

Randy Renick (S.B.N. 179652)
rrr@hadsellstormer.com
Cornelia Dai (S.B.N. 207435)
cdai@hadsellstormer.com
HADSELL STORMER RENICK & DAI, LLP
128 North Fair Oaks Avenue, Suite 204
Pasadena, California 91103-3645
Telephone: (626) 585-9600
Facsimile: (626) 577-7079

Richard G. McCracken (S.B.N. 62058)
rmccracken@msh.law
Sarah Grossman-Swenson (S.B.N. 259792)
sgs@msh.law
McCRACKEN, STEMERMAN & HOLSBERRY, LLP
475 14th Street, Suite 1200
Oakland, CA 94612
Telephone: (415) 597-7200
Facsimile: (415) 597-7201

Attorneys for Plaintiffs & Plaintiff Class

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE

KATHLEEN GRACE, REGINA DELGADO,
ALICIA GRIJALVA, JAVIER TERRAZAS,
and all others similarly situated,

Plaintiffs,

v.

THE WALT DISNEY COMPANY, WALT
DISNEY PARKS AND RESORTS US, INC.,
SODEXO, INC., SODEXOMAGIC, LLC and
Does 1-100,

Defendants.

Case No. 30-2019-01116850-CU-OE-CXC

**[PROPOSED] ORDER GRANTING
PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Judge: Hon. William D. Claster

Dept.: CX101

Action Filed: December 6, 2019

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

On December 6, 2019, Plaintiffs Kathleen Grace, Regina Delgado, Alicia Grijalva, and Javier Terrazas (“Plaintiffs”) filed a wage-and-hour class action on behalf of a class of workers against Defendants The Walt Disney Company and Walt Disney Parks and Resorts U.S., Inc. (“Disney”) and Defendants Sodexo, Inc. and SodexoMAGIC, LLC (“Sodexo”).¹ Plaintiffs’ Complaint alleged that Disney and Sodexo violated the City of Anaheim’s Living Wage Ordinance (adopted in 2018, and codified at Chapter 6.99 of the Anaheim Municipal Code, referred to as the “LWO”), Labor Code section 203 (waiting time penalties), Labor Code sections 510, 1194 and 1198 (overtime wages), Business and Professions Code section 17200 (the Unfair Competition Law or UCL), and Labor Code section 2698 (the Private Attorneys General Act or PAGA). Plaintiffs sought damages including back wages, as well as restitution, penalties, interest, declaratory and injunctive relief, costs, attorneys’ fees, and a jury trial. Plaintiffs later amended their complaint to seek wage statement penalties under Labor Code section 226 and reimbursement of unpaid service charges under the LWO.

Following extensive litigation and the Court of Appeal holding that Disney was required to comply with the LWO, Plaintiffs and Disney participated in a full-day mediation with the Honorable Layn Phillips (ret.), and reached a tentative settlement agreement pursuant to a mediator’s proposal. This Settlement Agreement has been reduced to writing and filed with this Court.

Plaintiffs have now moved this Court for an order:

1. Preliminarily approving the class action settlement for \$233,000,000;
2. Preliminarily and conditionally certifying the Settlement Class for purposes of settlement;
3. Preliminarily appointing Plaintiffs Regina Delgado, Alicia Grijalva, and Javier Terrazas as the Disney Class Representatives for purposes of settlement;
4. Preliminarily appointing Randy Renick and Cornelia Dai of Hadsell Stormer Renick & Dai LLP and Richard G. McCracken and Sarah Grossman-Swenson of McCracken, Stemerman & Holsberry, LLP as Class Counsel for purposes of settlement;

¹ Plaintiffs and Sodexo have reached a settlement in principle that will be the subject of a separate motion for preliminary approval.

1 5. Preliminarily approving settlement administration services to be provided by AB Data,
2 estimated at no more than \$200,000;

3 6. Approving as to form and content the proposed class notice, attached as Exhibit A to the
4 Settlement Agreement;

5 7. Directing that the notice be sent by e-mail to Settlement Class members and by first class
6 mail when e-mails are returned; and

7 8. Scheduling a Final Approval Fairness Hearing on the question of whether the proposed
8 settlement should be finally approved as fair, reasonable, and adequate as to the members of the
9 Settlement Class.

10 No opposition has been filed to Plaintiffs' Motion for Preliminary Approval, which was heard in
11 Department CX101 of the above-entitled Court, located at 751 West Santa Ana Blvd., Santa Ana,
12 California 92701, on _____, at __: __.m. Counsel for Plaintiffs and Disney were
13 present at the hearing.

14 This Court, having considered Plaintiffs' notice of motion, supporting memorandum of points
15 and authorities and the supporting declarations of counsel and an economist, the Settlement Agreement,
16 the proposed Class Notice, and the oral argument presented to the Court, and in recognition of the
17 Court's duty to make a preliminary determination as to the reasonableness of any proposed class action
18 settlement, and to conduct a fairness hearing as to good faith, fairness, adequacy, and reasonableness of
19 any proposed settlement, HEREBY FINDS and ORDERS as follows:

20 **ORDER CONDITIONALLY CERTIFYING SETTLEMENT CLASS, AND**
21 **APPOINTING CLASS REPRESENTATIVES AND CLASS COUNSEL**

22 The Court previously granted class certification of the Plaintiff Class, and finds that provisional
23 certification of the following class for settlement purposes ("the Settlement Class") is appropriate under
24 Code of Civil Procedure § 382: All nonexempt current and former individuals employed by Disney in
25 Disney theme parks and hotels in Anaheim, California, on or after January 1, 2019, who reside in
26 California, and who were not paid hourly wages or service charges of at least the amounts required by
27 Title 6, Chapter 6.99 of the Anaheim Municipal Code at any time from January 1, 2019, to the date of
28 the order on the Preliminary Approval Motion.

1 The Court finds that the Settlement Class meets the ascertainability and numerosity requirements
2 because over 52,000 class members have been identified. The commonality requirement is also met. In
3 the absence of class certification and settlement, each individual Settlement Class member would be
4 forced to litigate core common issues of law and fact.

5 Because the Named Plaintiffs' and Settlement Class members' claims all arise from the same
6 events and course of conduct, and are based on the same legal theories, the typicality requirement is also
7 satisfied. The adequacy of representation requirement is also met here because the Named Plaintiffs
8 have the same interests as all members of the Settlement Class, and there is no conflict of interest.
9 Moreover, counsel, namely, Randy Renick and Cornelia Dai of Hadsell Stormer Renick & Dai LLP, and
10 Richard G. McCracken and Sarah Grossman-Swenson of McCracken, Stemerman & Holsberry, LLP,
11 are adequate and competent Class Counsel.

12 The Court further finds that common issues predominate over individual issues in the litigation
13 and that class treatment is superior to other means of resolving this dispute. Employing the class device
14 here will not only achieve economies of scale for Settlement Class members, but will also conserve the
15 resources of the judicial system by avoiding the waste and delay of repetitive proceedings, and prevent
16 the inconsistent adjudications of similar issues and claims.

17 For all of these reasons, the Court ORDERS that the class be conditionally certified for purposes
18 of settlement.

19 The Court finds that Plaintiffs Regina Delgado, Alicia Grijalva, and Javier Terrazas ("Plaintiffs")
20 are adequate class representative and hereby appoints them as such. The Court finds that Plaintiffs'
21 counsel, Randy Renick and Cornelia Dai of Hadsell Stormer Renick & Dai LLP and Richard G.
22 McCracken and Sarah Grossman-Swenson of McCracken, Stemerman & Holsberry, LLP, have
23 adequately and competently represented the Class, and hereby appoints them as Class Counsel.

24 **PRELIMINARY APPROVAL OF THE SETTLEMENT AGREEMENT**

25 The Court has reviewed the Settlement Agreement and the proposed Class Notice, attached as
26 Exhibit A to the Settlement Agreement. The Court finds, on a preliminary basis, that the Settlement
27 falls within the range of reasonableness of a settlement that could ultimately be given final approval by
28 the Court. The Court also finds, on a preliminary basis, that the Settlement appears to be the product of

1 intensive, non-collusive, arm's length negotiations between well-informed counsel, and is thus
2 presumptively valid.

3 On a preliminary basis, the Court finds that the settlement amount of \$233,000,000 (TWO
4 HUNDRED THIRTY-THREE MILLION DOLLARS) is fair and reasonable to all Settlement Class
5 members when considering the relief to the Class balanced against the probable outcome of further
6 litigation relating to penalties issues. The Court also finds, on a preliminary basis, that allocation of
7 \$23,300,000 toward penalties under the California Private Attorneys General Act of 2004 ("PAGA
8 Payment"), is fair, reasonable, and appropriate.

9 In so preliminarily finding, the Court has considered all evidence presented, including evidence
10 regarding the strength of Plaintiffs' case; the risk, expense, and complexity of the claims presented; the
11 likely duration of further litigation; the amount offered in settlement; the extent of litigation and
12 discovery completed and the experience and views of counsel; the allocation of settlement proceeds
13 among the Class Members; and the fact that the Settlement represents a compromise of the Parties'
14 respective positions rather than the result of a finding of liability for damages and penalties after appeal.
15 Additionally, the Court finds that the terms of the Settlement have no obvious deficiencies and do not
16 improperly grant preferential treatment to any individual Class Member. The Parties have provided the
17 Court with sufficient information about the nature and magnitude of the claims being settled, as well as
18 the impediments to recovery of penalties, to make an independent assessment of the reasonableness of
19 the terms of which the Parties have agreed. The Court finds that settlement at this time will avoid
20 substantial costs, in addition to those which have already been incurred by both sides, as well as avoid
21 the delay and risks that would be presented by the further prosecution of this litigation.

22 The Court, therefore, preliminarily and conditionally approves the Settlement.

23 **APPROVAL OF DISTRIBUTION OF CLASS NOTICE**

24 The Court finds that the proposed Class Notice, attached as Exhibit A to the Settlement
25 Agreement, fairly and adequately advises potential class members of the terms of the proposed
26 settlement, the process for the class members to opt out of the class, the process for class members to
27 compute and challenge their pro rata share of the settlement, the process to file objections to the
28

proposed settlement, and their right to appear at the Final Approval Fairness Hearing to be conducted on the date set forth below.

The Court finds the proposed distribution of the Class Notice, including distribution of such notice by e-mail to each identified Settlement Class member at his or her last known address; mailing by First Class mail for any individuals for whom the e-mail is returned; and skip tracing and re-mailing as to any notices and checks that are returned by the post office, to comport with all constitutional requirements, including those of due process, and is the best notice practicable under the circumstances.

The Court approves the selection of AB Data as the Administrator of the settlement administration and notice process, the reasonable costs of which will be paid from the settlement amount.

Accordingly, good cause appearing, the Court hereby approves the proposed Class Notice and adopts the following dates and deadlines:

Date	Deadline
Within 30 calendar days of Plaintiffs filing the Motion for Preliminary Approval	Defendant will produce the Class List and Data to the Settlement Administrator, which shall include for each Class Member: (1) internal personnel number previously provided; (2) full name; (3) most recently known mailing address; (4) all email addresses available. Agreement § 4.1(a).
Within 14 calendar days of entry of the Preliminary Approval Order	Administrator shall provide Notice on a settlement website. Agreement §4.1(d).
Within 60 calendar days after entry of the Preliminary Approval Order	Administrator shall e-mail the Notice to all Class Members and attempt to correct any e-mails that “bounce back.” Agreement § 4.1(b).
Within 14 calendar days after issuance of e-mail Notice	Administrator shall send the Notice via First Class Mail to all individuals for whom the Class List did not include an email, and for whom the e-mail notice bounced back and could not be successfully re-sent. Agreement § 4.1(c).
At least 16 calendar days before Objection deadline (and at least 30 calendar days before Final Approval Hearing)	Plaintiffs’ Counsel to file and Settlement Administrator to post Motion for Attorneys’ Fees and Costs and any related filings on the website. Agreement § 9.1.
60 calendar days after Notice is mailed	Last day for members of the Class to submit written objections or requests for exclusion from the settlement. Agreement § 1.20. Last day to submit disputes to Administrator regarding estimated recovery.

75 calendar days after Notice is mailed	Administrator shall make a final decision on all disputes submitted by members of the Class regarding estimated recovery.
30 calendar days before the Final Approval Hearing	Plaintiffs file Motion for Final Approval of Class Action Settlement. Agreement § 8.2.
At least 90 calendar days after the Notice Date	Final Approval Hearing. Code Civ. P. § 1005. Agreement § 4.3.
Effective Date	One day after Final Approval Judgment has become Final (which is one day after time expires for filing an appeal, or one day after any appeal is completed or dismissed)
Within 60 calendar days after the Effective Date	Checks / Venmo / PayPal/ ACH sent to Class Members with 180 days to cash checks; Administrator to perform an NCOA check and skip-trace for returned and uncashed checks per Agreement with an expiration date of at least 90 days, or 180 days after original issuance, whichever is later. Agreement § 2.4.1 & 2.4.3. Administrator to issue payment to LWDA. Agreement § 2.5.
Starting 30 calendar days after all checks issued	Administrator sends email to Class Member to remind Class Member to cash check before void date. Agreement § 2.4.2.

FINAL APPROVAL FAIRNESS HEARING

The Court hereby sets a hearing for final approval of the Settlement Agreement on _____, at __:__.m. in Department ____ of this Court. Members of the Settlement Class who object to the proposed settlement may appear and present such objections at the Final Approval Fairness Hearing in person or using the Court's Online Access, and personally or by counsel.

Class Counsel shall file a motion for final approval of the Settlement Agreement no later than 30 calendar days prior to the hearing.

Class Counsel shall also file a motion for reasonable attorneys' fees of up to \$34,950,000 and litigation expenses of up to \$740,000 no later than 16 calendar days prior to deadline for objections and no later than 30 calendar days prior to the final approval hearing.

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1 IT IS FURTHER ORDERED that, if for any reason the Court does not grant final approval of the
2 Settlement Agreement, all evidence and proceedings held in connection therewith shall be without
3 prejudice to the status quo and the rights of the parties to the litigation as more specifically set forth in
4 the Settlement Agreement.

5 IT IS SO ORDERED.

6
7 DATED: _____

The Honorable William D. Claster
Judge of the Orange County Superior Court