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DAVID H. YAMASAKI, Clerk of the Court

BY: _____, DEPUTY

SUPERIOR COURT OF CALIFORNIA
COUNTY OF ORANGE, CIVIL COMPLEX CENTER

JORGE LUIS ESTRADA, et al., Plaintiffs on) Case No.: 30-2013-00692890-CU-OE-CXC
10 behalf of themselves and all employees) **CLASS ACTION**
11 similarly situated,)
12 Plaintiffs,) *Assigned for all purposes to: Hon. William D.*
13 vs.) *Claster, Dept. CX 101*
14 ROYALTY CARPET MILLS, INC.,) **[Proposed] ORDER GRANTING**
15 Defendant.) **PLAINTIFFS' MOTION FOR**
16) **PRELIMINARY APPROVAL OF CLASS**
17) **ACTION AND PAGA SETTLEMENT**
18)
19) Date: 10/31/2025
20) Time: 9:00 a.m.
21) Dept: CX101
22)
23) Action Filed: 12/13/2013
24) SAC Filed: 10/22/2014
25) TAC Filed: 11/17/2016
26) Trial Date: None Set
27)
28)

Plaintiffs' Motion for Preliminary Approval of Class Action and PAGA Settlement came before this Court on September 5, 2025, at 9:00 a.m. in Department CX-101, the Honorable William Claster presiding. The Court issued a Minute Order confirming its Tentative Ruling, which identified certain issues with the Settlement Agreement, Class Notice, and Proposed

1 Order. The Court subsequently continued the hearing on the Motion to October 31, 2025, to
2 permit the Parties to address those concerns. Having now reviewed Plaintiffs' Supplemental
3 Brief, the Amendment to the Settlement Agreement, the Supplemental Declarations of Kenneth
4 L. Creal, CPA, and Rudy Ginez, the *revised* Class Notice and *revised* Proposed Order the Court
5 finds good cause, and **THE COURT HEREBY FINDS AND ORDERS AS FOLLOWS:**
6

7 **I. FINDINGS**

8 1. The Court finds that it has jurisdiction over the subject matter of this action and
9 over the Parties and Class Members.

10 2. **Preliminary Approval Granted.** The Court preliminarily finds that the proposed
11 non-reversionary Gross Settlement Amount of \$2,900,000 appears to be fair, reasonable, and
12 adequate under the circumstances of this case, and within the range of possible approval under
13 California Rule of Court 3.769 and applicable law, subject to further consideration at the Final
14 Approval hearing. The Court further finds that the Settlement is fair, adequate, and reasonable as
15 to all Class Members and Aggrieved Employees, particularly when balanced against the probable
16 outcome of continued litigation concerning liability and damages. The Court further finds that
17 sufficient investigation, discovery, research, analysis, and trial and appellate proceedings have
18 been conducted to enable counsel for the Parties to reasonably evaluate their respective positions.
19 It also appears that settlement at this time will avoid substantial additional costs to all Parties, as
20 well as the delays and risks associated with further prosecution of the Action. The Court further
21 finds that the Settlement was reached as a result of serious, informed, and non-collusive, arm's-
22 length negotiations.
23
24

25 3. **Appointment of Class Representatives and Class Counsel.** The Court notes
26 that the Action was previously certified as a class action for litigation purposes. The Court
27 further notes that Jorge Luis Estrada, Paulina Nava Medina, Jose A. Garcia, and Martin Garcia
28

1 were appointed as Class Representatives for the Dyer/Derian Class, and that Rigoberto Moreno,
2 Cipriano Perez, Martha Lara Leon, and Cindy Cleaver were appointed as Class Representatives
3 for the Porterville Class. The Court confirms that these appointments shall continue for purposes
4 of settlement approval and administration. The Court also confirms that Rudy Ginez of Rudolfo
5 Ginez Law Office and Clifton E. Smith of CE Smith Law Firm shall continue to serve as Class
6 Counsel for the Settlement Class.
7

8 4. **Conditional Class Certification.** The Court conditionally certifies, for settlement
9 purposes only, the following Settlement Class:

10 All persons employed by Royalty Carpet Mills, Inc. (“Royalty”) in
11 California as hourly-paid or nonexempt employees who worked at
12 Royalty’s Dyer, Derian, and/or Porterville carpet manufacturing facility
13 during the respective Class Periods, excluding those individuals who are
 defined as “Excluded Individuals.”

14 “Excluded Individuals” means former Dyer and Derian employees who
15 previously entered into settlement and release agreements, are not subject
16 to new releases under this Settlement Agreement, and will not share in the
 Gross Settlement Amount.

17 For the Porterville Class, the Class Period is October 22, 2010, through
18 June 14, 2017. For the Dyer/Derian Class, the Class Period is October 22,
19 2010, through November 30, 2013.

20 5. **Class Definitions and Exclusions.** The Court finds that the proposed Class
21 definitions, Class Periods, and exclusions are appropriate and that the revised Settlement
22 properly excluded the 111 former Dyer/Derian employees who executed pre-certification
23 releases.
24

25 6. **Aggrieved Employees defined.** The Court further finds that the Agreement
26 properly addresses the claims under the Labor Code Private Attorneys General Act of 2004
27 (“PAGA”), for the Aggrieved Employees. “Aggrieved Employees” means,
28

1 All persons employed by Royalty Carpet Mills, Inc. (“Royalty”) in
2 California as an hourly-paid or non-exempt employee who worked at
3 Royalty’s Dyer or Derian facilities at any time during the period from
4 November 12, 2012, through November 30, 2013.

4 7. **Employer-Side Payroll Taxes.** The Court notes that its prior concern regarding
5 payment of employer-side payroll taxes from the Gross Settlement Amount (Issue No. 3, Minute
6 Order dated September 5, 2025) has been addressed in the Amendment and Supplemental Brief.
7 The Amendment confirms that employer-side payroll taxes will be paid from the Gross
8 Settlement Amount, consistent with the negotiated terms and the financial condition of
9 Defendant, which ceased operations in 2017. The Court finds that, for purposes of preliminary
10 approval and notice, this structure is adequately disclosed and justified. The Court will evaluate
11 the final allocation and associated tax payments at the Final Approval Hearing.
12

13 8. **Attorneys’ Fees, Litigation Expenses, and Representative Service Awards.**
14 The Court notes that its prior concern regarding the percentage of attorneys’ fees relative to the
15 Gross Settlement Amount (Item No. 10 of the Court’s September 5, 2025 Minute Order) has
16 been addressed in the Amendment and Supplemental Brief. The Amendment reduces the
17 maximum attorneys’ fees request from approximately sixty percent (60%) to no more than fifty
18 percent (50%) of the Gross Settlement Amount, or \$1,450,000. The Court finds that this revision
19 adequately addresses its earlier concern for purposes of preliminary approval and notice. The
20 Court makes no determination at this time as to the reasonableness of the requested fees,
21 litigation costs, or service payments, which will be considered at the Final Approval Hearing.
22

23 9. **Appointment of Settlement Administrator.** The Court appoints ILYM Group,
24 Inc., P.O. Box 2031, Tustin, California 92781, as the Settlement Administrator to perform the
25 duties and responsibilities set forth in the Settlement Agreement, the Amendment to Settlement
26 Agreement, and this Order.
27
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1 10. **Form and Method of Notice Approved.** The Court finds that the form and
2 content of the *revised* Class Notice, Request for Exclusion (Opt-Out) Form, and Settlement
3 Payment Dispute Form are fair and adequate and satisfy the requirements of California Rules of
4 Court, rule 3.769, and due process. The Court further finds that dissemination of the Class Notice
5 and related forms by mailing the Class Notice packet by first-class mail in English, Spanish, and
6 Filipino, as applicable, to the last known addresses of Class Members (subject to skip tracing),
7 constitutes the best notice practicable under the circumstances and satisfies the requirements of
8 due process. All mailed Class materials shall use body text no smaller than twelve (12)-point
9 font.
10

11 11. **Procedure for Opt-Outs, Objections, and Challenges.** Class Members shall
12 have sixty (60) days from the initial mailing of the Class Notice to opt out of the Settlement,
13 submit written objections, or challenge the calculation of their settlement payments. In the event
14 of a re-mailed Class Notice, this deadline shall be extended by fourteen (14) days. The
15 procedures and deadlines for submitting Request for Exclusion (Opt-Out) Forms, written
16 objections, and the Settlement Payment Disputes Forms are set forth in the Class Notice and are
17 hereby approved.
18

19 12. **Right to Appear at Final Approval Hearing.** Any Class Member who has not
20 submitted a valid and timely Request for Exclusion (Opt-Out) from the Action may appear at the
21 Final Approval Hearing, either personally or through counsel, to object to the Settlement or
22 express his or her views regarding the Settlement. Such Class Members may also present
23 evidence and file briefs or other papers that may be proper and relevant to the issues to be heard
24 and determined by the Court, as provided in the Class Notice.
25

26 13. **Submission of Documents to LWDA.** The Court notes that Plaintiffs have
27 submitted the Motion for Preliminary Approval, including the proposed Class Action and PAGA
28

1 Settlement Agreement, to the Labor and Work Force Development Agency (“LWDA”) as
 2 required under Labor Code section 2699(1)(2). Plaintiffs have also submitted Plaintiffs’
 3 Supplemental Brief, the Amendment to the Settlement Agreement, the Supplemental
 4 Declarations of Kenneth L. Creal, CPA, and Rudy Ginez, the *revised* Class Notice, including
 5 related forms, and the *revised* Proposed Order, concurrently with this Supplemental Submission.
 6

7 **II. ORDER**

8 **IT IS HEREBY ORDERED THAT:**

9 A. The Court preliminarily approves the Class Action and PAGA Settlement
 10 Agreement, as amended by the Amendment to the Settlement Agreement, together with the
 11 *revised* Class Notice, including the Request for Exclusion (Opt-Out) Form and Settlement
 12 Payment Dispute Form, as fair, reasonable, and adequate for purposes of providing notice to the
 13 Class.
 14

15 B. The following deadlines shall apply to the administration of the Settlement:
 16

Event	Deadline
Deadline for Defendant to deliver Class Data to the Settlement Administrator and for Plaintiffs to deliver spreadsheet calculations from Plaintiffs’ expert	DATE: 11/18/2025 (within 15 days after the entry of the Preliminary Approval Order)
Deadline for the Settlement Administrator to mail the Class Notice packets (including Opt-Out and Dispute Forms) to Class Members.	DATE: 12/2/2025 (within 14 days after receipt of the Class Data from the Defendant.
Deadline for Class Members to submit a Request for Exclusion (Opt-Out), Objection,	DATE: 1/31/2026

1 or Payment Dispute Form to the Settlement. ("Response Deadline")	(60 days after the Class Notice is mailed by the Administrator to the Class Members) (unless extended) ¹
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Event	Deadline
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27	<p>Deadline for Class Counsel to file motion for attorneys' fees, litigation costs, and Class Representative service payments</p> <p>DATE: 3/12/2026 (16 court days before the final approval hearing)</p>
Deadline for Plaintiffs to file motion for approval of class action settlement.	<p>DATE: 3/12/2026 (16 court days before the final approval hearing)</p>
Deadline for Plaintiffs to respond to Objections to the Settlement.	<p>DATE: 3/27/2026 (5 calendar days before the final approval hearing)</p>
Hearing on the Motion for Final Approval of Class Action and PAGA settlement.	DATE 4/3/2026 9:00 a.m. Dept. CX101

C. Final Approval Hearing. The Court will hold a Final Approval (Fairness) Hearing on April 3, 2026, at 9:00 a.m. in Department CX-101 of the Orange County Superior Court, Civil Complex Center, located at 751 West Santa Ana Blvd., Santa Ana, CA 92701, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate, and to rule on Class Counsel's motion for attorneys' fees, costs, and Class Representative service awards. At the Final Approval Hearing, the Court will also consider the Settlement

¹ Pursuant to the Agreement, Class Members who are sent a re-mailed Class Notice shall have their Response Deadline extended by 14 days. (Agreement, §§ 1.36, 7.4.4, 7.5.1)

1 Administrator's report regarding the mailing of Class Notice, Requests for Exclusion, and any
2 Settlement Payment Disputes.

3
4 D. **Stay of Proceedings.** All further proceedings in this Action, except those
5 necessary to implement, administer, or finalize the Settlement, are hereby stayed pending the
6 Final Approval Hearing and the Court's final determination regarding approval of the
7 Settlement.

8 E. **Court Reserves Jurisdiction.** The Court retains jurisdiction over this Action for
9 all purposes related to the Settlement, including administration, implementation, enforcement,
10 and interpretation of this Order and any subsequent Final Judgment.
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13 **IT IS SO ORDERED.**

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16 Dated: 11/3/25

William D. Claster

Hon. William D. Claster
Judge of the Superior Court