

FILED
Superior Court of California
County of Los Angeles

FINAL RULINGS/ORDERS RE: MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT

FEB 28 2024

David W. Stayton, Executive Officer/Clerk of Court
By: R. Arraiga, Deputy

Suleyda Farias v. Shasta Beverages, Inc., Case No.: 19STCV38350

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

The essential terms are:

A. The Gross Settlement Amount ("GSA") is \$2,884,886.80 (the escalator clause was triggered so the GSA increased from \$2,500,000).

B. The Net Settlement Amount is the GSA minus the following:

\$961,628.93 (33 1/3% of escalated GSA) to Class Counsel, Aegis Law Firm, PC and Lawyers for Justice, PC (fee split: 50% - 50%) for attorney fees.

\$29,743.93 to Class Counsel for litigation costs.

\$10,000 to Plaintiffs Suleyda Farias and Jaime Garcia class representatives for Incentive Awards (\$5,000 x 2).

\$10,500 to CPT Group, Inc. for settlement administration costs.

\$112,500 (75% of the \$150,000 PAGA penalty) to the LWDA.

C. Employer share of the payroll taxes on the taxable portion of the settlement payments shall be paid separately from the GSA by Defendant.

D. Plaintiffs release of Defendants from claims described herein.

By **March 27, 2024**, Class Counsel must give notice to the class members pursuant to California Rules of Court, rule 3.771(b) and to the LWDA, if applicable, pursuant to Labor Code §2699 (1)(3).

By **March 3, 2025**, Class Counsel must file a Final Report re: Distribution of the settlement funds.

Court sets a **Non-Appearance Case Review for March 10, 2025, 8:30 AM, Department 9.**

I.
INTRODUCTION

A. Background

Plaintiffs Suleyda Farias and Jaime Garcia sue their former employer, Defendants Shasta Beverages, Inc., National Bevpak, and National Beverage Corporation (collectively, "Defendants"), for alleged wage and hour violations. Plaintiffs seek to represent a class of Defendants' current and former non-exempt employees.

On October 22, 2019, Plaintiff Garcia filed his complaint (Case No. 19STCV37651) ("Garcia Action") alleging causes of action for: (1) unpaid overtime (Labor Code §§ 510 and 1198); (2) unpaid meal period premiums (Labor Code §§ 226.7 and 512(a)); (3) unpaid rest period premiums (Labor Code § 226.7); (4) unpaid minimum wages (Labor Code §§ 1194, 1197, and 1197.1); (5) final wages not timely paid (Labor Code §§ 201 and 202); (6) final wages not timely paid (Labor Code § 204); (7) non-compliant wage statements (Labor Code § 226(a)); (8) failure to keep requisite payroll records (Labor Code § 1174(d)); (9) unreimbursed business expenses (Labor Code §§ 2800 and 2802); and (10) violation of California Business and Professions Code §§ 17200, et seq., based on the preceding claims.

On October 25, 2019, Plaintiff Farias filed her complaint (Case No. 19STCV38350) ("Farias Action") alleging causes of action for: (1) failure to pay minimum wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to permit rest breaks, (5) failure to provide accurate itemized wage statements, (6) failure to pay all wages due upon separation of employment, and (7) violations of California Business and Professions Code §§ 17200 et. seq. On February 10, 2020, Plaintiff Farias filed her First Amended Class Action Complaint adding a claim to allege violations of the Private Attorneys' General Act of 2004 (Labor Code § 2698, et seq. ("PAGA")).

On March 11, 2021, the Court issued an order consolidating the Farias Action and Garcia Action for limited purposes of discovery.

On March 7, 2022, the parties attended a mediation session with David A. Rotman, Esq., which did not result in settlement.

On September 21, 2022, the parties attended a second mediation with Mr. Rotman. At the conclusion of the mediation, Mr. Rotman extended a mediator's proposal to the parties which was accepted on October 4, 2022. The terms of settlement were later finalized in the Class Action and PAGA Settlement Agreement, a copy of which was filed April 21, 2023.

On July 10, 2023, the Court issued a "checklist" to the parties pertaining to deficiencies with the proposed settlement.

On July 12, 2023, the Court called the matter of Plaintiffs' motion for preliminary approval of the settlement for hearing and discussed the issues set forth in the checklist with counsel. In response, the parties filed further briefing and the revised Class Action and PAGA Settlement Agreement on August 7, 2023.

On August 17, 2023, the Court granted preliminary approval.

The Parties now move for final approval of the proposed class action settlement.

B. Definitions.

"Class": all non-unionized, non-exempt employees employed by Defendants in California at any time during the Class Period. (¶1.5)

"Class Period": October 22, 2015 through the date of Preliminary Approval. (¶1.13)

"Aggrieved Employees": all non-unionized, non-exempt employees employed by Defendants in California at any time during the PAGA Period. (¶1.4)

"PAGA Period": October 22, 2018 through the date of Preliminary Approval. (¶1.33)

"Participating Class Member": a Class Member who does not submit a valid and timely Request for Exclusion. (¶1.38)

C. Terms of Settlement Agreement

The essential terms are:

- The original Gross Settlement Amount ("GSA") is \$2,500,000 (¶3.1).

o Escalator Clause: Based on its records, Defendants represent that there are approximately 30,000 Workweeks during the period from October 22, 2015 through February 11, 2022. If the number of Workweeks during the Class Period exceeds 30,000 by more than 7.5% (i.e., exceeds 32,250 Workweeks), Defendants shall have the option to increase the Gross Settlement Amount pro rata per additional Workweek for each Workweek over 32,250 Workweeks or to cap the Class Period at the last point in time in which the number of Workweeks does not exceed 32,250. (¶9)

o At final approval, the settlement administrator represents that the escalator clause was triggered as the total number of Workweeks for Class Members during the Class Period was 37,215, exceeding the escalator threshold of 32,250 Workweeks. A total of \$384,886.80 was added to the Gross Settlement Amount to account for the increase in Workweeks. (Forst Decl. ¶6.) The updated GSA is \$2,884,886.80.

• The Net Settlement Amount ("Net") (\$1,404,500) initially estimated at preliminary approval was the original GSA minus the following:

- o Up to \$875,000 (35%) for attorney fees (¶3.2.2);
 - o Up to \$40,000 for attorney costs (Ibid.);
 - o Up to \$20,000 total [\$10,000 each] for service awards to the proposed class representatives (¶3.2.1);
 - o Up to \$10,500 for settlement administration costs (¶3.2.3);
- and

o Payment of \$150,000 PAGA penalty (75% or \$112,500 to the LWDA) (¶3.2.5).

• Defendants will separately pay all employer payroll taxes owed on the Wage Portions of the Individual Class Payments (¶3.1)

• No Claim Form. Class Members will not have to submit a claim form to receive their settlement payment. (¶3.1)

• Response Deadline. "Response Deadline" means sixty (60) days after the Administrator mails Class Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) email or mail Requests for Exclusion, (b) email or mail Objections, or (c) email or mail challenges to Workweeks and/or Pay Periods. Class Members to whom Class Notice Packets are resent after having been returned undeliverable on or before the Response Deadline, shall have the Response Deadline extended an additional fourteen (14) days. (¶1.47)

• Individual Settlement Payment Calculation. The Administrator will calculate each Individual Class Payment by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period, and (b) multiplying the result by each

Participating Class Member's individual number of Workweeks worked during the Class Period. (¶3.2.4) Non-Participating Class Members will not receive an Individual Settlement Payment. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis. (¶3.2.4.2)

o PAGA Payments: The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$37,500.00) by the total number of Pay Periods worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the result by each Aggrieved Employee's individual number of Pay Periods worked during the PAGA Period. (¶3.2.5.1)

o Tax Allocation. Each Participating Class Member's Individual Class Payment will be allocated as 60% to wages; 40% to non-wages, expense reimbursement, interest, and penalties (¶3.2.4.1). The Administrator will report the Individual PAGA Payments on IRS 1099 Forms. (¶3.2.5.2)

• Funding of Settlement: Defendants shall fully fund the Gross Settlement Amount and Defendants' share of payroll taxes by transmitting the funds to the Administrator no later than sixty (60) days after entry of the Court's Final Approval Order. (¶4.3)

• Distribution: Within fourteen (14) days after Defendants fund the Gross Settlement Amount and Defendants' share of payroll taxes, the Administrator will mail checks for Individual Settlement Payments, Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representatives Service Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, the Administration Expenses, and the Class Representatives Service Payments shall not precede disbursement of Individual Settlement Payments and Individual PAGA Payments. (¶4.4)

• Uncashed Checks. 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. (¶4.4.1) For any leftover funds represented by canceled Individual Settlement Payment and Individual PAGA Payment checks, the Administrator shall transmit the funds to the California Controller's Unclaimed Property Fund in the name of the Participating Class Member and/or Aggrieved Employee thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b). (¶4.4.3)

• CPT Group, Inc. will perform notice and settlement administration. (¶1.2)

- The Settlement Agreement was submitted to the LWDA on August 7, 2023. (Supp. Davies Decl. ISO Prelim, Exhibit 5.)
- Notice of Entry of Judgment will be posted on the administrator's website. (§7.8.1)
- Participating Class Members' Release: Effective on the date when Defendants fully fund the entire Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, are deemed to release the Released Parties from all claims, arising during the Class Period, under state, federal, or local law, whether statutory, common law, or administrative law, that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaints, including: failure to pay minimum wage; failure to pay overtime wages; failure to provide compliant rest periods and associated premium pay; failure to provide meal periods and associated premium pay; failure to pay bonuses or other remuneration; failure to timely pay wages during employment, failure to timely pay wages upon termination; failure to reimburse necessary business-related expenses; failure to maintain requisite payroll records; failure to provide compliant wage statements; conversion; breach of contract; waiting time penalties; unfair or unlawful business practices in violation of California Business and Professions Code section 17200, et seq. based on the aforementioned; declaratory relief; and all other claims and allegations made or which could have been made in the Operative Complaints arising during the Class Period. ("Released Class Claims") As part of the release of the Released Class Claims, 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. (§5.2)
 - o Operative Complaints: On October 22, 2019, Plaintiff Garcia commenced the Garcia Action by filing a Class Action Complaint for Damages ("Garcia Operative Complaint"). On February 10, 2020, Plaintiff Farias filed a First Amended Class Action Complaint ("Farias Operative Complaint"). The Garcia Operative Complaint and the Farias Operative Complaint collectively are referred to as the "Operative Complaints." (§2.1)
- State of California and Aggrieved Employees' Release: Effective on the date when Defendants fully fund the entire Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, the State of

California with respect to the Aggrieved Employees and all Aggrieved Employees, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, are deemed to release the Released Parties from all claims for civil penalties, arising during the PAGA Period, that were alleged, or reasonably could have been alleged, based on the facts stated in the PAGA Notices, to the extent alleged in the Operative Complaints, including: failure to pay minimum wages; failure to pay overtime wages; failure to provide compliant rest periods and associated premium pay; failure to provide meal periods and associated premium pay; failure to pay bonuses or other remuneration; failure to timely pay wages during employment; failure to pay timely wages upon termination; failure to reimburse necessary business-related expenses; failure to maintain requisite payroll records; and failure to provide compliant wage statements ("Released PAGA Claims"). (§6.3)

o "PAGA Notices" mean Plaintiff Farias's October 25, 2019 letter to Defendants and the LWDA, and Plaintiff Garcia's September 29, 2021 letter to Defendants and the LWDA, providing notice pursuant to Labor Code section 2699.3, subd.(a). (§1.35)

o All Aggrieved Employees are bound to the PAGA Settlement and will still be issued an Individual PAGA Payment, regardless of whether they seek exclusion from the Class Settlement. (§7.5.4)

• "Released Parties" means: Defendants and all their present and former parent companies, subsidiaries, divisions, related or affiliated companies, shareholders, officers, directors, corporate-level employees, agents, attorneys, insurers, successors, and assigns, and any individual or entity which could be liable for any of the Released Class Claims and Released PAGA Claims, and Defendants' counsel of record in the Actions. (§1.45)

• Named Plaintiffs will also provide a general release and a waiver of the protections of Cal. Civ. Code §1542. (§5.1)

II.

DISCUSSION

A. Does a Presumption of Fairness Exist?

1. Was the settlement reached through arm's-length bargaining? Yes. On March 7, 2022, the parties attended a mediation session with David A. Rotman, Esq., which did not result in settlement. (Davies Decl. ISO Prelim §§15-17.) On September 21, 2022, the parties attended a second mediation session with Mr. Rotman. (Id. at §18.) At the conclusion of

the second mediation, the mediator extended a mediator's proposal to the parties, which was accepted on October 4, 2022. (Id. at ¶21.) Thereafter, Plaintiffs drafted a Memorandum of Understanding memorializing the terms of their proposed agreement, which Defendants executed on March 28, 2023. (Id. at ¶¶22-23.) The terms were subsequently finalized in the Class Action and PAGA Settlement Agreement on April 21, 2023. (Id. at ¶25.)

2. Were investigation and discovery sufficient to allow counsel and the court to act intelligently? Yes. Plaintiffs' counsel represents that after the Court issued its March 11, 2021 order consolidating the cases for purposes of discovery, Plaintiffs worked together to obtain compliant formal discovery responses from Defendants. (Id. at ¶¶9-10.) The parties sent Belaire-West notices to the class members to obtain class contact information (completed on June 7, 2021), served additional formal discovery requests concerning additional theories of liability, and served several PMK deposition notices. (Id. at ¶11.)

Before the first mediation session, Defendants produced formal discovery, including policy documents, its employee handbooks, data for calculating damages, a 50% sampling of timekeeping data (including daily time logs) and payroll records for its non-exempt employees, and a sampling of wages statements (including all versions of wage statements issued during the Class Period). (Id. at ¶14.)

Counsel clarifies that the 50% sampling of class member's timekeeping and payroll data were selected using the Class Contact list which Defendants produced following the Parties' Belaire-West opt-out notice process. As 25 employees had opted out during the notice process, the 50% sample was selected from the list of 406 employees who did not opt-out. (Supp. Davies Decl. ISO Prelim ¶6.) Plaintiff Farias' expert informed her that a 20% sample would be sufficient to form a reliable and statistically significant analysis of the putative class, and the 50% sampling which Plaintiffs obtained from Defendants exceeded this suggested amount. (Ibid.) Counsel asserts that by using an online calculator, they determined that a sample of 203 employees out of the 454 is a 5% margin of error and 95% confidence level in the data. (Ibid.)

Counsel further represents that prior to the second mediation session, that Plaintiffs prepared a supplemental damage valuations and a supplemental mediation brief concerning

claims which they had presented at the previous mediation (including further evidence of Defendants' alleged failure to institute a valid Alternative Workweek Schedule ("AWS"), and failure to pay class members correct overtime and minimum wages when working less hours than their regularly scheduled AWS), additional potential violations discovered in the intervening months since the first mediation session (including additional evidence of Defendant's alleged improper rounding practices), and updated damages and penalty valuations concerning these claims. (Davies Decl. ISO Prelim ¶19.)

3. Is counsel experienced in similar litigation? Yes. Class Counsel is experienced in class action litigation, including wage and hour class actions. (Id. at ¶75; Declaration of Joanna Ghosh ISO Prelim ¶¶2-6.)

4. What percentage of the class has objected? No objectors. (Forst Decl. ¶12.)

The Court concludes that the settlement is presumptively fair.

B. Is the Settlement Fair, Adequate, and Reasonable?

1. Strength of Plaintiff's case. "The most important factor is the strength of the case for plaintiffs on the merits, balanced against the amount offered in settlement." (Kullar v. Foot Locker Retail, Inc. (2008) 168 Cal.App.4th 116, 130.) Class Counsel has provided information, summarized below, regarding the factual basis for, and estimated maximum exposure for each of the claims alleged.

Violation	Maximum Exposure
Overtime Wage Claims	\$1,997,019.00
Minimum Wage Claims	\$495,662.00
Meal Period Claims	\$3,000,000.00
Rest Break Claims	\$3,500,000.00
Expense Reimbursements	\$2,932,900.00
Wage Statement Penalties	\$1,466,450.00
Waiting Time Penalties	\$2,932,900.00
PAGA Penalties	\$1,485,600.00
Total	\$17,810,531.00

(Davies Decl. ISO Prelim ¶¶37-68; Supp. Davies Decl. ISO Prelim ¶¶15-47.)

2. Risk, expense, complexity, and likely duration of further litigation. Given the nature of the class claims, the case is likely to be expensive and lengthy to try. Procedural hurdles (e.g., motion practice and appeals) are also likely to prolong the litigation as well as any recovery by the class members.

3. Risk of maintaining class action status through trial. Even if a class is certified, there is always a risk of decertification. (See Weinstat v. Dentsply Intern., Inc. (2010) 180 Cal.App.4th 1213, 1226 ["Our Supreme Court has recognized that trial courts should retain some flexibility in conducting class actions, which means, under suitable circumstances, entertaining successive motions on certification if the court subsequently discovers that the propriety of a class action is not appropriate."].)

4. Amount offered in settlement. Plaintiffs' counsel originally obtained a gross settlement valued at \$2,500,000. This is approximately 14% of Defendants' maximum exposure which, given the uncertain outcomes, is within the "ballpark of reasonableness."

The settlement amount, after the maximum requested deductions, leaves approximately \$1,664,932.49 to be divided among approximately 310 participating class members. The resulting payments will average approximately \$5,370.74 per class member.

5. Extent of discovery completed and stage of the proceedings. As indicated above, at the time of the settlement, Class Counsel had conducted sufficient discovery.

6. Experience and views of counsel. The settlement was negotiated and endorsed by Class Counsel who, as indicated above, is experienced in class action litigation, including wage and hour class actions.

7. Presence of a governmental participant. This factor is not applicable here.

8. Reaction of the class members to the proposed settlement.

Number of class members: 310 (Forst Decl. ¶5.)

Number of notice packets mailed: 310 (Id. at ¶8.)

Number of undeliverable notices: 2 (Id. at ¶10.)
 Number of opt-outs: 0 (Id. at ¶13.)
 Number of objections: 0 (Id. at ¶12.)
 Number of Participating Class Members: 310 (Id. at ¶14.)
 Average individual payment: \$5,370.74 [\$1,664,932.49
 Net/310]
 Highest estimated payment: \$18,077.46 (Id. at ¶16.)

The Court concludes that the settlement is fair, adequate, and reasonable.

C. Attorney Fees and Costs.

Class Counsel requests an award of \$1,009,710.38 (35% of escalated GSA) in fees and \$29,743.93 in costs. (MFA at 20:21-27.) The Settlement Agreement provides for fees up to 35% of the GSA and costs up to \$40,000 (¶3.2.2).

"Courts recognize two methods for calculating attorney fees in civil class actions: the lodestar/multiplier method and the percentage of recovery method." (Wershba v. Apple Computer, Inc. (2001) 91 Cal.App.4th 224, 254, disapproved on another ground in Hernandez v. Restoration Hardware, Inc. (2018) 4 Cal.5th 260.) Here, class counsel requests attorney fees using the lodestar method. (MFA at pp. 9-18.)

In common fund cases, the Court may employ a percentage of the benefit method, as cross-checked against the lodestar. (Laffitte v. Robert Half Int'l, Inc. (2016) 1 Cal.5th 480, 503.) The fee request represents 35% of the escalated gross settlement amount, which is above the average generally awarded in class actions. (See In re Consumer Privacy Cases (2009) 175 Cal.App.4th 545, 558, fn. 13 ["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."].)

Class Counsel has provided information, summarized below, from which the lodestar may be calculated.

Firms	Rates	Hours	Totals
Aegis Law Firm	\$700-950	749	\$536,930.00
Lawyers for Justice	\$850	595.1	\$505,835.00
Totals		1,344.1	\$1,042,765.00

(Decl. of Alexander G.L. Davies ISO Final ¶¶51-54; Decl. of Joanna Ghosh ISO Final ¶¶10-11.)

Counsel's percentage-based fee request is slightly lower than the unadjusted lodestar, which would require the application of an approximate 0.97x multiplier to reach the requested fees. Notice of the fee request was provided to class members in the notice packet and no one objected. (Forst Decl. ¶12, Exhibit A thereto.)

Here, Plaintiffs' counsel are experienced in wage and hour cases (see Davies Decl. ISO Final ¶39, Ghosh Decl. ISO Final ¶17) and do not show they took any risk more than that normally taken in any other contingent fee case of this type. The court awards fees at 33 1/3% of the escalated GSA, i.e., \$961,628.93.

There is a fee split. At the time of preliminary approval, Plaintiff Garcia's counsel, Lawyers for Justice, PC, represented that they have not entered into a fee splitting agreement with other Plaintiffs' counsel regarding this matter. (Ghosh Decl. ISO Prelim ¶16.) Attorney Davies of Aegis Law Firm, PC, counsel for Plaintiff Farias, also represented that the firms met and conferred on the issue of a fee split, but did not reach any consensus. (Supp. Davies Decl. ISO Prelim ¶14.)

Plaintiffs intended to submit declarations to the Court at final approval and ask the Court to decide the appropriate attorney fees split, given each parties' respective contributions to the case. At the July 12, 2023 hearing, the Court explained that this would need to be explained in the parties' notice to the Class Members, and to explain that fees will be decided by the Court. (Ibid.) This was properly disclosed on the Notice form issued to the Class. (See Exhibit A to Decl. of Forst.)

Because the respective lodestars between the two Class Counsel firms are close in range (Aegis has approximately 51.5% of total lodestar, while LFJ has 48.5%), the court awards fees 50-50 between both firms.

As for costs, Class Counsel is requesting \$29,743.93. (MFA at 18:15-17.) This is less than the \$40,000 cap provided in the Settlement Agreement, for which Class Members were given notice and did not object. (Forst Decl. ¶12, Exhibit A thereto.) Aegis incurred \$11,029.38 in costs while LFJ incurred \$18,764.55, which include, but are not limited to: filing fees, copies, postage, mediation fees, travel, and other fees related to the litigation. (Davies Decl. ISO Final ¶55, Exhibit 4; Ghosh Decl.

ISO Final ¶18, Exhibit B.) The costs appear to be reasonable in amount and reasonably necessary to this litigation.

Based on the above, the court awards \$961,628.93 for attorneys' fees and \$29,743.93 for attorneys' costs.

D. Claims Administration Costs

The settlement administrator, CPT Group, Inc., requests administration costs of \$10,500. (Forst Decl. ¶17.) This equals the estimated cost of \$10,500 provided for in the Settlement Agreement (¶3.2.3) and disclosed to Class Members in the Notice, to which no one objected. (Forst Decl. ¶12, Exhibit A thereto).

The court awards claims administration costs in the requested amount of \$10,500.

E. Incentive Award to Class Representative.

Plaintiffs Suleyda Farias and Jaime Garcia seek an enhancement award of \$10,000 each for their contributions to the action. (MFA at 1:22-23.)

In connection with the final fairness hearing, the named Plaintiffs must submit declarations attesting to why they should be entitled to an enhancement award in the proposed amount. The named Plaintiffs must explain why they "should be compensated for the expense or risk he has incurred in conferring a benefit on other members of the class." (Clark v. American Residential Services LLC (2009) 175 Cal.App.4th 785, 806.) Trial courts should not sanction enhancement awards of thousands of dollars with "nothing more than pro forma claims as to 'countless' hours expended, 'potential stigma' and 'potential risk.' Significantly more specificity, in the form of quantification of time and effort expended on the litigation, and in the form of reasoned explanation of financial or other risks incurred by the named plaintiffs, is required in order for the trial court to conclude that an enhancement was 'necessary to induce [the named plaintiff] to participate in the suit'" (Id. at 806-807, italics and ellipsis in original.)

Plaintiff Farias represents that her contributions to the action include: participating in conversations with her counsel and providing them with information related to her working conditions and Defendant's company structure and operations, searching for documents and sending them to her attorneys, assisting them in preparation for the mediations, preparing for

a deposition that was not taken, being available on the dates of mediation to answer questions, and reviewing the settlement agreement. (Declaration of Suleyda Farias ISO Final ¶¶10-14.) She estimates spending approximately 72 hours on the case. (Id. at ¶20.)

Plaintiff Garcia represents that his contributions to the action include: communicating with his attorneys regarding the case, gathering documents for review with his counsel, answering questions, providing guidance regarding employee duties, identifying potential witnesses, and reviewing the settlement agreement. He estimates spending approximately 54 hours on the case. (Declaration of Jaime Garcia ISO Prelim ¶¶2-5.)

Based on the above, the court grants the enhancement award in the reduced amount of \$5,000 to each Plaintiff.

III. CONCLUSION

Based upon the foregoing, the Court orders that:

1) The Parties' Motion for Final Approval of Class Action Settlement is GRANTED as the settlement is fair, adequate, and reasonable.

2) The essential terms are:

A. The Gross Settlement Amount ("GSA") is \$2,884,886.80 (the escalator clause was triggered so the GSA increased from \$2,500,000).

B. The Net Settlement Amount is the GSA minus the following:

\$961,628.93 (33 1/3% of escalated GSA) to Class Counsel, Aegis Law Firm, PC and Lawyers for Justice, PC (fee split: 50% - 50%) for attorney fees.

\$29,743.93 to Class Counsel for litigation costs.

\$10,000 to Plaintiffs Suleyda Farias and Jaime Garcia class representatives for Incentive Awards (\$5,000 x 2).

\$10,500 to CPT Group, Inc. for settlement administration costs.

\$112,500 (75% of the \$150,000 PAGA penalty) to the LWDA.

C. Employer share of the payroll taxes on the taxable portion of the settlement payments shall be paid separately from the GSA by Defendant.

D. Plaintiffs release of Defendants from claims described herein.

3) By March 27, 2024, Class Counsel must give notice to the class members pursuant to California Rules of Court, rule 3.771(b) and to the LWDA, if applicable, pursuant to Labor Code §2699 (1)(3).

4) By March 3, 2025, Class Counsel must file a Final Report re: Distribution of the settlement funds.

5) Court sets a Non-Appearance Case Review for March 10, 2025, 8:30 AM, Department 9.

CLERK TO GIVE NOTICE TO MOVING PARTY. THE MOVING PARTY TO GIVE NOTICE TO ALL OTHER PARTIES.

IT IS SO ORDERED.

DATED: February 28, 2024



YVETTE M. PALAZUELOS

JUDGE OF THE SUPERIOR COURT