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Attorneys for PLAINTIFF

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES—STANLEY MOSK COURTHOUSE**

SOPHIA AYOUB, an individual,

PLAINTIFF,

vs.

ETERNITY JEWELRY, CORPORATION
D/B/A HAPPY JEWELERS, a California
Corporation; and DOES 1 THROUGH 100,
inclusive,

DEFENDANTS.

Case No.: 21STCV20340

Honorable Wendy Chang
Department 36

**NOTICE OF SEPTEMBER 15, 2022
COURT RULING**

Complaint Filed: June 1, 2021
FAC Filed: November 8, 2021
Jury Trial Date: Vacated

1 **TO THE HONORABLE COURT, ALL PARTIES, AND THEIR ATTORNEYS:**

2 **PLEASE TAKE NOTICE** that Plaintiff's Motion For Approval of Settlement Pursuant
3 to the Private Attorneys General Act of 2004 ("PAGA") ("Motion For PAGA Approval") came
4 on for hearing on September 15, 2022 at 8:30 a.m. in Department 36 of the above-mentioned
5 Court, the Honorable Wendy Chang presiding.

6 Romina Keshishyan, Esq. of RK Legal, PC appeared on behalf of Plaintiff Sophia Ayoub
7 ("Plaintiff") via LA Court Connect. Stacy L. Douglas, Esq. of Everett Dorey, LLP appeared on
8 behalf of Defendant Eternity Jewelry, Corporation d/b/a Happy Jewelers ("Defendant")
9 (collectively with Plaintiff, the "Parties") via LA Court Connect.

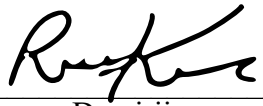
10 The Court rules as follows:

- 11 1. The Motion For PAGA Approval is granted.
- 12 2. Plaintiff shall give notice.
- 13 3. A true and correct copy of the Court's September 15, 2022 Minute Order is
14 attached hereto as **Exhibit A.**

15 Dated: September 16, 2022

RK LEGAL, PC

16
17 By:



Arman Demirjian
Romina Keshishyan
Attorneys for Plaintiff

EXHIBIT A

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

Civil Division

Central District, Stanley Mosk Courthouse, Department 36

21STCV20340

SOPHIA AYOUB vs ETERNITY JEWELRY, CORPORATION

September 15, 2022

8:30 AM

Judge: Honorable Wendy Chang
Judicial Assistant: A. Rodriguez / L.
Meguerian JAT
Courtroom Assistant: A. Aguilar

CSR: None
ERM: None
Deputy Sheriff: None

APPEARANCES:

For Plaintiff(s): Via LACC Romina Keshishyan

For Defendant(s): Stacy L. Douglas Via LACC for Seymour Everett

NATURE OF PROCEEDINGS: Hearing on Motion for Order Approving PAGA Settlement

The matter is called for hearing.

The Court has read and considered the moving papers, opposition and evidence.

The Court gives its oral tentative ruling and hears argument from counsel.

After consideration of all documents filed and oral argument, the Court adopts the tentative as the order of the Court as follows:

I. Analysis

A. Notice

The moving papers were timely filed and served on Plaintiff. (Code Civ. Proc., § 1005(b).) There is no opposition or reply.

A copy of the proposed settlement must be submitted to the LWDA at the same time that it is submitted to the court. (Lab. Code § 2699(l)(2).) Plaintiff has provided evidence of serving the settlement on the LWDA, and has attached the response from the LWDA confirming receipt on the same date as filing this motion. (Keshishyan Decl. ¶ 5, Exh. B.)

B. Motion for Approval of PAGA Settlement

Plaintiff Sophia Ayoub, individually and on behalf of all others similarly situated, moves for an order approving the settlement agreement between Plaintiff and Defendant Eternity Jewelry, Corporation d/b/a Happy Jewelers of Plaintiff's PAGA action. The motion is unopposed.

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Plaintiff has submitted a supplemental declaration as permitted by the Court.

1. Legal Standard

Labor Code § 2699(1)(2) states: “The superior court shall review and approve any settlement of any civil action filed pursuant to this part [Labor Code Private Attorneys General Act of 2004 (“PAGA”)]. The proposed settlement shall be submitted to the [Labor and Workforce Development Agency (“LWDA”)] at the same time that it is submitted to the court.” Any settlement of any civil action filed under PAGA must be “fair and adequate in view of the purposes and policies of the statute.” (Flores v. Starwood Hotels & Resorts Worldwide, Inc. (C.D. Cal. 2017) 253 F.Supp.3d 1074, 1077, quoting O’Connor v. Uber Technologies, Inc. (N.D. Cal. 2016) 201 F.Supp.3d 1110, 1135.)

75 percent of all PAGA penalties must be paid to the LWDA. (See Lab. Code § 2699(i) [“Except as provided in subdivision (j), civil penalties recovered by aggrieved employees shall be distributed as follows: 75 percent to the Labor and Workforce Development Agency for enforcement of labor laws and education of employers and employees about their rights and responsibilities under this code, to be continuously appropriated to supplement and not supplant the funding to the agency for those purposes; and 25 percent to the aggrieved employees.”].) For cases filed on or after July 1, 2016, the aggrieved employment must, within 10 days following commencement of a civil action, provide the LWDA with a file-stamped copy of the complaint that includes the case number assigned by the court. (Id. at (l)(1).) Labor Code § 2699(g)(1) provides, in relevant part: “Any employee who prevails in any action shall be entitled to an award of reasonable attorney’s fees and costs” (Lab. Code § 2699(g)(1).)

The court reviews “any penalties sought as part of a proposed settlement agreement pursuant to this part.” (Id. at (l)(2).) A copy of the proposed settlement must be submitted to the agency at the same time that it is submitted to the court. (Id.) In their review of PAGA settlement agreements, courts have discretion to assess a civil penalty and may award less than the maximum penalty authorized 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.” (Id. at (e).)

2. Terms of Settlement Agreement

Plaintiff submits a copy of the Settlement Agreement with Defendant Eternity Jewelry, Corporation D/B/A Happy Jewelers. (Keshishyan Decl. ¶ 2, Exh. A.) The terms provide as

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follows:

- “PAGA Employees” is defined as “all current and former non-exempt employees employed by Defendant in California at any time between June 1, 2020 through the Final Approval Date.” (Exh. A, § (A)(16).)
- The “Final Approval Date” is defined as the date the Court enters the Final Order. (Exh. A, § (A)(9).)
- Plaintiff’s counsel attests there are 13 aggrieved employees during the applicable time period. (Keshishyan Decl. ¶ 7.)
- “Plaintiff’s Individual Claims” is defined as “all of Plaintiff’s claims brought in the Operative Complaint other than the PAGA Representative Claims.” (Exh. A, § (A)(18).)
- “PAGA Representative Claims” is defined as “Plaintiff’s PAGA claims under California Labor Code § 2698 et. seq. based on alleged predicate violations of the California Labor Code and all applicable sections of the applicable Industrial Welfare Commission Wage Order alleged in the Operative Complaint.” (Exh. A, § (A)(19).)
- The settlement agreement “constitutes a compromise of Plaintiff’s PAGA Representative Claims and that it is the desire and intention of the Parties to affect a final and complete resolution of the Action, including the PAGA Representative Claims against Defendant.” (Exh. A, § (B)(4).)
- “Upon the Effective Date, Plaintiff, as the representative for the State of California, and each PAGA Employee, releases the Released Parties, from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys’ fees, damages, action or causes of action contingent or accrued for, during the time period of June 1, 2020 through the date that the Court grants approval of the settlement, arising out of the PAGA claims asserted in the Operative Complaint.” (Exh. A, § (D)(1).) The Final Order does not bind or release the PAGA Employees of any individual wage claims or other individual claims; but is binding on the PAGA Employees as to the Released Claims, including the PAGA Representative Claims. (Id. at (D)(2).) The Released Claims are defined under Paragraph (E)(1), “Release by Named Plaintiff Only.” (See id. at (E)(1); Proposed Order at § 13.)
- Under Plaintiff’s Released Claims, Plaintiff makes a broad general release of all claims “from any and all rights, claims, contracts, agreements, debts, demands, liabilities, actions, and causes of action, whether in law or in equity, suits, damages, liabilities, losses, attorneys’ fees, costs, and expenses, of whatever nature whatsoever, known or unknown, fixed or contingent, suspected or

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unsuspected” against

Defendant occurring on or before the Effective Date of the agreement. (Id. § (E)(1)(a).)

The settlement amount is calculated as follows:

- The Gross Settlement Amount is \$30,000. (Exh. A, § (A)(11).)
 - The “Net PAGA Settlement Amount” is the amount of the Gross Settlement Amount that remains after deducting Plaintiff’s Counsel’s Attorneys’ Fees and Costs, and the Settlement Administrator’s fees and costs, and the Service Award. (Id. (A)(13).)
 - Attorneys’ fees are \$9,900, and actual litigation costs are not to exceed \$9,500, incurred in connection with work performed to litigate the action and obtain Court approval of the settlement. (Exh. A, § (C)(2)(b).)
 - The Settlement Administrator’s fees and costs are not to exceed \$1,729.28. (Id. (C)(2)(a).)
 - The Service Award is \$1,000. (Id. (C)(2)(c).)
 - Subtracting the above, the Net PAGA Settlement Amount is to be allocated 75% or approximately \$5,903.04 to the LWDA; and 25% or approximately \$1,967.68 to the PAGA Employees on a pro rata basis, determined based on the number of eligible pay periods during the PAGA Release Period. (Id. (C)(2)(d).)
- With respect to the civil penalties, the settlement distribution complies with Labor Code Section 2699(i) requiring 75% payment to the LWDA and 25% of the amount to aggrieved employees.

3. Fairness of Settlement Agreement

The court finds that the settlement agreement is entitled to a presumption of fairness.

A settlement agreement in a class action is presumed fair where: (1) the settlement is reached through arm’s-length bargaining; (2) investigation and discovery are sufficient to allow counsel and the trial court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small. (Reed v. United Teachers Los Angeles (2012) 208 Cal.App.4th 332, 337.) This presumption applies in qui tam actions as well. (See Govt. Code § 12652(e)(2); see also Iskanian v. CLS Transportation Los Angeles LLC (2014) 59 Cal.4th 348, 382 (PAGA representative actions are a type of qui tam action).)

Following a motion for leave to amend, Plaintiff filed the representative complaint in the First Amended Complaint in this action on November 8, 2021. Defendant filed a Motion to Strike,

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which was later taken off calendar pursuant to the parties' settlement. Plaintiff had earlier filed a Motion to Quash Subpoenas, which the parties informally resolved. The parties informed of their conditional settlement on April 7, 2022.

The parties actively litigated the case, and engaged in a full-day mediation and settlement negotiations conducted by mediator Steve Peal. (Keshishyan Decl. ¶ 6.) Plaintiff's counsel has provided testimony approximating the maximum exposure for this case at \$100,000 based upon the number of aggrieved employees and pay period. (See id. ¶ 7.) Plaintiff's counsel has also provided testimony on the difficulties in prevailing in this action based upon Defendant's contentions and defenses, causing risk in further litigation and additional costs incurred if the case did not settle. (See id. ¶¶ 8-11.) The Settlement Agreement provides that the parties have conducted investigation into the facts of the action including extensive informal discovery, attending mediation and subsequent negotiations. (See Exh. A, at § (B)(3).)

Based on the foregoing, the court concludes that the parties arrived at the settlement agreement through arm's-length bargaining; that both sides were represented by counsel; and the parties engaged in investigation and discovery. There is no opposition to the motion. As such, it is entitled to a presumption of reasonableness.

4. Attorney's Fees and Costs

A trial court has discretion to conduct a lodestar cross-check on a percentage fee. (Laffitte v. Robert Half Internat. Inc. (2016) 1 Cal.5th 480, 506.) A computation of time spent on a case and the reasonable value of that time is fundamental to a determination of an appropriate attorneys' fee award; the lodestar figure may then be adjusted, based on consideration of factors specific to the case, in order to fix the fee at the fair market value for the legal services provided. (Serrano v. Priest (1977) 20 Cal.3d 25, 49.) Such an approach anchors the trial court's analysis to an objective determination of the value of the attorney's services, ensuring that the amount awarded is not arbitrary. (Id. at 48, fn. 23.)

Plaintiff seeks \$9,900 in attorney's fees for Plaintiff's counsel, as one-third of the Gross Settlement Amount, and \$9,500 in costs.

Plaintiff has provided a supplemental declaration to support that a lodestar cross-check also supports reasonableness of the attorney's fees and costs sought. Plaintiff supports that counsel has expended approximately 81 hours on this action, which at either an hourly rate of \$500/hour or \$400/hour exceeds the amount of attorney's fees sought as a percentage of recovery. (Supp.

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Keshishyan Decl. ¶ 4.) Next, Plaintiff has provided evidence of actually incurring \$9,176.67 in costs, and seeks approval of \$9,500 in costs for any remaining outstanding costs to complete this litigation; for any costs that are not actually incurred, the difference will return to the Net Settlement Amount. (Id. ¶ 2, Exh. A.) These amounts are reasonable and substantiated and approved.

5. Administrator Costs

Plaintiff seeks \$1,729.28 in fees and costs for the Settlement Administrator. Plaintiff has provided a supplemental declaration substantiating these costs as well. (Supp. Keshishyan Decl. ¶ 3, Exh. B.) The amount is reasonable and substantiated and approved.

6. Plaintiff's Service Award

Plaintiff seeks \$1,000 for a service reward. Plaintiff has provided a supplemental declaration supporting that Plaintiff has expended substantial time in efforts supporting this litigation. The amount is reasonable and approved.

II. Conclusion

The Motion for Order FOR APPROVAL OF SETTLEMENT PURSUANT TO THE PRIVATE ATTORNEYS GENERAL ACT OF 2004 ("PAGA") filed by Sophia Ayoub on 07/06/2022 is Granted.

Clerk is to give notice.

Certificate of Mailing is attached.