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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO**

JENNIFER ANDRADE *et al.*

Plaintiff,

vs.

SOMBRERO COR, INC., *et al.*

Defendants.

Case No. 37-2023-00043518-CU-OE-CTL

Hon. Richard S. Whitney
Dept. 68

**Notice of Entry of Order Granting PAGA
Settlement and Entering Judgment**

Action Filed: October 6, 2023

1 TO THE COURT, ALL PARTIES AND THEIR ATTORNEYS OF RECORD, PLEASE
2 TAKE NOTICE THAT:

3 1. On June 26, 2024, in this Department, the Court entered the Order Approving PAGA
4 Settlement and Entering Judgment attached hereto as Exhibit 1.

5 2. A copy of this Notice has been submitted to the LWDA via its online electronic portal
6 in accordance with Labor Code § 2699(1)(3).

7 3. Notice of the Court's final ruling and entry of judgment is hereby provided.
8

9 Respectfully submitted,

10
11 Dated: June 26, 2024

Ferraro Vega Employment Lawyers, Inc.

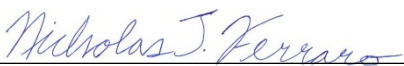
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13 _____
14 Nicholas J. Ferraro
15 Attorney for Plaintiff Jennifer Andrade
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EXHIBIT 1

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Attorneys for Defendants

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO**

JENNIFER ANDRADE *et al.*

Plaintiffs,

vs.

SOMBRERO COR, INC., *et al.*

Defendants.

Case No. 37-2023-00043518-CU-OE-CTL

*Hon. Richard S. Whitney
Dept. 68*

**Joint Stipulation Requesting PAGA
Settlement Approval; ~~Proposed~~ Order
Approving PAGA Settlement and Entering
Judgment**

Action Filed: October 6, 2023

1 Plaintiff Jennifer Andrade (“Plaintiff”) and Defendants Sombrero Cor, Inc., Correa
2 Management, Inc., Sombrero Corona, Inc., and Sombrero Mexican Food, Inc., (“Defendants”) have
3 reached a settlement of Plaintiff’s claims brought on behalf of herself and the Aggrieved Employees
4 under the Private Attorneys General Act (“PAGA”). The Parties, through this Stipulation, request that
5 the Court sign the Proposed Order approving the PAGA Settlement under Labor Code section
6 2699(l)(2). The relevant facts related to the Settlement are detailed below and in the declaration of
7 Nicholas J. Ferraro, filed concurrently herewith.

8 **I. BACKGROUND**

9 On July 24, 2023, Plaintiff submitted a notice to the Labor and Workforce Development
10 Agency (“LWDA”) asserting claims for civil penalties under the PAGA on behalf of themself and the
11 Covered Employees. *See* Declaration of Nicholas J. Ferraro (“Ferraro Decl.”), ¶ 2. On October 6,
12 2023, Plaintiff filed a PAGA representative action in San Diego Superior Court. Ferraro Decl., ¶ 3.
13 In the Complaint, Plaintiff requested civil penalties under California Labor Code section 2698 *et seq.*

14 On April 18, 2024, the Parties reached a resolution of Plaintiff’s PAGA Action after engaging
15 in settlement discussions and exchange of information. Ferraro Decl., ¶¶ 12-13. The Parties fully
16 executed the Settlement of Private Attorneys General Act Claims on May 17, 2024. Ferraro Decl.,
17 ¶ 13, Ex. 1. A copy of the Settlement is attached to the declaration of Nicholas J. Ferraro as Exhibit 1.

18 On May 21, 2024, Plaintiff electronically submitted Notice of Proposed Settlement of this
19 PAGA action to the LWDA via the LWDA’s online filing system. Ferraro Decl., ¶ 14.

20 **II. LEGAL STANDARD**

21 **A. The PAGA Settlement May Be Approved.**

22 PAGA settlements require judicial review and approval. Cal. Lab. Code § 2699(l)(2). The
23 criteria for review and approval is not well-developed, but when a PAGA claim is settled, the relief
24 provided for must be genuine and meaningful, consistent with the purpose of the statute to benefit the
25 public. *See Haralson v. U.S. Aviation Services Corp.* (N.D. Cal. 2019) 383 F. Supp.3d 959, 971-972.
26 PAGA representative actions are different than class actions. *Kim v. Reins Int’l Inc.* (2020) 9 Cal. 5th
27 73, 86. As such, the settlement of a PAGA action is not evaluated subject to the same requirements
28 as class actions, though courts like this one can and often do consider the factors applicable to class

1 action settlements when reviewing PAGA settlements. “[A] trial court should evaluate a PAGA
2 settlement to determine whether it is fair, reasonable, and adequate in view of PAGA’s purposes to
3 remediate present labor law violations, deter future ones, and to maximize enforcement of state labor
4 laws.” *Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, 77. However, the factors used to assess
5 the reasonableness of class settlements may be used for PAGA settlements. *See, e.g., Dunk v. Ford*
6 *Motor Co.* (1996) 48 Cal.App.4th 1794, 1801; *Wershba v. Apple Computer* (2001) 91 Cal.App.4th
7 224, 240; *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116 (factors include the (1)
8 strengths of plaintiffs’ case; (2) risk, expense, complexity, and duration of further litigation; (3)
9 amount offered in settlement; (4) discovery and investigation completed; (5) experience and views of
10 counsel; and (6) governmental participant involvement).

11 As detailed in full in the **Declaration of Nicholas J. Ferraro**, each of these factors support
12 approval of the PAGA settlement. Defendants dispute all claims and reiterate that it has resolved this
13 case without admission of liability.

14 **B. The Fees and Costs May Be Approved.**

15 The Settlement authorizes attorneys’ fees of up to 33.33% of the Gross Settlement Amount.
16 Ferraro Decl., ¶ 22, Ex. 1. The purpose of the percentage method is to avoid unjust enrichment by
17 spreading the litigation costs proportionally among all the beneficiaries. *See, e.g., Lealao v. Beneficial*
18 *Cal., Inc.* (2000) 82 Cal. App. 4th 19, 47. This approach incentivizes lawyers to undertake risks of
19 time and resources to vindicate the public interest and protect the policies underlying the wage laws.
20 In the case of a common fund—like the one in this case where there is no reversion or claims process—
21 the percentage method is the preferred method:

22 The recognized advantages of the percentage method—including relative ease
23 of calculation, alignment of incentives between counsel and the class, a better
24 approximation of market conditions in a contingency case, and the
25 encouragement it provides counsel to seek an early settlement and avoid
unnecessarily prolonging the litigation ... —convince us the percentage
method is a valuable tool that should not be denied our trial courts.

26 *Laffitte v. Robert Half International, Inc.* (2016) 1 Cal. 5th 480, 503 (citations omitted). “[R]egardless
27 whether the percentage method or the lodestar method is used, fee awards in class [and representative]
28 actions average around one-third of the recovery.” *Chavez v. Netflix, Inc.* (2008) 162 Cal. App. 4th 43,

66, n. 11. Defendants do not oppose a request by Plaintiff's counsel for attorneys' fees in an amount that does not exceed 33.33% of the Gross Settlement Amount (i.e., \$49,995). Plaintiff contends that attorneys' fees to Plaintiff's counsel in the amount of 33.33% of the Settlement is reasonable and should be approved, which are further authorized by statute via Labor Code § 2699(g)(1). See generally Amended Ferraro Decl., ¶¶ 20-42.

Plaintiff's counsel is entitled to reimbursement of the out-of-pocket costs they reasonably incurred investigating and prosecuting this case. *See In re Media Vision Tech. Sec. Litig.*, 913 F. Supp. 1362, 1366 (N.D. Cal. 1995) (citing *Mills v. Electric Auto-Lite Co.*, 396 U.S. 375, 391-92 (1970)). Counsel expended a total of \$9,923.72 in ordinary and reasonable litigation expenses. See Ferraro Decl. ¶ 20. Counsel's request for litigation costs should be granted in accordance with the Settlement Agreement, which allows for reimbursement of *up to* \$15,000 in costs, which are recoverable by statute under the Labor Code and Code of Civil Procedure, including Code of Civil Procedure § 1021.5 and Labor Code § 2699(g)(1). The itemized statement of counsel's costs is set forth in the declaration of Nicholas J. Ferraro. Ferraro Decl., ¶ 20.

C. The Plaintiff's Individual Payment May Be Approved.

Service awards are common in California class and representative actions, but there are no published California opinions available to Plaintiff's knowledge discussing the standard governing such payments in PAGA only actions like this one. Therefore, Plaintiff addresses the appropriateness of the service award under the same heightened standard used for class action settlements, as follows:

A "representative is entitled to a fee in a California class action." *Cellphone Termination Fee Cases*, 186 Cal. App. 4th 1380, 1394 (2010). Service awards "are fairly typical in class action[s]," "to compensate class representatives for work done on behalf of the class, to make up for financial or reputational risk undertaken in bringing the action." *Id.* To determine whether a service award is reasonable, courts may consider: (1) the risk to the class representative in commencing suit, both financial and otherwise; (2) the notoriety and personal difficulties encountered by the class representative; (3) the amount of time and effort spent by the class representative; (4) the duration of the litigation; and (5) the personal benefit (or lack thereof) enjoyed by the class representative as a result of the litigation. *Van Vranken v. Atl. Richfield Co.*, 901 F. Supp. 294, 299 (N.D. Cal. 1995).

1 The service award is justified considering the reputational risk Plaintiff assumed by litigating
2 these claims against a former employer. *See Wren v. RGIS Inventory Specialists*, 2011 WL 1230826,
3 at *36 (N.D. Cal. Apr. 1, 2011) (discussing risks for employees who file wage and hour class
4 actions); *Billinghausen v. Tractor Supply Co.*, 306 F.R.D. 245, 267-68 (N.D. Cal. 2015) (finding
5 “personal detriment” upon testimony that future employers can easily learn that a prospective
6 employee served as a plaintiff through the internet); *La Fleur v. Medical Management Intern, Inc.*,
7 2014 WL 2967475, *8 (C.D. Cal. June 25, 2014) (awarding \$15,000 to each named plaintiff in part
8 for attesting to their fear that the lawsuit will harm their future job prospects in the industry).

9 The risk of judgment for the employer’s litigation costs, alone, is sufficient to support
10 Plaintiff’s service award. *See Earley v. Superior Court*, 79 Cal. App. 4th 1420, 1433-34 (2000).

11 Further, the service award is appropriate because Plaintiff derives no monetary benefit from
12 this case beyond what he would ordinarily receive as an ordinary aggrieved employee. *In re Toys ‘R’*
13 *Us-Delaware, Inc. FACTA Litig.*, 295 F.R.D. 438 (C.D. Cal. Jan. 17, 2014); *Van Vranken*, 901 F.
14 Supp. 294, 299 (N.D. Cal. 1995). ***This is despite the fact that as part of the settlement Plaintiff***
15 ***agreed to a general settlement and release of all claims, including a 1542 waiver.*** Here, Plaintiff
16 will recover no more than other employees, despite undergoing personal sacrifice in bringing this suit
17 on their behalf. Plaintiff forwent the opportunity to file individual claims for their individual benefit
18 alone so that they could together vindicate the rights of others and recover compensation for them on
19 a representative-wide basis. Unlike other employees, Plaintiff faced the financial risk of a judgment
20 for costs in the event Defendants had prevailed in this litigation. And Plaintiff delayed payment from
21 what would be a relatively quick individual settlement in lieu of pursuing this action instead.

22 Plaintiff very respectfully submits these reasons under the foregoing legal standard, as further
23 supported and discussed in the **Declaration of Jennifer Andrade** submitted herewith, in support of
24 the request for the \$10,000 service award.

25 **III. STIPULATIONS**

26 The Parties, through their attorneys of record, hereby stipulate that the PAGA settlement in
27 this case is fair and reasonable.
28

1 Therefore, the Parties respectfully request that this Court approve the Settlement and sign the
2 Proposed Order.

3 Respectfully submitted,

4
5 Dated: June 18, 2024

Ferraro Vega Employment Lawyers, Inc.

6
7 /s/ Nicholas J. Ferraro

Nicholas J. Ferraro

8 Lauren N. Vega

Attorneys for Plaintiff Jennifer Andrade

9
10 Dated: June 18, 2024

Fisher & Phillips, LLP

11
12 /s/ Jasmine Samuels

Jasmine Samuels

13 Aaron Olsen

14 *Attorneys for Defendants*

~~[PROPOSED]~~ ORDER

The Court has reviewed the Joint Stipulation Requesting PAGA Settlement Approval, the Declaration of Nicholas J. Ferraro, and its exhibits, including the Private Attorneys General Act Settlement Agreement and Release (“Settlement”). **THE COURT HEREBY ORDERS:**

The Parties’ Joint Stipulation Requesting PAGA Settlement Approval is **GRANTED** and approved pursuant to California Labor Code section 2699(1)(2). After the attorneys’ fees, individual representative service payment, costs, and administrator’s expenses are deducted from the Gross Settlement Amount, the Net Settlement Amount is \$76,331.28, of which 75% (\$57,248.46) shall be distributed to the LWDA and the remaining 25% (\$19,082.82) shall be distributed to the aggrieved employees as their share of PAGA penalties.

Accordingly, the \$150,000 gross settlement shall be distributed as follows:

1. \$57,248.46 to the Labor and Workforce Development Agency for PAGA penalties
2. \$19,082.82 to the PAGA Employees
3. \$10,000 to Plaintiff as an enhancement payment
4. \$49,995 to Plaintiff’s counsel for attorneys’ fees
5. \$9,923.72 to Plaintiff’s counsel for costs
6. \$3,750.00 to the Settlement Administrator

Plaintiff, Defendants, and the Settlement Administrator are ordered to carry out the terms of the settlement in accordance with the Settlement Agreement.

JUDGMENT

Judgment shall be entered through the filing of this order and judgment. Cal. Code Civ. Proc. § 668.5. Plaintiff shall take from the Complaint only the relief set forth in the Settlement Agreement and this Order and judgment. The Court retains jurisdiction over the parties to enforce the terms of the Settlement Agreement and the final order and judgment.

IT IS SO ORDERED

06/28/2024



Hon. Richard S. Whitney
Judge of the Superior Court