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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SANTA CLARA

ANDRES CEDENO OLIVO, individually, and
on behalf of other members of the general public
similarly situated,

Plaintiffs,

vs.

KHANNA ENTERPRISES GENERAL
PARTNER, an unknown business entity;
KHANNA ENTERPRISES IV LIMITED
PARTNERSHIP, a California limited
partnership; KHANNA ENTERPRISES - II,
LIMITED PARTNERSHIP, a California limited
partnership; KHANNA ENTERPRISES II,
INC., a California corporation; KHANNA
ENTERPRISES III, INC., a Delaware
corporation; KHANNA ENTERPRISES V
LIMITED PARTNERSHIP, a California limited
partnership; KHANNA ENTERPRISES VI LP,
a Delaware limited partnership; KHANNA
ENTERPRISES, INC., a California corporation;
KHANNA ENTERPRISES LTD., - III, LP, a
California limited partnership; KHANNA
ENTERPRISES, LTD., A LIMITED
PARTNERSHIP, a California limited
partnership; ASHWIN KHANNA, INC., a
California corporation; RAJESH KHANNA,
INC., a California corporation; RAVI
KHANNA, INC., a California corporation; and
DOES 1 through 10, inclusive,

Defendants.

Case No. 22CV409085

Assigned to the Hon. Theodore C. Zayner

**[PROPOSED] ORDER APPROVING THE
PARTIES' PAGA SETTLEMENT
AGREEMENT AND JUDGMENT**

Complaint Filed: December 27, 2022
Trial Date: None Set

1 **I. Introduction**

2 This is a putative class and representative action arising from alleged wage and hour violations.
3 On December 27, 2022, plaintiff Andres Cedeno Olivo (“Plaintiff”) began this action by filing a class
4 action complaint against defendants Khanna Enterprises II, Limited Partnership, Khanna Enterprises IV
5 Limited Partnership, Khanna Enterprises VI, LP, and Khanna Enterprises, Limited (collectively,
6 “Defendants”). On April 3, 2023, Plaintiff filed the operative first amended class action complaint,
7 asserting various causes of action based on Labor Code violations, including a cause of action for civil
8 penalties pursuant to the Private Attorneys General Act (“PAGA”).

9 On July 20, 2023, the court issued an order on the parties’ stipulation to dismiss Plaintiff’s class
10 claims and submit Plaintiff’s individual PAGA claims to arbitration, pursuant to an arbitration agreement
11 executed by Plaintiff prior to his employment. The order also stayed Plaintiff’s non-individual PAGA
12 claims pending the outcome of the California Supreme Court’s decision in *Adolph v. Uber Technologies*
13 (2023) 14 Cal.5th 1104.

14 The parties have reached a settlement, and Plaintiff now moves for approval of the settlement.
15 The motion is unopposed.

16 **II. Legal Standard for PAGA Settlement Approval**

17 Labor Code section 2699, subdivision (1)(2) provides that “[t]he superior court shall review and
18 approve any settlement of any civil action filed pursuant to” PAGA. The court’s review “ensur[es] that
19 any negotiated resolution is fair to those affected.” (*Williams v. Superior Court* (2017) 3 Cal.5th 531,
20 549.) Seventy-five percent of any penalties recovered under PAGA go to the Labor and Workforce
21 Development Agency (LWDA), leaving the remaining twenty-five percent for the aggrieved employees.
22 (*Iskanian v. CLS Transportation Los Angeles, LLC* (2014) 59 Cal.4th 348, 380, overruled on other
23 grounds by *Viking River Cruises, Inc. v. Moriana* (2022) 596 U.S. 639.)

24 Like its review of class action settlements, the Court must “determine independently whether a
25 PAGA settlement is fair and reasonable,” to protect “the interests of the public and the LWDA in the
26 enforcement of state labor laws.” (*Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, 76-77.) It must
27 make this assessment “in view of PAGA’s purposes to remediate present labor law violations, deter
28 future ones, and to maximize enforcement of state labor laws.” (*Id.* at p. 77; see also *Haralson v. U.S.*

1 *Aviation Servs. Corp.* (N.D. Cal. 2019) 383 F. Supp. 3d 959, 971 [“when a PAGA claim is settled, the
2 relief provided for under the PAGA [should] be genuine and meaningful, consistent with the underlying
3 purpose of the statute to benefit the public”], quoting LWDA guidance discussed in *O’Connor v.*
4 *Uber Technologies, Inc.* (N.D. Cal. 2016) 201 F.Supp.3d 1110 (*O’Connor*).)

5 The settlement must be reasonable considering the potential verdict value. (See *O’Connor*,
6 *supra*, 201 F.Supp.3d at p. 1135 [rejecting settlement of less than one percent of the potential verdict].)
7 But a permissible settlement may be substantially discounted, given that courts often exercise their
8 discretion to award PAGA penalties below the statutory maximum even where a claim succeeds at trial.
9 (See *Viceral v. Mistras Group, Inc.* (N.D. Cal., Oct. 11, 2016, No. 15-cv-02198-EMC) 2016 WL
10 5907869, 2016 U.S. Dist. LEXIS 140759, at *20-24.)

11 **III. Discussion**

12 **A. Provisions of the Settlement**

13 Plaintiff moves for approval of a settlement made on behalf of group of “Aggrieved
14 Employees,” defined as follows:

15 [A]ll individuals employed by Defendants as non-exempt employees in
16 California at any time during the period from January 27, 2022 through October
10, 2024.

17 (Supplemental Declaration of Raul Perez, Ex. 1 (“Amendment”), ¶ 1.)

18 Defendants will pay a non-reversionary gross settlement amount of \$550,000. (Declaration of
19 Raul Perez (“Perez Decl.”), Ex. 1 (“Agreement”), ¶ 4.) This amount includes attorney fees of up to
20 \$183,333, litigation costs not to exceed \$25,000, a service award to Plaintiff of \$10,000, and settlement
21 administration expenses of up to \$6,250. (*Id.* at ¶¶ 15-18.) The parties will retain ILYM Group, Inc. as
22 the entity to responsible for administering the settlement. (*Id.* at ¶ 18.) The court approves and appoints
23 ILYM Group, Inc. as the settlement administrator. Of the remaining net settlement amount, 75 percent
24 will be paid to the LWDA and 25 percent will be distributed to aggrieved employees based on the pro
25 rata number of pay periods worked during the PAGA Period. (*Id.* at ¶ 14.) Funds from checks that are
26 not cashed within 180 days from the date of mailing will be sent to The Justice Gap Fund maintained by
27 The State Bar of California. (*Id.* at ¶ 22.)

28 In exchange for the settlement, the aggrieved employees agree to release the Defendants and

1 entities from “any and all claims for PAGA civil penalties under the California Labor Code, Wage
2 Orders, regulations, and/or other provisions of law alleged or could have been alleged to have been
3 violated in the Action with respect to Aggrieved Employees based on the facts alleged in the Action
4 during the Settlement Period.” (Agreement, ¶¶ 9, 23) The release provisions are appropriately tailored to
5 the factual allegations of the operative pleading. (See *Amaro v. Anaheim Arena Management, LLC*
6 (2021) 69 Cal.App.5th 521, 538.)

7 **B. Fairness of the Settlement**

8 Plaintiff contends that the parties negotiated a fair and reasonable settlement. (Memorandum, pp.
9 8:1-11:28.) Plaintiff’s counsel explains that the settlement is the product of the parties’ participation in
10 mediation with Marc Feder, esq., following the exchange of informal discovery. (Perez Decl., ¶¶ 4-6.)
11 Prior to mediation, Defendants produced employee demographic data, a sample of Aggrieved
12 Employees’ time and pay records, and Defendants’ labor policies and procedures. (*Id.* at ¶ 9.) Plaintiff’s
13 counsel performed a thorough investigation into the claims at issue and asserts that the settlement
14 represents a fair and reasonable compromise of Plaintiff’s claims balanced against the risks of continued
15 litigation and the defenses asserted by Defendants. (*Id.* at ¶¶ 10-11.)

16 Plaintiff’s counsel provides an analysis of Defendants’ exposure based on a total of
17 approximately 850 aggrieved employees and 22,000 applicable pay periods during the settlement period.
18 (Perez Decl., ¶¶ 12-44.) According to this analysis, Defendants’ estimated total maximum exposure is
19 approximately \$13,247,500, and Defendants’ estimated total realistic exposure is \$2,094,750. (*Id.* at ¶
20 44.) Plaintiff’s counsel provides of breakdown of these amounts by claim and addresses the associated
21 risks and defenses.

22 The gross settlement amount of \$550,000 represents approximately 4.1 percent of Defendants’
23 estimated maximum exposure. Based on the estimated maximum exposure and the general range of
24 percentage recoveries that California courts have found to be reasonable, the gross settlement amount is
25 somewhat low. (See *Cavazos v. Salas Concrete, Inc.* (E.D. Cal., Feb 18, 2022, No. 1:19-cv-00062-
26 DAD-EPG) 2022 U.S.Dist. LEXIS 30201, at *41-42 [citing cases indicating that a general range of 5 to
27 35 percent of the maximum potential exposure is reasonable].) Nevertheless, Plaintiff’s counsel
28 sufficiently explains the rationale for the settlement amount, particularly considering the available

1 defenses and the facts that courts have wide discretion to reduce PAGA penalty amount. The settlement
2 amount represents a substantial 26.3 percent of Defendants' estimated realistic exposure.

3 The court has reviewed Plaintiff's written submissions in support of the proposed settlement.
4 Based on the circumstances of the case, including the strength of Plaintiff's case and potential defenses,
5 the court finds the terms of the settlement to be fair. The settlement provides for some recovery for each
6 class member and eliminates the risk and expense of further litigation.

7 **C. Incentive Award, Fees and Costs**

8 As part of the settlement, Plaintiff seeks a service award in the amount of \$10,000. Although
9 service awards are common in class actions, there is less authority regarding the propriety of service
10 awards in PAGA cases. Nevertheless, a PAGA case is a representative action like a class action, and
11 courts have recognized that an individual's willingness to act as a private attorney general may merit a
12 service award. (See *Rodriguez v. West Publishing Corp.* (9th Cir. 2009) 563 F.3d 948, 959.)

13 Plaintiff has submitted a declaration detailing his participation in the action. He states that he has
14 spent between 25 and 35 hours on this case, including discussing the case with counsel, gathering facts
15 and documents, and carefully reviewing the complaint and proposed settlement. (Declaration of Andres
16 Olivo, ¶¶ 4-12.) In exchange for the service award, Plaintiff also agreed to a general release of all claims
17 arising out of his employment with Defendants. (Agreement, ¶¶ 8, 16.) The court finds that a service
18 award is appropriate and that the amount requested is reasonable under the circumstances. Therefore, the
19 court approves the service award in the requested amount.

20 Plaintiff's counsel seeks attorney fees of \$183,333 (one-third of the gross settlement amount).
21 (Memorandum, pp. 12:1-17:17; Agreement, ¶ 15.) Counsel submits that Plaintiff has incurred a lodestar
22 of \$149,242.50 in this action, based on a total of 224 hours billed at rates ranging from \$475 per hour to
23 \$950 per hour. (Perez Decl., ¶¶ 58-59.) This results in a multiplier of 1.23, which is within the range of
24 multipliers that courts typically approve. (See *Wershba, supra*, 91 Cal.App.4th at p. 255 ["[m]ultipliers
25 can range from 2 to 4 or even higher"]; *Vizcaino v. Microsoft Corp.* (9th Cir. 2002) 290 F.3d 1043, 1051,
26 fn. 6 [stating that multipliers ranging from one to four are typical in common fund cases].) The benefits
27 achieved by the settlement justify an award of attorney fees to counsel. The court finds that the requested
28 attorney fee award is reasonable as a percentage of the common fund and therefore approves an attorney

1 fee award in the requested amount.

2 Plaintiff's counsel also requests litigation costs in the total amount of \$11,670.40 and provides a
3 list of costs incurred in that amount. (Perez Decl., ¶ 62.) This is under the \$25,000 maximum for costs as
4 set by the Agreement. Therefore, the court approves the reimbursement of costs in the amount requested.
5 Settlement administration costs up to a maximum of \$6,250 are also approved. (Agreement, ¶ 18.)

6 **IV. Conclusion**

7 The motion for approval of PAGA settlement is GRANTED. The court sets a compliance
8 hearing for December 3, 2025 at 2:30 p.m. in Department 19.

9 This Judgment shall be binding on all Aggrieved Employees and the State of California, who are
10 hereby barred by the doctrine of res judicata from re-litigating the Settled Claims during the Settlement
11 Period, as those terms are defined by the Settlement. *See Arias v. Superior Court*, 46 Cal. 4th 969, 986
12 (2009) (holding that a judgment in a representative action brought by an aggrieved employee under
13 PAGA is binding not only on the named employee plaintiff but also on state labor law enforcement
14 agencies and any aggrieved employee not a party to the proceeding).

15 Without affecting the finality of the Order and Judgment, the Court shall retain exclusive and
16 continuing jurisdiction under California Code of Civil Procedure § 664.6, over the above-captioned
17 action and the parties for purposes of enforcing the terms of the Judgment and the Settlement.

18 This document shall constitute a judgment under California Code of Civil Procedure § 664.6.

19
20
21 **IT IS SO ORDERED, ADJUDGED, AND DECREED.**

22 Date May 28, 2025

23 
24 _____
25 Hon. Theodore C. Zayner
26 Santa Clara County Superior Court Judge
27
28

PROOF OF SERVICE

I am employed in the State of California, County of Los Angeles. I am over the age of 18 and not a party to the within suit; my business address is 1875 Century Park East, Suite 1000, Los Angeles, California 90067.

On **May 20, 2025**, I served the documents described as: **[PROPOSED] ORDER APPROVING THE PARTIES' PAGA SETTLEMENT AGREEMENT AND JUDGMENT** on the interested parties in this action by sending ☐ the original [or] ☒ a true copy thereof ☒ to interested parties as follows [or] ☐ as stated on the attached service list:

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ENTERPRISES V LIMITED
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ENTERPRISES VI LP; KHANNA
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KHANNA ENTERPRISES, LTD., A
LIMITED PARTNERSHIP; ASHWIN
KHANNA, INC.; RAJESH KHANNA,
INC., and RAVI KHANNA, INC.,

☒ **BY ELECTRONIC SERVICE:** Pursuant to Court Order, I hereby certify that I caused a true and correct copy of the document(s) listed above to be served electronically on counsel of record via transmission to OneLegal.

☐ **BY E-MAIL:** I hereby certify that this document was served from Los Angeles, California, by e-mail delivery on the parties listed herein at their most recent known e-mail address or e-mail of record in this action.

☐ **BY FAX:** I hereby certify that this document was served from Los Angeles, California, by facsimile delivery on the parties listed herein at their most recent fax number of record in this action.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this **May 20, 2025**, at Los Angeles, California.

Xochitl Tapia
Type or Print Name


Signature