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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SACRAMENTO

PAUL NATHAN WYNN, on behalf of himself and all others similarly situated, and the general public,

Plaintiff,

v.

AVANATH COMMUNITIES, INC., a California corporation; AVANATH REALTY, INC., a California corporation; AVANATH CAPITAL MANAGEMENT, LLC, a Delaware corporation; and DOES 1 through 50, inclusive,

Defendants.

Case No.: 23CV007905

NOTICE OF ENTRY OF ORDER GRANTING PLAINTIFF'S PAGA APPROVAL MOTION

Date: January 15, 2027
Time: 10:30 a.m.
Dept.: 23

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that, on February 20, 2026 following a review of the moving papers filed by Plaintiff's counsel, and after noting no objectors were present, the Court entered judgment on the entire Action and ORDERED the following:

1. The Court GRANTED Plaintiff's Motion for PAGA Approval of the Parties' PAGA Settlement Agreement, and a copy of that Order is appended hereto at Exhibit A; and

2. The Court sets a Settlement Compliance Hearing for January 15, 2027, at 10:30 a.m. in Department 23 of the Sacramento County Superior Court. A declaration on the status of distribution of the settlement funds is to be filed 15 days prior to the hearing.

Dated: March 18, 2026

D.LAW, INC.

David Keledjian
David Arakelyan

EXHIBIT A

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SUPERIOR COURT OF CALIFORNIA
COUNTY OF SACRAMENTO

23CV007905: WYNN, et al. vs AVANATH COMMUNITIES, INC., et al.
02/20/2026 Hearing on Motion - Other Motion for PAGA Approval in Department 23

Tentative Ruling

NO APPEARANCE REQUIRED

Plaintiffs Paul Nathan Wynn and Roman Mitchell's motion to approve Private Attorneys General Act ("PAGA") settlement is UNOPPOSED and GRANTED as follows.

Overview

On September 5, 2023, Plaintiff Wynn initiated this action by filing a class action complaint against Defendants Avanath Communities, Inc., Avanath Realty, Inc., and Avanath Capital Management, LLC ("Defendants"). On November 9, 2023, Plaintiff Wynn filed a first amended complaint to add a PAGA claim. On January 24, 2024, the Court granted Plaintiff's request to dismiss the first through seventh causes of action, leaving only the PAGA claim. (Order filed 1/24/24.) Plaintiff Wynn submitted his individual wage-and-hour claims to arbitration. (Arakelyan Decl. ¶ 5.) On May 30, 2024, Plaintiff Mitchell filed a separate PAGA action against Defendant Avanath Realty, Inc. in this Court (Case No. 24CV010666). On January 13, 2026, the Court granted leave in this action for Plaintiff Wynn to file a second amended complaint that added Plaintiff Mitchell to this action and Plaintiffs filed the operative second amended complaint that same day. Plaintiffs allege a single claim to recover civil penalties under PAGA based on the following underlying Labor Code violations: (1) failure to pay all overtime wages; (2) failure to pay all sick pay; (3) failure to provide meal periods or premium pay in lieu thereof; (4) failure to permit rest breaks or premium pay in lieu thereof; (5) failure to furnish legally compliant wage statements; (6) failure to pay all wages in a timely fashion; (7) failure to pay final owed at separation; and (8) failure to reimburse for all necessary business expenses.

The Parties conducted formal and informal discovery prior to mediation. (Arakelyan Decl. ¶ 11.) On July 31, 2025, the Parties participated in a mediation with Jeffrey P. Fuchsman and reached a settlement. (*Id.* at ¶ 8.) The Parties thereafter entered into a written settlement agreement. (*Id.* at Ex. 1 ("Agreement").) A copy of the proposed PAGA settlement was sent to the Labor and Workforce Development Agency ("LWDA"). (*Id.* at Ex. 7.) Plaintiffs seek approval of this PAGA settlement pursuant to former Labor Code section 2699(l)(2) – in effect for civil actions filed before June 19, 2024.

Aggrieved Employees are defined in the Agreement as: any individual who was directly employed by Defendants in California as a non-exempt employee and who actually performed work for Defendants on at least one day in California from September 2, 2022, to October 29, 2025. (Agreement ¶¶ 1.4 & 1.21.) There are approximately 247 Aggrieved Employees covered by the settlement. (Arakelyan Decl. ¶ 12.)

Legal Standard

In the event an aggrieved employee wishes to settle a PAGA claim, the Labor Code requires the superior court to 'review and approve any penalties sought as part of [the] proposed settlement agreement.' (Lab. Code, § 2699(l)(2).) Such review and approval must 'ensur[e] that any negotiated resolution is fair to those affected.' (*Williams v. Superior Court* (2017) 3 Cal.5th 531, 549.)

As with any settlement, the Court must be mindful in conducting its inquiry that '[s]ettlement is a compromise, which balances the possible recovery against the risks inherent in litigating further.' (*See In re TD Ameritrade Account Holder Litig.* (N.D. Cal. Sept. 12, 2011) 2011 U.S. Dist. LEXIS 103222, 24.) Indeed, 'the very essence of a settlement is ... 'a yielding of absolutes and an abandoning of highest hopes'' (*Officers for Justice v. Civil Service Com.* (9th Cir., 1982), 688 F.2d 615, 624) as 'it is the very uncertainty of outcome in litigation and avoidance of wasteful and expensive litigation that induce consensual settlements.' (*See Id.* at 625.) As such, 'the settlement or fairness hearing is not to be turned into a trial or rehearsal for trial on the merits' or 'judged against a hypothetical or speculative measure of what might have been achieved by the negotiators.' (*Ibid.*)

Although the operative PAGA statute does not set forth the criteria on which a PAGA settlement is to be judged, it is presumed that a reviewing court may utilize some of the factors for review of a class action settlement under Fed. R. Civ. P. 23 ('Rule 23'), Code Civ. Proc. § 382 and Rule 3.769, Cal. Rules of Court, as courts within California have approved settlements of PAGA claims encompassed within class action settlements using Rule 23 criteria. However, it is important to underscore that not all Rule 23 factors can be applied, as 'a PAGA claim asserted on a non-class representative basis . . . is not considered a class action but a law enforcement action, *and therefore does not have to meet the requirements of Rule 23.'* (*See Casida v. Sears Holdings Corp* (E.D. Cal. Jan. 25, 2012) 2012 U.S. Dist. LEXIS 9302, 8*; Thomas v. Aetna Health of Cal. Inc.* (E.D. Cal. June 2, 2011) 2011 U.S. Dist. LEXIS 59377; *Mendez v. Tween Brands, Inc*, (E.D. Cal. June 30, 2010) 2010 U.S. Dist. LEXIS 66454, 12.) Based thereon, a court's review of a PAGA settlement necessarily implicates the following unique features that render the approval process completely distinct from approval of a class action settlement under Rule 23 or Code Civ. Proc. § 382 and Rule 3.769, Cal. Rules of Court.

First, in evaluating the adequacy of the settlement amount, the Court's focus is not concerned with the amount which 'aggrieved employees' are to receive, but rather, must focus on the total settlement amount in achieving PAGA's objective. Indeed, '[t]he remedy sought in a PAGA suit consists of civil penalties, not individual or class damages" (*Mendez*, 2010 U.S. Dist. LEXIS 66454 at 11) and '[u]nlike class actions, these civil penalties are not meant to compensate unnamed employees because the action is fundamentally a law enforcement action." (See *Ochoa-Hernandez v. CJADERS Foods, Inc.*, (N.D. Cal. Apr. 2, 2010) 2010 U.S. Dist. LEXIS 32774, 12.) Second, consistent with the fact that unnamed employees have no property interest in a PAGA claim, '[u]named employees need not be given notice of the PAGA claim, nor do they have the ability to opt-out of the representative PAGA claim.' (See *Ochoa-Hernandez*, 2010 U.S.

Dist. LEXIS 32774, at 13.) Finally, unlike a class action settlement under Rule 23(e) or Code Civ. Proc. § 382, the scope of release permitted in a PAGA settlement is limited. While 'judgment in [a PAGA] action is binding not only on the named employee plaintiff but also on government agencies and any aggrieved employee not a party to the proceeding' (*Arias v. Superior Court* (2009) 46 Cal.4th 969, 986), 'the nonparty employees, because they were not given notice of the action or afforded any opportunity to be heard, would not be bound by the judgment as to remedies other than civil penalties.' (*Id.* at 987.) Thus, scope of a release in a PAGA settlement is necessarily strictly confined to the civil penalties alleged in the complaint.

In deciding whether to grant approval of the proposed Settlement, the primary issue to be decided is whether the Settlement is fair, adequate and reasonable. As set forth herein, the proposed Settlement embodies all of the features of a settlement that is fair, reasonable, and adequate, as it is the product of (1) arms-length negotiations, (2) negotiated by attorneys experienced in wage and hour issues, (3) subsequent to undertaking sufficient investigation necessary to evaluate the relative strength and value of the PAGA claim, and (4) it reflects a reasoned compromise based directly on the relative strength and value of the PAGA claim, as well as the risks, expense, complexity and likely duration of further litigation.

Discussion

Defendants will pay the Gross Settlement Amount ("GSA") of $280,000. (Agreement ¶ 3.1.) The following will be paid out of the GSA: (1) attorneys' fees equaling up to one-third of the GSA ($93,333.33) and litigation costs not to exceed $20,000; (2) enhancement awards of $5,000 to Plaintiffs Wynn and Mitchell, each; and (3) settlement administration costs not to exceed $4,700 absent good cause. (*Id.* at ¶¶ 3.2.1-3.2.3.) Once the amounts stated above are deducted, the balance remaining constitutes the Net Settlement Amount. 75% of the Net Settlement Amount will be paid to the LWDA and 25% of the Net Settlement Amount will be paid to Aggrieved Employees. (*Id.* at ¶¶ 1.16 & 3.2.4.) PAGA Payments to Aggrieved Employees will be treated entirely as penalties for tax purposes. (*Id.* at ¶ 3.2.4.1.) The funds from uncashed settlement checks after 180 days will be transferred to the California Unclaimed Property Fund to be held in the payee's name. (*Id.* at ¶¶ 4.4.1 & 4.4.3.) The estimated average individual recovery is $158.84. (Arakelyan Decl. ¶ 13(e).)

Plaintiffs argue that the $280,000 settlement amount compared with Defendant's realistic penalty exposure of $715,000. (Arakelyan Decl. ¶¶ 16-22.) The Court agrees that the settlement appears reasonable based on the exposure analysis provided. Plaintiffs seek an attorneys' fee award equaling one-third of the GSA - $93,333.33. (Arakelyan Decl. ¶¶ 23-32 & Ex. 3; Bokhour Decl. ¶¶ 12-20.) The Court agrees that an award of $93,333.33 is appropriate under the common fee method and will award the amount requested. Plaintiffs seek an award of litigation costs in the amount of $15,028.45. (Arakelyan Decl. ¶ 33 & Ex. 2; Bokhour Decl. ¶ 21.) The Court finds the claimed costs were reasonably incurred and will award the amount requested. The Court also approves settlement administration expenses of $4,700 to Simpluris Settlement Administrators.

(Bui Decl. Ex. C.)

Disposition

The Court finds that the PAGA settlement is fair, reasonable, and adequate. The settlement is approved as required under California Labor Code section 2698 et seq. Based on the penalty exposure, the risk of loss on the merits, the risk of being able to prove violations as required by statute for damages purposes, and the Court's statutorily authorized power to reduce penalties, the Agreement represents a sufficient recovery for individuals within the scope of the PAGA claims and the LWDA to further its purpose in enforcing the Labor Code. The Court awards $93,333.33 in attorneys' fees, $15,028.45 in litigation costs, and $5,000 to each Plaintiff Wynn and Plaintiff Mitchell (for a total service award payment of $10,000). Simpluris is approved as settlement administrator and the Court approves $4,700 in administration expenses. The Court will sign the proposed and judgment submitted with the moving papers.

The Court sets a settlement compliance hearing for January 15, 2027 at 10:30 a.m. in this department. At least 15 days prior to the hearing, counsel shall file a declaration regarding the status of the distribution of the settlement funds. If the Court is satisfied that the settlement funds have been fully distributed, no appearance will be required.

To request oral argument on this matter, you must call Department 23 at 916-874-5754 by 4:00 p.m., the court day before this hearing and notification of oral argument must be made to the opposing party/counsel. If no call is made, the tentative ruling becomes the order of the court. (Local Rule 1.06.)

Please check your tentative ruling prior to the next Court date at www.saccourt.ca.gov prior to the above referenced hearing date.

If oral argument is requested, the parties may and are encouraged to appear by Zoom with the links below:

To join by Zoom Link - https://saccourt-ca-gov.zoomgov.com/my/sscdept23
To join by phone dial (833) 568-8864 ID 16108301121

Parties requesting services of a court reporter will need to arrange for private court reporter services at their own expense, pursuant to Government code section 68086 and California Rules of Court, Rule 2.956. Requirements for requesting a court reporter are listed in the Policy for Official Reporter Pro Tempore available on the Sacramento Superior Court website at https://www.saccourt.ca.gov/court-reporters/docs/crtrp-6a.pdf. Parties may contact Court-Approved Official Reporters Pro Tempore by utilizing the list of Court Approved Official Reporters Pro Tempore available at https://www.saccourt.ca.gov/court-reporters/docs/crtrp-13.Pdf

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A Stipulation and Appointment of Official Reporter Pro Tempore (CV/E-206) is required to be signed by each party, the private court reporter, and the Judge prior to the hearing, if not using a reporter from the Court's Approved Official Reporter Pro Tempore list. Once the form is signed it must be filed with the clerk.

If a litigant has been granted a fee waiver and requests a court reporter, the party must submit a Request for Court Reporter by a Party with a Fee Waiver (CV/E-211) and it must be filed with the clerk at least 10 days prior to the hearing or at the time the proceeding is scheduled if less than 10 days away. Once approved, the clerk will be forward the form to the Court Reporter's Office and an official reporter will be provided.

Counsel for Plaintiffs is directed to notice all parties of this order.

Status Conference regarding settlement compliance is scheduled for 01/15/2027 at 10:30 AM in Department 23 at Gordon D. Schaber Superior Court.