

**FILED**  
Superior Court of California  
County of Los Angeles  
06/11/2025  
David W. Stryker, Executive Officer / Clerk of Court  
By: E. Martinez Deputy

**Preliminary Approval of Class Action Settlement**  
**Department SSC-9**  
**Hon. Elaine Lu**

**Deborah Shaw, et al. v. Southern California Permanente Medical Group, Inc., et al.**

**Case No.: 22STCV11259**

**Hearing: June 11, 2025 (Continued from April 2, 2025)**

**RULING**

The Parties' Motion for Preliminary Approval of Class Action Settlement is GRANTED as the settlement is fair, adequate, and reasonable.

The essential terms of the Settlement Agreement are:

- The Gross Settlement Amount ("GSA") is **\$15,000,000**, non-reversionary. (¶3.1)
- The Net Settlement Amount ("Net") is the GSA minus the following:
  - Up to **\$5,000,000** (33 1/3%) for attorney fees (¶3.2.2);
  - Up to **\$100,000** for litigation costs (*ibid.*);
  - Up to **\$35,000 [\$5,000 each]** for a Service Payment to each of seven Named Plaintiffs (¶3.2.1);
  - Up to **\$125,000** for settlement administration costs (¶3.2.3); and
  - Payment of **\$500,000** PAGA penalty (75% or \$375,000 to the LWDA; and 25% or \$125,000 to the Aggrieved Employees). (¶3.2.5)
- Defendants will pay payroll taxes in addition to the GSA. (¶3.1)
- Plaintiffs shall release Defendants from claims described herein.

The Parties' Motion for Final Approval of Class Action Settlement must be filed by **September 22, 2025** and will be heard on **November 12, 2025 at 8:30 am**. *Failure to file the Parties' Motion for Final Approval of Class Action Settlement by this deadline will result in a continuance of the final approval hearing to the Court's first available hearing date, which could*

*be months after the hearing date noted here.* Prior to filing the moving papers, Plaintiff must contact the court staff for Department 9 to obtain a briefing schedule, which must be included in the caption of the moving papers.

The Parties' Motion for Final Approval of Class Action Settlement must include a concurrently lodged **single document** that constitutes a [Proposed] Order and Judgment containing among other things, the class definition, full release language, and names of the any class members who opted out.

Non-Appearance Case Review is set for **September 29, 2025**, 8:30 a.m., Department 9 re filing of Motion for Final Approval of Class Action Settlement.

### **BACKGROUND**

Plaintiffs Deborah Shaw, Denise Uribe, Sonia LeDoux, Daunte Jones, Susan Tinney, Daniele Blackwell, and Tavaris McCoy sue their employer, Defendants Kaiser Foundation Hospitals ("KFH"), Kaiser Foundation Health Plan, Inc. ("KFHP"), Southern California Permanente Medical Group ("SCPMG"), and The Permanente Medical Group, Inc. ("TPMG") (collectively, "Defendants"), for alleged wage and hour violations. Plaintiffs seek to represent a class of Defendants' current and former non-exempt employees who primarily worked from home for some period of time during the class period.

The proposed settlement seeks to resolve work-related expense reimbursement claims that allegedly accrued between the onset of the COVID-19 pandemic when Defendants instructed or allowed Proposed Class Members to work from home (March 1, 2020), and April 1, 2022 (the date when Defendants implemented an updated, universal reimbursement policy for the home office work-related expenses at issue). The settlement before the Court resolves the reimbursement claims during this time period for Proposed Class Members brought in three separate actions: *Jones, et al. v. Kaiser Foundation Hospitals, et al.* (Los Angeles Sup. Ct. Case No. 23STCV04104) (the "*Jones Action*"), *Uribe, et al. v. Southern California Permanente Medical Group* (Los Angeles Sup. Ct. Case No. 22STCV11259) (the "*Uribe Action*"), and *LeDoux v. The Permanente Medical Group Inc.* (Alameda County Sup. Ct. Case No. 22CV019164) (the "*LeDoux Action*").

On December 3, 2021, Daunte Jones initiated an action against KFH and KFHP in Alameda County Superior Court (the "*Original Jones Action*"), which was dismissed without prejudice on February 14, 2023. On February 24, 2023, Jones, Danielle Blackwell, Tavaris McCoy, and Susan Tinney initiated a new *Jones Action* against SCPMG, KFH, KFHP, and TPMG in Los Angeles Superior Court. On April 4, 2022, Deborah Shaw and Denise Uribe initiated the *Uribe Action* in Los Angeles Superior Court. Although the *Uribe Action* initially named SCPMG and Kaiser Permanente International as defendants, the Third Amended Complaint served on October 26, 2022 only names SCPMG as a defendant. On October 6, 2022, Sonia LeDoux initiated the *LeDoux Action* against TPMG in Alameda County Superior Court.

On October 12, 2022, the parties to the Original *Jones* Action participated in a full day mediation with mediator Jeff Wohl, Esq. which did not result in settlement. On September 14, 2023 and November 15, 2023, all the Parties participated in two full-day mediations with David Rotman, which ultimately resulted in settlement after continued discussions. The terms of settlement were finalized in the long-form *Class Action Settlement Agreement* (“Settlement Agreement”), a copy of which is attached to the Declaration of Robin G. Workman (“Workman Decl.”) as Exhibit F.

On April 2, 2025, the Court issued a “checklist” to the parties pertaining to deficiencies in the proposed settlement. In response, the parties filed further briefing, including the Amended Settlement Agreement attached to the Supplemental Declaration of Robin G. Workman (“Supp. Workman Decl.”) as Exhibit B. All references below are to that agreement. Additional signatures are on the copy of the agreement attached to the Supplemental Declaration James M. Treglio.

Now before the Court is Plaintiffs’ Motion for Preliminary Approval of the Settlement.

#### **SETTLEMENT CLASS DEFINITION**

- “Class Members” means all exempt and nonexempt individuals employed in the State of California by Defendants who primarily worked from home for some period of time between March 1, 2020 and April 1, 2022 (the “Class Period”). An employee will be considered to have “primarily worked from home for some period of time” if, for six consecutive weeks or longer, at least 51% of the time they worked was worked from home. Employees who were sent home but not expected to provide active services for Defendants do not qualify as having worked from home. Defendants have established and has represented that there are 31,028 Class Members who worked 3,048,860 workweeks during the Class Period. The parties agree that Defendants’ telecommuting, expense reimbursement, and relevant work location data shall be used to identify Class Members. Employees who participated in and/or were covered by the *Chasmine Shaw v. Kaiser Foundation Health Plan, Inc.* settlement are not Class Members for purposes of this settlement. It shall be an opt-out class. Moreover, employees in Defendants’ Executive Region are not Class Members for purposes of this settlement. (¶1.5)
- “Class Period” or “Settlement Period” means the period from March 1, 2020 through April 1, 2022. (¶1.12)
- “Aggrieved Employees” means all exempt and nonexempt individuals employed in the State of California by Defendants who primarily worked from home for some period of time between December 2, 2020 and April 1, 2022 (the “PAGA Period”). An employee will be considered to have “primarily worked from home for some period of time” if, for six consecutive weeks or longer, at least 51% of the time they worked was worked from home. Employees who were sent home but not expected to provide active services for Defendants do not qualify as having worked from home. Defendants have established

and has represented that there are 30,763 Aggrieved Employees who worked 997,651 pay periods during the PAGA Period. The parties agree that Defendants' telecommuting, expense reimbursement, and relevant work location data shall be used to identify Aggrieved Employees. Employees who participated in and/or were covered by the *Chasmine Shaw v. Kaiser Foundation Health Plan, Inc.* settlement are not Aggrieved Employees for purposes of this settlement. Moreover, employees in Defendants' Executive Region (i.e., executives working for Defendants who are identified in Defendants' HR data as falling within Defendants' "Executive Region") are not Aggrieved Employees for purposes of this settlement. (¶1.4)

- "PAGA Period" means the period from December 2, 2020 through April 1, 2022. (¶1.29)
- "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement. (¶1.33)

### **TERMS OF SETTLEMENT AGREEMENT**

The essential terms are as follows:

- The Gross Settlement Amount ("GSA") is **\$15,000,000**, non-reversionary. (¶3.1)
  - Escalator Clause: The parties recognize that the Gross Settlement Amount is predicated upon the number of Workweeks being not greater than 15 percent more than 3,053,732 for the period March 1, 2020 through April 1, 2022. If the actual number Workweeks worked by Class Members during the Class Period is greater than 15% more than 3,053,732, the Gross Settlement Amount will be increased on a pro rata basis. By way of examples, if the overage is reached, then if the excess is 16% then the increase in the Gross Settlement Amount will be 1%; if the excess is 17% then the increase will be 2%, etc. (¶8)
- The Net Settlement Amount ("Net") (**\$9,240,000**) is the GSA minus the following:
  - Up to **\$5,000,000** (33 1/3%) for attorney fees (¶3.2.2);
  - Up to **\$100,000** for litigation costs (*ibid.*);
  - Up to **\$35,000 [\$5,000 each]** for a Service Payment to each Named Plaintiff (¶3.2.1);
  - Up to **\$125,000** for settlement administration costs (¶3.2.3); and
  - Payment of **\$500,000** PAGA penalty (75% or \$375,000 to the LWDA). (¶3.2.5)
- Defendants will pay payroll taxes in addition to the GSA. (¶3.1)
- There is no claim form requirement. (¶3.1)
- Individual Settlement Payment Calculation: Each Participating Class Member will be entitled to receive an amount, subject to any applicable employee payroll taxes, equal to a proportionate share of the Net Settlement Amount, calculated by (i) the number of the Participating Class Member's weeks worked during the Class Period, divided by (ii) the total weeks worked of all Participating Class Members during the Class Period. Determination of the number of weeks that a Participating Class Member worked shall be based on Defendants' time records. The Parties will consider in good faith any



challenge to the weeks worked supplied by Defendants to the Settlement Administrator. The Settlement Administrator shall examine all evidence submitted and make a decision regarding the challenge. The determination of the Settlement Administrator shall be final. (¶3.2.4) Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis. (¶3.2.4.2)

- PAGA Payments: The Individual PAGA Payments shall be paid to all Aggrieved Employees (regardless of whether they opt out of the Settlement Class) who worked for Defendants at any time during the PAGA Period, based on their proportional number of pay periods worked for Defendants during the PAGA Period. The Administrator will calculate each Individual PAGA Payment as follows: The amount of the payment will be calculated on a pro rata basis by the Settlement Administrator based on an Aggrieved Employee's individual pay periods worked during the PAGA Period in relation to the total pay periods worked by all Aggrieved Employees during the PAGA Period. (¶3.2.5.1)
  - Tax Allocation: Each Participating Class Member's Individual Class Payments will be allocated as follows: 30% as wages, 70% as interest and penalties. (¶3.2.4.1) The Administrator will report the Individual PAGA Payments on IRS 1099 Forms. (¶3.2.5.2)
- Response Deadline: "Response Deadline" means 45 days after the Administrator mails Notice to Class Members and Aggrieved Employees (attached as Exhibit A) ("Class Notices"), and shall be the last date on which Class Members may (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail objections to the Settlement. Class Members to whom Class Notices are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline. (¶1.41) The same deadlines apply to the submission of workweek disputes. (¶7.6)
  - If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 2% of the total of all Class Members, then Defendants may, but need not, elect to withdraw from the Settlement. (¶9)
- Funding of Settlement: Within 5 business days of the Effective Date, the Administrator shall provide Defendants with the documents and information necessary in order for Defendants to fund the settlement, including the information that Defendants will need in order to pay their share of the payroll taxes owed. Defendants shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay their share of payroll taxes, by transmitting the funds to the Administrator no later than 20 business days after the Effective Date. (¶4.2)
- Disbursement: Within 35 business days of the Effective Date, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation

Expenses Payment, and the Class Representative Service Payments shall not precede disbursement of Individual Class Payments and Individual PAGA Payments. (¶4.3)

- **Uncashed Settlement Checks:** The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. (¶4.3.1) The Settlement Administrator will mail postcards to Class Members who have not cashed or negotiated their checks 30 days before those checks expire reminding them of the expiration deadline. For any Class Member 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 checks to the California Unclaimed Property Fund in the name of the Participating Class Member, thereby leaving no “unpaid residue” subject to the requirements of Code of Civil Procedure section 384, subdivision (b). (¶4.3.3)
- The settlement administrator will be ILYM Group, Inc. (¶7.1)
- Notice of Final Judgment will be posted on the Settlement Administrator’s website. (¶7.8.1)
- The proposed Settlement Agreement was submitted to the LWDA on May 7, 2025. (Supp. Workman Decl., Exhibit E.)
- Participating class members and the named Plaintiffs will release certain claims against Defendant. (See further discussion below)

## **ANALYSIS OF SETTLEMENT AGREEMENT**

### **1. Does a presumption of fairness exist?**

1. Was the settlement reached through arm’s-length bargaining? On October 12, 2022, the parties to the Original *Jones* Action participated in a full day mediation with mediator Jeff Wohl, Esq. which did not result in settlement. On September 14, 2023 and November 15, 2023, all the Parties participated in two full-day mediations with David Rotman, which ultimately resulted in settlement after continued discussions. (Workman Decl. ¶8.)

2. Were investigation and discovery sufficient to allow counsel and the court to act intelligently? Class Counsel represents that prior to engaging in settlement negotiations, the Parties engaged in discovery. The data and documents exchanged included, among other documents, Defendants’ policies and procedures relating to the claims alleged, information regarding the amount paid in reimbursement by Defendants during the Class Period, the number of Proposed Class Members and Aggrieved Employees, and the number of pay periods and work weeks at issue. (*Id.* at ¶10.) Class Counsel litigated the *LeDoux* matter for over two years, and had propounded special interrogatories and requests for production of documents to Defendant, reviewed initial responses, supplemental responses, and reviewed over 1,400 pages of documents produced. The parties also exchanged confidential materials to facilitate preparation for the mediation. (*Id.* at ¶14.) The Parties in the *Jones* Alameda Action also pursued formal discovery before it was dismissed. (Declaration of Reuben D. Nathan ¶30.)

3. Is counsel experienced in similar litigation? Yes. Class Counsel is experienced in class action litigation, including wage and hour class actions. (Workman Decl. ¶24; Declaration of James M. Treglio ¶8; Declaration of Reuben D. Nathan ¶50; Declaration of Matthew Righetti ¶12.)

4. What percentage of the class has objected? This cannot be determined until the fairness hearing. See Weil & Brown, Cal. Practice Guide: Civil Procedure Before Trial (The Rutter Group 2014) ¶ 14:139.18, (“Should the court receive objections to the proposed settlement, it will consider and either sustain or overrule them at the fairness hearing.”).

CONCLUSION: The settlement is entitled to a presumption of fairness.

## 2. Is the settlement fair, adequate, and reasonable?

1. Strength of Plaintiff’s case. “The most important factor is the strength of the case for plaintiff on the merits, balanced against the amount offered in settlement.” (*Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 130.) Here, Class Counsel has provided information, summarized below, regarding the estimated values of the class claims alleged:

<b>Violation</b>	<b>Maximum Exposure</b>
Reimbursement Claim [\$1,200 per member x 31,028 members]	\$36,033,600
PAGA Penalties	\$500,000
<b>Total</b>	<b>\$36,533,600</b>

(Workman Decl. ¶¶15-16; Nathan Decl. ¶40; see also Supp. Memo ISO Prelim at pp. 6-10.)

2. Risk, expense, complexity and likely duration of further litigation. Given the nature of the class claims, the case is likely to be expensive and lengthy to try. Procedural hurdles (e.g., motion practice and appeals) are also likely to prolong the litigation as well as any recovery by the class members.

3. Risk of maintaining class action status through trial. Even if a class is certified, there is always a risk of decertification. (See *Weinstat v. Dentsply Intern., Inc.* (2010) 180 Cal.App.4th 1213, 1226 (“Our Supreme Court has recognized that trial courts should retain some flexibility in conducting class actions, which means, under suitable circumstances, entertaining successive motions on certification if the court subsequently discovers that the propriety of a class action is not appropriate.”).)

4. Amount offered in settlement. Plaintiffs’ counsel estimated Defendant’s maximum damages at \$36,533,600. Plaintiffs’ counsel obtained a \$15,000,000 non-reversionary settlement. This is approximately 41.1% of Plaintiffs’ estimated maximum recovery which, given the uncertain outcomes, is within the “ballpark” of reasonableness.

The settlement amount, if reduced by the requested deductions, leaves approximately \$9,240,000 to be divided among approximately 31,028 class members. Assuming full participation, the resulting payments will average approximately \$297.79 per class member.

5. Extent of discovery completed and stage of the proceedings. As indicated above, at the time of the settlement, Class Counsel had conducted sufficient discovery.

6. Experience and views of counsel. The settlement was negotiated and endorsed by Class Counsel who, as indicated above, is experienced in class action litigation, including wage and hour class actions.

7. Presence of a governmental participant. This factor is not applicable here.

8. Reaction of the class members to the proposed settlement. The class members' reactions will not be known until they receive notice and are afforded an opportunity to object, opt-out and/or submit claim forms. This factor becomes relevant during the fairness hearing.

CONCLUSION: The settlement can be preliminarily deemed "fair, adequate, and reasonable."

### **3. Scope of the release**

Releases and Preclusion of Claims. Upon the date that Defendants fully fund the Settlement, and except as to the right to enforce the terms and conditions of the Settlement: (¶5)

- Release by Participating Class Members: All Participating Class Members fully release Defendants and their present and former affiliates and all of their officers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors and assigns, and any other persons acting by through, under or in concert with any of them ("Releasees"), from any and all claims, debts, liabilities, demands, obligations, penalties, premium pay, guarantees, costs, expenses, attorney's fees, damages, actions or causes of action of whatever kind or nature, alleged in the Fourth Amended Complaint under any legal theory under federal and state law for any alleged failure to reimburse business expenses, for the period from March 1, 2020 through April 1, 2022. This Release shall include all claims and theories regarding reimbursement of expenses arising under any applicable laws and legal theories, including under the California Labor Code, the California Business and Professions Code, the applicable Wage Orders, and the applicable regulations. For example, and without limiting the foregoing, the release shall include expense claims to the extent they exist under Labor Code sections 201, 202, 203, 204, 226, and 2802, claims under Business and Professions Code section 17200 et seq., and claims for related expense claim penalties, interest, and attorneys' fees based on alleged violations of the above Labor Code provisions. (¶5.1)
- Release by Aggrieved Employees: All Aggrieved Employees fully release and discharge the Releasees from any and all claims under the PAGA premised on the facts and/or allegations in the Fourth Amended Complaint that arose during the PAGA Period (the "PAGA Release"). It is understood and acknowledged that Aggrieved Employees entitled to a share of the PAGA Penalties will be issued payment for their share of the PAGA Penalties and will not have the opportunity to opt out of, or object to, the PAGA Release as set forth in this Paragraph. The PAGA Release is binding upon all Aggrieved Employees upon Court approval and payment of the PAGA Penalties. Further, the Aggrieved Employees are bound by the PAGA Release regardless of whether they cash the check with their PAGA Payment. (¶5.2)
  - "PAGA Notice" means any and all letters submitted by Plaintiffs to Defendants and the LWDA in connection with the Actions, providing notice pursuant to Labor Code section 2699.3, subdivision (a). This includes the letters submitted by Plaintiffs on the following dates: December 2, 2021, February 27, 2022, October 18, 2022, and December 21, 2022. (¶1.31)
  - Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are

deemed to release the claims identified in Paragraph 5.2 of this Agreement and are eligible for and will receive an Individual PAGA Payment. (¶7.5.4)

- “Released Parties” means Defendants and their present and former affiliates and all of their officers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors and assigns, and any other persons acting by through, under or in concert with any of them. (¶1.39)
- Named Plaintiffs will also provide a general release and CC § 1542 waiver. (¶5.3)
  - With the exception of Plaintiff LeDoux, who does not release the claims asserted in the *In Re: Kaiser Vaccine Exemption Cases*, JCCP No. 5274. (*Id.*)

#### **4. May conditional class certification be granted?**

##### **1. Standards**

A detailed analysis of the elements required for class certification is not required, but it is advisable to review each element when a class is being conditionally certified (*Amchem Products, Inc. v. Windsor* (1997) 521 U.S. 620, 622-627.) The trial court can appropriately utilize a different standard to determine the propriety of a settlement class as opposed to a litigation class certification. Specifically, a lesser standard of scrutiny is used for settlement cases. (*Dunk* at 1807, fn 19.) Finally, the Court is under no “ironclad requirement” to conduct an evidentiary hearing to consider whether the prerequisites for class certification have been satisfied. (*Wershba* at 240.)

##### **2. Analysis**

a. Numerosity. There are approximately 31,028 class members. (Memo ISO Prelim at 24:4-5.) This element is met.

b. Ascertainability. The proposed class is defined above. The class definition is “precise, objective and presently ascertainable.” (*Sevidal v. Target Corp.* (2010) 189 Cal.App.4th 905, 919.) The class members are identifiable from Defendants’ records. (Memo ISO Prelim at 24:4.)

c. Community of interest. “The community of interest requirement involves 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.’” (*Linder v. Thrifty Oil Co.* (2000) 23 Cal.4th 429, 435.)

As to commonality, Plaintiffs allege the answer to the question Plaintiffs present applies with equal force to all Class Members. Plaintiffs allege that Defendants uniformly failed to reimburse Class Members for work-related expenses incurred for home offices when, due to the COVID-19 pandemic, Defendants ordered Class Members to work from home. Plaintiffs allege that although Defendants required Class Members to work from home, that, during the Class Period, Defendants did not reimburse Class Members for all work-related expenses. (Memo ISO Prelim 24:22-25:2.)

As to typicality, Plaintiffs allege that their claims are typical of those of the Settlement Class Members because Plaintiffs and the Class Members operated under the same policies and procedures that applied to during the class period. (*Id.* at 25:3-10.)

As to adequacy, each Plaintiff represents that he or she is aware of the duties of serving as class representative and has participated in the litigation. (See Declarations of Deborah

Shaw, Denise Uribe, Sonia LeDoux, Daunte Jones, Susan Tinney, Daniele Blackwell, Tavaris McCoy.)

d. Adequacy of class counsel. As indicated above, Class Counsel has shown experience in class action litigation, including wage and hour class actions.

e. Superiority. Given the relatively small size of the individual claims, a class action appears to be superior to separate actions by the class members.

CONCLUSION: The class may be conditionally certified since the prerequisites of class certification have been satisfied.

## **5. Is the notice proper?**

1. Content of class notice. The proposed notice is attached to the Settlement Agreement as Exhibit A. Its content appears to be acceptable. It includes information such as: a summary of the litigation; the nature of the settlement; the terms of the settlement agreement; the proposed deductions from the gross settlement amount (attorney fees and costs, enhancement awards, and administration costs); the procedures and deadlines for participating in, opting out of, or objecting to, the settlement; the consequences of participating in, opting out of, or objecting to, the settlement; and the date, time, and place of the final approval hearing.

Notice will be given in English. (¶1.11) It is Plaintiffs' Counsels' understanding that, given Defendants' job requirements, specifically that Class Members must be able to communicate with the public, Class Members must be able to speak English. It is for this reason that the Parties agreed that the Class Notice will only be provided in English. (Supp. Workman Decl. ¶18.)

### **2. Method of class notice.**

Not later than 15 business days after Preliminary Approval, Defendants will deliver the Class Data to the Administrator, in the form of a spreadsheet. (¶4.1) Using best efforts to perform as soon as possible, and in no event later than 25 business days after preliminary approval of the Agreement, the Administrator will send to all Class Members identified in the Class Data, via first-class USPS mail, the Class Notice. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database. (¶7.4.1)

Not later than five business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time. (¶7.4.2)

The deadlines for Class Members' written objections, challenges to workdays, and Requests for Exclusion will be extended an additional 14 days beyond the 45 days otherwise provided in the Class Notice for all Class Members whose notice is remailed. (¶7.4.3)

3. Cost of class notice. As indicated above, settlement administration costs are estimated not to exceed **\$125,000**. Prior to the time of the final fairness hearing, the administrator must submit a declaration attesting to the total costs incurred and anticipated to be incurred to finalize the settlement for approval by the Court.



## **6. Attorney fees and costs**

CRC rule 3.769(b) states: “Any agreement, express or implied, that has been entered into with respect to the payment of attorney fees or the submission of an application for the approval of attorney fees must be set forth in full in any application for approval of the dismissal or settlement of an action that has been certified as a class action.”

Ultimately, the award of attorney fees is made by the court at the fairness hearing, using the lodestar method with a multiplier, if appropriate. (*PLCM Group, Inc. v. Drexler* (2000) 22 Cal.4th 1084, 1095-1096; *Ramos v. Countrywide Home Loans, Inc.* (2000) 82 Cal.App.4th 615, 625-626; *Ketchum III v. Moses* (2000) 24 Cal.4th 1122, 1132-1136.) Despite any agreement by the parties to the contrary, “the court ha[s] an independent right and responsibility to review the attorney fee provision of the settlement agreement and award only so much as it determined reasonable.” (*Garabedian v. Los Angeles Cellular Telephone Company* (2004) 118 Cal.App.4th 123, 128.)

The question of whether Class Counsel is entitled to **\$5,000,000** (33 1/3%) in attorney fees will be addressed at the fairness hearing when class counsel brings a noticed motion for attorney fees. Class counsel must provide the court with billing information so that it can properly apply the lodestar method and must indicate what multiplier (if applicable) is being sought as to each counsel.

Fee Split: Plaintiffs’ Counsel agree to the following allocation of attorneys’ fees awarded from the common fund: Because the Righetti Glugoski, P.C, and Nathan & Associates, A.P.C. brought an action against the KFHP and KFH entities, Plaintiffs’ Counsel agree that they would receive 63.5% of the \$5,000,000 attorneys’ fee award, or \$3,175,000. The firms will divide this amount 1/2 to Righetti Glugoski, P.C., and 1/2 to Nathan & Associates. Because the Potter Handy, LLP firm brought an action against SCPMG, Plaintiffs’ Counsel agree to allocate to Potter Handy 15.8% of the \$5,000,000 attorneys’ fee award, or \$790,000. Because the Workman Law Firm, PC brought an action against TPMG, Plaintiffs’ Counsel agree to allocate 20.7% of the \$5,000,000 attorneys’ fee award, or \$1,035,000, to the Workman Law Firm. (Supp. Workman Decl. ¶¶9-11.) All Plaintiffs acknowledged and agreed to the fee agreed to by Plaintiffs’ Counsel. (*Id.* at ¶12.)

Class Counsel should also be prepared to justify the costs sought (capped at **\$100,000**) by detailing how they were incurred.

## **7. Incentive Awards**

The Settlement Agreement provides for enhancement awards of up to **\$5,000 each** to the seven named Plaintiffs. In connection with the final fairness hearing, named Plaintiffs each must submit a declaration attesting to why he or she should be entitled to an enhancement award in the proposed amount. The named Plaintiff must explain why he or she “should be compensated for the expense or risk she has incurred in conferring a benefit on other members of the class.” (*Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785, 806.) Trial courts should not sanction enhancement awards of thousands of dollars with “nothing more than *pro forma* claims as to ‘countless’ hours expended, ‘potential stigma’ and ‘potential risk.’ Significantly more specificity, in the form of quantification of time and effort expended on the litigation, and in the form of reasoned explanation of financial or other risks incurred by the named plaintiff, is required in order for the trial court to conclude that an enhancement was

‘necessary to induce [the named plaintiff] to participate in the suit . . . .’” (*Id.* at 806-807, italics and ellipsis in original.) The Court will decide the issue of the enhancement awards at the time of final approval.

### **CONCLUSION AND ORDER**

The Parties’ Motion for Preliminary Approval of Class Action Settlement is GRANTED as the settlement is fair, adequate, and reasonable.

The essential terms of the Settlement Agreement are:

- The Gross Settlement Amount (“GSA”) is **\$15,000,000**, non-reversionary. (¶3.1)
- The Net Settlement Amount (“Net”) is the GSA minus the following:
  - Up to **\$5,000,000** (33 1/3%) for attorney fees (¶3.2.2);
  - Up to **\$100,000** for litigation costs (*Ibid.*);
  - Up to **\$35,000 [\$5,000 each]** for a Service Payment to each of seven Named Plaintiffs (¶3.2.1);
  - Up to **\$125,000** for settlement administration costs (¶3.2.3); and
  - Payment of **\$500,000** PAGA penalty (75% or \$375,000 to the LWDA; and 25% or \$125,000 to the Aggrieved Employees). (¶3.2.5)
- Defendants will pay payroll taxes in addition to the GSA. (¶3.1)
- Plaintiffs shall release Defendants from claims described herein.

The Parties’ Motion for Final Approval of Class Action Settlement must be filed by **September 22, 2025** and will be heard on **November 12, 2025 at 8:30 am**. *Failure to file the Parties’ Motion for Final Approval of Class Action Settlement by this deadline will result in a continuance of the final approval hearing to the Court’s first available hearing date, which could be months after the hearing date noted here.* Prior to filing the moving papers, Plaintiff must contact the court staff for Department 9 to obtain a briefing schedule, which must be included in the caption of the moving papers.

The Parties’ Motion for Final Approval of Class Action Settlement must include a concurrently lodged **single document** that constitutes a [Proposed] Order and Judgment containing among other things, the class definition, full release language, and names of the any class members who opted out.

Non-Appearance Case Review is set for **September 29, 2025**, 8:30 a.m., Department 9 re filing of Motion for Final Approval of Class Action Settlement.

The Judicial Assistant is to give notice to Counsel for Plaintiff who is ordered to give further and formal notice to all parties and file proof of service of such within 10 days.

IT IS SO ORDERED.

DATED: June 11, 2025



A handwritten signature in cursive script, reading "Elaine Lu".

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Elaine Lu / Judge

Elaine Lu  
Judge of the Superior Court