

FILED
Clerk
District Court
MAY 27 2026

for the Northern Mariana Islands
By JP
(Deputy Clerk)

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN MARIANA ISLANDS**

MARTIN DELA CRUZ JR.,
MARTIN DELA CRUZ, and
CHRISTOPHER LEEDEL RIO,
on behalf of themselves and all other
persons similarly situated,

Plaintiffs,

v.

PACIFIC RIM LAND
DEVELOPMENT, LLC,

Defendant.

Case No. 1:24-cv-00009

**ORDER GRANTING
FIRST AMENDED JOINT MOTION
FOR (1) PRELIMINARY APPROVAL OF
SETTLEMENT, (2) SETTING OF FINAL
APPROVAL HEARING, AND
(3) APPROVAL OF NOTICE PLAN**

Before the Court is the Parties' First Amended Joint Motion for Preliminary Approval of Settlement, Setting of Final Approval Hearing, and Approval of Notice Plan (ECF No. 70), as supported by a Declaration of Cong Nie (ECF No. 71), both filed on May 14, 2026. In the First Amended Joint Motion, the Parties seek preliminary approval of their proposed class action settlement agreement, including incentive payments to the named Plaintiffs and attorneys' fees, the setting of a final approval hearing date, and approval of their proposed plan for notifying absent class members of the settlement and final approval hearing.

For the reasons set forth herein, the Court GRANTS the Parties' First Amended Joint Motion, sets a final approval hearing for August 27, 2026, at 9:00 a.m., and directs the Parties to provide notice in accordance with their proposed notice plan with one modification.

I. BACKGROUND

1
2 On June 14, 2024, the three Plaintiffs initiated this case with the filing of a class-action
3 Complaint (ECF No. 1) against Defendant, alleging a single cause of action under the federal
4 Worker Adjustment and Retraining Notification Act (“WARN Act,” codified at 29 U.S.C. §§ 2101
5 *et seq.*). Plaintiffs alleged, on behalf of themselves and all others similar situated, that Defendant,
6 a construction contractor for the Imperial Pacific International (CNMI), LLC (“IPI”) casino-hotel
7 resort complex, terminated at least 180 full-time construction workers in a mass layoff after
8 Defendant and IPI mutually agreed to terminate the construction contract—and that such mass
9 layoff violated the WARN Act. (*See also* 1st Am. Compl., ECF No. 19; Order Granting Pls. Leave
10 to Am. & Accepting Filing of 1st Am. Compl., ECF No. 22.) After a contested motion and hearing,
11 on August 1, 2025, the Court defined the class as “all former employees of [Defendant] who were
12 assigned to work at the construction site of the IPI casino & resort in Garapan in 2018 and whose
13 employment was terminated with an effective termination date from October 2, 2018 to October[
14 31[,] 2018,” and certified the class pursuant to both Rule 23(b)(1)(B) and 23(b)(3) of the Federal
15 Rules of Civil Procedure. (Am. Mem. Decision & Order Granting Pls.’ Mot. to Certify Class
16 13-14, ECF No. 34.)

17 The litigation reached the dispositive motions stage. (*See* Def.’s Notice of Mot. & Mot.
18 for Summ. J. (Nov. 6, 2025), ECF No. 43; Pls.’ Opp’n to Def.’s Mot. for Summ. J. (Jan. 16, 2026),
19 ECF No. 52.) The Parties, however, participated in a settlement conference on January 21, 2026,
20 and reached settlement. (Mins., ECF No. 55.) Thereafter, on February 27, 2026, the Parties filed
21 a Joint Motion for Preliminary Approval of Settlement (ECF No. 60).

22 On May 7, 2026, the Court held a virtual hearing on the Parties’ Joint Motion and discussed
23 substantive concerns with the Parties’ proposed settlement agreement, form of notice, and notice
24

1 plan before directing the Parties to file an amended motion for preliminary approval. (Mins., ECF
2 No. 69.) The Parties duly filed their First Amended Joint Motion (ECF No. 70) on May 14, 2026.

3 **II. LEGAL STANDARD**

4 Rule 23 of the Federal Rules of Civil Procedure governs class actions. A class action “may
5 be settled, voluntarily dismissed, or compromised only with the court’s approval.”
6 Fed. R. Civ. P. 23(e). A court

7 may approve [a settlement proposal] only after a hearing and only
8 on finding that it is fair, reasonable, and adequate after considering
whether:

9 **(A)** the class representatives and class counsel have adequately
10 represented the class;

11 **(B)** the proposal was negotiated at arm’s length;

12 **(C)** the relief provided for the class is adequate, taking into
account:

13 **(i)** the costs, risks, and delay of trial and appeal;

14 **(ii)** the effectiveness of any proposed method of distributing
relief to the class, including the method of processing class-
15 member claims;

16 **(iii)** the terms of any proposed award of attorney’s fees,
including timing of payment; and

17 **(iv)** any agreement required to be identified under Rule
23(e)(3) [*i.e.*, “any agreement made in connection with the
18 proposal,” Fed. R. Civ. P. 23(e)(3)]; and

19 **(D)** the proposal treats class members equitably relative to each
20 other.

21 Fed. R. Civ. P. 23(e)(2). *See also* ANN. MANUAL FOR COMPLEX LITIG. (FOURTH) § 21.61 (Aug.
22 2025 update) [hereinafter “ANN. MANUAL.”] (explaining that the overarching purpose of judicial
23 review is to determine “whether the interests of the class are better serviced by the settlement than
24 by further litigation”).

1 Before a court sets and holds the final approval hearing as required by Rule 23(e)(2), the
2 court must “determine whether to give notice of the proposal to the class.” Fed. R. Civ. P.
3 23(e)(1)(A); *see also id.* 23(e)(4) (permitting court to withhold approval of settlement involving
4 class certified under Fed. R. Civ. P. 23(b)(3) unless settlement “affords a new opportunity to request
5 exclusion to individual class members who had an earlier opportunity to request exclusion but did
6 not do so”); *id.* 23(e)(5) (permitting class members to object to a settlement). The settling parties
7 bear the burden of showing that a court “will likely be able to[] (i) approve the proposal under
8 Rule 23(e)(2); and (ii) certify the class for purposes of judgment on the proposal.” *Id.* 23(e)(1)(B).
9 Once such showing is met, “[t]he court must direct notice in a reasonable manner to all class
10 members who would be bound by the proposal[.]” *Id.*; *see also* 4 NEWBERG & RUBENSTEIN ON
11 CLASS ACTIONS § 13:12 (6th ed. 2022; Dec. 2025 update) [hereinafter “NEWBERG &
12 RUBENSTEIN”] (explaining that preliminary approval order should direct the parties “to provide
13 notice of the proposed settlement to the class” and set forth “a schedule for objections, opt-outs,
14 and a final fairness hearing”).

15 III. DISCUSSION

16 For the Parties’ First Amended Joint Motion to be granted, and notice of their settlement
17 proposal authorized to be sent out to all class members, the Parties must show that (1) their
18 proposal is likely to be approved upon consideration of the Rule 23(e)(2) factors and that the class
19 is likely to be certified for judgment,¹ Fed. R. Civ. P. 23(e)(1)(B), and (2) their proposed method
20 of notice to absent class members is reasonably calculated to reach said members and notify them

21 _____
22 ¹ As the class was previously certified in advance of settlement, and there appears no basis warranting
23 revisiting the certification decision, there is no need to re-assess whether the class is likely to be certified
24 for judgment as required under Rule 23(e)(1)(B)(ii). *See* 3 NEWBERG & RUBENSTEIN § 7:34 (“Thus, post-
2003, decertification and modification should theoretically only take place after some change, unforeseen
at the time of the class certification, that makes alteration of the initial certification decision necessary.”);
id. § 7:38 (discussing circumstances leading to modification or decertification of class).

1 of their opportunity to present any objections to the settlement proposal, 3 NEWBERG &
2 RUBENSTEIN § 8:15.

3 **A. Likely Approval of Proposal**

4 In determining whether to grant preliminary approval, the Court’s examination of the
5 Parties’ settlement materials “should be limited to a threshold examination of the overall fairness
6 and adequacy of the settlement in light of the likely outcome and cost of continued litigation,” and
7 “not be turned into a trial or rehearsal for trial on the merits[.]” 4 NEWBERG & RUBENSTEIN § 13:12
8 (internal quotation marks omitted). As to the four major considerations set forth under
9 Rule 23(e)(2) that the Parties must show that their settlement proposal satisfies, two are procedural
10 considerations and two are substantive considerations. *Id.* § 13:14.

11 **1. Procedural Considerations (Fed. R. Civ. P. 23(e)(2)(A), (B))**

12 The two procedural considerations are adequate representation, Fed. R. Civ. P. 23(e)(2)(A),
13 and arm’s length negotiation, *id.* 23(e)(2)(B). Adequate representation generally concerns the
14 work the plaintiffs’ class counsel has done, the stage of litigation at which the settlement is
15 occurring, and the extent of discovery such that it appears likely that plaintiffs’ counsel—and
16 ultimately, plaintiffs—has adequate information to engage in, and make an informed decision
17 about, settlement. 4 NEWBERG & RUBENSTEIN § 13:49. Arm’s length negotiation is targeted at
18 “root[ing] out settlements that may benefit the plaintiffs’ lawyers at the class’s expense, sometimes
19 called ‘collusive settlements.’” *Id.* § 13:50. At bottom, it must appear likely that the settlement
20 agreement was the product of a true adversarial bargaining process, without any issues concerning
21 disproportionate compensation for plaintiffs’ counsel as compared to the class members. *Id.*

22 Here, the Parties’ settlement proposal appears likely to satisfy any concerns under the two
23 procedural considerations. First, Plaintiffs have been adequately represented. Plaintiffs’ counsel,
24

1 as class counsel, alongside Plaintiffs as class representatives, have actively prosecuted this case
2 through discovery and to the dispositive motions stage. (*See, e.g.*, Decl. of Cong Nie ¶¶ 5-14
3 [hereinafter “Nie Decl.”], ECF No. 71.) Plaintiffs and class counsel plainly have sufficient
4 information to make informed judgments about the strength of their claims, likely possible
5 recovery given the risks inherent with continued litigation, and the merits of the settlement
6 proposal. (*See, e.g., id.* ¶¶ 5-7 (explaining that Plaintiffs’ legal theory “appears to be novel,” with
7 no on-point authority in support, and that further litigation poses a “substantial risk” of entry of
8 judgment against Plaintiffs).) Second, the settlement proposal was the product of arm’s length
9 negotiation. The Parties only reached the settlement after attending a settlement conference before
10 the Hon. Heather L. Kennedy. Furthermore, as set forth in the proposed settlement agreement, the
11 Parties’ proposed longform notice, the Parties’ First Amended Joint Motion, and the Declaration,
12 the Parties propose an amount of \$1,500.00 in Plaintiffs’ attorneys’ fees that will be deducted from
13 the \$45,000.00 total settlement amount—less than four percent of the total settlement amount and
14 below Plaintiffs’ actual fees, costs, and expenses. (*See* 1st Am. Joint Mot. 6-7, ECF No. 70; *id.*,
15 Ex. A, at 2 [hereinafter “Settlement Agreement”], ECF No. 70-1; *id.*, Ex. B, at 2 [hereinafter
16 “Longform Notice”], ECF No. 70-2; Nie Decl. ¶¶ 14-18.) Therefore, it appears very likely that
17 the Parties—especially Plaintiffs—made an informed decision in arriving at the proposed
18 settlement and that the settlement proposal is not a “collusive settlement” or otherwise a means for
19 Plaintiffs’ counsel to profit at the expense of Plaintiffs and the class.

20 **2. Substantive Considerations (Fed. R. Civ. P. 23(e)(2)(C), (D))**

21 The two substantive considerations are adequate relief, Fed. R. Civ. P. 23(e)(2)(C), and
22 equitable treatment of all class members, *id.* 23(e)(2)(D). Adequate relief concerns whether the
23 proposed settlement amount is within a permissible range of possible recovery, accounting for the
24

1 likelihood of success for obtaining such possible results. 4 NEWBERG & RUBENSTEIN § 13:51.
2 Additional subprovisions under Rule 23(e)(2)(C) enumerate four sub-factors bearing on adequacy.
3 *See id.* 23(e)(2)(C)(i) (complexity and risks of continued litigation in lieu of settlement); *id.*
4 23(e)(2)(C)(ii) (whether proposed mechanism for distributing settlement proceeds will effectively
5 and efficiently distribute available relief to class members); *id.* 23(e)(2)(C)(iii) (substantive terms
6 of attorneys’ fees award); *id.* 23(e)(2)(C)(iv) (any side agreements made in connection with
7 settlement of Plaintiffs’ claims beyond the settlement agreement itself). Equitable treatment of
8 class members looks to whether the settlement proposal’s distribution of relief does not unduly
9 favor some class members at the expense of others: “[p]ut simply, the court’s goal is to ensure that
10 similarly situated class members are treated similarly and that dissimilarly situated class members
11 are not arbitrarily treated as if they were similarly situated.” 4 NEWBERG & RUBENSTEIN § 13:56.

12 Here, the Parties’ settlement proposal appears likely to provide adequate relief to the class
13 in a manner that treats all class members equitably. The total settlement amount is \$45,000.00, to
14 be apportioned to class members based on their individual wage rates, as indicated by Defendant’s
15 records produced in discovery and appended to the settlement agreement. (Settlement Agreement
16 1-2 (listing distribution amounts, explaining that “each class member’s share is calculated in
17 proportion to their wage rate as indicated in discovery produced by [Defendant], as indicated in
18 Appendix A attached hereto,” and estimating that “most class members’ shares are in the range of
19 \$370 to \$700”); *id.* at 8-9 (Appendix A to Settlement Agreement) (listing seventy-six named class
20 members with wage rates ranging from \$8.00 to \$49.42).) The Parties note that should litigation
21 continue in lieu of settlement, Plaintiffs face a significant risk of having an adverse judgment
22 entered against them—and thus, no relief whatsoever—based on the novelty of Plaintiffs’ legal
23 theory, lack of on-point case law in support, and the unsettled issues concerning Defendant’s
24

1 affirmative defenses as raised in Defendant’s summary judgment motion. (1st Am. Joint Mot. 5;
2 Nie Decl. ¶¶ 5-7.) The Parties further note that their proposed mechanism for distributing
3 settlement proceeds provides for (1) near-immediate distribution to class members who previously
4 confirmed receipt of the notice of class certification, without additional steps required for such
5 class members; (2) a straightforward method for other class members to receive notice and
6 opportunity to make a timely claim, with such claims to be paid out by check; (3) continued
7 cooperation with Defendant to locate class members; and (4) a final distribution of all unclaimed
8 proceeds to all members of the class who lodged a legitimate claim. (1st Am. Joint Mot. 5-6;
9 Settlement Agreement 2-3.) Plaintiffs’ counsel represents that the proposed attorneys’ fee amount
10 (\$1,500.00) is significantly below the lodestar calculation of a reasonable fee. (1st Am. Joint Mot.
11 6 (asserting lodestar amount of over \$10,500); Nie Decl. ¶¶ 16, 18 (noting more than 60 hours of
12 work at lodestar rate of \$175.00).) In addition, the Parties note that the release in the settlement
13 agreement only addresses the class’s WARN Act claims and further represent that the incentive
14 payments for the three named class representatives (\$300.00 for Martin Dela Cruz, Jr., \$300.00 for
15 his father Martin Dela Cruz, and \$600.00 for Christopher Leedelrio) are reasonable under the
16 circumstances. (1st Am. Joint Mot. 7-8; Nie Decl. ¶¶ 8-13.) As such, based on the Parties’
17 representations and terms of the settlement agreement, the settlement appears to be substantively
18 appropriate, as well.

19 Therefore, the Parties have satisfied their burden to show that Court “will likely be able
20 to . . . approve the proposal under Rule 23(e)(2)[.]” Fed. R. Civ. P. 23(e)(1)(B)(i). The Court now
21 turns to the Parties’ proposed notice plan.

22 //

23 //

24

1 **B. Proposed Notice**

2 The relevant inquiry as to notice is whether the Parties’ proposed notice is a “reasonable
3 manner” of informing class members of the proposed settlement, Fed. R. Civ. P. 23(e)(1)(B), which
4 appears to coincide or largely overlap with the general requirements for “any form of notice”:
5 “settlement notice . . . must comply with the Constitution’s due process requirements—that is, the
6 notice must be reasonably calculated, under all the circumstances, to apprise interested parties of
7 the pendency of the action and afford them an opportunity to present their objections,” 3 NEWBERG
8 & RUBENSTEIN § 8:15.

9 As to what is required for the content of notice, the Court has ample discretion in
10 determining what information should be included. *See also id.* § 8:17 (noting that Rule 23(e)’s
11 “absence of specific guidance” creates “greater discretion” in contents of notice “than the
12 discretion afforded by Rule 23(c)(2)(B), which enumerates specific items to be contained in
13 certification notice”).² At a minimum, the notice “must be sufficiently clear and informative” to
14 permit a class member to understand their right to object to the settlement and the “meaningful”
15 opportunities for doing so. *Id.*; *see also* Fed. R. Civ. P. 23(e)(5); ANN. MANUAL § 21.312
16 (recommending eleven-point list for substance of notice).³ Furthermore, the notice should be
17 “written in simple, straightforward language.” 3 NEWBERG & RUBENSTEIN § 8:17.

18 _____
19 ² Though Rule 23(c)(2)(B) sets forth specific requirements for the substance of notice in cases involving
20 classes certified under Rule 23(b)(3), a careful reading of Rule 23(c)(2)(B) reveals that it applies only to
notice of *class certification orders* for a *potential* Rule 23(b)(3) class where “a class is certified *at the same*
time that a settlement is reached.” 3 NEWBERG & RUBENSTEIN § 8:17 (emphasis added).

21 The specific requirements of Rule 23(c)(2)(B), however, may serve as a useful reference or starting
22 point for what settlement notice should include. *See id.* (“It is equally—if not more—important that
settlement notice serve the same goals.”).

23 ³ The ANNOTATED MANUAL’s list provides that settlement notice should (1) “define the class and any
24 subclasses,” (2) describe clearly the options open to the class members and the deadlines for taking action,”
(3) “describe the essential terms of the proposed settlement,” (4) “disclose any special benefits provided to
the class representatives,” (5) “provide information regarding attorney fees,” (6) “indicate the time and

1 Here, the Parties' proposed plan to notify class members of the settlement proposal,
2 members' rights, and final approval hearing consists of:

3 (1) Mailing the longform notice, set forth in Exhibit B to the Parties' First Amended Joint
4 Motion, by U.S. Postal Service first-class mail to "those class members for whom a
5 confirmation of receipt was provided by USPS for the previously mailed out notice of class
6 certification";

7 (2) Creating and maintaining a webpage on class counsel's website that displays the longform
8 notice and allows viewers to download the settlement proposal;

9 (3) Publishing the shortform notice, set forth in Exhibit C to the Parties' First Amended Joint
10 Motion, in print editions of the *Marianas Variety*, once every week for four consecutive
11 weeks; and

12 (4) Publishing the shortform notice on Facebook through the accounts for the *NMI News*
13 *Service* and *Kandit News Group* once every week for four consecutive weeks.

14 (1st Am. Joint Mot. 8.) In response to the Court's inquiries at the hearing on the Parties' initial
15 joint motion (*see* Mins., ECF No. 69), the Parties represent that (1) they have confirmed that the
16 *Marianas Variety*'s current print publication schedule is twice a week (Tuesday and Friday) and
17 that the *Variety* does not publish court notices online; (2) they have inquired with the federal,

18 _____
19 place of the hearing to consider approval of the settlement," (7) "describe the method for objecting to (or,
20 if permitted, for opting out of) the settlement," (8) "explain the procedures for allocating and distributing
21 settlement funds, and, if the settlement provides different kinds of relief for different categories of class
22 members, clearly set forth those variations," (9) "explain the basis for valuation of nonmonetary benefits if
23 the settlement includes them," (10) "provide information that will enable class members to calculate or at
24 least estimate their individual recoveries, including estimates of the size of the class and any sub-classes,"
ANN. MANUAL § 21.312 (footnote omitted). *But see* 3 NEWBERG & RUBENSTEIN § 8:17 ("The *Manual*'s
list is, of course, not binding, and courts have found certification notice to be sufficient if it simply informs
the class members of the nature of the pending action, the general terms of the settlement, that complete
and detailed information is available from the court files, and that any class member may appear and be
heard at the hearing.").

1 Commonwealth, and Guam Departments of Labor as to publishing notice through them, with the
2 only response at the time of filing of their First Amended Joint Motion being the Commonwealth
3 Department of Labor's declining to publish notice; (3) they will arrange for publication of notice
4 through the federal and Guam Departments of Labor should either agency agree to do so; and
5 (4) they propose a sixty-day period, starting from the date of preliminary approval, for class
6 members to opt-out of the proposed settlement.⁴ (1st Am. Joint Mot. 8-9.)

7 The Parties' longform notice states (1) the nature of the action; (2) the description of the
8 class; (3) a summary of settlement terms, including the total settlement amount, general method
9 for determining each class member's recovery, and expected distributions for attorneys' fees and
10 incentive payments; (4) how to access the settlement agreement; (5) how and when the settlement
11 will be approved, *i.e.*, at a final approval hearing before the Court for a date and time certain;
12 (6) the right to object to the settlement proposal, including writing to the Court and attending the
13 hearing; (7) the right to opt-out of the class action and a blank form thereof; and (8) the address
14 and contact information for class counsel for any questions. (*See* Longform Notice.) The Parties'
15 shortform notice succinctly states (1) the nature of the action; (2) the description of the class; (3) a
16 general statement of rights available to a class member; (4) instructions on how to access the
17 settlement agreement; and (5) contact information for class counsel. (*See* 1st Am. Joint Mot.,
18 Ex. C (shortform notice), ECF No. 70-3.)

21 ⁴ At the hearing on the Parties' previous Joint Motion, the Parties represented that they had previously
22 identified seventy-six class members, all of whom were mailed certification notice. However, forty of the
23 seventy-six did not respond to the certification notice or otherwise had mail returned as undelivered. (Mins.,
24 ECF No. 69.) In view of the number of class members who did not respond or likely did not receive the
previous notice, the settlement posture, the Parties' continuing efforts at locating all class members, and the
Parties' notice plan, the Court finds that providing another opportunity for class members to opt out of the
class action is warranted. *See* Fed. R. Civ. P. 23(e)(4).

1 The Court is satisfied that the Parties' proposed notice plan is a "reasonable manner" in
2 which class members will be reasonably likely to receive notice of the proposed settlement and be
3 fairly apprised of their rights that will be affected by the same. The Court, however, will modify
4 the proposed notice plan to also require that class counsel's webpage should also make a copy of
5 this order accessible for visitors and interested parties. The Court finds no other changes are
6 necessary to the proposed notice plan.

7 IV. CONCLUSION

8 The Parties have met their burden in showing that the Court will likely be able to give final
9 approval of their proposed settlement and maintain the certification of the class for purposes of
10 judgment. The Parties have also presented a proposed notice plan that is reasonably calculated to
11 apprise all interested parties of the developments in this litigation, what rights interested parties
12 may have concerning the proposed settlement, and meaningful opportunities for such parties to
13 exercise their rights before being bound by final approval of the proposed class action settlement.
14 Accordingly,

15 (1) The Parties' First Amended Joint Motion (ECF No. 70) is GRANTED and the previous
16 Joint Motion (ECF No. 60) is DENIED AS MOOT;

17 (2) **A final approval hearing** on the Parties' proposed class action settlement, the terms of
18 which are set forth in Exhibit A to the Parties' First Amended Joint Motion (ECF No. 70-
19 1), **is set for Thursday, August 27, 2026, at 9:00 a.m., in the Third Floor Courtroom;**

20 (3) All requests by individual class members to be excluded from this class action lawsuit must
21 be postmarked or emailed to class counsel by **Monday, July 27, 2026;**

1 (4) All written comments concerning the proposed settlement and requests to speak at the final
2 approval hearing must be postmarked or emailed to the Court by **Thursday, August 20,**
3 **2026;**

4 (5) The Parties are directed to serve notice in accordance with their proposed notice plan, with
5 the addition of including a copy of this order on class counsel's webpage, and file a
6 certification one week before the final approval hearing detailing their service efforts and
7 any new opt-outs by class members.

8 IT IS SO ORDERED this 27th day of May, 2026.

9
10 

11 _____
12 RAMONA V. MANGLONA
13 Chief Judge
14
15
16
17
18
19
20
21
22
23
24