Miriam L. Schimmel (State Bar No. 185089) 1 mschimmelblackstonepc.com 2 Joana Fang (State Bar No. 309623) ifang@blackstonepc.com 3 Alexandra Rose (State Bar No. 329407) arose@blackstonepc.com 4 Jared C. Osborne (State Bar No. 335968) 5 josborne@blackstonepc.com **BLACKSTONE LAW, APC** 6 8383 Wilshire Boulevard, Suite 745 Beverly Hills, California 90211 7 Tel: (310) 622-4278 / Fax: (855) 786-6356 8 Attorneys for Plaintiff Sergio Valdez 9 SUPERIOR COURT OF THE STATE OF CALIFORNIA 10 FOR THE COUNTY OF SANTA CLARA 11 SERGIO VALDEZ, individually, and on Case No.: 24CV438808 12 behalf of other similarly situated employees Honorable Theodore C. Zayner and aggrieved employees pursuant to the 13 Department 19 California Private Attorneys General Act, 14 [REVISED PROPOSED] ORDER GRANTING Plaintiff, PRELIMINARY APPROVAL OF CLASS 15 ACTION AND PAGA SETTLEMENT VS. 16 Date: September 17, 2025 AMPERE COMPUTING, LLC, a Delaware Time: 1:30 p.m. 17 Limited Liability Company; **AMPERE** Dept.: 19 EMPLOYER. COMPUTING LLC. 18 Delaware Limited Liability Company; Complaint Filed: May 10, 2024 AEROTEK, INC., a Maryland Corporation; 19 FAC Filed: May 28, 2025 and DOES 1 through 25, inclusive, Trial Date: Not Set 20 Defendants. 21 22 23 24 25 26 27 28

[REVISED PROPOSED] ORDER GRANTING PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT

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Reviewed By: A. Floresca Case #24CV438808

[REVISED PROPOSED] ORDER

The above-entitled action comes on for hearing before the Honorable Theodore C. Zayner on September 17, 2025, at 1:30 p.m. in Department 19. No party contested the tentative ruling; therefore; the Court orders that the tentative ruling be adopted as the order of the court, as follows:

I. <u>Introduction</u>

This is a putative class and representative action arising from alleged wage and hour violations. Plaintiff Sergio Valdez began this action on May 10, 2024 by filing a Complaint against defendants Ampere Computing, LLC and Aerotek, Inc. ("Aerotek"), asserting a sole cause of action for violation of Labor Code section 2699, et seq., the Private Attorneys General Act ("PAGA").

On May 28, 2025, Plaintiff filed the operative First Amended Class Action Complaint ("FAC") against defendants Ampere Computing, LLC, Ampere Computing Employer, LLC, and Aerotek (collectively, "Defendants"), asserting causes of action for: (1) minimum wages; (2) unpaid overtime; (3) meal break violations; (4) rest break violations; (5) wages not timely paid during employment; (6) wage statement violations; (7) untimely final wages; (8) failure to reimburse necessary business expenses; (9) violation of Business and Professions Code section 17200, et seq.; and (10) violation of PAGA.

The parties have reached a settlement, and Plaintiffs now move for preliminary approval of the settlement. The motion is unopposed.

II. <u>Legal Standard for Settlement Agreements</u>

A. Class Action

Generally, "questions whether a [class action] settlement was fair and reasonable, whether notice to the class was adequate, whether certification of the class was proper, and whether the attorney fee award was proper are matters addressed to the trial court's broad discretion." (*Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 234-235 (*Wershba*),

disapproved of on other grounds by *Hernandez v. Restoration Hardware, Inc.* (2018) 4 Cal.5th 260.)

In determining whether a class settlement is fair, adequate and reasonable, the trial court should consider relevant factors, such as the strength of plaintiffs' case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction of the class members to the proposed settlement.

(Wershba, supra, 91 Cal.App.4th at pp. 244-245, internal citations and quotations omitted.)

In general, the most important factor is the strength of the plaintiffs' case on the merits, balanced against the amount offered in settlement. (See *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 130 (*Kullar*).) But the trial court is free to engage in a balancing and weighing of factors depending on the circumstances of each case. (*Wershba, supra*, 91 Cal.App.4th at p. 245.) The trial court must examine the "proposed settlement agreement to the extent necessary to reach a reasoned judgment that the agreement is not the product of fraud or overreaching by, or collusion between, the negotiating parties, and that the settlement, taken as a whole, is fair, reasonable and adequate to all concerned." (*Ibid.*, citation and internal quotation marks omitted.)

The burden is on the proponent of the settlement to show that it is fair and reasonable. However, "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." (*Wershba*, *supra*, 91 Cal.App.4th at p. 245, citation omitted.)

B. PAGA

Labor Code section 2699, subdivision (l)(2) provides that "[t]he superior court shall review and approve any settlement of any civil action filed pursuant to" PAGA. The court's review "ensur[es] that any negotiated resolution is fair to those affected." (*Williams v. Superior Court* (2017) 3 Cal.5th 531, 549.) Seventy-five percent of any penalties recovered under PAGA go to the Labor and

Workforce Development Agency (LWDA), leaving the remaining twenty- five percent for the aggrieved employees. (*Iskanian v. CLS Transportation Los Angeles, LLC* (2014) 59 Cal.4th 348, 380, overruled on other grounds by *Viking River Cruises, Inc. v. Moriana* (2022) 596 U.S. 639.)

Like its review of class action settlements, the Court must "determine independently whether a PAGA settlement is fair and reasonable," to protect "the interests of the public and the LWDA in the enforcement of state labor laws." (*Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, 76-77.) It must make this assessment "in view of PAGA's purposes to remediate present labor law violations, deter future ones, and to maximize enforcement of state labor laws." (*Id.* at p. 77; see also *Haralson v. U.S. Aviation Servs. Corp.* (N.D. Cal. 2019) 383 F. Supp. 3d 959, 971 ["when a PAGA claim is settled, the relief provided for under the PAGA [should] be genuine and meaningful, consistent with the underlying purpose of the statute to benefit the public"], quoting LWDA guidance discussed in *O'Connor v. Uber Technologies, Inc.* (N.D. Cal. 2016) 201 F.Supp.3d 1110 (*O'Connor*).)

The settlement must be reasonable considering the potential verdict value. (See *O'Connor*, *supra*, 201 F.Supp.3d at p. 1135 [rejecting settlement of less than one percent of the potential verdict].) But a permissible settlement may be substantially discounted, given that courts often exercise their discretion to award PAGA penalties below the statutory maximum even where a claim succeeds at trial. (See *Viceral v. Mistras Group, Inc.* (N.D. Cal., Oct. 11, 2016, No. 15-cv-02198-EMC) 2016 WL 5907869, 2016 U.S. Dist. LEXIS 140759, at *20-24.)

II. Discussion

A. Provisions of the Settlement

This case has been settled on behalf of the following class:

[A]ll current and former non-exempt California employees employed directly by Ampere who worked for Ampere during the Class Period, and all Contingent Workers assigned by Aerotek to Ampere at any time during the Class Period.

(Declaration of Alexandra Rose ("Rose Decl."), Ex. 3 ("Agreement"), ¶ 1.5.) The "Class Period" is defined as March 8, 2020 to Preliminary Approval, subject to the escalator clause at Paragraph 8. (*Id.* at ¶¶ 1.11, 8.) The settlement includes a subset PAGA class of Aggrieved

Employees, defined as, "all current and former non-exempt California employees employed directly by Ampere who worked for Ampere during the PAGA Period, and all Contingent Workers assigned by Aerotek to Ampere during the PAGA Period." (Id. at ¶ 1.4.) The "PAGA Period" is defined as, the period from March 8, 2023 to Preliminary Approval, subject to the escalator clause at Paragraph 8. (Id. at ¶ 1.29.)

Defendant will pay a gross settlement amount of \$450,000. The gross settlement amount includes attorney fees of up to one-third of the gross settlement amount (i.e., \$150,000); litigation costs not to exceed \$25,000; a PAGA allocation of \$22,500 (75 percent of which will be paid to the LWDA and 25 percent of which will be paid to PAGA Employees as individual PAGA payments); a service payment of up to \$5,000; and settlement administration costs up to \$7,000. The net settlement amount will be distributed to participating class members on a pro-rata basis according to the number of workweeks they were employed by Defendant. Individual PAGA payments will be distributed according to the number of pay periods worked. The Agreement provides that ILYM Group, Inc. ("ILYM") will serve as the neutral entity appointed to administer the settlement. The Court approves and appoints ILYM as the settlement administrator.

The Agreement further provides that any funds from settlement checks remaining uncashed after the void date (180 days after mailing) will be remitted to Child Advocates of Silicon Valley as the intended *cy pres* recipient. This is in accordance with Code of Civil Procedure section 384, which mandates that unclaimed or abandoned class members' funds be given to "nonprofit organizations or foundations to support projects that will benefit the class or similarly situated persons, or that promote the law consistent with the objectives and purposes of the underlying cause of action, to child advocacy programs, or to nonprofit organizations providing civil legal services to the indigent." The Court approves the parties' *cy pres* designation.

In exchange for the settlement, the class members agree to release Defendants and related entities and persons "from all and causes of action that were alleged, or reasonably could have been alleged, based on the factual allegations in the Operative Complaint, arising during the Class Period." (Agreement, ¶¶ 1.37, 1.39, 5.3.) Aggrieved Employees are deemed to release Defendant and related entities and persons "all claims for PAGA penalties that were alleged, or

reasonably could have been alleged, based on the factual allegations in the Operative Complaint and PAGA Notice, arising during the PAGA Period." (*Id.* at ¶¶ 1.38, 1.39, 5.4.) The release provisions are appropriately tailored to the factual allegations of the FAC. (See *Amaro v. Anaheim Arena Management, LLC* (2021) 69 Cal.App.5th 521, 538.)

B. Fairness of the Settlement

Plaintiff contends the Agreement meets the standards for preliminary approval. (Motion, pp. 10-15.) Plaintiff's counsel states the parties participated in mediation with Peter S. Rukin, Esq. (Rose Decl., ¶ 15.) Plaintiff's counsel explains that the settlement is the product of informed, arms-length negotiations, and the parties engaged in extensive informal discovery. (*Id.* at ¶¶ 29-32.) Plaintiff's counsel estimates Defendants' maximum exposure to be approximately \$1,843,352, including PAGA penalties, and provides a breakdown of this amount by claim. (*Id.* at ¶ 33.)

The gross settlement amount of \$450,000 represents approximately 24.4 percent of Defendants' estimated total maximum exposure. Therefore, the proposed settlement amount is within the general range of percentage recoveries that California courts have found to be reasonable. (See *Cavazos v. Salas Concrete, Inc.* (E.D. Cal., Feb 18, 2022, No. 1:19-cv-00062- DAD-EPG) 2022 U.S.Dist. LEXIS 30201, at *41-42 [citing cases approving settlements in the range of 5 to 35 percent of the maximum potential exposure].)

The Court has reviewed Plaintiff's written submissions and is satisfied that the settlement is fair and may be approved.

C. <u>Service Award, Fees and Costs</u>

Plaintiff requests a service award of \$5,000.

The rationale for making enhancement or incentive awards to named plaintiffs is that they should be compensated for the expense or risk they have incurred in conferring a benefit on other members of the class. An incentive award is appropriate if it is necessary to induce an individual to participate in the suit. Criteria courts may consider in determining whether to make an incentive award include: 1) the risk to the class representative in commencing suit, both financial and otherwise; 2) the notoriety and personal difficulties encountered by the class representative; 3) the amount of time and effort spent by the class representative; 4) the duration of the litigation and; 5) the personal benefit (or lack thereof) enjoyed by the class representative as a result of the litigation. These "incentive awards" to class representatives must not be disproportionate to the amount of time and energy expended in pursuit of the lawsuit.

(*Cellphone Termination Fee Cases* (2010) 186 Cal.App.4th 1380, 1394-1395, internal punctuation and citations omitted.) Incentive awards are particularly appropriate where a plaintiff undertakes a significant reputational risk in bringing an action against an employer. (*Covillo v. Specialty's Café* (N.D. Cal. 2014) 2014 U.S. Dist. LEXIS 29837, at *29.)

Plaintiff has provided declarations generally describing his participation in this action and the risk he undertook in pursuing it. The Court makes preliminary findings that a service award is justified, and the amount requested is reasonable. The Court will issue its final determination regarding the service award at the time of final approval of the settlement.

The Court also has an independent right and responsibility to review the requested attorney fees and only award so much as it determines reasonable. (See *Garabedian v. Los Angeles Cellular Telephone Co.* (2004) 118 Cal.App.4th 123, 127-128.) Plaintiff's counsel will seek attorney fees of up to one-third of the gross settlement amount (i.e., \$150,000). Prior to the final approval hearing, Plaintiff's counsel shall submit lodestar information (including hourly rate and hours worked) as well as evidence of actual litigation costs incurred and settlement administration costs.

D. Conditional Certification of Class

Plaintiff requests that the class be conditionally certified for purposes of the settlement. Rule 3.769(d) of the California Rules of Court states that "[t]he court may make an order approving or denying certification of a provisional settlement class after [a] preliminary settlement hearing." California Code of Civil Procedure Section 382 authorizes certification of a class "when the question is one of a common or general interest, of many persons, or when the parties are numerous, and it is impracticable to bring them all before the court" As interpreted by the California Supreme Court, section 382 requires: (1) an ascertainable class; and (2) a well-defined community of interest among the class members. (Sav-On Drug Stores, Inc. v. Superior Court (2004) 34 Cal.4th 319, 326 (Sav-On).)

The "community-of-interest" requirement encompasses three factors: (1) predominant 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. (*Sav-On, supra*, 34 Cal.4th at p. 326.) "Other relevant considerations include the probability that each classmember will come forward ultimately to prove his or her separate claim to a portion of the total recovery and whether the class approach would actually serve to deter and redress alleged wrongdoing." (*Linder v. Thrifty Oil Co.* (2000) 23 Cal.4th 429, 435.) The plaintiff has the burden of establishing that class treatment will yield "substantial benefits" to both "the litigants and to the court." (*Blue Chip Stamps v. Superior Court* (1976) 18 Cal.3d 381, 385.) As explained by the California Supreme Court,

The certification question is essentially a procedural one that does not ask whether an action is legally or factually meritorious. A trial court ruling on a certification motion determines whether the issues which may be jointly tried, when compared with those requiring separate adjudication, are so numerous or substantial that the maintenance of a class action would be advantageous to the judicial process and to the litigants.

(Sav-On, supra, 34 Cal.4th at p. 326, internal punctuation and citations omitted.)

Plaintiff states there are approximately 93 class members, who can be identified from a review of Defendants' records. (Rose Decl., ¶ 20.) There are common questions regarding whether class members were subjected to common practices that violated wage and hour laws. No issue has been raised regarding the typicality or adequacy of Plaintiff as class representative. Therefore, the Court finds that the proposed class should be conditionally certified for settlement purposes.

E. Class Notice

The content of a class notice is subject to court approval. "If the court has certified the action as a class action, notice of the final approval hearing must be given to the class members in the manner specified by the court." (Cal. Rules of Court, rule 3.769(f).) "The notice must contain an explanation of the proposed settlement and procedures for class members to follow in filing written objections to it and in arranging to appear at the settlement hearing and state any objections to the proposed settlement." (*Ibid.*) In determining the manner of the notice, the court must consider: "(1) The interests of the class; (2) The type of relief requested; (3) The stake of the individual class members; (4) The cost of notifying class members; (5) The resources of the parties; (6) The possible prejudice to class

members who do not receive notice; and (7) The res judicata effect on class members." (Cal. Rules of 1 2 Court, rule 3.766(e).) Here, the form of the notice is generally adequate. It describes the lawsuit, explains the 3 4 settlement, and states the settlement amounts, including attorney fees and payment to the named plaintiff. The notice informs class members that they may appear at the final fairness hearing to make 5 an oral objection without filing a written objection. 6 7 However, the second page of the notice is misleading in that it suggests that recipients have only two basic options under the settlement: do nothing or opt-out. This portion of the notice must 8 be modified to clarify that recipients have the option to object. Also, Section 7 of the notice must be 9 modified to remove the requirement that a class member objecting to the settlement must provide 10 their personal telephone number and email address along with any written objection. 11 On the condition that the parties make the above changes to the notice prior to its 12 mailing, the notice is approved. 13 IV. Conclusion 14 The motion for preliminary approval of the settlement is GRANTED. 15 Final approval hearing is set for March 18, 2026 at 2:30 p.m. in Department 19. Plaintiff 16 shall prepare the order in accordance with California Rules of Court, rule 17 3.1312. 18 Case Management Conference at 2:30 p.m. is VACATED. 19 IT IS SO ORDERED. 20 September 30, 2025 Dated: 21 Honorable Theodore Zayner 22 Judge of the Superior Court 23 24 25 26

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PROOF OF SERVICE 1 2 STATE OF CALIFORNIA, COUNTY OF SANTA CLARA 3 I, Lorena Bautista, certify and declare as follows: 4 I am over eighteen years of age and not a party to the within action; my business address is 8383 Wilshire Blvd, Suite 745, Beverly Hills, California 90211. On September 18, 2025, I served a 5 copy of the following document(s): 6 [REVISED PROPOSED] ORDER GRANTING PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT 7 on the interested parties as follows: 8 9 Mitchell A. Wrosch, CA Bar No. 262230 10 mitchell.wrosch@ogletree.com OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C. 11 Park Tower, Fifteenth Floor 695 Town Center Drive 12 Costa Mesa, CA 92626 Telephone: 714-800-7900 13 Facsimile: 714-754-1298 14 Andrew B. Levin, CA Bar No. 307199 15 andy.levin@ogletree.com OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C. 16 Esplanade Center III, Suite 800 2415 East Camelback Road 17 Phoenix, AZ 85016 18 Telephone: 602-778-3700 Facsimile: 602-778-3750 19 Attorneys for Defendant Ampere Computing, LLC and Ampere Computing Employer, LLC 20 21 Michael S. Kun (State Bar No. 208684) 22 mkun@thompsoncoburn.com Kevin D. Sullivan (State Bar No. 270343) 23 kdsullivan@thompsoncoburn.com THOMPSON COBURN LLP 24 10100 Santa Monica Blvd., Suite 500 25 Los Angeles, California 90067 Telephone: 310-282-2500 26 Facsimile: 310-282-2501 27 Attorneys for Defendant Aerotek, Inc. 28

1 2	\boxtimes	BY ELECTRONIC MAIL (E-MAIL): I caused said document(s) to be delivered electronically to be delivered to the above referenced addresse(s) via email from email address <u>lbautista@blackstonepc.com</u> pursuant to California Code of Civil Procedure section
3		1010.6(e)(1). I did not receive any electronic message or other indication that the transmission was unsuccessful.
4		STATE:
5		I declare under penalty of perjury under the laws of the State of California that the above is
6		true and correct.
7		Executed on September 18, 2025 at Beverly Hills, California.
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9		/s/ Lorena Bautista Lorena Bautista
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