

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ALAMEDA

Rene C. Davidson Courthouse

Martin Jadan

Plaintiff/Petitioner(s)

VS.

Aimbridge Hospitality, LLC et
al

Defendant/Respondent

(s)

No. HG21092197

Date: 01/18/2024

Time: 3:30 PM

Dept: 17

Judge: Frank Roesch

ORDER re: Hearing on Motion -

Other PAGA Approval;

filed by Martin Jadan

(Plaintiff) filed by Martin

Jadan (Plaintiff) on

The Motion re: NOTICE OF MOTION AND MOTION FOR COURT APPROVAL OF THE PARTIES PAGA SETTLEMENT; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT filed by Martin Jadan on 12/22/2023 is Granted in Part.

Plaintiffs Martin Jadan ("Jadan") and Luis Robles' ("Robles") (collectively "Plaintiffs") Unopposed Motion to Approve PAGA Settlement is GRANTED, subject to a reduction in the attorney fees from \$158,333 to \$142,500 (30% of the Gross Settlement Amount ("GSA") of \$475,000).

BACKGROUND

On February 18, 2021, Jadan submitted his Notice of Claims for Civil Penalties under the Private Attorney General Act ("PAGA") to the LWDA. (Setareh Decl. ¶ 21.) On February 19, 2021, Jadan filed a class action lawsuit in the County of Alameda alleging various labor code violations. (Register of Actions ("ROA").) On April 30, 2021, Jadan filed a First Amended Complaint ("FAC") that added a cause of action for civil penalties under PAGA. (ROA.) On May 21, 2021, a related PAGA case was filed by Robles against Defendants in San Diego Superior Court (Case No. 37-2021-00022541-CU-OE-CTL).

On October 22, 2021, Alameda Superior Court granted Defendants' motion to compel arbitration and stay proceedings in connection with Jadan's non-PAGA claims. (ROA.) On June 8, 2023, the parties participated in an all-day mediation presided over by Marc Feder. (Setareh Decl. ¶ 23.) Prior to mediation, the parties engaged in informal discovery, which included Defendants producing payroll data, relevant policies, employee handbooks and documents from that permitted Plaintiffs to thoroughly evaluate the merits of each claim. (Setareh Decl. ¶ 24.)

OVERVIEW

ORDER re: Hearing on Motion - Other PAGA Approval; filed by Martin
Jadan (Plaintiff) filed by Martin Jadan (Plaintiff) on

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A plaintiff may not settle a claim on behalf of the LWDA that is outside the scope of the plaintiff's authority to represent the LWDA (LaCour v. Marshalls of California, LLC (2023) 2023 WL 5543622) and must obtain court approval for any settlement. (Lab. Code, § 2699, subd. (1)(2).)

Labor Code 2699 (l) (2) provides that:

The superior court shall review and approve any settlement of any civil action filed pursuant to this part. The proposed settlement shall be submitted to the agency at the same time that it is submitted to the court.

(Lab. Code, § 2699, subd. (1)(2).)

“PAGA settlements are subject to trial court review and approval, ensuring that any negotiated resolution is fair to those affected.” (Williams v. Superior Court (2017) 3 Cal.5th 531, 549.)

In a PAGA case, the standard of review is similar to the standard for review for class action settlements under Kullar v. Foot Locker Retail, Inc. (2008) 168 Cal.App.4th 116.

The primary purpose of LWDA law enforcement proceedings is to ensure compliance with the law and not to impose and collect penalties. Therefore, the court can consider the value of any effective injunctive relief that a PAGA plaintiff obtains through settlement even though Labor Code 2699(a) permits a PAGA plaintiff to recover only penalties on behalf of the LWDA. In enacting PAGA, “The Legislature declared that adequate financing of labor law enforcement was necessary to achieve maximum compliance with state labor laws.” (Arias v. Superior Court (2009) 46 Cal.4th 969, 980.)

The analysis of whether a proposed settlement will be “fair to those affected” concerns only fairness to the LWDA and therefore requires notice of settlement to the LWDA so it can protect its interests. (Labor Code 2699(l).) In a purely PAGA action such as this, the aggrieved employees retain whatever private claims they had prior to settlement.

Reasonableness

The trial court has broad discretion to determine whether the settlement is fair. (Dunk v. Ford Motor Co. (1996) 48 Cal.App.4th 1794, 1801.) Relevant factors to be considered include:

- 1) the strength of plaintiffs' case,
- 2) the risk, expense, complexity,
- 3) the likely duration of further litigation,
- 4) the risk of maintaining class action status through trial,
- 5) the amount offered in settlement,
- 6) the extent of discovery completed and the stage of the proceedings,
- 7) the experience and views of counsel,
- 8) the presence of a governmental participant, and
- 9) the reaction of the class members to the proposed settlement.

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(Dunk, supra, 48 Cal.App.4th at p. 1801.)

Here, the parties Settlement Agreement satisfies these requirements.

Proposed Settlement Agreement

Pursuant to the Settlement, Defendant has agreed to pay the following:

- GSA of \$475,000
- Subject to Court's approval, the following fees will be deducted from the MSA
 - o Attorney Fees of up to \$158,333
 - o Litigation Costs of up to \$30,000
 - o Service Award to Named Plaintiff as Class Representative of up to \$20,000 (\$10,000 each for Jadan and Robles)
 - o PAGA Penalty Fund Payment of at least \$259,167 to be divided up as noted below:
 - ? \$194,375.25 to Labor Workforce Development Agency ("LWDA")
 - ? \$64,791.75 to PAGA-eligible employees
 - o \$7,500 Settlement Administration Fees of up to \$7,500 to CPT (Third-party Settlement administrator)

Any portion of the requested attorney fees disallowed will be added to the PAGA Penalty Fund. (Settlement Agreement ¶ 14.)

Uncashed Settlement Checks

The current Settlement Agreement indicates that uncashed settlement checks returned as non-deliverable and unable to be forwarded to the correct address after skip-tracing attempts will be tendered to the LWDA. (Settlement Agreement ¶ 21.)

Class Counsel, Attorney Fees & Costs

Setareh Law Group and Capstone Law APC and are approved as class counsel for purposes of this Settlement Agreement.

Plaintiffs in their Settlement Agreement have requested 33% of the GSA in attorney fees, amounting to \$158,333.33. (Setareh Decl. ¶ 8; Settlement Agreement ¶ 14.) Although the percentage approach has been generally approved by California courts (Laffitte v. Robert Half International, Inc. (2016) 1 Cal.5th 480, 495), this Court's benchmark is 30%. Therefore, attorney fees in the amount of \$142,500 are approved to be split between class counsel.

Costs in the amount of \$29,794.06 (\$8,592.84 incurred by Setareh Law Group and \$21,201.22 incurred by Capstone Law APC) are reasonable and are approved.

10% of the attorney fees will be withheld on behalf of the LWDA pending final distribution of all funds to the aggrieved employees. The Court will release the final 10% subject to a

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compliance hearing once the Court has determined that all distributions are proper and complete.

Adjusted PAGA Penalty Fund Amount and Breakdown

Based on the disallowed attorneys' fees (\$15,833), and the \$205.94 savings in costs supported by the parties' documentation, the Court increases the PAGA Penalty Fund amount from \$259,167 to \$275,205.94 to be broken down as follows:

- \$206,404.45 to the LWDA
- \$68,801.49 to PAGA-eligible employees

Class Representative Service Award

Service awards in the total amount of \$20,000 (\$10,000 to each of the plaintiffs Jadan and Robles) are reasonable and approved.

Claims Administrator & Fee

CPT is approved as the Settlement Administrator and administration fees in the amount of \$7,500 are approved as reasonable.

Compliance Hearing

The Court sets a compliance hearing for Thursday September 12, 2024 at 3:30 p.m. in Department 17.

If all distributions have been properly made at this time, the Court will release the final 10% of funds that it is holding on behalf of the LWDA. Counsel are ordered to provide the Court with a status report two weeks prior to the September 12, 2024 compliance hearing informing the Court of progress on the settlement distribution and supported by a declaration from the claims administrator indicating what has been done.

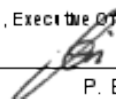
Dated : 01/18/2024



Frank Roesch / Judge

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SUPERIOR COURT OF CALIFORNIA COUNTY OF ALAMEDA	Reserved for Clerk's File Stamp
COURTHOUSE ADDRESS: Rene C. Davidson Courthouse 1225 Fallon Street, Oakland, CA 94612	FILED Superior Court of California County of Alameda 01/19/2024
PLAINTIFF/PETITIONER: Martin Jadan	Chad Finke, Executive Officer / Clerk of the Court By:  Deputy
DEFENDANT/RESPONDENT: Aimbridge Hospitality, LLC et al	
CERTIFICATE OF MAILING	CASE NUMBER: HG21092197

I, the below-named Executive Officer/Clerk of the above-entitled court, do hereby certify that I am not a party to the cause herein, and that on this date I served the attached document upon each party or counsel named below by placing the document for collection and mailing so as to cause it to be deposited in the United States mail at the courthouse in Oakland, California, one copy of the original filed/entered herein in a separate sealed envelope to each address as shown below with the postage thereon fully prepaid, in accordance with standard court practices.

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Dated: 01/19/2024

Chad Finke, Executive Officer / Clerk of the Court

By:


P. Bir, Deputy Clerk

CERTIFICATE OF MAILING