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County of Sonoma
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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SONOMA – UNLIMITED JURISDICTION

SHANTELL REED and CHAD SCHISLER on behalf of themselves and on behalf of all persons similarly situated, and on behalf of REED, the Labor & Workforce Development Agency, and similarly situated aggrieved employees Plaintiffs vs. BECOMING INDEPENDENT, a California nonprofit corporation, and DOES 1-20 inclusive, Defendants	Case Number: 24CV05535 (~~PROPOSED~~) ORDER ASSIGNED FOR ALL PURPOSES TO THE HONORABLE OSCAR A. PARDO - COURTROOM 19

Plaintiffs Shantell Reed and Chad Schisler's Motion for Preliminary Approval of Class Action and Private Attorneys General Act Representative Action Settlement came on for hearing before Department 19 of this Court on December 3, 2025. As the Parties have not challenged the Court's December 2, 2025 tentative ruling and no appearance being made, the Court hereby adopts its tentative ruling and rules as follows:

Plaintiff Shantell Reed and Chad Schisler ("Plaintiff"), individually and on behalf of other all other similarly situated, including employees pursuant to the California Private Attorney General Act, filed the currently operative first amended complaint against defendant Becoming Independent ("Defendant"), and Does 1-50 for causes of action arising out of Defendant's alleged Labor Code violations, and civil penalties thereon (the "FAC"). This matter is on calendar for Plaintiffs' unopposed motion for conditional certification of the class and preliminary approval of the class action settlement (the "Motion"). The Motion is **GRANTED**.

I. <u>The Complaint</u>

The presently operative First Amended Complaint ("Complaint") alleges that Defendants failed to comply with California Labor Code ("LC") provisions during the course of Plaintiff's employment with Defendants, and alleges on information and belief, that these policies were also enforced on other employees.

The Complaint contains causes of action for: (1) Failure to Provide Meal Periods; (2) Failure to Authorize and Permit Rest Breaks; (3) Failure to Pay All Wages Due Upon Separation; (4) Failure to Provide Accurate Wage Statements; (5) Unfair Business Practices, in Violation of Business and Professions Code Sections 17200, et *seq*.; and (6) Penalties Pursuant to Labor Code §2699, et seq., for PAGA civil penalties on a representative basis for themselves and other employees.

II. <u>The Settlement</u>

According to the Motion, Plaintiffs asserted multiple causes of action for various Labor Code and Business and Professions Code violations centered around Labor Code violations. Defendant contends that Plaintiffs are unlikely to obtain class certification and the claims presented were based on individualized damages not easily proven in representative claims. *See generally* Velez Decl. ¶¶ 9-28.

The Velez Declaration establishes that Plaintiffs' counsel engaged in exchange of information and investigation. Velez Decl. ¶¶ 9-12. On June 18, 2025, the parties mediated the matter before the Honorable Patrick Walsh, a retired magistrate judge and mediator with extensive wage and hour class action experience. Velez Decl. ¶ 9, 13. Prior to the mediation, Defendant had provided over half a million lines of timecard and wage data, and over a thousand pages of documents. Velez Decl. ¶¶ 9-12. The class is defined in the Settlement Agreement and Release of Class Action [attached to Velez Decl., Exhibit 1, hereinafter "Settlement Agreement"] as all persons who were employed by Defendants in California as a non-exempt employee during the Class Period from September 20, 2020, through June 18, 2025. Settlement Agreement §§ 1.5, 1.12. Aggrieved Employees under PAGA are defined as all persons who were employed by Defendants in California as a non-exempt employee between September 20, 2023, through June 18, 2025. Settlement Agreement §§ 1.4 and 1.31.

Plaintiffs' counsel undertook an analysis of the data provided by Defendants. Velez Decl. ¶ 20. Based on that data, Plaintiffs' counsel was able to undertake a thorough assessment of potential damages for the claims alleged in the FAC, including the number of instances and the corresponding monetary claim for each late or missed meal break, each missed rest break, and each resulting wage statement violation. Plaintiffs' counsel was able to then extrapolate that information to the entire class. Plaintiff estimates that the maximum amount of potential damages across the class for the alleged underlying violations equals $7,030,346.00 ($3,011,600.00 in missed meal period premium wages, $3,011,600.00 in missed rest break premium wages, $557,146.00 for wage statement penalties, and $450,000.00 for waiting time penalties) with an additional $628,100.00 for civil penalties under PAGA. Velez Decl. ¶¶ 20-24, 27. The estimated maximum damage per class member for the core class claims is therefore $17,358.88 per class member $7,030,346.00 / 405 class members). Maximum recovery of PAGA penalties are $643.54 per aggrieved employee ([$157,025/244]x.25), with the other $471,075 going to the LWDA. Counsel also calculated the probable recovery resulting from continued litigation, estimating a 60% chance of prevailing at certification and a further 60% likelihood of prevailing on the merits, and came to a calculated realistic recovery of $2,530,924.56. Velez Decl. ¶ 24. This in turn results in a realistic payment per class member of $6,249.20. At the mediation, the parties came to an agreement based on the assistance of the mediator. Velez Decl. ¶ 13. Plaintiffs provided a copy of the settlement agreement to the LWDA on August 13, 2025. Velez Declaration, ¶ 44.

Pursuant to the Settlement Agreement, Defendants will pay $790,000 as the Gross Settlement Fund. Settlement Agreement § 1.22. From that amount, the following will be deducted: 1) attorneys' fees of $263,307.00 (which is approximately 1/3 of the Gross Settlement Fund) and up to $13,250.92 of costs and expenses; 2) an incentive award to the Plaintiffs of $20,000 (two payments of $10,000); 3) settlement administration costs, not to exceed $9,490; and 4) $40,000 in penalties under PAGA, 75% of which is paid to the California Labor and Workforce Development Agency ($10,000 of which is payable to the Aggrieved Employees). See Settlement Agreement §§ 3.2, *et seq*. If these sums are all approved by the Court, this results in a Net Settlement Fund of $443,952.08 to be distributed to the members of the class. The Net Settlement Fund will be distributed pro rata to the members of the class who do not opt out, based on the number of workweeks worked by such individual as compared to the total number of aggregate number of workweeks by all such individuals during the Class Period. Settlement Agreement § 3.2.4. This results in an average Class settlement payment of approximately $1,096.18 ($443,952.08 / 405). This also leaves a PAGA settlement for distribution to 244 aggrieved employees of $10,000. Defendant will pay its share of payroll taxes for settlement funds classified as wages separate from the Gross Settlement Fund. Settlement Agreement §§ 3.2.4.1, 4.3. The settlement is non-reversionary. Settlement Agreement § 3.1. For tax purposes, 20% is allocated to unpaid wages, and 80% is allocated to interest and penalties classified as miscellaneous income. Settlement Agreement § 3.2.4.1. Net settlement payments will be automatically sent to members of the class unless they opt out. See generally, Settlement Agreement §§ 4.4.1, 7.5.3.

The Settlement Agreement and proposed notice to the Class (the "Proposed Notice") (Settlement Agreement, Ex. A) also set forth the procedure and timeline for providing notice to the class members (which will be sent by the administrator via first class mail), which includes a detailed explanation of the claims and defenses, terms of the settlement, opt out and objection procedures, an estimate of the individual class member's settlement payment and a description of how it was calculated, and that all participating members of the class will be paid without the need to submit a claim.

The Class Members who do not opt-out of the settlement releases Defendant from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint (as well as Class Period facts ascertained in the course of the Action) including, but not limited to, any and all claims involving any (a) failure to pay minimum wages; (b) failure to pay overtime wages; (c) failure to pay reporting time pay; (d) failure to pay vacation wages; (e) failure to provide meal periods or timely meal periods; (f) failure to provide rest periods or timely rest periods; (g) failure to provide accurate itemized wage statements; (h) failure to timely pay wages including wages due upon termination; (i) failure to maintain accurate records; (j) failure to pay reimbursable expenses; (k) violation of Business & Professions Code § 17200, et. seq.; and (l) violation of Labor Code § 2698, et. seq. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period." Settlement Agreement § 5.2.

Additionally, Plaintiff agrees to release "all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice and ascertained in the course of the Action including, but not limited to any and all claims involved any (a) failure to pay minimum wages; (b) failure to pay overtime wages; (c) failure to pay reporting time pay; (d) failure to pay vacation wages; (e) failure to provide meal periods or timely meal periods; (f) failure to provide rest periods or timely rest periods; (g) failure to provide accurate itemized wage statements; (h) failure to timely pay wages including wages due upon termination; (i) failure to maintain accurate records; (j) failure to pay reimbursable expenses; (k) violation of Business & Professions Code § 17200, *et. seq*.; and (l) violation of Labor Code § 2698, *et. seq*." Settlement Agreement § 5.3.

III. <u>Analysis</u>

The purpose of evaluating a proposed class action settlement on a preliminary basis is to determine whether the proposed settlement is within the "range of reasonableness" for possible approval, and whether it is worthwhile to issue notice to the class and schedule a formal hearing. *See* Cabraser, Cal. Class Actions and Coordinated Proceedings §14.02 (2d ed. 2011). A presumption of fairness applies if there has been arm's length bargaining; investigation and discovery have been sufficient to allow counsel and the court to act intelligently; class counsel is experienced in similar litigation; and the percentage of class members who object to the settlement is small. *Id. See also Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1802.

The settlement appears generally within the reasonable range of settlement. The total possible claims based on the 405 Class Members is $7,658,446 (with only 244 of those being PAGA aggrieved employees). Probable recovery is far lower, estimated at $2,530,924.56. Recovery of $443,952.08 after attorneys' fees and costs appears to be sufficiently reasonable return for the relative strength of the case, the risks inherent to litigation, and the possible defenses asserted by Defendant at the preliminary approval stage. The proposed costs appear reasonable.

Given that the Court is required at final approval to review the fees *independently* for fairness (*Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801), counsel should always be prepared for analysis on either the lodestar or the common fund theory. It appears based on the memorandum and declaration that Counsel is prepared to address either.

No class has yet been certified, and Plaintiffs seek conditional certification in connection with approval of the settlement. The two basic requirements to sustain a class action are an ascertainable class and a well-defined community of interest in the questions of law and fact involved. Cal. Code Civ. Proc. ("CCP") §382; *see also Vasquez v. Sup. Ct.* (1971) 4 Cal.3d 800, 809. In this case the proposed class is defined as "all persons employed by Defendants in California as a non-exempt employee during the Class Period from September 20, 2020, through June 18, 2025." Settlement Agreement §§ 1.5, 1.12. Members of the class can be ascertained from Defendant's records, and a class with an estimated 405 members is sufficiently numerous. The community-of-interest requirement embodies common questions of law or fact, a class representative with claims or defenses typical of the class, and a class representative who can adequately represent the class. *Brinker Rest. Corp. v. Sup. Ct.* (2012) 53 Cal.4th 1004, 1021. The

Court concludes that these requirements are met, the Court would approve the class. "Notice given to the class must fairly apprise the class members of the terms of the proposed compromise and of the options open to dissenting class members." *Trotsky v. Los Angeles Fed. Sav. & Loan Assn*. (1975) 48 Cal.App.3d 134, 151-152. The purpose of a class notice in the context of a settlement is to give class members sufficient information to decide whether they should accept the benefits offered, opt out and pursue their own remedies, or object to the settlement. *Id.*

The notice appears to fully apprise the class members of the relevant considerations. Therefore, preliminary approval appears appropriate.

IV. <u>Conclusion</u>

1. The Motion is **GRANTED**. For the purpose of the Settlement only, the Court finds that certification of the Class is appropriate because (a) the Class is ascertainable and sufficiently numerous, (b) a well-defined community of interest exists, and (c) there are substantial benefits from certification that render proceeding on a class-wide basis superior to any alternatives. Furthermore, the Court finds that (a) the terms of the Settlement appear to be fair and reasonable to the Class when balanced against the probable outcome of further litigation relating to class certification, liability and damage issues, and potential appeals; (b) Class Counsel is experienced in wage-and-hour class-action litigation; (c) significant investigation was undertaken, and significant information was exchanged, enabling Plaintiff and Defendant to reasonably evaluate one another's positions; (d) approving the Settlement will avoid the substantial costs, delay, and risks that would be presented by further litigation; and (e) the terms of the Settlement were the result of intensive, serious, and non-collusive negotiations between Plaintiff and Defendant, including a private mediation. Accordingly, the Court preliminarily finds that the Settlement falls within the range of possible approval and therefore meets the requirements for preliminary approval.

2. The Court conditionally certifies the following Class for the purpose of the Settlement only: all persons employed by Defendants in California as a non-exempt employee during the Class Period from September 20, 2020, through June 18, 2025. The Court preliminarily approves the class of Aggrieved Employees under the PAGA claims as all persons who were employed by Defendants in California as a non-exempt employee between September 20, 2023 through June 18, 2025.

3. The Court conditionally appoints G. Martin Velez as Class Counsel.

4. The Court conditionally appoints Shantell Reed and Chad Schisler as the Class Representatives.

5. The Court conditionally appoints Apex Class Action Administration, as the Claims Administrator.

6. The Court conditionally approves, as to form and content, the Notice contemplated by the Settlement. The Court finds that the Notice and the notification procedures contemplated by the Settlement constitute the best notice practicable under the circumstances, and that the Notice and the notification procedures contemplated by the Settlement are in full compliance with the laws of the State of California, the laws of the United States (to the extent applicable), and the requirements of due process. The Court further finds that the Notice appears to fully and accurately inform Class Members of all material terms of the Settlement, including the manner in which Individual Settlement Payments will be calculated; the right to request, and procedure for requesting, exclusion from the Settlement Class, and the right to object, and procedure for objecting to the Settlement.

7. Because the Settlement is within the range of possible final approval, the Court adopts and incorporates the provisions of the Settlement, including, but not limited to, the dates for performance contemplated by the Settlement. Those dates include the following:

a. No later than fifteen (15) days after the date of Preliminary Approval, Defendant shall provide the Claims Administrator with the Class Data for purposes of preparing and mailing Notice to the Class.

b. No later than fourteen (14) calendar days after receipt of the class data, the Claims Administrator shall mail Notice to the Class. Settlement Class Members do not need to submit any claim forms to receive their respective Individual Settlement Payments. Any Notices returned undelivered must be re-mailed within 3 business days of return of the packet to the Claims Administrator. Claims Administrator shall either use any forwarding address provided by the USPS, or conduct a Class Member Address Search, and re-mail the Notice Packet to the most current address obtained. The time for objections, exclusions, or workweek challenges is extended by 14 days for any Class Member to whom the Notice Packet requires re-mailing.

c. Class Members shall have until sixty (60) calendar days after the Claims Administrator mails Notice to submit requests for exclusion or challenge to workweek calculations to the Claims Administrator. To be considered valid, a request for exclusion must contain the name, address, and telephone number of the Class Member requesting exclusion; must be signed and dated by the Class Member; and must include a statement from the Class Member reciting, in substance, that he or she wishes to exclude himself or herself from the Settlement and that he or she understands that, by doing so, he or she will not receive any settlement proceeds. Any Class Member who validly requests to be excluded will not be entitled to any recovery under the Settlement; will not be bound by the terms of the Settlement; and will not have any right to object to, appeal from, or comment on the Settlement.

d. Class Members shall have until sixty (60) calendar days after the Claims Administrator mails Notice to submit written objections to the Claims Administrator. A written objection must contain the objecting Class Member’s full name and current address, must specifically state all objections and the reasons supporting the objections, and must include any and all supporting papers. A Class Member may also object by appearing at the Final Approval Hearing.

e. The Final Approval Hearing will be held on June 3, 2026 at 3:00 p.m. in Courtroom 19 of the above-captioned Court. Plaintiff shall file a motion for final approval by May 1, 2026. Plaintiff also shall file a motion for approval of any Fee and Expense Award, as well as any Incentive Award to the Class Representative, by May 1, 2026, to be heard at the same time as the motion for final approval.

8. Other than the proceedings contemplated herein, all discovery and other proceedings in the Action are stayed and suspended until further order of the Court.

IT IS SO ORDERED.

Dated: 4/13/2026, ~~2025~~

The Honorable Oscar A. Pardo
Judge of the Superior Court

APPROVED AS TO FORM.

Dated: December 3, 2025

ELGUINDY, MEYER & KOEGEL, APC

David M. Daniels, Esq.
Attorneys for Defendant Becoming Independent

Proof of Service

I declare that I am over the age of 18, not a party to the matter of *Shantell Reed v. Becoming Independent*, Sonoma County Superior Court Case Number 24CV05535, and my business address is: Law Office of G. Martin Velez, 3558 Round Barn Boulevard, Suite 200, Santa Rosa, CA 95403, martinvelez@comcast.net.

On the date shown below, I served the following documents:

1. Proposed Order

by transmitting said documents via electronic mail, pursuant to Code of Civil Procedure section 1010.6 and California Rules of Court, rule 2.251 addressed as follows:

David M. Daniels, Esq. - ddaniels@emklawyers.com
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[Counsel for Defendant Becoming Independent]

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 20th day of March 2026 in Santa Rosa, California.

G. Martin Velez