1 2 3	JUSTICE LAW CORPORATION Douglas Han (SBN 232858) dhan@justicelawcorp.com Shunt Tatavos-Gharajeh (SBN 272164) statavos@justicelawcorp.com Jason Rothman (SBN 304961)	Sherri	FILED Superior Court of California County of Los Angeles 12/15/2022 R. Carter, Executive Officer / Clerk of Court		
4	jrothman@justicelawcorp.com 751 N. Fair Oaks Ave., Suite 101	Ву:	M Moto		
5 6	Pasadena, California 91103 Telephone: (818) 230-7502				
7	Facsimile: (818) 230-7259				
8	Attorneys for Plaintiffs Neil Fraser and Cody I on behalf of themselves and all others similarly	-			
9					
10	SUPERIOR COURT OF T	HE STATE OF CAL	IFORNIA		
11	FOR THE COUNTY OF LOS ANGE	LES, SPRING STRI	CET COURTHOUSE		
12					
13	NEIL FRASER and CODY LAMONT, individually, and on behalf of other members	Case No.: 20STCV0	0279		
14	of the general public similarly situated;	CLASS ACTION			
15 16	Plaintiffs, v.	Assigned for All Pur Hon. Carolyn B. Ku Dept.: 12			
17 18	VALLEY POWER SYSTEMS, INC., a California corporation, VALLEY POWER SYSTEMS NORTH, INC., a California		DER GRANTING NAL APPROVAL OF ON SETTLEMENT		
60 60 60 60 60 60 60 60 60 60 60 60 60 6	corporation; and DOES 1 through 100, inclusive,	Date: Time:	December 15, 2022 11:30 a.m.		
20 20	Defendants.	Place:	Department 12		
Electronically Received 11/17/2022 05:08 Electronically Received 11/17/2022 05:08 22 22 22 22 22 22 22 22 22 22 22 22 22		Complaint Filed: First Amended: Trial Date:	January 6, 2020 March 26, 2021 None Set		
E 23		<u> </u>			
<u>₹</u> 24					
² 25 ≥					
<u>=</u> 26					
<u>ਜੂ</u> 27					
<u></u> 28	[PROPOSED] ORDER GRANTING MOTION	1 FOR FINAL APPROVAL	OF THE CLASS ACTION		
	[PROPOSED] ORDER GRANTING MOTION FOR FINAL APPROVAL OF THE CLASS ACTION SETTLEMENT				

On December 15, 2022 Plaintiffs Neil Fraser and Cody Lamonts (collectively "Plaintiffs") Motion for Final Approval of Class Action Settlement, Attorneys' Fees and Expenses, and Incentive Award came before the Court, in Department SS-12, for hearing pursuant to the Order of this Court, dated July 26, 2022 ("Preliminary Approval Order"), on the application of Plaintiffs and the Certified Class for approval of the Settlement set forth in the Joint Stipulation of Class Action Settlement (the "Stipulation"). Full and adequate notice having been given to the Class as required in the Court's Preliminary Approval Order, and the Court having considered all papers filed and proceedings held herein and otherwise being fully informed in the premises and good cause appearing therefore,

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

- 1. This Order incorporates by reference the definitions in the Stipulation, and all capitalized terms used, but not defined herein, shall have the same meanings as in the Stipulation.
- 2. This Court has jurisdiction over the subject matter of the Action and over all parties to the Action, including all Class Members.
- 3. The Motion for final approval is granted. The Court approves the settlement as fair, reasonable and adequate. The Court makes the following awards and approves the following payments:

 ÅÎÎÎĒÎÎÌ █€€
 - a. \$700,000.00 in attorneys' fees and \$31,779.25 in costs to Class Counsel;
- ÅÏÍ €€€€ b. \$\frac{20,000.0}{20,000.0}\$ as a combined service award to the Class Representatives ÅÏÍ €€€€ (\$\frac{10,000.00}{20,000.00}\$ to Class Representative Neil Fraser and \$\frac{10,000.00}{20,000.00}\$ to Class Representative Cody Lamont):
 - c. \$16,000.00 in costs to the claims administrator CPT Group, Inc.;
- d. \$100,000.00 for the PAGA claim (\$25,000.00 to be paid to the participating Class Members and \$75,000.00 to be paid to the Labor and Workforce Development Agency); and
- 4. In accordance with the Settlement and the terms set forth in this order, this Order shall not be deemed a judgment in favor of class members or any them and shall not constitute an obligation for direct compensation of any one or any number of the Class Members, but rather it

10

11

12

13 14

15

16

17 18

19

20 21

22

23 24

25

26

27

28

simply approves and undertakes to monitor the execution of the settlement between the Parties. Except for the payment due under the Stipulation, the parties are each to bear their own costs and attorneys' fees. The Court approves the Stipulation and Defendants VALLEY POWER SYSTEMS, INC., a California corporation, VALLEY POWER SYSTEMS NORTH, INC., a California corporation (collectively "Defendants") and the Released Parties are discharged from all Released Claims in accordance with the terms of the Stipulation.

- 5. In this wage and hour class action lawsuit, Plaintiffs sued Defendants for a variety of Labor Code violations. The operative complaint alleges that Defendants failed to pay minimum wages and overtime, failed to provide meal periods and rest breaks, failed to provide accurate wage statements, failed to pay final wages when due, failure to reimburse all necessary business expenditures, committed unfair business practices under California's Unfair Competition Law ("UCL"), and violated the Private Attorneys General Act of 2004 ("PAGA"), all in violation of California law.
- 6. Defendants made and makes no admission of liability and none shall be inferred from the Stipulation or entry of judgment. Neither this order nor the Stipulation shall be used or submitted into evidence in any proceeding or action, except for the sole purpose of enforcing the terms hereof.
- 7. In California, the notice to class members must have "a reasonable chance of reaching a substantial percentage of the class members." Wershba v. Apple Computer, Inc. (2001) 91 Cal.App.4th 224, 251. Importantly, however, the plaintiff need not demonstrate that each member of the class received notice. As long as the notice had a "reasonable chance" of reaching a substantial percentage of class members, it should be found effective.
- 8. CPT Group, Inc. is providing settlement administration services for this settlement. (Declaration of Irvin Garcia In Support of Final Approval Motion, ¶¶ 1-2.) On October 10, 2022, CPT received the class information from Defendants. (*Id.* at \P 4.) The list contained 498 individuals class members. (Id. at ¶ 4.) CPT conducted a search of the NCOA to update addresses and, on October 27, 2022, mailed notice to all class members. (Id. at ¶¶ 5-7.) CPT forwarded notice

packets returned with forwarding addresses and performed skip searches on all other returned mail. (Id. at ¶¶ 8-9.) Ultimately, one (1) notice packet was undeliverable. (Id. at ¶¶ 9.) CPT received no objections and only one (Charles Maikish) request for exclusion. (Id. at ¶¶ 11-13, Exhibit B.) Based on the foregoing, the Court finds that the notice provided to class members conforms to due process requirements.

- 9. It is the duty of the Court, before finally approving the settlement, to conduct an inquiry in the fairness of the proposed settlement. California Practice Guide, Civil Procedure Before Trial, The Rutter Group, ¶14:139.12 (2012). The trial court has broad discretion in determining whether the settlement is fair. In exercising that discretion, it normally considers the following factors: strength of the plaintiff's case; the risk, expense, complexity and likely duration of further litigation; the risk of maintaining class action status through trial; amount offered in settlement; extent of discovery completed and stage of the proceedings; experience and views of counsel; presence of a governmental participant; and reaction of the class members to the proposed class settlement. *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801; *In Re Microsoft I-V Cases* (2006) 135 Cal.App.4th 706, 723. This list is not exclusive and the Court is free to balance and weigh the factors depending on the circumstances of the case. *Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 244-245.
- 10. The proponent bears the burden of proof to show the settlement is fair, adequate and reasonable. 7-Eleven Owners for Fair Franchising v. Southland Corp. (2000) 85 Cal.App.4th 1135, 1165-1166; Wershba, supra, 91 Cal.App.4th at 245. There is a presumption that a proposed settlement is fair and reasonable when it is the result of arms'-length negotiations. 2 Herbert Newburg & Albert Conte, Newburg on Class Actions §11.41 at 11-88 (3d ed. 1992); Manual for Complex Litigation (Third) §30.42.
- 11. At the time of preliminary approval, Class Counsel's claim that Defendants failed to pay minimum wage/overtime claim were valued in terms of maximum exposure at (1) \$908,891.00 due to pre-shift, post shift, and unrecorded on call hours worked, and (2) \$137,646.00 due to regular rate issues pertaining to non-discretionary bonuses and sick time pay calculations (Han Declaration

///

///

///

re: Preliminary Approval, at \P 33.) Meal break violations were valued, in terms of a maximum exposure, at \$1,777,073.00, and rest breaks respectively at \$4,045,755.00 when assuming a 60% violation rate. (Id. at $\P\P$ 39-40.) The paystub violations were valued at \$1,216,000.00. (Id. at \P 43.) The claim for failure to pay final wages valued at \$2,192,242.00. (Id. at \P 46.) The claim under Labor Code § 2699 *et seq*. was valued at \$3,746,600.00 (Id. at \P 50.)

- 12. Had this case not settled, there would have been additional risks and expenses associated with continuing to litigate. Procedural hurdles (e.g., motion practice and appeals) are also likely to prolong the litigation as well as any recovery by the class members.
- 13. There is always a risk of decertification. *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.")
- 14. As part of the Court's analysis of this factor, the Court should take into consideration the admonition in *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 133. In *Kullar*, objectors to a class settlement argued the trial court erred in finding the terms of the settlement to be fair, reasonable, and adequate without any evidence of the amount to which class members would be entitled if they prevailed in the litigation, and without any basis to evaluate the reasonableness of the agreed recovery. The Court of Appeal agreed with the objectors that the trial court bore the ultimate responsibility to ensure the reasonableness of the settlement terms. Although many factors had to be considered in making that determination, and a trial court was not required to decide the ultimate merits of class members' claims before approving a proposed settlement, an informed evaluation could not be made without an understanding of the amount in controversy and the realistic range of outcomes of the litigation.

- 15. Defendants have agreed to settle for the non-reversionary amount of \$2,000,000.00¹ all in, with no additional sums being due from Defendants for damages, costs, attorneys' fees, contributions, reimbursements or for any other reason. According to the claims administrator's calculations, the average settlement payment will be \$2,307.23 per Class Member, with the highest Settlement Share estimated to be \$6,177.79 (Garcia Declaration, ¶ 14.)
- 16. Class Counsel conducted an investigation that included formal and informal discovery, reviewed time records, circulated a belaire west notice, reviewed Plaintiffs' documents, and formed damage models based on all of these. (Han Declaration re: Preliminary Approval, ("Han PA Decl.") ¶ 14-18.) The parties also mediated this case with Steve Serratore for the first time and Mark Rudy during the second, both are respected and highly experienced mediator in wage and hour class actions. (*Id.* at ¶ 12.) In connection with mediation and through discussions with counsel for Defendant, Class Counsel also discussed all aspects of the case, including the risks of litigation and the risks to both parties of proceeding with a motion for class certification as well as the law relating to meal periods. (Han PA Decl., ¶ 18.)
- 17. Class Counsel has experience with wage and hour class litigation. (Han PA Decl., ¶¶ 3-10.) He is of the opinion that this settlement is in the best interest of the class (Han Declaration re: Final Approval ("Han FA Decl."), ¶ 8.) and provides substantial benefit to class members. (*Id.*)
- 18. The class reacted very positively with a 99.80% participation rate. (Garcia Decl., ¶ 13.)
- 19. On balance, this is a fair settlement that satisfies the *Dunk* factors, such that final approval is warranted.
- 20. Class Counsel requested attorneys' fees of \$700,000.00. The Court employs the lodestar method in awarding fees, as opposed to a "percentage of the common fund" method. This amount would reflect the actual work performed, plus a multiplier (if applicable) to recognize

¹ Defendants have requested a payment plan accord to the following terms: The two payments shall occur on the following dates: (i) January 2, 2023; and (ii) January 2, 2024. After each installment payment is received by the Claim Administrator, an equal distribution will be made to all class members, attorney's fees, costs, and class representative fees representing fifty perfect of the maximum award under the terms of the Settlement Agreement.

7 8

9 10

11

12 13

15 16

14

18

19

17

20

21

22

23 24

25

26

27

28

counsel's efforts. 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.

- 21. Here, fees are sought pursuant to the percentage method. The determination of what constitutes an appropriate percentage "is somewhat elastic and depends largely on the facts of a given case, but certain factors are commonly considered. Specifically, the court may address the percentage likely to have been negotiated between private parties in a similar case, percentages applied in other class actions, the quality of class counsel, and the size of the award." In re Ikon Office Solutions, Inc., Securities Litigation (E.D. Pa. 2000) 194 F.R.D. 166, 193.
- 22. These factors favor the \$700,000.00 award. As for the first factor, private contingency fee agreements are routinely 30% to 40% of the recovery. (Id. at 194.) As for the second factor, although the median percentage of attorney fees in class action is 25%, "most fees appear to fall in the range of nineteen to forty-five percent." (Id.) As for the third factor, Class Counsel has experience in class actions, including wage and hour cases. Most importantly, Class Counsel achieved good results for the class as evidenced by the class members' reaction to the settlement. As for the fourth factor, Class Counsel negotiated a \$2,000,000.00 Maximum Settlement Amount. Applying the lodestar cross-check, Class Counsel states that members of his firm have spent at least 936.50 hours on this case, with additional hours to come. (Han FA Decl., ¶ 22.) The lodestar is calculated at \$688,535.00. (Id) The hourly rates appear to be reasonable for attorneys with their respective years of experience. (Id. at \P 22), and the hours spent is reasonable for this case, which has been pending for over two years. It appears that Class Counsel utilized skill in litigating this case, and by all accounts, have good reputations in the legal community; at the very least, there is no evidence before the Court to indicate that the attorneys have negative reputations in the legal community. It also appears that Class Counsel spent appreciable time on the case, which time could have been spent on other meritorious fee-generating cases. Based on the \$688,535.00 lodestar, the fee request of \$700,000.00 translates into a modest multiplier of 1.01. (*Id.*) Because the fee request is based on a reasonable percentage of the settlement fund and is supported by the lodestar calculation, and because the class was provided with notice of the fee request and did not

object, the Court awards fees in the amount requested.

- Counsel's actual costs, totaling \$31,779.25, consist of filing fees, mediation fees, court appearances, copying, filing and service. (*Id.*, **Exhibit H** thereto.) These costs appear reasonable and necessary to the conduct of the litigation. Further, as with the fee requests, the maximum cost request was disclosed to class members and deemed unobjectionable. For these reasons, the cost request is granted in the amount of \$31,779.25.
- 24. Claims administrator CPT requests administration costs of \$16,000.00. (Garcia Declaration, ¶ 15.) CPT's costs were originally \$11,000.00, but increased to \$16,000.00 when the Court requested that two payments be made to the class members as to be consistent with the installment payments. Based upon the work performed and yet to be performed, the request for administration costs of \$16.000.00 is granted.
- 25. The Court also approves the payment to the Labor and Workforce Development Agency ("LWDA") in the amount of \$75,000.00 (out of \$100,000.00 as allocated to the claim under the California Private Attorneys General Act).
- 26. Finally, Class Counsel seeks an incentive payment of \$10,000.00 to each of the Class Representatives (\$10,000.00 to Neil Fraser and \$10,000.00 to Cody Lamont). The Court considers the following factors, among others, in determining whether to pay an incentive or enhancement award to a class representative: whether an incentive was necessary to induce the class representative to participate in the case; actions, if any, taken by the class representative to protect the interests of the class; the degree to which the class benefited from those actions; the amount of time and effort the class representative expended in pursuing the litigation; the risk to the class representative in commencing suit, both financial and otherwise; the notoriety and personal difficulties encountered by the class representative; the duration of the litigation; and the personal benefit (or lack thereof) enjoyed by the class representative as a result of the litigation. California Practice Guide, Civil Procedure Before Trial, ¶14:146.10 (The Rutter Group 2012) (citing Clark v American Residential Services, LLC (2009) 175 Cal.App.4th 785, 804; Bell v. Farmers Ins. Exch.

///

1380, 1394; *Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles* (2010) 186 Cal.App.4th 399, 412. Plaintiffs each devoted number hours to this litigation. (Neil Fraser ("Fraser Decl.") ¶ 6; Cody Lamont Declaration ("Lamont Decl.") ¶ 7.) They each assisted their attorneys by having multiple conferences with them and by providing documents. (*Ibid.*) Plaintiffs also helped Class Counsel prepare for mediation. (*Ibid.*) Plaintiffs freely chose to champion the rights of the class and accepted the risks associated with acting as class representatives. (Fraser/Lamont Decl.'s ¶ 7-9.)

(2004) 115 Cal.App.4th 715, 726; In re Cellphone Fee Termination Cases (2010) 186 Cal.App.4th

- 27. The Court grants the Class Representatives an enhancement award of \$10,000.00 to each Neil Fraser and Cody Lamont, for the following reasons: Plaintiffs spent significant time on this litigation; Plaintiffs' actions benefitted the class; and Plaintiffs accepted the risks and notoriety that are associated with acting as a class representative.
- Order and by the Stipulation. All Class Members shall be deemed to have entered into the Stipulation and the releases provided therein. Defendants shall have no obligation to pay any sums in excess of the \$2,000,000.00 settlement payment set forth in the Stipulation (save and except for the additional employer payroll taxes associated therewith). Other than as provided in the Stipulation, Defendants shall have no obligation after entry of judgment to pay any sum to any person, whether for costs, attorneys' fees, class member reimbursement or contribution, as a result of entry of judgment.
- 29. The Court previously certified the Action as a class action under California Code of Civil Procedure section 382 for settlement purposes only. The Class is defined as follows:
- a. "Settlement Class Members:" all current and former California-based (*i.e.*, currently "residing" in California with the intent to remain in California indefinitely) hourly-paid or non-exempt employees (whether hired directly or through a staffing agency or labor contractor) of Defendants within the State of California.
 - b. "Class Period:" means the period from January 6, 2016 through May 2, 2022.

² This [Proposed] Order will be updated when the objection deadline has passed.

- 31. The certified Class continues to meet all the requirements of California Code of Civil Procedure section 382, as already found, and for the reasons set forth, in the Court's Preliminary Approval Order.
- 32. Plaintiffs Neil Fraser and Cody Lamont are the Court-appointed Class Representatives.
- 33. Douglas Han of the law firm JUSTICE LAW CORPORATION, is the Courtappointed Class Counsel.
- 34. As set forth in the Stipulation any checks issued to Class Members will expire one hundred and eighty (180) days from the date they are issued by the Claims Administrator and any uncashed checks will be paid to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code §1500, *et. seq.* for the benefit of those Class Members who did not cash their checks until such time as, under the law, those funds escheat to the State of California.
- 35. Upon the Effective Date, Plaintiffs and Class Members, save and except for those who timely requested exclusion, will be deemed to have released the Released Parties of and from all of the Released Claims during the Class Period. These claims include without limitation: (1) failure to pay minimum wages, (2) failure to pay wages and overtime, (3) meal period liability under Labor Code § 226.7, (4) rest period liability under Labor Code § 226.7, (5) failure to provide itemized statements, (6) failure to reimburse expenses, (7) violation of Labor Code § 226(a), (8) violation of Labor Code § 203, (9) violation of Labor Code § 227.3, (10) violation of California Business and Professions Code §§ 17200, et seq., and (11) violations of PAGA and all related claims for penalties. This release covers all claims pled, or that could have been pled, based on the factual allegations in the complaint or any amendments thereto. All Class Members are hereby

1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	I

forever barred and enjoined from commencing, prosecuting or continuing, either directly or indirectly, against the Releasees, in this or any other jurisdiction or forum, any and all Released Claims. "Released Claims" means all causes of action and factual or legal theories that were alleged in the operative complaints or that could have been alleged against Defendants based on the facts contained in the operative complaints, including all of the following claims for relief: (a) failure to pay all regular wages, minimum wages and overtime wages due; (b) failure to provide proper meal and rest periods, and to properly provide premium pay in lieu thereof; (c) failure to provide complete, accurate or properly formatted wage statements; (d) waiting time penalties; (e) failure to reimburse business expenditures, (f) unfair business practices that could have been premised on the claims. causes action legal theories of relief described above any of the claims, causes of action or legal theories of relief pleaded in the operative complaint; (g) any other claims or penalties under the California Labor Code or other wage and hour laws pleaded in the Action, including but not limited to California Labor Code Sections 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, 203, 204, 205.5, 218.5, 221, 226, 226(a), 226(g), 226.3, 226.7, 510, 512(a), 558, 1174(d), 1021.5, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802; (h) all damages, penalties, interest and other amounts recoverable under said claims, causes of action or legal theories of relief, and, exclusively to PAGA Members, (i) all claims under the California Labor Code Private Attorneys General Act of 2004 that could have been premised on the claims, causes of action or legal theories described above or any of the claims, the letter to the LWDA dated November 11, 2020, and causes of action or legal theories of relief pleaded in the operative complaint.

36. Without affecting the finality of this Order in any way, this Court hereby retains continuing jurisdiction over: (a) implementation of the Stipulation and any award or distribution of the Maximum Settlement Amount, including interest earned thereon; (b) disposition of the Maximum Settlement Amount; (c) hearing and determining applications for attorney fees and expenses in the Action; and (d) all parties hereto for the purpose of construing, enforcing, and administrating the Stipulation and the Settlement therein.

27 | | / / /

24

25

26

37. There is no just re	ason for delay in the entry of judgment approxing the C			
37. There is no just reason for delay in the entry of judgment approving the Clark Settlement and immediate entry by the Clerk of the Court is expressly directed.				
Settlement and immediate entry by	the Cierk of the Court is expressly directed.			
WE IS SO OPPOSE	CHITORELL CO.			
IT IS SO ORDERED.	Caeolyn & Kuhl			
DATED: 12/15/2022	The state of the s			
DATED:	Carolyn B. Kuhl / Judge HONORABLE CAROLYN KUHL			
	JUDGE OF THE SUPERIOR COURT			
	12 IG MOTION FOR FINAL APPROVAL OF THE CLASS ACTION			

SETTLEMENT

HÎ adÊÁV @ ÁŒā{ ã ã d ang lÁn @adhÁān ÁnaÁā adhÁn] [lơḥ ã @áno Ásq `lơḥ} Ái lÁn ^ [l^ÁŒ * `•ơħĒ ÊÁŒG ÊÁV @ ÁSQ ` lơḥ •^ơ Ánaḥ[] Êzā]] ^ad að & Ásæ•^Án çãn, Ái lÁŒ * `•ơÁŒŒŒG ÊÁÁ