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16
17 *Attorneys for Individual and Representative Plaintiffs*

18
19 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
20 FOR THE COUNTY OF SONOMA
21 CIVIL UNLIMITED

22 SHARON FELKER; HERMAN GRISHAVER;
EDGAR CRUZ SORIANO; and JEANACE
23 ZETINO, individually and on behalf of other
similarly situated individuals,

24 Plaintiffs,

25 vs.

26 JRK RESIDENTIAL GROUP, INC.; JRK
27 PROPERTY HOLDINGS, INC.; and DOES 1-
28 100,

29 Defendants.

Case No.: SCV-267587

**ORDER GRANTING PLAINTIFFS'
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT AND CLASS NOTICE**

Judge: Hon. Patrick M. Broderick

Date: March 11, 2026

Time: 3:00 p.m.

Dept. 16

Complaint Filed: December 22, 2020

Trial Date: N/A

1 Plaintiffs Sharon Felker, Herman Grishave, Edgar Cruz Soriano, and Jeanace Zetino
2 (“Plaintiffs”) move for an order granting preliminary approval of parties’ Settlement Agreement.
3 Defendants JRK Residential Group, Inc. and JRK Property Holdings, Inc. (“Defendants”) support
4 the motion. **The motion is GRANTED.**

5 1. Plaintiff’s Allegations

6 Plaintiffs commenced this action on December 22, 2020. They filed their first amended
7 complaint (“FAC”) on June 1, 2021. Plaintiffs allege that JRK Residential is a large residential
8 property owner, manager, operator, and lessor, which owns 25,273 multifamily units in the
9 United States and 12 apartment complexes in California (the latter collectively referred to as
10 “JRK California Apartments”). JRK Residential is a subsidiary of JRK Holdings. Plaintiffs allege
11 that Defendants have used common form leases for JRK California Apartments (“the Leases”),
12 that the Leases are contracts of adhesion, and that Defendants have charged their tenants unlawful
13 rent increases, charges, and fees. Plaintiffs allege that the Leases prohibit tenants from performing
14 any repairs or alterations to their apartments. In approximately April 2020 and May 2020,
15 Defendants sent form letters to their tenants requesting that tenants use federal COVID relief
16 funds to timely pay rent.

17 With respect to the issue of price gouging, Plaintiffs allege that in 2017 massive wildfires
18 destroyed thousands of homes and a state of emergency was declared in several California
19 counties, including Los Angeles, Sonoma, and Ventura. As a result, Penal Code section 396
20 prohibited increasing the rental price advertised, offered, or charged for housing to an existing or
21 prospective tenant by more than 10 percent. Plaintiffs allege that section 396 has applied to rental
22 housing since at least January 2017. Despite this, and also in violation of the Tenant Protection
23 Act of 2019, in September 2020, Defendants began to charge \$2,353 a month for plaintiff
24 Felker’s apartment. This was more than a 10 percent increase as she had previously paid \$2,008.
25 Likewise, plaintiff Grishaver’s monthly rent increased in October 2019 from \$2,666 to \$3,054.
26 Plaintiff Cruz’s rent increased in September 2018 from \$2,000 a month to \$2,229.

27 Additionally, Plaintiffs allege that plaintiff Cruz gave notice on or around July 26, 2019,
28 of his intent to vacate his apartment effective August 31, 2019. Defendants refused to accept the
29 notice as adequate and required 60 days’ notice to terminate the lease. His rent after August 2019
30 was raised to \$2,927. Plaintiffs also allege that Defendants’ notice of the rent increase was less
31 than 60 days and thus violated Civil Code section 827.
32

1 Regarding illegal fees, Plaintiffs allege that the Leases required tenants to maintain
2 renter’s liability insurance and that they were fined an unreasonably excessive fee of \$50 per day
3 for each day that the policy was not in effect. The Leases also called for charges of between \$150
4 to \$250 for late rental payments.

5 2. Litigation and Settlement History

6 Plaintiffs filed the action on December 22, 2020. The action has seen significant litigation
7 since then, including demurrer and motion to strike directed to both the original complaint and the
8 first amended complaint (“FAC”), a demurrer to the answer, and motion for summary
9 adjudication, among others. These have been heavily contested.

10 Plaintiffs filed a motion on June 20, 2025, seeking preliminary approval of a class action
11 settlement for a settlement agreement (the “Settlement”) which they entered into on June 3, 2025.
12 At the August 7, 2025 hearing on the motion, the court denied the motion without prejudice,
13 noting that the motion failed to set forth the calculations of all civil penalties clearly or lacked
14 specific information; lacked an estimate of punitive damages which are sought in the complaint;
15 failed to given a total number of class members or range of estimated recovery for class members;
16 failed to explain the request for \$70,000 in fees for the settlement administration, given that the
17 amount is about 7 times what this court normally sees; failed to show that Plaintiffs reasonably
18 incurred costs of \$100,000, much higher than the amounts which this court normally sees in such
19 motions; and failed to provide declarations or evidence showing the work of the named Plaintiffs
20 which would justify the \$10,000 service enhancement awarded to each one. The court stated that
21 Plaintiff must provide this missing information.

22 3. The Instant Motion

23 Plaintiffs filed a new motion for preliminary approval of the Settlement on October 24,
24 2025. This is the motion now on calendar and it is effectively a repeat of the prior motion with
25 new papers addressing the issue which this court noted in the ruling on the original motion.

26 4. Certification of Classes

27 Plaintiffs request certification of the following classes for settlement purposes: the Late
28 Fee Class: All tenants whose leases for JRK California Apartments provide for a late rent charge
29 and who were charged that late charge on a net basis, from December 22, 2016, to June 27, 2024.

30 The RINCO Class: All tenants whose leases for JRK California Apartments provide for a
31 fee for a missing renter’s liability insurance policy and who were charged that fee on a net basis,
32 from December 22, 2016, to June 27, 2024.

1 The Section 396 Class: All tenants with initial lease terms of no longer than one year who
2 were charged rental price increases of more than 10 percent for JRK California Apartments in Los
3 Angeles, Sonoma, or Ventura Counties during Wildfire Section 396 Protection Periods in those
4 counties. Excluded from this class are tenants of The Harrison Glendale.

5 The TPA Class: All tenants who, from January 1, 2020, to June 27, 2024, were charged
6 rent increases based on gross rental rates excluding discounts, incentives, concessions or credits
7 for JRK California Apartments that exceeded the Rental Rate Caps. Excluded from this class are
8 tenants of Parkside Glen Apartment Homes, Somerset Glen Senior Apartments, The Harrison
9 Glendale, and Duo Apartments. Also excluded from this class are tenants of the Serenade at
10 RiverPark whose rent increased in excess of the Rental Rate Caps before the Serenade TPA
11 Dates.

12 5. Legal Standards

13 A settlement or compromise of an entire class action, or of a cause of action in a class
14 action, or as to a party, requires the approval of the court after hearing. (Cal. Rules of Court, Rule
15 3.769(a).) Any party to a settlement agreement may serve and file a written notice of motion for
16 preliminary approval of the settlement. (Rule 3.769(c).) The settlement agreement and proposed
17 notice to class members must be filed with the motion, and the proposed order must be lodged
18 with the motion. (*Ibid.*) The court may make an order approving or denying certification of a
19 provisional settlement class after the preliminary settlement hearing. (Rule 3.769(d).) If the court
20 grants preliminary approval, its order must include the time, date, and place of the final approval
21 hearing; the notice to be given to the class; and any other matters deemed necessary for the proper
22 conduct of a settlement hearing. (Rule 3.769(e).) The court must determine the settlement is fair,
23 adequate, and reasonable. (Rule 3.769(g); *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794,
24 1801.) Settlements preceding class certification are scrutinized more carefully to make sure that
25 absent class members' rights are adequately protected. (*Wershba v. Apple Computer, Inc.* (2001)
26 91 Cal. App. 4th 224, 240.)

27 In making this determination, the court considers all relevant factors including “the
28 strength of [the] plaintiffs' case, the risk, expense, complexity and likely duration of further
29 litigation, the risk of maintaining class action status through trial, the amount offered in
30 settlement, the extent of discovery completed and the stage of the proceedings, the experience and
31 views of counsel, the presence of a governmental participant, and the reaction of the class
32

1 members to the proposed settlement.” (*Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th
2 116, 128, citing *Dunk* at 1801.)

3 A presumption of fairness exists where: 1) the settlement is reached through arm's length
4 bargaining; 2) investigation and discovery are sufficient to allow counsel and the court to act
5 intelligently; 3) counsel is experienced in similar litigation; and 4) the percentage of objectors is
6 small. (*Wershba* at 245, citing *Dunk* at 1802.) The test is not the maximum amount plaintiff might
7 have obtained at trial on the complaint but, rather, whether the settlement is reasonable under all
8 of the circumstances. (*Wershba*, at 250.)

9 6. Settlement

10 In this motion, Plaintiffs state that JRK is one of the largest operators of multifamily rental
11 housing in the country. Its portfolio includes 80,000 residential units nationwide and, during the
12 period relevant to this case, it operated 14 apartment properties in California comprising over
13 4,000 units (“JRK California Apartments”).

14 The proposed Settlement provides three main benefits to the Settlement Class: a gross
15 settlement amount of \$4,000,000, equitable relief in the form of ceasing fees for late payment of
16 rent and RINCO fees for a specified period of years, cessation of collection activities against the
17 class members, and debt relief.

18 JRK will institute or maintain two equitable remedies pursuant to the Settlement
19 Agreement. The Settlement provides that, for a period of two years starting upon the date of the
20 Preliminary Approval Order, neither JRK nor any of its affiliates shall charge fees for late
21 payment of rent to any resident residing at the JRK California Apartments as of the date of the
22 Preliminary Approval Order. (Ex. A, 2.2.) The Settlement also includes that, for a period of seven
23 years starting upon the date of the Preliminary Approval Order, neither JRK nor any of its
24 affiliates shall charge fees for failure to maintain renter’s liability insurance to any resident
25 residing at the JRK California Apartments as of the date of such Order. (*Id.*) A violation of either
26 provision by a JRK affiliate shall be considered a breach of the Settlement Agreement. (*Id.*) These
27 remedial measures will benefit Settlement Class Members and other members of the public.
28 Based on their understanding that JRK currently charges approximately \$278,000 in late fees and
29 \$142,000 in RINCO charges per year in California and that the average tenure of JRK’s
30 California tenants is approximately two years, Class Counsel estimate that the monetary value of
31 this prospective equitable relief is approximately \$800,000. (Osborne Dec., ¶ 10.)
32

1 JRK has also agreed to provide debt relief to all current and former residents of JRK
2 California Apartments that were sent to collections by JRK or any of its affiliates from January 1,
3 2017, to December 31, 2021 (“Debt Relief Residents”). (Ex. A, 2.4.) JRK and, as necessary, its
4 affiliates, will instruct its debt collectors to cease all collection efforts against Debt Relief
5 Residents. (*Id.*) JRK will not engage in any new collection efforts for these debts and will also
6 instruct its debt collector(s) to request that any applicable Consumer Reporting Agencies
7 (“CRAs”) delete all tradelines for the Debt Relief Residents. (*Id.*) JRK has represented that
8 approximately \$1.45 million in unpaid balances for Debt Relief Residents were sent to collections
9 from 2017 to 2021. Recognizing that much of this debt will be time-barred but also
10 acknowledging the benefit of the express cessation of further collections and the benefit of the
11 deletion of tradelines, Class Counsel believe that \$350,000.00 is a fair estimate of the monetary
12 value of these Settlement provisions to Debt Relief Residents. (Osborne Dec., ¶ 10.)

13 Plaintiffs also state that in the Settlement Agreement, JRK represents that it has adopted
14 remedial measures in response to the Litigation, including: (a) reducing the amounts of the
15 individual late fees and RINCO fees charged at the JRK California Apartments; and (b)
16 purchasing and deploying compliance software Entrata CORE. Class Counsel believe that there
17 was a benefit associated with decreasing the amounts of individual fees charged. The value of the
18 software compliance measures may reasonably be estimated to range from \$50,000 (based on
19 estimated software licensing and deployment costs over five years) to as much as \$2.3 million
20 (which is the estimated total amount of rent overcharges that the compliance software can be
21 expected to avoid over a five-year period, based on approximately \$2.1 million in rent increases
22 allegedly in excess of TPA Rental Rate Caps from January 2020 to June 2024). (Osborne Dec., ¶
23 10.)

24 Additionally, JRK represents that no more than 825 Settlement Class Members are in
25 collections for unpaid balances and were sent to collections from January 1, 2022, to June 27,
26 2024). (Ex. A, 2.4.) JRK will identify each of the Collection Class Members to the Settlement
27 Administrator. (*Id.*) The Settlement Fund will be divided into a Net Settlement Fund and a smaller
28 Set-Aside Fund of \$41,250, from which individuals who are in collections for unpaid balances
29 related to the JRK California Apartments and were sent to collections from January 1, 2022, to
30 June 27, 2024, may apply for an additional \$50.00. (Ex. A, Ex. 2.)

1 Plaintiffs state that Settlement Class Members will be advised of their estimated payment
2 amount in the notice, and their actual *pro rata* share of the Net Settlement Fund will be calculated
3 by the Settlement Administrator after the Settlement becomes effective. (Ex. A, Ex. 1.)

4 7. Arms-Length Bargaining

5 Plaintiffs show that the parties reached the Settlement after arms-length bargaining and
6 substantial, contentious litigation spanning several years. As noted above, the parties entered into
7 mediation in December 2023, after several years of significant litigation, including a demurrer
8 and motion to strike directed to both the original complaint and the FAC, a demurrer to the
9 answer, and a motion for summary adjudication. As explained at Osborne Dec., ¶¶3-4, the parties
10 negotiated in the mediation before a neutral mediator and this initially was unsuccessful. The
11 parties agreed to take part in mediation again and conducted a day-long mediation with another
12 mediator in October 2024. This lead to several weeks of additional negotiation and subsequently
13 discussions taking place over several months before the parties entered into the Settlement on
14 June 3, 2025.

15 8. Estimated Recovery

16 In the declaration of Class Counsel, Kevin M. Osborne, Osborne estimates the amount of
17 potential recovery on Plaintiff's claims. He states that Plaintiffs' first and second causes of action
18 under the Unfair Competition Law, Business & Professions Code, sections 17200, *et seq.* (the
19 "UCL") and Consumers Legal Remedy Act, Civil Code sections 1750, *et seq.* (the "CLRA") are
20 based on alleged violations of Penal Code section 396(b) following the 2017-2019 wildfire
21 emergency declarations in Los Angeles, Sonoma, and Ventura Counties at JRK California
22 Apartments complexes located in those counties. Osborne states Plaintiffs' data consultant
23 analyzed electronic tenant ledger data and other tenant database reports produced by Defendants
24 in discovery to identify instances of rent increases above the section 396(b) limit during wildfire
25 price gouging protection periods at four of the five JRK California Apartments complexes in
26 those three counties. (Osborne decl., ¶9.a.) The Harrison Glendale complex (located in Los
27 Angeles County) was not included in the analysis because sufficient data was not available, and
28 tenants of that complex are excluded from the Settlement Class definition. (*Ibid.*) The current
29 analysis shows approximately \$2.8 million in rent charges in excess of the section 396(b) limit at
30 four JRK California Apartments complexes in Los Angeles, Sonoma, and Ventura Counties
31 during the wildfire protection periods. (*Ibid.*)
32

1 Plaintiffs’ third and fourth causes of action under the UCL and CLRA are based on rent
2 increases allegedly in violation of the Tenant Protection Act of 2019, Civil Code section 1947.12
3 (“TPA”). (Osborne decl., ¶9.b.) Osborne states that the current analysis of Defendants’ rent and
4 tenant data by Plaintiffs’ data consultant shows approximately \$2.1 million in gross rent charges
5 that exceeded TPA limits at ten JRK California Apartments complexes that were subject to the
6 TPA for the period from January 2020 to June 2024. (*Ibid.*)

7 Plaintiffs’ fifth and sixth causes of action under the UCL and CLRA are based on
8 Defendants charging tenants “RINCO” fees for failure to maintain renter’s liability insurance
9 allegedly in violation of Civil Code section 1671(d) restrictions on liquidated damages. (Osborne
10 decl., ¶9.c.) Plaintiffs’ seventh cause of action is asserted under section 1671 based on the same
11 conduct. Plaintiffs’ data consultant reviewed database reports of those RINCO fee charges
12 produced by Defendants. (*Ibid.*) Those reports show approximately \$770,000 in total net RINCO
13 charges at the JRK California Apartments from December 2016 to June 2024. (*Ibid.*)

14 Plaintiffs’ eighth and ninth causes of action under the UCL and CLRA are based on
15 Defendants charging tenants fees for late payment of rent allegedly in violation of Civil Code
16 section 1671(d). (Osborne decl., ¶9.d.) Plaintiffs’ tenth cause of action is asserted under section
17 1671 based on the same alleged conduct. Plaintiffs’ data consultant reviewed Defendants’
18 database reports and found approximately \$2.4 million in total net late charges at the JRK
19 California Apartments from December 2016 to June 2024. (*Ibid.*)

20 Plaintiffs explain that they do not seek statutory damages or civil penalties under CC
21 section 827, and they already dismissed their claims based on this provision, with court approval,
22 in 2022.

23 Plaintiffs contend that the statutory remedy available under CC section 1780 of the CLRA
24 is for actual damages, but at a minimum of \$1,000 per class member, resulting in a minimum of
25 \$15.1 million. However, they understand that the statutory minimum may not in fact be per
26 member and that there is uncertainty over this application, with some considering the minimum of
27 \$1,000 to be per class, not per member. They note that, depending on the circumstances, there is
28 no requirement that they provide a calculation of disgorgement remedies.

29 Based on the above, Plaintiffs’ counsel estimate that approximately \$8.1 million total in
30 allegedly unlawful rent increases and fees are in controversy in this litigation. (Osborne
31 decl., ¶9.e.) This total does not take into account of issues such as use of complex data to prove
32 violations of law and damages on a class-wide basis at trial, different methods of calculating

1 damages and the numerous defenses asserted by Defendants, all of which could affect the ultimate
2 degree of success and recovery if the litigation were to proceed. (*Ibid.*)

3 In sum, the Settlement Agreement provides for a cash award of \$4 million; equitable relief
4 in the form of a two-year cessation of charging late fees and a seven-year cessation of charging
5 fees related to insurance valued at approximately \$800,000; debt relief and cessation of debt-
6 collection activities valued at \$350,000; remedial measures valued at \$50,000 to \$2.3 million, for
7 a total of \$5.2 million to \$7.4 million. The remedial measures include reducing the fees charged
8 as well as obtaining and using compliance software in managing the properties to avoid rent
9 overcharges. From the Settlement Fund applying to the class members generally, \$41,250 will be
10 set aside in a separate fund (the “Set-Aside Fund”) for payment of \$50 to each Collection Class
11 Member beyond they payment they receive from the Net Settlement Fund.

12 As explained in the Memorandum of Points and Authorities (“Ps&As”) at 10:1-7 and
13 Osborne Decl.¶9, the actual monetary recovery will result in a total net settlement cash fund of
14 about \$1,813,581. This is based on the payment of \$4 million minus the \$2 million in attorneys’
15 fees, \$98,800 in litigation expenses, \$40,000 in the incentive awards, and \$47,619 in notice and
16 administration costs.

17 The court was on the prior motion concerned that the moving papers did not clearly lay
18 out a calculation of all civil penalties. Plaintiffs have now provided sufficient explanation.
19 Plaintiffs do not seek statutory damages or civil penalties under CC section 827, and they already
20 dismissed their claims based on this provision, with court approval, in 2022. Plaintiffs do contend
21 that the statutory remedy available under CC section 1780 of the CLRA is for actual damages, but
22 at a minimum of \$1,000 per class member, resulting in a minimum of \$15.1 million. However,
23 they understand that the statutory minimum many not in fact be per member and that there is
24 uncertainty over this application, with some considering the minimum of \$1,000 to be per class,
25 not per member. They note that, depending on the circumstances, there is no requirement that
26 they provide a calculation of disgorgement remedies. As the court explained in *Wershba, supra*,
27 91 Cal.App.4th at 250, “disgorgement of profits, even if available as a component of statutory
28 remedies, is not a required element in a settlement context.” The court there rejected an argument
29 that this was necessary and pointed out that “[i]n the context of a settlement agreement, the test is
30 not the maximum amount plaintiffs might have obtained at trial on the complaint, but rather
31 whether the settlement is reasonable under all of the circumstances. [Citation.]”
32

1 The FAC seeks punitive damages and this court previously felt that the motion did not
2 sufficiently discuss these. Again, the moving papers now rectify this sufficiently. As with
3 disgorgement, the court in *Wershba, supra*, explained that there is no requirement to include
4 punitive damages in a class settlement. Plaintiffs also explain that there is a potential for punitive
5 damages to be as high as \$16.2 million, but point out that this requires a showing of oppression,
6 fraud, or malice and they demonstrate that in cases such as this, it is not common for plaintiffs to
7 prevail on that standard. See Ps&As 15-16; Osborne Decl. ¶18. While the Settlement clearly is
8 too small to reflect the potential of punitive damages, the court finds the information now to be
9 sufficient for settlement purposes and an assessment of the propriety of this Settlement.

10 Class Counsel have also now provided this court with the total number of class members,
11 a factor in estimating the recovery of statutory and punitive damages. Ps&As 3:13-19; Osborne
12 Decl. ¶¶6-7. The information shows that the total number of Class Members is about 15,112, with
13 about 9,505 in the Late Fee Class, 7,802 in the RINCO Fee Class, 2,915 in the Section 396 Class,
14 and 3,301 in the TPA Class. About 6,037 are in more than one class. Counsel estimate that the
15 final total for all members is likely to be somewhat fewer than 15,000 because of duplicate entries
16 in Defendant's records and the fact that some members rented different apartments at different
17 times. As a result, based on the Settlement terms, the estimated average monetary payment to
18 each member is about \$120.01.

19 The court notes that although the cash award to each member appears itself to be small, in
20 this instance the Settlement includes significant equitable and indirect monetary relief which
21 ultimately may be of greater real value to the class members. As noted above in greater detail, in
22 summary, this includes equitable relief in the form of ceasing fees for late payment of rent and
23 RINCO fees for a specified period of years, cessation of collection activities against the class
24 members, and debt relief. This is accordingly not a situation, such as perhaps discount coupons or
25 the like, where the non-payment remedy is simply an addition to bolster the apparent value of the
26 settlement or offers dubious real value. Here, the non-payment component of the Settlement in
27 fact includes the equivalent of a material, if future and indirect, cash payment in the form of
28 cessation of fees and collection activities which means that the class members will not lose money
29 that they otherwise would lose. The members will also receive debt relief, a meaningful monetary
30 gain. Moreover, these components and the end of collection activities will remove a potentially
31 significant source of stress and other problems which the class members would face should they
32

1 be the subject of continued collection activities. These benefits, although intangible and not
2 monetary, must not be discounted and may be potentially as valuable as any monetary recovery.

3 9. Settlement Administration

4 The parties propose Angeion Group (“Angeion”) to serve as Settlement Administrator.
5 Class Counsel state they solicited competing bids from settlement administration companies and
6 discussed with them the notice and distribution plans anticipated by the parties. (Osborne Dec., ¶
7 5.) Following consultation with defense counsel, Class Counsel ultimately selected Angeion,
8 which originally estimated that the total notice and administration costs for this matter would not
9 exceed \$70,000. In the current motion, they explain that Angeion has now revised the estimate to
10 \$47,619 based on reduced expenses associated with e-mail notice since counsel have now learned
11 that Angeion has obtained e-mail addresses for about 80% of the class members. Ps&As 8:11-9:8;
12 Osborne Decl. ¶¶11-12. This amount consists of \$2,000 for initial start-up expenses; \$11,720 in
13 costs for paper and e-mail notice to about 15,000 members; website creation and maintenance of
14 \$6,150; call center operation costs of \$2,675; costs of \$9,000 for reporting internally, to the court,
15 and to counsel; costs of \$1,674 for receiving and processing claims for payments from the Set-
16 Aside Fund; costs of \$10,977 for distributing proceeds to class members, including processing
17 undeliverable distributions, skip tracing, and reissuing distributions; costs of \$1,950 for tax filings
18 and forms for the Qualified Settlement Fund; and other costs of \$1,473 for miscellaneous items
19 including processing objections or opt-outs.

20 10. Attorney Fees and Costs

21 Class Counsel state they will file a motion for an award of attorneys’ fees and for
22 reimbursement of litigation expenses. They state they will seek fees not to exceed \$2 million and
23 \$100,000 in expenses.

24 The amount requested for fees is 50% of the direct monetary recovery but only
25 approximately 27% to 38% of the total estimated value of recovery. Although half of a recovery
26 is clearly inappropriate, given the meaningful nature and real value of other components for the
27 recovery, this is potentially within the range of reasonableness.

28 This court noted in the prior ruling that the \$100,000 in expenses is higher than the
29 average amount sought in this court’s experience. Class Counsel have now sufficiently
30 demonstrated that expenses totaling this amount were reasonably incurred. Ps&As 9:10-24;
31 Osborne Decl., ¶¶14-15. They break down the costs into various components with some evidence,
32 and they provide more information on approved requests in other litigation for comparison

1 showing the requested amount to be within the range other courts have accepted. They show that
2 the largest share of the costs, \$52,350, was incurred for expert analysis of Defendant's leasing
3 data, along with \$12,693.47 for ESI collection and hosting, \$10,752.38 for mediation fees,
4 \$14,239.90 for transcripts, \$1,953.35 in filing and service fees, \$228.70 for legal research
5 services, \$1,025.55 for copying, \$1,247.94 for translation, and \$4,354.71 for travel. Although
6 there may be some basis for quibbling with some amounts here and there to a small degree, on the
7 face of the matters, types of expenses are clearly reasonable and appropriate while the amount of
8 expenses appears generally within the range of reasonableness. The court further feels that any
9 likely alteration of these amounts would not result in a material change in the outcome for the
10 class members.

11 The court provisionally finds this sufficient for the purposes of preliminary approval, but
12 the parties will need to provide a final explanation and justification for the fees and costs at the
13 final approval hearing. The court will make the ultimate determination on these at that time.

14 11. Service Award

15 Class Counsel will also request that the Court approve service awards not to exceed
16 \$40,000 in total—\$10,000 to each of the four named Plaintiffs—based on their participation in
17 the litigation. Plaintiffs have now provided a declaration from each of the four named Plaintiff
18 showing the amount of work performed establishing that the award is reasonable. These explain
19 that three spent about 50 hours of time on this litigation and the fourth about 55 hours of time, a
20 significant investment in time and energy, more than the amount which this court typically sees in
21 motions such as this. They detail the work they did, which included collecting and reading
22 documents, communicating with others about the litigation, submitting for depositions lasting
23 several hours, reviewing and signing written discovery responses, and more. For example,
24 Plaintiff Edgar Cruz Soriano specifies that he spent about 10 hours going through documents, 10
25 hours gathering documents and information, and 15 hours communicating with attorneys and
26 others in this litigation, which included more than 10 meetings with attorneys. The other
27 declarations provide similar statements. Each Plaintiff took part in a deposition which itself lasted
28 several hours and which required additional preparation time. They also personally were involved
29 in responding to the significant written discovery in this litigation. They explain that they were
30 forced to take time off work to engage in this litigation and they underwent the stress of fearing
31 retaliatory treatment while still living at property belonging to Defendant.

1 The court notes that the enhancement or service awards are significant, at or beyond the
2 high end of what this court has typically seen in comparison to the average cash payout. In this
3 instance, however, the amount and nature of the work they provided, as set forth in detail in the
4 declarations, combined with the threat of retaliation while living as tenants of Defendant,
5 reasonably justifies the enhancement awards. The court is aware that such awards are necessary to
6 help induce parties to take part in such actions, partly on behalf of others who do not bear these
7 risks or burdens. In *Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785, at
8 804-807, the court found no basis for an award of \$25,000 which was 44 times the average
9 payout, but noted that this was because there was minimal, conclusory evidence insufficient to
10 support such a large enhancement. In *Clark*, the appellate court noted that the trial court's
11 approval of the award offered no rationale and with respect to time pointed out only that the
12 named plaintiffs had spent "several hours" on the case, a short time presented only vaguely. The
13 information on the named Plaintiffs' involvement in this action is more detailed and shows more
14 input of time and effort than in *Clark*. The evidence here also reasonably, on its face, provides a
15 basis for their fear of retaliation from Defendant, their landlord, whose conduct resulting in this
16 litigation itself warrants such a concern. The appellate court also noted that the benefits to the
17 class amounted to only \$550 per person on average with no other lasting benefit, in contrast
18 to *Cook v. Niedert* (7th Cir.1998) 142 F.3d 1004 where the court upheld an enhancement of
19 \$25,000 but found lasting benefits including institutional reforms. Again, unlike *Clark* and like
20 *Cook*, here the Settlement includes additional changes of potentially greater value in terms of
21 money and avoidance of stress and other lasting or snowballing problems which may result from
22 unwarranted collection activities, overcharges of rent and fees, and more. This Settlement terms,
23 if implemented, will significantly reduce those problems for tenants. This court further notes that
24 this action was highly contested and involved several years of active litigation, with discovery
25 and, among others, a motion for summary adjudication. This litigation was far longer and more
26 involved than the amount of litigation this court typically sees in settlements motions for class or
27 representative actions.

28 The court provisionally finds the enhancement or service awards to be reasonable but
29 notes that this is one aspect of the Settlement which the court also finds may be vulnerable to a
30 challenge should there be objectors. The court will make a final determination, of course, at the
31 final hearing.
32

1 12. Conclusion and Order

2 Accordingly, the motion is GRANTED.

3 This order shall constitute the Preliminary Approval Order for purposes of the Settlement
4 and shall be entered on the date listed below.

5 Plaintiffs' motion for final approval of class action settlement will be heard on August 19,
6 2026 at 3:00 p.m. in this Department.

7
8 Dated: 3/25/2026



Dennis Hayashi

~~Hon. Patrick M. Broderick~~