SUPERIOR COURT, STATE OF CALIFORNIA

COUNTY OF SANTA CLARA

JAYMIE SALINAS, an individual on behalf of himself and on behalf of all persons similarly situated, Plaintiff, v. HOMEFIRST SERVICES OF SANTA CLARA COUNTY., et al., Defendants.	Case No.: 23CV418047 ORDER GRANTING PLAINTIFF'S MOTION FOR FINAL APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT Dept. 7

This is a putative class and Private Attorneys General Act ("PAGA") action. Plaintiffs Jaymie Salinas and Gloria Zamora (collectively, "Plaintiffs") allege that Defendant HomeFirst Services of Santa Clara ("Defendant") committed various wage and hour violations.

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

I. BACKGROUND

According to the allegations of the operative First Amended Complaint ("FAC"), Ms. Salina and Ms. Zamora were employed by Defendant, a leading provider of services, shelter and

housing opportunities to the homeless and those at risk of homelessness, as non-exempt, hourly-paid employees from August of 2022 to February of 2023, and September of 2019 to October of 2023, respectively. (FAC, ¶¶ 2-4.) They allege that Defendant failed to: pay all wages owed (including minimum and overtime wages); permit employees to take uninterrupted meal breaks or provide compensation in lieu of a compliant meal break; accurately compensate employees for hours actually worked as a consequence of rounding such time; include incentive compensation as part of an employee's "regular rate of pay" for purposes of calculating overtime pay and meal and rest break premium pay; provide the rest periods to which employees were entitled, or provide compensation in lieu thereof; provide complete and accurate wage statements; pay all sick wages owed; timely pay wages owed; provide suitable seating for employees; and reimburse employees for necessary business expenses incurred by them.

Based on the foregoing, Plaintiffs initiated this action June 2023 and filed the operative FAC on April 26, 2024 asserting the following causes of action: (1) unfair business practices; (2) failure to pay minimum wages; (3) failure to pay overtime wages; (4) failure to provide required meal periods; (5) failure to provide rest periods; (6) failure to provide accurate itemized wage statements; (7) failure to reimburse required expenses; (8) failure to provide wages when due; (9) failure to pay sick wages; and (10) PAGA penalties.

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.)

B. PAGA

Labor Code section 2699, subdivision (l)(2) provides that "[t]he superior court shall review and approve any settlement of any civil action filed pursuant to" PAGA. The court's

review "ensur[es] that any negotiated resolution is fair to those affected." (*Williams v. Superior Court* (2017) 3 Cal.5th 531, 549.) Seventy-five percent of any penalties recovered under PAGA go to the Labor and Workforce Development Agency (LWDA), leaving the remaining twenty-five percent for the aggrieved employees. (*Iskanian v. CLS Transportation Los Angeles, LLC* (2014) 59 Cal.4th 348, 380, overruled on other grounds by *Viking River Cruises, Inc. v. Moriana* (2022) 596 U.S. 639, 2022 U.S. LEXIS 2940.)

Similar to its review of class action settlements, the Court must "determine independently whether a PAGA settlement is fair and reasonable," to protect "the interests of the public and the LWDA in the enforcement of state labor laws." (*Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, 76–77.) It must make this assessment "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; see also *Haralson v. U.S. Aviation Servs. Corp*. (N.D. Cal. 2019) 383 F. Supp. 3d 959, 971 ["when a PAGA claim is settled, the relief provided for under the PAGA [should] be genuine and meaningful, consistent with the underlying purpose of the statute to benefit the public …."], quoting LWDA guidance discussed in *O'Connor v. Uber Technologies, Inc.* (N.D. Cal. 2016) 201 F.Supp.3d 1110 (*O'Connor*).)

The settlement must be reasonable in light of the potential verdict value. (See *O'Connor, supra,* 201 F.Supp.3d at p. 1135 [rejecting settlement of less than one percent of the potential verdict].) But a permissible settlement may be substantially discounted, given that courts often exercise their discretion to award PAGA penalties below the statutory maximum even where a claim succeeds at trial. (See *Viceral v. Mistras Group, Inc.* (N.D. Cal., Oct. 11, 2016, No. 15-CV-02198-EMC) 2016 WL 5907869, at *8–9.)

III. SETTLEMENT CLASS

For settlement purposes only, Plaintiffs request the following Class be conditionally certified:

All current and former hourly employees employed by Defendant in California who were classified as non-exempt during June 27, 2019 to February 14, 2024.

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.)

At preliminary approval, the Court provisionally certified the above-described class, determining that Plaintiffs had demonstrated by a preponderance of the evidence (1) an ascertainable class, (2) a well-defined community of interest among the class members and (3) that a class action provides substantial benefits to both litigants and the Court. Consequently, the Court will certify the class for settlement purposes as requested.

IV. TERMS AND ADMINISTATION OF SETTLEMENT

The non-reversionary gross settlement is $545,000. Attorney's fees of up to $181,666 (or one-third of the gross settlement), litigation costs of up to $25,000 and administrative costs of $14,950 will be paid from the gross settlement. $12,000 will be allocated to PAGA penalties, 75% of which ($9,000) will be paid to the LWDA, with the remaining 25% ($3,000) dispensed, on a pro rata basis, to "Aggrieved Employees," who are defined as "all current and former hourly employees employed by Defendant in California who were classified as non-exempt during [June 10, 2022 to February 14, 2024]." Plaintiffs seek class representative service payments of not more than $10,000 each.

The net settlement amount—estimated to be $291,384—will be allocated to members of the "Class," who are defined as "all current and former hourly employees employed by Defendant in California who were classified as non-exempt during [June 27, 2019 to February 14, 2024]," on a pro rata basis based on the number of weeks worked during the aforementioned period. For tax purposes, settlement payments will be allocated 20% to wages and 80% to non-wages (i.e., interest and penalties). The employer-side payroll taxes will be paid by Defendant separate from, and in addition to, the gross settlement amount. Funds associated with checks uncashed after 180 days will be transmitted to the Controller of the State of California to be held in trust for such class members pursuant to California unclaimed property law.

In exchange for settlement, Class Members who do not opt out will release:

[A]ll claims alleged or could have been alleged based on the facts alleged in the Operative Complaint, which arose during the Class Period. Except as to the named Plaintiffs, participating Class Members do not release claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or California class claims occurring outside the Class Period.

Aggrieved Employees, who consistent with the statute will not be able to opt out of the PAGA portion of the settlement, will release:

[A]ll claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice, which occurred during the PAGA Period. Except as to the named Plaintiffs, the Released PAGA Claims do not include PAGA claims outside of the PAGA Period.

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

The notice period has now been completed. According to the declaration of case manager Cassandra Polites with settlement administrator ILYM Group, Inc. ("ILYM") submitted in support of the instant motion, on December 6, 2024, ILYM received from Defendant class data files containing the names, social security numbers, last known mailing addresses, and the total number of relevant workweeks worked for each of the 778 settlement Class members. ILYM processed the addresses it had against the National Change of Address database to confirm and update this information and then mailed the notice packet to Class members on January 14, 2025, via first class mail. As of the date of Ms. Polites' declaration, May 1, 2025, 46 notices have been returned to ILYM as undeliverable, of which none were returned with a forwarding address. ILYM performed a skip trace to locate a current mailing address for these notices and located 30 updated addresses, to which notice packets were promptly re-mailed. At present, 16 notice packets are considered undeliverable.

The deadline to submit a request for exclusion, a challenge to the amount of work weeks listed, or an objection to the settlement was March 14, 2025. As of the date of Ms. Polites' declaration, ILYM has received two requests for exclusion and no workweek disputes or objections to the settlement. Consequently, there are 776 participating Class members. Based on this number, Class members will receive an average estimated net payment of $375.49, with the highest estimated payment being $1,240.

At preliminary approval, the Court found that the proposed settlement provides a fair and reasonable compromise to Plaintiff's claims, and that the PAGA settlement is genuine, meaningful, and fair to those affected. It finds no reason to depart from these findings now, especially considering that there are no objections. Therefore, the Court finds that the settlement is fair and reasonable for the purposes of final approval.

V. ATTORNEYS' FEES, COSTS AND INCENTIVE AWARDS

As set forth above, Plaintiffs' counsel seeks a fee award of $181,666, or one-third of the gross settlement amount, which is not an uncommon contingency fee allocation in a wage and hour class action. Plaintiffs also provide a lodestar figure of $155,445, which is based on 213 hours of work at billing rates of $450 to $995, resulting in a modest multiplier of 1.16. This is far less than the range of multipliers that courts typically approve. (See *Laffitte v. Robert Half Intern. Inc.* (2016) 1 Cal.5th 480, 488, 503–504 (*Laffitte*) [trial court did not abuse its discretion in approving fee award of 1/3 of the common fund, cross-checked against a lodestar resulting in a multiplier of 2.03 to 2.13]; *Wershba, supra,* 91 Cal.App.4th at p. 255 ["[m]ultipliers can range from 2 to 4 or even higher"]; *Vizcaino v. Microsoft Corp.* (9th Cir. 2002) 290 F.3d 1043, 1051, fn. 6 [stating that multipliers ranging from one to four are typical in common fund cases and citing the court's own survey of large settlements finding "a range of 0.6–19.6, with most (20 of 24, or 83%) from 1.0–4.0 and a bare majority (13 of 24, or 54%) in the 1.5–3.0 range"].)

"While the percentage method has been generally approved in common fund cases,

courts have sought to ensure the percentage fee is reasonable by refining the choice of a percentage or by checking the percentage result against a lodestar- multiplier calculation." (*Laffitte, supra,* 1 Cal.5th 480, 494-495.) Applying this latter approach,

[T]he percentage-based fee will typically be larger than the lodestar based fee. Assuming that one expects rough parity between the results of the percentage method and the lodestar method, the difference between the two computed fees will be attributable solely to a multiplier that has yet to be applied. Stated another way, the ratio of the percentage-based fee to the lodestar-based fee implies a multiplier, and that implied multiplier can be evaluated for reasonableness. If the implied multiplier is reasonable, then the cross-check confirms the reasonableness of the percentage-based fee; if the implied multiplier is unreasonable, the court should revisit its assumptions.

(*Laffitte, supra,* 1 Cal.5th at p. 496, quoting Walker & Horwich, *The Ethical Imperative of a Lodestar Cross-check: Judicial Misgivings About "Reasonable Percentage" Fees in Common Fund Cases* (2005) 18 Geo. J. Legal Ethics 1453, 1463.) As described by the California Supreme Court, "[i]f the multiplier calculated by means of a lodestar crosscheck is extraordinarily high or low, the trial court should consider whether the percentage used should be adjusted so as to bring the imputed multiplier within a justifiable range, but the court is not necessarily required to make such an adjustment." (*Laffitte, supra,* 1 Cal.5th at 505.)

Here, as the multiplier sought by Plaintiffs' counsel is relatively small, far less than the range of modifiers typically approved by courts and is supported by the percentage cross-check, the Court finds counsel's requested fee award is reasonable.

Plaintiffs' counsel also seeks $21,806.22 in litigation costs, which is less than the maximum amount ($25,000) permitted under the settlement agreement. Based on the information contained in the declaration of Plaintiffs' counsel, this amount is reasonable and is therefore approved. The $14,950 in administrative costs are also approved.

Finally, Plaintiffs request enhancement awards of $10,000 each. To support this request, Plaintiffs submitted declarations in support of the preceding motion for preliminary approval in which they described their efforts in this action. Based on the information contained in these declarations, the Courts finds that Plaintiffs are entitled to enhancement awards and the amounts requested are reasonable and are therefore approved.

VI. CONCLUSION

In accordance with the above, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

Plaintiffs' motion for final approval and for fees and costs is GRANTED. The following class is certified for settlement purposes only:

All current and former hourly employees employed by Defendant in California who were classified as non-exempt during June 27, 2019 to February 14, 2024.

Judgment will be entered through the filing of this order and judgment. (Code Civ. Proc., § 668.5.) Plaintiffs and the members of the Class/Aggrieved Employees will take from the FAC, respectively, only the relief set forth in the settlement agreement and this order and judgment. Pursuant to Rule 3.769(h) of the California Rules of Court, the Court will retain jurisdiction over the parties to enforce the terms of the settlement agreement and the final order and judgment.

The Court sets a compliance hearing for **February 5, 2026 at 2:30 P.M.** in Department 7. At least ten court days before the hearing, class counsel and the settlement administrator shall submit a summary accounting of the net settlement fund identifying distributions made as ordered herein; the number and value of any uncashed checks; amounts remitted pursuant to Code of Civil Procedure section 384, subdivision (b); the status of any unresolved issues; and any other matters appropriate to bring to the Court's attention.

Counsel shall also submit an amended judgment as described in Code of Civil Procedure section 384, subdivision (b). Counsel may appear at the compliance hearing remotely.

DATED: June 9, 2025

CHARLES F. ADAMS
Judge of the Superior Court