

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

Civil Division

Central District, Stanley Mosk Courthouse, Department 71

22STCV32618

**ANDRE TAYLOR vs BARRETT FINANCIAL GROUP, LLC.,
ARIZONA LIMITED LIABILITY COMPANY, et al.**

March 10, 2025

8:30 AM

Judge: Honorable Daniel M. Crowley
Judicial Assistant: M. Ventura
Courtroom Assistant: D. Major

CSR: None
ERM: None
Deputy Sheriff: None

APPEARANCES:

For Plaintiff(s): John Arrington Lofton (Telephonic)

For Defendant(s): No Appearances

NATURE OF PROCEEDINGS: Hearing on Motion to Confirm Settlement

The matter is called for hearing.

The Court's tentative ruling is posted online for parties and counsel to review. Plaintiff's counsel submits to the tentative ruling.

The Court adopts its tentative ruling as the final order of the court, as follows:

Plaintiff Andre Taylor's *unopposed* motion to approve the PAGA settlement is granted.

Plaintiff Andre Taylor ("Taylor") ("Plaintiff") moves *unopposed* to obtain approval and confirmation of the PAGA settlement agreement in the instant matter. (Notice of Motion, pg. 1; Lab. Code §§2698 *et seq.*)

Background

Plaintiff filed his initial complaint ("Complaint") against Defendant Barrett Financial Group, LLC ("BFG") ("Defendant") on October 5, 2022. Plaintiff filed his first amended complaint ("FAC") on November 14, 2022. Plaintiff filed the operative second amended complaint ("SAC") on May 15, 2023, asserting eight causes of action against Defendant: (1) Failure to Pay Wages on Time and at Termination, Violation of Labor Code §§201-204; (2) Failure to Pay Overtime Wages, Violation of Labor Code §§510, 1197, I.W.C. Wage Order No. 7-2001; (3) Failure to Provide Accurate Wage Statements, Violation of Labor Code §226; (4) Failure to Provide Meal Periods, Violation of Labor Code §§226.7, 512, I.W.C. Wage Order No. 7-2001; (5) Failure to Provide Rest Periods, Violation of Labor Code §§226.7, I.W.C. Wage

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Order No. 7-2001; (6) Failure to Reimburse Employment-Related Expenses, Violation of Labor Code §2802; (7) Unfair Business Practices, Violation of Bus. & Prof. Code §17200; and (8) Civil PAGA Penalties, Lab. Code §§2698 et seq., arising from his employment by Defendant. (*See* SAC ¶6.)

On February 13, 2025, Plaintiff filed a notice of conditional settlement. On January 30, 2025, Plaintiff filed the instant motion. As of the date of this hearing no opposition has been filed.

Discussion

Plaintiff and Defendant (collectively, “Parties”) reached a settlement of individual claims in this case and representative PAGA claims. (*See* Decl. of Lofton ¶¶6-7, Exh. B.) Plaintiff requests the Court issue an order approving the entire settlement.

Labor Code §2699(s)(2) provides, as follows: “The superior court shall review and approve any settlement of any civil action filed pursuant to this part. The proposed settlement shall be submitted to the [Labor & Workforce Development Agency (“LWDA”)] at the same time that it is submitted to the court.”

As a threshold matter, Plaintiff submitted evidence he complied with Labor Code §2699(s)(2) by submitting a copy of the Settlement and instant motion to the LWDA on January 30, 2025. (Decl. of Lofton ¶8.)

On September 6, 2022, before commencing his lawsuit, Plaintiff provided Defendant with written notice of his intent to assert claims under PAGA and the basis for those claims. (Decl. of Lofton ¶3.) On March 9, 2023, Plaintiff amended his PAGA notice and served Defendant and the LWDA. (Decl. of Lofton ¶3, Exh. A.)

On November 13, 2024, the parties attended a full day mediation before Hon S. James Otero and engaged in arm’s-length negotiations, wherein the parties agreed to a non-reversionary settlement of the PAGA claims in the amount of \$605,000. (Decl. of Lofton ¶6.) The parties entered into a long form settlement agreement, which was fully and finally signed on December 16, 2024. (Decl. of Lofton ¶7, Exh. B.)

The PAGA Settlement defines “PAGA Employees” as all current and former employees and independent contractors of Defendant in California at any time between September 6, 2021, and November 13, 2024, who performed mortgage lending services for Defendant and who personally suffered the violations alleged during this period. (Decl. of Lofton ¶7, Exh. B at §I.11.) This definition is proper pursuant to the statute of limitations and the date of notice on the LWDA.

The PAGA Settlement includes a provision, “PAGA Released Claims,” which means, [A]ny and all claims, debts, liabilities, demands, obligations, guarantees, damages, wages, benefits, penalties, interest, attorneys’ fees, costs, expenses,

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actions or causes of action, in law or equity, whether known or unknown, which have been or could have been asserted by Plaintiff and/or any of the PAGA Employees and/or that could have been assessed upon and collected from the Released Parties under PAGA, based on the factual allegations in the Complaint, including, but not limited to, purported violations of California Labor Code §§201, 202, 204, 226, 226.7, 247.5, 510, 512, 558, 1174, 1194, 1197, 2751, 2802, and IWC Wage Order No. 4-2001 (8 C.C.R. §11040), arising during the PAGA Period, from: failure to pay all wages, including minimum and overtime wages for all hours worked in violation of California Labor Code §§510 and 1194; failure to provide accurate, itemized wage statements in violation of California Labor Code §226; failure to maintain accurate wage and time records in violation of California Labor Code §§226, 247.5, and 1174; failure to provide commission agreements in violation of California Labor Code §2751; failure to reimburse business-related expenses in violation of California Labor Code §2802; failure to provide compliant meal and rest periods in violation of California Labor Code §§226.7 and 512, and IWC Wage Order 4-2001; and failure to timely pay wages upon termination/separation pursuant to California Labor Code §§201 and 202.

(Decl. of Lofton ¶7, Exh. B at §§I.14.) The Settlement defines “Released Parties” as “Barrett Financial Group, LLC, and its respective past, present, and future officers, directors, employees, board members, shareholders, attorneys, insurers, reinsurers, customers, partners, investors, members, representatives, predecessors, parent companies, subsidiaries, affiliates, divisions, successors, agents and principals, and its and their members, heirs, estates, executors, administrators, servants, insurers, attorneys, and assigns.” (Decl. of Lofton ¶7, Exh. B at §§I.18.)

As such, the Settlement provides that PAGA Released Claims only include claims for civil penalties under PAGA and does not apply to any individual claims and is proper. (Decl. of Lofton ¶7, Exh. B at §§IV.29-.31; *see ZB, N.A. v. Superior Court* (2019) 8 Cal.5th 175.)

The terms of the Settlement’s release imply that only in exchange for the consideration set forth in the Settlement (i.e., the individual PAGA payments) do PAGA Employees release Released Parties from PAGA Released Claims. As such, the release is accordingly effective *after* the payment date, which is proper. (*See* Decl. of Lofton ¶7, Exh. B at §§IV.29-.31.)

The Settlement provides that within fifteen (15) calendar days after the Effective Date, Defendant will provide the Settlement Administrator, Atticus Administration, a list setting forth the names, last known addresses, and Social Security numbers for each PAGA Employee in the PAGA Period. (*See* Decl. of Lofton ¶7, Exh. B at §§III.28(c), V.34.) Within fifteen (15)

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calendar days after the Effective Date, Defendant shall wire transfer the Settlement Amount to the Settlement Administrator, who will deposit the funds into the bank account of the Qualified Settlement Fund established by the Settlement Administrator for purposes of this settlement. All amounts to be paid to the PAGA Employees, Plaintiff, Plaintiff's Counsel, the Settlement Administrator, and the LWDA shall be paid from this Qualified Settlement Fund. (Decl. of Lofton ¶7, Exh. B at §§V.36.)

The Parties agree that the Settlement Administrator Costs shall be paid from the Settlement Amount. Atticus Administration has submitted an estimate to administer this settlement in the amount of Four Thousand Five Hundred Dollars (\$4,500). (Decl. of Lofton ¶7, Exh. B at §§III.28(c).)

The Parties agree that, subject to the Court's review and approval, Defendant will pay a total of Six Hundred Five Thousand Dollars (\$605,000) under this Agreement ("Settlement Amount"). This Settlement Amount is inclusive of the PAGA settlement payment to Plaintiff, the State of California, the PAGA Employees, Plaintiff's Counsel's attorneys' fees and litigation costs, Plaintiff's Incentive Awards, and the Settlement Administrator costs. Defendant will have no other monetary obligations under this Settlement and Release Agreement and no portion of the Settlement Amount will revert to Defendant. (Decl. of Lofton ¶7, Exh. B at §§III.28(a).) The Parties agree that, subject to the Court's review and approval, Plaintiff will request an Incentive Award in the amount of Ten Thousand Dollars (\$10,000). (Decl. of Lofton ¶7, Exh. B at §§III.28(d).)

The Parties agree that, subject to the Court's review and approval, Plaintiff's Counsel will be paid a maximum of one-third of the Settlement Amount as attorneys' fees (\$201,667), plus its reasonable litigation costs (estimated to be approximately \$17,000, and not to exceed \$20,000), based on actual costs to be submitted to the Court, both of which will be paid from the Settlement Amount. Defendant will not oppose a request for Court approval of these payments, provided they do not exceed these amounts. If the Court approves Plaintiff's counsel's payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. (Decl. of Lofton ¶7, Exh. B at §§III.28(b).)

After deducting the amounts specified in §§III.28(b) through (d) from the Settlement Amount, the balance remaining will form the Net Settlement Amount (approximately \$371,833) and will be paid to the LWDA and the PAGA Employees as follows: (i) Seventy-five percent (75%), estimated to be approximately Two Hundred Seventy-Eight Thousand Eight Hundred Seventy-Five Dollars (\$278,875), will be paid to the LWDA; (ii) Twenty-five percent (25%) of the Net Settlement Amount, estimated to be approximately Ninety-Two Thousand Nine Hundred Fifty-Eight Dollars (\$92,958) will fund the PAGA Employees' Settlement Proceeds. Due to the lack of records and extreme difficulty in determining the number of pay periods worked by individual employees, each PAGA Employee will receive an equal payment from the PAGA

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Employees' Settlement Proceeds, estimated to be approximately Three Hundred Six Dollars (\$306) per employee. (Decl. of Lofton ¶7, Exh. B at §§III.28(e).)

The parties estimate that the total number of aggrieved employees during the PAGA Period is approximately 304. If the number of aggrieved employees during the PAGA Period exceeds 304 by more than 10% (i.e., 334 employees or greater), the PAGA Settlement Amount shall be increased by that percentage in excess of 10%. (Decl. of Lofton ¶7, Exh. B at §§III.28(f).)

Plaintiff's counsel provides information relating to the investigation conducted. (Decl. of Lofton ¶4.) Plaintiff also provided information suggesting the Settlement is reasonable based on Plaintiff's counsel's detailed analysis of Plaintiff's claims and their potential value if Plaintiff was successful at trial prior to mediation. (See Decl. of Lofton ¶¶4-5, 9-11.) Plaintiff provided sufficient information to support the reasonableness of the Settlement and how the terms of the settlement were reached. (See Decl. of Lofton ¶5.)

The Settlement sets forth the tax treatment of each PAGA Employee's Payment Share. (Decl. of Lofton ¶7, Exh. B at §§V.40-.41.)

As discussed above, to the extent the release of claims for PAGA penalties is based only on underlying allegations in this action, and as such it only releases claims alleged in the Notice Letters sent to the LWDA, the release does not release anything other than claims for *penalties*. However, there is a Civil Code §1542 waiver. This waiver is only from the individual Plaintiff, and not from the PAGA Employees, and as such, the release is proper. (See Decl. of Lofton ¶7, Exh. B at §§IV.31.)

The PAGA Settlement Agreement provides Parties seek this action to be stayed except to effectuate the terms of the agreement. (See Decl. of Lofton ¶7, Exh. B at §§VII.68.)

Accordingly, Plaintiff's proposed PAGA Settlement Agreement is proper and therefore is approved.

Conclusion

Plaintiff Andre Taylor's *unopposed* motion to confirm settlement is granted. The Court sets a status conference re compliance with the settlement on November 12, 2025 at 8:30 a.m. in Dept. 71.

Moving Party to give notice.

The Motion for Final Approval of Settlement filed by Andre Taylor on 01/30/2025 is Granted.

Status Conference settlement compliance is scheduled for 11/12/25 at 08:30 AM in Department 71 at Stanley Mosk Courthouse.

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Counsel will submit a proposed order regarding the above mentioned motion forthwith.

The moving party is to give notice.