

1 This is a wage and hour putative class action and a Private Attorneys General Act
2 (“PAGA”) representative action. Plaintiffs Guadalupe Estrada and Brian Gillogly (collectively,
3 “Plaintiffs”) allege that Defendants Monterey Mushrooms, Inc. and Monterey Mushroom LLC
4 (collectively, “Defendants”), who specialize in the production, packaging, and distribution of
5 mushrooms throughout North America, with multiple large-scale farms located in California,
6 committed various wage and hour violations.

7 Before the Court is Plaintiffs’ motion for final approval of settlement, which is
8 unopposed. As discussed below, the Court GRANTS the motion.

9 I. BACKGROUND

10 Plaintiffs allege that Defendants’ payroll, timekeeping, and wage and hour practices
11 resulted in numerous Labor Code violations. More specifically, Plaintiffs allege that Defendants:
12 failed to pay for all hours worked; failed to provide employees with legally compliant meal and
13 rest periods; and failed to reimburse all business expenses incurred by employees. Ms. Estrada
14 was employed from March 28, 2020 through July 9, 2020, as a farm laborer picking and
15 pinching mushrooms, a non-exempt, hourly-paid position. Mr. Gillogly worked for Defendants
16 from approximately 1999 to December 4, 2020 in a non-exempt, hourly paid position.

17 On August 26, 2021, Ms. Estrada filed a PAGA representative action against Monterey
18 Mushrooms, Inc. asserting a single claim for penalties under PAGA (the “*Estrada Action*”). On
19 December 3, 2021, Mr. Gillogly filed a class action complaint against Monterey Mushrooms,
20 Inc. asserting the following causes of action: (1) failure to pay minimum and straight time wages;
21 (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and
22 permit meal periods; (5) failure to timely pay final wages at termination; (6) failure to provide
23 accurate itemized wage statements; (7) failure to indemnify employees for expenditure; and (8)
24 unfair business practices (the “*Gillogly Action*”). On February 7, 2022, Mr. Gillogly filed a First
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1 Amended Class and Representative Action Complaint which added a claim for penalties under
2 PAGA.

3 On July 31, 2023, the Court consolidated the *Estrada* and *Gillogly* Actions. Plaintiffs
4 filed a doe amendment naming Monterey Mushrooms LLC as Doe 1 in both actions.

5 **II. LEGAL STANDARDS FOR SETTLEMENT APPROVAL**

6 **A. Class Action**

7 Generally, “questions whether a [class action] settlement was fair and reasonable,
8 whether notice to the class was adequate, whether certification of the class was proper, and
9 whether the attorney fee award was proper are matters addressed to the trial court’s broad
10 discretion.” (*Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 234–235 (*Wershba*),
11 disapproved of on other grounds by *Hernandez v. Restoration Hardware, Inc.* (2018) 4 Cal.5th
12 260.)

13 “In determining whether a class settlement is fair, adequate and reasonable, the trial court
14 should consider relevant factors, such as the strength of plaintiffs’ case, the risk, expense,
15 complexity and likely duration of further litigation, the risk of maintaining class action status
16 through trial, the amount offered in settlement, the extent of discovery completed and the stage
17 of the proceedings, the experience and views of counsel, the presence of a governmental
18 participant, and the reaction of the class members to the proposed settlement.” (*Wershba, supra*,
19 91 Cal.App.4th at pp. 244–245, internal citations and quotations omitted.)

20 In general, the most important factor is the strength of the plaintiffs’ case on the merits,
21 balanced against the amount offered in settlement. (See *Kullar v. Foot Locker Retail, Inc.* (2008)
22 168 Cal.App.4th 116, 130 (*Kullar*).) But the trial court is free to engage in a balancing and
23 weighing of relevant factors, depending on the circumstances of each case. (*Wershba, supra*, 91
24 Cal.App.4th at p. 245.) The trial court must examine the “proposed settlement agreement to the
25 extent necessary to reach a reasoned judgment that the agreement is not the product of fraud or

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1 overreaching by, or collusion between, the negotiating parties, and that the settlement, taken as a
2 whole, is fair, reasonable and adequate to all concerned.” (*Ibid.*, citation and internal quotation
3 marks omitted.) The trial court also must independently confirm that “the consideration being
4 received for the release of the class members’ claims is reasonable in light of the strengths and
5 weaknesses of the claims and the risks of the particular litigation.” (*Kullar, supra*, 168
6 Cal.App.4th at p. 129.) Of course, before performing its analysis the trial court must be
7 “provided with basic information about the nature and magnitude of the claims in question and
8 the basis for concluding that the consideration being paid for the release of those claims
9 represents a reasonable compromise.” (*Id.* at pp. 130, 133.)

10 **B. PAGA**

11 Labor Code section 2699, subdivision (l)(2) provides that “[t]he superior court shall
12 review and approve any settlement of any civil action filed pursuant to” PAGA. The court’s
13 review “ensur[es] that any negotiated resolution is fair to those affected.” (*Williams v. Superior*
14 *Court* (2017) 3 Cal.5th 531, 549.) Seventy-five percent of any penalties recovered under PAGA
15 go to the Labor and Workforce Development Agency (LWDA), leaving the remaining twenty-
16 five percent for the aggrieved employees. (*Iskanian v. CLS Transportation Los Angeles, LLC*
17 (2014) 59 Cal.4th 348, 380, overruled on other grounds by *Viking River Cruises, Inc. v.*
18 *Moriana* (2022) 596 U.S. 639, 2022 U.S. LEXIS 2940.)

19 Similar to its review of class action settlements, the Court must “determine independently
20 whether a PAGA settlement is fair and reasonable,” to protect “the interests of the public and the
21 LWDA in the enforcement of state labor laws.” (*Moniz v. Adecco USA, Inc.* (2021) 72
22 Cal.App.5th 56, 76–77.) It must make this assessment “in view of PAGA’s purposes to
23 remediate present labor law violations, deter future ones, and to maximize enforcement of state
24 labor laws.” (*Id.* at p. 77; see also *Haralson v. U.S. Aviation Servs. Corp.* (N.D. Cal. 2019) 383
25 F. Supp. 3d 959, 971 [“when a PAGA claim is settled, the relief provided for under the PAGA

1 [should] be genuine and meaningful, consistent with the underlying purpose of the statute to
2 benefit the public”], quoting LWDA guidance discussed in *O’Connor v. Uber Technologies,*
3 *Inc.* (N.D. Cal. 2016) 201 F.Supp.3d 1110 (*O’Connor*).)

4 The settlement must be reasonable in light of the potential verdict value. (See *O’Connor,*
5 *supra*, 201 F.Supp.3d at p. 1135 [rejecting settlement of less than one percent of the potential
6 verdict].) But a permissible settlement may be substantially discounted, given that courts often
7 exercise their discretion to award PAGA penalties below the statutory maximum even where a
8 claim succeeds at trial. (See *Viceral v. Mistras Group, Inc.* (N.D. Cal., Oct. 11, 2016, No. 15-
9 CV-02198-EMC) 2016 WL 5907869, at *8–9.)

10 **III. SETTLEMENT CLASS**

11 For settlement purposes only, Plaintiffs request the following Class be finally certified:

12 All current and former non-exempt hourly paid/hourly employees and all current and
13 former non-exempt salaried employees of Defendant who work or worked for Defendant at any
14 of its facilities in California at any time from June 8, 2017 to June 24, 2023, or if later, the date
15 on which the workweek count reached 295,625; and all current and former non-exempt hourly-
16 paid/hourly workers who work or worked for Defendant at any of its facilities in California at
17 any time during the Class Period via, through or under the employment of a farm labor
18 contractor, temporary services employer or other third party that furnished workers to Defendant
19 from June 8, 2017 to June 24, 2023.

20 Rule 3.769(d) of the California Rules of Court states that “[t]he court may make an order
21 approving or denying certification of a provisional settlement class after [a] preliminary
22 settlement hearing.” California Code of Civil Procedure Section 382 authorizes certification of a
23 class “when the question is one of a common or general interest, of many persons, or when the
24 parties are numerous, and it is impracticable to bring them all before the court”

1 Section 382 requires the plaintiff to demonstrate by a preponderance of the evidence:
2 (1) an ascertainable class and (2) a well-defined community of interest among the class
3 members. (*Sav-On Drug Stores, Inc. v. Superior Court* (2004) 34 Cal.4th 319, 326, 332 (*Sav-On*
4 *Drug Stores*).) “Other relevant considerations include the probability that each class member
5 will come forward ultimately to prove his or her separate claim to a portion of the total recovery
6 and whether the class approach would actually serve to deter and redress alleged wrongdoing.”
7 (*Linder v. Thrifty Oil Co.* (2000) 23 Cal.4th 429, 435.) The plaintiff has the burden of
8 establishing that class treatment will yield “substantial benefits” to both “the litigants and to the
9 court.” (*Blue Chip Stamps v. Superior Court* (1976) 18 Cal.3d 381, 385.)

10 In the settlement context, “the court’s evaluation of the certification issues is somewhat
11 different from its consideration of certification issues when the class action has not yet settled.”
12 (*Luckey v. Superior Court* (2014) 228 Cal.App.4th 81, 93.) As no trial is anticipated in the
13 settlement-only context, the case management issues inherent in the ascertainable class
14 determination need not be confronted, and the court’s review is more lenient in this respect. (*Id.*
15 at pp. 93–94.) But considerations designed to protect absentees by blocking unwarranted or
16 overbroad class definitions require heightened scrutiny in the settlement-only class context, since
17 the court will lack the usual opportunity to adjust the class as proceedings unfold. (*Id.* at p. 94.)

18 At preliminary approval, the Court provisionally certified the above-described class,
19 determining that Plaintiffs had demonstrated by a preponderance of the evidence (1) an
20 ascertainable class, (2) a well-defined community of interest among the class members and (3)
21 that a class action provides substantial benefits to both litigants and the Court. Consequently, the
22 Court will certify the class for settlement purposes as requested.

23 **IV. TERMS AND ADMINISTRATION OF SETTLEMENT**

24 The non-reversionary gross settlement amount is \$2,150,000. Attorney’s fees of up to
25 one-third of the gross settlement (\$716,565), litigation costs of \$22,252.28, and \$26,500 in

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1 administration costs will be paid from the gross settlement. \$50,000 will be allocated to PAGA
2 penalties, 75% of which (\$37,500) will be paid to the LWDA, with the remaining 25% (\$12,500)
3 paid, on a pro rata basis, to “PAGA Employees,” who are defined as “all persons who are Class
4 Members who were employed at any time during [June 8 through the date of preliminary
5 approval of the settlement].” “Class Members,” in turn, are defined as:

6 All current and former non-exempt hourly paid/hourly employees and all current and
7 former non-exempt salaried employees of Defendant who work or worked for Defendant at any
8 of its facilities in California at any time during the Class Period; and all current and former non-
9 exempt hourly-paid / hourly workers who work or worked for Defendant at any of its facilities in
10 California at any time during the Class Period via, through or under the employment of a farm
11 labor contractor, temporary services employer or other third party that furnished workers to
12 Defendant.

13 The “Class Period” is the time period from June 8, 2014 to June 24, 2023. Plaintiffs each
14 seek an enhancement payment of \$12,500.

15 The net settlement will be allocated to Class Members on a pro rata basis based on the
16 number of pay periods worked during the Class Period. For tax purposes, settlement payments
17 will be allocated 30% to wages and 70% to penalties. The employer side payroll taxes will be
18 paid by Defendants separately from the gross settlement amount. 100% of the PAGA payment
19 to PAGA Employees will be allocated to penalties. Funds associated with checks uncashed after
20 180 days will be transmitted to the State of California’s Unclaimed Wages Fund.

21 In exchange for settlement, Class Members who do not opt out will release:

22 All claims pleaded in the Action and which could have been alleged under the facts,
23 transactions, events, policies, occurrences, acts, disclosures, statements, omissions or failure to
24 act allegations and/or claims pleaded in the Action (including in both the Estrada Lawsuit and
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1 Gillogly Lawsuit), against the Released Parties (as defined in Paragraph 24 above), for work
2 performed during the Class Period

3 Plaintiffs and the PAGA Employees will release:

4 All PAGA claims predicated on the facts and/or claims alleged in the Action and/or any
5 PAGA letter sent to the LWDA by any named plaintiff, Settlement Class Member or PAGA
6 Employee in the Action or in any way premised in whole or in part on any of the Class Claims
7 set forth above in Paragraph 64 that arose at any time during the PAGA Period (collectively, "the
8 PAGA Claims"). The PAGA Employees will be issued a check for their share of the PAGA
9 Payment, Individual PAGA Payment, and will not have the opportunity to opt out of, or object
10 to, the PAGA Payment and release of the PAGA Claims set forth in this Paragraph. The PAGA
11 Employees are bound by the release of the PAGA Claims regardless of whether they cash their
12 Individual PAGA Payment.

13 The foregoing releases are both appropriately tailored to the allegations at issue.
14 (See *Amaro v. Anaheim Arena Management, LLC* (2021) 69 Cal.App.5th 521, 537.)

15 The notice period has now been completed. According to the declaration of case
16 manager Veronica Olivares of settlement administrator CPT Group, Inc. ("CPT") submitted in
17 support of the instant motion, on May 28, 2024, CPT received from Defendant class data files
18 containing the names, social security numbers, last known mailing addresses, and the total
19 number of relevant workweeks worked for 3,815 individuals, which are broken down as follows:
20 1,358 are Settlement Class Members only, 278 are PAGA Employees only, and 2,179 are both
21 Settlement Class Members and PAGA Employees.

22 There were 674 Settlement Class Members who did not have valid addresses on record
23 with Defendant, therefore, CPT developed a supplemental notice plan- approved by this Court in
24 an order dated February 25, 2025- which consisted of newspaper and radio advertisements.

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1 These advertisements were placed and/or aired on various dates between February 14 to March
2 6, 2025.

3 Notice packets were mailed to Class Members on February 12, 2025 via first class mail.
4 As of the date of Ms. Olivares' declaration, May 14, 2025, 239 notices were returned to CPT as
5 undeliverable, six of which included a forwarding address. CPT performed a skip trace on the
6 remaining 233 notices to locate a current address and located 98 addresses, to which notices were
7 promptly re-mailed. At present, 143 notices are considered undeliverable.

8 The deadline to submit a request for exclusion, a challenge to the amount of work weeks
9 listed, or an objection to the settlement was March 31, 2025. As of the date of Ms. Olivares'
10 declaration, CPT has received three requests for exclusion, one of which was a duplicate
11 response from the same class member, and thus CPT reports a total of two requests for exclusion.
12 CPT has received no challenges to the amount of work weeks listed or objections to the
13 settlement. Consequently, there are 1,358 Settlement Class only members, 279 PAGA
14 Employees, and 2,178 Settlement Class/PAGA Employees, representing 99.95% of the
15 Settlement Class. Based on the foregoing, Class Members will receive an average payment of
16 \$370.39, with the estimated highest payment being \$1,450.19.

17 At preliminary approval, the Court found that the proposed settlement provides a fair and
18 reasonable compromise to Plaintiffs' claims, and that the PAGA settlement is genuine,
19 meaningful, and fair to those affected. It finds no reason to depart from these findings now,
20 especially considering that there are no objections. Therefore, the Court finds that the settlement
21 is fair and reasonable for the purposes of final approval.

22 **V. ATTORNEYS' FEES, COSTS AND INCENTIVE AWARDS**

23 As set forth above, Plaintiffs' counsel seeks a fee award of \$716,565, or one-third of the
24 gross settlement amount, which is not an uncommon contingency fee allocation in a wage and
25 hour class action. Plaintiffs also provide a lodestar figure of \$364,000, which is based on 471.5

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1 hours of work at bills rates of \$575 to \$1,500 per hour, resulting in a multiplier of 2.06. This is
2 well within the range of multipliers that courts typically approve. (See *Laffitte v. Robert Half*
3 *Intern. Inc.* (2016) 1 Cal.5th 480, 488, 503–504 (*Laffitte*) [trial court did not abuse its discretion
4 in approving fee award of 1/3 of the common fund, cross-checked against a lodestar resulting in
5 a multiplier of 2.03 to 2.13]; *Wershba, supra*, 91 Cal.App.4th at p. 255 [“[m]ultipliers can range
6 from 2 to 4 or even higher”]; *Vizcaino v. Microsoft Corp.* (9th Cir. 2002) 290 F.3d 1043, 1051,
7 fn. 6 [stating that multipliers ranging from one to four are typical in common fund cases and
8 citing the court’s own survey of large settlements finding “a range of 0.6–19.6, with most (20 of
9 24, or 83%) from 1.0–4.0 and a bare majority (13 of 24, or 54%) in the 1.5–3.0 range”].)

10 “While the percentage method has been generally approved in common fund cases,
11 courts have sought to ensure the percentage fee is reasonable by refining the choice of a
12 percentage or by checking the percentage result against a lodestar- multiplier calculation.”

13 (*Laffitte, supra*, 1 Cal.5th 480, 494-495.) Applying this latter approach,

14 [T]he percentage-based fee will typically be larger than the lodestar based fee. Assuming
15 that one expects rough parity between the results of the percentage method and the lodestar
16 method, the difference between the two computed fees will be attributable solely to a multiplier
17 that has yet to be applied. Stated another way, the ratio of the percentage-based fee to the
18 lodestar-based fee implies a multiplier, and that implied multiplier can be evaluated for
19 reasonableness. If the implied multiplier is reasonable, then the cross-check confirms the
20 reasonableness of the percentage-based fee; if the implied multiplier is unreasonable, the court
21 should revisit its assumptions.

22 (*Laffitte, supra*, 1 Cal.5th at p. 496, quoting Walker & Horwich, *The Ethical Imperative*
23 *of a Lodestar Cross-check: Judicial Misgivings About “Reasonable Percentage” Fees*
24 *in Common Fund Cases* (2005) 18 Geo. J. Legal Ethics 1453, 1463.) As described by the
25 California Supreme Court, “[i]f the multiplier calculated by means of a lodestar crosscheck is

1 extraordinarily high or low, the trial court should consider whether the percentage used should be
2 adjusted so as to bring the imputed multiplier within a justifiable range, but the court is not
3 necessarily required to make such an adjustment.” (*Laffitte, supra*, 1 Cal.5th at 505.)

4 Here, the multiplier sought by Plaintiffs’ counsel is well within the acceptable range and
5 is supported by the percentage cross-check. As such, the Court finds counsel’s requested fee
6 award is reasonable.

7 Plaintiffs’ counsel also seeks \$22,252.28 in litigation costs, which is less than the
8 \$25,000 limit set forth in the parties’ agreement. Based on the information contained in the
9 declaration of Plaintiffs’ counsel, this amount is reasonable and is therefore approved. The
10 \$26,500 in administrative costs are also approved.

11 Finally, Plaintiffs request an enhancement award of \$12,500 each, which is the maximum
12 amount permitted under the settlement agreement. To support this request, Plaintiffs submitted
13 declarations in support of the preceding motion for preliminary approval in which they describe
14 their efforts in this action. Based on these declarations, the Courts finds that Plaintiffs are
15 entitled to enhancement awards and the amounts requested are reasonable and are therefore
16 approved.

17 VI. CONCLUSION

18 In accordance with the above, IT IS HEREBY ORDERED, ADJUDGED, AND
19 DECREED THAT:

20 Plaintiffs’ motion for final approval and for fees and costs is GRANTED. The following
21 class is certified for settlement purposes only:

22 All current and former non-exempt hourly paid/hourly employees and all current and
23 former non-exempt salaried employees of Defendant who work or worked for Defendant at any
24 of its facilities in California at any time from June 8, 2017 to June 24, 2023; and all current and
25 former non-exempt hourly-paid/hourly workers who work or worked for Defendant at any of its

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1 facilities in California at any time during the Class Period via, through or under the employment
2 of a farm labor contractor, temporary services employer or other third party that furnished
3 workers to Defendant from June 8, 2017 to June 24, 2023.

4 Judgment will be entered through the filing of this order and judgment. (Code Civ. Proc.,
5 § 668.5.) Plaintiffs and the members of the Class/Aggrieved Employees will take from their
6 Complaints only the relief set forth in the settlement agreement and this order and judgment.

7 Pursuant to Rule 3.769(h) of the California Rules of Court, the Court will retain jurisdiction over
8 the parties to enforce the terms of the settlement agreement and the final order and judgment.

9 The Court sets a compliance hearing for **February 5, 2026 at 2:30 P.M.** in Department
10 7. At least ten court days before the hearing, class counsel and the settlement administrator shall
11 submit a summary accounting of the net settlement fund identifying distributions made as
12 ordered herein; the number and value of any uncashed checks; amounts remitted pursuant to
13 Code of Civil Procedure section 384, subdivision (b); the status of any unresolved issues; and
14 any other matters appropriate to bring to the Court's attention. Counsel shall also submit an
15 amended judgment as described in Code of Civil Procedure section 384, subdivision (b).

16 Counsel may appear at the compliance hearing remotely.

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19 DATED: June 9, 2025


CHARLES F. ADAMS
Judge of the Superior Court

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