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13 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
14 **FOR THE COUNTY OF SONOMA**

15 JOSE LUIS CRUZ LOPEZ, individually, and on behalf
16 of all others similarly situated,

17 Plaintiff,

18 vs.

19 JKT ASSOCIATES, INC., a California
20 corporation; and DOES 1 through 10, inclusive,

21 Defendants.

Case No.: SCV-273893

**~~PROPOSED~~ ORDER GRANTING
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

PRELIMINARY APPROVAL HEARING:

Date: September 2, 2026

Time: 3:00 p.m.

Dept.: Courtroom 16

Judge: Hon. Patrick Broderick

Action Filed: August 9, 2023

Trial Date: Not set

1 **~~PROPOSED~~ PRELIMINARY APPROVAL ORDER**

2 The Court has before it Plaintiff's Motion for Preliminary Approval of Class Action and
3 PAGA Settlement. Having reviewed the Motion and Memorandum of Points and Authorities, the
4 supporting Declarations of Kane Moon, Plaintiff Jose Luis Cruz Lopez ("Plaintiff"), and Lisa
5 Mullins on behalf of ILYM Group, Inc., and GOOD CAUSE appearing, **IT IS HEREBY**
6 **ORDERED AND DECREED AS FOLLOWS:**

7 1. The Court grants preliminary approval of the proposed Settlement and the Class
8 based upon the terms set forth in the Class Action and PAGA Settlement Agreement and Class
9 Notice (the "Settlement") attached as Exhibit 1 to the Declaration of Kane Moon in Support of
10 Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement. The Court
11 finds on a preliminary basis that the Settlement appears to be fair, adequate, and reasonable, and
12 therefore, meets the requirements for preliminary approval. The Court also preliminarily finds that
13 the terms of the Settlement appear to be within the range of possible approval, pursuant to
14 California Code of Civil Procedure section 382 and applicable law.

15 2. The Settlement falls within the range of reasonableness of a settlement which could
16 ultimately be given final approval by this Court, and appears to be presumptively valid, subject
17 only to any objections that may be raised at the Final Approval Hearing and final approval by this
18 Court. The Court notes that Defendant JKT Associates, Inc., ("Defendant") (together with
19 Plaintiff, the "Parties") agrees to create a common, non-reversionary gross fund of at least
20 \$250,000.00 (the "Gross Settlement Amount"), and in addition to Defendant's employer's payroll
21 taxes owed on the wage portions of the Individual Class Payments, to cover (a) Individual Class
22 Payments to Participating Class Members; (b) a Class Counsel Fees Payment not to exceed 33
23 1/3% of the Gross Settlement Amount; (c) a Class Counsel Litigation Expenses Payment for
24 reimbursement of actual litigation costs not to exceed \$20,000.00; (d) an Administration Expenses
25 Payment not to exceed \$10,000.00; (e) PAGA Penalties of \$24,000.00 for settlement of claims for
26 civil penalties under the Private Attorneys General Act, Labor Code Sections 2698, *et seq.*
27 ("PAGA"), and distributed as 25% (\$6,000.00) to the Aggrieved Employees and 75% (\$18,000.00)
28 to the California Labor and Workforce Development Agency (the "LWDA"); and (f) a Class

1 Representative Service Payment to Plaintiff of not more than \$2,500.00.¹

2 3. The Court finds on a preliminary basis that: (1) the settlement amount is fair and
3 reasonable to the Class Members when balanced against the probable outcome of further litigation
4 relating to class certification, liability and damages issues, and potential appeals; (2) significant
5 class-wide discovery, investigation, research, and litigation have been conducted such that counsel
6 for the respective Parties at this time are able to reasonably evaluate their respective positions; (3)
7 settlement at this time will avoid substantial costs, delay, and risks that would be presented by the
8 further prosecution of the litigation; and (4) the proposed Settlement has been reached as the result
9 of serious, informed, adversarial, and arm's-length negotiations between the Parties. Accordingly,
10 the Court preliminarily finds that the Settlement was entered into in good faith and meets the
11 requirements for preliminary approval.

12 4. A final approval hearing on the question of whether the proposed Settlement, the
13 Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, the Administration
14 Expenses Payment, the PAGA Penalties, and the Class Representative Service Payment should be
15 finally approved as fair, reasonable, and adequate as to the members of the Class is hereby set in
16 accordance with the Implementation Schedule set forth below.

17 5. The Court provisionally certifies, for settlement purposes only, the following class
18 (the "Class"): all persons employed by Defendant or one of the Released Parties as hourly-paid or
19 non-exempt employees in the State of California during the Class Period. The "Class Period"
20 means from August 9, 2019, through December 28, 2025. Excluded from the Class will be any
21 Class Member who opts out of the Settlement by sending the Administrator a valid and timely
22 Request for Exclusion, pursuant to the instructions provided in the Class Notice.

23 6. The Court identifies, for settlement purposes only, the following individuals (the
24 "Aggrieved Employees"): all persons employed by Defendant or one of the Released Parties as
25

26 ¹ Pursuant to ¶ 4.1 of the Settlement, Defendant shall fully fund the Gross Settlement Amount of
27 \$250,000.00, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by
28 transmitting the funds to the Administrator no later than thirty (30) days after the Effective Date.
(Settlement, ¶ 4.1.)

1 hourly-paid or non-exempt employees in the State of California during the PAGA Period. The
2 “PAGA Period” means September 24, 2022 to December 28, 2025.

3 7. The Court finds, for settlement purposes only, that the Class meets the
4 requirements for certification under California Code of Civil Procedure section 382 in that: (1)
5 the Class is so numerous that joinder is impractical; (2) there are questions of law and fact that are
6 common, or of general interest, to all Class Members, which predominate over individual issues;
7 (3) Plaintiff’s claims are typical of the claims of the Class Members; (4) Plaintiff and Class
8 Counsel will fairly and adequately protect the interests of the Class Members; and (5) a class
9 action is superior to other available methods for the fair and efficient adjudication of the
10 controversy.

11 8. **Releases of Claims.** Effective on the date when Defendant fully funds the entire Gross
12 Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class
13 Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as
14 follows: (Settlement, ¶ 5.)

15 a. Released Parties. “Released Parties” means: Defendant and its former and present
16 shareholders, predecessors, successors, assigns, partners, subsidiaries, parents, and each of
17 its owners, managerial employees, agents, directors, and/or officers, and any individual or
18 entity that could be liable for any of the released class and PAGA claims. (*Id.* at ¶ 1.40.)

19 b. Release by Participating Class Members: All Participating Class Members, upon tender of
20 the Gross Settlement Amount and employer’s share of payroll taxes to the Administrator,
21 will be bound by a release of all claims against the Released Parties as follows: all claims,
22 rights, demands, liabilities, cause of action and factual or legal theories that were alleged
23 on behalf of Class members in the Action, or reasonably could have been alleged based on
24 the facts and legal theories contained in the Operative Complaint, including: Failure to Pay
25 Minimum Wages (Cal. Lab Code §§ 204, 1194, 1194.2, 1197); Failure to Pay Overtime
26 Compensation (Cal. Lab Code §§ 510, 1194, 1198); Failure to Provide Meal Periods (Cal.
27 Lab Code §§ 226.7, 512); Failure to Authorize and Permit Rest Breaks (Cal. Lab Code §
28 226.7); Failure to Indemnify Necessary Business Expenses (Cal. Lab Code § 2802);

1 Failure to Timely Pay Final Wages at Termination (Cal. Lab Code §§ 201-203); Failure to
2 Provide Accurate Itemized Wage Statements (Cal. Lab Code § 226); Unfair Business
3 Practices (Cal. Bus. & Prof. Code §§ 17200, *et seq.*); and Failure to Maintain Accurate
4 Records of All Hours Worked (Cal. Lab Code § 1174.5). (*Id.* at ¶ 5.2.) The release will be
5 as to the Released Parties. (*Id.*) Excluded from this portion of the release are claims for
6 PAGA penalties that were alleged, or reasonably could have been alleged, based on the
7 facts stated in the PAGA Notice. (*Id.*) Participating Class Members do not release any
8 other claims, including claims for vested benefits, wrongful termination, violation of Fair
9 employment and Housing Act, unemployment insurance, disability, social security,
10 workers' compensation, or claims based on facts occurring outside the Class Period. (*Id.*)

11 c. PAGA Release. Upon tender of the Gross Settlement Amount and the employer's share of
12 payroll taxes to the Administrator, Plaintiff as an agent and proxy of State of California,
13 and anyone purporting to act on its behalf, will release all claims for civil penalties under
14 PAGA, based on the facts and Labor Code sections that were alleged or reasonably could
15 have been alleged in Plaintiff's PAGA letter and the Operative Complaint, including: Cal.
16 Labor Code §§ 201-204, 210, 226, 226.3, 226.7, 227.3, 510, 512, 558, 1174, 1174.5, 1194,
17 1198, 1197.1, 2802, and the applicable IWC Wage Order(s). (*Id.* at ¶ 5.3.) The release
18 will be as to the Released Parties. (*Id.*)

19 9. The Court, for purposes of this Preliminary Approval Order, refers to all terms and
20 definitions as set forth in the Settlement.

21 10. The Court appoints, for settlement purposes only, Plaintiff as the Class
22 Representative. The Court approves, on a preliminary basis, a Class Representative Service
23 Payment from the Gross Settlement Amount of up to \$2,500.00 to Plaintiff, in addition to the
24 amount Plaintiff is eligible to receive as a Class Member and Aggrieved Employee, for initiating
25 the Action and providing services in support of the Action. To the extent the final amount awarded
26 is less than the amount requested, the remainder will be allocated to the Net Settlement Amount
27 for distribution to Participating Class Members.

28 11. The Court appoints, for settlement purposes only, Plaintiff's Counsel Moon Law

1 Group, PC as Class Counsel. The Court approves, on a preliminary basis, Class Counsel's ability
2 to request attorneys' fees of up to 33 1/3% of the Gross Settlement Amount, as well as
3 reimbursement for actual costs not to exceed \$20,000.00. To the extent actual costs are less and/or
4 the final amounts awarded for fees and/or costs are less than the amounts requested, the remainder
5 will be allocated to the Net Settlement Amount for distribution to Participating Class Members.

6 12. The Court appoints ILYM Group, Inc., as the Administrator with payment from
7 the Gross Settlement Amount for reasonable administration costs not to exceed \$10,000.00, except
8 upon a showing of good cause and as approved by the Court. To the extent administration costs
9 are less, the remainder will be allocated to the Net Settlement Amount for distribution to
10 Participating Class Members.

11 13. The Administrator shall perform services and duties as provided for in the
12 Settlement, including, but not limited to, mailing the Class Notice via first-class U.S. Mail. Class
13 Members shall not be required to submit a claim form in order to receive individual settlement
14 payments.

15 14. The Court approves, as to form and content, the *Court Approved Notice of Class*
16 *Action Settlement and Hearing Date for Final Court Approval* (the "Class Notice") attached to the
17 Settlement as **Exhibit A** and incorporated by reference. The Court finds, on a preliminary basis,
18 that the plan for distribution of the Class Notice satisfies due process, provides the best notice
19 practicable under the circumstances, and constitutes due and sufficient notice to all persons
20 entitled thereto.

21 15. The obligations set forth in the Settlement are deemed part of this Preliminary
22 Approval Order, and the Parties and Administrator are ordered to carry out the Settlement
23 Agreement according to its terms and provisions.

24 16. The Court orders the following Implementation Schedule:

25
26 Defendants to provide the Administrator
with the Class Data

Within 15 calendar days after entry of
preliminary approval

Administrator to mail the Class Notice	Within 14 calendar days after receiving the Class Data
Response and Opt-Out Deadline	Within 60 calendar days after mailing (plus an additional 14 calendar days for any re-mailed Class Notices)
Final Approval Motion Filing Deadline	At least 16 court days before the Final Approval Hearing
Final Approval Hearing	Set for February 19, 2027, at 3:00 p.m. in Department 16.

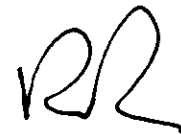
17. The Court reserves the right to continue the date of the Final Approval Hearing without further notice to Class Members.

18. The Court further orders that, pending further order of this Court, all proceedings in this litigation, except those contemplated herein and in the Settlement Agreement, are stayed.

19. The Settlement is preliminarily approved but is not an admission by Defendant of the validity of any claims in this class action, or of any wrongdoing by Defendant or of any violation of law. Neither the Settlement nor any related document shall be offered or received in evidence in any civil, criminal, or administrative action or proceeding other than as may be necessary to consummate or enforce the Settlement.

IT IS SO ORDERED.

DATED: 9/2/2026


 The Honorable Patrick Broderick
 Judge of the Superior Court, Sonoma County

The Honorable Randy Rhodes (Ret.)
 Judge of the Superior Court (Sonoma) on Assignment