Filed
November 6, 2026
Clerk of the Court
Superior Court of CA
County of Santa Clara
25CV464606
By: NVasquez

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SANTA CLARA

JUAN CARLOS GARCIA, individually, and on behalf of all others similarly situated,

Plaintiff,

v.

CARROLL'S, LLC DBA NATIONAL TIRE WHOLESALE (NTW), a limited liability company; TBC CORPORATION, a corporation; TBC BRANDS, LLC, a limited liability company; TBC – TIRE AND BATTERY CORPORATION, a corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No. 25CV464606

ORDER CONDITIONALLY GRANTING PRELIMINARY APPROVAL OF SETTLEMENT

This matter came on for hearing before the Honorable Shella Deen on November 4, 2026, at 1:30 p.m. in Department 8. Having reviewed and considered the written submissions filed by the parties and having listened carefully to any arguments of counsel at the hearing, the Court now issues its order after hearing as follows.

This putative class and representative action arises from alleged wage-and-hour violations. In the operative Second Amended Complaint, plaintiffs Juan Carlos Garcia and Sulayman Abdul Aziz Storks ("Plaintiffs") allege that defendants Carroll's, LLC dba National Tire Wholesale (NTW), TBC Corporation, TBC Brands, LLC, and TBC - Tire and Battery Corporation (collectively, "Defendants") failed to pay minimum and straight-time wages and overtime wages; provide compliant meal periods; authorize and permit rest periods; timely pay wages upon separation; furnish accurate itemized wage statements; and reimburse necessary business expenses. Plaintiffs further allege violations of the quota laws (Lab. Code, § 2100 et seq.), the Unfair Competition Law, and related penalties under the Private Attorneys General Act ("PAGA"). (Motion, pp. 8:5-19.)

Plaintiffs seek preliminary approval of the parties' settlement, and no party opposes the motion. For the reasons set forth below, the court conditionally GRANTS preliminary approval, VACATES the Case Management Conference set for November 4, 2026, and SETS a final approval hearing for May 19, 2027 at 1:30 p.m. in Department 19.

I. LEGAL STANDARD

The trial court has broad discretion to decide whether a settlement is fair and reasonable, whether the class notice and certification are proper, and whether the requested attorney fee award is appropriate. (*Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 234-235, disapproved on other grounds by *Hernandez v. Restoration Hardware, Inc.* (2018) 4 Cal.5th 260.) The central inquiry is the strength of Plaintiffs' claims on the merits compared with the settlement amount. (See *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 130.)

The court must also review and approve a settlement of an action brought under PAGA. (Lab. Code, § 2699, subd. (s)(2).) To protect the public's and the LWDA's interests in enforcing state labor laws, the court must independently determine whether the PAGA settlement is fair and reasonable. (*Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, 76-77, disapproved on other grounds by *Turrieta v. Lyft, Inc.* (2024) 16 Cal.5th 664.) PAGA settlements may be significantly discounted, and courts often exercise discretion to award penalties below the statutory maximum.

(*Carrington v. Starbucks Corp.* (2018) 30 Cal.App.5th 504, 529 (*Carrington*); *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1213.)

II. DISCUSSION

A. Provisions of the Settlement

The settlement resolves claims for the following class:

All current and former hourly-paid or non-exempt persons employed by Defendants in the State of California at any time during the Class Period, from April 29, 2021 through December 5, 2025.

(Wallace Decl., ¶¶ 22, 23; Agreement, § 1.5.) It also covers a PAGA subset consisting of all current and former hourly or non-exempt employees who worked for Defendants in California during the PAGA Period, from June 26, 2023 through December 5, 2025. (Wallace Decl., ¶¶ 24, 25; Agreement, § 1.4.)

Defendants will pay a non-reversionary gross settlement amount of $600,000. This amount includes attorney fees of up to 35 percent of the gross settlement amount ($210,000), litigation costs of up to $20,000, service payments of up to $10,000 for each of the two Plaintiffs ($20,000 total), settlement-administration costs of up to $7,000, and a $60,000 PAGA allocation. Of that PAGA allocation, 65 percent ($39,000) will go to the LWDA, and 35 percent ($21,000) will be paid to aggrieved employees as individual PAGA payments. (Motion, pp. 7:11-20, 8:28-9:8; Wallace Decl., ¶¶ 11, 12.) After these deductions, an estimated net settlement fund of approximately $283,000 will be distributed to about 373 class members on a pro rata basis based on workweeks worked; no claim form is required. (Motion, p. 8:9-13; Wallace Decl., ¶¶ 12-15, 49.)

The Agreement designates ILYM Group, Inc. ("ILYM") as the neutral settlement administrator at a cost not to exceed $7,000. (Wallace Decl., ¶¶ 26, 71, Ex. 6; Agreement, § 1.2.) The court appoints ILYM as settlement administrator.

For tax purposes, individual class payments will be allocated 15 percent to wages and 85 percent to interest and penalties, while individual PAGA payments will be allocated entirely to

penalties. (Wallace Decl., ¶¶ 14-17.) Defendants will separately pay the employer's share of payroll taxes in addition to the gross settlement amount. (Wallace Decl., ¶ 10.)

The Agreement provides that the administrator will send settlement checks that remain uncashed and are cancelled after the 180-day void date to the California State Controller's Unclaimed Property Fund in the name of the individual class member or aggrieved employee. (Wallace Decl., ¶¶ 19, 20; Agreement, §§ 4.4.3, 4.4.4.) According to the Agreement, this process leaves no "unpaid residue" governed by Code of Civil Procedure section 384, subdivision (b). Section 384, however, requires unclaimed or abandoned class funds to be distributed to "nonprofit organizations or foundations to support projects that will benefit the class or similarly situated persons, or that promote the law consistent with the objectives and purposes of the underlying cause of action, to child advocacy programs, or to nonprofit organizations providing civil legal services to the indigent." The court concludes that the Agreement's provision for unclaimed funds does not comply with Code of Civil Procedure section 384. The parties must therefore meet and confer to select a *cy pres* beneficiary to receive any unclaimed or abandoned funds and amend the class notice accordingly before mailing it.

In exchange for the settlement, participating class members will release Defendants and related parties from all claims that were or reasonably could have been alleged during the Class Period based on the facts in the Action and the operative complaint. Aggrieved employees will release all PAGA civil-penalty claims arising during the PAGA Period that were or reasonably could have been alleged based on the facts in the Action, the operative complaint, and the PAGA Notice. (Wallace Decl., ¶¶ 31, 32; Agreement, §§ 5.2, 5.3.) Each Plaintiff will separately provide a general release and waive rights under Civil Code section 1542. (Wallace Decl., ¶ 30; Garcia Decl., ¶¶ 11, 13; Storks Decl., ¶¶ 11, 13.) The class and representative releases are appropriately limited to the factual allegations of the operative pleading. (See *Amaro v. Anaheim Arena Management, LLC* (2021) 69 Cal.App.5th 521, 538.)

B. Fairness of the Settlement

Plaintiffs contend that the Agreement meets the standard for preliminary approval. (Motion, pp. 15:18-20:5.) Before mediation, Defendants produced class data, Plaintiffs' personnel

files, class members' time and payroll records, and written policies in effect during the Class Period. Plaintiffs' counsel, assisted by a consultant, analyzed those materials. (Wallace Decl., ¶¶ 35, 40.) The parties attended a full-day mediation with wage-and-hour mediator Katherine Edwards on January 23, 2026 and reached a settlement. (Wallace Decl., ¶ 7.)

Plaintiffs' counsel applied discounts to each claim to account for the risk of non-certification and an unfavorable result on the merits. Counsel estimates risk-adjusted exposure of approximately $436,946 for the wage claims (off-the-clock, meal, and rest), $40,475 for the expense-reimbursement claim, $75,207 for derivative waiting-time and wage-statement penalties, and $78,010 for the PAGA claim, for total risk-adjusted exposure of approximately $630,639. (Motion, pp. 17:7-19:5; Wallace Decl., ¶¶ 40-48.) Counsel principally attributes the discounts to the risk that class certification may be denied and to counsel's assessment that the off-the-clock, meal, and rest claims would depend largely on class-member testimony rather than records. (Motion, pp. 17:14-18:15.)

The $600,000 gross settlement represents approximately 95 percent of counsel's risk-adjusted valuation of $630,639. (Motion, p. 18:28-19:3.) It represents approximately 8 percent of the maximum exposure on all claims, which the components of counsel's analysis place at approximately $7.5 million. That percentage falls within the range California courts generally deem reasonable in settlement. (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 approving settlements in the range of 5 to 35 percent of the maximum potential exposure].) At this preliminary-approval stage, the court finds that the settlement falls within the range of reasonableness and may be approved.

The parties allocate $60,000 of the gross settlement amount to PAGA penalties. (Wallace Decl., ¶ 12; Agreement, § 3.2.5.) This equals 10 percent of the gross settlement amount and approximately 77 percent of counsel's risk-adjusted PAGA valuation of $78,010. (Wallace Decl., ¶¶ 47, 48.) Because PAGA settlements may be substantially discounted, the allocation is within the range of approval. (*Carrington, supra*, 30 Cal.App.5th at p. 529.)

After reviewing the written submissions, the court is satisfied that the proposed settlement is fair and may be approved.

C. Service Awards, Fees and Costs

Each Plaintiff requests a service payment of up to $10,000, for a total of $20,000. Each has submitted a declaration describing his work in this action, including collecting documents, communicating with counsel, remaining available for mediation, and reviewing the settlement; each estimates that he devoted approximately 50 hours to those efforts. (Garcia Decl., ¶¶ 7-11; Storks Decl., ¶¶ 7-11.) Unlike other class members, each Plaintiff signed a general release and waived Civil Code section 1542. (Garcia Decl., ¶¶ 11-13; Storks Decl., ¶¶ 11-13.) The requested $10,000 payment to each Plaintiff exceeds the estimated average individual class payment by more than thirteen times. In light of the estimated $283,000 net settlement amount and counsel's estimate of an average individual payment of approximately $759, the requested awards are substantial compared with the class recovery. (Motion, p. 19:6-10.) The court will reconsider the issue and determine the service-award amounts at final approval.

Class counsel will seek attorney fees of up to 35 percent of the gross settlement amount ($210,000). (Motion, p. 21:7-9; Wallace Decl., ¶ 11.) The request exceeds the one-third benchmark commonly used by California courts in wage-and-hour class actions, and the court will evaluate the requested percentage through a lodestar cross-check at final approval. Before that hearing, class counsel must submit lodestar information sufficient to support the fee request, including hourly rates and hours worked, as well as evidence of actual litigation and settlement-administration costs.

D. Conditional Certification of Class

Plaintiffs seek conditional certification of the class for settlement purposes. Code of Civil Procedure section 382 permits class certification "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 . . . ."

According to Plaintiffs, Defendants' records identify approximately 373 class members. (Wallace Decl., ¶¶ 13, 36, 49.) The court finds common questions regarding whether class

members were subject to uniform wage-and-hour policies and practices and conditionally certifies the proposed class for settlement purposes. Solely for settlement purposes, the court appoints Juan Carlos Garcia and Sulayman Abdul Aziz Storks as class representatives and Nicol E. Hajjar, Rachel J. Vinson, and Karen L. Wallace of Wilshire Law Firm, PLC as class counsel.

E. Class Notice

California Rules of Court, rule 3.769, subdivision (f), requires that certified class members receive notice of the final approval hearing in the manner the court directs. The notice must describe the proposed settlement and explain how class members may submit written objections and arrange to appear at the settlement hearing to present them. (Cal. Rules of Court, rule 3.769, subd. (f).)

The notice form is generally adequate, subject to the modification discussed below. It describes the action and the settlement, discloses the settlement amounts, attorney fees, and service payments, and informs class members of their estimated settlement shares and the procedures for opting out, objecting, or disputing workweeks. (Wallace Decl., ¶¶ 33, 34; Agreement, Ex. A.) The administrator will send the notice by first-class mail, update addresses through a National Change of Address search, re-mail notices returned as undeliverable, and set the deadline for responses, objections, and exclusions 45 days after the initial mailing, with a 14-day extension for class members whose notices are re-mailed. (Wallace Decl., ¶¶ 29, 34; Agreement, §§ 7.4, 7.5.1.)

As stated above, the parties must meet and confer to select a *cy pres* beneficiary consistent with Code of Civil Procedure section 384 and amend the class notice before it is mailed. The notice must also contain the following language concerning the final approval hearing:

Class members may attend the final approval hearing in person or remotely through the Department 19 link. Before appearing remotely, they should review the remote-appearance instructions:

https://santaclara.courts.ca.gov/online-services/remote-hearings

If possible, class members who plan to appear remotely should contact class counsel at least three days before the hearing so that potential technology or audibility issues may be avoided or minimized.

The notice is approved on the condition that the parties make the foregoing modification before it is mailed.

III. CONCLUSION

Provided that the parties designate a *cy pres* beneficiary in accordance with Code of Civil Procedure section 384 and amend the notice before mailing it, the Court GRANTS preliminary approval, VACATES the Case Management Conference set for November 4, 2026, and SETS a final approval hearing for May 19, 2027 at 1:30 p.m. in Department 19.

IT IS SO ORDERED

Dated: November 4, 2026

HON. SHELLA DEEN
JUDGE OF THE SUPERIOR COURT