

DEPARTMENT E LAW AND MOTION RULINGS

Case Number: 24CMCV01269 **Hearing Date:** April 21, 2026 **Dept:** E

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES – SOUTH CENTRAL DISTRICT

JOSE JESUS GARCIA OTIS, individually and
on behalf of all others similarly situated
Plaintiff,)

vs.)

JAS FORWARDING (USA), INC., a Georgia
Stock Corporation, and DOES 1 through 50,
inclusive,)

Defendants.)

CASE NO: 24CMCV01269

[TENTATIVE] ORDER RE: MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT

DATE: April 21, 2026

TIME: 8:30 A.M.

DEPT.: E

Moving Party: Plaintiff Jose Jesus Garcia Otis
Responding Party: None
Notice: Ok

Tentative Ruling: Plaintiff's Motion for Preliminary Approval of Class Action Settlement is GRANTED.

BACKGROUND

This is an employment action. Plaintiff Jose Jesus Garcia Otis alleges that he was employed by Defendant JAS Forwarding (USA), Inc. ("Defendant") from approximately January 6, 2022 to June 2, 2023 as a non-exempt, hourly-paid employee, during which time Defendant failed to provide employment records, failed to pay overtime and/or double-time, failed to provide meal and rest breaks, and failed to comply with various other provisions of the Labor Code.

On August 21, 2024, Plaintiff, on behalf of all other aggrieved employees, filed a Complaint against Defendant for enforcement under the Private Attorneys General Act, California Labor Code § 2698, *et seq.*

On March 27, 2026, Plaintiff filed a Motion for Preliminary Approval of Settlement.

On April 1, 2026, Plaintiff filed a Joint Stipulation for Leave to File a First Amended Complaint to Add Class Action Claims, which was granted on the same day.

Also on April 1, 2026, Plaintiff filed a First Amended Complaint alleging causes of action for: (1) Failure to Pay Overtime Wages; (2) Failure to Pay Minimum Wages; (3) Failure to Provide Meal Periods in Violation of Labor Code §§ 226.7 and 512; (4) Failure to Keep Accurate and Itemized Wage Statements in Violation of Labor Code § 226 and the I.W.C. Wage Orders; (5) Failure to Pay Waiting Time Penalties in Violation of Labor Code § 201, 202, and 203 (6) Failure to Timely Pay Earned Wages in Violation of Labor Code §§ 204 and 210; (7) Failure to Provide Rest Periods in Violation of Labor Code § 226.7 and the I.W.C. Wage Orders; (8) Failure to Reimburse Business Expenses in Violation of Labor Code § 2800 and 2802; (9) Failure to Pay Reporting Time Pay in Violation of I.W.C. Wage Orders; (10) Failure to Pay Split Shift Wages in Violation of I.W.C. Wage Orders; (11) Failure to Provide Notice of Paid Sick Time and Accrual in Violation of Labor Code § 246; (12) Failure to Provide Employment Records in Violation of Labor Code § 226, 432 and 1198.5; (13) Unlawful Business Practices in Violation of Bus. & Prof. Code § 17200, *et seq.*; (14) Employer and Individuals Acting on Behalf of Employer's Personal Liability for Causing Labor Code Violations (Labor Code § 558.1); and (15) Violation of California Private Attorney General Act ("PAGA") Labor Code § 2698, *et seq.*

As of April 18, 2026, no Opposition or Reply has been filed. Pursuant to Code Civ. Proc. § 1005(b), all papers opposing a noticed motion must be filed with the court and served on all other parties "at least nine court days ... before the hearing" and all reply papers at least five court days before the hearing. (Code Civ. Proc. § 1005(b).) Accordingly, any opposition or reply papers now filed are untimely, and the Court exercises its discretion to refuse to consider untimely filed papers. (Cal. R. Ct., Rule 1300(d); *Mackey v. Bd. of Trustees of California State Univ.* (2019) 31 Cal.App.5th 640, 657.)

ANALYSIS

A. Legal Standard

1. Settlement

A settlement in a representative action for Labor Code violations under the PAGA must be approved by the Court. (Lab. Code § 2699(l)(2); Cal. R. Ct., Rule 3.769(a).) "The purpose of the PAGA is not to

recover damages or restitution, but to create a means of ‘deputizing’ citizens as private attorneys general to enforce the Labor Code.” (*Brown v. Ralphs Grocery Co.* (2011) 197 Cal.App.4th 489, 501.) Thus, “the relief is in large part ‘for the benefit of the general public rather than the party bringing the action.’” (*Ibid.* (quoting *Broughton v. Cigna Healthplans of California* (1999) 21 Cal.4th 1066, 1082).) The Court’s role in approving PAGA settlements is to ensure that “any negotiated resolution is fair to those affected.” (*Williams v. Superior Court* (2017) 3 Cal.5th 531, 549.)

“A court reviews the settlement of a derivative suit as a means of protecting the interests of those who are not directly represented in the settlement negotiations. In class actions, for example '[a]lthough the court gives regard to what is otherwise a private consensual agreement between the parties, the court must also evaluate the proposed settlement agreement with the purpose of protecting the rights of the absent class members who will be bound by the settlement. [Citation.] The court must therefore scrutinize 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.’” [Citations.]” ’ ’ (*Robbins v. Alibrandi* (2005) 127 Cal.App.4th 438, 449.)

In determining whether to approve a class settlement, the court’s responsibility is to “prevent fraud, collusion or unfairness to the class” through settlement because the rights of the class members and even named plaintiffs “may not have been given due regard by the negotiating parties.”; (*Consumer Advocacy Group, Inc. v. Kintetsu Enterprises of America* (2006) 141 Cal.App.4th 46, 60.); The class settlement should be scrutinized by the Court to assure itself that it is not the product of fraud, overreaching, or collusion and that “the settlement, taken as a whole, is fair, reasonable and adequate to all concerned.”; (*Wershba v. Apple Computer* (2001) 91 Cal.App.4th 224, 244–45.)

The burden is on the proponent of the settlement to establish that the settlement is fair and reasonable.; (*Wershba, supra*, 91 Cal.App.4th at 245; *see also 7-Eleven Owners for Fair Franchising v. The Southland Corp.* (2000) 85 Cal.App.4th 1135, 1165-66.); However, a presumption of fairness exists where: (1) the settlement is reached through arm’s-length bargaining; (2) investigation and discovery are sufficient to allow counsel and the court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small.; (*Wershba, supra*, 91 Cal.App.4th at 245, *citing Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1802.)

2. *Civil Penalties, Attorney Fees and Costs*

The Court is authorized to grant civil penalties, “whenever the Labor and Workforce Development Agency, or any of its departments, divisions, commissions, boards, agencies, or employees . . . subject to the same limitations and conditions.” (Lab. Code § 2699(e)(1).) “[A] court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory.” (*Id.* at § 2699(e)(2).)

Unless a provision of the Labor Code provides for a specific civil penalty, the default penalty scheme is articulated in Labor Code § 2699:

If, at the time of the alleged violation, the person employs one or more employees, the civil penalty is one hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation.

(Lab. Code § 2699(f)(1)2.)

Of the civil penalties, 75% shall go to the Labor and Workforce Development Agency (“LWDA”) and the remaining 25% shall go to the aggrieved employees. (Id. at § 2699, subd. (i).)

An employee who prevails in this action is also entitled to reasonable attorney’s fees and costs. (Lab. Code § 2699(g)(1).)

B. Relevant Provisions

1. Definitions

“Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement. (Kazandjian Decl., Exh. 1, § 1.2.)

“Aggrieved Employee” means a person employed by Defendant in California and classified as a non-exempt hourly employee who worked for Defendant during the PAGA Period. (Id., § 1.4.)

“Class” means all persons employed by Defendant in California and classified as non-exempt hourly employees who worked for Defendant during the Class Period. (Id., § 1.5.)

“Class Period” means the period from October 15, 2022, through the date of preliminary approval of the Settlement or the date on which the Workweeks are equal to or less than 8,053 Workweeks, at Defendant’s election as set forth in Paragraph 8 below.” (Id., § 1.12.)

“Gross Settlement Amount” means \$160,000.00 which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below.” (Id., § 1.22.)

“PAGA Period” means the period from May 21, 2023, to the date of preliminary approval of the Settlement. (Id., § 1.32.)

2. Terms

The essential terms of the PAGA settlement are as follows:

Claims Administrator

The “Settlement Administrator” is ILYM Group, Inc., a neutral third-party administrator who shall administer the Settlement, subject to approval by the Court, in accordance with this Settlement Agreement, and whose costs and expenses to administer the Settlement are currently estimated not to exceed \$6,750.00 (the “Settlement Administration Costs”). (Kazandjian Decl., Exh. 1, § 3.2.3, Exh. 2.)

Amount

As described above, the Gross Settlement Amount is \$160,000.00, non-reversionary. (Kazandjian Decl., Exh. 1, § 3.1.)

The Net Settlement Amount (\$61,250.00) is the Gross Settlement Amount, minus the following:

\$56,000.00 (35%) for attorneys’ fees;

\$10,000.00 for attorneys’ litigation costs;

\$10,000.00 Plaintiff Enhancement Award; and

\$6,750.00 in Settlement Administration Costs. (Kazandjian Decl., Exh. 1, § 3.2.1 – 3.2.4; *see also* Kazandjian Decl. ¶ 9.)

PAGA penalties in the amount of \$16,000 are to be paid from the Gross Settlement amount, with 75% (\$12,000.00) allocated to the LWDA PAGA Payments and 25% (\$4,000.00) allocated to the individual PAGA Payments. (Kazandjian Decl., Exh. 1, § 3.2.5.)

Tax Treatment

According to the settlement agreement's express terms, "20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the 'Wage Portion'). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The remaining 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the 'Non-Wage Portion'). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment." (Kazandjian Decl., Exh. 1, § 3.2.4.1.)

Funding and Distribution of the Settlement

The due date for Defendant's payment of the Gross Settlement Amount is no later than fourteen (14) days after the "Effective Date." (*Id.*, Exh. 1, § 4.3.) The "Effective Date" means the date by when both of the following events have occurred: (1) the Court enters a judgement approving the PAGA settlement; and (2) the Court's judgment becomes final. (*Id.*, Exh. 1, § 1.18.)

Submission of Claims

The proposed settlement does not require Aggrieved Employees to submit claims to receive payments. (Kazandjian Decl. ¶ 11.)

Aggrieved Employee Data

"No later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet . . . Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted a class member and/or aggrieved employee identifying information and to provide corrected or updated Class Data as soon as reasonably feasible." (Kazandjian Decl., Exh. 1, § 4.2.)

Mailing of Payments

Within fourteen (14) days of the Settlement Administrator receiving the Gross Settlement Amount, the Settlement Administrator shall distribute the appropriate payments to: (1) Aggrieved Employees; (2) Plaintiff; (3) Plaintiff's Counsel; and (4) Settlement Administrator, for costs of settlement administration. (Kazandjian Decl., Exh. 1, § 4.4.)

Each Aggrieved Employee will be issued a check for his or her Individual Class Payment and/or Individual PAGA Payment which will be voided one hundred and eighty (180) calendar days from the date the checks are issued by the Settlement Administrator. (Kazandjian Decl., Exh. 1, § 4.4.1.)

Payment Calculation

The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$4,000.00) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their individual PAGA Payment. (Kazandjian Decl., Exh. 1, § 3.2.5.1.)

Uncashed Checks

“For any Class Member and/or Aggrieved Employee whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such check to the California Controller's Unclaimed Property Fund in the name of the Class Member and/or Aggrieved Employee thereby leaving no 'unpaid residue' subject to the requirements of Code of Civil Procedure section 384, subdivision (b).” (Kazandjian Decl., Exh. 1, § 4.4.3.)

LWDA Submission

Plaintiff's counsel agreed to undertake responsibility to provide notice of all required disclosure to the LWDA to obtain approval of the settlement. (Kazandjian Decl., Exh. 11, § 6.2.)

Plaintiff's counsel attests that Notice of the settlement and approval hearing were provided to LWDA. (Kazandjian Decl. ¶ 18, Exh. 4.)

Scope of Releases

Plaintiff generally releases the Released Parties (as defined in Section 1.42) from “all claims, transaction, or occurrences that occurred prior to the date that Plaintiff executes [the Settlement Agreement], whether known or unknown, suspected or unsuspected, including, but not limited to: (a) all claims that arise from or are related to Plaintiff's employment with Defendant; (b) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint; and (c) all PAGA claims that were, or reasonably could have been, alleged based on the facts contained in the Operative Complaint, Plaintiff's PAGA Notice, or ascertained during the Action and released under 5.2 below.” (Kazandjian Decl., Exh. 1, § 5.) Plaintiff also waives rights and benefits under Civil Code § 1542. (*Id.*, Exh. 1, § 5.1.1.)

Participating Class Members who are not Aggrieved Employees generally release the Release Parties from “all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action” but, except as set forth in Section 5.3 of the Settlement Agreement, “do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation or claims based on facts occurring outside the Class Period.” (*Id.*, Exh. 1, § 5.2.)

Aggrieved Employees, including Non-Participating Class Members and Participating Class Members who are also Aggrieved Employees) generally release the Released Parties from “all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice and ascertained in the course of the Action.” (*Id.*, Exh. 1, § 5.3.)

Costs and Fees

The settlement provides that Defendant will not oppose a request for attorney's fees not to exceed \$56,000.00, nor will Defendant oppose a request for reimbursement of litigation costs of up to \$10,000.00.

(Kazandjian Decl. ¶ 17.) Plaintiff's Counsel will provide the Court with the appropriate documents for final determination along with the briefing relating to the Final Approval Hearing. (*Id.*)

C. Discussion

Plaintiffs move for preliminary approval of the settlement with Defendants. The parties settled for a total of \$160,000.00. That payment includes a \$10,000.00 payment for Plaintiff Garcia Otis' Class Representative Service Payment, \$56,000.00 for attorney's fees, \$10,000.00 for litigation costs, \$6,750.00 for settlement administration costs, and \$16,000.00 for alleged civil penalties under PAGA. The \$160,000.00 payment, minus the aforementioned payments totaling \$61,250.00, shall be allocated among the Participating Class Members based on their pro rata share of the Net Settlement Amount calculated according to the individual number of workweeks worked during the Class Period. (Kazandjian Decl. ¶ 9.)

The Settlement Agreement will also result in All Aggrieved Employees releasing the Released Parties from all claims for PAGA penalties. (Kazandjian Decl. ¶ 16.)

Plaintiffs assert the settlement is fair, adequate, and reasonable. The settlement provides for notice to the Class Members with a period for objections.

I. *The Class*

a. Class Definition

The class is defined as "all persons employed by Defendant in California and classified as nonexempt hourly employees who worked for Defendant during the Class Period. Defendant represents and has represented throughout the course of this litigation, that approximately 165 Class Members comprise this Class for purposes of this settlement who worked approximately 7,321 workweeks between October 15, 2022 through April 30, 2025, the date of the mediation." (Kazandjian Decl., ¶ 11, Exh. 1.)

The class appears to be well-defined and is supported by Defendant's personnel and payroll records. (See Kazandjian Decl. ¶ 19.)

b. Provisional Certification of Class

California law authorizes conditional class certification for settlement purposes when the moving party proves the class is ascertainable and sufficiently numerous, a well-defined community of interest exists among class members, and certification is a fair and efficient means of adjudicating the action, rendering proceeding as a class superior to alternative means. (*Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1021.)

Here, the putative class of 165 individuals is readily ascertainable by reference to Defendant's personnel and payroll records, which indicate which Aggrieved Employee worked at JAS Forwarding (USA), Inc. during the class period. The class is sufficiently numerous to make joinder of all class members impracticable, which warrants consideration of class certification.

"[T]he community of interest requirement embodies three factors: (1) predominant common 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." (*Fireside Bank v. Superior Court* (2007) 40 Cal.5th 1069, 1089.)

The Court finds the potential class representative's claims to be coextensive with those of the class and further finds no indication that the potential class representative would not be able to adequately

represent the class.

Finally, class treatment is superior to other methods of adjudication when the probability is small that each class member will come forward to prove his or her claim and when the class approach would deter and redress the alleged wrongdoing. (*Linder v. Thrifty Oil Co.* (2000) 23 Cal.4th 429, 435.)

The Court finds that proceeding as a class is superior to any alternate means because the same essential legal and factual inquiry regarding break policies, wage statements and general employment practices resolves the claims of all 165 Plaintiffs. Moreover, the potential recovery of any given Plaintiff is small enough that individual actions alone would be unlikely to provide adequate relief to all Plaintiffs. In this sense, the Court determines that hearing all the claims together is efficient and in the interest of justice. Additionally, individual class members will have the right to opt out and pursue individual claims against Defendant. (See Kazandjian Decl. ¶ 14.)

2. *The Settlement*

a. Presumption of Fairness

i. Arm's Length Bargaining

On April 30, 2025, the parties participated in a mediation before private mediator Mark Lemke, Esq. (Kazandjian Decl. ¶ 8.) Plaintiffs' counsel states in a declaration that after a full day mediation, the Parties were able to reach a settlement at the mediation. (*Id.*) Thus, the settlement was reached through an arm's length negotiation through the assistance of a private mediator.

ii. Investigation and Discovery

Plaintiffs' counsel states the parties engaged in extensive informal discovery prior to settlement, during which Plaintiffs' counsel obtained payroll records for Plaintiff along with Plaintiff's personnel files, a representative sampling of payroll records, and documents and information reflecting the estimated total amount of workweeks and pay period the class members worked produced by Defendant. (Kazandjian Decl. ¶ 7.) Accordingly, the Court concludes that the parties have conducted sufficient investigation and discovery in this matter.

iii. Counsel's Class Action Experience

Plaintiffs' counsel attests that he is sufficiently experienced in similar litigation, having acted as lead Class Counsel on 97 wage-and-hour class actions and PAGA representative actions. (Kazandjian Decl. ¶ 37.)

In all, based on the above factors, the Court finds that the proposed settlement is entitled to a presumption of fairness.

b. Whether the Settlement is Fair, Adequate, and Reasonable

Plaintiffs contend that the main claims in this case were regarding Defendants' alleged violations of the Labor Code and IWC Wage Orders, including failure to pay minimum wages, failure to pay overtime and double time wages, failure to provide meal periods, failure to permit rest periods, failure to pay final wages at termination, failure to timely pay wages owed during employment, failure to keep accurate payroll records and provide accurate itemized wage statements, failure to indemnify employees for expenditures, failure to provide employee records, failure to pay reporting time wages, failure to pay split shift wages, and failure to provide notice of paid sick time and accrual. (Kazandjian Decl. ¶ 4.)

Here, the parties agreed to a settlement in the total amount of \$160,000.00 with allocations as follows: (1) \$10,000.00 for Plaintiff Garcia Otis' Class Representative Service Payment; (2) \$56,000.00 for attorney's fees; (3) \$10,000.00 for litigation costs; (4) \$6,750.00 for settlement administration costs; and (5) \$16,000.00 for alleged civil penalties under PAGA. (Kazandjian Decl. ¶ 9.)

Plaintiffs' counsel claims the settlement represents an approximate 15% of the total assessed hypothetical maximum exposure of the claims, which Plaintiffs' counsel believes is a considerable result based on the risk of prevailing on class certification, merits, obtaining Plaintiff's damage number, and the possibility of appeal and delay in obtaining any recovery. (Kazandjian Decl. ¶ 25.)

Based on the foregoing, the Court preliminarily finds that the settlement is fair, adequate, and reasonable. The Court GRANTS Plaintiff's Motion.

c. Notice of Final Approval Hearing

Plaintiffs submitted a proposed notice of the final approval hearing attached as Exhibit A to the Class Action and PAGA Settlement Agreement and Class Notice attached as Exhibit 1 of the Declaration of Haig Kazandjian. (Kazandjian Decl. ¶ 2; Exh. 1.)

The notice includes the following: (1) a summary of the litigation; (2) a neutral description of the proposed settlement; (3) the sum that will be paid to Plaintiffs and the percentage that will be paid towards attorneys' fees; (4) how to object to the settlement; and (5) the identity of Plaintiffs' counsel. However, although the date and time of the final approval hearing are to be determined, the place of the final hearing is incorrectly stated in the Notice. The Notice states the final approval hearing will be in "Department E of the Los Angeles Superior Court, Stanley Mosk Courthouse, located at 111 N. Hill Street, Los Angeles, CA 90012." This is inaccurate and should instead state the address for the Compton Courthouse. The same error occurs under the heading "HOW CAN I GET MORE INFORMATION?" where the notice states "[y]ou can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0776." Again, this information provided should be for the Compton Courthouse, not the Stanley Mosk Courthouse.

The Court finds the proposed Notice provides inaccurate information as to the hearing location and is therefore inadequate as a means of giving actual notice to the Class Members.

CONCLUSION

Plaintiffs' Motion for Preliminary Approval of Class Action Settlement is GRANTED. Plaintiff is ordered to correct the errors in the Notice noted above.

The court will discuss with the parties at oral argument a date for the hearing for final approval of the settlement pursuant to Rule of Court 3.769(e-g).
