

**Preliminary Approval of Class Action Settlement
Department SSC-9**

Chay v. Aylaz, Inc., et al.

Case No. 23STCV15672

Hearing: December 10, 2025 (continued from August 28, 2025)

RULING

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:

- The Gross Settlement Amount ("GSA") is **\$167,000**, non-reversionary. (¶3.1)
- The Parties will request the Court to approve and award the following payments and deductions to be made from the GSA:
 - Up to **\$55,666.67** (33%) for attorney fees (¶3.2.2);
 - Up to **\$30,000** for litigation costs (*Ibid.*)
 - Up to **\$7,500** for a Service Payment to the Named Plaintiff (¶3.2.1);
 - Up to **\$6,850** for settlement administration costs (¶3.2.3);
 - **\$10,000** PAGA penalty (75% or \$7,500 to the LWDA; and 25% or \$2,500 to the Aggrieved Employees). (¶3.2.5)
- Defendant will also pay employer-side taxes. (¶3.1)
- Plaintiffs shall release Defendants from claims described in the Settlement.

The Parties' Motion for Final Approval of Class Action Settlement must be filed by **April 7, 2026** and will be heard on **May 13, 2026**. *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.

Non-Appearance Case Review is set for **April 14, 2026** 8:30 a.m., Department 9 re filing of Motion for Final Approval of Class Action Settlement.

BACKGROUND

This is a wage and hour class action. On July 6, 2023, Plaintiff filed a putative wage and hour class action complaint against Defendant for: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; and (8) violation of California's Unfair Competition Law, California Business and Professions Code §§ 17200, et seq.

On September 18, 2023, Plaintiff filed a representative action complaint against Defendant for civil penalties under PAGA, Case No. 23VECV04113.

Counsel represents that prior to mediation, the Parties exchanged documents and information wherein: 1) Defendant produced a sample of time and pay records for class members; 2) Defendant provided documents of its wage and hour policies and practices during the class period, and information regarding the total number of current and former employees in its formal and informal discovery responses; and 3) Class Counsel reviewed these records and utilized an expert to prepare a damages analysis prior to mediation.

On December 1, 2023, the Parties participated in private mediation with experienced class action mediator, Jason Marsili, Esq., and were able to come to an agreement. A partially executed long form Settlement Agreement was filed with the court on July 29, 2025 attached as Exhibit 1 to the Declaration of Arrash T. Fattahi ("Fattahi Decl.").

On August 28, 2025, the Court issued a checklist of items for counsel to address and continued preliminary approval. In response, on November 19, 2025 counsel filed a fully executed Amended Settlement Agreement attached as Exhibit 2 to the Declaration of Arman A. Salehi ("Salehi Decl.").

The Parties now move for preliminary approval of the proposed class action settlement.

SETTLEMENT CLASS DEFINITION

- "Class" means all persons employed by Defendant in California and classified as an hourly paid, non-exempt employee during the Class Period. (Settlement Agreement, ¶1.5.)
 - "Class Period" means the period from June 1, 2021 to March 31, 2024. (¶1.12)
- "Aggrieved Employee" means a person employed by Defendant in California and classified as an hourly paid, non-exempt employee who worked for Defendant during the PAGA Period. (¶1.4)
 - "PAGA Period" means the period from July 14, 2022 to March 31, 2024. (¶1.31)
- Defense estimates that there were 8,397 workweeks worked by the Class Members from June 1, 2021 to March 31, 2024. In the event the number of workweeks worked by the Class Members during the Class Period increases by more than 10%, then the Gross Settlement Amount shall be increased proportionally by the workweeks worked in excess of 9,237 multiplied by the workweek value. The workweek value shall be calculated by dividing the Gross Settlement Amount by the estimated 8,397 workweeks.

The Parties agree that the workweek value is \$19.89 (\$167,000.00 / 8,397 workweeks). Thus, for example, should there be 9,500 workweeks in the Class Period, then the Gross Settlement Amount shall be increased by \$5,231.07 ([9,500 workweeks-9,237 workweeks] x [\$19.89/workweek]). (¶9)

- The parties agree to class certification for the purposes of settlement. (¶12.1)

TERMS OF SETTLEMENT AGREEMENT

The essential terms are as follows:

- The Gross Settlement Amount (“GSA”) is **\$167,000**, non-reversionary. (¶3.1)
- The Net Settlement Amount (“Net”) (**\$59,483.33**) is the GSA minus the following:
 - Up to **\$55,666.67** (33%) for attorney fees (¶3.2.2);
 - Up to **\$30,000** for litigation costs (*ibid.*)
 - Up to **\$7,500** for a Service Payment to the Named Plaintiff (¶3.2.1);
 - Up to **\$6,850** for settlement administration costs (¶3.2.3);
 - Payment of **\$7,500** (75% of \$10,000 PAGA penalty) to the LWDA. (¶3.2.5)
- Defendant will also pay employer-side taxes. (¶3.1)
- Funding of Settlement: Defendant shall fund \$50,000.00 of the Gross Settlement Amount within 30 days of the Effective Date and the remaining \$117,000.00 within 12 months after the first payment is made. (¶4.2)
 - Defendant has provided a declaration evidencing need for payment plan. (See Declaration of Omar Mawas Re. Settlement Payment Plan, *passim*.)
- Payments from the Gross Settlement Amount: Within 14 days after Defendant fully 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's Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative's Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments. (¶4.3)
- There is no claim form requirement. (¶3.1)
- Participating Class Member Payment: 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) on-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)
 - Tax Allocation: 33% as wages and 67% as interest and penalties. (¶3.2.4.1)
- PAGA Payments: The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$2,500) by the total number of PAGA Workweeks worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Workweeks. (¶3.2.5.1)

- Tax Allocation: 100% penalties. (§3.2.5.2)
- "Response Deadline" means 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 Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired. (§1.43) The same deadlines apply to workweek challenges. (§7.6)
 - If the number of valid Requests for Exclusion exceeds 10% of the total of all Class Members, Defendant may elect to withdraw from the Settlement. (§9)
- Uncashed Settlement Checks: The Administrator will cancel all checks not cashed by the void date (not less than 180 days after the date of mailing). (§4.3.1) 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 to Legal Aid at Work. The Parties have selected Legal Aid at Work as the cy pres recipient. If the Court does not approve the cy pres designee, the Parties shall select a new cy pres designee, with approval by the Court. (§4.3.3)
 - The parties and counsel represent that they do not have any conflicts of interest or financial interest in the mutually agreed upon cy pres recipient, Legal Aid at Work. (Declaration of Omar Mawas Re. Cy Pres, §2; Declaration of Arman A. Salehi Re. Cy Pres, §2; Declaration of Michael M. Freeland Re. Cy Pres, §3.)
- The settlement administrator will be ILYM Group, Inc. (§1.2)
- The Settlement was submitted to the LWDA on May 20, 2024. (Exhibit 2 to Fattahi Decl.)
- Participating class members and the named Plaintiff will release certain claims against Defendants. (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? Yes. On December 1, 2023, the Parties participated in private mediation with experienced class action mediator, Jason Marsili, Esq., and were able to come to an agreement. . (Fattahi Decl., §7.)
2. Were investigation and discovery sufficient to allow counsel and the court to act intelligently? Yes. Counsel represents that prior to mediation, the Parties exchanged documents and information wherein: 1) Defendant produced a sample of time and pay records for class members; 2) Defendant provided documents of its wage and hour policies and practices during the class period, and information regarding the total number of current and former employees in its formal and informal discovery responses; and 3) Class Counsel reviewed these records and utilized an expert to prepare a damages analysis prior to mediation. (*Id.* at §§5-6.)
3. Is counsel experienced in similar litigation? Yes. Class Counsel is experienced in class action litigation. (*Id.* at §§38-48.)
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.)

Counsel provided the following estimated recovery:

<i>CLAIM</i>	<i>MAX RECOVERY</i>	<i>REDUCED RECOVERY</i>
Rest Breaks	\$279,255.23	\$33,510.63
Meal Breaks	\$142,978.68	\$42,893.60
Expenses	\$52,481.25	\$4,723.31
Unpaid Wages	\$108,510.23	\$17,361.64
Labor Code §203	\$318,617.16	\$38,234.06
Labor Code §226	\$233,450.00	\$28,014.00
PAGA Penalties	\$238,100.00	\$10,000.00
<i>TOTAL</i>	<i>\$1,373,392.55</i>	<i>\$174,737.24</i>

(Fattahi Decl., ¶¶15-23.)

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 obtained a \$167,000 non-reversionary settlement. This is approximately 12% to 96% of Plaintiff’s estimated recovery, which is within the “ballpark” of reasonableness.

The \$167,000 settlement amount, after reduced by the requested deductions, leaves approximately \$59,483.33 to be divided among approximately 138 class members. Assuming full participation, the resulting payments will average approximately \$431.04 per class member. [\$59,483.33 /138=\$431.04]

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 is preliminarily deemed "fair, adequate, and reasonable."

3. Scope of the release

Upon both the final approval of the Settlement by the Court and Defendant's full funding of the Gross Settlement Amount, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows: (¶5)

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action including any and all claims for: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; and (8) violation of California's Unfair Competition Law, California Business and Professions Code §§ 17200, et seq. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period. (¶5.2)

All Non-Participating and Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice and ascertained in the course of the Action, including any and all claims for: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; and (7) failure to indemnify employees for expenditures. (¶5.3)

The named Plaintiff will also provide a general release and 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. Windsor* (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 138 putative class members. (Fattahi Decl., ¶15) 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. (Fattahi Decl., ¶15.)

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.)

Class counsel contends that commonality is met because the common employment practices at issue are: whether Defendant had legally compliant policies and practices for all hours worked, including overtime wages; 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 periods; whether Defendant reimbursed employees for business expenses; whether final payment of wages was untimely and excluded unpaid wages, including meal and rest period premium wages; and whether the wage statements were consequently non-compliant. (MPA, 17:21-28.)

Further, counsel contends typicality is met because Plaintiff 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. (MPA, 18:11-14.)

Finally, counsel contends that the Plaintiff is an adequate class representative because he does not have conflicts with the class and is represented by adequate counsel. (MPA, 18:19-26; Declaration of Plaintiff Chay, *passim*.)

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 is conditionally certified because the prerequisites of class certification have been satisfied.

5. Is the notice proper?

1. Content of class notice. The proposed notice is attached Settlement Agreement as Exhibit A. 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 claims 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.

2. Method of class notice. Notice will be by direct mail. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. (§4.1) Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice with Spanish translation. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database. (§7.4.2) Not later than three (3) business 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 Notices to Class Members whose Class Notice is returned by the USPS a second time. (§7.4.3) If the Administrator, Defense or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later. (§7.4.5) Notice of Final Judgment will be posted on the Settlement Administrator's website. (§7.8.1)

3. Cost of class notice. As indicated above, claims administration costs are estimated not to exceed **\$6,850**. Prior to the time of the final fairness hearing, the claims 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 **\$55,666.67** 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 **\$30,000**) by detailing how they were incurred.

7. Incentive Award to Class Representative

The Settlement Agreement provides for an enhancement award of up to **\$7,500** to the named Plaintiff. In connection with the final fairness hearing, the named Plaintiff must submit declarations attesting to why they should be entitled to an enhancement award in the proposed amount. The named Plaintiffs must explain why they “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 plaintiffs, 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 award 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.

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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.

Non-Appearance Case Review is set for **April 14, 2026**, 8:30 a.m., Department 9 re filing of Motion for Final Approval of Class Action Settlement.

The Judicial Assistant is to give notice to Counsel for Plaintiff who is ordered to give further and formal notice to all parties and file proof of service of such within 10 days.

IT IS SO ORDERED.

DATED: December 9, 2025




Elaine Lu
Judge of the Superior Court
Elaine Lu / Judge