UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	8:23-cv-02038-JVS-JDE	Date	July 29, 2025
Title	Jarett Hawkins v. Shimano North American Bicycle Inc. et al.		

Present: The Honorable	**James V. Selna, U.S. District Court Judge**

Elsa Vargas	Not Present
Deputy Clerk	Court Reporter
Attorneys Present for Plaintiffs:	Attorneys Present for Defendants:
Not Present	Not Present

Proceedings: **[IN CHAMBERS] Order Regarding Motion for Preliminary Approval of Class Settlement and Direction of Notice [124]**

Plaintiffs Steven Adelman, Jose Delgado, Jose Erazo, Dave Gonyer, Jarett Hawkins, Christopher Jennings, Moussa Kouyate, Marcus Lewis, Kevin Litam, Maurice Scorsolini, Dimitri Semizarov, and Mike Tirado (collectively, "Plaintiffs" or "Class Representatives") move for preliminary approval of their class action settlement. (Mot., Dkt. No. 124.) Defendants Shimano North American Bicycle, Inc., Shimano North America Holdings, Inc., Specialized Bicycle Components, Inc., Trek Bicycle Corporation, and Giant Bicycle, Inc. (collectively, "Defendants" or "Shimano") do not oppose the motion. (Opp'n, Dkt. No. 126.)

In its tentative order, the Court requested supplemental information. The Parties provided a supplemental declaration on July 25, 2025. (Dkt. No. 131.) On July 28, 2025, the Court heard oral argument. The order reflects the final order of the Court.

For the following reasons, the Court **GRANTS** the motion.

I. BACKGROUND

On September 21, 2023, Shimano North America Bicycle Inc. announced a voluntary recall of its Hollowtech II cranksets manufactured before July 2019. (Second Amended Consolidated Complaint ("SACC"), Dkt. No. 123, ¶ 36.) The recall, which was issued in collaboration with the U.S. Consumer Product Safety Commission

("CPSC"), was the result of bonding separation and breakage.[1]

On October 3, 2023, four plaintiffs filed a class action in this Court against Shimano and several bicycle manufacturers concerning defective cranksets. See Erazo, et al. v. Shimano, et al., No. 8:23-cv-01866 (C.D. Cal. Oct. 3, 2023). A second class action was filed on October 31, 2023. (Dkt. No. 1.) On December 12, 2023, the Court consolidated the actions. (Dkt. No. 23.)

On January 8, 2024, Plaintiffs filed a Corrected Consolidated Class Action Complaint asserting 31 claims against Defendants. (Dkt. No. 32.) Plaintiffs alleged several claims, including: fraudulent misrepresentation, unjust enrichment, and various state law claims on behalf of a nationwide class, along with state statutory and common law claims on behalf of individual state subclasses California, Florida, Illinois, and New York. (Id.)

Defendants moved to dismiss on February 7, 2024. (Dkt. No. 56.) On April 12, 2024, the Court granted the motion, in part, providing leave to amend. (Dkt. No. 78.) On May 3, 2024, Plaintiffs filed a First Amended Consolidated Class Action Complaint. (Dkt. No. 83.) Defendants filed another motion to dismiss. (Dkt. No. 87.) The Court again granted the motion with leave to amend. (Dkt. No. 97.)

Following the motions to dismiss, the Parties agreed to stay the case pending private mediation. (Dkt. No. 99.) On September 18, 2024, the Parties began negotiations with retired federal Judge Margaret M. Morrow. (Dkt. No. 100.) Over the course of six months, the Parties continued to negotiate and began the process of confirmatory discovery. (Dkt. Nos. 102, 104, 106.) The Parties finalized the Settlement Agreement on March 31, 2025. (Dkt. No. 113.) On June 6, 2025, Plaintiffs filed their SACC.

II. LEGAL STANDARD

Federal Rule of Civil Procedure Rule 23(e) states that "[t]he claims . . . of a

[1] See https://www.cpsc.gov/Recalls/2023/Shimano-Recalls-Cranksets-for-Bicycles-Due-to-Crash-Hazard (last visited July 22, 2025).

certified class—or a class proposed to be certified for purposes of settlement—may be settled . . . or compromised only with the court's approval." "The parties must provide the court with information sufficient to enable it to determine whether to give notice of the propos[ed] [settlement] to the class." Fed. R. Civ. P. 23(e)(1)(A). "The court must direct notice in a reasonable manner to all class members who would be bound by the proposal if giving notice is justified by the parties' showing that the court will likely be able to: (i) approve the propos[ed] [settlement] under Rule 23(e)(2); and (ii) certify the class for purposes of judgment on the proposal." Fed. R. Civ. P. 23(e)(1)(B)(i)(ii).

Under Rule 23(e)(2) if the proposed settlement would bind class members, the Court may approve it only after a hearing and only on finding that it is "fair, reasonable, and adequate." Fed. R. Civ. P. 23(e)(2). "Courts reviewing class action settlements must 'ensure[] that unnamed class members are protected from unjust or unfair settlements affecting their rights,' while also accounting for 'the strong judicial policy that favors settlements, particularly where complex class action litigation is concerned.'" Campbell v. Facebook, Inc., 951 F.3d 1106, 1121 (9th Cir. 2020) (quoting In re Hyundai & Kia Fuel Econ. Litig., 926 F.3d 539, 556 (9th Cir. 2019) (en banc) (internal quotation marks omitted)).

When evaluating the fairness of a class action settlement, the Court must consider the following factors:

> (A) the class representatives and class counsel have adequately represented the class;
> (B) the proposal was negotiated at arm's length;
> (C) the relief provided for the class is adequate, taking into account:
> > (i) the costs, risks, and delay of trial and appeal;
> > (ii) the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims;
> > (iii) the terms of any proposed award of attorneys' fees, including timing of payment; and
> > (iv) any agreement required to be identified under Rule 23(e)(3); and
> (D) the proposal treats class members equitably relative to each other.

Fed. R. Civ. P. 23(e)(2).

Before the revisions to the Federal Rule of Civil Procedure 23(e), the Ninth Circuit had developed its own list of factors to be considered. See, e.g., In re Bluetooth Headset Products Liab. Litig., 654 F.3d 935, 964 (9th Cir. 2011) (citing Churchill Vill., L.L.C. v. Gen. Elec., 361 F.3d 566, 575 (9th Cir. 2004)). The revised Rule 23 "directs the parties to present [their] settlement to the court in terms of [this new] shorter list of core concerns[.]" Fed. R. Civ. P. 23(e)(2), 2018 Advisory Committee Notes. "The goal of [amended Rule 23(e)] is . . . to focus the [district] court and the lawyers on the core concerns of procedure and substance that should guide the decision whether to approve the proposal." Id.

A "higher standard of fairness" applies when, like here, parties settle a case before the district court has formally certified a litigation class. See Campbell v. Facebook, Inc., 951 F.3d at 1121 (citing Hanlon, 150 F.3d at 1026). In such cases, "[t]he dangers of collusion between class counsel and the defendant, as well as the need for additional protections when the settlement is not negotiated by a court-designated class representative, weigh in favor of a more probing inquiry than may normally be required under Rule 23(e)." Id. (quoting Hanlon, 150 F.3d at 1026). Accordingly, courts apply a more "probing inquiry" to ensure fairness. Roes, 1-2 v. SFBSC Mgmt., LLC, 944 F.3d 1035, 1048 (9th Cir. 2019) (cleaned up).

III. DISCUSSION

A. Proposed Settlement

1. Adequacy of Representation by Class Representatives and Class Counsel

Under Rule 23(e)(2)(A), the first factor to be considered is whether the class representatives and class counsel have adequately represented the class. This analysis includes "the nature and amount of discovery" undertaken in the litigation. Fed. R. Civ. P. 23(e)(2)(A), 2018 Advisory Committee Notes. For a court to approve a proposed settlement, "[t]he parties must . . . have engaged in sufficient investigation of the facts to enable the court to intelligently make an appraisal of the settlement." Acosta, 243 F.R.D. at 396 (internal quotation marks omitted).

In this case, there is no indication that the Parties colluded to reach the proposed settlement. Following consolidation and appointment of Interim Class Counsel, Plaintiffs opposed Defendants' first motion to dismiss. When the Court granted the motion to dismiss with leave to amend, Class Counsel then amended the Complaint by incorporating an engineering expert's analysis and an affidavit of a bicycle store owner. (See Dkt. No. 78, 83.) Class Counsel then opposed a second motion to dismiss, which the Court granted with leave to amend again. (Dkt. No. 97.) Furthermore, there is no agreement, at all, as to attorneys' fees, leaving the possibility for Defendants to challenge attorneys' fees when the time comes. Finally, in the Parties' supplemental declaration, both sides attest that neither party colluded or had conflicts with Class Members or Class Representatives. (Dkt. No. 131.)

Second, the parties have conducted sufficient discovery and investigation of the facts and law to have adequately and zealously represented the interests of thir clients. Class Counsel notes that it conducted an extensive investigation of the Designated Cranksets, identifying "thousands of customer complaints and warranty claims dating back to 2012." (Mot. at 6 (citing Dkt. No. 123 ¶¶ 1–6, 13–100).) Following consolidation, the Parties engaged in six months of negotiations facilitated by Judge Morrow. (Decl. of Roland Tellis, Stephen Larson, and Jason Lichtman ("Joint Decl."), Dkt. No. 124-2 ¶¶ 8–9.) During these negotiations, the Parties continued to press confirmatory discovery and the exchange of documents, which allowed the parties to verify the fairness of the proposed settlement prior to final approval. (Dkt. No. 110.)

The Court finds that these efforts satisfy Rule 23(e)(2)(A)'s requirement.

2. Negotiated at Arm's Length

The second Rule 23(e)(2) factor asks the Court to confirm that the proposed settlement was negotiated at arm's length. Fed. R. Civ. P. 23(e)(2)(B). As with the preceding factor, this can be "described as [a] 'procedural' concern[], looking to the conduct of the litigation and of the negotiations leading up to the proposed settlement." Fed. R. Civ. P. 23(e)(2), 2018 Advisory Committee Notes. "[T]he involvement of a neutral or court-affiliated mediator or facilitator in [settlement] negotiations may bear on whether th[ose] [negotiations] were conducted in a manner that would protect and further the class interests." Fed. R. Civ. P. 23(e), 2018 Advisory Committee Notes; accord

Pederson v. Airport Terminal Servs., 2018 WL 2138457, at *7 (C.D. Cal. Apr. 5, 2018) (the oversight "of an experienced mediator" reflected noncollusive negotiations).

The Court finds that the Settlement Agreement has been negotiated at arm's length. Prior to any discovery, the Parties vigorously and actively litigated the case, including filing two motions to dismiss and amending the complaints. Following this Court's direction, the Parties began negotiations on September 18, 2024. (Dkt. Nos. 90, 102.) Over the course of six months, the parties negotiated before Judge Morrow. (See Dkt. Nos. 102, 104, 106, 110.) While the Parties did not engage in substantive discovery prior to negotiations, they agreed that Shimano would be required to produce confirmatory discovery before executing the Settlement Agreement. (Dkt. No. 110 at 2.) Shimano subsequently began discovery. (Id.) The Parties finalized the Settlement by March 31, 2025.

The record demonstrates that the Settlement Agreement was obtained at an arm's length negotiation. The Parties conducted early discovery efforts prior to executing the Settlement Agreement and actively litigated the case prior to negotiating. See Lyter v. Cambridge Sierra Holdings, 2019 WL 13153197, at *5 (C.D. Cal. June 18, 2019) (finding that the parties were sufficiently informed where they engaged in significant discovery and adversarial motion practice, including motions to dismiss). Moreover, the Parties engaged in extensive negotiations between September 2024 and early 2025 with the help of a neutral third party. See La Fleur v. Med. Mgmt. Int'l, Inc., 2014 WL 2967475, at *4 (C.D. Cal. June 25, 2014) ("Settlements reached with the help of a mediator are likely noncollusive."); Callaway v. Mercedes-Benz United States LLC, 2017 WL 11707445, at *6 (C.D. Cal. Nov. 29, 2017) ("The extensive mediation process demonstrates to the Court that the proposed settlement is the product of serious, informed, noncollusive negotiations.").

3. Adequacy of Relief Provided for the Class

The third factor that the Court considers is whether "the relief provided for the class is adequate, taking in to account: (i) the costs, risks, and delay of trial and appeal; (ii) the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims; (iii) the terms of any proposed award of attorneys' fees, including timing of payment; and (iv) any agreement required to be identified under Rule 23(e)(3)." Fed. R. Civ. P. 23(e)(2)(C). Under this factor, the relief

"to class members is a central concern." Fed. R. Civ. P. 23(e)(2)(C), Advisory Committee Notes.

a. Value of Settlement Offer

The Court finds that the value of the Settlement Agreement supports the preliminary approval of the class settlement. "To evaluate the adequacy of the settlement amount, 'courts primarily consider plaintiffs' expected recovery balanced against the value of the settlement offer.'" Hefler v. Wells Fargo & Co., 2018 WL 6619983, at *8 (N.D. Cal. Dec. 18, 2018).

Here, Plaintiffs correctly note that the Court dismissed most of Plaintiffs' claims in the First Amended Complaint, only allowing certain express and implied warranty claims to move forward. (Dkt. No. 97.) However, the Court provided leave to amend and Planitiffs subsequently filed a SACC that contains six counts for the nationwide class: Affirmative misrepresentation, unjust enrichment, violations of California's consumer legal remedies act, false advertising under California law, California's UCL, and violations of the Song-Beverly Act. (See SACC.) The SACC also alleges several counts for individual state subclasses in California, Florida, Illinois, and New York. (Id.) In total, Plaintiffs' prayer for relief included compensatory damages, punitive damages, statutory penalties, restitution, reimbursement for reasonable expenses occasioned by the sale, and attorneys' fees. (Id. ¶ 741.) The requested relief in the SACC also includes an order that Defendants fund a program to compensate out-of-pocket and loss-of-use expenses and damages claims associated with the Defective Cranksets and Class Bicycles. (Id.) (emphasis added).

The Settlement Agreement provides the following relief to the Settlement Class:

(1) Enhanced inspection process and retailer training, including manuals, equipment (magnifying device), and access to a Retail Assistance Agent;

(2) Affirmations that Shimano will notify every Recall Retailer of the Approved Enhancment Manual and that use of magnifying device is required before any crankset can pass inspection;

(3) An Extended Warranty for coverage of bonding separation and delaminating that extends two years from the date of the Preliminary Approval Order;

(4) Reimbursement to Settlement Class Members of reasonable out-of-pocket costs for purchasing a replacement crankset and installing it on their bike. This reimbursement is limited to those who replaced their Designated Crankset because of separation, delamination, or exhibited evidence of delamination or separation. Moreover, the reimbursement does not apply to those who replaced their Designated Crankset on or after September 21, 2023, or if at the time of replacement, the Express Warranty was not expired as to that Designated Crankset.

(Settlement Agreement §§ 4.1–4.3.)

The Court finds that the value of the Settlement Agreement is reasonably balanced with the expected recovery. A central component of Plaintiffs' requested relief in the SACC was reimbursement of reasonable costs associated with purchasing the Designated Cranksets. (See SACC ¶ 741.) The Settlement Agreement provides surety that Class Members will be reimbursed for these reasonable costs associated with purchasing the Designated Cranksets. (Settlement Agreement § 4.3.) Moreover, the efficacy of the enhanced inspection program appears to adequately address the risk of future defects. Finally, as part of the recall, Shimano is already providing free replacement cranksets with professional installation for any recalled unit showing signs of bonding separation or delamination during a recall inspection.

Furthermore, while the Settlement Agreement does not provide several other requested forms of relief in the SAC, including: disgorgement of profits, punitive damages, and statutory penalties, these damages would largely be dependent on prevailing at trial and, in the case of punitive damages, demonstrating a heightened standard of intentional conduct. In this case and at this stage, the Court is satisfied that Class Counsel has reviewed confirmatory discovery and has balanced the Settlement value with its likelihood of success at trial.

In its tentative order, the Court requested the Parties to come prepared to discuss why the Settlement Agreement did not provide relief for "loss-of-use" expenses—which

was included in the SACC—and diminution of market value. In their supplemental declaration, Class Counsel noted that the remaining claims were limited to manifested defects, which does not support the remedy of diminution of market value. Additionally, while loss of use would be recoverable under a manifested defects theory of liability, Class Counsel noted that the crankset replacements are typically conducted "on the spot" without any meaningful loss-of-use. Thus, the Court is satisfied that the Settlement will not omit an otherwise large swath of potential damages claims.

b. Costs, Risks, and Delay of Trial and Appeal

"A[] central concern [when evaluating a proposed class action settlement] . . . relate[s] to the cost and risk involved in pursuing a litigated outcome." Fed. R. Civ. P. 23(e), 2018 Advisory Committee Notes. "Proceeding in this litigation in the absence of settlement poses various risks such as . . . having summary judgment granted against Plaintiffs[] or losing at trial. Such considerations have been found to weigh heavily in favor of settlement." Graves v. United Industries Corporation, 2020 WL 953210, at *7 (C.D. Cal. Feb. 24, 2020) (citing Rodriguez v. West Publishing Corp., 563 F.3d 948, 966 (9th Cir. 2009); Curtis-Bauer v. Morgan Stanley & Co., Inc., 2008 WL 4667090, at *4 (N.D. Cal. Oct. 22, 2008)).

In this case, the Court agrees that there is a substantial risk for the Class should this case proceed to trial. Specifically, the Court most recently dismissed Plaintiffs' affirmative misrepresentation and misrepresentation by omission claims for all individual state subclasses because they were based on non-actionable statements and omissions. (Dkt. No. 97 at 11.) Moreover, the Court dismissed nearly all of the express warranty claims for failure to allege a manifestation of the defect during the warranty period. (Dkt. Nos. 78 at 24–28; Dkt. No. 97 at 11–12.) The Court also found that Plaintiffs had not satisfied the agency or privity requirements to show an implied breach of warranty in Florida and Illinois. (Dkt. No. 97 at 12.) Finally, the Court granted Defendants' motion to dismiss the unjust enrichment claims for all individual state subclasses. (Id. at 16.) Taking this Court's suggestion, the Parties began settlement discussions.

Plaintiffs' continue to maintain that they have meritorious claims, but recognize the risk of continued litigation. See Cottle v. Plaid Inc., 340 F.R.D. 356, 373 (N.D. Cal. 2021); Linney v. Cellular Alaska P'ship, 151 F.3d 1234, 1238 (9th Cir. 1998) (finding that proceeding to trial adds additional risk, expense, and complexity in class actions).

Based on the Court's assessment of the risks of continued litigation and Class Counsel's reasonable attestation that the Settlement benefits outweigh the continued costs, risks, and further delays, the Court finds that this factor weighs in favor of fairness.

c. Effectiveness of Proposed Method of Relief Distribution

Next, the Court must consider "the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims." Fed. R. Civ. P. 23(e)(2)(C). "Often it will be important for the court to scrutinize the method of claims processing to ensure that it facilitates filing legitimate claims." Fed. R. Civ. P. 23(e), 2018 Advisory Committee Notes. "A claims processing method should deter or defeat unjustified claims, but the court should be alert to whether the claims process is unduly demanding." Id.

The Court finds that the proposed method of relief distribution is effective and ensures fairness. The Court analyzes the effectiveness of distribution into three components: Identifying class members, filing a claim, and receiving relief.

i. Identification as Class Member

Class Counsel begin their discussion with the process of filing a claim. This, however, is not the beginning of the relief distribution method. The first step that a potential Class Member would take is ascertaining whether they are, indeed, a Class Member as defined by the Settlement. Here, a Class Member, as defined by the Settlement Class, is "all Persons (except Excluded Persons) who purchased, received, were given, and/or owned a Designated Crankset in the United States, other than solely for resale purposes." (Settlement Agreement §§ 2.35, 3.1.) Furthermore, to be eligible for reimbursements, a Class Member must not have replaced the Designated Crankset on or after September 21, 2023 or, been covered by the Express Warranty at the time of replacement. (Id. § 4.3.)

The Notice Plan provides sufficient information for individuals to ascertain whether they are a Class Member. The Notice itself lists the Designated Crankset models and provides a link where consumers' can go to locate photographs of the Designated Cranksets. (Joint Decl., Ex. E at 3.) If consumers still have questions, they are directed to call a toll-free number operated by the Claims Administrator for further

help. (Id., Ex. C at 5.) The Court finds that this provides sufficient information for an individual to determine whether they are eligible as a Class Member.

ii. Filing a Claim

Much of the relief granted by the Settlement Agreement does not require a claim form to be submitted because the relief serves to further recall efforts, enhance Recall Retailer inspections, and provide public outreach. However, if a Class Member seeks reimbursement for reasonable out-of-pocket costs of purchasing a replacement crankset and installing it, they must submit a claim. (Settlement Agreement § 4.3)

The Settlement provides a straight forward and simple claims process for reimbursements. In total, the instructions for completing the Claim Form are only two pages and provide a clear and methodical manner for submitting a form. (Joint Decl., Ex. E at 3–4.) A Class Member is instructed to submit a timely Claim Form by including their contact information, Designated Crankset information, and Replacement Crankset information. (Id.) The Notice also provides precisely what documentation is required for reimbursement: First, a claim form must include "documentation establishing the original retail purchase of the Designated Crankset . . . that you later replaced." (Id. at 5.) This can be evidenced by an invoice, receipt, or even photograph of the Designated Crankset showing the serial number and production code. (Id.) Second, a claimant must show "documentation establishing out-of-pocket costs associated with replacing your Designated Crankset." (Id. at 5.) This can be established by invoices, receipts, or "[o]ther documentation that clearly demonstrates payment was made for a replacement crankset and/or installation . . ., including the date of such payment." (Id.) If someone is unable to locate such documentation, they may still submit a declaration under penalty of perjury. (Id.)

Proof of out-of-pocket expenses is "a proper and effective method for processing class member claims and 'ensur[s] that it facilitates filing legitimate claims.'" See Martinelli v. Johnson & Johnson, 2022 WL 4123874, at *6 (E.D. Cal. Sept. 9, 2022) (citing Alvarez v. Sirius XM Radio Inc., 2020 WL 7314793, at *6 (C.D. Cal. July 15, 2020)). Indeed, proof of purchase is often appropriate and straightforward for tangible, higher-cost products like the cranksets at issue. See In re Volkswagen "Clean Diesel" Marketing, 2022 WL 17730381, at *6 (N.D. Cal. Nov. 9, 2022). The Court finds that the claims process is effective and fair.

iii. Receiving Payment after Claim Approval

The final interest the Court must probe is whether the Settlement Agreement provides a straightforward and fair method for distributing payment once a claim is approved. In this case, the Claim Form itself includes a payment selection provision whereby claimants can select to receive a payment via Paypal, Venmo, Zelle, or physical check. (Joint Decl., Ex. E at 5.)

Accordingly, the Court finds that the effectiveness of the proposed method of relief weighs in favor of fairness.

d. Terms of Proposed Award of Attorneys' Fees

Finally, the Court must consider "the terms of any proposed award of attorneys' fees, including timing of payment." Fed. R. Civ. P. 23(e)(2)(c). In considering the proposed award of attorneys' fees, the Court must scrutinize the Settlement for three factors that tend to show collusion: "(1) when counsel receives a disproportionate distribution of the settlement; (2) when the parties negotiate a "clear sailing arrangement," under which the defendant agrees not to challenge a request for an agreed-upon attorney's fee; and (3) when the agreement contains a "kicker" or "reverter" clause that returns unawarded fees to the defendant, rather than the class." Briseno v. ConAgra Foods, Inc., 998 F.3d 1014, 1023 (9th Cir. 2021) (internal quotation marks omitted) (citing In re Bluetooth Headset Products Liability Litigation, 654 F.3d 935, 947 (9th Cir. 2011)). The Court must consider whether these factors exist in both pre- and post-class certification settlements. Id. at 1024.

In this case, the Settlement Agreement states plainly that the Parties have not discussed the amount of attorneys' fees. (Settlement Agreement § 11.2.) Class Counsel states that they will eventually file a motion for Court-approved attorneys' fees and expenses. (Id.) Class Members will have the opportunity to review the attorneys' fees motion and submit objections prior to the Final Approval Hearing. See Fed. R. Civ. P. 23(h). Class Counsel also attest that there are no other agreements made in connection with the Settlement. (Mot. at 11.)

4. Equitable Treatment of Class Members

The final Rule 23(e)(2) factor turns on whether the proposed settlement "treats class members equitably relative to each other." Fed. R. Civ. P. 23(e)(2)(D). "Matters of concern could include whether the apportionment of relief among class members takes appropriate account of differences among their claims, and whether the scope of the release may affect class members in different ways that bear on the apportionment of relief." Fed. R. Civ. P. 23(e)(2)(D), 2018 Advisory Committee Notes.

Class Counsel argue that the recall enhancements apply uniformly across the Settlement Class, ensuring equal opportunity for inspection for all Class Members. (Mot. at 11.) Moreover, Class Counsel note that the Settlement provides all Class Members with an additional two years of warranty coverage for bonding separation and delamination on Designated Cranksets. (Id. at 12 (citing Settlement Agreement § 4.2).) The Parties do not discuss the equitable treatment of the reimbursement provision to the Settlement Agreement.

The Court finds that the Settlement Agreement properly treats Class Members equally with respect to recall enhancements, extension of warranty, and reimbursement requests. With respect to reimbursement requests, the Settlement takes into account the different possible amounts of out-of-pocket expenses by allowing flexible reimbursements contingent on sufficient evidence.

5. Conclusion as to the Fairness of Class Action

The Court finds that the proposed Settlement is fair and adequate.

B. Likely to Certify The Class

The Court must determine whether it is "likely" that it will be able to "certify the class for purposes of judgment on the proposal." Fed. R. Civ. P. 23(e)(1). Accordingly, the Court must consider the class certification standards under Rule 23, and based on those standards must "reach a tentative conclusion that it will be able to certify the class in conjunction with final approval of the settlement." Lusk v. Five Guys Enters. LLC, 2019 WL 7048791, at *5 (E.D. Cal. Dec. 23, 2019) (quoting Newberg on Class Actions § 13:18 (5th ed)).

A motion for class certification involves a two-part analysis. First, the plaintiffs must demonstrate that the proposed class satisfies the requirements of Rule 23(a): (1) the members of the proposed class must be so numerous that joinder of all claims would be impracticable; (2) there must be questions of law and fact common to the class; (3) the claims or defenses of the representative parties must be typical of the claims or defenses of absent class members; and (4) the representative parties must fairly and adequately protect the interests of the class. Fed. R. Civ. P. 23(a).

Second, the plaintiffs must meet the requirements for at least one of the three subsections of Rule 23(b). Under Rule 23(b)(1), a class may be maintained if there is either a risk of prejudice from separate actions establishing incompatible standards of conduct or judgments in individual lawsuits would adversely affect the rights of other members of the class. Under Rule 23(b)(2), a plaintiff may maintain a class where the defendant has acted in a manner applicable to the entire class, making injunctive or declaratory relief appropriate. Finally, under Rule 23(b)(3), a class may be maintained if "questions of law or fact common to class members *predominate* over any questions affecting only individual members," and if "a class action is *superior* to other available methods for fairly and efficiently adjudicating the controversy." Fed. R. Civ. P. 23(b)(3) (emphasis added).

The Plaintiffs bear the burden of demonstrating that Rule 23 is satisfied. See Zinser v. Accufix Research Inst., Inc., 253 F.3d 1180, 1186 (9th Cir. 2001), amended by 273 F.3d 1266 (2001). The district court must rigorously analyze whether the plaintiffs have met the prerequisites of Rule 23. Wal-Mart Stores, Inc. v. Dukes, 564 U.S. 338, 350 (2011) (quoting Gen. Tel. Co. v. Falcon, 457 U.S. 147, 161 (1982)). Rule 23 confers "broad discretion to determine whether a class should be certified, and to revisit that certification throughout the legal proceedings before the court." Armstrong v. Davis, 275 F.3d 849, 872 n.28 (9th Cir. 2001), abrogated on other grounds by Johnson v. California, 543 U.S. 499, 504–05 (2005). The district court need only form a "reasonable judgment" on each certification requirement "[b]ecause the early resolution of the class certification question requires some degree of speculation." Gable v. Land Rover N. Am., Inc., No. SACV 07-0376 AG (RNBx), 2011 U.S. Dist. LEXIS 90774, at *8 (C.D. Cal. July 25, 2011) (internal quotation marks omitted); see also Blackie v. Barrack, 524 F.2d 891, 901 n.17 (9th Cir. 1975). This may require the court to "'probe behind the pleadings before coming to rest on the certification question,'" and the court "'*must* consider the merits' if they overlap with Rule 23(a)'s requirements." Wang v.

Chinese Daily News, 709 F.3d 829, 834 (9th Cir. 2013) (quoting Dukes, 564 U.S. at 351; Ellis v. Costco Wholesale Corp., 657 F.3d 970, 983 (9th Cir. 2011)).

1. Rule 23(a) Prerequisites

a. Numerosity

Rule 23(a)(1) requires that a class be sufficiently numerous such that it would be impracticable to join all members individually. In determining whether a proposed class is sufficiently numerous to sustain a class action, the court must examine the specific facts because the numerosity requirement "imposes no absolute limitations." Gen. Tel. Co. of the Nw. v. EEOC, 446 U.S. 318, 330 (1980). While there is no exact cut-off, courts generally find that the numerosity requirement is satisfied when a class includes at least 40 members. Rannis v. Recchia, 380 Fed. App'x 646, 651 (9th Cir. 2010); Mild v. PPG Indus., 2019 U.S. Dist. LEXIS 1244352, at *4 (C.D. Cal. Jul. 25, 2019) (citing Consol. Rail Corp. v. Town of Hyde Park, 47 F.3d 473, 483 (2d Cir. 1995)). "[A] reasonable estimate of the number of purported class members satisfies the numerosity requirement." In re Badger Mountain Irrigation Dist. Sec. Litig., 143 F.R.D. 693, 696 (W.D. Wash. 1992).

In this case, the Settlement Class includes all Persons (except Excluded Persons) who purchased or otherwise received or owned a Designated Crankset in the United States, other than for resale. (Settlement Agreement § 3.1.) Shimano estimates that approximately 680,000 Designated Cranksets were sold nationwide. (Settlement Agreement § 1.1.) While this number does not constitute the precise number of Class Members,[2] this number is sufficiently numerous such that joinder is impracticable. See Villalpando v. Exel Direct, Inc., 303 F.R.D. 588, 605–06 (N.D. Cal. 2014) ("[C]ourts have routinely found the numerosity requirement satisfied when the class comprises 40 or more members."); In re Silver Wheaton Corp. Sec. Litig., 2017 WL 2039171, at *6 (C.D. Cal. 2017) ("Where the exact size of the class is unknown, but general knowledge and common sense indicate that it is large, the numerosity requirement is satisfied.") (internal quotation and citations omitted).

[2]For instance, if a single individual purchased multiple Designated Cranksets.

b. Commonality

Rule 23(a)(2) requires that questions of law or fact be common to the class. "The existence of shared legal issues with divergent factual predicates is sufficient, as is a common core of salient facts coupled with disparate legal remedies within the class." Hanlon v. Chrysler Corp., 150 F.3d 1011, 1019 (9th Cir. 1998). A common question "must be of such a nature that it is capable of classwide resolution—means that the determination of its truth or falsity will resolve an issue that is central to the validity of each of the claims in one stroke." Dukes, 564 U.S. at 350. As the Ninth Circuit explained in Wang, 709 F.3d at 834, there must be at least "a single common question" to satisfy the commonality requirement set forth in Rule 23(a)(2).

Here, the Class Members' claims depend on the same common issues, including: (1) whether the Designated Cranksets suffer from a material defect; (2) whether Defendants knew of the defect and failed to disclose it; and (3) whether this conduct violated various state consumer protection and warranty laws. Because these questions turn on the same alleged conduct by Defendants and "drive the resolution of the litigation," the Court concludes that the commonality prong is tentatively satisfied. See Dukes, 564 U.S. at 350.

c. Typicality

Rule 23(a)(3) requires that "the claims or defenses of the representative parties are typical of the claims or defenses of the class." To meet the typicality requirement, the plaintiffs must show that: (1) "other members have the same or similar injury"; (2) "the action is based on conduct which is not unique to the named plaintiffs"; and (3) "other class members have been injured by the same course of conduct." Ellis v. Costco Wholesale Corp., 657 F.3d 970, 984 (9th Cir. 2011). "Under the rule's permissive standards, "representative claims are 'typical' if they are reasonably co-extensive with those of absent class members; they need not be substantially identical." Hanlon, 150 F.3d at 1020. Plaintiffs can satisfy their burden through pleadings, affidavits, or other evidence. See Lewis v. First Am. Title Ins. Co., 265 F.R.D. 536, 556 (D. Idaho 2010).

In this case, the putative Class Members purchased a Designated Crankset, or a bicycle equipped with a Designated Crankset, and allege that they were misled by Defendants. (SACC.) While each Class Member may and will likely have factual

differences in their case due to the nature of purchasing different bicycles, the Named Plaintiffs and absent Class Members ultimately suffered the same injury: they purchased a Designated Crankset based on Defendants representations. Thus, the claims are sufficiently coextensive and the typicality prong is satisfied at this stage.

d. Fair and Adequate Representation

Rule 23(a)(4) requires that the representative party "fairly and adequately protect the interests of the class." Fed. R. Civ. P. 23(a)(4). "This requirement is grounded in constitutional due process concerns: 'absent class members must be afforded adequate representation before entry of a judgment which binds them.'" Evans v. IAC/Interactive Corp., 244 F.R.D. 568, 577 (C.D. Cal. 2007) (quoting Hanlon, 150 F.3d at 1020). Representation is adequate if (1) the named plaintiffs and their counsel are able to prosecute the action vigorously and (2) the named plaintiffs do not have conflicting interests with the unnamed class members; and (3) the attorney representing the class is qualified and competent. Lerwill v. Inflight Motion Pictures, Inc., 582 F.2d 507, 512 (9th Cir. 1978).

As the Court found above, the Plaintiffs and Class Counsel are able to prosecute the action vigorously and have zealously advocated for their clients through two rounds of motions to dismiss, early discovery, and six months of negotiations. Moreover, the Court has already determined that Class Counsel are qualified and competent in this matter. (See Dkt. No. 46 (discussing the qualifications of the individual Interim Class Counsel leaders).) The Parties further attest that there are no conflicts with Class Representatives or Class Members. (Dkt. No. 131.) Accordingly, the representation is fair and adequate.

2. Rule 23(b)(3)

"Subdivision (b)(3) encompasses those cases in which a class action would achieve economies of time, effort, and expense, and promote uniformity of decision as to persons similarly situated, without sacrificing procedural fairness or bringing about other undesirable results." Kamm v. Cal. City Dev. Co., 509 F.2d 205, 211 (9th Cir. 1975). A class may be certified under this subdivision where common questions of law and fact predominate over questions affecting individual members, and where a class action is superior to other means to adjudicate the controversy. Fed. R. Civ. Proc. 23(b)(3).

a. Predominance

"The Rule 23(b)(3) predominance inquiry tests whether proposed classes are sufficiently cohesive to warrant adjudication by representation." Amchem Prods., Inc. v. Windsor, 521 U.S. 591, 623 (1997) (citation omitted). "[I]n deciding whether to certify a settlement-only class, 'a district court need not inquire whether the case, if tried, would present intractable management problems.'" In re Hyundai and Kia Fuel Economy Litigation, 926 F.3d 539, 558 (9th Cir. 2019) (citing Amchem, 521 U.S. at 620). Because there is a heightened risk of collusion during settlement, "the aspects of Rule 23(a) and (b) that are important to certifying a settlement class are 'those designed to protect absentees by blocking unwarranted or overbroad class definitions.'" Id. (citing Amchem, 521 U.S. at 620). "A class that is certifiable for settlement may not be certifiable for litigation if the settlement obviates the need to litigate individualized issues that would make a trial unmanageable." Id.

In this case, there are multiple common issues that exist. For instance, as noted above, the Class Members' claims depend on the same common issues, including: (1) whether the Designated Cranksets suffer from a material defect; (2) whether Defendants knew of the defect and failed to disclose it; and (3) whether this conduct violated various state consumer protection and warranty laws. Each of these issues relies on evidence that is largely common to all Class Members. While some issues may be specific to certain individuals, the common questions in this case "are more prevalent or important than the non-common, aggregation-defeating, individual issues." Tyson Foods, Inc. v. Bouaphakeo, 577 U.S. 442, 453 (2016).

b. Superiority

Finally, the Court considers whether a class action would be superior to individual suits. Amchem, 521 U.S. at 615. Plaintiff must demonstrate superiority under Rule 23(b0(3) by a preponderance of the evidence. See Zinser, 253 F.3d at 1186. "A class action is the superior method for managing litigation if no realistic alternative exists." Valentino v. Carter-Wallace, Inc., 97 F.3d 1227, 1234–35 (9th Cir. 1996). This superiority inquiry requires consideration of the following factors: "(a) the class members' interests in individually controlling the prosecution or defense of separate actions; (b) the extent and nature of any litigation concerning the controversy already begun by or against class members; (c) the desirability or undesirability of concentrating

the litigation of the claims in the particular forum; and (d) the likely difficulties in managing a class action." See Zinser v. Accufix Research Institute, Inc., 253 F.3d 1180, 1190 (9th Cir. 2001); Fed. R. Civ. P. 23(b)(3)(A)–(D).

The Court finds that class action, rather than individual lawsuits, is the superior vehicle for the resolution of this case. Each Plaintiff individually has a relatively small sum at stake compared to the cost of litigation. See Hanlon v. Chrysler Corp., 150 F.3d 1011, 1023 (9th Cir. 1998). Furthermore, any individual Class Member who has seeks to pursue a separate action may opt out of the Settlement. Finally, the Settlement provides a simple and straightforward way for potentially hundreds of thousands of People to meaningfully and quickly resolve their claims.

Accordingly, the Court tentatively concludes that it will be able to certify the proposed class by final approval.

C. Notice Requirements

Under Rule 23(c)(2)(B), "for any class certified under Rule 23(b)(3)—or upon ordering notice under Rule 23(e)(1) to a class proposed to be certified for purposes of settlement under Rule 23(b)(3)—the court must direct to class members the best notice that is practicable under the circumstances, including individual notice to all members who can be identified through reasonable effort." Fed. R. Civ. P. 23(c)(2)(B). Rule 23(c)(2)(B) further states that the notice may be made by one of the following: United States mail, electronic means, or another type of appropriate means. Id. "The notice must clearly and concisely state in plain, easily understood language: (i) the nature of the action; (ii) the definition of the class certified; (iii) the class claims, issues, or defenses; (iv) that a class member may enter an appearance through an attorney if the member so desires; (v) that the court will exclude from the class any member who requests exclusion; (vi) the time and manner for requesting exclusion; and (vii) the binding effect of a class judgment on members under Rule 23(c)(3)." Id.

Here, the Parties have agreed that the Settlement will be administered by Epiq. (Joint Decl. ¶ 16.) Epiq was selected after multiple bids from experienced notice administrators. (Id.) Defendants will pay the costs of the Settlement Administrator. (Settlement Agreement § 6.3.) The Parties request that the Court appoint Epiq as Settlement Administrator. The Court has no reason to conclude that Epiq cannot

adequately carry forth its obligations as Settlement Administrator. Thus, the Court conditionally appoints Epiq as the Settlement Administrator.

The Class Members will be notified of the Settlement, including opt out and objecting windows, by a Settlement Website and through a Settlement Phone Line maintained by Epiq. (Settlement Agreement § 7.1.1.) The Settlement Administrator will issue a press release to ensure dissemination of the Settlement. (Id. § 7.1.2.) Shimano will also display information about the Settlement on its websites and make frequent posts on its social media platforms. (Id. §§ 7.1.3–7.1.4.) Finally, Shimano will directly inform Recall Retailers of the Settlement. (Id. § 7.1.5.)

The Court has reviewed Exhibits C, D, and E attached to the Joint Declaration and finds that the notices comply with Rule 23(c)(2)(B). Specifically, Exhibit C provides the requisite basic information, including:

(1) Why notice is being provided
(2) What the lawsuit is about
(3) Why the lawsuit is a class action
(4) Why there is a Settlement
(5) How to know if an individual is part of the Settlement
(6) What products are included
(7) Who to call if there are questions
(8) What the Settlement provides
(9) What an individual can get from the Settlement
(10) What an individual is giving up to receive the Settlement

(Joint Decl., Ex. C at 2–6.)

The Notices also provide clear and concise directions on how to submit a Claim form, how to exclude oneself from the Settlement, how to object to the Settlement, and the difference between objecting and opting out. (Id. at 6–9.) Finally, the Claim form itself provides notice on how to properly and timely file a Claim under the Settlement. (Id. Ex. E at 2–4.)

Accordingly, the Court finds that the proposed notice meets the requirements of Rule 23(c)(2)(B).

D. Scheduling

The Court adopts the following schedule, as reflected in Dkt. No. 133:

DATE/DEADLINE:	**EVENT:**
August 25, 2025	Settlement Class Notice Program Begins
November 18, 2025	Motion for Final Approval and Award of Attorneys' Fees, Expenses, and Service Awards
December 29, 2025	Objection/Exclusion Deadline
Within 5 days after the Objection/Exclusion Deadline	Settlement Administrator Provides a list of all persons who submitted valid Requests for Exclusion to Defense and Interim Class Counsel
January 19, 2026	Reply Memoranda in Support of Final Approval and Fee/Expense Motion and Response to Objections, if any
February 2, 2026	Final Approval Hearing
August 4, 2026	Settlement Class Members submit reimbursement claims for replacement cranksets

IV. CONCLUSION

For the foregoing reasons, the Court **GRANTS** the motion.

IT IS SO ORDERED.