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Clerk of the Court
Superior Court of CA
County of Santa Clara
23CV426350
By: CRoman



8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

9 **FOR THE COUNTY OF SANTA CLARA**

10 WILLIAM PESANTES, as an aggrieved
employee pursuant to the Private Attorneys
11 General Act ("PAGA"), on behalf of the State of
California and other non-party Aggrieved
12 Employees,

13 Plaintiff,

14 vs.

15 PARTS AUTHORITY, LLC, a Delaware
limited liability company; FAST UNDERCAR
16 FRANCHISE, LLC, a California limited
liability company; and DOES 1 through 10,
17 inclusive,

18 Defendants.

Case No. 23CV426350

Assigned to the Hon. Theodore C. Zayner

**~~PROPOSED~~ ORDER APPROVING THE
PARTIES' PAGA SETTLEMENT
AGREEMENT AND JUDGMENT**

Date: October 8, 2025
Time: 1:30 p.m.
Place: Department 19

Complaint Filed: November 27, 2023
Trial Date: None Set

1 The above-entitled action comes on for hearing before the Honorable Theodore C. Zayner on
2 October 8, 2025, at 1:30 p.m. in Department 19. The Court now issues its tentative ruling as follows:

3 **I. Introduction**

4 This is a representative action arising from alleged violations of the Labor Code. On November
5 27, 2023, plaintiff William Pesantes filed a Complaint against defendants Parts Authority, LLC, and Fast
6 Undercar Franchise, LLC (collectively, “Defendants”) asserting a sole cause of action for civil penalties
7 pursuant to the Private Attorneys General Act (“PAGA”). The parties have reached a settlement, and
8 Plaintiff’s unopposed motion for approval of the settlement is now before the Court.

9 **II. Legal Standard**

10 Under PAGA, an aggrieved employee may bring a civil action personally and on behalf of other
11 current or former employees to recover civil penalties for Labor Code violations. (*Iskanian v. CLS*
12 *Transp. Los Angeles, LLC* (2014) 59 Cal.4th 348, 380, overruled on other grounds by *Viking River*
13 *Cruises, Inc. v. Moriana* (2022) 596 U.S. 639 [2022 U.S. LEXIS 2940].) Seventy-five percent of any
14 penalties recovered go to the Labor and Workforce Development Agency (“LWDA”), leaving the
15 remaining 25 percent for the employees. (*Ibid.*) PAGA is intended “to augment the limited enforcement
16 capability of [the LWDA] by empowering employees to enforce the Labor Code as representatives of
17 the Agency.” (*Id.* at p. 383.) A judgment in a PAGA action binds all those, including non-party
18 aggrieved employees, who would be bound by a judgment in an action brought by the government. (*Id.*
19 at p. 381.)

20 A superior court must review and approve any PAGA settlement. (Lab. Code, § 2699, subd.
21 (1)(2).) The court’s review “ensur[es] that any negotiated resolution is fair to those affected.” (*Williams v.*
22 *Superior Court* (2017) 3 Cal.5th 531, 549.) The proposed settlement must be submitted to the LWDA at
23 the same time it is submitted to the court. (*Ibid.*)

24 As discussed by one court:

25 PAGA does not establish a clear standard for evaluating PAGA settlements. ...
26 [¶] Accordingly, certain courts have been willing to approve PAGA settlements
27 only if (1) the statutory requirements set forth by PAGA have been satisfied, and
28 (2) the settlement agreement is fair, reasonable, and adequate in view of PAGA’s
public policy goals.

(*Patel v. Nike Retail Services, Inc.* (N.D. Cal. 2019) 2019 WL 2029061, 2019 U.S. Dist. LEXIS 77988

1 (Patel), at *5.)

2 As part of this analysis, these courts have evaluated proposed PAGA settlements under the
3 relevant factors from *Hanlon v. Chrysler Corp.* (9th Cir. 1998) 150 F.3d 1011, 1026. (*Patel, supra*, 2019
4 U.S. Dist. LEXIS 77988 at *5-6.) “Of the *Hanlon* factors, the following are relevant to evaluating [a]
5 PAGA settlement: (1) the strength of the plaintiff’s case; (2) the risk, expense, complexity, and likely
6 duration of further litigation; (3) the amount offered in settlement; (4) the extent of discovery completed
7 and the stage of the proceedings; (5) the presence of government participation; and (6) the expertise and
8 views of counsel.” (*Ibid.*)

9 Similar to its review of class action settlements, the Court must “determine independently
10 whether a PAGA settlement is fair and reasonable,” to protect “the interests of the public and the LWDA
11 in the enforcement of state labor laws.” (*Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, 76–77.) It
12 must make this assessment “in view of PAGA’s purposes to remediate present labor law violations, deter
13 future ones, and to maximize enforcement of state labor laws.” (*Id.* at p. 77; see also *Haralson, supra*,
14 383 F. Supp. 3d at p. 971 [“when a PAGA claim is settled, the relief provided for under the PAGA
15 [should] be genuine and meaningful, consistent with the underlying purpose of the statute to benefit the
16 public”], quoting LWDA guidance discussed in *O’Connor v. Uber Technologies, Inc.* (N.D. Cal.
17 2016) 201 F.Supp.3d 1110 (*O’Connor*).)

18 “[W]hen a PAGA claim is settled, the relief provided ... [should] be genuine and meaningful,
19 consistent with the underlying purpose of the statute to benefit the public” (*O’Connor, supra* at p.
20 1133.) The settlement must be reasonable in light of the potential verdict value. (*Id.* at 1135 [rejecting
21 settlement of less than one percent of the potential verdict].) But a permissible settlement may be
22 substantially discounted, given that courts often exercise their discretion to award PAGA penalties below
23 the statutory maximum even where a claim succeeds at trial. (See *Viceral v. Mistras Group, Inc.* (N.D.
24 Cal., Oct. 11, 2016, No. 15-CV-02198-EMC) 2016 WL 5907869, 2016 U.S. Dist. LEXIS 140759 at *8-
25 9.)

26 **III. Discussion**

27 **A. Provisions of the Settlement**

28 Plaintiff moves for approval of a proposed settlement made on behalf of:

1 [A]ll persons who worked for Defendants as non-exempt, hourly employees in
2 the State of California at any time during the Settlement Period [September 18,
3 2022 through February 4, 2025] (the “Aggrieved Employees”).

4 (Declaration of Raul Perez (“Perez Decl.”), Ex. 1 (“Agreement”), ¶¶ 2, 10.)

5 The Agreement defines “Plaintiffs” as William Pesantes and Adam Lake.¹ (Agreement, p. 1:3.)
6 The Agreement defines “Actions” to include this action brought by Mr. Pesantes, *Pesantes v. Parts*
7 *Authority, LLC* (Santa Clara County Superior Court, No. 23CV426350) as well as a separate action
8 brought by Mr. Lake in Los Angeles County: *Lake v. Parts Authority dba IMC Parts Authority* (Los
9 Angeles County Superior Court, No. 23STCV31505). (*Id.* at ¶ 1.)

10 Defendants will pay a gross settlement amount of \$1,000,000. (Agreement, ¶ 11.) This amount
11 includes attorney fees of up to one third of the gross settlement amount (\$333,333), litigation costs up to
12 \$25,000, service awards of up to \$10,000 each (for a total of \$20,000), settlement administration costs
13 estimated at \$11,650, and a PAGA Penalties Fund, of which 75 percent will be paid to the LWDA and
14 25 percent will be distributed to aggrieved employees on a pro rata basis. (*Id.* at ¶¶ 11-16.) Funds from
15 uncashed settlement checks will be tendered to The Justice Gap Fund maintained by The State Bar of
16 California. (*Id.* at ¶ 20.)

17 In exchange for the settlement, Aggrieved Employees will be deemed to release the Defendants
18 from :

19 [A]ll claims for PAGA civil penalties under the California Labor Code, Wage
20 Orders, regulations, and/or other provisions of law alleged or could have been
21 alleged to have been violated in the Actions with respect to Aggrieved
22 Employees based on the facts alleged in the Actions and LWDA letters
23 submitted by the Plaintiffs dated September 18, 2023 and October 2, 2023.

24 (Agreement, ¶¶ 9, 21.) The PAGA release provision is appropriately tailored to the facts alleged. (See
25 *Amaro v. Anaheim Arena Management, LLC* (2021) 69 Cal.App.5th 521, 538.)

26 **B. Fairness of the Settlement**

27 Plaintiff contends that the proposed settlement is fair and reasonable following a thorough
28 investigation and given the risks of further litigation. (Motion, pp. 12-24.) Plaintiff’s counsel asserts the

¹ Adam Lake is the named plaintiff in related action *Lake v. Parts Authority dba IMC Parts Authority* (Los Angeles County Superior Court, No. 23STCV31505). (See Motion, p. 9, fn. 4.)

1 settlement constitutes a fair, adequate and reasonable compromise of the claims in issue. (Perez Decl., ¶¶
2 4-8.) Prior to mediation, Plaintiff's counsel received a large amount of data and documents, including
3 wage and time records and Defendants' policies and procedures manual. (*Id.* at ¶ 7.) The parties attended
4 mediation with Michael Young, Esq., on February 14, 2025, and were eventually able to reach a
5 complete settlement with Mr. Young's guidance. (*Id.* at ¶¶ 2-3.)

6 Plaintiff's counsel provides an analysis of the value of Plaintiff's claims. (Perez Decl., ¶¶ 12-25.)
7 Plaintiff's counsel also details the factors supporting a reduction in total penalties for purposes of
8 settlement. (*Id.* at ¶¶ 26-45.) Counsel provides a breakdown the Defendants' maximum and realistic
9 exposure by claim. (*Id.* at ¶ 47.) Based on this breakdown, Defendants' estimated total maximum
10 exposure is approximately \$49,380,000, while their estimated realistic exposure at trial is approximately
11 \$7,304,000. Thus, the proposed gross settlement amount of \$1,000,000 is low in absolute terms because
12 its represents just two percent of the potential maximum penalties available. Nevertheless, Plaintiff's
13 counsel had thoroughly explained the rationale for the discounts applied to the claims, and the settlement
14 represents 13.7 percent of Defendants' estimated *realistic* exposure at trial.

15 Having reviewed the material submitted by Plaintiff in support of the motion, the Court is
16 satisfied that the proposed PAGA settlement is fair and may be approved.

17 **C. Service Award, Attorney Fees and Costs**

18 The representatives Adam and Pesantes and Adam Lake seek service awards in the amount of
19 \$10,000 each (\$20,000). (Motion, pp. 30-33; Agreement, p. 1: 3, ¶ 14.) Although service awards are
20 common in class actions, there is less authority regarding the propriety of service awards in PAGA cases.
21 Nevertheless, a PAGA case is a representative action like a class action, and courts have recognized that
22 an individual's willingness to act as a private attorney general may merit a service award. (See *Rodriguez*
23 *v. West Publishing Corp.* (9th Cir. 2009) 563 F.3d 948, 959.)

24 Representatives Pesantes and Lake have each filed a declaration describing their participation in
25 this action, which has included gathering documents and communicating with counsel. Mr. Pesantes
26 estimates he had spent approximately 35-45 hours working on this lawsuit, while Mr. Lake provides no
27 similar time estimate but describes similar participation. The Court finds that service awards are justified,
28 and the amounts requested are reasonable. Accordingly, the service awards are approved.

1 Plaintiff's counsel seeks attorney fees in the amount of \$333,333 and reimbursement of
2 \$24,501.92 in litigation costs. (Motion, pp. 24-30.) Counsel submits that Plaintiff has incurred a lodestar
3 of \$273,637.50. (*Id.* at pp. 28:8-30:7; Perez Decl., ¶ 60; Declaration of Christopher Hamner ("Hamner
4 Decl."), ¶ 8.) This results in a multiplier of 1.21, which is within the range of multipliers that courts
5 typically approve. (See *Wershba*, supra, 91 Cal.App.4th at p. 255 ["[m]ultipliers can range from 2 to 4 or
6 even higher"]; *Vizcaino v. Microsoft Corp.* (9th Cir. 2002) 290 F.3d 1043, 1051, fn. 6 [stating that
7 multipliers ranging from one to four are typical in common fund cases].) Counsel also provides evidence
8 of costs incurred in the amount requested. (Perez Dec., ¶ 65; Hamner Decl., ¶ 9.) The Court finds the
9 requested attorney fee award and cost reimbursement to be reasonable and therefore they are approved in
10 the amounts requested.

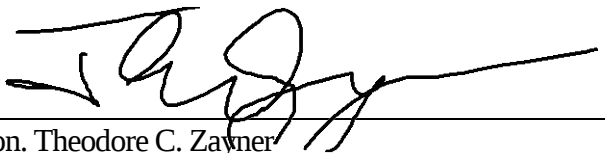
11 **IV. Conclusion**

12 The motion for approval of PAGA settlement is GRANTED.

13 A compliance hearing is set for June 3, 2026 at 2:30 p.m. in Department 19.

14
15 **IT IS SO ORDERED.**

16 Dated: __ October 20, 2025 ____

17 
18 _____
19 Hon. Theodore C. Zayner
20 Santa Clara County Superior Court Judge
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PROOF OF SERVICE

I am employed in the State of California, County of Los Angeles. I am over the age of 18 and not a party to the within suit; my business address is 1875 Century Park East, Suite 1000 Los Angeles, California 90067.

On **October 9, 2025**, I served the document described as **[PROPOSED] ORDER APPROVING THE PARTIES' PAGA SETTLEMENT AGREEMENT AND JUDGMENT** on the interested parties in this action by sending ☐ the original [or] ☒ a true copy thereof ☒ to interested parties as follows [or] as stated on the attached service list:

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☐ **BY E-MAIL:** I hereby certify that this document was served from Los Angeles, California, by e-mail delivery on the parties listed herein at their most recent known e-mail address or e-mail of record in this action.

☒ **BY ELECTRONIC SERVICE:** I caused the document(s) to be transmitted electronically via OneLegal eService to the individuals listed above, as they exist on that database. This will constitute service of the document(s).

☐ **BY OVERNIGHT DELIVERY:** I am "readily familiar" with this firm's practice of collection and processing correspondence for overnight delivery. Under that practice, overnight packages are enclosed in a sealed envelope with a packing slip attached thereto fully prepaid. The packages are picked up by the carrier at our offices or delivered by our office to a designated collection site.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on **October 9, 2025**, at Los Angeles, California.

Sophia Flores

Type/Print Name



Signature