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*Attorneys for Plaintiff Ismail Alammari, Jeremy D'Ambrosio,
and the putative class*

[ADDITIONAL COUNSEL CONTINUED ON FOLLOWING PAGE]

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF CONTRA COSTA**

ISMAIL ALAMMARI, individually and on
behalf of all others similarly situated; JEREMY
D'AMBROSIO, individually and on behalf of
all others similarly situated;

Plaintiff(s),

vs.

OCEAN CITIES PIZZA, INC., a California
corporation; HOME COUNTY PIZZA, INC., a
California corporation; HISHMEH
ENTERPRISES, INC., a California corporation;
CENTRAL CITIES PIZZA, INC., a California
corporation; TEAM SO-CAL, INC., a California
corporation, and DOES 1-100, inclusive,

Defendants.

Case No.: MSC19-02640

**ORDER GRANTING PLAINTIFFS'
MOTION FOR FINAL APPROVAL OF
CLASS ACTION AND PAGA
SETTLEMENT AND CERTIFICATION OF
A SETTLEMENT CLASS**

Date: April 3, 2025
Time: 9:00 a.m.
Dept.: 39
Judge: Hon. Edward G. Weil

Action Filed: December 18, 2019
Trial Date: Not Set

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*Attorneys for Plaintiffs Ismail Alammari, Jeremy D'Ambrosio,
and the putative class*

On November 1, 2024 the Court issued an order granting preliminary approval of the proposed class action between Plaintiffs Ismail Alammari and Jeremy D'Ambrosio's and Defendants OCEAN CITIES PIZZA, INC., HOME COUNTY PIZZA, INC., HISHMEH ENTERPRISES INC., CENTRAL CITIES PIZZA, INC., and TEAM SO-CAL, INC. ("Defendants") Due and adequate notice having been given to the Class Members as defined below, and the Court having considered Plaintiffs' unopposed Motion for Final Approval of Class Action ("Motion"), the supporting declarations and exhibits thereto, all papers filed in support of and in opposition to the Motion, and the complete files and records in these proceedings, and for good cause appearing, IT IS HEREBY ORDERED AS FOLLOWS:

Plaintiffs Ismail Alammari and Jeremy D'Ambrosio move for final approval of their class action and PAGA settlement with Defendants Ocean Cities Pizza, Inc. et al. The Motion is **GRANTED.**

A. Background and Settlement Terms

Defendants are in the business of operating Domino's Pizza franchises. Plaintiffs worked for one or more defendants as food preparers or retail clerks.

Alammari's original complaint was filed on December 18, 2019, as a class and PAGA case. D'Ambrosio's PAGA complaint was filed on October 21, 2021, in Ventura County. Both courts granted motions to compel arbitration. In Alammari's case, however, the grant was of class wide arbitration, a result which was then affirmed by the court of appeal. The parties then agreed to go into mediation, resulting in this settlement.

The settlement would create a gross settlement fund of \$2,875,000. (That amount was increased \$2,934,662.68 due to the application of an "escalator clause." See discussion below.) Class representative payments to the plaintiffs would be \$10,000 each. Attorney's fees would be \$1,006,250 (35% of the settlement). Litigation costs would not exceed \$60,000. The settlement administrator's costs are estimated at \$33,000. PAGA penalties would be \$250,000, resulting in a payment of \$187,500 to the LWDA. The net amount paid directly to the class members would be about \$1,505,750, not including distribution of PAGA penalties. The fund is non-reversionary. There are an estimated 7,303 class members. Based on the estimated class size, the average net payment for each class member is

1 approximately \$206. The individual payments will vary considerably, however, because of the
2 allocation formula prorating payments according to the number of weeks worked during the relevant
3 time. The number of aggrieved employees for PAGA purposes is smaller, because the starting date of
4 the relevant period is later.

5 The entire settlement amount will be deposited with the settlement administrator within 30
6 days after the effective date of the settlement.

7 The proposed settlement would certify a class of all current and former non-exempt employees
8 employed at Defendants' California facilities between June 24, 2016 and November 29, 2023. For
9 PAGA purposes, the period covered by the settlement is December 16, 2018 to November 29, 2023.

10 The class members will not be required to file a claim. Class members may object or opt out of
11 the settlement. (Aggrieved employees cannot opt out of the PAGA portion of the settlement.) Funds
12 would be apportioned to class members based on the number of workweeks worked during the class
13 period.

14 The settlement contains release language covering all claims and causes of action, alleged or
15 which could have reasonably been alleged based on the allegations in the operative pleading, including
16 a number of specified claims. Under recent appellate authority, the limitation to those claims with the
17 "same factual predicate" as those alleged in the complaint is critical. (*Amaro v. Anaheim Arena Mgmt.,*
18 *LLC* (2021) 69 Cal.App.5th 521, 537 ("A court cannot release claims that are outside the scope of the
19 allegations of the complaint.") "Put another way, a release of claims that goes beyond the scope of the
20 allegations in the operative complaint' is impermissible." (Id., quoting *Marshall v. Northrop Grumman*
21 *Corp.* (C.D. Cal.2020) 469 F.Supp.3d 942, 949.)

22 Formal discovery was undertaken, resulting in the production of substantial documents. The
23 matter settled after arms-length negotiations, which included a session with an experienced mediator.

24 Counsel also has provided an analysis of the case, and how the settlement compares to the
25 potential value of the case, after allowing for various risks and contingencies. For example, much of
26 plaintiff's allegations centers on possible off-the-clock work, including missed or skipped meal breaks
27 and rest breaks. Defendant, however, pointed out that its formal policies prohibit off-the-clock work,
28 and asserted that it would have had no knowledge of employees beginning work before punching in or

1 continuing after punching out. Further, it argued that it was required to make meal and rest breaks
2 available, but not required to ensure that they be taken, so long as no employer policy prevented or
3 discouraged taking such breaks. As to unreimbursed employee expenses (such as cell phone use,
4 mileage, and masks), plaintiff would have been called on to show that such expenses were in fact
5 incurred, were reasonably necessary to job performance, and were unreimbursed. Furthermore, the
6 fact-intensive character of such claims would have presented a serious obstacle to class certification.
7 Plaintiffs also faced the problem that the relevant work force tended to work for short periods at low
8 wages, making it harder to secure employees to testify.

9 The potential liability needs to be adjusted for various evidence and risk-based contingencies,
10 including problems of proof. PAGA penalties are difficult to evaluate for a number of reasons: they
11 derive from other violations, they include “stacking” of violations, the law may only allow application
12 of the “initial violation” penalty amount, and the total amount may be reduced in the discretion of the
13 court. (See Labor Code § 2699(e)(2) (PAGA penalties may be reduced where “based on the facts and
14 circumstances of the particular case, to do otherwise would result in an award that is unjust arbitrary
15 and oppressive, or confiscatory.”)) Moreover, recent decisions may make it difficult for PAGA
16 plaintiffs to recover statutory penalties, as opposed to actual missed wages. (See, e.g., *Naranjo v.*
17 *Spectrum Security Services, Inc.* (2024) 15 Cal.5th 1056.)

18 Counsel attest that notice of the proposed settlement was transmitted to the LWDA concurrently
19 with the filing of the motion.

20 Preliminary approval of the settlement was granted on September 26, 2024. On November 12,
21 2024, notices were mailed to 7,757 class members. Because of certain problems in implementing the
22 class notice (some notices were sent to a correct address, but with a name of a different class member),
23 there was a very high rate of returned notices (1,876). On December 24, 2024, the parties stipulated
24 to, and on January 2, 2025, the court approved, a modification in the notice and hearing schedule.
25 Corrected notices were mailed where necessary. As a result of skip tracing and class member requests,
26 1,733 notices were remailed. Ultimately, 171 notices have been deemed undeliverable, which is higher
27 than usual, but may reflect the number of class members. As of March 11, 2025, no objections have
28 been received and no requests for exclusion have been received.

B. Legal Standards

The primary determination to be made is whether the proposed settlement is “fair, reasonable, and adequate,” under *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801, including “the strength of plaintiffs’ case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the state of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction ... to the proposed settlement.” (See also *Amaro*, 69 Cal.App.5th 521.)

Because this matter also proposes to settle PAGA claims, the Court also must consider the criteria that apply under that statute. Recently, the Court of Appeal’s decision in *Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, provided guidance on this issue. In *Moniz*, the court found that the “fair, reasonable, and adequate” standard applicable to class actions applies to PAGA settlements. (*Id.*, at 64.) The Court also held that the trial court must assess “the fairness of the settlement’s allocation of civil penalties between the affected aggrieved employees”. (*Id.*, at 64-65.)

California law provides some general guidance concerning judicial approval of any settlement. First, public policy generally favors settlement. (*Neary v. Regents of University of California* (1992) 3 Cal.4th 273.) Nonetheless, the court should not approve an agreement contrary to law or public policy. (*Bechtel Corp. v. Superior Court* (1973) 33 Cal.App.3d 405, 412; *Timney v. Lin* (2003) 106 Cal.App.4th 1121, 1127.) Moreover, “The court cannot surrender its duty to see that the judgment to be entered is a just one, nor is the court to act as a mere puppet in the matter.” (*California State Auto. Assn. Inter-Ins. Bureau v. Superior Court* (1990) 50 Cal.3d 658, 664.) As a result, courts have specifically noted that *Neary* does not always apply, because “Where the rights of the public are implicated, the additional safeguard of judicial review, though more cumbersome to the settlement process, serves a salutatory purpose.” (*Consumer Advocacy Group, Inc. v. Kintetsu Enterprises of America* (2006) 141 Cal.App.4th 48, 63.)

The settlement agreement includes an escalator provision, to be triggered in the event that the number of covered employees or work weeks turns out to be materially higher than now estimated. Based on the prior court’s preliminary approval order, if the clause is triggered and the defendant elects

1 to increase the total payment, no further approval will be needed. It does not include any express
2 provision allowing the defendants to unilaterally cut back the class period to limit the number of
3 employees and work weeks covered; rather, it allows for defendants to terminate the settlement
4 altogether in lieu of increasing the total payment. In granting preliminary approval, the prior judge
5 hearing this matter advised the parties, that in the event they seek to remedy a proposed defendant
6 termination by modifying the settlement terms (such as by cutting back the covered period), it would
7 be prudent to seek further approval from the Court before proceeding further. (The escalator clause
8 was triggered, but the result was that the payment by defendants was increased from \$2,875,000 to
9 \$2,934,662.68.)

10 **C. Attorney Fees, Costs, and Administration**

11 Plaintiff seeks 35% of the total settlement amount as fees, relying on the “common fund”
12 theory. Even a proper common fund-based fee award, however, should be reviewed through a lodestar
13 cross-check. In *Lafitte v. Robert Half International* (2016) 1 Cal.5th 480, 503, the Supreme Court
14 endorsed the use of a lodestar cross-check as a way to determine whether the percentage allocated is
15 reasonable. It stated: “If the multiplier calculated by means of a lodestar cross-check is extraordinarily
16 high or low, the trial court should consider whether the percentage used should be adjusted so as to
17 bring the imputed multiplier within a justifiable range, but the court is not necessarily required to make
18 such an adjustment.” (Id., at 505.) Following typical practice, however, the fee award was not
19 considered at time of preliminary approval, but now.

20 Counsel have estimated a lodestar fee of \$842,070, based on 1,395.8 hours, at hourly rates
21 ranging from \$400 to \$950, with an average rate of \$603. This figure leads to an implied multiplier of
22 1.22. The result of the cross-check is that no adjustment needs to be made, and the fees are approved.

23 Litigation costs of \$55,489.58 are reasonable and are approved.

24 Similarly, the requested representative payment of \$10,000 each for the plaintiffs now will be
25 reviewed. Criteria for evaluation of representative payment requests are discussed in *Clark v. American*
26 *Residential Services LLC* (2009) 175 Cal.App.4th 785, 804-07. Mr. Alammari attests that he has spent
27 about 25 hours working on the case, that he could have more difficulty getting hired in the future. Mr.
28 D’Ambrosio has declared that he spent 25 to 35 hours on the case. Payments of \$10,000 each are

1 approved.

2 Administrative costs are sought in the amount of \$37,000, which is more than the amount
3 initially provided in the settlement. The actual costs for CPI will exceed that amount, which will be
4 borne by defendants (presumably as an outgrowth of the errors in the class list that created the problems
5 with the initial notice). The \$37,000 request is approved.

6 **D. Conclusion**

7 The Court finds that the settlement is fair, reasonable, and adequate, and grants the motion for
8 final approval, as well as the motion for attorney's fees.

9 1. The Court adopts all defined terms as set forth in the Joint Stipulation of Class Action
10 and PAGA Settlement and Release (the "Settlement") filed in this action.

11 2. For purposes of effectuating the Settlement, the Court has jurisdiction over all claims
12 asserted in the action, Plaintiffs, the Settlement, Class Members, and Defendants.

13 3. Solely for purposes of effectuating the Settlement, this Court has certified a "Settlement
14 Class" defined as: "All current and former non-exempt or hourly paid employees of Defendants that
15 have worked for any one of the Defendants in the State of California at any time during the Class
16 Period."

17 4. The Court finds that the Settlement was made and entered into in good faith and hereby
18 approved the Settlement as fair, adequate, and reasonable to all Class Members.

19 5. Upon the Effective Date, all Class Members who did not timely opt out of the Settlement
20 shall be deemed to have fully and finally released their Released Claims against the Released Parties.

21 "Released Claims" are defined as:

- 22 a. "Released Claims for Class Members" means all claims that were alleged, or reasonably
23 could have been alleged, based on the Class Period facts stated in the Operative
24 Complaint and in the Action and ascertained in the course of the Action, including, but
25 not limited to claims under California Labor Code §§ 201, 202, 203, 204, 210, 218.5,
26 218.6, 226(a), 226.3, 226.7, 256, 510, 512, 516, 558(a), 1174, 1174.5, 1182.12, 1194,
27 1194.2, 1197, 1197.1, 1198, 2810.5, and 2802, IWC Wage Order No. 5-2001, and
28 California Business and Professions Code section 17200, et seq. Except as set forth in

Section 6.3 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.

b. "Released Claims for PAGA Settlement Members" means all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and in the Action, the PAGA Notice, and ascertained in the course of the Action including, but not limited to claims under California Labor Code §§ 201, 202, 203, 204, 210, 218.5, 218.6, 226(a), 226.3, 226.7, 256, 510, 512, 516, 558(a), 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2810.5, and 2802, and IWC Wage Order No. 5-2001.

c. "Released Claims" shall refer collectively to the "Released Claims for Class Members" and "Released Claims for PAGA Settlement Members."

6. "Released Parties" are defined as Defendants, and any past and present owners, officers, directors, shareholders, unit holders, managers, employees, agents, principals, heirs, representatives, accountants, auditors, attorneys, insurers, franchisors, consultants, and their respective successors and predecessors in interest, subsidiaries, affiliates, and parents of Defendants, as well as any individual or entity that could be alleged to be jointly liable with Defendants.

7. The Notice of Class Settlement provided to Class Members conforms with the requirements of California Code of Civil Procedure section 382, California Civil Code section 1781, rules 3.766 and 3.769 of the California Rules of Court, the California and United States Constitutions, and any other applicable law, and constitutes the best notice practicable under the circumstances, by providing individual notice to all Class Members who could be identified through reasonable effort, and by providing due and adequate notice of the proceedings and of the matters set forth therein to the other Class Members. The notice fully satisfied the requirements of due process.

8. Zero (0) individuals objected to the Settlement and zero (0) individual validly opted out of the Settlement, therefore all individuals except one are bound by the terms of this Judgment.

9. The Parties shall bear their own respective attorneys' fees and costs, except as otherwise

1 provided for in the Settlement and approved by the Court.

2 10. The Court finds that Gross Settlement Amount and the methodology used to calculate
3 and pay each Participating Class Member's Settlement Payment are fair and reasonable. The Court
4 authorizes the Settlement Administrator to pay the Settlement Payments to the Participating Class
5 Members in accordance with the terms of the Settlement.

6 11. Upon entry of this Judgment, compensation to the Participating Class Members shall be
7 affected pursuant to the terms of the Settlement.

8 12. The Court hereby approves a Class Representative Incentive Payment in the amount of
9 \$20,000 (\$10,000.00 each for Plaintiff Alammari and Ambrosio) for their services as Class
10 Representatives, to be paid from the Gross Settlement Amount.

11 13. From the Gross Settlement Amount, Class Counsel is awarded \$1,027,131.94 for their
12 reasonable attorneys' fees and \$55,489.58 for their reasonable costs incurred in this action.

13 14. The Court approves payment of Settlement Administration Costs in the amount of
14 \$37,000.00 to CPT Group, Inc. Such costs shall be paid from the Gross Settlement Amount.

15 15. The employer portion of required payroll taxes will be paid separately by Defendants
16 and not from the Gross Settlement Amount.

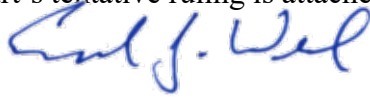
17 16. Upon the Effective Date, all Class Members, including Plaintiffs, are hereby forever
18 barred and enjoined from prosecuting any of the Released Claims against the Released Parties as
19 provided for in the Settlement.

20 17. The Settlement Administrator shall post, on a website accessible to the Class Members,
21 the settlement documents and information including the final judgment, in satisfaction with California
22 Rules of Court, Rule 3.771(b).

23 18. Without affecting the finality of the Judgment in any way, this Court shall retain
24 jurisdiction with respect to all matters related to the administration and consummation of the
25 Settlement, and any and all claims, asserted in, arising out of, or related to the subject matter of the
26 lawsuit, including but not limited to all matters related to the Settlement and the determination of all
27 controversies relating thereto.

1 19. Plaintiffs’ Motion for Final Approval of Class Action is hereby GRANTED and the
2 Court directs that a separate judgment shall be entered in accordance with the terms of this Order.

3 20. A true and correct copy of the Court’s tentative ruling is attached hereto as Exhibit “1”.
4



5 Dated: 5/8/2025

Hon. Edward Weil
Hon. Edward G. Weil
Judge of the Superior Court

EXHIBIT 1

Superior Court of California, Contra Costa County

Department 39
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F. Li
Court Executive Officer

MINUTE ORDER

ALAMMARI VS OCEAN CITIES PIZZA, INC.

MSC19-02640

HEARING DATE: 04/03/2025

PROCEEDINGS: *HEARING ON MOTION IN RE: ATTORNEY FEES

DEPARTMENT 39
JUDICIAL OFFICER: EDWARD G WEIL
JOURNAL ENTRIES

CLERK: BROOKE POOL
COURT REPORTER: NOT REPORTED

Appearances:

No appearance by or for either party.

Proceedings:

There being no opposition to the tentative ruling, the tentative ruling becomes the order of the court as follows:

TENTATIVE RULING:

Plaintiffs Ismail Alammari and Jeremy D'Ambrosio move for final approval of their class action and PAGA settlement with defendants Ocean Cities Pizza et al. They move separately for approval of attorney's fees. The two will be considered together.

A. Background and Settlement Terms

Defendants are in the business of operating Domino's Pizza franchises. Plaintiffs worked for one or more defendants as food preparers or retail clerks.

Alammari's original complaint was filed on December 18, 2019, as a class and PAGA case. D'Ambrosio's PAGA complaint was filed on October 21, 2021, in Ventura County. Both courts granted motions to compel arbitration. In Alammari's case, however, the grant was of class wide arbitration, a result which was then affirmed by the court of appeal. The parties then agreed to go into mediation, resulting in this settlement.

The settlement would create a gross settlement fund of \$2,875,000. (That amount was increased \$2,934,662.68 due to the application of an "escalator clause." See discussion below.) Class representative payments to the plaintiffs would be \$10,000 each. Attorney's fees would be \$1,006,250 (35% of the settlement). Litigation costs would not exceed \$60,000. The settlement administrator's costs are estimated at \$33,000. PAGA penalties would be \$250,000, resulting in a payment of \$187,500 to the LWDA. The net amount paid directly to the class members would be about \$1,505,750, not including distribution of PAGA penalties. The fund is non-reversionary. There are an estimated 7,303 class members. Based on the estimated class size, the average net payment for each class member is approximately \$206. The individual payments will vary considerably, however, because of the allocation formula prorating payments according to the number of weeks worked during the relevant time. The

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number of aggrieved employees for PAGA purposes is smaller, because the starting date of the relevant period is later.

The entire settlement amount will be deposited with the settlement administrator within 30 days after the effective date of the settlement.

The proposed settlement would certify a class of all current and former non-exempt employees employed at Defendants' California facilities between June 24, 2016 and November 29, 2023. For PAGA purposes, the period covered by the settlement is December 16, 2018 to November 29, 2023.

The class members will not be required to file a claim. Class members may object or opt out of the settlement. (Aggrieved employees cannot opt out of the PAGA portion of the settlement.) Funds would be apportioned to class members based on the number of workweeks worked during the class period.

A list of class members will be provided to the settlement administrator within 15 days after preliminary approval. The administrator will use skip tracing as necessary. Various prescribed follow-up steps will be taken with respect to mail that is returned as undeliverable. Settlement checks not cashed within 180 days will be cancelled, and the funds will be directed to the State Bar's Justice Gap Fund as a *cy pres* beneficiary.

The settlement contains release language covering all claims and causes of action, alleged or which could have reasonably been alleged based on the allegations in the operative pleading, including a number of specified claims. Under recent appellate authority, the limitation to those claims with the "same factual predicate" as those alleged in the complaint is critical. (*Amaro v. Anaheim Arena Mgmt., LLC* (2021) 69 Cal.App.5th 521, 537 ("A court cannot release claims that are outside the scope of the allegations of the complaint.") "Put another way, a release of claims that goes beyond the scope of the allegations in the operative complaint' is impermissible." (*Id.*, quoting *Marshall v. Northrop Grumman Corp.* (C.D. Cal.2020) 469 F.Supp.3d 942, 949.)

Formal discovery was undertaken, resulting in the production of substantial documents. The matter settled after arms-length negotiations, which included a session with an experienced mediator.

Counsel also has provided an analysis of the case, and how the settlement compares to the potential value of the case, after allowing for various risks and contingencies. For example, much of plaintiff's allegations centers on possible off-the-clock work, including missed or skipped meal breaks and rest breaks. Defendant, however, pointed out that its formal policies prohibit off-the-clock work, and asserted that it would have had no knowledge of employees beginning work before punching in or continuing after punching out. Further, it argued that it was required to make meal and rest breaks available, but not required to ensure that they be taken, so long as no employer policy prevented or discouraged taking such breaks. As to unreimbursed employee expenses (such as cell phone use, mileage, and masks), plaintiff would have been called on to show that such expenses were in fact incurred, were reasonably necessary to job performance, and were unreimbursed. Furthermore, the fact-intensive character of such claims would have presented a serious obstacle to class certification. Plaintiffs also faced the problem that the relevant work force tended to work for short periods at low wages, making it harder to secure employees to testify.

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Counsel attest that notice of the proposed settlement was transmitted to the LWDA concurrently with the filing of the motion.

Preliminary approval of the settlement was granted on September 26, 2024. On November 12, 2024, notices were mailed to 7,757 class members. Because of certain problems in implementing the class notice (some notices were sent to a correct address, but with a name of a different class member), there was a very high rate of returned notices (1,876). On December 24, 2024, the parties stipulated to, and on January 2, 2025, the court approved, a modification in the notice and hearing schedule. Corrected notices were mailed where necessary. As a result of skip tracing and class member requests, 1,733 notices were remailed. Ultimately, 171 notices have been deemed undeliverable, which is higher than usual, but may reflect the number of class members. As of March 11, 2025, no objections have been received and no requests for exclusion have been received.

B. Legal Standards

The primary determination to be made is whether the proposed settlement is “fair, reasonable, and adequate,” under *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801, including “the strength of plaintiffs’ case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the state of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction ... to the proposed settlement.” (See also *Amaro*, 69 Cal.App.5th 521.)

Because this matter also proposes to settle PAGA claims, the Court also must consider the criteria that apply under that statute. Recently, the Court of Appeal’s decision in *Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, provided guidance on this issue. In *Moniz*, the court found that the “fair, reasonable, and adequate” standard applicable to class actions applies to PAGA settlements. (*Id.*, at 64.) The Court also held that the trial court must assess “the fairness of the settlement’s allocation of civil penalties between the affected aggrieved employees”. (*Id.*, at 64-65.)

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California law provides some general guidance concerning judicial approval of any settlement. First, public policy generally favors settlement. (*Neary v. Regents of University of California* (1992) 3 Cal.4th 273.) Nonetheless, the court should not approve an agreement contrary to law or public policy. (*Bechtel Corp. v. Superior Court* (1973) 33 Cal.App.3d 405, 412; *Timney v. Lin* (2003) 106 Cal.App.4th 1121, 1127.) Moreover, "The court cannot surrender its duty to see that the judgment to be entered is a just one, nor is the court to act as a mere puppet in the matter." (*California State Auto. Assn. Inter-Ins. Bureau v. Superior Court* (1990) 50 Cal.3d 658, 664.) As a result, courts have specifically noted that *Neary* does not always apply, because "Where the rights of the public are implicated, the additional safeguard of judicial review, though more cumbersome to the settlement process, serves a salutary purpose." (*Consumer Advocacy Group, Inc. v. Kintetsu Enterprises of America* (2006) 141 Cal.App.4th 48, 63.)

The settlement agreement includes an escalator provision, to be triggered in the event that the number of covered employees or work weeks turns out to be materially higher than now estimated. Based on the prior court's preliminary approval order, if the clause is triggered and the defendant elects to increase the total payment, no further approval will be needed. It does not include any express provision allowing the defendants to unilaterally cut back the class period to limit the number of employees and work weeks covered; rather, it allows for defendants to terminate the settlement altogether in lieu of increasing the total payment. In granting preliminary approval, the prior judge hearing this matter advised the parties, that in the event they seek to remedy a proposed defendant termination by modifying the settlement terms (such as by cutting back the covered period), it would be prudent to seek further approval from the Court before proceeding further. (The escalator clause was triggered, but the result was that the payment by defendants was increased from \$2,875,000 to \$2,934,662.68.)

C. Attorney Fees, Costs, and Administration

Plaintiff seeks 35% of the total settlement amount as fees, relying on the "common fund" theory. Even a proper common fund-based fee award, however, should be reviewed through a lodestar cross-check. In *Lafitte v. Robert Half International* (2016) 1 Cal.5th 480, 503, the Supreme Court endorsed the use of a lodestar cross-check as a way to determine whether the percentage allocated is reasonable. It stated: "If the multiplier calculated by means of a lodestar cross-check is extraordinarily high or low, the trial court should consider whether the percentage used should be adjusted so as to bring the imputed multiplier within a justifiable range, but the court is not necessarily required to make such an adjustment." (*Id.*, at 505.) Following typical practice, however, the fee award was not considered at time of preliminary approval, but now.

Counsel have estimated a lodestar fee of \$842,070, based on 1,395.8 hours, at hourly rates ranging from \$400 to \$950, with an average rate of \$603. This figure leads to an implied multiplier of 1.22. The result of the cross-check is that no adjustment needs to be made, and the fees are approved.

Litigation costs of \$56,239.58 are reasonable and are approved.

Superior Court of California, Contra Costa County

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Similarly, the requested representative payment of \$10,000 each for the plaintiffs now will be reviewed. Criteria for evaluation of representative payment requests are discussed in *Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785, 804-07. Mr. Alammari attests that he has spent about 25 hours working on the case, that he could have more difficulty getting hired in the future. Mr. D'Ambrosio has declared that he spent 25 to 35 hours on the case. Payments of \$10,000 each are approved.

Administrative costs are sought in the amount of \$37,000, which is more than the amount initially provided in the settlement. The actual costs for CPI will exceed that amount, which will be borne by defendants (presumably as an outgrowth of the errors in the class list that created the problems with the initial notice). The \$37,000 request is approved.

D. Conclusion

The Court finds that the settlement is fair, reasonable, and adequate, and grants the motion for final approval, as well as the motion for attorney's fees.

Counsel are directed to prepare an order reflecting this tentative ruling and the other findings in the previously submitted proposed order, along with a judgment. The ultimate judgment must provide for a compliance hearing after the settlement has been completely implemented, do be selected in consultation with the Department Clerk. Plaintiffs' counsel are to submit a compliance statement one week before the compliance hearing date. Five percent of the attorney's fees are to be withheld by the claims administrator pending satisfactory compliance as found by the Court.

DATED: 4/3/2025

BY: _____

K. CHAN, DEPUTY CLERK