

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF SACRAMENTO**

**23CV009859: SALAS vs INTERNATIONAL BUILDING INVESTMENT, INC., et al.
07/11/2025 Hearing on Motion for Preliminary Approval of Settlement (Class/ PAGA
Settlement) in Department 23**

Tentative Ruling

NO APPEARANCE REQUIRED

Plaintiffs Daniel Salas and Domingo Perez’s (“Plaintiffs”) motion for preliminary approval of class action and Private Attorneys General Act (“PAGA”) settlement is UNOPPOSED and GRANTED as follows.

Overview

On October 12, 2023, Plaintiff Salas initiated this wage and hour putative class action against Defendant International Building Investment, Inc. (“Defendant”). On February 26, 2024, Plaintiff Salas filed an amended complaint to add Plaintiff Perez to this action and to add a representative claim under PAGA. On March 20, 2024, Plaintiffs filed the operative second amended complaint. Plaintiffs allege the following causes of action against Defendant: (1) failure to pay minimum wages; (2) failure to pay overtime compensation; (3) failure to provide meal periods; (4) failure to authorize and permit rest breaks; (5) failure to indemnify necessary business expenses; (6) failure to timely pay final wages at termination; (7) failure to provide accurate itemized wage statements; (8) unfair business practices; and (9) civil penalties under PAGA.

The Parties engaged in informal discovery. (Moon Decl. ¶ 6.) Defendant produced a randomized sampling of time and payroll records for the putative class, company handbooks and written policies in effect during the Class and PAGA Periods, Plaintiffs’ personnel records and employment files, Defendant’s financials, Class data points, including, total numbers of Class Members, average hourly rates, and the approximate number of workweeks worked, pay periods, and wage statements issued, and PAGA (and wage statement penalty) group data points, including the total number of Aggrieved Employees, average hourly rates, and approximate numbers of workweeks worked, pay periods, and wage statements issued. (*Ibid.*) Plaintiffs’ counsel retained a statistics expert to analyze the sample records and prepare a damage analysis prior to mediation. (*Id.* at ¶ 7.) On February 20, 2025, the Parties participated in a mediation with Lynn Frank, Esq. (*Id.* at ¶ 8.) The Parties reached a settlement and subsequently entered into a written settlement agreement. (*Ibid.* & Ex. 1 (“Agreement”).) Plaintiffs now seek preliminary approval of this class and representative settlement. This ruling incorporates by reference the definitions in the Agreement and all capitalized terms defined therein shall have the same meaning in this ruling as set forth in the Agreement.

Settlement Class Certification

Plaintiff seeks to certify the following settlement class: all persons employed by Defendant in California and classified as an hourly non-exempt employee during from October 12, 2019, to

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April 20, 2025. (Agreement ¶¶ 1.5 & 1.12.) There are approximately 265 Class Members. (*Id.* at ¶ 4.1.) The Parties have stipulated to class certification for settlement purposes. (*Id.* at ¶ 12.1.) The Court finds, based on the moving papers, that Plaintiffs have established the requisites for class certification. Accordingly, the Court preliminarily certifies the proposed class for settlement purposes only.

Aggrieved Employees

Aggrieved Employees are defined in the Agreement as: s a person employed by Defendant in California and classified as an hourly, non-exempt employee from October 12, 2022, to April 20, 2025. (*Id.* at ¶¶ 1.4 & 1.30.) There are approximately 126 Aggrieved Employees. (*Id.* at ¶ 4.1.) Aggrieved Employees will receive their share of the PAGA Penalty regardless of whether they opt out of the Class portion of this settlement. (*Id.* at ¶ 7.5.4 & Ex. A (“Class Notice”).) Plaintiffs’ counsel gave notice of this settlement to the Labor & Workforce Development Agency (“LWDA”). (Moon Decl. Ex. 3.)

Class Representatives

The Court preliminarily appoints Plaintiffs as Class Representative for settlement purposes only.

Class Counsel

The Court preliminarily appoints Moon Law Group, PC as Class Counsel for settlement purposes only.

Settlement Administrator

The Court appoints ILYM Group, Inc. as the settlement administrator.

Fair, Adequate and Reasonable Settlement

The Court must find a settlement is “fair, adequate, and reasonable” before approving a class action settlement. (*Wershba v. Apple Computer* (2001) 91 Cal.App.4th 224, 244-245.) The trial court has broad discretion to determine whether a proposed settlement in a class action is fair, adequate, and reasonable. (*Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801.) “[A] presumption of fairness exists where: (1) the settlement is reached through arm’s-length bargaining; (2) investigation and discovery are sufficient to allow counsel and the court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small.” (*Id.* at 1802.) In making its fairness determination, the Court considers the strength of the Plaintiffs’ case, the risk, expenses, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent

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of discovery completed and the state of the proceedings, and the experience and views of counsel. (*Id.* at 1801.) In approving a class action settlement, the Court must “satisfy itself that the class settlement is within the ‘ballpark’ of reasonableness.” (*Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 133.)

This is a non-reversionary, opt out settlement. Defendant will pay the Gross Settlement Amount (“GSA”) of \$150,000. (Agreement ¶ 3.1.) Defendant will separately pay employer-side payroll taxes. (*Ibid.*) The following amounts will be paid out of the GSA: (1) service payments to both Class Representatives of up to \$7,500 each; (2) attorneys’ fees in an amount equaling up to one-third of the GSA (\$50,000) and litigation costs not to exceed \$25,000 to Class Counsel; (3) settlement administration costs not to exceed \$10,000, except for a showing of good cause; (4) individual Class Member payments; and (5) a PAGA Penalty of \$20,000 (75% of which will be paid to the LWDA and 25% of which will be paid to Aggrieved Employees). (*Id.* at ¶¶ 3.2.1-3.2.5.) Due to Defendant’s financial condition, the GSA will be funded in installments over a period of 18 months. (*Id.* at ¶ 4.3; Edwards Decl. ¶¶ 1-8.)

For tax purposes, Class Member payments will be treated as follows: 10% will be considered wages and 90% will be considered interest and penalties. (Agreement ¶ 3.2.4.1.) PAGA Payments will be treated entirely as penalties. (*Id.* at ¶ 3.2.5.2.) Class Members have 45 days to respond to the Class Notice. (*Id.* at ¶ 1.42.) The funds from settlement checks that remain uncashed after 180 days will be sent to the California Unclaimed Property Fund to be held in the name of the payee. (*Id.* at ¶¶ 4.4.1 & 4.4.3.) The average individual Class Member recovery is estimated to be \$113.21. (Moon Decl. ¶ 31.) The average individual Aggrieved Employee recovery is estimated to be \$39.68. (*Ibid.*)

Disposition

The Court finds that all relevant factors support preliminary approval. (*Dunk, supra*, 48 Cal.App.4th at 1802.) The moving papers demonstrate the settlement was reached after arms-length bargaining between the parties and was reached after sufficient discovery and negotiations, which allowed the parties, and therefore, this Court, to act intelligently with respect to the settlement. Class Counsel conducted a thorough investigation into the facts and law and issues in this case, including the exchange of discovery and the review of extensive information. The settlement appears to be within the “ballpark of reasonableness.” (Moon Decl. ¶¶ 17-32.) Therefore, the motion is granted. The Court also approves the proposed Class Notice. The Notice shall be disseminated as provided in the Agreement. The Court will sign the proposed order submitted with the moving papers.

The Final Approval Hearing will take place on December 12, 2025, at 9:00 a.m. in this Department. The Court will fill in the hearing date at paragraph 14 of the proposed order.

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To request oral argument on this matter, you must call Department 23 at 916-874-5754 by 4:00 p.m., the court day before this hearing and notification of oral argument must be made to the opposing party/counsel. If no call is made, the tentative ruling becomes the order of the court. (Local Rule 1.06.)

Please check your tentative ruling prior to the next Court date at www.saccourt.ca.gov prior to the above referenced hearing date.

If oral argument is requested, the parties may and are encouraged to appear by Zoom with the links below:

To join by Zoom Link - <https://saccourt-ca-gov.zoomgov.com/my/sscdept23>
To join by phone dial (833) 568-8864 ID 16108301121

Parties requesting services of a court reporter will need to arrange for private court reporter services at their own expense, pursuant to Government code section 68086 and California Rules of Court, Rule 2.956. Requirements for requesting a court reporter are listed in the Policy for Official Reporter Pro Tempore available on the Sacramento Superior Court website at <https://www.saccourt.ca.gov/court-reporters/docs/crtrp-6a.pdf>. Parties may contact Court-Approved Official Reporters Pro Tempore by utilizing the list of Court Approved Official Reporters Pro Tempore available at <https://www.saccourt.ca.gov/court-reporters/docs/crtrp-13.Pdf>

A Stipulation and Appointment of Official Reporter Pro Tempore (CV/E-206) is required to be signed by each party, the private court reporter, and the Judge prior to the hearing, if not using a reporter from the Court's Approved Official Reporter Pro Tempore list. Once the form is signed it must be filed with the clerk.

If a litigant has been granted a fee waiver and requests a court reporter, the party must submit a Request for Court Reporter by a Party with a Fee Waiver (CV/E-211) and it must be filed with the clerk at least 10 days prior to the hearing or at the time the proceeding is scheduled if less than 10 days away. Once approved, the clerk will be forward the form to the Court Reporter's Office and an official reporter will be provided.

Counsel for Plaintiffs is directed to notice all parties of this order.

Hearing on Motion for Final Approval of Settlement is scheduled for 12/12/2025 at 9:00 AM in Department 23 at Gordon D. Schaber Superior Court.