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Attorney for FERNANDO PEREYRA, on behalf of himself and all others aggrieved employees,

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE**

FERNANDO PEREYRA, on behalf of
himself and all others aggrieved employees,

Plaintiffs,

v.

PRECISION FERRITES & CERAMICS,
INC., a California Corporation; FRANK
HONG, as an individual; and DOES 1- 50,
Inclusive,

Defendants.

Case No.: 30-2022-01271747-CU-OE-CXC

*Assigned for all purposes to:
Hon. Lon F. Hurwitz, Dept.: CX103*

NOTICE OF RULING

Complaint Filed: July 25, 2022
Trial Date: None Yet Set

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1 **TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

2 **PLEASE TAKE NOTICE** that on October 4, 2024, the Court in the above-referenced
3 matter ordered that the Motion for Approval of Class Settlement set for October 4, 2024, at 1:30
4 p.m. in Department CX103 of the Orange County Superior Court located at 751 W. Santa Ana
5 Blvd, Santa Ana, CA 92701, the Honorable Lon F. Hurwitz, presiding is continued to
6 November 15, 2024, at 1:30 p.m. A true and correct copy of the ruling is attached hereto as
7 **Exhibit A.**

8
9 Dated: October 7, 2024

WORK LAWYERS PC

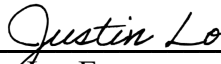
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13 Justin Lo, Esq.
14 Attorneys for Plaintiff Fernando Pereyra
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EXHIBIT A

**SUPERIOR COURT OF CALIFORNIA,
COUNTY OF ORANGE
CIVIL COMPLEX CENTER**

MINUTE ORDER

DATE: 10/04/2024

TIME: 01:30:00 PM

DEPT: CX103

JUDICIAL OFFICER PRESIDING: Lon F. Hurwitz

CLERK: R. Juarez

REPORTER/ERM: None

BAILIFF/COURT ATTENDANT: A. Condaras

CASE NO: **30-2022-01271747-CU-OE-CXC** CASE INIT.DATE: 07/25/2022

CASE TITLE: **Pereyra vs. Precision Ferrites & Ceramics, Inc., a California Corporation**

CASE CATEGORY: Civil - Unlimited CASE TYPE: Other employment

EVENT ID/DOCUMENT ID: 74342204

EVENT TYPE: Motion for Approval of Class Settlement

MOVING PARTY: Fernando Pereyra

CAUSAL DOCUMENT/DATE FILED: Motion - Other For Preliminary Approval of Class and Representative Action Settlement and Provisional Class Certification for settlement purposes only, 07/10/2024

EVENT ID/DOCUMENT ID: 74359637

EVENT TYPE: Status Conference

APPEARANCES

No appearance by all parties.

Tentative Ruling posted on the Internet.

At 01:46 PM There are no appearances by any party.

The Court CONFIRMS the tentative ruling as follows:

Motion for Preliminary Approval of Class and PAGA Settlement

FACTS/OVERVIEW: This is a putative wage-and-hour class action and PAGA matter. On July 25, 2022, Plaintiff Fernando Pereyra, on behalf of himself and all other aggrieved employees ("Plaintiff"), filed a PAGA-only Complaint against Defendants Precision Ferrites & Ceramics, Inc. and Frank Hong ("Defendants"). (ROA 2.)

On January 10, 2024, pursuant to stipulation and order, Plaintiff filed the operative First Amended Class Action and PAGA Complaint ("FAC") wherein he asserted the following 10 causes of action (ROA 76):

1. Meal Period Violations;
2. Rest Break Violations;
3. Failure to Pay All Wages: Minimum Wages, Overtime Wages, and Sick Pay;

4. Failure to Pay Vacation/PTO Wages;
5. Failure to Pay Wages Due at Separation of Employment;
6. Failure to Issue Accurate Itemized Wage Statements and Failure to Maintain Records;
7. Failure to Reimburse Business Expenses and Improper Deductions;
8. Failure to Maintain Required Records;
9. Unfair Business Practices; and
10. PAGA penalties

Defendant Precision manufactures custom ceramic and ferrite components for the aerospace, medical, and energy industries. Plaintiff was hired by Defendant in August 2021 as a non-exempt, hourly CNC Operator. (FAC, ¶¶ 8, 9.)

On July 10, 2024, Plaintiff filed the current Motion for Preliminary Approval of Class and Representative Action Settlement. (ROA 89.) Neither party sought to compel arbitration. This is the first hearing on the matter.

SUMMARY OF THE SETTLEMENT:

A copy of the fully executed Class and Representative Action Settlement Agreement (“Settlement Agreement”) is attached as Exhibit 1 to the Declaration of Justin Lo. (ROA 90, “Counsel Decl.”)

Class Definition: All persons who were employed by Defendant as a non-exempt or hourly employee in California at any time during the Class Settlement Period. (Settlement, Sec. I.2.)

Class Settlement Period: Period from July 25, 2018, through May 18, 2023, or an earlier date provided Defendant exercises its option to cap the Class Settlement Period as described in the Escalator Clause. (Id., Sec. I.5.)

PAGA Group Definition: All persons who were employed by Defendant as non-exempt employees in California at any time during the PAGA Settlement Period. (Id., Sec. I.13.) **PAGA Settlement Period:** Period from May 21, 2021, through May 18, 2023, or an earlier date provided Defendant exercises its option to cap the Class Settlement Period as described in the Escalator Clause. (Id., Sec. I.15.)

Estimated Class Size: Approx. 232 individuals. (Counsel Decl., ¶ 4.)

Estimated PAGA Group Size: Not provided.

Gross Settlement Amount (“GSA”): \$340,000.00

Does not include employer’s share of payroll taxes. (Settlement, Secs. V.A., V.F.)

\$ 113,333.00 Attorneys’ fees (up to)

\$ 20,000.00 Litigation costs (up to)

\$ 5,000.00 Administration costs (est.)

\$ 2,000.00 Enhancement award (up to)

\$ 40,000.00 PAGA penalties (75% to LWDA)

Escalator Clause: Defendants estimate 232 Class Members worked a total of 20,251 workweeks. If actual number of workweeks increases by 10% or more, GSA will increase pro rata or Defendant will cap the Class and PAGA Periods to an earlier date where workweeks are less than the 10% threshold. (Id., Sec. V.A.2.)

Payments to Class:

How Calculated? Pro rata based on workweeks. PAGA payments – same.

Reversion? No

Claims Made? No

Taxation? Class payments allocated 80% to 1099 income and 20% to W-2 income and subject to withholding. PAGA payments allocated 100% to 1099 income. (Id., Sec. VII.D.4.)

Uncashed Checks: uncashed after 180 days will be remitted to State Controller's Office. (Id., Sec. VII.D.2.)

Average Pymt. \$701.15 (Counsel Decl., ¶ 76.)

Claims Released By Class and Plaintiff: Any and all claims that were pled or could have been pled based on facts alleged in the complaints and LWDA notices that arose during Class Period, including all causes of action alleged in FAC. (Settlement, Sec. V.G.1.)

Claims Released by PAGA Group: All claims under PAGA that were pled or could have been pled based on facts alleged in the complaints and LWDA notices that arose during PAGA Period, including all causes of action alleged in FAC. (Id., Sec. V.H.)

Opt Outs: Class Members may opt out by written letter postmarked on or before 45 days after mailing of Class Notice, plus additional 15 days after remailing. (Id., Sec. VIII.B.1.) Defendant may revoke Settlement Agreement is 5% or more of Class Members opt out.

Objections: Class Members may submit written objections by mail, postmarked no later than 45 days after mailing of Class Notice. Class Members may also present objections at Final Approval hearing. (Id., Sec. VIII.A.)

Disputes: No provision in Settlement Agreement.

Valuation of Claims: Prior to mediation, the parties engaged in extensive investigation, research, and informal discovery, including a randomized 33% sample of time and pay records. Plaintiff's experts formulated a damages model from the information and documents. Counsel provides an incomplete discussion of the valuation analysis.

Attorneys' Fees and Costs: Attorneys' fees of up to 33.33% of GSA, or \$113,333.00. Litigation costs of up to \$20,000.00. (Settlement, Sec. V.B.1.) If Court approves lesser amounts, difference will be allocated to Net Settlement Amount.

Administration Costs: Parties have selected Phoenix Settlement Administrators. (Settlement, Sec. V.E.)

Counsel attests that the parties estimate administration costs of \$5,000.00. (Counsel Decl., ¶¶ 5, 10; Exh. 3.)

Enhancement Award: Plaintiff to receive \$2,000.00 enhancement award. (Settlement, Sec. V.C.1.) Plaintiff estimates he spent 25 hours on this litigation, including meetings with counsel, searching for and providing documents, and attending the mediation. (ROA 91, Decl. of Fernando Pereyra, ¶¶ 8-12.) Counsel makes similar attestations as to Plaintiff's participation. (Counsel Decl., ¶¶ 57-60.)

Concurrent Pending Cases: Counsel attests he is not aware of any other concurrent cases. (Counsel Decl., ¶ 13.)

LWDA Notice: Not provided.

Continuing Jurisdiction: Settlement provides for the Court's continuing jurisdiction. (Settlement, Sec. X.H.)

ISSUES TO BE ADDRESSED:

Settlement Agreement:

1. The variable end dates for the Class Period and PAGA Period are a moving target and uncertain because they contemplate Defendants shortening the Class and PAGA Periods under the Escalator Clause if the actual number of total workweeks exceeds the estimate by 10% or more. Allowing Defendant to shorten the Class and PAGA Periods if actual number of workweeks is more than 10% higher than the estimate is problematic and increases the probability that the Court will find the Settlement to be unfair.
2. The definition for "PAGA Group" and "PAGA Group Members" does not include hourly employees (as that category is included in the definition for "Class" and "Class Members").
3. The anticipated amount of administration costs must be included in the Settlement Agreement.
4. The subsections in Section V are mislabeled (there are two subsections identified as "G" and "H").
5. Class and Plaintiff Release and PAGA Release include Labor Code sections not mentioned in the First Amended Complaint. Counsel must provide a copy of the PAGA notice to the LWDA so the Court can determine what Labor Code violations were alleged in that document.
6. Deadline to request exclusion after remailing of Class Notice should be at least 45 days.
7. Settlement Agreement should state that the Court has the final say regarding the validity of opt out requests.
8. Settlement Agreement must provide additional 45 days for submission of objections after remailing of Class Notice.
9. Settlement Agreement must provide a mechanism for Class Members to dispute their number of workweeks.
10. Settlement Agreement states that funds from uncashed checks will be remitted to the State Controller's Office Unclaimed Property Fund. However, counsel attests that the cy pres recipient is Work Lawyers, PC. This discrepancy must be resolved.

11. Settlement Agreement should state that the Court's continuing jurisdiction is pursuant to CCP § 664.6 and CRC rule 3.769(h).

12. Settlement Agreement must state that the settlement administrator will post the operative Complaint, Settlement Agreement, Class Notice, and preliminary and final approval orders on administrator's website for at least 90 days.

Class Notice:

1. Class Notice must be revised consistent with the issues identified above.
2. Counsel must provide a copy of the proposed Class Notice.

Proposed Order: (ROA 85)

1. Proposed Order must be revised consistent with the issues identified above.
2. Caption and first paragraph must be revised to reflect correct hearing date.
3. Settlement Agreement should be identified by the ROA number of the declaration to which it is attached.
4. Proposed Order should include information about Gross Settlement Amount and proposed disbursements referenced in the Settlement Agreement.
5. Paragraph should be added regarding the Court's continuing jurisdiction.
6. Paragraph 12 should include actual proposed date for Final Approval hearing and the address of the location of the hearing.

Other Issues:

1. Counsel must provide estimate for number of PAGA Group Members.
2. Counsel must provide estimated high and low individual settlement payments, and average, high, and low PAGA payments.
3. Valuation of claims discussion is deficient. Counsel must provide a more detailed valuation of claims, including information about adjusted exposure amounts and discounts for each category of claims, especially the rounding claims. Also, counsel must provide the total maximum exposure amount, the total risk-adjusted exposure amount, and the GSA as a percentage of each figure. Counsel must also provide more justification for determination that no monies are owed for non-compliant meal periods and rest periods, and waiting time penalties.
4. Counsel must attest as to whether it has a fee-splitting arrangement with any other counsel. At Final Approval, counsel must provide billing statements or summary of fees, as well as costs invoice.
5. Counsel must provide copy of Plaintiff's PAGA notice letter to the LWDA.

RULING:

The hearing on the Motion for Preliminary Approval is CONTINUED to _November 15, 2024, at 1:30 p.m. in Department CX103 so that counsel may address the issues identified above.

Counsel must file supplemental papers addressing the Court's concerns no later than fourteen (14) calendar days prior to the continued hearing date. Counsel must also provide red-lined versions of all revised papers. Counsel must also provide an explanation of how the pending issues were resolved, with precise citation to any corrections or revisions. A supplemental declaration or brief that simply asserts the issues have been resolved is insufficient and will result in a continuance.

Plaintiff to give notice of this ruling, including to the LWDA, within five (5) calendar days.

The Court does not require any physical or remote appearance at the hearing scheduled for October 4, 2024.

If the parties do not intend to submit on the tentative, please inform the clerk by emailing her before 12:00 p.m. on the day of the hearing at CX103@occourts.org.

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I am employed in the County of Los Angeles, State of California. I am over the age of 18 years and am not a party to the within action. My business address is 22939 Hawthorne Blvd., Suite 300, Torrance, California 90505. On October 7, 2024, I served the foregoing document(s) described as: **NOTICE OF RULING** on the interested parties in this action as follows: by sending a true copy thereof, addressed as follows:

GORDON REES SCULLY MANSUKHANI, LLP
633 West Fifth Street, 52nd floor
Los Angeles, CA 90071

☐ BY U.S MAIL: I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid. I am “readily familiar” with the firm’s practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

XX BY E-MAIL: I sent the documents by e-mail to the e-mail address mentioned above.

Executed on October 7, 2024, at Torrance, California.

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NOTICE OF RULING