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FILED

Superior Court of California
County of Los Angeles

04/17/2025

David W. Styblo, Executive Officer / Clerk of Court

By: R. Karapetyan Deputy

*Attorneys for Plaintiff JASON DAVIS
on behalf of all other Aggrieved Employees only*

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES - VAN NUYS COURTHOUSE EAST

JASON DAVIS, on behalf of all other
Aggrieved Employees;

Plaintiff,

vs.

VELOCITY
COMMERCIAL CAPITAL, LLC, a
California Limited Liability Company,
VELOCITY FINANCIAL, INC., a
Delaware Stock Corporation, and DOES 1
through 50, inclusive,

Defendants.

Case No.: 24VECV03347

*[Assigned for all purposes to the Honorable
Michael R. Amerian, Dept. O]*

**STIPULATION AND ~~[PROPOSED]~~ ORDER
GRANTING APPROVAL OF
REPRESENTATIVE PAGA SETTLEMENT
AND ENTERING JUDGMENT THEREON**

*[FILED CONCURRENTLY WITH DECLARATION OF
HAIG B. KAZANDJIAN IN SUPPORT THEREOF]*

Complaint Filed: July 15, 2024

Trial Date: None currently set

WHEREAS, "Action" refers to the civil action filed by Plaintiff Jason Davis ("Plaintiff"), initially filed on July 15, 2024 entitled *Jason Davis v. Velocity Commercial Capital, LLC, et al.*, Superior Court of the State of California for The County of Los Angeles, Case No. 24VECV03347.

1 WHEREAS, the Action is a representative action under the Private Attorneys General
2 Act (the “PAGA”);

3 WHEREAS, Plaintiff and Defendants (collectively “the Parties”) recognize that, in
4 accordance with Labor Code Section 2699(l), court approval is required in the event of a
5 settlement of a PAGA action on a representative basis;

6 WHEREAS, as explained in *Arias v. Superior Court*, 46 Cal.4th 969 (2009), the Parties
7 are not obligated to follow the class action procedural rules in PAGA cases and therefore need
8 not obtain approval of a settlement through a motion for preliminary or final approval. *See also*
9 *Mendoza vs. Nordstrom, Inc.*, 2 Cal. 5th 1074 (2017) (“PAGA authorizes a representative action
10 without the need for class certification.”); *Baumann v. Chase Inv. Servs. Corp.*, 747 F.3d 1117,
11 1123 (9th Cir. 2014) (“[A] PAGA suit is fundamentally different than a class action” in that
12 “PAGA has no notice requirements for unnamed aggrieved employees, nor may such employees
13 opt out of a PAGA action.”); *Williams v. Sup. Ct.*, 3 Cal.5th 531, 546-547 (2017) (“PAGA does
14 not make other potentially aggrieved employees parties or clients of plaintiff’s counsel, does not
15 impose on a plaintiff or counsel any express fiduciary obligations, and does not subject a plaintiff
16 or counsel to scrutiny with respect to the ability to represent a large class.”);

17 WHEREAS, the Parties seek to obtain the Court’s approval of the Settlement Agreement
18 and Release of PAGA Claim (“PAGA Settlement Agreement”) and resolve this matter in the
19 most efficient manner possible;

20 WHEREAS, nothing contained herein, nor in effectuating Settlement of the Action, shall
21 be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the
22 part of Defendants or any of the Releasees to the Agreement. Indeed, Defendants deny and
23 dispute each and every allegation of wrongdoing, including the allegations described herein;

24 WHEREAS, on May 8, 2024, Plaintiff sent the LWDA and Defendants notice of his
25 intent to pursue a representative action against Defendants pursuant to the Private Attorneys
26 General Act of 2004 (“PAGA”), as codified in California Labor Code § 2698 et seq., on behalf
27 of the State of California as well as on behalf of a group of aggrieved employees.

28 WHEREAS, after a minimum of 65 days passed without a response from the LWDA

1 regarding the PAGA Notice, on July 15, 2024 Plaintiff commenced a representative action under
2 the PAGA for alleged Labor Code violations (as further explained herein) on behalf of other
3 allegedly aggrieved employees only.

4 WHEREAS, Plaintiff's Complaint (the "Complaint") alleged the following claims for
5 PAGA penalties: Failure to pay overtime and double time, failure to pay minimum wage, failure
6 to provide rest and meal periods, failure to keep accurate payroll records and provided itemized
7 wage statements, failure to provide employment records, failure to pay reporting time wages,
8 failure to pay split shift wages, failure to timely pay all wages earned, failure to pay all wages
9 earned upon discharge, failure to reimburse necessary, business-related expenses and engaged in
10 other conduct that resulted in violations of the California Labor Code, including but not limited
11 to violations of California Labor Code sections 201, 202, 203, 204, 206, 226, 226.7, 226.8, 246,
12 432, 510, 512(a), 515(a), 558(a), 1174(d), 1174.5, 1182.12, 1182.2, 1194, 1197, 1197.1, 1198,
13 1198.5, 2753, 2800, 2802, California Code of Regulations, Title 8, sections 11050(5)(A),
14 11050(4)(C), as well as violations of the applicable IWC Wage Order. The Complaint is the
15 operative complaint in the Action (the "Operative Complaint."). Defendant denies the allegations
16 in the Operative Complaint, deny any failure to comply with the laws identified in in the
17 Operative Complaint and deny any and all liability for the causes of action alleged.

18 WHEREAS, the Parties engaged in informal discovery and began to engage in informal
19 arm's length settlement discussions. Through the exchange of information and attendant
20 discussions between the Parties, Plaintiff learned that the number of Aggrieved Employees,
21 which is defined as all current and former non-exempt hourly employees who were employed by
22 Defendants and who worked for Defendants in the State of California during the PAGA Period,
23 i.e., from May 8, 2023 through the date of approval of the settlement agreement (the "PAGA
24 Period"), was approximately 116, and the Parties agreed to participate in mediation. The Parties
25 engaged in informal discovery for mediation purposes, and Plaintiff, by and through his counsel
26 of record, reviewed time and wage records and relevant policies that applied to Defendants'
27 employees.

28 WHEREAS, Defendants deny that they have engaged in any unlawful activity, or that

1 they have failed to comply with the law in any material respect, or that they have any liability to
2 anyone under the claims asserted in the Action;

3 WHEREAS, the Parties engaged in a full day of mediation on October 31, 2024 with a
4 respected wage and hour mediator, Marc Feder. After lengthy negotiations during which
5 Plaintiff, represented by his counsel, and Defendants, represented by their counsel, recognized
6 the risks and burdens of continuing with the litigation, the Parties agreed to settle the Action on
7 the terms set out in the Settlement Agreement attached as Exhibit 1 to the concurrently filed
8 Declaration of Haig B. Kazandjian.

9 WHEREAS, after the filing of the PAGA Complaint, the Parties engaged in extensive
10 investigation including participating in extensive informal discovery, the information exchanged
11 included, but was not limited to, information and documents, including, inter alia: (1) a
12 representative sampling of time and wage records for the Aggrieved Employees; (2) PAGA (and
13 wage statement penalty) group data points, including, for both current and formerly-employed
14 Aggrieved Employees between the start of the PAGA Period May 8, 2023, and the date of
15 mediation October 31, 2024, total numbers of Defendant's Aggrieved Employees and
16 approximate total numbers of pay periods, and wage statements issued. At mediation, the parties
17 reached an agreement to settle in light of all known facts and circumstances- including Plaintiff's
18 and Plaintiff's Counsel's recognition of the expense and length of continued proceedings
19 necessary to litigate the case through trial and through any possible appeals. Plaintiff also
20 considered the uncertainty and risk of the outcome of further litigation, and the difficulty and
21 delays inherent in such litigation.

22 WHEREAS, Plaintiff and Plaintiff's Counsel also considered the burdens of proof
23 necessary to establish liability of the claims asserted in the case, both generally and in response
24 to Defendants' defenses, including but not limited to manageability issues due to the different
25 job titles and duties of aggrieved employees, and the difficulties in establishing penalties, and
26 other relief sought in the case, particularly where, as here, Plaintiff may face difficulty obtaining
27 the cooperation of PAGA Members who are current employees, given their likely reluctance to
28 aid in the prosecution of a lawsuit against their employer. Plaintiff also considered the existence

1 of the arbitration agreement and the argument that Defendants did not employ Plaintiff. Based on
2 the foregoing, Plaintiff and Plaintiff's Counsel determined that the Settlement set forth in the
3 Agreement is fair, adequate, and reasonable and is in the best interests of the State of California
4 and of the PAGA Members.

5 WHEREAS, Plaintiff now seeks approval of the PAGA Settlement Agreement, which
6 involves 116 aggrieved employees during the PAGA representative period, which initiated on
7 May 8, 2023 and extends through the date the Court enters an Order/Judgment approving the
8 PAGA Settlement.

9 WHEREAS, the Parties have documented the settlement of the Action in the PAGA
10 Settlement Agreement, which is attached to the Declaration of Haig B. Kazandjian ("Kazandjian
11 Decl."), filed herewith, as **Exhibit 1**.

12 WHEREAS, upon the entry of the final judgment in this case, effective on the date when
13 Defendant fully fund the entire gross settlement amount, all Aggrieved Employees are deemed to
14 release, on behalf of themselves and their respective former and present representatives, agents,
15 attorneys, heirs, administrators, successors and assigns, the Released Parties all PAGA claims
16 against Defendant, including Defendant's joint employers, staffing companies, respective
17 officers, directors, shareholders, owners, members, agents, assigns, attorneys, insurers, agents,
18 independent contractors, employees, predecessors, successors, parents, subsidiaries, affiliated,
19 related entities or other representatives of any kind, and related parties that have been asserted in
20 the operative Complaint, which includes the California Labor Code Private Attorneys General
21 Act of 2004 (PAGA) claims based on Defendant's alleged failure to provide employment
22 records, failure to pay overtime and double time, failure to provide rest and meal periods, failure
23 to pay minimum wage, failure to keep accurate payroll records and provide itemized wage
24 statements, failure to pay reporting time wages, failure to pay split shift wages, failure to pay all
25 wages earned on time, failure to pay all wages earned upon discharge or resignation, failure to
26 reimburse necessary, business-related expenses, failure to provide notice of paid sick time and
27 accrual, violation of Labor Code section 558(a), and all other claims and allegations made or
28 which could have been made in the Action based on the facts and allegations pled in the

operative Complaint and PAGA Notice to the LWDA, from May 8, 2023 through the date the Court enters an Order/Judgment approving the PAGA Settlement.

WHEREAS, counsel for all Parties conducted a thorough investigation of both the factual and legal issues affecting the strengths and weaknesses of Plaintiff's claims and potential recovery. Defendants produced information about, among other things, the number of Aggrieved Employees (116), the number of pay periods at issue (3000), time and pay records and relevant policies. The Parties also had substantial discussions regarding the core factual and legal issues of the case. This allowed the Parties to reach a reasoned and informed resolution of this matter.

WHEREAS, based on their own independent investigations and evaluations, Plaintiff and his counsel are of the opinion that the settlement for the consideration and on the terms set forth in the attached PAGA Settlement Agreement is fair, reasonable and adequate and is in the best interests of the Plaintiff, the Aggrieved Employees, and the State of California in light of all known facts and circumstances and the risks inherent in litigation, including the potential appellate issues. Plaintiff's Counsel believes that the settlement amount entered into is in the best interests of the State of California, and that the settlement for each Aggrieved Employee is fair, reasonable and adequate, given the inherent risk of litigation.

WHEREAS, Plaintiff and his counsel recognize the risks inherent in PAGA actions, including courts' discretion to reduce the amount of civil penalties. See *Thurman v. Bayshore Transit Mgmt., Inc.*, 203 Cal.App.4th 1112, 1135 (2012) ("[U]nder section 2699, subdivision (e)(2) a trial court may exercise its discretion to award lesser penalties based on the enumerated considerations.") (emphasis in original) (internal quotation marks and citations omitted). Specifically, the trial court may reduce the civil penalty if declining to do so "would result in an award that is unjust, arbitrary, oppressive, or confiscatory based on the facts and circumstances of [the] case." *Id.* Courts routinely exercise this discretion in the rare PAGA cases that proceed to trial and obtain a successful verdict. See, e.g., *Fleming v. Covidien Inc.*, 2011 WL 7563047, at *4 (C.D. Cal. Aug. 12, 2011) (awarding PAGA penalties of \$500,000.00 instead of maximum recovery of \$2.8 million); cf. *Aguirre v. Genesis Logistics*, 2013 WL 10936035 at *2-*3 (C.D. Cal. Dec. 30, 2013) (after granting summary judgment, awarding PAGA penalty of \$500,000.00

1 instead of maximum recovery of \$1.8 million).

2 WHEREAS, Plaintiff provided notice of the proposed settlement to the LWDA as
3 required by PAGA. See **Exhibit 5** to the Kazandjian Decl. which contains a true and correct
4 copy of the confirmation that Plaintiff submitted the proposed PAGA Settlement Agreement to
5 the LWDA.

6 WHEREAS, prior to the submission of this Stipulation, the Parties met and conferred and
7 agreed upon a Proposed Order and Final Judgment pursuant to this Stipulation.

8 IT IS HEREBY STIPULATED AND PROPOSED BY THE PARTIES HERETO AS
9 FOLLOWS:

10 The Parties stipulate and jointly propose that the Court approve the fully executed PAGA
11 Settlement Agreement, which includes the following key terms:

12 A. As consideration for the settlement described herein and the release contained in the
13 PAGA Settlement Agreement, Defendants agree to make a payment of \$112,500.00 (the "Gross
14 Settlement Amount") based on 3000 Pay Periods. The PAGA Gross Settlement Amount shall
15 include all individual settlement payments to Aggrieved Employees, payment to the LWDA,
16 attorneys' fees and costs awarded to Plaintiff's Counsel, Plaintiff Jason Davis' general release
17 and incentive award, and Administration Costs. No portion of the PAGA Gross Settlement
18 Amount will revert to Defendants.

19 B. The Gross Settlement Amount will be allocated as follows: (a) Plaintiff's
20 Counsel's attorneys' fees up to the requested amount of 40% of the Gross Settlement Amount of
21 \$112,500.00, which amounts to \$45,000.00; (b) Plaintiff's Counsel's request for reimbursement
22 of litigation costs in the amount actually incurred of \$16,020.22 (up to \$16,500.00 allocated in
23 the agreement); (c) Plaintiff's General Release and Incentive Award in the amount of \$7,500.00;
24 (d) PAGA Settlement Administration costs of actual costs of \$2,750.00 to be paid to the
25 Settlement Administrator; and (e) the remainder of the Gross Settlement Amount after deducting
26 the items (a) through (d) herein shall be designated as the PAGA Penalty Fund, which is
27 estimated to be \$41,229.78 and will be allocated between the LWDA and the Aggrieved
28 Employees pursuant to Labor Code section 2699(i) with seventy-five percent (75%) paid to the

1 LWDA (\$30,922.34) and twenty-five percent (25%) paid to the Aggrieved Employees (PAGA
2 Members) (\$10,307.45) on a pro-rata basis, which is further explained below. Each PAGA
3 Member's pro-rata share of the PAGA Penalty Fund represents their Individual Settlement
4 Payment.

5 C. Individual Settlement Calculation. Plaintiff and the Aggrieved Employees shall
6 receive a pro rata share of the twenty-five percent (25%) of the PAGA Penalty Fund allocated to
7 Aggrieved Employees (estimated to be \$10,307.45). Plaintiff and each Aggrieved Employee's
8 Individual Settlement Payment shall be determined by multiplying this 25 percent of the PAGA
9 Penalty Fund allocated to Aggrieved Employees by the ratio of (a) the number of Eligible Pay
10 Periods worked by that employee to (b) the total number of Eligible Pay Periods worked by all
11 Aggrieved Employees (including Plaintiff). All Individual Settlement Payments made to
12 Aggrieved Employees will be reported on an IRS Form 1099.

13 D. "Effective Date" means the date by when both of the following have occurred: (a)
14 the Court enters its Order Approving the PAGA Settlement and (b) the Order is final. The Order
15 is final on the date the Court enters the Order.

16 E. Subject to the Court approval of this Settlement, the payment of the Settlement
17 amounts shall be disbursed as follows:

- 18 • No later than seven (7) days after the Effective Date, Defendants will deliver the
19 Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel
20 spreadsheet from each Defendant.
- 21 • Defendants shall fully fund the Gross Settlement Amount by transmitting the funds to the
22 Administrator no later than 30 days after the Effective Date.
- 23 • Within 5 business days after Defendants fund the Gross Settlement Amount, the
24 Administrator will mail checks for all Individual PAGA Payments to the Aggrieved
25 Employees, the LWDA PAGA Payment to the LWDA, and mail the PAGA Counsel Fees
26 Payment, the PAGA Counsel Litigation Expenses Payment, and any general release and
27 incentive award for Plaintiff. Disbursement of the PAGA Counsel Litigation Expenses
28 Payment shall not precede disbursement of Individual PAGA Payments.

- The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
- The Administrator must conduct an address search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the prior address search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, if requested by the Aggrieved Employee prior to the void date.
- For any Aggrieved Employee whose Individual Settlement Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

If there is a conflict between the language of this Stipulation and the language of the PAGA Settlement Agreement attached to the Kazandjian Decl. as **Exhibit 1**, the language of the PAGA Settlement Agreement shall control.

Dated: April 16, 2025

HAIG B. KAZANDJIAN LAWYERS, APC

By: /s/ Elen Sahakyan

Haig Kazandjian, Esq.
Cathy Gonzalez, Esq.
Elen Sahakyan, Esq.
*Attorneys for Plaintiff Jason Davis and all
other Aggrieved Employees*

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Dated: April 16, 2025

LIGHTGABLER LLP

/s/ Chancellor Nobles
By: _____
Michael H. Brody, Esq.
Chancellor D. Nobles, Esq.
Attorneys for Defendants

~~PROPOSED~~ ORDER AND JUDGMENT

The Court, having reviewed the Parties' Settlement Agreement and Release (the "Settlement" or "Settlement Agreement") attached as Exhibit 1 to the concurrently-filed Kazandjian Declaration, together with the Stipulation of the Parties and the Declaration of Haig B. Kazandjian and exhibits attached thereto, hereby ORDERS AND ADJUDGES:

1. The Court finds the Settlement was entered into in good faith, that the settlement is fair, reasonable and adequate, and that the settlement satisfies the standards and applicable requirements for approval of PAGA representative actions under California law.

2. The Court approves the penalties to be paid to the PAGA Claims Members and the State of California as set forth in the Settlement, pursuant to Labor Code § 2699(l). The Court further approves all payments to be made to Plaintiff's counsel, Plaintiff, and the Settlement Administrator, based on the terms of the Settlement.

3. Upon entry of this Order and Judgment, the Parties and the Settlement Administrator shall effectuate all terms of the Settlement based on the provisions and timelines set forth in the Settlement Agreement.

4. Judgment is hereby entered in accordance with the Settlement Agreement and this Court shall retain continuing jurisdiction over the construction, interpretation, implementation, and enforcement of the Settlement, in accordance with its terms, and over the administration and distribution of the settlement proceeds pursuant to California Code of Civil Procedure section 664.6 and other applicable law.

IT IS SO ORDERED.

Dated: 04/17/2025



A handwritten signature in black ink, appearing to read "Michael R. Amerian".

Honorable Michael R. Amerian

Michael R. Amerian / Judge

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is 801 North Brand Boulevard, Suite 1015, Glendale, California 91203.

On April 16, 2025, I served the foregoing document(s) described as: STIPULATION AND [PROPOSED] ORDER GRANTING APPROVAL OF REPRESENTATIVE PAGA SETTLEMENT AND ENTERING JUDGMENT THEREON by method indicated below, on the interested parties in this action by placing a true copy thereof, enclosed in a sealed envelope, addressed as follows:

LightGabler LLP
Michael H. Brody, Esq.
mbrody@lightgablerlaw.com
Chancellor D. Nobles, Esq.
cnobles@lightgablerlaw.com
760 Paseo Camarillo, Suite 300
Camarillo, CA 93010
(805) 248-7208
Attorneys for Defendant

[X] **BY ELECTRONIC MAIL:** I transmitted the foregoing document(s) by electronic mail from sarah@hbklawyers.com to the electronic mail addresses indicated on the attached mailing list. The transmission was reported as complete and without error.

[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 April 16, 2025, at Glendale, California.

/s/ Sarah Cruz

Sarah Cruz