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

FILED
Superior Court of California
County of Los Angeles

# Marina Durham v. Steak 48 Beverly Hills, LLC

Case No.: 23STCV28505

Hearing: December 23, 2024 (continued from November 13, 2024)

DEC 23 2024

David W. Slayton, Executive Officer/Clerk of Court

By: D. Keith, Deputy

## **FINAL RULING**

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

The essential terms of the Settlement Agreement are:

- A. The Gross Settlement Amount ("GSA") is \$252,000, non-reversionary. (¶3.1)
- B. The Net Settlement Amount ("Net") is the GSA minus the following:
  - Up to \$84,000 (33 1/3%) for attorney fees (¶3.2.2);
  - Up to \$12,000 for litigation costs (Settlement, ¶3.2.2);
  - Up to \$15,000 (\$7,500 x 2) for a Service Payment to the Named Plaintiffs (¶3.2.1);
  - Up to \$9,000 for settlement administration costs (¶3.2.3); and
  - \$18,750 (75% of \$25,000 PAGA penalty) to the LWDA and \$6,250 (25% of \$25,000 PAGA penalty) to Aggrieved Employees. (¶3.2.5)
- C. Employer's share of the payroll taxes on the taxable portion of the settlement payments shall be paid separately from the GSA by Defendant.
  - D. Plaintiffs shall release Defendants from claims described herein.

The Parties' Motion for Final Approval of Class Action Settlement must be filed by **August 20**, **2025**. The Parties' Motion for Final Approval of Class Action Settlement shall be heard on **April 9**, **2025** at 10 am, Department 9.

The Parties' Motion for Final Approval of Class Action Settlement must include a concurrently lodged single document that constitutes a [Proposed] Order and Judgment containing among

other things, the class definition, full release language, and names of the any class members who opted out.

Non-Appearance Case Review is set for August 27, 2025, 8:30 a.m., Department 9.

### **BACKGROUND**

This is a wage and hour class action. On August 14 2023, Plaintiff Hall-LePrevost filed a Complaint (Case No. 23STCV19341) alleging causes of action against Defendants Steak 48, LLC and Team 44 Restaurants, LLC for the violation of Labor Code 2699 for (1) failure to pay overtime compensation and liquidated damages (Labor Code §§ 510, 1194, 1194.2, and 1198); (2) failure to pay minimum wages (Labor Code §§ 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, and Cal. Code Regs., tit 8 §11050); (3) failure to provide meal periods (Labor Code §§ 226.7 & 512, and Cal. Code Regs., tit 8 §11050); (4) failure to provide rest periods (Labor Code §§ 226.7 and 512); (5) failure to provide accurate wage statements and maintain accurate payroll records (Labor Code §§ 226(a), 1174(d), and 1198); (6) failure to reimburse business expenses (Labor Code §§ 2800 and 2802); (7) conversion—improper receipt and distribution of gratuities (Labor Code § 351); (8) failure to provide adequate seating (Labor Code § 1198 and Cal. Code Regs., tit 8 §11050(14)); (9) failure to pay wages upon termination (Labor Code § 203); (10) violation of Labor Code § 558; (11) unfair competition (Bus. & Prof. Code §§ 17200 et seq.); and (12) PAGA Penalties (Labor Code §§ 2698 et seq.).

On November 20, 2023, Plaintiff Marina Durham filed her class action complaint (Case No. 23STCV28505), alleging causes of action against Steak 48 for: (1) Failure to Provide Rest Breaks and Pay for Missed Rest Breaks (Labor Code § 226.7(A) and IWC Wage Order No. 5-2001, Sec. 12); (2) Failure To Provide Meal Periods and Pay For Missed Meal Periods (Labor Code § 226.7, 512 And IWC Wage Order No. 5-2001, Sec. 11); (3) Failure to Pay Minimum and Overtime Wages, And Pay for All Wages Earned (Labor Code Sec. 204, 1194 And 1197); (4) Failure to Maintain Accurate Payroll Records (Labor Code §§ 226, 1174, 1174.5, 1198 and IWC Wage Order No. 5-2001, Sec. 7); (5) Failure to Issue Accurate Wage Statement (Labor code § §226); (6) Failure to Pay Wages on A Timely Basis (Cal. Labor Code §§204, 210); (7) Failure to Reimburse Required Business Expenses (Labor Code Sec. 2802); (8) Unfair Competition Law Violation (Bus. & Prof. Code §17200, et seq.).

After settling the case, the Parties consolidated both Plaintiff Durham's and Plaintiff Hall's causes of action into one consolidated complaint, alleging thirteen (13) causes of actions for: (1) Failure to Provide Rest Breaks and Pay for Missed Rest Breaks (Labor Code § 226.7(A) and IWC Wage Order No. 5-2001, Section 12); (2) Failure To Provide Meal Periods and Pay for Missed Meal Periods (Labor Code § 226.7, 512) And IWC Wage Order No. 5-2001, Section 1; (3) Failure to Pay Minimum and Overtime Wages, And Pay for All Wages Earned (Labor Code §§ 204, 1194, and 1997); (4) Failure to Maintain Accurate Payroll Records (Labor Code §§ 226, 1174, 1174.5, 1198 and IWC Wage Order No. 5-2001, § 7); (5) Failure to Issue Accurate Wage Statements (Labor Code §§ 226); (6) Failure to Timely Pay All Wages Due and Owing at Termination (Labor Code §§ 201, 202, & 203); (7) Failure to Pay Wages on A Timely Basis (Cal.

Labor Code §§ 204, 210); (8) Failure to Reimburse Required Business Expenses (Labor Code § 2802); (9) Conversion, Improper Receipt and Distribution of Gratuities (Labor Code § 351); (10) Failure to Provide Adequate Seating (Labor Code § 1198; Cal. Code Regs., Tit 8, §11050(14)); (11) Violation of Labor Code §558 (12) UCL Violation (Bus. and Prof. Code §17200, et seq.; and (13) Civil Penalties for Violations of the California Labor Code Pursuant to the Private Attorneys General Act (Lab. Code §§ 2698, et seq.)

On April 17, 2024, the Parties participated in a mediation with Scott Radovich, Esq., which led to an agreement. A fully-executed copy of the Settlement Agreement was filed with the Court on July 16, 2024 attached to the Declaration of Amir Seyedfarshi ("Seyedfarshi Decl."), as Exhibit A.

The Court continued preliminary approval on November 13, 2024 for Counsel to revise the settlement agreement's escalator clause. On December 16, 2024, Counsel filed a fully-executed revised settlement agreement attached as Exhibit 1 to the Supplemental Declaration Supplemental Declaration of Amir H. Seyedfarshi ("Seyedfarshi Supp. Decl.")

Now before the Court is Plaintiff's Motion for Preliminary Approval of the Settlement Agreement.

# **SETTLEMENT CLASS DEFINITION**

- "Class" means all non-exempt hourly-paid individuals who are or were California residents and are or were employed by Defendants in the State of California, and who worked one or more shifts during the Class Period (as defined below). (¶1.5)
  - "Class Period" means the period from November 20, 2019 to June 27, 2024.
     (¶1.12)
- "Aggrieved Employee" means all non-exempt hourly-paid individuals who are or were California residents and are or were employed by Defendants in the State of California, and who worked one or more shifts during the PAGA Period (as defined below). (¶1.4)
  - o "PAGA Period" means the period from June 6, 2022 to June 27, 2024. (¶1.31)
- The parties stipulate to class certification for settlement purposes only. (¶12.1)

#### **TERMS OF SETTLEMENT AGREEMENT**

The essential terms are as follows:

- The Gross Settlement Amount ("GSA") is \$252,000, non-reversionary. (¶3.1)
  - Escalator: Based on its records, Defendants estimates that, as of the date of this Settlement Agreement, (1) there are 415 Class Members and 13,125 Total Workweeks during the Class period and (2) there were 396 Aggrieved Employees who worked 6,280 Pay Periods during the PAGA Period. (¶8.)
- The Net Settlement Amount ("Net") (\$113,250) is the GSA minus the following:
  - Up to \$84,000 (33 1/3%) for attorney fees (¶3.2.2);
    - <u>Fee split</u>: 28.75% to Employment Rights Lawyers, 28.75% to The Law Office of Tatiana Hernandez, APC, and 42.5% to The Ozzello Practice, PC and The Law Offices of David R. Greifinger. (Seyedfarshi Decl., ¶75)

- Up to \$12,000 for litigation costs (Settlement, ¶3.2.2);
- O Up to \$15,000 (\$7,500 x 2) for a Service Payment to the Named Plaintiff (¶3.2.1);
- o Up to \$9,000 for settlement administration costs (¶3.2.3); and
- o Payment of \$18,750 (75% of \$25,000 PAGA penalty) to the LWDA. (¶3.2.5)
- Defendants will pay their share of taxes separate from the GSA. (¶3.1)
- Funding of Settlement: Defendants shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendants' share of payroll taxes by transmitting the funds to the Administrator no later than 14 days after the Effective Date. (¶4.3)
- No claim form is required. (¶3.1)
- Individual Settlement Payment Calculation: 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. (¶3.2.4)
  - o Tax Allocation: 20% as wages and 80% as interest and penalties. (§3.2.4.1)
- PAGA Payments: The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties \$6,250.00 by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. (¶3.2.5.1)
  - o Tax Allocation: 100% IRSO 1099. (¶3.2.5.2)
- "Response Deadline" means [e.g., 60] days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail 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 14 calendar days beyond the Response Deadline has expired. (¶1.43) The same deadline applies to challenges to workweek calculations. (¶7.6)
  - o If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendants may, but are not obligated to, elect to withdraw from the Settlement. (¶9)
- Uncashed Settlement Checks: The face of each check shall prominently state the date (180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. (¶4.4.1) For any Class Member whose Individual Class 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 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(b). (¶4.4.3)
- The settlement administrator will be ILYM Group. (¶7.1.)
- Notice of Final Judgment will be posted on the Settlement Administrator's website. (¶7.8.1)

- The proposed settlement was submitted to the LWDA on July 15, 2024. (Seyedfarshi Decl., Exhibit 3.) The proposed amended settlement was submitted to the LWDA on December 19, 2024. (Seyedfarshi 2<sup>nd</sup> Supp. Decl., Exhibit 4.)
- Participating class members and the named Plaintiff will release certain claims against Defendants. (See further discussion below)

## **ANALYSIS OF SETTLEMENT AGREEMENT**

# A. Does a presumption of fairness exist?

- 1. Was the settlement reached through arm's-length bargaining? Yes. On April 17, 2024, the Parties participated in a mediation with Scott Radovich, Esq., which led to an agreement. (Seyedfarshi Decl., ¶10.)
- 2. Were investigation and discovery sufficient to allow counsel and the court to act intelligently? Yes. Counsel represents that prior to the mediation, as part of its informal discovery production, Defendants produced, among other things, sampling of data for 15% of the class, including time sheets, paystubs, class information about the Class and Aggrieved Employees, including total workweeks and pay periods worked; a sampling of wage statements; Defendant's wage and hour policies in effect during the Class Period; Plaintiffs' personnel files; and the wage and hour policies in effect during the Class Period. (*Id.* at ¶11.)
- 3. <u>Is counsel experienced in similar litigation?</u> Yes. Class Counsel represents that they are experienced in class action litigation, including wage and hour class actions. (*Id.* at ¶¶76-81; Decl. of Tatiana Hernández, ¶¶9-13; Decl. of Calvin A. Marshall, ¶¶7-8.)
- 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.

#### B. <u>Is the settlement fair, adequate, and reasonable?</u>

1. <u>Strength of Plaintiff's case</u>. "The most important factor is the strength of the case for plaintiffs on the merits, balanced against the amount offered in settlement." (*Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4<sup>th</sup> 116, 130.) Here, Class Counsel has provided detailed analysis, summarized below, of the estimated values of the claims asserted:

Violation	Maximum Exposure	Risk-Adjusted Exposure
Wage Statement Violations	\$660,000.00	\$74,250.00
Meal Break Violations	\$330,151.11	\$33,015.11
Rest Break Violations	\$178,762.50	\$17,876.25
Waiting Time Penalties	\$1,037,299.20	\$82,983.94
Business Expense Reimbursement	\$2,075.00	\$2,075.00
PAGA	\$660,000.00	\$79,200.00
TOTAL	\$2,868,287.81	\$289,400.30

(Seyedfarshi Decl. ¶¶65-72.)

- 2. <u>Risk, expense, complexity and likely duration of further litigation.</u> 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 \$252,000 non-reversionary settlement. The \$252,000 settlement amount constitutes approximately 8.79%-87.08% of Defendant's maximum exposure. Given the uncertain outcomes, the settlement appears to be within the "ballpark of reasonableness."

The \$252,000 settlement amount, if reduced by the requested deductions, will leave \$113,250 to be divided among approximately 415 class members. The resulting payments will average \$272.89 per class member. [\$113,250/ 415 = \$272.89].

- 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. <u>Experience and views of counsel.</u> 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. <u>Reaction of the class members to the proposed settlement</u>. 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 final fairness hearing.

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

#### C. Scope of the release

Effective on the date when Defendants fully funds the entire Gross Settlement Amount and fund all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows: (¶5)

Release by Participating Class Members Who Are Not Aggrieved Employees: 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 (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action including, failure to pay overtime wages, minimum wages, timely wages, wages due upon termination, and reimbursable expenses; and by failing to provide adequate meal periods, rest breaks and accurate itemized wage statements. Except as set forth in Section 5.3 of this Agreement,

Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period. (¶5.2)

- Release by Non-Participating Class Members Who Are Aggrieved Employees: All Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice and ascertained in the course of the Action including, failure to pay overtime wages, minimum wages, timely wages, wages due upon termination, and reimbursable expenses; and by failing to provide adequate meal periods, rest breaks and accurate itemized wage statements. (¶5.3)
- "Released Parties" means: Defendants and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries and affiliates. (¶1.41)
- Named Plaintiff will also provide a general release and CC § 1542 waiver. (¶5.1)

# D. 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 v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 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 v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 240.)

#### 2. Analysis

- a. <u>Numerosity.</u> There are approximately 415 class members. (Seyedfarshi Decl. ¶61.) This element is met.
- b. <u>Ascertainability.</u> A class is ascertainable, as would support certification under statute governing class actions generally, when it is defined in terms of objective characteristics and common transactional facts that make the ultimate identification of class members possible when that identification becomes necessary." (*Noel v. Thrifty Payless, Inc.* (2019) 7 Cal.5th 955, 961.) The proposed class is defined above. The class members are ascertainable from Defendant's employment records. (Seyedfarshi Decl. ¶61.)
- c. <u>Community of interest.</u> "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.)

Here, regarding commonality, Counsel represents that while the parties dispute whether a class would be appropriate if litigation were to continue, they agree, for the purposes of this settlement only, that the Class is subject to common overtime, meal period, rest period, wage statement, waiting time and final pay policies. (Seyedfarshi Decl., ¶62.)

As to typicality, Counsel represents that the parties dispute whether Plaintiff's claims are typical of the Class for the purposes of any continued litigation of the Action, but agree for the purposes of this settlement only, that Plaintiff asserts claims regarding Defendant's compensation, meal and rest break, and wage statement policies that are at the core of this lawsuit. (*Ibid.*)

As to adequacy, Plaintiffs represent that they were informed of the risks of serving as class representative, participated in the litigation, and do not have conflicts of interest with the class. (MPA at 27:9-14; Decl. of Marina Durham, passim; Decl. of Cassandra Hall-LePrevost, passim.)

- d. <u>Adequacy of class counsel</u>. As indicated above, Class Counsel has shown experience in class action litigation, including wage and hour class actions.
- e. <u>Superiority</u>. Given the relatively small size of the individual claims, a class action appears to be superior to separate actions by the class members.

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

# E. <u>Is the notice proper?</u>

- a. <u>Content of class notice</u>. The proposed notice is attached to the Settlement Agreement. 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; attorney fees and costs; enhancement awards; 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.
- b. Method of class notice. Notice will be given in English with Spanish translation. (¶1.11.) Not later than [15] days after the Court grants Preliminary Approval of the Settlement, Defendants will simultaneously 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 [14] days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice, along with Spanish translation substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database. (¶7.4.2) 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. (¶7.4.3)

c. <u>Cost of class notice</u>. As indicated above, settlement administration costs are estimated to be **\$9,000**. 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.

## F. Attorney fees and costs

California Rule of Court, 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.4<sup>th</sup> 1084, 1095-1096; *Ramos v. Countrywide Home Loans, Inc.* (2000) 82 Cal.App.4<sup>th</sup> 615, 625-626; *Ketchum III v. Moses* (2000) 24 Cal.4<sup>th</sup> 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.4<sup>th</sup> 123, 128.)

The question of whether Class Counsel is entitled to \$84,000 (33 1/3%) in attorney fees and up to \$12,000 in costs will be addressed at the final 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.

<u>Fee split</u>: 28.75% to Employment Rights Lawyers, 28.75% to The Law Office of Tatiana Hernandez, APC, and 42.5% to The Ozzello Practice, PC and The Law Offices of David R. Greifinger. (Seyedfarshi Decl., ¶75)

Class Counsel should also be prepared to justify the costs sought by detailing how they were incurred.

## G. Incentive Award to Class Representative

The named Plaintiff will request a service award of \$15,000 (\$7,500 x 2). (¶3.2.1) 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 plaintiffs, 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 award at the time of final approval.

#### CONCLUSION

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:

- C. The Gross Settlement Amount ("GSA") is \$252,000, non-reversionary. (¶3.1)
- D. The Net Settlement Amount ("Net") is the GSA minus the following:
  - Up to \$84,000 (33 1/3%) for attorney fees (¶3.2.2);
  - Up to \$12,000 for litigation costs (Settlement, ¶3.2.2);
  - Up to \$15,000 (\$7,500 x 2) for a Service Payment to the Named Plaintiffs (¶3.2.1);
  - Up to \$9,000 for settlement administration costs (¶3.2.3); and
  - \$18,750 (75% of \$25,000 PAGA penalty) to the LWDA and \$6,250 (25% of \$25,000 PAGA penalty) to Aggrieved Employees. (¶3.2.5)
- C. Employer's share of the payroll taxes on the taxable portion of the settlement payments shall be paid separately from the GSA by Defendant.
  - D. Plaintiffs shall release Defendants from claims described herein.

The Parties' Motion for Final Approval of Class Action Settlement must be filed by **August 20**, **2025**. The Parties' Motion for Final Approval of Class Action Settlement shall be heard on **April 9**, **2025** at 10 am, Department 9.

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.

12/23/2024

Non-Appearance Case Review is set for August 27, 2025, 8:30 a.m., Department 9.

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

IT IS SO ORDERED.

DATED: December 23, 2024

Elaine Lu

Judge of the Superior Court