FILED
11/12/26
Clerk of the Court
Superior Court of CA
County of Santa Clara

25CV466613
By: fbryant

SUPERIOR COURT OF CALIFORNIA

COUNTY OF SANTA CLARA

MOHINDERPAL DHALIWAL, an individual on behalf of himself and all others similarly situated,

Plaintiff,

v.

APPLIED MATERIALS, INC. a Delaware corporation; and DOES 1 through 20, inclusive,

Defendants.

Case No. 25CV466613

ORDER GRANTING PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT

This is a putative class and Private Attorneys General Act ("PAGA") action. Plaintiff Mohinderpal Dhaliwal alleges defendant Applied Materials, Inc. committed various wage and hour violations.

Before the Court is Plaintiff's motion for preliminary approval of settlement, which is unopposed. As discussed below, the Court GRANTS the motion.

I. BACKGROUND

According to the allegations of the operative first amended complaint ("FAC"), Plaintiff worked for Defendant as a non-exempt employee between 2015 and 2025. (FAC, ¶ 15.) Defendant failed to: pay for all hours worked, including minimum, straight time, and overtime wages; provide compliant meal periods; provide compliant rest breaks; reimburse for necessary business expenses; timely pay final wages upon termination; and furnish accurate itemized wage statements.

On May 23, 2025, Plaintiff initiated this action with the filing of the Complaint and on March 3, 2026, he filed the operative FAC, which asserts the following causes of action: (1) violation of Bus. &Prof. Code §17200, *et seq.*; (2) violation of Labor Code §§ 204, 510, 1194 and 1198; (3) violation of Labor Code §§ 200, *et seq.*; (4) failure to pay meal and rest break premium at the proper regular rate of pay (Labor Code § 226.7); (5) failure to provide & maintain accurate wage statements pursuant to Labor Code §226; (6) failure to provide meal periods (Lab. Code § 226.7); (7) failure to provide rest breaks (Labor Code § 226.7); (8) failure to reimburse expenses (Labor Code § 2802); and (9) violation of Labor Code §§ 2698-2699.

Plaintiff now moves for an order: granting preliminary approval of the class action and PAGA settlement; conditionally certifying the proposed class for settlement purposes; appointing Bartz Law Group, APC and United Employees Law Group, P.C. as class counsel for settlement purposes; approving the substance, form, and method to provide class-wide notice; directing that notice of the proposed settlement be given to all class members; and scheduling a final approval hearing.

II. LEGAL STANDARD 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 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.)

III. SETTLEMENT PROCESS

On March 10, 2025, Plaintiff initiated this action and on March 3, 2026, he filed the operative FAC. The parties discussed informally resolving the case and agreed to attend mediation. The parties exchanged informal discovery and Defendant produced a representative sampling of discovery to ensure fruitful mediation.

On October 9, 2025, the parties attended mediation with Louis Marlin which resulted in a settlement. However, the parties continued to negotiate the long form settlement agreement over the following months. In December, the parties finalized and entered into the settlement currently before this Court.

IV. SETTLEMENT PROVISIONS

The non-reversionary gross settlement amount is $225,000. Attorneys' fees of up to one-third, which is approximately $75,000, litigation costs of up to $15,000, and administrative costs of $11,500. $10,000 will be allocated to PAGA penalties, with 65% ($6,500) paid to the LWDA and 35% ($3,500) will be distributed to "PAGA Group", who are defined as "all Class Members who worked for Applied in a non-exempt position in California at any time from October 18, 2024 through December 8, 2025." Plaintiff will seek a Class Representative Service Award in the amount of $10,000.

The net settlement amount—which is estimated to be no less than $107,00—will be allocated to members of the Class, who are defined as "all current and former employees who worked for Applied in a non-exempt position in California at any time from March 1, 2024 through December 8, 2025." For tax purposes, 20% of each individual Class payment will be allocated as wages and 80% will be located as non-wages. Funds associated with checks uncashed after 180 days will be transmitted to the State Controller's Office, Unclaimed Property Division.

In exchange for settlement, Class Members who do not opt out will release:

> [A]ny and all known and unknown claims against Applied and any present and former parents, subsidiaries and affiliated companies or entities, and their respective officers, directors, employees, partners, shareholders and agents, and any other successors, assigns and legal representatives and its related persons and entities (the Released Parties) that are asserted in the First Amended Complaint or arise out of or reasonably relate to the facts alleged in the First Amended Complaint that, from March 1, 2024 through the end of the Class Period or, at Applied's election pursuant to section III.B, the date on which the actual number of workweeks worked by Class Members during the Class Period reaches 63,263 (the Class Release Period), Applied failed to pay all wages due at the correct rate of pay, including minimum wages, straight-time wages, overtime, and paid sick leave; provide meal and rest periods and pay meal and rest period premiums at the regular rate of pay; maintain accurate records; furnish accurate itemized wage

statements; reimburse necessary business expenses; timely pay all wages due during employment; and pay all wages due upon separation of employment.

PAGA Group Members, who consistent with the statute will not be able to opt out of the PAGA portion of the settlement, will release:

> [A]ny and all claims under PAGA for civil penalties against Applied and the other Released Parties that arise out of or reasonably relate to the allegations in the notice submitted by Plaintiff to the LWDA and/or First Amended Complaint that, from October 18, 2024 through the end of the PAGA Period or, at Applied's election pursuant to section III.B, the date on which the actual number of workweeks worked by Class Members during the Class Period reaches 63,263 (the PAGA Release Period), Applied failed to pay all wages due at the correct rate of pay, including minimum wages, straight-time wages, overtime, and paid sick leave; provide meal and rest periods and pay meal and rest period premiums at the regular rate of pay; maintain accurate records; furnish accurate itemized wage statements; reimburse necessary business expenses; timely pay all wages due during employment; and pay all wages due upon separation of employment. The foregoing releases are appropriately tailored to the allegations at issue.

(See *Amaro v. Anaheim Arena Management, LLC* (2021) 69 Cal.App.5th 521, 537.)

V. FAIRNESS OF SETTLEMENT

Based on available data provided by Defendant, Class Counsel estimated Defendant's maximum exposure as follows: $2,140,000 (unpaid wages); $500,000 (meal period claims); $2,100,000 (rest period claims); $500,000 (wage statement claim); $1,000,000 (waiting time penalties); $431,000 (failure to reimburse claim); and $2,000,000 (PAGA penalties)—totaling $8,671,000.

Class Counsel then considered the risks associated with class certification and proof on the merits. Accordingly, Class Counsel calculated Defendant's realistic exposure as follows: $107,000 (unpaid wages); $50,000 (meal periods claims); $105,000 (rest period claims); $25,000

(wage statement claim); $50,000 (waiting time penalties); $43,100 (failure to reimburse claim); and 100,000 (PAGA penalties)—totaling $480,100.

The gross settlement amount is approximately 2.59% of the maximum exposure, which is below the range of recovered typically approved by California courts, however, it is approximately 49% of the realistic exposure. Although the gross settlement amount is within the lower range of percentage recoveries that California courts have found to be reasonable regarding the maximum exposure, it is higher than the range with regard to the realistic exposure. (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 indicating that a general range of 5 to 35 percent of the maximum potential exposure is reasonable.].)

Considering the portion of the case's value attributable to uncertain penalties, claims that could be difficult to certify for class treatment, and the multiple, dependent contingencies that Plaintiff would have had to overcome to prevail on his claims, the settlement achieves a good result for the Class. For purposes of preliminary approval, the Court finds that the settlement is fair and reasonable to the class.

VI. PROPOSED SETTLEMENT CLASS

Plaintiff requests the following settlement class be certified for settlement purposes:

All current and former non-exempt employees who worked for Applied in a non-exempt position in California at any time from March 1, 2024 through December 8, 2025.

A. Legal Standard for Certifying a Class for Settlement Purposes

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.)

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.)

B. Ascertainable Class

A class is ascertainable "when it is defined in terms of objective characteristics and common transactional facts that make the ultimate identification of class members possible when that identification becomes necessary." (*Noel v. Thrifty Payless, Inc.* (2019) 7 Cal.5th 955, 980 (*Noel*).) A class definition satisfying these requirements

> puts members of the class on notice that their rights may be adjudicated in the proceeding, so they must decide whether to intervene, opt out, or do nothing and live with the consequences. This kind of class definition also advances due process by supplying a concrete basis for determining who will and will not be bound by (or benefit from) any judgment.

(*Noel, supra,* 7 Cal.5th at p. 980, citation omitted.)

"As a rule, a representative plaintiff in a class action need not introduce evidence establishing how notice of the action will be communicated to individual class members in order to show an ascertainable class." (*Noel, supra,* 7 Cal.5th at p. 984.) Still, it has long been held

that "[c]lass members are 'ascertainable' where they may be readily identified ... by reference to official records." (*Rose v. City of Hayward* (1981) 126 Cal. App. 3d 926, 932, disapproved of on another ground by *Noel, supra,* 7 Cal.5th 955; see also *Cohen v. DIRECTV, Inc.* (2009) 178 Cal.App.4th 966, 975-976 ["The defined class of all HD Package subscribers is precise, with objective characteristics and transactional parameters, and can be determined by DIRECTV's own account records. No more is needed."].)

Here, the estimated 997 Class members are readily identifiable based on Defendant's records, and the settlement class is appropriately defined based on objective characteristics. The Court finds that the settlement class is numerous, ascertainable, and appropriately defined.

C. Community of Interest

The "community-of-interest" requirement encompasses three factors: (1) predominant questions of law or fact, (2) class representatives with claims or defenses typical of the class, and (3) class representatives who can adequately represent the class. (*Sav-On Drug Stores, supra*, 34 Cal.4th at pp. 326, 332.)

For the first community of interest factor, "[i]n order to determine whether common questions of fact predominate the trial court must examine the issues framed by the pleadings and the law applicable to the causes of action alleged." (*Hicks v. Kaufman & Broad Home Corp.* (2001) 89 Cal.App.4th 908, 916 (*Hicks*).) The court must also examine evidence of any conflict of interest among the proposed class members. (See *J.P. Morgan & Co., Inc. v. Superior Court* (2003) 113 Cal.App.4th 195, 215.) The ultimate question is whether the issues which may be jointly tried, when compared with those requiring separate adjudication, are so numerous or substantial that the maintenance of a class action would be good for the judicial process and to the litigants. (*Lockheed Martin Corp. v. Superior Court* (2003) 29 Cal.4th 1096, 1104–1105 (*Lockheed Martin*).) "As a general rule if the defendant's liability can be determined by facts common to all members of the class, a class will be certified even if the members must individually prove their damages." (*Hicks, supra,* 89 Cal.App.4th at p. 916.)

Here, common legal and factual issues predominate. Plaintiff's claims all arise from Defendant's wage and hour practices.

As for the second factor,

> The typicality requirement is meant to ensure that the class representative is able to adequately represent the class and focus on common issues. It is only when a defense unique to the class representative will be a major focus of the litigation, or when the class representative's interests are antagonistic to or in conflict with the objectives of those she purports to represent that denial of class certification is appropriate. But even then, the court should determine if it would be feasible to divide the class into subclasses to eliminate the conflict and allow the class action to be maintained.

(*Medrazo v. Honda of North Hollywood* (2008) 166 Cal. App. 4th 89, 99, internal citations, brackets, and quotation marks omitted.)

Like the other members of the proposed Class, Plaintiff was employed by Defendant and alleges that he experienced the violations at issue. The anticipated defenses are not unique to Plaintiff, and there is no indication that Plaintiff's interests are otherwise in conflict with those of the proposed Class.

Finally, adequacy of representation "depends on whether the plaintiff's attorney is qualified to conduct the proposed litigation and the plaintiff's interests are not antagonistic to the interests of the class." (*McGhee v. Bank of America* (1976) 60 Cal.App.3d 442, 450.) The class representative does not necessarily have to incur all of the damages suffered by each different class member in order to provide adequate representation to the class. (*Wershba, supra,* 91 Cal.App.4th at p. 238.) "Differences in individual class members' proof of damages [are] not fatal to class certification. Only a conflict that goes to the very subject matter of the litigation will defeat a party's claim of representative status." (*Ibid.*, internal citations and quotation marks omitted.)

Plaintiff has the same interest in maintaining this action as any class member would have. Further, he has hired experienced counsel. Plaintiff has sufficiently demonstrated adequacy of representation.

D. Substantial Benefits of Class Certification

"[A] class action should not be certified unless substantial benefits accrue both to litigants and the courts. . . ." (*Basurco v. 21st Century Ins.* (2003) 108 Cal.App.4th 110, 120, internal quotation marks omitted.) The question is whether a class action would be superior to individual lawsuits. (*Ibid.*) "Thus, even if questions of law or fact predominate, the lack of superiority provides an alternative ground to deny class certification." (*Ibid.*) Generally, "a class action is proper where it provides small claimants with a method of obtaining redress and when numerous parties suffer injury of insufficient size to warrant individual action." (*Id.* at pp. 120–121, internal quotation marks omitted.)

Here, there are an estimated 997 Class Members. It would be inefficient for the Court to hear and decide the same issues separately and repeatedly for each Class Member. Further, it would be cost prohibitive for each Class Member to file suit individually, as each member would have the potential for little to no monetary recovery. It is clear that a class action provides substantial benefits to both the litigants and the Court in this case.

VII. NOTICE

The content of a class notice is subject to court approval. (Cal. Rules of Court, rule 3.769(f).) "The notice must contain an explanation of the proposed settlement and procedures for class members to follow in filing written objections to it and in arranging to appear at the settlement hearing and state any objections to the proposed settlement." (*Ibid.*) In determining the manner of the notice, the court must consider: "(1) The interests of the class; (2) The type of relief requested; (3) The stake of the individual class members; (4) The cost of notifying class members; (5) The resources of the parties; (6) The possible prejudice to class members who do not receive notice; and (7) The res judicata effect on class members." (Cal. Rules of Court, rule 3.766(e).)

Here, the notice, which will be provided in English, informs the Class Members of the nature of the lawsuit and their rights under the terms of the Settlement and applicable law. It includes: a detailed explanation of the case, including the basic contentions or denials of the Parties and the basic terms of the Settlement; a statement that the court will exclude the member from the class if they request so by a specified date; a procedure for the member to follow in

requesting exclusions from the Class; an explanation that members of the Class can participate in the Settlement by doing nothing; a statement that the judgment, whether favorable or not, will bind all members who do not request exclusion; and a statement that any member who does not request exclusion may, if the member so desires, enter an appearance through counsel. Class Members are given 45 days to exclude themselves or object.

The form of notice is adequate and thus, it is approved.

Regarding appearances at the final fairness hearing, the notice shall be modified to instruct Class members as follows:

> Although class members may appear in person, the judge overseeing this case encourages remote appearances. Class members who wish to appear remotely should contact class counsel at least three days before the hearing if possible. Remote appearances must be made through UDC, unless otherwise arranged with the Court. Please go to https://santaclara.courts.ca.gov/online-services/remote-hearings to find the appropriate link. Also, please note that you must register in advance to appear remotely.

Turning to the notice procedure, as articulated above, the parties have selected Apex Class Action Administration ("Apex") as the settlement administrator. Within 30 days of the order granting preliminary approval, Defendant will provide Apex with the Class data. No later than 15 days after receiving the Class Data, Apex shall send out the Class notices. No later than 5 days after receiving any undelivered Class notices, Apex shall re-mail the Class notice to any forwarding address provided by USPS or a better address located through a skip trace or other search. These notice procedures are appropriate and are approved.

VIII. SERVICE AWARDS, FEES, AND COSTS

Plaintiff requests Class representative service award of $10,000.

The rationale for making enhancement or incentive awards to named plaintiffs is that they should be compensated for the expense or risk they have incurred in conferring a benefit on other members of the class. An incentive award is appropriate if it is necessary to induce an individual to participate in the suit.

> Criteria courts may consider in determining whether to make an incentive award include: 1) the risk to the class representative in commencing suit, both financial and otherwise; 2) the notoriety and personal difficulties encountered by the class representative; 3) the amount of time and effort spent by the class representative; 4) the duration of the litigation and; 5) the personal benefit (or lack thereof) enjoyed by the class representative as a result of the litigation. These "incentive awards" to class representatives must not be disproportionate to the amount of time and energy expended in pursuit of the lawsuit.

(*Cellphone Termination Fee Cases* (2010) 186 Cal.App.4th 1380, 1394-1395, internal punctuation and citations omitted; see also *Covillo v. Specialty's Café* (N.D. Cal. 2014) 2014 U.S.Dist.LEXIS 29837, at *29 [incentive awards are particularly appropriate where a plaintiff undertakes a significant "reputational risk" in bringing an action against an employer].)

Plaintiff submitted a declaration in support of the request. He states that he spent more than 40 hours on this action, which includes communicating with Class Counsel; providing documents; reviewing documents; discussing strategies for mediation and post-mediation settlement; and making himself available for mediation. (Plaintiff's Declaration ("Decl."), ¶¶ 10.) He further states that he considered the professional and personal risks associated with participating in this action. (Plaintiff Decl., ¶ ¶ 10-11.) The Court finds Plaintiff is entitled to a Class representative award and the amount requested is reasonable. Thus, Plaintiff's request is preliminarily approved.

The Court also has an independent right and responsibility to review the requested attorney fees and only award so much as it determines reasonable. (See *Garabedian v. Los Angeles Cellular Telephone Co.* (2004) 118 Cal.App.4th 123, 127-128.) Class counsel will seek attorneys' fees of up to one-third of the gross settlement amount (currently estimated to be 75,000), and litigation costs for up to $15,000. Prior to any final approval hearing, Class Counsel shall submit lodestar information (including hourly rate and hours worked) as well as evidence of actual litigation costs incurred.

IX. CONCLUSION

Plaintiff's motion for preliminary approval is GRANTED.

The final approval hearing shall take place on **May 13, 2027** at 1:30 in Department 22.

The following class is preliminarily certified for settlement purposes:

All current and former non-exempt employees who worked for Applied in a non-exempt position in California at any time from March 1, 2024 through December 8, 2025.

IT IS SO ORDERED.

Date: 11-12-26

BETH MCGOWEN
Judge of the Superior Court