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SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF LOS ANGELES

ELIDETH CARBAJAL, an individual, on
behalf of Herself and on behalf of other
Aggrieved Employees and the State of
California,

Plaintiff,

vs.

KEYLEX, INC. dba KEYES LEXUS, a
California Corporation (erroneously sued as
KEYES MOTORS, INC. dba KEYES
LEXUS); HOWARD KEYES, an individual
previously named as fictitious DOE 1; and
DOES 2-50, Inclusive,

Defendant.

Case No. 20STCV49714

[Complaint Filed: December 30, 2020]

**JOINT STIPULATION FOR ORDER
APPROVING SETTLEMENT PURSUANT
TO PRIVATE ATTORNEYS GENERAL
ACT OF 2004 (CAL. LAB. CODE § 2698 *ET
SEQ.*)**

Judge: Hon. Lia Martin
Dept.: 16

STIPULATION FOR ORDER APPROVING SETTLEMENT

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Attorneys for Defendants

IT IS HEREBY STIPULATED by and between counsel for Plaintiff Elideth Carbajal (“Plaintiff”), and counsel for Defendants Keylex, Inc. dba Keyes Lexus and Howard Keyes (collectively, “Defendants”) (Plaintiff and Defendants together, the “Parties”) as follows:

1. **WHEREAS**, on or about December 14, 2020, Plaintiff filed a Notice of Alleged California Labor Code Violations (“PAGA Notice”) with the Labor and Workforce Development Agency (“LWDA”) and provided a copy Keyes Motors, Inc. dba Keyes Lexus via certified mail alleging (1) failure to pay minimum wages; (2) failure to pay overtime wages, (3) failure to provide required meal periods, (4) failure to provide required rest periods, (5) failure to reimburse employees for required expenses, (6) failure to provide accurate itemized wage statements; and (7) failure to provide wages when due.

2. **WHEREAS**, on or about December 30, 2020, Plaintiff filed a Complaint against Keyes Motors, Inc. dba Keyes Lexus in the California Superior Court for the County of Los Angeles (the “Court”) entitled *Carbajal v. Keylex, Inc. et al.*, Case Number 20STCV49714 (the “Action”). The Action was brought as a class action and alleged the following eight causes of action: (1) Unfair Competition in Violation of California Business and Professions Code §§ 17200, (2) Failure to Pay Overtime Wages, (3) Failure to Provide Required Meal Periods, (4) Failure to Provide Required Rest Periods, (5) Failure to Reimburse Employees for Required Expenses, (6) Failure to Provide Wages When Due, (7) Failure to Provide Accurate Itemized Wage Statements. And (8) Failure to timely Pay Wage when Due in Violation of Cal. Lab. Code § 203.

3. **WHEREAS**, on or about February 23, 2021, Plaintiff filed an Amended PAGA Notice with the LWDA in order to identify two doe defendants, Keylex, Inc. dba Keyes Lexus and Howard Keyes, and provided a copy to Keylex, Inc. dba Keyes Lexus and Howard Keyes via certified mail.

4. **WHEREAS**, on or about March 11, 2021, Plaintiff filed a First Amended Complaint which added a cause of action against Defendants for violations of the PAGA, dismissed the class claims without prejudice, and dismissed Plaintiff’s individual claims under the California Labor Code without prejudice. Plaintiff agreed to dismiss her class and individual claims without prejudice following meet and confer efforts between the parties in which Defendant produced an arbitration agreement that purportedly bars Plaintiff’s standing to assert these claims in this Action.

1 Accordingly, the First Amended Complaint included a single cause of action for Violations of the
2 PAGA.

3 5. **WHEREAS**, on or about April 19, 2021, Plaintiff filed a Second Amended Complaint
4 (“SAC”) to supersede an incorrect version of the amended complaint that had been filed on March 11,
5 2021. The SAC includes a single cause of action for violation of the PAGA, and clarifies that
6 Defendant Keylex, Inc. dba Keyes Lexus was erroneously sued in this Action as Keyes Motors Inc.
7 dba Keyes Lexus. The SAC is the operative complaint in this Action.

8 6. **WHEREAS**, on or about July 28, 2021, Defendant Howard Keyes was dismissed from
9 the Action without prejudice, at the request of the Parties;

10 7. **WHEREAS**, Defendants vigorously dispute and deny the allegations and the single
11 cause of action asserted in the Action, including, without limitation, Plaintiff’s and the Aggrieved
12 Employees’ (defined below) claim for civil penalties pursuant to PAGA.

13 8. **WHEREAS**, Plaintiff and Defendants (hereinafter collectively the “Parties”) engaged
14 in informal discovery and have exchanged hundreds of documents related to the claims alleged in this
15 Action. Defendants also provided a random 20% sample of employees’ time records and payroll
16 records. The Parties have also conducted extensive independent investigations and evaluations of the
17 claims and defenses in this matter. Both Plaintiff’s counsel and Defendants’ counsel have significant
18 experience litigating and resolving the type of wage-and-hour claims alleged in the Action, including
19 claims for civil penalties under PAGA.

20 9. **WHEREAS**, on February 22, 2022, the Parties engaged in a full-day mediation with
21 Kelly A. Knight, Esq. Prior to mediation, Plaintiff obtained, through informal discovery, a sample of
22 time and pay records from the Class. The Parties did not settle at mediation, and continued to litigate
23 this Action following the unsuccessful mediation. The Parties subsequently engaged in settlement
24 negotiations, which led to this Agreement to settle the Action. A true and correct copy of the
25 Settlement Agreement is attached to the concurrently filed Declaration of Jean-Claude Lapuyade,
26 Esq. as **Exhibit 1**, and all terms defined therein are hereby incorporated by reference. All capitalized
27 terms used herein shall have the same meaning as defined in the Settlement Agreement. According to
28 the Settlement Agreement, the “Released PAGA Claims” are defined as 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 (“Released PAGA Claims”).

10. **WHEREAS**, for the purpose of the settlement only of Plaintiff’s purported representative claims under PAGA, the “Aggrieved Employees” are defined as all persons within the State of California who are or were employed by Defendant as nonexempt employees in the State of California during the period from December 14, 2019 to March 11, 2024 (“PAGA Period”).

11. **WHEREAS**, California Labor Code Section 2699(1)(2) requires that this Court review and approve any settlement pursuant to PAGA.

12. **WHEREAS**, the Parties, by and through their counsel of record herein, agree and stipulate to approval and now seek Court approval through this Stipulation and [Proposed] Order for Approval of PAGA Settlement.

13. **WHEREAS**, the Settlement Agreement contemplates:

- a. Issuance of a Court order approving the Settlement; and
- b. Discharge and release by Plaintiff, the State of California, and the Aggrieved Employees of the Released Parties from the Released Claims.

14. **WHEREAS**, the Parties recognize that the issues presented in the Action are likely only to be resolved with extensive and costly pretrial and trial proceedings, and that further litigation will cause inconvenience, distraction, disruption, delay and expense disproportionate to the potential benefits of litigation. The Parties have taken into account the risk and uncertainty of the outcome inherent in any litigation.

15. **WHEREAS**, based on their own independent investigations and evaluations, the Parties and their respective counsel are of the opinion that the settlement of the Released Claims on the terms set forth in the Settlement Agreement are fair, reasonable and adequate and is in the best interests of the Parties, the LWDA, and Aggrieved Employees in light of all known facts and circumstances and the risks inherent in litigation.

16. **WHEREAS**, the Parties recognize that this Court may, pursuant to California Labor Code Section 2699(e)(2), award a lesser amount than the maximum civil penalty amount permitted

under PAGA if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory.

17. **WHEREAS**, on September 4, 2024, Plaintiff has provided a copy of this Joint Stipulation and the Settlement Agreement to the LWDA in accordance with Labor Code Section 2699(1)(2).

18. **WHEREAS**, the Settlement Agreement provides that Apex Class Action LLC shall administer the Settlement Agreement in accordance with its terms.

19. **WHEREAS**, in consideration of the terms and conditions set forth in the Settlement Agreement, the Parties agree to be bound to the terms and conditions set forth in the Settlement Agreement, including that:

a. Defendants will pay a total of \$100,000 (“Gross Settlement Amount”). The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, Plaintiff’s Service Award, and the Administrator’s Expenses Payment.

b. Within fifteen (15) days after the Settlement becomes Final, Defendants shall provide the Settlement Administrator with a list stating each Aggrieved Employee’s (i) first name and last name, (ii) last known address, (iii) Social Security number, and (v) number of PAGA Pay Periods during which each Aggrieved Employee was paid wages as an hourly employee by defendant KEYLEX, INC. assigned to work during the Covered Period.

c. Within fourteen (14) days after the Effective Date, Defendants will wire transfer the Gross Settlement Amount into an account for administration and distribution maintained by the Settlement Administrator. The Effective Date is defined as the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) the day the Court enters Judgment. The Gross Settlement Amount shall be allocated as follows:

i. Plaintiff’s Counsel Fees and Expense Payment in an amount equal to one-third of the Gross Settlement Amount, currently estimated at Thirty-Three Thousand, Three Hundred Thirty-Three Dollars and Thirty-Four Cents (\$33,333.34) and reimbursement of Fifteen

Thousand Dollars and Zero Cents (\$15,000.00) for actually incurred and documented litigation expenses¹;

ii. Settlement Administrator's Fee to Apex Class Action LLC, in the amount of Five Thousand Three Hundred Dollars and Zero Cents (\$5,300.00) for the administration of the Settlement;

iii. A Service Award in the amount of Five Thousand Dollars and Zero Cents (\$5,000.00) to Plaintiff for her services on behalf of the Aggrieved Employees;

iv. A LWDA Payment to the California Labor and Workforce Development Agency in the amount of Thirty-One Thousand Twenty Five Dollars and Zero Cents (\$31,025.00) which represents seventy-five percent (75%) of the Net Settlement Amount (Gross Settlement Amount minus Plaintiff's Counsel Fee and Expense Payment, Settlement Administrator's Fee and Service Award).

v. Individual PAGA Payments to the Aggrieved Employees in the amount of Ten Thousand Three Hundred Forty-One Dollars and Sixty-Seven Cents (\$10,341.67) which represents twenty-five percent (25%) of the Net Settlement Amount.

d. The Individual PAGA Payments will be distributed to each Aggrieved Employee on a *pro rata* basis according to their respective pay period in the PAGA Period.

e. The Settlement Administrator shall distribute the Plaintiff's Counsel Fees and Expense Payment, Settlement Administrator's Fee, the Individual Settlement Payment, the LWDA Payment, the Employees Payment and the Service Award within fourteen (14) days after Defendants transfer the full Gross Settlement Amount to the Settlement Administrator;

f. This Court shall retain jurisdiction to enforce the terms of the Settlement Agreement pursuant to California Code of Civil Procedure Section 664.6; and

¹ A copy of the Transaction Summaries for Plaintiff's Counsel that documents costs actually incurred are attached to the declaration of Jean Claude Lapuyade, filed in support of this Stipulation. The Parties' Agreement provides for an amount up to \$15,000 for Plaintiff's Counsel's actually incurred and documented litigation expenses. To the extent the total fees are less than \$15,000, or to the extent Court approves a PAGA Counsel Fees Payment less than the amounts requested, the Agreement contemplates that the Administrator will allocate the remainder to the Net Settlement Amount.

g. The Parties shall bear their own respective costs and attorneys’ fees, except as otherwise provided in the Settlement Agreement.

20. **WHEREAS**, Plaintiff represents that the Attorneys’ Fees Payment to Plaintiff’s counsel is fair and reasonable in light of both the monetary and non-monetary relief obtained through the Settlement Agreement, and the amount of work and time expended by Plaintiff’s counsel in prosecuting this matter.

21. **WHEREAS**, Defendants do not oppose the Plaintiff’s Counsel Fees and Expense Payment requested by Plaintiff’s counsel.

22. **WHEREAS**, Plaintiff opened arbitration in October 2022 in order to arbitrate individual wage and hour claims as well as torts against Defendant, arising from Plaintiff’s employment with Defendant. A binding arbitration hearing was scheduled to take place in August 2024. Plaintiff entered into an individual settlement with Defendant in which she granted Defendant a broad release of all claims, including all individual wage and hour claims and tort claims raised in her demand for arbitration. Plaintiff will file this settlement agreements under seal for the Court to review in camera, at the Court’s request.

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23. **NOW THEREFORE**, the Parties jointly request that the Court enter an order approving the Settlement Agreement attached to the concurrently filed Declaration of Jean-Claude Lapuyade, Esq. as **Exhibit 1**, dismissing this action with prejudice, and retaining jurisdiction to enforce the terms of the Settlement Agreement pursuant to California Code of Civil Procedure Section 664.6.

Dated: July 24, 2024

JCL LAW FIRM, A.P.C.

By: 
Jean-Claude Lapuyade, Esq.
Attorney for PLAINTIFF

Dated: July 24, 2024

ZAKAY LAW GROUP, APLC

By: 
Shani O. Zakay, Esq.
Attorneys for PLAINTIFFS

Dated: August 06, 2024

FISHER & PHILLIPS, LLP


Adam F. Sloustcher, Esq.
Chris C. Hoffman, Esq.
Christopher Champine, Esq.
Attorneys for DEFENDANTS

1 **[PROPOSED] ORDER**

2 The Court, having read and considered the Parties' Joint Stipulation for Order Approving
3 Settlement Pursuant to Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code § 2698 et
4 seq.) (hereinafter "Stipulation") and the attached PAGA Settlement Agreement ("Settlement" or
5 "Settlement Agreement"), and having heard and considered the arguments of counsel, and good cause
6 appearing therefore,

7 **HEREBY ORDERS** as follows:

8 1. The Parties' Settlement Agreement, attached to the concurrently filed Declaration of
9 Jean-Claude Lapuyade, Esq. as **Exhibit 1**, is **APPROVED**. All capitalized terms used in this order
10 have the same meaning, force and effect as set forth in the Settlement Agreement.

11 2. The Court finds that Plaintiff's Counsel provided adequate notice to the California
12 Labor and Workforce Development Agency ("LWDA") in accordance with California Labor Code
13 Section 2699(l)(2). On September 4, 2024, Plaintiff's Counsel submitted electronic copies of the
14 Settlement Agreement and Approval Motion to the LWDA.

15 3. Plaintiff's Counsel is ordered to provide the LWDA with an electronic copy of this
16 order within 10 days after the Court's entry of this order.

17 4. The Court finds and determines that the terms set forth in the Settlement Agreement
18 and the Amendment are fair, reasonable, and adequate and directs the Parties to effectuate the
19 Settlement according to its terms having found that the Settlement was reached as a result of
20 informed and non-collusive arms'-length negotiations facilitated by a neutral mediator. The Court
21 further finds that the Parties conducted extensive investigation, research, and discovery and that their
22 attorneys were able to reasonably evaluate their respective positions. The Court also finds that
23 Settlement will enable the Parties to avoid additional and potentially substantial litigation costs, as
24 well as delay and risks if the Parties were to continue to litigate the case. The Court has reviewed the
25 monetary recovery provided as part of the Settlement and recognizes the significant value accorded to
26 the State of California and the Aggrieved Employees.

27 5. The Court further finds and determines that all the terms of the Settlement are fair,
28 reasonable and adequate to the State of California and the Aggrieved Employees and that the

Settlement is ordered finally approved, and that all terms and provisions of the Settlement Agreement should be and hereby are ordered to be consummated.

6. The Court finds and determines that the Individual PAGA Payments to be paid to the Aggrieved Employees as provided for by the Settlement Agreement as their share of civil penalties in this case are fair and reasonable. The Court hereby approves and orders the payment of those amounts be made to the Aggrieved Employees in accordance with the Settlement Agreement.

7. The Court finds and determines that the LWDA Payment is fair, reasonable, and appropriate. The Court hereby approves and orders the LWDA Payment be made to the LWDA in accordance with the Settlement Agreement.

8. The Court finds and determines that the estimated fees and expenses in administering the Settlement Agreement by Apex Class Action, LLC in the amount of \$5,300.00 are fair and reasonable. The Court hereby approves and orders that the payment of that amount to Apex Class Action, LLC from the Gross Settlement Amount in accordance with the Settlement.

9. The Court finds and determines that the Service Award to Plaintiff in the amount of \$5,000 is fair and reasonable. The Court hereby approves and orders that the payment of that amount to Plaintiff from the Gross Settlement Amount in accordance with the Settlement.

10. Pursuant to the terms of the Settlement Agreement, and the evidence and arguments submitted by Plaintiff's Counsel, the Court approves Plaintiff's Counsels request for attorneys' fees in in the amount of \$33,333.34. This approved attorneys' fees, which is equal to one-third of the Gross Settlement Amount, are fair, reasonable and appropriate. The Court hereby orders the Settlement Administrator to make this payment to Plaintiff's Counsel from the Gross Settlement Amount in accordance with the terms of the Settlement Agreement.

11. Pursuant to the terms of the Settlement Agreement, and evidence and arguments submitted by Plaintiff's Counsel, the Court approves Plaintiff's Counsel's request for reimbursement of litigation costs in the amount of \$15,000.00. The Court finds such amount to be fair and reasonable. The Court hereby orders the Settlement Administrator to make this payment to Plaintiff's Counsel from the Gross Settlement Amount in accordance with the terms of the Settlement Agreement.

12. Without affecting the finality of this order or the entry of judgment in any way, the Court retains jurisdiction of all matters relating to the interpretation, administration, implementation, effectuation, and enforcement of this order and the Settlement.

13. Neither the making of the Settlement Agreement nor the entry into the Settlement Agreement constitutes an admission by Defendants, nor is this Order a finding of the validity of any claims in this action or of any other wrongdoing. Further, the Settlement Agreement is not a concession, and shall not be used as an admission of any wrongdoing, fault, or omission of any entity or persons; nor may any action taken to carry out the terms of the Settlement Agreement be construed as an admission or concession by or against Defendant.

14. Nothing in this order shall preclude any action to enforce the Parties' obligations under the Settlement or under this order, including the requirement that Defendants fund the Gross Settlement Amount in accordance with the Settlement.

15. Upon completion of administration of the Settlement, the Settlement Administrator will provide written certification of such completion to the Court and counsel for the Parties which shall be filed with the Court.

16. The Parties will bear their own costs and attorneys' fees except as otherwise provided by this Court's Order and as provided for in the Settlement Agreement.

17. Accordingly, the Parties' request for approval of the Settlement Agreement is GRANTED and the corresponding Judgment is hereby entered.

IT IS SO ORDERED:

DATED: _____, 2024

JUDGE OF THE SUPERIOR COURT