

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

Nado v. John Muir Health

Nado · No. 24-cv-01632-AMO · Decided June 20, 2025

SUMMARY

The United States District Court for the Northern District of California grants preliminary approval of a proposed \$950,000 class action settlement in an ERISA action concerning alleged excessive fees and fiduciary breaches involving the John Muir Health 403(b) Plan. The Court conditionally certifies the settlement class under Federal Rule of Civil Procedure 23(b)(1), appoints Conan Nado as class representative, approves Analytics Consulting, LLC as settlement administrator, and approves the proposed notice plan. A fairness hearing is scheduled for December 11, 2025.

CASE DETAILS

|                       |                                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COURT                 | United States District Court for the Northern District of California                                                                                                                                                                                                                                                                                                      |
| WRITING FOR THE COURT | Araceli Martinez-Olguin                                                                                                                                                                                                                                                                                                                                                   |
| JURISDICTION          | United States District Court for the Northern District of California                                                                                                                                                                                                                                                                                                      |
| DECIDED               | June 20, 2025                                                                                                                                                                                                                                                                                                                                                             |
| DOCKET                | 24-cv-01632-AMO                                                                                                                                                                                                                                                                                                                                                           |
| DISPOSITION           | other                                                                                                                                                                                                                                                                                                                                                                     |
| PROCEDURAL POSTURE    | Plaintiff moved without opposition for preliminary approval of a class action settlement in a putative ERISA class action filed before class certification. The court conditionally certified the settlement class, preliminarily approved the settlement and notice plan, appointed the settlement administrator, and set a final fairness hearing.                      |
| STANDARD OF REVIEW    | For preliminary settlement approval, the court initially determines whether conditional class certification is appropriate and whether the proposed settlement is fundamentally fair, adequate, and reasonable. For a pre-certification settlement, the court applies a higher standard of fairness and a more probing inquiry than ordinarily required under Rule 23(e). |
| PRECEDENTIAL VALUE    | Nonprecedential district court order                                                                                                                                                                                                                                                                                                                                      |
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## PARTIES

Conan Nado v. John Muir Health, Board of Directors of John Muir Health

## TOPICS

class actions erisa employee benefits civil procedure

## PRACTICE AREAS

ERISA class action settlements employee benefits civil procedure

## QUESTIONS PRESENTED

1. Whether the proposed settlement class should be conditionally certified under Federal Rule of Civil Procedure 23(a) and Rule 23(b)(1).
2. Whether the pre-certification settlement was fundamentally fair, adequate, and reasonable under Federal Rule of Civil Procedure 23(e)(2).
3. Whether the proposed settlement notice and notice plan were reasonably calculated to inform class members of the settlement and their rights.

## HOLDINGS

1. The proposed settlement class satisfied Rule 23(a)'s numerosity, commonality, typicality, and adequacy requirements and qualified for certification under Rule 23(b)(1)(A).
2. The \$950,000 settlement was preliminarily approved because it appeared fundamentally fair, adequate, and reasonable under Rule 23(e)(2).
3. The proposed mailed, website, and telephone notice plan was adequate and reasonably calculated to notify class members of the settlement and their rights.

## KEY QUOTATIONS

*“In reviewing the proposed settlement, a court does not need to conclude that the settlement is ideal or the best outcome, but rather whether the settlement is fair, free of collusion, and consistent with plaintiff’s fiduciary obligations to the class.”* (at 3)

*“When parties settle prior to class certification, courts invoke “a higher standard of fairness and a more probing inquiry than may normally be required under Rule 23(e),””* (at 4)

*“Due process requires “notice reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections.””* (at 9)

## FACTUAL BACKGROUND

Nado brought claims on behalf of participants and beneficiaries of the John Muir Health 403(b) Plan for alleged breaches of ERISA fiduciary duties. He alleged that, during the proposed class period from March 15, 2018, through the date of judgment, the plan fiduciaries paid excessive recordkeeping and administrative fees,

improperly allocated plan forfeitures, and caused losses to the plan. Before certification, the parties negotiated a \$950,000 settlement providing monetary and injunctive relief, including a future request for proposal for plan recordkeeping services, with distribution to an estimated 43,895 class members.

## PROCEDURAL HISTORY

Nado filed the action on March 15, 2024, alleging that fiduciaries of the John Muir Health 403(b) Plan breached ERISA fiduciary duties by paying excessive recordkeeping and administrative fees and mishandling plan forfeitures. The parties reached a settlement before class certification with the assistance of a mediator. The court granted the unopposed motion for preliminary approval and entered detailed orders concerning conditional certification, notice, administration, objections, and the fairness hearing.

## DISPOSITION

other

## CASES CITED

- In re Syncor ERISA Litig., 516 F.3d 1095, 1100 (9th Cir. 2008)
- Hanlon v. Chrysler Corp., 150 F.3d 1011, 1020, 1027 (9th Cir. 1998)
- In re California Pizza Kitchen Data Breach Litig., 129 F.4th 667, 674 (2025)
- In re Heritage Bond Litig., 546 F.3d 667, 674-75 (9th Cir. 2008)
- Dennis v. Kellogg Co., 697 F.3d 858, 864 (9th Cir. 2012)
- Roes, 1-2 v. SFBSC Mgmt., LLC, 944 F.3d 1035, 1049 (9th Cir. 2019)
- Wal-Mart Stores, Inc. v. Dukes, 564 U.S. 338, 350 (2011)
- Reyes v. Bakery & Confectionery Union & Indus. Int'l Pension Fund, No. 14-CV-05596-JST, 2015 WL 5569462, at \*3-4 (N.D. Cal. Sept. 22, 2015)
- Hanon v. Dataproducts Corp., 976 F.2d 497, 508 (9th Cir. 1992)
- Schwartz v. Harp, 108 F.R.D. 279, 282 (C.D. Cal. 1985)
- Hunt v. Check Recovery Sys., Inc., 241 F.R.D. 505, 511 (N.D. Cal. 2007)
- Amchem Prods., Inc. v. Windsor, 521 U.S. 591, 626 n.20 (1997)
- General Telephone Co. of Southwest v. Falcon, 457 U.S. 147, n.13 (1982)
- Kanawi v. Bechtel Corp., 254 F.R.D. 102, 111 (N.D. Cal. 2008)
- In re Pac. Enters. Sec. Litig., 47 F.3d 373, 378 (9th Cir. 1995)
- Cottle v. Plaid Inc., 340 F.R.D. 356, 376-77 (N.D. Cal. 2021)
- In re Google LLC St. View Elec. Commc'ns Litig., 611 F. Supp. 3d 872, 890 (N.D. Cal. 2020), aff'd sub nom. In re Google Inc. St. View Elec. Commns Litig., 21 F.4th 1102 (9th Cir. 2021)
- In re Bluetooth Headset Prods. Liab. Litig., 654 F.3d 935, 942, 946-47 (9th Cir. 2011)
- Rodriguez v. W. Publ'g Corp., 563 F.3d 948, 967 (9th Cir. 2009)
- Briseño v. Henderson, 998 F.3d 1014, 1023 (9th Cir. 2021)
- Dudum v. Carter's Retail, Inc., No. 14-CV-00988-HSG, 2015 WL 5185933, at \*3 (N.D. Cal. Sept. 4, 2015)

- Chun-Hoon v. McKee Foods Corp., 716 F. Supp. 2d 848, 851 (N.D. Cal. 2010)
- Villegas v. J.P. Morgan Chase & Co., No. CV 09-00261 SBA EMC, 2012 WL 5878390, at \*6 (N.D. Cal. Nov. 21, 2012)
- Gruber v. Grifols Shared Servs. North America
- De La Torre v. CashCall, Inc., No. 08-CV-03174-MEJ, 2017 WL 2670699, at \*9 (N.D. Cal. June 21, 2017)
- Rubio-Delgado v. Aerotek, Inc., 2015 WL 3623627, at \*8 (N.D. Cal. June 10, 2015)
- Mullane v. Cent. Hanover Bank & Tr. Co., 339 U.S. 306, 314 (1950)
- Churchill Vill., L.L.C. v. Gen. Elec., 361 F.3d 566, 575 (9th Cir. 2004)

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