

**SUPERIOR COURT OF CALIFORNIA, COUNTY OF SACRAMENTO**

Tani G. Cantil-Sakauye Courthouse, Department 8A

JUDICIAL OFFICER: HONORABLE JILL H. TALLEY

Courtroom Clerk: T. Shaddix  
Court Attendant: M. Aria

CSR: None

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**34-2021-00312914-CU-OE-GDS**

July 10, 2026  
9:00 AM

**Brigit Navarro vs. Crestwood Behavioral Health Inc., a  
Delaware Corporation**

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**MINUTES**

**APPEARANCES:**

No Appearances

**NATURE OF PROCEEDINGS: Hearing on Motion - Other Motion for Approval of  
Representative Action Settlement**

There being no request for oral argument, the Court affirmed the tentative ruling.

**TENTATIVE AFFIRMED**

Plaintiffs Brigit Navarro ("Plaintiff Navarro") and Thaddius Mueller's ("Plaintiff Mueller") (collectively, "Plaintiffs") motion for preliminary approval of the Private Attorneys General Act ("PAGA") settlement is UNOPPOSED and GRANTED as follows.

**Overview**

On December 17, 2021, Plaintiff Navarro filed a wage and hour class action against Defendants Crestwood Behavioral Health, Inc. and Helios Healthcare, LLC jointly doing business as Idylwood Care Center (collectively, "Defendants").

On May 13, 2022, Plaintiff Navarro filed her First Amended Complaint to add a claim for civil penalties under PAGA.

On October 14, 2022, the Court granted Defendants' motion to compel arbitration of Plaintiff Navarro's individual PAGA claims, dismissed Plaintiff Navarro's class claims, and stayed Plaintiff Navarro's non-individual PAGA claims. (10/14/22 Order.)

On November 4, 2024, Plaintiff Mueller filed a representative action against Defendants

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in the Napa County Superior Court: *Thaddius Mueller v. Crestwood Behavioral Health, Inc., et al.*, Case No. 24CV001932. (Patel Decl., ¶ 20.)

Prior to mediation, the Parties engaged in informal discovery which included the exchange of documents and information. (*Id.* at ¶¶ 23-24.) On February 12, 2025, the Parties participated in all-day mediation with mediator Todd A. Smith, Esq. (*Id.* at ¶ 27.) While the Parties were unable to reach a settlement at mediation, the settlement discussions continued following the mediation, and with the assistance of the mediator, the Parties were ultimately able to reach a resolution. (*Ibid.*)

On January 16, 2026, the Court signed and filed the Parties' Joint Stipulation and Order allowing Plaintiff Navarro to file a Second Amended Complaint, adding Plaintiff Mueller. (Joint Stipulation, filed 1/16/26.)

On January 20, 2026, Plaintiffs filed the operative Second Amended Representative Action Complaint alleging civil penalties under PAGA.

The Parties entered into a written settlement agreement and now move for preliminary approval of the PAGA settlement. This ruling incorporates by reference the definitions in the Agreement and all capitalized terms defined therein shall have the same meaning in this ruling as set forth in the Agreement. (Patel Decl., ¶ 28, Exh. 1 ("Agreement").)

## **Aggrieved Employees**

Aggrieved employees, or as referenced in the Agreement, "PAGA Member(s)" are defined as, "all persons employed by Defendants in an hourly, non-exempt position in California during the PAGA Period." (Agreement, ¶ 16.) "PAGA Period" is defined to mean the period March 1, 2021, through July 10, 2026. (*Id.* at ¶¶ 8, 19.) There are approximately 6,757 aggrieved employees. (Patel Decl., ¶ 5.)

Aggrieved employees will receive their share of the PAGA Penalty regardless of whether they submit a claim. (Agreement, ¶ 42, Exh. B ("PAGA Notice").) Plaintiffs' counsel gave notice of the Settlement Agreement to the Labor and Workforce Development Agency ("LWDA"). (Patel Decl., ¶ 56, Exh. 6.)

## **Settlement Administrator**

The Court approves ILYM Group, Inc. as the Settlement Administrator.

## **Fair, Adequate, and Reasonable Settlement**

The purpose of PAGA is to "create a means of 'deputizing' citizens as private attorneys general to enforce the Labor Code." (*Brown v. Ralphs Grocery Co.* (2011) 197

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Cal.App.4th 489, 501.) A PAGA plaintiff is an “aggrieved employee” who brings a civil action “personally and on behalf of other current or former employees to recover civil penalties for Labor Code violations” as the “proxy or agent of the state’s labor law enforcement agencies.” (*Iskanian v. CLS Transportation Los Angeles, LLC* (2014) 59 Cal.4th 348, 380; Lab. Code, § 2699.) The settlement of a PAGA claim requires court approval pursuant to the operative PAGA statute, which states that the “[t]he superior court shall review and approve any settlement of any civil action filed pursuant to this part.” (Lab. Code, § 2699(l)(2).) Such review and approval must “ensur[e] that any negotiated resolution is fair to those affected.” (*Williams v. Superior Court* (2017) 3 Cal.5th 531, 549.)

Aside from the requirement that the court “review and approve” a settlement in a civil action filed under PAGA (Lab. Code, § 2699(l)(2)), PAGA itself does not provide a standard for this review and approval in the majority of PAGA cases. (*Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, 75 (*Moniz*) [citing *Flores v. Starwood Hotels & Resorts Worldwide* (C.D. Cal. 2017) 253 F.Supp.3d 1074, 1075 “[PAGA] is surprisingly short on specifics”]). In *Moniz*, the First District Court of Appeal clarified that a trial court “should evaluate a PAGA settlement to determine whether it is fair, reasonable, and adequate in view of PAGA’s purposes to remediate present labor law violations, deter future ones, and to maximize enforcement of state labor laws.” (*Id.* at p. 77.) Because many of the factors used to evaluate class action settlements bear on a settlement’s fairness – including the strength of the plaintiff’s case, the risk, the stage of the proceeding, the complexity and likely duration of further litigation, and the settlement amount – these facts can be useful in evaluating the fairness of a PAGA settlement. (*Ibid.*)

### Maximum Settlement Amount

Defendants will pay the Maximum Settlement Amount (“MSA”) of \$1,800,000. (Agreement, ¶ 38.) The MSA is non-reversionary. (*Ibid.*) Pursuant to the Agreement, the following will be paid out of the MSA: (1) service payments to Plaintiffs in the amount of \$10,000, to each Plaintiff (total \$20,000); (2) attorneys’ fees award equaling not more than 35% of the MSA (estimated to be \$630,000) and litigation expenses payment not to exceed \$60,000 to PAGA Counsel; (3) settlement administration costs not to exceed \$19,950, absent good cause; and (4) Individual PAGA Awards and LWDA payments to be paid from the Net Settlement Amount (75% of the Net Settlement Award will be paid to the LWDA and 25% to the Individual PAGA Awards to be paid to PAGA Members). (*Id.* at ¶¶ 9, 11-13, 23, 38.)

For tax purposes, Individual PAGA Awards will be treated as penalties. (See Patel Decl., ¶ 39.) For any PAGA Member whose Individual PAGA Award check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California State Controller’s Unclaimed Property Fund in the

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name of the Aggrieved Employee. (Agreement, ¶ 55.)

## Escalator Clause

The Agreement contains the following escalator clause:

Defendants estimate that there are 295,000 pay periods worked during the PAGA Period. In the event the number of pay periods worked by PAGA Members during the PAGA Period exceeds 324,500 (i.e. an increase greater than 10% of the 295,000 estimated pay periods), Defendants may elect to either: (1) shorten the PAGA Period to a time frame where the number of pay periods does not exceed 324,500 pay periods, or (2) increase the Maximum Settlement Amount by multiplying the pay periods in excess of 324,500 by the Pro Rata Amount. The Pro Rata Amount shall be calculated by dividing the \$1,800,000.00 by 295,000, which amounts to \$6.10 . . . (Agreement, ¶ 39.)

## Attorneys' Fees

Plaintiffs request an attorneys' fee award of \$630,000, representing 35% of the MSA. The Court does not find that the requested award of 35% to be justified given the nature of the case. **The Court finds 1/3 of the MSA (\$600,000), to be appropriate. The Court will modify paragraph 6 of the Proposed Order to reflect this amount.**

## Enhancement

Regarding Plaintiffs' requested incentive/service award, Plaintiffs have each proffered their declarations with this motion, wherein they generally state their involvement and participation in this action, and provide an estimated amount of time spent on the case. (Navarro Decl., ¶¶ 8-14; Mueller Decl., ¶¶ 8-1.) The Court finds this sufficient to support the requested service award.

## Disposition

The papers demonstrate the settlement was reached after arms-length bargaining between the parties and was reached after sufficient discovery and negotiations, which allowed the Parties, and therefore, this Court, to act intelligently with respect to the settlement. Plaintiffs' counsel conducted an investigation into the facts and law and issues in this case, including the exchange of informal discovery and the review of relevant information. The settlement appears to be fair, reasonable, and adequate. (Patel Decl., ¶¶ 23-29.)

Therefore, the motion is GRANTED.

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The Court sets a Settlement Compliance Hearing for January 8, 2027, at 10:30 a.m., in Department 8A.

The Court will complete paragraph 12 of the Proposed Order with the above information regarding the Settlement Compliance Hearing.

The Court finds 1/3 of the MSA (\$600,000), to be appropriate. The Court will modify paragraph 6 of the Proposed Order to reflect this amount.

**At least 15 days prior to the hearing**, Counsel shall file a declaration regarding the status of the distribution of the settlement funds. If the Court is satisfied that the settlement funds have been fully distributed, no appearance will be required.

**Counsel for Plaintiffs is directed to notice all parties of this order.**

Status Conference re: Settlement Compliance is scheduled for 01/08/2027 at 10:30 AM in Department 8A at Tani G. Cantil-Sakauye Courthouse.

*/s/ T. Shaddix*

T. Shaddix, Deputy Clerk

By:

Minutes of: 07/10/2026

Entered on: 07/10/2026