



Timothy W. Dore
U.S. Bankruptcy Court

(Dated as of Entered on Docket date above)

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In re:

WIRELESS ADVOCATES, LLC

Debtor.

Case No. 23-10117-TWD

**ORDER GRANTING FINAL
APPROVAL OF CLASS ACTION
SETTLEMENT RESOLVING WARN
ACT ADVERSARY PROCEEDING
PURSUANT TO FED. R. BANKR.
PRO. 7023 AND 9019**

THIS MATTER came on before the Court on the *Joint Motion for Final Approval of Class Action Settlement Resolving WARN Act Adversary Proceeding* (the “Motion”) filed by Plaintiffs Jason Karroll, Brandon Pham, Armani Little, Bradley Hibbs, Robert Pauley, Joel Gitter, Rusty Clark, and Tracey Sava and the Chapter 7 Trustee for Wireless Advocates, LLC (the “Trustee,” and together with Plaintiffs, the “Parties”).¹ The Court having jurisdiction to consider

¹ All capitalized terms not defined in this Order shall have the meanings given to them in the Motion.

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1 the Motion; and having reviewed the Motion, the Settlement Agreement, the *Declaration of*
2 *Virginia Burdette in Support of Motion for Preliminary and Final Approval of Settlement of*
3 *Adversary Proceeding and Related Proofs of Claim*, and having further considered the additional
4 submissions in support of both preliminary and final approval of the Settlement Agreement, the
5 responses to the Motion, and any replies thereto, the Court **HEREBY FINDS AS FOLLOWS:**

6 A. The Settlement Agreement provides for a class action settlement of the claims
7 alleged in *Karroll et. al. v. Wireless Advocates, LLC*, Adversary Proceeding No. 23-01005-TWD
8 (the “Adversary Proceeding”). The Court has considered the (i) allegations, information,
9 arguments, and authorities provided by the Parties in connection with the pleadings previously
10 filed in this case; (ii) information, arguments, and authorities provided by the Parties in the
11 Motion; (iii) the terms of the Settlement Agreement, including, but not limited to, the definition
12 of the Settlement Class and the benefits to be provided to the Settlement Class; and (iv) the
13 Settlement’s elimination of any potential manageability issue that may otherwise have existed if
14 the Adversary Proceeding continued to be litigated.

15 B. The prerequisites for a class action under Rules 23(a) and (b)(3) of the Federal
16 Rules of Civil Procedure have been satisfied to warrant certification for settlement purposes. The
17 Court finds that the following requirements are sufficiently met: (a) the number of Settlement
18 Class Members contains approximately 1,800 members and is so numerous that joinder of all
19 Settlement Class Members is impracticable; (b) there are questions of law and fact common to
20 the Settlement Class Members; (c) Plaintiffs’ claims are typical of the claims of the Settlement
21 Class Members they seek to represent for purposes of the Settlement; (d) Plaintiffs and Class
22 Counsel have fairly and adequately represented the interests of the Settlement Class and will
23 continue to do so; (e) questions of law and fact common to the Settlement Class Members
24 predominate over any questions affecting any individual Settlement Class Member; and (f) a
class action provides a fair and efficient method for settling the controversy under the criteria set
forth in Rule 23.

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1 C. The Notice fairly, accurately, and reasonably informed the Settlement Class
2 Members of the Settlement Agreement. The Class Notice satisfies all the requirements of Rule
3 23(c)(2)(B). The Class Notice is written in simple, plain language and provides key information
4 about the Settlement Agreement so that each Settlement Class Member can choose what to do, as
5 well as the date, time, and place of the final hearing to consider approval of the Settlement
6 Agreement. The Class Notice also provides that Participating Settlement Class Members will be
7 bound by the judgment and that Settlement Class Members have the right to opt-out or to object
8 to the Settlement. The Class Notice further explains how to opt-out or object to the Settlement
9 and provides the deadline for submitting same. Further, as required, the Class Notice is neutral as
10 to the merits of the proposed Settlement.

11 D. Service of the Class Notice by the Settlement Administrator was effectuated by
12 first class mail, postage prepaid, to each Settlement Class Member at each Settlement Class
13 Member's last known address as shown in the Defendant's records, as updated by Class Counsel,
14 or if no address was known, their last-known personal email. Such service was adequate and
15 provided Settlement Class Members with the greatest opportunity to receive notice.

16 E. The Court finds the Settlement Agreement to be fair, reasonable, and adequate.
17 The Court finds that the Settlement Agreement falls within the range of reasonableness because
18 the Settlement Agreement has key indicia of fairness, in that (i) the Parties have reached the
19 Settlement after investigating the strengths and weaknesses of the claims, (ii) the extensive
20 negotiations were contentious and arm's-length, (iii) there is no evidence of collusion in reaching
21 this Settlement; and (iv) the proponents of the Settlement are experienced in similar litigation.

22 F. Likewise, the Court finds that the criteria for class action settlement approval in
23 bankruptcy pursuant to Bankruptcy Rule 9019 and *In re A & C Properties*, 784 F.2d 1377, 1380
24 (9th Cir. 1986), have been met. The Court finds that the claims brought in this litigation involve
novel theories that contain issues of first impression in the Ninth Circuit. If this litigation were to
proceed, the Parties would continue to engage in extensive discovery, motion practice,

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1 evidentiary hearings, expert witness discovery, and a substantial trial, with the possibility of post-
2 trial motions and/or an appeal. Engaging in such actions would cause the bankruptcy estate to
3 bear significant expenses and delay in the administration of the estate and distributions to
4 creditors with allowed claims. The Court further finds that litigation of the Adversary Proceeding
5 necessitates broadly sweeping discovery and record production which will cause significant
6 expenses to the bankruptcy estate including substantial additional professional fees. The
7 resolution of the Adversary Proceeding through settlement brings certainty to a large, contingent,
8 priority claim that will continue to bring delay regarding the administration of the bankruptcy
9 estate until it is liquidated. Finally, the Court finds that the Settlement Agreement is in the best
10 interest of the Estate and its creditors. The Settlement Agreement brings certainty to a large,
11 priority claim, it assures that there will be a meaningful dividend available to unsecured creditors
and expedites the Trustee's ability to make a distribution to creditors.

12 G. The Court utilized the percentage of fund method for assessing the attorney fees
13 in this action. The Court considered (1) the extent to which class counsel achieved exceptional
14 results for the class, (2) whether the case was risky for class counsel, (3) the market rate for the
15 particular field of law, (4) the burdens class counsel experienced while litigating the case, and (5)
16 whether the case was handled on a contingency fee basis. The Court finds that all these factors
17 weigh in favor of approving attorney fees for Class Counsel in the amount of 27 percent of the
18 Settlement Amount (\$978,750). This represents a two percent upward adjustment from the
19 benchmark rate of 25 percent. This Adversary Proceeding involved novel theories that contained
20 issues of first impression in the Ninth Circuit. The lack of supporting precedents in the Ninth
21 Circuit increased the risk for Class Counsel and the burden faced by Class Counsel in litigating
22 this case. Class Counsel prosecuted the Adversary Proceeding on a full contingency basis, and
the approved fees are within the usual range for attorney fees in common fund cases.

23 H. The Court finds the requested costs and expenses are reasonable. The Settlement
24 Agreement provided for reimbursement of costs incurred by Class Counsel in prosecuting this
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1 matter up to \$10,000.00. Class Counsel is requesting reimbursement of \$7,067.71, which is
2 below that allotted by the Settlement Agreement. The requested cost reimbursement is well
3 documented and reasonable. Consequently, the Court approves the requested \$7,067.71 in costs
4 by Class Counsel. The Court further approves the Settlement Administrator's costs. The
5 Settlement Agreement provided for payment of settlement administration costs up to \$30,000.00.
6 The Settlement Administrator is requesting \$28,130.00 for its work in administering the
7 Settlement Agreement, including by providing settlement distribution calculations,
8 communicating with Class Members regarding the Class Notice, mailing the Class Notice,
9 distributing settlement checks, and conducting necessary tax preparation and reporting. This cost
is less than the allotted amount, well documented, and reasonable.

10 The Court, having found the legal and factual bases set forth in the Motion establish good
11 cause for the relief granted herein, **NOW, THEREFORE, IT IS HEREBY ORDERED AS**

12 **FOLLOWS:**

- 13 1. The Motion is GRANTED to the extent set forth in this Order.
- 14 2. The Settlement Agreement is approved on a final basis pursuant to Fed. R. Civ. P.
15 7023 and Fed. R. Bankr. P. 9019. The Parties are directed to consummate its terms and
16 provisions.
- 17 3. Pursuant to the Federal Rules of Civil Procedure 23(a) and (b)(3), made
18 applicable through Fed. R. Bankr. P. 7023 and 9019, the Court hereby certifies the following
19 Settlement Class, for settlement purposes only: All employees of Debtor who suffered an
20 involuntary employment loss as a result of their termination of employment effective on
21 December 5, 2022, and who were not provided at least 60-days of advance notice of their
22 employment loss.
- 23 4. Plaintiffs Jason Karroll, Brandon Pham, Armani Little, Bradley Hibbs, Robert
24 Pauley, Joel Gitter, Rusty Clark, and Tracey Sava who were appointed as the Class

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1 Representatives of the preliminarily approved Settlement Class are hereby awarded the Class
2 Representative Service Award of \$2,500.00 per Class Representative.

3 5. William “Jack” Simpson of Simpson, PLLC is appointed as Class Counsel for the
4 Settlement Class. The Court approves the following compensation for William “Jack” Simpson
5 of Simpson, PPLC, who was appointed as Class Counsel for the Settlement Class: \$978,750 in
6 attorneys’ fees, which represents twenty seven (27) percent of the Settlement Amount, plus
7 \$7,067.71 in reimbursable costs.

8 6. Apex Class Action LLC (“Apex”) who was appointed as the Settlement
9 Administrator, is awarded reasonable fees and costs of \$28,130.00, which are to be paid from the
10 Class Settlement Fund in accordance with the Settlement Agreement.

11 7. The Court finds that none of the Settlement Class Members timely requested to be
12 excluded from the Settlement Class according to the procedures in Section 12 of the Settlement
13 Agreement. As such, the Court finds that all Settlement Class Members are also Participating
14 Settlement Class Members. Plaintiffs, as well as all Participating Settlement Class Members, are
15 bound by all terms of the Settlement Agreement, the terms of this Order, and the dismissal of the
16 Adversary Proceeding with prejudice. The Plaintiffs and the Participating Settlement Class
17 Members are permanently enjoined, restrained, and forever barred from initiating or pursuing
18 any claims settled and released pursuant to the terms of the Settlement Agreement.

19 8. The Class Proof of Claim, Claim No. 87, is hereby disallowed pursuant to the
20 terms of the Settlement Agreement and Section 502(b) of the Bankruptcy Code.

21 9. All individual proofs of claim asserted by Participating Settlement Class
22 Members, including Claim No. 68 and Claim No. 93, are hereby disallowed to the extent that
23 they assert claims for violation of the WARN Act or any similar federal or state or local law
24 involving advance notice of or payment due on termination (“WARN Act Claims”). Such proofs
of claim shall not be entitled to any distributions in this case on account of their WARN Act
Claims.

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1 10. All claims asserted, or that could have been asserted, in this Adversary Proceeding are
2 dismissed, on the merits and with prejudice.

3 /// End of Order ///

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5 Presented by:

6 /s/ William "Jack" Simpson

7 William "Jack" Simpson, MBN 106524

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