SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

Civil Division

Central District, Stanley Mosk Courthouse, Department 72

23STCV27888
GAVIN TAYLOR, INDIVIDUALLY, et al. vs CBRE, INC, A CALIFORNIA CORPORATION, et al.

September 4, 2025
8:30 AM

Judge: Honorable Joseph Lipner
Judicial Assistant: G. Morales
Courtroom Assistant: F. Estrada

CSR: None
ERM: None
Deputy Sheriff: None

APPEARANCES:

For Plaintiff(s): Haig Kazandjian , Via LACC

For Defendant(s): Ryan Bykerk for CBRE, INC , Via LACC

NATURE OF PROCEEDINGS: Order to Show Cause Re: Approval of PAGA Settlement; Order to Show Cause Re: Dismissal (Settlement)

The matter is called for hearing.

The Court posted its tentative ruling online in advance of this hearing.

The Court and counsel confer in open court.

Cause is argued.

The matter is taken under submission.

Later this date in chambers, the Court rules as follows:

Plaintiffs Gavin Taylor ("Taylor"); Kevin Briceno ("Briceno"); and Anna Guzman-Pellow ("Guzman-Pellow") (collectively, "Plaintiffs"); together with Defendants CBRE, Inc. ("CBRE") and CBRE Group, Inc. ("CBRE Group") (collectively, "Defendants") seek court approval of their settlement (the "Settlement") Plaintiffs' claims brought under the Private Attorney General Act ("PAGA").

The Court grants the motion and approves the Settlement.

The Court reduces the attorney fee to $500,000.00, one-third of the Gross Settlement. The parties shall submit a new proposed order reflecting this amount. The Court continues the hearing on the OSC re Dismissal to October 27, 2025 at 8:30 a.m.

Background

Plaintiff filed this action on November 14, 2023. The operative complaint is now the Second Amended Complaint ("SAC"), which raises one claim for violation of Labor Code, section 2698, et seq. The SACC seeks civil penalties under PAGA.

On June 12, 2025, the parties filed a stipulation and proposed order granting approval of the Settlement.

Legal Standard

Settlement

The PAGA is "a procedural statute allowing an aggrieved employee to recover civil penalties—for Labor Code violations—that otherwise would be sought by state labor law enforcement agencies." (*Amalgamated Transit Union, Local 1756, AFL-CIO v. Superior Court* (2009) 46 Cal.4th 993, 1003.) The statute provides a mechanism for private enforcement of Labor Code violations for the public benefit. (See *Arias v. Superior Court* (2009) 46 Cal.4th 969, 986; *Ochoa-Hernandez v. Cjaders Foods, Inc.* (N.D.Cal. 2010) 2010 WL 1340777, at p. *4.)

To incentivize employees to bring PAGA actions, the statute provides aggrieved employees 25 percent of the recovered civil penalties. (Lab. Code § 2699, subd. (i).) The remaining 75 percent is distributed to the Labor and Workforce Development Agency ("LWDA") "for enforcement of labor laws and education of employers and employees about their rights and responsibilities under [the Labor Code]." (*Id.*)

In reviewing the terms of a settlement agreement, courts determine whether the settlement is fair, reasonable, and adequate to all concerned, and not the product of fraud, collusion, or overreaching. (*Reed v. United Teachers Los Angeles* (2012) 208 Cal.App.4th 322, 337; *Nordstrom Commission Cases* (2010) 186 Cal.App.4th 576, 581.) Although a PAGA plaintiff need not satisfy class action requirements (see *Arias v. Superior Court* (2009) 46 Cal.4th 969, 975), general principles applicable to class action settlements apply equally in this context.

In the context of a class action settlement, courts consider various factors including whether (1) the settlement is the result of arm's length bargaining, (2) investigation and discovery are sufficient to allow counsel and the court to act intelligently, (3) counsel is experienced in similar litigation, and (4) the percentage of objectors is small. (*Nordstrom*, *supra*, 186 Cal.App.4th at 581; *Wershba v. Apple Computer, Inc*. (2001) 91 Cal.App.4th 224, 245.) The final factor is not applicable to PAGA. (See *Arias*, *supra* 46 Cal.4th at p. 984 [rejecting the argument that representative actions under PAGA violate the due process rights of "nonparty aggrieved employees who are not given notice of, and an opportunity to be heard"].) "Because many of the factors used to evaluate class action settlements bear on a settlement's fairness—including the strength of the plaintiff's case, the risk, the stage of the proceeding, the complexity and likely duration of further litigation, and the settlement amount—these factors can be useful in evaluating the fairness of a PAGA settlement." (*Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, 77.) Furthermore, "a trial court should … determine whether [the settlement] is 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." (*Ibid*.)

In considering the amount of settlement, courts must be mindful that compromise is inherent and necessary in the settlement process. (*Wershba*, *supra*, 91 Cal.App.4th at 250.)

A proposed PAGA settlement must be submitted to LWDA at the same time that it is submitted to the court for review and approval. (Lab. Code § 2699, subd. (*l*)(2).)

Attorney's Fees Under Settlement

California Rules of Court, rule 3.769(b) requires that "[a]ny agreement… 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." 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 Co.* (2004) 118 Cal.App.4th 123, 128.)

Discussion

Notice to LWDA

Plaintiffs have submitted the proposed settlement to LWDA. (Kazandjian Decl. ¶ 33.)

Plaintiffs have submitted proof that it has served the notice of violation served on the employer.

(Supp. Kazandjian Decl. ¶ 3, Ex. A.) Plaintiffs provide the notice of Settlement. (Kazandjian Decl. ¶ 33, Ex. 4.)

Fairness of Settlement

Plaintiffs' counsel has submitted a copy of the Settlement. (Kazandjian Decl., Ex. 1.)

The Settlement covers the PAGA Period of October 13, 2022 through October 10, 2024. The Settlement covers all non-exempt, hourly workers in California who were employed by Defendants at any time during the PAGA Period (the "Aggrieved Employees"). (Settlement ¶ 1.4.) The parties estimate that there are 4,140 Aggrieved Employees. The Gross Settlement is based on 139,439 pay periods.

The Gross Settlement Amount ("Gross Settlement") is $1,500,000.00 and is non-reversionary. The Net Settlement Amount ("Net Settlement") will be the remaining amount after the payments of the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, the Administrative Expenses Payment, the Representative Enhancement Award, and the LWDA PAGA Payment. Of the remainder, 75 percent will be paid to the LWDA, and 25 percent will be paid to the Aggrieved Employees as individual payments.

The parties exchanged extensive informal discovery, including time and wage records and employee policies, and engaged in a full-day mediation prior to the Settlement. (Kazandjian Decl. ¶¶ 10-12.) The parties reached an agreement several weeks after mediation. (Kazandjian Decl. ¶ 12.) In negotiating the Settlement, Plaintiffs' counsel considered issues including the burdens of proof, the manageability of issues due to different job titles and duties of the Aggrieved Employees, and the existence of arbitration agreements, among other issues. (Kazandjian Decl. ¶ 13.) Plaintiffs' counsel submits evidence that there was a risk of no recovery at trial. (Kazandjian Decl. ¶¶ 21-24.) Under these circumstances, the gross settlement amount of $1,500,000.00 is reasonable.

The Settlement provides for an attorney fee (the "PAGA Counsel Fees Payment") of 40 percent, estimated to be $600,000.00. The Court previously expressed its belief that this amount was too high. Plaintiffs' counsel has now provided additional evidence relating to the attorney fee request. Plaintiffs' counsel achieved a reasonably successful settlement within the space of a few years and without the risk of trial. Counsel's billing records demonstrate a lodestar amount of $480,356.00. (Supp. Kazandjian Decl. ¶ 8; Second Supp. Kazandjian Decl. ¶ 4, Ex. A.) The requested $600,000.00 fee thus represents a lodestar multiplier of slightly less than 1.25. Although this case carried contingent risk for counsel, there is no indication that this was an especially risky case or that the recovery was exceptionally high relative to what could be expected. The Court determines that a 33 percent attorney fee of $500,000.00, which would already represent a small multiplier, is adequate to compensate Plaintiffs' counsel. The Court therefore approves an attorney fee of $500,000.00.

Plaintiffs request costs in the amount of $27,258.62 and provide a copy of the case expenses. (Kazandjian Decl. ¶ 18, Ex. D.) The Court approves these costs.

The administrative costs are estimated to be $10,513.00. The Court approves this amount as reasonable.

Plaintiffs request a Representative Enhancement Award of $10,000.00 for each of the three named Plaintiffs, totaling $30,000.00. This total represents 2 percent of the gross settlement amount of $1,500,000.00. Here, the named Plaintiffs provided information and documents to counsel leading up to the filing of the lawsuit and leading up to mediation. (Supp. Kazandjian Decl. ¶¶ 20, 22.) Plaintiffs agreed to provide a general release of all of their own individual wage and hour claims against Defendants in addition to the PAGA penalty claims that would be extinguished for the other Aggrieved Employees. Finally, Plaintiffs accepted the personal and professional risk that comes along with being the named plaintiff in a collective action against their former employer – in this case, one resulting in a large settlement amount. There is a real risk that potential future employers could decline to hire Plaintiffs if they learn of their involvement in this action. The Court determines that the requested award is appropriate given the large settlement size and the risk incurred and contributions made by Plaintiffs.

On the Court's own motion, the Order to Show Cause Re: Dismissal (Settlement) scheduled for 09/04/2025 is continued to 10/27/2025 at 08:30 AM in Department 72 at Stanley Mosk Courthouse.

The Clerk is to give notice.

Certificate of Service is attached.