FINAL RULING RE: MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT

Carlos Santos Granados v. Sunny Hills Management Co., Inc.
Case No.: 23STCV02109
Department SSC-9
Hon. Elaine Lu
Hearing: May 1, 2025

The Parties' Motion for Preliminary Approval of Class Action Settlement is **GRANTED** as the settlement is fair, adequate, and reasonable.

The essential terms of the Settlement Agreement are:

A. The Gross Settlement Amount ("GSA") is **$410,880**, non-reversionary. (¶3.1)

B. The Net Settlement Amount is the GSA minus the following:

- Up to **$136,960** (33 1/3%) for attorney fees (¶3.2.2);
- Up to **$27,500** for litigation costs (*Ibid.*);
- Up to **$7,500** for a Service Payment to the Named Plaintiff (¶3.2.1);
- Up to **$7,250** for settlement administration costs (¶3.2.3); and
- Payment of **$20,000** PAGA penalty (75% or $15,000 to the LWDA, and 25% or $5,000 to the Aggrieved Employees). (¶3.2.5)

C. Employer's share of the payroll taxes on the taxable portion of the settlement payments shall be paid separately from the GSA by Defendant. (¶3.1)

D. Plaintiffs shall release Defendants from claims described herein.

The Parties' Motion for Final Approval of Class Action Settlement must be filed by **August 7, 2025**, and will be heard on **September 24, 2025, 10:00 a.m., Department 9**. Failure to file the Parties' Motion for Final Approval of Class Action Settlement by this deadline will result in a continuance of the final approval hearing to the Court's first available hearing date, which could be months after the hearing date noted here. Prior to filing the moving papers, Plaintiff must contact the court staff for Department 9 to obtain a briefing schedule, which must be included in the caption of the moving papers.

The Parties' Motion for Final Approval of Class Action Settlement must include a concurrently lodged **single** document that constitutes a [Proposed] Order and Judgment containing among other things, the class definition, full release language, and names of the any class members who opted out.

The Court sets **a Non-Appearance Case Review Re: Filing and Serving of Motion for Final Approval of Class Action Settlement for August 14, 2025**, **8:30 a.m., Department 9**.

BACKGROUND

Plaintiff Carlos Santos Granados sues his former employer, Defendant Sunny Hills Management Co., Inc., for alleged wage and hour violations. Defendant operates a professional property management and asset company. Plaintiff seeks to represent a class of Defendant's current and former non-exempt employees.

On January 31, 2023, Plaintiff filed a Class Action Complaint against Defendant alleging causes of action for: (1) Failure to Pay Minimum and Straight Time Wages (Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197); (2) Failure to Pay Overtime Wages (Cal. Lab. Code §§ 1194 and 1198); (3) Failure to Provide Meal Periods (Cal. Lab. Code §§ 226.7, 512); (4) Failure to Authorize and Permit Rest Periods (Cal. Lab. Code §§ 226.7); (5) Failure to Timely Pay Final Wages at Termination (Cal. Lab. Code §§ 201-203); (6) Failure to Provide Accurate Itemized Wage Statements (Cal. Lab. Code § 226); (7) Failure to Indemnify Employees for Expenditures (Cal. Lab. Code § 2802); and (8) Unfair Business Practices (Cal. Bus & Prof. Code §§ 17200, et seq.). On July 3, 2023, Plaintiff filed a First Amended Complaint to add a cause of action for civil penalties under the Private Attorneys General Act (PAGA).

On May 21, 2024, the parties mediated before Nikki Tolt, which ultimately resulted in settlement following continued negotiations. Terms are finalized in the long-form *Joint Stipulation of Class Action and PAGA Settlement and Release* ("Settlement Agreement"), a copy of which is attached to the Declaration of John G. Yslas ("Yslas Decl.") as Exhibit 1.

Pursuant to settlement, the parties stipulated to filing the operative Second Amended Complaint (SAC) to comport with the scope of the release in the settlement. On January 17, 2025, the Court granted leave to the parties to file the SAC. Plaintiff separately filed the operative SAC on April 28, 2025.

On March 5, 2025, the Court issued a "checklist" to the parties pertaining to deficiencies in the proposed settlement. In response, the parties filed further briefing, including the Amended Settlement Agreement attached to the Supplemental Declaration of Samantha A. Smith as Exhibit 1.

Now before the Court is the Motion for Preliminary Approval of the Settlement.

SETTLEMENT CLASS DEFINITION

- "Class" means all current and former hourly-paid or non-exempt employees of Defendant in California, employed during the Class Period, who do not timely opt-out of the Settlement. (¶1.5)
- "Class Period" means the period from August 6, 2018 to September 13, 2024. (¶1.12)

- “Aggrieved Employee” means any person employed by Defendant in California and classified as an hourly, non-exempt employee who worked for Defendant during the PAGA Period. (¶1.4)
- “PAGA Period” means the period from April 19, 2022 to September 13, 2024. (¶1.34)
- “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the class action component of the Settlement. (¶1.34)

TERMS OF SETTLEMENT AGREEMENT

The essential terms are as follows:

- The Gross Settlement Amount (“GSA”) is **$410,880**, non-reversionary. (¶3.1)
  - Escalator Clause: At the time of mediation, Defendant estimated that there would be approximately 13,696 Workweeks during the Class Period. Should the actual number of Workweeks increase beyond 10% (i.e., more than 15,066 Workweeks actually worked by the Class Members during the Class Period), Defendant shall increase the Gross Settlement Amount on a pro-rata basis equal to the percentage increase in the number of Workweeks worked by the Class Members above 10% (for example, if the actual number of Workweeks increases by 11% (i.e., 15,203 Workweeks actually worked during the Class Period), then the Gross Settlement Amount shall increase by 1%. If this clause is triggered and Defendant opts to increase the Gross Settlement Amount proportionally, the Parties agree that the total amount of Class Counsel’s requested Fees will be adjusted upward so that the Class Counsel will request Fees in the amount of one-third (1/3) of the increased Gross Settlement Amount. (¶8)
  - At preliminary approval, the settlement administrator represents that the Class List contains one hundred forty-six (146) individuals identified as Class Members who worked a total of fifteen thousand sixty-four (15,064) weeks during the Class Period. (Decl. of Taylor Mitzner ¶4.) Currently, the escalator is not triggered.
- The Net Settlement Amount (“Net”) (**$211,670)** is the GSA minus the following:
  - Up to **$136,960** (33 1/3%) for attorney fees (¶3.2.2);
  - Up to **$27,500** for litigation costs (*Ibid.*);
  - Up to **$7,500** for a Service Payment to the Named Plaintiff (¶3.2.1);
  - Up to **$7,250** for settlement administration costs (¶3.2.3); and
  - Payment of **$20,000** PAGA penalty (75% or $15,000 to the LWDA). (¶3.2.5)
- Defendant will separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. (¶3.1)
- There is no claim form requirement. (¶3.1)
- Individual Settlement Payment Calculation: Each Participating Class Member will receive an Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member’s Workweeks. (¶3.2.4) Non-Participating Class Members will not receive any Individual Class Payments.

The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis. (¶3.2.4.2)

  - PAGA Payments: The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (i.e., Five Thousand Dollars and Zero Cents ($5,000.00)) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. (¶3.2.5.1)
  - Tax Allocation**:** Each Participating Class Member's Individual Class Payments will be allocated as follows: 20% as wages, 80% as interest and penalties. (¶3.2.4.1) The Administrator will report the Individual PAGA Payments on IRS 1099 Forms. (¶3.2.5.2)

- Response Deadline**:** "Response Deadline" means forty-five (45) days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the class action component of the Settlement, or (b) fax, email, or mail his, her, or their objection to the class action component of the Settlement. Class Members to whom Notice Packets are re-sent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline. (¶1.42) The same deadlines apply to the submission of workweek disputes. (¶7.6)
  - If the number of valid Requests for Exclusion identified in the Exclusion List exceed ten (10) or more Class Members, Defendant may, but is not obligated to, withdraw from the Settlement no later than five (5) business days after being informed in writing of the Exclusion List by the Settlement Administrator. (¶9)
- Funding of Settlement**:** Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes, by transmitting the funds to the Administrator no later than fourteen (14) days after the Effective Date. (¶4.3)
- Disbursement: Within seven (7) days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments. (¶4.4)
- Uncashed Settlement Checks: The face of each check shall prominently state the date when the check will be voided, which shall be one hundred eighty (180) days after the date of mailing. (¶4.4.1) For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member, thereby leaving

no “unpaid residue” subject to the requirements of Code of Civil Procedure section 384, subdivision (b). (¶4.4.3)

- The settlement administrator will be Phoenix Settlement Administrators. (¶1.2)
- Notice of Final Judgment will be posted on the Settlement Administrator’s website. (¶7.8.1)
- The proposed Settlement Agreement was submitted to the LWDA on January 3, 2025. (Yslas Decl., Exhibit 2.)
- Participating class members and the named Plaintiff will release certain claims against Defendant. (See further discussion below)

ANALYSIS OF SETTLEMENT AGREEMENT

1. Does a presumption of fairness exist?

1. Was the settlement reached through arm’s-length bargaining? On May 21, 2024, the parties mediated before Nikki Tolt, which ultimately resulted in settlement following continued negotiations. (Yslas Decl. ¶7.)

2. Were investigation and discovery sufficient to allow counsel and the court to act intelligently? Class Counsel represents that prior to mediation, Plaintiff obtained, through informal discovery, personnel records pertaining to Plaintiff (including timekeeping and payroll records); wage-and-hour policy documents, Defendant’s employee handbook since January 2021, the total number of current and former hourly-paid and non-exempt employees during the statutory period; total number of workweeks and pay periods; average and median hourly rates of pay. (*Id.* at ¶5.) Defendant did not provide Plaintiff with timekeeping and payroll records for the putative class, so Plaintiff’s expert extrapolated a damage analysis based on Plaintiff’s timekeeping and payroll records to the entire class. (*Id.* at ¶6.)

3. Is counsel experienced in similar litigation? Yes. Class Counsel is experienced in class action litigation, including wage and hour class actions. (*Id.* at ¶¶30-40.)

4. What percentage of the class has objected? This cannot be determined until the fairness hearing. See Weil & Brown, Cal. Practice Guide: Civil Procedure Before Trial (The Rutter Group 2014) ¶ 14:139.18, (“Should the court receive objections to the proposed settlement, it will consider and either sustain or overrule them at the fairness hearing.”).

CONCLUSION: The settlement is entitled to a presumption of fairness.

2. Is the settlement fair, adequate, and reasonable?

1. Strength of Plaintiff’s case. “The most important factor is the strength of the case for plaintiff on the merits, balanced against the amount offered in settlement.” (*Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 130.) Here, Class Counsel has provided information, summarized below, regarding the estimated values of the class claims alleged:

Violation	Maximum Exposure	Realistic Exposure
Unpaid Wages	$523,224.00	$294,314.00
Meal Period Violations	$1,288,122.00	$724,569.00
Rest Period Violations	$1,288,122.00	$724,569.00

Unreimbursed Expenses	$100,010.00	$56,256.00
Waiting Time Penalties	$396,211.00	$402,222.00
Wage Statement Violations	$318,850.00	
PAGA Penalties	$789,900.00	$78,990.00
Total	**$4,704,439.00**	**$2,280,920.00**

(Yslas Decl. ¶¶16-29.)

2. Risk, expense, complexity and likely duration of further litigation. Given the nature of the class claims, the case is likely to be expensive and lengthy to try. Procedural hurdles (e.g., motion practice and appeals) are also likely to prolong the litigation as well as any recovery by the class members.

3. Risk of maintaining class action status through trial. Even if a class is certified, there is always a risk of decertification. (See *Weinstat v. Dentsply Intern., Inc*. (2010) 180 Cal.App.4th 1213, 1226 ("Our Supreme Court has recognized that trial courts should retain some flexibility in conducting class actions, which means, under suitable circumstances, entertaining successive motions on certification if the court subsequently discovers that the propriety of a class action is not appropriate.").)

4. Amount offered in settlement. Plaintiff's counsel estimated Defendant's maximum damages at $4,704,439 and realistic damages at $2,280,920. Plaintiff's counsel obtained a $410,880 non-reversionary settlement. This is approximately 8.7% of Plaintiff's potential maximum recovery and 18% of the estimated realistic recovery which, given the uncertain outcomes, is within the "ballpark" of reasonableness.

The settlement amount, if reduced by the requested deductions, leaves approximately $211,670 to be divided among approximately 146 class members. Assuming full participation, the resulting payments will average approximately $1,449.79 per class member.

5. Extent of discovery completed and stage of the proceedings. As indicated above, at the time of the settlement, Class Counsel had conducted sufficient discovery.

6. Experience and views of counsel. The settlement was negotiated and endorsed by Class Counsel who, as indicated above, is experienced in class action litigation, including wage and hour class actions.

7. Presence of a governmental participant. This factor is not applicable here.

8. Reaction of the class members to the proposed settlement. The class members' reactions will not be known until they receive notice and are afforded an opportunity to object, opt-out and/or submit claim forms. This factor becomes relevant during the fairness hearing.

CONCLUSION: The settlement can be preliminarily deemed "fair, adequate, and reasonable."

3. Scope of the release

Release of Claims. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows: (¶5)

- Release by Participating Class Members ("Class Claims Release" or "Released Class Claims"): For the duration of the Class Period, all Participating Class Members, on behalf of themselves and their respective representatives, agents, attorneys, heirs, successors, and assigns, release Released Parties from all claims under state, federal, or local law, arising out of the claims expressly pleaded in the Operative Complaint in the Action and all other claims, such as those under the California Labor Code, Wage Orders, regulations, and/or other provisions of law, that could reasonably have been asserted based on the facts pleaded in the Operative Complaint in the Action, including but not limited to claims for: failure to pay minimum, straight time, and overtime wages; failure to provide meal periods and rest breaks; failure to timely pay wages during employment and at termination; failure to provide accurate itemized wage statements; failure to maintain accurate records; failure to produce requested employment records; failure to indemnify employees for business expenditures; and unfair business practices based on the foregoing; as well as all claims for unpaid wages, damages, liquidated damages, statutory penalties, attorneys' fees, costs, interest, restitutionary relief, declaratory relief, and other amounts recoverable based on the aforementioned, to the greatest extent permissible. The Released Class Claims include, but are not limited to, claims for alleged violations of the following statutory provisions, each of which is expressly pled in the Operative Complaint: California Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 432, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, and 2802; California Business and Professions Code section 17200 et seq.; and California Code of Civil Procedure section 1021.5. The Parties intend for the Released Class Claims to be as broad as lawfully possible. The Released Class Claims apply to claims arising during the Class Period only. (¶5.2)
- Release by Aggrieved Employees ("PAGA Release" or "Released PAGA Claims"): For the duration of the PAGA Period, all Aggrieved Employees, on behalf of themselves and their respective representatives, agents, attorneys, heirs, successors, and assigns, release the Released Parties from all claims for PAGA Penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice, including but not limited to claims for: failure to pay minimum, straight time, and overtime wages; failure to provide meal periods and rest breaks; failure to timely pay wages during employment and at termination; failure to provide accurate itemized wage statements; failure to maintain accurate records; failure to produce requested employment records; failure to indemnify employees for business expenditures; and unfair business practices based on the foregoing; as well as all claims for unpaid wages, damages, liquidated damages, statutory penalties, attorneys' fees, costs, interest, restitutionary relief, declaratory relief, and other amounts recoverable based on the aforementioned, to the greatest extent permissible. The Released PAGA Claims include, but are not limited to, claims for civil penalties based on alleged violations of the following statutory provisions, each of which is expressly pled in the Operative Complaint and Plaintiff's PAGA Notice: California Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 432, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, and 2802;. The Parties intend for the

Released Class Claims to be as broad as lawfully possible. The Released PAGA Claims apply to claims arising during the PAGA Period only. (¶5.3)

  - "PAGA Notice" means Plaintiff's April 19, 2023 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a). (¶1.32)
  - Class Members who are Aggrieved Employees may not exclude themselves from the PAGA component of the Settlement. Additionally, because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the PAGA claims identified in Paragraph 5.3 of this Agreement and shall receive an Individual PAGA Payment notwithstanding any request they may make to exclude themselves from the class action component of this Settlement. (¶7.5.4)

- "Released Parties" means Defendant and all of its past, present, and future divisions, affiliates, subsidiaries, predecessors, successors, assigns, and subrogees, both individually and collectively, and all of their respective past, present, and future owners, officers, directors, managers, shareholders, members, investors, trustees, employees, agents, representatives, attorneys, administrators, executors, fiduciaries, contractors, partners, and any other individual or entity that could be jointly liable with Defendant for the claims asserted in the Action. (¶1.40)
- Named Plaintiff will also provide a general release and CC § 1542 waiver. (¶5.1)

4. May conditional class certification be granted?

1. Standards

A detailed analysis of the elements required for class certification is not required, but it is advisable to review each element when a class is being conditionally certified (*Amchem Products, Inc. v. Winsor* (1997) 521 U.S. 620, 622-627.) The trial court can appropriately utilize a different standard to determine the propriety of a settlement class as opposed to a litigation class certification. Specifically, a lesser standard of scrutiny is used for settlement cases. (*Dunk* at 1807, fn 19.) Finally, the Court is under no "ironclad requirement" to conduct an evidentiary hearing to consider whether the prerequisites for class certification have been satisfied. (*Wershba* at 240.)

2. Analysis

a. Numerosity. There are approximately 146 class members. (Mitzner Decl. ¶4.) This element is met.

b. Ascertainability. The proposed class is defined above. The class definition is "precise, objective and presently ascertainable." (*Sevidal v. Target Corp.* (2010) 189 Cal.App.4th 905, 919.) The class members are identifiable from Defendant's records. (Yslas Decl. ¶16.)

c. Community of interest. "The community of interest requirement involves three factors: '(1) predominant common questions of law or fact; (2) class representatives with claims or defenses typical of the class; and (3) class representatives who can adequately represent the class.'" (*Linder v. Thrifty Oil Co.* (2000) 23 Cal.4th 429, 435.)

As to commonality, Plaintiff alleges that the employment practices at issue are: whether Defendant had legally compliant policies and practices to provide employees with meal periods; whether Defendant had legally compliant policies and practices authorizing and permitting its employees to take rest breaks; whether Defendant had legally compliant policies and practices to pay for all hours worked, including overtime wages; whether Defendant reimbursed employees for business expenses; whether final payment of wages was untimely and excluded unpaid wages, including meal period premium wages, and rest break premium wages; and whether the wage statements were consequently non-compliant. (MPA at 18:4-18.)

As to typicality, Plaintiff asserts that he is a former employee of Defendant; as such, he alleges that he was subject to the same policies and practices as other similarly situated employees. (*Id.* at 18:20-19:2.)

As to adequacy, Plaintiff represents that he is aware of the duties of serving as class representative and has participated in the litigation. (Declaration of Carlos Santos Granados.)

d. Adequacy of class counsel. As indicated above, Class Counsel has shown experience in class action litigation, including wage and hour class actions.

e. Superiority. Given the relatively small size of the individual claims, a class action appears to be superior to separate actions by the class members.

CONCLUSION: The class may be conditionally certified since the prerequisites of class certification have been satisfied.

5. Is the notice proper?

1. Content of class notice. The proposed notice is attached to the Settlement Agreement. Its content appears to be acceptable. It includes information such as: a summary of the litigation; the nature of the settlement; the terms of the settlement agreement; the proposed deductions from the gross settlement amount (attorney fees and costs, enhancement awards, and administration costs); the procedures and deadlines for participating in, opting out of, or objecting to, the settlement; the consequences of participating in, opting out of, or objecting to, the settlement; and the date, time, and place of the final approval hearing.

Notice will be given in English and Spanish. (Yslas Decl. ¶10.)

2. Method of class notice.

Not later than seven (7) days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. (¶4.2) Using best efforts to perform as soon as possible, and in no event later than fourteen (14) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class USPS mail, the Class Notice. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database. (¶7.4.2)

Not later than five (5) days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time. (¶7.4.3)

The deadlines for Class Members' written objections, challenges to Workweeks and/or PAGA Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the forty-five (45) days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. (¶7.4.4)

3. Cost of class notice. As indicated above, settlement administration costs are estimated not to exceed **$7,250.** Prior to the time of the final fairness hearing, the administrator must submit a declaration attesting to the total costs incurred and anticipated to be incurred to finalize the settlement for approval by the Court.

6. Attorney fees and costs

CRC rule 3.769(b) states: "Any agreement, express or implied, that has been entered into with respect to the payment of attorney fees or the submission of an application for the approval of attorney fees must be set forth in full in any application for approval of the dismissal or settlement of an action that has been certified as a class action."

Ultimately, the award of attorney fees is made by the court at the fairness hearing, using the lodestar method with a multiplier, if appropriate. (*PLCM Group, Inc. v. Drexler* (2000) 22 Cal.4th 1084, 1095-1096; *Ramos v. Countrywide Home Loans, Inc*. (2000) 82 Cal.App.4th 615, 625-626; *Ketchum III v. Moses* (2000) 24 Cal.4th 1122, 1132-1136.) Despite any agreement by the parties to the contrary, "the court ha[s] an independent right and responsibility to review the attorney fee provision of the settlement agreement and award only so much as it determined reasonable." (*Garabedian v. Los Angeles Cellular Telephone Company* (2004) 118 Cal.App.4th 123, 128.)

The question of whether Class Counsel is entitled to **$136,960** (33 1/3%) in attorney fees will be addressed at the fairness hearing when class counsel brings a noticed motion for attorney fees. Class counsel must provide the court with billing information so that it can properly apply the lodestar method and must indicate what multiplier (if applicable) is being sought as to each counsel.

Class Counsel should also be prepared to justify the costs sought (capped at **$27,500**) by detailing how they were incurred.

7. Incentive Award

The Settlement Agreement provides for an enhancement award of up to **$7,500** to the named Plaintiff. In connection with the final fairness hearing, named Plaintiffs each must submit a declaration attesting to why he or she should be entitled to an enhancement award in the proposed amount. The named Plaintiff must explain why he or she "should be compensated for the expense or risk she has incurred in conferring a benefit on other members of the class." (*Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785, 806.) Trial courts should not sanction enhancement awards of thousands of dollars with "nothing more than *pro forma* claims as to 'countless' hours expended, 'potential stigma' and 'potential risk.' Significantly more specificity, in the form of quantification of time and effort expended on the litigation, and in the form of reasoned explanation of financial or other risks incurred by the named plaintiff, is required in order for the trial court to conclude that an enhancement was 'necessary to induce [the named plaintiff] to participate in the suit . . . .'" (*Id.* at 806-807, italics and ellipsis in original.) The Court will decide the issue of the enhancement awards at the time of final approval.

CONCLUSION AND ORDER

The Parties' Motion for Preliminary Approval of Class Action Settlement is **GRANTED** as the settlement is fair, adequate, and reasonable.

The essential terms of the Settlement Agreement are:

A. The Gross Settlement Amount ("GSA") is **$410,880**, non-reversionary. (¶3.1)

B. The Net Settlement Amount is the GSA minus the following:

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- Up to **$7,500** for a Service Payment to the Named Plaintiff (¶3.2.1);
- Up to **$7,250** for settlement administration costs (¶3.2.3); and
- Payment of **$20,000** PAGA penalty (75% or $15,000 to the LWDA, and 25% or $5,000 to the Aggrieved Employees). (¶3.2.5)

C. Employer's share of the payroll taxes on the taxable portion of the settlement payments shall be paid separately from the GSA by Defendant. (¶3.1)

D. Plaintiffs shall release Defendants from claims described herein.

The Parties' Motion for Final Approval of Class Action Settlement must be filed by **<u>August 7, 2025</u>**, and will be heard on **September 24, 2025, 10:00 a.m., Department 9**. Failure to file the Parties' Motion for Final Approval of Class Action Settlement by this deadline will result in a continuance of the final approval hearing to the Court's first available hearing date, which could be months after the hearing date noted here. Prior to filing the moving papers, Plaintiff must contact the court staff for Department 9 to obtain a briefing schedule, which must be included in the caption of the moving papers.

The Parties' Motion for Final Approval of Class Action Settlement must include a concurrently lodged **single** document that constitutes a [Proposed] Order and Judgment containing among other things, the class definition, full release language, and names of the any class members who opted out.

The Court sets **a Non-Appearance Case Review Re: Filing and Serving of Motion for Final Approval of Class Action Settlement for August 14, 2025**, **8:30 a.m., Department 9**.

THE PLAINTIFF IS ORDERED TO DOWNLOAD THE INSTANT **SIGNED** ORDER FROM THE COURT'S WEBSITE AND TO GIVE NOTICE TO ALL OTHER PARTIES AND TO FILE PROOF OF SERVICE OF SUCH WITHIN 10 DAYS.

IT IS SO ORDERED.

DATED: May 1, 2025

Elaine Lu
Judge of the Superior Court
Elaine Lu / Judge