

SUPERIOR COURT OF CALIFORNIA
COUNTY OF SANTA CLARA

ALEJANDRO MUNOZ,

Plaintiff,

v.

SIERRA CIRCUITS, INC., et al.,

Defendants.

Case No.: 21CV386080

**ORDER CONCERNING PLAINTIFF'S
MOTION FOR FINAL APPROVAL OF
CLASS/PAGA SETTLEMENT AND
JUDGMENT**

This is a putative class and Private Attorneys General Act ("PAGA") action. Plaintiff Alejandro Muñoz alleges that Defendant Sierra Circuits, Inc. committed meal and rest break violations, failed to pay minimum and overtime wages, and committed other wage and hour violations.

The parties reached a settlement, which the Court preliminarily approved in an order filed on July 25, 2022. The factual and procedural background of the action and the Court's analysis of the settlement and settlement class are set forth in that order.

Before the Court is Plaintiff's motion for final approval of the settlement and for approval of his attorney fees, costs, and service award. The motion is unopposed. The Court issued a tentative ruling on November 29, 2022, and no one challenged it at the hearing on December 1. The Court now issues its final order, which GRANTS final approval.

1 **I. LEGAL STANDARDS FOR SETTLEMENT APPROVAL**

2 **A. Class Action**

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

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

17 In general, the most important factor is the strength of the plaintiffs’ case on the merits,
18 balanced against the amount offered in settlement. (See *Kullar v. Foot Locker Retail, Inc.* (2008)
19 168 Cal.App.4th 116, 130 (*Kullar*).) But the trial court is free to engage in a balancing and
20 weighing of relevant factors, depending on the circumstances of each case. (*Wershba, supra*, 91
21 Cal.App.4th at p. 245.) The trial court must examine the “proposed settlement agreement to the
22 extent necessary to reach a reasoned judgment that the agreement is not the product of fraud or
23 overreaching by, or collusion between, the negotiating parties, and that the settlement, taken as a
24 whole, is fair, reasonable and adequate to all concerned.” (*Ibid.*, citation and internal quotation
25 marks omitted.) The trial court also must independently confirm that “the consideration being
26 received for the release of the class members’ claims is reasonable in light of the strengths and
27 weaknesses of the claims and the risks of the particular litigation.” (*Kullar, supra*, 168
28 Cal.App.4th at p. 129.) Of course, before performing its analysis the trial court must be

1 “provided with basic information about the nature and magnitude of the claims in question and
2 the basis for concluding that the consideration being paid for the release of those claims
3 represents a reasonable compromise.” (*Id.* at pp. 130, 133.)

4 **B. PAGA**

5 Labor Code section 2699, subdivision (1)(2) provides that “[t]he superior court shall
6 review and approve any settlement of any civil action filed pursuant to” PAGA. The court’s
7 review “ensur[es] that any negotiated resolution is fair to those affected.” (*Williams v. Superior*
8 *Court* (2017) 3 Cal.5th 531, 549.) Seventy-five percent of any penalties recovered under PAGA
9 go to the Labor and Workforce Development Agency (LWDA), leaving the remaining twenty-
10 five percent for the aggrieved employees. (*Iskanian v. CLS Transportation Los Angeles, LLC*
11 (2014) 59 Cal.4th 348, 380, overruled on other grounds by *Viking River Cruises, Inc. v.*
12 *Moriana* (2022) ___ U.S. ___, 2022 U.S. LEXIS 2940.)

13 Similar to its review of class action settlements, the Court must “determine independently
14 whether a PAGA settlement is fair and reasonable,” to protect “the interests of the public and the
15 LWDA in the enforcement of state labor laws.” (*Moniz v. Adecco USA, Inc.* (2021) 72
16 Cal.App.5th 56, 76–77.) It must make this assessment “in view of PAGA’s purposes to
17 remediate present labor law violations, deter future ones, and to maximize enforcement of state
18 labor laws.” (*Id.* at p. 77; see also *Haralson v. U.S. Aviation Servs. Corp.* (N.D. Cal. 2019) 383
19 F. Supp. 3d 959, 971 [“when a PAGA claim is settled, the relief provided for under the PAGA
20 [should] be genuine and meaningful, consistent with the underlying purpose of the statute to
21 benefit the public”], quoting LWDA guidance discussed in *O’Connor v. Uber Technologies,*
22 *Inc.* (N.D. Cal. 2016) 201 F.Supp.3d 1110 (*O’Connor*).)

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

1 **II. TERMS AND ADMINISTRATION OF SETTLEMENT**

2 The non-reversionary gross settlement amount is \$2,000,000. Attorney fees of up to
3 \$700,000 (thirty-five percent of the gross settlement),¹ litigation costs not to exceed \$25,000, and
4 administration costs of up to \$15,000 will be paid from the gross settlement. \$100,000 will be
5 allocated to PAGA penalties, 75 percent of which will be paid to the LWDA. The named
6 plaintiff will seek an incentive award of \$10,000.

7 The net settlement will be allocated to settlement class members proportionally based on
8 their weeks/pay periods worked during the class and PAGA periods. Class members will not be
9 required to submit a claim to receive their payments. For tax purposes, settlement payments will
10 be allocated 20 percent to wages and 80 percent to penalties and interest (and PAGA payments
11 all to non-wages). The employer's share of taxes will be paid separately from the settlement. As
12 clarified by counsel at the December 1 hearing, funds associated with checks uncashed after 180
13 days will be paid to the Unclaimed Property Division of the State Controller's Office.

14 In exchange for the settlement, class members who do not opt out will release "all claims
15 alleged or that could have been alleged based on the facts alleged in the Complaint which
16 occurred during the Class Period." The PAGA release encompasses such released claims under
17 PAGA, as well as "all PAGA claims alleged in the Complaint and Plaintiff's PAGA notice to the
18 LWDA which occurred during the PAGA Period..." Consistent with the statute, aggrieved
19 employees will not be able to opt out of the PAGA portion of the settlement.

20 The notice process has now been completed. There were no objections to the settlement
21 and 6 requests for exclusion from the class. One class member's workweeks were corrected
22 upon receipt and review of a dispute. Of the 823 notices mailed by the administrator, 16 were re-
23 mailed to updated addresses and 5 were ultimately undeliverable. The administrator estimates
24 that the average payment to class members will be \$1,457.25, with a high payment of \$4,035.12.

25 At preliminary approval, the Court found that the settlement is a fair a reasonable
26 compromise of the class claims and that the PAGA allocation is genuine, meaningful, and
27

28 ¹ Counsel ultimately reduced their request to the standard one-third of the gross settlement.

1 reasonable in light of the statute’s purposes. It finds no reason to deviate from these findings
2 now, especially considering that there are no objections. The Court thus finds that the settlement
3 is fair and reasonable for purposes of final approval.

4 **III. ATTORNEY FEES, COSTS, AND INCENTIVE AWARD**

5 Plaintiff seeks a fee award of \$666,666.67, one-third of the gross settlement, which is not
6 an uncommon contingency fee allocation in a wage and hour class action. This award is facially
7 reasonable under the “common fund” doctrine, which allows a party recovering a fund for the
8 benefit of others to recover attorney fees from the fund itself. Plaintiff also provides a lodestar
9 figure of \$653,460, based on 872 hours spent on the case by counsel billing at \$650–850 per
10 hour. Plaintiff’s request results in a modest multiplier of 1.02. The lodestar cross-check
11 supports the percentage fee requested, particularly given the lack of objections to the attorney fee
12 request. (See *Laffitte v. Robert Half Intern. Inc.* (2016) 1 Cal.5th 480, 488, 503–504 [trial court
13 did not abuse its discretion in approving fee award of 1/3 of the common fund, cross-checked
14 against a lodestar resulting in a multiplier of 2.03 to 2.13].)

15 Plaintiff’s counsel also request \$18,412.98 in litigation costs, below the amount estimated
16 at preliminary approval. Plaintiff’s costs appear reasonable based on the summary provided and
17 are approved. The \$14,350 in administrative costs are also approved.

18 Finally, the named plaintiff seeks an incentive award of \$10,000. To support his request,
19 he submits a declaration describing his efforts on the case. The Court finds that the class
20 representative is entitled to an enhancement award and the amount requested is reasonable.

21 **IV. ORDER AND JUDGMENT**

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

24 The motion for final approval is GRANTED. The following class is certified for
25 settlement purposes:

26 All current and former hourly paid or non-exempt persons employed by
27 Defendant in California at any time beginning February 21, 2017, through and
28 including April 29, 2022.

1 Excluded from the class are the 6 individuals who submitted timely requests for
2 exclusion.

3 Judgment shall be entered through the filing of this order and judgment. (Code Civ.
4 Proc., § 668.5.) Plaintiff and the members of the class shall take from their complaint only the
5 relief set forth in the settlement agreement and this order and judgment. Pursuant to Rule
6 3.769(h) of the California Rules of Court, the Court retains jurisdiction over the parties to
7 enforce the terms of the settlement agreement and the final order and judgment.

8 The Court sets a compliance hearing for **July 13, 2023 at 2:30 P.M.** in Department 1. At
9 least ten court days before the hearing, class counsel and the settlement administrator shall
10 submit a summary accounting of the net settlement fund identifying distributions made as
11 ordered herein; the number and value of any uncashed checks; amounts remitted to the
12 Controller's Officer; the status of any unresolved issues; and any other matters appropriate to
13 bring to the Court's attention. Counsel shall also submit an amended judgment as described in
14 Code of Civil Procedure section 384, subdivision (b). Counsel may appear at the compliance
15 hearing remotely.

16 **IT IS SO ORDERED.**

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18 Date: December 2, 2022

19 

The Honorable Sunil R. Kulkarni
Judge of the Superior Court

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**PROOF OF SERVICE
1013A(3) CCP**

STATE OF CALIFORNIA, 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 751 N. Fair Oaks Avenue, Suite 101, Pasadena, CA 91103 and my electronic service address is manderson@justicelawcorp.com

On December 2, 2022, I served the foregoing document described as

**ORDER CONCERNING PLAINTIFF'S MOTION FOR FINAL APPROVAL OF
CLASS/PAGA SETTLEMENT AND JUDGMENT**

for the following case: **Munoz v. Sierra Circuits, Inc.**
LWDA/Court Case No.: **LWDA Case No.: CM- 876421-22**
Court Case No.: 21CV386080
Santa Clara County Superior Court

on interested parties in this action by electronically submitting as follows:

State of California
Labor & Workforce Development Agency
800 Capitol Mall, MIC-55
Sacramento, California 95814

[X] BY ELECTRONIC SUBMISSION

Pursuant to California Senate Bill No. 836, I caused the documents described above to be electronically submitted by and through the procedure stated on the website of the State of California Labor and Workforce Development Agency.

[X] STATE

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on December 2, 2022, at Pasadena, California.



Mariah Anderson