

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

Stark v. Patreon, Inc.

Stark · No. 22-cv-03131-JCS · Decided July 8, 2025

SUMMARY

The Northern District of California denied Lexclaim’s motion for leave to seek partial reconsideration of the court’s June 5, 2025 order approving a class action settlement and invalidating certain opt-out forms. The court held that Lexclaim had not shown a basis for reconsideration under Civil Local Rule 7-9(b)(3) and had repeated arguments in violation of Rule 7-9(c).

CASE DETAILS

COURT	United States District Court for the Northern District of California
JURISDICTION	United States District Court for the Northern District of California
DECIDED	July 8, 2025
DOCKET	22-cv-03131-JCS
DISPOSITION	other
PROCEDURAL POSTURE	The court denied Lexclaim's motion for leave to file a motion for partial reconsideration or, alternatively, its motion for partial reconsideration of the court's June 5, 2025 order approving a class-action settlement and ruling that certain opt-out forms were invalid.
STANDARD OF REVIEW	Reconsideration of an interlocutory order under Civil Local Rule 7-9(b)(3) requires a manifest failure to consider material facts or dispositive legal arguments previously presented. Civil Local Rule 7-9(c) prohibits a motion for leave to file a motion for reconsideration from repeating arguments previously made in support of or opposition to the challenged order.
PRECEDENTIAL VALUE	nonprecedential
PARTIES	Lexclaim v. Patreon, Inc.

TOPICS

- motion for reconsideration
- class actions
- civil procedure

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether Lexclaim demonstrated a manifest failure by the court to consider material facts or dispositive legal arguments under Civil Local Rule 7-9(b)(3).
2. Whether the court's conclusions that the assignments were invalid and that Lexclaim's opt-out form was a prohibited group opt-out were inconsistent.
3. Whether Lexclaim's motion violated Civil Local Rule 7-9(c) by repeating arguments previously presented.

HOLDINGS

1. Lexclaim did not establish a manifest failure by the court to consider material facts or dispositive legal arguments, even assuming that the challenged group-opt-out conclusion was unnecessary to the relief ordered.
2. The court's conclusions that the assignments were invalid and that Lexclaim's opt-out form was a prohibited group opt-out were alternative holdings and were not inconsistent.
3. Lexclaim violated Civil Local Rule 7-9(c) by repeating an argument it had previously made—that its opt-out form could not be a group opt-out because Lexclaim was a single entity.

KEY QUOTATIONS

“These are simply alternative holdings and Lexclaim’s manufactured conflict carries no weight.” (at 2)

“ “[R]econsideration [is not] to be used to ask the Court to rethink what it has already thought.” ” (at 3)

FACTUAL BACKGROUND

The court had approved a class-action settlement and determined that opt-out forms associated with 927 individuals whose claims were purportedly assigned to Lexclaim were invalid group opt-outs prohibited by the settlement agreement. The court also determined that an opt-out form submitted in Lexclaim's own name, purporting to opt out on the basis of ownership of those claims, was an invalid group opt-out. Lexclaim sought reconsideration, arguing that it was a single entity, that its opt-out form could not be a group opt-out, and that this conclusion conflicted with the finding that the assignments were invalid.

PROCEDURAL HISTORY

The court previously approved the class-action settlement and ruled that 927 opt-out forms submitted by individuals who purportedly assigned their claims to Lexclaim, along with an opt-out form submitted in Lexclaim's own name, were prohibited group opt-outs. Lexclaim sought reconsideration, arguing that the group-opt-out conclusion was unnecessary, unsupported, and inconsistent with the court's conclusion that the assignments were invalid. The court denied the motion because Lexclaim failed to satisfy Civil Local Rule 7-9(b)(3), repeated arguments in violation of Rule 7-9(c), and presented no valid conflict between the court's alternative holdings.

DISPOSITION

other

CASES CITED

- United States v. Ass'n of Behav. Consultants, No. 15-CV-01188 EDL, 2019 WL 12517083, at *2 (N.D. Cal. July 18, 2019)
- Apotex Inc. v. Gilead Scis., Inc., No. 18-CV-06475-JCS, 2019 WL 2410468, at *2 (N.D. Cal. June 7, 2019)
- Garcia v. City of Napa, No. C-13-03886 EDL, 2014 WL 342085, at *1 (N.D. Cal. Jan. 28, 2014)

OPINION

Stark v. Patreon, Inc.

PER CURIAM.

1 2 3

4 UNITED STATES DISTRICT COURT

5 NORTHERN DISTRICT OF CALIFORNIA

6 BRAYDEN STARK, et al., 7 Case No. 22-cv-03131-JCS Plaintiffs,

8 ORDER DENYING MOTION FOR

v. LEAVE TO FILE MOTION FOR

9 PARTIAL RECONSIDERATION OR,

PATREON, INC., IN THE ALTERNATIVE, FOR

10 PARTIAL RECONSIDERATION

Defendant. 11 Re: Dkt. No. 228 12 13 On June 5, 2025, the Court approved the class action
settlement in this case and ruled on 14 the validity of opt-out forms submitted by Lexclaim. Dkt.
no. 227 (“June 5 Order”). Among other 15 things, the Court found that the 927 opt-out forms from
individual class members who purportedly 16 assigned their claims in this action to Lexclaim, as
well as the opt-out form that was submitted in 17 Lexclaim’s own name, were invalid “group opt-
outs” that are prohibited under the Settlement 18 Agreement. Presently before the Court is
Lexclaim’s Motion for Leave to File Motion for Partial 19 Reconsideration or, in the Alternative,
For Partial Reconsideration. Dkt. no. 228 (“Motion”). The 20 Motion is DENIED.1 21 In the
Motion, Lexclaim asks the Court to amend its June 5 Order to remove the 22 conclusion that the
“opt-out request Lexclaim submitted in its own name—purporting to opt out of 23 the settlement
for the entire group of claims of the 927 individuals it purportedly obtained by 24 assignment—is
invalid because . . . the opt-out request Lexclaim submitted is a ‘group opt-out’ 25 that the
settlement expressly prohibits.” Motion at 2 (quoting June 5 Order at 42). According to 26
Lexclaim, this conclusion is “unnecessary to the Court’s finding and relief ordered, because the 27
1 conclusion that the Lexclaim single opt-out form was invalid was fully supported by the Court’s
2 conclusion that the claims were not assignable in the first place.” Id. Lexclaim further asserts 3

that the conclusion is “unsupported in the Court’s opinion and should be removed for clarity and 4 consistency.” Id. Lexclaim argues that the Court did not explain its reasoning in finding that the 5 opt-out form submitted in its own name was a group opt-out and reiterates the argument in its 6 prior briefing that its opt-out form cannot be a “group” opt-out as it is a single entity. Id. at 3 7 (citing dkt. no. 222 at 12). Lexclaim further contends the Court’s conclusion that Lexclaim’s opt- 8 out form is a “group” opt-out conflicts with its conclusion that the class members’ claims were not 9 assignable in the first place. Id. Lexclaim asserts, “by the Court’s own reasoning, Lexclaim’s 10 single opt-out form contained no claims at all, so it is hard to see how it can be a “group” 11 anything; to the Court, it was a nullity.” Id. at 3 (emphasis in original). 12 First, the Court rejects Lexclaim’s assertion that reconsideration is warranted under Civil 13 Local Rule 7-9(b)(3), which provides for reconsideration where there has been “[a] manifest 14 failure by the Court to consider material facts or dispositive legal arguments which were presented 15 to the Court before such interlocutory order.” Civ.L.R. 7-9(b)(3). Assuming Lexclaim is correct 16 that the Court’s conclusion is unnecessary to the relief it ordered, that reason does not establish 17 that the standard in Rule 7-9(b)(3) has been met. Nor is that standard met based on the purported 18 conflict between the Court’s holdings that 1) the underlying assignments of the 927 class 19 members’ claims were invalid; and 2) Lexclaim’s opt-out form purportedly opting out on the basis 20 of its ownership of those 927 class members’ claims was also a group opt-out and therefore 21 prohibited under the Settlement Agreement. These are simply alternative holdings and Lexclaim’s 22 manufactured conflict carries no weight. 23 Second, Lexclaim has violated Rule 7-9(c), which provides that “[n]o motion for leave to 24 file a motion for reconsideration may repeat any oral or written argument made by the applying 25 party in support of or in opposition to the interlocutory order which the party now seeks to have 26 reconsidered.” In particular, the Motion is based, in part, on Lexclaim’s position that the Court’s 27 “group opt-out” finding is incorrect because “as Lexclaim explained, it is a single entity, so 1 request on its own individual behalf.” Motion at 3 (citing dkt. no. 222 at 12, where Lexclaim 2 || made the same argument). See *United States v. Ass’n of Behav. Consultants*, No. 15-CV-01188- 3 EDL, 2019 WL 12517083, at *2 (N.D. Cal. July 18, 2019) (denying motion for leave to file 4 || motion for reconsideration and finding that the plaintiff’s “motion and reply papers repeat[ed] the 5 facts and arguments that [the] [p]laintiff made in her opposition to Defendant’s motion for 6 summary judgment” in violation of Civil L.R. 7-9(c)); *Apotex Inc. v. Gilead Scis., Inc.*, No. 18- 7 CV-06475-JCS, 2019 WL 2410468, at *2 (N.D. Cal. June 7, 2019) (denying motion for leave to 8 file motion for reconsideration and finding that the motion “merely reargue[d] the points made in 9 || opposition to the Motion to Dismiss and therefore [did] not satisfy the requirement of Civil Local 10 || Rule 7-9(c) that a party seeking reconsideration may not repeat arguments already made in its 11 opposition brief.”). “[R]econsideration [is not] to be used to ask the Court to rethink what it has 12 || already thought.” *Garcia v. City of Napa*, No. C-13-03886 EDL, 2014 WL 342085, at *1 (N.D. 5 13 Cal. Jan. 28, 2014). The Court considered Lexclaim’s argument already and found it 14 || unpersuasive. To the

extent that Lexclaim is asking the Court to rethink its conclusion, it has not 3 15 complied with Rule 7-9(c). a 16 Accordingly, the Motion is DENIED. IT IS SO ORDERED. 18 19 Dated: July 8, 2025

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J PH C. SPERO

21 nited States Magistrate Judge 22 23 24 25 26 27 28