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SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN LUIS OBISPO

GRACIELA RAMIREZ, on behalf of the State
of California, as a private attorney general,

Plaintiff,

v.

COMMUNITY HEALTH CENTERS OF THE
CENTRAL COAST, INC., a Corporation; and
DOES 1 through 50, inclusive,

Defendants.

Case No. **24CV-0085**

**NOTICE OF MOTION AND MOTION
TO APPROVE PAGA SETTLEMENT;**

**MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
MOTION TO APPROVE PAGA
SETTLEMENT**

Hearing Date:

Hearing Time:

Judge: Hon. Tana L. Coates

Dept.: 4

Action Filed: February 1, 2024

Trial Date: Not Set

1 **TO ALL PARTIES AND THEIR RESPECTIVE ATTORNEYS OF RECORD:**

2 YOU ARE HEREBY NOTIFIED THAT on a time and date to be set by the clerk, in
3 Department 4 of the above entitled Court located at 1050 Monterey St. San Luis Obispo, California
4 93408, before the Honorable Tana L. Coates Plaintiff Gracela Ramirez (“Plaintiff”) will and hereby
5 does move for an order approving the settlement of the PAGA claim alleged against Defendant
6 Community Health Centers of the Central Coast, Inc., (“Defendant”) in accordance with California
7 Labor Code §2699(l) (2016) amended by Stats. 2024, c. 44 (A.B. 2288), § 1, eff. July 1, 2024.). The
8 proposed settlement is set forth in the accompanying PAGA Settlement Agreement (“Agreement”).

9 This Motion will be based on this notice, the accompanying points and authorities, the
10 Declaration of Sergio J. Puche, the Agreement, and the complete files and records in this action. The
11 Labor Workforce Development Agency has been served with this motion and the Agreement as set
12 forth in the accompanying proof of service.

13 Respectfully submitted,

14 Dated: June__6, 2025

**BLUMENTHAL NORDREHAUG
BHOWMIK DE BLOUW LLP**

16 By: /s/ Sergio J. Puche
Sergio J. Puche

18 Attorneys for Plaintiff

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Plaintiff Graciela Ramirez (“Plaintiff”) reached a settlement of the California Private Attorneys
4 General Act, Cal. Labor Code §2699, *et seq.* (“PAGA”) claim asserted in this action against Defendant
5 Community Health Centers of the Central Coast, Inc., (“Defendant”) (collectively, the “Parties”) which provides for a “Gross PAGA Settlement Amount” payment in the amount of \$300,000.00. In
6 accordance with California Labor Code §2699(l) (2016), Plaintiff now asks this Court to review and
7 approve the settlement of Plaintiff’s PAGA claims.¹ This is only a settlement of the PAGA claims for
8 civil penalties and is not a class settlement and does not release the individual wage claims, if any, of
9 the affected employees other than the Plaintiff herself. Cal. Labor Code § 2699(g)(1); *Iskanian v. CLS*
10 *Transportation*, 59 Cal. 4th 348, 381 (2014); *ZB, N.A. v. Superior Court*, 8 Cal. 5th 175, 182 (2019)
11 (unpaid wages are not recoverable under PAGA).

12
13 The PAGA settlement is set forth in the accompanying PAGA Settlement Agreement
14 (“Agreement”) and the form used for the Agreement is the Los Angeles Superior Court’s model form.
15 A true and correct copy of the Agreement which sets forth the terms for the settlement of the PAGA
16 claims is attached as Exhibit #1 to the Declaration of Sergio J. Puche, filed herewith. Capitalized terms
17 shall have the same meaning as defined in the Agreement. The LWDA received notice of this
18 Settlement, and this motion as set forth in the accompanying proof of service.

19 A proposed order confirming review and approval of the PAGA settlement is submitted
20 herewith.

21 **II. RELEVANT FACTS**

22 PAGA Counsel sent the necessary correspondence to the California Labor and Workforce
23 Development Agency (“LWDA”) on September 26, 2023, on behalf of Plaintiff Graciela Ramirez,
24 requesting authorization from the LWDA to seek civil penalties as provided by the Private Attorney
25 General Act of 2004 (“PAGA”) for the wage and hour violations alleged in the PAGA Notice.
26

27 ¹ Section 2699(1)(2) provides as follows: “The superior court shall review and approve any settlement
28 of any civil action pursuant to this part.” Cal. Lab. Code § 2699 (2016) (*amended by* Stats. 2024, c. 44 (A.B. 2288), § 1, eff. July 1, 2024.).

1 (Declaration of Sergio J. Puche (“Puche Decl.”), at ¶ 3.) The 65-day notice period for the LWDA to
2 notify of its intent to investigate expired on November 30, 2023. On February 1, 2024, Plaintiff
3 Ramirez filed a Representative Action Complaint in this Court against Defendant Community Health
4 Centers of the Central Coast, Inc., alleging a single cause of action for recovery of civil penalties for
5 Violation of the PAGA [Labor Code §§ 2698, *et seq.*]. (Puche Decl. at ¶ 3(a).)

6 Plaintiff and Defendant agreed to mediate with Tripper Ortman, Esq. Prior to the mediation,
7 the Parties conducted significant investigation and discovery of the facts and law. Defendant produced
8 hundreds of pages of documents relating to its policies, practices, and procedures regarding paying
9 non-exempt employees for all hours worked, overtime, meal and rest period policies, payroll and
10 operations policies, and more. Plaintiff was provided with sufficient records and data to determine the
11 number of Aggrieved Employees and the number of pay periods in the PAGA Period. The Parties
12 agree that the above-described investigation and evaluation, as well as the information exchanged
13 during the settlement negotiations, are more than sufficient to assess the merits of the Parties’ positions
14 and to compromise the issues on a fair and equitable basis. (Puche Decl., at ¶ 3(a).)

15 Plaintiff’s theory of PAGA liability as argued at mediation alleged that Defendant is liable for
16 off the clock claims due to pre-shift booting up, post-shift calls and referral processing, and arriving
17 early to comply with Defendant’s strict Timekeeping, Attendance and Tardiness policies. Employees
18 were also required to submit to self-administered COVID-19 temperature screening by one of two
19 available temporal thermometers on a daily were employees were required to sign their name next to
20 their temperature, which occurred before proceeding to clocking in through the provided tablet.
21 Plaintiff and the aggrieved employees also suffered late, interrupted and shortened meal periods due
22 to incoming calls from insurance companies, staff, patients or specialist or tasks that needed to be
23 completed. Additionally, Defendant miscalculated sick pay and meal premium payments as a result of
24 not including certain remunerations into the regular rate, including: “NPBON” payments. (Puche Decl.
25 ¶¶ 3(b), 14(a).)

26 At Mediation, Plaintiff argued that Defendant is liable for a myriad of PAGA Penalties,
27 including PAGA waiting time penalties for 184 former employees in the PAGA Period; PAGA
28 penalties for Unpaid Wages, 226 Wage Statement Violations, and Failure to Reimburse a total of 817

employees for all 33,657 pay periods; PAGA penalties for Rest Break violations to 816 employees; PAGA penalties for failure to pay sick pay at the regular rate to 426 employees; and PAGA penalties for failure to pay Meal Premiums to 275 employees. (*Id.*)

On December 11, 2024, the Parties engaged in a mediation session before Mediator Tripper Ortman, Esq., a respected and experienced mediator knowledgeable of both the wage and hour laws and representative claims at issue in this action. Through arms-length negotiations with the assistance of the mediator, the Parties reached an agreement to settle the PAGA claims in this action which led to the signing of a Memorandum of Understanding memorializing the settlement.² (Puche Decl., at ¶ 3(c))

The settlement was negotiated in light of all known facts and circumstances and the uncertainty associated with litigation – including the risk of Plaintiff not being able to maintain representative claims, the difficulty of proving Plaintiff’s claims in a manageable trial, the merits of Defendant’s potential defenses, and the significant delay and potential appellate issues inherent to litigation – and was reached after extensive arm’s length negotiations, with the assistance of Mediator Ortman. (Puche Decl., at ¶¶ 3,6.)

III. TERMS OF THE PAGA SETTLEMENT

The PAGA settlement is subject to Court approval consistent with Labor Code §2699(1)(2) (2016). (Agreement at ¶ 6.1). The Agreement negotiated by the Parties provides for a “Gross PAGA Settlement Amount” payment in the amount of \$300,000 to resolve the Released PAGA Claims (hereinafter referred to as the “PAGA Settlement”). From this PAGA Gross PAGA Settlement Amount of \$300,000, there is a deduction of attorneys’ fees (“PAGA Counsel Fees Payment”) up to

² In addition to the Gross PAGA Settlement Amount, Defendant agreed to pay an Individual Settlement Amount to Plaintiff in exchange for a settlement of Plaintiff’s individual claims arising out of her employment and a release of all known and unknown claims against Defendant and the Released Parties under Civil Code § 1542. (Agreement at ¶ 5.1.1). Defendant has agreed to separately pay Plaintiff an Individual Settlement to resolve all of her individual claims. (*Id.*). The individual claims are not at issue in this action and exist independent and apart from the PAGA claims at issue before the Court. *See Kim v. Reins Int’l Cal., Inc.*, 9 Cal. 5th 73, 80 (2020) (the “[s]ettlement of individual claims does not strip an Aggrieved Employee of standing, as the state’s authorized representative, to pursue PAGA remedies” nor resolve the PAGA claims.). (Puche Decl. ¶ 15).

1 \$100,000 (which is one-third of the PAGA Settlement), reimbursement of incurred costs (“PAGA
2 Counsel Litigation Expenses Payment”) in an amount not to exceed \$35,000, and Settlement
3 Administration Costs (“Administration Expenses Payment”) not to exceed \$8,650. (Agreement at ¶¶
4 3.2.1-3.2.3).³ After these deductions, the amount remaining is the “PAGA Payment”, which is
5 estimated to be no less than \$156,350.

6 Of the PAGA Payment amount, seventy-five percent (75%) (no less than \$117,262.50) will be
7 paid to the LWDA and the remaining twenty-five percent (25%) (no less than \$39,087.50) will be paid
8 to the Aggrieved Employees (Agreement at ¶ 3.2.3).⁴ This 75/25 allocation is required by Labor Code
9 §2699 as explained by *ZB, N.A. v. Superior Court*, 8 Cal.5th 175 (2019), and the prior 75/25 split still
10 applies because this Action was filed before June 2024. *See* Cal. Lab Code § 2699 (v) (2024).

11 The Individual PAGA Payment for each Aggrieved Employee shall be based on the number of
12 pay periods each Aggrieved Employee worked during the PAGA Period as an Aggrieved Employee,
13 as a percentage of the total pay periods worked by all Aggrieved Employees during the PAGA Period.⁵
14 The PAGA Period is the time period from September 25, 2022 through June 30, 2024. (Agreement at
15 ¶ 1.23).

16 For mediation, Defendant represented that there are approximately 819 Aggrieved Employees
17 who worked approximately 25,000 pay periods PAGA Period through June 30, 2024. (Puche Decl. ¶¶
18 4, 14(b)(c)); Agreement at ¶ 4.1).

19 Upon entry of final judgment, the Released Parties shall be entitled to a release from the
20 Aggrieved Employees for any “Released PAGA Claims”, which means all claims for PAGA penalties

21
22 ³ If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses
23 Payment less than the amounts requested, the Administrator will allocate the remainder of these
24 amounts to the PAGA Payment. (Agreement at ¶ 3.2.1). To the extent the Administration Expenses
are less, or the Court approves payment less than \$8,650, the Administrator will allocate the remainder
of this amount to the PAGA Payment (*Id.* at ¶ 3.2.2).

25 ⁴ “Aggrieved Employee” means all individuals who are or previously were employe by Defendant in
26 California and classified as a non-exempt employee at any time during the PAGA Period. The PAGA
Period is the period from September 25, 2022 to June 30, 2024. (Agreement at ¶¶ 1.4, 1.23).

27 ⁵ See Agreement at ¶ 3.2.3 (“The Administrator will calculate each Individual PAGA Payment by (a)
28 dividing the amount of the Aggrieved Employees’ 25% share of PAGA Payment by the total number
of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b)
multiplying the result by each Aggrieved Employee’s PAGA Period Pay Periods.”)

1 that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative
2 Complaint, and the PAGA Notice submitted by Plaintiff to the LWDA, which occurred during the
3 PAGA Period (collectively the “Released PAGA Claims”). (Agreement at ¶ 5.2). The
4 Released Parties” means Defendant and each of its officers, directors, members, partners, owners,
5 shareholders, employees, former employees, agents, servants, attorneys, assigns, affiliates,
6 independent contractors, volunteers, predecessors, successors, parent entities, subsidiary entities, and
7 affiliated entities. (Agreement at ¶ 1.26). The Released PAGA Claims expressly excludes all other
8 claims, Plaintiff’s Individual Settlement which is subject to a separate confidential settlement
9 agreement and release, claims for vested benefits, wrongful termination, violation of the Fair
10 Employment and Housing Act, unemployment insurance, disability, social security, workers’
11 compensation, and California class claims, and Plaintiff’s individual claims that are subject to a
12 separate release, and PAGA claims outside of the PAGA Period. (Agreement at ¶ 5.2)

13 Within fourteen (14) days after Defendant funds the Gross PAGA Settlement Amount, the
14 Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the
15 Administration Expenses Payment, the PAGA Counsel Fees Payment, and the PAGA Counsel
16 Expenses Payment. (Agreement at ¶ 4.4).⁶ The face of each check shall prominently state the void
17 date, which is 180 days after the date of mailing) when the check will be voided. The Administrator
18 will cancel all checks not cashed by the void date. (*Id.* at ¶ 4.4.1) For any Aggrieved Employee whose
19 Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall
20 transmit the funds represented by such checks to the State Controller Unclaimed Property Fund in the
21 name of the individual who failed to cash their check. (*Id.* at ¶ 4.4.3)

22 Pursuant to California Labor Code Section 2699(1), Plaintiff is providing a copy of the
23 Agreement and this motion to the LWDA concurrently with the filing of the instant motion for
24 settlement approval as set forth in the accompanying proof of service in compliance with Labor Code
25
26

27 ⁶ Disbursement of the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses
28 Payment, and the Administration Expenses Payment, shall not precede disbursement of Individual
PAGA Payments. (Agreement at ¶4.4).

1 section 2699(1). In addition, Plaintiff shall submit to the LWDA a copy of the Court’s judgment and
2 order approving the Agreement within ten (10) days after entry of judgment or order.

3
4 **IV. THE PARTIES HAVE SETTLED THE PAGA CLAIMS**

5 The claim before this Court on this motion is solely the representative claim under PAGA on
6 behalf of the State of California for civil penalties pursuant to the PAGA. The Parties have agreed to
7 settle this PAGA claim in its entirety after investigation and an arm’s length mediation session. (Puche
8 Decl., at ¶¶ 2, 3.) The settlement is intended to fully and finally resolve the Released PAGA Claims
9 asserted by Plaintiff on behalf of the State of California. This is only a settlement of the PAGA claims
10 for civil penalties and is not a class settlement and does not release the individual claims, if any, of the
11 Aggrieved Employees, other than any claims under PAGA. This settlement does not release any claim
12 that is not a PAGA claim.⁷ PAGA Counsel Fees equal to one-third of the Gross PAGA Settlement
13 amount (\$100,000), and PAGA Counsel Litigation Expenses in an amount not to exceed \$35,000 will
14 also be paid to PAGA Counsel as part of the settlement in accordance with California Labor Code §
15 2699(g)(1), as set forth in the Agreement.⁸ Lastly, payment to the Administrator in an amount not to
16 exceed \$8,650 to perform the administrative duties to distribute the settlement money shall also be
17 paid. (Puche Decl., at ¶ 4.)

18
19 **V. THE PARTIES REQUEST REVIEW AND APPROVAL OF THE SETTLEMENT OF**
20 **THE PAGA CLAIM**

21 Labor Code § 2699(l) requires that the Court “shall review and approve any settlement of any
22 civil [PAGA] action filed pursuant to this part. The proposed settlement shall be submitted to the
23 agency at the same time that it is submitted to the court.” Cal. Lab. Code § 2699 (1) (2016).
24 Consequently, the Parties respectfully ask the Court to review and approve the settlement of the PAGA
25 claims and the PAGA Payment to be paid as part of the proposed settlement.

26 ⁷ As explained by the Supreme Court in *ZB, N.A.*, 8 Cal. 5th at 196: “Nonparty employees are bound
27 by the judgment in an action under the PAGA, but only with respect to recovery of civil penalties.”

28 ⁸ As set forth in the accompanying Declaration of Sergio J. Puche, PAGA Counsel incurred costs in
the current amount of \$103,502.50, which is less than the cost allocation in the Agreement. See
Declaration of Puche at ¶8.

1
2 **A. The PAGA Settlement Amount To Be Paid Is Fair And Reasonable**

3 The Parties believe that the PAGA Settlement amount is fair and reasonable and therefore
4 "shall" be reviewed and approved. Here, the Gross PAGA Settlement Amount of \$300,000 is more
5 than other PAGA settlements as it constitutes approximately \$12 per pay period. (Declaration of
6 Puche, at ¶ 5.)

7 This PAGA Settlement amount compares favorably to the estimated amount of PAGA
8 penalties. With the assistance of an expert, Plaintiff calculated that the maximum amount of statutory
9 PAGA civil penalties was potentially \$2,500,000 based on 25,00 pay periods applicable to the
10 Aggrieved Employees during the PAGA Period.⁹ (Declaration of Puche, at ¶¶ 5,14(b)-(c)).
11 Importantly, however, these calculations were performed at the maximum statutory rate for the
12 penalties, when in fact, it is likely that any penalties awarded would be at a lower rate. California
13 Labor Code Section 2699(e)(1) permits a Court to award a lesser amount than the maximum civil
14 penalty if based on the facts and circumstances to do otherwise would result in an award that is "unjust,
15 arbitrary and oppressive or confiscatory."

16 In *Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504 (2018), the Court of Appeal affirmed
17 a judgment after trial which only provided for a PAGA penalty of \$5 per pay period. Therefore, at
18 trial, any PAGA penalties awarded could be significantly less than Plaintiff's calculation even where
19 Plaintiff prevailed on the PAGA claim. If the amount of \$5 per pay period from *Carrington v.*
20 *Starbucks* is used, the potential recovery of civil penalties would be only \$125,000, which is less than
21 half of what this settlement provides. (Declaration of Puche, at ¶¶ 5, 14(d).)

22 Under PAGA, Courts have considerable discretion to reduce the penalty award. In *Fleming v.*
23 *Covidien*, 2011 U.S. Dist. LEXIS 154590 (C.D. Cal. 2011), a federal court reduced PAGA penalties
24 from \$2,800,000 to \$500,000, a reduction of 82.2%, because the court found maximum penalties

25 _____
26 ⁹ Stacking is where more than one civil penalty is imposed in a pay period for the same conduct. The
27 valuation of \$2,500,000 is the civil penalty amount without stacking. If stacking is permitted, then the
28 valuation increases with each additional penalty added to each pay period. Plaintiffs, however, is not
aware of any PAGA award which permitted stacking and in the cases cited herein, only one penalty
per pay period was assessed. In addition, the recent amendment of PAGA casts further doubt on the
availability of stacking penalties.

1 "unjust" because the employees had suffered no injuries. Some trial courts have actually awarded no
2 civil penalties, even when Labor Code violations are established. See *Makabi v. Gedalia*, 2016 Cal.
3 App. Unpub. 1489, *5-7 (2nd Dist. Ct. of App. Mar. 6, 2016) (no PAGA penalties were awarded by
4 the Los Angeles County Superior Court) (unpublished decision); *In re Taco Bell Wage & Hour*
5 *Actions*, 2016 U.S. Dist. LEXIS 48557, *40-43 (E.D. Cal. Apr. 6, 2016) (PAGA penalties denied after
6 trial).

7 In order to recover any PAGA penalties, Plaintiff would be required at trial to prove each of
8 the underlying Labor Code violations. See *Cardenas v. McLane Foodservice, Inc.*, 2011 U.S. Dist.
9 LEXIS 13126, *10 (C.D. Cal. 2011) ("Given the statutory language [of PAGA], a plaintiff cannot
10 recover on behalf of individuals whom the plaintiff has not proven suffered a violation of the Labor
11 Code by the defendant."). Here, Plaintiff would need to prove that each Aggrieved Employee suffered
12 a violation for each period the employee worked in relation to meal or rest period violations, failure
13 to pay minimum wages, failure to pay overtime and sick pay wages, failure to provide accurate
14 itemized wage statements, failure to reimburse employees for required expenses, and failure to pay
15 wages when due.

16 Defendant maintains that Plaintiff and the Aggrieved Employees were properly compensated,
17 and that it did not violate the Labor Code. Accordingly, Defendant disputes and denies Plaintiff's
18 allegations and claims asserted in both the PAGA Notice and the Operative Complaint, which are
19 resolved by the Agreement. Defendant asserted additional defenses to the PAGA claim, not only as
20 to liability but also as to the amount of the penalties. Defendant could argue that no penalties prior to
21 the PAGA notification should be awarded because the violations were not intentional, and at least one
22 Court has so ruled. These defenses present a risk to the PAGA claims and the potential that some or
23 all of the PAGA penalties sought may not be awarded. (Declaration of Puche, at ¶¶ 6, 14(g).)

24 Given Defendant's potential defenses to the violations at issue, the risks and costs of continued
25 litigation, Plaintiff and her attorneys believe that the PAGA Settlement is fair and reasonable.
26 (Declaration of Puche, at ¶¶ 5, 6, 14(g).) Defendant has similarly concluded that it is desirable that
27 the action is settled in the manner and upon the terms and conditions set forth in the Agreement in
28 order to avoid further expense, inconvenience and distraction of further legal proceedings, as well as

1 the uncertainty of litigation. Defendant has determined that it is desirable and beneficial to put to rest
2 the claims in this action and Defendant agrees that the PAGA Settlement is fair, reasonable, and
3 adequate.

4 PAGA Counsel have significant experience litigating wage and hour claims including claims
5 for PAGA penalties, and the PAGA Settlement here is similar to or greater than similar settlements
6 that courts have approved. (Declaration of Puche, at ¶ 6.) The PAGA Settlement, along with the other
7 terms of the proposed settlement, were negotiated by experienced counsel at arm's length with the
8 assistance of a private mediator, Tripper Ortman, Esq. (Declaration of Puche, at ¶¶ 2, 3, 6.)

9 As set forth in the accompanying proof of service, the LWDA has been provided notice of this
10 motion and the PAGA settlement. The decision of the LWDA to accept the PAGA Settlement and
11 not oppose the motion should be given considerable weight. This is not a situation where the Court
12 needs to be concerned about the rights of absent employees as in a class settlement, as this PAGA-
13 only settlement does not release the individual claims of absent employees other than PAGA claims,
14 and the LWDA is a sophisticated government entity that is more than able to look out for its own
15 rights.

16 **B. The Remaining Settlement Terms Are Fair And Reasonable**

17 Although PAGA requires that a court approve the proposed PAGA settlement, Labor Code §
18 2699(1) does not require that a court approve any other elements of the proposed settlement. See Cal.
19 Lab. Code § 2699 (2016). Because there are no class allegations for which Plaintiff seeks approval,
20 the approval provisions applicable to class settlements under Cal. Code Civil Proc. §382 do not apply.
21 Accordingly, the Court only needs to approve the settlement of the civil penalties sought in the PAGA
22 claim. Nevertheless, as explained herein, the settlement terms for attorneys' fees and costs are
23 reasonable.

24 25 **VI. THE ATTORNEYS' FEES AND COSTS ARE FAIR AND REASONABLE**

26 PAGA Counsel seek approval of attorneys' fees from the PAGA settlement in the amount of
27 \$100,000 representing one-third of the \$300,000 Gross PAGA Settlement Amount. PAGA does not
28 have any requirements for reviewing attorneys' fees, and Plaintiff's position is that the payment of

1 attorneys' fees and costs in this settlement is a matter of contract for contingent representation.
2 Nevertheless, should this Court review the requested attorneys' fees, it is clear that the requested fees
3 and costs are reasonable.

4 First, the requested fees are justified by the result achieved. PAGA Counsel negotiated a
5 recovery of \$300,000 and this result justifies the requested fees equal to one third of this recovery.
6 This percentage is within the standard contingent recovery percentage of one-third, and this percentage
7 is what was expressly approved by the Supreme Court in *Laffitte v. Robert Half Int'l Inc.*, 1 Cal.5th
8 480, 504, (2016); *Amaro v. Anaheim Arena Mgmt., LLC*, 69 Cal. App. 5th 521, 545 (2021)
9 (recognizing that “fee awards in class actions average around one-third of the recovery” regardless
10 of “whether the percentage method or the lodestar method is used.” (*quoting Chavez v. Netflix, Inc.*,
11 162 Cal.App.4th 43, 66, fn. 11 (2008))).

12 Second, the fee award is justified by the work performed and contributions to the case. As
13 detailed in the accompanying Puche Decl. at ¶ 7, the fee award is less than PAGA Counsel’s current
14 lodestar of \$103,502.50, representing a “negative multiplier”, with significant additional work to be
15 performed.¹⁰

16 Generally, the Ninth Circuit and California Courts award positive multipliers between 2 to 4
17 times the lodestar to reward counsel for accepting the contingent risks of the litigation or obtaining
18 good results. See, e.g., *Laffitte*, 1 Cal. 5th at 506 (approving one-third fee award with multiplier
19 between 2.03 and 2.13); *Pellegrino v. Robert Half Intern., Inc.*, 182 Cal.App.4th 278 (2010) (noting
20 reasonable multipliers of 2.0 to 4.0 are often applied and affirming 1.75 multiplier); *Wershba v. Apple*
21 *Computer, Inc.*, 91 Cal.App.4th 224, 254 (2001) (noting that multipliers can range from 2 to 4 or
22 higher); *Vandervort v. Balboa Capital Corp.*, 8 F. Supp. 3d 1200, 1210 (C.D. Cal. 2014) (awarding
23 one-third of fund, which was a 2.52 multiplier of lodestar); *Boyd v. Bank of America*, 2014 WL
24 6473804, at *11 (C.D. Cal. 2014) (awarding one-third of fund, which was a 2.58 multiplier of
25 lodestar); *Hopkins v. Stryker Sales Corp.*, No. 11-CV-02786-LHK, 2013 WL 496358, at *6 (N.D. Cal.
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27

28 ¹⁰ A true and correct copy of PAGA Counsel’s billing records are attached as Exhibit #2 to the
Declaration of Sergio J. Puche, filed herewith.

1 Feb. 6, 2013) (approving fee award that represented a multiplier of 2.76 as falling within the "majority"
2 range for risk multipliers).

3 Third, consideration of the service factors justify the service of the lodestar. Courts multiply
4 the lodestar by a factor to account for the risk of non-payment, delay in payment, the quality of work,
5 and the novelty and difficulty of the issues involved. See *Ketchum v. Moses*, 24 Cal.4th 1122, 1132
6 (2001). Failure to apply a risk multiplier in cases that meet these criteria is an abuse of discretion.
7 *Stetson v. Grissom*, 821 F.3d 1157, 1166 (9th Cir. 2016).

8 Finally, as to litigation expenses, PAGA Counsel will be recovering litigation expenses in the
9 total amount of \$25,534.05 which is less than the \$35,000 allocation for costs in the Agreement, so
10 the difference of \$9,465.95 will be added to the PAGA Payment amount. These expenses are
11 documented in the accompanying Declaration of Puche at ¶8.

12 13 **VII. CONCLUSION**

14 Based on the foregoing, Plaintiff respectfully requests this Court approve the PAGA settlement
15 as set forth in the Agreement and enter the proposed order and judgment submitted herewith.

16
17 Dated: June 6, 2025

**BLUMENTHAL NORDREHAUG BHOWMIK
DE BLOUW LLP**

18 By: /s/ Sergio J. Puche
19 Sergio J. Puche
20 Attorney for Plaintiff

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