

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA**

LORISA PINEDA, individually and on behalf of
all others similarly situated,

Plaintiff,

v.

LAKE CONSUMER PRODUCTS, INC.,

Defendant

Case No. 24-cv-1074

PRELIMINARY APPROVAL ORDER

Plaintiffs Lorisa Pineda (“Plaintiff”), individually and on behalf of the proposed Settlement Class,¹ seeks preliminary approval of a proposed Settlement of claims against Defendant Lake Consumer Products, Inc. (“Defendant”). For the reasons set forth herein, the Court GRANTS preliminary approval and GRANTS preliminary certification of the Settlement Class for settlement purposes only.

I. BACKGROUND

Plaintiff initiated this lawsuit on March 12, 2024, on behalf of themselves and a class of persons who purchased Defendant’s Products, including without limitation MG217 Psoriasis Extra Strength Shampoo, MG217 Psoriasis Medicated Conditioning 3% Coal Tar Shampoo, and MG217 Dandruff Therapeutic Shampoo. Plaintiff generally alleges that Lake did not properly manufacture the Products in accordance with current Good Manufacturing Practices (“cGMPs”)

¹ Unless otherwise specifically defined herein, all capitalized terms have the same meanings as those set forth in the parties’ Settlement Agreement.

and industry practice as to the levels of benzene present in the Products. Plaintiff, through the Action, seeks to represent a nationwide class of consumers and alleges claims for: (1) breach of express warranty; (2) breach of implied warranty; (3) fraud (affirmative misrepresentation, omission, and concealment); (4) negligent misrepresentation and omission; (5) violation of consumer protection law; (6) negligence; and (7) unjust enrichment.

The Parties conducted an investigation of the facts and analyzed relevant legal issues regarding the claims asserted in the Action. The Parties have exchanged documents, information, and written disclosures.

The Parties engaged in arm's length negotiations, including with and through a neutral mediator, the Hon. Joel Schneider (Ret.), former United States Magistrate Judge for the District of New Jersey. As a result of these efforts, the Parties reached a resolution reflected in the Settlement Agreement currently before the Court.

Having read the papers filed and reviewed the materials submitted, the Court finds that the proposed Settlement is fair, reasonable, and adequate. The Court finds as follows:

II. SETTLEMENT TERMS

A. The Proposed Settlement Class

The Settlement Agreement contemplates certification of the following Settlement Class for settlement purposes only: all persons in the United States or its territories who purchased any of the Products for personal, family or household purposes between January 1, 2021 and the date on which Plaintiff filed a motion seeking preliminary approval of the Settlement excluding (a) any individuals who have pending litigation against Lake; (b) any Settlement Class Members who file a timely request for exclusion; (c) any current officers, directors, or shareholders of Lake; (d) any legal counsel or employee of legal counsel for Lake; (e) any federal, state, or local government

entities; and (f) any judicial officers presiding over the Action and the members of their immediate family and judicial staff.

The Settlement Agreement, if approved, will create a non-reversionary Cash Settlement Fund of \$700,000 and a Non-Monetary Fund of \$500,000 in Vouchers, for a total Settlement Benefit of \$1,200,000, to resolve the claims of Plaintiff and all Settlement Class Members against Defendant, and would end this Action. The Cash Settlement Fund will provide direct cash payments to Settlement Class Members who do not exclude themselves from the Settlement, as well as pay the costs of settlement notice and administration, Plaintiff's Counsel's Fees and Expenses, and any Class Representative Service Payment that the Court may approve.

B. Settlement Administrator and Administration Costs

The proposed Settlement Administrator is Fidexis, LLC, a reputable class action administration firm in the United States. The administrative costs of the Settlement will be paid from the Cash Settlement Fund.

C. Class Member Release

Upon the Effective Date, and in consideration for the cash payments, vouchers, and other promises contained in the Settlement Agreement, each Settlement Class Member who does not timely opt-out of the Settlement shall release the Released Parties from claims arising out of or relating to those alleged in this Action, according to the form of Release contained in the Settlement Agreement.

D. Proposed Notice and Claims Program

The proposed Class Notice as provided in the Settlement Agreement consists of direct email notice to Settlement Class Members whose contact information is reasonably attainable by the Settlement Administrator. The Settlement Administrator also will initiate a reasonably

tailored Internet Notice campaign. A Settlement Website will allow Settlement Class Members to view and download the Long Form Notice and other enumerated case documents, including a Claim Form that allows a Settlement Class Member to modify their contact information or to elect the form of payment. Defendant's Counsel and the Settlement Administrator will also ensure that the necessary and timely notice is provided to any state or federal officers as required by the Class Action Fairness Act, 28 U.S.C. § 1715.

E. Requests for Exclusion and Objections

The Class Notice will advise Settlement Class Members of their right to exclude themselves from the Settlement or to object to the Settlement and/or to Class Counsel's application for attorneys' fees and costs, and/or to any requested Class Representative Service Payment.

Settlement Class Members who choose to exclude themselves must follow the procedures set forth in the Settlement Agreement. Any Settlement Class Member who does not submit a request to exclude per the deadlines and other requirements set forth in the Settlement Agreement and herein will be bound by the Settlement absent a court order to the contrary.

Settlement Class Members who have not submitted a timely written exclusion request and who wish to object to the fairness, reasonableness, or adequacy of the Settlement Agreement, may elect to object to the Settlement Agreement by following the deadlines and other requirements for written objections as set forth in the Settlement Agreement and herein.

F. Attorneys' Fees and Expenses and Class Representative Service Payment

The Settlement Agreement contemplates Class Counsel petitioning the Court for attorneys' fees, as well as reasonable expenses incurred by Class Counsel. The Parties have not discussed, nor agreed to, any particular amount of Plaintiffs' Counsel's Fees, but Plaintiffs' Counsel do not

currently intend to seek an amount of attorneys' fees exceeding one-third of the Settlement Benefit, in addition to expenses. Any approved fees and expenses will be paid from the Cash Settlement Fund prior to distribution to the Settlement Class Members. Class Counsel may also petition the Court for up to \$10,000 for the Class Representative as a Class Representative Service Payment to compensate for such person's time and effort in the Action. Any approved payment will be deducted from the Cash Settlement Fund prior to distribution to the Settlement Class Members.

Neither final approval, nor the size of the Cash Settlement Fund, are contingent upon approval of the full amount of requested Plaintiff's Counsel's Fees and Expenses or the Class Representative Service Payment.

III. FINDINGS AND ORDERS

A. The Settlement Agreement Warrants Preliminary Approval

The Court finds, on a preliminary basis, that the Settlement Agreement is within the range of reasonableness of a settlement that could ultimately be given final approval by this Court. The Court has reviewed the terms of the Settlement and preliminarily finds the Settlement to be fair, reasonable, and adequate. The Court further finds that the Settlement Agreement substantially fulfills the purposes and objectives of the class action, and provides substantial relief to the Settlement Class without the risks, burdens, costs, or delay associated with continued litigation, trial, and/or appeal. The Court also finds that the Settlement Agreement: (a) is the result of arm's-length negotiations between experienced class action attorneys; (b) is sufficient to warrant notice of the Settlement and the Fairness Hearing to be disseminated to the Settlement Class; and (c) meets all applicable requirements of law, including Federal Rule of Civil Procedure 23 and the Class Action Fairness Act, 28 U.S.C. § 1715, and the United States Constitution.

B. Certification For Settlement Purposes Is Appropriate

On a motion for preliminary approval, the parties must also show that the Court “will likely be able to . . . certify the class for purposes of judgment on the proposal.” Fed. R. Civ. P. 23(c)(1). The Court finds for purposes of settlement only that the Settlement Class meets all the requirements of Fed. R. Civ. P. 23(a) and (b)(3) and (g). This includes appointment of Lorisa Pineda as the Class Representatives, and Ruben Honik and David J. Stanoch of Honik LLC and Conlee S. Whiteley of Kanner & Whiteley LLC as Class Counsel, as each of the foregoing satisfies Fed. R. Civ. P. 23(a)(4) and (g), as applicable.

C. The Settlement Administrator and Notice Plan Is Approved

Due process under Fed. R. Civ. P. 23 requires that class members receive notice of the Settlement and an opportunity to be heard and participate in the litigation. *See* Fed. R. Civ. P. 23(c)(2)(B). The Court finds that the proposed Class Notice plan in the Settlement Agreement, which consists of direct Email Notice, Internet Notice, and a Settlement Website, comports with due process, Rule 23, and all other applicable laws. The proposed Settlement Administrator also appears to be appropriately qualified and is hereby approved to serve as Settlement Administrator.

IV. SCHEDULE AND PROCEDURES

The Court orders the following schedule and procedures for disseminating the Class Notice, requesting exclusion from the Settlement Class, objecting to the Settlement, filing the motion for the Plaintiffs Counsel’s Fees and Expenses and the Class Representative Service Payments, filing the Motion for Final Approval, and submitting Claims:

Event	Dates
Settlement Administrator serves CAFA notices (<i>see</i> Settlement § 9.3)	10 calendar days after filing of Motion for Preliminary Approval
Deadline for Defendant to pay estimated notice costs in the amount of \$100,000.00 to Settlement Administrator (<i>id.</i> § 3.2)	10 bank days after Preliminary Approval Order
Notice Period begins – Settlement Administrator launches Settlement Website, issues Email Notice, initiates Internet Notice (<i>id.</i> §§ 1.22, 9.2)	20 calendar days after Preliminary Approval Order
Deadline for Plaintiffs’ Counsel’s Motion for Attorneys’ Fees, Costs, and Class Representative Service Payments (<i>id.</i> § 4.1)	40 calendar days after Preliminary Approval Order
Deadline for Settlement Administrator to post on Settlement Website the Plaintiffs’ Counsel’s Motion for Attorneys’ Fees, Costs, and Class Representative Service Payments (<i>id.</i> § 9.2)	45 calendar days after Preliminary Approval Order
Claim, Exclusion, and Objection Deadlines (<i>id.</i> §§ 1.4 1.15, 1.22, 1.23)	60 calendar days after Preliminary Approval Order
Settlement Administrator provides Parties’ counsel with list of exclusion requests and objections, and claims metrics (<i>id.</i> § 7.3)	65 calendar days after Preliminary Approval Order
Fairness Hearing	At least 75 days after Preliminary Approval Order

V. FAIRNESS HEARING

The Fairness Hearing shall be held before this Court on August 24, 2026, at 11:00 a.m. in the courtroom in Easton, PA to determine (a) whether the proposed Settlement Agreement is fair, reasonable, and adequate and should be given final approval by the Court;

(b) whether the Final Approval Order dismissing the Action with prejudice should be entered;

(c) whether to approve payment of Plaintiff’s Counsel’s Attorneys’ Fees and Expenses; and (d) whether to approve payment of the Class Representative Service Payment for Plaintiff as

requested by Class Counsel.

VI. OTHER PROVISIONS

Class Counsel and Defense Counsel are authorized to take, without further Court approval, all necessary and appropriate steps to implement the Settlement, including the proposed Class Notice plan provided in the Settlement Agreement. The deadlines set forth in this Order may be extended by Order of the Court without further notice to Settlement Class Members, except that notice shall be posted on the Settlement Website. Settlement Class Members should check the Settlement Website regularly for updates and further details regarding the deadlines. Exclusions and objections must meet the deadlines and follow the requirements set forth in the approved Class Notice to be valid, although the Court will accept exclusions and objections deemed to be in substantial compliance.

If for any reason the Court does not execute and file an Order of Final Approval, or if the Effective Date does not occur for any reason, the Parties will be restored to the *status quo ante* as set forth more specifically in the Settlement Agreement.

VII. CONCLUSION

Accordingly, the Court having considered the Motion for Preliminary Approval of Class Action Settlement and Provisional Certification of the Settlement Class, it is hereby **ORDERED** that:

1. The Motion is **GRANTED**;
2. The proposed Settlement Class is certified for settlement purposes only pursuant to Rules 23(a) and 23(b)(3) and (g) of the Federal Rules of Civil Procedure;
3. Plaintiff Lorisa Pineda is appointed as Class Representatives;
4. Ruben Honik and David J. Stanoch of Honik LLC, and Conlee S. Whiteley of

Kanner & Whiteley LLC, are appointed as Class Counsel;

5. Fidexis, LLC is approved as Settlement Administrator; and

6. The proposed Class Notice plan complies with the requirements of Rule 23 and Due Process, and Class Notice is to be sent to the Settlement Class Members as set forth in the Settlement Agreement and pursuant to the deadlines above.

IT IS SO ORDERED, this 25th day of June, 2026

/s/ Catherine Henry

CATHERINE HENRY, J.