

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

Civil Division

Central District, Stanley Mosk Courthouse, Department 55

23STCV27868

**JUANA PARADA, vs BEVERLY HILLS PLAZA HOTEL &
SPA, et al.**

December 4, 2025

8:30 AM

Judge: Honorable Alison Mackenzie
Judicial Assistant: Steve Temblador
Courtroom Assistant: Nancy Quintanilla

CSR: None
ERM: None
Deputy Sheriff: None

APPEARANCES:

For Plaintiff(s): Karen L Wallace (LACC)

For Defendant(s): Linda Toutant for Beverly Hills Plaza Hotel & Spa (LACC)

NATURE OF PROCEEDINGS: Hearing on Motion - Other Approval of PAGA Settlement
CRS#1645

The matter comes on for hearing.

The Court having read and considered the moving papers, hereby rules as follows:

The Motion re: for Approval of PAGA Settlement; Memorandum of Points and Authorities in Support filed by Juana Parada on 09/18/2025 is Granted.

BACKGROUND

JUANA PARADA ("Plaintiff") filed this PAGA case against ROCHELLE STERLING and DONALD STERLING dba BEVERLY HILLS PLAZA HOTEL & SPA alleging individual wage and hour claims and PAGA penalties. After the Court granted Defendants' motion to compel arbitration, the parties ultimately settled both Plaintiff's individual claims and the PAGA claim.

Plaintiff has filed an unopposed Motion to Approve PAGA Settlement Agreement.

LEGAL STANDARD

Labor Code § 2699(1)(2) states: "The superior court shall review and approve any settlement of any civil action filed pursuant to this part [Labor Code Private Attorneys General Act of 2004 ("PAGA")]. "The proposed settlement shall be submitted to the [Labor and Workforce Development Agency ("LWDA")] at the same time that it is submitted to the court." Lab. Code § 2699, subd. (1)(2). With respect to PAGA settlement agreements, penalties recovered by

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aggrieved employees must be distributed as follows: 75 percent to the California Labor and Workforce Development Agency (“LWDA”) and 25 percent to the aggrieved employees. Lab. Code § 2699, subd. (i). A prevailing employee is entitled to an award of reasonable attorney’s fees and costs incurred in the action. Lab. Code § 2699, subd. (g)(1).

“[N]either the California legislature, nor the California Supreme Court, nor the California Courts of Appeal, nor the [LWDA] has provided any definitive answer as to what the appropriate standard is for approval of a PAGA settlement.” *Haralson v. U.S. Aviation Services Corp.* (N.D. Cal. 2019) 383 F.Supp.3d 959, 971. However, our Supreme Court has held that a PAGA claim is a form of a qui tam action. *Iskanian v. CLS Transportation Los Angeles LLC* (2014) 59 Cal.4th 348, 382. Thus, the Court looks to the standards in evaluating a qui tam settlement in evaluating this settlement, i.e. that the settlement is “fair, adequate, and reasonable.” Cf. Cal. Govt. Code § 12652, subd. (e)(2)(B) (In a qui tam action, “[t]he state or political subdivision may settle the action with the defendant notwithstanding the objections of the qui tam plaintiff if the court determines, after a hearing providing the qui tam plaintiff an opportunity to present evidence, that the proposed settlement is fair, adequate, and reasonable under all of the circumstances.”)

Similarly, in the context of class action settlements, the trial court must determine that the settlement is fair, reasonable, and adequate to all concerned. *Reed v. United Teachers Los Angeles* (2012) 208 Cal.App.4th 332, 337. “[T]here is a presumption of fairness when (1) the settlement is reached through arm’s-length bargaining; (2) investigation and discovery are sufficient to allow counsel and the trial court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small.” *Ibid.* While PAGA actions are distinct from class actions, because they share the same “fair, adequate, and reasonable” standard, the presumption of fairness is equally applicable to PAGA settlements.

ANALYSIS

I. Procedural Requirements

Plaintiff filed proofs of service showing that she served the motion and supporting declaration on Defendant and the LWDA. All procedural requirements are met.

II. Reasonableness of Settlement

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The settlement provides for Defendant to pay a total of \$55,900.00, of which \$12,269.00 is to be paid in PAGA penalties, \$18,631.00 to Plaintiff's counsel, and no more than \$4,000 to the settlement administrator. Motion at p. 5:6-21.

1. Presumption of fairness.

The Court finds that the settlement agreement is entitled to a presumption of fairness.

The parties arrived at the settlement agreement through mediation. Wallace Decl., ¶ 11. The parties conducted formal discovery. After the parties completed certain written discovery, Defendant took Plaintiff's deposition on February 26, 2025, and Plaintiff took the deposition of Defendant's Assistant Manager on June 25, 2025. Wallace Decl., ¶ 9.

Further, Plaintiff has provided sufficient evidence regarding the nature of the PAGA investigation to determine its adequacy. Plaintiff submits that, as revealed in discovery, there are approximately 87 aggrieved employees who worked for approximately 2,190 total pay periods. Id. ¶ 15. The Court finds that, based on this evidence, the investigation of the PAGA claims was adequate to justify a settlement.

2. PAGA Penalties

The Court finds the proposed \$12,269.00 in PAGA penalties reasonable.

Under the California Industrial Welfare Commission Wage Order 5-2001, initial violations are subject to penalties of \$50.00 and subsequent violations to \$100.00 penalties for each aggrieved employee per pay period. See California Labor Code §§ 2699(f)(2)(A), 2699(f)(2)(B). Because there is no evidence that a court or the Labor Commissioner has previously notified Defendant of PAGA violations, all violations at issue here are initial violations. Wallace Decl., ¶ 17; see *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1209 ("Until the employer has been notified that it is violating a Labor Code provision (whether or not the commissioner or court chooses to impose penalties), the employer cannot be presumed to be aware that its continuing underpayment of employees is a 'violation' subject to penalties.")

Plaintiff states there were a total of 2,190 pay periods for all eighty-seven aggrieved employees. Wallace Decl., ¶ 15. Accordingly, Plaintiff calculates that the maximum penalties recoverable by

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multiplying the total number of pay periods by \$100 to be \$106,500.00. Wallace Decl., ¶ 16. The calculation assumes a \$100 penalty for every alleged violation because Defendant was never notified by the Labor Commissioner or a court that it was in violation of the Labor Code. See, e.g., *Amaral v. Cintas Corp.* No. 2 (2008) 163 Cal. App. 4th 1157, 1207-1209; *Bernstein v. Virgin America, Inc.* (2021) 3 F.4th 1127, 1144. The calculation is also undiscounted, counsel having considered factors including Defendant's good faith, prior acts of cure, and financial condition. Wallace Decl. ¶ 17; Motion at pp. 7:5-11. The Court finds that Plaintiff has offered sufficient evidence to determine the relative strength of the claims and the range of possible settlement values.

3. Attorney's Fees

Class Counsel requests \$18,631 in attorney fees, reflecting one-third of the gross settlement. This is in line with the portion of fees usually awarded in PAGA cases and is reasonable.

4. Settlement Administrator

The proposed settlement allocates up to \$4,000 to Phoenix Settlement Administrators ("Phoenix"). The parties jointly selected Phoenix. PAGA Settlement Agreement, § 7.1. Based on the extensive experience Phoenix has in PAGA and class action settlements, the Court finds that Plaintiff has justified the allotment.

Based on the foregoing, the Court concludes that the settlement is fair, adequate, and reasonable.

III. Missing Deadline

The Court is inclined to grant the motion, but notes that the settlement does not provide for when payment is due.

The settlement agreement provides that Defendant "has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 6.1 of this Agreement." Wallace Decl., Ex. B PAGA Settlement Agreement at p. 4, ¶ 3.1. However, paragraph 6.1 does not provide a deadline for Defendant to pay the Gross Settlement Amount. *Id.* ¶ 6.1. At the hearing, the parties should clarify when Defendant is required to make the settlement payment.

CONCLUSION

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Plaintiff's Motion to Approve PAGA Settlement Agreement is granted.

The Court orders the Amended Complaint (1st) filed by Juana Parada on 01/17/2024 dismissed With Prejudice.

The following event(s) is/are advanced to this date and vacated:
03/10/2026 8:30 AM Post-Arbitration Status Conference in Department 55

The Court shall retain jurisdiction to enforce the terms of the settlement pursuant to Code of Civil Procedure section 664.6.

Notice is waived.