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SUPERIOR COURT OF CALIFORNIA
COUNTY OF RIVERSIDE

DEC 20 2024

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individually and on behalf of all others similarly situated

IN THE SUPERIOR COURT OF CALIFORNIA

COUNTY OF RIVERSIDE

MOUNU KIUOLEVA LEAR, individually and
on behalf of all others similarly situated,

Plaintiff,

v.

SHALHOUB MANAGEMENT COMPANY,
INC. AND DNS2 MANAGEMENT, LLC; and
DOES 1 through 100,

Defendants.

Case No. CVRI2304984

**~~PROPOSED~~ ORDER AND JUDGMENT
GRANTING MOTION TO APPROVE
PAGA SETTLEMENT**

**The Court heard the motion to approve the PAGA settlement on December 12, 2024,
and orders the following:**

1. The Court grants approval of the terms of the Agreement pursuant to the Labor Code
Private Attorneys General Act of 2004, Labor Code § 2698, *et seq.*, including the amount of the
settlement; the amount of distributions to the State and Aggrieved Employees; the amounts
allocated to attorney's fees and costs; the amount allocated to General Release Payment to
Plaintiff; and the amount allocated to the settlement administrator; and,

1 2. The Court directs disbursement of the Gross Settlement Amount pursuant to the terms
2 of the Agreement, which are the following:

- 3 a) The Aggrieved Employees: The Aggrieved Employees (also known as the “PAGA
4 Group”) are: “all current and former hourly-paid, non-exempt employees of
5 Defendants in California from December 20, 2022, through September 1, 2024.” It is
6 estimated that there are 40,000 pay periods. (Agreement, ¶ 15.)
- 7 b) No Reversion: The Settlement will result in no “unpaid residue” under California Civil
8 Procedure Code § 384. (Agreement, ¶ 42.)
- 9 c) Gross Settlement Amount: Defendants agree to pay the maximum sum of \$425,000
10 (hereinafter the “Gross Settlement Amount” or “GSA”) for settlement of the PAGA
11 Penalties, which shall be inclusive of Plaintiff’s Counsel’s attorney’s fees and costs,
12 the Settlement Administrator’s fees and costs, and the Plaintiff’s PAGA
13 Representative Payment. (Agreement, ¶ 9.)
- 14 d) Net Settlement Amount: At least \$242,000 will be available for distribution to the
15 Aggrieved Employees and the LWDA. Of this amount, the LWDA will receive
16 \$181,500 under the Agreement, and Aggrieved Employees will receive \$60,500.
17 (Agreement, ¶ 11.)
- 18 e) Plaintiff’s Attorney Fees: Plaintiff’s Counsel is awarded attorney’s fees in the amount
19 of \$148,750, which is 35% of the GSA. (Agreement, ¶ 13.)
- 20 f) Plaintiff’s Litigation Costs: Plaintiff’s Counsel’s litigation costs are capped to a
21 maximum amount of \$11,500. Plaintiff’s Counsel requests an award of litigation costs
22 in the amount of \$11,500. (Agreement, ¶ 14.)
- 23 g) Settlement Administration: Payment to Aggrieved Employees and administration will
24 be accomplished through third-party settlement administrator Phoenix Class Action
25 Administration Solutions, which has agreed to perform Settlement Administrator duties
26 for a fee not to exceed \$12,750.00, which is reasonable compensation for the services
27 provided. (Agreement, ¶¶ 20-21.)
- 28

- 1 h) Enhancement Payment: Plaintiff will receive \$10,000 from the GSA as consideration for
2 representing all Aggrieved Employees and for the general release of her claims.
3 (Agreement, ¶ 17.)
- 4 i) Uncashed Checks: Funds represented by checks returned as undeliverable after a re-
5 mailing, and funds represented by checks remaining un-cashed for more than 180 days
6 after issuance, will be transmitted to the Controller of the State of California to be held
7 pursuant to the Unclaimed Property Law, California Civil Code Section 1500, et seq., in
8 the names of those Aggrieved Employees who did not cash their checks until such time
9 they claim their property. (Agreement, ¶¶ 41-42.)
- 10 j) Release: In exchange for the above settlement consideration, Defendants shall be entitled
11 to a release from the LWDA and Plaintiff. This Judgment binds all non-party Aggrieved
12 Employees to the theories alleged in the complaint and PAGA letters. (Agreement, ¶¶
13 50-56.)
- 14 k) Tax Allocation: 100% of each Aggrieved Employee Payment to Aggrieved Employees
15 are classified as civil penalties, which will be reported on IRS Form 1099, if required.
16 (Agreement, ¶ 46.)
- 17 l) Notice to LWDA: The Declaration of Manny Starr confirms that notice was provided
18 to the LWDA. (Declaration of Manny Starr, ¶ 14.)

19 After reviewing the Settlement and other related documents, and the filings submitted by
20 Plaintiff, **IT IS HEREBY ORDERED AS FOLLOWS:**

21 1. The Court hereby GRANTS approval of the PAGA Settlement upon the terms and
22 conditions set forth in the Settlement attached as Exhibit 5 to the Declaration of Manny Starr. The
23 Court finds that the terms of the proposed Settlement are reasonable. In granting approval of the
24 Settlement, the Court has considered the factors identified in *O'Connor v. Uber Technologies*, No.
25 13-CV-03826-EMC, 2016 WL 4398271 (N.D. Cal. Aug. 18, 2016), *Hanlon v. Chrysler Corp.*, 150
26 F.3d 1011 (9th Cir. 1998), *Dunk v. Ford Motor Co.*, 48 Cal. App. 4th 1794 (1996), and other
27 authorities providing a coherent framework for evaluating this Settlement.

28 2. The Court hereby identifies the Aggrieved Employees as:

all current and former hourly-paid, non-exempt employees of Defendants in California from December 20, 2022, through September 1, 2024.

This Order incorporates by reference the definitions in the Settlement, and all capitalized terms defined therein shall have the same meaning in this Order as set forth in the Settlement.

3. The Court hereby finds the Settlement was the product of informed, non-collusive negotiations conducted at arms' length by the Parties. In making these findings, the Court considered Defendants' potential liability, the benefit to the State of California, allocation of settlement proceeds among Aggrieved Employees, and the fact that a settlement represents a compromise of the Parties' respective positions rather than the result of a finding of liability at trial. The Court further finds that the terms of the Settlement have no obvious deficiencies. The Court finds that the risks of further prosecution are substantial and include the risks that (1) penalties would be reduced after evaluation of the totality of the circumstances, or (2) that no penalties would be awarded for some or all of the alleged violations.

4. The Court hereby approves Phoenix Class Action Administration Solutions to serve as the Settlement Administrator. The Settlement Administrator will be paid pursuant to the Agreement's terms for such distribution, in the requested amount of \$12,750.00 out of the Gross Settlement Amount to effectuate administration. Defendants will provide the Settlement Administrator with a list of Aggrieved Employees' Data within 14 days from entry of this Order that Defendants will compile from its records, which shall include (i) each Aggrieved Employee's first and last name, (ii) last known mailing address, (iii) the Aggrieved Employee's Social Security number or Tax ID, and (iv) Aggrieved Employees' total number of Individual Pay Periods. The Settlement Administrator will calculate each Aggrieved Employee's Aggrieved Employee Payment. The Settlement Administrator will also establish the Settlement Account and prepare, administer, and distribute settlement checks to the Aggrieved Employees, including necessary tax forms (IRS Form 1099). If a check is returned to the Settlement Administrator as undeliverable during the one hundred eighty-day period, the Settlement Administrator shall take all reasonable efforts to identify the Aggrieved Employee's correct address, including the performance of a "skip-trace." The funds represented by Aggrieved Employee Payment Share checks remaining uncashed for more than one hundred and eighty (180) calendar days after issuance shall be voided and then shall be transmitted to the Controller of the State of California to be held pursuant to the

1 Unclaimed Property Law, California Civil Code Section 1500, *et seq.*, in the names of those Aggrieved
2 Employees who did not cash their checks until such time they claim their property.

3 5. Pursuant to the Agreement, the gross settlement amount is \$425,000, less (i) the PAGA
4 Representative Payment; (ii) the PAGA Counsel Fees Payment; (iii) the PAGA Counsel Litigation
5 Expenses Payment; and (iv) the Settlement Administrator Payment. After awards, the Net Settlement
6 Amount is \$242,000. The LWDA shall receive 75% of the penalties allocated, which is \$181,500.
7 Aggrieved Employees shall receive 25% of the penalties allocated, which is \$60,500.

8 6. The Court hereby awards PAGA Counsel Fees Payment in the amount of \$148,750.
9 The Court finds that the PAGA Counsel Fees Payment is reasonable compared to amounts routinely
10 approved in similar settlements and as guided by the California Supreme Court's decision
11 concerning the awarding of fees from monetary funds for class members. *Laffitte v. Robert Half*
12 *Intern. Inc.* (2016), 1 Cal. 5th 480, 503. PAGA Counsel proceeded on a contingency basis despite
13 the uncertainty of any fee award. PAGA Counsel was necessarily precluded from pursuing other
14 potential sources of fees because of work in connection with this Action. The Court observed that
15 this is not a class action. It is more akin to contingent representation with an additional requirement
16 of Court review due to the *qui tam* nature of a PAGA claim. Attorneys' fees that are fifty percent of
17 a common fund are typically considered the upper limit, with thirty to forty percent commonly
18 awarded in cases where the settlement is relatively small. *See Van Vranken v. Atlantic Richfield*
19 *Company*, 901 F. Supp. 294 (N.D. Cal. 1995) (stating that most cases where 30-50 percent was awarded
20 involved "smaller" settlement funds of under \$10 million). Based on these considerations, including the
21 lodestar cross-check, a fee award of 35% of the total GSA is reasonable.

22 7. The Court hereby awards PAGA Counsel Litigation Expenses Payment in the total
23 amount of \$11,500.

24 8. The Court hereby awards Plaintiff the PAGA Representative Payment in the total
25 amount of \$10,000.

26 9. Upon entry of this Order, the Parties shall effectuate all terms of the Settlement
27 based on the provisions and timelines set forth in the Agreement.
28

1 10. The Court approves, both as to form and content, the PAGA Settlement Notice to
2 Aggrieved Employees attached to the Agreement.

3 11. Pursuant to the terms of the Settlement, the released persons and entities include
4 Defendants (as defined above), including any and all parent corporations, affiliates, subsidiaries,
5 managers, predecessors, insurers, successors and assigns, including but not limited to each of their
6 current and former attorneys, officers, directors and agents thereof, both individually and in their
7 business capacities.

8 12. Upon entry of this Order approving the Settlement and the Judgment thereon, PAGA
9 claims are released as follows:

10 As of the date of the Judgment, Plaintiff and the LWDA shall release the Released Parties
11 for claims for civil penalties pursuant to PAGA based upon all causes of action and claims
12 that were alleged in the Action or reasonably could have been alleged based on the facts and
13 legal theories contained in the Action and/or the LWDA Exhaustion Letter including all of
14 the following claims for relief: (i) failure to pay all regular wages, minimum wages and
15 overtime wages due (Cal. Lab. Code §§ 510, 558, 1194, 1194.2, 1197, 1197.1, & 1198); (ii)
16 failure to provide compliant meal periods (Cal. Lab. Code §§ 226.7 & 512); (iii) failure to
17 provide compliant rest breaks (Cal. Lab. Code § 226.7); (iv) failure to timely pay wages
18 during employment (Cal. Lab. Code §§ 204 & 210); (v) failure to provide complete,
19 accurate wage statements (Cal. Lab. Code § 226); (vi) failure to pay wages timely at time of
20 termination or resignation (Cal. Lab. Code §§ 201-203); (vii) failure to maintain accurate
21 records (Cal. Lab. Code §§ 1174(d) & 1174.5); (viii) all claims under the California Labor
22 Code Private Attorneys General Act of 2004 that could have been premised on the claims,
23 causes of action or legal theories described above or any of the claims, causes of action or
24 legal theories of relief pleaded in the Action; (ix) any claim for costs and attorneys' fees and
25 expenses; and (x) any claim arising from the claims described above under applicable
26 federal, state, local or territorial law as well as applicable regulations and Wage Orders
27 (collectively, the "PAGA Released Claims"). Additionally, this Judgment binds all who
28 would be bound by a judgment in an action brought by the government, including non-party
Aggrieved Employees. The Aggrieved Employees are not releasing any individual claims
for wages or damages.

13. The Court hereby enters Final Judgment in this case against Defendants in
accordance with the terms set forth in this Order.

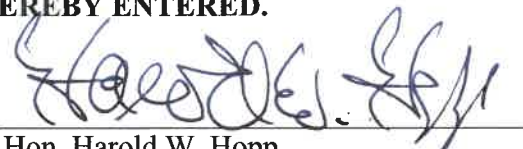
14. Final Accounting (Nonappearance) Hearing is set for September 29th, 2025. Plaintiff
shall file a report concerning the amount of money distributed and/or uncashed five (5) days before
the Final Accounting (Nonappearance) Hearing.

15. The Court shall retain jurisdiction with respect to all matters related to the administration
and consummation of the Settlement, and any and all claims asserted in, arising out of, or related to the

1 subject matter of the lawsuit, including but not limited to all matters related to the Settlement and the
2 determination of all controversies relating thereto.
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4

5 **IT IS SO ORDERED AND JUDGMENT IS HEREBY ENTERED.**

6 DATED: 12/18/24

7 By: 
8 Hon. Harold W. Hopp
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