

PLAINTIFF/PETITIONER: Kila Towns
 DEFENDANT/RESPONDENT: Delta Dental of California, et al.

CASE NUMBER:
 34-2021-00304117-CU-OE-GDS / Dept. 23

**PROOF OF SERVICE BY FIRST-CLASS MAIL
 NOTICE OF ENTRY OF JUDGMENT OR ORDER**

(NOTE: You cannot serve the Notice of Entry of Judgment or Order if you are a party in the action. The person who served the notice must complete this proof of service.)

1. I am at least 18 years old and **not a party to this action**. I am a resident of or employed in the county where the mailing took place, and my residence or business address is (*specify*):

PLEASE SEE ATTACHED PROOF OF SERVICE

2. I served a copy of the *Notice of Entry of Judgment or Order* by enclosing it in a sealed envelope with postage fully prepaid and (*check one*):
- a. ☐ deposited the sealed envelope with the United States Postal Service.
 - b. ☐ placed the sealed envelope for collection and processing for mailing, following this business's usual practices, with which I am readily familiar. On the same day correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service.

3. The *Notice of Entry of Judgment or Order* was mailed:

- a. on (*date*):
- b. from (*city and state*):

4. The envelope was addressed and mailed as follows:

- a. Name of person served:

Street address:

City:

State and zip code:

- b. Name of person served:

Street address:

City:

State and zip code:

- c. Name of person served:

Street address:

City:

State and zip code:

- d. Name of person served:

Street address:

City:

State and zip code:

☐ Names and addresses of additional persons served are attached. (*You may use form POS-030(P).*)

5. Number of pages attached:

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date: September 16, 2024

Isabel Yang

(TYPE OR PRINT NAME OF DECLARANT)



(SIGNATURE OF DECLARANT)

EXHIBIT A

Arby Aiwarzian (SBN 269827)
Joanna Ghosh (SBN 272479)
Tara Zabehi (SBN 314706)
LAWYERS for JUSTICE, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Tel: (818) 265-1020 / Fax: (818) 265-1021

Attorneys for Plaintiff

FILED
Superior Court of California
County of Sacramento
09/11/2024
T. Shaddix, Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SACRAMENTO

KILA TOWNS, individually, and on behalf of
other aggrieved employees pursuant to the
California Private Attorneys General Act;

Plaintiff,

vs.

DELTA DENTAL OF CALIFORNIA., a
California corporation; CERTIFIED
EMPLOYMENT GROUP, an unknown
business entity; and DOES 1 through 100,
inclusive,

Defendants.

Case No.: 34-2021-00304117-CU-OE-GDS

Honorable Jill H. Talley
Department 23

~~PROPOSED~~ ORDER AND JUDGMENT
GRANTING APPROVAL OF PRIVATE
ATTORNEYS GENERAL ACT (CAL. LABOR
CODE § 2698, *ET SEQ.*) SETTLEMENT
AGREEMENT AND AWARD OF
ATTORNEYS' FEES AND COSTS, GENERAL
RELEASE FEE, AND SETTLEMENT
ADMINISTRATION COSTS

[Notice of Motion and Motion for Approval of
Private Attorneys General Act (Cal. Labor Code §
2698, *Et Seq.*) Settlement Agreement and Award of
Attorneys' Fees and Costs, General Release Fee, and
Settlement Administration Costs; Declaration of
Plaintiff's Counsel (Tara Zabehi); Declaration of
Plaintiff (Kila Towns)]

Reservation ID No. A-304117-001
Date: June 28, 2024
Time: 9:00 a.m.
Department: 23

Complaint Filed: July 13, 2021
Trial Date: None Set

~~PROPOSED~~ ORDER AND JUDGMENT GRANTING APPROVAL OF PRIVATE ATTORNEYS GENERAL ACT (CAL.
LABOR CODE § 2698, *ET SEQ.*) SETTLEMENT AGREEMENT AND AWARD OF ATTORNEYS' FEES AND COSTS,
GENERAL RELEASE FEE, AND SETTLEMENT ADMINISTRATION COSTS

1 This matter has come before the Honorable Jill H. Talley in Department 23 of the Superior Court of
2 the State of California, for the County of Sacramento, on June 28, 2024, at 9:00 a.m., on Plaintiff Kila
3 Town's ("Plaintiff") Motion for Approval of Private Attorneys General Act (Cal. Labor Code § 2698, *Et*
4 *Seq.*) Settlement Agreement and Award of Attorneys' Fees and Costs, General Release Fee, and Settlement
5 Administration Costs ("Motion for Approval of Settlement"). Lawyers *for* Justice, PC appeared for Plaintiff
6 and Fisher & Phillips, LLP appeared for Defendant Delta Dental of California ("Defendant Delta") and
7 Simpson, Garrity, Innes & Jacuzzi PC appeared for Defendant Certified Employment Group ("Defendant
8 CEG") (hereinafter "Defendants").

9 On or around March 26, 2024, Plaintiff and Defendants (collectively, the "Parties") executed the
10 Private Attorneys General Act Settlement Agreement and Release ("Settlement," "Settlement Agreement"
11 or "Agreement").

12 The Court has reviewed and considered (1) the Motion for Approval of Settlement, (2) the
13 Declarations of Plaintiff's Counsel Tara Zabehi and Plaintiff Kila Towns, and (3) the Settlement Agreement.

14 Having duly considered the Parties' papers and oral argument, and good cause appearing,

15 **IT IS HEREBY ORDERED AND ADJUDGED AS FOLLOWS:**

16 1. The Motion for Approval of Settlement is granted.
17 2. All terms used herein shall have the same meaning defined in the Settlement Agreement.
18 3. The Court finds that Plaintiff has satisfied the prerequisites under the California Private
19 Attorneys General Act (Cal. Labor Code § 2698, *et seq.*) ("PAGA"), including, and not limited to, providing
20 the California Labor and Workforce Development Agency ("LWDA") and Defendants with notice of the
21 specific provisions of the California Labor Code alleged to have been violated, including, and not limited
22 to, the facts and theories to support the alleged violations, in conformity with California Labor Code §
23 2699.3(a).

24 4. The Court also finds that the Settlement Agreement has been submitted to the LWDA in
25 conformity with California Labor Code § 2699(l)(2) and that the LWDA has not sought to intervene or
26 appear in the above-captioned action ("Action").

27 5. The Aggrieved Employees who are covered under the Settlement consist of the following
28 individuals:

1 All temporary workers of Certified Employment Group provided to Delta Dental of California
2 Rancho Cordova call center from May 6, 2020 to September 30, 2022 (“Aggrieved Employees”).

3 6. The Court finds that the Parties reached the Settlement as a result of arm’s-length
4 negotiations.

5 7. Pursuant to California Labor Code § 2699(l)(2), the Court has reviewed the sum allocated
6 for payment of penalties under PAGA (“PAGA Settlement Fund”), and determines that it is fair, just,
7 reasonable, and adequate. The Court hereby approves the PAGA Settlement Fund. The PAGA Settlement
8 Fund shall be the Total Settlement Amount (\$205,000.00) less the approved Attorneys’ Fees and Costs to
9 Lawyers *for* Justice, PC (“Plaintiff’s Counsel”), General Release Fee to Plaintiff, and Settlement
10 Administration Costs to Phoenix Settlement Administrators (the “PAGA Settlement Administrator”).
11 Seventy-five percent (75%) of the PAGA Settlement Fund shall be distributed to the LWDA (“LWDA
12 Payment”) and twenty-five percent (25%) of the PAGA Settlement Fund shall be distributed to the PAGA
13 Settlement Members in accordance with this Order and Judgment and the Settlement Agreement.

14 8. The Court has considered the Settlement, and the monetary allocations provided thereby, and
15 finds that they are fair, just, reasonable, and adequate. The Court hereby directs the Settlement
16 Administrator to administer the Settlement and to make the payments as provided for by, and consistent
17 with, this Order and Judgment and the Settlement Agreement.

18 9. The Court approves the payment of \$68,326.50 to Lawyers *for* Justice, PC for attorneys’ fees.
19 This amount shall be paid from the Total Settlement Amount and shall be disbursed in accordance with this
20 Order and Judgment and the Settlement Agreement.

21 10. The Court approves the payment of \$19,050.94 to Lawyers *for* Justice, PC for reimbursement
22 of litigation costs and expenses incurred in the Action. This amount shall be paid from the Total Settlement
23 Amount and shall be disbursed in accordance with this Order and Judgment and the Settlement Agreement.

24 11. The Court approves payment in the amount of \$10,000.00 to Plaintiff Kila Towns for her
25 General Release Fee. This amount shall be paid from the Total Settlement Amount and shall be disbursed
26 in accordance with this Order and Judgment and the Settlement Agreement.

27 12. The Court approves payment up to the amount of \$5,000.00 to Phoenix Settlement
28 Administrators for the Settlement Administration Costs. This amount shall be paid from the Total

1 Settlement Amount and shall be disbursed in accordance with this Order and Judgment and the Settlement
2 Agreement.

3 13. The Parties are directed to perform in accordance with the terms set forth in this Order and
4 Judgment and the Settlement Agreement.

5 14. The Court further finds that notice of the Settlement need not be provided to the PAGA
6 Settlement Members; however, the Court approves the Cover Letter, attached hereto as “**EXHIBIT 1**,” and
7 the PAGA Settlement Administrator shall distribute the Cover Letter to the PAGA Settlement Members at
8 the same time that it distributes their share of the twenty-five percent (25%) of the PAGA Settlement Fund
9 to be distributed to the Aggrieved Employees (“Employee’s Portion”).

10 15. Within fourteen (14) calendar days of the Effective Date (as defined in Paragraph 5(a) of the
11 Settlement Agreement), Defendant Certified Employment Group will transmit the Total Settlement Amount
12 to a qualified settlement account established by the PAGA Settlement Administrator for administration of
13 the Settlement.

14 16. No later than seven (7) calendar days after the Court’s order granting approval of the
15 Settlement, Defendants will provide the PAGA Settlement Administrator with a list of all Aggrieved
16 Employees (“Aggrieved Employees List”), containing the following information for each Aggrieved
17 Employee: (i) first and last name; (ii) last known address; (iii) last known telephone number; (iv) social
18 security number; (v) last known email address if available; and (vi) and dates of employment as an hourly-
19 paid or non-exempt employee in California who was placed at Delta Dental of California’s Rancho Cordova
20 call center from May 6, 2020, to September 30, 2022, in accordance with this Order and Judgment and the
21 Settlement Agreement.

22 17. No later than fourteen (14) calendar days after the PAGA Settlement Administrator has
23 received the Aggrieved Employees List and Total Settlement Amount, the PAGA Settlement Administrator
24 shall mail the agreed-upon Cover Letter and Individual Settlement Share checks (the “PAGA Settlement
25 Package”) to all Aggrieved Employees, transmit the LWDA Payment to the LWDA, transmit the General
26 Release Fee to the Plaintiff, and transmit the Attorneys’ Fees and Costs to Plaintiff’s Counsel as provided
27 for by this Order and Judgment and the Settlement Agreement.

1 18. No later than fourteen (14) calendar days after the Settlement Administrator has received the
2 PAGA Settlement Member List and Total Settlement Amount and disbursed the PAGA Settlement Package
3 to the Aggrieved Employees, the Settlement Administrator shall distribute payment to itself for the
4 Settlement Administration Costs, as provided for by this Order and Judgment and the Settlement Agreement.

5 19. The Individual Settlement Share checks issued to Aggrieved Employees shall remain valid
6 for ninety (90) calendar days, and thereafter, shall be cancelled. Funds associated with such cancelled
7 checks shall be transmitted by the Settlement Administrator to the California State Controller's Office
8 Unclaimed Property Division, in the name of the Aggrieved Employees(s) at issue and in the amount of his
9 or her respective Individual Settlement Share(s).

10 20. Aggrieved Employees shall not have the right to opt out of or object to the Settlement. Upon
11 the Effective Date and full funding of the Total Settlement Amount, Plaintiff and the State of California with
12 respect to Aggrieved Employees, will be deemed to have knowingly and voluntarily released and forever
13 discharged the Released Parties from the Released Claims.

14 21. "Released Parties" means Defendants and Defendants' parent corporation(s), subsidiaries,
15 predecessors, successors and assigns, and their current and former executive-level employees, attorneys,
16 officers, directors and agents thereof, both individually and in their business capacities, and their employee
17 benefit plans and programs.

18 22. "Released Claims" any and all claims of the State of California pertaining to Plaintiff and
19 PAGA Settlement Members, arising during the PAGA Period, for civil penalties under California Labor
20 Code section 2698, et seq. ("PAGA") as well as any interest, fees, and costs available under PAGA, based
21 on the factual allegations in the Operative Complaint and LWDA Notice, including but not limited to, for
22 failure to pay minimum, regular, and overtime wages, failure to accurately calculate the regular rate of pay
23 failure to provide compliant meal periods and pay associated premiums, failure to provide compliant rest
24 periods and pay associated premiums, failure to timely pay wages during employment, failure to timely pay
25 wages upon termination of employment, failure to provide compliant and accurate wage statements, failure
26 to maintain complete and accurate payroll records, and failure to reimburse necessary business-related
27 expenses and costs, in violation of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510,
28

1 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802 and Industrial Welfare Commission
2 Wage Orders, including inter alia Wage Order 4-2001.

3 23. "PAGA Period" means the period May 6, 2020, through September 30, 2022.

4 24. No individualized notice of this Order and Judgment is required to be provided to the
5 Aggrieved Employees. This Order and Judgment shall be submitted to the LWDA through the online system
6 established for the filing of notices and documents, in conformity with California Labor Code § 2699(1)(3).

7
8 Date: 09/11/2024



Jill Talley

Honorable Jill H. Talley
Judge of the Sacramento Superior Court

EXHIBIT 1

<<Mailing Date>>

To: <<First Name>><<Last Name>>
<<Street Address>>
<<City>> <<State>> <<Zip>>

Re: Settlement Payment from *Towns v. Delta Dental of California, et al.*, Sacramento Superior Court Case No. 34-2021-00304117

Dear <<First Name>><<Last Name>>:

Please find enclosed a check in the amount of <<amount of payment>> ("Individual Settlement Share"). This check is your payment from the settlement in the lawsuit entitled *Towns v. Delta Dental of California, et al.*, Sacramento Superior Court Case No. 34-2021-00304117 ("Action").

The lawsuit was filed on July 13, 2021 by Kila Towns ("Plaintiff") against her former employer Certified Employment Group, as well as Delta Dental of California where she was placed on a temporary work assignment. Plaintiff brings this action, on behalf of the State of California, with respect to herself and other alleged aggrieved employees, to seek recovery of civil penalties pursuant to the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* ("PAGA"), for multiple alleged violations of the California Labor Code and Industrial Welfare Commission Wage Orders, including, *inter alia*, for failure to properly pay minimum and overtime wages, failure to provide compliant meal and rest periods and pay associated premiums, failure to pay wages during employment and upon termination of employment, failure to properly calculate the regular rate of pay failure to provide compliant wage statements, failure to maintain requisite payroll records, and failure to reimburse business expenses. Prior to filing the lawsuit, on May 6, 2021, Plaintiff submitted a letter to the California Labor and Workforce Development Agency ("LWDA"), pursuant to PAGA, to provide notice of her intent to seek civil penalties under PAGA for Defendants' alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802 and Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Order 4-2001, thereby initiating LWDA Case Number LWDA-CM-831539-21 (the "PAGA Notice"),

Defendants deny all of Plaintiff's allegations and deny any wrongdoing of any kind associated with Plaintiff's allegations.

A settlement was reached between Plaintiff and Defendants Certified Employment Group and Delta Dental of California ("Defendants").

On << Date>>, the settlement was approved by the Court, with a portion to be paid to the LWDA and a portion to be paid to all temporary workers. Certified Employment Group provided to Delta Dental of California's Rancho Cordova call center from May 6, 2020 through September 30, 2022 ("Aggrieved Employees"). The period May 6, 2020 through September 30, 2022 is the "PAGA Period".

You are receiving a portion of the settlement (the enclosed Individual Settlement Share) because you have been identified as an Aggrieved Employee. Your Individual Settlement Share is based on the total number of pay periods that you worked for Defendants in California during the PAGA Period. The Individual Settlement Share is considered to be 100% penalties, which will be reported on an IRS Form 1099. You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

Under the settlement, as of <<date of entry of order by the Court approving the Settlement>>, the Released Parties were fully released and forever discharged from any and all Released Claims.

"Released Parties" means Defendants, including Defendants' parent corporation(s), subsidiaries, predecessors, successors and assigns, and their current and former executive-level employees, attorneys, officers, directors and agents thereof, both individually and in their business capacities, and their employee benefit plans and programs and the trustees, administrators, fiduciaries and insurers of such plans and programs.

"Released Claims" means any and all claims, arising during the PAGA Period, for civil penalties under California Labor Code section 2698, *et seq.* (PAGA) as well as any interest, fees, and costs available under PAGA, based on the factual allegations in the Operative Complaint, including but not limited to, for failure to pay minimum, regular, and overtime wages, failure to provide compliant meal periods and associated premiums, failure to provide compliant rest periods and associated premiums, failure to timely pay wages during employment, failure to timely pay wages upon termination, failure to provide compliant and accurate wage statements, failure to maintain complete and accurate payroll records, and failure to reimburse necessary business-related expenses and costs, in violation of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802 and Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Order 4-2001.

The enclosed check is valid for 180 days from the original date of issuance and mailing, and if it is not cashed, deposited, or otherwise negotiated within the 180-day timeframe, it will be canceled, and the funds associated with the canceled check

will be transmitted to the State Controller's Office Unclaimed Property Division in your name and in the amount of your respective Individual Settlement Share.

Do not call or write the Court, Office of the Clerk of the Court, Defendants, or Defendant counsel to ask questions about the settlement or to ask tax-related questions. If you have any such questions, you may contact _____ at [toll-free phone number].

EXHIBIT B

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SACRAMENTO

Gordon D. Schaber Superior Court, Department 23

JUDICIAL OFFICER: HONORABLE JILL H. TALLEY

Courtroom Clerk: T. Shaddix

Court Attendant: C. Carrillo

CSR: None

34-2021-00304117-CU-OE-GDS

September 6, 2024

9:00 AM

Kila Towns vs. Delta Dental of California

MINUTES

APPEARANCES:

No Appearances

NATURE OF PROCEEDINGS: Hearing on Motion for Preliminary Approval of Settlement PAGA Action

There being no request for oral argument, the Court affirmed the tentative ruling.

TENTATIVE AFFIRMED

Plaintiff Kila Towns' ("Plaintiff") motion for approval of Private Attorneys General Act ("PAGA") settlement is UNOPPOSED and GRANTED as follows.

Overview

On July 13, 2021, Plaintiff filed a representative action complaint against Defendant Delta Dental of California ("Defendant"). The Complaint alleges a single cause of action to recover penalties under PAGA. The PAGA claim is based on the following alleged underlying Labor Code violations: (1) failure to pay overtime; (2) failure to provide meal periods; (3) failure to provide rest periods; (4) failure to pay minimum wages; (5) failure to timely pay wages upon termination; (6) failure to timely pay wages during employment; (7) failure to provide complete and accurate wage statements; (8) failure to keep complete and accurate payroll records; and (8) failure to reimburse necessary business-related expenses.

The Parties engaged in formal and informal discovery. (Zabehi Decl. ¶ 12.) Defendant produced its employee handbook, agreements, and policies. (*Id.* at ¶ 13.) On May 11, 2023, the Parties participated in a mediation with Daniel J. Turner, Esq. and reached a settlement. (*Id.* at ¶ 12.) Thereafter, the Parties entered into a written settlement agreement. (*Id.* at Ex. 1 ("Agreement")). Plaintiff seeks approval of this PAGA settlement pursuant to Labor Code section 2699(1). A copy of the proposed PAGA settlement was provided to the Labor and Workforce Development

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SACRAMENTO

Agency ("LWDA"). (Supplemental Zabehi Decl. Ex. 4.)

Aggrieved Employees are defined as: all temporary workers Certified Employment Group provided to Delta Dental of California's Rancho Cordova call center from May 6, 2020 through September 30, 2022. (Agreement ¶ 1(h).) There are approximately 55 Aggrieved Employees. (Zabehi Decl. ¶ 8.)

Legal Standard

In the event an aggrieved employee wishes to settle a PAGA claim, the Labor Code requires the superior court to "review and approve any penalties sought as part of [the] proposed settlement agreement." (Lab. Code, § 2699(1)(2).) Such review and approval must "ensur[e] that any negotiated resolution is fair to those affected." (*Williams v. Superior Court* (2017) 3 Cal.5th 531, 549.)

As with any settlement, the Court must be mindful in conducting its inquiry that "[s]ettlement is a compromise, which balances the possible recovery against the risks inherent in litigating further." (*See In re TD Ameritrade Account Holder Litig.* (N.D. Cal. Sept. 12, 2011) 2011 U.S. Dist. LEXIS 103222, 24.) Indeed, "the very essence of a settlement is ... a yielding of absolutes and an abandoning of highest hopes" (*Officers for Justice v. Civil Service Com.* (9th Cir., 1982), 688 F.2d 615, 624) as "it is the very uncertainty of outcome in litigation and avoidance of wasteful and expensive litigation that induce consensual settlements." (*See Id.* at 625.) As such, "the settlement or fairness hearing is not to be turned into a trial or rehearsal for trial on the merits' or 'judged against a hypothetical or speculative measure of what might have been achieved by the negotiators." (*Ibid.*)

Although the operative PAGA statute does not set forth the criteria on which a PAGA settlement is to be judged, it is presumed that a reviewing court may utilize some of the factors for review of a class action settlement under Fed. R. Civ. P. 23 ("Rule 23"), Code Civ. Proc., § 382 and Rule 3.769, Cal. Rules of Court, as courts within California have approved settlements of PAGA claims encompassed within class action settlements using Rule 23 criteria. However, it is important to underscore that not all Rule 23 factors can be applied, as "a PAGA claim asserted on a non-class representative basis . . . is not considered a class action but a law enforcement action, and therefore does not have to meet the requirements of Rule 23." (*See Casida v. Sears Holdings Corp* (E.D. Cal. Jan. 25, 2012) 2012 U.S. Dist. LEXIS 9302, 8; *Thomas v. Aetna Health of Cal. Inc.* (E.D. Cal. June 2, 2011) 2011 U.S. Dist. LEXIS 59377; *Mendez v. Tween Brands, Inc.* (E.D. Cal. June 30, 2010) 2010 U.S. Dist. LEXIS 66454, 12.) Based thereon, a court's review of a PAGA settlement necessarily implicates the following unique features that render the approval process completely distinct from approval of a class action settlement under Rule 23 or Code Civ. Proc., § 382 and Rule 3.769, Cal. Rules of Court.

First, in evaluating the adequacy of the settlement amount, the Court's focus is not concerned with the amount which "aggrieved employees" are to receive, but rather, must focus on the total settlement amount in achieving PAGA's objective. Indeed, "[t]he remedy sought in a PAGA suit consists of civil penalties, not individual or class damages" (*Mendez*, 2010 U.S. Dist. LEXIS 66454 at 11) and "[u]nlike class actions, these civil penalties are not meant to compensate

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SACRAMENTO

unnamed employees because the action is fundamentally a law enforcement action." (See *Ochoa-Hernandez v. CJADERS Foods, Inc.*, (N.D. Cal. Apr. 2, 2010) 2010 U.S. Dist. LEXIS 32774, 12.) Second, consistent with the fact that unnamed employees have no property interest in a PAGA claim, "[u]nnamed employees need not be given notice of the PAGA claim, nor do they have the ability to opt-out of the representative PAGA claim." (See *Ochoa-Hernandez*, 2010 U.S. Dist. LEXIS 32774, at 13.) Finally, unlike a class action settlement under Rule 23(e) or Code Civ. Proc., § 382, the scope of release permitted in a PAGA settlement is limited. While "judgment in [a PAGA] action is binding not only on the named employee plaintiff but also on government agencies and any aggrieved employee not a party to the proceeding" (*Arias v. Superior Court* (2009) 46 Cal.4th 969, 986), "the nonparty employees, because they were not given notice of the action or afforded any opportunity to be heard, would not be bound by the judgment as to remedies other than civil penalties." (*Id.* at 987.) Thus, scope of a release in a PAGA settlement is necessarily strictly confined to the civil penalties alleged in the complaint.

In deciding whether to grant approval of the proposed Settlement, the primary issue to be decided is whether the Settlement is fair, adequate and reasonable. As set forth herein, the proposed Settlement embodies all of the features of a settlement that is fair, reasonable, and adequate, as it is the product of (1) arms-length negotiations, (2) negotiated by attorneys experienced in wage and hour issues, (3) subsequent to undertaking sufficient investigation necessary to evaluate the relative strength and value of the PAGA claim, and (4) it reflects a reasoned compromise based directly on the relative strength and value of the PAGA claim, as well as the risks, expense, complexity and likely duration of further litigation.

Discussion

In this settlement, Defendant agrees to pay the gross settlement amount ("GSA") of \$205,000. (Agreement ¶ 3(a).) The Net Settlement Amount will be the GSA less the following amounts: (1) attorneys' fees in the amount of \$68,326.50 (1/3 of GSA) and litigation costs in the amount of \$19,050.94 to Plaintiff's counsel; (2) a general release fee of \$10,000 to Plaintiff, and (3) settlement administration costs of up to \$5,000 to Phoenix Settlement Administrators. (*Id.* at ¶¶ 3(a)(1)-(3).) Of the Net Settlement, 75% will be paid to the LWDA and 25% will be paid to Aggrieved Employees. (*Id.* at ¶ 3(a)(5).) The funds for any checks that remain uncashed after 180 days will be sent to the California Unclaimed Property Fund in the name of the payee. (Supplemental Zabehi Decl. Ex. 2 (Amendment No. 1 to Agreement).)

Plaintiff contends the \$205,000 settlement amount represents a fair penalty when the estimated exposure is compared with the significant risks involved. (Supplemental Zabehi Decl. pgs. 2-11.) The Court agrees. The Court finds that the settlement amount, requested attorneys' fees, and requested general release amount for Plaintiff are all reasonable based on the moving and supplemental papers.

Disposition

The Court finds that the PAGA settlement is fair, reasonable, and adequate and approved as required under California Labor Code section 2698 et seq. Based on the amount of penalties at issue, the risk of loss on the merits, the risk of being able to prove violations as required by

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SACRAMENTO

statute for damages purposes, and the Court's statutorily authorized power to reduce penalties, the Agreement represents a sufficient recovery for individuals within the scope of the PAGA claims and the LWDA to further its purpose in enforcing the Labor Code. The Court approves the requested attorneys' fees and general release award. The Court will sign the proposed order submitted with the moving papers. **The Court will amend the 90 day check validity period stated in the proposed order at paragraph 19 to 180 days to conform to the Parties' amendment to the Agreement.**

The Court sets a settlement compliance hearing for May 9, 2025 at 10:30 a.m. in this department. At least 15 days prior to the hearing, counsel shall file a declaration regarding the status of the distribution of the settlement funds. If the Court is satisfied that the settlement funds have been fully distributed, no appearance will be required.

To request oral argument on this matter, you must call Department 23 at 916-874-5754 by 4:00 p.m., the court day before this hearing and notification of oral argument must be made to the opposing party/counsel. If no call is made, the tentative ruling becomes the order of the court. (Local Rule 1.06.)

Please check your tentative ruling prior to the next Court date at www.saccourt.ca.gov prior to the above referenced hearing date.

If oral argument is requested, the parties may and are encouraged to appear by Zoom with the links below:

To join by Zoom Link - <https://saccourt-ca-gov.zoomgov.com/my/sscdept23>

To join by phone dial (833) 568-8864 ID 16108301121

Parties requesting services of a court reporter will need to arrange for private court reporter services at their own expense, pursuant to Government code section 68086 and California Rules of Court, Rule 2.956. Requirements for requesting a court reporter are listed in the Policy for Official Reporter Pro Tempore available on the Sacramento Superior Court website at <https://www.saccourt.ca.gov/court-reporters/docs/crtrp-6a.pdf>. Parties may contact Court-Approved Official Reporters Pro Tempore by utilizing the list of Court Approved Official Reporters Pro Tempore available at <https://www.saccourt.ca.gov/court-reporters/docs/crtrp-13.Pdf>

A Stipulation and Appointment of Official Reporter Pro Tempore (CV/E-206) is required to be signed by each party, the private court reporter, and the Judge prior to the hearing, if not using a reporter from the Court's Approved Official Reporter Pro Tempore list. Once the form is signed it must be filed with the clerk.

If a litigant has been granted a fee waiver and requests a court reporter, the party must submit a Request for Court Reporter by a Party with a Fee Waiver (CV/E-211) and it must be filed with the clerk at least 10 days prior to the hearing or at the time the proceeding is scheduled if less than 10 days away. Once approved, the clerk will forward the form to the Court Reporter's Office and an official reporter will be provided.

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SACRAMENTO

Counsel for Plaintiff is directed to notice all parties of this order.

Status Conference regarding settlement compliance is scheduled for 05/09/2025 at 10:30 AM in Department 23 at Gordon D. Schaber Superior Court.

By: */s/ T. Shaddix*
T. Shaddix, Deputy Clerk
Minutes of: 09/06/2024
Entered on: 09/06/2024

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 410 West Arden Avenue, Suite 203, Glendale, California 91203.

On September 16, 2024, I served the foregoing document(s) described as: **NOTICE OF ENTRY OF JUDGMENT OR ORDER** on interested parties in this action by Electronic Service as follows:

Victor Xu vxu@fisherphillips.com
Boris Sorsher bsorsher@fisherphillips.com
FISHER PHILLIPS LLP
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STATE

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on September 16, 2024, at Glendale, California.



Isabel Yang