

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

Baerbel McKinney-Drobnis, Joseph B. Piccola,
and Camille Berlese, individually and on
behalf of all others similarly situated,

Plaintiffs,

v.

MESSAGE ENVY FRANCHISING, LLC, a
Delaware Limited Liability Company,

Defendants.

CASE NO. 3:16-CV-6450-MMC

~~PROPOSED~~ ORDER ON CLASS
REPRESENTATIVES' MOTION FOR
FINAL APPROVAL OF CLASS
ACTION SETTLEMENT

Courtroom: 7 – 19th Floor
Judge: Hon. Maxine M. Chesney

1 3. The COURT, having considered the strength of plaintiffs' case, finds for the
2 reasons stated on the record, that the AGREEMENT is fair, reasonable, and adequate as it will
3 provide the SETTLEMENT CLASS MEMBERS with substantial and immediate relief and
4 allows the SETTLEMENT CLASS MEMBERS to avoid the risk, expense, complexity, and likely
5 duration of further litigation, including the risk of maintaining class action status, and further so
6 finds for the reasons set forth in ¶¶ 7 and 9 below.

7 4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the COURT hereby
8 certifies for settlement purposes only the CLASS, which it previously conditionally certified,
9 comprising:

10 All Members of an ME LOCATION since November 4, 2006, whose monthly
11 membership fee has been increased above the amount stated in their Membership
12 Agreement (“Fee Increase”) prior to date of the PRELIMINARY APPROVAL
ORDER.

13 The Court further certifies for settlement purposes only the SETTLEMENT CLASS,
14 which is comprised of all CLASS MEMBERS except (i) those 523 individuals, identified on
15 **EXHIBIT 1** hereto, who properly excluded themselves by submitting a timely request for
16 exclusion in accordance with the requirements set forth in the AGREEMENT and CLASS
17 NOTICE; (ii) any person, firm, trust, corporation, or other entity affiliated with MEF; and
18 (iii) any judge, justice, judicial officer, or judicial staff of the Court.

19 5. The COURT finds on the record before it that the SETTLEMENT CLASS
20 satisfies the requirements for class certification under Federal Rules of Civil Procedure 23(a) and
21 23(b)(3), for settlement purposes only, because (a) the SETTLEMENT CLASS MEMBERS are
22 so numerous that joinder of all SETTLEMENT CLASS MEMBERS is impracticable; (b) there
23 are questions of law and fact common to the SETTLEMENT CLASS; (c) the named CLASS
24 REPRESENTATIVES’ claims are typical of the claims of the SETTLEMENT CLASS members;
25 (d) the named CLASS REPRESENTATIVES and CLASS COUNSEL have adequately
26 represented and will continue to adequately represent and protect the interests of the
27 SETTLEMENT CLASS for purposes of the SETTLEMENT; and (e) class-wide treatment of the
28

1 disputes raised in the ACTION is superior to other available methods for adjudicating the
2 controversy before this COURT at this time. Manageability issues do not prevent certification for
3 settlement purposes only because there will be no trial.

4 6. The COURT hereby finds that the individual direct CLASS NOTICE given to the
5 CLASS via email or First Class U.S. Mail (i) fairly and accurately described the ACTION and the
6 proposed SETTLEMENT; (ii) provided sufficient information so that the CLASS MEMBERS
7 were able to decide whether to accept the benefits offered by the SETTLEMENT, exclude
8 themselves from the SETTLEMENT, or object to the SETTLEMENT; (iii) adequately described
9 the manner in which CLASS MEMBERS could submit a VOUCHER REQUEST under the
10 SETTLEMENT, exclude themselves from the SETTLEMENT, or object to the SETTLEMENT
11 and/or appear at the FINAL APPROVAL HEARING; and (iv) provided the date, time, and place
12 of the FINAL APPROVAL HEARING. The COURT hereby finds that the CLASS NOTICE was
13 the best notice practicable under the circumstances and complied fully with Federal Rule of Civil
14 Procedure Rule 23, due process, and all other applicable laws.

15 7. The COURT hereby finds there were very few timely written objections and
16 requests for exclusion from the SETTLEMENT. Only 19 objections and 523 opt-outs were
17 received, out of 1,705,504 CLASS MEMBERS. The small number of opt-outs and objections
18 indicates that the vast majority of the CLASS found the SETTLEMENT and the AGREEMENT
19 to be fair, reasonable, and adequate. Furthermore, the PARTIES demonstrated that none of the
20 asserted bases for objection are valid and, accordingly, any and all objections to the
21 SETTLEMENT and the AGREEMENT are hereby overruled for the reasons stated on the record
22 at the hearing.

23 8. The COURT further finds that a full and fair opportunity has been afforded to the
24 CLASS MEMBERS to opt out of and to object to the SETTLEMENT and to participate in the
25 hearing convened to determine whether the SETTLEMENT should be given final approval.
26 Accordingly, the COURT hereby determines that SETTLEMENT CLASS MEMBERS are bound
27 by this FINAL APPROVAL ORDER.
28

1 9. The COURT hereby finds, for the reasons stated on the record, that the
2 SETTLEMENT set forth in the AGREEMENT is in all respects fair, reasonable, and adequate
3 and in the best interests of the SETTLEMENT CLASS, taking into account that (a) the CLASS
4 REPRESENTATIVES and CLASS COUNSEL have adequately represented the CLASS; (b) the
5 SETTLEMENT was negotiated at arm's length; (c) the relief provided to the CLASS is adequate,
6 in light of the costs, risks, and delay of trial and appeal; the effectiveness of the proposed method
7 of distributing relief to the CLASS; and the terms of the proposed Award of Attorneys' Fees,
8 Expenses and Service Awards; and (d) the SETTLEMENT treats CLASS members equitably
9 relative to each other. In addition, the COURT finds that there was no collusion in connection
10 with the SETTLEMENT, that the SETTLEMENT was the product of informed and arm's-length
11 negotiations among competent counsel, and that the record is sufficiently developed to have
12 enabled the CLASS REPRESENTATIVES and MEF to adequately evaluate and consider their
13 respective positions. Accordingly, the Court hereby finally and unconditionally approves the
14 SETTLEMENT set forth in the AGREEMENT.

15 10. The CLASS REPRESENTATIVES and each of the SETTLEMENT CLASS
16 MEMBERS hereby expressly and fully release and forever discharge the RELEASED PARTIES
17 and further expressly agree that they shall not now or thereafter institute, maintain, or assert
18 against the RELEASED PARTIES, either directly or indirectly, on their own behalf, or on behalf
19 of any class or other person or entity, in any action, regulatory action, arbitration, or court or other
20 proceeding of any kind, any causes of action, claims, damages, equitable, legal, and
21 administrative relief, interest, demands, rights, or remedies, including, without limitation, claims
22 for injunctive relief, declaratory relief, damages, mental anguish, unpaid costs, penalties,
23 liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution,
24 disgorgement, or equitable relief against the RELEASED PARTIES, whether based on federal,
25 state, or local law, statute, ordinance, regulation, the Constitution, contract, common law, or any
26 other source, that relate to the RELEASED CLAIMS as set forth in the AGREEMENT.

27 11. The CLASS REPRESENTATIVES and each of the SETTLEMENT CLASS
28

1 MEMBERS hereby expressly waive and relinquish, to the extent permitted by law, the
2 provisions, rights, and benefits of Section 1542 of the California Civil Code and any and all
3 provisions, rights, and benefits of any similar statute or law of California or of any other
4 jurisdiction as to all known or unknown claims as against the RELEASED PARTIES with respect
5 to the RELEASED CLAIMS.

6 12. The RELEASED PARTIES may file this FINAL APPROVAL ORDER in any
7 other action that may be brought against them to support a defense or counterclaim based on
8 principles of res judicata, collateral estoppel, release, good faith settlement, judgment bar or
9 reduction, or any other theory of claim preclusion or issue preclusion or similar defense or
10 counterclaim.

11 13. In its PRELIMINARY APPROVAL ORDER [Doc. No. 114], the Court appointed
12 and designated Hilsoft Notifications to act as the SETTLEMENT ADMINISTRATOR. Hilsoft
13 Notifications shall continue to act as the SETTLEMENT ADMINISTRATOR to perform those
14 duties and responsibilities that remain under the AGREEMENT and this FINAL APPROVAL
15 ORDER.

16 14. For the reasons stated on the record, the Court finds the instant action is not a
17 coupon settlement. Further, for the reasons stated on the record, CLASS COUNSEL are hereby
18 awarded the sum of \$ 2,612,500 in attorneys' fees and the sum of \$58,692.40 in expenses, which
19 sums the COURT finds to be fair and reasonable and fairly compensates them for their
20 contributions to the prosecution of this ACTION and the SETTLEMENT. The payment of
21 attorneys' fees and costs shall be pursuant to the terms of the AGREEMENT.

22 15. Each of the CLASS REPRESENTATIVES is hereby awarded an INCENTIVE
23 AWARD in the amount of \$ 5000, which the COURT finds to be fair and reasonable and in
24 recognition of their efforts in prosecuting the action and the SETTLEMENT. Payment of the
25 INCENTIVE AWARDS shall be pursuant to the terms of the AGREEMENT.

26 16. Within sixty (60) days after the EFFECTIVE DATE of the SETTLEMENT, as
27 defined and in accordance with the AGREEMENT, the SETTLEMENT ADMINISTRATOR
28

1 shall issue via email a VOUCHER to each SETTLEMENT CLASS MEMBER who timely
2 submitted a valid VOUCHER REQUEST in accordance with the instructions in the
3 AGREEMENT and the CLASS NOTICE, for use consistent with the AGREEMENT's terms.
4 The email containing the VOUCHER and the VOUCHER shall conspicuously state the
5 VOUCHER's expiration date.

6 17. Within five (5) days after the EFFECTIVE DATE of the SETTLEMENT, the
7 SETTLEMENT ADMINISTRATOR shall disclose on the SETTLEMENT WEBSITE that (i) the
8 SETTLEMENT is final and its EFFECTIVE DATE; (ii) the date by which the VOUCHERS will
9 be emailed to SETTLEMENT CLASS MEMBERS who timely submitted a valid VOUCHER
10 REQUEST in accordance with the instructions in the AGREEMENT and the CLASS NOTICE;
11 and (iii) the date on which the issued VOUCHERS shall expire.

12 18. As of the date of the PRELIMINARY APPROVAL ORDER, the SETTLEMENT
13 CLASS MEMBERS are bound by the new template MEMBERSHIP AGREEMENT attached
14 hereto as **EXHIBIT 2**. This new MEMBERSHIP AGREEMENT includes a provision that ME
15 LOCATIONS may increase the MEMBER's stated monthly MEMBERSHIP fee following the
16 initial term only by providing at least forty-five (45) days advance written notice to the
17 MEMBER's email address on record with the MEMBER's HOME CLINIC or to the
18 MEMBER's last physical address known to the MEMBER's HOME CLINIC, and that such
19 notice shall be effective on the date sent. Forty-five (45) days advance written notice will
20 allow the CLASS MEMBERS a reasonable opportunity to cancel his/her MEMBERSHIP
21 before incurring a noticed price increase. MEF shall keep this portion of the template
22 MEMBERSHIP AGREEMENT attached hereto as **EXHIBIT 2** in force as a system standard
23 for at least two (2) years after the SETTLEMENT's EFFECTIVE DATE.

24 19. In the event that the SETTLEMENT does not become effective in accordance with
25 the AGREEMENT's terms, then this FINAL APPROVAL ORDER shall be rendered null and
26 void and be vacated, the AGREEMENT and all orders entered in connection therewith shall be
27 rendered null and void *ab initio*, and this ACTION shall be reinstated as it existed prior to the
28

1 making of the AGREEMENT. In that case, all communications, documents, filings, negotiations,
2 and other actions taken to negotiate and pursue settlement through the AGREEMENT, including
3 the AGREEMENT itself, shall be considered confidential settlement communications that cannot
4 be used as evidence for any purposes whatsoever in the ACTION or any proceedings between the
5 PARTIES or in any other action related to the RELEASED CLAIMS or otherwise involving the
6 PARTIES, any ME LOCATION, or any RELEASED PARTY.

7 20. Nothing in this FINAL APPROVAL ORDER or the AGREEMENT shall be
8 construed as an admission or concession by any Party. The AGREEMENT and this resulting
9 FINAL APPROVAL ORDER simply represent a compromise of disputed allegations.

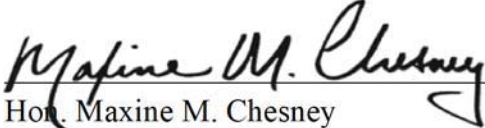
10 21. All PARTIES to the AGREEMENT and CLASS COUNSEL are directed to carry
11 out their obligations under the AGREEMENT.

12 22. Without impacting the finality of this FINAL APPROVAL ORDER, the COURT
13 hereby retains continuing jurisdiction to assure compliance with all terms of this SETTLEMENT
14 in accordance with the AGREEMENT and this FINAL APPROVAL ORDER.

15 23. CLASS COUNSEL shall serve a copy of this FINAL APPROVAL ORDER on all
16 named PARTIES and their counsel, the Objectors and any of their counsel, and the
17 SETTLEMENT ADMINISTRATOR within seven (7) days of receipt, and the SETTLEMENT
18 ADMINISTRATOR shall post a copy of this Final Order on the SETTLEMENT WEBSITE
19 within five (5) days of receipt.

20 IT IS SO ORDERED.

21
22 DATED: March 2, 2020

23 
24 Hon. Maxine M. Chesney
25 UNITED STATES DISTRICT JUDGE
26
27
28