

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Tal Nelkin and Melissa Cuevas v. Kroto Inc. d/b/a iCanvas and
iCanvasArt, and Leonid Oks

Nelkin v. Kroto · No. 2:23-cv-08241-KK-MAA · Decided March 31, 2025

SUMMARY

The United States District Court for the Central District of California granted final approval of an injunctive-relief class settlement concerning allegedly misleading discount and reference-price advertising by Kroto Inc. and Leonid Oks. The court certified the settlement class under Federal Rule of Civil Procedure 23(b)(2), approved changes to the defendants’ advertising practices, and confirmed that the release applied only to claims for injunctive relief. The court awarded Class Counsel \$185,410.42 in fees and \$9,589.58 in costs, approved \$5,000 service awards for each named plaintiff, and dismissed the action with prejudice.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Kenly Kiya Kato
JURISDICTION	United States District Court for the Central District of California
DECIDED	March 31, 2025
DOCKET	2:23-cv-08241-KK-MAA
DISPOSITION	dismissed
PROCEDURAL POSTURE	Plaintiffs moved for final approval of an unopposed Rule 23(b)(2) class settlement, certification of a settlement class, attorneys' fees and costs, and class representative service awards.
STANDARD OF REVIEW	The court independently evaluated whether the proposed class settlement was fair, reasonable, and adequate under Federal Rule of Civil Procedure 23(e)(2), and applied enhanced scrutiny to settlement-only class certification.
PRECEDENTIAL VALUE	unpublished district court order; precedential status not stated
PARTIES	Tal Nelkin, Melissa Cuevas v. Kroto Inc. d/b/a iCanvas and iCanvasArt, Leonid Oks

TOPICS

class actions injunctions consumer protection attorney fees civil procedure

PRACTICE AREAS

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QUESTIONS PRESENTED

1. Whether the proposed Rule 23(b)(2) settlement should receive final approval as fair, reasonable, and adequate.
2. Whether the settlement class should be certified for settlement purposes under Federal Rule of Civil Procedure 23.
3. Whether notice and opt-out rights were unnecessary where the settlement released only injunctive-relief claims and preserved monetary claims.
4. Whether the requested attorneys' fees, costs, and service awards were fair and reasonable.

HOLDINGS

1. The settlement was finally approved because it resulted from meaningful discovery and investigation, serious and informed arm's-length negotiations, and provided terms that were fair, adequate, and reasonable.
2. The settlement class was certified for settlement purposes under Rule 23 because the requirements of Rule 23(a) were satisfied and injunctive relief was appropriate under Rule 23(b)(2).
3. Notice to the settlement class and opt-out rights were not required because the settlement released only injunctive-relief claims and did not affect class members' claims for monetary relief.
4. The court approved \$185,410.42 in attorneys' fees, \$9,589.58 in costs and expenses, and \$5,000 service awards to each of the two class representatives as fair and reasonable.

KEY QUOTATIONS

“Rule 23 requires the Court to determine whether the Settlement is “fair, reasonable, and adequate.”” (at 5)

“When a class is certified under Rule 23(b)(2) and only provides for injunctive relief, no notice of class certification is required.” (at 9)

FACTUAL BACKGROUND

Plaintiffs alleged that Kroto Inc. and Leonid Oks advertised misleading time-limited discounts and reference prices for products sold through iCanvas websites, causing consumers to believe they were receiving favorable bargains. The parties litigated for approximately twelve months, exchanged informal and formal discovery concerning marketing, pricing policies, advertised discounts, and marketplace comparisons, and engaged in mediation and arm's-length settlement negotiations. The settlement required changes to website pricing terminology and disclosures and released only claims for injunctive relief, leaving monetary claims unaffected.

PROCEDURAL HISTORY

Plaintiffs filed the action on October 2, 2023 and filed a Second Amended Complaint on May 3, 2024 alleging misleading reference prices and time-limited discounts in violation of California consumer-protection laws and related common-law doctrines. The court denied Defendants' motion to dismiss or alternatively transfer on June 24, 2024, and preliminarily approved the settlement on January 16, 2025. The court granted final approval, certified the settlement class for settlement purposes, approved injunctive relief, fees, costs, and service awards, dismissed the action with prejudice, and directed the parties to implement the settlement.

DISPOSITION

dismissed

CASES CITED

- Staton v. Boeing Co., 327 F.3d 938, 952 (9th Cir. 2003)
- In re Online DVD-Rental Antitrust Litig., 779 F.3d 934, 944 (9th Cir. 2015)
- Churchill Vill., LLC v. Gen. Elec., 361 F.3d 566, 575 (9th Cir. 2004)
- Padilla v. Whitewave Foods Co., No. 2:18-CV-09327-SB-JC, 2021 WL 4902398, at *4 (C.D. Cal. May 10, 2021)
- Padilla v. Whitewave Foods Co., No. 2:18-CV-09327-SB-JC, 2021 WL 4902387, at *1-3 (C.D. Cal. July 15, 2021)
- Kline v. Dymatize Enterprises, LLC, No. 15-CV-2348-AJB-RBB, 2016 WL 6026330, at *6 (S.D. Cal. Oct. 13, 2016)
- Lilly v. Jamba Juice Co., 2015 WL 1248027, at *8-9 (N.D. Cal. Mar. 8, 2015)