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ALISHA BAKKUM

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

ALISHA BAKKUM, in a representative
capacity on behalf of other members of the
general public similarly situated,

Plaintiff(s),

vs.

WESTSIDE HABITATS, LLC; and DOES 1
through 10, Inclusive,

Defendants.

Case No. 23STCV17154

**JOINT STIPULATION REQUESTING
APPROVAL OF REPRESENTATIVE
PAGA SETTLEMENT**

Action Filed: July 20, 2023

Dept.: 53
Judge: Hon. Robert B. Broadbelt

1 Plaintiff Alisha Bakkum (“Plaintiff”) and Defendant Westside Habitats, LLC (“Defendant”)
2 (collectively, the “Parties”) seek approval of settlement and dismissal, with prejudice, of claims
3 under the California Private Attorneys General Act, Labor Code §§ 2699, *et seq* (“PAGA”) in the
4 amount of \$75,000, and hereby jointly agree to the following:

5 **I. FACTUAL AND PROCEDURAL BACKGROUND**

6 **a. The Civil Action**

7 Plaintiff filed a complaint on or about July 22, 2023, in the matter titled *Bakkum v. Westside*
8 *Habitats, LLC*, Case No. 23STCV17154, in the Superior Court of California, County of Los
9 Angeles (the “Lawsuit”), against Westside Habitats, LLC, for: (1) Minimum Wage Violations, (2)
10 Overtime Violations, (3) Wage Statement Violations, (4) meal and Rest Period Violations, (5)
11 Failure to Reimburse, (6) Failure to Timely Pay Wages, (7) Failure to Pay Wages Upon Separation,
12 (8) Failure to Provide Sick Pay, (9) Failure to Provide Personnel Records, and (10) Retaliation.

13 Prior to filing her Complaint, Plaintiff sent the LWDA and Defendant notice of her intent to
14 pursue a representative action against Defendant pursuant to the Private Attorneys General Act of
15 2004 (“PAGA”), as codified in California Labor Code § 2698 *et seq.*, on behalf of herself and the
16 State of California as well as on behalf of a group of aggrieved employees.¹

17 After a minimum of 65 days passed without a response from the LWDA, Plaintiff
18 commenced a representative action under the PAGA for alleged Labor Code violations on behalf of
19 herself and other allegedly aggrieved employees. Thereafter, Plaintiff filed a First Amended
20 Complaint amending her complaint to assert claims under PAGA as an aggrieved employee to the
21 action (Los Angeles Superior Court Case No. 23STCV17154).

22 **b. The Settlement Agreement Terms**

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27 ¹ The parties stipulated to resolve Plaintiff’s non-PAGA claims in individual arbitration pursuant to
28 an arbitration agreement. The Parties agreed that Plaintiff would file a first amended complaint
asserting PAGA claims only. The Court signed this stipulation on September 8, 2023.

1 After the case was at issue, the Parties engaged in informal discovery and informal arms'
2 length settlement discussions. Through the informal exchange of information, Plaintiff review time
3 and wage records and relevant policies that applied to Defendant's employees.

4 The Parties engaged in negotiations, and in exchange for the below releases, and in
5 compromise of the good-faith dispute over whether Defendant owes any penalties under the Private
6 Attorneys General Act (PAGA) to Plaintiff and other aggrieved employees, based on in the
7 allegations in Plaintiff's First Amended Complaint and letter to the LWDA. The parties agreed to
8 settle the PAGA claims on the terms set out in the PAGA Settlement Agreement (hereinafter the
9 "Agreement").

10 In consideration of the mutual covenants, promises and representations set forth in the
11 Agreement, Plaintiff, on behalf of herself and the Aggrieved Employees, agrees to settle and
12 compromise the PAGA action, subject to the terms and conditions set forth in the Agreement. (See
13 Ex. 1 to this Stipulation [PAGA Settlement Agreement] attached hereto and incorporated herein by
14 reference.)

15 After consideration for the settlement described herein and the release contained in the
16 Agreement, Defendant agrees to pay a total settlement of \$75,000.00 ("Gross Settlement Amount"),
17 which is due from Defendant 21 days after the Court enters approval of the PAGA settlement (or 21
18 days after the end of the PAGA Period, whichever is longer). The Gross Settlement Amount will be
19 allocated as follows:

- 20 a. PAGA Counsel Fees Payment of \$25,000 (33.333% of the Gross Settlement Amount);
- 21 b. PAGA Counsel Litigation Expenses Payment of \$2,104.45;
- 22 c. Administration Expense Payment of \$1,780.12;
- 23 d. The remaining \$46,115.43 of the Gross Settlement Amount shall be designated as
24 "PAGA Penalties," to be allocated \$34,586.57 (75%) to the LWDA and the remaining
25 \$11,528.86 (25%) to the Aggrieved Employees pursuant to Labor Code section 2699(i)
26 as outlined below.

1 Given the above, the current estimated average payment to each individual Aggrieved Employee
2 will be approximately **\$288.22**. Pursuant to the PAGA Settlement Agreement, any unclaimed funds
3 will be tendered to the State of California Unclaimed Property Fund. Exhibit A § 4.4.3.

4 Each PAGA Employee's pro rata share shall be determined based on the number of Eligible
5 Pay Periods that he or she worked for Defendant during the PAGA Period, and shall be calculated
6 by: (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties
7 (\$11,528.86) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees
8 during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA
9 Period Pay Periods. Krebs Decl. ¶ 4; Exhibit A § 3.2.3.1. That amount shall be referred to as the
10 PAGA Employee's "Individual PAGA Payments." Exhibit A: Section 3.2.3.1 and 1.12.

11 Each PAGA Employee's Individual PAGA Payment share will be treated as non-wage
12 income and reported by the Settlement Administrator on IRS Form 1099 to the respective PAGA
13 Employee and applicable governmental authority. Exhibit A: Section 3.2.3.2. Further, the
14 Settlement only covers PAGA claims. Exhibit A Section 5.1. It does not cover Aggrieved
15 Employee's individual wage and hour claims. *Id.*

16 Payment of PAGA Counsel Fees and Litigation Expenses will be reflected on IRS Form
17 1099 to PAGA Counsel who shall assume full responsibility and liability for the payment of taxes
18 due on such payments.

19 Release of Claims by All Aggrieved Employees: Upon approval by the Court and non-
20 objection by the LWDA of this Agreement, effective on the Effective Date, each Aggrieved
21 Employee (including Plaintiff) are deemed to fully, finally, and forever release, settle, compromise,
22 relinquish and discharge, on behalf of themselves and their respective former and present
23 representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released
24 Parties² from all claims for PAGA penalties that were alleged, or could have been alleged, based on
25 the facts alleged in the Operative Complaint and/or the PAGA Notice. Agreement Section 5.2.

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² "Released Parties" means: Defendant and each of its past, present and future parent companies, subsidiaries, affiliates,
sister companies, holding companies, affiliated entities, present and former owners, officers, directors, shareholders,

1 Release of Claims by Plaintiff: Plaintiff and her respective former and present spouses,
2 representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and
3 assigns generally, release and discharge Released Parties from all PAGA claims that occurred
4 during the PAGA Period, including, but not limited to: any and all PAGA claims that were, or could
5 have been, alleged, based on the facts contained in the Operative Complaint and/or the PAGA
6 Notice (“Plaintiff’s Release”). Plaintiff’s Release does not extend to any claims or actions to
7 enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability
8 benefits, social security benefits, workers’ compensation benefits that arose at any time, or based on
9 occurrences outside the PAGA Period. Plaintiff acknowledges that Plaintiff may discover facts or
10 law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true
11 but agrees, nonetheless, that Plaintiff’s Release shall be and remain effective in all respects,
12 notwithstanding such different or additional facts or Plaintiff’s discovery of them. This release
13 excludes the non-PAGA claims that Plaintiff has asserted in the claim pending in arbitration with
14 ADR Services, specifically only individual claims for retaliation, discrimination on the basis of
15 disability, failure to accommodate, failure to engage in the interactive process, minimum wage
16 violations, overtime violations, wage statement violations, meal and rest period violations, failure to
17 reimburse, failure to timely pay wages, failure to pay wages upon separation and failure to provide
18 sick pay., Plaintiff also releases all claims related to personnel file records under Labor Code
19 Section 226(b) and Labor Code Section 2698 *et seq.*

20 **c. The Settlement Terms Are Reasonable**

21 The Parties engaged in negotiations, and in exchange for the releases, and in compromise of
22 the good-faith dispute over whether Defendant owes any penalties under the Private Attorneys
23 General Act (PAGA) to Plaintiff based on whether Plaintiff was paid properly and timely for all
24 hours worked (including minimum wage and overtime) and whether Plaintiff is owed any
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28 members, agents, managing agents, investors, partners, tax advisors, attorneys, insurers, trustees, administrators, board
members, real or alleged alter egos, real or alleged joint employers, predecessors, successors, transferees, assigns, and
all other representatives of Defendant, individually and in their corporate/entity or other representative capacity.
Agreement Section 1.27.

1 premiums, payments, damages, liquidated damages, unreimbursed business expenses, interest,
2 penalties, attorneys fees, or other claims or damages as a result of Plaintiff's work for Defendant, as
3 claimed in Plaintiff's First Amended Complaint, agreed to settle the PAGA Action on the terms set
4 out in this Agreement.

5 Based on their own independent investigations and evaluations, Plaintiff and her counsel are
6 of the opinion that the settlement for the consideration and on the terms set forth in the attached
7 PAGA Settlement Agreement is fair, reasonable and adequate and is in the best interests of the
8 Plaintiff, the Aggrieved Employees, and the State of California in light of all known facts and
9 circumstances and risks inherent in litigation, including the potential appellate issues. Plaintiff's
10 Counsel believes that the settlement amount entered into is in the best interests of the Aggrieved
11 Employees and that the settlement for each Aggrieved Employee is fair, reasonable and adequate,
12 given the inherent risk of litigation.

13 II. AGRUMENT

14 A. PAGA Settlement Approval Requirements

15 PAGA "authorizes an employee to bring an action for civil penalties on behalf of the state
16 against his or her employer for Labor Code violations committed against the employee and fellow
17 employees." *Iskanian v. CLS Trans. Los Angeles* (2014) 59 Cal. 4th 348, 360. "To compensate for
18 the lack of [a]dequate financing of essential labor law enforcement functions" the California
19 legislature enacted PAGA to permit aggrieved employees to act as a private attorneys general to
20 collect civil penalties for violations of the Labor Code." *Sakkab v. Luxottica* (9th Cir. 2015) 803
21 F.3d 425. Plaintiff's First Amended Complaint contends that Plaintiff was owed PAGA penalties
22 due to alleged violations occurring while she was employed by Defendant.

23 Unless the Labor Code provides otherwise, civil penalties recovered by an aggrieved
24 employee instituting a PAGA claim shall be distributed with 75% of the civil penalty to the Labor
25 Workforce Development Agency and 25% to the aggrieved employee. See Labor Code § 2699(i).
26 Pursuant to PAGA under Labor Code § 2699(1)(2), "[t]he superior court shall review and approve
27 any settlement of any civil action filed pursuant to this part. The proposed settlement shall be
28 submitted to the agency at the same time that it is submitted to the court."

1 **B. The PAGA Settlement Is Fair, Reasonable, and Compliant**

2 Statutory penalties would be calculated according to Labor Code 2699(f)(2): If, at the time
3 of the alleged violation, the person employs one or more employees, the civil penalty is one
4 hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation and two
5 hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation.
6 However, some courts have interpreted Labor Code section 2699(f)(2) to impose the enhanced
7 “subsequent violation penalty” or “heightened penalty” only after an employer has been notified
8 that its conduct violates the Labor Code. *See Trang v. Turbine Engine Components Technologies*
9 *Corp.*, No. CV 12-07658 DDP (RZx), 2012 WL 6618854 (C.D. Cal. Dec. 19, 2012) (“courts have
10 held that employers are not subject to heightened penalties for subsequent violations unless and
11 until a court or commissioner notifies the employer that it is in violation of the Labor Code”);
12 *Amalgamated Transit Union Local 1309, AFL-CIO v. Laidlaw Transit Services, Inc.*, No.
13 05cv1199-IEG-CAB, 2009 WL 2448430 (S.D. Cal. 2009) (finding that California law imposes the
14 “subsequent violation penalty” only after an employer has been notified its conduct violates the
15 Labor Code).

16 Further, a court may award a lesser amount than the maximum civil penalty amount if, based
17 on the facts and circumstances of the particular case, to do otherwise would result in an award that
18 is unjust, arbitrary and oppressive, or confiscatory. Lab. Code, § 2699(e)(2); *Amaral vs. Cintas*
19 *Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1213-1214; *See e.g., Fleming v. Covidien Inc.*, 2011 WL
20 7563047, at *4 (C.D. Cal. Aug. 12, 2011)

21 “The superior court shall review and approve any settlement of any civil action filed pursuant
22 to [PAGA].” Cal. Lab. Code § 2699(l). In doing so, the Court must consider whether the proposed
23 “PAGA settlement is fair and adequate in view of the purposes and policies of the statute.”
24 *O’Conner v. Uber Techs., Inc.* 201 F. Supp. 3d 1110, 1135 (N.D. Cal. 2016). Those purposes and
25 policies include “benefit[ing] the public by augmenting the state’s enforcement capabilities,
26 encouraging compliance with Labor Code provisions, and deterring noncompliance,” *Id.* at 1132-
27 33; *Accord Syed v. M-I LLC*, 2017 WL 714367 at *13 (E.D. Cal. Feb. 22, 2017)(concluding the
28

1 “settlement related to plaintiffs’ PAGA claims is fair, reasonable, and adequate in light of the public
2 policy goals of PAGA.”)

3 As an initial matter, the Settlement was reached by way of good faith, arms-length
4 negotiations between counsel for both sides with experience in employment litigation.

5 Second, the Parties recognize and agree that the precise value of each Aggrieved
6 Employee’s PAGA Penalty Payment is subject to a variety of differing calculations and formulas.
7 The Parties hereby agree that the formula for allocating payments as provided herein is reasonable
8 and designed to provide a fair settlement to the Aggrieved Employees.

9 Third, Plaintiff asserts (and Defendant does not dispute) that the \$25,000 payment to PAGA
10 Counsel (33.33% of the Gross Settlement Fund) is reasonable considering it is well below the 40%
11 threshold, and shall serve to fully compensate and reimburse PAGA counsel for any and all work
12 already performed in connection with the Action and all work remaining to be performed in fully
13 and finally resolving the Action, including but not limited to securing Court approval of the
14 settlement, appearing at hearings, making sure the settlement is fairly and properly administered, or
15 other post approval matter.

16 Further, an additional \$46,115.42 is designated for PAGA Penalties. Of that \$46,115.42
17 designated to PAGA Penalties, \$34,568.57 (75%) is allocated to the LWDA and \$11,528.86 (25%)
18 to the Aggrieved Employees, which is reasonable and proper pursuant to Labor Code section
19 2699(i).

20 Finally, the amount of the Gross Settlement Fund is a significant percentage of the potential
21 recovery for a settlement group which is estimated at slightly over 918 pay periods at the time of
22 settlement, and is therefore adequate in the experience of both counsel.

23 In light of the foregoing facts and arguments and how they might impact any judgment
24 ultimately awarded to the Aggrieved Employees if the Court was persuaded by them, PAGA
25 counsel determined that the overall Agreement was fair and reasonable.

26 **III. CONCLUSION**

27 Based on the foregoing, the Parties respectfully request that the Court make this Proposed
28 Joint Stipulation the Order of the Court and (1) approve the settlement under PAGA, (2) all dates on

1 calendar relating to this Action will be vacated and the matter stayed pending dismissal (with
2 prejudice), (3) the Court will maintain jurisdiction under the Code of Civil Procedure § 664.6 to
3 enforce the terms of this agreement and the Settlement Agreement, and (4) the Court shall dismiss
4 the action, with prejudice, once Plaintiff's counsel provides notice to the Court of a request for
5 dismissal, with prejudice, per the terms of the Settlement Agreement following the final installment
6 payment.

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8 IT IS SO STIPULATED

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10 Dated: 5/1/2024

11 By: 
12 ID 3PSWBVkBjH392rLWACJgaWL
13 Alisha Bakkum

14 Dated:

15 By: _____
16 Westside Habitats, LLC

17 Dated: 5/1/2024

18 By: 
19 Joshua Gruenberg
20 Katherine Krebs
21 Attorneys for Plaintiff
22 ALISHA BAKKUM

23 Dated:

24 By: _____
25 Jill Ripke
26 Attorneys for Defendant
27 WESTSIDE HABITATS, LLC
28

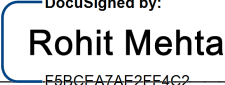
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2 prejudice), (3) the Court will maintain jurisdiction under the Code of Civil Procedure § 664.6 to
3 enforce the terms of this agreement and the Settlement Agreement, and (4) the Court shall dismiss
4 the action, with prejudice, once Plaintiff's counsel provides notice to the Court of a request for
5 dismissal, with prejudice, per the terms of the Settlement Agreement following the final installment
6 payment.

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8 IT IS SO STIPULATED

9
10 Dated: [REDACTED]

11 By: _____
12 Alisha Bakkum

13 Dated: April 30, 2024

14 By: 
15 Westside Habitats, LLC
16 Manager
17 Rohit Mehta

18 Dated: [REDACTED]

19 By: _____
20 Joshua Gruenberg
21 Katherine Krebs
22 Attorneys for Plaintiff
23 ALISHA BAKKUM

24 Dated: May 1, 2024

25 By: 
26 Jill Ripke
27 Attorneys for Defendant
28 WESTSIDE HABITATS, LLC