UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

EDWIN MEJIA, individually, and on behalf of other members of the general public similarly situated, Plaintiff, v. COPART, INC., a Delaware corporation; COPART CATASTROPHE RESPONSE FLEET LLC, a Delaware limited liability company; COPARTDALLAS, LLC, a California limited liability company; COPARTHOUSTON, LLC, a California limited liability company; and DOES 1 through 10, inclusive, Defendants.	Case No. 2:24-cv-01705-SPG-AYP **ORDER GRANTING PLAINTIFF'S MOTION FOR FINAL APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT AND GRANTING, IN PART, PLAINTIFF'S MOTION FOR ATTORNEYS' FEES, COSTS, AND A CLASS REPRESENTATIVE ENHANCEMENT PAYMENT AND GENERAL RELEASE PAYMENT [ECF NOS. 44, 46]**

Before the Court is the Motion for Final Approval of Class Action and PAGA Settlement, (ECF No. 46 ("Final Approval Motion")), filed by Plaintiff Edwin Mejia ("Plaintiff"). Also before the Court is Plaintiff's Motion for Attorneys' Fees, Costs, and a Class Representative Enhancement Payment and General Release Payment. (ECF No. 44 ("Fees Motion")). Having considered the parties' submissions, oral arguments, the relevant law, and the record in this case, the Court GRANTS the Final Approval Motion and GRANTS, in part, the Fees Motion.

I. BACKGROUND

A. Plaintiff's Allegations

This is a putative wage-and-hour class action lawsuit brought by Plaintiff against Defendants Copart, Inc.; Copart Catastrophe Response Fleet LLC; Copart-Dallas, LLC; and Copart-Houston, LLC ("Defendants"). (ECF No. 22 ("FAC")). Defendants are providers of online vehicle auction services, specializing in the resale of used, wholesale, and salvage title vehicles. (*Id.* ¶ 21). Plaintiff was an employee of Defendants from January 2006 to August 2023, working as a forklift driver at Defendants' facility in Van Nuys, California. (*Id.* ¶ 5).

Plaintiff alleges that Defendants violated California laws on overtime, minimum wage, meal and rest periods, maintenance of payroll records, timely payment of wages on termination and during employment, and payment of business expenses. Plaintiff asserts claims for various violations of the California Labor Code, as well as claims under California's Unfair Competition Law ("UCL") and Private Attorneys General Act ("PAGA").

B. Procedural History

Plaintiff initially filed the class-action complaint in Los Angeles County Superior Court on January 29, 2024. (ECF No. 1-1). Defendants removed the case to this Court on March 1, 2024. (ECF No. 1). On August 20, 2024, Plaintiff filed the FAC, adding the PAGA claim. (FAC). On November 27, 2024, before Defendants had filed any responsive pleading to the FAC, the parties filed a joint notice of settlement. (ECF No. 26).

Plaintiff filed a motion for preliminary approval of class action settlement on May 2, 2025. (ECF No. 32). On July 16, 2025, the Court denied preliminary approval, without prejudice to refiling, based on certain deficiencies in the motion, including that Plaintiff's estimates of the maximum potential recovery included unexplained assumptions, Plaintiff inadequately identified the risks specific to his claims, and the class did not account for differences in pay and hours worked among class members. (ECF No. 35). The Court also noted that the proposed attorney's fees and class representative awards exceeded the amounts typically awarded by this Court.

On October 15, 2025, Plaintiff filed a renewed motion for preliminary approval. (ECF No. 40). On November 21, 2025, the Court granted preliminary approval, finding that the renewed motion and amended settlement adequately explained the estimated maximum potential recovery, identified specific risks, and accounted for differences in pay and hours worked. (ECF No. 42). The Court expressed continued concern about the proposed attorney's fees and class representative service payments but permitted Plaintiff to provide further briefing on those issues in connection with the instant Motion.

Plaintiff filed the Final Approval Motion on February 26, 2026. (Final Approval Mot.). The Motion is accompanied by a declaration from Plaintiff's Counsel, (ECF No. 46-1 ("Perez Declaration")), and from the Settlement Administrator, (ECF No. 46-2 ("Cutler Declaration")). On March 27, 2026, the Settlement Administrator filed a supplemental declaration. (ECF No. 48 ("Supplemental Cutler Declaration")). Separately, Plaintiff filed the Fees Motion on January 16, 2026, (Fees Mot.), which is also accompanied by a supporting declaration from Plaintiff's Counsel, (ECF No. 44-1 ("Perez Fees Declaration")).

C. The Settlement Agreement

The parties' Settlement Agreement contains the following key provisions. *See* (ECF No. 40-2 ("Settlement Agreement")).[1]

1. <u>Class Definition</u>

The Settlement Agreement defines the Class as "all persons who worked for Defendants as non-exempt, hourly paid employees in California at any time during the

[1] The parties have not filed a copy of the Settlement Agreement in connection with the instant Motion. The Court will therefore assume that the Settlement Agreement remains unchanged from the version that the Court preliminarily approved, and the Court will refer throughout this Motion to the version of the Settlement Agreement attached to the renewed preliminary approval motion.

Class Period." (*Id.* at 2). The Class Period is defined as "the period from January 29, 2020 to November 28, 2024." (*Id.*). As used in the Settlement Agreement, the term "Defendants" includes all the named Defendants in this action. (*Id.*). The Settlement Administrator attests that the final Class includes 1,473 members. (Supp. Cutler Decl. ¶ 5).

The Settlement Agreement also defines a group of "PAGA Members" consisting of "all persons who worked for Defendants as non-exempt, hourly paid employees in California at any time during . . . the period from February 27, 2023 through November 28, 2024." (Settlement Agreement at 4). The Settlement Administrator states that the final Class includes 834 PAGA Members. (Supp. Cutler Decl. ¶ 6).

2. <u>Settlement Amount</u>

The gross settlement amount agreed upon by the parties is $1,270,000. (Settlement Agreement at 7). The Settlement Agreement allocates $100,000 of the gross settlement for settlement of claims for civil penalties under PAGA, 25% of which is allocated to PAGA Members, and 75% of which is to be paid to the California Labor and Workforce Development Agency ("LWDA"). (*Id.* at 9). The Settlement Agreement also allocates $15,500 for settlement administration costs. (*Id.*). Additionally, Plaintiff seeks a class representative award of $5,000 and a "general release payment" of $10,000 for the release of all claims arising out of his employment with Defendants. (*Id.* at 8). After subtracting these costs, as well as attorney's fees and costs, the remaining net settlement fund will be distributed in its entirety to participating Class Members. (*Id.* at 10). The Settlement Agreement provides that payments will be calculated based on the total number of workweeks worked by each Class Member, multiplied by each employee's hourly wage, and divided by the aggregate total number of workweeks. (*Id.*). The Settlement Administrator attests that the average settlement payment will be $475.05, and the highest payment will be $2,117.30. (Supp. Cutler Decl. ¶ 5). For PAGA Members, the average payment will be $29.98, and the highest payment will be $49.76. (*Id.* ¶ 6).

3. Attorney's Fees and Costs

The putative Class seeks to be represented by attorneys Robert J. Drexler, Jr., Jonathan Lee, and Raul Perez of Capstone Law APC. The Settlement Agreement provides that Class Counsel will seek attorney's fees of not more than \$423,333, plus litigation costs not to exceed \$15,000, and that Defendants will not oppose a motion for these costs. (Settlement Agreement at 7-8). Any amount not ultimately awarded by the Court will become part of the net settlement fund and be available for distribution to the Class Members. (*Id.* at 8). In their Fees Motion, Plaintiff's Counsel now seeks an award of \$423,333 in fees and \$7,948.92 in costs. (Fees Mot. at 10).

4. Releases

The Settlement Agreement operates to release from claims certain "Released Parties," defined to mean "Defendants, their past or present officers, directors, shareholders, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys, if any." (Settlement Agreement at 5).

Under the Settlement Agreement, Plaintiff will personally release Defendants from "all claims arising out of his employment with Defendants." (*Id.* at 8). In exchange for this general release, Defendants agree not to oppose or impede any application for a General Release Payment of up to \$10,000, paid from the gross settlement amount. (*Id.* at 8-9).

Next, all Class Members who do not opt out of the Settlement Agreement will release the Released Parties from (1) the claims alleged in the lawsuit, as set forth in the FAC; (2) any claims for injunctive relief, declaratory relief, or restitution that were alleged or could have been alleged under the facts, allegations, or claims pleaded in the complaint; and (3) any and all other claims under California or Federal law that could have been alleged under the same or similar facts, allegations, or claims pleaded in the FAC and based on the alleged Labor Code violations. (*Id.* at 15-16).

Finally, all PAGA Members will release the Released Parties from any and all claims for PAGA violations "as alleged in the Operative Complaint, which includes those alleged in the PAGA Notice sent to the LWDA by Plaintiff that arose at any time during the PAGA Period." (*Id.* at 16). PAGA Members will not have the opportunity to opt out of, or object to, the PAGA Member Payment and will be bound by the release regardless of their participation in the Class. (*Id.* at 17).

5. <u>Settlement Administrator</u>

The Settlement Administrator for the proposed settlement is CPT Group, Inc. ("CPT"). (*Id.* at 6). The Settlement Agreement provides for payment to CPT of settlement administration costs, estimated at $15,500. (*Id.*). CPT has filed a declaration in connection with this Motion, in which it attests that it has incurred $15,500 in connection with the administration of this Settlement Agreement. (Cutler Decl. ¶ 10).

D. Class Notice

On January 12, 2026, CPT sent notice packets via U.S. Postal Service First Class Mail to the members of the Class. (*Id.* ¶ 4). Altogether, 105 notice packets were returned to CPT as undeliverable. (Supp. Cutler Decl. ¶ 2). CPT conducted a skip trace and was able to locate a new mailing address for all but 17 of the Class Members. (*Id.*). As of the date of the hearing, CPT had received a total of three requests for exclusion from the Settlement Agreement and no objections to the terms of the Settlement Agreement. (*Id.* ¶¶ 3-4).

II. LEGAL STANDARD

The Federal Rules of Civil Procedure mandate judicial approval of all class action settlements. *See* Fed. R. Civ. P. 23(e). When approving a class settlement prior to class certification, courts must engage in a two-step process. *See Staton v. Boeing Co.*, 327 F.3d 938, 952 (9th Cir. 2003). First, the court must certify the proposed settlement class. *Id.* In considering such a request, the court must give the Rule 23 certification factors "undiluted, even heightened, attention in the settlement context." *Amchem Prods., Inc. v. Windsor*, 521 U.S. 591, 620 (1997). Second, once a class is certified, the court may approve the class settlement "only after a hearing and on finding that the settlement . . . is fair, reasonable, and adequate." Fed. R. Civ. P. 23(e)(2); *see In re Syncor ERISA Litig.*, 516 F.3d 1095, 1100 (9th Cir. 2008) ("The purpose of Rule 23(e) is to protect the unnamed members of the class from unjust or unfair settlements affecting their rights."). Accordingly, before approving a class settlement, Rule 23(e) directs courts to consider the following factors when assessing the fairness, adequacy and reasonableness of a class settlement:

> (A) the class representatives and class counsel have adequately represented the class;
> (B) the proposal was negotiated at arm's length;
> (C) the relief provided for the class is adequate, taking into account:
> (i) the costs, risks, and delay of trial and appeal;
> (ii) the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims;
> (iii) the terms of any proposed award of attorney's fees, including timing of payment;
> (iv) any agreement required to be identified under Rule 23(e)(3); and
> (D) the proposal treats class members equitably relative to each other.

Fed. R. Civ. P. 23(e)(2). Where the parties reach a class action settlement prior to class certification, the Ninth Circuit has cautioned that such settlement agreements "must withstand an even higher level of scrutiny for evidence of collusion or other conflicts of interest than is ordinarily required under Rule 23(e) before securing the court's approval as fair." *Roes, 1-2 v. SFBSC Mgmt., LLC*, 944 F.3d 1035, 1048–49 (9th Cir. 2019) (citation omitted). A more "exacting review is warranted to ensure that class representatives and their counsel do not secure a disproportionate benefit at the expense of the unnamed plaintiffs who class counsel had a duty to represent." *Id.* (internal quotation marks omitted).

Moreover, before the 2018 amendment to the Federal Rule of Civil Procedure 23(e), the Ninth Circuit developed its own list of eight fairness factors—commonly referred to as the "*Churchill* factors." *See In re Bluetooth Headset Prods. Liab. Litig.*, 654 F.3d 935, 946 (9th Cir. 2011) (citing *Churchill Vill., LLC v. Gen. Elec.*, 361 F.3d 566, 575 (9th Cir. 2004)). However, the amended Rule 23 "directs the parties to present [their] settlement to the court in terms of [this new] shorter list of core concerns." Fed. R. Civ. P. 23(e)(2), 2018 Advisory Comm. Notes. "The goal of [amended Rule 23(e)] is . . . to focus the court and the lawyers on the core concerns of procedure and substance that should guide the decision whether to approve the proposal." *Id.* Some of the *Churchill* factors tend to overlap with the factors from Rule 23(e). *See, e.g.*, *Lalli v. First Team Real Est.-Orange Cnty.*, No. 8:20-cv-00027-JWH-ADS, 2022 WL 8207530, at *8 (C.D. Cal. Sept. 6, 2022) (declining to duplicate analysis when the second *Churchill* factor "closely mirrors" the first factor listed in Rule 23(e)(2)(C)); *Hang v. Old Dominion Freight Line, Inc.*, No. 5:21-cv-00287-JWH-DTBx, 2024 WL 2191930, at *7 (C.D. Cal. May 14, 2024).[2] Therefore, for the sake of avoiding repetitious analysis and remaining focused on the core concerns outlined by both Rule 23(e) and the Ninth Circuit, the Court will incorporate in its Rule 23(e) analysis the relevant *Churchill* factors that shed additional light on the fairness of the proposed settlement.

III. DISCUSSION

The parties seek certification of the Settlement Class and approval of the Settlement Agreement pursuant to Rule 23. For the reasons stated below, the Court approves the Settlement Agreement and finalizes the Settlement Class.

A. Rule 23(a) and (b) Requirements

In its preliminary approval order, the Court conducted an extensive analysis and certified a provisional settlement class under Rules 23(a) and (b). *See* (ECF No. 35 at 7-13); *see also* (ECF No. 42 at 6-7). For purposes of the instant Motion, the Court "need not find anew that the settlement class meets the certification requirements of Rule 23(a) and

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[2] After the Rule 23(e) amendment, the Ninth Circuit instructed "district courts to consider these [*Churchill*] factors in their holistic assessment of settlement fairness." *McKinney-Drobnis v. Oreshack*, 16 F.4th 594, 609 n.4 (9th Cir. 2021).

(b)." *Adoma v. Univ. of Phoenix, Inc.*, 913 F. Supp. 2d 964, 974 (E.D. Cal. 2012); *see also Smith v. Keurig Green Mountain, Inc.*, No. 18-cv-06690-HSG, 2023 WL 2250264, at *4 (N.D. Cal. Feb. 27, 2023) ("Because no facts that would affect these requirements have changed since the Court preliminarily approved the class . . . this order incorporates by reference the Court's prior analysis under Rules 23(a) and (b) as set forth in the order granting preliminary approval."); *Lalli*, 2022 WL 8207530, at *4 (certifying a settlement class for final approval absent material changes during the interim between the court's preliminary and final certification).

Here, the nature of the Settlement Class has not materially changed since it was conditionally certified, and all the criteria for class certification remain satisfied. The only change is that the number of class members has slightly decreased from the estimate offered by the parties in the preliminary approval motion briefing. All the criteria for class certification remain satisfied, notwithstanding this slight change. Therefore, the Court confirms its July 16 and November 21, 2025, orders certifying the Class solely for settlement purposes.

B. Rule 23(e)

Upon certification of the Class, the Court may only approve the Settlement Agreement upon finding that the agreement is fair, reasonable, and adequate pursuant to Rule 23(e)(2). The Court will examine the 23(e) factors in turn.

1. <u>Adequacy of Representation by Class Representatives and Class Counsel</u>

The first factor examines whether the class representatives and class counsel adequately represented the class. Fed. R. Civ. P. 23(e)(2)(A). Class representatives are adequate if the named plaintiff and counsel do not have any conflicts of interest with other class members and will prosecute the action vigorously on behalf of the class. *Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1020 (9th Cir. 1998). Adequate representation of counsel is generally presumed in the absence of contrary evidence. *See Californians for Disability Rts., Inc. v. Cal. Dep't of Transp.*, 249 F.R.D. 334, 349 (N.D. Cal. 2008).

In the order granting preliminary approval, the Court found that Plaintiff and Plaintiff's Counsel had provided adequate representation. (ECF No. 42 at 9). The Court's conclusion is unchanged for purposes of final approval. As Plaintiff previously attested, he has spent between 40 and 50 hours assisting the attorneys in this case, including discussing his job duties and responsibilities, reviewing the draft complaint, answering questions, assisting with discovery responses, and reviewing the settlement agreement. (ECF No. 40-3 ¶¶ 6-8, 12-15). Plaintiff seeks the same relief as members of the proposed Class and has no apparent conflicts of interest with the other Class Members. As to Plaintiff's Counsel, the Court is satisfied that Plaintiff's Counsel is well qualified to represent the Class and has performed adequately in investigating the claims and negotiating the Settlement Agreement. *See* (Perez Decl. ¶¶ 55-63). Accordingly, the Settlement Class is adequately represented, and this factor weighs in favor of approval of the proposed Settlement Agreement.

2. <u>Arm's Length Negotiations</u>

The second factor requires the parties to negotiate the settlement "at arm's length." Fed. R. Civ. P. 23(e)(2)(B). With this factor, the Court takes into account "the conduct of the litigation and of the negotiations leading up to the proposed settlement." Fed. R. Civ. P. 23(e)(2), 2018 Advisory Comm. Notes.

In its previous orders, the Court expressed concern that the Settlement Agreement allocated a higher-than-typical amount to attorney's fees and that it contained a clear sailing provision under which Defendants agreed not to contest the request for attorney's fees. *See* (ECF No. 42 at 10); *see also Bluetooth Headset*, 654 F.3d at 947 (identifying "subtle signs" of collusive conduct that courts should consider). In the Fees Motion, Plaintiff's Counsel continues to seek an attorney's fees award of 33.3% of the gross settlement amount. As discussed below, Section IV, the Court finds that Plaintiff has not shown a basis for an increased award of attorney's fees. However, as modified below, the adjusted award of 25% of the gross settlement amount is in line with the "benchmark" rate that the Ninth Circuit has found presumptively reasonable. *Hanlon*, 150 F.3d at 1029.

The Settlement Agreement otherwise appears to be the product of arm's length negotiations, which took place during private mediation with a third-party mediator. (Perez Decl. ¶ 4); *see* Fed. R. Civ. P. 23(e)(2), 2018 Advisory Comm. Notes ("[T]he involvement of a neutral or court-affiliated mediator or facilitator in those negotiations may bear on whether they were conducted in a manner that would protect and further the class interests."); *see, e.g.*, *Pederson v. Airport Terminal Servs.*, ED CV 15-02400-VAP (SPx), 2018 WL 2138457, at *7 (C.D. Cal. Apr. 5, 2018) ("[T]he assistance of an experienced mediator in the settlement process confirms that the settlement is non-collusive." (citation omitted)). Accordingly, with the modifications to the Settlement Agreement discussed below, this factor weighs in favor of final approval.

3. <u>Adequacy of the Relief</u>

The third factor considers whether "the relief provided for the class is adequate, taking in to account: (i) the costs, risks, and delay of trial and appeal; (ii) the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims; (iii) the terms of any proposed award of attorneys' fees, including timing of payment; and (iv) any agreement required to be identified under Rule 23(e)(3)." Fed. R. Civ. P. 23(e)(2)(C). The Court addresses each factor in turn and finds that all factors weigh in favor of the adequacy of relief provided to the Class by the Settlement Agreement.

a) Costs, Risks, and Delay of Trial and Appeal

"Often, courts may need to forecast the likely range of possible classwide recoveries and the likelihood of success in obtaining such results." Fed. R. Civ. P. 23(e), 2018 Advisory Comm. Notes. When considering "the costs, risks, and delay of trial and appeal," courts in the Ninth Circuit have incorporated the following *Churchill* factors in the analysis: "the strength of the plaintiffs' case; the risk, expense, complexity, and likely duration of further litigation; [and] the risk of maintaining class action status throughout the trial." *Hanlon*, 150 F.3d at 1026. While "[t]he amount offered in settlement is generally considered to be the most important consideration of any class settlement," *Grady v. RCM*

Techs., Inc., 671 F. Supp. 3d 1065, 1075 (C.D. Cal. 2023) (citation omitted), "a cash settlement amounting to only a fraction of the potential recovery does not per se render the settlement inadequate or unfair," *In re Mego Fin. Corp. Sec. Litig.*, 213 F.3d 454, 459 (9th Cir. 2000) (citation omitted). "Even a fractional recovery of the possible maximum recovery amount may be fair and adequate in light of the uncertainties of trial and difficulties in proving the case." *Millan v. Cascade Water Servs., Inc.*, 310 F.R.D. 593, 611 (E.D. Cal. Oct. 8, 2015).

In its order granting preliminary approval, the Court found that this factor weighed in favor of preliminary approval. The parties estimated that the maximum potential recovery for Plaintiff's claims was $19,776,300, meaning that the $1,270,000 settlement amounted to 6.4% of the maximum potential recovery. (ECF No. 42 at 13). The Court found that this ratio was within the range of outcomes that other courts have approved, albeit on the low end. The Court also noted that there were several obstacles to Plaintiff's recovery of the maximum potential amount, including "the lack of any formal policy of denying meal and rest breaks, the need to show that Class Members did not voluntarily forego these breaks, the lack of recorded proof of the overtime and minimum wage violations, the need to show Defendants' knowledge that employees incurred business expenses, and Defendants' argument that it acted in good faith." (*Id.* at 13-14).

The Court's conclusion is unchanged for purposes of final approval. "It is well-settled law that a cash settlement amounting to only a fraction of the potential recovery does not per se render the settlement inadequate or unfair." *Officers for Just. v. Civ. Serv. Comm'n*, 688 F.2d 615, 628 (9th Cir. 1982). While the recovery rate is on the lower end, Courts in this Circuit have routinely granted final approval to class settlements with similar rates of recovery. *See, e.g.*, *Stovall-Gusman v. W.W. Granger, Inc.*, No. 13-cv-02540-HSG, 2015 WL 3776765, at *4 (N.D. Cal. June 17, 2015) (granting final approval and finding that recovery of 10% of maximum potential recovery was "within the range of reasonableness" for wage-and-hour class action); *Hubert v. Equinox Holdings, Inc.*, No. CV 21-00086 PSG (JEMx), 2024 WL 4327402, at *5 (C.D. Cal. July 22, 2024) (finding that a recovery rate of 13% of estimated damages was "well within the range for final approval"). The obstacles to a larger recovery that the Court previously identified remain equally present at the time of final approval and counsel in favor of approval. *See* (ECF No. 42 at 13-14). In addition, the fact that no Class Members have objected to the proposed Settlement also suggests that the recovery is adequate. *See* (Culver Decl. ¶ 7). Thus, the Court concludes that this factor weighs in favor of preliminary approval.

b) Effectiveness of Proposed Method of Relief Distribution

Rule 23(e) directs the Court to consider the "effectiveness of any proposed method of distributing relief to the class." Fed. R. Civ. P. 23(e)(2)(C)(ii). "[T]he goal of any distribution method is to get as much of the available damages remedy to class members as possible and in as simple and expedient a manner as possible." *Musgrove v. Jackson Nurse Pros., LLC*, No. CV 17-6565 FMO (SSx), 2022 WL 18231364, at *6 (C.D. Cal. June 24, 2022) (quoting 4 Newberg on Class Actions, § 13:53 (5th ed.)). Further, "[o]ften it will be important for the court to scrutinize the method of claims processing to ensure that it facilitates filing legitimate claims." Fed. R. Civ. P. 23(e), 2018 Advisory Comm. Notes.

The Settlement Agreement provides that individual settlement payments will be calculated by (1) calculating the total number of workweeks worked during the Class Period by each Class Member individually and by all Class Members collectively; (2) dividing the net settlement fund by the total number of work weeks and multiplying this number by each Class Member's hourly wage to calculate each employee's "workweek value"; and (3) multiplying each individual Class Member's total number of workweeks by their workweek value. (Settlement Agreement at 10). The Court previously found this formula appropriately accounted for differences in wages among Class Members, ensuring that certain segments of the Class do not receive preferential treatment. (ECF No. 42 at 14). The Court's conclusion is unchanged for purposes of this Motion. The Court finds that the proposed method of distribution is fair and adequate and weighs in favor of preliminary approval.

c) Proposed Award of Attorney's Fees

The Court must next consider the "terms of any proposed award of attorney's fees, including timing of payment." Fed. R. Civ. P. 23(e)(2)(C)(iii). In the context of a class settlement, "courts have an independent obligation to ensure that" any award of fees and costs "is reasonable, even if the parties have already agreed to an amount." *Bluetooth Headset*, 654 F.3d at 941. The Ninth Circuit has stressed that, before approving class action settlements, district courts must "scrutiniz[e] the fee arrangement for potential collusion or unfairness to the class" by analyzing three factors: (1) whether counsel "receive[d] a disproportionate distribution of the settlement"; (2) whether the parties agreed to a "clear sailing arrangement"; and (3) whether the settlement includes a "kicker" or "reverter" clause. *See Briseño v. Henderson*, 998 F.3d 1014, 1023 (9th Cir. 2021).

As discussed in greater detail below, Section IV, the Court will adjust the proposed attorney's fees award to match the benchmark rate set by the Ninth Circuit. With this change, the Court finds that there is no other potential collusion or unfairness to the Class. The Settlement Agreement establishes that any portion of the attorney's fees award rejected by the Court will be added to the net settlement amount distributed to Class Members. (Settlement Agreement at 8). The Court therefore finds that, with the modification to the attorney's fees award, this factor favors final approval.

d) Agreements Required to Be Identified Under Rule 23(e)(3)

Rule 23(e)(3) requires the parties to "file a statement identifying any agreement made in connection with the proposal." Fed. R. Civ. P. 23(e)(3). Because the parties here filed no such statement, the Court considers this factor to be neutral.

4. <u>Equitable Treatment of Class Members</u>

Lastly, Rule 23(e) requires examination of whether a proposed settlement "treats class members equitably relative to each other." Fed. R. Civ. P. 23(e)(2)(D). "Matters of concern could include whether the apportionment of relief among class members takes appropriate account of differences among their claims, and whether the scope of the release may affect class members in different ways that bear on the apportionment of relief." Fed. R. Civ. P. 23(e), 2018 Advisory Comm. Notes.

The Court previously found that this factor generally weighed in favor of preliminary approval, but it expressed some skepticism about the amounts to be paid to Plaintiff. In addition to a $5,000 class representative award, the Settlement Agreement also provides for a $10,000 "general release payment" based on Plaintiff's broader release of "known and unknown" claims against Defendants. (Settlement Agreement at 23). In initially denying preliminary approval, the Court noted that Plaintiff had not identified any claims that he might have against Defendants, such that the "$10,000 General Release Payment appears more like a supplement to the Class Representative Award than a separate payment in exchange for consideration." (ECF No. 35 at 24). On the second motion for preliminary approval, Plaintiff attested that he was waiving a wrongful termination claim with "independent value," (ECF No. 40-1 ¶ 17), and the Court granted preliminary approval but informed Plaintiff that the Court "would benefit from further information about the released claim[s], such as 'calculations reasonably justifying these amounts based on the estimated value of [the] individual claims,'" (*id.* at 16 (quoting *Parker v. Cherne Contracting Corp.*, No. 18-cv-01912-HSG, 2021 WL 5834227, at *9 (N.D. Cal. Dec. 9, 2021))).

Despite the Court's request for further information, Plaintiff has provided insufficient information about the alleged claims that he is releasing. Indeed, Plaintiff has not provided a declaration in support of the instant Motion. As the Court has previously explained, under California law, "[a] general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release." Cal. Civ. Code § 1542. Thus, for Plaintiff's general release of claims to have independent value, it must be a release of a claim that he knows or suspects to exist. On the record before the Court, there is no evidence that Plaintiff has a potential claim against Defendants beyond the claims that are the subject of this action. Thus, the additional $10,000 general release payment appears to be little more than a supplement to the $5,000 class representative award.

This Court has typically approved class representative awards of $5,000 for similar wage-and-hour class action lawsuits in which the class representative plaintiffs spent a similar amount of time and effort as Plaintiff did here. *See Estrada v. Denny's Inc.*, No. 2:22-CV-00572-SPG (AGRx), slip op. at 27 (C.D. Cal. July 29, 2024); *Ott v. Cooper Interconnect, Inc.*, No. 2:23-cv-04501-SPG-JC, 2026 WL 380024, at *8 (C.D. Cal. Jan. 9, 2026). Higher awards risk unequal treatment of class members and require additional justification, such as identifying particular risks or sacrifices made by the plaintiff. *See Bellinghausen v. Tractor Supply Co.*, 306 F.R.D. 245, 268 (N.D. Cal. 2015) (approving $15,000 payment where plaintiff lost multiple job opportunities as a result of the litigation and where plaintiff previously rejected larger individual settlement payment in favor of continuing class litigation). Plaintiff offers no factual basis to distinguish this case from the Court's usual practice. Accordingly, the Court will approve only the $5,000 class representative award and will strike the additional $10,000 general release payment. With this modification, the Court finds this factor weighs in favor of final approval.

5. Weighing the Factors

Based on the above discussion, the Court finds that, with the modifications to the class representative and attorney's fees awards, all of the factors favor granting final approval. Accordingly, the Court GRANTS final approval of the Settlement Agreement.

C. Sufficiency of Notice

For classes certified under Rule 23(b)(3), such as this one, "the court must direct to class members the best notice that is practicable under the circumstances, including individual notice to all members who can be identified through reasonable effort." Fed. R. Civ. P. 23(c)(2)(B). Rule 23(c)(2)(B) specifies that "United States mail" is one of the methods that may be used to provide notice. Fed. R. Civ. P. 23(c)(2)(B). The notice further must include certain substantive elements, stating "clearly and concisely" and "in plain, easily understood language":

(i) the nature of the action;
(ii) the definition of the class certified;
(iii) the class claims, issues, or defenses;
(iv) that a class member may enter an appearance through an attorney if the member so desires;
(v) that the court will exclude from the class any member who requests exclusion;
(vi) the time and manner for requesting exclusion; and
(vii) the binding effect of a class judgment on members under Rule 23(c)(3).

Fed. R. Civ. P. 23(c)(2)(B). Notice "is satisfactory if it generally describes the terms of the settlement in sufficient detail to alert those with adverse viewpoints to investigate and to come forward and be heard." *Churchill*, 361 F.3d at 575 (internal quotations and citation omitted).

The Court previously found the proposed form of notice met these factors. CPT now attests that, following preliminary approval, it engaged in the notice process set forth in the Settlement Agreement. CPT states that, of the approximately 1,500 notice packets sent to class members, 102 were returned by the Postal Service. (Cutler Decl. ¶ 5). CPT then conducted a skip trace and was able to re-mail all but 17 of the notice packets. (*Id.*). CPT has received only three requests for exclusion from the class and no objections to the Settlement. (Supp. Cutler Decl. ¶¶ 3-4). Based on this information, the Court reaffirms its conclusion that this form of notice was sufficient to alert class members of the pending settlement.

In addition, 28 U.S.C. § 1715(b) requires "each defendant that is participating in the proposed settlement" to "serve upon the appropriate State official of each State in which a class member resides and the appropriate Federal official, a notice of the proposed settlement." 28 U.S.C. § 1715(b). Courts may not issue final approval of a proposed settlement until "90 days after the later of the dates on which the appropriate Federal official and the appropriate State official are served with the notice." 28 U.S.C. § 1715(d). Defendants attest that they served notice on the State and Federal officials on May 12, 2025. (ECF No. 43 at 2). The Court is unaware of any objections or responses from the

State or Federal officials. Accordingly, it appears that Defendants have complied with the notice requirements of § 1715.

D. PAGA Settlement

The Court must also consider the proposed PAGA settlement. There are "fundamental differences between PAGA actions and class actions," including that "class certification is not required to pursue a PAGA representative action." *Haralson v. U.S. Aviation Servs. Corp.*, 383 F. Supp. 3d 959, 971 (N.D. Cal. 2019) (internal quotation marks, citation, and alterations omitted). The plaintiffs in a PAGA action act "as the proxy or agent of the state's labor law enforcement agencies," and any judgment "binds all those who would be bound by an action brought by the government, *including* nonparty employees." *O'Connor v. Uber Techs., Inc.*, 201 F. Supp. 3d 1110, 1133 (N.D. Cal. 2016) (citation omitted). "[B]ecause a settlement of PAGA claims compromises a claim that could otherwise be brought by the state, the PAGA provides that 'court[s] shall review and approve any settlement of any civil action filed pursuant to [PAGA].'" *Ramirez v. Benito Valley Farms, LLC*, No. 16-CV-04708-LHK, 2017 WL 3670794, at *2 (N.D. Cal. Aug. 25, 2017) (quoting Cal. Lab. Code § 2699(s)(2)). While the statute does not specify the applicable standard for reviewing PAGA settlements, "a number of district courts have applied a Rule 23-like standard, asking whether the settlement of the PAGA claims is fundamentally fair, adequate, and reasonable in light of PAGA's policies and purposes." *Haralson*, 383 F. Supp. 3d at 972 (internal quotation marks and citation omitted).

As the Court previously found in granting preliminary approval, the PAGA settlement is fair, adequate, and reasonable. The Settlement Agreement allocates $100,000 to the PAGA claim, with 75% of that total being paid to the California LWDA and 25% to individual PAGA Members based on their share of the total PAGA pay periods. Plaintiff estimated a total potential recovery of $2,000,000 on this claim, meaning that the $100,000 payment amounts to 5% of the maximum potential PAGA liability and approximately 7.9% of the total proposed settlement. As the Court previously found, both of these recovery ratios are within the range of rates that courts have previously approved. *See* (ECF No. 42

at 19). Furthermore, the concurrent Rule 23 class settlement provides "fair compensation to the class members as employees" and therefore has a "deterrent effect upon the defendant employer and other employers, an objective of PAGA." *O'Connor*, 201 F. Supp. 3d at 1134 (applying a "sliding scale" approach to evaluate PAGA settlements made in conjunction with class settlements and stating that "if the settlement for the Rule 23 class is robust, the purposes of PAGA may be concurrently fulfilled"). Finally, the LWDA has not commented on or opposed the proposed settlement. *See Martinez v. Semi-Tropic Coop. Gin & Almond Huller, Inc.*, No. 1:19-cv-1581 JLT CDB, 2023 WL 3569906, at *22 (E.D. Cal. May 19, 2023) ("The fact that the LWDA has not commented upon—or objected to—the settlement supports final approval."). Accordingly, the Court finds that approval of the PAGA settlement is appropriate.

IV. FEES MOTION

Finally, the Court turns to Plaintiff' Fees Motion. In the Motion, Plaintiff's Counsel seeks an award of one-third of the gross settlement fund, amounting to $423,333. (Fees Mot. at 10). Plaintiff's Counsel argues that this award is reasonable under both California and Ninth Circuit precedent. (*Id.* at 12-16). Further, Plaintiff's Counsel argues that this award is appropriate given the results of the settlement, the contingent risk assumed in bringing this case, and Plaintiff's Counsel's skill and experience in litigating wage-and-hour class actions. (*Id.* at 17-20). Plaintiff's Counsel also argues that a lodestar cross-check confirms that the requested fees are fair and reasonable. (*Id.* at 20-25). Finally, Plaintiff's Counsel also seeks reimbursement for $7,948.92 in costs incurred in bringing this action. (*Id.* at 25-26).

Awards of attorney's fees in class action cases are governed by Federal Rule of Civil Procedure 23(h), which provides that, after a class has been certified, the court may award reasonable attorney's fees and nontaxable costs. Attorney's fees and costs "may be awarded in a certified class action where so authorized by law or the parties' agreement." *Bluetooth Headset*, 654 F.3d at 941. "Under Ninth Circuit law, the district court has discretion in common fund cases to choose either the percentage-of-the-fund or the lodestar method." *Vizcaino v. Microsoft Corp.*, 290 F.3d 1043, 1047 (9th Cir. 2002). Plaintiff here proposes use of the percentage-of-the-fund method, with the lodestar as a form of cross-check. *See* (Fees Mot. at 14-15). In the absence of any objection from other Class Members, the Court will evaluate the reasonableness of the attorney's fees under the percentage-of-the-fund method.

Under the percentage-of-the-fund method, the Court may award a flat percentage of the gross settlement fund in attorney's fees in order to provide "reasonable compensation" to the attorneys. *Paul, Johnson, Alston & Hunt v. Graulty*, 886 F.2d 268, 272 (9th Cir. 1989). The Ninth Circuit has "established 25% of the common fund as a benchmark award for attorney fees." *Hanlon*, 150 F.3d at 1029. This benchmark "can then be adjusted upward or downward to account for any unusual circumstances," but "[i]f such an adjustment is warranted . . . it must be made clear by the district court how it arrives at the figure ultimately awarded." *Paul, Johnson, Alston & Hunt*, 886 F.2d at 272.

From the Court's review of the case, there are no "unusual circumstances" that would justify a heightened award. *See In re Omnivision Techs., Inc.*, 559 F. Supp. 2d 1036, 1046 (N.D. Cal. 2008) (listing as relevant factors "(1) the results achieved; (2) the risk of litigation; (3) the skill required and the quality of work; (4) the contingent nature of the fee and the financial burden carried by the plaintiffs; and (5) awards made in similar cases"). First, while the $1,270,000 settlement is significant, it is not an unusual or exceptional result for this type of case. Moreover, the recovery rate of 6.4% of the maximum potential recovery is "on the lower end of the recovery achieved in other wage and hour class action settlements." *Correa v. Zillow, Inc.*, No. 8:19-cv-00921-JLS-DFM, 2021 WL 4925394, at *5 (C.D. Cal. June 14, 2021) (discussing "settlement that represents approximately 13.75% of [the defendant's] total exposure"); *see also Balderas v. Massage Envy Franchising, LLC*, No. 12-cv-06327 NC, 2014 WL 3610945, at *5 (N.D. Cal. July 21, 2014) (noting that 8% recovery rate was "especially low").

Second, while Plaintiff faced some risks in continuing with the litigation—including the possibility that class certification would be denied or that Defendants' affirmative defenses would prove successful—Plaintiff has not identified any risks particular to this case that exceed or differ from similar wage-and-hour class action cases. *See Correa*, 2021 WL 4925394, at *5 (declining upward adjustment where "this action posed risks similar to those in most wage and hour class actions").

Third, while the Court does not doubt Plaintiff's Counsel's skill and experience, the Court notes that proceedings in this litigation were extended because the initial preliminary approval motion lacked sufficient analysis of the claims. *See* (ECF No. 35 at 24-25 (discussing deficiencies in initial preliminary approval motion)). The Court further notes that the instant Final Approval Motion did not include a supplemental declaration from Plaintiff, despite the Court specifically requesting this information. Aside from the settlement approval motions, Plaintiff's Counsel has not had occasion to exercise exceptional skill in this case, which settled prior to significant discovery or any motion practice. *See Bravo v. Gale Triangle, Inc.*, CV 16-03347 BRO (GJSx), 2017 WL 708766, at *15 (C.D. Cal. Feb. 16, 2017) (awarding benchmark fees where "settlement was reached . . . after two mediations and before the case had reached class certification or otherwise participated in motion practice").

Fourth, while Plaintiff's Counsel did take this case on a contingent basis, there was no immense financial burden since the case settled less than ten months after filing, without any motion practice whatsoever. *See* (ECF Nos. 1-1, 26). By itself, the fact that Plaintiff's Counsel relied on a contingency fee supports only "an award of the 25 percent benchmark, it does not support an increase above that benchmark." *Hermosillo v. Davey Tree Surgery Co.*, No. 18-CV-00393-LHK, 2021 WL 2826697, at *4 (N.D. Cal. July 7, 2021).

Finally, courts in this Circuit have routinely awarded the benchmark rate for similar California wage-and-hour class action suits. *See, e.g.*, *Bravo*, 2017 WL 708766, at *16; *Correa*, 2021 WL 4925394, at *7; *Vigil v. Hyatt Corp.*, No. 22-cv-00693-HSG, 2024 WL 2137640, at *8 (N.D. Cal. May 13, 2024); *Camilo v. Ozuna*, No. 18-cv-02842-VKD, 2020 WL 1557428, at *9-10 (N.D. Cal. Apr. 1, 2020). The Court therefore sees no reason to depart from the benchmark under the facts of this case.

A comparison to the lodestar method does not change the Court's conclusion. As the Ninth Circuit has explained, courts may apply the lodestar method as a "cross-check" on the reasonableness of the percentage-of-the-fund method. *Vizcaino*, 290 F.3d at 1050. The lodestar is "calculated by multiplying the number of hours the prevailing party reasonably expended on the litigation (as supported by adequate documentation) by a reasonable hourly rate for the region and for the experience of the lawyer." *Bluetooth Headset*, 654 F.3d at 941. Courts may then adjust the lodestar figure up or down by an appropriate multiplier to reflect "a host of 'reasonableness' factors, including the quality of representation, the benefit obtained for the class, the complexity and novelty of the issues presented, and the risk of nonpayment." *Id.* at 941-42 (internal quotation marks omitted).

Here, Plaintiff's Counsel attests that it spent a total of 276.4 hours litigating this case. (Perez Fees Decl. ¶ 21). Multiplying this number by hourly rates ranging from $500–$1,050, Plaintiff's Counsel estimates that the appropriate lodestar recovery is $221,027.50. (*Id.*; Fees Mot. at 21). Plaintiff's Counsel suggests that it is appropriate to apply a multiplier of 1.92 times to reach the requested $423,333 award.

Taking these numbers as true, the Court is not convinced that the lodestar figure favors an award beyond the 25% benchmark. The $423,333 fee award sought by Plaintiff's Counsel would amount to a 1.92 times multiplier, while the 25% benchmark award would result in a 1.44 times multiplier. Both of these multipliers are within the range of rates typically approved within this Circuit. *See Vizcaino*, 290 F.3d at 1051 n.6 (citing study finding a range of 0.6-19.6, with most cases "from 1.0-4.0 and a bare majority . . . in the 1.5-3.0 range"); *Omnivision Techs.*, 559 F. Supp. 2d at 1048 ("[C]ourts have approved multipliers ranging between 1 and 4."). Thus, the lodestar demonstrates only that the Court has discretion to choose either of the proposed fee awards. Given the factors discussed above—including that the recovery here is on the lower end of recoveries for similar wage-and-hour class action suits and that this case settled at an early stage of litigation—the Court is not persuaded that the higher multiplier is appropriate. *See Vizcaino*, 290 F.3d at

1050 ("Where [the lawyers'] investment is minimal, as in the case of an early settlement, the lodestar calculation may convince a court that a lower percentage is reasonable."). The Court also notes that the lodestar calculation is somewhat inflated by the need to file two preliminary approval motions, which was necessitated by avoidable deficiencies in the initial filing. *See* (ECF No. 35 at 24-25). Accordingly, the Court will award the 25% benchmark rate. Based on the total settlement award of $1,270,000, this amounts to an award of $317,500 in attorney's fees. Under the terms of the Settlement Agreement, the excess funds will be returned to the net settlement fund and distributed to Class Members. *See* (Settlement Agreement at 8).

As to costs, Plaintiff's Counsel seeks to recover $7,948.92 that it expended on this litigation. (Perez Fees Decl. ¶ 26). These costs include printing, court fees, service fees, delivery costs, research expenses, and mediation fees. (*Id.*). Each of these costs is of the type ordinarily recoverable by a prevailing party, and the amount sought does not raise any concerns. Based on the evidence put forth by Plaintiff's Counsel and the lack of opposition from any Class Members, the Court agrees that Plaintiff's Counsel is entitled to recover these costs.

V. CONCLUSION

For the foregoing reasons, the Court:

1. GRANTS Plaintiff's Motion for Final Approval of Class Action and PAGA Settlement and approves settlement of the action between Plaintiff and Defendants, as set forth in the Settlement Agreement, as fair, just, reasonable, and adequate. The parties are directed to perform their Settlement Agreement in accordance with its terms, except as modified by this Order;
2. CERTIFIES the Settlement Class, as described in Section I.C.1, for settlement purposes only;
3. APPOINTS Plaintiff Edwin Mejia as the Class Representative and GRANTS a class representative award of $5,000. For the reasons stated herein, the Court DENIES the additional $10,000 general release payment;

4. APPOINTS Attorneys Raul Perez, Robert J. Drexler, and Jonathan Lee of Capstone Law APC as Class Counsel and GRANTS a reduced award of $317,500 in attorney's fees and $7,948.92 in costs; and

5. APPOINTS CPT Group, Inc., as the Settlement Administrator and GRANTS an award of $15,500.00 in settlement administration expenses.

No later than fourteen (14) days from the date of this Order, Plaintiff's Counsel shall submit to the Court a proposed judgment consistent with this Order.

IT IS SO ORDERED.

DATED: June 4, 2026

HON. SHERILYN PEACE GARNETT
UNITED STATES DISTRICT JUDGE