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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

ROBERT NOVELLO, an individual,

Plaintiff,

vs.

HEG ENTERPRISES, INC., an unknown corporation; HAROLD GRIFFITH, an individual; GREAT WESTERN PACIFIC, INC., an unknown corporation; and DOES 1 to 10, inclusive,

Defendants.

Case Nos.: 30-2024-01391376-CU-OE-CXC

JOINT NOTICE OF MOTION AND MOTION FOR AN ORDER APPROVING SETTLEMENT OF ACTION BROUGHT PURSUANT TO THE LABOR CODE PRIVATE ATTORNEYS GENERAL ACT OF 2004; MEMORANDUM OF POINTS AND AUTHORITIES

[Filed concurrently with Declaration of Richard K. Angel; [Proposed] Order]

Date: **April 17, 2026**
Time: **9:00 a.m.**
Dept.: **CX101**

Reservation No. 74805546

Assigned to Judge William Claster
Dept. CX101

Complaint Filed: April 2, 2024
Trial Date: May 5, 2026

TO THE HONORABLE COURT:

PLEASE TAKE NOTICE that on April 17, 2026, at 9:00 a.m., in Department CX101 of the above-entitled Court, located at 751 W. Santa Ana Blvd., Santa Ana, California 92701, Plaintiff Robert Novello ("Plaintiff") and Defendants HEG Enterprises, Inc., Harold Griffith, and Great Western Pacific, Inc. (collectively, "Defendants") (with Plaintiff, the "Parties") will and hereby do jointly move for an order approving the Parties' settlement of the above-captioned action pursuant to the Labor Code Private Attorneys General Act of 2004 ("PAGA," Labor Code 2698 *et seq.*).

This joint motion is based upon this notice, the memorandum of points and authorities, the PAGA Settlement Agreement, the Declaration of Richard K. Angel, on those matters which may be judicially noticed, on oral argument at the hearing, and on all papers and documents on file.

Date: March 20, 2026

GODES & PREIS, LLP

By: ______________________________
Joseph M. Preis
Joshua R. Mino
Richard K. Angel
Attorneys for Plaintiff
ROBERT NOVELLO

Date: March 20, 2026

O'HAGAN MEYER LLP

By: *s/ Thalia S. Rofos*
Efthalia S. Rofos
Attorneys for Defendants
HEG ENTERPRISES, INC., GREAT WESTERN PACIFIC, INC., and HAROLD GRIFFITH

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiff Robert Novello ("Plaintiff") and Defendants HEG Enterprises, Inc., Harold Griffith, and Great Western Pacific, Inc. (collectively, "Defendants") (with Plaintiff, the "Parties") jointly move this Court for an order approving the settlement of this action, on the terms set forth in the Parties' Settlement Agreement pursuant to the Labor Code Private Attorneys General Act of 2004 ("PAGA," Labor Code 2698 *et seq.*)., which is concurrently filed with this motion. (Declaration of Richard K. Angel ("Angel Decl."), Ex. 1.) This action seeks civil penalties under PAGA based on allegations that Defendants violated, *inter alia*, Labor Code section 500, *et seq.*, Labor Code section 1194, *et seq.*, Labor Code section 2800, *et seq.*, and the applicable Wage Orders issued by the California Industrial Welfare Commission. After almost two years of contentious litigation, the Parties commenced settlement negotiations and engaged in formal mediation, and they eventually reached an agreement to resolve the entire action ("Settlement").

As set forth below, the Parties' Settlement is fair, reasonable, and adequate, and serves the purposes of PAGA. The Settlement reflects a reasoned compromise based on this evaluation, as well as the risks, uncertainties, expense, complexity, and likely duration of further litigation. Accordingly, the Parties request that the Court grant this Motion, approve the Settlement, and enter judgment thereon.

II. RELEVANT BACKGROUND

For thirty-eight years, Plaintiff was employed as the General Manager of the Fisherman's Restaurant in San Clemente, California ("Fisherman") and then as the Vice President of Operations running the entire California portfolio of businesses, and additionally performing all the purchasing for Defendant Great Western Pacific (from his home base at the Fisherman) by Defendant HEG Enterprises, Inc., and/or its alter egos Defendant Harold Griffith the owner ("Mr. Griffith"), non-parties Joan Griffith, Kyle Griffith, and Troy Griffith (wife and sons who were the secretary, president, and vice president, respectively) and/or Defendant Great Western Pacific, Inc., non-party Hall Griffith & Associates, and non-party Griffith Entertainment (collectively

"HEG").

Plaintiff's PAGA claims arise from his and other employees' work at HEG and HEG's alleged failure to provide meal and rest periods at the proper intervals, to pay proper premiums for missed meal and rest periods, to pay all wages owed including overtime, to provide accurate wage statements, to pay all wages owed to terminated or separated employees in a timely manner, to pay all vacation pay owed to terminated or separated employees, and to reimburse employee business expenses. Plaintiff, on behalf of the State of California, himself, and other aggrieved employees, brought this action pursuant to California Labor Code section 2698, *et seq.*, seeking purportedly unpaid wages and other compensation, penalties, and reasonable attorneys' fees and costs.

Plaintiff filed his Complaint in this action on April 2, 2024, alleging the violations described *supra*, and Defendants filed their Answer on June 6, 2024, denying the allegations and asserting a number of defenses. As part of their litigation, the Parties engaged in discovery aimed at evaluating the strengths and weaknesses of Plaintiff's PAGA claims and Defendants' defenses. Based on the information, and through formal mediation efforts, the Parties were able to give a reasoned and intelligent assessment of potential settlement, eventually reaching an agreement to settle the entire action on December 9, 2025.

III. <u>SUMMARY OF THE SETTLEMENT</u>

Under the Settlement, Defendants will pay into a common fund the total amount of Seven Hundred and Fifty Thousand Dollars ($750,000) (the "Gross Settlement Amount"). (Angel Decl., Ex. 1.) Plaintiff's counsel seeks a PAGA Counsel Fees Payment of not more than one-third of the Gross Settlement Amount, which is currently estimated to be $250,000.00, and a PAGA Counsel Litigation Expenses Payment of not more than $48,000.00, subject to Court approval. (*Id.*, Exs. 1–3.)[1] The Parties agree to an Administrator Expenses Payment not to exceed $6,500.00, likewise subject to Court approval. (*Id.*, Exs. 1, 4.) The remaining amount (the "Net

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[1] The $48,000 in costs includes, but is not limited to, mediation, expert witness analysis that required thorough review of all payroll and timekeeping records rather than just a sample, and additional efforts required to reconcile the payroll and timekeeping records due to missing data.

Settlement Sum"), currently estimated to be $430,500, will be provided to the California Labor and Workforce Development Agency ("LWDA") and to the aggrieved PAGA Group Members, with 75% ($322,875.00) allocated to the LWDA PAGA Payment and 25% ($107,625.00) allocated to the Individual PAGA Payments. (*Id.*, Ex. 1.) The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties $107,625 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. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

Defendants agree not to oppose Plaintiff's application for a PAGA Representative Service Payment of $15,000, which shall be for Plaintiff's efforts as representative of the PAGA Group, and in consideration of Plaintiff's general release of his individual claims arising under the Labor Code. (*Id.*) Moreover, the requested sum of Plaintiff's PAGA Representative Service Payment is justified due to Plaintiff's sacrifices in bringing this action. For example, by representing the PAGA Group, Plaintiff waived his right to bring additional individual claims regarding his position that Defendants violated his individual Labor Code rights, which, if proven, would have likely resulted in a far greater recovery than he would receive as the PAGA representative (*i.e.*, his individual Labor Code damages are estimated to be approximately $60,000–$70,000). Further, after almost two years of litigation, Plaintiff is now 71 years old, making it practically impossible for him to locate alternative employment in his industry as a result of his prosecution of this matter. Further, as consideration for the execution of the Settlement Agreement, the PAGA Representative Service Payment, the Gross Settlement Amount, the dismissal of Plaintiff's claims with prejudice, and the agreement to other terms as set forth in the Settlement Agreement, the Parties are mutually providing each other a full general release of all claims, with a Civil Code section 1542 waiver. (*Id.*)

IV. LEGAL STANDARD

A plaintiff suing under PAGA "does so as the proxy or agent of the state's labor law enforcement agencies." (*Arias v. Superior Court* (2009) 46 Cal.4th 969, 986.) Accordingly, a judgment in a PAGA action binds not only the Plaintiff, but also the government and nonparty aggrieved employees. (*Id*. at p. 985; *see also*, *Iskanian v. CLS Transp. Los Angeles, LLC* (2014) 59 Cal.4th 348, 380.) Under PAGA, a trial court must review and approve any settlement of a PAGA claim. (Lab. Code, § 2699, subds. (1)–(2).) However, "PAGA does not establish a clear standard for evaluating PAGA settlements." (*Patel v. Nike Retail Services, Inc.* (N.D. Cal., May 8, 2019, No. 14-CV-04781-RS) 2019 WL 2029061, at *2.) "Indeed, the LWDA has stated that '[t]he LWDA is not aware of any existing case law establishing a specific benchmark for PAGA settlements, either on their own terms or in relation to the recovery on other claims in the action.'" (*Delgado v. MarketSource, Inc*. (N.D. Cal., Aug 28, 2019, No. 17-CV-07370-LHK) 2019 WL 4059850, at *3, internal citations omitted; see also *Flores v. Starwood Hotels & Resorts Worldwide, Inc.* (C.D. Cal. 2017) 253 F.Supp.3d 1075 ["[N]either of the California legislature, nor the California Supreme Court, nor the California Courts of Appeal, nor the [LWDA] has provided any definitive answer to this vexing question."].)

Federal district courts have approved PAGA settlements 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, supra*, 2019 WL 2029061, at *2; Jordan, supra, 2018 WL 1409590, at *2 ["[T]he Court will approve the PAGA settlement upon a showing that the settlement terms are fundamentally fair, adequate, and reasonable in light of PAGA's policies and purposes."]; *Delgado, supra*, 2019 WL 4059850, at *3 ["Because state law enforcement agencies are the 'real parties in interest' for PAGA claims, the Court's task in reviewing the settlement is to ensure that the state's interest in enforcing the law is upheld."].) PAGA's public policy goals are "to augment the limited enforcement capability of the [LDWA] by empowering employees to enforce the Labor Code as representatives of the Agency." (*Iskanian, supra*, 59 Cal.4th at p. 383.)

"Moreover, civil penalties recovered on the state's behalf are intended to 'remediate present violations and deter future ones,' *not* to redress employees' injuries." (*Kim v. Reins International California, Inc.* (2020) 9 Cal.5th 73, 86 (emphasis in original) (quoting *Williams v. Superior Court* (2017) 3 Cal.5th 531, 546); *see also Arias, supra*, 46 Cal.4th at p. 986 ["[A]n action to recover civil penalties is fundamentally a law enforcement action designed to protect the public and not to benefit private parties" (citations omitted)].) Penalties recovered under PAGA are intended to further its objectives, with 75 percent of penalties to be distributed to the LWDA "for enforcement of labor laws . . . and for education of employers and employees about their rights and responsibilities under this code[.]" (Lab. Code, § 2699, subd. (i).)

V. THE SETTLEMENT SHOULD BE APPROVED

The parties respectfully submit that the settlement achieves the purposes of PAGA and is fair, adequate, and reasonable. As explained in more detail below, the Court should approve the parties' settlement because: (1) the risks of continued litigation militate in favor of approval; (2) the Settlement Agreement's remaining terms are fair and reasonable; and (3) public policy strongly favors the settlement of litigation.

1. Continued Litigation Risks.

The expense, complexity, and likely duration of further litigation favors settlement. There is difficulty in proving or defending against PAGA claims, and if the Parties continued the litigation, there are many specific factual and legal hurdles that would result in extensive costs and fees related to the dispute, for which the outcome cannot be certain for any Party.

For example, the continued litigation of these matters would require Plaintiff to prove, among many other things, that Defendants failed to provide HEG employees—at multiple business locations—with proper meal and rest breaks, make such breaks available, properly train its employees as to how and when to conduct such breaks, or pay required premiums for missed or interrupted breaks. Evidence in support of such matters would require numerous witnesses to be deposed and be available for trial, and would require extensive analysis as to Defendants' records. To be sure, the presentation of Defendants' business records at trial would require expert testimony, creating additional costs and fees. Plaintiff would also have to prove the required level of intent as to each respective claim, which would be even more challenging than normal based on the amount of Defendants and witnesses who would have to be questioned. Similarly, if litigation continued, Defendants would have to more fully investigate and support its affirmative defenses, and it would have to prepare to defend itself against Plaintiff's claims by, *inter alia*, interviewing witnesses and analyzing thousands of pages of documents.

The Settlement is a meaningful result when balanced with the risks of the Parties being burdened with unnecessary fees and costs. A settlement does not have to provide 100% of the damages sought to be considered a fair and reasonable settlement. *Rebney v. Wells Fargo Bank* (1991) 220 Cal. App. 3d 1117, 1139. Rather, compromise is expected and is both "inherent and necessary in the settlement process," even if "the relief afforded by the proposed settlement is **substantially** narrower than it would be if the suits were to be successfully litigated." (*Wershba v. Apple Computer, Inc.* (2001) 91 Cal. App. 4th 224, 250 (emphasis added).)

Plaintiff's PAGA claims for failure to pay wages, including meal and rest period premiums, minimum wage, overtime, and more, carry penalties one hundred dollars ($100) for a first violation and two hundred dollars ($200) for every subsequent violation, per employee, for the entire PAGA period. (Lab. Code, § 2699, subd. (f)(2).) If Plaintiff proved that 100% of the alleged violations occurred, damages would reach millions of dollars. However, Plaintiff would have to prove that violations occurred in every relevant pay period, and as to each of the aggrieved employees, which would require extensive discovery, declarations from as many as hundreds of employees, and forensic analysis of Defendants' payroll system. For their part, Defendants have contended that at least some of the purported violations merely reflect errors in the timekeeping system, including by way of Defendants migrating payroll records to a new system during the litigation of this action. Further, Defendants have argued that at least some of the alleged missed meal and rest periods were voluntarily waived and not subject to PAGA penalties. Further, as to Plaintiff's PAGA claims for failure to provide accurate wage statements and to reimburse all business expenses, he would have to prove each violation individually, through extensive discovery of potentially hundreds of employees, supported by as many declarations, while Defendants have asserted that all such allegations are false. Moreover, to prevail on his PAGA claims, Plaintiff would have to prove that Defendants committed all purported violations willfully, adding yet another layer of risk and uncertainty. This action also includes a claim pursuant to California Business & Professions Code sections 17200, *et seq.*, seeking injunctive relief, restitution, and disgorgement of all benefits purportedly obtained by Defendants as a result of Labor Code and applicable Wage Order violations, which Plaintiff would have to prove by the same extensive discovery described herein, with the same level of uncertainty inherent in litigation, given Defendants' denial of all key allegations. Finally, even if Plaintiff prevailed at trial and proved that every alleged violation occurred exactly as described, the Court would have discretion to reduce the PAGA award based on whether the amount of the award would be "unjust, arbitrary and oppressive, or confiscatory." (Lab. Code § 2699, subd. (e)(2).)

Due to the inherent risks and uncertainty of litigation, the Parties could never be completely confident that either could establish their respective claims and defenses. Further, the expense, complexity, and likely duration of continued litigation increase dramatically the closer this (or any) action gets to trial. As a result, the Parties' mutual decision to settle this action is reasonable.

2. Settlement Agreement Terms Are Fair and Reasonable.

A "strong presumption of fairness" attaches to a settlement when it is "the product of arms-length negotiations between experienced and well-informed counsel." (*Arnaud van der Gracht de Rommerswael on Behalf of Puma Biotechnology, Inc. v. Auerbach* (C.D. Cal., Jan 7, 2019, No. SACV 18-00236 AG (JCGx) 2019 WL 7753447, at *3; *see*, *Kullar v. Foot locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129.) The presumption of fairness is consistent with California's public policy goal of favoring settlements. (*7-Eleven Owners for Fair Franchising v. Southland Corp.* (2000) 85 Cal.App.4th 1135, 1151; *Cellphone Termination Fee Cases* (2009) 180 Cal.App.4th 1110, 1118.) A presumption of fairness exists here because the Settlement was negotiated by counsel with experience in PAGA actions and was negotiated after conducting sufficient discovery and investigation into the strength, weaknesses, and potential value of the PAGA claims, as well as evaluating the risks of litigating the claim through trial.

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3. Public Policy Favors Settlement.

Public Policy strongly favors the settlement of litigation. (*Consumer Advocacy Group v. Kintetsu* (2006) 141 Cal.App.4th 46, 63.) Because the proposed settlement is neither unjust nor ignores the public interest, it should be approved. (*Id.*)

VI. APPROVAL OF PLAINTIFF'S COUNSEL'S ATTORNEYS' FEES & GENERAL RELEASE TO PLAINTIFF

Plaintiff's counsel seeks a PAGA Counsel Fees Payment of not more than one-third of the Gross Settlement Amount, which is currently estimated to be $250,000.00, and a PAGA Counsel Litigation Expenses Payment of not more than $48,000.00, subject to Court approval. (Angel Decl., Exs. 1–3.) The Parties agree to an Administrator Expenses Payment not to exceed $6,500.00, likewise subject to Court approval. (*Id.*, Exs. 1, 4.) The remaining amount (the "Net Settlement Sum"), currently estimated to be $430,500, will be provided to the California Labor and Workforce Development Agency ("LWDA") and to the aggrieved PAGA Group Members, with 75% ($322,875.00) allocated to the LWDA PAGA Payment and 25% ($107,625.00) allocated to the Individual PAGA Payments. (*Id.*, Ex. 1.) The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties $107,625 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. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

Defendants agree not to oppose Plaintiff's application for a PAGA Representative Service Payment of $15,000, which shall be for Plaintiff's efforts as representative of the PAGA Group, and in consideration of Plaintiff's general release of his individual claims arising under the Labor Code. (*Id.*) Moreover, the requested sum of Plaintiff's PAGA Representative Service Payment is justified due to Plaintiff's sacrifices in bringing this action. For example, by representing the PAGA Group, Plaintiff waived his right to bring additional individual claims regarding his position that Defendants violated his individual Labor Code rights, which, if proven, would have likely resulted in a far greater recovery than he would receive as the PAGA representative (*i.e.*, his individual Labor Code damages are estimated to be approximately $60,000–$70,000). Further, after almost two years of litigation, Plaintiff is now 71 years old, making it practically impossible for him to locate alternative employment in his industry as a result of his prosecution of this matter. Further, as consideration for the execution of the Settlement Agreement, the PAGA Representative Service Payment, the Gross Settlement Amount, the dismissal of Plaintiff's claims with prejudice, and the agreement to other terms as set forth in the Settlement Agreement, the Parties are mutually providing each other a full general release of all claims, with a Civil Code section 1542 waiver. (*Id.*)

VII. CONCLUSION

The Parties' proposed Settlement is fair, adequate, reasonable, and in the best interests of the State of California and the Parties, including the PAGA Group Members. For all the foregoing reasons, the Parties respectfully request that the Court approve the Settlement and order that the Parties' Settlement Agreement be carried out according to its terms.

Date: March 20, 2026

GODES & PREIS, LLP

By: ______________________________
Joseph M. Preis
Joshua R. Mino
Richard K. Angel
Attorneys for Plaintiff
ROBERT NOVELLO

Date: March 20, 2026

O'HAGAN MEYER LLP

By: *s/ Thalia S. Rofos*
Efthalia S. Rofos
Attorneys for Defendants
HEG ENTERPRISES, INC., GREAT WESTERN PACIFIC, INC., and HAROLD GRIFFITH

PROOF OF SERVICE

I am employed in the County of Orange, State of California, am over the age of 18 and not a party to the within action. My business address is Godes & Preis LLP, 300 Spectrum Center Drive, Suite 1420, Irvine, CA 92618.

On the date set forth below, I served [ ] the original [x] a true copy of the foregoing documents described as **JOINT NOTICE OF MOTION AND MOTION FOR AN ORDER APPROVING SETTLEMENT OF ACTION BROUGHT PURSUANT TO THE LABOR CODE PRIVATE ATTORNEYS GENERAL ACT OF 2004; MEMORANDUM OF POINTS AND AUTHORITIES; and [PROPOSED] ORDER** on all interested parties in this action as follows:

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[X] BY E-MAIL OR ELECTRONIC TRANSMISSION: I caused a copy of the document(s) to be sent to the persons at the e-mail addresses listed in the Service List. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

[x] (*State*) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on March 20, 2026, at Irvine, California.

DANIELLE FREDERICK