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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

KEITH BROOKS,

Plaintiff,

v.

VENTURE HR SERVICES LLC, et al.,

Defendants.

Case No. 5:24-cv-00041-SRM-ACCV

ORDER ON PAGA SETTLEMENT REQUEST [48]

Before the Court is Plaintiff's unopposed Motion for Approval of a Private Attorneys General Act ("PAGA") Settlement ("Motion"). Dkt. 48-1. The Court has reviewed the arguments, relevant legal authority, and the record in this case. For the reasons discussed below, the Court **GRANTS** Plaintiff's Motion for Approval of PAGA Settlement.

I. BACKGROUND

On November 30, 2023, Plaintiff initiated this action against Venture HR Services LLC ("Venture"), Center Staffing Network LLC ("Center Staffing"), Burlington Coat Factory Warehouse Corporation, and Burlington Coat Factory of Texas, Inc. (the latter two known collectively as "Burlington Defendants") (collectively known as "Defendants"). Dkt. 1-1 at 2; 48-1 at 1, 7. Plaintiff alleges that Center Staffing, a temporary staffing agency, placed him and other workers at warehouses operated by the Burlington

Defendants, which he argues are joint employers. *Id.* at 7–8. His claims arise from alleged failures to compensate employees for all hours worked; failure to provide the required meal and rest periods; failure to pay waiting time penalties; and wage statement violations. *Id.* at 7.

The Burlington Defendants removed the action to this Court on January 8, 2024. *Id.* Plaintiff filed a First Amended Complaint on April 19, 2024, stating that the PAGA notice period had run. *Id.* On June 6, 2024, Plaintiff filed a Second Amended Complaint to add two new defendants, Marie Johns and Paul Anthony Johns, alleging they owned Center Staffing. *Id.*

On September 12, 2024, the Court issued an Order to Show Cause as to why the action should not be dismissed for failure to prosecute because several defendants[1] had not been served. *Id.* at 8. Plaintiff alleged that despite his diligent efforts, he was unable to locate those defendants, and believed that Venture and Center Staffing to be out of business. *Id.* As a result, on September 20, 2024, the Court dismissed without prejudice defendants Venture, Center Staffing, Marie Johns, and Paul Anthony Johns. *Id.* That left only the Burlington Defendants.

On December 11, 2024, Plaintiff and the Burlington Defendants (collectively, the "parties") participated in an "all-day" mediation. *Id.* The parties ultimately accepted the mediator's proposal (the "Settlement Agreement") to resolve the action on a PAGA-only basis for $570,000. *Id.* at 8–10. Pursuant to the Settlement Agreement, on June 24, 2025, Plaintiff filed a Third Amended Complaint to conform the pleadings to the settlement's scope. *Id.* at 9. The Court granted the parties' request to dismiss the non-PAGA claims without prejudice. *Id.*

Under the Settlement Agreement, the Burlington Defendants will pay a gross settlement amount of $570,000. Dkt. 48-1 at 6. Plaintiff requests approval of the following deductions: (1) $190,000 in Attorneys' fees, (2) $19,088.84 in litigation costs, (3) $10,000 to Plaintiff in consideration for his general release of claims, and (4) up to $4,500 in

[1] Venture, Center Staffing, Marie Johns, and Paul Anthony Johns.

settlement administration expenses. *Id.* at 6–7. If those amounts are approved, the remaining $346,411.16 will be allocated as PAGA civil penalties, with seventy-five percent ($259,808.37) going to the LWDA, and twenty-five percent ($86,602.79) distributed among the approximately 1,510 representative action members. *See id.* at 10, 12. No settlement funds will revert to the Burlington Defendants, and undeliverable or uncashed employee payments will instead be distributed to Legal Aid at Work. *Id.* at 10, 17.

II. LEGAL STANDARD

An aggrieved employee is empowered under PAGA to bring enforcement actions for certain violations of California labor law "on behalf of the employee and other current or former employees." Cal. Lab. Code § 2699(a). The employee sues "as the proxy or agent of the state's labor law enforcement agencies," thus, any judgment in that action binds parties who would be bound by a judgment in an action brought by the government. *Arias v. Superior Ct.*, 46 Cal. 4th 969, 986 (2009).

PAGA settlement agreements must be reviewed and approved by a court, along with a concurrent notice and copy of the settlement agreement being provided to the LWDA. Cal. Lab. Code §2699(s)(2). There is no express statutory guidance provided by PAGA that instructs courts on a standard of approval. *See Flores v. Starwood Hotels & Resorts Worldwide, Inc.*, 253 F. Supp. 3d 1074, 1075–76 (C.D. Cal. 2017). However, in general, courts have reviewed and approved PAGA settlements only if "(1) the statutory requirements set forth by PAGA have been satisfied, and (2) the settlement agreement is fair, reasonable, and adequate in view of PAGA's public policy goals." *Patel v. Nike Retail Servs., Inc.*, No. 14-CV-04781-RS, 2019 WL 2029061, at *2 (N.D. Cal. May 8, 2019); *see also Basiliali v. Allegiant Air, LLC*, No. 218CV03888RGKMRW, 2019 WL 8107885, at *3 (C.D. Cal. July 1, 2019) (applying *Patel's* standard of review).

In evaluating the fairness of a proposed PAGA settlement, many courts apply the class action settlement factors enumerated in *Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1026 (9th Cir. 1998). The relevant *Hanlon* factors include: (1) strength of plaintiff's case;

(2) risk, expense, complexity, and likely duration of further litigation; (3) fairness of the settlement amount; (4) the extent of discovery completed; (5) experience and views of counsel; and (6) the presence of a government participant. *See Patel*, 2019 WL 2029061, at *2 (citing *Hanlon*, 150 F.3d at 1026, *overruled on other grounds by Wal-Mart Stores, Inc. v. Dukes*, 564 U.S. 338 (2011)).

III. DISCUSSION

In determining whether to approve Plaintiff's PAGA Settlement Agreement, the Court will review if the PAGA statutory requirements are met and if the Settlement Agreement is fair, reasonable, and adequate.

A. Notice to the LWDA

Cal. Lab. Code § 2699(s)(2) requires parties to submit a copy of the proposed settlement to the LWDA at the same time that it is submitted to the court. Here, Plaintiff's counsel declares it did so. Dkt. 48-2 at 7, 20. Therefore, this requirement is met.

B. Fairness, Reasonableness, and Adequacy of PAGA Settlement

The Court now turns to determine whether the proposed settlement agreement is fair, reasonable, and adequate in view of PAGA's public policy goals. *See Patel*, 2019 WL 2029061, at *2.

1. Strength of Plaintiff's Case

Generally, "legal uncertainties at the time of settlement" favor settlement approval. *Browning v. Yahoo! Inc.*, No. C04-01463 HRL, 2007 WL 4105971, at *10 (N.D. Cal. Nov. 16, 2007). Here, Plaintiff estimates the potential penalties would be an estimated $1,172,000 for the 1, 510 aggrieved employees. Dkt. 48-1 at 12. Plaintiff would be required to prove at trial each Labor Code violation for each of the representative action members in order to recover penalties under PAGA. *See Patel*, 2019 WL 2029061, at *3; *Arias*, 46 Cal. 4th at 987 ("Recovery of civil penalties under [PAGA] requires proof of a Labor Code violation"). Even if Plaintiff succeeded in proving each violation, Plaintiff asserts that Defendants would contend the award and argue it "would be unfair and confiscatory." Dkt. 48-1 at 12. Thus, this factor weighs in favor of approval.

2. Risk, Expense, Complexity, and Likely Duration of Further Litigation

The need to prove each Labor Code violation for each of the 1,510 employees threatens a potential risky and expensive trial. Plaintiff cites several risks associated with its case. For instance, the possibility of being unable to demonstrate that Defendants Burlington are joint employers and proving that the representative action members were damaged as a proximate result of Burlington Defendants' wrongful acts. Dkt. 48-1 at 9–10. Taking all of this into consideration, this factor favors approval of the settlement. *See Patel*, 2019 WL 2029061, at *3.

3. Fairness of Settlement Amount

The gross settlement amount of $570,000 is reasonable, as is the breakdown of the Settlement Administration Costs of $4,500 and the Net Settlement Amount of approximately $346,411.16. This Settlement Agreement is a product of "many hours of arms-length negotiations" between the parties and a mediator. Dkt. 48-1 at 11. Experienced counsel analyzed the information exchanged at mediation to reach this Settlement Agreement. *Id.* The distribution of the net settlement amount is in line with PAGA's underlying policy goals as seventy-five percent of the penalty will go to LWDA while twenty-five percent of the recovery goes to the aggrieved employees.[2] *Id.* at 16. The Court finds this amount is reasonable, fair, and in line with PAGA's policy goals.

4. Amount of Discovery

A thorough discovery process weighs in favor of approving the settlement. *Boddie v. Signature Flight Support Corp.*, No. 19-CV-03044-DMR, 2021 WL 2651369, at *9 (N.D. Cal. June 28, 2021). Conducting substantial discovery gives parties a "clear

[2] PAGA now provides that civil penalties are distributed 65% to the LWDA and 35% to aggrieved employees. Cal. Lab. Code § 2699(m). The 2024 amendments establishing the new allocation do not apply where the requisite PAGA notice was filed before June 19, 2024. *Id.* § 2699(v)(2). Prior to the amendments, PAGA required the penalties to be distributed as 75% to the LWDA and 25% to aggrieved employees. *Turrieta v. Lyft, Inc.*, 16 Cal. 5th 664, 681 (2024) (citing former Cal. Lab. Code § 2699(i)). Because Plaintiff submitted the LWDA notice on November 29, 2023, the former allocation applies.

understanding of Defendants' potential liability, and the risks of continued litigation." *Id.* Here, Plaintiff notes that it has engaged in discovery, met with Defendants' counsel, and participated in mediation. Dkt. 48-1 at 9. Specifically, Plaintiff asserts it has reviewed "tens of thousands of [] data," has had "discussions" with Defendants' counsel where it learned "a sound understanding" of Defendants' defenses, and its participation in mediation resulted in the Settlement Agreement. *Id.* This has allowed Plaintiff's counsel to consider the uncertainty and risk of further litigation and ultimately decide that settling was the best outcome. *See id.* The extent of discovery completed weighs in favor of approval.

5. Experience and View of Counsel

The Court notes that both parties are represented by counsel experienced in employment, wage and hour, and PAGA litigation. Counsel for both parties have determined that in their experience, this Settlement Agreement is fair and reasonable given the circumstances of the matter. Thus, the Court finds this element leans in favor of approval.

6. Presence of a Government Participant

As aforementioned, Plaintiff provided notice of the proposed settlement to the LWDA. Dkt. 48-2 at 7, 20. The LWDA has not provided a response concerning the Settlement Agreement. Therefore, this factor is neutral.

7. Balancing of the Hanlon Factors

The majority of the *Hanlon* factors favor approval, with only one being neutral. Accordingly, the Court finds the PAGA settlement agreement is fair, reasonable, and adequate. The Court now turns to determine whether to approve the requested attorneys' fees and costs.

C. Attorneys' Fees and Costs

PAGA allows "[a]ny employee who prevails in any action shall be entitled to an award of reasonable attorneys' fees and costs." Cal. Lab. Code § 2699(g)(1). In PAGA cases, when determining the reasonableness of attorneys' fees, Courts have discretion in choosing either the percentage of the fund or the lodestar method. *See Vizcaino v. Microsoft*

Corp., 290 F.3d 1043, 1047 (9th Cir. 2002); *Boddie*, 2021 WL 2651369, at *9. Under the percentage of the fund method, 25% of the common fund is the benchmark for a reasonable attorneys' fee award, but it may be adjusted upward or downward depending on the circumstances. *In re Apple Inc. Device Performance Litig.*, 50 F.4th 769, 784 (9th Cir. 2022); *see also Vasquez v. Coast Valley Roofing, Inc.*, 266 F.R.D. 482, 491 (E.D. Cal. 2010) ("The typical range of acceptable attorneys' fees in the Ninth Circuit is 20% to 33 1/3% of the total settlement value, with 25% considered the benchmark . . . in most common fund cases, the award exceeds that [25%] benchmark.").

1. Fees

There are a number of factors a court may consider in assessing whether an award is reasonable, including: (1) the results achieved; (2) the risk of litigation; (3) the skill required and quality of counsel's work; and (4) the financial burden carried by the plaintiff. *In re Online DVD-Rental Antitrust Litig.*, 779 F.3d 934, 954 (9th Cir. 2015); *Vizcaino*, 290 F.3d at 1048–50.

First, counsel achieved a favorable settlement of $570,000. This Settlement Agreement provides the State of California and its representative action members with money it may not have otherwise received. The Settlement Agreement also ensures that no funds will revert to Defendants, as any uncashed checks will be distributed to Legal Aid at Work. *Id.* at 22–23. The Court interprets these facts as a favorable result.

Second, the litigation contained risks that may have prevented any recovery or a reduced recovery. One of Plaintiff's arguments is that Defendants were joint employers of Plaintiff, thus, arguing they should be liable for the PAGA claims. *See* Dkt. 48-1 at 23–24. If Defendants succeeded in negating this claim, Plaintiff would not have had any PAGA claims to pursue. *Id.* Courts recognize that "in the common fund context, attorneys whose compensation depends on their winning the case, must make up in compensation in the cases they win for the lack of compensation in the cases they lose." *In re Washington Pub. Power Supply*, 19 F.3d 1291, 1300–01 (9th Cir. 1994); *Vizcaino*, 290 F.3d at 1051. Here, the fee request is supported by the risk associated with litigating this case.

Third, counsel have extensive experience in litigating wage and hour, class, and PAGA actions. Dkt. 48-1 at 24. Plaintiff's counsel spent over 237 hours working on this case, including an all-day mediation. *Id.* at 27. This factor supports the fee request.

Fourth, counsel took this case on a contingency basis. *Id.* at 25–26. Counsel required no up-front payment from Plaintiff and took on all the costs and expenses associated with the matter. *Id.* Courts recognize these financial burdens that counsel take on and routinely enhance attorneys' fees to compensate them for the risk. *In re Washington*, 19 F.3d at 1299.

Accordingly, the Court finds Plaintiff's request for attorneys' fees for 33.3% of the gross fund as reasonable.

2. Costs

Plaintiff's counsel states that $19,088.84 were incurred as costs. Dkt. 48-1 at 22. Approximately 40% of the costs are mediation costs, with the balance being for filing fees, research, data analysis, photocopies and postage, and expert fees. *See* Dkt. 48-2 at 20, 48-3 at 7. These costs are reasonable and necessary for litigation.

IV. CONCLUSION

Accordingly, the Court **GRANTS** Plaintiff's request for PAGA Settlement Approval. The Clerk shall close this matter.

IT IS SO ORDERED.

Dated: September 24, 2026

HON. SERENA R. MURILLO
UNITED STATES DISTRICT JUDGE