

05/29/2025

David W. Slayton, Executive Officer / Clerk of Court

R. Arraiga

Deputy

RULING RE: MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT

Miranda v. CA Glatt Mart, Inc.

Case No.: 22STCV13006

Department SSC-9

Hon. Elaine Lu

Hearing: May 29, 2025 (continued from March 24, 2025)

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 **\$440,000**, non-reversionary. (¶5.1)
- The Net Settlement Amount ("Net") is the GSA minus the following:
 - Up to **\$154,000 (35%)** for attorney fees (¶5.2.2);
 - Up to **\$25,000** for litigation costs (*ibid.*);
 - Up to **\$7,500** for a Service Payment to the Named Plaintiff (¶5.2.1);
 - Up to **\$6,750** for settlement administration costs (¶5.2.3); and
 - Payment of **\$30,000** PAGA penalty (75% or **\$22,500** to the LWDA; and 25% or **\$7,500** to the Aggrieved Employees). (¶5.2.5)
- Employer's share of the payroll taxes on the taxable portion of the settlement payments shall be paid separately from the GSA by Defendant. (¶5.1)
- Plaintiffs shall release Defendants from claims described herein.

The Parties' Motion for Final Approval of Class Action Settlement must be filed by **September 1, 2025**, and will be heard on **October 14, 2025, 10:00 a.m., in Department 9**. *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-Appearence Case Review Re: Filing and Serving of Motion for Final Approval of Class Action Settlement is set for September 8, 2025, 8:30 a.m., Department 9.

BACKGROUND

This is a wage and hour class action. On April 18, 2022, Plaintiff commenced this Action by filing a Complaint alleging causes of actions against Defendant for: (1) failure to pay overtime wages in violation of Labor Code sections 510 and 1194, and the Applicable Wage Order; (2) failure to pay minimum wage for all hours worked in violation of Labor Code sections 1197, and the Applicable Wage Order; (3) failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 512, 226.7, and the Applicable Wage Order; (4) failure to provide compliant rest periods and pay missed rest period premiums in violation of Labor Code section 226.7 and the Applicable Wage Order; (5) failure to pay all wages due upon termination in violation of Labor Code sections 201, 202, and 203; (6) failure to provide accurate wage statements in violation of Labor Code section 226; (7) failure to timely pay wages during employment in violation of Labor Code sections 204 and 210; (8) failure to reimburse business expenses in violation of Labor Code section 2802; (9) violation of California's Unfair Competition Law (Bus. & Prof. Code, §§ 17200 and 17203); and (10) claims for injunctions, liquidated damages, penalties, interest, fees, expenditures, losses, and costs based on the foregoing. (the "Class Action").

On June 23, 2022, after sixty-five (65) days had passed without any action by the LWDA with respect to the alleged Labor Code violations, Plaintiff filed a separate representative action under PAGA against Defendant in the Superior Court of California, County of Los Angeles, Case No. 22STCV20480, for the Labor Code violations set out in the PAGA Notice (the "PAGA Action"). In the PAGA Action, Plaintiff alleged a cause of action for statutory penalties based on the foregoing pursuant to PAGA (Lab. Code, §§ 2698–2699.6); and Labor Code sections 210, 226.3, 558, 1174.5, 1197.1.

On or about September 13, 2023, Plaintiff filed the Operative Complaint in the Class Action, adding the claims alleged in the PAGA Action, and dismissed the PAGA Action without prejudice, effectively consolidating the PAGA Action into the Class Action.

Class Counsel represent they have conducted informal discovery, investigation, and prosecution, which has included, among other things, (a) over a dozen telephonic conferences with Plaintiff; (b) inspection and analysis of time and payroll records for the estimated 155 putative Class Members; (c) analysis of putative class data points, including the number of putative Class Members from August 10, 2018 through mediation, the number of employees separated during the waiting time penalty period, the average hourly rate of pay, the number of Workweeks, Pay Periods and shifts from August 10, 2018 through mediation, and the number of Pay Periods from April 27, 2021 through mediation; (d) analysis of other

employment data from a sample of Class Members; (e) an analysis of the legal positions taken by Defendant; (f) investigation into the viability of class treatment of the claims asserted in the Action; (g) analysis of potential class-wide damages, including information sufficient to understand Defendant's potential defenses to Plaintiff's claims; (h) research of the applicable law with respect to the claims asserted in the Complaint and the potential defenses thereto; and (i) assembling and analyzing of data for calculating damages.

On April 9, 2024, the Parties participated in an all-day mediation presided over by Katherine J. Edwards, Esquire, an experienced employment law mediator, which led to the Settlement Agreement, a fully executed copy which was filed with the Court on January 15, 2025 attached to the Declaration of Brandon M. Chang ("Chang Decl.") as Exhibit 1.

On March 24, 2025 the Court continued preliminary for further briefing. attached to the Declaration of Brandon M. Chang ("Chang Decl."). In response, on May 1, 2025, counsel filed a fully executed Amended Settlement Agreement attached to the Supplemental Declaration of Brandon M. Chang ("Chang Supp. Decl.") as Exhibit 1.

Now before the Court is the Motion for Preliminary Approval of the Settlement Agreement attached to the Supplemental Declaration of Brandon M. Chang as Exhibit 1.

SETTLEMENT CLASS DEFINITION

- "Class" or "Settlement Class" means all persons currently or formerly employed by Defendant in California and classified as a non-exempt, hourly-paid employee who worked for Defendant during the Class Period. (Settlement Agreement, ¶1.6.)
 - "Class Period" means the period from April 18, 2018 through April 9, 2024. (¶1.13)
- "Aggrieved Employee" means a person employed by Defendant in California and classified as a non-exempt, hourly-paid employee who worked for Defendant during the PAGA Period. (¶1.4)
 - "PAGA Period" means the period from April 27, 2021 through April 9, 2024. (¶1.35)
- Based on a review of its records to date, Defendant estimates there are approximately 155 Class Members who collectively worked a total of 22,000 Workweeks, and 117 Aggrieved Employees who worked a total of 5,779 PAGA Pay Periods. (¶6.1)
- The parties agree to conditional class certification for the purposes of settlement. (¶13)

TERMS OF SETTLEMENT AGREEMENT

The essential terms are as follows:

- The Gross Settlement Amount (“GSA”) is **\$440,000**, non-reversionary. (¶5.1)
 - Defendant represents that there are approximately 22,000 Workweeks worked by Class Members during the Class Period. If the number of Workweeks worked is greater than 10% above 22,000 Workweeks (i.e., if there are more than 24,200 total Workweeks worked by Class Members during the Class Period) then the Gross Settlement Amount shall be increased by the number of Workweeks in excess of 24,200 Workweeks, multiplied by the Workweek Value. The Workweek Value shall be calculated by dividing the originally agreed upon Gross Settlement Amount (\$440,000) by 22,000, which amounts to a Workweek Value of \$20.00. Thus, for example, should there be 25,000 Workweeks worked by Class Members during the Class Period, then the Gross Settlement Amount shall be increased by \$16,000 [(25,000 Workweeks - 24,200 Workweeks] x \$20.00 per Workweek). (¶10.1)
- The Net Settlement Amount (“Net”) (**\$224,250**) is the GSA minus the following:
 - Up to **\$154,000 (35%)** for attorney fees (¶5.2.2);
 - Up to **\$25,000** for litigation costs (*ibid.*);
 - Up to **\$7,500** for a Service Payment to the Named Plaintiff (¶5.2.1);
 - Up to **\$6,750** for settlement administration costs (¶5.2.3); and
 - Payment of **\$22,500** (75% of \$30,000 PAGA penalty) to the LWDA. (¶5.2.5)
- Defendant will separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. (¶5.1)
- Funding of GSA: Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than ninety (90) calendar days after the Effective Date. In no event shall Defendant be obligated to pay or deposit with the Settlement Administrator more than \$440,000.00 plus the Employer's Taxes, except where the Escalator Provision in Paragraph 10.1 is triggered. (¶6.3)
- Distribution of GSA: Within fifteen (15) days after Defendant funds the Gross Settlement Amount, 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 Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments, and the Individual PAGA Payments. (¶5.1)
- Participating Class Member Payments: The Individual Class Payments shall be paid from the Net Settlement Amount. An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating

Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks. (§5.2.4) 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. (§5.2.4.2)

- Tax Allocation: 20% as wages and 80% as interest and penalties. (§5.2.4.1)
- PAGA Payments: The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$7,500.00) 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. (§5.2.5.1)
 - Tax Allocation: 100% penalties. (§5.2.5.2)
- "Response Deadline" means forty-five (45) days after the Administrator first mails the Class Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) mail Requests for Exclusion from the Settlement, or (b) mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 15 days beyond the Response Deadline has expired. (§1.48) The same deadlines apply to the submission of workweek disputes. (§6.5)
 - If 10% or more members of the Settlement Class submit Requests for Exclusions, Defendant shall have the right to void this Settlement Agreement. (§12.2)
- Uncashed Settlement Checks: The Administrator will cancel all checks not cashed by the Void Date (180 days after the date of mailing). (§6.4.1) 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 Controller's Office, Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384. (§6.4.3)
- The settlement administrator will be ILYM Group, Inc. (§1.2)
- The proposed settlement was submitted to the LWDA on January 15, 2025. (Chang Decl., Exhibit 3.)
- Participating class members and the named Plaintiffs will release certain claims against Defendants. (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? Yes. On April 9, 2024, the Parties participated in an all-day mediation presided over by Katherine J. Edwards, Esquire, an experienced employment law mediator, which led to the Settlement Agreement. (Chang Decl., ¶8.)

2. Were investigation and discovery sufficient to allow counsel and the court to act intelligently? Yes. Class Counsel represent they have conducted informal discovery, investigation, and prosecution, which has included, among other things, (a) over a dozen telephonic conferences with Plaintiff; (b) inspection and analysis of time and payroll records for the estimated 155 putative Class Members; (c) analysis of putative class data points, including the number of putative Class Members from August 10, 2018 through mediation, the number of employees separated during the waiting time penalty period, the average hourly rate of pay, the number of Workweeks, Pay Periods and shifts from August 10, 2018 through mediation, and the number of Pay Periods from April 27, 2021 through mediation; (d) analysis of other employment data from a sample of Class Members; (e) an analysis of the legal positions taken by Defendant; (f) investigation into the viability of class treatment of the claims asserted in the Action; (g) analysis of potential class-wide damages, including information sufficient to understand Defendant's potential defenses to Plaintiff' claims; (h) research of the applicable law with respect to the claims asserted in the Complaint and the potential defenses thereto; and (i) assembling and analyzing of data for calculating damages. (*Id.* at ¶7.)

3. Is counsel experienced in similar litigation? Yes. Class Counsel is experienced in class action litigation, including wage and hour class actions. (*Id.* at ¶¶43-47; Declaration of David Bibiyan, *passim*.)

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.)

Counsel has provided the following exposure analysis:

Violation	Maximum Exposure
Unpaid Wages	\$600,160
Meal Period Violations	\$1,108,467
Rest Period Violations	\$598,703
Wage Statement Penalties	\$591,000
Waiting Time Penalties	\$230,640
Expenses	\$350,147
PAGA Penalties	\$651,038 - \$2,604,150

Total	\$4,130,155 - \$6,083,267
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(Chang Decl., ¶¶18-36.)

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. Plaintiff’s counsel obtained a \$440,000 non-reversionary settlement. This is approximately 7%- 11% of Defendant’s exposure, which, given the uncertain outcomes, is within the “ballpark of reasonableness.”

The \$440,000 settlement amount, after reduced by the requested deductions, leaves approximately \$224,250 to be divided among approximately 155 class members. Assuming full participation, the resulting payments will average approximately \$1,446.77 per class member. [\$224,250 Net /155 = \$1,446.77]

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

It is the desire of the Parties to fully, finally, and forever settle, compromise, and discharge the Released Claims. Effective upon entry of Judgment, the order granting Final Approval of this Settlement, and on the date when Defendant fully funds the entire Gross Settlement Amount and funds all Employee's Taxes and Required Withholding owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:(¶7)

For the duration of the Class Period, all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint including, but not limited to: (1) all claims for failure to pay overtime wages in

violation of Labor Code sections 510 and 1194, the Applicable Wage Order, and other applicable California law not otherwise referenced herein; (2) all claims for failure to pay minimum wages in violation of Labor Code section 1197 and the Applicable Wage Order; (3) all claims for failure to provide meal periods, or compensation in lieu thereof, in violation of Labor Code sections 512 and 226.7, and the Applicable Wage Order; (4) all claims for failure to provide rest periods, or compensation in lieu thereof, in violation of Labor Code section 226.7 and the Applicable Wage Order; (5) all claims for the failure to pay wages due upon termination or resignation in violation of Labor Code sections 201 and 202 and the Applicable Wage Order;; (6) all claims for non-compliant wage statements in violation of Labor Code section 226; (7) all claims for failure to timely pay wages during employment in violation of Labor Code sections 204 and 210, the Applicable Wage order; (8) all claims for failure to reimburse business expenses in violation of Labor Code section 2802; (9) all claims asserted through California Business & Professions Code section 17200, et seq. arising out of the Labor Code violations referenced in the Complaint; and (10) claims for injunctions, liquidated damages, penalties, interest, fees, expenditures, losses, restitution, and costs based on the foregoing, as well as Labor Code sections 203, 210, 226, 226.7, 510, 512, 1194, 1194.2, 1197, 1199, 2802. Participating Class Members will be deemed to have acknowledged and agreed that their claims for wages and/or penalties in the Action are disputed, and that their Individual Class Payment constitutes payment of all sums allegedly due to them. (¶7.2)

Except as set forth in Section 7.2 of this Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period. (¶7.3)

For the duration of the PAGA Period, and to the extent permitted by law, the LWDA and the State of California, by and through Plaintiff as an agent and proxy of the LWDA, release the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice, including, but not limited to, claims for PAGA penalties pursuant to Labor Code sections 210, 226.3, 558, 1174.5, 1197.1, and 2699 in connection with alleged violations of Labor Code sections Labor Code sections 96, 98.6, 200, 201, 201.3, 202, 203, 204, 204b, 204.1, 205, 205.5, 210, 226, 226.3, 226.7, 227.3, 232, 232.5, 246 et seq., 432, 510, 512, 558, 1102.5, 1174, 1174.5, 1194, 1197, 1197.1, 1197.5, 1198.5, 2699, 2802, and 2810.5, among others. (¶7.4)

- Named Plaintiff will also provide a general release and CC § 1542 waiver. (¶7.1)

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. Winsor* (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 at least 155 class members. (Chang Decl., ¶40.) 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 Defendant’s records. (Chang Decl., ¶39.)

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, counsel contends that this litigation was brought to resolve common issues that include whether Defendant failed to pay all hours worked at a proper This Litigation is brought to resolve common issues that include whether Class Members were paid all due wages, Defendant provided full, timely and un-interrupted meal and rest periods, whether Class Members are entitled to premium pay for incomplete, untimely or interrupted meal or rest periods. (Chang Decl., ¶41.)

Further Counsel contends that Plaintiff’s claims are typical of those of other Class Members as Plaintiff: (1) is a non-exempt employee like other Class Members; (2) complains of not being paid for all time under Defendant’s control or suffered and/or permitted to work for Defendant; (3) did not receive full premium pay for meal periods that were not compliant with the Labor Code; (4) did not receive premium pay for rest periods that were not provided. (*Id.* at ¶42.)

As to adequacy, Class Counsel contends Plaintiff has no conflicts with the class and is represented by adequate counsel. (*Id.* at ¶¶43-47; Declaration of Plaintiff Miranda, *passim*.)

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.

2. Method of class notice. Notice will be via direct mail. Not later than 21 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. (¶4.2) Using best efforts to

perform as soon as possible, and in no event later than fourteen (14) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class USPS mail, the Class Notice with Spanish translation. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database. (¶9.4.2) Not later than 3 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. (¶9.4.3) If the Administrator, Defendant or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Settlement Agreement not later than 15 days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever is later. (¶9.4.5) Notice of Final Judgment will be posted on the Settlement Administrator's website. (¶9.8.2)

3. Cost of class notice. As indicated above, settlement administration costs are estimated not to exceed **\$6,750**. Prior to the time of the final fairness hearing, the claims 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 **\$154,000 (35%)** 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.

Class Counsel should also be prepared to justify the costs sought (capped at **\$25,000**) by detailing how they were incurred.

7. Incentive Award to Class Representative

The Settlement Agreement provides for an enhancement award of up to **\$7,500** for the named Plaintiff. In connection with the final fairness hearing, the named Plaintiff must submit a declaration attesting to why he should be entitled to an enhancement award in the proposed amount. The named Plaintiff must explain why he “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 **\$440,000**, non-reversionary. (¶5.1)
- The Net Settlement Amount (“Net”) is the GSA minus the following:
 - Up to **\$154,000 (35%)** for attorney fees (¶5.2.2);
 - Up to **\$25,000** for litigation costs (*ibid.*);
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 - Up to **\$6,750** for settlement administration costs (¶5.2.3); and
 - Payment of **\$30,000** PAGA penalty (75% or **\$22,500** to the LWDA; and 25% or **\$7,500** to the Aggrieved Employees). (¶5.2.5)

- Employer's share of the payroll taxes on the taxable portion of the settlement payments shall be paid separately from the GSA by Defendant. (§5.1)
- Plaintiffs shall release Defendants from claims described herein.

The Parties' Motion for Final Approval of Class Action Settlement must be filed by **September 1, 2025**, and will be heard on **October 14, 2025, 10:00 a.m., in Department 9**. *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 Re: Filing and Serving of Motion for Final Approval of Class Action Settlement is set for September 8, 2025, 8:30 a.m., Department 9.

THE PLAINTIFF IS ORDERED TO DOWNLOAD THE INSTANT **SIGNED** ORDER FROM THE COURT'S WEBSITE AND TO GIVE NOTICE TO ALL OTHER PARTIES AND TO FILE PROOF OF SERVICE OF SUCH WITHIN 10 DAYS.

IT IS SO ORDERED.

DATED: May 29, 2025



Elaine Lu

ELAINE LU

Judge of the Superior Court
Elaine Lu / Judge