(34)

Tentative Ruling

Re: ***Johnson v. World of Jeans & Tops***
Superior Court Case No. 23CECG00266

Hearing Date: October 6, 2026 (Dept. 403)

Motion: by Plaintiff for Approval of PAGA Settlement

Tentative Ruling:

To grant and approve the PAGA Settlement Agreement, including reduced attorney's fees of $224,884, actual costs of $17,931.84 and settlement administration fees of $20,000.

Explanation:

> Because an aggrieved employee's action under the [PAGA] functions as a substitute for an action brought by the government itself, a judgment in that action binds all those, including nonparty aggrieved employees, who would be bound by a judgment in an action brought by the government. The act authorizes a representative action only for the purpose of seeking statutory penalties for Labor Code violations (Lab. Code, section 2699, subds. (a), (g)), and an action to recover civil penalties 'is fundamentally a law enforcement action designed to protect the public and not to benefit private parties.

(*Iskanian v. CLS Transportation Los Angeles, LLC* (2014) 59 Cal.4th 348, 381.)

> A PAGA representative action is therefore a type of *qui tam* action. Traditionally, the requirements for enforcement by a citizen in a qui tam action have been (1) that the statute exacts a penalty; (2) that part of the penalty be paid to the informer; and (3) that, in some way, the informer be authorized to bring suit to recover the penalty. The PAGA conforms to these traditional criteria, except that a portion of the penalty goes not only to the citizen bringing the suit but to all employees affected by the Labor Code violation. The government entity on whose behalf the plaintiff files suit is always the real party in interest in the suit.

(*Id.* at 382, internal citation omitted.)

"PAGA settlements are subject to trial court review and approval, ensuring that any negotiated resolution is fair to those affected." (*Williams v. Superior Court* (2017) 3 Cal.5th 531, 549, citing Labor Code section 2699(l)(2): "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 agency at the same time that it is submitted to the court.")

> [A] trial court should evaluate a PAGA settlement to determine whether it is fair, reasonable, and adequate in view of PAGA's purposes to remediate

> present labor law violations, deter future ones, and to maximize enforcement of state labor laws. (See *Williams, supra*, 3 Cal.5th at p. 546, 220 Cal.Rptr.3d 472, 398 P.3d 69 [PAGA "sought to remediate present violations and deter future ones"]; *Arias, supra*, 46 Cal.4th at p. 980, 95 Cal.Rptr.3d 588, 209 P.3d 923 [the declared purpose of PAGA was to augment state enforcement efforts to achieve maximum compliance with labor laws].)

(*Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, 77.)

> "Thus, while PAGA does not require the trial court to act as a fiduciary for aggrieved employees, adoption of a standard of review for settlements that prevents " ' " 'fraud, collusion or unfairness' " ' " (*Dunk, supra*, 48 Cal.App.4th at pp. 1800–1801, 56 Cal.Rptr.2d 483), and protects the interests of the public and the LWDA in the enforcement of state labor laws is warranted. Because many of the factors used to evaluate class action settlements bear on a settlement's fairness—including the strength of the plaintiff's case, the risk, the stage of the proceeding, the complexity and likely duration of further litigation, and the settlement amount—these factors can be useful in evaluating the fairness of a PAGA settlement."

(*Moniz, supra,* (2021) 72 Cal.App.5th 56, 77.)

Under the former general provisions of the PAGA scheme, 75% of the civil penalties recovered goes to the state while the remaining amount is given to the aggrieved employees. (former Lab. Code, § 2699, subd. (i).) Here, 75% of the settlement amount, after deduction of attorney fees, costs, administration expenses and incentive payment, is to be paid to the LWDA.

1. Notice to LWDA

"An employee plaintiff suing, as here, under [PAGA], does so as the proxy or agent of the state's labor law enforcement agencies." (*Raines v. Coastal Pacific Food Distributors, Inc.* (2018) 23 Cal.App.5th 667, 674, internal quotations omitted.) For that reason, Labor Code section 2699, subdivision (s)(2) requires that any proposed settlement of a PAGA claim be submitted to the Labor Workforce Development Agency at the same time it was submitted to the court.

The moving party has given notice of the settlement to the LWDA, so it may address the court regarding it, if it so chooses. (Lab. Code, § 2966, subd. (s)(2); Sloane Decl., Ex. 3.)

2. Fairness of the Settlement Amount

As mentioned above, the Court of Appeal in *Moniz v. Adecco USA, Inc., supra*, 72 Cal.App.5th 56 stated that the trial court should review PAGA settlements to determine whether they are fair, adequate and reasonable. (*Moniz, supra*, at pp. 75-77.) "Because many of the factors used to evaluate class action settlements bear on a settlement's fairness—including the strength of the plaintiff's case, the risk, the stage of the proceeding, the complexity and likely duration of further litigation, and the settlement

amount—these factors can be useful in evaluating the fairness of a PAGA settlement." (*Id.* at p. 77.)

"Given PAGA's purpose to protect the public interest, we also agree with the LWDA and federal district courts that have found it appropriate to review a PAGA settlement to ascertain whether a settlement is fair in view of PAGA's purposes and policies. We therefore hold that a trial court should evaluate a PAGA settlement to determine whether it is fair, reasonable, and adequate in view of PAGA's purposes to remediate present labor law violations, deter future ones, and to maximize enforcement of state labor laws." (*Ibid*, internal citations and footnote omitted.)

a. Strength of the Case

The declaration of attorney Stephen Sloane sets out the maximum statutory liability totaling over $132 million for the Labor Code violations for which PAGA penalties are sought. (Sloane Decl., ¶¶ 25-46.) Counsel assesses the realistic exposure to be $11,805,500 should the court follow *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1209 and assess only the initial $100 violation rate for each pay period. (*Id.*, ¶ 50.) Counsel's calculations are premised on a total of 7,601 aggrieved employees and approximately 118,500 pay periods in the PAGA period. (*Ibid.*) The amount of pay periods was calculated to be 116,776 by Jessica Beck, a current payroll consultant for defendant. (Beck Decl., ¶ 2.)

Counsel provides a thorough discussion of his assessment of the strengths and weaknesses in evaluating each of the Labor Code claims. (Sloane Decl., ¶¶ 25-50.) The discussion of the potential value of the case is adequately supported by evidence of the total workweeks and supports finding the settlement is fair, reasonable, and adequate.

b. Stage of the Proceeding

A presumption of fairness exists where the settlements is reached through arm's length mediation between adversarial parties, where there has been investigation and discovery sufficient to allow counsel and the court to act intelligently, and where counsel is experienced in similar litigation. (*Dunk v. Ford Motor Company* (1996) 48 Cal. App 4th 1794, 1802.) Here, the case settled after the parties attended mediation and reached a settlement of the PAGA claims in the action. (Sloane Decl., ¶ 11.)

Counsel attests to the settlement as a product of reasonable investigation of the facts and law and a diligent investigation of the plaintiff's claims while taking into account the potential defenses. (Sloane Decl., ¶ 13.)

Regarding pre-settlement discovery, counsel attests to having engaged in informal discovery and independent investigation to evaluate the claims and defenses. (Sloane Decl. ¶¶ 12-13.) Defendant produced a sample of pay and time records and its written policies related to the claims at issue which was reviewed to evaluate the plaintiffs' claims. (*Ibid.*)

The case settled after a mediation session on February 5, 2025, approximately 24 months after the complaint was filed. This stage of the proceeding appears appropriate for settlement.

c. *Risks of Litigating Case through Trial*

The moving papers indicate risks in continuing to trial included defendants' disputed liability and assertion of defenses, including that any violations were not a result of company policy but of an employee's voluntary choice. Additionally cited in is the court's wide latitude to reduce civil penalties within the PAGA statute itself. (Lab. Code, § 2699, subd. (e)(2).) Although the analysis appears to be applicable to any PAGA action and not unique to plaintiff's claims, the court finds this factors weighs in favor of approval.

d. *Amount of Settlement*

The gross settlement is $1,145,550, and represents approximately 9.7% of the realistic exposure of $11,805,500. The result appears to be fair, adequate, and reasonable as a stand-alone PAGA settlement where courts frequently approve lower amounts where brought in conjunction with class action claims alleging Labor Code violations.

e. *Experience and Views of Counsel*

Plaintiff's counsel with Lavi & Ebrahimian, LLP law firm are experienced in wage and hour and employment litigation including individual claims and class actions. (Sloane Decl., ¶ 3.) Attorney Stephen Sloane has stated that the settlement is fair and reasonable under the circumstances which weighs in favor of approving the settlement.

f. Government Participation

No government entity participated in the case, so this factor does not favor either approval or disapproval of the settlement.

3. Attorney's Fees and Costs

The settlement agreement provides that plaintiffs' counsel would receive up to $400,942 (35% of the total gross recovery) in attorney's fees, plus costs of up to $20,500. (Sloane Decl., Ex. 1, Settlement Agreement, ¶ 3.2.1.) Plaintiff's actual costs are $17931.84 and actual costs are requested to be approved. (*Id.*, ¶ 85, Exh. 2.)

Courts have approved awards of fees in class actions that are based on a percentage of the total common fund recovery. (*Laffitte v. Robert Half Internat.* (2016) 1 Cal.5th 480, 503.) It appears that the same reasoning would apply to PAGA settlements, which bear similarities to class actions. However, the court may also perform a lodestar calculation to double check the reasonableness of the fee request. (*Laffitte, supra*, at pp. 504-506.) Labor Code section 2699, subdivision (g)(1) states that the prevailing employee "shall be entitled to an award of reasonable attorney's fees and costs."

Records by counsel of the time actually spent on a matter are the starting point for any lodestar determination. (*Horsford v. Board of Trustees* (2005) 132 Cal. App. 4th 359, 394.)

A court assessing attorney's fees begins with a touchstone or lodestar figure, based on the 'careful compilation of the time spent and reasonable hourly compensation of each attorney . . . involved in the presentation of the case." *Serrano v. Priest (Serrano III)* (1977) 20 Cal.3d 25, 48. As our Supreme Court has repeatedly made clear, the lodestar consists of "the number of hours *reasonably expended* multiplied by the *reasonable* hourly rate. . . ." *PLCM Group, Inc. v. Drexler* (2000) 22 Cal. 4th 1084, 1095, italics added; *Ketchum v. Moses* (2001) 24 Cal.4th 1122, 1134.)

Reasonable hourly compensation is the "hourly prevailing rate for private attorneys in the community conducting noncontingent litigation of the same type" (*Ketchum v. Moses, supra,* 24 Cal.4th at p. 1133.)

Here, the fee request is 35% of the gross settlement, which is somewhat higher than the average request of one-third of the gross settlement. In support of the requested fees, counsel attests to the experience of himself and nine attorneys, their hourly rates, the number of hours billed by each for this action and attaches a summary of billing entries for this case. (Sloane Decl., ¶¶ 70-80, Ex. 11, 12.) Counsel's hourly rates range from $1,000 to $675 per hour and the attorneys spend a combined 276 hours litigating this action. (*Ibid.*) In support of the use of out-of-town billing rates, plaintiff Allison Johnson attests to her attempts to retain local counsel and inability to do so. (Johnson Decl., ¶ 7.)

Plaintiff calculates the lodestar to be $204,305, which would require a 1.96 multiplier to meet the requested percentage-based fee. (Sloane Decl., ¶ 67.) Using the evidence of counsels billing rates and hours the court calculates the lodestar to be $204,440. In support of the implied multiplier to raise the lodestar to the requested 35% fee counsel cites to the results obtained in the settlement and contingent nature of the fee. (*Id.*, ¶¶ 67, 81.)

Although the court agrees that the settlement is reasonable, counsel has put forth no evidence to demonstrate the results achieved are "excellent," or that there was any true risk of non-payment of attorneys' fees. (*Ketchum v. Moses, supra,* 24 Cal.4th at p. 1132.) The court recognizes the delay in payment of attorney fees caused by the contingency fee but such a delay does not support the imposition of a 1.96 multiplier. Accordingly, the court declines to find the 35% fee reasonable in this case but will approve a fee award of $240,884, reflecting a 1.1 multiplier to the lodestar fee of $204,440. The multiplier reflect the delay in payment as a result of the contingency-based fee.

The court's approval of actual costs of $17,931.84 is requested and approved. (Sloane Decl., ¶ 85, Ex. 2.)

4. Settlement Administration

The parties request approval of up to $24,000 for settlement administration costs to ILYM Group. Lisa Mullins of ILYM Group, Inc. attests to the services they will provide as

settlement administrator and their fee of $20,000 for those services. (Mullins Decl., ¶¶ 4-6, Ex. C.) The court intends to approve the $20,000 fee for settlement administration.

5. Scope of the Release

> ... PAGA's statutory scheme and the principles of preclusion allow, or "authorize," a PAGA plaintiff to bind the state to a judgment through litigation that could extinguish PAGA claims that were not specifically listed in the PAGA notice where those claims involve the same primary right litigated. Because a PAGA plaintiff is authorized to settle a PAGA representative action with court approval (§ 2699, *(l)*(2)), it logically follows that he or she is authorized to bind the state to a settlement releasing claims commensurate with those that would be barred by res judicata in a subsequent suit had the settling suit been litigated to judgment by the state.

(*Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, 83.)

Here, the settlement agreement provides that the following claims would be released:

> Effective on the date when Defendant has fully funded the entire Gross Settlement Amount, Plaintiff, on behalf of herself, the State of California and the LWDA, releases, and all other Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, the Released Parties from all known and unknown claims for civil penalties under PAGA that were alleged, or reasonably could have been alleged, in the Action and/or in the PAGA Notice based on the facts alleged in the Operative Complaint and PAGA Notice, including but not limited to (1) failure to pay minimum wages and overtime wages; (2) failure to provide legally required meal periods or pay premiums; (3) failure to provide legally required rest periods or pay premiums; (4) failure to timely pay earned wages during employment; (5) failure to provide complete and accurate wage statements; (6) failure to pay all wages due at the time of separation of employment; and (7) failure to indemnify for necessary business expenses or losses, including but not limited to alleged violations of California Labor Code sections 201, 202, 203, 204, 226, 226.3, 226.7, 510, 512, 558, 1194, **1197, 1197.1**, 1198 and 2802 ("Released PAGA Claims"). The Released PAGA Claims are limited to the PAGA Period. The Released PAGA Claims do not release any Aggrieved Employees' claims for wages or statutory penalties. The Released PAGA Claims are forever barred by this PAGA Settlement Agreement regardless of the forum in which they may be brought. The Parties intend for this release to be as broad as lawfully possible. Non-signatories can avail themselves of this PAGA Settlement Agreement, and this PAGA Settlement Agreement is for their respective benefit and use. The Released PAGA Claims do not release any claims or actions to enforce this PAGA Settlement Agreement, or to any claims that cannot be released as a matter of law such as claims for vested benefits, unemployment benefits, disability benefits, social security benefits and workers' compensation benefits, that arose at any time, or based on

occurrences that take place after Plaintiff's execution of this PAGA Settlement Agreement.

(Sloane Decl., Exh. 1, PAGA Settlement Agreement, ¶ 5, emphasis added.)

The November 15, 2022 notice of Labor Code violations sent on behalf of plaintiff includes allegations of failure to pay overtime wages for overtime hours worked (Lab. Code §§ 510, 1194, 1198), failure to provide meal periods or pay premiums (Lab. Code §§ 512, 226.7), failure to provide rest breaks or pay premiums (Lab. Code § 226.7), failure to pay all earned wages (Lab. Code § 204), failure to furnish accurate wage statements (Lab. Code § 226), and failure to pay all wages at termination (Lab. Code §§ 201, 202, 203). (Sloane Decl., Ex. 10.) The November 20, 2025 amended notice of Labor Code violations sent on behalf of plaintiff includes the previous allegations as well as allegations of defendant's failure to reimburse business expenses (Lab. Code § 2802). (*Ibid.*)

The scope of the release is generally limited to the PAGA claims of which the LWDA was given notice and those supported by the allegations of the complaint with the exception of the inclusion of Labor Code sections 1197 and 1197.1, which were neither included in the notices to the LWDA nor alleged in the operative complaint. The parties prepared an amendment to the settlement agreement appropriately limiting the released claims to only those raised in the initial notices to the LWDA and alleged in the complaint. (Sloane Decl., Ex. 1.)

Pursuant to California Rules of Court, rule 3.1312(a), and Code of Civil Procedure section 1019.5, subdivision (a), no further written order is necessary. The minute order adopting this tentative ruling will serve as the order of the court and service by the clerk will constitute notice of the order.

Tentative Ruling

Issued By: **lmg** (Judge's initials) **on** **10-5-26** (Date).

IN THE SUPERIOR COURT OF CALIFORNIA
COUNTY OF FRESNO
CIVIL UNLIMITED DEPARTMENT 502

Allison Johnson
Plaintiff/Petitioner,
v.
World of Jeans & Tops
Defendant/Respondent.

Case No.	**23CECG00266**
Event Date:	**10/06/2026**
Event Type:	**Motion**
Mtn/OSC:	**For Order**
Add'l Info:	**PAGA Settlement - Filed 09/14/2026**
Judge:	**Lisa M. Gamoian**
Clerk:	**Maria Lopez**
Reporter:	

Minutes

Update Scheduled Events - 10/06/2026 Motion in Department 502
Event Result: Not Heard - Orders Made

Appearances:

There are no appearances.

Nature of Proceedings:

No Oral Argument requested .
Tentative Ruling becomes the order of the court.
Pursuant to CRC 3.1312(a) and CCP §1019.5(a), no further order is necessary. Service by the clerk will constitute notice of the order.
(See attached copy of the Tentative Ruling.)

10/06/2026 Ruling - Tentative Filed By - Clerk.

Certificate of mailing/electronic service attached.