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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

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SHASTA LINEN SUPPLY, INC., on
behalf of itself and all others
similarly situated,

Plaintiff,

v.

APPLIED UNDERWRITERS, INC.;
APPLIED UNDERWRITERS CAPTIVE
RISK ASSURANCE COMPANY, INC.;
CALIFORNIA INSURANCE COMPANY;
and APPLIED RISK SERVICES,
INC.,

Defendants.

No. 2:16-cv-158 WBS AC

PET FOOD EXPRESS LTD, and ALPHA
POLISHING, INC. d/b/a GENERAL
PLATING CO., on behalf of
themselves and all others
similarly situated,

Plaintiffs,

v.

APPLIED UNERWRITERS, INC.;
APPLIED UNDERWRITERS CAPTIVE
RISK ASSURANCE COMPANY, INC.;
CALIFORNIA INSURANCE COMPANY,

No. 2:16-cv-1211 WBS AC

MEMORANDUM AND ORDER

1 INC., and APPLIED RISK
2 SERVICES, INC.,

3 Defendants.

4 -----oo0oo-----

5 Plaintiffs Shasta Linen Supply, ("Shasta"); Pet Food
6 Express, Ltd. ("Pet Food"); and Alpha Polishing initiated these
7 actions against Applied Underwriters, Inc. ("Applied"); Applied
8 Underwriters Captive Risk Assurance, Inc. ("AUCRA"); Applied Risk
9 Services, Inc. ("ARS") and California Insurance Company, Inc.
10 ("CIC"), alleging that defendants fraudulently marketed and sold
11 workers' compensation insurance to California employers in
12 violation of state and federal law. Before the court is
13 plaintiffs' Motion for Class Certification. (Shasta Docket No.
14 93; Pet Food Docket No. 101.) Defendants have also filed a
15 Motion to Strike Plaintiffs' Reply Memorandum. (Shasta Docket
16 No. 111; Pet Food Docket No. 112.) Both plaintiffs and
17 defendants Request to Seal Documents and Redact Filings related
18 to the Motion for Class Certification. (Shasta Docket Nos. 95,
19 100, 106 & 110; Pet Food Docket Nos. 103, 107 & 111.)

20 I. Factual and Procedural Background

21 California requires that all employers purchase
22 workers' compensation insurance coverage for employees that
23 suffer injury due to an occupational accident. (Shasta Second
24 Amended Compl. ("SSAC") ¶ 3 (Shasta Docket No. 56); Pet Food
25 Amended Compl. ("PFAC") ¶ 3 (Pet Food Docket No. 54).) The
26 California Insurance Code also requires that all workers'
27 compensation insurance policy forms, rates, and rating plans be
28

1 filed for approval with the California Workers Compensation
2 Insurance Rating Bureau ("the Bureau") and approved by the
3 California Department of Insurance. (SSAC ¶ 22; PFAC ¶ 23; see
4 also California Insurance Code §§ 11658, 11735.)

5 Defendants allegedly marketed and sold a workers'
6 compensation program under the names EquityComp and SolutionOne
7 (collectively "the program") to plaintiffs and other California
8 employers. (SSAC ¶ 29; PFAC ¶ 30.) Defendants filed this policy
9 with the Bureau and received approval from the Department of
10 Insurance (SSAC ¶ 30; PFAC ¶ 31.) After the program's policies
11 took effect for the plaintiffs, defendants allegedly required
12 plaintiffs to sign a Reinsurance Participation Agreement ("RPA").
13 (SSAC ¶¶ 28, 43; PFAC ¶¶ 29, 44.)

14 Plaintiffs allege that the RPA modified the terms of
15 the existing insurance policies, including the rates, causing
16 plaintiffs to incur significantly higher costs for the program
17 than defendants had marketed. (SSAC ¶ 87; PFAC ¶ 91.)
18 Plaintiffs contend that defendants used the RPA to charge
19 excessive rates and additional fees to the program participants.
20 Plaintiffs further allege that defendants deliberately
21 misrepresented the costs of the program in their marketing
22 materials to induce plaintiffs to rely on those costs and
23 purchase the program. (SSAC ¶¶ 2, 5, 7; PFAC ¶¶ 2, 5, 7.)

24 On August 29, 2014, Shasta filed an administrative
25 appeal with the California Department of Insurance, challenging,
26 among other things, the legality of the RPA. (SSAC ¶ 8, Ex. A,
27 Comm'r's Order.) Shasta argued that the RPA was void as a matter
28 of law because defendants did not file the RPA with the

1 Commissioner of the California Department of Insurance (“the
2 Commissioner”) thirty days prior to when it was to take effect,
3 as required by California Insurance Code § 11735. (Id. at 2.)

4 On January 26, 2016, Shasta brought an action in this
5 court alleging fraud and unfair competition against defendants
6 for their marketing and sale of the program and RPA. (Shasta
7 Compl. (Shasta Docket No. 1).) With respect to the RPA, Shasta
8 argued that the RPA was void because it violates three different
9 provisions of California law. First, Shasta maintained that
10 defendants did not comply with California Insurance Code § 11735,
11 making the same argument it did in front of the Commissioner.
12 (Id. ¶ 3.) Second, Shasta contended that defendants violated
13 California Insurance Code § 11658 by issuing a workers’
14 compensation policy that was not properly filed with the Bureau
15 and approved of by the Commissioner. (Id. ¶ 46.) Third, Shasta
16 argued that the program violated California Insurance Code § 381
17 because the unfiled RPA determined the rates of the premium.
18 (Id. ¶ 44.) Shasta further argued that billing plaintiff under
19 the void RPA constituted fraud and was an unfair business
20 practice. (Id. ¶ 4.) Defendants moved to dismiss the complaint
21 to the extent it relied on § 11735, arguing that a rate is legal
22 unless and until the Commissioner holds a hearing and disapproves
23 the rate, pursuant to § 11737. (Defs.’ June 13, 2016 Mot. to
24 Dismiss at 6 (Shasta Docket No. 17).)

25 On June 20, 2016, the court granted defendants’ motion
26 to dismiss to the extent Shasta relied on § 11735, stating that
27 “a rate that has not been filed as required by § 11735 is not an
28 unlawful rate unless and until the Commissioner conducts a

1 hearing and disapproves the rate.” (June 20, 2016 Order (“June
2 20 Order”) at 4 (Shasta Docket No. 30).) Because Shasta had not
3 alleged that the Commissioner had held a hearing and disapproved
4 the RPA, the court concluded that plaintiff did not plausibly
5 allege that the RPA was void. (Id.)

6 On the same day as the court’s order of dismissal, the
7 Commissioner issued a Decision and Order in Shasta’s
8 administrative case, holding that the RPA must be filed and
9 approved by the Commissioner pursuant to § 11735 before use.
10 (SSAC ¶ 8, Ex. A, Comm’r’s Order.) Because defendants did not
11 file the RPA before it took effect, the Commissioner stated, the
12 “RPA is void as a matter of law.” (Id.) Based on the
13 Commissioner’s Order, Shasta filed a motion for reconsideration
14 of the June 20 Order granting the motion to dismiss. (Shasta
15 Docket No. 33.) The court denied Shasta’s motion for
16 reconsideration, holding that the Commissioner’s Order did not
17 control this court and that the court’s previous June 20 Order
18 was not clearly erroneous. (Mem. and Order Re: Mot. for Recons.
19 (Shasta Docket No. 47).)

20 Pet Food filed a separate class action against
21 defendants in state court asserting claims for unfair
22 competition, rescission, declaratory relief, and fraud. The
23 action was removed to federal court on March 29, 2016. (Pet Food
24 Docket No. 1.) Defendants, as they had in the Shasta case, moved
25 to dismiss the Pet Food complaint to the extent it sought to
26 invalidate the RPA because it is an unfiled rate or rating plan
27 in violation of § 11735. (Pet Food Docket No. 15.) The court
28 denied defendants’ motion to dismiss as moot because Pet Food’s

1 complaint did not rely on § 11735. (Order Re: Mot. to Dismiss
2 (Pet Food Docket No. 35).)

3 On June 21, 2017, plaintiffs in both actions filed
4 amended complaints that are nearly identical. The complaints
5 asserted claims under the federal Racketeer Influenced and
6 Corrupt Organizations ("RICO") Act, 18 U.S.C. § 1962; under the
7 California Unfair Competition Law ("UCL"), Cal. Bus. & Prof. Code
8 § 17200¹; and for quasi-contract. On July 6, 2017, the court
9 entered an order consolidating the actions for pre-trial
10 purposes. (Shasta Docket 2:16-158 No. 59; Pet Food Docket 2:16-
11 1211 No. 58.)

12 Defendants subsequently filed a motion to dismiss.
13 (Shasta Docket No. 62; Pet Food Docket No. 61.) The court
14 granted the motion to dismiss as to plaintiffs' RICO claims and
15 as to plaintiffs' attempts to invalidate the RPA on the theory
16 that defendants violated Insurance Code § 11735. (Mem. and Order
17 Re: Defs.' Mot. to Dismiss at 24 (Shasta Docket No. 66; Pet Food
18 Docket No. 65.) With respect to plaintiffs' UCL claim based on
19 Insurance Code § 11735, the court reaffirmed its position that an
20 unfiled rate is not unlawful per se and determined that the
21 Commissioner did not conduct a formal rate disapproval hearing.
22 (Id. at 20-22.) The court denied the motion to dismiss in all
23 other respects. (Id. at 24.)

24 Now plaintiffs move to certify a class pursuant to

25 ¹ The UCL proscribes unfair competition, including any
26 unlawful, unfair, or fraudulent business practices. Plaintiffs'
27 amended complaints allege that defendants' conduct violated all
28 three prongs of the UCL. As to their theory of liability under
the unlawful prong, plaintiffs allege violations of the same
Insurance Code provisions identified above.

1 Federal Rules of Civil Procedure 23(a) and 23(b)(3) ("Rule(s)
2 23(a) and 23(b)(3)"). Plaintiffs' proposed class consists of:

3 All California participants of Defendants' EquityComp
4 or SolutionOne single risk workers' compensation
5 insurance Program from the inception of the Program to
6 the present time and who paid monies or were billed
7 and/or charged pursuant to a Reinsurance Participation
8 Agreement (the "Class").

9 Plaintiffs seek appointment of Shasta Linen Supply, Inc., Alpha
10 Polishing, Inc. D/B/A General Plating Co., and Pet Food Express
11 Ltd. as class representatives. Plaintiffs further seek
12 appointment of Berger Montague PC²; Cummings and
13 Page, LLP; Farmer Smith & Lane, LLP; and Law Offices of John
14 Douglas Moore as class counsel. Plaintiffs seek to certify all
15 their remaining claims.

16 II. Motion for Class Certification

17 A. Legal Standard

18 A class action is "an exception to the usual rule that
19 litigation is conducted by and on behalf of the individual named
20 parties only." Wal-Mart Stores, Inc. v. Dukes, 564 U.S. 338, 348
21 (2011) (internal quotation marks and citation omitted).

22 Consequently, a class action will be certified only if it meets
23 the four prerequisites identified in Rule 23(a) and fits within
24 one of the three subdivisions of Rule 23(b). Fed. R. Civ. P.
25 23(a)-(b). "Rule 23 does not set forth a mere pleading standard.

26 A party seeking class certification must affirmatively
27 demonstrate his compliance with the Rule." Dukes, 564 U.S. at

28 ² After filing this motion, plaintiffs' counsel filed a
Notice of Firm Name and Address Change (Shasta Docket No. 102;
Pet Food Docket No. 104), indicating that the firm's name changed
from "Berger & Montague, P.C." to "Berger Montague PC."

1 350. Certification is proper only if the trial court is
2 convinced, after a rigorous analysis, that the necessary
3 prerequisites have been satisfied. See id. at 350-51 (internal
4 citations omitted). The court may consider the merits of
5 plaintiffs' underlying claims only to the extent they are
6 relevant to determining whether the prerequisites for class
7 certification are satisfied. Amgen Inc. v. Conn. Ret. Plans &
8 Tr. Funds, 568 U.S. 455, 466 (2013) (citation omitted).

9 B. Superiority

10 Plaintiffs seek certification under Rule 23(b)(3),
11 which requires in part "that a class action is superior to other
12 available methods for fairly and efficiently adjudicating the
13 controversy." Fed. R. Civ. P. 23(b)(3). It sets forth four non-
14 exhaustive factors in determining "superiority": (1) the class
15 members' interests in individually controlling the litigation;
16 (2) the extent and nature of any litigation concerning the
17 controversy already begun by class members; (3) the desirability
18 of concentrating the litigation in the particular forum; and (4)
19 the likely difficulties in managing a class action. Id.
20 "Superiority must be looked at from the point of view (1) of the
21 judicial system, (2) of the potential class members, (3) of the
22 present plaintiff, (4) of the attorneys for the litigants, (5) of
23 the public at large and (6) of the defendant." Bateman v. Am.
24 Multi-Cinema, Inc., 623 F.3d 708, 713 (9th Cir. 2010) (internal
25 quotation marks and citations omitted).

26 1. Interest in Individually Controlling Litigation

27 The superiority requirement requires that a class
28 action be the most efficient and effective means of resolving the

1 controversy. Wolin v. Jaguar Land Rover N. Am., LLC, 617 F.3d
2 1168, 1175 (9th Cir. 2010). The Supreme Court and Ninth Circuit
3 have stressed that the benefits of class actions are best
4 realized where the likely recovery is too small to incentivize
5 individual lawsuits. See Amchem Prod., Inc. v. Windsor, 521 U.S.
6 591, 617 (1997) ("The policy at the very core of the class action
7 mechanism is to overcome the problem that small recoveries do not
8 provide the incentive for any individual to bring a solo action
9 prosecuting his or her rights." (quoting Mace v. Van Ru Credit
10 Corp., 109 F.3d 338, 344 (7th Cir. 1997))); see also Zinser v.
11 Accufix Research Inst., Inc., 253 F.3d 1180, 1190-91 (9th Cir.
12 2001). Accordingly, "[w]here damages suffered by each putative
13 class member are not large, this factor weighs in favor of
14 certifying a class action." Zinser, 253 F.3d at 1190.

15 Defendants state, and plaintiffs do not dispute, that
16 the individual damages at stake in this litigation are large.
17 Plaintiffs also have not put forth any evidence that any putative
18 class member would be unable to bring an action absent class
19 certification. In fact, the policies at issue are targeted at
20 large companies and these potential plaintiffs agreed to pay
21 hundreds of thousands of dollars annually in premiums. (See
22 Decl. of Glen Abramson ("Abramson Decl.") Ex. 7, In the Matter of
23 Shasta Linen Supply, Inc., California Insurance Commissioner
24 Decision & Order at 8-9 (Shasta Docket No. 94-2; Pet Food Docket
25 No. 102-3).) Furthermore, as the court explains later in this
26 Order, these putative class members have filed a substantial
27 number of actions related to this litigation and businesses are
28 the plaintiffs in every single one.

1 Therefore, contrary to plaintiffs' arguments otherwise,
2 this factor weighs against class certification. In Amchem, the
3 Supreme Court observed that in including the superiority
4 requirement the Advisory Committee was "[s]ensitive to the
5 competing tugs of individual autonomy for those who might prefer
6 to go it alone or in a smaller unit, on the one hand, and
7 systemic efficiency on the other." 521 U.S. at 615. The Court
8 further noted that the value of each member's claims affects the
9 balance between these two competing considerations. Where the
10 stakes are high and each potential class member can take care of
11 itself, the interest in individual control increases. See id. at
12 616. Given the monetary incentive and each putative class
13 member's presumed ability to bring its own action, this factor
14 weighs against a finding of superiority. See Nguyen v. BDO
15 Seidman, LLP, No. SACV-07-01352-JVS, 2009 WL 7742532, at *8 (C.D.
16 Cal. July 6, 2009) (reaching a similar conclusion).

17 2. Other Pending Litigation

18 The second factor examines the extent and nature of any
19 ongoing litigation concerning the controversy already commenced
20 by or against members of the class. Fed. R. Civ. P. 23(b)(3)(B).
21 This factor is intended to serve the judicial economy by reducing
22 the risk of inconsistent adjudications with already pending
23 lawsuits. Zinser, 253 F.3d at 1191 (citation omitted). If the
24 court finds that several other actions are pending and that a
25 threat of inconsistent adjudications exist, a class action may
26 not be appropriate. Id. This inquiry also intersects with the
27 one under the first prong. The existence of ongoing litigation
28 indicates that some parties may have decided that individual

1 actions are an acceptable way to proceed and may consider them
2 preferable to a class action. Id.

3 Defense counsel alone represents Applied in over 100
4 separate arbitrations, lawsuits, and California Department
5 Insurance appeals involving 67 California participants in the
6 program. (See Decl. of Jeanette T. Barzelay ("Barzelay Decl.") ¶¶
7 2-6 & App'x A (summarizing existing proceedings) (Shasta Docket
8 No. 105-3; Pet Food Docket No. 106-3); Decl. of Spencer Y. Kook
9 ("Kook Decl.") ¶¶ 1-111 (extensively detailing pending matters)
10 (Shasta Docket No. 105-2; Pet Food Docket No. 106-2).)

11 Proceedings against defendants are located throughout the state
12 with, for example, a state court lawsuit in San Diego and this
13 federal court action in Sacramento. The issue(s) in these
14 matters differ from each other in many respects. Some plaintiffs
15 have brought as few as one claim and merely seek refund of money
16 paid. Other plaintiffs have brought multiple claims and ask that
17 courts enforce various parts of their agreements with defendants.
18 Lastly, the procedural posture in these actions varies
19 significantly. Some matters have already concluded, others are
20 on appeal, and a few, like this one, have not even proceeded to
21 trial yet.

22 Plaintiffs maintain, however, that these other actions
23 should not weigh against a finding of superiority because there
24 remain hundreds of California businesses that were harmed by
25 defendants' conduct that have not instituted individual actions.
26 (See also Mem. in Support of Mot. for Class Certification
27 ("Defendants' records show that between December 2007 and 2016,
28 Applied sold more than 800 three-year Programs to hundreds of

1 distinct employers in California.”) (Shasta Docket No. 93-2); Pet
2 Food Docket No. 101-3).) In their view, it would be more
3 efficient for the court to resolve all common issues in one
4 action and avoid the risk of inconsistent judgments.

5 At the very least, the court finds that these
6 individual actions are evidence that a substantial number of
7 putative class members have an interest in controlling their own
8 litigation. Zinser, 253 F.3d at 1191; see also Moore v. Ulta
9 Salon, Cosmetics & Fragrance, Inc., 311 F.R.D. 590, 624 (C.D.
10 Cal. 2015) (“[O]ther pending litigation is evidence that
11 individuals have an interest in controlling their own
12 litigation.” (internal quotation marks omitted) (quoting 2
13 Newberg on Class Actions § 4:70 (5th ed.)). This evidence also
14 shows that putative class members have different preferences when
15 it comes to an appropriate forum and the type of claims that they
16 would like to bring.

17 One attorney, Larry Lichtenegger, who has filed 43 of
18 the actions, expressed his concerns with a class action when he
19 told a state court judge that each of his insured clients wanted
20 to pursue a different approach due to their different desires.
21 (See Decl. of Shand Stephens Ex. 39, June 15, 2018 Tr., PE
22 Facility Sols., LLC v. Applied Underwriters, Inc., Case No. 37-
23 2017-00050076 (San Diego Super. Ct.), at 9:28-10:16 (Shasta
24 Docket No. 105-1; Pet Food Docket No. 106-1).) For example, he
25 indicated that some clients “don’t want to press for illegality,
26 they want to press for enforcement of the contract because they
27 get greater defense by enforcing it rather than declaring it to
28 be illegal.” (See id.) That interest is almost entirely

1 divergent with the interests of plaintiffs in this lawsuit and
2 only strengthens the conclusion that individual actions are
3 preferable to class litigation.

4 To the extent plaintiffs believe that class
5 certification will reduce the possibility of inconsistent
6 judgments, that risk already exists. A significant number of
7 actions are pending and many allege similar claims (see Barzelay
8 Decl. ¶¶ 2-6 & App'x A; Kook Decl. ¶¶ 1-111), meaning that there
9 exists a realistic threat of multiplicity. See Zinser, 253 F.3d
10 at 1191. Moreover, the court is not persuaded that the denial of
11 class certification will result in hundreds of other employers
12 flocking to file lawsuits. As plaintiffs concede in their reply,
13 enough time has elapsed since the underlying events have occurred
14 that it appears that the remaining putative class members have
15 not expressed an interest in filing separate actions. (See Reply
16 in Support of Mot. for Class Certification at 37-38 (Shasta
17 Docket No. 109; Pet Food Docket No. 110).)

18 It is also certainly possible, as defendants argue,
19 that many participants do not feel the need to file a lawsuit
20 because they paid less money in premiums under the program than
21 they would have if they had purchased guaranteed cost policies.
22 (See Abramson Decl. Ex. 3, Supp. Response to Special
23 Interrogatory 1(f) (Shasta Docket No. 94-1; Pet Food Docket No.
24 102-2).) Even if every putative class member would still be
25 entitled to restitution, many program participants could view a
26 lawsuit as unnecessary given these savings. Where putative class
27 members are differently situated as to this willingness to
28 litigate, it would be superior to leave the decision to prosecute

1 any action to the individual participants in the program.

2 Plaintiffs' reliance on the Ninth Circuit's decision in
3 Valentino v. Carter-Wallace, Inc., 97 F.3d 1227, 1234 (9th Cir.
4 1996) is also misplaced. Plaintiffs rely on this decision for
5 the proposition that "[w]here classwide litigation of common
6 issues will reduce litigation costs and promote greater
7 efficiency, a class action may be superior to other methods of
8 litigation."³ Id. at 1234. That reading of Valentino ignores
9 the fact that the panel went on to say that "[a] class action is
10 the superior method for managing litigation if no realistic
11 alternative exists." Id. at 1234-35 (emphasis added).

12 Plaintiffs have not made this showing. To the contrary, the
13 available evidence--the high value of the individual claims and
14 the existence of individual actions--indicates that realistic
15 alternatives do exist. Such a conclusion is entirely consistent
16 with the holding in Valentino because the Ninth Circuit concluded
17 that the district court abused its discretion in certifying the
18 class where plaintiffs did not make that showing. See id. at
19 1235.

20 Accordingly, this factor strongly weighs against class
21 certification.

22 3. Concentrating Litigation in a Particular Forum

23 The third factor analyzes the desirability or
24 undesirability of concentrating litigation in this forum. Fed.

25 ³ Even if a class action would save resources by
26 preventing similar issues from being litigated repeatedly, that
27 benefit is outweighed by the diverging interests of different
28 putative class members and the other individualized
considerations that would influence these companies to pursue an
action.

1 R. Civ. P. 23(b)(3)(C). Under this inquiry, the court considers
2 the choice of law and location of parties, witnesses, and
3 evidence. See Zinser, 253 at 1191.

4 The fact that all remaining claims are brought under
5 California law weighs in favor of a California federal court
6 adjudicating the dispute. See 2 Newberg on Class Actions § 4:75
7 (5th ed.) (“[C]hoice of law concerns need not doom class
8 certification . . . if one state’s law can apply to the whole
9 class.”). A statewide class, however, could be inconvenient for
10 putative class members located far from this court. See Alakozai
11 v. Chase Inv. Servs. Corp., No. CV 11-09178 SJO JCX, 2014 WL
12 5660697, at *19 (C.D. Cal. Oct. 6, 2014) (reaching the same
13 conclusion). Evidence related to the putative class members’
14 purchasing decisions would be located throughout the state.
15 Additionally, concentrating litigation in this court would
16 automatically select federal court as the preferred forum for all
17 class members. The individual claims already brought do not
18 indicate such a uniform preference as actions have been brought
19 before the Commissioner, in arbitration, and in state courts in
20 dozens of counties throughout California. While putative class
21 members could always opt out if they do not prefer this forum,
22 that option presents manageability concerns discussed below.

23 Accordingly, this factor slightly weighs against class
24 certification.

25 4. Manageability

26 The fourth factor assesses “the difficulties likely to
27 be encountered in the management of a class action.” Fed. R.
28 Civ. P. 23(b)(3)(D). Under this factor, the court weighs the

1 benefits of considering common issues together against the
2 complexities of class action treatment. Zinser, 253 F.3d at
3 1192. "If each class member has to litigate numerous and
4 substantial separate issues to establish his or her right to
5 recover individually, a class action is not 'superior.'" Id.
6 (citations omitted).

7 Assuming without deciding that common issues
8 predominate over plaintiffs' claims, a class action would be
9 manageable insofar as the court would be able to resolve all
10 relevant issues without needing to conduct complicated
11 individualized inquiries. Even so, the court worries that
12 certification may create manageability concerns with respect to
13 already pending litigation. See Eisen v. Carlisle & Jacquelin,
14 417 U.S. 156, 164 (1974) ("Commonly referred to as
15 'manageability,' this consideration encompasses the whole range
16 of practical problems that may render the class action format
17 inappropriate for a particular suit."). If other actions must be
18 enjoined, the court would have to determine the extent to which
19 this action overlaps and takes precedence over those matters.
20 Relatedly, because these other actions involve a variety of
21 different claims in different forums, the parties would have to
22 formulate class notice that accounts for the fact that there may
23 not be complete overlap between this lawsuit and those other
24 actions. The Advisory Committee has made clear that it is
25 already difficult enough to provide accurate and easily
26 understood information about class actions given the factual
27 uncertainty, legal complexity, and the complication of the class
28 action procedure. See Fed. R. Civ. P. 23 Advisory Committee's

1 Note (2003). These difficulties would only be magnified where
2 many similar actions have already concluded and others have
3 progressed substantially. See Erlandson v. ConocoPhillips Co.,
4 No. 09-99-DRH, 2010 WL 4292827, at *3 (S.D. Ill. Oct. 21, 2010)
5 (finding class action was not superior way to resolve claims
6 where other pending cases had “progressed substantially, with
7 extensive discovery and the filing of dispositive motions.”).

8 Accordingly, this factor and all the “superiority”
9 factors considered together weigh against class certification.

10 Since a class action is not superior to other available
11 methods for fairly and efficiently adjudicating the controversy,
12 the court will deny plaintiffs’ motion for class certification.⁴

13 III. Motion to Strike

14 Defendants also filed a Motion to Strike Plaintiffs’
15 Reply Memorandum for the failure to reply in strict reply.
16 (Shasta Docket No. 111; Pet Food Docket No. 112.) Defendants
17 argue that plaintiffs have misrepresented the record and that the
18 scope of the reply exceeds the scope of the original motion and
19 opposition.

20 Incident to its power to control its docket, the court
21 may properly strike documents. See Ready Transp., Inc. v. AAR
22 Mfg., Inc., 627 F.3d 402, 404-05 (9th Cir. 2010). Nevertheless,
23 “[m]otions to strike are disfavored and infrequently granted.”
24 Neveu v. City of Fresno, 392 F. Supp. 2d 1159, 1170 (E.D. Cal.
25 2005) (Wanger, J.). The court may determine on its own the

26
27 ⁴ Because the superiority inquiry is dispositive, the
28 court does not consider the other relevant factors under Rule
23(a) and Rule 23(b)(3).

1 accuracy of plaintiffs' representations and whether the reply
2 exceeds the scope of original motion and opposition. To the
3 extent defendants' arguments in favor of this motion bear upon
4 class certification, they have been addressed. Striking
5 plaintiffs' reply in its entirety, however, would be "markedly
6 disproportional" to any offense committed. See Burke v. Eneoh,
7 No. 1:10-CV-01584-LJO, 2013 WL 1915868, at *2 (E.D. Cal. May 8,
8 2013) (reaching the same conclusion). Accordingly, the court
9 will deny defendants' motion to strike.

10 IV. Requests to Seal and Redact Filings

11 Plaintiffs and defendants submitted separate requests
12 to seal documents and redact filings (Shasta Docket Nos. 95, 100,
13 106 & 110; Pet Food Docket Nos. 103, 107 & 111) filed in
14 connection with their respective briefings on plaintiffs' motion
15 for class certification (Shasta Docket Nos. 94, 105 & 109). The
16 parties maintain that these documents and redactions are covered
17 by their protective order (Pet Food Docket Nos. 47 & 48), and
18 contain confidential, proprietary, and commercially sensitive
19 information that could be harmful to either Applied, plaintiffs,
20 and/or non-parties if publicly disclosed. The court has not
21 relied on as part of its order any of the documents the parties
22 have requested to seal. Similarly, the court has not relied on
23 or cited any redacted portions of plaintiffs' briefing.
24 Accordingly, the court will deny the requests to seal documents
25 and redact filings as moot.

26 V. Conclusion

27 IT IS THEREFORE ORDERED that plaintiffs' Motion for
28 Class Certification (Shasta Docket No. 93; Pet Food Docket No.

1 101) be, and the same hereby is, DENIED.

2 IT IS FURTHER ORDERED that defendants' Motion to Strike
3 Plaintiffs' Reply Memorandum (Shasta Docket No. 111; Pet Food
4 Docket No. 112) be, and the same hereby is, DENIED.

5 IT IS FURTHER ORDERED that Plaintiffs' and Defendants'
6 Requests to Seal Documents and Redact Filings (Shasta Docket Nos.
7 95, 100, 106 & 110; Pet Food Docket Nos. 103, 107 & 111) be, and
8 the same hereby are, DENIED AS MOOT.

9 Dated: January 28, 2019



10 WILLIAM B. SHUBB
11 UNITED STATES DISTRICT JUDGE
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