

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

ZURI OSTERHOLT and MICHELLE)
BENIKOV, on behalf of themselves and)
all other similarly situated persons,)
)
Plaintiffs,)
)
v.)
)
COREPOWER YOGA, LLC,)
)
Defendant.)

No.: 1:16-CV-05089

**ORDER GRANTING PLAINTIFFS’ MOTION FOR FINAL APPROVAL OF CLASS
AND COLLECTIVE ACTION SETTLEMENT, SERVICE AWARDS, AN AWARD OF
ATTORNEYS’ FEES AND EXPENSES, ADMINISTRATOR FEES, AND THE ENTRY
OF FINAL JUDGMENT**

On September 11, 2019, this Court held a final settlement approval hearing. The Court has considered all relevant papers and grants Plaintiffs’ Unopposed Motion for Final Settlement Approval of Class and Collective Action Settlement, Service Award of Attorneys’ Fees and Expenses, Administrator Fees, and the Entry of Final Judgment in its entirety, and as follows:

BACKGROUND

Plaintiffs filed suit on May 10, 2016 and their First Amended Complaint on August 5, 2016, alleging FLSA collective action and Rule 23 class action claims. Specifically, Plaintiffs alleged that Defendant intern and instructors (hereinafter “Instructors”) were not paid minimum wages due to Defendant’s companywide policy of compensating its Instructors for time in the studio but failing to compensate them for responsibilities required to be performed outside-the-studio in violation of the Fair Labor Standards Act (FLSA), 29 U.S.C. § 206; the Illinois Minimum Wage Law (IMWL), 820 ILCS 105/1; and the Chicago Minimum Wage Ordinance (CMWO), Chicago Code § 1-24-020. Defendant has denied and continues to deny all of the allegations made

by Plaintiffs and has denied and continues to deny that it is liable or owes damages to anyone with respect to the alleged facts or causes of action asserted in this case.

Standing by their respective positions, the parties engaged in good faith and arms-length settlement negotiations, and with the assistance of a third-party mediator, reached the subject settlement. The terms of the settlement are set forth in the Joint Stipulation of Settlement and Release (“Settlement Agreement” or “Settlement”) executed on May 15, 2019 by counsel, the Plaintiffs, and Defendant (the “Parties”). In sum, the Settlement provides \$1,492,500.00 in monetary relief to the Class and Collective (“The Class”) and recognizes various non-monetary benefits to The Class in the form of various policy changes enacted by Defendant. Plaintiffs presented their Motion for Preliminary Settlement Approval and for Certification of the Proposed Settlement Class on May 17, 2019 which this Court granted on May 20, 2019.

Since, the Parties and the Court appointed Settlement Administrator have complied with the Court approved notice process. The Settlement Administrator issued the Court approved notice on July 2, 2019, and the 60-day notice period expired on August 31, 2019 with only a single Class Member opting-out of the Settlement and zero Class Members objecting.

DISCUSSION

I. Final settlement approval is granted.

The Court finds that the proposed settlement is a fair and adequate compromise of the litigation. Counsel is well-informed based on discovery. The Parties have aggressively litigated this matter, engaged in extensive discovery, and only reached the Settlement after engaging in an arm's length negotiation with assistance of a neutral and experienced mediator.

The Settlement provides concrete benefits to The Class, including significant monetary relief while also recognizing the non-monetary benefits provided to The Class through policy

changes Defendant instituted since the time Plaintiffs' action was filed. The Settlement also recognizes the risk that no relief would be achieved if litigation continued because of substantial defenses to both class and collective certification and the merits, as well as the additional benefit of avoiding further expense and delay in obtaining a potential recovery for The Class.

Plaintiffs' proposed allocation formula was derived from Class Counsels' in depth understanding of the issues. The allocation formula takes into account the available damages, the differing minimum wages provided under each classes' respective applicable labor laws, as well as the information obtained through the parties' extensive discovery. Given the concrete benefits provided to The Class, the Court grants final approval.

II. Plaintiffs' request for incentive awards is approved.

This Court finds that Plaintiffs' requested incentive awards are reasonable. The requested service awards fairly reflect the actions taken, benefits conferred, and the amount of time and effort expended pursuing this litigation. As such, incentive awards of \$10,000.00 to each of the Named Plaintiffs, \$750.00 to each of the 16 opt-in Plaintiffs who sat for deposition, and \$200.00 to each of the 48 opt-ins who answered CorePower's opt-in written discovery are approved and shall be paid from the Settlement Fund.

III. Plaintiffs' request for fees and costs is approved.

Plaintiffs' request for attorney's fees totaling \$597,000.00, plus \$40,065.45 in out-of-pocket expenses, is approved. Despite significant risk of nonpayment, Class Counsel expended substantial time, effort and resources to prosecute and resolve this litigation. The fee request is substantially less than what Class Counsel's lodestar would justify, and Class Counsel will be required to spend additional time in the future administering this settlement – further justifying the

reasonableness of their request. Class Counsel's request for \$40,065.45 out-of-pocket expenses is also reasonable, incidental, and necessary to the representation of The Class.

In sum, Class Counsel's requests for fees and out-of-pocket expenses are reasonable, leave sufficient funds for concrete relief to The Class, and are thus approved. The fees and expenses shall be paid from the Settlement Fund to Class Counsel.

IV. Plaintiffs' request for administrator fees is approved.

Plaintiffs request for up to \$76,000.00 in administrator fees, including fees incurred during the conditional certification notice phase and settlement administration, is approved. The requested administration fees are reasonable and incidental to the litigation. As such, this Court approves payment of up to \$76,000.00 from the Settlement Fund to the Settlement Administrator for services rendered and those that will be rendered. Should the Settlement Administrator's fees be less than \$76,000.00, the additional proceeds shall be distributed to The Class pursuant to the Parties' agreed allocation formula.

V. Plaintiffs' proposed settlement classes are certified for settlement purposes.

Following Plaintiffs' Motion for Preliminary Settlement Approval and for Certification of the Proposed Settlement Class, this Court certified the following classes for settlement purposes:

- i. Under Fed. R. Civ. P. 23(a) and (b)(3), all individuals who rendered services to Defendant as Interns or Instructors where the work was performed in the City of Chicago from July 1, 2015 through May 20, 2019 ("Chicago Class");
- ii. Under Fed. R. Civ. P. 23(a) and (b)(3), all individuals who rendered services to Defendant as Interns or Instructors in the State of Illinois from May 10, 2013 through May 20, 2019 ("Illinois Class"); and
- iii. Under 29 U.S.C § 216(b), all individuals who opted in to Plaintiffs' proposed collective action following this Court's grant of conditional certification ("FLSA Class").

For the reasons set-forth in Plaintiffs' Motion for Preliminary Settlement Approval and for Certification of the Proposed Settlement Class, as well as those set-forth in this Court's July 1, 2019 order, the Court grants Plaintiffs' request for certification for settlement purposes and finds as follows:

- a) The Illinois and Chicago Classes are sufficiently numerous that joinder of all members under the circumstances of this litigation and the settlement thereof is impracticable, therefore satisfying the requirements of Rule 23(a)(1);
- b) There are questions of law and fact common to the members of the Illinois and Chicago Classes, therefore satisfying the requirements of Rule 23(a)(2);
- c) The claims of the Named Plaintiffs are typical for settlement purposes of the claims of the Illinois and Chicago Class members, satisfying the requirement of Rule 23(a)(3);
- d) The Named Plaintiffs, as the representative parties, will fairly and adequately protect the interests of each class member, therefore satisfying the requirements of Rule 23(a)(4);
- e) Questions of law and fact common to the members of the Illinois and Chicago Classes, considered in the context of and in light of settlement, predominate over questions affecting only individual members, and a class action is superior to other methods available for the fair and efficient settlement of the controversy, satisfying the requirements of 23(b)(3);
- f) For similar reasons to those set forth above, certification of the FLSA Class for purposes of 29 U.S.C § 216(b) is appropriate for settlement purposes only.

VI. Conclusion

After disbursing the requested incentive awards, attorney's fees, and administration fees, the Settlement still provides significant concrete benefit to The Class. As such, Plaintiffs' Motion for Final Settlement Approval of Class and Collective Action Settlement, Service Award of Attorneys' Fees and Expenses, Administrator Fees, and the Entry of Final Judgment is granted as follows:

- 1) Plaintiffs' request for final settlement approval is granted;

- 2) The requested service awards of \$10,000.00 to each Class Representative Zuri Osterholt and Michelle Benikov, \$750.00 to each of the 16 opt-in Plaintiffs who sat for deposition, and \$200.00 to each of the 48 opt-ins who answered CorePower's opt-in written discovery are granted and are to be paid from the Settlement Fund;
- 3) Plaintiffs' request for \$597,000.00 in attorney's fees and for \$40,065.45 in out-of-pocket is granted and are to be paid from the Settlement Fund to Class Counsel;
- 4) Plaintiffs' request for administrator fees of up to \$76,000 is granted and are to be paid from the Settlement Fund to the Settlement Administrator;
- 5) Plaintiffs' request to certify the Chicago, Illinois, and FLSA Classes under Fed. R. Civ. P. 23(a), (b)(3), and FLSA § 216(b) for purposes of effectuating the approved settlement is granted;
- 6) The Parties are further directed to abide by all terms contained in their Settlement Agreement;
- 7) The Named Plaintiffs, opt-in Plaintiffs, and all members of the Settlement Class shall be bound by all of the terms obligations and conditions of the Settlement, including but not limited to the release of claims set forth therein and all determinations and judgments in this action concerning the Settlement.
- 8) This case is dismissed with prejudice. All members of The Class are hereby permanently enjoined from pursuing and/or seeking to reopen claims that have been released pursuant to the Settlement Agreement.
- 9) Final judgment is hereby entered pursuant to Fed. R. Civ P. 54 and Fed R. Civ. P. 58 consistent with the terms of the Settlement.



Manish S. Shah
United States District Judge

Date: September 13, 2019