

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF IOWA
WESTERN DIVISION**

KATRINA MCALISTER, on behalf of
herself and all others similarly situated,

Plaintiff,

vs.

SCHUSTER COMPANY,

Defendant.

No. 25-CV-4015-CJW-KEM

PRELIMINARY APPROVAL ORDER

Plaintiff's unopposed motion for preliminary approval of class action settlement is before the Court. (Doc. 24). Plaintiff requests the Court grant preliminary approval of the parties' settlement agreement, preliminarily certify a settlement class, appoint Katrina McAlister and Darren Lovingood as class representatives, appoint Strauss Borrelli PLLC as class counsel, approve the notice program in the settlement agreement, appoint Simpluris as the settlement administrator, approve the form and content of the short form notice, long form notice, and claim form, and schedule a final fairness hearing to consider final approval of the settlement, final certification of the class, and requests for attorney fees, costs, and service awards. (*Id.*, at 1).

For the reasons stated in the motion and related brief, (Doc. 25), and as stated below, the Court **grants** plaintiff's motion and all requested relief.

The settlement agreement includes the following definition for Settlement Class:

all individuals residing in the United States whose Personal Information was compromised in the Data Incident, including all individuals who received notice of the Data Incident. All members of the Settlement Class that do not opt-out of the settlement shall be referred to as Settlement Class Members. The Settlement Class specifically excludes: (i) Schuster, and its officers and directors; (ii) all Settlement Class Members who timely and

validly request exclusion from the Settlement Class; (iii) the presiding judge, and his or her staff and family; and (iv) any other Person found by a court of competent jurisdiction to be guilty under criminal law of initiating, causing, aiding or abetting the criminal activity occurrence of the Data Incident or who pleads *nolo contendere* to any such charge.

(Doc. 25-1, at 7). The “settlement benefits” as they are called in the agreement potentially provide several relief options for class members. Class members have the option to receive two years of credit monitoring services. (Doc. 25-1, at 8). Class members also will have several options of cash payments depending on their out of pocket losses, lost time, or an alternative cash payment. (*Id.*, at 8–10).

Under Federal Rule of Civil Procedure 23(e), the claims of a class proposed to be certified for the purposes of settlement may be settled only with the court’s approval. The first issue under Rule 23(e) is whether to direct notice to the proposed class.

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 proposal under Rule 23(e)(2); and
- (ii) certify the class for purposes of judgment on the proposal.

Fed. R. Civ. P. 23(e)(1). The Court finds it will likely be able to certify the class for purposes of judgment on the proposal. For the reasons stated in plaintiff’s brief, the Court finds it is likely that each of the necessary elements for certifying a class in Rule 23(a) are present here: numerosity, commonality, typicality, and adequacy. Also, for the reasons stated in plaintiff’s brief, the Court finds it is likely that both the predominance and superiority elements of Rule 23(b)(3) are satisfied here. Thus, the Court finds it will likely be able to certify the class.

The Court will also likely be able to approve the proposal under Rule 23(e)(2), under which a court may only approve a class settlement if the court finds the settlement fair, reasonable, and adequate after considering several factors. The Court finds it is

likely: the class representatives and class counsel have adequately represented the class; the proposal was negotiated at arm's length; the relief provided for the class is or will be adequate; and the proposal treats class members equitably relative to each other. *See* Fed. R. Civ. P. 23(e)(2).

Also, in determining whether the settlement is fair, reasonable, and adequate, courts must consider four factors: “(1) the merits of the plaintiff’s case weighed against the terms of the settlement, (2) the defendant’s financial condition, (3) the complexity and expense of further litigation, and (4) the amount of opposition to the settlement.” *Marshall v. Nat’l Football League*, 787 F.3d 502, 508 (8th Cir. 2015). The Court finds the factors generally weigh in favor of preliminary approval here, especially the first and third factors. The second and fourth factors are neutral at this stage—the parties do not discuss defendant’s financial condition, and, of course, the parties settled, so they are not going to be those who might oppose the settlement, which would conceivably come later from any objecting class members. There is enough here to preliminarily approve the settlement at the notice stage.

Thus, the Court will direct notice to all class members under Rule 23(e)(1).

The parties list the named plaintiff, Katrina McAlister, as well as Darren Lovingood as class representatives. The Court took both McAlister and Lovingood into account above when considering whether the class representatives have or will likely adequately represent the class. McAlister and Lovingood are both listed as class representatives in the settlement agreement. (Doc. 25-1, at 2). The parties request the Court appoint McAlister and Lovingood as class representatives. (Docs. 24, at 1; 24-1, at 3; & 25, at 5–6). It is unclear whether this step needs to be taken—it does not appear that the Court needs to appoint class representatives under Rule 23. To the extent necessary, the Court at least does not object to McAlister and Lovingood as class

representatives. It does not appear the Court needs to affirmatively appoint them as class representatives, though.

The Court finds Strauss Borrelli PLLC should be appointed as class counsel under Rule 23(g) for the reasons stated in plaintiff's brief.

The Court appoints Simpluris as the settlement administrator, with responsibility for class notice and settlement administration, who will perform the tasks required in the settlement agreement, and who will be paid as specified in the settlement agreement.

The Court finds the proposed form, content, and method of giving notice to the settlement class, described in the settlement agreement, meets all the requirements of Federal Rule of Civil Procedure 23(c)(2). The Court therefore approves the proposed notice program described in the settlement agreement and notice and claim form attached to the settlement agreement. The settlement administrator is directed to carry out the notice program in conformance with the settlement agreement.

Any Settlement Class Member who wishes to be excluded (i.e., "opt-out") from the Settlement Class must individually sign and timely submit an opt-out request in the manner provided in the Settlement Agreement. The written request must clearly manifest a person's intent to be excluded from the Settlement Class, as set forth in the Settlement Agreement, and must be submitted individually, i.e., one request is required for every Settlement Class Member seeking exclusion. To be effective, such requests for exclusion must be postmarked no later than the Opt-Out Deadline. If a Final Approval Order and Judgment is entered, all Persons falling within the definition of the Settlement Class who do not timely and validly request to be excluded from the Settlement Class shall be bound by the terms of this Settlement Agreement and the Final Approval Order and Judgment. All Persons who submit valid and timely requests to be excluded from the Settlement Class shall not receive any cash benefits of and/or be bound by the terms of the Settlement Agreement.

A Settlement Class Member desiring to object to the Settlement Agreement may submit a timely written objection by the Objection Deadline in the manner provided in the Settlement Agreement. The Notice shall advise Settlement Class Members of the deadline for submission of any objections—the “Objection Deadline.” Any such objections to the Settlement Agreement must be written and must include all the information required by the Settlement Agreement.

Class Counsel and defendant have created a process for Settlement Class Members to claim benefits under the Settlement. The Court preliminarily approves this process and directs the Settlement Administrator to make the Claim Form or its substantial equivalent available to Settlement Class Members in the manner specified in the Notice. The Settlement Administrator will be responsible for effectuating the claims process. Settlement Class Members who qualify for and wish to submit a Claim Form must do so in accordance with the requirement and procedures specified in the Notice and the Claim Form. If the Final Order and Judgment is entered, all Settlement Class Members who qualify for any benefit under the Settlement but fail to submit a claim in accordance with the requirements and procedures specified in the Notice and the Claim Form shall be forever barred from receiving any such benefit, but will in all other respects be subject to and bound by the provisions in the Final Order and Judgment, including the releases contained therein.

All proceedings in the Action, other than those related to approval of the Settlement Agreement, are hereby stayed.

The Court orders the following deadlines apply:

Event	Deadline
Defendant provides class list to the Settlement Administrator	Within ten (10) days of the entry of the Preliminary Approval Order
Notice Date	Thirty (30) days after entry of the Preliminary Approval Order
Reminder Notice	No later than fourteen (14) days before the Claims Deadline.
Plaintiff's Motion for Final Approval and Attorney Fees, Costs, and Service Awards	No later than forty-five (45) days before the Final Approval Hearing.
Objection Deadline	Sixty (60) days after the Notice Deadline
Opt-Out Deadline	Sixty (60) days after the Notice Deadline
Claims Deadline	Ninety (90) days after the Notice Deadline.
Final Approval Hearing	No earlier than one hundred and twenty (120) days after entry of the Preliminary Approval Order

The Court will hold a final approval hearing on **Monday, September 28, 2026, at 1:30 p.m.**; Courtroom 1, United States Courthouse, 111 Seventh Avenue SE, Cedar Rapids, Iowa. If any party wishes to appear remotely, that party is directed to contact Chambers' staff at [Sali vanweelden@iand.uscourts.gov](mailto:Sali_vanweelden@iand.uscourts.gov)

IT IS SO ORDERED this 15th day of May, 2026.



C.J. Williams, Chief Judge
United States District Court
Northern District of Iowa