SUPERIOR COURT OF CALIFORNIA
COUNTY OF SANTA CLARA

MINUTE ORDER

Case, et al. v. Pinnacle Pipeline Inspection, Inc. (Class Action)		Hearing Start Time:	1:30 PM
21CV389608		Hearing Type:	Motion: Final Fairness Hearing
Date of Hearing: 01/09/2025			

Heard By:	Adams, Charles F	Location:	Department 7
Courtroom Reporter:		Courtroom Clerk:	Thomas Duarte
		Court Interpreter:	
		Court Investigator:	

<u>Parties Present:</u> <u>Future Hearings:</u>

- Benjamin Haber appears as counsel for Plaintiff.
Galen Sallami appears as counsel for Defendant.

No one has contested the Tentative Ruling.

The Tentative Ruling is adopted. See below for ruling.

Calendar Line 2
Case Name: Case, et al. v. Pinnacle Pipeline Inspection, Inc. (Class Action)
Case No.: 21CV389608
This is a class and representative action arising from alleged wage and hour violations. Plaintiffs Jordan Case, Jonell Murphy, Mark Fajardo and David Galvan (collectively, Plaintiffs) allege that Defendant Pinnacle Pipeline Inspection, Inc. (Defendant or Pipeline) committed various Labor Code violations. Before the Court is Plaintiff s unopposed motion for final approval of settlement. As discussed below, the Court will GRANT the motion.
I. BACKGROUND
According to the allegations of the operative First Amended Complaint (FAC), Plaintiffs were employed by Defendant as hourly-paid, non-exempt employees at various times between 2020 and 2023. (FAC, 8-10.) Plaintiffs allege that throughout their employment, Defendants failed to: pay them and putative class members for all hours worked (including minimum, straight time and overtime wages); provide them with legally compliant meal periods; authorize and permit them to take rest periods; timely pay all final wages to Plaintiffs Case and Murphy when Defendants terminated their employment; furnish accurate wage statements to them; and indemnify them for expenditures incurred as a consequence of discharging their job duties. (Id., 17-25.)
On October 29, 2021, Plaintiff began this action by filing a Complaint. On October 11, 2023, Plaintiffs filed the FAC, asserting the following causes of action: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) fail to authorize and permit rest periods; (5) failure to timely pay wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; (8) failure to produce requested employment records; (9) unfair

business practices; and (10) civil penalties under the Private Attorneys General Act (PAGA).
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The parties have reached a settlement. On July 24, 2024, the court issued an order granting Plaintiffs motion for preliminary approval of the settlement and setting a final approval hearing for January 9, 2025. On December 16, 2024, Plaintiffs filed their motion for final approval of the settlement.
II. LEGAL STANDARDS FOR SETTLEMENT APPROVAL
A. Class Action
Generally, questions whether a [class action] settlement was fair and reasonable, whether notice to the class was adequate, whether certification of the class was proper, and whether the attorney fee award was proper are matters addressed to the trial court s broad discretion. (Wershba v. Apple Computer, Inc. (2001) 91 Cal.App.4th 224, 234 235 (Wershba), disapproved of on other grounds by Hernandez v. Restoration Hardware, Inc. (2018) 4 Cal.5th 260.)
In determining whether a class settlement is fair, adequate and reasonable, the trial court should consider relevant factors, such as the strength of plaintiffs case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction of the class members to the proposed settlement.
(Wershba, supra, 91 Cal.App.4th at pp. 244 245, internal citations and quotations omitted.)
In general, the most important factor is the strength of the plaintiffs case on the merits, balanced against the amount offered in settlement. (See Kullar v. Foot Locker Retail, Inc. (2008) 168 Cal.App.4th 116, 130 (Kullar).) But the trial court is free to engage in a balancing and weighing of relevant factors, depending on the circumstances of each case. (Wershba, supra, 91 Cal.App.4th at p. 245.) The trial court must examine the proposed settlement agreement to the extent necessary to reach a reasoned judgment that the agreement is not the product of fraud or overreaching by, or collusion between, the negotiating parties, and that the
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settlement, taken as a whole, is fair, reasonable and adequate to all concerned. (Ibid., citation and internal quotation marks omitted.) The trial court also must independently confirm that the consideration being received for the release of the class members claims is reasonable in light of the strengths and weaknesses of the claims and the risks of the particular litigation. (Kullar, supra, 168 Cal.App.4th at p. 129.) Of course, before performing its analysis the trial court must be provided with basic information about the nature and magnitude of the claims in question and the basis for concluding that the consideration being paid for the release of those claims represents a reasonable compromise. (Id. at pp. 130, 133.)
B. PAGA
Labor Code section 2699, subdivision (l)(2) provides that [t]he superior court shall review and approve any settlement of any civil action filed pursuant to PAGA. 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.) Seventy-five percent of any penalties recovered under PAGA go to the Labor and Workforce Development Agency (LWDA), leaving the remaining twenty-five percent for the aggrieved employees. (Iskanian v. CLS Transportation 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.)
Like 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 v. U.S. Aviation Servs. Corp. (N.D. Cal. 2019) 383 F. Supp. 3d 959, 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).)

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The settlement must be reasonable in light of the potential verdict value. (See O Connor, supra, 201 F.Supp.3d at p. 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, at *8 9.)

III. SETTLEMENT CLASS

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

All persons who worked for Defendant in California as an hourly paid or non exempt employee during the Class Period [the period from October 29, 2017 through September 20, 2024].

(Declaration of Benjamin H. Haber in Support of Plaintiffs Motion for Final Approval of Class Action Settlement (Haber Dec.), Ex. 1 (Agreement), 1.5, 1.12.)

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

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

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

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

IV. TERMS AND ADMINISTRATION OF SETTLEMENT

The non-reversionary gross settlement amount is $295,000. This amount includes attorney s fees of up to one-third of the settlement ($98,333.33), litigation costs of up to $25,000, and administration costs of up to $15,000. The settlement allocates $100,000 to PAGA penalties, 75% of which ($75,000) will be paid to the LWDA, with the remaining 25% ($25,000) paid to Aggrieved Employees, defined as all persons who worked for Defendant in California as an hourly paid or non-exempt employee during the PAGA Period [November 24, 2020 through September 20, 2023], on a pro rata basis. Each of the four representative Plaintiffs seeks an enhancement award of $10,000.

The net settlement amount will be allocated to Class members on a pro rata basis based on the number of weeks worked during the Class Period. Class members will not be required to submit a claim to receive their payment. For tax purposes, settlement payments will be allocated 33% to wages and 67% to penalties and interest. Funds associated with checks

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uncashed after 180 days will be transmitted to the Controller of the State of California to be held in trust for such class members pursuant to California unclaimed property law.

In exchange for settlement, Class members who do not opt-out will release Defendant and related persons and entities from all claims that were alleged or that reasonably could have been alleged based on the facts alleged in any version of the Complaints filed in the lawsuit. Aggrieved Employees, who by statute may not opt out of the PAGA portion of the settlement, will be deemed to release Defendant and related persons and entities from all claims for PAGA penalties that were alleged or that reasonably could have been alleged based on the facts alleged in the LWDA Letter submitted by Plaintiffs Case, Murphy and Fajardo. The Plaintiffs also agree to a comprehensive general release. The releases are appropriately tailored to the allegations at issue. (See Amaro v. Anaheim Arena Management, LLC (2021) 69 Cal.App.5th 521, 537.)

The notice period has now been completed. According to the declaration of case manager Nicole Bench with settlement administrator ILYM Group, Inc. (ILYM) submitted in support of the instant motion (Bench Dec.), on September 9, 2024, ILYM received from class data files from Defendant containing the names, social security numbers, last known mailing addresses. The Class List contained 152 individuals who worked 10,259 workweeks during the class period, triggering the escalator clause which caused a modest increase in the gross settlement amount (from $295,000 to $296,973.03). (Bench Dec.,   5, 14-15; see also Agreement,   8.1.)

ILYM processed the addresses it had against the National Change of Address database to confirm and update this information, and, on September 23, 2024, mailed the notice packet to the Class Members via first class mail. As of the date of Ms. Bench s declaration, December 16, 2024, a total of 11 notice packets have been deemed undeliverable.

The deadline to submit a request for exclusion or an objection to the settlement was November 22, 2024. As of December 16, 2024, ILYM has not received any requests for exclusion, objections to the settlement, or valid disputes from a Class Member. ILYM

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estimates that participating Class Members will receive an estimated average payment of $776.23.

At preliminary approval, the court found that the proposed settlement provides a fair and reasonable compromise to Plaintiff s claims, and that the PAGA settlement is genuine, meaningful, and fair to those affected. It finds no reason to depart from these findings now, especially considering that there are no objections. Therefore, the court finds that the settlement is fair and reasonable for the purposes of final approval.

V. ATTORNEYS FEES, COSTS, AND INCENTIVE AWARDS

As set forth above, Plaintiffs counsel seeks a fee award of $98,333.33, or one-third of the gross settlement amount. The court observes that this is a common fee arrangement in wage and hour class actions. Plaintiff also provides a lodestar figure of $120,025 based on 156 hours of work at billing rates ranging from $550 to $1,500 per hour. (Haber Dec, 18-19.) This results in a negative multiplier, bringing the requested fee award well within the range that courts typically approve. (See Laffitte v. Robert Half Intern. Inc. (2016) 1 Cal.5th 480, 488, 503 504 (Laffitte) [trial court did not abuse its discretion in approving fee award of 1/3 of the common fund, cross-checked against a lodestar resulting in a multiplier of 2.03 to 2.13]; Wershba, supra, 91 Cal.App.4th at p. 255 [[m]ultipliers can range from 2 to 4 or even higher]; Vizcaino v. Microsoft Corp. (9th Cir. 2002) 290 F.3d 1043, 1051, fn. 6 [stating that multipliers ranging from one to four are typical in common fund cases and citing the court s own survey of large settlements finding a range of 0.6 19.6, with most (20 of 24, or 83%) from 1.0 4.0 and a bare majority (13 of 24, or 54%) in the 1.5 3.0 range].)

Accordingly, the court finds the requested fee award to be reasonable and awards attorneys fees in the requested amount of $98,333.33.

Plaintiffs counsel also seeks $14,380.67 in litigation costs, well within the $25,000 maximum allotted by the Agreement. (Haber Dec., 26 and Ex. 2.) Based on the information contained in the declaration of Plaintiffs counsel, this amount is reasonable and is therefore approved. The $4,995 amount in administrative costs is also approved. (Bench Dec., 18.)

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Finally, Plaintiffs Case, Fajardo, Galvan, and Murphy each request enhancement awards of $10,000. To support their requests, Plaintiffs each submitted a declaration in connection with the motion for preliminary approval, describing their efforts and time spent in this action. The court finds that Plaintiffs are entitled to enhancement awards and that the amounts requested are reasonable. Therefore, the enhancement awards are approved in the amounts requested.

VI. CONCLUSION

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

Plaintiff s motion for final approval and for fees and costs is GRANTED. The following class is certified for settlement purposes only:

All persons who worked for Defendant in California as an hourly paid or non exempt employee during the Class Period, which is the period from October 29, 2017 through September 20, 2024.

Judgment will be entered through the filing of this order and judgment. (Code Civ. Proc., 668.5.) Plaintiff and the members of the Class/Aggrieved Employees will take from the FAC only the relief set forth in the settlement agreement and this order and judgment.

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

The Court sets a compliance hearing for August 7, 2025 at 2:30 P.M. in Department 7.

At least ten court days before the hearing, class counsel and the settlement administrator shall

submit a summary accounting of the net settlement fund identifying distributions made as ordered herein; the number and value of any uncashed checks; amounts remitted pursuant to Code of Civil Procedure section 384, subdivision (b); the status of any unresolved issues; and any other matters appropriate to bring to the Court s attention. Counsel shall also submit an
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amended judgment as described in Code of Civil Procedure section 384, subdivision (b).
Counsel may appear at the compliance hearing remotely.
The court will prepare the order.