Class is ascertainable and so numerous that joinder of all members of the Class is impracticable; (b) common questions of law and fact predominate, and there is a well-defined community of interest amongst the members of the Class with respect to the subject matter of the litigation; (c) the claims of the Plaintiffs are typical of the claims of the members of the Class; (d)

1 the Plaintiffs will fairly and adequately protect the interests of the members of the Class; (e) a  
2 class action is superior to other available methods for the efficient adjudication of this controversy;  
3 and (f) counsel for the Class is qualified to act as counsel for the Class and the Plaintiffs are  
4 adequate representatives of the Class.

5 8. The Court provisionally appoints Plaintiffs as the representatives of the Class. The  
6 Court provisionally appoints Norman B. Blumenthal, Kyle R. Nordrehaug, and Aparajit Bhowmik  
7 of Blumenthal Nordrehaug Bhowmik De Blouw LLP as Class Counsel for the Class.

8 9. The Agreement provides for a PAGA Penalties out of the Gross Settlement  
9 Amount of \$50,000, which shall be allocated \$37,500 to the Labor & Workforce Development  
10 Agency (“LWDA”) as the LWDA’s 75% share of the settlement of civil penalties paid under this  
11 Agreement pursuant to the PAGA and \$12,500 to the Aggrieved Employees. “Aggrieved  
12 Employees” are all hourly, non-exempt employees who were employed in California at any time  
13 during the PAGA Period (May 10, 2021 through April 20, 2023). Pursuant to Labor Code section  
14 2699, subdivision (l)(2), the LWDA will be provided notice of the Agreement and these settlement  
15 terms. The Court finds the PAGA Penalties to be reasonable.

16 10. The Court hereby approves, as to form and content, the Class Notice attached to the  
17 Agreement as Exhibit A. The Court finds that the Class Notice appears to fully and accurately  
18 inform the Class of all material elements of the proposed Settlement, of the Class Members’ right  
19 to be excluded from the Class by submitting a written opt-out request, and of each member’s right  
20 and opportunity to object to the Settlement. The Court further finds that the distribution of the  
21 Class Notice substantially in the manner and form set forth in the Agreement and this Order meets  
22 the requirements of due process, is the best notice practicable under the circumstances, and shall  
23 constitute due and sufficient notice to all persons entitled thereto. The Court orders the mailing of  
24 the Class Notice by first class mail pursuant to the terms set forth in the Agreement. If a Class  
25 Notice Packet is returned because of an incorrect address, the Administrator will promptly search  
26 for a more current address for the Class Member and re-mail the Class Notice Packet to any new  
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1 address for the Class Member no later than seven (7) days after the receipt of the undelivered  
2 Class Notice.

3 11. The Court hereby appoints ILYM Group as the Administrator. No later than fifteen  
4 (15) days after this Order, Defendants will provide the Class Data to the Administrator. The  
5 Administrator will perform address updates and verifications as necessary prior to the first  
6 mailing. Using best efforts to mail it as soon as possible, and in no event later than fourteen (14)  
7 days after receiving the Class Data, the Administrator will mail the Class Notice Packet to all  
8 Class Members via first-class regular U.S. Mail to their last known address.

9 12. The Court hereby preliminarily approves the proposed procedure for exclusion  
10 from the Settlement. Any Class Member may individually choose to opt out of and be excluded  
11 from the Class as provided in the Class Notice by following the instructions for requesting  
12 exclusion from the Class that are set forth in the Class Notice. All requests for exclusion must be  
13 postmarked or received no later than forty-five (45) calendar days after the date of the mailing of  
14 the Class Notice (“Response Deadline”). If a Class Notice Packet is re-mailed, the Response  
15 Deadline for requests for exclusion will be extended an additional fourteen (14) days. A Request  
16 for Exclusion may also be faxed or emailed to the Administrator as indicated in the Class Notice.  
17 Any such person who chooses to opt out of and be excluded from the Class will not be entitled to  
18 any recovery under the Class Settlement and will not be bound by the Class Settlement or have  
19 any right to object, appeal or comment thereon. Class Members who have not requested exclusion  
20 shall be bound by all determinations of the Court, the Agreement and the Judgment. A request for  
21 exclusion may only opt out that particular individual, and any attempt to effect an opt-out of a  
22 group, class, or subclass of individuals is not permitted and will be deemed invalid.

23 13. Any Class Member who has not opted out may appear at the final approval hearing  
24 and may object or express the Member’s views regarding the Settlement, and may present  
25 evidence and file briefs or other papers that may be proper and relevant to the issues to be heard  
26 and determined by the Court as provided in the Notice. Class Members will have until the  
27 Response Deadline to submit their written objections to the Administrator. Written objections  
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1 may also be faxed or emailed to the Administrator as indicated in the Class Notice. If a Class  
2 Notice Packet is re-mailed, the Response Deadline for written objections will be extended an  
3 additional fourteen (14) days. Alternatively, Class Members may appear at the Final Approval  
4 Hearing to make an oral objection.

5 14. A final approval hearing shall be held before this Court on \_\_\_\_\_  
6 \_\_\_\_\_ at \_\_\_\_\_ in Department 1 at the Los Angeles County Superior Court to hear  
7 the motion for final approval and the motion for attorneys' fees and costs, and to determine all  
8 necessary matters concerning the Settlement, including: whether the proposed settlement of the  
9 Action on the terms and conditions provided for in the Agreement is fair, adequate and reasonable  
10 and should be finally approved by the Court; whether the Final Approval Order and Judgment  
11 should be entered herein; whether the plan of allocation contained in the Agreement should be  
12 approved as fair, adequate and reasonable to the Class Members; and to finally approve attorneys'  
13 fees and costs, service awards, and the fees and expenses of the Administrator. All papers in  
14 support of the motion for final approval and the motion for attorneys' fees, costs and service  
15 awards shall be filed with the Court and served on all counsel no later than sixteen (16) court days  
16 before the hearing and both motions shall be heard at this final approval hearing.

17 15. Neither the Settlement nor any exhibit, document, or instrument delivered  
18 thereunder shall be construed as a concession or admission by Defendant in any way that the  
19 claims asserted have any merit or that this Action was properly brought as a class or representative  
20 action, and shall not be used as evidence of, or used against Defendants as, an admission or  
21 indication in any way, including with respect to any claim of any liability, wrongdoing, fault or  
22 omission by Defendant or with respect to the truth of any allegation asserted by any person.  
23 Whether or not the Settlement is finally approved, neither the Settlement, nor any exhibit,  
24 document, statement, proceeding or conduct related to the Settlement, nor any reports or accounts  
25 thereof, shall in any event be construed as, offered or admitted in evidence as, received as or  
26 deemed to be evidence for any purpose adverse to the Defendant, including, but not limited to,

1 evidence of a presumption, concession, indication or admission by Defendant of any liability,  
2 fault, wrongdoing, omission, concession or damage.

3       16. In the event the Settlement does not become effective in accordance with the terms  
4 of the Agreement, or the Settlement is not finally approved, or is terminated, canceled or fails to  
5 become effective for any reason, this Order shall be rendered null and void and shall be vacated,  
6 and the Parties shall revert to their respective positions as of before entering into the Agreement,  
7 and expressly reserve their respective rights regarding the prosecution and defense of this Action,  
8 including all available defenses and affirmative defenses, and arguments that any claim in the  
9 Action could not be certified as a class action and/or managed as a representative action . In such  
10 an event, the Court's orders regarding the Settlement, including this Order, shall not be used or  
11 referred to in litigation for any purpose. Nothing in this paragraph is intended to alter the terms of  
12 the Agreement with respect to the effect of the Agreement if it is not approved.

13       17. The Court reserves the right to adjourn or continue the date of the final approval  
14 hearing and all dates provided for in the Agreement without further notice to Class Members and  
15 retains jurisdiction to consider all further applications arising out of or connected with the  
16 proposed Settlement.

17       **IT IS SO ORDERED.**

18  
19 Dated: \_\_\_\_\_

20 \_\_\_\_\_  
21 HON. STUART M. RICE  
22 JUDGE OF THE SUPERIOR COURT OF CALIFORNIA  
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