ORDER ON SUBMITTED MATTER

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SANTA CLARA

WAYNE HERBERT CHARLES, an individual, on behalf of himself and others similarly situated, Plaintiff, v. ADVANCED CHEMICAL TRANSPORT LLC dba ACTENVIRO, a California limited liability company; IQ PERSONNEL, INC., a California stock corporation; and DOES 1 through 50, inclusive, Defendants.	Case No. 24CV435308 **ORDER GRANTING MOTION FOR PRELIMINARY APPROVAL OF SETTLEMENT**

This matter came on for hearing before the Honorable Shella Deen on November 4, 2026, at 1:30 p.m. in Department 8. Having reviewed and considered the written submissions filed by the parties and having listened carefully to any arguments of counsel at the hearing, the Court now issues its order after hearing as follows.

This coordinated putative class and representative action arises from alleged wage-and-hour violations. In their operative Consolidated Class and Representative Action Complaint

against Advanced Chemical Transport, LLC ("ACT") and IQ Personnel, Inc. ("IQ") (collectively, "Defendants"), Wayne Herbert Charles and Latrell Williams ("Plaintiffs") contend that Defendants failed to pay minimum, straight-time, and overtime wages; furnish compliant meal and rest periods; pay wages timely during employment and upon separation; provide accurate itemized wage statements; keep required payroll records; reimburse necessary business expenses; and provide paid sick leave. Plaintiffs also seek related civil penalties under the Private Attorneys General Act ("PAGA").

Plaintiffs move for preliminary approval of the parties' settlement; the motion is unopposed. The court heard the motion on August 12, 2026, continued the matter to allow a supplemental showing, and instructed Plaintiffs to address the deficiencies identified in the tentative ruling adopted that day. Plaintiffs thereafter filed supplemental briefing, an amended declaration from class counsel, supplemental declarations from each Plaintiff, a fully executed Amendment to the settlement agreement, and a revised class notice. As explained below, the supplemental materials remedy the identified deficiencies. The court GRANTS preliminary approval and sets a final approval hearing for May 12, 2027 at 1:30 p.m. in Department 19.

I. LEGAL STANDARD

A trial court has broad discretion to decide whether a settlement is fair and reasonable, notice to the class is adequate, certification is appropriate, and the requested attorney-fee award is proper. (*Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 234-235, disapproved on other grounds by *Hernandez v. Restoration Hardware, Inc.* (2018) 4 Cal.5th 260.) The central inquiry is the merits strength of the plaintiffs' claims in comparison with the settlement amount. (*Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 130.) The record must allow the court to understand the amount in controversy and the realistic range of outcomes; counsel's assurance of fairness cannot substitute for that evidentiary showing. (*Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785, 799-801; *Kullar*, *supra*, at pp. 129-130.)

A trial court also must review and approve a settlement of a PAGA action. (Lab. Code, § 2699, subd. (s)(2).) To protect the public and the LWDA's interests in enforcing state labor laws, the court must independently determine that the PAGA settlement is fair and reasonable. (*Moniz*

v. Adecco USA, Inc. (2021) 72 Cal.App.5th 56, 76-77.) PAGA settlements may be heavily discounted, and courts frequently exercise discretion to impose penalties below the statutory maximum. (*Carrington v. Starbucks Corp.* (2018) 30 Cal.App.5th 504, 529 (*Carrington*); *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1213.)

II. DISCUSSION

A. Provisions of the Settlement

The settlement resolves claims for the following class:

All current and former non-exempt employees who were direct-hire employees of Advanced Chemical Transport in California at any time between April 15, 2020 and the date that the Court grants preliminary approval of class action settlement; and all current and former non-exempt employees of IQ Personnel, Inc. who placed to work at Advanced Chemical Transport in California at any time between April 15, 2020 and the date that the Court grants preliminary approval of class action settlement.

(Declaration of Evan S. Gaines ("Gaines Decl."), Ex. B ("Agreement"), ¶ 1.5.) The settlement further encompasses a subset of Aggrieved Employees: the same non-exempt employees who worked during the PAGA Period, from April 15, 2023 through the preliminary-approval date. (Agreement, ¶¶ 1.4, 1.31.) Defendants estimate that 736 Class Members worked about 75,000 workweeks and that 553 Aggrieved Employees worked about 23,000 PAGA pay periods. (Agreement, ¶ 4.1.)

Defendants will pay a non-reversionary gross settlement amount of $2,029,500. This sum includes attorney fees of up to one-third of the gross settlement ($676,500), litigation costs of up to $40,000, settlement-administration costs of up to $10,500, and $160,000 allocated to PAGA. Of that PAGA allocation, 75 percent ($120,000) will go to the LWDA and 25 percent ($40,000) will be distributed to Aggrieved Employees as individual PAGA payments. (Agreement, ¶¶ 3.1-3.2.5.) The 75/25 allocation follows Labor Code section 2699, subdivision (i), as it existed when Plaintiffs gave their April 2024 PAGA notices, before the 2024 amendments imposed a 65/35 allocation for later-noticed cases. After these deductions, an estimated net settlement fund of about $1,142,500 will be distributed pro rata to approximately 736 Class Members based on workweeks

worked, without a claim form. (Supp. Brief, p. 3:27-28; Agreement, ¶¶ 1.28, 3.2.4.) The anticipated average class payment is about $1,552, and the anticipated average individual PAGA payment is about $72. No service payment is requested; section II.C below addresses the two named Plaintiffs' separate individual settlements.

For tax reporting, 20 percent of each individual class payment will be designated wages and reported on Form W-2; the remaining 80 percent will be designated interest, penalties, and reimbursements and reported on Form 1099. Individual PAGA payments will be reported entirely on Form 1099. (Agreement, ¶¶ 3.2.4.1, 3.2.5.1.) Defendants will separately pay the employer share of payroll taxes in addition to the gross settlement amount. (Agreement, ¶ 3.1.) The net settlement fund retains and redistributes pro rata the shares otherwise attributable to Class Members who opt out. (Agreement, ¶ 3.2.4.2.) Apex Class Action Administration ("Apex") will act as the neutral administrator, with costs capped at $10,500. (Agreement, ¶¶ 1.2, 1.3.) The court previously found Apex's declaration sufficient as to competency, data security, insurance, and the absence of relationships with the parties or counsel; the court appoints Apex as settlement administrator.

The court's August 12, 2026 ruling identified two categories of deficiencies in the settlement's operative provisions. The Amendment cures both. First, the court concluded that the original provision directing funds from uncashed checks to the California State Controller's Unclaimed Property Fund did not satisfy Code of Civil Procedure section 384. The Amendment removes that provision and names Bay Area Legal Aid, a nonprofit providing free civil legal services to indigent persons, as the recipient of funds from uncashed and cancelled checks. (Amendment, § I.B; Gaines Supp. Decl., ¶ 32.) Counsel represents that neither the parties nor counsel have any relationship with that organization. The designation complies with section 384, and the court finds the provision adequate, subject to its later determination of any unpaid residue at or after final approval.

The court also identified several drafting defects in the releases, all of which the Amendment addresses. It substitutes the defined "Class Period" and "PAGA Period" for the undefined "Class Release Period" and "PAGA Release Period" in sections 5.2, 5.3, and 8; revises section 5.3 so that the PAGA release covers only claims that accrued during the PAGA Period;

removes from both releases the language releasing claims that "reasonably could have been alleged based on facts ascertained during the Action"; and clarifies that the section 1.14 reference to payments "from the Net Settlement Amount" refers to Plaintiffs' pro rata individual class payments, not their separate individual settlement payments. (Amendment, § I.A-E.) As amended, the releases substantially track the pleaded violations and the facts alleged in the operative complaint and PAGA notices, and they are suitably tailored to that pleading. (See *Amaro v. Anaheim Arena Management, LLC* (2021) 69 Cal.App.5th 521, 538.) Amended section 8 likewise makes the PAGA Period end on the same date as the Class Period. Thus, if Defendants use the workweek escalator to end the Class Period early, the PAGA release will narrow correspondingly. (Amendment, § I.F.) Amended section 5.3 still redundantly refers twice to claims accruing during the PAGA Period, but this repetition is immaterial because the two clauses now agree.

Only Plaintiffs provide a general release and waive rights under Civil Code section 1542, and they do so in their separate individual settlement agreements, as discussed further below. Those individual releases expressly exclude the claims asserted in this action. (Amendment, § I.C.)

B. Fairness of the Settlement

Before mediation, Defendants produced employment policies, Plaintiffs' personnel information, and samples of time and payroll records. Class counsel analyzed those materials in preparing a damages model. (Gaines Decl., ¶ 15; Gaines Supp. Decl., ¶¶ 2, 13-23.) The parties reached the settlement during a full-day mediation with wage-and-hour mediator Brandon McKelvey, Esq., on August 20, 2025. (Gaines Decl., ¶ 16; Declaration of Alvin B. Lindsay, ¶ 6.)

The court's main concern on August 12, 2026 was that the moving papers provided claim-specific maximum amounts but omitted total exposure, a risk-adjusted valuation, and percentages; several of the largest figures also appeared in truncated form. The supplemental submission fixes each problem. Class counsel now provides corrected figures, explains the discounts used for each claim, and supplies the resulting percentages. The court has reviewed the calculations and finds them internally consistent. (Gaines Supp. Decl., ¶¶ 13-23 and table.)

The maximum exposure as pleaded is about $30,408,300. That amount assumes a 100 percent rest-period violation rate. Because rest periods need not be recorded, counsel uses the 49.6

percent meal-period violation rate reflected in Defendants' time data as the most reasonable available proxy. That approach lowers the rest-period claim from about $10,469,239 to about $5,192,743, producing a realistic maximum exposure of about $19,104,804. (Gaines Supp. Decl., ¶¶ 14, 17.) Counsel then applies discounts reflecting the probability of certification and the probability of success on the merits, resulting in a risk-adjusted value of about $4,376,945. (*Id.* at ¶¶ 18-23.)

Against these measures, the $2,029,500 gross settlement equals about 6.7 percent of the maximum pleaded exposure, 10.6 percent of the realistic maximum exposure, and 46.4 percent of the risk-adjusted value. The $1,142,500 net settlement equals about 5.3 percent of the maximum pleaded class exposure, 6.8 percent of the realistic maximum class exposure, and 30 percent of the risk-adjusted class value. (Gaines Supp. Decl., ¶ 23.) A recovery approaching one-half of the case's risk-adjusted value, achieved without the delay and uncertainty of contested certification, trial, and appeal, falls within the range of reasonableness. (See *Wershba*, supra, 91 Cal.App.4th at p. 250.) The record now permits the independent reasonableness review required by *Kullar* and *Clark*, and the settlement falls within the range appropriate for approval.

The parties allocate $160,000 of the gross settlement to PAGA penalties. (Agreement, ¶ 3.2.5.) Class counsel now independently supports that allocation. The $8,702,000 PAGA figure in the moving papers assumed stacked penalties across Labor Code provisions. Using one initial-violation penalty for each of approximately 23,000 PAGA pay periods produces an unstacked maximum of $2,300,000. Counsel does not apply an enhanced penalty for subsequent violations because Defendants had not previously received notice from the Labor Commissioner or a court that they were violating the Labor Code. (Gaines Supp. Decl., ¶ 24; *Amaral*, *supra*, 163 Cal.App.4th at p. 1209.) After applying a 50 percent merits discount and a 50 percent discretionary reduction, counsel values the PAGA claims at about $575,000. The $160,000 allocation therefore represents about 28 percent of that value, 7.0 percent of the unstacked maximum, and 7.9 percent of the gross settlement. (Gaines Supp. Decl., ¶ 25.) Every Aggrieved Employee is also a Class Member and shares in the net settlement fund compensating the underlying violations. The settlement was submitted to the LWDA, which has not objected. (Id. at ¶¶ 11, 25.) Because PAGA

settlements may be substantially discounted, the allocation is within the approvable range. (*Carrington, supra*, 30 Cal.App.5th at p. 529.) Finally, Plaintiffs have withdrawn their earlier unsupported assertion that Defendants have limited ability to pay and do not rely on Defendants' financial condition. (Gaines Supp. Decl., ¶ 26.)

C. The Separate Individual Settlements with Plaintiffs

Plaintiffs do not request a service award. Rather, each Plaintiff entered a separate agreement under which Defendants will pay him $20,000 ($40,000 in total), outside the gross settlement fund, in return for a general release of claims personal to him, primarily claims stemming from the termination of his employment. (Gaines Supp. Decl., ¶ 27; Williams Supp. Decl., ¶¶ 3-4; Charles Supp. Decl., ¶¶ 3-4.) The August 12, 2026 ruling noted that this type of arrangement may create a conflict between class representatives and absent class members. When a representative receives consideration outside the common fund, the court must determine that the individual recovery did not affect the bargain reached for the class. (*Clark, supra*, 175 Cal.App.4th at pp. 804-807; see *Radcliffe v. Experian Information Solutions, Inc.* (9th Cir. 2013) 715 F.3d 1157, 1164-1165.) The original record did not permit the court to resolve that concern because the payments were undisclosed, their relationship to the released individual claims could not be evaluated, and the class notice did not mention them.

The supplemental submission provides the missing information. The two individual settlement agreements have been lodged for the court's in camera review. (Gaines Supp. Decl., ¶ 28 and Exs. D, E.) Each Plaintiff's declaration discloses the $20,000 payment, confirms that it is outside the fund and does not diminish the money available to the class, identifies the released individual claims, and states that no portion of the payment is consideration for supporting the class settlement. (Williams Supp. Decl., ¶¶ 3-7; Charles Supp. Decl., ¶¶ 3-7.) Williams asserts individual claims for wrongful termination and retaliation based on reporting unsafe working conditions. He earned $33.00 per hour and, after his March 2024 termination, was unemployed for about five months, resulting in roughly $40,000 in lost wages. He accepted $20,000 in view of Defendants' denial of liability and the risks, costs, and delay of litigation. (Williams Supp. Decl., ¶ 4.) Charles asserts individual claims for discrimination, harassment, retaliation, and wrongful

termination arising from his March 2024 termination; those are not wage-and-hour claims. (Charles Supp. Decl., ¶ 4.) Class counsel confirms that the parties negotiated the individual terms only after agreeing on the gross settlement amount and the material class terms, that the gross settlement was not reduced to fund the individual payments, and that neither individual agreement depends on either Plaintiff supporting the class settlement. (Gaines Supp. Decl., ¶ 28.) The amended agreement confirms that the individual releases exclude the claims asserted here, each Plaintiff receives only his pro rata class and PAGA payments under the settlement, and the revised class notice discloses the individual settlements so any Class Member may object. (Amendment, § I.C; Gaines Supp. Decl., ¶¶ 27, 32.)

On this record, the court finds that $20,000 is commensurate with the individual claims released by each Plaintiff. The payments total about two percent of the gross settlement, are made outside the fund, and did not affect the terms secured for the class. The court will reconsider the arrangement at final approval in light of any objections.

D. Service Award, Fees, Costs, and Administration

For the reasons discussed above, Plaintiffs seek no service award. Class counsel will request attorney fees up to one-third of the gross settlement, or $676,500. (Agreement, ¶ 3.2.2.) That request accords with the one-third benchmark commonly used by California courts in wage-and-hour class actions, and the court is not inclined to alter it at the preliminary-approval stage. At final approval, the court will evaluate the requested percentage through a lodestar cross-check. (See *Laffitte v. Robert Half Internat. Inc.* (2016) 1 Cal.5th 480.) Before that hearing, class counsel must provide lodestar information, including timekeepers, hourly rates, and hours worked, as well as evidence of actual litigation costs up to $40,000 and settlement-administration costs. Because this case settled after informal discovery and a single mediation, without a contested certification motion, counsel should be ready to address the resulting multiplier. Preliminary approval of these amounts does not prejudice the determination at final approval.

E. Conditional Certification of Class

Plaintiffs request conditional certification of the class for settlement purposes. Code of Civil Procedure section 382 permits class certification when the question concerns a common or

general interest, involves many persons, or the parties are so numerous that bringing them all before the court is impracticable. Defendants' records identify approximately 736 Class Members, and common questions include whether Class Members were subject to the same unlawful wage-and-hour policies and practices. (Gaines Supp. Decl., ¶¶ 29-30.)

The August 12, 2026 ruling asked the parties to explain what appeared to be different workweek credits for ACT direct hires and IQ-placed workers, or to revise the allocation, and to confirm that Plaintiffs adequately represent both groups. The parties respond that the distribution formula in section 3.2.4 applies the same way to every participating Class Member: it divides the net fund by all participating workweeks and multiplies the result by each member's workweeks. (Gaines Supp. Decl., ¶ 29.) That explanation accurately describes the formula but does not entirely resolve the court's concern because the defined term used in the formula is calculated differently for the two groups. A direct hire receives credit for a full workweek whenever he worked at least one day in the week; an IQ-placed worker receives one workweek credit for every five shifts worked. (Agreement, ¶ 1.45.) The methods produce the same result for full-time workers, and the difference matters only for workers with sporadic schedules. The court finds the distinction to be a reasonable, data-driven proxy rather than preferential treatment for either group. It does not prevent conditional certification for settlement purposes and may be revisited at final approval based on a complete distribution analysis. Adequacy is met: Williams was an ACT direct hire, while Charles was placed at ACT by IQ before his direct hire. Thus, each subgroup has a representative who worked under the challenged policies, and neither Plaintiff's interests conflict with those of either group. (Gaines Supp. Decl., ¶ 30; Williams Supp. Decl., ¶ 2; Charles Supp. Decl., ¶ 2.)

The court conditionally certifies the proposed class for settlement purposes, appoints Wayne Herbert Charles and Latrell Williams as class representatives, and appoints D.Law, Inc. and Gaines Law Corporation as class counsel, all solely for settlement purposes.

F. Class Notice

California Rules of Court, rule 3.769, subdivision (f), requires notice of the final approval hearing to certified class members in the manner the court specifies, including an explanation of

the settlement and procedures for objection and appearance. The settlement administrator will send notice in English and Spanish by first-class mail, conduct a National Change of Address search before mailing, re-mail notices returned as undeliverable, and establish a response and objection deadline 45 days after the initial mailing. (Agreement, ¶¶ 1.10, 1.11, 1.43, 4.4.1-4.4.2.)

The August 12, 2026 ruling declined to approve the earlier notice because it calculated individual PAGA payments using a figure from another settlement, referred to a nonexistent service award, and understated deductions by describing the $676,500 as covering both fees and expenses. The revised notice remedies each problem. It calculates individual PAGA payments using the $40,000 allocated to Aggrieved Employees; deletes service-award references and instead discloses Plaintiffs' separate individual settlements; separately identifies requested attorney fees of up to $676,500 and litigation costs of up to $40,000; names Bay Area Legal Aid as recipient of funds from uncashed checks; and adds the court-required language concerning in-person and remote appearances at the final approval hearing. (Gaines Supp. Decl., ¶ 32 and Exs. B, C.) The court approves the revised notice as to form and content and directs the settlement administrator to disseminate it under the schedule set out below.

III. CONCLUSION

The court GRANTS preliminary approval of the settlement and VACATES the Case Management Conference set for November 4, 2026. For settlement purposes, the court conditionally certifies the settlement class; appoints Wayne Herbert Charles and Latrell Williams as class representatives; appoints D.Law, Inc. and Gaines Law Corporation as class counsel; appoints Apex Class Action Administration as settlement administrator; preliminarily approves attorney fees up to $676,500, litigation costs up to $40,000, and administration costs up to $10,500, each subject to final approval; preliminarily approves the $160,000 PAGA allocation; approves the revised class notice as to form and content; and directs that notice be mailed in accordance with the settlement agreement and proposed order schedule.

The court SETS a final approval hearing for May 12, 2027 at 1:30 p.m. in Department 19, and SETS Case Management Conference on that same date at 2:30 p.m. At least 10 court days before the final approval hearing, class counsel must file the motion for final approval, with

lodestar information and itemized costs supporting the fee and cost requests, and the administrator's declaration of due diligence regarding notice mailing.

IT IS SO ORDERED

Dated: November 4, 2026

HON. SHELLA DEEN
JUDGE OF THE SUPERIOR COURT