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8 SUPERIOR COURT OF CALIFORNIA

9 COUNTY OF SAN DIEGO

10 STANLEY SINGLETON, on behalf of  
11 himself, all other aggrieved employees, and the  
general public,

12 Plaintiffs,

13 v.

14 DIGIUS ENTERPRISES, LLC; ALI DIGIUS;  
15 UTOPIA MANAGEMENT, INC.; URBAN  
COAST PROPERTIES, INC.; and DOES 1-  
16 100, inclusive,

17 Defendants.

Case No.: 37-2023-00005824-CU-OE-CTL

**JOINT STIPULATION REQUESTING  
APPROVAL OF PAGA SETTLEMENT;  
AND [PROPOSED] ORDER**

18  
19 Complaint Filed: 02/09/2023

20 Dept.: C-70

21 Judge: Hon. Carolyn Caietti

22 Trial Date: March 7, 2025  
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1 Plaintiff Stanley Singleton (“Plaintiff” or “Singleton”) on behalf of himself and other current  
2 and former aggrieved employees, and Defendants Digius Enterprises, LLC (“Enterprises”), Ali  
3 Digius (“Digius”), Utopia Management, Inc. (“Utopia”), and Urban Coast Properties, Inc. (“Urban”)  
4 (collectively, the “Defendants” and collectively referred to with Plaintiff as the “Parties”), by and  
5 through their respective counsel of record, hereby stipulate as follows for purposes of settling this  
6 action:

7 1. Pursuant to Labor Code section 2698 *et seq.* (the Labor Code Private Attorneys  
8 General Act of 2004, or “PAGA”), on February 9, 2023, Plaintiff served a notice letter to the  
9 California Labor and Workforce Development Agency (“LWDA”) and Defendant, pursuant to  
10 California Labor Code Section 2699.3, to notify the LWDA of the alleged California Labor Code  
11 violations. The LWDA did not respond to Plaintiff’s correspondence.

12 2. On February 9, 2023, Plaintiff filed his lawsuit against Defendants alleging  
13 individual claims and a PAGA claim for Labor Code wage and hour violations primarily related to  
14 Plaintiff’s allegations that Defendants failed to pay Plaintiff any wages for approximately 21 hours  
15 per week of work that Plaintiff performed as an onsite resident manager at a 16 unit apartment  
16 complex located at 4086 Swift Ave, San Diego, California 92104 (the “Property”), which is owned  
17 entirely by Enterprises, an entity which is owned and managed by Digius (the “Digius Defendants”).  
18 Digius Defendants owned and managed the Property since Plaintiff first became an onsite resident  
19 manager on the Property. Plaintiff named Utopia and Urban as joint employer defendants in the  
20 action because Plaintiff alleges that he worked directly with Utopia and Urban to complete his onsite  
21 resident manager duties while the Digius Defendants engaged Utopia beginning in 2019 and then  
22 Urban in 2022 as successive property managers for the Property.

23 3. Plaintiff also alleged that the Digius Defendants and Urban retaliated against Plaintiff  
24 by unlawfully raising Plaintiff’s monthly rent by over \$1,000 which exceeded the ten (10) percent  
25 annual cap in California and wrongfully terminating Plaintiff in or around October 2022, because  
26 they believed Plaintiff did or would disclose unpaid wages and unlawful activity to a government  
27 agency, body, or someone with authority to investigate and remedy the alleged noncompliance.

28 4. On April 17, 2023, Plaintiff filed his First Amended Complaint (the operative

1 “Complaint”) after the sixty-five (65) day notice period required by PAGA expired. Defendants  
2 filed answers with general denials. Defendants deny all Plaintiff’s allegations including, but not  
3 limited to, that Defendants employed Plaintiff.

4 5. On behalf of the State of California Plaintiff sought PAGA civil penalties for Labor  
5 Code violations against all Defendants’ California employees from May 29, 2019, to the date of the  
6 Court’s Order approving a PAGA claim settlement for PAGA civil penalties or a Judgement  
7 awarding PAGA civil penalties.

8 6. After the case was at issue, the Parties engaged in extensive formal discovery which  
9 resulted in Plaintiff filing eight (8) motions to compel further response, currently scheduled for  
10 August 16, 2024. The Parties also attended three Informal Discovery Conferences (“IDC”) on  
11 February 15, 2024; March 15, 2024; and April 26, 2024; where the Court assisted the parties in  
12 substantially resolving most of the outstanding discovery issues. A fourth IDC is scheduled with the  
13 Court on June 27, 2024.

14 7. Plaintiff learned from informal and formal discovery that Utopia and Urban had  
15 indemnification agreements against the Digius Defendants. Plaintiff also did not obtain any  
16 evidence showing the Digius Defendants having any other employees than Plaintiff who could be  
17 an aggrieved employee for PAGA civil penalties. Even when Plaintiff was terminated in October  
18 2022, Urban, not the Digius Defendants, hired the replacement onsite property manager onto its  
19 payroll as its employee. That limited Plaintiff’s maximum PAGA civil penalties evaluation for just  
20 himself and approximately 19 pay periods within the 1-year statute of limitations going back 1 year  
21 to February 9, 2022, before the lawsuit was filed and ending in October 2022. As a result, Plaintiff’s  
22 maximum PAGA civil penalties calculation which was part of his \$800,000 mediation demand was  
23 only \$57,425. That included a \$25,000 Labor Code section 226.8 civil penalty for willful  
24 classification, however Defendants have a reasonable argument that they didn’t classify Plaintiff as  
25 an employee or independent contractor because Defendants didn’t pay Plaintiff anything. It also  
26 included a \$10,000 Labor Code section 98.6 civil penalty and another \$10,000 Labor Code section  
27 1102.5 civil penalty for Plaintiff’s claims that Defendants retaliated against him for complaining  
28 about wages and whistleblowing. Removing that \$45,000 in intentional misclassification and

1 retaliation civil penalties which have a difficult burden of proving intent leaves a more realistic  
2 \$12,425 maximum PAGA civil penalties calculation or just 1.5 percent of Plaintiff's \$800,000  
3 mediation demand.

4 8. The Parties engaged in a full day of mediation on May 30, 2024, with a respected  
5 wage and hour mediator, Hon. James J. Di Cesare (Ret.), after which the Parties agreed to the PAGA  
6 civil penalties settlement in the attached Settlement Agreement ("Agreement"), attached hereto as  
7 **Exhibit 1** and incorporated herein by reference. The Agreement contains the following material  
8 terms in exchange for mutual full releases among all Parties:

- 9 a. \$250,000 shall be paid by the Digius Defendants to Plaintiff which includes  
10 Plaintiff's attorney fees and costs<sup>1</sup> ("Settlement Payment"). The first installment of  
11 \$75,000 is payable within five (5) days after the Court approves the PAGA civil  
12 penalties settlement in the Agreement. The balance of \$175,000 is due in a second  
13 installment sixty (60) days after the deadline for the first installment.
- 14 b. \$2,500 out of the \$250,000 shall be allocated to PAGA civil penalties as the PAGA  
15 Settlement ("PAGA Settlement"). Seventy-five (75) percent of the PAGA  
16 Settlement, which is \$1,875 shall be delivered to the California Labor and Workforce  
17 Development ("LWDA") by Plaintiff. Twenty-five (25) percent of the PAGA  
18 Settlement, which is \$625 shall be retained by Plaintiff as the sole aggrieved  
19 employee of the Digius Defendants'.
- 20 c. Plaintiff shall receive a reduced rental rate of \$900 per month for a period of one (1)  
21 year at the Property.
- 22 d. \$35,000 shall be paid by the Digius Defendants, separate from the Settlement  
23 Payment to Plaintiff, to Utopia for the approximately \$67,000 Utopia incurred in  
24 attorney fees and costs to defend itself in this lawsuit.

25 9. The Parties wish to avoid the uncertainties and expense of trial. The Parties and their  
26 respective counsel are of the opinion that the Agreement for the consideration and on the terms set  
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28 <sup>1</sup> Plaintiff incurred \$2,582.91 in costs pursuing this action thus far.

1 forth in this Agreement is fair, reasonable, and adequate and is in the best interests of the State of  
2 California, Plaintiff, and Defendants considering all known facts and circumstances and the risks  
3 inherent in litigation, including a vastly worse outcome for any of the Parties and the potential  
4 appellate issues.

5 10. PAGA “civil penalties are additional to actual losses incurred. They are intended to  
6 punish the employer for wrongdoing, often without reference to the actual damage sustained.” (*ZB*,  
7 *N.A. v. Superior Court* (2019) 8 Cal.5th 175, 185-186.) However, in accordance with the Labor  
8 Code § 2699(e)(1) and (e)(2)), the Court in a PAGA action has the same discretion “to assess a civil  
9 penalty” that the Labor Commissioner would have, as well as complete discretion to “award a lesser  
10 amount than the maximum civil penalty amount if, based on the facts and circumstances of the  
11 particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or  
12 confiscatory.”

13 11. Here, it would be unjust, arbitrary and oppressive, or confiscatory if the Court  
14 required a PAGA Settlement of more than \$2,500 in civil penalties against the Digius Defendants  
15 or required any civil penalties assessed against Utopia or Urban.

16 12. First, Plaintiff joined all four Defendants under a joint employer theory only for  
17 liability purposes. A compliant employment relationship would typically involve a single employer.  
18 This is a case where the Defendants could not agree who that single employer should be. Even  
19 without any of the Defendants admitting liability, it’s fair for the Digius Defendants to be the only  
20 ones punished with civil penalties here because they have also taken responsibility for compensating  
21 Plaintiff for his losses incurred. Further, the Digius Defendants owned the Property since Plaintiff  
22 began working as an onsite resident manager in 2013 for wages from several property management  
23 companies the Digius Defendants engaged long before the Digius Defendants engaged Utopia in  
24 2019 and then Urban in 2022 to serve as the property manager of the Property.

25 13. Second, Utopia and Urban have indemnification agreements against the Digius  
26 Defendants. As a result, any PAGA civil penalties that the Court might assess against Utopia and  
27 Urban would not punish them because all the related costs would ultimately shift from them to the  
28 Digius Defendants through the indemnification agreements.

1           14.     Third, the maximum calculation of realistic PAGA civil penalties that Plaintiff  
2 sought against the Digius Defendants was very small to begin with. It only accounted for about 1.5  
3 percent of the total monies Plaintiff sought, compared to the much larger categories of unpaid wages,  
4 interest, compensatory damages for retaliatory wrongful termination, attorney fees and costs. Also,  
5 Plaintiff was not able to find any evidence that the Digius Defendants had any other employees  
6 during the PAGA statute of limitations period, leaving Plaintiff as the sole PAGA allegedly  
7 aggrieved employee with just 19 pay periods of Labor Code violations from February 2022 to  
8 October 2022.

9           15.     Fourth, Digius represented that he must take out a home equity line of credit on his  
10 primary residence to pay the Settlement Payment in two installments to Plaintiff. This suggests the  
11 Digius Defendants will be punished sufficiently by the Court ordering \$2,500 in civil penalties and  
12 any higher amount may be oppressive. Any more than \$2,500 also jeopardizes the entire Agreement  
13 and could force the parties to continue litigating and try this case. Digius Defendants are not willing  
14 to put more new money into the settlement to cover additional civil penalties. Plaintiff already made  
15 a significant sacrifice to accept the Digius Defendants' bottom line at mediation, which includes  
16 unfavorable installment payments. Finally, the Parties all believe that the Digius Defendants will  
17 experience a significant deterrence from any future Labor Code violations by losing almost  
18 \$300,000 from this Settlement Agreement.

19           16.     On or about June <sup>27</sup>~~25~~, 2024, Plaintiff provided notice of the PAGA Settlement to the  
20 LWDA by electronically submitting a copy of the Settlement Agreement.

21           17.     Attached hereto as **Exhibit 2** and incorporated herein by reference is the email  
22 confirmation from the LWDA confirming the submission of the PAGA Settlement.

23           18.     The Parties agree that the Court shall retain jurisdiction to enforce the terms of this  
24 Settlement pursuant to California Code of Civil Procedure section 664.6.

25           WHEREFORE, IT IS HEREBY STIPULATED AND AGREED BY THE PARTIES  
26 HERETO, THROUGH THEIR RESPECTIVE COUNSEL, AS FOLLOWS: The Settlement is fair,  
27 adequate, and reasonable, as it represents a reasoned compromise reached through arm's-length  
28 negotiations and considers the risks, complexity, and expense of further litigation.

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Dated:

VON ESCH LAW GROUP, ALC

By: \_\_\_\_\_  
Rob A. von Esch, IV  
*Counsel for Defendants, Digius Enterprises, LLC, Ali Digius, and Urban Coast Properties, Inc.*

Dated: 6/25/2024

CHARMASSON, BUCHACA & LEACH, LLP

/s/Rob G. Leach/  
By: \_\_\_\_\_  
Rob G. Leach  
*Counsel for Defendant, Utopia Management, Inc.*

Dated: 06/25/2024

W LAW

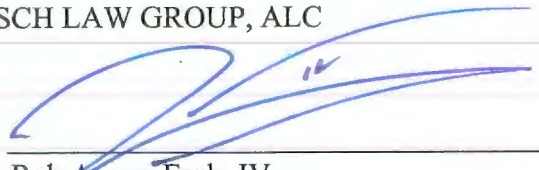
By:  \_\_\_\_\_  
Jason Whooper  
*Counsel for Plaintiff, Stanley Singleton*

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Dated: 6/25/24

VON ESCH LAW GROUP, ALC

By:   
Rob A. von Esch, IV  
Counsel for Defendants, Digius Enterprises, LLC, Ali Digius, and Urban Coast Properties, Inc.

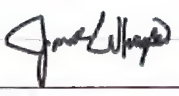
Dated:

CHARMASSON, BUCHACA & LEACH, LLP

By: \_\_\_\_\_  
Rob G. Leach  
Counsel for Defendant, Utopia Management, Inc.

Dated: 06/25/2024

W LAW

By:   
Jason Whooper  
Counsel for Plaintiff, Stanley Singleton

///

1 **[PROPOSED] ORDER**

2 This Court has reviewed the joint stipulation requesting approval of PAGA Settlement  
3 submitted by Plaintiff Stanley Singleton (“Plaintiff” or “Singleton”) and Defendants Digius  
4 Enterprises, LLC (“Enterprises”), Ali Digius (“Digius”), Utopia Management, Inc. (“Utopia”), and  
5 Urban Coast Properties, Inc. (“Urban”) (collectively, the “Defendants” and collectively referred to  
6 with Plaintiff as the “Parties”) in support of approval of a Labor Code Private Attorneys General  
7 Act of 2004 (“PAGA”) civil penalties settlement (“PAGA Settlement”) pursuant to Labor Code  
8 section 2698 et seq. The PAGA Settlement is contained in the Parties’ Settlement Agreement  
9 (“Agreement”), attached hereto as **Exhibit 1** and incorporated by reference in this order. Based upon  
10 this review, and the findings below, the Court finds good cause to enter this order.

11 **FINDINGS:**

12 1. Unless otherwise specified, defined terms in this order granting approval of the  
13 PAGA Settlement (the “Order”) have the same definition as the terms in the Agreement.

14 2. The Court has jurisdiction over the subject matter and Parties of this litigation, during  
15 the PAGA claims one-year statute of limitations period from February 9, 2022, to the date of this  
16 Order, and over those persons or entities undertaking affirmative obligations under the Agreement.

17 3. The Parties expressly acknowledge in the Agreement that the PAGA Settlement is  
18 entered into solely for the purpose of compromising significantly disputed claims, and that nothing  
19 contained therein is an admission of liability or wrongdoing by Defendants.

20 4. The Court determines that there is sufficient evidence to suggest that the PAGA  
21 Settlement was entered into in good faith, that the PAGA Settlement is fair, reasonable, and adequate  
22 under the circumstances, and that the Parties have satisfied the standards and applicable  
23 requirements for approval of a settlement of claims brought under PAGA.

24 5. The Court finds that pursuant to California Labor Code Section 2699(1)(2) and (1)(4),  
25 the LWDA was given timely notice of the PAGA Settlement. On June 25<sup>27 94</sup>, 2024, Plaintiff gave  
26 notice to the LWDA by submitting a copy of the Agreement to the LWDA. Plaintiff’s notice of the  
27 PAGA Settlement complied with the requirements of California Labor Code Section 2699(1)(2).  
28

1           **IT IS HEREBY ORDERED THAT:**

2           1.       The terms of the Settlement are fair, adequate, and reasonable, and the PAGA  
3 Settlement is approved under California Labor Code Section 2699(1)(2).

4           2.       The Court affirms approval of the PAGA Settlement in the Agreement attached as  
5 **Exhibit 1** as to the following “Aggrieved Employee(s)” specifically described in the PAGA  
6 Settlement as: all employees of Digius Enterprises, LLC and Ali Digius from February 9, 2022,  
7 through the date of this Order approving the Agreement, which as of the date of the Agreement is  
8 only one (1) Aggrieved Employee(s), Plaintiff Stanley Singleton (“PAGA Settlement Scope”).

9           3.       “Effective Date” means the date the Court enters the Order approving the PAGA  
10 PAGA Settlement with the PAGA Settlement Scope described in the Parties’ Agreement and Joint  
11 Stipulation Requesting Approval of PAGA Settlement.

12          4.       Upon the approval by the Court, effective on the Effective Date, the Aggrieved  
13 Employee(s), shall, for the PAGA Settlement Scope, fully release and forever release and discharge  
14 Defendants, their past or present officers, directors, shareholders, members, owners, employees,  
15 agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers,  
16 and its respective successors and predecessors in interest, subsidiaries, affiliates, parents and  
17 attorneys, if any, and any individual or entity which could be jointly liable with Defendants (all such  
18 released persons and entities, collectively, “Released Parties”) from any and all PAGA civil penalty  
19 claims under California Labor Code section 2698 *et seq.* for the time period starting on February 9,  
20 2022, and ending on the Effective Date that have been or could have been asserted in the Action or  
21 in the notice letters that Plaintiff sent to the Labor and Workforce Development Agency regarding  
22 his claims against Defendants based on the facts and legal theories asserted therein.

23          5.       The total PAGA Settlement amount of \$2,500 in accordance with the PAGA  
24 Settlement, is approved under California Labor Code Section 2699(1)(2).

25          6.       Seventy-five (75) percent of the PAGA Settlement, which is \$1,875 shall be  
26 delivered to the California Labor and Workforce Development (“LWDA”) by Plaintiff within ten  
27 (10) days after Plaintiff receives the first installment of the Settlement Payment. Twenty-five (25)  
28

1 percent of the PAGA Settlement, which is \$625 shall be retained by Plaintiff as the sole Aggrieved  
2 Employee(s).

3 7. Pursuant to Code of Civil Procedure Section 664.6, the Court shall have authority  
4 and continuing jurisdiction enforce the Settlement.

5 8. Nothing in the Order, PAGA Settlement, or Agreement is intended or will be  
6 construed as an admission of liability or wrongdoing by Defendants. The Agreement and the fact  
7 that Plaintiff and Defendant were willing to settle the PAGA claims will have no bearing on, and  
8 will not be admissible in connection with, any litigation (other than solely in connection with the  
9 Agreement).

10 9. Within ten (10) calendar days after entry of this Order approving the PAGA  
11 Settlement, Plaintiff shall submit a copy of the Order to the LWDA in compliance with California  
12 Labor Code Section 2699(1)(3).

13 10. Within ten (10) calendar days after Plaintiff confirms receipt of the full Settlement  
14 Payment in the Agreement, Plaintiff shall file a request for dismissal with prejudice of the entire  
15 action.

16 **IT IS SO ORDERED.**

17  
18 Dated: \_\_\_\_\_

19 HON. CAROLYN CAIETTI  
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**EXHIBIT 1**

**EXHIBIT 2**