SUPERIOR COURT OF CALIFORNIA
COUNTY OF SANTA CLARA

MINUTE ORDER

Carlos Rivera vs Building Services Maintenance, Inc. et al		Hearing Start Time:	9:00 AM
23CV411692		Hearing Type:	Hearing: Other
Date of Hearing: 05/27/2026			

Heard By:	Parrett, Vince	Location:	Department 16
Court Reporter:	- No Court Reporter	Courtroom Clerk:	E. De Santiago
		Court Interpreter:	
		Court Investigator:	

Parties Present: Future Hearings:

- Not reported.

No appearance for Plaintiff.
No appearance for Defendant.

No one has contested the Tentative Ruling.

The Tentative Ruling is adopted. See below for ruling.

Case Name: Carlos Lemus Rivera v. Building Services Maintenance, Inc., et al.

Case No.: 23CV411692

SUPERIOR COURT OF CALIFORNIA

COUNTY OF SANTA CLARA

Plaintiff Carlos Lemus Rivera ("Plaintiff") moves the Court for entry of an Order and Judgment approving the parties' PAGA settlement under Labor Code Section 2699(l)(2). Notice of Motion (the "Motion") at 2:4-6 (filed: May 4, 2026).

The Motion came on for hearing on May 27, 2026, at 9:00 AM in Department 16. After reviewing all the papers and the record, and giving counsel for all parties the full and fair opportunity to be heard, the Court finds and rules as follows.

This is a representative action arising from alleged wage and hour violations. Plaintiff Carlos Rivera seeks penalties against defendants under the Private Attorneys General Act ("PAGA"), alleging failures to pay minimum wages, overtime, provide meal and rest periods, provide wage statements and maintain records, timely pay wages during employment and after separation, reimburse business expenses, and provide notice of terms of employment.

Plaintiff now moves for approval of the PAGA settlement reached by the parties, and the motion is unopposed. As discussed below, the Court GRANTS the motion for approval of the PAGA settlement and sets a compliance hearing for February 10, 2027 at 10:00 a.m. in Department 16.

I. Legal Standard

A trial court must review and approve any settlement of an action filed under the Private Attorneys General Act ("PAGA"). (Lab. Code, 2699, subd. (s)(2).) The trial court must "determine independently whether a PAGA settlement is fair and reasonable," to protect "the interests of the public and the LWDA in the enforcement of state labor laws." (Moniz v. Adecco USA, Inc. (2021) 72 Cal.App.5th 56, 76-77.) A PAGA settlement may be substantially discounted, and courts often exercise their discretion to award PAGA 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. Settlement Terms and Administration

A. Provisions of the Settlement

Plaintiff moves for approval of a proposed settlement made on behalf of a group of Aggrieved Employees, defined as:

A person employed by Defendant [Building Services System Maintenance, Incorporated] in California as a non-exempt employee during the PAGA Period [December 9, 2021 to September 23, 2025, or the date in which the number of Pay Periods reached 22,000, whichever is earlier].

(Declaration of Raul Perez ("Perez Decl."), Ex. 1 ("Agreement"), 1.4, 1.22.)

Under the principal terms of the settlement, Defendant will pay a non-reversionary gross settlement amount of $655,000. (See Memorandum, pp. 7:16-8:13.) This amount includes reasonable attorney fees and costs (Plaintiff's counsel is requesting $218,333.33 one-third of the gross settlement amount and $7,805.09), an enhancement payment to Plaintiff of $5,000, and settlement administration costs of approximately $5,500. Of the remaining net settlement amount, 75 percent will be paid to the LWDA, and 25 percent will be distributed to Aggrieved Employees based on the pro rata number of pay periods worked. Funds from checks that are not cashed or canceled by the void date will be sent to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee whose check went uncashed.

In exchange for the settlement, Aggrieved Employees are deemed to release Defendant and related people and entities from "from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the same facts stated in the Operative Complaint and/or the PAGA Notice during the PAGA Period ('Released Claims')" (Agreement, 1.28, 5.2.) The release provisions are appropriately tailored to the factual allegations of the operative pleading. (See Amaro v. Anaheim Arena Management, LLC (2021) 69 Cal.App.5th 521, 538.)

B. The Settlement Is Fair.

Plaintiff contends that the PAGA settlement is fair and reasonable. (Memorandum, pp. 11:1-16:9; Perez Decl., 2-9; Declaration of Mark Yablonovich ("Yablonovich Decl."), 7-18.) Plaintiff's counsel explains that the parties participated in mediation with Phillip Cha, Esq., on September 23, 2025, prior to which, Defendant provided Plaintiff with informal discovery. (Perez Decl., 3.) As of September 2025, there were approximately 477 Aggrieved Employees who worked 21,784 pay periods during the relevant period. (Agreement, 8.) According to the exposure analysis provided by Plaintiff, Defendant faces a total maximum exposure of $13,148,100 and a risk-adjusted exposure of $1,641,570. (Memorandum, pp. 12:9-14:20.)

The gross settlement amount of $655,000 represents a recovery of approximately five percent of Defendant's estimated total maximum exposure and 39.9 percent of Defendant's risk-adjusted exposure. Given the risks of continued litigation and the reality that trial courts can and often do exercise their discretion to reduce the total PAGA penalties imposed, the Court finds that Plaintiff's counsel has adequately explained the rationale behind the settlement amount. (See Carrington, supra, 30 Cal.App.5th at p. 529.)

Having carefully reviewed Plaintiff's written submissions in support of the settlement, the Court finds and rules that this PAGA settlement is fair and is approved.

C. Incentive Award, Attorneys' Fees, and Costs

Plaintiff seeks a service award in the amount of $5,000. Plaintiff has provided a declaration describing his participation in this litigation. Under the circumstances of this case, including Plaintiff's service as PAGA representative, and the broader release executed by the Plaintiff, the Court is satisfied that a service award is justified and the amount requested of $5,000.00 is reasonable and awarded now.

Plaintiff's attorneys seek fees in the amount of $218,333.33 (one third of the gross settlement amount). (Memorandum, pp. 16:10-20:24; Perez Decl. 21-24; Yablonovich Decl., 24-32.) Plaintiff's counsel submits that the current lodestar in this action is $150,387.50. (Memorandum, pp. 19:27 -20.) This results in a multiplier of 1.45. The Court finds the requested fees to be reasonable as a percentage of the total recovery and therefore approves a fee award in the amount requested of $218,333.33 now.

Plaintiff's counsel also requests reimbursement of litigation costs in the total amount of $7,805.09 and provides evidence of costs incurred in that amount. (Memorandum, pp. 20:25-21:13; Perez Decl., 26.) The Court finds the costs to be reasonable and approves reimbursement of costs in the amount requested of $7,805.09 now.

Plaintiffs also seek approximately $5,500.00 in settlement administration costs to Phoenix Settlement Administrators ("Phoenix"). (Memorandum, p. 8:12-13.) The Court appoints Phoenix as settlement administrator and approves settlement administration costs up to $5,500.00, according to proof at the compliance hearing that will happen on February 10, 2027 at 10:00 AM in Dept. 16.

III. Conclusion and Order

Accordingly, the Court GRANTS the Motion for approval of the PAGA settlement and sets a compliance hearing for February 10, 2027 at 10:00 a.m. in Department 16.

SO ORDERED.

Date: May 27, 2026
Hon. Vincent I. Parrett
Superior Court of the State of California,
County of Santa Clara

Matter Continued to 2-10-2027 at 9:00 AM in Department 16.