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**SUPERIOR COURT OF CALIFORNIA**  
**COUNTY OF SANTA CRUZ**

LUIS GERMAN CARDENAS PALOMO, an  
individual, on his own behalf and on behalf of  
all others similarly situated,  
  
Plaintiffs,  
  
vs.  
  
JA HOLDINGS, INC. DBA VALLEY  
HAVEN, a California corporation; ARCILLA  
INVESTMENTS, INC. DBA LIVE IN  
SERENITY, a California corporation; and  
DOES 1 through 100, inclusive,  
  
Defendants.

**CASE NO.: 23CV02655**

**[PROPOSED] ORDER GRANTING  
PRELIMINARY APPROVAL OF CLASS  
ACTION SETTLEMENT**

Complaint Filed: November 7, 2023

On \_\_ \_\_, 2026, the unopposed Motion for Preliminary Approval of Class Action Settlement, filed by Plaintiff Luis German Cardenas Palomo (“Plaintiff”) came on regularly in Department 10 of the above-captioned court, Hon. Margorie Laird Carter, presiding.

Having fully reviewed Plaintiff’s Motion for Preliminary Approval of Class Action Settlement and the supporting Memorandum of Points and Authorities, the Declaration of Thomas Schelly, the Declaration of Luis German Cardenas Palomo, the Class Action and PAGA Settlement Agreement and Class Notice (“Settlement Agreement”), the Class Notice (which is attached as sub-exhibit A to the Settlement Agreement), THE COURT HEREBY MAKES THE FOLLOWING FINDINGS AND ORDERS:

Plaintiff and his counsel filed this class action lawsuit alleging that Defendants JA Holdings, Inc. dba Valley Haven and Arcilla Investments, Inc. dba Live In Serentiy, (collectively “Defendants”) failed to pay their non-exempt employees’ overtime, minimum wages, afford them meal/rest breaks, reimburse business expenses and provide a uniform maintenance allowance. These Labor Code violations also resulted in Defendants issuing inaccurate wage statements to class members and failing to pay all wages due upon termination of employment to class members who are former employees. Plaintiff alleged on a class basis that the foregoing violated California’s Unfair Competition Law, Business and Professions Code §§17200, *et seq.* Further, Plaintiff alleged that Defendants were liable for PAGA remedies pursuant to California Labor Code §2699.

On November 7, 2023, Plaintiff Luis German Cardenas Palomo filed his Original Class Action Complaint in the Superior Court of California, Santa Cruz County, on behalf of himself and others similarly situated for certain present and former employees of Defendants for: (1) failure to pay overtime (Cal. Labor Code §§ 510, 511, 558, 1194, 1198); (2) failure to pay minimum wages (Cal. Labor Code §§ 1194, 1197, 1197.1, 1198); (3) failure to pay for rest periods not provided (Cal. Labor Code §226.7); (4) failure to maintain records and provide accurate itemized wage statements (Cal. Labor Code § 226); (5) failure to pay wages on termination and/or resignation (Cal. Labor Code §§ 201-203); (6) failure to reimburse business expenses (Cal. Labor Code § 2802); (7) failure to provide uniforms and maintenance allowance (Cal. Labor Code § 2802); (8)

failure to allow inspection of employment records (Cal. Labor Code § 1198.5); and (9)  
unfair/unlawful business practices (Cal. Bus. and Prof. Code §§ 17200 et seq.)

On November 22, 2023, Plaintiff filed his Amended Class Action Complaint in the Santa Cruz Superior Court, adding a claim for failure to provide timely off duty meal periods pursuant to Cal. Labor Code §§ 226.7, 512.

On June 28, 2024, Plaintiff filed his Second Amended Class Action Complaint in the Santa Cruz Superior Court, adding a claim pursuant to the Private Attorney General Act of 2004, Cal. Lab. Code §§2699, *et seq.*

On April 7, 2026, Plaintiff filed his Third Amended Class Action Complaint (“TAC”) in the Santa Cruz Superior Court, adding Arcilla Investments, Inc. dba Live In Serenity as a Defendant. The TAC is the operative complaint.

After conducting informal discovery and negotiating at arm’s-length, Plaintiff and Defendants have arrived at what the Court finds to be a fair and equitable settlement of all claims encompassed by Plaintiff’s TAC.

The Court finds on a preliminary basis that the Settlement Agreement, which is attached as an Exhibit A to the Declaration of Thomas Schelly and is hereby incorporated in full by reference as part of this Order Granting Preliminary Approval, appears to be within the range of reasonableness of a settlement which could ultimately be given final approval by the Court. The Court notes that Defendants have agreed to pay Two Hundred Forty Five Thousand Dollars and No Cents (\$245,000.00) (“Gross Settlement Amount”) to the putative class as settlement in full of past claims, with no reversion to Defendants of any settlement monies remaining after all Class Members are paid, as more specifically described in the Settlement Agreement. Any settlement checks which remain uncashed upon the expiration of 180 days of issuance will be cancelled and funds associated with such cancelled checks, will be transmitted to the California State Controller’s Office, Unclaimed Property Division in the name of the Participating Class Member for who the funds are designated. The Court also notes that out of the Gross Settlement Amount, Defendants have agreed to pay up to Eighty Five Thousand Seven Hundred Fifty Dollars and No Cents (\$85,750.00) as attorneys’ fees (“Class Counsel Fees Payment”), costs up to Eighteen Thousand

Five Hundred Dollars and No Cents (\$18,500.00) (“Class Counsel Litigation Expenses Payment”), up to Ten Thousand Dollars and No Cents (\$10,000.00) as a Class Representative Service Payment to the Named Plaintiff (“Class Representative Service Payment”), Twenty-Four Thousand Five Hundred Dollars and No Cents (\$24,500) as a PAGA Penalty (allocated as \$18,375 to the LWDA and \$6,125 to the Aggrieved Employees) and approximately Seven Thousand Two Hundred Fifty Dollars and No Cents (\$7,250.00) to Phoenix Class Action Administration Solutions (“Phoenix”) to administer the settlement (“Administration Expenses Payment”).

It appears to the Court on a preliminary basis that the Settlement Agreement is fair and reasonable when balanced against the probable outcome of further litigation relating to class certification, liability and damages issues and potential appeal. It further appears that significant investigation, research, and informal discovery have been conducted such that counsel for the parties at this time are able to reasonably evaluate their respective positions. It further appears that settlement at this time will avoid substantial costs, delay and risks that would be presented by the further prosecution of the litigation. It further appears that the Settlement Agreement has been reached as the result of intensive, serious and non-collusive negotiations between the parties.

ACCORDINGLY, GOOD CAUSE APPEARING, THE MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT IS HEREBY GRANTED.

The Court hereby orders that the putative class of “all individuals whom Defendants classified as non-exempt hourly-paid employees currently or formerly employed by Defendants in California at any time from November 7, 2019 through the date of preliminary approval of the settlement” shall be conditionally certified for settlement purposes only. The Court finds that the proposed Class Notice fairly and adequately advises Class Members of: the conditional certification for settlement purposes only; the preliminary Court approval of the proposed Settlement Agreement; the date of the Final Fairness and Approval Hearing; the terms of the proposed settlement and the benefits available to Class Members; and the Class Members' rights to opt out or object to their share of the Settlement Amount, and the timing and procedures for doing so. The Court further finds the Class Notice clearly comports with all constitutional requirements,

including those of due process.

1 ACCORDINGLY, GOOD CAUSE APPEARING, THE COURT HEREBY APPROVES  
2 THE PROPOSED NOTICE TO THE CLASS MEMBERS.

3 For purposes of the Settlement Agreement only, this litigation is hereby CERTIFIED as a  
4 class action pursuant to California Code of Civil Procedure Section 382.

5 The Court hereby APPOINTS Kevin Lipeles, Esq. and Thomas Schelly, Esq. as Class  
6 Counsel. The Named Plaintiff Luis German Cardenas Palomo is approved as a class representative  
7 for the settlement class.

8 The mailing to the last known addresses of Settlement Class Members as specifically  
9 described within the Settlement Agreement constitutes an effective method of notifying Settlement  
10 Class Members of their rights with respect to the proposed settlement.

11 ACCORDINGLY, THE COURT HEREBY ORDERS the following settlement approval  
12 schedule:

|                                                                                                                                           |                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 13 No later than twenty (20) calendar days of<br>14 the Preliminary Approval Order                                                        | Deadline for Defendants to provide Class<br>Data containing the names, last-known<br>addresses, etc., of Class Members to the<br>Administrator. Stip. at § 4.2.                                                                                                                                                     |
| 15 No later than three (3) business days after<br>16 receipt of the Class Data                                                            | Administrator shall notify Class Counsel that<br>the Class Data has been received and state<br>the number of Class Members, Aggrieved<br>Employees, Workweeks, and Pay Periods in<br>the Class Data. Stip. at § 7.4.1.                                                                                              |
| 17 Within fourteen (14) calendar days after<br>18 receiving the Class Data from Defendants                                                | Administrator shall mail Class Members the<br>Class Notice. Stip. at § 7.4.2.                                                                                                                                                                                                                                       |
| 19 Not later than three (3) business days after<br>20 the Administrator receives a Class Notice<br>21 returned by the USPS as undelivered | Administrator shall re-mail the Class Notice<br>using any forwarding address provided by<br>the USPS. If the USPS does not provide a<br>forwarding address, Administrator shall<br>conduct a Class Member Address Search and<br>re-mail the Class Notice to the most current<br>address obtained. Stip. at § 7.4.3. |

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| Not later than five (5) calendar days after the expiration of the Response Deadline                                                            | Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); and (b) the names of Class Members who have submitted invalid Requests for Exclusion. Stip. at § 7.8.2.                                                                                                                                                                                                                                                                                                                                                                                                      |
| No later than sixty (60) calendar days after the Administrator mails the Class Notice to Class Members                                         | Deadline for Class Members' request for exclusion from the settlement to be sent to the Administrator. Stip. at § 1.46.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| No later than sixty (60) calendar days after the Administrator mails the Class Notice to Class Members                                         | Deadline for Class Members to object to the Settlement. Stip. at § 1.46.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Response Deadline                                                                                                                              | The date sixty (60) calendar days after the Administrator mails the Class Notice to Class Members and the last date on which Class Members may postmark requests for exclusion or objections to the Settlement. Stip. at § 1.46.                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| No later than fourteen (14) calendar days from the re-mailing or sixty (60) calendar days from the date of initial mailing, whichever is later | Class Members who received a re-mailed Class Notice shall have their Response Deadline extended. Stip. at § 1.46.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Effective Date                                                                                                                                 | The date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed or other judicial review is commenced, the day after the appellate court affirms the Judgment and issues a remittitur. Stip. at § 1.20. |

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| 1<br>2<br>3<br>4<br>5<br>6       | Within thirty (30) calendar days after the Court grants preliminary approval                                                                                           | Defendants shall transfer the Gross Settlement Amount plus Defendants' share of employer-side payroll taxes to the Administrator. Stip. at § 4.3.                                                                                                                                |
| 7<br>8<br>9<br>10<br>11<br>12    | Within thirty (30) calendar days after Defendants fund the Gross Settlement Amount                                                                                     | Administrator will pay the Individual Settlement Payments to Participating Class Members, Individual PAGA Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the LWDA PAGA Payment and the Class Representative Service Payment. Stip. at § 4.3.1. |
| 13<br>14<br>15<br>16             | Within sixty (60) calendar days of the postmark of the Class Notice, or as extended in the case of a re-mailed Class Notice, an additional fourteen (14) calendar days | Settlement Class Members must submit any disputes regarding their Workweeks and/or Pay Periods used to calculate the Individual Settlement Payment or Individual PAGA Payment. Stip. at §§ 7.4.4, 7.6.                                                                           |
| 17<br>18<br>19<br>20<br>21<br>22 | Within seven (7) calendar days of receiving a returned check                                                                                                           | Administrator will re-mail all returned checks to USPS forwarding address provided or to an address ascertained through the Class Member Address Search. Stip. at § 4.3.2.                                                                                                       |
| 23<br>24<br>25<br>26<br>27<br>28 | No later than twenty-one (21) court days before the Final Approval Hearing                                                                                             | Administrator shall serve on Class Counsel and Defense Counsel, a declaration for filing in support of Plaintiff's Motion for Final Approval. Stip. at § 7.8.5.                                                                                                                  |

IT IS FURTHER ORDERED that the Final Fairness and Approval Hearing shall be held at \_\_\_\_\_ on \_\_\_\_\_, 2026, in Department 10 of the Superior Court for the State of California, County of Santa Cruz, located at 701 Ocean Street, Santa Cruz, CA 95060, to consider the good faith, fairness, adequacy and reasonableness of the proposed Settlement Agreement preliminarily approved by this Order Granting Preliminary Approval, and to consider Plaintiff's application for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment. Any party to this case, including Class Members, in person or by counsel, may be heard, to the extent allowed by the Court, in support of or in opposition to the Court's determination of the good faith, fairness, reasonableness and adequacy of the proposed Settlement Agreement, including the Class Counsel Fees Payment, Class Counsel Litigation

Expenses Payment and Class Representative Service Payment. The Court expressly reserves the right to adjourn or continue the Final Fairness and Approval Hearing from time to time without further notice to Class Members.

IT IS FURTHER ORDERED that, pending final determination of whether the proposed Settlement Agreement should be granted final approval, the Plaintiff and all members of the putative class, either directly or representatively, or in any other capacity, shall not commence or prosecute any action or proceeding asserting any of the claims released against any of the Released Parties, as defined in the Settlement Agreement.

IT IS FURTHER ORDERED that if for any reason the Court does not execute and file an Order of Final Approval, or if the Final Order and Dismissal does not occur for any reason whatsoever, the Settlement Agreement and the proposed settlement that is the subject of this Order, and all evidence and proceedings had in connection therewith, shall be without prejudice to the status quo ante rights of the parties to the litigation, as more specifically set forth in the Settlement Agreement.

IT IS FURTHER ORDERED that the Settlement Agreement shall not be construed as an admission or evidence of either liability or the appropriateness of class certification in the non-settlement context, as more specifically set forth in the Settlement Agreement.

IT IS FURTHER ORDERED that, pending further order of this Court, all proceedings in this matter except those contemplated herein and in the Settlement Agreement are stayed.

IT IS SO ORDERED.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Honorable Margorie Laird Carter  
Judge of the Superior Court