Ruling of the Court

Judge Benjamin Hernández-Stern, West Covina Courthouse, Department 1

HEARING DATE: October 22, 2025 TRIAL DATE: Not set
CASE: *Antonio Mercardo vs. Envision Motors Holdings*
CASE NO.: 23PSCV02903

MOTION TO APPROVE PAGA SETTLEMENT

MOVING PARTY: Plaintiffs Antonio Mercado, Hakob Manoukian and Shakib Ahmad Ansari
RESPONDING PARTY: None
SERVICE: September 16, 2025

FILED
Superior Court of California
County of Los Angeles
OCT 30 2025
David W. Slayton, Executive Officer/Clerk of Court
By: C. Padilla, Deputy

OPPOSITION: None
REPLY: None

RELIEF REQUESTED

Plaintiffs Antonio Mercado ("Mercado"), Hakob Manoukian ("Manoukian"), and Shakib Ahmad Ansari ("Ansari", collectively, the "Plaintiffs") move *unopposed* to obtain approval of the PAGA settlement agreement in the instant matter between Plaintiffs and Defendants Envision Motors Holdings, LLC, ("Envision Motor Holdings") et al.

RULING

Based on the foregoing, the Plaintiffs' *unopposed* motion to approve the PAGA settlement is **GRANTED**.

BACKGROUND

Mercado, individually, and on behalf of other Aggrieved Employees, filed their initial complaint on September 20, 2023, against the Defendants Envision Motor Holdings, Von Housen Management, Inc., Mercedez-Benz of Rocklin, Mercedez-Benz USA, LLC and Does 1 to 50, asserting a single cause of action for Civil PAGA Penalties, Lab. Code § 2698, *et seq.*, arising from their employment by the Defendants.

Mercado, Manoukian, and Ansari, individually, and on behalf of other Aggrieved Employees, filed the operative First Amended Complaint ("FAC") on May 30, 2025. The FAC was asserted against newly named defendants Envision WC MB AUTO, LLC; Envision WC AU Auto, LLC; Envision WC CDJR Auto, LLC; Envision CE LRJ Auto, LLC; Envision MPS HON Auto, LLC; Envision VTA FD A Auto UTO, LLC; Envision ROC MB Auto, LLC; Envision SAC MB Auto, LLC; Envision EDH MB Auto, LLC; Envision DTE FD Auto, LLC; Envision WC TOYAUTO, LLC; Envision NWK Toy Auto, LLC; Envision MPS Toy Auto, LLC; Envision Motors

Management, LLC; Envision Motors REH, LLC; Envision Rent-A-Car, LLC; Envision Escondido Auto, LLC; Envision Motors Investments TOY WC, LLC; Envision Motors Investments, LLC; Simon Ayman Sarriedine; Frank Zarabi; and Does 1 to 50.

On September 16, 2025, the Plaintiffs filed the instant motion, which remained unopposed as of the hearing date. Plaintiff's counsel did not appear, and the Court took the OSC re: PAGA Settlement and Judgment under submission. The Court rule as follows.

LEGAL STANDARD

Labor Code §2699(s)(2) provides, as follows: "The superior court shall review and approve any settlement of any civil action filed pursuant to this part. The proposed settlement shall be submitted to the [Labor & Workforce Development Agency ("LWDA")] at the same time that it is submitted to a court."

LEGAL ANALYSIS

Plaintiffs and the Defendants (collectively, "Parties") reached a settlement of individual claims in this case and representative PAGA claims. (Declaration of Haig B. Kazandjian ("Decl. of Kazandjian") at § 7, Exh. 1.) The Plaintiffs request the Court issue an order approving the entire settlement.

As a threshold matter, the Plaintiffs submitted evidence of compliance with Labor Code §2699, subds. (s)(2) by submitting a copy of the Settlement and instant motion to the California Labor and Workforce Development Agency ("LWDA"). (Decl. of Kazandjian, ¶ 2.) On September 16, 2025, the Plaintiffs submitted the LWDA with their proposed settlement under PAGA. (Decl. of Kazandjian, at § 23; Exh. 4.)

The PAGA Settlement defines "Aggrieved Employees" as all current and former non-exempt employees employed by Defendants for at lease one day during the PAGA Period in California at any time between June 27, 2022, to December 19, 2022. (Decl. of Kazandjian, Exh. A, at § 1.4.) This definition is proper pursuant to the statute of limitations and the date of notice to the LWDA. The PAGA Settlement includes a provision, "Released PAGA Claims", which is divided into multiple meanings which is divided into multiple meanings. As to the Aggrieved Employees and the LWDA, this section provides:

> Plaintiff and his respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors and assigns generally, release and discharge Released Parties, to the fullest extent permitted by law, from all claims, transactions or occurrences that occurred during the PAGA Period, including, but not limited to: all claims that were or reasonably could have been alleged, based on the facts contained in the Operative Complaint and the PAGA notice ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time or based on occurrences outside the PAGA Period. Plaintiff acknowledges that Plaintiff may

> discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

(Decl. of Kazandjian, Exh. A, at § 5.)

The Settlement defines "Released Parties" as "Defendants and their past and/or present direct and/or indirect, former, present, members, managers, directors, officers, executives, employees, agents, advisors, consultants, representatives, administrators, shareholders, partners, trusts, insurers, reinsurers, attorneys, accountants, parent companies, subsidies, and benefit plans, and their predecessors, heirs, beneficiaries, executors, successors, and assigns (whether or not acting within the scope of their duties), and joint venturers, and all natural persons and other legal entities acting by, through, under, or in concert with any of the foregoing." (Decl. of Kazandjian, Exh. A, at § 1.26.)

As such, the Settlement provides that Released PAGA Claims only include claims for civil penalties under PAGA and does not apply to any individual claims and is proper. (*ZB, N.A. v. Superior Court* (2019) 8 Cal.5th 175, 188 (*ZB, N.A.*).)

The terms of the Settlement's release imply that only in exchange for the consideration set forth in the Settlement (i.e., the individual PAGA payments) do Aggrieved Employees release Released Parties from Released PAGA Claims. As such, the release is accordingly effective after the payment date, which is proper. (See Decl. of Kazandjian, ¶ 16.) The Settlement provides that within 30 days after the Approval Order, Defendants will provide the Settlement Administrator, ILYM Group, Inc., with a list setting forth the Aggrieved Employee's name, mailing address, social security number, and PAGA pay periods. (See Decl. of Kazandjian, ¶ 16, Exh. A, at §§ 1.2, 1.5) The Defendants will fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 30 days after the Effective Date. (Decl. of Kazandjian, ¶ 16.) Within 5 business days after Defendants fund the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, PAGA Representative Service Payments, LWDA PAGA Payment, Administration Expenses Payment, PAGA Counsel Expenses Payment, and PAGA Counsel Fees Payment. (Decl. of Kazandjian ¶ 16.) Disbursement of the PAGA Counsel Litigation Expenses Payment and PAGA Counsel Fees Payment shall not precede disbursement of Individual PAGA Payments. (Decl. of Kazandjian ¶ 16.)

The Parties agree that the "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with approval of this Settlement. (Decl. of Kazandjian ¶ 16, Exh. A at §1.3.) The Settlement Provides that the Administrator Expenses Payment is currently estimated not to exceed $3,350.00, except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less, or the Court approves payment less than $3,350.00, the Administrator will retain the remainder in the Net Settlement Amount. (Decl. of Kazandjian ¶ 15.) The Court approves the Administrator Expenses Payment of $3,350.00.

The Parties agree that, subject to the Court's review and approval, the Defendants promise to pay $68,500.00 as the Gross Settlement Amount, based on 1,456 Pay Periods. (Decl. of Kazandjian ¶ 12, Exh. A at §1.11.) The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to the Defendants. (Decl. of Kazandjian ¶12, Exh. A at §1.11.) The Parties agree that Plaintiff Mercado will receive a PAGA Representative Service Payment of not more than $5,000 (in addition to any Individual PAGA Payment the Plaintiff is entitled to receive). (Decl. of Kazandjian, Exh. A at §1.27.)

The Parties agree that Plaintiff's Counsel will receive a PAGA Counsel Fees Payment of not more than 35% of the Gross Settlement Amount, which is currently estimated to be $23,975.00, and PAGA Counsel Litigation Expenses Payment of not more than $42.70. (Decl. of Kazandjian ¶15, Exh. A at §3.2.1.) The Parties agree that the Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. (Decl. of Kazandjian ¶ 13, Exh. A at §§1.18, 3.3.1.) Plaintiff's Counsel will assume full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment. (Decl. of Kazandjian ¶13, Exh. A at §3.2.1.)

A prevailing plaintiff on a claim under the Labor Code Private Attorneys General Act of 2004 (PAGA, Lab. C. § 2698 *et seq.*) is entitled to an award of reasonable attorney fees and costs incurred in the action. (Lab. C. § 2699(k)(1).) The determination of what is "reasonable" is vested in the trial court's discretion. Courts recognize two methods for calculating attorney fees in common fund cases. The first calculates attorney fees based on a percentage of the common benefit bestowed on the class. The second uses a "lodestar" as the basis—determined by multiplying the hours counsel reasonably expended by reasonable hourly rates—which may be enhanced by a multiplier. (See *Lealao v. Beneficial Calif., Inc.* (2000) 82 Cal.App.4th 19, 26 (*Lealao*).) Trial courts are responsible for assessing whether a negotiated attorney's fee represents a fair and reasonable resolution that accurately reflects the value of the legal services provide. (*Robbins v. Alibrandi* (2005) 127 Cal.App.4th 438, 452-456 (*Robbins*).)

Here, the Court exercises its discretion to reduce the PAGA Counsel Fees Payment in the instant case to award no more than 25% of the Gross Settlement Amount, approximately $21,577.50, and PAGA Counsel Litigation Expenses Payment of not more than $38.43. The request for additional attorney's fees is not warranted and excessive, especially since the Parties did not prepare or go to trial. The Parties did not provide a detailed accounting of the litigation fees, nor did they attach an exhibit with billing information. Absent a clear record of the litigation costs, the settlement percentage

The Administrator will make and deduct the following payments from the PAGA Penalty Fund, which after the above-described deductions to the Gross Settlement Amount is estimated to be $36,132.30 and will be allocated between the LWDA and the Aggrieved Employees pursuant to Labor Code section 2699(i), with 75%) paid to the LWDA ($27,099.23) and 25% paid to the Aggrieved Employees ($9,033.08 on a pro-rata basis). (Decl. of Kazandjian ¶14.)

The Court is unclear on the number of Aggrieved Employees who worked a total of 1,456 PAGA Pay Periods between October 11, 2023, and June 9, 2024, as there is a discrepancy between the number expressed in words and the numerical figure; they do not represent the same value. (Decl. of Kazandjian, ¶ 8.) Counsel for the Plaintiff declares that the PAGA Settlement Agreement "involves thirty (147) aggrieved employees". (Decl. of Kazandjian, ¶ 8.) Plaintiff's counsel proceeds to declare that following settlement negotiations and discovery, "Plaintiff learned that the number of Aggrieved Employees, which are defined as all current and former non-exempt hourly employees who were employed by Defendants in the State of California during the PAGA Period, i.e., from June 27, 2022 through December 19, 2022, was approximately 147." (Decl. of Kazandjian ¶ 9.)

The Plaintiff's counsel provides information relating to the investigation conducted. (Decl. of Kazandjian ¶ 11.) The Plaintiff also provided information suggesting the Settlement is reasonable based on Plaintiff's counsel's detailed analysis of Plaintiff's claims and their potential value if Plaintiff was successful at trial. (See Decl. of Kazandjian ¶ 11.) Plaintiff provided sufficient information to support the reasonableness of the Settlement and how the terms of the Settlement were reached. (See Decl. of Kazandjian, ¶¶ 8-13.)

As discussed above, to the extent the release of claims for PAGA penalties is based only on underlying allegations in this action, and as such it only releases claims alleged in the Notice Letter sent to the LWDA, the release does not release anything other than claims for penalties. However, there is a Civil Code §1542 waiver. This waiver is only from the individual Plaintiff, and not from the PAGA Employees, and as such, the release is proper. (See Decl. of Kazandjian, Exh. A at §5.1.1.)

The PAGA Settlement Agreement provides Parties seek this action to be stayed except to effectuate the terms of the agreement. (See Decl. of Kazandjian, Exh. A at §10.20.) Any remaining amount from the Aggrieved Employee share that is not distributed, after diligent attempts have been made to locate Aggrieved Employees, shall be redistributed pro-rata to Aggrieved Employees that are located by the Administrator.

Accordingly, Plaintiff's proposed PAGA Settlement Agreement is proper and therefore is approved, with the noted reduction in attorney's fees.

CONCLUSION

The Plaintiff's *unopposed* motion to confirm settlement is **GRANTED**.

The Court to give notice.

The Court takes the matter out of submission.