UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES—GENERAL

Case No. SACV 24-00642-MWF (ADSx) **Date: May 12, 2026**

Title: Gustavo Moran v. ESOP Committee of the Aluminum Precision Products, Inc. Employee Stock Ownership Plan

Present: The Honorable MICHAEL W. FITZGERALD, U.S. District Judge

Deputy Clerk: Rita Sanchez	Court Reporter: Not Reported
Attorneys Present for Plaintiff: None Present	Attorneys Present for Defendant: None Present

Proceedings (In Chambers): ORDER GRANTING PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT [105]

Before the Court is Plaintiff Gustavo Moran's Motion for Preliminary Approval of Class Action Settlement (the "Motion") filed on April 14, 2026. (Docket No. 105; *see also* Memorandum ("Mem.") (Docket No. 106)). No opposition or reply was filed.

The Motion was scheduled to be heard on **May 11, 2026**. The Court read and considered the papers filed in connection with the Motion and deemed the matter appropriate for decision without oral argument. *See* Fed. R. Civ. P. 78(b); Local Rule 7-15. The hearing was therefore **VACATED** and removed from the Court's calendar.

The Motion is **GRANTED**. The proposed settlement is preliminary approved as procedurally and substantively fair, the proposed class meets the requirements of Federal Rules of Civil Procedure 23(a) and 23(b)(1), and the proposed notice and dissemination procedures appear effective and meet the requirements of Rule 23(c). This preliminary approval does not extend to any specific request for attorney's fees, which will be addressed via separate motion and at the Final Fairness Hearing set for **September 16, 2026, at 10:00 a.m**. ***The Court will carefully scrutinize the requested fee award in light of the Settlement Agreement's clear-sailing provision and Class Counsel's intent to seek an upward departure from the 25% fee benchmark that courts in this Circuit traditionally deem reasonable.***

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES—GENERAL

Case No. SACV 24-00642-MWF (ADSx) Date: May 12, 2026
Title: Gustavo Moran v. ESOP Committee of the Aluminum Precision Products, Inc. Employee Stock Ownership Plan

I. BACKGROUND

The Court previously summarized the factual background of this ERISA action in the Court's prior Order Denying Defendant's Motion for Judgment on the Pleadings (the "Prior Order"). (Docket No. 102). Therefore, the Court will not repeat all those facts here but incorporates by reference the factual background from the Prior Order.

In April 2026, the parties entered into a Settlement Agreement (the "Agreement") contingent upon the Court's decision on the Motion. (*See* Agreement (Docket No. 107-1)). The relevant terms of the Agreement are summarized as follows:

- The "Settlement Class" is defined as "all participants and beneficiaries of the ESOP since the date that is six (6) years prior to the filing of this Action, excluding anyone who served on the ESOP Committee of the Aluminum Precision Products, Inc. Employee Stock Ownership Plan during that period." (*Id.* § 1.44). Counsel estimates that there are approximately 1,000 Settlement Class members. (Declaration of Mark E. Thomson ("Thomson Decl.") (Docket No. 107) ¶ 14).

- The "Class Period" is defined to include "the period from March 27, 2018, through the time the Settlement becomes Final." (Agreement § 1.9).

- "Class Counsel" is defined as Engstrom Lee LLC. (*Id.* § 1.8).

- The "Settling Parties" include "the Defendant and the Class Representative," Gustavo Moran, "on behalf of himself, the Plan, and each of the Settlement Class Members." (*Id.* § 1.50).

- The "Settlement Administrator" is defined as Atticus Administration LLC. (*Id.* § 1.41).

- The Agreement provides for the establishment and funding of a "Qualified Settlement Fund." (*Id.* § 4.1). Defendant will pay $200,000.00 into the Fund within thirty days of the Court's entry of the Preliminary Approval Order, and Defendant will pay $1,800,000.00 into the Fund within thirty-five days of the entry of the Final Approval Order. (*Id.* § 4.2).

- The Agreement requires that Class Counsel file a motion for "Attorneys' Fees and Costs, Administrative Expenses, and Class Representative Compensation" no later than thirty days before the Final Fairness Hearing. (*Id.* § 6.2). The Settlement is not conditioned on the award of any such amounts. (*Id.* § 6.3). The "Net Settlement Amount" will be calculated after accounting for such amounts. (*Id.* § 1.24). Defendant agrees not to "take any position on Class Counsel's application for fees and costs or for Class Representative Compensation." (*Id.* § 6.1).

- The Net Settlement Amount will be distributed to eligible Settlement Class Members in accordance with the "Plan of Allocation." (*Id.* § 1.31). The Plan of Allocation provides that the Settlement Administrator shall determine an average Other Investments Account ("OIA") balance from year-end 2018 through 2025 or 2026. (*Id.* § 5.1.1). Each individual's share of the Net Settlement Amount will be based on their average OIA balance compared to the sum of all Class Members' average OIA balances. (*Id.* §§ 5.1.2–5.1.4).

- Current participants in the ESOP will have their accounts automatically credited with their Settlement Credit Amount. (*Id.* § 5.5.1). Former participants will have the option to receive a direct payment by check or have their distribution rolled over to a retirement account or eligible employee benefit plan. Any uncashed checks would revert to participants on a pro rata basis; no amounts would revert to Defendant. (*Id.* § 5.6.1).

- In exchange for the relief, the Settlement Class will release Defendant and affiliated persons and entities from all claims that:

- Arise out of or relate to all claims raised in the Complaints or which could have been raised in the Complaints relating to the same subject matter, broadly construed, including any that arise out of, relate to, or are based on any of the allegations, acts, omissions, facts, matters, transactions, or occurrences that were alleged, asserted, or set forth in the Complaints, including any claims related to allocation, recycling, repurchasing, and managing or investing of assets of the Plan;
- Would be barred by *res judicata* based on entry of the Final Approval Order;
- Relate to the direction to calculate, the calculation of, and/or the method or manner of allocation of the Qualified Settlement Fund to any Settlement Class Member in accordance with the Plan of Allocation; or
- Relate to the retention of the Independent Fiduciary and to approval by the Independent Fiduciary of the Settlement, unless brought against the Independent Fiduciary alone. (*Id.* § 1.34).

- Defendant will retain an Independent Fiduciary to review and authorize the Settlement on behalf of the ESOP. (*Id.* § 2.1).

- The Agreement also provides that "Settlement Notices" (*Id.*, Ex. A) will be mailed to all Class members. (Agreement § 2.6.1). The Notices and the Agreement itself will also be available on a "Settlement Website" established by the Settlement Administrator. (*Id.* § 12.2).

II. PRELIMINARY APPROVAL OF SETTLEMENT

"Approval of a class action settlement requires a two-step process — a preliminary approval followed by a later final approval." *Spann v. J.C. Penney Corp.*, 314 F.R.D. 312, 319 (C.D. Cal. 2016). The standard of review differs at each stage. At the preliminary approval stage, the Court need only "evaluate the terms of the settlement to determine whether they are within a range of possible judicial approval." *Wright v. Linkus Enters., Inc.*, 259 F.R.D. 468, 472 (E.D. Cal. 2009).

"[P]reliminary approval of a settlement has both a procedural and a substantive component." *In re Tableware Antitrust Litig.*, 484 F. Supp. 2d 1078, 1080 (N.D. Cal. 2007). Procedurally, the Ninth Circuit emphasizes that the parties should have engaged in an adversarial process to arrive at the settlement. *See Rodriguez v. W. Publ'g Corp.*, 563 F.3d 948, 965 (9th Cir. 2009) ("We put a good deal of stock in the product of an arms-length, non-collusive, negotiated resolution, and have never prescribed a particular formula by which that outcome must be tested." (citations omitted)). "A presumption of correctness is said to attach to a class settlement reached in arm's-length negotiations between experienced capable counsel after meaningful discovery." *Spann*, 314 F.R.D. at 324 (citation omitted).

Substantively, the Court considers the adequacy of the proposed relief. *See* Fed. R. Civ. P. 23(e)(2)(C). The Court should consider "whether the proposed settlement discloses grounds to doubt its fairness or other obvious deficiencies such as unduly preferential treatment of class representatives or segments of the class, or excessive compensation of attorneys." *Alberto v. GMRI, Inc.*, 252 F.R.D. 652, 666 (E.D. Cal. 2008) (citing *West v. Circle K Stores, Inc.*, No. 04-cv-0438-WBS, 2006 WL 1652598, at *11 (E.D. Cal. June 13, 2006)).

A. Procedural Component

The Agreement appears to be procedurally fair to the Settlement Class. Class Counsel has many years of experience litigating class actions and ERISA class actions in particular. (Thomson Decl. ¶¶ 21–24). Counsel also investigated Plaintiff's claims, including analyzing the ESOP and its OIA investments, before filing Plaintiff's 22-page complaint. (*Id.* ¶ 9). Moreover, the parties engaged in substantial litigation and discovery prior to engaging in settlement negotiations. Counsel engaged in a "prolonged discovery fight," culminating in the exchange of thousands of pages of documents. (*Id.* ¶ 11). Class Counsel also successfully opposed Defendant's Motion for Judgment on the Pleadings. (*Id.* ¶ 12). Given the parties' vigorous litigation of this case, the Court has no doubt that the settlement is "the product of an arms-length, non-collusive, negotiated resolution[.]" *Rodriguez*, 563 F.3d at 965.

The Court therefore concludes that the proposed class is represented by experienced counsel who engaged in meaningful discovery while pursuing arms-length settlement negotiations. The procedural component of the inquiry is met.

B. Substantive Component

The Court also determines that the Agreement appears to be reasonable and fair to the Settlement Class.

1. Adequacy of the Relief

Rule 23(e)(2)(C) requires that the Court consider whether "the relief provided for the class is adequate." Fed. R. Civ. P. 23(e)(2)(C). Here, the Agreement provides that Defendant will contribute $2 million to a common settlement fund, which amounts to approximately $2,000 per Settlement Class Member before accounting for requested attorney's fees, costs, and expenses. (Agreement § 4.2). Plaintiff represents that this amount is equivalent to approximately 66% to 100% of "Plaintiff's calculated losses during the period for which Plaintiff's liability case was strongest" — *i.e.*, before Defendant apparently implemented a new monitoring and investment policy. (Mem. at 9; Thomson Decl. ¶¶ 16–17). The precise figure of damages depends on the index fund comparator chosen, but even the 66% estimate compares well with other ERISA class action settlements that courts have approved. *See, e.g.*, *Gruber v. Grifols Shared Servs. N. Am., Inc.*, No. CV 22-02621-SPG (ASx), 2023 WL 8610504, at *8 (C.D. Cal. Nov. 2, 2023) (preliminarily approving settlement representing 20% of potential damages); *Coppel v. SeaWorld Parks & Ent., Inc.*, No. 21-CV-1430-RSH-DDL, 2025 WL 1346873, at *5 (S.D. Cal. May 8, 2025) (same for settlement representing 11.5% of maximum recovery).

Additionally, the risks, expenses, and duration of further litigation support the Court's conclusion that the Agreement is substantively fair even as a fraction of potential recovery. *See, e.g.*, *Nat'l Rural Telecomm. Coop. v. DIRECTV, Inc.*, 221 F.R.D. 523, 526 (C.D. Cal. 2004) (emphasizing the requirement that courts "consider the vagaries of litigation and compare the significance of immediate recovery by way of the compromise to the mere possibility of relief in the future, after protracted and expensive litigation" (citation omitted)). The Court also notes that this action would involve particular uncertainty given it concerns a developing variety of ERISA claims in the ESOP context on which courts have come to different conclusions. *Compare Trull v. McCreary Modern, Inc.*, Case No. CV 25-00011-KDB-SCR, 2025 WL 2803605 (W.D.N.C. Oct. 1, 2025) (dismissing claims similar to Plaintiff's), *with Schultz v. Aerotech, Inc.*, Case No. CV 24-618, 2025 WL 563585 (W.D. Pa. Feb. 20, 2025) (concluding that claims similar to Plaintiff's may proceed past the pleadings stage); *see also* Prior Order at 5–7 (noting that "district courts . . . have reached divergent conclusions" on claims similar to Plaintiff's).

"By contrast, the Settlement provides the Class with timely and certain recovery," which favors preliminary approval. *Perkins v. Linkedin Corp.*, Case No. CV 13-04303-LHK, 2016 WL 613255, at *2 (N.D. Cal. Feb. 16, 2016) (approving settlement agreement); *see also In re: ZF-TRW Airbag Control Units Prods. Liab. Litig.*, Case No. CV 19-2905-JAK (JPRx), 2025 WL 4231615, at *15 (C.D. Cal. Oct. 8, 2025) (noting that estimates of a fair settlement "are tempered by factors such as the risk of losing at trial").

2. Attorney's Fees

In approving the substance of the Agreement, the Court must also consider "the terms of any proposed award of attorney's fees, including timing of payment." Fed. R. Civ. P. 23(e)(2)(c).

In the Ninth Circuit, there are two primary methods to calculate attorneys' fees: the lodestar method and the percentage-of-recovery method. *In re Online DVD-Rental Antitrust Litig*., 779 F.3d 934, 949 (9th Cir. 2015) (citation omitted). "The lodestar method requires 'multiplying the number of hours the prevailing party reasonably expended on the litigation (as supported by adequate documentation) by a reasonable hourly rate for the region and for the experience of the lawyer.'" *Id.* (citation omitted). "Under the percentage-of-recovery method, the attorneys' fees equal some percentage of the common settlement fund; in this circuit, the benchmark percentage is 25%." *Id.* (citation omitted). However, the "benchmark percentage should be adjusted, or replaced by a lodestar calculation, when special circumstances indicate that the percentage recovery would be either too small or too large in light of the hours devoted to the case or other relevant factors." *Six Mexican Workers v. Ariz. Citrus Growers*, 904 F.2d 1301, 1311 (9th Cir. 1990).

Further, the Court must scrutinize the Agreement for three factors that tend to show collusion: (1) when counsel receives a disproportionate distribution of the settlement; (2) when the parties negotiate a "clear sailing arrangement," under which the defendant agrees not to challenge a request for agreed-upon attorney fees; and (3) when the agreement contains a "kicker" or "reverter" clause that returns unawarded fees to the defendant, rather than the class. *Briseno v. ConAgra Foods, Inc.*, 998 F.3d 1014, 1023 (9th Cir. 2021).

Here, pursuant to the Agreement, Plaintiff will file a motion for an award of attorney's fees no later than thirty days before the Final Fairness Hearing. (Agreement § 6.2). Counsel intends to recover fees "not to exceed one-third of the Gross Settlement Amount," which is $2 million. (*Id.* § 6.1). The Agreement further provides that "Defendant will not take any position on Class Counsel's application for fees and costs[.]" (*Id.*). In other words, the Agreement contains both a "clear sailing arrangement" and an indication that Class Counsel will seek an award exceeding the 25% benchmark that courts in the Ninth Circuit typically find reasonable.

Ultimately, the Court will address the issue of attorney's fees via separate motion and at the Final Fairness Hearing. While the Court may entertain some upward departure from the presumptively reasonable 25%, and while clear sailing arrangements do not necessarily doom a fee proposal, ***Class Counsel should be prepared to provide further justification as to why the proposed fee award is appropriate under the particular facts and circumstances of this case.***

3. Service Award

Additionally, according to the Agreement, Plaintiff intends to apply for a service award of no more than $5,000. (Agreement § 6.1). This amount does not appear to be unreasonable, as incentive awards typically range between $2,000 and $10,000. *See Bellinghausen v. Tractor Supply Co.*, 306 F.R.D. 245, 267 (N.D. Cal. 2015) (collecting cases).

Because the Court finds the Agreement to be procedurally and substantively fair, the Motion is therefore **GRANTED** insofar as the Agreement is preliminarily **APPROVED**.

III. CLASS CERTIFICATION

Plaintiff seeks certification of a class for settlement purposes only pursuant to Federal Rule of Civil Procedure 23(b)(1). A court may certify a class for settlement purposes only. *See In re Online DVD-Rental Antitrust Litig.*, 779 F.3d at 942. In *Amchem Products, Inc. v. Windsor*, 521 U.S. 591 (1997), the Supreme Court explained the differences between approving a class for settlement and for litigation purposes:

> Confronted with a request for settlement-only class certification, a district court need not inquire whether the case, if tried, would present intractable management problems, *see* Fed. Rule Civ. Proc. 23(b)(3)(D), for the proposal is that there be no trial. But other specifications of the Rule — those designed to protect absentees by blocking unwarranted or overbroad class definitions — demand undiluted, even heightened, attention in the settlement context. Such attention is of vital importance, for a court asked to certify a settlement class will lack the opportunity, present when a case is litigated, to adjust the class, informed by the proceedings as they unfold.

Id. at 620.

As discussed above, the "Settlement Class" is defined as "all participants and beneficiaries of the ESOP since the date that is six (6) years prior to the filing of this Action, excluding anyone who served on the ESOP Committee of the Aluminum Precision Products, Inc. Employee Stock Ownership Plan during that period." (Agreement § 1.44).

Federal Rule of Civil Procedure 23(a) requires the putative class to meet four threshold requirements: numerosity, commonality, typicality, and adequacy of representation. *Id.*; *see also Leyva v. Medline Indus. Inc.*, 716 F.3d 510, 512 (9th Cir. 2013). In addition, the proposed class must satisfy one of the three categories provided by Rule 23(b). *DZ Rsrv. v. Meta Platforms, Inc.*, 96 F.4th 1223, 1232 (9th Cir. 2024), *cert. denied,* 145 S. Ct. 1051 (2025). Considering these requirements, the Court concludes that class certification is appropriate in this action.

A. Numerosity

Under Rule 23(a)(1), a class must be "so numerous that joinder of all members is impracticable . . . ." *Id.* No specific number is required, although there is a presumption that a class with more than 40 members is impracticable to require joinder. *Smith v. City of Oakland*, 339 F.R.D. 131, 138 (N.D. Cal. 2021); *Rannis v. Recchia*, 380 F. App'x 646, 651 (9th Cir. 2010).

Here, Plaintiff estimates that the Settlement Class encompasses over one thousand members (Thomson Decl. ¶ 14), which is more than enough to satisfy Rule 23(a)(1)'s numerosity requirement.

B. Commonality

Rule 23(a)(2) requires that the case present "questions of law or fact common to the class." *Id.* The Supreme Court's decision in *Wal-Mart Stores, Inc. v. Dukes*, 564 U.S. 338 (2011), clarified that to demonstrate commonality, the putative class must show that their claims "depend upon a common contention . . . that it is capable of classwide resolution — which means that determination of its truth or falsity will resolve an issue that is central to the validity of each one of the claims in one stroke." *Id.* at 350.

That requirement is met here, as each member of the Settlement Class would seek resolution of the same legal and factual issues, namely whether Defendant breached its fiduciary duties by failing to prudently invest in a manner consistent with the investment objectives of the ESOP and its participants. *See, e.g.*, *Gamino v. KPC Healthcare Holdings, Inc.*, No. EDCV 20-01126-SB (SHKx), 2021 WL 7081190, at *4 (C.D. Cal. Aug. 6, 2021) (commonality satisfied where resolution of ERISA action would "turn on several questions common to all class members" including whether defendants breached fiduciary duties and whether a prohibited transaction occurred).

The commonality requirement is therefore satisfied.

C. Typicality

Rule 23(a)(3) requires the putative class to show that "the claims or defenses of the representative parties are typical of the claims or defenses of the class." *Wal-Mart Stores, Inc.*, 564 U.S. at 345. The claims of the representative parties need not be identical to those of the other putative class members; "[i]t is enough if their situations share a 'common issue of law or fact,' and are 'sufficiently parallel to insure a vigorous and full presentation of all claims for relief.'" *Cal. Rural Legal Assistance, Inc. v. Legal Servs. Corp.*, 917 F.2d 1171, 1175 (9th Cir. 1990) (citations omitted).

Here, Defendant's "alleged acts and omissions were not directed to an individual but rather to the [ESOP] as a whole, such that the claims of Plaintiff and the unnamed class members all arise from the same course of conduct." *Gamino*, 2021 WL 7081190, at *4. Indeed, "because Plaintiff sues on behalf of the Plan, [his] claims are not only 'typical' of the claims or defenses of the class — Plaintiff's claims are ***identical*** to those of the unnamed class members." *Klawonn v. Bd. of Directors for*

Motion Picture Indus. Pension Plans, No. CV 20-9194-DMG (ASx), 2024 WL 653398, at *6 (C.D. Cal. Jan. 18, 2024).

Accordingly, the typicality requirement is satisfied.

D. Adequacy

Finally, Rule 23(a)(4) requires the representative parties to "fairly and adequately protect the interests of the class." *Wal-Mart Stores, Inc.* 564 U.S. at 345. "In making this determination, courts must consider two questions: '(1) do the named plaintiffs and their counsel have any conflicts of interest with other class members and (2) will the named plaintiffs and their counsel prosecute the action vigorously on behalf of the class?'" *Evon v. Law Offices of Sidney Mickell*, 688 F.3d 1015, 1031 (9th Cir. 2012) (quoting *Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1020 (9th Cir. 1998)). Additionally, "the honesty and credibility of a class representative is a relevant consideration when performing the adequacy inquiry because an untrustworthy plaintiff could reduce the likelihood of prevailing on the class claims." *Harris v. Vector Mktg. Corp.*, 753 F. Supp. 2d 996, 1015 (N.D. Cal. 2010) (citation omitted).

As to the first prong, the Court perceives no obvious conflicts between Plaintiff and his counsel on the one hand and the absent Settlement Class Members on the other. (*See* Declaration of Gustavo Moran ("Moran Decl.") (Docket No. 109) ¶ 5). As to the second prong, as already discussed, Plaintiff and his counsel have vigorously prosecuted this action, Plaintiff's counsel has substantial experience litigating similar types of class actions, and there is no reason to believe that Plaintiff and his counsel would not vigorously pursue this action on behalf of the Settlement Class. (*See* Thomson Decl. ¶¶ 23–24; Moran Decl. ¶¶ 4–6). The adequacy requirement is satisfied.

The requirements imposed by Rule 23(a) are thus satisfied. The Court next considers whether one of the additional three categories under Rule 23(b) is met.

E. Rule 23(b)

Plaintiff seeks class certification under Rule 23(b)(1). (Mem. at 20–21). Pursuant to Rule 23(b)(1), a class may be certified if:

> prosecuting separate actions by or against individual class members would create a risk of: (A) inconsistent or varying adjudications with respect to individual class members that would establish incompatible standards of conduct for the party opposing the class; or (B) adjudications with respect to individual class members that, as a practical matter, would be dispositive of the interests of the other members not parties to the individual adjudications or would substantially impair or impede their ability to protect their interests.

Fed. R. Civ. P. 23(b)(1). In other words, Rule 23(b)(1)(A) analyzes possible prejudice to a defendant while 23(b)(1)(B) analyzes possible prejudice to the putative class members. *See Kanawi v. Bechtel Corp.*, 254 F.R.D. 102, 111 (N.D. Cal. 2008).

Here, Plaintiff satisfies both paths to certification under Rule 23(b)(1) and, indeed, "[c]ourts commonly certify ERISA class actions under both [Rules] 23(b)(1)(A) and 23(b)(1)(B)." *Ramirez v. AMPAM Parks Mech., Inc.*, No. EDCV 24-1038-KK (DTBx), 2025 WL 1090186, at *7 (C.D. Cal. Mar. 18, 2025); *see also Kanawi*, 254 F.R.D. at 112 ("ERISA litigation . . . presents a paradigmatic example of a (b)(1) class.").

As to Rule 23(b)(1)(A), Plaintiff estimates there are at least one thousand Settlement Class Members. (Thomson Decl. ¶ 14). If Settlement Class Members pursued separate actions, each hinging on proper interpretation of the ESOP, there would be a risk of inconsistent interpretations of the ESOP and incompatible standards of conduct for Defendant. *See, e.g.*, *Hurtado v. Rainbow Disposal Co.*, No. SACV 17-01605-JLS (DFMx), 2019 WL 1771797, at *10 (C.D. Cal. Apr. 22, 2019) (certifying class under Rule 23(b)(1)(A) because "[c]onflicting interpretations by separate tribunals could result in countervailing directives to the ESOP fiduciaries."); *Tom v.*

Com Dev USA, LLC, No. CV 16-1363-PSG (GJSx), 2017 WL 8236268, at *5 (C.D. Cal. Sept. 18, 2017); *Imber v. Lackey*, No. CV 22-00004-HBK, 2025 WL 2687358, at *10 (E.D. Cal. Sept. 19, 2025).

This action is also a "[c]lassic example[]" of one warranting certification under Rule 23(b)(1)(B) because it charges "a breach of trust by an indenture trustee or other fiduciary similarly affecting the members of a large class of beneficiaries." *Ortiz v. Fibreboard Corp.*, 527 U.S. 815, 833–34 (1999) (internal quotation marks omitted). In this context, adjudication on behalf of one ESOP participant would effectively be dispositive for other class members. *Imber*, 2025 WL 2687358, at *11 (concluding similarly and finding certification appropriate under Rule 23(b)(1)(B)); *Tom*, 2017 WL 8236268, at *5 (same).

Accordingly, the Motion is **GRANTED** insofar as the proposed class is **CERTIFIED** for purposes of settlement.

IV. NOTICE AND SETTLEMENT ADMINISTRATION

For "any class certified under Rule 23(b)(1) or (b)(2), the court ***may*** direct appropriate notice to the class." Fed. R. Civ. P. 23(c)(2) (emphasis added). In terms of content, "[t]he notice must clearly and concisely state" the following "in plain, easily understood language": (1) "the nature of the action;" (2) "the definition of the class certified;" (3) "the class claims, issues, or defenses;" (4) "that a class member may enter an appearance through an attorney if the member so desires;" (5) "that the court will exclude from the class any member who requests exclusion;" (6) "the time and manner for requesting exclusion;" and (7) "the binding effect of a class judgment on members under Rule 23(c)(3)." Fed. R. Civ. P. 23(c)(2)(B).

Here, the Agreement provides that the Settlement Administrator shall send direct notice of the Settlement via U.S. mail to the address on file with the ESOP's recordkeeper. (Agreement § 2.6). The proposed Settlement Notice describes Plaintiff's claims, explains who qualifies as a member of the Class, and outlines the disbursement of funds and the ability to object. (*See generally id.*, Ex. A). The

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES—GENERAL

Case No. SACV 24-00642-MWF (ADSx) **Date: May 12, 2026**
Title: Gustavo Moran v. ESOP Committee of the Aluminum Precision Products, Inc. Employee Stock Ownership Plan

Agreement also provides that the Administrator shall create a Settlement Website displaying the Notice and the Agreement, as well as a toll-free number that Class Members may call for further information. (Agreement §§ 12.2–12.3). Overall, the content of the proposed Notices and Plaintiff's plan of dissemination are sufficient under Rule 23. *See, e.g.*, *Gruber*, 2023 WL 8610504, at *9 (approving similar notice regime in ERISA class action); *Gamino*, 2022 WL 20581948, at *3 (same).

Accordingly, for preliminary approval purposes, the proposed Settlement Notice and plan of dissemination are **APPROVED**.

V. CONCLUSION

The Motion is **GRANTED** insofar as the proposed settlement agreement is preliminarily **APPROVED**; the class is provisionally **CERTIFIED** for purposes of settlement only; and the notice and plan of dissemination are **APPROVED**. The Proposed Order Granting Motion for Preliminary Approval of Class Action Settlement (Agreement, Ex. C) is adopted and incorporated into this Order by reference, except that the Final Approval Hearing shall be scheduled for **September 16, 2026, at 10:00 a.m.**

IT IS SO ORDERED.