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Superior Court of California
County of Los Angeles

DEC 17 2018

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By H. Kwon Balba, Deputy

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12 Attorneys for Plaintiffs
13 Richard Rammer and Robert Kinsch

14 SUPERIOR COURT OF THE STATE OF CALIFORNIA

15 FOR THE COUNTY OF LOS ANGELES

16 BAMBI HOLZER, RICHARD RAMMER and
17 ROBERT KINSCH on behalf of themselves
18 and all others similarly situated,

19 Plaintiff,

20 vs.

21 WEDBUSH SECURITIES INC., a California
22 corporation, and DOES 1 through 100,
23 inclusive,

24 Defendants.

Case No.: BC550462

[Assigned for all purposes the Hon. Elihu M.
Berle, Dept. 6]

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

Date: December 17, 2018

Time: 1:30 p.m.

Dept: 6

Complaint Filed: July 2, 2014

Trial Date: March 4, 2019

BY FAX

RECEIVED
LOS ANGELES SUPERIOR COURT

DEC 11 2018

I. LOVO

1 **[PROPOSED] ORDER**

2 The Motion of Plaintiffs Richard Rammer and Robert Kinsch (“Plaintiffs”) for
3 Preliminary Approval of Class Action Settlement (“Motion”) came regularly for hearing before
4 this Court on December 6, 2018 and December 17, 2018. The Court, having considered the
5 proposed Joint Stipulation of Class Action Settlement (“Settlement Agreement” or “Settlement”),
6 attached as Exhibit 1 to the Declaration of Heather Davis filed concurrently with the Motion, and
7 the Stipulation to Amend Joint Stipulation of Class Action Settlement (“Amendment to
8 Settlement”), attached as Exhibit 2 to the Declaration of Heather Davis; having considered
9 Plaintiffs’ Motion for Preliminary Approval of Class Action Settlement, memorandum of points
10 and authorities in support thereof, and supporting declaration filed therewith; and good cause
11 appearing, HEREBY ORDERS THE FOLLOWING:

12 1. Plaintiffs are granted leave to file the proposed Second Amended Complaint
13 attached as Exhibit 1 to the Stipulation to Amend Settlement.

14 2. The Court GRANTS preliminary approval of the class action settlement as set
15 forth in the Settlement Agreement and Amendment to Settlement and finds its terms to be within
16 the range of reasonableness of a settlement that ultimately could be granted approval by the Court
17 at a Final Fairness hearing. All terms used herein shall have the same meaning as defined in the
18 Settlement Agreement and Amendment to Settlement. For purposes of the Settlement only, the
19 Court finds that the proposed Class is ascertainable and that there is a sufficiently well-defined
20 community of interest among the members of the Class in questions of law and fact. Therefore,
21 for settlement purposes only, the Court grants conditional certification of the following settlement
22 Class:

23 All persons who performed worked for Defendant in the State of California in
24 the position of financial advisor and were classified as independent contractors
at any time from July 1, 2010 through December 17, 2018.

25 3. For purposes of the Settlement only, the Court designates Plaintiffs Richard
26 Rammer and Robert Kinsch as Class Representatives, and designates Heather Davis and Amir
27 Nayebdadash of Protection Law Group as Class Counsel.

28 4. The Court designates ILYM Group, Inc. as the third-party Settlement
Administrator for mailing notices.

1 5. The Parties are ordered to implement the Settlement according to the terms of the
2 Settlement Agreement and the Amendment to Settlement.

3 6. The Court approves, as to form and content, the Notice Packet attached as Exhibit
4 1 to this Order.

5 7. The Court finds that the form of notice to the Class regarding the pendency of the
6 action and of the Settlement, the dates selected for mailing and distribution, and the methods of
7 giving notice to members of the Settlement Class, satisfy the requirements of due process,
8 constitute the best notice practicable under the circumstances, and constitute valid, due, and
9 sufficient notice to all members of the Class. The form and method of giving notice complies
10 fully with the requirements of California Code of Civil Procedure § 382, California Civil Code §
11 1781, California Rules of Court §§ 3.766 and 3.769, the California and United States
12 Constitutions, and other applicable law.

13 8. The Court further approves the procedures for Class Members to opt-out of or
14 object to the Settlement, as set forth in the Notice Packet, the Settlement Agreement, and the
15 Amendment to Settlement. The procedures and requirements for filing objections in connection
16 with the final fairness hearing are intended to ensure the efficient administration of justice and
17 the orderly presentation of any Class Member's objection to the Settlement, in accordance with
18 the due process rights of all Class Members.

19 9. The Court directs the Settlement Administrator to mail the Notice Packet to the
20 members of the Class in accordance with the terms of the Settlement.

21 10. The Notice Packet shall provide 60 calendar days' notice for Class Members to
22 submit disputes, opt-out of, or object to the Settlement.

23 11. The hearing on Plaintiffs' Motion for Final Approval of Settlement on the question
24 of whether the Settlement and the Amendment to Settlement should be finally approved as fair,
25 reasonable, and adequate is scheduled in Department 6 of this Court, located at 312 North Spring
26 Street, Los Angeles, CA 90012, on April 2, 2019 at 10:00 a.m.

27 12. At the Final Fairness hearing, the Court will consider: (a) whether the Settlement
28 and the Amendment to Settlement should be approved as fair, reasonable, and adequate for the

1 Class; (b) whether a judgment granting final approval of the Settlement and the Amendment to
 2 Settlement should be entered; and (c) whether Plaintiffs' application for incentive payments,
 3 settlement administration costs, Class Counsel's attorney's fees and costs, and PAGA payment
 4 to the LWDA should be granted.

5 13. Counsel for the parties shall file memoranda, declarations, or other statements and
 6 materials in support of their request for final approval of Plaintiffs' application for an
 7 enhancement payment, settlement administration costs, Class Counsel's attorneys' fees and costs,
 8 and PAGA payment to the LWDA prior to the hearing on Plaintiffs' Motion for Final Approval
 9 of Settlement according to the time limits set by the Code of Civil Procedure and the California
 10 Rules of Court.

11 14. An implementation schedule is below:

Event	Date
Defendant to provide class contact information to Settlement Administrator no later than:	December 20, 2018
Settlement Administrator to mail the Notice Packet to the Settlement Class no later than:	December 31, 2018
Deadline for Class Members to submit disputes, request exclusion from, or object to the Settlement:	March 1, 2019
Deadline for Plaintiff to file Motion for Final Approval of Class Action Settlement:	February 4, 2019
Deadline for Plaintiff to file final administrator declaration regarding the results of the notice procedure, and to respond to objections	March 19, 2019
Hearing on Motion for Final Approval of Settlement	April 2, 2019 at 10:00 a.m.

12 If any of the dates in this implementation schedule falls on a weekend, bank or court holiday, the
 13 time to act shall be extended to the next business day.

14 15. Pending the Final Fairness hearing, all proceedings in this action, other than
 15 proceedings necessary to carry out or enforce the terms and conditions of the Settlement and this
 16

1 Order, are stayed. To facilitate administration of the Settlement pending final approval, the Court
2 hereby enjoins Plaintiff and all members of the Settlement Class from filing or prosecuting any
3 claims, suits or administrative proceedings (including filing claims with the Division of Labor
4 Standards Enforcement of the California Department of Industrial Relations) regarding claims
5 released by the Settlement, unless and until such Class Members have filed valid Requests for
6 Exclusion with the Settlement Administrator.

7 16. Counsel for the parties are hereby authorized to utilize all reasonable procedures
8 in connection with the administration of the Settlement which are not materially inconsistent with
9 either this Order or the terms of the Settlement.

10 **IT IS SO ORDERED.**

11 Dated: *Dec 17, 2018*

12 
13 Honorable Eliha M. Berle
14 Judge of the Superior Court 

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EXHIBIT 1

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Holzer v. Wedbush Securities Inc.
Los Angeles Superior Court, Case No. BC550462

**THIS IS A COURT-AUTHORIZED NOTICE. IT IS NOT A SOLICITATION.
PLEASE READ THIS NOTICE CAREFULLY.
YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DO NOT ACT.**

To: All current and former individuals who performed work as financial advisors for Wedbush Securities, Inc. and were classified as independent contractors between July 1, 2010 and December 17, 2018.

BASIC INFORMATION

1. What is this settlement about?

On July 1, 2014, a lawsuit was commenced against Defendant Wedbush Securities Inc. by a former financial advisor. The case is currently pending in the Los Angeles County Superior Court, Case No. BC550462.

The lawsuit claims that Wedbush misclassified its financial advisors as independent contractors when all financial advisors should have been classified as employees. The lawsuit seeks penalties associated with this misclassification, as well as reimbursement for unpaid wages, unlawful deductions and unpaid business expenses. The lawsuit also seeks penalties and relief for failing to provide accurate wage statements, unfair business practices, and penalties under the Private Attorney General's Act.

Defendant denies all alleged violations and deny that it owes Class Members any remedies. The Court has not made a ruling on the merits of the case.

2. Why is this a class action?

In a class action, one or more people called Class Representatives (in this case Richard Rammer and Robert Kinsch, also known as "Plaintiffs"), sue on behalf of people who appear to have similar claims (in this case all persons who performed work for Defendant in the State of California in the position of financial advisor and were classified as independent contractors at any time from July 1, 2010 through December 17, 2018.) All these people are referred to here as Class Members. One court resolves the issues for all Class Members in one lawsuit, except for those who exclude themselves from the Class. The Los Angeles Superior Court is in charge of this class action.

On November 20, 2017, the Los Angeles Superior Court certified this class. In January 2018, you were sent a letter advising that if you did not send back a letter declining to participate in the class action, you would be part of the class. If you are receiving this notice, you are part of this class.

3. Why is there a settlement?

The Court has not decided in favor of the Plaintiffs, the Class, or Defendant. There has been no finding of any wrongdoing by Defendant. Instead, both sides agreed to a settlement which is memorialized in the Joint Stipulation of Class Action Settlement ("Settlement Agreement" or "Settlement").

On December 17, 2018, the Court granted preliminary approval of the Settlement. This Settlement was agreed to between Defendant Wedbush Securities Inc., Class Representatives Richard Rammer and Robert Kinsch, and Class Counsel Protection Law Group, LLP

The Class Representatives and Class Counsel think the Settlement is best for the Class.

WHO IS IN THE SETTLEMENT?

4. How do I know if I am part of the settlement?

If you are receiving this Notice you are a part of the Settlement and a Class Member, because you performed work for Defendant as a financial advisor and were classified as an independent contractor between May 16, 2010 and December 17, 2018. You should have previously received a letter informing you that the class had been certified.

THE SETTLEMENT BENEFITS—WHAT YOU GET

5. What does the settlement provide?

The Settlement provides that Defendant will have to pay a maximum of One Million Dollars and Zero Cents (\$1,000,000.00) (“Gross Settlement Amount”).

Net Settlement Amount: the portion of the Gross Settlement Amount that will be available for distribution to Class Members (“Class Members”), is the Gross Settlement Amount less the following amounts (which are subject to Court approval):

- A. **Attorneys’ Fees to Class Counsel** not to exceed 35% of the Gross Settlement Amount or Three Hundred and Fifty Thousand Dollars and Zero Cents (\$350,000.00);
- B. **Litigation Costs/Expenses to Class Counsel** not to exceed Fifty Thousand Dollars and Zero Cents (\$50,000.00);
- C. **Enhancement Payments to the Class Representatives** in an amount not to exceed Fifteen Thousand Dollars and Zero Cents (\$15,000.00) to both Richard Rammer and Robert Kinsch (\$30,000.00 total);
- D. **Settlement Administration Costs** which are currently estimated to be \$7,500; and
- E. **Payment to the Labor and Workforce Development Agency** in the amount of \$18,750 for penalties pursuant to the Private Attorney General Act (PAGA Payment).

The amount of money remaining after these payments, the Net Settlement Amount, is the amount that will be distributed to Class Members if the Settlement is granted final approval by the Court.

The portion of the Net Settlement Amount that you are eligible to claim (“Estimated Settlement Share”) will be determined on a *pro rata* basis, based on the number of weeks you worked for Wedbush as a financial advisor from July 1, 2010 through December 17, 2018 (“Workweeks”).

Your Estimated Settlement Share is \$XXX.XX. The amount of the payment may change subject to approval of other payments by the Court. The amount you receive will be reported on an IRS Form 1099.

Your Estimated Settlement Share was determined based on Defendant’s records of the total Workweeks you worked for Wedbush and is presumed correct. If you dispute the accuracy of Defendant’s records as to the number of weeks worked during the Class Period, you must contact the Settlement Administrator and provide any documentation you have supporting such dispute at:

Settlement Administrator
Holzer v. Wedbush Securities, Inc.

c/o ILYM Group
[Insert Address]

Submission of these documents must be postmarked before March 1, 2019. You are responsible for ensuring that the Settlement Administrator receives any Workweeks Dispute you submit.

HOW TO GET A PAYMENT FROM THE NET SETTLEMENT AMOUNT

6. How can I get a payment?

You do not have to do anything to qualify for a payment of your portion of the Net Settlement Amount.

RELEASE OF CLAIMS

6. What am I giving up in return for my payment?

If the settlement is approved you will receive the payment described above in exchange for the release of your wage and hour claims against Wedbush. Upon the effective date, you will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged Defendant and all of its officers, directors, shareholders, investors, employees, agents, insurers, parent company, affiliates, subsidiaries, successors, assigns, and any individual or entity that could be jointly liable with Defendant, (collectively "Released Parties") from any and all claims for wages, damages, unpaid costs, penalties, liquidated damages, benefits, fringes, interest, attorney fees, litigation costs, restitution, or equitable relief, arising out of the facts, circumstances, and primary rights alleged in the First Amended Complaint (FAC), including (a) all claims for failure to pay wages, including overtime wages and minimum wages; (b) all claims for failure to provide meal and/or rest periods, and associated premium payments; (c) all claims for failing to pay wages timely during employment and upon termination, and associated claims for waiting time penalties; (d) all claims for recordkeeping or wage statement violations; (e) all claims for failure to reimburse business expenses; (f) any claim for violation of California Business and Professions Code §§ 17200, *et seq.*, arising from the above-referenced claims and those claims set forth in the FAC; and (g) all claims for penalties under PAGA. (the "Released Claims")

The release of Released Claims pertains to the time period of May 16, 2010 through December 17, 2018.

The Released Claims do not include claims for workers' compensation benefits, retaliation, discrimination, or any claims that may not be released by law.

THE LAWYERS REPRESENTING YOU

7. Do I have a lawyer in this case?

The Court has approved PROTECTION LAW GROUP, LLP as Class Counsel. The firms' contact information is:

PROTECTION LAW GROUP LLP
Heather Davis, Esq.
136 Main Street, Suite A
El Segundo, California 90245
Telephone: (424) 290-3095
Facsimile: (866) 264-7880

8. How will the lawyers be paid?

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PROOF OF SERVICE

Holzer v. Wedbush Securities Inc., et al. – Case No. BC550462

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 136 Main St., Suite A, El Segundo, CA 90245. On December 18, 2018, I served the following documents:

ORDER GRANTING PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT

By electronic service. Based on a court order or an agreement of the parties to accept service by electronic transmission via File & ServeXpress, I caused the documents to be sent to the person(s) listed below through the user interface at www.fileandservexpress.com. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

By electronic transmission. Pursuant to California Labor Code section 2699(1)(4), I caused the documents to be sent to the person or entity listed below via <https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html>. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

Service List

Craig R. Bockman William M. Turner JONES, BELL, ABBOTT, FLEMING & FITZGERALD L.L.P. 601 South Figueroa Street, Suite 3460 Los Angeles, California 90017-5759 Tel. (213) 485-1555 Fax (213) 689-1004 crbockman@jonesbell.com wmturner@jonesbell.com <i>(Via File & ServeXpress)</i>	Attorneys for Defendant Wedbush Securities Inc.
PAGA Administrator California Labor & Workforce Development Agency 1515 Clay Street, Suite 801 Oakland, CA 94612 PAGA@dir.ca.gov <i>(Via https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html)</i>	Address of Record presented by the LWDA to timely process all PAGA related notices and correspondences

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on December 18, 2018, at El Segundo, California.



S. Emi Minne