

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

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In re ORIGIN MATERIALS, INC.,
SECURITIES LITIGATION

No. 2:23-cv-1816-WBS-JDP

CLASS ACTION

This Document Relates To:

ALL ACTIONS CONSOLIDATED FROM:

ANTONIO F. SOTO, individually and
on behalf of all others similarly
situated,

Plaintiff,

v.

ORIGIN MATERIALS, INC., RICHARD
J. RILEY, and JOHN BISSELL,

Defendants.

AMENDED MEMORANDUM AND ORDER
RE: LEAD PLAINTIFF'S
UNOPPOSED MOTION FOR
PRELIMINARY APPROVAL OF
SETTLEMENT, PRELIMINARY
APPROVAL OF SETTLEMENT CLASS,
AND APPROVAL TO PROVIDE
NOTICE TO THE CLASS

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Plaintiffs brought this securities class action against
defendants Origin Materials, Inc., John Bissell, and Richard
Riley,¹ alleging violations of Sections 10(b) and 20(a) of the

¹ On February 12, 2025, the court dismissed Richard Riley

1 Securities Exchange Act of 1934 (the "Exchange Act") (see 15
2 U.S.C. §§ 78j(b), 78t(a)) and Rule 10b-5 promulgated by the
3 Securities and Exchange Commission (the "SEC") (17 C.F.R. §
4 240.10b-5) on behalf of the putative class of persons and
5 entities that purchased or otherwise acquired Origin securities
6 between February 23, 2023, and August 9, 2023. (See Docket No.
7 112-3.) Lead Plaintiff has filed an unopposed motion for
8 preliminary approval of class action settlement, preliminary
9 approval of settlement class, and approval to provide notice to
10 the class. (See Docket No. 111-1.)

11 I. Background and Proposed Settlement

12 This is one of four related cases assigned to the
13 undersigned judge that involve claims under the Securities
14 Exchange Act of 1934 against several of the same defendants based
15 on the same subject matter, namely the development and
16 construction of the Origin 2 plant.

17 Origin, which is headquartered in West Sacramento,
18 California, is a Delaware corporation that specializes in
19 manufacturing sustainable materials. (Docket No. 1 at 2.)
20 Plaintiffs allege that beginning on February 23, 2023, Origin
21 began making or issuing misleading statements both in writing and
22 on earnings calls. (Id. at 6-10.) The materially false or
23 misleading statements centered around Origin's announcement of a
24 new capital projects plan that involved the construction of two
25 commercial-style plants: Origin 1 and Origin 2. (Id.) According
26 to plaintiffs, Origin continued to release positive updates and
27

28 as a defendant. (Docket No. 97.)

1 information about the construction timeline for Origin 1 and
2 Origin 2 despite the reality being that both facilities were not
3 on schedule to become operational as expected. (Id. at 10-13.)

4 Plaintiff Antonio F. Soto brought a class action
5 complaint this securities class action against defendants on
6 August 25, 2023. (Docket No. 111-1 at 9.) On October 24, 2023,
7 Todd Frega moved for appointment as Lead Plaintiff for the
8 putative class. (See Docket No. 20.) The court subsequently
9 appointed Todd Frega as Lead Plaintiff and approved his selection
10 of Bernstein Liebhard LLP as Lead Counsel for the proposed class.
11 (Docket Nos. 53, 111-1.)

12 The parties propose settlement terms whereby Origin has
13 agreed to pay a Settlement of \$9,000,000.00 in order to resolve
14 all claims in the action. (Docket No. 111-1 at 8.) The parties
15 affirm that the proposed settlement is the result of arm's-length
16 negotiation by experienced counsel and that the terms proposed
17 represent a "favorable outcome for the proposed Settlement
18 Class." (Id.)

19 II. Discussion

20 Federal Rule of Civil Procedure 23(e) provides that
21 "the claims, issues, or defenses of a certified class may be
22 settled . . . only with the court's approval." Fed. R. Civ. P.
23 23(e) (cleaned up). This Order is the first step in that process
24 and analyzes only whether the proposed class action settlement
25 deserves preliminary approval. See Murillo v. Pac. Gas & Elec.
26 Co., 266 F.R.D. 468, 473 (E.D. Cal. 2010) (Shubb, J.).

27 Preliminary approval authorizes the parties to give
28 notice to putative class members of the settlement agreement and

1 lays the groundwork for a future fairness hearing, at which the
2 court will hear objections to (1) the treatment of this
3 litigation as a class action and (2) the terms of the settlement.
4 See id.; see also Diaz v. Tr. Territory of Pac. Islands, 876 F.2d
5 1401, 1408 (9th Cir. 1989) (same). The court will reach a final
6 determination as to whether the parties should be allowed to
7 settle the class action on their proposed terms after that
8 hearing.

9 Where the parties reach a settlement agreement prior to
10 class certification, the court must first assess whether a class
11 exists. Staton v. Boeing Co., 327 F.3d 938, 952-53 (9th Cir.
12 2003). "Such attention is of vital importance, for a court asked
13 to certify a settlement class will lack the opportunity, present
14 when a case is litigated, to adjust the class, informed by the
15 proceedings as they unfold." Id. (cleaned up). The parties
16 cannot "agree to certify a class that clearly leaves any one
17 requirement unfulfilled." Murillo, 266 F.R.D. at 473.

18 Consequently, the court cannot blindly rely on the fact
19 that the parties have stipulated that a class exists for purposes
20 of settlement. See Amchem Prods. Inc. v. Windsor, 521 U.S. 591,
21 621-22 (1997) ("Federal courts, in any case, lack authority to
22 substitute for Rule 23's certification criteria a standard never
23 adopted -- that if a settlement is 'fair,' then certification is
24 proper.").

25 "Second, the district court must carefully consider
26 'whether a proposed settlement is fundamentally fair, adequate,
27 and reasonable,' recognizing that 'it is the settlement taken as
28 a whole, rather than the individual component parts, that must be

1 examined for overall fairness'" Staton, 327 F.3d at 952
2 (quoting Hanlon v. Chrysler Corp., 150 F.3d 1011, 1026 (9th Cir.
3 1998), abrogated on other grounds by Wal-Mart Stores, Inc. v.
4 Dukes, 564 U.S. 338 (2011)) (cleaned up).

5 A. Preliminary Class Certification

6 The putative class consists of all persons and entities
7 that purchased Origin Materials' publicly traded securities on
8 the open market of a U.S. stock exchange during "the class
9 period" from March 7, 2023, to August 9, 2023, and who were
10 allegedly damaged by their purchase. (See Stipulation of
11 Settlement at ¶¶ h, qq (see also Docket No. 111-3 at 7, 14).) To
12 be certified, the putative class must satisfy the requirements of
13 Federal Rules of Civil Procedure 23(a) and 23(b). Leyva v.
14 Medline Indus. Inc., 716 F.3d 510, 512 (9th Cir. 2013).

15 1. Rule 23(a)

16 Rule 23(a) restricts class actions to cases where: "(1)
17 the class is so numerous that joinder of all members is
18 impracticable; (2) there are questions of law or fact common to
19 the class; (3) the claims or defenses of the representative
20 parties are typical of the claims or defenses of the class; and
21 (4) the representative parties will fairly and adequately protect
22 the interests of the class." See Fed. R. Civ. P. 23(a).

23 a. Numerosity

24 "Courts have routinely found the numerosity requirement
25 satisfied when the class comprises 40 or more members." Collins
26 v. Cargill Meat Sols. Corp., 274 F.R.D. 294, 300 (E.D. Cal. 2011)
27 (Wanger, J.). Here, the size of the proposed class is unknown
28 and could contain thousands of members because Origin securities

1 were actively traded on the Nasdaq and purchased by thousands of
2 investors during the class period. A putative class with
3 potentially thousands of with members makes joinder clearly
4 impracticable and more than satisfies the numerosity requirement.

5 b. Commonality

6 Commonality requires that the class members' claims
7 "depend upon a common contention" that is "capable of classwide
8 resolution -- which means that determination of its truth or
9 falsity will resolve an issue that is central to the validity of
10 each one of the claims in one stroke." Wal-Mart Stores, 564 U.S.
11 at 350. "All questions of fact and law need not be common to
12 satisfy the rule. The existence of shared legal issues with
13 divergent factual predicates is sufficient, as is a common core
14 of salient facts coupled with disparate legal remedies within the
15 class." Hanlon, 150 F.3d at 1019-20. "So long as there is 'even
16 a single common question,' a would-be class can satisfy the
17 commonality requirement of Rule 23(a)(2)." Wang v. Chinese Daily
18 News, Inc., 737 F.3d 538, 544 (9th Cir. 2013) (quoting Wal-Mart
19 Stores, 564 U.S. at 358-59).

20 Here, the claims implicate common questions of law and
21 fact as to whether defendants' "alleged misstatements regarding
22 the Origin 2 timeline were false or misleading, whether
23 Defendants acted with the requisite scienter, and whether
24 economic losses were caused by the alleged fraud," and these
25 lines of inquiry apply equally to all class members. (Docket No.
26 111-1 at 21.) All class members purchased an Origin Materials
27 publicly traded security during the class period and allegedly
28 suffered damages as a result of their purchase(s). (Id.) As a

1 result, the class members share several common factual questions
2 surrounding the circumstances of their Origin Materials
3 securities purchases during the class period. (Id. at 21–22.)

4 Generally, “challenging a policy common to the class as
5 a whole creates a common question whose answer is apt to drive
6 the resolution of the litigation.” Ontiveros v. Zamora, No.
7 2:08-cv-567 WBS DAD, 2014 WL 3057506, at *5 (E.D. Cal. July 7,
8 2014) (cleaned up). Even if individual members of the class will
9 be entitled to different amounts of damages because, for
10 instance, defendant employed them for different amounts of time,
11 “the presence of individual damages cannot, by itself, defeat
12 class certification.” Leyva, 716 F.3d at 514. Accordingly,
13 these common questions of law and fact satisfy the commonality
14 requirement.

15 c. Typicality

16 Typicality requires that plaintiff have claims
17 “reasonably co-extensive with those of absent class members,” but
18 their claims do not have to be “substantially identical.”
19 Hanlon, 150 F.3d at 1019–20. The test for typicality “is whether
20 other members have the same or similar injury, whether the action
21 is based on conduct which is not unique to plaintiff, and whether
22 other class members have been injured by the same course of
23 conduct.” Hanon v. Dataproducts Corp., 976 F.2d 497, 508 (9th
24 Cir. 1992).

25 Lead plaintiff’s claims are typical of other members of
26 the putative class. (Docket No. 111-1 at 22.) Lead plaintiff
27 “purchased the publicly traded Origin securities during the Class
28 Period and claims to have suffered damaged from Defendants’

1 alleged misstatements.” (Id.) Likewise, all other class members
2 similarly purchased publicly traded securities from Origin
3 Materials between March 7, 2023, and August 9, 2023, and were
4 allegedly subject to damages resulting from the same
5 misstatements about the Origin 2 completion timeline. (Id.)
6 Although the facts might differ for individual class members, the
7 basis for their alleged injuries and the parties purportedly
8 responsible for those injuries are the same. The proposed class
9 therefore meets the typicality requirement.

10 d. Adequacy of Representation

11 To resolve the question of adequacy, the court must
12 consider two factors: (1) whether plaintiff and his counsel have
13 any conflicts of interest with other class members, and (2)
14 whether plaintiff and his counsel will vigorously prosecute the
15 action on behalf of the class. In re Hyundai & Kia Fuel Econ.
16 Litig., 926 F.3d 539, 566-67 (9th Cir. 2019).

17 i. Conflicts of Interest

18 There do not appear to be any conflicts of interest for
19 purposes of preliminary approval. (See Docket No. 111-1 at 23.)
20 Plaintiff’s interests are generally aligned with those of the
21 putative class members, who suffered injuries similar to those
22 suffered by plaintiff. See Amchem, 521 U.S. at 625-26.

23 ii. Vigorous Prosecution

24 The second portion of the adequacy inquiry examines the
25 vigor with which plaintiff and his counsel have pursued the class
26 claims. “Although there are no fixed standards by which ‘vigor’
27 can be assayed, considerations include competency of counsel and,
28 in the context of a settlement-only class, an assessment of the

1 rationale for not pursuing further litigation.” Hanlon, 150 F.3d
2 at 1021.

3 Here, plaintiff’s counsel appear to be experienced
4 shareholder and securities fraud litigators with class action
5 experience which qualifies them to pursue the interests of the
6 class. (See Docket Nos. 111-4 at 183-223, 111-5 at 225-43.)
7 This background, coupled with the work performed thus far,
8 suggest that plaintiff’s counsel is well-equipped to handle this
9 case. (See id.) Further, plaintiff’s counsel appear to have
10 conducted a thorough factual investigation and thorough legal
11 research and appears to have fully considered the strengths and
12 weaknesses of this case in deciding to accept the terms of the
13 proposed settlement agreement. (See Docket No. 111-1 at 13.)
14 The court finds no reason to doubt that plaintiff’s counsel is
15 well qualified to conduct the proposed litigation and assess the
16 value of the settlement. Accordingly, the court concludes that
17 Rule 23(a)’s adequacy requirement is satisfied for the purpose of
18 preliminary approval.

19 2. Rule 23(a)

20 After fulfilling the threshold requirements of Rule
21 23(a), the proposed class must satisfy the requirements of one of
22 the three subdivisions of Rule 23(b). Leyva, 716 F.3d at 512.
23 Plaintiff seeks class certification under Rule 23(b) (3), which
24 provides that a class action may be maintained only if (1) “the
25 court finds that questions of law or fact common to class members
26 predominate over questions affecting only individual members” and
27 (2) “that a class action is superior to other available methods
28 for fairly and efficiently adjudicating the controversy.” Fed.

1 R. Civ. P. 23(b)(3).

2 a. Predominance

3 "The predominance analysis under Rule 23(b)(3) focuses
4 on 'the relationship between the common and individual issues' in
5 the case and 'tests whether proposed classes are sufficiently
6 cohesive to warrant adjudication by representation.'" Wang, 737
7 F.3d at 545 (quoting Hanlon, 150 F.3d at 1022).

8 Here, the claims brought by the proposed settlement
9 class all arise from defendant's alleged practices and policies
10 with respect to their employment. The class claims thus
11 demonstrate a "common nucleus of facts and potential legal
12 remedies" that can properly be resolved "in a single
13 adjudication." See Hanlon, 150 F.3d at 1022-23. Although there
14 are differences in the facts pertaining to individual class
15 members and the amount of injury sustained, such as how long each
16 worked for defendant, there is no indication that those
17 variations are "sufficiently substantive to predominate over the
18 shared claims." See Murillo, 266 F.R.D. at 476-77 (quoting
19 Hanlon, 150 F.3d at 1022-23). Accordingly, the court finds
20 common questions of law and fact predominate over questions
21 affecting only individual class members.

22 b. Superiority

23 Rule 23(b)(3) sets forth four non-exhaustive factors
24 that courts should consider when examining whether "a class
25 action is superior to other available methods for fairly and
26 efficiently adjudicating the controversy." Fed. R. Civ. P.
27 23(b)(3). They are: "(A) the class members' interests in
28 individually controlling the prosecution or defense of separate

1 actions; (B) the extent and nature of any litigation concerning
2 the controversy already begun by or against class members; (C)
3 the desirability or undesirability of concentrating the
4 litigation of the claims in the particular forum; and (D) the
5 likely difficulties in managing a class action.” Id. The
6 parties settled this action prior to certification, making
7 factors (C) and (D) inapplicable. See Murillo, 266 F.R.D. at
8 477.

9 Rule 23(b)(3) is concerned with the “vindication of the
10 rights of groups of people who individually would be without
11 effective strength to bring their opponents into court.” Amchem,
12 521 U.S. at 616-17. When, as here, the average class members’
13 individual recovery is likely to be relatively modest, the class
14 members’ interests generally favor certification. Zinser v.
15 Accufix Res. Inst., Inc., 253 F.3d 1180, 1190-91 (9th Cir. 2001).
16 Accordingly, the class action device appears to be the superior
17 method for adjudicating this controversy.

18 3. Rule 23(c)(2) Notice Requirements

19 If the court certifies a class under Rule 23(b)(3), it
20 “must direct to class members the best notice that is practicable
21 under the circumstances, including individual notice to all
22 members who can be identified through reasonable effort.” Fed.
23 R. Civ. P. 23(c)(2)(B). Rule 23(c)(2) governs both the form and
24 content of a proposed notice. See Ravens v. Iftikar, 174 F.R.D.
25 651, 657-58 (N.D. Cal. 1997) (citing Eisen v. Carlisle &
26 Jacquelin, 417 U.S. 156, 172-77 (1974)). Although that notice
27 must be “reasonably certain to inform the absent members of the
28 plaintiff class,” actual notice is not required. Silber v.

1 Mabon, 18 F.3d 1449, 1454-55 (9th Cir. 1994).

2 Plaintiff's counsel has provided the court with a
3 proposed notice to class members. (See Docket Nos. 111-2, 111-
4 3.) It explains the proceedings, defines the scope of the class,
5 and explains what the settlement provides and how much each class
6 member can expect to receive in compensation. (See Docket No.
7 111-3 at 74-80.) Lead Counsel has proposed a four-prong strategy
8 for identifying and giving notice to members of the Settlement
9 Class. (Docket No. 111-1 at 25.)

10 First, Lead Counsel proposes "mailing or emailing (if
11 the Class Member's email is available) a copy of the Postcard
12 Notice to all potential Settlement Class Members who can
13 reasonably be identified and located." (Id.) Prospective Class
14 Members will be identified and located "using information
15 provided by Origin's transfer agent, as well as information
16 provided by third party banks, brokers, and other nominees about
17 their customers who may have eligible purchases." (Id.) Second,
18 notice will be provided via the publication of the Summary Notice
19 in Investor's Business Daily, a trade publication where notices
20 of class actions are regularly published. (Id.) Third, Lead
21 Counsel intends to "disseminate the Summary Notice on the
22 internet using PR Newswire." (Id.) Fourth, the Internet Notice
23 will finally be published both on the Settlement website and on
24 Lead Counsel's website. (Id.)

25 These notices will further explain the opt-out
26 procedure, the procedure for objecting to the settlement, and the
27 date and location of the final approval hearing. (See Docket No.
28 111-3 at 95.) In particular, the internet-based notices will

1 contain information describing the nature of the action; defining
2 the class certified; explaining the various claims, issues, and
3 defenses. (Docket No. 111-1 at 26.) The internet notice will
4 further include information explaining the rights of Class
5 Members to enter an appearance at the final Settlement Hearing,
6 or request exclusion from the settlement, and will include
7 instructions for how interested Class Members can exercise their
8 rights. (Id.) And it will include an explanation of "the
9 binding effect a class judgment has on members under Rule
10 23(c)(3)" (id.); as well as information about the amount of the
11 settlement, anticipated attorneys' fees, and how the value of
12 individual Class Member settlement awards are calculated, that,
13 in sum, is sufficient to satisfy the separate disclosure
14 requirements mandated under the Private Securities Litigation
15 Reform Act ("PSLRA"), 15 U.S.C. § 78u-4. (Id. at 25-26.)

16 The content of the proposed notice therefore satisfies
17 Rule 23(c)(2)(B). See Churchill Vill., L.L.C. v. Gen. Elec., 361
18 F.3d 566, 575 (9th Cir. 2004) ("Notice is satisfactory if it
19 'generally describes the terms of the settlement in sufficient
20 detail to alert those with adverse viewpoints to investigate and
21 to come forward and be heard.'" (quoting Mendoza v. Tucson Sch.
22 Dist. No. 1, 623 F.2d 1338, 1352 (9th Cir. 1980), abrogated on
23 other grounds by Evans v. Jeff D., 475 U.S. 717, 725-26 n.10
24 (1986))).

25 The parties have selected Strategic Claims Services to
26 serve as the settlement administrator. (Docket No. 111-3 at ¶
27 7.) Pursuant to the notice plan, plaintiff's counsel provides
28 that using addresses where available or email addresses in

1 conjunction with a list of names provided by defendant, the
2 settlement administrator will send the notice via first class
3 U.S. mail or email to all settlement class members. (See Docket
4 No. 111-3 at ¶¶ 7a, 7d.)

5 The court cautions counsel that a single mailed or
6 emailed notice is unlikely to suffice. See Roes 1-2 v. SFBSC
7 Mgmt., LLC, 944 F.3d 1035, 1045-46 (9th Cir. 2019). Similarly,
8 because there are potentially thousands of Class Members,
9 adequate notice will require robust and effective Class Member
10 identification efforts on the part of Lead Counsel and the
11 Settlement Administrator. The court thus advises that class
12 counsel undertake additional measures "reasonably calculated,
13 under all the circumstances," to apprise all class members of the
14 proposed settlement. See id. at 1046-47.

15 Given these considerations, the court will grant the
16 parties' notice plan preliminary approval, notwithstanding its
17 concern about the parties' notice plan as set forth above.

18 B. Preliminary Settlement Approval

19 After determining that the proposed class satisfies the
20 requirements of Rule 23(a) and (b), the court must determine
21 whether the terms of the parties' settlement appear "fair,
22 adequate, and reasonable." See Hanlon, 150 F.3d at 1025-26
23 (citing Fed. R. Civ. P. 23(e)(2)). This process requires the
24 court to "balance a number of factors," including "the strength
25 of the plaintiff's case; the risk, expense, complexity, and
26 likely duration of further litigation; the risk of maintaining
27 class action status throughout the trial; the amount offered in
28 settlement; the extent of discovery completed and the stage of

1 the proceedings; the experience and views of counsel; the
2 presence of a governmental participant; and the reaction of the
3 class members to the proposed settlement.” Id. at 1026 (cleaned
4 up).

5 At this preliminary approval stage, the court only
6 needs to determine whether or not the proposed settlement is
7 “within the range of possible approval.” In re Tableware
8 Antitrust Litig., 484 F. Supp. 2d 1078, 1080 (N.D. Cal. 2007)
9 (internal citation and quotations omitted); see In re Wells Fargo
10 & Co. Shareholder Derivative Litig., No. 16-cv-05541-JST, 2019 WL
11 13020734, at *4 (N.D. Cal. May 14, 2019). Courts often begin by
12 examining the process that led to the settlement’s terms to
13 ensure that those terms are “the result of vigorous, arms-length
14 bargaining” and then turn to the substantive terms of the
15 agreement. See Murillo, 266 F.R.D. at 479-80.

16 1. Negotiation of the Settlement Agreement

17 While discovery was ongoing, the parties retained the
18 services of Robert Meyer, Esq., an experienced mediator with
19 JAMS, to explore the possibility of reaching a settlement through
20 mediation. (See Docket No. 111-1 at 13.) That mediation process
21 began on September 22, 2025, with the parties exchanging
22 “confidential mediation statements supported by voluminous
23 exhibits including Origin documents, declarations, and expert
24 analysis.” (Id.) Then, on September 29, 2025, the parties
25 gathered for in-person mediation with Mr. Meyer at JAMS. (Id.)
26 The mediation session was originally scheduled for the full day,
27 but those initial discussions resulted in the parties withdrawing
28 from the process and ending the session early. (Id.)

1 Following the failed mediation attempt, the parties
2 separately returned to litigating the matter while Mr. Meyer
3 worked to engage the parties directly. (Id.) These efforts by
4 Mr. Meyer proved fruitful and on October 10, 2025, the parties
5 “agreed to a settlement in principle to release all claims
6 against Defendants in return for a cash payment of nine million
7 dollars (\$9,000,000) for the benefit of the Settlement Class.”
8 (Id. at 13-14.) The parties then negotiated the details of their
9 preliminary agreement and finalized the proposed settlement on
10 October 27, 2025, with the Stipulation of Settlement that they
11 then filed with the court. (Id.)

12 Given the parties’ representation that the settlement
13 reached was the product of arms-length bargaining following
14 thorough informal discovery, the court at this stage does not
15 question that the proposed settlement is the result of informed
16 and non-collusive negotiations between the parties. See La Fleur
17 v. Med. Mgmt. Int’l, Inc., No. 13-cv-00398, 2014 WL 2967475, at
18 *4-5 (C.D. Cal. June 25, 2014). That negotiations during
19 mediation broke down such that the parties both withdrew before
20 they had made it through the first scheduled day adds weight to
21 Lead Counsel’s attestation of the settlement terms being the
22 result of sufficiently adversarial negotiations conducted at
23 arms-length. (See Docket No. 111-1.)

24 2. Amount Recovered and Distribution

25 In determining whether a settlement agreement is
26 substantively fair to the class, the court must balance the value
27 of expected recovery against the value of the settlement offer.
28 See Ontiveros, 2014 WL 3057506, at *14. This inquiry may involve

1 consideration of the uncertainty class members would face if the
2 case were litigated to trial.

3 "In determining whether the amount offered in
4 settlement is fair, the Ninth Circuit has suggested that the
5 Court compare the settlement amount to the parties' 'estimates of
6 the maximum amount of damages recoverable in a successful
7 litigation.'" Litty v. Merrill Lynch & Co., No. CV 14-0425, 2015
8 WL 4698475, at *8-9 (C.D. Cal. Apr. 27, 2015) (quoting Glass v.
9 UBS Fin. Servs., Inc., No. C-06-4068, 2007 WL 221862, at *4 (N.D.
10 Cal. Jan. 26, 2007), aff'd, 331 F. App'x 452, 455-56 (9th Cir.
11 2009)).

12 Plaintiff faced numerous risks in the litigation,
13 including proving all elements of the claims, obtaining and
14 maintaining class certification, establishing liability, and the
15 cost of litigation on these issues. (See Docket No. 111-1 at 18-
16 19.) Thus, plaintiff's counsel represents that the settlement
17 and resulting distribution "provides a very favorable recovery"
18 for Class Members. (Id. at 18.)

19 In light of the risks associated with further
20 litigation and the relative strength of defendants' arguments and
21 defenses, the court finds that the projected value of the
22 settlement is within the range of possible approval such that
23 preliminary approval of the settlement is appropriate. The court
24 further finds the method of determining the amount of recovery
25 for each class member claims to be adequate, as each class
26 member's individual share of the settlement is proportional to
27 how long he or she worked for defendant.

28 Counsel are cautioned that because this settlement was

1 reached prior to class certification, it will be subject to
2 heightened scrutiny before final approval is granted. See In re
3 Apple Inc. Device Performance Litig., 50 F.4th 769, 782-83 (9th
4 Cir. 2022). The recommendations of plaintiff's counsel will not
5 be given a presumption of reasonableness, but rather will be
6 subject to close review. See id. The court will particularly
7 scrutinize "any subtle signs that class counsel have allowed
8 pursuit of their own self-interests to infect the negotiations."
9 See id.

10 3. Attorneys' Fees

11 If a negotiated class action settlement includes an
12 award of attorneys' fees, that fee award "must be evaluated in
13 the overall context of the settlement." Monterrubio v. Best Buy
14 Stores, L.P., 291 F.R.D. 443, 455-56 (E.D. Cal. 2013) (England,
15 J.). "Courts have an independent obligation to ensure that the
16 award, like the settlement itself, is reasonable, even if the
17 parties have already agreed to an amount." In re Bluetooth
18 Headset Prods. Liab. Litig., 654 F.3d 935, 941 (9th Cir. 2011)
19 (cleaned up).

20 The settlement agreement provides that plaintiff's
21 counsel will seek a fee award not to exceed 25% of the settlement
22 fund. (See Docket No. 111-1 at 18.) The parties estimate this
23 award to consist of \$2,250,000.00 in attorneys' fees and
24 \$250,000.00 in litigation expenses. (Id.) If the court does not
25 approve the fee award in whole or in part, that will not prevent
26 the settlement agreement from becoming effective or be grounds
27 for termination.

28 In deciding the attorneys' fees motion, the court will

1 have the opportunity to assess whether the requested fee award is
2 reasonable by multiplying a reasonable hourly rate by the number
3 of hours counsel reasonably expended. See In re Bluetooth
4 Headset, 654 F.3d at 941-42. As part of this lodestar
5 calculation, the court may consider factors such as the "level of
6 success" or "results obtained" by plaintiff's counsel. See id.
7 If the court, in ruling on the fees motion, finds that the amount
8 of the settlement warrants a fee award at a rate lower than what
9 plaintiff's counsel requests, then it will reduce the award
10 accordingly. The court will therefore not evaluate the fee award
11 at length here in considering whether the settlement is adequate.

12 III. Conclusion

13 IT IS THEREFORE ORDERED that plaintiff's motion for
14 preliminary certification of a settlement class and preliminary
15 approval of the class action settlement (Docket No. 111-1) be,
16 and the same hereby is, GRANTED.

17 IT IS FURTHER ORDERED THAT:

18 (1) The court certifies the following class for
19 purposes of settlement only: all persons and entities that
20 purchased Origin Materials' publicly traded securities on the
21 open market of a U.S. stock exchange during "the class period"
22 from March 7, 2023, to August 9, 2023, and who were allegedly
23 damaged by their purchase. (See Stipulation of Settlement at ¶¶
24 h, qq (see also Docket No. 111-3 at 7, 14).)

25 (2) The court appoints Bernstein Liebhard LLP, as class
26 counsel.

27 (3) The court appoints Lead Plaintiff, Todd Frega, as
28 class representative.

1 (4) The court appoints Strategic Claims Services as
2 settlement administrator to perform such duties as set forth in
3 this order and the settlement agreement. (See Stipulation of
4 Settlement (Docket No. 111-3).)

5 (5) The court approves the class notice and the mailing
6 of the class notice to each settlement class member's last known
7 address, as specifically described in the settlement agreement,
8 with the addition of appropriate skip tracing and mail forwarding
9 for notices returned as undeliverable. (See Stipulation of
10 Settlement at ¶ 9 (Docket No. 111-3 at 95).)

11 (6) Within 15 days of the issuance of this Order,
12 defendant shall provide the settlement administrator with the
13 class data, as specified in the settlement agreement. (See
14 Stipulation of Settlement (Docket No. 111-3) at ¶ 9.)

15 (7) Within 14 days after funding of the gross
16 settlement amount, the settlement administrator shall mail the
17 class notice in the manner specified in the settlement agreement.
18 (See id.)

19 (8) The Claims Administrator must publish a copy of the
20 Summary Notice in Investor's Business Daily or www.investors.com,
21 and cause it to be transmitted once over PR Newswire on or before
22 **February 18, 2026**.

23 (9) Lead Plaintiff must file and serve their motion for
24 final approval of class settlement and Lead Counsel's motion for
25 attorneys' fees and litigation expenses, and an award to Lead
26 Plaintiff, and application for approval of the Plan of Allocation
27 on or before **April 20, 2026**.

28 (10) Any Class Member wishing to participate in the

1 settlement must submit a Proof of Claim form on or before **May 4,**
2 **2026.**

3 (11) Any Class Member wishing to be excluded from the
4 settlement must file their exclusion request in writing on or
5 before **May 4, 2026.**

6 (12) Any party to this case, including any settlement
7 class member, may be heard in person or by counsel, to the extent
8 allowed by the court, in support of, or in opposition to, the
9 court's determination of the good faith, fairness,
10 reasonableness, and adequacy of the proposed settlement, the
11 requested attorneys' fees and costs, the requested class
12 representative enhancement awards, and any order of final
13 approval and judgment regarding such settlement, fees, costs, and
14 payments; provided however, that no person shall be heard in
15 opposition to such matters unless such person has complied with
16 the conditions set forth in the class notice. Any Class Member
17 wishing to enter an appearance at the settlement hearing must
18 file a written notice of appearance with the Clerk of Court and
19 deliver copies of the notice to both Lead Counsel and Defendants'
20 Counsel on or before **May 4, 2026.**

21 (13) Any Class Member wishing to file an objection to
22 the proposed Settlement or to Lead Counsel's motion for
23 attorneys' fees and litigation expenses must do so by filing a
24 written objection on or before **May 4, 2026.** Any settlement class
25 member who does not timely submit such a written objection will
26 not be permitted to raise such objection, except for good cause
27 shown, and any settlement class Member who fails to object in the
28 manner prescribed by this order will be deemed to have waived,

1 and will be foreclosed from raising, any such objection

2 (14) Plaintiff may file and serve reply papers, if any,
3 in support of the proposed settlement or other motions for fees
4 or reimbursement on or before **May 18, 2026**.

5 (15) The final approval hearing will be held on **June 8,**
6 **2026, at 1:30 p.m.,** to consider the fairness, adequacy, and
7 reasonableness of the proposed settlement preliminarily approved
8 by this order, and to consider the motion of class counsel for an
9 award of reasonable attorneys' fees and costs as well as any
10 class representative enhancement award.

11 (16) Pending further order of this court, all
12 proceedings in this matter except those contemplated herein and
13 in the settlement agreement are STAYED.

14 Dated: January 7, 2026



WILLIAM B. SHUBB
UNITED STATES DISTRICT JUDGE