



FILE
Superior Court of California
County of San Francisco

APR 11 2023

CLERK OF THE COURT

BY: Clara Gomez
Deputy Clerk

SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN FRANCISCO
DEPARTMENT 613

DANYELL SANDERS, on behalf of herself,
all others similarly situated,

Plaintiff,

v.

KAISER FOUNDATION HOSPITALS, a
California corporation; KAISER
PERMANENTE INTERNATIONAL, a
California corporation, and DOES 1 through
50, inclusive,

Defendants.

Case No. CGC-21-594659

ORDER GRANTING PLAINTIFF’S MOTION
FOR PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT

Plaintiff Danyell Sanders (“Plaintiff”) and Defendants Kaiser Foundation Hospitals and Kaiser Foundation Health Plan (“Defendants”) have entered into Amended Stipulation of Class Action Settlement Agreement and Release of Claims (“Settlement Agreement”)¹ attached as Exhibit 1 to the Declaration of Thomas Segal Attaching Clean Copies of Amended Settlement Agreement and Notices, dated April 10, 2023, which, if approved, would resolve the putative class action. Plaintiff has filed a motion for preliminary approval of class action settlement. Upon review and consideration of the motion

¹ This Order hereby incorporates by reference the definitions of the Settlement Agreement as though fully set forth herein, and all terms used herein shall have the same meaning as set forth in the Settlement.

1 papers and supplemental documents submitted by the parties as requested by the Court, including the
2 Settlement Agreement and all exhibits thereto, the Court determines and orders as follows:

3 1. The Court has jurisdiction over this matter and venue is proper.

4 2. This action is provisionally certified as a class action, for settlement purposes only,
5 pursuant to California Code of Civil Procedure section 382 and California Rules of Court rule 3.763. The
6 Plaintiff Class is defined as follows:

7 "all persons on whom Defendants obtained a consumer report for employment purposes
8 between August 20, 2016 and January 31, 2022."

9 3. The Court conditionally approves the proposed settlement as within the range of possible
10 final approval.

11 4. The Court conditionally appoints Shaun Setareh and Thomas Segal of the Setareh Law
12 Group as Class Counsel for the Plaintiff Class.

13 5. The Court preliminarily appoints named plaintiff Danyell Sanders as Class Representative
14 for the Plaintiff Class.

15 6. The Court preliminarily finds, for purposes of this Settlement only, that the Class
16 Representative and Class Counsel fairly and adequately represent and protect the interests of the absent
17 Plaintiff Class.

18 7. The Court approves and appoints American Legal Claim Services, LLC ("ALCS") to serve
19 as the Settlement Administrator and directs ALCS to carry out all duties and responsibilities of the
20 Settlement Administrator specified in the Settlement Agreement.

21 8. Pursuant to California Rules of Court rule 3.769(f), the Court approves the manner of class
22 notice set forth in the Settlement Agreement. The Court approves the form and content of the Long-Form
23 Notice attached as **Exhibit A** and the Short-Form Notice attached as **Exhibit B**. The Court finds that the
24 Notices constitute the best notices practicable under the circumstances and are valid, due and sufficient
25 notices to the Settlement Class of the pendency of the action, preliminary certification of the Settlement
26 Class, the terms of the Settlement, procedures for objecting to the settlement, and time and place of the
27 Final Approval Hearing. The proposed manner of class notice satisfies the requirements of due process,
28 and complies with applicable law, including California Code of Civil Procedure Section 382 and

1 California Rules of Court rule 3.769. Class Counsel shall proofread the Notices for typos and fill in all
2 blanks, including all highlighted dates and addresses prior to sending the Notices.

3 9. No later than **May 11, 2023 (thirty (30) calendar days after entry of this order)**,
4 Defendants shall provide to the Settlement Administrator a confidential class list containing the names
5 and, where available, last known email and physical mailing addresses of each Class Member.

6 10. No later than **twenty-one (21) calendar days after receipt of the class data**, the
7 Settlement Administrator shall email or mail a copy of the Short-Form Notice, using the most current
8 email or mailing address available. For those individuals for whom Defendants do not have a last known
9 email address or email delivery fails, the Settlement Administrator shall mail the Long-Form Notice using
10 first-class mail. With respect to any returned envelopes, the Settlement Administrator shall re-mail any
11 Notices returned with a forwarding address within three (3) business days of receipt. For any Notices
12 returned without a forwarding address, the Settlement Administrator shall conduct a National Change of
13 Address search, followed by a computer/SSN and “skip trace” search to obtain an updated address, and
14 shall promptly re-mail the Notices to any newly found address or addresses.

15 11. No later than **twenty-one (21) calendar days after receipt of the class data**, the
16 Settlement Administrator shall also establish the Settlement Website.

17 12. The deadline by which the Plaintiff class may opt out or object shall be **sixty (60)**
18 **calendar days** after the Notice is sent. This is a postmark deadline.

19 13. If a Class Member submits both a request for exclusion and an objection, the request for
20 exclusion will be treated as effective and the objection will be disregarded.

21 14. **Requests for Exclusion:** A Class Member requesting to be excluded must mail the
22 Settlement Administrator a written statement requesting exclusion from the Settlement Class.
23 Additionally, the request must contain the name, current address, and current telephone number of the
24 Class Member requesting exclusion, a statement that he/she wishes to exclude himself/herself from the
25 settlement, and the Class Member’s signature.

26 15. **Objections:** A Class Member objecting to the Settlement may submit a written statement
27 to the Settlement Administrator objecting to the Settlement on or before the deadline. The written
28 objection should include his/her full name, signature, the reasons for the objection, whether the Class

1 Member intends to appear at the Final Approval Hearing, and the name of the case: *Sanders v. Kaiser*
2 *Foundation Hospitals, et al.*, Case No. CGC-21-594659 pending in the California Superior Court, County
3 of San Francisco. However, a Class Member does not have to make a written objection in order to appear
4 at the Final Approval Hearing.

5 16. Plaintiff Class Members will have one hundred and eighty (180) calendar days from the
6 date of issuance of the check to cash their check. In the event a check has not been cashed within one
7 hundred and eighty (180) days, the Settlement Administrator shall distribute the residue from uncashed
8 checks to Class Members who cashed their first check. Class Members will have one hundred and eighty
9 (180) calendar days to cash the second check. After the second distribution, any unclaimed funds shall be
10 transmitted to California Rural Legal Assistance as the *cy pres* recipient.

11 17. All papers filed in support of Plaintiff's motion for attorneys' fees and costs, and a service
12 award, shall be filed by **July 19, 2023**. This date is at least thirty (30) days prior to the deadline for
13 submitting requests for exclusion and objections.

14 18. Class Counsel shall file their motion for final approval of the Class Action Settlement and
15 entry of a Final Approval Order and Judgment no later than **August 29, 2023**.

16 19. A final approval hearing shall be held on **September 21, 2023, at 2:00 p.m.** in Department
17 613, San Francisco Superior Court, 400 McAllister Street, San Francisco, CA 94102, at which the Court
18 will determine whether the settlement should be finally approved as fair, reasonable and adequate to the
19 Settlement Class; whether the Final Approval Order and Judgment should be entered; whether Class
20 Counsel's Application for Attorneys' Fees and Costs should be approved; and whether any request for a
21 service award should be approved.

22 20. The Court reserves the right to modify the date of the Final Approval Hearing and related
23 deadlines set forth herein. The Final Approval Hearing may be postponed, adjourned or continued by
24 Order of the Court without further notice to the Class Members.

25 21. If for any reason the Court does not approve the Settlement, it will be of no force or effect,
26 and the Parties shall be returned to their original respective positions.

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EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Sanders v. Kaiser Foundation Hospitals, et al.
Superior Court of the State of California, County of San Francisco
Case No.: CGC-21-594659

If, at any time from August 20, 2016 through January 31, 2022, you applied for employment with Kaiser Foundation Hospitals or Kaiser Foundation Health Plan (collectively “Kaiser” or “Defendants”) and Kaiser procured a background check report on you for employment purposes, the above-titled class action lawsuit may affect your rights, and you may be entitled to a payment under the proposed settlement (the “Settlement”) described below.

You are not being sued. A court authorized this notice. This is not a solicitation from a lawyer.

PLEASE READ THIS NOTICE CAREFULLY. IT CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHTS.

- This is a class action lawsuit that involves a class defined as “all persons on whom Defendants obtained a consumer report for employment purposes between August 20, 2016 and January 31, 2022.
- Plaintiff in this class action, Danyell Sanders (“Plaintiff”) alleges that Defendants acquired consumer, investigative consumer, and/or consumer credit reports to conduct background checks on Plaintiff and other prospective current and former applicants for employment purposes without providing proper disclosures and obtaining proper authorization in violation of the Fair Credit Reporting Act (“FCRA”), along with similar state law claims under the California Investigative Consumer Reporting Agencies Act (“ICRAA”) and the California Consumer Credit Reporting Agencies Act (“CCRAA”).
- Defendants deny Plaintiff’s claims and assert that they have complied with all of their legal obligations to applicants and its employees. Defendants intended to vigorously defend against this lawsuit and deny any liability whatsoever.
- There has been a Settlement that affects your legal rights. Although the Court has authorized the Parties to provide this notice of the proposed settlement, the Court has expressed no opinion on the merits of Plaintiff’s claims or Defendants’ defenses.
- You have a number of options available to you:

DO NOTHING	By doing nothing, you <u>will</u> receive a share of the settlement proceeds, and you will give up any rights to sue Defendants and Released Parties separately regarding all claims and causes of action of whatever kind or nature that are alleged, related to or that reasonably could have arisen out of the same facts alleged in this class action.
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ASK TO BE EXCLUDED (OPT OUT)	You can request to not be part of this lawsuit. If you ask to be excluded, you will not receive a monetary share of the Settlement proceeds, but you will keep any rights you may have to sue Defendants and the Released Parties separately about the same legal claims alleged in this lawsuit.
OBJECT	Object to the terms of this Settlement.

Your options are explained in this Notice.
To opt out of or object to the Settlement, you must act by [Response Deadline].

1. Why did I get this notice?

A Settlement has been reached in a class action lawsuit that was brought on behalf of a class of people defined as “all persons on whom Defendants obtained a consumer report for employment purposes between August 20, 2016 and January 31, 2022.”

You have received this notice because Defendants’ records indicate that you are a member of this class.

2. What is this lawsuit about?

In this class action lawsuit, Plaintiff alleges on behalf of herself and a putative nationwide class the following claim against Defendants (1) violation of 15 U.S.C. §§ 1681b(b)(2)(A) (Fair Credit Reporting Act). If the case proceeded, Plaintiff may also have alleged violations of California’s Investigative Consumer Reporting Agencies Act (ICRAA), California’s Consumer Credit Reporting Agencies Act (CCRAA), and California’s Unfair Competition Law (UCL). The class action lawsuit asserts claims for statutory damages, punitive damages, restitution, injunctive and equitable relief, and attorneys’ fees and costs.

Defendants deny Plaintiff’s claims, and asserts that they have complied with all of their legal obligations to applicants and its employees. If a Settlement had not been reached, Defendants would have vigorously defended against the lawsuit and was confident that they would have prevailed.

3. Has the Court decided who is right?

No. The Court has made no decision regarding the merits of Plaintiff’s allegations or Defendants’ defenses.

4. Why did this case settle?

The Parties reached a Settlement in order to avoid the risk and expense of further litigation. Plaintiff and her attorneys believe the Settlement is fair, adequate and in the best interest of the class members to whom it applies given the outcome of their investigation, the consumption of time and resources required in connection with further litigation, and the uncertainty in the law governing some of the claims presented. Although Defendants dispute Plaintiff’s claims and assert

they have complied with all of their legal obligations towards applicants and employees, Defendants also concluded that further litigation would be protracted, expensive, and would also divert resources and management and employee time.

5. What are the terms of the settlement and how much will I receive?

Subject to final Court approval, Defendants will pay \$4,029,300 (the Gross Settlement Amount) for: (a) Settlement Payments to Participating Class Members; (b) the Court-approved Class Counsel's fees and costs; (c) the Court-approved Service Payment to the Class Representative; and (d) the Settlement Administration Costs.

Participating Class Member Settlement Payments. After deductions from the Gross Settlement Amount for attorneys' fees and costs, the Service Payment to the Class Representative, and the Settlement Administration Costs, there will be a Net Settlement Amount. From the Net Settlement Amount, Defendants will make a payment (Settlement Payment) to each Class Member who does not opt out of the Settlement Class on an equal *pro rata* share of the Net Settlement Amount. There will be a second distribution of uncashed checks to Class Members who cashed the first check. Any payments which are not cashed after the second distribution shall be transmitted to California Rural Legal Assistance.

While the precise amount of your Settlement Payment is not known at this time, if Defendants procured or caused to be procured a background check on you from August 20, 2016 through January 31, 2022 your estimated Settlement Payment is \$[EST. SETT. AMOUNT].

None of the Parties or attorneys makes any representations concerning the tax consequences of this settlement or your participation in it. Class Members should consult with their own tax advisors concerning the tax consequences of the settlement. Class Counsel is unable to offer advice concerning the state or federal tax consequences of payments to any Class Member.

If Notice to a Class Member was returned as undeliverable, and if the Settlement Administrator cannot locate a valid address for a Class Member with reasonable efforts, the Class Member will not be mailed a check and the money that would have gone to that Class Member will be redistributed to the other Participating Class Members whose Notices were not returned as undeliverable.

Class Counsel Attorneys' Fees and Costs, Service Payment to Class Representative, and Administrative Costs. Class Counsel will ask the Court for an award of reasonable attorneys' fees up to one-third of the Gross Settlement Amount and reasonable litigation costs. Class Counsel will also ask the Court to authorize a service payment to Class Representative in an amount not to exceed \$5,000.00 in addition to the Class Representative's portion of the Net Settlement Amount. The costs of administering the Settlement are estimated to be \$87,265.

6. What do I have to do to receive a share of the Settlement?

If you wish to receive a payment under the terms of this Settlement, you do not have to do anything. However, it is advisable to confirm your current mailing address with the Settlement Administrator in order to ensure you receive your settlement share. You will be covered by the release summarized in Section 7, below.

7. What claims are being released by the proposed Settlement?

Upon Final Approval by the Court, Plaintiff and each member of the Settlement Class shall fully and finally compromise, release, resolve, relinquish, and discharge the Released Parties, which is defined in the Settlement and includes Kaiser Foundation Hospitals and Kaiser Foundation Health Plan, as well as their predecessors, successors, parents, subsidiaries, affiliates, officers, directors, attorneys, insurers, and assigns, from any and all claims, causes of action, demands, and obligations, and all other forms of legal or equitable relief that were or could have been raised, whether such claims are known or unknown, arising from the factual allegations made in the Action relating in any way to background checks, reference checks, investigations, and/or consumer reports of any kind, including, without limitation, claims based on alleged violations of the Fair Credit Reporting Act (“FCRA”) 15 U.S.C. § 1681b, and any and all claims relating to the content of any background check disclosure and/or authorization document under California’s Investigative Consumer Reporting Agencies Act, Cal. Civ. Code § 1786, *et seq.* (“ICRAA”), California’s Consumer Credit Reporting Agencies Act, Cal. Civ. Code § 1785, *et seq.* (“CCRAA”), and California’s Unfair Competition Law, Cal. Bus. & Prof. Code § 17200 *et seq.* (“UCL”).

8. What if I do not wish to be involved?

If you do not wish to participate in the Settlement, you may opt out of the Settlement – *i.e.*, exclude yourself from it – by submitting a Request for Exclusion. If you opt out of the Settlement by doing so, you will receive no money from the Settlement, and you will not be bound by its terms.

To opt out, you must submit a Request for Exclusion by First-Class Mail postmarked no later than RESPONSE DEADLINE.

A Request for Exclusion is a letter or written request to the Settlement Administrator that includes: (1) your name; (2) your signature; and (3) the following statement, or something similar to: “I request to be excluded from the class action proceedings in the matter of *Sanders v. Kaiser Foundation Hospitals, et al.*, Case No. CGC-21-594659 pending in the California Superior Court, County of San Francisco.”

If you do not submit a valid and timely executed Request for Exclusion (as evidenced by the postmark,) your Request for Exclusion will be rejected, and you will be a member of the Settlement Class and will be bound by all the terms of the Settlement and any judgment entered once the Settlement is finally approved by the Court.

The address for the Settlement Administrator is American Legal Claim Services, LLC, P.O. Box 23650; Jacksonville, FL 32241.

9. What if I have an objection?

If you have not submitted a Request for Exclusion and believe the Settlement should not be finally approved by the Court for any reason, you may object to the Settlement. If you submit both a Request for Exclusion and an objection, the Request for Exclusion will be treated as effective, and the objection will be disregarded.

To object to the Settlement in writing, you must submit by First-Class Mail a written objection to the Settlement Administrator postmarked by [RESPONSE DEADLINE] that includes: (1) your name; (2) your signature; (3) the reasons for the objection; (4) whether you intend to appear at the Final Approval Hearing; and (5) identification of the case: *Sanders v. Kaiser Foundation Hospitals, et. al.*, Case No. CGC-21-594659 pending in the California Superior Court, County of San Francisco.”

The Settlement Administrator shall forward copies of any written objections to Class Counsel and Defendants’ Counsel within three (3) days of receipt. Class Counsel shall submit copies of any objections received to the Court in conjunction with the filing of the motion for Final Approval of the Settlement.

However, even if you do not timely submit a written objection using the above procedure, you may still submit an objection directly to the Court by appearing at the Final Approval Hearing.

The address for the Settlement Administrator is American Legal Claim Services, LLC, P.O. Box 23650; Jacksonville, FL 32241.

Even if you submit an objection, you will be bound by the terms of the Settlement unless the Settlement is not finally approved by the Court.

10. Do I need a lawyer?

You do not need to hire your own lawyer, because Class Counsel is working on your behalf. However, if you want your own lawyer, you are free to hire one at your own expense.

<u>Class Counsel</u>
Shaun Setareh Thomas Segal SETAREH LAW GROUP 9665 Wilshire Boulevard, Suite 430 Beverly Hills, CA 90212 Telephone: (310) 888-7771

11. What happens next in the case?

The Settlement has only been preliminarily approved by the Court. The Court will hold a hearing in the San Francisco County Superior Court, Department 613 located at 400 McAllister Street, San Francisco, CA 94102, on [Final Approval Hearing Date], at [Time] (Pacific Time), to consider any

objections and determine whether the settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve Class Counsel's requests for attorneys' fees and costs, the Service Payment to the Class Representative, and the Settlement Administration Costs. The hearing may be continued without further notice to you. It is not necessary for you to appear at this hearing.

12. How can I receive more information?

This notice is a summary of the basic terms of the Settlement. For more information, please visit [URL FOR SETT WEBSITE], where you will find copies of the Settlement Agreement, Preliminary Approval Order, and other relevant documents, including this Notice.

If you still have further questions regarding this Notice, they should be directed to the Settlement Administrator at (904) 517-1442 or to Class Counsel at the addresses listed above in this Notice.

You may also visit the Court's website, which is free to use, to inspect the docket. To find the docket on the Court's website, visit: <https://www.sfsuperiorcourt.org/online-services>, click on "Access Now" next to Case Query and then enter the case number: CGC-21-594659.

Please do NOT telephone the Court, the Office of the Clerk, or Defendants or their counsel for information regarding this Settlement.

EXHIBIT B

American Legal Claim Services, LLC
PO Box 23650
Jacksonville, FL 32241-3650

Return Service Requested

COURT APPROVED SETTLEMENT NOTICE

Sanders v. Kaiser Foundation Hospitals, et. al.
Superior Court of the State of California
for the County of San Francisco, Case No.: CGC-21-594659
Class Action

Name:
Address 1, Address 2
City, State, Zip
Country

A state court authorized this Notice. This is not a solicitation from a lawyer. This Notice is a summary. The full notice can be found online at [URL FOR SETT. WEBSITE].

Summary of the Settlement. A Settlement has been reached in a class action lawsuit filed against Defendants Kaiser Foundation Hospitals and Kaiser Foundation Health Plan. (collectively “Defendants”) for alleged violations of the Fair Credit Reporting Act (FCRA), 15 U.S.C. § 1681b(b)(2). The lawsuit alleges that Defendants used non-compliant background check disclosure forms to procure background check reports. Defendants deny the allegations in the lawsuit and deny any liability. However, the parties have decided to settle the case to avoid the risks and costs of litigation. The Court has preliminarily approved a \$4,029,300 Gross Settlement Amount (which also includes the settlement administration costs, Class Counsel’s court-approved attorneys’ fees and costs, and a court-approved service payment to the Class Representative). As part of the Settlement, each Class Member who does not opt out of the Settlement will receive a payment and will be releasing all Released Claims. You can expect to receive a payment of approximately \$ [AMOUNT].

Am I a Class Member? You are part of this Settlement as a Class Member if, at any time from August 20, 2016 through January 31, 2022, you applied for employment with Defendants and a background check report was procured on you for employment purposes. If you were sent this Notice, it is because Defendants’ records indicate you are a Class Member.

Who Represents Me? The Court has appointed Shaun Setareh and Thomas Segal of the Setareh Law Group as Class Counsel to represent the interests of you and other Class Members.

What Should I do? You can get more information from the Settlement Administrator by calling the phone number provided or by visiting the website provided. As a Class Member, you have three options: (1) Do nothing. Each Class member will receive a share of the Net Settlement Amount unless they exclude themselves from the class by timely submitting an Opt-Out Request. If you do not exclude

yourself from the settlement and do not object to the settlement, then you are not required to take any action. You may wait until the Court grants the final approval of the Settlement at the Final Approval Hearing, and you will be mailed your settlement check thereafter. (2) You can submit an Opt-Out Request and be excluded from the Settlement. If you choose to be excluded from the Settlement, you will not receive any settlement payment and you will keep any legal rights you may have. **Your Opt-Out Request must be postmarked on or before [OPT-OUT DEADLINE].** If you submit both an Opt-Out Request and an objection, the Opt-Out Request will be treated as effective and the objection will be disregarded. (3) You may object to the proposed settlement. To do so, you may submit a written objection to the Settlement Administrator at American Legal Claim Services, LLC, P.O. Box 23650; Jacksonville, FL 32241. **All written objections must be postmarked on or before [OBJECTION DEADLINE].** However, you may also make a personal appearance at the Final Approval Hearing and make an objection orally to the Court by following certain procedures as detailed in the Class Notice posted on the settlement website, [URL FOR SETT WEBSITE]. Even if you submit an objection, you will still be bound by the terms of the Settlement, unless the Settlement is not finally approved by the Court.

When will the Court Consider The Proposed Settlement? The Court will conduct a hearing on whether to approve the Settlement on [DATE] at Department 613 of the Superior Court of the State of California for the County of San Francisco, located at 400 McAllister Street, San Francisco, CA 94102.

How Do I Get More Information? For more information, please visit [URL FOR SETT WEBSITE], where, among other things, a more detailed notice of the Settlement and the proposed Settlement itself are accessible free-of-charge. You may also contact the Settlement Administrator at (904) 517-1442 or send a letter to American Legal Claim Services, LLC, P.O. Box 23650; Jacksonville, FL 32241. You may also visit the Court's website, which is free to use, to inspect the docket. To find the docket on the Court's website, visit: <https://www.sfsuperiorcourt.org/online-services>, click on "Access Now" next to Case Query and then enter the case number: CGC-21-594659.

CERTIFICATE OF ELECTRONIC SERVICE
(CCP 1010.6(6) & CRC 2.251)

I, CLARK BANAYAD, a Deputy Clerk of the Superior Court of the County of San Francisco, certify that I am not a party to the within action.

On April 11, 2023, I electronically served the ATTACHED DOCUMENT(S) via File&ServeXpress on the recipients designated on the Transaction Receipt located on the File&ServeXpress website.

Dated: April 11, 2023

Mark Caulkin, Interim Clerk

By: 
CLARK BANAYAD, Deputy Clerk