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 County of Santa Clara
 22CV394270
 By: afloresca

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6/9/2025 10:17:26 AM

Attorneys for Plaintiff and the Aggrieved Employees

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA CLARA

LEYLA SHAMS, as an individual and on
 behalf of all others similarly situated,

Plaintiff,

vs.

REVATURE LLC, a Virginia corporation;
 and DOES 1 through 50, inclusive,

Defendants.

Case No.: 22CV394270

**~~PROPOSED~~ ORDER GRANTING
 PLAINTIFF'S MOTION TO APPROVE
 SETTLEMENT AGREEMENT PURSUANT
 TO THE PRIVATE ATTORNEYS GENERAL
 ACT AND JUDGMENT THEREON**

Date: June 4, 2025

Time: 1:30 p.m.

Dept.: 19

Action Filed: February 14, 2022

Trial Date: None Set

~~PROPOSED~~ ORDER

Plaintiff Leyla Shams's ("Plaintiff") Motion to Approve Settlement Agreement Pursuant to the Private Attorneys General Act was scheduled for a hearing on June 4, 2025. The Court issued a tentative order granting Plaintiff's Motion to Approve Settlement Agreement Pursuant to the Private Attorneys General Act, which the Parties did not contest and the Court adopted the tentative, attached herewith as Exhibit A.

IT IS SO ORDERED.

DATED: June 6, 2025



HONORABLE THEODORE C. ZAYNER
SUPERIOR COURT OF CALIFORNIA

EXHIBIT A

Calendar Line 5

Case Name: Shams v. Revature LLC
Case No.: 22CV394270

The above-entitled action comes on for hearing before the Honorable Theodore C. Zayner on June 4, 2025, at 1:30 p.m. in Department 19. The court now issues its tentative ruling as follows:

I. Introduction

This is a putative class and representative action arising from alleged wage and hour violations. Plaintiff Leyla Shams (“Plaintiff”) began this action on February 14, 2022, by filing a complaint against defendant Revature LLC (“Defendant”), setting forth causes of action for: (1) violation of Labor Code section 2802 (reimbursement of business-related expenses); (2) violation of Business and Professions Code section 16600 (unlawful employment agreements); (3) violation of Business and Professions Code section 17200 (unfair and unlawful business practices; (4) negligent misrepresentation; and (5) violation of Labor Code section 2698, *et seq.* (the Private Attorneys General Act [“PAGA”])).

On March 21, 2022, Defendants filed a Notice of Removal of Action to Federal Court, regarding *Lelya Shams v. Revature LLC* (N.D. Cal. 2022) No. 5:22-cv-01745-NC. On August 17, 2022, the federal court granted Defendant’s motion to compel arbitration of Plaintiff’s individual claims, and subsequently issued a stay of action as to the remaining non-individual PAGA claims, pending resolution of the arbitration. (See Declaration of Max W. Gavron (“Gavron Decl.”), ¶ 9.) Thereafter, all that remained in the lawsuit were Plaintiff’s non-individual claims predicated on violation of the PAGA. (*Ibid.*) On September 30, 2022, Plaintiff filed a demand for arbitration of her individual claims with the American Arbitration Association. (*Id.* at ¶ 10.)

On May 17, 2024, the Honorable Nathanael M. Cousins of the United States District Court, Northern District of California, issued an order remanding the case to this court. (See certified copy of docket entries and remand order, filed on June 4, 2024.) Judge Cousins explained that the Parties filed a stipulation to remand the case, and that he agreed that remand

was appropriate due to the lack of federal Article III standing and federal subject matter jurisdiction.

The parties have reached a settlement. Plaintiff's unopposed motion for approval of the PAGA settlement is now before the court.

II. Legal Standard for PAGA Settlement Agreements

Under PAGA, an aggrieved employee may bring a civil action personally and on behalf of other current or former employees to recover civil penalties for Labor Code violations. (*Iskanian v. CLS Transp. Los Angeles, LLC* (2014) 59 Cal.4th 348, 380, overruled on other grounds by *Viking River Cruises, Inc. v. Moriana* (2022) 596 U.S. 639 [2022 U.S. LEXIS 2940].) Seventy-five percent of any penalties recovered go to the Labor and Workforce Development Agency ("LWDA"), leaving the remaining 25 percent for the employees. (*Ibid.*) PAGA is intended "to augment the limited enforcement capability of [the LWDA] by empowering employees to enforce the Labor Code as representatives of the Agency." (*Id.* at p. 383.) A judgment in a PAGA action binds all those, including nonparty aggrieved employees, who would be bound by a judgment in an action brought by the government. (*Id.* at p. 381.)

A superior court must review and approve any PAGA settlement. (Lab. Code, § 2699, subd. (1)(2).) The court's review "ensur[es] that any negotiated resolution is fair to those affected." (*Williams v. Superior Court* (2017) 3 Cal.5th 531, 549.) The proposed settlement must be submitted to the LWDA at the same time it is submitted to the court. (*Ibid.*)

As discussed by one court:

PAGA does not establish a clear standard for evaluating PAGA settlements. ...

[¶]

Accordingly, certain courts have been willing to approve PAGA settlements only if (1) the statutory requirements set forth by PAGA have been satisfied, and (2) the settlement agreement is fair, reasonable, and adequate in view of PAGA's public policy goals.

(*Patel v. Nike Retail Services, Inc.* (N.D. Cal. 2019) 2019 WL 2029061, 2019 U.S. Dist. LEXIS 77988 (*Patel*), at *5.)

As part of this analysis, these courts have evaluated proposed PAGA settlements under the relevant factors from *Hanlon v. Chrysler Corp.* (9th Cir. 1998) 150 F.3d 1011, 1026. (*Patel*,

supra, 2019 U.S. Dist. LEXIS 77988 at *5-6.) “Of the *Hanlon* factors, the following are relevant to evaluating [a] PAGA settlement: (1) the strength of the plaintiff’s case; (2) the risk, expense, complexity, and likely duration of further litigation; (3) the amount offered in settlement; (4) the extent of discovery completed and the stage of the proceedings; (5) the presence of government participation; and (6) the expertise and views of counsel.” (*Ibid.*)

Similar to its review of class action settlements, the Court must “determine independently whether a PAGA settlement is fair and reasonable,” to protect “the interests of the public and the LWDA in the enforcement of state labor laws.” (*Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, 76–77.) It must make this assessment “in view of PAGA’s purposes to remediate present labor law violations, deter future ones, and to maximize enforcement of state labor laws.” (*Id.* at p. 77; see also *Haralson, supra*, 383 F. Supp. 3d at p. 971 [“when a PAGA claim is settled, the relief provided for under the PAGA [should] be genuine and meaningful, consistent with the underlying purpose of the statute to benefit the public ...”], quoting LWDA guidance discussed in *O’Connor v. Uber Technologies, Inc.* (N.D. Cal. 2016) 201 F.Supp.3d 1110 (*O’Connor*).)

“[W]hen a PAGA claim is settled, the relief provided ... [should] be genuine and meaningful, consistent with the underlying purpose of the statute to benefit the public ...” (*O’Connor, supra* at p. 1133.) The settlement must be reasonable in light of the potential verdict value. (*Id.* at 1135 [rejecting settlement of less than one percent of the potential verdict].) But a permissible settlement may be substantially discounted, given that courts often exercise their discretion to award PAGA penalties below the statutory maximum even where a claim succeeds at trial. (See *Viceral v. Mistras Group, Inc.* (N.D. Cal., Oct. 11, 2016, No. 15-CV-02198-EMC) 2016 WL 5907869, 2016 U.S. Dist. LEXIS 140759 at *8-9.)

III. Discussion

A. Provisions of the Settlement

Plaintiff moves for approval of a proposed settlement made on behalf of:

[A]ny current or former non-exempt, hourly service worker who was employed by Defendant at Revature LLC, in the State of California during the PAGA Period [November 22, 2020, through April 30, 2023].

(Gavron Decl.), Ex. A (“Agreement”), ¶¶ 1.4, 1.20)

Defendant will pay a gross settlement amount of \$285,000, subject to an escalator clause. (Agreement, ¶¶ 1.11, 3.2.) This amount includes attorney fees no more than \$95,000, litigation costs not to exceed \$30,000, a service award of \$10,000 to Plaintiff, settlement administration costs up to \$9,500. (*Id.* at ¶ 3.3.) Of the remaining net settlement amount, 75 percent will be paid to the LWDA, and 25 percent will be distributed to aggrieved employees based on the pro rata number of pay periods worked by each aggrieved employee during the PAGA Period. (*Ibid.*) Funds from checks that are not cashed within 180 days from the date of mailing will be transmitted to the Justic Gap Fund as the *cy pres* beneficiary. (*Id.* at ¶ 4.3.3.)

In exchange for the settlement, aggrieved employees are deemed to release the Defendant and related people and entities from “all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice[.]” (Agreement, ¶¶ 1.27-1.28, 5.) The PAGA release provision is appropriately tailored to the facts alleged. (See *Amaro v. Anaheim Arena Management, LLC* (2021) 69 Cal.App.5th 521, 538.)

B. Fairness of the Settlement

Plaintiff contends that the proposed settlement is fair and reasonable. (Motion, pp. 13:18 – 20:1.) Plaintiff’s counsel argues the settlement should be approved considering Defendant’s potential defenses and the risks and costs of continued litigation. (Gavron Decl., ¶¶ 11 – 17, 40 – 43.) On February 6, 2024, and again on August 14, 2024 the Parties participated in mediation with Michael J. Loeb. (*Id.* at ¶¶ 15, 17.) Prior to mediation, the parties conducted investigation and discovery, and Defendant produced documents including exemplary wage statements. (*Id.* at ¶¶ 11, 14, 42.)

Plaintiff calculated that the maximum amount of statutory PAGA civil penalties was approximately \$1.9 million (with stacking), based on 9,500 pay periods during the PAGA Period. (Gavron Decl., ¶¶ 32 – 33.) Under Plaintiff’s analysis, the gross settlement amount of

\$285,000 represents approximately 15 percent of Defendant's total estimated exposure (with stacking). This percentage recovery is reasonable based on the general range of percentage recoveries that California courts have approved. (See *Cavazos v. Salas Concrete, Inc.* (E.D. Cal., Feb 18, 2022, No. 1:19-cv-00062-DAD-EPG) 2022 U.S.Dist. LEXIS 30201, at *41-42 [citing cases indicating that a general range of 5 to 35 percent of the maximum potential exposure is reasonable].)

The court has reviewed Plaintiff's written submissions in support of the proposed settlement. Based on the circumstances of the case, including the strength of Plaintiff's case and potential defenses, the court finds the terms of the settlement to be fair. The settlement provides for some recovery for each class member and eliminates the risk and expense of further litigation.

C. Service Award, Attorney Fees and Costs

Plaintiff seeks a service award in the amount of \$10,000. (Motion, pp. 25:20 – 26:12.) Although service awards are common in class actions, there is less authority regarding the propriety of service awards in PAGA cases. Nevertheless, a PAGA case is a representative action like a class action, and courts have recognized that an individual's willingness to act as a private attorney general may merit a service award. (See *Rodriguez v. West Publishing Corp.* (9th Cir. 2009) 563 F.3d 948, 959.)

Plaintiff has submitted a declaration describing her participation in the action. (Declaration of Leyla Shams, ¶¶ 6 – 10.) The court finds that a service award is appropriate and that the amount requested is reasonable. Accordingly, the court approves the service award in the amount requested.

Plaintiff's counsel seeks attorney fees in the amount of \$95,000 and reimbursement of \$21,655.53 in litigation costs. (Motion, pp. 20:8 – 25:14.) Counsel submits that Plaintiff has incurred a lodestar of approximately \$125,920. (*Id.* at p. 23:17 – 25:10; Gavron Decl., ¶¶ 51 – 53 and Ex. B; Declaration of Larry W. Lee, ¶ 10 and Ex. A; Declaration of William L. Marder, ¶ 15 and Ex. A.) This results in a negative multiplier. Counsel also provides evidence of costs incurred in the amount requested. (Gavron Decl., ¶ 54 and Ex. C.) The court finds the

requested fees and costs to be reasonable and approves attorney fees and reimbursement of litigation costs in the amounts requested.

Finally, Plaintiff seeks settlement administration costs in the amount of \$9,500. (See Motion, p. 25:15-19; Gavron Decl., ¶ 24.) The court finds the amount to be reasonable, and the request for settlement administration costs is approved in the amount requested.

IV. Conclusion

The motion for approval of PAGA settlement is GRANTED. The court sets a compliance hearing for March 4, 2026 at 2:30 p.m. in Department 19.

Case Management Conference June 4, 2025 is VACATED.

Plaintiff shall prepare the order in accordance with California Rules of Court, rule 3.1312.

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PROOF OF SERVICE

(Code of Civil Procedure Sections 1013a, 2015.5)

STATE OF CALIFORNIA]
]ss.
COUNTY OF LOS ANGELES]

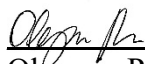
I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is 515 S. Figueroa Street, Suite 1250, Los Angeles, California 90071.

On June 6, 2025, I served the following document(s) described as: **[PROPOSED] ORDER GRANTING PLAINTIFF'S MOTION TO APPROVE SETTLEMENT AGREEMENT PURSUANT TO THE PRIVATE ATTORNEYS GENERAL ACT AND JUDGMENT THEREON** on the interested parties in this action as follows:

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Attorney for Defendant Revature LLC

 X BY ELECTRONIC SERVICE: Based on a court order I caused the above-entitled document(s) to be served through the Odyssey eFileCA E-Filing System at the website www.california.tylerhost.net, addressed to all parties appearing on the electronic service list for the above-entitled case. The service transmission was reported as complete and a copy of the filing receipt/confirmation will be filed, deposited, or maintained with the original document(s) in this office.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on June 6, 2025, at Los Angeles, California.



Olympia Peña