

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

SARANAY SONNY BALLUNGAY,

Plaintiff,

v.

RICOH USA, INC.,

Defendant.

CASE NO. 2:24-cv-10785-JLS-CTS

**ORDER CONDITIONALLY
GRANTING PLAINTIFF'S MOTION
FOR PRELIMINARY APPROVAL OF
CLASS AND REPRESENTATIVE
ACTION SETTLEMENT (Doc. 56)**

Before the Court is an unopposed Motion for Preliminary Approval of Class Action and PAGA Settlement filed by Plaintiff Saranay “Sonny” Ballungay. (Mot., Doc. 56; Mem., Doc. 56-1.) Having held oral argument and considered the briefs and evidence in support thereto, the Court now **CONDITIONALLY GRANTS** the motion for the reasons stated below. As explained more fully below, Plaintiff must submit a revised class notice within **five (5) days** of the issuance of this Order.

I. BACKGROUND

Defendant Ricoh USA, Inc. (“Ricoh”) produces electronic equipment, including office equipment like printers and photocopiers. (Ballungay Decl. ¶ 2, Doc. 56-5.) Plaintiff worked as a service technician for Ricoh from October 1998 to May 2024. (*Id.*) Plaintiff’s job was to service and repair office equipment. (*Id.*) Thus, Plaintiff and other similarly situated service technicians would drive to customer sites to repair and maintain Ricoh’s machines. (*Id.*; Compl. ¶ 8, Doc. 1-1.) Plaintiff and other service technicians used their personal vehicles to drive to customer sites; they also transported the parts, equipment, and tools needed to do their jobs in these vehicles. (Ballungay Decl. ¶¶ 3–4; Compl. ¶ 8.)

Plaintiff alleges that he and other similarly situated service technicians would therefore begin their workdays at home, by checking communications from their managers and ensuring their vehicles were loaded with the proper equipment before they started driving to their first customer site. (Compl. ¶ 9.) However, Ricoh did not begin paying service technicians for their time until the technicians had either (1) driven a certain number of miles, or (2) arrived at the first customer location of the day. (*Id.* ¶ 11.) Further, Plaintiff alleges that Ricoh did not reimburse service technicians for the miles they drove in their personal vehicles: Ricoh would only begin reimbursing service technicians for their miles driven after they drove a certain number of miles or arrived at the first customer of the day. (*Id.*)

Plaintiff initiated this putative class action against Ricoh on November 5, 2024, bringing claims on behalf of himself and those similarly situated for (1) failure to pay wages pursuant to California Labor Code §§ 201–03, 510, and 1194; (2) failure to reimburse for work related expenses in violation of California Labor Code § 2802; (3) wage statement violations under California Labor Code § 226; and (4) unlawful, unfair, and fraudulent business practices in violation of California Business and Professions Code § 17200. (*Id.*) Plaintiff also brings a claim pursuant to California’s Private Attorney General Act (“PAGA”), Cal. Lab. Code §§ 2698. (*Id.*) Ricoh removed the action to this Court on December 13, 2024. (Doc. 1.)

Plaintiff’s counsel state that the parties then engaged in “significant discovery.” (Workman Decl. ¶ 9, Doc. 56-2.) Specifically, Plaintiff’s counsel obtained over 3,300 documents from Ricoh related to Ricoh’s policies, procedures, payroll, and timekeeping data. (*Id.*) Plaintiff’s counsel took the deposition of Ricoh’s Rule 30(b)(6) witness, and Ricoh took Plaintiff’s deposition. (*Id.*) Further, Plaintiff’s counsel conducted “scores of interviews” with putative class members, and obtained declarations from 14 of them. (*Id.*) Plaintiff has also filed a motion for class certification, which has been fully briefed. (Doc. 40; Doc. 48; Doc. 54.) Based on the information obtained, and assuming that each putative class member drove 30 minutes per day for which they received no compensation, and 30 miles each day for which they received no reimbursement, Plaintiff’s expert calculated that there was \$4,565,176 in unpaid overtime, and \$3,845,130 in unreimbursed mileage, available to the class, for a total of \$8,410,306 in available damages. (Workman Decl. ¶ 14.)

On June 10, 2026, the parties participated in an all-day mediation before Hon. Jay C. Gandhi, which led to the Settlement Agreement that is presently before the Court. (*Id.* ¶ 7.) The Settlement Agreement defines the Class as “those persons employed by Ricoh in California as service technicians who worked for Ricoh during the Class Period.” (Ex. B to Workman Decl., Settlement Agreement § 1.5.) The Class Period begins on November

5, 2020, and concludes on the date the Court grants preliminary approval. (*Id.* § 1.12.) The Settlement Agreement further defines PAGA Aggrieved Employees as “those persons who were employed by Ricoh in California as service technicians who worked for Ricoh” from November 5, 2023 to the date of preliminary approval. (*Id.* §§ 1.4, 1.30.) The parties estimate that there are 260 Class Members, of whom 193 are also PAGA Aggrieved Employees. (*Id.* § 4.1)

The Settlement provides for a Gross Settlement Amount of \$4,000,000. (*Id.* § 1.21.) The parties propose that the Gross Settlement Amount be allocated as follows:

- \$1,000,000 to Plaintiff’s counsel for attorneys’ fees;
- \$10,000 to Plaintiff as a representative service award;
- \$7,000 to the settlement administrator;
- \$100,000 in PAGA Penalties, with 65% (\$65,000) of the PAGA amount distributed to the Labor and Workforce Development Agency (“LWDA”), and 35% (\$35,000) of the PAGA amount distributed to the PAGA Aggrieved Employees based on their *pro rata* share of PAGA Pay Periods worked;
- \$40,000 to Plaintiff’s counsel for litigation costs and expenses;
- \$2,843,000 as a Net Settlement Fund, which will be distributed to Class Members based on their *pro rata* share of workweeks worked during the Class Period.

(Settlement Agreement § 3.2; Workman Decl. ¶ 11.)

The parties have chosen ILYM Group to be the Settlement Administrator. (Settlement Agreement §§ 1.2, 7.1.) Under the Settlement Agreement, ILYM Group will send via first-class mail the Class Notice to all Class Members. (Settlement Agreement § 7.4.2.) The Class Notice will estimate the amount to be paid to each Class Member. (*Id.*) Within 45 days after the Class Notice is mailed, Class Members may opt-out of the

Class, object to the Settlement, or challenge the Administrator’s calculation of their workweeks, via fax, email or mail to the Administrator. (*Id.* §§ 1.41, 7.5.1, 7.6, 7.7.2.)

Those Class Members who do not opt out will receive their shares of the Net Settlement Fund automatically upon final approval by the Court via check. (*Id.* § 4.3.1.) PAGA Aggrieved Employees will also receive their share of the PAGA payment upon approval by the Court. (*Id.*) Under the parties’ proposed distribution method, for those checks that are uncashed after the void date (which will be not less than 180 days after mailing), the funds will be transmitted to the *cy pres* recipient, Legal Aid at Work. (*Id.* §§ 1.44, 4.3.1., 4.3.3.)

II. CONDITIONAL CERTIFICATION OF THE CLASS

“A party seeking class certification must satisfy the requirements of Federal Rule of Civil Procedure 23(a) and the requirements of at least one of the categories under Rule 23(b).” *Wang v. Chinese Daily News, Inc.*, 737 F.3d 538, 542 (9th Cir. 2013). Rule 23(a) provides:

One or more members of a class may sue or be sued as representative parties on behalf of all members only if:

- (1) the class is so numerous that joinder of all members is impracticable;
- (2) there are questions of law or fact common to the class;
- (3) the claims or defense of the representative parties are typical of the claims or defenses of the class; and
- (4) the representative parties will fairly and adequately protect the interest of the class.

Fed. R. Civ. P. 23(a). “Rule 23 does not set forth a mere pleading standard. A party seeking class certification must affirmatively demonstrate his compliance with the Rule—that is, he must be prepared to prove that there are *in fact* sufficiently numerous parties, common questions of law or fact, etc.” *Wal-Mart Stores, Inc. v. Dukes*, 564 U.S. 338, 350 (2011). This requires a district court to conduct a “rigorous analysis” that frequently “will entail some overlap with the merits of the plaintiff’s underlying claim.” *Id.* at 350–51.

“Second, the proposed class must satisfy at least one of the three requirements listed in Rule 23(b).” *Id.* at 345. Here, Plaintiff seeks conditional certification of the class under

Rule 23(b)(3). (Mot. at 26 (asserting that “common questions of law and fact predominate” and that “a class action is a superior method for resolving the claims”).) Rule 23(b)(3) permits maintenance of a class action if “the court finds that the questions of law or fact common to class members predominate over any questions affecting only individual members, and that a class action is superior to other available methods for fairly and efficiently adjudicating the controversy.” Fed. R. Civ. P. 23(b)(3).

A. The Proposed Class Satisfies Rule 23(a) Requirements

1. Numerosity

Rule 23(a)(1) requires that the class be “so numerous that joinder of all members is impracticable.” Fed. R. Civ. P. 23(a)(1). This Court has repeatedly held that “[a]s a general rule, classes of forty or more are considered sufficiently numerous.” *Crews v. Rivian Auto., Inc.*, 2024 WL 3447988, at *3 (C.D. Cal. July 17, 2024) (Staton, J.) (quoting *Mazza v. Am. Honda Motor Co.*, 254 F.R.D. 610, 617 (C.D. Cal. 2008), *vacated on other grounds*, 555 F.3d 581 (9th Cir. 2012)). Here, there are approximately 260 individuals in the proposed Settlement Class. Accordingly, Rule 23(a)(1)’s numerosity requirement is satisfied.

2. Common Questions of Law and Fact

Rule 23(a)(2) requires that “there are questions of law or fact common to the class.” Fed. R. Civ. P. 23(a)(2). “Commonality requires the plaintiff to demonstrate that the class members have suffered the same injury.” *Dukes*, 564 U.S. at 349–50 50 (quoting *Gen. Tel. Co. of Sw. v. Falcon*, 457 U.S. 147, 157 (1982)). The plaintiff must allege that the class members’ injuries “depend upon a common contention” that is “capable of classwide resolution.” *Id.* at 350. In other words, the “determination of [the common contention’s] truth or falsity will resolve an issue that is central to the validity of each of the claims in one stroke.” *Id.* “What matters to class certification . . . is not the raising of common questions—even in droves—but rather, the capacity of a classwide proceeding to generate common *answers* apt to drive the resolution of the litigation.” *Id.* (cleaned up).

Here, Plaintiff alleges that he and other Class Members were subject to the same unlawful policies and practices—Ricoh’s failure to pay wages or reimburse service technicians until they either drove a certain number of miles or arrived at their first customer site of the day—which led them to be undercompensated for their time and under-reimbursed. (Compl. ¶ 11.) Thus, questions such as whether Class Members are entitled to reimbursement for driving their personal vehicles, and whether Class Members are entitled to compensation for their time driving, are common questions that would need to be litigated for all Class Members. Plaintiff has therefore satisfied the commonality requirement.

3. Typicality

Rule 23(a)(3) requires that “the claims or defenses of the representative parties are typical of the claims or defenses of the class.” Fed. R. Civ. P. 23(a)(3). “Under the rule’s permissive standards, representative claims are ‘typical’ if they are reasonably coextensive with those of absent class members; they need not be substantially identical.” *Dukes v. Wal-Mart Stores, Inc.*, 603 F.3d 571, 613 (9th Cir. 2010) (en banc), *rev’d on other grounds*, 564 U.S. 338 (2011) (quotations omitted). As to the representative, “[t]ypicality requires that the named plaintiffs be members of the class they represent.” *Id.*

Here, Plaintiff, like the other Class Members, is a service technician who drove his personal vehicle to customer sites to perform his job. Plaintiff’s claims, like those of the proposed Class, are premised on the allegation that Ricoh’s uniformly-applied policies and practices violate California wage and hour laws. The claims thus arise from the same alleged conduct, and Plaintiff falls within the Settlement’s Class definition. Accordingly, typicality is met.

4. Adequacy

Rule 23(a)(4) permits certification of a class action only if “the representative parties will fairly and adequately protect the interests of the class.” Fed. R. Civ. P. 23(a)(4). “Resolution of two questions determines legal adequacy: (1) do the named

plaintiffs and their counsel have any conflicts of interest with other class members and (2) will the named plaintiffs and their counsel prosecute the action vigorously on behalf of the class?” *Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1020 (9th Cir. 1998), *overruled on other grounds by Dukes*, 564 U.S. 338 (2011).

As to Plaintiff’s adequacy, Plaintiff has submitted a sworn declaration stating that he was a service technician from October 1998 to May 2024, that he started and ended his workdays at home, and that he drove his personal vehicle to customer appointments throughout the Inland Empire in Southern California. (Ballungay Decl. ¶¶ 2–3.) Plaintiff asserts that Ricoh did not allow him to clock in for work until he arrived at the first customer location of the day and required him to clock out when he left the last job of the day. (*Id.* ¶ 10.) Plaintiff further asserts that he was not reimbursed for all the miles he drove in his personal vehicle. (*Id.* ¶ 11.) Plaintiff has been deposed and has worked closely with counsel in discovery and mediation. (*Id.* ¶¶ 12–14.) He estimates that he has spent at least 75–85 hours on the case. (*Id.* ¶ 14.)

As to the adequacy of Class Counsel, the Court must consider “(i) the work counsel has done in identifying or investigating potential claims in the action; (ii) counsel’s experience in handling class actions, other complex litigation, and the types of claims asserted in the action; (iii) counsel’s knowledge of the applicable law; and (iv) the resources that counsel will commit to representing the class.” Fed. R. Civ. P. 23(g)(1)(A). Plaintiff seeks to appoint Workman Law Firm, P.C. as Class Counsel. In prosecuting this action, Class Counsel have engaged in discovery, fully briefed a motion for class certification, and attended mediation. (Workman Decl. ¶ 9.) Class Counsel Robin Workman has submitted a declaration asserting that her firm has represented employees in numerous wage-and-hour class actions and PAGA cases, and that neither she nor her firm has any conflict of interest with Class Members. (*Id.* ¶¶ 18–23.)

The Court raised one potential conflict of interest prior to the hearing, and discussed the potential conflict with Ms. Workman at the hearing. (*See* Order Requiring Supp.

Briefing, Doc. 57.) Specifically, prior to the hearing, the Court required Ms. Workman to file supplemental declaration about the separate individual case brought by Plaintiff against Ricoh, involving discrimination, retaliation, and wrongful termination claims. (*Id.*) At the hearing, the Court questioned Ms. Workman about the individual case, and whether the prosecution or settlement of claims in the individual case impacted the settlement of the class claims. The Court was concerned about the possibility that Plaintiff and putative Class Counsel had a conflict of interest with other Class Members because of the individual action, as Plaintiff may have been incentivized to trade away benefits to Class Members for personal benefit in the individual action.

In her supplemental declaration and at the hearing, Ms. Workman asserted that the two actions were treated separately throughout the litigation, and that there were no discussions regarding the nature of the claims presented in the individual action at the mediation leading to the settlement of the class action. (Supp. Workman Decl. ¶¶ 3–4, Doc. 58.) As discussed below, it is apparent to the Court that Ms. Workman should have disclosed information about Plaintiff’s individual action, and about the settlement in the individual action, in her original motion for preliminary settlement approval. Nevertheless, Ms. Workman’s explanation, and more importantly, the favorable results obtained for Class Members, indicate that Plaintiff and Class Counsel were adequate representatives.

Accordingly, the Court appoints Plaintiff as Class Representative and Robin Workman of Workman Law Firm, P.C. as Class Counsel in this action.

B. The Proposed Class Satisfies Rule 23(b)(3) Requirements

Plaintiff seeks to certify the class pursuant to Rule 23(b)(3), which considers whether common questions of law or fact predominate over individual questions and whether a class action is superior to other available methods of adjudication. Fed. R. Civ. P. 23(b)(3).

1. Predominance

“The Rule 23(b)(3) predominance inquiry tests whether proposed classes are sufficiently cohesive to warrant adjudication by representation.” *Hanlon*, 150 F.3d at 1022. “Rule 23(b)(3) focuses on the relationship between the common and individual issues.” *Id.* “When common issues present a significant aspect of the case and they can be resolved for all members of the class in a single adjudication, there is clear justification for handling the dispute on a representative rather than on an individual basis.” *Id.* (quotations omitted).

Here, the Class Members’ claims turn on common questions such as whether Ricoh’s common policies—Rico’s failure to pay wages or reimburse service technicians until they either drove a certain number of miles or arrived at their first customer site of the day—were unlawful. These common questions are all susceptible to class-wide proof, and will predominate in this action.

2. Superiority

“The superiority inquiry under Rule 23(b)(3) requires determination of whether the objectives of the particular class action procedure will be achieved in the particular case.” *Hanlon*, 150 F.3d at 1023. “This determination necessarily involves a comparative evaluation of alternative mechanisms of dispute resolution.” *Id.* “The overarching focus [of the superiority inquiry] remains whether trial by class representation would further the goals of efficiency and judicial economy.” *Vinole v. Countrywide Home Loans, Inc.*, 571 F.3d 935, 946 (9th Cir. 2009)). Additionally, “[w]here recovery on an individual basis would be dwarfed by the cost of litigating on an individual basis, this factor weighs in favor of class certification.” *Wolin v. Jaguar Land Rover N. Am., LLC*, 617 F.3d 1168, 1175 (9th Cir. 2010).

Considering the factors under Rule 23(b)(3)(A)–(D), the Court finds that the Class Members’ potential “interests in individually controlling the prosecution . . . of separate actions” and the “likely difficulties in managing [the] class action” do not outweigh the

“desirability . . . of concentrating the litigation of the claims” in one forum. *See* Fed. R. Civ. P. 23(b)(3)(A), (C), (D). Therefore, the Court finds that a class action would be a superior method of adjudicating Plaintiff’s claims for the proposed Class.

C. Conclusion as to Class Certification

Having found that the proposed Class satisfies Rule 23(a) and Rule 23(b)(3), the Court conditionally certifies the Class for settlement purposes only.

III. PRELIMINARY APPROVAL OF CLASS SETTLEMENT

To preliminarily approve a proposed class action settlement, Rule 23(e)(2) requires the Court to determine whether the proposed settlement is fair, reasonable, and adequate. *See* Fed. R. Civ. P. 23(e)(2). Review of a proposed settlement typically proceeds in two stages, with preliminary approval followed by a final fairness hearing. Federal Judicial Center, *Manual for Complex Litigation*, § 21.632 (4th ed. 2004). “The decision to [grant preliminary approval and] give notice of a proposed settlement to the class is an important event. It should be based on a solid record supporting the conclusion that the proposed settlement will likely earn final approval after notice and an opportunity to object.” Fed. R. Civ. P. 23 advisory committee’s note to 2018 Amendment.

Although there is a “strong judicial policy that favors settlements, particularly where complex class action litigation is concerned,” *Linney v. Cellular Alaska P’ship*, 151 F.3d 1234, 1238 (9th Cir. 1998), “[t]he purpose of Rule 23(e) is to protect the unnamed members of the class from unjust or unfair settlements affecting their rights.” *In re Syncor ERISA Litig.*, 516 F.3d 1095, 1100 (9th Cir. 2008). Rule 23(e)(2) provides that a “court may approve” a class action settlement proposal “after considering whether:”

- (A) the class representatives and class counsel have adequately represented the class;
- (B) the proposal was negotiated at arm’s length;
- (C) the relief provided for the class is adequate, taking into account:
 - (i) the costs, risks, and delay of trial and appeal;
 - (ii) the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims;
 - (iii) the terms of any proposed award of attorney’s fees, including timing of payment; and

(iv) any agreement required to be identified under Rule 23(e)(3)¹; and (D) the proposal treats class members equitably relative to each other.

These factors were codified in the Federal Rules of Civil Procedure in 2018 in recognition of the fact that “[c]ourts have generated lists of factors to shed light on” the fairness, reasonableness, and adequacy of the proposed settlement. Fed. R. Civ. P. 23 advisory committee’s note to 2018 Amendment. Indeed, the Ninth Circuit’s articulated list of factors has governed settlement approvals in the Circuit for over forty years. *See Officers for Justice v. Civil Service Comm’n*, 688 F.2d 615, 625 (9th Cir. 1982). Those factors overlap in many ways with the Rule 23(e)(2) factors, and include: “[1] the strength of plaintiffs’ case; [2] the risk, expense, complexity, and likely duration of further litigation; [3] the risk of maintaining class action status throughout the trial; [4] the amount offered in settlement; [5] the extent of discovery completed, and the stage of the proceedings; [6] the experience and views of counsel; [7] the presence of a governmental participant; and [8] the reaction of the class members to the proposed settlement.” *Staton v. Boeing Co.*, 327 F.3d 938, 959 (9th Cir. 2003) (cleaned up). “The relative degree of importance to be attached to any particular factor will depend upon and be dictated by the nature of the claim(s) advanced, the type(s) of relief sought, and the unique facts and circumstances presented by each individual case.” *Officers for Justice*, 688 F.2d at 625. Here, the Court relies on the Rule 23(e)(2) factors but uses some of the developed guidance regarding the application of the Ninth Circuit’s factors where relevant.

In addition to these factors, the Court must also satisfy itself that “settlement is not the product of collusion among the negotiating parties.” *In re Bluetooth Headset Prods. Liab. Litig.*, 654 F.3d 935, 946–47 (9th Cir. 2011) (cleaned up). It is most important to look for signs of collusion in “settlements struck before class certification” because “counsel may collude . . . to strike a quick settlement without devoting substantial resources to the case.” *Briseno v. Henderson*, 998 F.3d 1014, 1023–24 (9th Cir. 2021). In

¹ Under Rule 23(e)(3), “[t]he parties seeking approval must file a statement identifying any agreement made in connection with the proposal.”

any class action settlement, the Court must look for explicit collusion and “more subtle signs that class counsel have allowed pursuit of their own self-interests and that of certain class members to infect the negotiations.” *In re Bluetooth*, 654 F.3d at 947. Such signs include (1) “when counsel receive a disproportionate distribution of the settlement”; (2) “when the parties negotiate a ‘clear sailing’ arrangement providing for the payment of attorneys’ fees separate and apart from class funds”; and (3) “when the parties arrange for fees not awarded to revert to defendants rather than be added to the class fund.” *Id.* (cleaned up).

A. Adequate Representation

“Under Rule 23(e)(2)(A), the first factor to be considered is whether the class representative and class counsel have adequately represented the class.” *Hang v. Old Dominion Freight Line, Inc.*, 2024 WL 2191930, at *4 (C.D. Cal. May 14, 2024). Part of this analysis overlaps with the adequacy considerations discussed above when the Court conditionally certified the Class—whether there is a conflict of interest and whether representation has been competent and vigorous. *See Hanlon*, 150 F.3d at 1020. But the analysis also involves “‘procedural’ concerns” and requires “looking to the conduct of the litigation and of the negotiations leading up to the proposed settlement.” Fed. R. Civ. P. 23 advisory committee’s note to 2018 Amendment. Therefore, the Court must consider “the nature and amount of discovery in this or other cases, or the actual outcomes of other cases, [which] may indicate whether counsel negotiating on behalf of the class had an adequate information base.” *Id.*

The need for an adequate information base is important: A plaintiff will not be able to broker a fair settlement without having been “armed with sufficient information about the case to have been able to reasonably assess its strengths and value.” *Acosta v. Trans Union, LLC*, 243 F.R.D. 377, 396 (C.D. Cal. 2007). And for a court to be able to approve a settlement, “the parties must have engaged in sufficient investigation of the facts to enable the court to intelligently make an appraisal of the settlement.” *Id.* (cleaned up). A

court considering a proposed settlement has a duty “to evaluate the scope and effectiveness of the investigation plaintiffs’ counsel conducted prior to reaching an agreement.” *Id.* (citing *In re Mego Fin. Corp. Sec. Litig.*, 213 F.3d 454, 459 (9th Cir. 2000)).

As the Court already discussed above, the Class Representative and Class Counsel have been adequately representing the Class. Further, the Court finds that this Settlement Agreement was reached after Class Counsel obtained adequate information. As mentioned, prior to settlement, Class Counsel obtained over 3,300 documents from Ricoh in discovery, took Ricoh’s Rule 30(b)(6) witness’s deposition, oversaw Plaintiff’s deposition, conducted interviews with putative class members and obtained declarations from 14 class members, and filed a motion for class certification. (*See Workman Decl.* ¶ 9.) Given these facts, the Court concludes that the parties possess enough information to make an informed settlement decision. Accordingly, this factor weighs in favor of granting preliminary approval.

B. Arm’s Length Negotiation

Rule 23(e)(2)(B) asks whether “the proposal was negotiated at arm’s length.” As with the adequacy of representation, this is a “‘procedural’ concern[]” and “the involvement of a neutral or court-affiliated mediator or facilitator in those negotiations may bear on whether they were conducted in a manner that would protect and further the class interests.” Fed. R. Civ. P. 23 advisory committee’s note to 2018 Amendment. “The Ninth Circuit, as well as courts in this District, ‘put a good deal of stock in the product of an arms-length, non-collusive, negotiated resolution’ in approving a class action settlement.” *In re Stable Rd. Acquisition Corp.*, 2024 WL 3643393, at *6 (C.D. Cal. Apr. 23, 2024) (quoting *Rodriguez v. West Publ’g Corp.*, 563 F.3d 948, 965 (9th Cir. 2009)).

Settlement was reached in this matter after extended, arms-length negotiations between the parties. (*Workman Decl.* ¶ 8.) The parties engaged in mediation on March 12, 2026, and in a full-day mediation on June 10, 2026, before the Hon. Jay C. Gandhi. (*Id.* ¶ 7.) This factor weighs in favor of granting preliminary approval.

C. Adequacy of Relief

Having addressed possible procedural concerns, the Court next turns to a “‘substantive’ review of the terms of the proposed settlement.” Fed. R. Civ. P. 23 advisory committee’s note to 2018 Amendment. Rule 23(e)(2)(C) requires that “the relief provided for the class is adequate, taking into account: (i) the costs, risks, and delay of trial and appeal; (ii) the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims; (iii) the terms of any proposed award of attorney’s fees . . . ; and (iv) any agreement required to be identified under Rule 23(e)(3).”

Here, the Settlement Agreement provides for a Net Settlement Fund of \$2,843,000 to be distributed to Class Members, which represents a \$4,000,000 Gross Settlement Amount after payments are made for attorneys’ fees, costs, service awards, and administration costs. (*See* Workman Decl. ¶ 7.) As explained below, the relief is adequate.

1. Costs, Risks, and Delay of Trial and Appeal

Courts are instructed to “balance the risks of continued litigation, including the strengths and weaknesses of plaintiff’s case, against the benefits afforded to class members, including the immediacy and certainty of recovery.” *Knapp v. Art.com, Inc.*, 283 F. Supp. 3d 823, 831 (N.D. Cal. 2017). To conduct this analysis, “courts may need to forecast the likely range of possible classwide recoveries and the likelihood of success in obtaining such results.” Fed. R. Civ. P. 23 advisory committee’s note to 2018 Amendment. Indeed, many district courts—including this Court—require that motions for preliminary approval of class settlements include estimates of the defendant’s maximum potential liability. *See, e.g., Chen v. Western Digit. Corp.*, 2020 WL 13587954, at *3 (C.D. Cal. Apr. 3, 2020) (Staton, J.).

Here, the Court evaluates the value of the Settlement, measured against Plaintiff's estimated maximum trial recovery and the risk of continued litigation. Plaintiff notes that the estimated potential recovery at trial is \$8,410,306. (Workman Decl. ¶ 14.)

“[D]amages calculations offered to demonstrate the fairness of a proposed settlement must be substantiated with detailed, reasoned analysis that explains how the defendant's maximum potential exposure has been calculated.” *Grady v. RCM Techs., Inc.*, 671 F. Supp. 3d 1065, 1075 (C.D. Cal. 2023) (Staton, J.) (citations omitted). At the hearing, the Court ordered Class Counsel to file a declaration explaining how Plaintiff arrived at such an estimate. Class Counsel have filed their declaration, showing that they arrived at this number by assuming that each employee was not reimbursed for 30 miles per shift, applying the I.R.S. rate of reimbursement for the years in question, and calculating potential reimbursement damages to be \$3,845,134. (Gorlick Decl. ¶ 7, Doc. 61.) Class Counsel further calculated uncompensated work time damages to be \$4,565,176, by using an average hourly pay rate of \$32.79 and assuming each employee was not compensated for 30 minutes per shift. (*Id.*) The assumptions were based on Ricoh's policy of failing to compensate employees for the first and last 15 miles driven each day. (Workman Decl. ¶ 14.) Upon review of the declarations, the Court is satisfied that Plaintiffs' estimated potential recovery at trial is based upon “detailed, reasoned” analysis. *See Grady*, 671 F. Supp. 3d at 1075.

The proposed Gross Settlement Amount represents approximately 48% of Defendants' maximum potential liability. (Workman Decl. ¶ 14.) This percentage compares favorably to prior approved settlements in wage and hour class actions, and thus weighs heavily in favor of a finding that the Settlement is reasonable. *See, e.g., Sarabia v. Ricoh USA, Inc.*, 2022 WL 22879653, at *9 (C.D. Cal. Oct. 11, 2022) (approving a settlement amounting to around 25% of the calculated maximum potential liability, and collecting similar cases).

The risks of litigation for both parties and the costs of proceeding to trial also support a finding that the Settlement is reasonable. Ricoh denies liability, arguing in part that “the time driving from home to the first customer appointment of the day, and from the last customer appointment of the day back to home, is non-compensable commute time, because Ricoh asserts no employer control over service technicians during the commute.” (Mem. at 12.) Plaintiff recognizes that “there is a risk this Court and/or a jury could agree with [Ricoh], and limit or eliminate Class Members’ recovery.” (*Id.* at 20.) Given the risks of continued litigation, early resolution provides a benefit to the Class that might outweigh any potential trial recovery. *See Nat’l Rural Telecomms. Coop. v. DIRECTV, Inc.*, 221 F.R.D. 523, 526 (C.D. Cal. 2004) (“In most situations, unless the settlement is clearly inadequate, its acceptance and approval are preferable to lengthy and expensive litigation with uncertain results.”).

For the above reasons, the Court finds that this factor weighs in favor of granting preliminary approval.

2. Effectiveness of Proposed Distribution Method and Claims Processing

Next, the adequacy of the relief depends on “the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims.” Fed. R. Civ. P. 23(e)(2)(C)(ii).

Here, all Class Members will receive payment unless they opt out. (Settlement Agreement §§ 1.34, 3.2.4.) Class Members will receive payment from the Net Settlement Fund based on the *pro rata* share of the workweeks they worked during the class period. (*Id.* § 3.2.4.)

Class Members will receive their payments via check sent by first-class mail. (*Id.* § 4.3.1.) Each check shall prominently state the date when the check will be voided; the checks will not be voided until at least 180 days after the date of mailing. (*Id.*) For those Class Members whose checks are returned undelivered, ILYM Group will re-mail the

check to either the forwarding address provided by the United States Postal Service, or to an address found with an address search. (*Id.* § 4.3.2.) The Settlement Agreement provides that ILYM Group need not take any further action if re-mailed checks are returned as undelivered. (*Id.*) For checks not cashed by the void date, the funds represented by those checks will be redistributed to the *cy pres* recipient, Legal Aid at Work. (*Id.* § 4.3.3.)

As the Court noted at the hearing, and as it will address more fully at the final approval stage, it expects more than one distribution if there is any significant number of uncashed checks. Plaintiff would have to show that it would be financially impractical to distribute another round of settlement checks before the Court approves distribution to the *cy pres* recipient. As for the other aspects of the proposed distribution of funds, the Court finds the Settlement Agreement’s distribution methodology to be reasonable, and to provide adequate relief to Class Members.

3. Proposed Attorneys’ Fees

The “terms of any proposed award of attorney’s fees” also affects the adequacy of the relief. Fed. R. Civ. P. 23(e)(2)(C)(iii). The Ninth Circuit explained that, when considering this factor, “district courts must apply the *Bluetooth* factors to scrutinize fee arrangements,” meaning the Court should look for a disproportionate distribution of attorneys’ fees, clear sailing provisions, and “reverter” or “kicker” clauses that return undistributed funds to the defendant. *Briseno*, 998 F.3d at 1026–27. “[C]ourts typically calculate 25% of the fund as the ‘benchmark’ for a reasonable fee award.” *In re Bluetooth*, 654 F.3d at 942.

Here, Class Counsel will seek attorneys’ fees of no more than 25% of the Gross Settlement Amount, or \$1,000,000. (Settlement Agreement § 3.2.2.) Ricoh “will not oppose requests for these payments provided they do not exceed these amounts.” (*Id.*)

Beginning with the markers of collusion identified in *In re Bluetooth*, the Court notes that while the Settlement Agreement does include a clear sailing provision, the

parties' agreement is limited to fees of up to 25% of the Gross Settlement Amount, which is in line with the Ninth Circuit's benchmark. *See In re Bluetooth*, 654 F.3d at 942. Further, the Settlement Agreement contains no reverter provision. Thus, at this time, the Court concludes that there are not sufficient indicia of collusion to warrant denial at the preliminary approval stage. However, the Court reserves its full consideration of this factor until final approval. As required by this Court's Procedures, Plaintiffs should submit detailed billing records in Microsoft Excel format with any fee motion, so that the Court may conduct a proper lodestar crosscheck of any requested fee. (*See Procedures* Page § 26 (incorporated by Standing Order at 2, Doc. 7).)

4. Agreements in Connection with the Proposal

Rule 23(e)(3) requires that "[t]he parties seeking approval must file a statement identifying any agreement made in connection with the proposal." As the Court has previously explained, the disclosure of any related agreements is required so that the Court can evaluate "related undertakings that, although seemingly separate, may have influenced the terms of the settlement by trading away possible advantages for the class in return for advantages for others." (Order Requiring Supp. Decl. at 1–2 (quoting Fed. R. Civ. P. 23(e) advisory committee's note to 2003 amendment).) In his motion, Plaintiff did not identify any agreements made in connection with the Settlement Agreement, even though Plaintiff had filed an individual action against Ricoh in state court, which also settled. As noted above, Plaintiff and Class Counsel unquestionably should have disclosed the existence of the individual action and its settlement. The failure to do so in the original motion was contrary to the requirements of Rule 23(e)(3). Accordingly, this factor weighs against a finding that the relief to Class Members is adequate.

However, as the Court previously noted, Ms. Workman explained in her supplemental declaration and at the hearing that the parties treated the two cases separately throughout the respective litigations. (Supp. Workman Decl. ¶ 4.) Ms. Workman further explained that the claims in the individual action were not discussed at the mediation that

led to the Class Settlement. (*Id.* ¶ 3.) Moreover, although concurrent individual and class settlements may typically suggest that a plaintiff traded away a benefit to the class in exchange for personal benefit in his individual action, here, the three other factors going to the adequacy of relief—the amount of the settlement, the method and distribution to class members, and the attorneys’ fees sought—strongly indicate that the Class Settlement is favorable to Class Members. Specifically, the Gross Settlement Amount represents 48% of the estimated total recovery, and each Class Member will receive, on average, \$11,000, as long as they do not opt out. And although Class Counsel seeks 25% in attorneys’ fees, this is in line with the Ninth Circuit’s benchmark. Because there are clear signs that the amount Class Members will receive from the Settlement is strongly favorable to them, Class Counsel’s failure to disclose the settlement in Plaintiff’s individual action does not bar preliminary approval.

D. Equitable Treatment of Class Members Relative to Each Other

The last factor to consider under Rule 23(e)(2) is whether “the proposal treats class members equitably relative to each other.” Fed. R. Civ. P. 23(e)(2)(D). “Matters of concern could include whether the apportionment of relief among class members takes appropriate account of differences among their claims, and whether the scope of the release may affect class members in different ways that bear on the apportionment of relief.” Fed. R. Civ. P. 23 advisory committee’s note to 2018 Amendment.

As discussed above, Class Members will receive payment from the Net Settlement Fund based on the share of the workweeks they worked during the class period. (Settlement Agreement § 3.2.4.) At the hearing, Class Counsel represented that the Class Members typically worked the same number of hours per week: 40 hours. The supplemental declaration shows that Class Members’ hourly wages varied somewhat, but were generally proportional to the number of years they had worked at Ricoh. (Ex. 2 to Gorlick Decl.) Thus, the number of workweeks Class Members worked will be roughly proportional to the amount of lost wages and reimbursement to which they are entitled.

The Court therefore concludes *pro rata* distribution of funds based on the number of workweeks worked will ensure that Class Members are fairly compensated.

Finally, the Court considers the proposed service award and whether the award will result in an inequitable distribution to the Class Representative. Plaintiff seeks a \$10,000 service award, while the average payout to Class Members will be \$11,000. (Settlement Agreement § 3.2.1.) However, Plaintiff will have already recovered substantially from Ricoh, from both the settlement in the individual action and this action's Net Settlement Fund. The Court is not convinced that an additional service award, to the detriment of the Class, is warranted. At the final approval stage, Plaintiff must show a compelling reason as to why he is entitled to additional recovery in order for the Court to approve any service award.

E. Conclusion as to Preliminary Approval

Considering the factors established by Rule 23(e), the Court preliminarily concludes that the Settlement Agreement is fair, reasonable, and adequate, and appears to be the product of serious, informed, non-collusive negotiations. Accordingly, the Court preliminarily approves the proposed Settlement. The Court also finds the distribution plan for the Net Settlement Fund to be reasonable. *Vinh Nguyen v. Radiant Pharms. Corp.*, 2014 WL 1802293, at *5 (C.D. Cal. May 6, 2014) ("Approval of a plan of allocation of settlement proceeds in a class action under Rule 23 is governed by the same standards of review applicable to approval of the settlement as a whole: the plan must be fair, reasonable, and adequate." (citations omitted)).

IV. PRELIMINARY APPROVAL OF PAGA SETTLEMENT

An employee suing under PAGA "does so as the proxy or agent of the state's labor law enforcement agencies." *Arias v. Superior Ct.*, 46 Cal. 4th 969, 986 (2009). Under PAGA, 65% of the civil penalties shall be distributed to the LWDA, and 35% shall be distributed to the aggrieved employees. Cal. Lab. Code § 2699(m). The trial court "shall review and approve any settlement of any" PAGA action. *Id.* § 2699(s)(2). "Although

there is no binding authority establishing the standard of review for PAGA settlements, California district courts have applied a Rule 23-like standard, asking whether the settlement of PAGA claims is fundamentally fair, adequate, and reasonable in light of PAGA’s policies and purposes.” *Sanchez v. Mohawk Indus., Inc.*, 2025 WL 2694749, at *25 (E.D. Cal. Sept. 20, 2025) (cleaned up).

The Court has already determined the Rule 23(e)(2) factors weigh in favor of approval of the class action Settlement Agreement, and finds that the factors further weigh in favor of approval of the PAGA settlement. As for the PAGA Settlement amount, Plaintiff plans to allocate \$100,000 from the Gross Settlement Amount to the PAGA Settlement, \$65,000 going to the LWDA, and \$35,000 going to the PAGA Aggrieved Employees based on their *pro rata* share of PAGA Pay Periods worked. (Settlement Agreement § 3.2.5.) The amount of the PAGA Settlement in comparison to the \$4,000,000 Gross Settlement Amount is similar to other court-approved PAGA settlements. *See, e.g., Kryzhanovskiy v. Amazon.com Servs., Inc.*, 2024 WL 4189936, at *16 (E.D. Cal. Sept. 13, 2024) (approving a PAGA payment of \$100,000, where the Gross Settlement Fund was \$3,000,000, and reasoning that “[d]istrict courts have approved a broad range of PAGA penalties”). Further, the Court acknowledges that PAGA Aggrieved Employees in this case will also be Class Members, meaning that they will recover from both the PAGA Settlement and the Class Action Settlement. *See Haralson v. U.S. Aviation Services Corp.*, 383 F.Supp.3d 959, 972 (N.D. Cal. 2019) (“Where PAGA claims are settled in the same agreement with the underlying Labor Code claims, courts have also looked to the interplay of the two recoveries to determine whether PAGA’s purposes have been served.”). Accordingly, the Court finds that the PAGA Settlement is reasonable.

Finally, as required by statute, Class Counsel submitted the PAGA Settlement to the LWDA on July 30, 2026. Cal. Lab. Code § 2699(s)(2); (Workman Decl. ¶ 24). The Court thus preliminarily approves the PAGA Settlement. At the final approval stage, Class

Counsel shall inform the Court as to whether the LWDA has filed any objections or response to the PAGA Settlement.

V. SETTLEMENT ADMINISTRATOR

The parties propose to appoint ILYM Group to serve as Settlement Administrator. (Settlement Agreement § 7.1.) Plaintiff submits a declaration from Lisa Mullins, the President of ILYM Group. (Mullins Decl., Doc. 56-3.) Mullins asserts that ILYM Group “has extensive experience in administering Class Action Settlements,” and has handled claims processing and funds distribution for class actions “ranging in size from 26 to 4.5 million class members.” (*Id.* ¶ 2.) Mullins also attaches ILYM Group’s current CV. (Ex. A to Mullins Decl.; Ex. B to Mullins Decl.) ILYM Group estimates that its fee will be no more than \$7,000, and states that any additional costs incurred will be provided to the Court. (*Id.* ¶ 4.) The Court approves ILYM Group as the Settlement Administrator.

VI. CLASS NOTICE FORM AND METHOD

For proposed settlements, Rule 23(e)(1) requires the Court to “direct notice in a reasonable manner to all class members who would be bound by the proposal if giving notice is justified by the parties’ showing that the court will likely be able to (i) approve the [settlement]; and (ii) certify the class for purposes of judgment on the proposal.”

The Settlement Agreement sets forth the following method of providing notice to the Class. Within 14 days of receiving data about Class Members from Ricoh, the Administrator will send the Class Notice to all Class Members via first-class USPS mail. (Settlement Agreement § 7.4.2.) If the Class Notice is returned as undelivered, the Administrator will re-mail the Class Notice using any forwarding address provided by USPS, or, if there is not one provided, the Administrator shall conduct a Class Member Address Search. (*Id.* § 7.4.3.) Class Members who wish to opt out of the Class may fax, email, or mail the Administrator a Request for Exclusion within 45 days after the Administrator mails the Class Notice. (*Id.* §§ 1.41, 7.5.1.) The Supreme Court has found notice by mail to be sufficient if the notice is “reasonably calculated . . . to apprise

interested parties of the pendency of the action and afford them an opportunity to present their objections.” *Mullane v. Cent. Hanover Bank & Trust Co.*, 339 U.S. 306, 314 (1950); accord *Sullivan v. Am. Express Publ’g Corp.*, 2011 WL 2600702 at *8 (C.D. Cal. June 30, 2011) (quoting *Mullane*). The Court finds that the proposed procedure for class notice satisfies these standards.

Plaintiff provided the Court with a copy of the proposed Notice. (Settlement Agreement at 53.) Under Rule 23, the Notice must include, in a manner that is understandable to potential class members: “(i) the nature of the action; (ii) the definition of the class certified; (iii) the class claims, issues, or defenses; (iv) that a class member may enter an appearance through an attorney if the member so desires; (v) that the court will exclude from the class any member who requests exclusion; (vi) the time and manner for requesting exclusion; and (vii) the binding effect of a class judgment on members under Rule 23(c)(3).” Fed. R. Civ. P. 23(c)(2)(B). Having reviewed the proposed Notice, the Court requires that the following modifications be made:

- In every section that informs Class Members how to object or opt-out, eliminate the requirement that Class Members “submit a written and signed letter with your name, present address, telephone number, and a simple statement. . .”, or other requirements to this effect. Inform Class Members that they instead can send the relevant information to the Settlement Administrator **via email or mail**. Include the statement, “Section IX of this Notice contains the Administrator’s contact information.”
- In every section that refers to the final approval hearing, remove references to appearing virtually. Inform Class Members of the time, date, and location of the final approval hearing.
- The proposed Notice should clearly set forth that (i) the motion for final approval, and motion for attorneys’ fees, costs, and Plaintiff’s service award will be filed at least fifteen (15) days before the deadline to object, (ii) Class

Members may review these motions through PACER, and (iii) Class

Members may object to the requests for attorneys' fees, costs, and service award, as well as the settlement agreement.

- Include the Settlement Administrator's Contact Information in Section IX.

Subject to the above changes, the Court approves the form and method of Class Notice. The Court ORDERS the parties to file a revised version of the Notice within **five (5) days** of this Order.

VII. CONCLUSION

For the foregoing reasons, the Court (1) conditionally certifies the Class for settlement purposes only; (2) preliminarily approves the Settlement; (3) names Saranay Ballungay as Class Representative; (4) names Workman Law Firm, P.C. as Class Counsel; (5) approves ILYM Group as Settlement Administrator; and (6) approves the form and method of Class Notice, subject to the changes discusses above. The Court ORDERS the parties to file a revised version of the Notice, together with a redlined version of the Notice reflecting the changes made, within **five (5) days** of this Order.

The Court sets a final fairness hearing for **February 26, 2027, at 10:30 a.m.** to determine whether the Settlement should be finally approved as fair, reasonable, and adequate to Class Members. Plaintiff shall file his motion for final approval, as well as any motion for attorneys' fees, costs, and service payment, no later than **fifteen (15) days** before the exclusion deadline. The final approval motion shall include a brief responding to any submitted objections and otherwise summarizing the Class Members' participation in the Settlement and its administration to date. The Court reserves the right to continue the date of the final fairness hearing without further notice to Class Members.

DATED: October 09, 2026



HON. JOSEPHINE L. STATON
UNITED STATES DISTRICT JUDGE

