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8 SUPERIOR COURT OF CALIFORNIA
9 COUNTY OF LOS ANGELES

10
11 MICHAEL VALDIVIESO, on behalf of himself) NO. 23GDCV00191
and all aggrieved employees,)
12 Plaintiff,) JOINT STIPULATION TO APPROVE
13 v.) PAGA SETTLEMENT; DECLARATION
OF ADAM ROSE; PROPOSED ORDER
14 UNIVERSAL AUTO GROUP, INC.. and DOES)
1 to 100,)
15 Defendants.)
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19 ALL PARTIES STIPULATE to the following:

20 1. This PAGA case presented a good faith dispute regarding the following Labor Code
21 provisions: 1) unpaid off the clock work in violation of Labor Code section 1194 (including
22 minimum wage and overtime violations), 2) missed, late or short meal and rest breaks in violation
23 of Labor Code sections 226.7 and 558, 3) wage statement penalties pursuant to Labor Code section
24 226, 4) waiting time penalties pursuant to Labor Code section 203, and 5) sick pay violations
25 pursuant to Labor Code section 246. The released claims are claims alleged in the FAC for PAGA
26 penalties based on violations of Labor Code sections 1197, 1197.1, 226, 246, 226.3, 226.7, 201,
27 202, 203, 510, 512, 558, for off the clock work, minimum wage violations, overtime violations,
28 wage statement violations, waiting time penalties, sick pay rate violations, and meal and rest break

1 violations, (“Released Claims”) as detailed in the PAGA Settlement Agreement (“the PAGA
2 Settlement Agreement”). (See Adam Rose Declaration.) The Parties seek the Court’s Order
3 granting approval of this PAGA settlement of a limited group of Aggrieved Employees on the same
4 terms and with substantially the same procedures and terms as outlined in the PAGA Settlement
5 Agreement.

6 2. The PAGA letter was sent to Universal Auto Group, Inc. (“UAG”) on November 22, 2022
7 and uploaded to the Labor and Workforce Development Agency portal.

8 3. By way of background, UAG operates Subaru of Glendale and Glendale Mitsubishi.

9 4. The Aggrieved Employees encompass all persons employed by Defendant in
10 California as a service advisor or service writer at any time during the period from November 22,
11 2021 to the Effective Date of the Settlement (date Court enters the Order approving the settlement).

12 5. The complaint was filed on January 31, 2023 after the 65-day waiting period elapsed.

13 6. After the complaint was served, UAG met and conferred with Plaintiff regarding the
14 existence of an arbitration agreement.

15 7. UAG then filed a motion to compel arbitration on May 11, 2023.

16 8. On July 10, 2023 the parties stipulated to stay the action, to move Plaintiff’s individual
17 claims to arbitration, and the stay the representative PAGA claims.

18 9. Thereafter, arbitration with JAMS proceeded, with Hon. Judge Linda Miller (Ret.) as the
19 arbitrator.

20 10. As the preliminary arbitration steps proceeded, the parties agreed to mediate all claims
21 (both individual and representative) with Deborah Saxe of JAMS, with a mediation date of October
22 23, 2023.

23 11. As the mediation approached, UAG discussed the idea of attempting to settle without the
24 expense of mediation.

25 12. In response, Plaintiff requested UAG to share the number of aggrieved employees and
26 amount of workweeks during the PAGA period.

27 13. The PAGA period is from November 21, 2021 through the date of approval. The released
28 claims encompass these Aggrieved Employees and their claims as listed in the Complaint and

1 Settlement Agreement, through the date of the Court's Order approving the settlement ("Release
2 Period"). For settlement discussion purposes, the parties exchanged information about the group of
3 Aggrieved Employees through August 31, 2023, which totaled 24 employees who worked a
4 collective 570 workweeks.

5 14. Plaintiff valued the maximum PAGA liability at \$114,000 (based on the numbers as of
6 August 2023). This is based on a finding of \$200 penalty per workweek under Labor Code section
7 2699 ($\$200 \times 570 \text{ workweeks} = \$114,000$).

8 15. However, there were apparent risks with the maximum exposure, as it is possible that not
9 all aggrieved employees had impeded meal and rest breaks, and it is also possible that not all
10 aggrieved employees worked off the clock. Defendant also put forth additional arguments about
11 having compliant meal and rest break and off the clock work written policies.

12 16. There is a separate confidential settlement regarding Plaintiff's individual FEHA claims
13 which proceeded in arbitration.

14 17. The gross settlement amount for the PAGA settlement is \$60,000, which represents over
15 50% of the maximum exposure, in order to take into account Defendants' arguments and the risk of
16 litigation, which is significant

17 18. Of the gross amount, the deductions are the following: 1) attorney fees of \$20,000, 2)
18 \$1,750 to the third-party settlement administrator, and 3) \$737 for proportionate costs.

19 19. That leaves a net settlement amount of \$37,513.

20 20. Of the net settlement amount, 75% or \$28,134.75 will go the Labor and Workforce
21 Development Agency, and 25% or \$9,378.25 will be distributed to the aggrieved employees in an
22 equal share. This results in a \$390.76 payment to each employee ($\$9,378.25 / 24 = \390.76).

23 21. For the 24 aggrieved employees, the settlement administrator, which is Phoenix Class
24 Action Administration Solutions, will distribute the checks to the aggrieved employees according
25 to the procedures in the PAGA Settlement Agreement as follows:

26 a) Within ten days (10) calendar days after the Court enters the Order granting
27 approval, Defendant will send to the Settlement Administrator a list of all Aggrieved Employees
28 including each Aggrieved Employees' name; (2) last known address; and (3) social security

1 number which shall be used solely to manage the notice and payment process described herein,
2 shall not be disclosed to anyone other than the Settlement Administrator.

3 b) Upon entry of the Order and receipt of the Aggrieved Employees List,
4 the Settlement Administrator will perform all settlement administration duties, including (i)
5 performing a National Change of Address search to update the addresses of the Aggrieved
6 Employees, (ii) issuing the Notice and payments to the Aggrieved Employees, (iii) issuing any
7 required IRS forms, and (iv) issuing payment to the LWDA, Plaintiff's counsel and Plaintiff.

8 22. As explained in the attached declaration of Adam Rose, the settlement agreement has been
9 uploaded to the PAGA website at the same time as filing the stipulation to approve the settlement.

10 23. Thus, all parties stipulate that the PAGA settlement is fair, reasonable, and adequate and
11 should be approved.

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13 Date: December 21, 2023

FRONTIER LAW CENTER

14 *Adam Rose*

15 _____
Adam Rose
16 Attorney for Plaintiff
Michael Valdivieso

17
18 Date: December 26, 2023

SCALI RASMUSSEN

19 *Jasmin Bhandari*

20 _____
Jasmin Bhandari
21 Attorney for Defendant
Universal Auto Group, Inc.