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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

MAURICE KEYS and JOSE JUAN NOYOLA, individually and on behalf of all others similarly situated, Plaintiffs, v. USA WASTE OF CALIFORNIA, INC.; STAFFING NETWORK HOLDINGS, L.L.C.; and DOES 3 through 20, inclusive, Defendants.	Case No. 30-2022-01244825-CU-OE-CXC *Assigned for All Purposes to:* *Judge Randall J. Sherman* *Dept. CX-105* **PLAINTIFFS' NOTICE OF MOTION AND MOTION FOR APPROVAL OF PAGA SETTLEMENT** Date: June 6, 2025 Time: 10:00 a.m. Dept: CX-105 Reservation No. 74493296

TO THE COURT, ALL INTERESTED PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on June 6, 2025 at 10:00 a.m., in Department CX-105 of the Superior Court of the County of Orange, located at 751 West Santa Ana Blvd., Santa Ana, California 92701, Plaintiffs Maurice Keys and Jose Juan Noyola ("Plaintiffs") will and hereby do move this Court for an Order granting approval of the Private Attorneys General Act of 2004, California Labor Code § 2698 *et seq*. ("PAGA") representative action settlement entered into with Defendants USA Waste of California, Inc. and Staffing Network Holdings, L.L.C.

This Motion will be based upon this Notice, the attached Memorandum of Points and Authorities, the Declaration of Kristy R. Connolly, the Declaration of Kyle Nordrehaug; Declaration of Maurice Keys; Declaration of Jose Juan Noyola; Declaration of Ronald Z. Gomez, Esq; Declaration of David J. Dow; and exhibits filed herewith, and any additional papers or arguments submitted on or before the hearing on the Motion.

Dated: February 19, 2025 **AEGIS LAW FIRM, PC**

By ______________________________
Kristy R. Connolly
Attorneys for Plaintiffs

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiffs Maurice Keys ("Keys") and Jose Juan Noyola ("Noyola") (collectively "Plaintiffs") seek approval of a settlement of claims under the Private Attorneys General Act of 2004, California Labor Code § 2698 *et seq*. ("PAGA") against Defendants USA Waste of California, Inc. ("USA Waste") and Staffing Network Holdings, L.L.C. ("Staffing Network") (collectively, "Defendants") in the amount of $410,000.00. Plaintiffs allege approximately 625 aggrieved employees who worked for Defendants were not paid at least minimum wages for all hours worked, not paid overtime compensation, not provided with meal periods or rest periods or compensation in lieu thereof, not provided with accurate wage statements, were not reimbursed for necessary business expenses, and were not paid all wages owed upon separation of employment.

Under Labor Code § 2699(l)(2), the Court must review and approve any proposed PAGA settlement. Here, the proposed Settlement is sufficient to deter and punish future violations. The Settlement is attached to the Declaration of Kristy R. Connolly ("Connolly Decl.") as **Exhibit 1**, and the proposed letter to be sent to the aggrieved employees is attached thereto as **Exhibit A**. Plaintiffs now seek this Court's approval of the Settlement terms.

II. FACTUAL AND PROCEDURAL BACKGROUND

On February 10, 2022, Plaintiff Keys filed this action as a proposed class action lawsuit, alleging that, Defendants failed to: (1) pay minimum wages, (2) pay overtime wages, (3) provide meal periods, (4) failure to permit lawful rest breaks, (5) failure to provide accurate itemized wage statements, (6) failure to pay all wages due upon separation of employment, (7) violation of Business and Professions Code Section 17200, *et seq.* Connolly Decl., ¶ 3. Keys initially named Peoplescout MSP, LLC; Trueblue, Inc; Staffing; WWELS, Inc; and Waste Management National Services, Inc. as defendants. *Id.*

On February 10, 2022, Keys also sent a letter to the California Labor & Workforce Development Agency ("LWDA") via online submission and to the initially named defendants via certified mail regarding their alleged Labor Code violations. *See* Connolly Decl., ¶ 4, Exhibit 2. *Id.*

The LWDA did not respond to this notice within 65 days, indicating it did not intend to investigate. *Id.* Therefore, on June 9, 2022, Keys amended his complaint to add a claim under PAGA. *Id.*

On March 30, 2022, Keys submitted an amended PAGA notice to identify Waste Management National Services, Inc. as an additional defendant. Connolly Decl., ¶ 5, Ex. 3. On April 1, 2022, Keys filed an Amendment to the Complaint to identify Waste Management National Services, Inc. as Doe Defendant No. 1. *Id.* On July 22, 2022, Keys dismissed all defendants, except Waste Management National Services ("Waste Management").

Waste Management then brought a Motion to Compel Arbitration. Connolly Decl., ¶ 6. The Court granted Waste Managements' motion in that it ordered Keys' individual claims to arbitration, dismissed the class claims, and stayed his representative PAGA claim pending the completion of arbitration. *Id.* On March 1, 2023, Keys initiated arbitration with JAMS. *Id.* at ¶ 7.

On March 10, 2022, Plaintiff Noyola sent a letter to the California Labor & Workforce Development Agency ("LWDA") via online submission and to Staffing Network Holdings, LLC and Waste Management National Services, Inc. via certified mail regarding their alleged Labor Code violations. Declaration of Kyle Nordrehaug ("Nordrehaug Decl."), ¶ 4, Exhibit 2. On June 2, 2022, Plaintiff Noyola filed a complaint in the Superior Court of the State of California, County of Orange, consisting of a single cause of action for violation of the PAGA. *Id*. at ¶ 5. On September 27, 2022, the Court granted the stipulation by Noyola, Staffing Network Holdings, LLC, and Waste Management National Services, Inc. agreeing to submit Noyola's individual PAGA claim to arbitration and to stay Noyola's representative PAGA claim. *Id*.

The Parties then agreed to attend a global, private mediation for the employees who were assigned to work at USA Waste's Orange County Transfer Station by Staffing Network, like the Plaintiffs[1]. Connolly Decl., ¶ 8. In preparation for mediation, Defendant informally produced data

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[1] USA Waste also recently settled a class and representative PAGA lawsuit as to all direct employees of USA Waste in the action *De la Torre v. USA Waste of California, Inc*., Case No. 20STCV16032. As a result, only claims as to employees placed by Staffing Network remained. Connolly Decl., ¶ 9.

and documents for Plaintiffs to evaluate the PAGA claims and calculate the alleged exposure, including policy documents, aggrieved employees' time and payroll records, and a list of aggrieved employees with dates of employment to calculate the pay periods worked. *Id.* at ¶ 10. Plaintiffs' Counsel engaged an expert to quantify the potential exposure using the time and payroll records, and then assessed the risks associated with each of the claims. *Id.*

The parties attended mediation on April 26, 2024, with Steven Serratore, a respected class action and PAGA action mediator. Connolly Decl., ¶ 11. After a full day of negotiating, the Parties agreed to a settlement amount and executed a Memorandum of Understanding with the material terms the parties had agreed to. *Id.* The Parties spent the next few months negotiating the terms of the Settlement, which was finalized in December of 2024. *Id.*

Plaintiffs submitted an amended notice to the LWDA to identify USA Waste as an additional named defendant. Connolly Decl., ¶ 12, Exhibit 4. Plaintiff Keys then filed a Third Amended Complaint, which added Noyola as a second named plaintiff, added USA Waste as a named defendant, and dismissed Waste Management National Service, Inc. as a named defendant. *Id.*

On February 19, 2025, Plaintiffs provided the LWDA with copies of the Settlement and this Motion. Connolly Decl., ¶ 13, Exhibit 5.

III. PAGA REQUIREMENTS

Based on the California Supreme Court's opinions in *Arias v. Superior Court*, 46 Cal. 4th 969 (2009), and *Iskanian v. CLS Transportation Los Angeles, LLC,* 59 Cal. 4th 348 (2014), Plaintiffs can seek appropriate civil penalties as called for under PAGA on behalf of the State of California and other similarly aggrieved employees without seeking class certification or meeting the requirements of class certification (i.e. numerosity, typicality, commonality and adequacy). As such, the class action two-step preliminary and final approval process is not required.

PAGA was enacted to allow enforcement of the Labor Code and recovery of penalties by the State and by private individuals who have been aggrieved by their employers. The statute calls for 75% of any penalties recovered to be paid to California's LWDA and the remaining 25% to the aggrieved employees (Cal. Lab. Code § 2699(i) (2016)).

In order to enforce and seek penalties under PAGA in a civil action, an aggrieved employee must first provide written notice to the LWDA and the employer of the particular Labor Code violations the aggrieved employee alleges the employer has violated. *See* Cal. Labor Code§ 2699.3(a)(l)(A) (2016). Once the LWDA notifies the aggrieved employee that it does not intend to investigate the alleged violations, or if the LWDA does not respond within a certain time period, the aggrieved employee is then allowed to proceed in a civil action against the employer on behalf of the LWDA and all other similarly aggrieved employees. *See* Cal. Labor Code § 2699.3(a)(2)(A) (2016).

In 2009, the California Supreme Court considered the issue of whether an aggrieved employee who brings a PAGA representative claim needs to meet class certification requirements. *Arias,* 46 Cal. 4th at 976. After a substantial review of the legislative history of PAGA, the Court held that an aggrieved employee's representative action brought on behalf of other aggrieved employees against an employer for PAGA violations does not need to meet the requirements for class certification. *Id*. at 975, 980-88. As the Court held, a plaintiff bringing suit under PAGA does so as the proxy or agent of California's labor law enforcement agencies. *Id*. at 986. Because the employee's PAGA action functions as a substitute for an action brought by the government itself, a judgment in the PAGA action binds all those who would be bound by a judgment in an action brought by the government. *Id.*

Finally, in a settlement of a PAGA action brought by an aggrieved employee, the court need only "review and approve" the settlement. Cal. Lab. Code § 2699(1)(2) (2016). The Parties to this current PAGA action have reached such an agreement and now seek this Court's approval of the proposed settlement.

IV. THE SETTLEMENT TERMS AND DISTRIBUTION OF PENALTIES

The Parties have agreed that Defendant will pay a total settlement amount of $410,000.00 (the "Gross Settlement Amount"). *See* Settlement Agreement, ¶ 1(g). From this amount, up to one-third (1/3) of the Gross Settlement Amount, or $136,666.67, is allocated to attorneys' fees and up to $40,000.00 to actual litigation costs. *Id.* at ¶¶ 11(c) and (d). To date, Plaintiffs' Counsel have spent $33,360.80 in actual litigation costs as follows: $14,210.80 by Aegis Law Firm, PC (*see*

Connolly Decl., ¶ 38, Ex. 6) and $19,150 by Blumenthal Nordrehaug Bhowmik De Blouw LLP (*see* Nordrehaug Decl., ¶ 13, Exhibits 3 and 4). Plaintiffs' Counsel have also incurred a total of $244,877.50 in attorneys' fees as follows: $112,575.00 by Aegis Law Firm, PC (*see* Connolly Decl., ¶ 39, Ex. 7) and $132,302.50 by Blumenthal Nordrehaug Bhowmik De Blouw LLP (*see* Nordrehaug Decl., ¶ 13, Exhibits 3 and 4). Plaintiffs have agreed to a fee-split agreement with their counsel for purposes of sharing any fees awarded by this Court, which is also memorialized in the Settlement. *See* Settlement Agreement, ¶ 11(c). The fee-split is as follows: 75% to Aegis Law Firm, PC and 25% to Blumenthal Nordrehaug Bhowmik De Blouw LLP. Connolly Decl., ¶ 35. The Settlement also allocates up to $6,250 to payment for Phoenix Settlement Administrators' costs associated with administration of the Settlement. Settlement Agreement, ¶ 11(b). For Plaintiffs' efforts in assisting with the Lawsuit, $10,000.00 is allocated to each Plaintiff. *Id.* at ¶ 11(a).

After deducting the above amounts for attorneys' fees and costs, Settlement Administrator's costs, and Plaintiffs' service awards, the remaining fund will constitute the "Net PAGA Penalties" in which 75% will be paid to the LWDA and 25% will be paid to the PAGA Aggrieved Employees as their "Individual Settlement Payments". Settlement Agreement, ¶ 12. The PAGA Aggrieved Employees are all non-exempt employees employed by Staffing Network Holdings, LLC who were assigned by Staffing Network Holdings, LLC to work at USA Waste of California, Inc.'s Orange MRF located in Orange, California at any time between March 10, 2021, through June 25, 2024. *Id.* at ¶ 1.4.

The Individual PAGA Payments will be calculated pro rata based on the number of pay periods working during the PAGA Period. Settlement Agreement, ¶ 1(n). If the number of pay periods worked by the PAGA Aggrieved Employees exceeds 11,200 by 10%, the Gross Settlement Amount will be increased on a pro rata basis for each pay period above 12,320. Alternatively, Defendants may cut off the release period as of the date 12,320 pay periods are reached. *Id.* at ¶ 27.

The Individual Settlement Payments shall be paid to the PAGA Aggrieved Employees by way of a single check which will be valid for 180 days. *Id.* at ¶ 24. All funds not claimed within 180 days of mailing of payment shall be delivered to Legal Aid at Work, which is a 501(c)(3) non-profit legal services organization that assists low-income working families. *Id.* at ¶ 24. The

Individual Settlement Payments will be characterized as penalties for tax purposes and reported on IRS Form 1099. *Id.* at ¶ 28. The attorneys have all declared that they do not have any actual or potential conflict of interest as to the proposed cy pres recipient, as required by Code of Civil Procedure section 382.4. Connolly Decl., ¶ 14; Nordrehaug Decl., ¶ 14; Declaration of Ronald Z. Gomez, Esq.; Declaration of David J. Dow.

Prior to this disbursement, the Settlement Administrator shall check the PAGA Aggrieved Employees' addresses provided by Defendant using the National Change of Address database. Settlement Agreement, ¶ 20. For any returned payments without a forwarding address, the Settlement Administrator shall run a skip trace. *Id*. PAGA Aggrieved Employees will receive a letter along with their check explaining the reason for the payment, the content of which will be submitted to the Court for approval. *Id*. at ¶ 23. The proposed letter is attached to the Settlement Agreement as Exhibit A and will be sent in English and Spanish. *Id.*

In exchange for the settlement payment, the State of California and the PAGA Aggrieved Employees will release the "Released Parties" meaning "Staffing Network Holdings, LLC, USA Waste of California, Inc. and their past, present, and future parents, subsidiaries, sister companies, and divisions, and their respective past, present, and future officers, directors, employees, partners, shareholders, owners, agents, insurers, legal representatives, attorneys and all of their successors (including persons or entities who may acquire them in the future), assigns, representatives, heirs, executors, and administrators and all other persons acting by, through, under or in concert with them that could be liable the Released PAGA Claims" from "all PAGA claims against the Released Parties arising during the PAGA Period and alleged in the operative Complaint(s) and/or Plaintiffs' letters to the LWDA, or which could have been alleged based on the facts pled in the operative Complaint(s) and/or letters to the LWDA, including without limitation PAGA claims relating to: (i) the alleged failure to pay for all hours worked, (ii) the alleged failure to pay minimum wages, (iii) the alleged failure to correctly pay overtime wages, (iv) the alleged failure to correctly calculate the regular rate of pay and pay wages that are derived from the regular rate of pay, (v) the alleged failure to provide meal periods or pay meal period premiums at the regular rate of pay, (vi) the alleged failure to provide rest periods or pay rest period premiums at the regular rate of pay, (vii) the alleged failure to provide complete and accurate wage statements, (viii) the alleged failure to timely pay wages during employment, (ix) the alleged failure to timely pay all wages owed to employees who quit or are terminated, (x) the alleged failure to reimburse for business expenses, (xi) the alleged failure to maintain accurate time and payroll records, (xii) the alleged failure to pay reporting time and call-back pay, (xiii) the alleged failure to provide seating, and (xiv) the alleged violations of California Labor Code section 201, 202, 203, 204 et seq., 210, 221, 226, 226.3, 226.7, 227.3, 351, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2698, et. seq., 2802, and the applicable Wage Order(s), including Sections 5 and 14 thereof." Settlement Agreement, ¶¶ 1(s) and (t).

V. THE SETTLEMENT IS FAIR AND REASONABLE

A. Standard for Approval

PAGA settlements must be "fair, reasonable, and adequate in view of PAGA's purposes to remediate present labor law violations, deter future ones, and to maximize enforcement of state labor laws." *Moniz v. Adecco USA, Inc.*, 72 Cal.App.5th 56, 77 (2021). The court must find that the plaintiff "has adequately represented the state's interests, and hence the public interest." *Id.* at 89. The LWDA must be notified of the settlement and be given an opportunity to object. The court may look to parallel class action guidelines to determine what is "fair, adequate and reasonable." *Kullar v. Foot Locker Retail,* 168 Cal.App.4th 116, 126 (2008). In that analysis, the court has "broad discretion in making this determination." *In re Microsoft I-V Cases*, 135 Cal.App.4th 706, 723 (2006). Relevant factors may include "the strength of the plaintiffs' case, the risk, expense, complexity and likely duration of further litigation, … 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 …." *Dunk v. Ford Motor Co.*, 48 Cal.App.4th 1794, 1801 (1996).

B. The Settlement Meets the Standard for Approval

Here, the $410,000.00 Gross Settlement Amount is reasonable for a group of approximately 625 employees. Connolly Decl., ¶ 15. A penalty of $410,000.00 is large enough to punish Defendants for alleged past violations and deter future violations. *Id.* The settlement amount is equivalent to a penalty of about $656 per employee. *Id.* At the same time, the penalty amount is not so large as to be unjust, oppressive or confiscatory, considering the company's potential exposure explained below. *Id.* The Gross Settlement Amount is also reasonable in light of the facts of the foregoing action, the real risk that no PAGA penalties would be paid, and inherent risks and uncertainties associated with PAGA claims. *Id.*

Plaintiffs calculated the potential exposure at the initial violation rate of $100.00 per pay period as follows: 11,200 x $100.00 per pay period is $1,120,000.00 for an estimated 11, 200 pay periods. Connolly Decl., ¶ 16. If the Court stacked different types of penalties in each pay period, Plaintiffs calculated the exposure as follows:

a. 9,675 pay periods with net underpayment x $100 per pay period = $967,500 for unpaid wages due to rounding;
b. 11,200 pay periods x $100 per pay period x 100% violation rate = $1,120,000.00 for rest break violations;
c. 11,200 pay periods x $100 per pay period x 42% violation rate = $470,400.00 for meal period violations;
d. 11,200 pay periods x $100 per pay period x 100% violate rate= $1,120,000.00 for unreimbursed business expenses;
e. 11,200 pay periods x $100 per pay period x 100% violation rate = $1,120,000.00 for wage statement penalties; and
f. 545 terminated employees x $100 = $54,500 for waiting time penalties.

Id.

Defendants raised a number of arguments during settlement negotiations and provided evidence that could have defeated Plaintiffs' claims. Connolly Decl., ¶ 17. For example, Plaintiffs argued that Defendants maintained an unlawful rounding policy that resulted in about 75% of shifts (or 9,675 pay periods) containing an underpayment of wages. *Id.* However, Defendants argued that at least 16% of shifts actually resulted in an overpayment of wages and cited to authority that has permitted the use of rounding where the policy is neutrally applied. *Id.* Plaintiffs also argued that Defendants failed to provide compliant meal periods, as indicated by the 42% violation rate that Plaintiffs' expert determined from the timekeeping records. *Id.* However, Defendants argued that they maintained written policies providing compliant meal periods, that they were not responsible for policing meal periods, and that any missed breaks were the employees' personal choice to waive the break, citing to *Brinker Restaurant Corp. v. Superior Court* 53 Cal. 4th 1004, 1029 (2012), in which the Supreme Court explained that employers do not need to "police" breaks, i.e., ensure that a meal is being taken if it was provided. *See also Murphy v. Kenneth Cole Productions, Inc.*, 40 Cal. 4th 1094, 1104 (2007) (finding a violation occurs only if the employee is "forced to forgo his or her meal period"). Defendants also presented evidence of signed meal waivers. *Id.* Similarly, Plaintiffs argued that Defendants failed to authorize or permit compliant rest breaks due to Defendants' demanding work environment. *Id.* However, Defendants argued that they maintained compliant written rest break policies that provided for proper rest breaks, and that, like meal periods, employees could choose not to take their rest breaks. *Id.* Accordingly, the meal and rest claims would be highly dependent on employee testimony, which could render these claims unmanageable at trial. *Id.*

Plaintiffs also argued that Defendants failed to reimburse employees for necessary business expenses, specifically for the use of their personal cell phones when they had to communicate with their supervisors for work purposes. Connolly Decl., ¶ 18. Defendants responded by providing policy documents that provided for expense reimbursements upon request and showed that it maintained reimbursement request forms available for all employees who sought reimbursement for any purpose. *Id.* As such, it could be difficult to find common proof as to who incurred expenses, whether those expenses were necessary, and whether they sought reimbursement, making the claim difficult to prove at trial. *Id.* Finally, Plaintiffs' wage statement and waiting time penalties claims were derivative of the underlying claims, meaning if Plaintiffs could not prove any unpaid wages claim, then they would not recover these derivative penalties. *Id.*

Another crucial factor in evaluating the value of a PAGA-only case is that all PAGA awards are discretionary and can be reduced by the Court. Connolly Decl., ¶ 19. Under Labor Code § 2699(e)(2), the Court can reduce the PAGA penalties "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." In other words, were this matter to go to trial, any award granted would be at the discretion of the Court. *Id.* In settling this case, Plaintiffs recognize that, although they believe there would be no persuasive grounds to reduce the penalties, the Court could determine otherwise and significantly reduce the PAGA penalties, especially in light of Defendants' defenses described above, including their facially compliant written policies and signed meal period waivers. *Id*. The wide range of potential recovery and the additional delays and risks of trial justified settling for a reasonable amount of recovery. *Id*.

VI. CONCLUSION

For the foregoing reasons, Plaintiffs request the Court approve the proposed settlement pursuant to PAGA in this Action.

Dated: February 19, 2025

AEGIS LAW FIRM, PC

By ______________________
Kristy R. Connolly
Attorneys for Plaintiffs