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SUPERIOR COURT OF CALIFORNIA

COUNTY OF SAN DIEGO

STEVEN ALVARADO, AILED CORTEZ,	)	CASE NO.: 37-2022-00032310-CU-OE-CTL
JUAN LUNA, PATRICIA MELENDREZ,	)	
BENJAMIN SILVA AVENA, MARCO	)	STIPULATION RE: COURT
SILVA, and ALBA ZAVALA, all individuals,	)	APPROVAL OF SETTLEMENT OF
	)	PLAINTIFFS' PRIVATE ATTORNEYS
Plaintiffs,	)	GENERAL ACT ("PAGA") CLAIM;
	)	[PROPOSED] ORDER;
v.	)	MEMORANDUM OF POINTS AND
	)	AUTHORITIES AND DECLARATION
CHAIDEZ GONZALEZ INC.; COCINA 35,	)	OF RODOLFO RUIZ-VELASCO IN
LLC; PAULINA CHAIDEZ GONZALEZ,	)	SUPPORT THEREOF
CESAR A. CHAIDEZ GAMBOA, MARIA	)	
DOLORES GONZALEZ, CESAR CHAIDEZ	)	I/C: Hon. Judy S. Bae
GONZALEZ JR., and PAULINA CHAIDEZ	)	Dept.: C-62
CALDERON, all individuals; and DOES 1	)	
through 50, inclusive,	)	Date of First Paper: August 12, 2022
	)	Trial Date: Off calendar pending approval
Defendants.	)	of this stipulation

[IMAGED FILE]

1 IT IS HEREBY STIPULATED by and between Plaintiffs STEVEN ALVARADO,
2 AILED CORTEZ, JUAN LUNA, PATRICIA MELENDREZ, BENJAMIN SILVA AVENA,
3 MARCO SILVA, and ALBA ZAVALA (collectively, "Plaintiffs") and Defendants CHAIDEZ
4 GONZALEZ INC.; COCINA 35, LLC; PAULINA CHAIDEZ GONZALEZ, CESAR A.
5 CHAIDEZ GAMBOA, MARIA DOLORES GONZALEZ, CESAR CHAIDEZ GONZALEZ
6 JR., and PAULINA CHAIDEZ CALDERON (collectively, "Defendants"), on the other hand,
7 (Plaintiffs and Defendants are referred to collectively as the "Parties"), by their respective
8 attorneys of record, with reference to the following facts:
9

10
11 1. WHEREAS, Plaintiffs were previously employed by Defendants;

12 2. WHEREAS, on May 12, 2021, Plaintiffs filed an administrative claim with the
13 California Labor & Workforce Development Agency ("LWDA") (LWDA Case No. LWDA-
14 CM-831950-21) (the "PAGA Action" or "PAGA Claim") and sent it to Defendants via certified
15 mail that alleged certain Labor Code violations pursuant to the Private Attorneys General Act of
16 2004 or "PAGA," codified at Labor Code sections 2698, et seq.;

17 3. WHEREAS, the Labor and Workforce Development Agency did not notify
18 Plaintiffs that the agency intends to pursue said allegations within 65 days of the postmark date
19 on Plaintiffs' written notice per Labor Code section 2669.3(a)(2)(A);

20 4. WHEREAS, on August 12, 2022, Plaintiffs commenced a lawsuit in the San
21 Diego County Superior Court, entitled Alvarado, et al., Plaintiffs, vs. Chaidez Gonzalez, Inc., et
22 al., Defendants, San Diego County Superior Court Case No. 37-2022-00032310-OE-CTL (the
23 "Complaint" or the "Litigation"), in which Plaintiffs made, among other things, individual
24 claims for wage and hour violations and the representative PAGA claim, where Plaintiffs alleged
25 that they were owed unpaid minimum and overtime wage compensation (wages), premium pay
26 for meal and rest periods, damages for records violations, business expenditure reimbursements,
27 and related damages arising out of his employment with Defendants;

28 /././

1 5. WHEREAS, the Complaint generally seeks various damages and penalties in
2 connection with Plaintiffs' claims, including claims under PAGA;

3 6. WHEREAS, Defendants at all times disputed and denied, and continue to dispute
4 and deny that they ever were liable to Plaintiffs, or any other person, for any of the claims
5 asserted in the Complaint, including the claims for civil penalties under PAGA;

6 7. WHEREAS, the Parties entered into a confidential settlement agreement pursuant
7 to which Plaintiffs agreed to dismiss with prejudice all claims for civil penalties under PAGA in
8 exchange for Defendants' payment of \$25,000.00, which is calculated as \$20,000.00 in PAGA
9 civil penalties, \$5,000 to the PAGA administrator;

10 8. WHEREAS, counsel for the Parties agree that the reasonable settlement value of
11 Plaintiffs' claims for civil penalties under PAGA, if any, is \$20,000, with 75% of that amount
12 (\$15,000) made payable to the LWDA, and 25% of that amount (\$5,000) made payable to the
13 aggrieved employees. This value is based on the Parties' negotiations, and considerations
14 including: (1) Defendants' dispute that any penalties under PAGA are due; (2) the terms of the
15 confidential settlement agreement of Plaintiffs' claims under PAGA; (3) Plaintiffs gave the
16 LWDA the opportunity to investigate Plaintiffs' claims and the LWDA declined to do so; (4) the
17 Defendants have taken remedial measures; and (5) an award of PAGA civil penalties is in the
18 discretion of the Court;

19 9. WHEREAS, the aggrieved employees are defined as all nonexempt employees
20 who worked for Defendants from May 12, 2020 to the date this case is dismissed (the "PAGA
21 Period");

22 10. WHEREAS, the Parties have agreed on claims administrator Phoenix Settlement
23 Administrators ("Phoenix") to distribute PAGA civil penalties in this case; and

24 11. WHEREAS, in order to satisfy the requirements of Labor Code section
25 2699(1)(2), which requires Court approval of any settlement for civil penalties sought pursuant to
26 PAGA, the Parties have agreed that acceptable PAGA civil penalties in the present case total
27 \$20,000, and the amount of \$15,000 (75% x \$20,000) shall be distributed to the LWDA by
28 Phoenix, and the amount of \$5,000 (25% x \$20,000) shall be distributed by Phoenix to the

aggrieved employees pro rata according to the amount of pay periods that they each worked during the PAGA Period.

RUIZ-VELASCO LAW

DATED: June 17, 2025

By: /s/ Rodolfo Ruiz-Velasco
RODOLFO RUIZ-VELASCO
Attorney for Plaintiffs Steven Alvarado, et al.

TENCER SHERMAN LLP

DATED: June 17, 2025

By: /s/ Jesica L. Mulvaney
JESSICA L. MULVANEY
Attorneys for Defendants CHAIDEZ GONZALEZ,
INC. et al.

1
2 **[PROPOSED] ORDER**

3
4 **GOOD CAUSE APPEARING, IT IS SO ORDERED.**

5
6 1. The Parties' agreement to settle any and all claims available under Labor Code
7 sections 2698, et seq. (the Private Attorneys General Act or "PAGA") (LWDA Case No.
8 LWDA-CM-831950-21) pursuant to Plaintiffs' eighth (8th) cause of action in his Complaint for
9 \$25,000.00, which is calculated as \$20,000.00 in PAGA civil penalties, and \$5,000.00 in PAGA
10 civil penalties settlement administrator distribution costs, is approved by this Court.

11 2. The aggrieved employees are defined as all nonexempt employees who worked
12 for Defendants CHAIDEZ GONZALEZ INC.; COCINA 35, LLC; PAULINA CHAIDEZ
13 GONZALEZ, CESAR A. CHAIDEZ GAMBOA, MARIA DOLORES GONZALEZ, CESAR
14 CHAIDEZ GONZALEZ JR., and PAULINA CHAIDEZ CALDERON from May 12, 2020 to the
15 date this case is dismissed with prejudice (the "PAGA Period").

16 3. The civil penalties amount of \$20,000.00, shall be distributed by settlement
17 claims administrator Phoenix Settlement Administrators with 75% of that amount (\$15,000.00)
18 made payable to the California Labor Workforce & Development Agency ("LWDA"), and 25%
19 of that amount (\$5,000.00) made payable to the aggrieved employees pro rata according to the
20 number of pay periods that each employee worked during the PAGA Period.

21 **IT IS SO ORDERED.**

22 Dated: _____

Hon. Judy S. Bae

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION & BACKGROUND**

3 Plaintiffs STEVEN ALVARADO, AILED CORTEZ, JUAN LUNA, PATRICIA
4 MELENDREZ, BENJAMIN SILVA AVENA, MARCO SILVA, and ALBA ZAVALA
5 (collectively, “Plaintiffs”) were employed with Defendants CHAIDEZ GONZALEZ INC.;
6 COCINA 35, LLC; PAULINA CHAIDEZ GONZALEZ, CESAR A. CHAIDEZ GAMBOA,
7 MARIA DOLORES GONZALEZ, CESAR CHAIDEZ GONZALEZ JR., and PAULINA
8 CHAIDEZ CALDERON (collectively, “Defendants”) as kitchen and front of the house staff at
9 Defendants’ restaurants named Cocina 35 located in San Diego County.

10 Plaintiffs filed this action for damages making individual wage and hour claims.
11 Plaintiffs, as a representatives for the State of California, also claim for civil penalties pursuant
12 to PAGA on behalf of the State of California and all current and former aggrieved employees of
13 Defendants. The PAGA damage period is as follows: May 12, 2020 to the date this case is
14 dismissed for nonexempt aggrieved employees who worked for Defendants (the “PAGA
15 Period”).

16 Plaintiffs allege multiple wage and hour Labor Code violations such as nonpayment of
17 minimum wages, regular wages, overtime wages, meal and rest period premiums, inaccurate
18 wage statements, inaccurate time records, and waiting time penalties. Defendants deny all
19 allegations.

20 This case represents the pinnacle of the goals of litigation: contentious arms’-length
21 negotiations, production of records, exchanging several sets of written discovery, plus several
22 settlement communications, which revealed the strengths and weaknesses of each side’s case,
23 leading to a global resolution of all disputes, both the individual claims and the representative
24 PAGA action. In this fashion, the Parties avoid incurring additional attorneys’ fees and costs
25 required to try the case and to reach a reasonable settlement at the earliest opportunity.

26 The details of the PAGA claim settlement are a gross settlement sum of \$25,000,
27 allocated as follows: \$20,000 in civil penalties plus \$5,000.00 in PAGA settlement administrator
28 fees. This results in a net gain of \$20,000 for the State of California and the aggrieved

employees. Accordingly, Plaintiffs respectfully request that the Court approve this PAGA claim settlement which provides substantial benefits to both the State of California and to the aggrieved employees.

II. PROCEDURAL HISTORY

On May 12, 2021, Plaintiffs notified the Labor and Workforce Development Agency (“LWDA”) regarding their Labor Code claims pursuant to PAGA and filed and served his PAGA Action (LWDA Case No. LWDA-CM-831950-21) (the “PAGA Action” or “PAGA Claim”). Plaintiffs thereafter filed their complaint on August 12, 2022 after entering into a tolling agreement with Defendants which did not result in a successful resolution of the matter prior to litigation, and filed their individual claims and the PAGA Action.

The Parties made productive resolution discussions after performing written discovery, exchange of records regarding the Plaintiffs and the aggrieved employees, and several settlement communications. After several settlement communications, and after careful consideration of the information produced, the Parties agreed to a settlement of the case in full, including the individual and PAGA claims. This case will be dismissed in its entirety upon the Court approving the settlement of the PAGA claim.

III. PAGA CLAIMS CANNOT BE SETTLED WITHOUT COURT APPROVAL

Pursuant to Labor Code Section 2699(1)(2): “The superior court shall review and approve any settlement of any civil action filed pursuant to this part.”

IV. THE COURT HAS WIDE DISCRETION IN APPROVING PAGA PENALTIES THAT ARE BINDING

Pursuant to Labor Code Section 2699(e) the Court has discretion as it pertains to the amount of the penalty and “may award a lesser amount than the maximum civil penalty amount specified by this part, based on the facts and circumstances of the particular case” because “to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory.”

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1 **V. THE PROPOSED PAGA CIVIL PENALTIES SETTLEMENT IS**
2 **REASONABLE GIVEN THAT DEFENDANTS DISPUTE THE VIOLATIONS**
3 **ALLEGED BY PLAINTIFFS, DEFENDANTS HAVE MADE CORRECTIVE**
4 **MEASURES, AND THAT THE PARTIES WOULD LIKE TO COMPROMISE TO SAVE**
5 **ON FEES AND COSTS THAT WOULD INCREASE SIGNIFICANTLY UPON**
6 **FURTHER LITIGATION**

7 “[The] Legislature's purpose in enacting the PAGA was to augment the limited
8 enforcement capability of the Agency by empowering employees to enforce the Labor Code as
9 representatives of the Agency.” *Iskanian*, supra, 59 Cal.4th at 383.

10 Labor Code section 2699 allows for a maximum penalty of one-hundred dollars (\$100)
11 for the first pay period in which there was violation of applicable sections and two-hundred
12 dollars (\$200) per pay check for each pay period thereafter pursuant to subsection (f)(2), “except
13 those for which a civil penalty is specifically provided” pursuant to subsection (f).

14 In the instant action there were six main categories of violations claimed by Plaintiffs:
15 minimum wage violations, overtime wage violations, meal periods violations, rest period
16 violations, conversion of gratuities, and records violations.

17 Labor Code section 2699.3 requires that the representative employee(s) “give written
18 notice by online filing with the Labor and Workforce Development Agency and by certified mail
19 to the employer of the specific provisions of this code alleged to have been violated, including
20 the facts and theories to support the alleged violation.” Labor Code section 2699.3(1)(A).
21 Plaintiff gave said notice on May 12, 2021, and the LWDA did not respond. See Decl. of Ruiz-
22 Velasco, ¶2.

23 The Parties were able to compromise the claims reaching a global confidential settlement
24 of the entire action, including the individual wage and hour claims and the PAGA Action. A
25 total of twenty five thousand dollars (\$25,000.00) has been deemed and agreed by the Parties to
26 be an appropriate allotted amount to settle the 8th cause of action for PAGA civil penalties. This
27 gross settlement amount for the PAGA Action is divided as follows as agreed by the Parties:
28 twenty thousand dollars (\$20,000.00) in civil penalties, plus \$5,000 for settlement administrator

1 fees for distribution of the PAGA civil penalties. The Parties have decided to hire Phoenix
2 Settlement Administrators as the PAGA civil penalties administrator to distribute the PAGA civil
3 penalties to the California LWDA and to the aggrieved employees who worked during the
4 PAGA Period.

5 Here, Defendants own and operate Cocina 35 chain of restaurants in San Diego County,
6 California. Plaintiffs were employed by Defendants as kitchen staff and front of the house staff.
7 Plaintiffs claim that Defendants underpaid their and other employees' hours worked and earned,
8 did not provide requisite meal and rest periods, converted gratuities, and as a consequence of the
9 above violations, the pay records produced are inaccurate in violation of Labor Code Section 226
10 and failed to timely produce employee files and records in violation of Labor Code 226, 432,
11 1198.5. Defendants deny all violations.

12 All of Plaintiffs' individual causes of action along with the PAGA cause of action were
13 resolved in a confidential settlement on or about May 19, 2025. Plaintiffs do not object to the
14 \$25,000 total amount allocated to the PAGA Action because (1) Plaintiffs' investigation showed
15 that many of the violations have stopped, (2) the Defendants dispute all of the claimed violations,
16 (3) the Defendants have cooperated with Plaintiffs' investigation, and (4) the Parties have
17 decided to compromise to save on attorneys' fees and costs because further litigating this case
18 would significantly increase fees and costs for the Parties making settlement less likely.

19 The PAGA Period was used as the time period in question to reflect the one-year statute
20 of limitations for penalties from the time of filing the written PAGA notice with the LWDA to
21 the time this case is dismissed (see above). Of the twenty thousand dollars (\$20,000.00)
22 apportioned for PAGA civil penalties, fifteen thousand dollars (\$15,000.00) or seventy-five
23 percent (75%) will be paid to the California Labor Workforce Development Agency ("LWDA")
24 and five thousand dollars (\$5,000.00) or twenty-five percent (25%) will be paid to the aggrieved
25 employees.

26 The Parties were able to reach a compromised confidential settlement after written
27 discovery and exchange of records regarding Plaintiffs and the other aggrieved employees, plus
28 multiple settlement communications required to finally settle all causes of action for the

1 Plaintiffs, including their individual seven causes of action as follows for (1) failure to pay
2 wages, (2) failure to timely furnish accurate itemized wage statements in violation of Labor Code
3 section 226(a), (3) unfair business practices, (4) waiting time penalties per Labor Code section
4 203, (5) meal and rest period violations, (6) failure to timely provide copy of personnel file and
5 payroll records and failure to maintain accurate time records, and (7) conversion of gratuities,
6 along with the representative eighth (8th) cause of action for PAGA civil penalties.

7 **VI. DEFINITION OF AGGRIEVED EMPLOYEES**

8 The aggrieved employees are defined as: Any and all nonexempt employees of
9 Defendants who were employed during the PAGA Period (“PAGA Aggrieved Employees”).

10 **VII. SCOPE OF RELEASE**

11 The release contained in the Settlement Agreement is as follows:

12 “**PAGA Release.** Upon approval by the Court of the settlement of all PAGA claims in
13 the Action and dismissal of the entire action with prejudice, the PAGA claims against
14 Defendants that were pled in the operative complaint or reasonably could have been pled
15 based on the claims and factual allegations in the operative complaint, and which arose
16 during the period May 12, 2020 through the date of dismissal of the entire Action with
17 prejudice, shall be deemed released. This includes, but is not limited to, claims for failure
18 to pay minimum wages, failure to pay overtime wages, failure to pay regular wages,
19 failure to pay sick pay wages, failure to provide compliant wage statements, meal and rest
20 period violations, waiting time penalties, failure to reimburse business expenditures,
21 other records violations, and failure to pay gratuities, failure to pay overtime premiums at
22 one and one half times the regular rate of pay, failure to pay meal and rest premiums at
23 one and one half times the regular rate of pay, failure to include non-discretionary
24 incentive compensation as part of employees’ regular rate of pay, underpayment of meal,
25 rest, and overtime premiums, failure to accurately record hours worked and failure to pay
26 all hours worked, requiring employees to work off-the-clock and failing to pay for off the
27 clock hours worked, unlawful deductions and failure to disclose deductions, failure to
28 reimburse for use of cellular phones and failure to reimburse for uniforms, failure to
provide accurate itemized wage statements, failure to properly record and provide legally
required meal and rest periods, failure to pay minimum wages, failure to pay overtime
wages and sick pay wages, failure to reimburse employees for required expenses, and
failure to provide wages when due, all in violation of the applicable Labor Code sections
listed in Labor Code §§ 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 221, 226, 226.2, 226.3,
226.7, 227.3, 246, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1197.14, 1198, 1198.5,
1199, 2802, and 2804, and the applicable Wage Order(s).”

Confidential Settlement Agreement, §12.

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1 **VIII. CONCLUSION**

2 Based upon the totality of the facts and circumstances, Plaintiffs respectfully request the
3 Court that the PAGA Action settlement of \$25,000, with allocations of \$20,000 towards PAGA
4 civil penalties, plus \$5,000 for PAGA civil penalties settlement administrator distribution fees,
5 be judicially approved pursuant to Labor Code section 2699 and be imposed on Defendants.
6

7 Dated: June 17, 2025

8 
9 _____
Rodolfo Ruiz-Velasco, Esq.,
Attorneys for Plaintiffs

I, Rodolfo Ruiz-Velasco, declare as follows:

2. On or about May 12, 2021, on behalf of Plaintiffs, I sent Defendants CHAIDEZ GONZALEZ INC.; COCINA 35, LLC; PAULINA CHAIDEZ GONZALEZ, CESAR A. CHAIDEZ GAMBOA, MARIA DOLORES GONZALEZ, CESAR CHAIDEZ GONZALEZ JR., and PAULINA CHAIDEZ CALDERON (collectively, “Defendants”) via certified mail a written notice of Plaintiffs’ intent to bring a claim for PAGA civil penalties, and filed it with the California Labor Workforce Development Agency (“LWDA”) via online submission through their website (A true and correct copy of the written notice for the PAGA claim is attached to the Complaint in this action, see Docket No. 1, Exhibit 1). The LWDA provided Case No. LWDA-CM-831950-21 for the PAGA Action. The LWDA did not respond within the requisite 65 days.

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4. Despite the above differences and disputes regarding the viability of said claims, on or about May 19, 2025, the Parties were able to reach a compromised confidential settlement after the Parties exchanged initial written discovery and documents, plus multiple settlement communications required to finally settle all causes of action. Upon Court approval of this settlement, Plaintiffs will request to dismiss this case in its entirety.

5. \$25,000 has been agreed to settle the PAGA claim, where this gross amount is allocated as follows: \$20,000 in civil penalties plus \$5,000 for civil penalties settlement administrator fees. This results in a net gain of \$20,000 for the State of California and the aggrieved employees.

6. Of the twenty thousand dollars (20,000), fifteen thousand dollars (\$15,000) or seventy-five percent (75%) will be paid to the California Labor Workforce Development Agency ("LWDA") and five thousand dollars (\$5,000) or twenty-five percent (25%) will be paid to the aggrieved employees.

I declare under penalty of perjury under the laws of the state of California that foregoing is true and correct and based upon my personal knowledge.

Dated: June 17, 2025

Rodolfo Ruiz-Velasco, Esq.
Attorney for Plaintiffs

3 **PROOF OF SERVICE**

4 I am employed in the County of San Diego, State of California. I am over eighteen years
5 of age and not a party to this action; my business address is 600 W. Broadway Suite 700, San
6 Diego, California, 92101.

7 On **June 17, 2025**, I served a true copy of the foregoing document(s):

8 STIPULATION RE: COURT APPROVAL OF SETTLEMENT OF PLAINTIFFS' PRIVATE
9 ATTORNEYS GENERAL ACT ("PAGA") CLAIM; [PROPOSED] ORDER

10 MEMORANDUM OF POINTS AND AUTHORITIES AND DECLARATION OF RODOLFO
11 RUIZ-VELASCO IN SUPPORT THEREOF

12 on all interested parties in this action as follows:

13 Sam G. Sherman 14 Jessica Mulvaney 15 12520 High Bluff Drive, Suite 230 16 San Diego, CA 92130 17 sam@TencerSherman.com 18 jessica@TencerSherman.com 19 connie@TencerSherman.com 20 jasmin@TencerSherman.com	Attorneys for Defendants COCINA 35, LLC, et al.
21 California Labor Workforce 22 Development 23 Agency455 Golden Gate Ave, 9th Floor 24 San Francisco, CA 94102 25 (by online submission only at 26 https://www.dir.ca.gov/Private- 27 Attorneys-General-Act/Private- 28 Attorneys-General-Act.html	California Labor Workforce Development Agency (LWDA)

22 ☒ **E-service/E-mail service:** I e-served/e-mailed the above-documents to the e-mail(s) of
23 counsel above pursuant to agreement between counsel.

24 ☒ **Online submission:** I submitted the above-documents online via the website above.

25 I declare under penalty of perjury under the laws of the State of California that the
26 foregoing is true and correct. Executed on **June 17, 2025**.

27 
28 Rodolfo Ruiz-Velasco