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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO**

JOSE VALDIVIA, as an individual and
on behalf of all others similarly situated,

Plaintiff,

vs.

PADILLA CONSTRUCTION
COMPANY, a California corporation; and
DOES 1 through 100, inclusive,

Defendants.

Case No.: 37-2024-00016674-CU-OE-CTL

[Assigned for all purposes to the Hon. Loren G.
Freestone, Dept. C-64]

**PROPOSED ORDER AND JUDGMENT
GRANTING PLAINTIFF'S MOTION
FOR SETTLEMENT APPROVAL OF
CLAIMS BROUGHT UNDER THE
PRIVATE ATTORNEYS GENERAL ACT
AND REASONABLE ATTORNEYS'
FEES, COSTS, AND ENHANCEMENT
AWARD**

Date: March 27, 2026
Time: 10:30 a.m.
Dept.: C-64

Complaint Filed: April 9, 2024
Trial Date: None Set

**PROPOSED ORDER AND JUDGMENT GRANTING PLAINTIFF'S MOTION FOR SETTLEMENT APPROVAL OF
CLAIMS BROUGHT UNDER THE PRIVATE ATTORNEYS GENERAL ACT AND REASONABLE ATTORNEYS'
FEES, COSTS, AND ENHANCEMENT AWARD**

1 This matter came on regularly for hearing before this Court on March 27, 2026 at 10:30 a.m.
2 Having considered the Parties' PAGA Settlement Agreement ("Settlement"), the documents and
3 evidence presented in support thereof, and recognizing the disputed factual and legal issues involved
4 in this case, the risks of further prosecution, protracted litigation, and costs and expenses associated
5 therewith, the substantial benefits to be received by the State of California and the Aggrieved
6 Employees pursuant to the Settlement, the fair, reasonable, and adequate nature of the settlement
7 obtained as a result of good faith arm's-length negotiations between the parties, the Court hereby makes
8 a final ruling that the settlement is approved pursuant to Labor Code § 2699(l). Good cause appearing
9 therefor, the Court hereby GRANTS Plaintiff's Motion for Settlement Approval of Claims brought
10 under the Private Attorneys General Act and Reasonable Attorneys' Fees, Costs, and Enhancement
11 Award and ORDERS as follows:

- 12 1. The "Aggrieved Employees" shall be defined as:¹

13 All current and former hourly, non-exempt employees of Defendant
14 Padilla Construction Company who worked in California at any time
15 from April 9, 2023 through the date the Court grants approval of the
16 settlement.

- 17 2. The "PAGA Period" means the time period from April 9, 2023 through the date the
18 Court grants approval of the settlement.

- 19 3. The Court hereby approves the Settlement as set forth in the Settlement as fair,
20 reasonable, and adequate, and directs the parties to effectuate the Settlement according to the terms of
21 the Settlement.

- 22 4. The Court orders that Padilla Construction Company (Defendant") shall deposit the
23 Gross Settlement Amount of Two Hundred Eighty Thousand Dollars and Zero Cents (\$280,000.00) to
24 the Settlement Administrator.²

25 ¹ All terms and definitions set forth in the Settlement Agreement are incorporated by reference into this Order.

26 ² Based on its records, Defendant estimates that, as of January 21, 2025, there were 13,327 PAGA Pay Periods from April
27 9, 2023 through January 21, 2025. In the event that the final number of PAGA Pay Periods during the PAGA Period exceeds
28 14,660 PAGA Pay Periods, Defendant agrees to increase the GSA on a proportional basis equal to the percentage increase
in the number of pay periods worked by the PAGA Period above the 10%. See Settlement, Sec. III.3.

1 5. The Court hereby approves, as to form and content, the Notice of PAGA Settlement and
2 Release of Claims attached to the Declaration of Scott M. Lidman as **Exhibit 4**, and attached to this
3 Order and Judgment as **Exhibit A**.

4 6. The Court hereby appoints Phoenix Settlement Administrators as Settlement
5 Administrator.

6 7. Within thirty (30) days after the Effective Date, the date in which entry of an order by
7 the Court approving the Settlement, Defendant shall provide the Settlement Administrator with
8 information for Aggrieved Employees. Defendant will in good faith compile from its records a list of
9 Aggrieved Employees that will be in a computer-readable format, such as a Microsoft Excel
10 spreadsheet, and shall include each Aggrieved Employee's full name, last known mailing address,
11 phone number, Social Security number, and the dates of employment during the PAGA Period.

12 8. Within ten (10) days of Defendant fully funding the Gross Settlement Amount, the
13 Settlement Administrator will calculate PAGA payment for each Aggrieved Employee and provide the
14 same to the Parties for review and approval. The Settlement Administrator shall also determine
15 whether the Escalator Clause in Section 3.E. of the Settlement has been triggered. The Settlement
16 Administrator shall obtain approval from all counsel for all Parties of the calculations before mailing
17 Individual Settlement Payments. Within seven (7) days of receiving approval from counsel of the
18 payment calculations, Phoenix Settlement Administrators is directed to mail the Individual Settlement
19 Payments and the Notice of Settlement to the Aggrieved Employees. A true and correct copy of the
20 proposed Notice agreed upon by the Parties to be mailed to the Aggrieved Employees is attached hereto
21 as **Exhibit A**.

22 9. The Court finds that attorneys' fees in the total amount of \$93,333.33 for Lidman Law,
23 APC and Haines Law Group, APC ("Plaintiff's Counsel"), and reimbursement of litigation costs in the
24 amount of \$11,356.92 to Plaintiff's Counsel are fair, reasonable, and adequate, and orders that the
25 Settlement Administrator distribute these payments to Plaintiff's Counsel as provided for in the
26 Settlement. Within seven (7) days of receiving approval from counsel of the payment calculations as
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provided for in Paragraph 8 above, Phoenix Settlement Administrators is directed to distribute to Plaintiff's counsel the Court-approved attorneys' fees and costs.

10. The Court orders that the Settlement Administrator shall be paid \$5,500.00 for all of its work done and to be done until the completion of this matter and finds that sum appropriate.

11. The Court finds that enhancement award/general release payment of \$7,500.00 to Plaintiff Jose Valdivia, is fair and reasonable in recognition of the unique contributions he has made, the risks he undertook on behalf of the Aggrieved Employees and the State of California. Within seven (7) days of receiving approval from counsel of the payment calculations as provided for in Paragraph 8 above, the Settlement Administrator is directed to distribute to Plaintiff the Court-approved enhancement award.

12. The Court finds that the amount from the Gross Settlement Amount remaining after deductions for: (i) Plaintiff's Counsel's attorneys' fees and costs, (ii) enhancement award to Plaintiff; and (iii) Settlement Administrator fees, the ("Net Settlement Amount") which is \$162,309.75 shall be distributed as follows: 75% or \$121,732.31 shall to be paid to the California Labor and Workforce Development Agency ("LWDA") and 25% or \$40,577.44 to be distributed to the Aggrieved Employees *pro rata* based on the proportional number of pay periods worked by each Aggrieved Employee during the PAGA Period, as provided for in the Settlement. The Court finds that these amounts and the distribution formula as set forth in the Settlement are fair, adequate, and reasonable, and orders that payment be made to the LWDA and Aggrieved Employees in accordance with the terms of the Settlement.

13. The Court hereby approves the limited scope of the release as set forth in the Settlement. Specifically, following entry of this Order and Final Judgment, the State of California, and all Aggrieved Employees release Defendant released and discharged Defendant Padilla Construction Company and its past and present corporate affiliates, subsidiaries, divisions, related entities, divested business and business units, and the board members, officers, employees, agents, representatives, insurers and attorneys (collectively, the "Released Parties") from any and civil penalties available under PAGA based on the facts alleged in the Action and alleged in the letters to the LWDA dated

1 April 9, 2024 and June 14, 2024. This includes claims for (1) failure to pay all overtime compensation
2 earned; (2) failure to pay the statutory minimum wage for all hours worked; (3) failure to pay the
3 prevailing rate of per diem wages; (4) failure to provide all legally required meal periods and failed to
4 pay meal period premiums; (5) failure to provide all legally required and paid rest periods and failed
5 to pay rest period premiums; (6) failure to reimburse for all necessary business expenditures incurred
6 in the discharge of duties; (7) failure to pay all earned wages at least twice during each calendar month;
7 (8) failure to maintain accurate records; and (9) issuance of inaccurate wage statements ("PAGA
8 Released Claims").

9 14. In his capacity as a Private Attorney General or "aggrieved employee" acting on behalf
10 of himself, the State of California, and Aggrieved Employees, and in consideration of the enhancement
11 award awarded to him, Plaintiff releases Defendant and Released Parties from any and all of the PAGA
12 Released Claims that arose during the PAGA Period.

13 15. Upon entry of this Final Order and Judgment, the Court permanently enjoins and forever
14 bars Plaintiff and the Aggrieved Employees from instituting or prosecuting any action, claim, cause of
15 action, and/or issue against the Released Parties which was and/or were resolved as part of the
16 Settlement. Without affecting the finality of this Final Order and Judgment in any way, the Court
17 retains jurisdiction to enforce the terms of the Settlement.

18 16. Plaintiff shall file a declaration confirming the final distribution of funds on or before
19 12/1/2026, ~~2025~~.

20 **IT IS SO ORDERED.**

21 Dated: 3/27/2026, 2025

22 By: 
23 Honorable Loren G. Freestone
24 Judge of the Superior Court
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EXHIBIT A

NOTICE OF PAGA SETTLEMENT AND RELEASE OF CLAIMS

Jose Valdivia v. Padilla Construction Company

Superior Court of California, County of San Diego Case No. 37-2024-00016674-CU-OE-CTL

<<Name>>

<<Address>>

<<City>>, <<State>> <<Zip Code>>

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I. NOTICE OF PAGA SETTLEMENT

The San Diego County Superior Court (the “Court”) has approved a settlement in the above-captioned action filed by Jose Valdivia (“Plaintiff”) on behalf of himself and all other aggrieved employees.

In this lawsuit, Plaintiff sought to recover civil penalties for alleged violations of the California Labor Code on behalf of the California Labor and Workforce Development Agency (“LWDA”) and other aggrieved employees under the California Private Attorneys General Act (the “PAGA”). These civil penalties are based on Plaintiff’s allegations that Defendant Padilla Construction Company (“Defendant”): (1) failed to pay all overtime compensation earned; (2) failed to pay the statutory minimum wage for all hours worked; (3) failed to pay the prevailing rate of per diem wages; (4) failed to provide all legally required meal periods and failed to pay meal period premiums; (5) failed to provide all legally required and paid rest periods and failed to pay rest period premiums; (6) failed to reimburse for all necessary business expenditures incurred in the discharge of duties; (7) failed to pay all earned wages at least twice during each calendar month; (8) failed to maintain accurate records; and (9) issued inaccurate wage statements, and as a result is liable for civil penalties under the PAGA.

The Court has **not** made a determination about the merits of Plaintiff’s claims. This Notice is not to be understood as an expression of any opinion by the Court as to the merits of Plaintiff’s claims.

Defendant denies all of Plaintiff’s claims and allegations. It maintains that it was in compliance with the California Labor Code at all times and entered into the Settlement with no admission of liability and solely for the purposes of compromising and settling the action to avoid the cost and operational burden of continued litigation.

You are receiving this Notice because you are in the group of employees referred to as “Aggrieved Employees,” which is defined as: “all current and former hourly, non-exempt employees of Defendant Padilla Construction Company who worked in California at any time from April 9, 2023 through **[INSERT DATE OF APPROVAL]**.”

II. INDIVIDUAL PAGA PAYMENT

Each individual PAGA payment was calculated on a pro rata basis (*i.e.*, proportional) based on the number of pay periods worked by each Aggrieved Employee in the PAGA Period. Your individual PAGA payment has been calculated at **\$[AMOUNT PAID TO THIS EMPLOYEE]**. Your payment is enclosed with this Notice.

Please Note: One hundred percent (100%) of your Individual PAGA Payment under this Settlement will be considered penalties reported on an IRS Form 1099, and may be subject to local, state, or federal tax withholdings and will be reported to the IRS and state tax authorities. You should rely on your own tax advisors as to the tax

consequences, if any, of your individual PAGA payment. Neither Plaintiff nor Defendant has made any representations or warranties regarding the taxation of your Individual PAGA payment. Nothing within this notice or any other communication shall constitute or be construed or relied upon as tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended).

III. RELEASE

The Court has approved the Parties' Settlement Agreement ("Settlement"). By operation of the Settlement's terms, Plaintiff, the State of California and all Aggrieved Employees, including you, have released and discharged Defendant Padilla Construction Company and its past and present corporate affiliates, subsidiaries, divisions, related entities, divested business and business units, and the board members, officers, employees, agents, representatives, insurers and attorneys (collectively, the "Released Parties") from any and civil penalties available under PAGA based on the facts alleged in the Action and alleged in the letters to the LWDA dated April 9, 2024 and June 14, 2024. This includes claims for (1) failure to pay all overtime compensation earned; (2) failure to pay the statutory minimum wage for all hours worked; (3) failure to pay the prevailing rate of per diem wages; (4) failure to provide all legally required meal periods and failed to pay meal period premiums; (5) failure to provide all legally required and paid rest periods and failed to pay rest period premiums; (6) failure to reimburse for all necessary business expenditures incurred in the discharge of duties; (7) failure to pay all earned wages at least twice during each calendar month; (8) failure to maintain accurate records; and (9) issuance of inaccurate wage statements ("PAGA Released Claims"). The time period for the release of PAGA Released Claims against the Released Parties is the time period between April 9, 2023 and [the date the court enters an order approving the settlement].

Upon entry of the Order approving the Settlement, any Aggrieved Employee covered by this Agreement (including you) will be barred from proceeding against Defendant with any of the PAGA Released Claims released by this Settlement, which means claims for civil penalties, but not claims for unpaid wages or statutory penalties recoverable under the Labor Code and/or Wage Orders for the violations alleged in this Lawsuit.

IV. SETTLEMENT ADMINISTRATOR

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

You may call the Settlement Administrator, Phoenix Settlement Administrators at [ADMINISTRATOR INFO] with any questions.

Settlement checks will be void 180 days after issuance if not deposited or cashed. In such event, the Settlement Administrator shall direct all unclaimed funds to the California State Controller's Office under the unclaimed property laws in the name of the Aggrieved Employee to whom the check was issued. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.