

MAY 20 2025

Superior Court of California
County of Los Angeles
Department 50

David W. Slayton, Executive Officer/Clerk of Court
By: J. Cruz, Deputy

HAYDEN HARRELL, individually, and on
behalf of aggrieved employees pursuant to the
Private Attorneys General Act ("PAGA"),

Plaintiff,

vs.

REINHOLD INDUSTRIES, INC., a Delaware
corporation; and DOES 1 through 100,
inclusive,

Defendants.

Case No.: 23STCV22625

Hearing Date: May 20, 2025

Hearing Time: 10:00 a.m.

~~TENTATIVE~~ ORDER RE:

PLAINTIFF'S MOTION FOR APPROVAL
OF PRIVATE ATTORNEY GENERAL ACT
SETTLEMENT

Background

On September 19, 2023, Plaintiff Hayden Harrell, , individually, and on behalf of
aggrieved employees pursuant to the Private Attorneys General Act ("Plaintiff") filed this action
against Defendant Reinhold Industries, Inc. ("Defendant") alleging a sole cause of action for
Violation of Labor Code sections 2698, *et seq.* ("PAGA").

Plaintiff's counsel states that "Under the auspices of the mediator and after a full day of
mediation, the Parties reached a settlement when considering the additional costs and risks."
(Han Decl., ¶15.)

Legal Standard

A superior court must "review and approve any settlement of any civil action filed
pursuant to this part." (Lab. Code, § 2699, subd. (s)(2).)

1 The Court notes that though there is no statutory or common law standard for approval of
2 a PAGA settlement, the standard used for approval of class action settlements is instructive.
3 “[A] presumption of fairness exists where: (1) the settlement is reached through arm’s-length
4 bargaining; (2) investigation and discovery are sufficient to allow counsel and the court to act
5 intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors
6 is small.” (*Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1802.) The last factor, small
7 percentage of objectors, is inapplicable to PAGA claims. (*See Arias v. Superior Court* (2009) 46
8 Cal.4th 969, 984-985 [rejecting the argument that representative actions under PAGA violate the
9 due process rights of “nonparty aggrieved employees who are not given notice of, and an
10 opportunity to be heard”].) Additional factors that are useful to consider include the strength of a
11 plaintiff’s case, the risk, expense, complexity and likely duration of further litigation, the amount
12 offered in settlement, the extent of discovery completed, and the experience and views of
13 counsel. (*See Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 128.)

14 ***Discussion***

15 Plaintiff’s counsel indicates that the parties entered into a Settlement Agreement and
16 Release (herein the “Settlement Agreement”). (Han Decl., ¶8, Ex. 2.)

17
18 The Court finds that the parties reached the settlement through private mediation after
19 sufficient investigation and informal exchange of information. Specifically, analyzing personnel
20 records, employee handbooks, relevant correspondence, and sampling of time and pay records.
21 (Han Decl., ¶14.) Furthermore, the parties participated in a private mediation on September 19,
22 2024 with Tagore Subramaniam, wherein they discussed risks and delays of further
23 investigation, risks of proceeding with a representative trial, laws relating to the PAGA claim,
24 and evidence produced and analyzed. (Han Decl., ¶15.) Plaintiff’s counsel states that these risks
25 included Plaintiff not being deemed an aggrieved employee, new developments in the law, and
26 losing on the merits at trial. (*Id.*)

1 The Court further finds that Plaintiff was represented by competent counsel with over 20
2 years of employment representative and class action law experience in the Los Angeles area.
3 (Han Decl., ¶¶2-7, Ex. 1.) Although there is no evidence presented attesting to the competence
4 and experience of defense counsel, Fisher & Phillips, there also no evidence of the contrary. As
5 such, the proposed Settlement Agreement is entitled to a presumption of fairness.

6
7 “The proposed settlement shall be submitted to the [Labor and Workforce Development
8 Agency] at the same time that it is submitted to the court.” (Lab. Code § 2699, subd. (l)(2).) The
9 Court finds that the notice of proposed settlement was provided to the LWDA on or about
10 December 19, 2024. (Gonzalez Decl., ¶3, Ex. 1.)

11
12 “[C]ivil penalties recovered by aggrieved employees shall be distributed as follows: 65
13 percent to the Labor and Workforce Development Agency for enforcement of labor laws,
14 including the administration of this part, and for education of employers and employees about
15 their rights and responsibilities under this code, to be continuously appropriated to supplement
16 and not supplant the funding to the agency for those purposes; and 35 percent to the aggrieved
17 employees.” (Lab. Code, § 2699, subd. (m).) This amendment to Labor Code Section 2699,
18 however, “shall not apply to a civil action with respect to which the notice required by
19 subparagraph (A) of paragraph (1) of subdivision (a), paragraph (1) of subdivision (b), or
20 subparagraph (A) of paragraph (1) of subdivision (c) of Section 2699.3 was filed before June 19,
21 2024.” (Lab. Code, § 2699, subd. (v)(2).) Plaintiff’s PAGA notice was sent to the Labor and
22 Workforce Development Agency on July 14, 2023. (Han Decl., ¶10.) Therefore, the 75% to the
23 Labor and Workforce Development Agency and 25% to the aggrieved employee distribution for
24 civil penalties applies in this instant case and not the amended 65/35 split.

1 The proposed Settlement Agreement is for \$350,000.00, inclusive of payments to the
2 LWDA and PAGA Employees, attorneys' fees and costs, and settlement administration costs.
3 (Han Decl., ¶¶16-17.) Plaintiff's counsel will be paid \$122,250.00 for fees and \$17,033.09 for
4 litigation costs. (Han Decl., ¶16.) The settlement administrator ILYM Group, Inc. costs shall not
5 exceed \$5,500.00. (*Id.*) Plaintiff's representative enhancement award is for \$5,000.00. (*Id.*) After
6 deducting these amounts, a net settlement amount ("PAGA Penalties Fund") of \$199,966.91 will
7 be disbursed to the LWDA and to the Settlement Group Members who consist of all current and
8 former hourly-paid or non-exempt employees employed by Defendant between July 16, 2022
9 through October 19, 2024 ("Settlement Period"). (Han Decl., ¶9.) Specifically, 75% or
10 \$149,975.18 will be paid to the LWDA, and 25% or \$49,991.73 will be paid to the Settlement
11 Group Members based on each member's proportionate share of the weeks worked during the
12 Settlement Period. (Han Decl., ¶17.)

13 Thus, the Court finds that the proposed Settlement Agreement terms conform with the
14 requirements set forth Labor Code Section 2699, subdivision (m).

15 Additional factors that are useful to consider in determining whether to approve the
16 settlement include the strength of a plaintiff's case, the risk, expense, complexity and likely
17 duration of further litigation, the amount offered in settlement, the extent of discovery
18 completed, and the experience and views of counsel. (*Kullar v. Foot Locker Retail, Inc.* (2008)
19 168 Cal.App.4th 116, 128.)
20

21 Although Plaintiff contends that here is sufficient evidence to support the allegations that
22 Defendant violated the Labor Code and owes statutory penalties, Plaintiff also acknowledges that
23 Defendant maintained several defenses to the PAGA claim, which if successful had the potential
24 to eliminate or substantially reduce recovery. (Han Decl., ¶¶19-22.) Thus, Plaintiff has
25 demonstrated that the proposed Settlement Agreement merits approval.

1 A prevailing employee is entitled to an award of reasonable attorney fees and costs
2 incurred in the action. (Lab. Code, § 2699, subd. (g)(1).) California Rules of Court, rule 3.769,
3 subdivision (b) requires that “[a]ny agreement... with respect to the payment of attorney’s fees
4 or the submission of an application for the approval of attorney’s fees must be set forth in full in
5 any application for approval of the dismissal or settlement of an action that has been certified as
6 a class action.” Despite any agreement by the parties to the contrary, “the court ha[s] an
7 independent right and responsibility to review the attorney fee provision of the settlement
8 agreement and award only so much as it determined reasonable.” (*Garabedian v. Los Angeles*
9 *Cellular Telephone Co.* (2004) 118 Cal.App.4th 123, 128.) Plaintiff’s counsel attests to
10 expending approximately 242.5 hours litigating this case, which includes “(i) locating and
11 interviewing putative aggrieved employees to corroborate the allegations; (ii) employees
12 working for Defendant through temporary employment agencies, which initially made it difficult
13 to locate and interview putative aggrieved employees; (iii) difficulties in pinning down job
14 responsibilities, wages paid, breaks taken; (iv) number of documents that had to be reviewed and
15 analyzed; (v) shifting wage-and-hour laws; and (vi) Defendant’s initial firm resistance to the
16 relief.” (Han Decl., ¶29.) Further, Plaintiff’s counsel attests to his hourly rate being \$900.00,
17 \$800.00 for his associate Shunt Tatavos-Gharajeh, and \$500.00 for his former associate
18 Lawrence Ball, which amounts to \$187,670.00 of attorney’s fees incurred during the litigation of
19 this action plus a negative multiplier of 0.65. (Han Decl., ¶34.) Likewise, Plaintiff’s counsel
20 attests to incurring \$17,033.09 in litigation costs and expenses. (Han Decl., ¶35, Ex. 7.) The
21 requested fees and costs are lower than what is provided for in the Settlement Agreement, i.e.,
22 \$122,500.00 in attorney’s fees and \$20,00.00 costs. Therefore, the Court finds that requested fees
23 and costs pursuant to the Settlement Agreement is reasonable.

24 Finally, Plaintiff requests \$5,000.00 as an enhancement service award for the time and
25 effort exerted on behalf of the Settlement Members. (Harrell Decl., ¶12.) Plaintiff attests to
26 expending over 35 hours meeting with her attorneys concerning the case, gathering employment
27 documents, reviewing documents, answering pertinent questions, providing names and contact
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1 information for putative aggrieved employees, speaking with current and former employees,
2 making herself available for mediation, and providing input throughout the litigation of this case.
3 (Harrell Decl., ¶¶6-12.) Provided that the original net settlement amount is \$\$199,966.91, the
4 Court finds that a \$5,000.00 service award for approximately 35 hours of work is reasonable
5 under these circumstances.

6 **Conclusion**

7 Based on the foregoing, the Court grants Plaintiff's motion for approval of Private
8 Attorney General Act settlement. The Court orders Plaintiff to file and serve a proposed
9 judgment within 10 days of this order.

10 *Parties waived*
11 ~~Plaintiff is ordered to provide notice of this ruling.~~ (JOB)

12
13 DATED: May 20, 2025

14 *Teresa A. Beaudet*
15 _____
16 Hon. Teresa A. Beaudet
17 Judge, Los Angeles Superior Court
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PROOF OF SERVICE
1013A(3) CCP

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 751 N. Fair Oaks Avenue, Suite 101, Pasadena, California 91103 and my electronic service address is manderson@justicelawcorp.com.

On May 28, 25, I served the foregoing document described as

**ORDER RE: PLAINTIFF'S MOTION FOR APPROVAL OF PRIVATE ATTORNEY
GENERAL ACT SETTLEMENT**

for the following case: **Harrell v. Reinhold Industries, Inc.**
LWDA/Court Case No.: **LWDA Case No.: LWDA-CM-968344-23**
Court Case No.: 23STCV22625
Los Angeles County Superior Court

on interested parties in this action by electronically submitting as follows:

State of California
Labor & Workforce Development Agency
800 Capitol Mall, MIC-55
Sacramento, California 95814

[X] BY ELECTRONIC SUBMISSION

Pursuant to California Senate Bill No. 836, I caused the documents described above to be electronically submitted by and through the procedure stated on the website of the State of California Labor and Workforce Development Agency.

[X] STATE

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on May 28, 2025, at Pasadena, California.



Mariah Anderson