

SANDRA RODRIGUEZ vs QUALITY EMPLOYMENT & MULTI SERVICES INC., ET AL,
Case No. 24STCV29932

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 \$105,000.00.

The court hereby approves the following amounts to be paid from the gross settlement:

\$35,000.00 attorneys' fees to Haulk & Herrera LLP

\$7,957.58 attorneys' costs;

\$3,350.00 for administrator's costs; and

\$7,500.00 to Plaintiff Sandra Rodriguez.

By no later than **September 3, 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 **August 20, 2027**, Plaintiff must file and serve a final accounting.

A **Non-Appearence Case Review** is set for **August 27, 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 action commenced as a putative wage-and-hour class action and representative action.

Plaintiff Sandra Rodriguez ("Plaintiff") alleges that she and the putative class members are and were employed by Defendants Quality Employment & Multi Services Inc., Vensure, HR, Inc., and Complete Clothing Company and that defendants violated the Labor Code, Industrial Welfare Commission wage orders, and the Business and Professions Code.

On November 14, 2024, Plaintiff filed the instant class action complaint against Defendants Quality Employment & Multi Services Inc. and Vensure, HR, Inc. On May 12, 2025, Plaintiff

filed the operative Second Amended Complaint (“SAC”) asserting class and representative claims under the Private Attorneys General Act (“PAGA”) against Defendants Quality Employment & Multi Services Inc., Vensure, HR, Inc., and Complete Clothing Company. In the SAC, Plaintiff asserts four causes of action for: (1) unpaid wages, (2) waiting time penalty for nonpayment of wages, (3) failure to provide accurate wage statements, and (4) civil penalties under PAGA.

On June 6, 2025, the Court granted Plaintiff’s request to dismiss Defendant Vensure, HR, Inc. from the SAC without prejudice.

On July 8, 2025, the Court granted the parties’ stipulation to submit Plaintiff’s individual claims to arbitration, and stay Plaintiff’s representative PAGA claim pending arbitration.

On April 3, 2026, Plaintiff filed the instant motion for approval of the PAGA settlement. On July 1, 2026, Defendant Quality Employment & Multi Services Inc. filed a notice of non-opposition.

On July 22, 2026, the Court continued the instant motion for the parties to amend the settlement to correct the PAGA release to include only claims and parties included in the PAGA notice and the operative SAC and to determine whether the escalator clause has been triggered. (Order 7/22/26.)

On August 26, 2026, Defendant filed the declaration of Dennissee Gutierrez setting forth that the escalator clause in the Amended Settlement Agreement has not been triggered.

No opposition or reply has been filed.

Legal Standard

Labor Code section 2699(1)(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(1)(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 total amount of \$105,000.00. (Haulk Decl. ¶ 7, Exh. 4 [Amended Settlement Agreement] at ¶ 4(a).) Of this total settlement amount, various amounts are set aside for expenses including up to \$7,500.00 for Administrator fees costs. (Haulk Decl. ¶ 7, Exh. 4 at ¶ 4(a)(3).) Up to \$42,000.00 of the gross settlement amount – i.e., exactly 40% of the total settlement amount – is set aside for attorneys’ fees. (Haulk Decl. ¶ 7, Exh. 4 at ¶ 4(a)(1).) Up to \$9,000.00 is apportioned for litigation expenses. (Haulk Decl. ¶ 7, Exh. 4 at ¶ 4(a)(2).) Finally, the settlement provides Plaintiff with an enhancement award of up to \$10,000.00. (Haulk Decl. ¶ 7, Exh. 4 at ¶ 4(a)(4).)

The Amended Settlement Agreement also includes an escalator clause which provides that if the actual number of Compensable Pay Periods during the PAGA period is more than 20% of the estimated 3,596 pay periods, the total settlement amount will be proportionally increased. (Haulk Decl. ¶ 7, Exh. 4 at ¶ 4(b).) However, in a supplemental declaration filed on August 26, 2026 and at the August 27, 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 \$42,000.00.

Plaintiff's Counsel's litigation costs of \$7,957.58.

Administrative costs of \$3,350.00 for proposed administrator ILYM Group Inc.

An enhancement award of \$10,000.00 for Plaintiff.

Pursuant to the PAGA settlement, any reduction in attorneys' fees or litigation costs shall go to the Net Settlement Amount. (Haulk Decl. ¶ 7, Exh. 4 at ¶¶ 4(a)(1)-(2).) Any reduction in the Settlement Administrator costs shall go to the Net Settlement Amount. (Haulk Decl. ¶ 7, Exh. 4 at ¶ 4(a)(3).) Similarly, any reduction in the enhancement award for Plaintiffs will go to the Net Settlement Amount. (Haulk Decl. ¶ 7, Exh. 4 at ¶ 4(a)(4).)

Assuming deductions from the Gross Settlement by the amounts Plaintiff seeks, approximately \$41,692.42 of the PAGA settlement would remain of which:

65% or approximately \$27,100.07 is to go to the LWDA. (Haulk Decl. ¶ 7, Exh. 4 at ¶ 4(a)(5).)

35% or approximately \$14,592.35 is to go to the Aggrieved Employees. (Haulk Decl. ¶ 7, Exh. 4 at ¶ 4(a)(5).)

The Settlement Administrator will prepare and issue IRS Form 1099 for the Aggrieved Employees. (Haulk Decl. ¶ 7, Exh. 4 at ¶ 4(c).)

Discussion

The PAGA settlement agreement sets forth the scope of the agreement. The term “Aggrieved Employees” means “all current and former hourly-paid or non-exempt employees employed by Defendant Quality Employment & Multi Services Inc. who were assigned to work at Complete Clothing in the State of California during the PAGA Period[.]” (Haulk Decl. ¶ 7, Exh. 4 at ¶ 4(a)(5).) The PAGA Period is defined as November 25, 2023 to December 7, 2025. (Haulk Decl. ¶ 7, Exh. 4 at ¶ 4(a)(5).)

The PAGA settlement amount is reasonable. There are approximately 117 Aggrieved Employees with a total of approximately 3,596 pay periods covered by the settlement agreement. (Haulk Decl. ¶ 7, Exh. 4 at ¶ 4(b).) With the proposed deductions, assuming equal violations for each Aggrieved Employee per PAGA Settlement pay period, the settlement would come to approximately \$124.72 per aggrieved employee or approximately \$4.06 per pay period.

Plaintiff’s Counsel claims that the maximum exposure applying a violation rate of \$100.00 per pay period per violation would be \$1,059,00.00 with stacking penalties. (Herrera Decl. ¶ 17.) The Total Settlement Amount represents approximately 10% of this maximum exposure. However, 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, Defendants did not concede the allegations of the SAC and had several defenses including that they had legally compliant employment policies and practices throughout the statutory period. (Herrera Decl. ¶¶ 14-17.) 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 total settlement amount of \$105,000.00 seems well within the reasonable range for a PAGA settlement based on the defenses and allegations of the operative SAC. Moreover, the PAGA settlement negotiations were adversarial and at arm’s length and came about through an all-day mediation with Steven Kaplan, Esq. on November 13, 2025. (Herrera Decl. ¶ 7.)

Plaintiff’s Counsel request \$42,000.00 in attorney fees. The amount is 40% of the gross settlement. However, awards from the common funds – like this PAGA Settlement – of 33% 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 – Haulk & Herrera, LLP – focuses on employment law and exclusively representing plaintiffs in class actions, single plaintiff litigation, and PAGA claims. (Herrera Decl. ¶ 18.) Attorney Jose M. Herrera – a founding partner of Haulk & Herrera, LLP – has been an attorney in California since June 2013. (Herrera Decl. ¶ 20.) Attorney Herrera has been co-lead class counsel in numerous wage and hour class actions and PAGA cases. (Herrera Decl. ¶ 21.) Attorney Herrera bills at an hourly rate of \$750 in 2024 and 2025 and \$800 per hour in 2026. (Herrera Decl. ¶ 22.) Attorney Herrera claims to have spent a total of 52.2 hours on the instant action for a total lodestar of \$39,215.00. (Herrera Decl. ¶ 28, Exh. 3.)

Attorney Matthew Haulk, Esq. – also a founding partner of Haulk & Herrera, LLP – has been an attorney in California since December 2010. (Herrera Decl. ¶ 23.) Attorney Haulk has been co-lead class counsel in numerous wage and hour class actions and PAGA cases. (Herrera Decl. ¶¶ 21, 23.) Attorney Haulk bills at an hourly rate of \$750 in 2024 and 2025 and \$800 per hour in 2026. (Haulk Decl. ¶ 23.) Attorney Haulk claims to have spent a total of 20.7 hours on the instant action for a total lodestar of \$15,545.00. (Herrera Decl. ¶ 28, Exh. 3.)

In total, Plaintiff's Counsel claim to have spent 72.9 hours on the instant action over less than two years for a total lodestar amount of \$54,760.00. (Herrera Decl. ¶ 28.) Accordingly, Plaintiff's requested attorney's fees of \$42,000.00 equate to a negative lodestar multiplier of 0.77. However, this action involved little to no litigation. Plaintiff filed the initial class action complaint on November 14, 2024. On December 4, 2024, Plaintiff filed a first amended complaint. On May 12, 2025, Plaintiff filed the operative SAC asserting class and representative claims. A month later on June 6, 2025, the Court granted Plaintiff's request to dismiss Vensure,

HR, Inc. from the action. A month after this on July 8, 2025, the Court granted the parties' stipulation to dismiss the class claims, stay the representative PAGA claim, and compel the individual claims to arbitration. Thereafter, the parties agreed to mediation and then resolved the instant action. (See e.g., Minute Order 10/6/25; Notice of Settlement filed 2/5/26.) With such minimal litigation, 72.9 hours of billed hours appears excessive. 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.

Plaintiff's Counsel seek costs and expenses of \$7,957.58. (Herrera Decl. ¶ 28.) These costs appear to consist of filing fees, CaseAnywhere fees, court fees, mediation fees, and service of process fees. (Herrera Decl. ¶ 28.) Based on the provided billing records, these costs appear reasonable.

Plaintiff seeks \$10,000 as a service award to compensate Plaintiff for the time that he spent prosecuting this action on behalf of the PAGA aggrieved employees. Plaintiff's Counsel claims that this is warranted because "Plaintiff was actively involved in the litigation and settlement negotiation of this Action, expending considerable effort in advancing the interests of the State and aggrieved employees, and was available and participated in the mediation of this matter. Plaintiff provided information to counsel before the filing of this matter, assisted with the settlement process (which included conferring with counsel to assist in the preparation of Plaintiff's mediation brief), and, regularly conferred with counsel regarding the case whenever questions arose during the 12- month duration of the action." (Herrera Decl. ¶ 31.) Though Plaintiff did spend some time on behalf of the PAGA aggrieved employees, Plaintiff does not

substantiate the requested \$10,000.00 service award. There is no evidence that Plaintiff sat for a deposition or was more involved than the typical PAGA representative Plaintiff. Thus, the Court hereby awards \$7,500 as a service award to Plaintiff.

ILYM Group, Inc. appears qualified and sufficiently non-affiliated with the parties to adequately serve as the settlement administrator. (Herrera Decl. ¶ 29, Exh. 5.)

Plaintiff gave notice of the amended settlement agreement to the LWDA on August 12, 2026. (Haulk Decl. ¶ 7, Exh. 5.)

CONCLUSION AND ORDER

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

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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: August 27, 2026



A handwritten signature in cursive script, reading "Elaine Lu".

Elaine Lu / Judge

Elaine Lu

Judge of the Superior Court