SUPERIOR COURT OF CALIFORNIA

COUNTY OF SANTA CLARA

MATILDE JOVEN, et al., individually, and on behalf of other members of the general public similarly situated, Plaintiffs, v. IMPEC GROUP, INC., et al., Defendants.	Case No. 21CV381526 **ORDER GRANTING PLAINTIFFS' MOTION FOR FINAL APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT**

This is a putative class and representative action under the Private Attorneys General Act ("PAGA"). Plaintiffs Matilde Joven and Elvia Huerta Rivera (collectively, "Plaintiffs") allege that defendant IMPEC Group, Inc. ("Defendant") committed various wage and hour violations.

Before the Court is Plaintiffs' motion for final approval of the settlement, which is unopposed. For reasons discussed below, the Court GRANTS the motion.

I. BACKGROUND

According to the allegations of the operative Second Amended Complaint ("SAC"), Joven was employed by Defendant as an hourly paid, non-exempt custodian from April 2004 to August 2020. (SAC, ¶ 4.) Rivera was employed by Defendant as an hourly paid, non-exempt custodian from March 2004 to April 2020. (SAC, ¶ 5.) Plaintiffs allege Defendants failed to: pay all wages owed (including minimum and overtime wages); permit employees to take uninterrupted meal breaks or provide compensation in lieu of a compliant meal break; provide

complete and accurate wage statements; reimburse employees for necessary business expenses incurred by them; and timely pay wages owed.

Based on the foregoing, Joven initiated this action on March 30, 2021 which she amended on June 7, 2021, and on December 23, 2024, Plaintiffs filed the operative SAC, which added Plaintiff Rivera to the action and asserts the following causes of action: (1) unpaid overtime (Lab. Code, §§ 510, 1198); (2) unpaid minimum wages (Lab. Code, §§ 1182.12, 1194, 1197, 1197.1, & 1198); (3) failure to provide meal periods (Lab. Code, §§ 226.7, 512(a), 516, & 1198); (4) failure to authorize and permit rest periods (Lab. Code, §§ 226.7, 516, & 1198); (5) non-compliant wage statements and failure to maintain payroll records (Lab. Code, §§ 226(a), 1174(d), & 1198); (6) wages not timely paid upon termination (Lab. Code, §§ 201, 202); (7) failure to timely pay wages during employment (Lab. Code, § 204); (8) unreimbursed business expenses (Lab. Code, § 2802); (9) civil penalties for PAGA violations (Lab. Code, § 2698); (10) unlawful business practices (Bus. & Prof. Code, § 17200); and (11) unfair business practices (Lab. Code, § 17200).

On February 3, 2025, the Court granted Plaintiffs' motion for preliminary approval of class and PAGA settlement (the "Settlement"). Plaintiff now seeks final approval of the Settlement.

II. Motion for Final Approval

A. Legal Standard

i. Class Action

Generally, "questions whether a [class action] settlement was fair and reasonable, whether notice to the class was adequate, whether certification of the class was proper, and whether the attorney fee award was proper are matters addressed to the trial court's broad discretion." (*Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App. 4th 224, 234-235 (*Wershba*), disapproved of on other grounds by *Hernandez v. Restoration Hardware, Inc.* (2018) 4 Cal.5th 260.)

In determining whether a class settlement is fair, adequate and reasonable, the trial court should consider relevant factors, such as 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 stage of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction of the class members to the proposed settlement.

(*Wershba, supra*, 91 Cal.App.4th at pp. 244–245, internal citations and quotations omitted.)

In general, the most important factor is the strength of the plaintiffs' case on the merits, balanced against the amount offered in settlement. (See *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 130 (*Kullar*).) But the trial court is free to engage in a balancing and weighing of relevant factors, depending on the circumstances of each case. (*Wershba, supra*, 91 Cal.App.4th at p. 245.) The trial court must examine the "proposed settlement agreement to the extent necessary to reach a reasoned judgment that the agreement is not the product of fraud or overreaching by, or collusion between, the negotiating parties, and that the settlement, taken as a whole, is fair, reasonable and adequate to all concerned." (*Ibid.*, citation and internal quotation marks omitted.) The trial court also must independently confirm that "the consideration being received for the release of the class members' claims is reasonable in light of the strengths and weaknesses of the claims and the risks of the particular litigation." (*Kullar, supra*, 168 Cal.App.4th at p. 129.) Of course, before performing its analysis the trial court must be "provided with basic information about the nature and magnitude of the claims in question and the basis for concluding that the consideration being paid for the release of those claims represents a reasonable compromise." (*Id.* at pp. 130, 133.)

ii. PAGA

Labor Code section 2699, subdivision (l)(2) provides that "[t]he superior court shall review and approve any settlement of any civil action filed pursuant to" PAGA. The court's review "ensur[es] that any negotiated resolution is fair to those affected." (*Williams v. Superior Court* (2017) 3 Cal.5th 531, 549.) Seventy-five percent of any penalties recovered under PAGA go to the Labor and Workforce Development Agency (LWDA), leaving the remaining twenty-five percent for the aggrieved employees. (*Iskanian v. CLS Transportation Los Angeles, LLC*

(2014) 59 Cal.4th 348, 380, overruled on other grounds by *Viking River Cruises, Inc. v. Moriana* (2022) 596 U.S. 639, 2022 U.S. LEXIS 2940.)

Similar to its review of class action settlements, the Court must "determine independently whether a PAGA settlement is fair and reasonable," to protect "the interests of the public and the LWDA in the enforcement of state labor laws." (*Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, 76–77.) It must make this assessment "in view of PAGA's purposes to remediate present labor law violations, deter future ones, and to maximize enforcement of state labor laws." (*Id.* at p. 77; see also *Haralson v. U.S. Aviation Servs. Corp*. (N.D. Cal. 2019) 383 F. Supp. 3d 959, 971 ["when a PAGA claim is settled, the relief provided for under the PAGA [should] be genuine and meaningful, consistent with the underlying purpose of the statute to benefit the public …."], quoting LWDA guidance discussed in *O'Connor v. Uber Technologies, Inc.* (N.D. Cal. 2016) 201 F.Supp.3d 1110 (*O'Connor*).)

The settlement must be reasonable in light of the potential verdict value. (See *O'Connor, supra,* 201 F.Supp.3d at p. 1135 [rejecting settlement of less than one percent of the potential verdict].) But a permissible settlement may be substantially discounted, given that courts often exercise their discretion to award PAGA penalties below the statutory maximum even where a claim succeeds at trial. (See *Viceral v. Mistras Group, Inc.* (N.D. Cal., Oct. 11, 2016, No. 15-CV-02198-EMC) 2016 WL 5907869, at *8–9.)

B. SETTLEMENT CLASS

Plaintiffs request provisional certification of the following Settlement Class:

All persons who worked for Defendant as non-exempt, hourly paid employees in the State of California at any time from March 30, 2017 through May 8, 2024.

Rule 3.769(d) of the California Rules of Court states that "[t]he court may make an order approving or denying certification of a provisional settlement class after [a] preliminary settlement hearing." California Code of Civil Procedure Section 382 authorizes certification of a class "when the question is one of a common or general interest, of many persons, or when the parties are numerous, and it is impracticable to bring them all before the court …."

Section 382 requires the plaintiff to demonstrate by a preponderance of the evidence: (1) an ascertainable class and (2) a well-defined community of interest among the class members. (*Sav-On Drug Stores, Inc. v. Superior Court* (2004) 34 Cal.4th 319, 326, 332 (*Sav-On Drug Stores*).) "Other relevant considerations include the probability that each class member will come forward ultimately to prove his or her separate claim to a portion of the total recovery and whether the class approach would actually serve to deter and redress alleged wrongdoing." (*Linder v. Thrifty Oil Co.* (2000) 23 Cal.4th 429, 435.) The plaintiff has the burden of establishing that class treatment will yield "substantial benefits" to both "the litigants and to the court." (*Blue Chip Stamps v. Superior Court* (1976) 18 Cal.3d 381, 385.)

In the settlement context, "the court's evaluation of the certification issues is somewhat different from its consideration of certification issues when the class action has not yet settled." (*Luckey v. Superior Court* (2014) 228 Cal.App.4th 81, 93.) As no trial is anticipated in the settlement-only context, the case management issues inherent in the ascertainable class determination need not be confronted, and the court's review is more lenient in this respect. (*Id.* at pp. 93–94.) But considerations designed to protect absentees by blocking unwarranted or overbroad class definitions require heightened scrutiny in the settlement-only class context, since the court will lack the usual opportunity to adjust the class as proceedings unfold. (*Id.* at p. 94.)

At preliminary approval, the Court provisionally certified the above-described class, determining that Plaintiff had demonstrated by a preponderance of the evidence (1) an ascertainable class, (2) a well-defined community of interest among the class members and (3) that a class action provides substantial benefits to both litigants and the Court. Consequently, the Court will certify the Class for Settlement purposes as requested.

C. TERMS AND ADMINISTRATION OF SETTLEMENT

The non-reversionary gross settlement amount is $900,000. Attorneys' fees in the amount of $300,000 (or one-third of the gross settlement), litigation costs of up to $20,000, and administrative costs not to exceed $15,000 will be paid from the gross settlement. $40,000 will be allocated to PAGA penalties, 75% of which ($9,000) will be paid to the LWDA, with the remaining 25% ($10,000) will be dispensed on a pro-rata basis, to "PAGA Members," who are

defined as "all persons who worked for Defendant as non-exempt, hourly paid employees in the State of California at any time from April 2, 2020 through May 8, 2024." Plaintiffs will seek class representative service payments of $10,000 for Joven and $2,500 for Rivera.

The net settlement amount-estimated to be $512,500-will be allocated to Class members on a pro rata basis based on the number of weeks worked during the aforementioned period. The average payment will be $617.19, with the highest payment being $3,375.78.

In exchange for settlement, Class Members who do not opt out will release:

> [A]ll claims, rights, demands, liabilities, and causes of action, reasonably arising from, or reasonably related to, the same set of operative facts as those set forth in the operative complaint during the Class Period, including: (a) all claims for unpaid overtime; (b) all claims for meal and rest period violations; (c) all claims for unpaid minimum wages; (d) all claims for the failure to timely pay wages upon termination based on the preceding claims; (e) all claims for the failure to timely pay wages during employment based on the preceding claims; (f) all claims for wage statement violations based on the preceding claims; (g) all claims for the failure to reimburse for business expenses; and (h) all claims asserted through California Business & Professions Code §§ 17200, *et seq*.

PAGA Members, who consistent with the statute will not be able to opt out of the PAGA portion of the settlement, will release:

> [A]ll claims for civil penalties under California Labor Code §§ 2698, *et seq*., that were brought or could reasonably have been brought based on the same facts alleged in Plaintiff Matilde Joven's LWDA letter during the PAGA Period.

The foregoing releases are appropriately tailored to the allegations at issue. (See *Amaro v. Anaheim Arena Management, LLC* (2021) 69 Cal.App.5th 521, 537.)

The notice period has been completed. Case manager Regina Cutler with settlement administrator CPT Group, Inc. ("CPT"), submitted a declaration in support of the instant motion. Ms. Cutler states, on January 30, 2025, CPT received the notice packet from the parties. On February 24, March 5, and March 14, 2025, defense counsel provided CPT with data and

information which was consolidated to form a completed class list, which included the names, most recent mailing addresses, social security numbers, and other information. On March 25, 2025, the notice packets were mailed to the 832 Class Members.

As of the date of Ms. Cutler's declaration, 59 notice packets were returned—38 were remailed while a better mailing address could not be located for 27 notice packets. CPT did not receive any request for exclusion, objections to the settlement, or disputes regarding workweek or pay period. Consequently, 832 Class Members will be paid their portion of the net settlement fund. The average of all estimated payments is $617.19 and the highest payment is $3,375.78. 483 PAGA Members will be paid their portion of the PAGA fund. The average payment is $20.70 and the highest payment is $67.27. Funds associated with checked uncashed after 180 days will be transmitted to The Justice Gap maintained by the State Bar of California pursuant to Code of Civil Procedure section 384.

CPT's costs for administration is $14,000. The Court finds this amount to be reasonable for CPT's work in this matter; thus, the amount is approved.

At the preliminary approval, the Court found that the Settlement provides a fair and reasonable compromise to Plaintiffs' claims, and that the PAGA settlement is genuine, meaningful, and fair to those affected. It finds no reason to depart from these findings now, especially considering that there are no objections. Therefore, the Court finds that the settlement is fair and reasonable for the purposes of final approval.

D. Attorneys' Fees and Other Costs

Plaintiffs' counsel seeks a fee award of $300,000, or one-third of the gross settlement amount, which is not an uncommon contingency fee in a wage and hour class action. Plaintiffs also provide a total lodestar figure of $638,575, which is based on 870.4 hours of work at billing rates ranging from $500 to $1,050, resulting in a negative multiplier of 0.47. This is well below the range of multipliers that courts typically approve. (See *Wershba, supra*, 91 Cal.App.4th at p. 255 ["[m]ultipliers can range from 2 to 4 or even higher"]; *Vizcaino v. Microsoft Corp.* (9th Cir. 2002) 290 F.3d 1043, 1051, fn. 6 [stating that multipliers ranging from one to four are typical in common fund cases and citing the court's own survey of large settlements funding a range of

0.6-19.6, with most (20 to 24, or 83%) from 1.0-4.0 and a bare majority (13 of 24, or 54%) in the 1.5-3.0 range"].)

"While the percentage method has been generally approved in common fund cases, courts have sought to ensure the percentage fee is reasonable by refining the choice of a percentage or by checking the percentage result against the lodestar-multiplier calculation." (*Laffitte v. Robert Half Intern, Inc.* (2016) 1 Cal.5th 480, 495 (*Laffitte*).) Applying the latter approach,

> [T]he percentage-based fee will typically be larger than the lodestar based fee. Assuming that one expects rough parity between the results of the percentage method and the lodestar method, the difference between the two computed fees will be attributable solely to a multiplier that has yet to be applied. Stated another way, the ratio of the percentage-based fee to the lodestar-based fee implies a multiplier, and that implied multiplier can be evaluated for reasonableness. If the implied multiplier is reasonable, then the cross-check confirms the reasonableness of the percentage-based fee; if the implied multiplier is unreasonable, the court should revisit its assumptions.

(*Laffitte, supra,* 1 Cal.5th at p. 496, quoting Walker & Horwich, *The Ethical Imperative of a Lodestar Cross-check: Judicial Misgivings About "Reasonable Percentage" Fees in Common Fund Cases* (2005) 18 Geo. J. Legal Ethics 1453, 1463.) As described by the California Supreme Court, "[i]f the multiplier calculated by means of a lodestar crosscheck 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." (*Laffitte, supra,* 1 Cal.5th at 505.)

Here, the multiplier sought by Plaintiffs' counsel is well below the range of modifiers typically approved by courts and is supported by the percentage cross-check, thus, the court finds counsel's request fee award is reasonable.

Plaintiffs' counsel also seeks $16,586.70 in litigation costs. Based on the information contained in Plaintiffs' counsels' declaration, this amount is reasonable and thus, it is approved.

Plaintiffs request a service payment in the amount of $10,000 to Plaintiff Joven and $2,500 to Plaintiff Rivera.

> The rationale for making enhancement or incentive awards to named plaintiffs is that they should be compensated for the expense or risk they have incurred in conferring a benefit on other members of the class. An incentive award is appropriate if it is necessary to induce an individual to participate in the suit. Criteria courts may consider in determining whether to make an incentive award include: 1) the risk to the class representative in commencing suit, both financial and otherwise; 2) the notoriety and personal difficulties encountered by the class representative; 3) the amount of time and effort spent by the class representative; 4) the duration of the litigation and; 5) the personal benefit (or lack thereof) enjoyed by the class representative as a result of the litigation. These "incentive awards" to class representatives must not be disproportionate to the amount of time and energy expended in pursuit of the lawsuit.

(*Cellphone Termination Fee Cases* (2010) 186 Cal.App.4th 1380, 1394-1395, internal punctuation and citations omitted; see also *Covillo v. Specialty's Café* (N.D. Cal. 2014) 2014 U.S.Dist.LEXIS 29837, at *29 [incentive awards are particularly appropriate where a plaintiff undertakes a significant "reputational risk" in bringing an action against an employer].)

To support this request, Plaintiffs submit their declarations detailing their efforts in this matter. Plaintiff Joven states she worked closely with attorneys during written discovery, she was deposed twice for this matter, and she carefully reviewed documents such as the proposed settlement and her deposition transcript. (Joven Decl., ¶¶ 12-13.) She also states she spent between 50 to 60 hours working on this case and she has not sought individual benefits from it. (Joven Decl., ¶¶ 14-15.) Plaintiff Rivera states she was deposed once and she carefully reviewed the proposed settlement and her deposition transcript. (Rivera Decl., ¶¶ 5-6.) She estimates she has spent between 20 to 30 hours on this matter. (Rivera Decl., ¶ 7.) The Court finds that Plaintiffs are entitled to their respective awards and the amounts requested are reasonable and thus, the requests are approved.

III. CONCLUSION

In accordance with the above, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

Plaintiffs' motion for final approval is GRANTED. The following class is certified for settlement purposes only:

> All persons who worked for Defendant as non-exempt, hourly paid employees in the State of California at any time from March 30, 2017 through May 8, 2024.

Judgment will be entered through the filing of this order and judgment. (Code Civ. Proc., § 668.5.) Plaintiff and the members of the Class will take from the SAC only the relief set forth in the settlement agreement and this order and judgment. Pursuant to Rule 3.769(h) of the California Rules of Court, the Court will retain jurisdiction over the parties to enforce the terms of the settlement agreement and the final order and judgment.

The Court sets a compliance hearing for **March 26, 2026 at 2:30 P.M**. in Department 7. At least At least ten court days before the hearing, class counsel and the settlement administrator shall submit a summary accounting of the net settlement fund identifying distributions made as ordered herein; the number and value of any uncashed checks; amounts remitted pursuant to Code of Civil Procedure section 384, subdivision (b); the status of any unresolved issues; and any other matters appropriate to bring to the Court's attention. Counsel shall also submit an amended judgment as described in Code of Civil Procedure section 384, subdivision (b). Counsel may appear at the compliance hearing remotely.

IT IS SO ORDERED.

Date: August 1, 2025

CHARLES F. ADAMS
Judge of the Superior Court