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Clerk of the Court
Superior Court of CA
County of Santa Clara
21CV380268
By: tduarte

SUPERIOR COURT OF CALIFORNIA COUNTY OF SANTA CLARA

JESSIE CALLES, individually, and on behalf of other members of the general public similarly situated.

Case No. 21CV380268

Plaintiff,

 \parallel v.

BARRACUDA NETWORKS, INC., et al.,

Defendants.

ORDER GRANTING PLAINTIFF'S MOTION FOR PREMLIMINARY APPROVAL

This is a putative class action. Plaintiff Jessie Calles alleges that defendant Barracuda Networks, Inc. committed various wage and hour violations.

Before the Court is Plaintiffs' motion for preliminary approval of settlement, which is unopposed. As discussed below, the Court GRANTS the motion.

I. BACKGROUND

According to the allegations of the operative complaint, Plaintiff was employed as an hourly-paid, non-exempt employees in California. (Complaint, ¶ 17.) Defendants failed to pay wages owed during and after employment; provide meal breaks or premiums in lieu thereof; provide rest breaks or premiums in lieu thereof; provide compliant wage statements; keep requisite payroll records; and reimburse business expenses.

Based on the foregoing, Plaintiff initiated this action on April 19, 2021, with the filing of the Complaint, which asserts the following causes of action: (1) violation of Labor Code §§ 510,

1198 (unpaid overtime); (2) violation of Labor Code §§ 226.7, 512, subdivision (a) (unpaid meal period premiums); (3) violation of Labor Code § 226.7 (unpaid rest period premiums); (4) violation of Labor Code §§ 1194, 1197, 1197.1 (unpaid minimum wages); (5) violation of Labor Code §§ 201, 202 (final wages not timely paid; (6) violation of Labor Code § 204 (wages not timely paid during employment); (7) violation of Labor Code § 226, subdivision (a) (non-compliant wage statements); (8) violation of Labor Code § 1174, subdivision (d) (failure to keep requisite payroll records); (9) violation of Labor Code §§ 2800, 2802 (unreimbursed business expenses); and (10) violation of Business & Professions Code §§ 17200, et seq.

Plaintiff now seeks an order: granting preliminary approval of the proposed class action settlement; conditionally certifying the class for settlement purposes; preliminarily approving Plaintiff as Class Representative; preliminarily appointing Lawyers for Justice, PC as Class Counsel; approving the proposed Notice of Class Action Settlement; directing the mailing of the Class Notice; approving the proposed dealings for notice and class settlement administration; approving ILYM Group, Inc. as the Settlement Administrator; and scheduling a final approval hearing.

II. LEGAL STANDARDS FOR SETTLEMENT APPROVAL

A. Class Action

Generally, "questions whether a [class action] settlement was fair and reasonable, whether notice to the class was adequate, whether certification of the class was proper, and whether the attorney fee award was proper are matters addressed to the trial court's broad discretion." (*Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 234–235 (*Wershba*), disapproved of on other grounds by *Hernandez v. Restoration Hardware, Inc.* (2018) 4 Cal.5th 260.)

In determining whether a class settlement is fair, adequate and reasonable, the trial court should consider relevant factors, such as the strength of plaintiffs' case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience

and views of counsel, the presence of a governmental participant, and the reaction of the class members to the proposed settlement.

(Wershba, supra, 91 Cal.App.4th at pp. 244–245, internal citations and quotations omitted.)

In general, the most important factor is the strength of the plaintiffs' case on the merits, balanced against the amount offered in settlement. (See *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 130 (*Kullar*).) But the trial court is free to engage in a balancing and weighing of relevant factors, depending on the circumstances of each case. (*Wershba, supra*, 91 Cal.App.4th at p. 245.) The trial court must examine the "proposed settlement agreement to the extent necessary to reach a reasoned judgment that the agreement is not the product of fraud or overreaching by, or collusion between, the negotiating parties, and that the settlement, taken as a whole, is fair, reasonable and adequate to all concerned." (*Ibid.*, citation and internal quotation marks omitted.) The trial court also must independently confirm that "the consideration being received for the release of the class members' claims is reasonable in light of the strengths and weaknesses of the claims and the risks of the particular litigation." (*Kullar, supra*, 168 Cal.App.4th at p. 129.) Of course, before performing its analysis the trial court must be "provided with basic information about the nature and magnitude of the claims in question and the basis for concluding that the consideration being paid for the release of those claims represents a reasonable compromise." (*Id.* at pp. 130, 133.)

III.SETTLEMENT PROCESS

On April 19, 2021, Plaintiff filed the class action complaint. On October 15, 2019, a separate wage and hour action was filed by plaintiff Laurie Reed but on May 13, 2021, plaintiff Reed moved to dismiss the class claims and her individual claims. On February 22, 2022, Plaintiff served formal discovery in the form of special interrogatories and requests for production. On February 23, 2023, Defendant served its request for production and special interrogatories. On September 19, 2023, he served the second set of requests for production.

¹ The Court granted her request on May 31, 2021 and July 28, 2021, respectively.

After four informal discovery conferences ("IDC"), the parties reached an agreement regarding Defendant's discovery responses.

On January 26, 2024, Plaintiff filed the motion for class certification, which was opposed by Defendant on March 29, 2024. On September 20, 2024, Defendant filed its motion to compel arbitration. On November 6, 2024, the parties reached a settlement that is memorialized in the agreement currently before the Court.

IV. SETTLEMENT PROVISIONS

The non-reversionary gross settlement amount is \$450,000. Attorney fees of up to 35% (\$157,000), litigation costs of up to \$90,000, and administrative costs of up to \$15,000. Plaintiff will seek a class representative award of \$10,000. The net settlement amount will be allocated between members of the "Class" who are defined as "[a]ll current and former hourly-paid, non-exempt employees who worked for Defendant within the State of California at any time during the Class Release Period." After preliminary approval, the settlement administrator ILYM will divide the estimated net settlement amount by the workweeks of all class members and multiply each class member's individual workweeks by the estimated workweek value to calculate their individual settlement amount. For tax purposes, 20% of each class member's settlement payment will be allocated as wages and 80% will be allocated as penalties, interest, and non-wages. The employer's share of payroll taxes and contributions on the wages portion will be paid by Defendant, separate from the settlement amount. Checks will be valid and negotiable for 180 days from the date the checks are issued. After that, the checks will be cancelled, and funds associated with checks uncashed after 180 days will be distributed to the Santa Clara chapter of the Special Olympics.

In exchange for settlement, Class Members who do not opt out will release:
[A]ny and all claims, debts, liabilities, demands, obligations, penalties, premium pay, guarantees, costs, expenses, attorney's fees, damages, actions, causes of action whether known of unknown, contingent or accrued, under all factual and

² The Class Release Period is defined as the period from October 15, 2015 through April 24, 2025.

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legal theories under federal or state law that arose during the Class Period that were alleged, or could have been asserted based on the facts and legal theories contained in the Complaint in the Action, including all claims for violations of the California Labor Code, including *inter alia* sections 201, 202, 203, 204, 210, 226(a), 226.7, 510, 1194, 1197, 1197.1, 1198, 2800, 2802, and applicable Industrial Welfare Commission Wages Orders, for failure to pay all and overtime wages due; failure to provide compliant meal periods and associated premiums; failure to provide compliant rest periods and associated premiums; failure to pay all minimum wages due; failure to pay all wages timely during employment; failure to pay all wages timely at the time of terminations; failure to provide sick day s or pay sick days at the appropriate rate; claims related to donning and doffing; claims related to pre and post-shift work; failure to calculate the regular rate of pay; failure to provide complete, accurate, or properly formatted wage statements; failure to maintain requisite time records and payroll records; failure to reimburse business expenses; and unfair business practices that were or could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action, or legal theories of relief pleaded in the Complaint in the Action.

The foregoing release is appropriately tailored to the allegations at issue. (See *Amaro v. Anaheim Arena Management, LLC* (2021) 69 Cal.App.5th 521, 537.)

V. FAIRNESS OF SETTLEMENT

Prior to engaging in settlement negotiations, Class Counsel conducted investigation, formal, and informal discovery regarding the facts of the cases, including exchange, review and analysis of documents provided by the parties such as: Plaintiff's employment records, the employee handbook, job description, employee offer letter, promotion letters, employee change request forms, employee innovations and proprietary rights assignments agreement, nondisclosure agreement, employee access to customer communications agreement, performance

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evaluation forms, company policy acknowledgements (receipt for employee handbook, time clock policy acknowledgement). They parties also exchanged class information.

Based on the available data, Class Counsel calculated that Defendant's maximum exposure is as follows: \$2,679,290.28 for failure to pay overtime wages; \$1,786,193.52 for failure to pay minimum wages; \$1,786,193.52 for failure to provide compliant meal periods and associated premiums; \$1,786,193.52 for failure to provide complaint rest periods and associated premiums; \$9,286,270.95 for failure to timely pay wages during employment; \$1,972,012.80 for failure to timely pay wages after termination; \$1,700,000 for failure to provide compliant wage statements; \$345,000.00 for failure to maintain payroll records; and \$329,556.00 for failure to reimburse necessary business expenses.

Class Counsel considered the potential risks, expense, and complexity posed by litigation such as viability (70%-80% discount), obtaining and maintaining class certification (50%-60% discount), succeeding on the merits and establishing liability (50%-70% discount), and proving the extent of damages and obtaining an award thereof (70%-80% discount). In light of the foregoing, Plaintiff applied each discount to the claims as follows: \$40,189.36 for failure to pay overtime wages; \$21,434.32 for failure to pay minimum wages; \$26,792.90 for failure to provide meal periods and associated premiums; \$14,289.55 for failure to provide compliant rest periods and associated premiums; \$44,574.10 for failure to timely pay wages during employment; \$14,198.49 for failure to timely pay wages after termination; \$8,160.00 for failure to provide compliant wage statements; \$2,211.20 for failure to maintain payroll records; and \$3,559.21 for failure to reimburse business expenses. Thus, the realistic exposure is approximately \$175,409.12. The settlement amount is approximately 2% of the maximum exposure. Therefore, the proposed settlement is significantly lower than the general range of percentage recoveries that California courts have found to be reasonable. (See Cavazos v. Salas Concrete, Inc. (E.D. Cal., Feb. 18, 2022, No. 1:19-cv-00062-DAD-EPG) 2022 U.S.Dist. LEXIS 30201, at *41-42 [citing cases approving settlements in the range of 5 to 35 percent of the maximum potential exposure].) However, the proposed settlement is approximately 256% of the realistic exposure.

After reviewing Plaintiff's documents supporting the proposed settlement and in consideration of the circumstances of the case, including the strength of Plaintiff's case as well as the potential defenses, the court finds the terms of the settlement to be fair. The settlement provides some recovery for each class members and eliminates the risk and expense of further litigation. For purposes of preliminary approval, the Court finds that the settlement is fair and reasonable to the class.

VI. PROPOSED SETTLEMENT CLASS

Plaintiff requests that the following settlement class be provisionally certified: All current and former hourly-paid, non-exempt employees who worked for Defendant within the State of California at any time during the Class Release Period.

A. Legal Standard for Certifying a Class for Settlement Purposes

Rule 3.769(d) of the California Rules of Court states that "[t]he court may make an order approving or denying certification of a provisional settlement class after [a] preliminary settlement hearing." California Code of Civil Procedure Section 382 authorizes certification of a class "when the question is one of a common or general interest, of many persons, or when the parties are numerous, and it is impracticable to bring them all before the court"

Section 382 requires the plaintiff to demonstrate by a preponderance of the evidence: (1) an ascertainable class and (2) a well-defined community of interest among the class members. (Sav-On Drug Stores, Inc. v. Superior Court (2004) 34 Cal.4th 319, 326, 332 (Sav-On Drug Stores).) "Other relevant considerations include the probability that each class member will come forward ultimately to prove his or her separate claim to a portion of the total recovery and whether the class approach would actually serve to deter and redress alleged wrongdoing." (Linder v. Thrifty Oil Co. (2000) 23 Cal.4th 429, 435.) The plaintiff has the burden of establishing that class treatment will yield "substantial benefits" to both "the litigants and to the court." (Blue Chip Stamps v. Superior Court (1976) 18 Cal.3d 381, 385.)

In the settlement context, "the court's evaluation of the certification issues is somewhat different from its consideration of certification issues when the class action has not yet settled."

(*Luckey v. Superior Court* (2014) 228 Cal.App.4th 81, 93.) As no trial is anticipated in the settlement-only context, the case management issues inherent in the ascertainable class determination need not be confronted, and the court's review is more lenient in this respect. (*Id.* at pp. 93–94.) But considerations designed to protect absentees by blocking unwarranted or overbroad class definitions require heightened scrutiny in the settlement-only class context, since the court will lack the usual opportunity to adjust the class as proceedings unfold. (*Id.* at p. 94.)

B. Ascertainable Class

A class is ascertainable "when it is defined in terms of objective characteristics and common transactional facts that make the ultimate identification of class members possible when that identification becomes necessary." (*Noel v. Thrifty Payless, Inc.* (2019) 7 Cal.5th 955, 980 (*Noel*).) A class definition satisfying these requirements

puts members of the class on notice that their rights may be adjudicated in the proceeding, so they must decide whether to intervene, opt out, or do nothing and live with the consequences. This kind of class definition also advances due process by supplying a concrete basis for determining who will and will not be bound by (or benefit from) any judgment.

(Noel, supra, 7 Cal.5th at p. 980, citation omitted.)

"As a rule, a representative plaintiff in a class action need not introduce evidence establishing how notice of the action will be communicated to individual class members in order to show an ascertainable class." (*Noel*, *supra*, 7 Cal.5th at p. 984.) Still, it has long been held that "[c]lass members are 'ascertainable' where they may be readily identified ... by reference to official records." (*Rose v. City of Hayward* (1981) 126 Cal. App. 3d 926, 932, disapproved of on another ground by *Noel*, *supra*, 7 Cal.5th 955; see also *Cohen v. DIRECTV*, *Inc.* (2009) 178 Cal.App.4th 966, 975-976 ["The defined class of all HD Package subscribers is precise, with objective characteristics and transactional parameters, and can be determined by DIRECTV's own account records. No more is needed."].)

Here, the estimated 691 class members are readily identifiable based on Defendant's records and the settlement class is appropriately defined based on objective characteristics. The Court finds that the settlement class is numerous, ascertainable, and appropriately defined.

C. Community of Interest

The "community-of-interest" requirement encompasses three factors: (1) predominant questions of law or fact, (2) class representatives with claims or defenses typical of the class, and (3) class representatives who can adequately represent the class. (*Sav-On Drug Stores, supra*, 34 Cal.4th at pp. 326, 332.)

For the first community of interest factor, "[i]n order to determine whether common questions of fact predominate the trial court must examine the issues framed by the pleadings and the law applicable to the causes of action alleged." (*Hicks v. Kaufman & Broad Home Corp.* (2001) 89 Cal.App.4th 908, 916 (*Hicks*).) The court must also examine evidence of any conflict of interest among the proposed class members. (See *J.P. Morgan & Co., Inc. v. Superior Court* (2003) 113 Cal.App.4th 195, 215.) The ultimate question is whether the issues which may be jointly tried, when compared with those requiring separate adjudication, are so numerous or substantial that the maintenance of a class action would be good for the judicial process and to the litigants. (*Lockheed Martin Corp. v. Superior Court* (2003) 29 Cal.4th 1096, 1104–1105 (*Lockheed Martin*).) "As a general rule if the defendant's liability can be determined by facts common to all members of the class, a class will be certified even if the members must individually prove their damages." (*Hicks, supra,* 89 Cal.App.4th at p. 916.)

Here, common legal and factual issues predominate. Plaintiff's claims all arise from Defendant's wage and hour practices and policies regarding payroll, recordkeeping, and reimbursement for business related expenses.

As for the second factor,

The typicality requirement is meant to ensure that the class representative is able to adequately represent the class and focus on common issues. It is only when a defense unique to the class representative will be a major focus of the litigation, or when the class representative's interests are antagonistic to or in conflict with

the objectives of those she purports to represent that denial of class certification is appropriate. But even then, the court should determine if it would be feasible to divide the class into subclasses to eliminate the conflict and allow the class action to be maintained.

(*Medrazo v. Honda of North Hollywood* (2008) 166 Cal. App. 4th 89, 99, internal citations, brackets, and quotation marks omitted.)

The anticipated defenses are not unique to Plaintiff, and there is no indication that Plaintiff's interests are otherwise in conflict with those of the class.

Finally, adequacy of representation "depends on whether the plaintiff's attorney is qualified to conduct the proposed litigation and the plaintiff's interests are not antagonistic to the interests of the class." (*McGhee v. Bank of America* (1976) 60 Cal.App.3d 442, 450.) The class representative does not necessarily have to incur all of the damages suffered by each different class member in order to provide adequate representation to the class. (*Wershba, supra,* 91 Cal.App.4th at p. 238.) "Differences in individual class members' proof of damages [are] not fatal to class certification. Only a conflict that goes to the very subject matter of the litigation will defeat a party's claim of representative status." (*Ibid.*, internal citations and quotation marks omitted.)

Plaintiff has the same interest in maintaining this action as any class member would have. Further, he has hired experienced counsel. Plaintiff has sufficiently demonstrated adequacy of representation.

D. Substantial Benefits of Class Certification

"[A] class action should not be certified unless substantial benefits accrue both to litigants and the courts. . . ." (*Basurco v. 21st Century Ins.* (2003) 108 Cal.App.4th 110, 120, internal quotation marks omitted.) The question is whether a class action would be superior to individual lawsuits. (*Ibid.*) "Thus, even if questions of law or fact predominate, the lack of superiority provides an alternative ground to deny class certification." (*Ibid.*) Generally, "a class action is proper where it provides small claimants with a method of obtaining redress and

when numerous parties suffer injury of insufficient size to warrant individual action." (*Id.* at pp. 120–121, internal quotation marks omitted.)

Here, there are an estimated 691 Class Members. It would be inefficient for the Court to hear and decide the same issues separately and repeatedly for each class member. Further, it would be cost prohibitive for each class member to file suit individually, as each member would have the potential for little to no monetary recovery. It is clear that a class action provides substantial benefits to both the litigants and the Court in this case.

VII. NOTICE

The content of a class notice is subject to court approval. (Cal. Rules of Court, rule 3.769(f).) "The notice must contain an explanation of the proposed settlement and procedures for class members to follow in filing written objections to it and in arranging to appear at the settlement hearing and state any objections to the proposed settlement." (*Ibid.*) In determining the manner of the notice, the court must consider: "(1) The interests of the class; (2) The type of relief requested; (3) The stake of the individual class members; (4) The cost of notifying class members; (5) The resources of the parties; (6) The possible prejudice to class members who do not receive notice; and (7) The res judicata effect on class members." (Cal. Rules of Court, rule 3.766(e).)

Here, the notice, which will be provided in English, informs the Class Members of the nature of the lawsuit and their rights under the terms of the Settlement and applicable law. It includes: a detailed explanation of the case, including the basic contentions or denials of the Parties and the basic terms of the Settlement; a statement that the court will exclude the member from the class if they request so by a specified date; a procedure for the member to follow in requesting exclusions from the class; an explanation that members of the Class can participate in the Settlement by doing nothing; a statement that the judgment, whether favorable or not, will bind all members who do not request exclusion; and a statement that any member who does not request exclusion may, if the member so desires, enter an appearance through counsel. Class Members are given 60 days to exclude themselves or object.

The form of notice is generally adequate, but must be modified to instruct Class members that they may opt out of or object to the settlement simply by providing their name, without the need to provide their phone number or other personal information.

Regarding appearances at the final fairness hearing, the notice shall be modified to instruct class members as follows:

Although class members may appear in person, the judge overseeing this case encourages remote appearances. (As of August 15, 2022, the Court's remote platform is Microsoft Teams.) Class members who wish to appear remotely should contact class counsel at least three days before the hearing if possible. Instructions for appearing remotely are provided at https://www.scscourt.org/general_info/ra_teams/video_hearings_teams.shtml and should be reviewed in advance. Class members may appear remotely using the Microsoft Teams link for Department 7 (Afternoon Session) or by calling the toll free conference call number for Department 7.

Turning to the notice procedure, as articulated above, the parties have selected ILYM. No later than 21 days after the preliminary approval, Defendant will deliver the Class List to ILYM. ILYM, in turn, will mail the notice packet within fourteen (14) days after receiving the Class List, subsequent to updating Class members' addresses using the National Change of Address Database. Any returned notices will be re-mailed within five (5) days to any forwarding address provided or a better address located through a skip trace or other search. Class members who receive a re-mailed notice will have an additional 14 days to respond. These notice procedures are appropriate and are approved.

VIII. SERVICE AWARD, FEES, AND COSTS

Plaintiff requests an enhancement payment of \$10,000.

The rationale for making enhancement or incentive awards to named plaintiffs is that they should be compensated for the expense or risk they have incurred in conferring a benefit on other members of the class. An incentive award is appropriate if it is necessary to induce an individual to participate in the suit.

Criteria courts may consider in determining whether to make an incentive award include: 1) the risk to the class representative in commencing suit, both financial and otherwise; 2) the notoriety and personal difficulties encountered by the class representative; 3) the amount of time and effort spent by the class representative; 4) the duration of the litigation and; 5) the personal benefit (or lack thereof) enjoyed by the class representative as a result of the litigation. These "incentive awards" to class representatives must not be disproportionate to the amount of time and energy expended in pursuit of the lawsuit.

(Cellphone Termination Fee Cases (2010) 186 Cal.App.4th 1380, 1394-1395, internal punctuation and citations omitted; see also Covillo v. Specialty's Café (N.D. Cal. 2014) 2014 U.S.Dist.LEXIS 29837, at *29 [incentive awards are particularly appropriate where a plaintiff undertakes a significant "reputational risk" in bringing an action against an employer].)

Plaintiff submitted a declaration describing his participation in this action. While he describes his communication with Class Counsel and tasks performed, he did not provide an estimate of the amount of time spent in connection with this litigation. Accordingly, prior to the final approval hearing, the Plaintiff shall submit a supplemental declaration indicating how many hours he spent working on this action.

The court also has an independent right and responsibility to review the requested attorney fees and only award so much as it determines reasonable. (See *Garabedian v. Los Angeles Cellular Telephone Co.* (2004) 118 Cal.App.4th 123, 127-128.) Class Counsel will seek attorney fees of up to 35% of the gross settlement amount (currently estimated to be \$157,500), and litigation costs for up to \$90,000. Prior to any final approval hearing, Class Counsel shall submit lodestar information (including hourly rate and hours worked) as well as evidence of actual litigation costs incurred.

IX. CONCLUSION

Plaintiff's motion for preliminary approval is GRANTED.

The final approval hearing shall take place on **January 8, 2026** at 1:30 in Dept. 7. The following class is preliminarily certified for settlement purposes:

All current and former hourly-paid, non-exempt employees who worked for Defendant within the State of California at any time during the Class Release Period. The Case Management Conference (Calendar Line No. 6) is VACATED. IT IS SO ORDERED. Date: _ July 11, 2025 CHARLES F. ADAMS Judge of the Superior Court