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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

JOSE ANTHONY CASILLAS, individually and on behalf of all others similarly situated, Plaintiffs, v. AFC DISTRIBUTION CORP.; PROMAX PERSONNEL, LLC; PEOPLEASE LLC; and DOES 1 through 20, inclusive, Defendants.	Case No. 23STCV09651 Assigned for All Purposes to: Judge Timothy Dillon; Dept. 15 **PLAINTIFF'S NOTICE OF MOTION AND MOTION FOR APPROVAL OF PAGA SETTLEMENT** Date: January 6, 2026 Time: 10:00 a.m. Dept: 15

TO THE COURT, ALL INTERESTED PARTIES, AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on January 6, 2026 at 10:00 a.m., in Department 15 of the above-entitled Court located at 312 North Spring Street, Los Angeles, CA 90012, Plaintiff Jose Anthony Casillas ("Plaintiff") will and hereby does move this Court for an Order granting approval of the Private Attorneys General Act of 2004, California Labor Code § 2698 *et seq*. ("PAGA") representative action settlement entered into with Defendants AFC Distribution Corp.,, Promax Personnel, LLC, and PEOP*LEASE*, LLC.

This Motion will be based upon this Notice, the attached Memorandum of Points and Authorities, the Declaration of Julia Toscano, and all exhibits filed herewith, and any additional papers or arguments submitted on or before the hearing on the Motion.

Dated: November 5, 2025

AEGIS LAW FIRM, PC

By: ______________________
Julia Toscano
Attorneys for Plaintiff

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiff Jose Anthony Casillas ("Plaintiff") seeks approval of a settlement of claims under the Private Attorneys General Act of 2004, California Labor Code § 2698 *et seq*. ("PAGA") entered into with Defendants AFC Distribution Corp. ("AFCDC"), Promax Personnel, LLC ("Promax"), and PEOP*LEASE*, LLC ("PEOP*LEASE*") (collectively, "Defendants") in the amount of $160,000. The Settlement resolves claims for PAGA penalties for certain wage and hour violations allegedly suffered by approximately 50 Aggrieved Employees, defined as a person employed by AFCDC in California and classified as a non-exempt employee who worked for AFCDC during the PAGA Period. The PAGA Period means May 1, 2022 to May 9, 2025.

Under Labor Code § 2699(l)(2), the Court must review and approve any proposed PAGA settlement. Here, the proposed Settlement is sufficient to deter and punish future violations. The Settlement is attached to the Declaration of Julia Toscano ("Toscano Decl.") as **Exhibit 1**, and the proposed letter to be sent to the aggrieved employees is attached as **Exhibit 2**. Plaintiff now seeks this Court's approval of the Settlement terms.

II. FACTUAL AND PROCEDURAL BACKGROUND

On May 1, 2023, Plaintiff sent a letter to the California Labor & Workforce Development Agency ("LWDA") via online submission and to Defendants via certified mail regarding Defendants' alleged violations. *See* Toscano Decl., ¶ 3, Exhibit 3. The LWDA did not respond to this notice within 65 days, indicating it did not intend to investigate, thus allowing Plaintiff to file the instant lawsuit. *Id*.

On May 1, 2023, Plaintiff filed this action as a proposed class action lawsuit, alleging that Defendants failed to: (1) pay minimum wages, (2) pay overtime wages, (3) provide lawful meal periods or compensation in lieu thereof, (4) authorize or permit lawful rest breaks or provide compensation in lieu thereof, (5) reimburse business expenses; (6) provide accurate itemized wage statements, (7) pay all wages due upon separation of employment and, (8) abide by the requirements of California Business and Professions Code Section 17200 *et seq.* Toscano Decl., ¶ 4. On July 17, 2023, Plaintiff amended the Complaint to add a cause of action under PAGA. *Id.*

After this action was filed, Defendants presented Plaintiff with an arbitration agreement purportedly signed by him. Toscano Decl., ¶ 5. After reviewing the arbitration agreement, Plaintiff dismissed his class claims, compelled his individual claims to arbitration, and stayed the remaining representative PAGA claim pending arbitration. *Id.*

Prior to initiating arbitration, the Parties met and conferred and agreed to attend early mediation to resolve Plaintiff's individual and representative PAGA claims. Toscano Decl., ¶ 6. In preparation for mediation, Defendants informally produced data and documents for Plaintiff to evaluate the PAGA claims and calculate the alleged exposure, including wage statements and timecards for non-exempt employees during the PAGA Period, written policies and procedures, Plaintiff's personnel file, and data related to the number of current and former non-exempt employees during the PAGA Period. *Id.* Plaintiff's Counsel engaged an expert to quantify the potential exposure using the time and payroll records, and then assessed the risks associated with each of the claims. *Id.*

The parties attended mediation on April 8, 2025, with Gig Kyriacou, a respected class action and PAGA action mediator. Toscano Decl., ¶ 7. After a full day of negotiating, the Parties agreed to a settlement of Plaintiff's claims. *Id.* The Parties spent the next few months negotiating the terms of the Settlement, which was finalized in August of 2025. *Id.*

Plaintiff provided notice of the Settlement and this Motion to the LWDA on November 5, 2025. Toscano Decl., ¶ 8, Exhibit 4.

III. PAGA REQUIREMENTS

Based on the California Supreme Court's opinions in *Arias v. Superior Court*, 46 Cal. 4th 969 (2009), and *Iskanian v. CLS Transportation Los Angeles, LLC,* 59 Cal. 4th 348 (2014), Plaintiff can seek appropriate civil penalties as called for under PAGA on behalf of the State of California and other similarly aggrieved employees without seeking class certification or meeting the requirements of class certification (i.e. numerosity, typicality, commonality and adequacy). As such, the class action two-step preliminary and final approval process is not required.

PAGA was enacted to allow enforcement of the Labor Code and recovery of penalties by the State and by private individuals who have been aggrieved by their employers. The statute calls for 75% of any penalties recovered to be paid to California's LWDA and the remaining 25% to the aggrieved employees. Cal. Lab. Code § 2699(i).

In order to enforce and seek penalties under PAGA in a civil action, an aggrieved employee must first provide written notice to the LWDA and the employer of the particular Labor Code violations the aggrieved employee alleges the employer has violated. *See* Cal. Labor Code§ 2699.3(a)(l)(A) (2016). Once the LWDA notifies the aggrieved employee that it does not intend to investigate the alleged violations, or if the LWDA does not respond within a certain time period, the aggrieved employee is then allowed to proceed in a civil action against the employer on behalf of the LWDA and all other similarly aggrieved employees. *See* Cal. Labor Code § 2699.3(a)(2)(A).

In 2009, the California Supreme Court considered the issue of whether an aggrieved employee who brings a PAGA representative claim needs to meet class certification requirements. *Arias,* 46 Cal. 4th at 976. After a substantial review of the legislative history of PAGA, the Court held that an aggrieved employee's representative action brought on behalf of other aggrieved employees against an employer for PAGA violations does not need to meet the requirements for class certification. *Id*. at 975, 980-88. As the Court held, a plaintiff bringing suit under PAGA does so as the proxy or agent of California's labor law enforcement agencies. *Id*. at 986. Because the employee's PAGA action functions as a substitute for an action brought by the government itself, a judgment in the PAGA action binds all those who would be bound by a judgment in an action brought by the government. *Id.*

Finally, in a settlement of a PAGA action brought by an aggrieved employee, the court need only "review and approve" the settlement. Cal. Lab. Code § 2699(1)(2). The Parties to this current PAGA action have reached such an agreement and now seek this Court's approval of the proposed settlement.

IV. THE SETTLEMENT TERMS AND DISTRIBUTION OF PENALTIES

The Parties have agreed that Defendant will pay a total settlement amount of $160,000 (the "Gross Settlement Amount"). *See* Settlement Agreement, § 3.1. From this amount, up to one-third (1/3) of the Gross Settlement Amount, or $53,333.33, is allocated to attorneys' fees and up to $25,000.00 to actual litigation costs. *Id.* at § 3.2.2. To date, Plaintiffs' Counsel has spent $23,005.84 in actual litigation costs and incurred $99,670.00 in attorneys' fees. *See* Toscano Decl., ¶¶ 30-31, Exhibit 5. The Settlement allocates up to $3,450 to payment for the costs of the Settlement Administrator, ILYM Group, Inc, associated with the administration of the Settlement. Settlement Agreement, § 3.2.3.

After deducting the above amounts for attorneys' fees and costs, and the Settlement Administrator's costs, the remaining fund will constitute the "PAGA Penalties" in which 75% will be paid to the LWDA (the "LWDA PAGA Payment") and 25% will be paid to the Aggrieved Employees as their "Individual PAGA Payments". Settlement Agreement, § 3.2.3. The Individual PAGA Payments will be calculated pro rata based on the number of pay periods working during the PAGA Period. Settlement Agreement, § 3.2.3.1. If the number of pay periods worked by Aggrieved Employees in the PAGA Period exceeds 3,000 by more than 10%, then the Gross Settlement Amount will increase pro rata per additional PAGA Pay Period. *Id.* at § 8. Alternatively, Defendants will have the option of adjusting the end date of the PAGA Period so that the release covers no more than 3,300 Pay Periods. *Id.*

The Individual PAGA Payments shall be paid to the Aggrieved Employees by way of a single check which will be valid for 180 days. Settlement Agreement, § 4.4.1. All funds not claimed within 180 days of mailing of payment shall be sent to the California State Controller's Office Unclaimed Property Fund with an identification of the amount of unclaimed funds attributable to each Aggrieved Employee. *Id.* at § 4.4.3. The Individual PAGA Payments will be characterized as penalties for tax purposes and reported on IRS Form 1099. *Id.* at § 3.2.3.2.

Prior to this disbursement, the Settlement Administrator shall check the Aggrieved Employees' addresses provided by Defendants using the National Change of Address database. Settlement Agreement, § 4.3.1. For any returned payments without a forwarding address, the Settlement Administrator shall run a skip trace. *Id*. at § 4.3.2. Aggrieved Employees will receive a letter along with their Individual PAGA Payment explaining the reason for the payment, the content of which will be submitted to the Court for approval. *Id*. at § 4.3.1; Toscano Decl.,

Exhibit 2.

Effective upon the date the Gross Settlement Amount is fully funded, Plaintiff, the State of California, and the Aggrieved Employees will release the "Released Parties" meaning "Defendants and each of their respective former and present directors, officers, shareholders, owners, members, attorneys, insurers (including reinsurers), predecessors, successors, assigns, subsidiaries, and affiliates" from "all claims for PAGA penalties arising during the PAGA Period that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice" Settlement Agreement, §§ 1.27, 5.2.

V. THE SETTLEMENT IS FAIR AND REASONABLE

A. Standard for Approval

PAGA settlements must be "fair, reasonable, and adequate in view of PAGA's purposes to remediate present labor law violations, deter future ones, and to maximize enforcement of state labor laws." *Moniz v. Adecco USA, Inc*., 72 Cal.App.5th 56, 77 (2021). The court must find that the plaintiff "has adequately represented the state's interests, and hence the public interest." *Id.* at 89. The LWDA must be notified of the settlement and be given an opportunity to object. The court may look to parallel class action guidelines to determine what is "fair, adequate and reasonable." *Kullar v. Foot Locker Retail,* 168 Cal.App.4th 116, 126 (2008). In that analysis, the court has "broad discretion in making this determination." *In re Microsoft I-V Cases*, 135 Cal.App.4th 706, 723 (2006). Relevant factors may include "the strength of the plaintiffs' case, the risk, expense, complexity and likely duration of further litigation, … the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the presence of a governmental participant …." *Dunk v. Ford Motor Co*., 48 Cal.App.4th 1794, 1801 (1996).

B. The Settlement Meets the Standard for Approval

Here, the $160,000 Gross Settlement Amount is reasonable for a group of approximately 50 employees. Toscano Decl., ¶ 9. A penalty of $160,000.00 is large enough to punish Defendants for alleged past violations and deter future violations. *Id*. The settlement amount is equivalent to a penalty of about $3,200 per employee. *Id*. At the same time, the penalty amount is not so large as to be unjust, oppressive or confiscatory, considering the company's potential exposure explained below. *Id.* The Gross Settlement Amount is also reasonable in light of the facts of the foregoing action, the real risk that no PAGA penalties would be paid, and inherent risks and uncertainties associated with PAGA claims. *Id.* at ¶ 10.

Plaintiff calculated the potential exposure at the initial violation rate of $100.00 per pay period as follows: 3,000 pay periods x $100.00 per pay period is $300,000 for an estimated 3,000 pay periods. Toscano Decl., ¶ 11. If the Court stacked different types of penalties in each pay period, Plaintiff calculated the exposure as follows:

a. 3,000 pay periods x $100 per pay period x 100% alleged meal violation rate = $300,000 for meal period violations;
b. 3,000 pay periods x $100 per pay period x 100% alleged violation rate = $300,00 for rest break violations;
c. 3,000 pay periods x $100 per pay period x 37% violation rate (for unlawful rounding that resulted in underpayment of wages) = $111,100 for unpaid wages;
d. 3,000 pay periods x $100 per pay period x 56% violation rate (for failure to pay overtime wages at regular rate of pay) = $168,000 for unpaid overtime wages;
e. 3,000 pay periods x $100 per pay period x 100% alleged violation rate = $300,000 for derivative wage statement penalties; and
f. 14 former employees x $100 alleged penalty = $1,400 for derivative waiting time penalties.

Id.

Defendants raised a number of arguments during settlement negotiations and provided evidence that could have defeated Plaintiff's claims. Toscano Decl., ¶ 12. For example, Plaintiff argued that Defendant unlawfully deducted 30-minutes for meal periods without confirming whether a meal period was actually taken. *Id.* Plaintiff argued that this practice deprived Aggrieved Employees of meal periods, or premiums in lieu thereof, by failing to keep accurate time records. *Id.* However, Defendants argued that Aggrieved Employees were responsible for recording their own time, including meal periods, and that they were provided with an opportunity to report any violations at the end of the pay period. *Id.* Further, Defendants argued that it maintained policies providing compliant meal periods and rest breaks, were not responsible for policing breaks, and that any missed breaks were the employees' personal choice to waive the break, citing to *Brinker Restaurant Corp. v. Superior Court* 53 Cal. 4th 1004, 1029 (2012)*,* in which the Supreme Court explained that employers do not need to "police" breaks, i.e., ensure that a meal is being taken if it was provided. *Id.* As such, the meal and rest claims would have been highly dependent on employee testimony, making it riskier at trial. *Id.*

With respect to the unpaid wages claims, Plaintiff alleged that Defendants unlawfully rounded Aggrieved Employees' time to the nearest quarter hour, thus depriving employees of pay for all time worked. Toscano Decl., ¶ 13. However, Defendant argued that the rounding was neutrally applied, and even pointed to instances where the rounding actually resulted in an overpayment of wages in many pay periods. *Id.* As to the overtime claim, Plaintiff alleged that Defendants failed to incorporate annual bonuses into the regular rate of pay. *Id.* However, Defendant argued that these bonuses were discretionary, not expected by employees or set by any predefined parameters, and thus properly excluded. *Id.*

While these unpaid wages claims could trigger derivative penalties, the recent *Naranjo v. Spectrum Security Services, Inc.*, 15 Cal.5th 1056 (2024) ruling could impact the amount of penalties awarded if Defendants could prove it acted in good faith. Toscano Decl., ¶ 14. For example, in *Naranjo*, the court found that the employer had an objectively reasonable belief that it complied with California law and thus could not be held liable for civil penalties where it failed to pay meal break premiums. 15 Cal.5th at 1065. Therefore, the Court could similarly find here that Defendants had a good faith belief that it was in compliance with the California Labor Code at the time the alleged violations occurred and foreclose the ability to collect penalties for failing to timely pay all wages owed and failing to provide accurate wage statements. Toscano Decl., ¶ 14.

Another crucial factor in evaluating the value of a PAGA-only case is that all PAGA awards are discretionary and can be reduced by the Court. Toscano Decl., ¶ 15. Under Labor Code § 2699(e)(2), the Court can reduce the PAGA penalties "if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory." In other words, were this matter to go to trial, any award granted would be at the discretion of the Court. *See, e.g. Carrington v. Starbucks Corp*., 30 Cal.App.5th 504, 528 (2018) (awarding PAGA penalties of only 0.2% of the maximum). In settling this case, Plaintiff recognized that the Court could significantly reduce the PAGA penalties, especially in light of the fact that Defendants are a small employer. Toscano Decl., ¶ 15. Therefore, Plaintiff considered that the Court could find a large award of penalties would be oppressive in light of any claim of financial distress and reduce the number of penalties sought at trial. *Id.*

VI. CONCLUSION

For the foregoing reasons, Plaintiff requests the Court approve the proposed settlement pursuant to PAGA in this Action.

Dated: November 5, 2025

AEGIS LAW FIRM, PC

By: ______________________
Julia Toscano
Attorneys for Plaintiff