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**FILED**  
Superior Court of California  
County of Los Angeles

**06/30/2023**

David W. Slayton, Executive Officer / Clerk of Court

By: L. M'Greené Deputy

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES**

SHEILA BAKER, Individually and on Behalf  
of All Others Similarly Situated,

Plaintiff,

vs.

JOSEPH E. MCADAMS, LLOYD  
MCADAMS, JOE E. DAVIS, ROBERT C.  
DAVIS, MARK S. MARON, and  
DOMINIQUE MIELLE,

Defendants.

Lead Case No. **21STCV07569**

Consolidated with cases 21STCV07571  
and 21STCV08413

Assigned to the Hon. Carolyn B. Kuhl,  
Dept. 12

**[PROPOSED] ORDER GRANTING  
PRELIMINARY APPROVAL OF  
CLASS ACTION SETTLEMENT AND  
PROVIDING FOR NOTICE**

Action Filed: February 24, 2021

**[PROPOSED] ORDER GRANTING PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT**

1 WHEREAS, the plaintiffs (“Plaintiffs”) and the defendants (“Defendants”) in the above-  
2 entitled action (the “Action”) entered into an Amended Stipulation and Agreement of Settlement,  
3 Compromise, and Release dated June 15, 2023, (the “Stipulation” or “Settlement”),<sup>1</sup> which is subject  
4 to review by this Court and which, together with the Exhibits thereto, sets forth the terms and  
5 conditions for the Settlement of the claims in the Action; and the Court having read and considered  
6 the Stipulation and the accompanying documents; and the Parties having consented to the entry of this  
7 Order;

8 IT IS HEREBY ORDERED that:

9 1. For the purposes of this Settlement only, the Court certifies the following class (the  
10 “Class”): “The putative class of former Anworth stockholders who held Anworth common stock from  
11 December 6, 2020 (the date of the Merger) through and including on March 19, 2021 (the date upon  
12 which Anworth’s Merger with Ready Capital was consummated), as well as purchasers of Anworth  
13 stock during the period from December 6, 2020 through March 19, 2021 who still held Anworth stock  
14 as of March 19, 2021.”

15 2. The Court preliminarily finds and concludes that the Settlement as set forth in the  
16 Stipulation results from arm’s-length settlement negotiations, including mediation under the direction  
17 of an experienced mediator, Michelle Yoshida of Phillips ADR, and is sufficiently fair, reasonable,  
18 and adequate to warrant providing notice of the Settlement to the Class. As a result, the Court  
19 preliminarily approves the Settlement and adopts the terms of the Stipulation for the purpose of this  
20 Order Granting Preliminary Approval of Class Action Settlement and Providing for Notice (the  
21 “Order”).

22 3. A hearing (the “Settlement Hearing”) shall be held before the Court on ~~FFBI DECH~~,  
23 ~~2023~~, at ~~FEBRUARY~~ .m. [at least 125 days from entry of this order], Department 12 of the Superior Court of  
24 the State of California, County of Los Angeles, located at 312 North Spring Street, Los Angeles, CA  
25 90012 to determine:

26 (a) whether the Settlement should be finally approved by the Court as fair,

27 <sup>1</sup> All capitalized terms herein have the same meanings as defined in the Stipulation, unless  
28 otherwise stated.

1 reasonable, and adequate;

2 (b) whether the the Judgment attached as Exhibit D to the Stipulation should be  
3 entered in all material respects;

4 (c) whether the proposed plan of distribution should be approved; and

5 (d) whether the Court should approve the award of Co-Lead Counsel's attorneys'  
6 fees and expenses (the "Fee and Expenses Award") and Plaintiff's Incentive Award.

7 4. Any moving papers filed in support of the final approval of the Settlement, the plan  
8 of distribution, the Fee and Expenses Award and/or Incentive Awards, shall be filed at least twenty-  
9 eight (28) calendar days prior to the deadline for objections reflected herein. All reply papers and  
10 the Supplemental Side Agreement shall be filed at least seven (7) calendar days prior to the  
11 Settlement Hearing.

12 5. The Court may adjourn or continue the Settlement Hearing or any part thereof,  
13 without further notice of any kind to the Class.

14 6. The Court may approve the Settlement at or after the Settlement Hearing with such  
15 modification as may be consented to by the Parties to the Stipulation and without further notice to  
16 the Class.

17 7. Co-Lead Counsel are hereby authorized to retain the firm of RG/2 Claims  
18 Administration, LLC ("Settlement Administrator") to supervise and administer the notice procedure  
19 as well as the processing of claims as more fully set forth below:

20 (a) Within fourteen (14) calendar days of the date of this Order (the "Notice  
21 Date"), the Settlement Administrator shall cause a copy of the Long-Form Notice,  
22 substantially in the form annexed as Exhibit B to the Stipulation, to be mailed, by First-Class  
23 Mail, postage prepaid, to all members of the Class who can be identified with reasonable  
24 effort. Not later than three (3) business days after the Settlement Administrator's receipt of  
25 any Long-Form Notice returned by the USPS as undeliverable, the Settlement Administrator  
26 shall re-mail the Long-Form Notice using any forwarding address provided by USPS. If the  
27 USPS does not provide a forwarding address, the Settlement Administrator shall conduct a  
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1 Class member address search and re-mail the Long-Form Notice to the most current address  
2 obtained. The Settlement Administrator has no further obligation to make further attempts to  
3 locate or send the Long-Form Notice to members of the Class whose Long-Form Notice is  
4 returned by the USPS a second time;

5 (b) Within seven (7) calendar days of the Notice Date, the Settlement  
6 Administrator shall cause the Publication Notice, substantially in the form annexed as  
7 Exhibit C hereto, to be published once over PR Newswire, or other suitable online newswire;

8 (c) Within fourteen (14) calendar days of the Notice Date, the Settlement  
9 Administrator shall post on WEBSITE, the Stipulation and Notice;

10 (d) Within two (2) business days of filing, the Settlement Administrator shall post  
11 on WEBSITE Plaintiffs' motion for final approval of the Settlement, plan of distribution; and  
12 request for a Fee and Expense Award and/or Incentive Award; and

13 (e) At least seven (7) days prior to the Settlement Hearing, Co-Lead Counsel shall  
14 serve on Defendants' Counsel and file with the Court proof, by affidavit or declaration, of  
15 such mailing and publication.

16 8. The Court approves, in form and content, the Long-Form Notice, and the Publication  
17 Notice, substantially in the forms annexed as Exhibits B and C to the Stipulation, and finds that the  
18 giving of notice as specified herein meets the requirements of the California Code of Civil Procedure  
19 and due process, is the best notice practicable under the circumstances, including individual notice  
20 to all Class Members who can be identified through reasonable efforts, and shall constitute due and  
21 sufficient notice to all persons and entities entitled to receive notice.

22 9. All Class Members shall be bound by all determinations, releases and judgments in  
23 this Action, whether favorable or unfavorable, and regardless of whether such Persons seek or obtain  
24 by any means, any distribution from the Settlement Fund, unless they request exclusion from the  
25 Class in a timely and proper manner, as hereinafter provided. A Class Member wishing to make  
26 such request shall, no later than twenty-one (21) calendar days prior to the Settlement Hearing, mail  
27 a request for exclusion in written form by First-Class Mail postmarked to the address designated in  
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1 the Notice. Such request for exclusion shall indicate the name, address and telephone number of  
2 the Person seeking exclusion, that the Person requests to be excluded from the Class, and must be  
3 signed by such Person. Such Persons requesting exclusion must also state the number of shares of  
4 Anworth common stock they held or owned from December 6, 2020 (the date of the Merger)  
5 through and including on March 19, 2021 (the date of the consummation of the Merger). The  
6 request for exclusion shall not be effective unless it is made in writing within the time stated above,  
7 and the exclusion is accepted by the Court. Class Members requesting exclusion from the Class  
8 shall not be entitled to receive any payment out of the Net Settlement Fund as described in the  
9 Stipulation and Notice. Upon receiving any request for exclusion, Co-Lead Counsel or the  
10 Settlement Administrator shall promptly, and in no case later than fifteen (15) calendar days prior  
11 to the Settlement Hearing, notify Defendants' Counsel of such request for exclusion and provide  
12 copies of such request for exclusion and any documentation accompanying it by email.

13 10. The Court will consider objections to the Settlement, the plan of distribution, the  
14 request for an Incentive Award to Plaintiffs for their representation of the Class, and/or the Fee and  
15 Expense Award. Any person wanting to object may do so in writing. Such objections and any  
16 supporting papers, accompanied by proof of Class membership, shall be filed with the Clerk of the  
17 Court, Superior Court of the State of California, County of Los Angeles, located at 312 North Spring  
18 Street, Los Angeles, CA 90012, and copies of all such papers served such that they are received no  
19 later than twenty-one (21) calendar days prior to the Settlement Hearing, upon the following: Juan  
20 Monteverde, Monteverde & Associates PC, The Empire State Building, 350 Fifth Avenue, Suite  
21 4405, New York, NY 10118, on behalf of the Plaintiffs and the Class. Persons who object in writing  
22 to the Settlement, the plan of distribution, and/or the Fee and Expense Award and/or Incentive  
23 Award and desire to present evidence at the Settlement Hearing must include in their written  
24 objections copies of any exhibits they intend to introduce into evidence at the Settlement Hearing.  
25 If an objector hires an attorney to represent him, her, or it for the purposes of making an objection,  
26 the attorney must both effect service of a notice of appearance on counsel listed above and file it  
27 with the Court by no later than twenty-one (21) calendar days prior to the Settlement Hearing. A  
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1 Class Member who files a written objection does not have to appear at the Settlement Hearing for  
2 the Court to consider his, her or its objection. Any member of the Class who does not make his,  
3 her, or its objection in the manner provided shall be deemed to have waived such objection and shall  
4 be foreclosed from making any objection to the fairness or adequacy of the Settlement set forth in  
5 the Stipulation, to the plan of distribution, and to the award of attorneys' fees and expenses to Co-  
6 Lead Counsel unless the Court orders otherwise.

7 11. No Person that is not a Class Member or counsel to the Plaintiffs shall have any right  
8 to any portion of, or in the distribution of, the Settlement Fund unless otherwise ordered by the  
9 Court or otherwise provided in the Stipulation.

10 12. All funds held in the account maintained by Co-Lead Counsel and into which the  
11 Settlement Payment shall be deposited (the "Account") shall be deemed and considered to be in  
12 *custodia legis*, and shall remain subject to the jurisdiction of the Court, until such time as such funds  
13 shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.

14 13. Neither the Released Defendant Parties nor their counsel shall have any responsibility  
15 for the plan of distribution or any application for attorneys' fees and expenses submitted by Co-  
16 Lead Counsel and such matters will be considered separately from the fairness, reasonableness, and  
17 adequacy of the Settlement.

18 14. If the Settlement, including any amendment made in accordance with the Stipulation,  
19 is not approved by the Court, is terminated in accordance with the Stipulation, or shall not become  
20 effective for any reason whatsoever, the Settlement and Stipulation (including any modification  
21 thereof), and any action taken or to be taken in connection therewith (including this Order and any  
22 judgment entered herein) shall be terminated and shall become null and void and of no further force  
23 and effect except that neither Plaintiffs nor any of his counsel shall have any obligation to repay any  
24 Administrative Costs.

25 15. Neither the Stipulation, nor any of its terms or provisions, nor any of the negotiations,  
26 discussions, or proceedings connected with it, nor any act performed or document executed pursuant  
27 to or in furtherance of the Stipulation or the Settlement, may be construed as an admission or  
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1 concession by the Released Defendant Parties or Released Plaintiff Parties of the truth of any of the  
2 allegations in the Action, or of any liability, fault, or wrongdoing of any kind.

3 16. The Court retains jurisdiction over all proceedings arising out of or related to the  
4 Stipulation and/or the Settlement.

5 17. All proceedings in the Action, other than proceedings as may be necessary to carry  
6 out the terms and conditions of the Settlement, are hereby stayed and suspended until further order  
7 of this Court.

8 18. Without further order of the Court, the Parties may agree to reasonable extensions of  
9 time to carry out any of the provisions of this Order or the Stipulation.

10 19. If the Settlement provided for in the Stipulation shall be approved by the Court  
11 following the Settlement Hearing, a Judgment shall be entered as described in the Stipulation.

12 20. Pending final determination of whether the Settlement should be finally approved,  
13 neither the Plaintiffs, nor any Class Member, directly or indirectly, representatively, or in any other  
14 capacity, shall commence, prosecute, or participate in the commencement or prosecution of any  
15 Released Plaintiffs' Claim against any Released Defendant Party.



*Carolyn B. Kuhl*

Carolyn B. Kuhl / Judge

1 **IT IS SO ORDERED.**

2 Dated: 06/30/2023

HONORABLE CAROLYN B. KUHL  
JUDGE OF THE SUPERIOR COURT

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4  
5 Submitted by:

6 **MONTEVERDE & ASSOCIATES PC**  
7 Juan E. Monteverde (admitted *pro hac vice*)  
8 The Empire State Building  
9 350 Fifth Avenue, Suite 4405  
New York, NY 10118  
Tel: (212) 971-1341  
Fax: (212) 601-2610

10 **KAHN SWICK & FOTI, LLC**  
11 Michael Palestina (admitted *pro hac vice*)  
12 1100 Poydras Street, Suite 960  
13 New Orleans, LA 70163  
Tel: (504) 455-1400  
Fax: (504) 455-1498

14 Co-Lead Counsel for the Class  
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**PROOF OF SERVICE**

STATE OF CALIFORNIA        }

COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California, with my business address as 600 Corporate Pointe, Suite 1170, Culver City, California. I am over the age of 18 years, and I am not a party to this Action.

On June 15, 2023, I served the foregoing corrected [proposed] ORDER Re: PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT on interested parties in this action by sending a true copy thereof to the email addresses below:

**GREENBERG TRAURIG LLP**

Daniel J. Tyukody  
1840 Century Park East, Suite 1900  
Los Angeles, CA 90067  
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Counsel for Defendants

I sent a copy of this document via electronic mail to the email addresses above via Caseanywhere pursuant to the agreement of all parties for service of documents in this case.

I declare, under penalty of perjury, pursuant to the laws of the State of California, that the foregoing is true and correct.

June 15, 2023



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David E Bower