SYLVIA ZAMORA, ET AL. vs CAPC, INC., ET AL, Case No. 24STCV24050

FINAL RULING RE: MOTION FOR APPROVAL OF PAGA SETTLEMENT

The Parties' Motion for Approval of PAGA Settlement is **GRANTED** as the settlement is fair, adequate, and reasonable.

The essential terms are:

The gross settlement amount is $130,000.00.

The court hereby approves the following amounts to be paid from the gross settlement:
$43,333.33 attorneys' fees to Moon Law Group, PC;
$21,490.60 attorneys' costs;
$3,750.00 for administrator's costs; and
$2,500.00 to Plaintiff Sylvia Zamora.

By no later than **July 1, 2026**, Plaintiff's counsel must serve this Order **and** the signed Judgment on the LWDA pursuant to Labor Code section 2699(s)(3) and file proof of service of such.

By no later than **June 24, 2027**, Plaintiffs must file and serve a final accounting.

A **Non-Appearance Case Review is set for July 1, 2027, 8:30 a.m., Department 9** re (a) proof of service of this Order and the signed Proposed Order and Judgment on the LWDA; and (b) final accounting.

Introduction

This is a putative wage-and-hour class action and representative action. Plaintiff Sylvia Zamora ("Plaintiff") alleges that she and the putative class members are and were employed by Defendant CAPC, Inc. ("Defendant") and that Defendant violated the Labor Code, Industrial Welfare Commission wage orders, and the Business and Professions Code.

On September 17, 2024, Plaintiff filed the instant class action complaint. On December 23, 2024, Plaintiff filed the operative First Amended Complaint ("FAC") asserting class and representative claims under the Private Attorneys General Act ("PAGA"). In the FAC, Plaintiff asserts causes of action for: (1) failure to pay minimum wages, (2) failure to provide overtime compensation, (3) failure to provide meal periods, (4) failure to authorize and permit rest breaks, (5) failure to indemnify necessary business expenses, (6) failure to timely pay final wages at termination, (7) failure to provide accurate itemized wage statements, (8) unfair competition, and (9) civil penalties under PAGA.

On February 5, 2025, the Court granted the parties stipulation to dismiss Plaintiff's class claims without prejudice, compel Plaintiff's individual claims to arbitration, and stay Plaintiff's representative PAGA claim pending arbitration.

On March 25, 2026, Plaintiff filed the instant motion for approval of the PAGA settlement. No opposition or reply has been filed.

Legal Standard

Labor Code section 2699(l)(2), provides in pertinent part:

> (2) The superior court shall review and approve any settlement of any civil action filed pursuant to this part [i.e., PAGA]. The proposed settlement shall be submitted to the agency at the same time that it is submitted to the court. (Emphasis added.)

By its terms, Labor Code section 2699(l)(2) above requires the Court to review and approve any settlement of a PAGA claim, and the parties to submit the proposed settlement to the LWDA. Thus, the Legislature has bestowed on the Court the responsibility to determine whether the

PAGA settlement is fair. The PAGA statute does not provide any direction about what factors to consider when approving the settlement, but some courts have looked to the class action settlement approval process for direction. Federal courts, for example, have looked to class settlement standards as a guide for approving PAGA settlements. *See, e.g., O'Connor v. Uber Technologies* (N.D. Cal. 2016) 201 F.Supp.3d 1110, 1134 [noting that it would be appropriate to consider the factors discussed in *Hanlon v. Chrysler Corp.* (9th Cir. 1998) 150 F.3d 1011, 1026, in assessing whether a PAGA settlement is justified, including: 1) the strength of the plaintiff's case; 2) the risk, expense, complexity, and likely duration of further litigation; 3) the amount and terms offered in settlement; 4) the extent of discovery completed and the stage of the proceedings; and 5) the experience and views of counsel].

The Settlement Agreement

The settlement agreement provides as follows:

The settlement is for a gross amount of $130,000.00. (Moon Decl. ¶ 2, Exh. 1 [Settlement Agreement] at ¶¶ I(M), III(A).) Of this gross settlement amount, various amounts are set aside for expenses including up to $6,000.00 for Administrator fees costs. (Moon Decl. ¶ 2, Exh. 1 at ¶ III(C)(3).) Up to $45,500 of the gross settlement amount – i.e., exactly 35% of the total gross settlement – is set aside for attorneys' fees. (Moon Decl. ¶ 2, Exh. 1 at ¶ III(C)(1).) Up to $25,000.00 is apportioned for litigation expenses. (Moon Decl. ¶ 2, Exh. 1 at ¶ III(C)(1).) Finally, the settlement provides Plaintiff with an enhancement award of up to $2,500.00. (Moon Decl. ¶ 2, Exh. 1 at ¶ III(C)(2).)

The Settlement Agreement also includes an escalator clause which provides that the Gross Settlement Amount is based on an estimated 4,372 pay periods during the PAGA Period, but if the actual number of pay periods exceeds this by more than 10%, the total Gross Settlement Amount will increase by a corresponding amount in excess of 10%. (Moon Decl. ¶ 2, Exh. 1 at ¶ III(A)(1).) However, at the June 24, 2026 hearing on the instant motion, the parties confirmed that they have reviewed the total number of pay periods during the PAGA period, and the escalator clause has not been triggered.

The Parties' Claims and Requests

As to these apportioned categories, the parties are now seeking approval of the following amounts to be paid from the gross settlement:

Plaintiff's Attorney's fees of $45,500.00.

Plaintiff's Counsel's litigation costs of $21,490.60.

Administrative costs of $3,750.00 for proposed administrator Phoenix Class Action Administration Solutions.

An enhancement award of $2,500.00 for Plaintiff.

Pursuant to the PAGA settlement, any reduction in attorneys' fees or litigation costs shall go to the Net Settlement Amount. (Moon Decl. ¶ 2, Exh. 1 at ¶ III(C)(1).) Similarly, any reduction in the enhancement award for Plaintiffs will go to the Net Settlement Amount. (Moon Decl. ¶ 2, Exh. 1 at ¶ III(C)(2).)

Assuming deductions from the Gross Settlement by the amounts Plaintiff seeks, approximately $56,759.40 of the PAGA settlement would remain of which:

> 65% or approximately $36,893.61 is to go to the LWDA. (Moon Decl. ¶ 2, Exh. 1 at ¶ III(C)(4).)
>
> 35% or approximately $29,865.79 is to go to the Aggrieved Employees. (Moon Decl. ¶ 2, Exh. 1 at ¶ III(C)(5).)

The Settlement Administrator will prepare and issue IRS Form 1099 for the Aggrieved Employees. (Moon Decl. ¶ 2, Exh. 1 at ¶ III(D).)

Discussion

The PAGA settlement agreement sets forth the scope of the agreement. The term "Aggrieved Employees" means "[a]ll non-exempt, hourly employees who worked for Defendant in California at any time" during the PAGA Period. (Moon Decl. ¶ 2, Exh. 1 at ¶ I(C).) The PAGA Period is defined as September 15, 2023 through March 11, 2026. (Moon Decl. ¶ 2, Exh. 1 at ¶ I(T).)

The PAGA settlement amount is reasonable. There are approximately 122 Aggrieved Employees with a total of approximately 4,372 pay periods covered by the settlement agreement. (Moon Decl. ¶ 17.) With the proposed deductions, assuming equal violations for each Aggrieved

Employee per PAGA Settlement pay period, the settlement would come to approximately $162.83 per aggrieved employee or approximately $4.54 per pay period.

Plaintiff's Counsel claim that the maximum exposure applying a violation rate of $100.00 per pay period would be $437,200.00 without stacking penalties. (Moon Decl. ¶ 32.) The Gross Settlement amount represents approximately 30% of this maximum exposure. Though stacking penalties would have resulted in a greater recovery, it is legally unclear whether stacking penalties by theories of recovery are permitted. (See e.g., *Salazar v. PODS Enterprises, LLC* (C.D. Cal., May 8, 2019, No. EDCV19260MWFKKX) 2019 WL 2023726, at *6.) Moreover, Defendant did not concede the allegations of the FAC and had several defenses including that they had legally compliant employment policies and practices throughout the statutory period. (Moon Decl. ¶¶ 10, 25-30.) Further, reductions are generally applied if there are any mitigating circumstances. (*Carrington v. Starbucks Corp.* (2018) 30 Cal.App.5th 504, 528-529 [affirming trial court's award of less than 10% of maximum PAGA penalty for meal break violations where company sought to comply with the law].)

Accordingly, the gross settlement of $130,000.00 seems well within the reasonable range for a PAGA settlement based on the defenses and allegations of the operative FAC. Moreover, the PAGA settlement negotiations were adversarial and at arm's length and came about through an all-day mediation with Marc Feder on December 11, 2025. (Moon Decl. ¶ 13.)

Plaintiff's Counsel request $45,500.00 in attorney fees. The amount is 3**5**% of the gross settlement. However, awards from the common funds – like this PAGA Settlement – of 3**3**% for attorneys' fees in representative actions are considered standard and appropriate. (*Laffitte v. Robert Half Internat. Inc.* (2016) 1 Cal.5th 480, 506 [affirming award of 33% of the common fund]; *Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th 43, 66 Fn.11 ["Empirical studies show that, regardless whether the percentage method or the lodestar method is used, fee awards in class actions average around one-third of the recovery."].) Plaintiff provides no reason to deviate from this standard norm.

Plaintiff's Counsel Moon Law Group, PC focuses exclusively on advocating for the rights of employees in wage and hour litigation, almost entirely in class and/or PAGA representative actions. (Moon Decl. ¶ 47.) Attorney Kane Moon – the founder Moon Law Group, PC – has been an attorney since 2007 with substantial experience as Lead Counsel in prosecuting and defending employment class and PAGA actions. (Moon Decl. ¶¶ 46-50.) Attorney Moon bills at an hourly rate of $950. (Moon Decl. ¶ 49.) Attorney Moon claims to have spent 21.5 hours on the instant matter for a total lodestar of $20,425.00. (Moon Decl. ¶ 68.)

Attorney Lilit Ter-Astvatsatryan is a Partner at Moon Law Group, PC who has been an attorney since 2017. (Moon Decl. ¶¶ 51-52.) Attorney Ter-Astvatsatryan has extensive experience in employment litigation working on numerous class action cases and representative actions that have been granted final approval and has authored multiple articles on California labor laws. (Moon Decl. ¶¶ 55-57.) Attorney Ter-Astvatsatryan bills at an hourly rate of $850. (Moon Decl. ¶ 54.) Attorney Ter-Astvatsatryan claims to have spent 28.1 hours on the instant matter for a total lodestar of $23,885.00. (Moon Decl. ¶ 68.)

Attorney Michael Citrin is an associate attorney at Moon Law Group, PC who has been an attorney since 2020. (Moon Decl. ¶¶ 58, 60.) Attorney "Citrin worked as an immigration defense attorney, advocating for individuals in removal proceedings, and then as a Deputy Federal Public Defender, representing indigent individuals accused of federal crimes." (Moon Decl. ¶ 59.) Attorney Citrin bills at an hourly rate of $650. (Moon Decl. ¶ 61.) Attorney Citrin claims to have spent 36.7 hours on the instant matter for a total lodestar of $23,885.00. (Moon Decl. ¶ 68.)

In total, Plaintiff's Counsels claim to have spent 86.3 hours on the instant action over less than two years for a total lodestar amount of $68,165.00. (Moon Decl. ¶ 68.) However, this action involved little to no litigation. Plaintiff filed the initial class action complaint on September 17, 2024. On December 23, 2024, Plaintiff filed the operative FAC asserting class and representative claims. A few months later on February 5, 2025, the Court granted the parties' stipulation to dismiss the class claims, stay the representative PAGA claim, and compel the individual claims to arbitration. Soon after, the parties agreed to private mediation and resolved the instant action. (Moon Decl. ¶ 9.) With such minimal litigation, the record does not support Plaintiff's claimed lodestar. Nor does the record support an award of attorney's fees above the customary 33% that is typical for this type of action – i.e., such as litigation of numerous motions, an appeal, or extensive discovery.

Based on the totality of the circumstances the Court finds that an award of 33% or in this case $43,333.33 is sufficient to adequately compensate Plaintiff's Counsel for the work on the instant action. Accordingly, the Court hereby approves attorney's fees of $43,333.33.

Plaintiff's Counsel seek costs and expenses of $21,490.60. (Moon Decl. ¶ 77.) These costs appear to consist of filing fees, court fees, mediation fees, and service of process fees. (Moon Decl. ¶ 19, Exh. 4.) Based on the attached billing records, these costs appear reasonable and are approved.

The release of claims in the PAGA settlement agreement for the Aggrieved Employees is proper because it releases only PAGA claims that were raised in the original notice letter to the LWDA and the operative FAC. (Moon Decl. ¶ 2, Exh. 1 at ¶ I(Y)-(Z).)

Plaintiff seeks $2,500 as a service award to compensate Plaintiff for the time that she spent prosecuting this action on behalf of the PAGA aggrieved employees. During the lawsuit, Plaintiff "made [herself] available whenever [her] attorneys wanted to discuss aspects of [her] employment with Defendant and [Plaintiff] remain[s] committed to seeing this case through to the end." (Zamora Decl. ¶ 6.) Plaintiff "provided [her] attorneys and reviewed with them documents from [her] employment with Defendant that [she] had in [her] possession, and [Plaintiff] explained those documents and related facts to [her] attorneys to assist them in their review and analysis. [Plaintiff] also assisted in identifying potential witnesses, including other employees, in attempts to locate witnesses who might likewise have been of assistance." (Zamora Decl. ¶ 14.) Plaintiff also "identif[ied] potential witnesses to [her] attorneys, and [Plaintiff] reviewed with [her] attorneys information about [her] employment and documents produced by Defendant to prepare for mediation. [Plaintiff] also made [herself] available to answer questions from [her] attorneys during the mediation that ultimately led to the Settlement." (Zamora Decl. ¶ 15.)

In light of the amount of the recovery Plaintiff has achieved on behalf of all aggrieved employees and the time that Plaintiff devoted to pursuing and litigation the action, the Court grants an enhancement award to Plaintiff of $2,500.00.

Phoenix Class Action Administration Solutions appears qualified and sufficiently non-affiliated with the parties to adequately serve as the settlement administrator. (Lawrence Decl. ¶¶ 4-11, Exh. A.)

Plaintiff gave notice of the revised settlement agreement to the LWDA on March 25, 2026. (Moon Decl. ¶ 15, Exh. 3.)

CONCLUSION AND ORDER

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PLAINTIFF IS ORDERED TO DOWNLOAD THE INSTANT **SIGNED** ORDER FROM THE COURT'S WEBSITE AND TO GIVE NOTICE TO ALL OTHER PARTIES.

IT IS SO ORDERED.

DATED: June 24, 2026

Elaine Lu / Judge
Judge of the Superior Court