PROPOSED TENTATIVE

The lawsuit was initiated on October 31, 2024. On May 5, 2026, plaintiffs Jose Rodriguez and Oscar Gomez (plaintiffs) filed a class action and representative action (under the Private Attorney Generals Act (the PAGA)) against defendants Nutrien AG Solutions and Nutrien US LLC (collectively, defendants), raising ten (10) causes of action for wage and hour violations, as follows: 1) failure to provide meal periods; 2) failure to provide rest periods; 3) failure to pay overtime; 4) failure to pay minimum wages; 5) failure to provide compliant wage statements and failure maintain payroll records; 6) failure to pay final wages at termination; 7) failure to timely pay wages during employment; 8) civil penalties under the PAGA; and 9/10) two counts of unfair business practices per Business and Professions Code section 17200, et seq. Plaintiff was employed by defendant as an hourly paid, nonexempt employee, between April and July 2024, as a "Blender Operator and Driver," in Madera County. The class involves all 63 locations owned by defendants (all locations offer "complete agricultural solutions, including nutrients, crop protection products, seed, digital tools, and agronomic advice. Two of these locations are in Santa Maria). The case had earlier been removed to federal district court, and was stayed. The matter was ultimately remanded back to this court on July 10, 2025. Defendants had previously answered on October 7, 2025.[1]

On July 13, 2026, plaintiffs filed a motion for preliminary approval of the settlement[2] reached in the class and PAGA representative actions (consummated following mediation with Daniel Turner, on April 11, 2025, as discussed in fn. 1, *ante*). There are approximately 1,700 putative class members and apparently the same number of aggrieved employees (plaintiffs' counsel is directed to confirm this at the hearing). The class is defined as "all current and former nonexempt employees who worked for [defendants], or a predecessor entity within the State of California at any time during the Class Period (June 8, 2023 through July 12, 2025), and who reside in California . . . ." Aggrieved employees (PAGA Members) include "all current and former non-exempt employees who worked for [defendants] at any time during the PAGA Period (November 8, 2023 through July 12, 2025), and who reside in California . . . ." The gross settlement involves a non-reversionary amount of $935,000, reduced by the following: 1) $311,667 for attorney's fees (amounting to 33.3333333% of the gross settlement); 2) up to but not to exceed $20,000 for litigation costs as to both law firms at issue; 3) $40,000 for the PAGA

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[1] The remand by the federal court and ultimately the second amended complaint filed in this action followed a global settlement of all matters following mediation with mediator Daniel Turner, Esq., an experienced wage and hour mediator, on April 11, 2025. At the time of mediation there was a pending contemporaneous action filed in Tulare County – styled *Gomez v. Nutrien AG Solutions, LLC*, et al., Case No. VCU317118, which raised substantially similar class action and representative action wage and hour claims as advanced here. The global settlement contemplated a remand of this action back to state court, a stipulation to filing the second amended complaint here (with the addition of all causes of action from the *Gomez* matter as well as Oscar Gomez as a named plaintiff), and dismissal of Case No. VCU317118. Counsel in this action were attorneys from Capstone Law, APC. Attorneys from Labe & Ebrahimian, LLP were attorneys in the *Gomez* action.

[2] Oddly, also scheduled for today is a final approval hearing. That clearly is erroneous; accordingly, the court will vacate the final approval hearing scheduled for today.

settlement, of which 65% ($26,000) will be paid to the Labor and Workplace Development Agency (LWDA) and 35% ($14,000) will be split between all aggrieved employees as defined above (apparently the same 1,700 members of the class); 4) appointment of a third-party administrator Phoenix Settlement Administrators, with expenses up to $15,000; and 5) a class enhancement of $10,000 for each plaintiff (for a total of $20,000). This leaves a net settlement amount of $528,333, split between the 1,700 putative class members, with an average payout of $310.78.[3] The actual amount to be dispersed to individual class members will involve the net settlement fund divided by the aggregate number of Workweeks during the class period, multiplied by each class member's total number of Workweeks. (¶ 41(a) of Settlement).

Attached to the noticed motion are the following documents: 1) a memorandum of points and authorities; 2) a declaration from attorney Raul Garcia, from Capstone Law APC, counsel for Mr. Rodriguez, which includes a) the settlement agreement, to which is attached the notice to be sent to the class and aggrieved employees; b) the online submission to the LWDA dated November 8, 2024 (at the time the complaint was filed, and amended notice dated February 5, 2026); and c) the firm profile of Capstone Law, APC; 3) a declaration from Stephen M. Sloane, from Lavi & Ebrahimian, LLP, counsel for Mr. Gomez, detailing his and his law firm's experience; 4) evidence that the parties submitted the settlement agreement to the LWDA; 5) a declaration from Jose Rodriquez; and 6) a declaration from Oscar Gomez.

The court will detail the legal standards that govern and frame the court's inquiry; address some preliminary matters and documents that should be filed before the final approval hearing; and then assess the merits of the request made. The court will conclude with a summary of its conclusions.

A) What are the General Standards for Approvals of a Class Action and PAGA Settlement?

The general rules for class action precertification settlements are governed by California Rules of Court, rule 3.769. "Rule 3.769 of the California Rules of Court [hereafter, CRC] sets forth the procedures for settlement of class actions in California. (See also Code Civ. Proc., § 581, subd. (k).) A two-step process is required. First, the court preliminarily approves the settlement, and the class members are notified as directed by the court. [CRC 3.769(c)-(f).] 'The notice must contain an explanation of the proposed settlement and procedures for class members to follow in filing written objections to it and in arranging to appear at the settlement hearing and state any objections to the proposed settlement.' [CRC 3.769(f).] Second, the court conducts a

[3] Plaintiffs do not actually inform the court what the average payout to an individual member of the class will be. The court has utilized a simple mathematic calculation to fill the void - $528,333 divided by 1,700 (the number of putative class members). If the average payout is different, the court directs counsel to provide the appropriate number at the final approval hearing.

final approval hearing to inquire into the fairness of the proposed settlement. [CRC 3.769(g).] If the court approves the settlement, a judgment is entered with provision for continued jurisdiction for the enforcement of the judgment. [CRC, rule 3.769(h).]" (*Cellphone Termination Fee Cases* (2009) 180 Cal.App.4th 1110, 1118.)

A party to the settlement must move for "preliminary approval of the settlement." (CRC 3.769(c).) After the hearing, the court makes an order approving or denying "certification of a provisional settlement class." (CRC 3.769(d).) If the court grants preliminary approval, it must set a final approval hearing, and provide for notice to be given to the class. (CRC 3.769(e).) "The notice must contain an explanation of the proposed settlement and procedures for class members to follow in filing written objections to it and in arranging to appear at the settlement hearing and state any objections to the proposed settlement." (CRC 3.769(f).) At the final approval hearing, "the court must conduct an inquiry into the fairness of the proposed settlement." (CRC 3.769(g).) If the court approves the settlement agreement, it enters judgment accordingly. (CRC 3.769(h).) (See *Luckey v. Superior Court* (2014) 228 Cal.App.4th 81, 93.)

This is of course is a *preliminary approval*, not a final approval. Nevertheless, precertification settlements in class actions should be scrutinized. (*Cho v. Seagate Technology Holdings, Inc*. (2009) 177 Cal.App.4th 734, 743.) This is accomplished through careful review by the trial court; precertification settlements are routinely approved where they are found fair, adequate and reasonable. (*Ibid;* see also *Wershba v. Apple Computer, Inc*. (2001) 91 Cal.App.4th 224, 240 [precertification settlements in class action suits should be scrutinized more carefully].) "'Due regard,' . . . 'should be given to what is otherwise a private consensual agreement between the parties. The inquiry 'must be limited 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." [Citation.] . . . .' " (*7–Eleven Owners for Fair Franchising v. Southland Corp.* (2000) 85 Cal.App.4th 1135, 1145, quoting from *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1802; see *Roos v. Honeywell Internat., Inc.* (2015) 141 Cal.App.4th 1472, 1481-1482, overruled on another ground in *Hernandez v. Restoration Hardware, Inc.* (2018) 4 Cal.5th 260, 269.) The test is not whether the maximum amount is secured, but whether the settlement is reasonable under all circumstances. For example, a trial court does not abuse its discretion in approving a settlement when it finds that the settlement was achieved at an arm's length negotiation; the fact the case was vigorously litigated; plaintiff was represented by experienced counsel; the number of class members who objected or opted out was very small; and plaintiff faced considerable risk in proceeding to trial. (*Cho, supra*, at p. 745.)

The proponents have the burden to show the settlement is fair, although a presumption of fairness exists where the settlement is reached through arm's length bargaining; investigation and discovery are sufficient to allow counsel and the court to act intelligently; and counsel is experienced in similar litigation; and the percentage of objectors is small. (*Dunk, supra, at p.*

1802.) This is only an initial presumption; a trial court's ultimate approval of a class action settlement will be vacated if the court "is not 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." In short, the trial court may not determine the adequacy of a class-action settlement "without independently satisfying itself 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." (*Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles* (2010) 186 Cal.App.4th 399, 408.)

The court undoubtedly gives considerable weight to the competency and integrity of counsel and the involvement of a neutral mediator in assuring itself that a settlement agreement represents an arm's-length transaction entered without self-dealing or other potential misconduct. While an agreement reached under these circumstances presumably will be fair to all concerned, particularly when few of the affected class members express objections, in the final analysis it is the court that bears the responsibility to ensure that the recovery represents a reasonable compromise, given the magnitude and apparent merit of the claims being released, discounted by the risks and expenses of attempting to establish and collect on those claims by pursuing the litigation. The court has a fiduciary responsibility as guardians of the rights of the absentee class members when deciding whether to approve a settlement agreement. (*Munoz, supra,* 186 Cal.App.4th at p. 408, fn. 6.)

The court's gatekeeping function in the class action context differs from its role in reviewing PAGA settlements. In class actions, courts have a fiduciary duty to protect the interests of absent class members, whose individual claims for wrongfulness will be discharged. (*Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129 [court acts as guardian of rights of absentee class members].) A PAGA representative action, however, is "not akin to a class action"; it "is a species of *qui tam* action." As our high court has reiterated, PAGA suits exhibit virtually none of the procedural characteristics of class actions. (*Estrada v. Royalty Carpet Mills, Inc*. (2024) 15 Cal.5th 582, 599.) In that regard, when reviewing a PAGA settlement, courts do not consider the value of individuals' claims for damages because a PAGA settlement does not release those claims. (*Kim v. Reins International California, Inc.* (2020) 9 Cal.5th 73 87 [PAGA claims have no individual component]; *ZB, N.A. v. Superior Court* (2019) 8 Cal.5th 175, 197-198 [PAGA damages limited to civil penalties].) "The state's interest in such an action is to enforce its laws, not to recover damages on behalf of a particular individual." (*Huff, supra*, 23 Cal.App.5th at p. 760.) Instead of focusing on fair recovery for individual claims, the goal of PAGA enforcement is to achieve "maximum compliance with state labor laws." (*Huff*, at p. 756.)

That being said, Labor Code[4] section 2699, subdivisions (s)(1) to (4) require the court to follow certain requirements for PAGA settlements. First, for cases filed on or after July 1, 2016, the aggrieved employee or representative shall, within 10 days following commencement of a civil action pursuant to this part, provide the LWDA with a file-stamped copy of the complaint that includes the case number assigned by the court. (Subd. (s)(1)). Second, "the superior court shall review and approve any settlement of any civil action filed pursuant to this part. *The proposed settlement shall be submitted to the agency at the same time that it is submitted to the court*." (Subd. (s)(2), italics added.) Third, "a copy of the superior court's judgment in any civil action filed pursuant to this part and any other order in that action that either provides for or denies an award of civil penalties under this code shall be submitted to the agency within 10 days after entry of the judgment or order." (Subd. (s)(3.) And fourth, "[i]tems required to be submitted to the [LDWA] under this subdivision or to the Division of Occupational Safety and Health pursuant to paragraph (4) of subdivision (b) of Section 2699.3, shall be transmitted online through the same system established for the filing of notices and requests under subdivisions (a) and (c) of Section 2699.3." (Subd. (s)(4).) Courts under this scheme consider (1) whether the statutory requirements of notice to the LDWA have been satisfied, and (2) whether the settlement agreement is fair, reasonable, and adequate, as well as meaningful and consistent with PAGA's public policy goals, which include "augmenting the state's enforcement capabilities, encouraging compliance with Labor Code provisions, and deterring noncompliance." (*Kang v. Wells Fargo Bank, N.A.*, 2021 WL 5826230, *15 (N.D. Cal. Dec. 8, 2021); see *Gilmore v. McMillan-Hendryx Incorporated* (E.D. Cal., Jan. 20, 2022, No. 1:20-CV-00483-HBK) 2022 WL 184004, at *2.)

Prior to 2021 no published California appellate case had explored the standard a trial court should employ in evaluating the reasonableness of a PAGA settlement. That changed in *Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56 overruled in part on other grounds in *Turrieta v. Lyft, Inc.* (2024) 16 Cal.5th 664, 708-710. (See also *Flores v. Starwood Hotels & Resorts Worldwide* (C.D. Cal. 2017) 253 F.Supp.3d 1074, 1075.) In *Moniz*, despite the differences between class and PAGA actions, the appellate court determined that "a trial court should evaluate a PAGA settlement to determine whether it is fair, reasonable, and adequate in view of PAGA's purposes to remediate present labor law violations, deter future ones, and to maximize enforcement of state labor laws." (*Moniz*, *supra,* 72 Cal.App.5th at 76.) The *Moniz* court also indicated: "Because many of the factors used to evaluate class action settlements bear on a settlement's fairness—including the strength of the plaintiff's case, the risk, the stage of the proceeding, the complexity and likely duration of further litigation, and the settlement amount—these factors can be useful in evaluating the fairness of a PAGA settlement." (*Ibid*.) Nevertheless, "[g]iven PAGA's purpose to protect the public interest, we also agree with the LWDA and federal district courts that have found it appropriate to review a PAGA settlement to

4 All statutory references are to the Labor Code unless otherwise indicated.

ascertain whether a settlement is fair *in view of PAGA's purposes and policies*." (*Ibid.,* italics added.) "We therefore hold that a trial court should evaluate a PAGA settlement to determine whether it is fair, reasonable and adequate in view of the PAGA's purposes to remediate present labor law violations, deter future ones, and to maximize enforcement of state labor laws." (*Ibid.*) Put another way: "We emphasize that in any case involving a proposed PAGA settlement, the trial court must review the settlement for fairness and 'scrutinize whether, in resolving the action, a PAGA plaintiff has adequately represented the state's interests, and hence the public interest.'" (*Shaw v. Superior Court of Contra Costa County* (2022) 78 Cal.App.5th 245, 263, citing *Moniz*; see also *LaCour v. Marshalls of California, LLC* (2023) 94 Cal.App.5th 1172, 1195 [same].) Once approved, under the newly enacted rules, for our purposes, 65% of civil penalties recovered go to the state, while 35% go to the PAGA class.

B) Preliminary Matters

The court vacates the final approval hearing scheduled for today. That was an obvious scheduling error.

Plaintiffs are directed to file a "Notice of Settlement" of the entire case, as contemplated by CRC 3.1385(a), at least before final approval.

Plaintiffs should also submit, also before final approval*,* a copy of (or its verbatim contents) of the attorney-fee agreement with each plaintiff as mandated by CRC 3.769(b) ["any agreement, express or implied, that has been entered into with respect to the payment of attorney's fees or the submission for the approval of attorney's fees must be set forth in full in any application for approval of the dismissal or settlement of an action that has been certified as a class action"].) This provision requires that any attorney-fee agreement, express or implied, that has been entered into with respect to payment of attorney's fees or the submission of an application for the approval of attorney's fees must be set forth in full in any application for approval of the settlement that has been certified as a class action. That has not been done.

Plaintiffs have complied with section 2699, subdivision (s)(2), which requires that the proposed settlement with regard to PAGA shall be submitted to the LWDA at the same time it is submitted to the court. That was accomplished on July 13, 2026, according to the submission filed. The court will want to confirm with counsel that it will comply with section 2699, subdivision (s)(3), which requires that a copy of the superior court's judgment as to civil penalties "shall be submitted to the [LWDA] within 10 days after entry of judgment."

The court grants the parties request to exceed the 15-page limitation per California Rules of Court, rule 3.1113(d), as permitted by subdivision (e).

C) Are the Class Action and PAGA Settlements Fair, Adequate and Reasonable?

As noted, the amount of the gross settlement is $935,000. Subtracted from this are 1) requested attorney's fees of $311,667; 2) requested litigation costs of up to $20,000; 3) settlement administration costs of up to $15,000; 4) an enhancement payment of $10,000 for each plaintiff ($20,000 in total); and 5) the PAGA settlement amount of $40,000, with $26,000 going to the LWDA and $14,000 going to the aggrieved employees, leaving a net settlement amount of $528,333. In determining whether the class settlement is fair, adequate and reasonable a trial court's broad discretion is exercised through several well-recognized factors, as discussed above. The list, which is not exhaustive and should be tailored to each case, includes 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. (*Roos, supra*, at 241 Cal.App.4th at pp. 1481-1482.) The most important factor is the strength of the case for plaintiffs on the merits, balanced against the amount offered in settlement. While the court "must stop short of the detailed and thorough investigation that it would undertake if it were actually trying the case," it must eschew any rubber stamp approval in favor of an independent evaluation. (*Munoz, v. BCI Coca-Cola Bottling Co. of Los Angeles, supra,* 186 Cal.App.4th at pp. 407–08.)

The settlement amount is nonreversionary, and the evidence shows that both sides engaged in a rigorous arms-length negotiation through a neutral mediator on April 11, 2025, culminating in a global settlement. Class counsel for both plaintiffs appear experienced wage and hour attorneys (based on the recitations in declarations from attorney Raul Perez for Mr. Rodriquez and from attorney Stephen Sloane for Mr. Gomez). There is no evidence of collusion, particularly as the settlement was the result of a neutral mediation, with the mediator seemingly also experienced in wage and hour class action settlements. Plaintiffs' counsel has been involved in a number of class action suits, as detailed in the briefing and the individual declarations. There have been no objections to the settlement either by class members, aggrieved employees, or the LWDA.

Further, plaintiffs detail the efforts made before and during mediation. Counsel "were able to realistically assess the value of Plaintiffs' claims and intelligently engage defense counsel in settlement discussions that culminated in the proposed settlement . . . ." According to the declaration of Raul Perez, in preparation for drafting the complaint in this action, "Capstone's attorneys conducted their own preliminary investigation into the factual bases for Rodriguez's claims." Counsel prepared "detailed letters," conducted "significant research and effort" in preparing PAGA notices, and received "considerable volume of documents and data with which to value Plaintiffs' claims." This included defendants' "labor policies and procedures manuals governing meal periods, rest periods, timekeeping and off-the-clock work, meal break waivers, and payroll-record practices, together with a sampling of Class Members' timekeeping and payroll records. The document and data exchanges allowed Capstone's attorneys to fully assess the nature and magnitude of the claims being settled, as well as the impediments to recovery, and ultimately enabled them to independently evaluate the reasonableness of the Settlement's terms." Based on this information, counsel assessed defendants risk-adjusted maximum exposure based on the claims advanced (with each category involving maximum liability based on 92,000 weeks in aggregate during the class period, multiplied by the average hourly wage and the percentage chance of certification), as follows: 1) off-the-clock claims at $102,580; meal period claims at $1,025,800; 3) overtime claims at $153,870; 4) rest period claims at $1,230,960; 5) a Labor Code section 2810.5 claim at 17,000; 6) regular rate for sick-pay claims at $13,738.70; 7) wage statement claims at $380,000; 8) final pay claims at $321,120; and 9) PAGA civil penalties were determined to be $380,000. Defendants' total risk-adjusted maximum exposure was thus determined to be $3,625,068.70.

Counsel determined that it was reasonable to "settle for approximately 26% [25.79% to be precise] of Defendants' risk adjusted [maximum]exposure, for the following reasons: plaintiffs would have to overcome multiple, dependent contingencies to prevail, and the "projected odds for each of the above contingencies is generous to the class position," as rarely all claims prevail; claims are routinely discounted from any maximum potential recovery; and notably, "Defendants have identified multiple defenses that could significantly limit or defeat recovery, including arguments regarding the lawfulness of their labor polices, the individualized nature of the claims, and the absence of injury for certain alleged violations." Specifically, defendants pointed to policies that prevented off-the-clock work, and under the law they have no obligation to police "meal periods." Further, it would be difficult to determine whether a break was taken, and, arguably, "wage statement claims" involved "nothing more than technical violations for which employees suffered no injury." Defendants in fact could reasonably argue that their policies were at all times compliant with California law and "that any deviations from those policies were anomalous incidents for which Defendants should not be held accountable on a representative basis." Plaintiffs' counsel observe that courts are imbued with great discretion and often reduce PAGA penalties, taking into account actual injury, defendants' awareness of any violations, and the employer's willingness to fix the violations. After "carefully weighing these risks and the expense and delay of further litigation, Plaintiffs' counsel reasonably concluded that a settlement representing approximately 26% of Defendants' risk-adjusted exposure reflects a meaningful and appropriate recovery for the Settlement Class, PAGA Members, and the LWDA. This result falls within the range of settlements routinely approved by the courts in complex employment and class and PAGA actions . . . ." Mr. Perez details his and Capstone's experience in wage and hour litigation (since 2012); Mr. Sloane does the same for Lavi & Ebrahimian, LLP (including 20 years of experience).

" 'The fact that a proposed settlement may only amount to a fraction of the potential recovery does not, in and of itself, mean that the proposed settlement is grossly inadequate and should be disapproved.' [Citation.]" (*7–Eleven Owners for Fair Franchising, supra,* 85 Cal.App.4th at p. 1150.) "The proposed settlement is not to be judged against a hypothetical or speculative measure of what might have been achieved had plaintiffs prevailed at trial." (*Wershba, supra,* 91 Cal.App.4th at p. 246.) Class counsel is experienced, and they detail the inherent risks of any continued litigation, based on their review of a plethora of documentation. The assessments appear reasonable. (*Clark v. American Residential Services, LLC* (2009) 175 Cal.App.4th 785, 801) The court finds the gross settlement of $935,000 to be reasonable, fair, and adequate, in light counsel's attestations, ruminations, and assessments, following arm's length negotiations with a neutral medicator, as outlined above.

That being said, the court must separately address the fairness of the PAGA settlement, which is $40,000 (separate and apart from its inclusion into the *overall fairness* of the $935,000) with 65% to the state ($26,000) and 35% ($14,0000) to the aggrieved employees on a proportionate basis, based on the number of payroll periods, during the "PAGA period." As an initial matter, the court directs counsel at the hearing ***to confirm that the number of aggrieved employees matches the number of putative class members – 1,700*****.** Counsel should inform the court if the two numbers are different.

Plaintiffs' figures indicate that defendants' maximum risk-reduced exposure for PAGA penalties was $380,000; $40,000 is 10.5% of that amount, or 4.2% of the settlement amount of $935,000. It is not entirely clear under existing precedent whether this amount satisfies the standards enunciated under *Moniz,* as there is a paucity of published California appellate case law discussing the reasonableness of PAGA settlements when reached in conjunction with a class action settlement. This is not true with California federal cases, however, which expressly indicate that "courts have raised concerns of about settlements ***of less than 1%*** of the total value of a PAGA claim" when made in conjunction with class action settlement. (*Cole v. Lane Bryant, Inc.* (N.D. Cal., Feb. 10, 2025) 2025 WL 823268, at p. 3, citing *Haralson v. U.S. Aviation Services Corp.* (N.D. Cal. 2019) 383 F.Supp.3d 959, 972, emphasis added.) And was observed in *Vasquez v. Leprino Foods Company* (E.D. Cal., June 17, 2024), 2024 WL 3026131 at page 23, "federal district courts have approved a broad range of PAGA penalties. *See Magadia v. Wal-Mart Assocs., Inc.*, 384 F. Supp. 3d 1058, 1101 (N.D. Cal. 2019) [collecting cases in which settlements providing for $10,000 in PAGA penalties were preliminarily or finally approved despite total settlement amounts of $900,000 and $6.9 million]; see *also Alcala v. Meyer Logistics, Inc.* (C.D. Cal. June 17, 2019), 2019 WL 4452961, at p. 9 [collecting cases in which PAGA penalties within the zero to two percent range were approved by courts].)" The settlement amount here is not less than 1% of the overall settlement and falls within the range approved by federal courts, under the authorities cited above. As the LWDA has not objected to the PAGA settlement amount (and there are no objections by any class members), and as the $935,000 overall settlement seems sufficiently robust to further the remedial purposes of PAGA per *Moniz,* the court will approve the $40,000 PAGA settlement as reasonable, fair, and adequate.

D) Is Preliminary Certification Appropriate for the Class Action?

Class action certification questions are essentially procedural and involve an assessment of whether there is a common or general interest between numerous people. The burden is on the proponent to show an ascertainable class with a well-defined community interest, meaning predominant common questions of law or fact, class representatives with claims or defenses typical of class, and class representatives who can adequately represent the class. (*Sav-On Drug Stores, Inc. v. Superior Court* (2004) 34 Cal.4th 319, 326.)

There has been a sufficient preliminary showing of numerosity, ascertainability, and predominance or commonality. The class, while clearly large – 1,700 members during a defined class period, with names obtained through existing employment records, as well as 1,700 aggrieved employees for PAGA purposes (assuming this is conferred by counsel at the hearing) -- is not noticeably cumbersome. It appears the claims are sufficiently similar, subject to the same policies or practices, with similar job duties and universal formula. It also appears the class representatives have typical claims of the class/aggrieved employees as a whole. A class action appears the superior way to a fair and efficient adjudication of the lawsuit. Certification of the class seems appropriate.

E) Are the Procedures for the Claim Forms and Opt-Out Adequate?

Attached to Mr. Perez's declaration is a copy of the notice that will be sent to the putative class members and aggrieved employees. It consists of a 5-page document, entitled "Rodriguez v. Nutrien AG Solutions, Inc. No. 24CV061119 Superior Court of the State of California, For the County of Santa Barbara Notice of Class Action Settlement" (hereafter, notice). ***The court wants to confirm with counsel that this notice will be sent in both English and Spanish.***

The notice describes the nature of the lawsuit, as well as the recipients' legal rights and options. It describes the two-part settlement – a class settlement and PAGA settlement. Each is described and the amounts for each class member and aggrieved employee are calculated separately. The notice describes the legal rights and options of each recipient (i.e., what happens if nothing is done, the option to opt-out of the class but not the PAGA action, the response deadline, the ability to object and the deadlines, participation in final approval hearing, a summary of the litigation, summary of the proposed settlement terms, how payments are calculated, the estimated payment for each class member/aggrieved employee, and the nature of the releases. Under the heading "Options Under the Settlement[,]" it provides three options

(Option 1 – how to receive a payment; Option 2 – opt-out of the settlement, and Option 3 – objection to the settlement). It gives the address of counsel for further information.

These descriptions outline the nature of the class claims; who may be eligible; the gross and net settlement amounts minus the amounts for attorney's fees, costs, settlement administration expenses, enhancements, and PAGA disbursement (and the appropriate formula). They explain how an individual class member's award will be calculated (excluding those who opt out), and how the PAGA formula will be distributed to aggrieved employees. The notice makes it clear that a form need not be submitted for payment, and indicates how the distribution will be calculated if no form is submitted. It indicates that plaintiffs are bound by the settlement agreement unless the class member affirmatively excludes himself or herself from the settlement (making it clear that the recipient will not be able to opt out of PAGA settlement distribution). The notice informs the recipient that he or she can be part of the settlement group, how he or she can be part of the settlement but object, and how he or she can opt-out; advises of the preliminary and final approval hearings and their possible dates, and who to contact for more information. The notice adequately explains the options before the putative class member, including disputes and opt out procedures, under the heading. It explains the nature of the release given to defendants from all causes of action; and where to contact counsel for more information.

The Notice appears adequate, and the dates therein seem reasonable.

F) Should the Court Grant Preliminary Appointment/Approval of the Settlement Administrator, Its Costs' Request, and Class Counsels' Requests for Attorney's Fees and Litigation Costs?

Plaintiffs ask the court to appoint Phoenix Settlement Administrators as the settlement administrator, as the third-party settlement/claims administrator, and asks the court to approve up to $15,000 for costs. The court will do so provisionally. At the final hearing, the court expects a detailed invoice/justifications of/explanations for how the $15,000 was spent.

Plaintiffs also ask the court to appoint Capstone Law APC (Raul Perez, Roxana Tabatabaeepour, Ryan Tish, and Alexander Wallin) and Lavi & Ebrahimian, LLP (Joseph Labi, Vincent Cranberry, Jeffrey Klein, and Paolo Policastro) as counsel. The court preliminarily appoints these firms and attorneys as class/PAGA counsel.

In addition, plaintiffs ask the court to award fees of $311,667 in attorney's fees and up to $20,000 in litigation costs. As noted above, plaintiffs are directed to provide a copy of the attorney-fee agreement (or recount its substance) at the final approval hearing, as required by California Rules of Court, rule 3.769.

The attorney fee amount of $311,667 seems reasonable. (See, e.g., *Graham v. DaimlerChrysler Corp*. (2004) 34 Cal.4th 553, 578 [it is well settled that attorney fees under Code Civ. Proc., § 1021.5 may be awarded for class action suits benefiting a large number of people]; see also *Clark, supra,* 175 Cal.App.4th at p. 791.) The court has a duty to review and approve attorney's fees, even where the parties agree on the amount. (*Garabedian v. Los Angeles Cellular Telephone Co.* (2004) 118 Cal.App.4th 123, 127-128.) Use of the percentage method in class action matters is permissible, and there is evidence the parties intended the attorney fees would be paid out of any common fund that had been created. That appears to be the case here. Although counsel does not offer any evidence to support the lodestar method, that is not dispositive. " 'Fee awards in class action average around one-third of the recovery' regardless of 'whether the percentage method or the lodestar method is used.'" (*Amaro v. Anaheim Arena Management, LLC* (2021) 69 Cal.App.5th 521, 545.) The amount requested is standard in these matters and is preliminarily approved. **The court nevertheless directs counsel to address any fee- and cost-splitting arrangements between Capstone, on one hand, and Lavi & Ebrahimian, LLP on the other.**

The court also preliminarily approves litigation costs of up to $20,000, but will expect clear evidentiary support to be submitted at the final approval hearing before costs are ultimately awarded.

G) Should the Court Preliminarily Grant an Enhancement for the Class Representatives?

The court appoints plaintiffs Jose Rodriguez and Oscar Gomez as representative for the class action and PAGA representation actions.

Plaintiffs also asks the court preliminarily to approve a class enhancement award of $10,000 for each (for a total of $20,000). It is established that a named plaintiff is eligible for a reasonable incentive payment to compensate him for the expense or risk he has incurred in conferring benefit on other members of the class. (*Munoz, supra*, 186 Cal.App.4th at p. 412.) Relevant factors include actions the plaintiff has taken to protect the interests of the class, the degree to which the class had benefited from those actions, the amount of time and effort the plaintiff has expended, the risk to the class representative of commencing suit, the notoriety and personal difficulties encountered by the class representative, the duration of the litigation, and the personal benefit enjoyed by the class representative. (*Clark* v. *American Residential Services, LLC* (2009) 175 Cal.App.4th 785, 804.) The rationale in the end is to compensate class representatives for the expense or risk they have incurred in conferring a benefit on other members of the class. (*Id*. at p. 806.) Specificity, however, is required; further, there is no presumption of fairness in review of an incentive fee award. (*Id*. at p. 807; *Cellphone Termination Fee Cases* (2010) 186 Cal.App.4th 1380, 1395 [these "incentive awards" to class representatives must not be disproportionate to the amount of time and energy expended in pursuit of the lawsuit].)

Each plaintiff has submitted a declaration in support of the enhancement request. Mr. Rodriguez declares in relevant part that he has "had multiple conferences" with his attorneys "about the factual basis for the claims that I wanted to pursue . . . ." He claims to have "spent considerable time on the phone discussing the facts of the case with my attorneys. I discussed the fact related to my employment with Defendants, including discussing my job duties and responsibilities, my job position, the hours and days I worked, and how I was compensated" He claims to have reviewed documents, answer written and oral questions, and testify and "be available to appear in court, if necessary." "In summary, over the course of this litigation, I have spent a significant amount of time conferring and working with my attorneys on the prosecution of my claims and evaluating the settlement and related documents. I estimate that I have spent between 25 and 35 hours assisting my attorneys in the prosecution of this lawsuit."

Mr. Gomez declares that he "provided information and been available to my attorneys since approximately November of 2024 when I was searching for my attorney. I have helped and been willing to support the lawsuit in any way I can for the last approximately 20 months since November of 2024 . . . ." I have "met with my attorneys to discuss Defendants' policies, procedures, and practices for clocking in and out, paying wages for the hours that we worked, wage statements, and final payment of wages. I sent time searching for policies and procedures that were given to me during my employment, any timecards that I had, any pay stubs I had, W2s, and other documents related to my employment. I produced all the documents to my attorneys. I responded to almost all of my attorneys' telephone calls and interviews, and I met with them in person and/or telephonically to discuss any question they had about my employment, Defendants' policies and procedures, Defendants' paying of minimum and ovetime wages, providing wage statements, or the documents I provided to them. I made myself available during the mediation session. Once the settlement agreement was finalized, I conferred with my attorneys on multiple occasions to review and discuss the agreement before signing." Additionally, "I know that I took a risk by filing this lawsuit because if I lost, I would have to pay all the costs incurred by the Defendant in the lawsuit." Further, "I have taken a risk by filing this lawsuit because my employers in the future may find out that I sued my employer, and they may not like it. . . ."

The court finds the declarations to be lacking in sufficient specificity to justify the full $10,000, with Mr. Gomez's declaration most notably deficient. This is a concern because the $10,000 enhancement for each plaintiff implicates a multiplier that has been condemned by courts (at least without greater detailed explanations contained in the submitted declarations). For example, with the net settlement of $528,333, and the putative class consisting of 1,700 members, the average payout to each class member will be approximately $310. $10,000 represents a multiplier of approximately 32.258 over that amount; courts have condemned similar multipliers with similar wide disparities (at least without more specific justifications). (*Clark v. American Residential Services, LLC, supra,* 175 Cal.App.4th at p. 806, fn. 14, citing *Alberto v. GMRI, Inc*. (2008) 252 F.R.D. 652, 669 [given a proposed $5,000 incentive award and an average $24.17 recovery (multiple of just over 20), when there was no evidence demonstrating the quality of plaintiff's representative service; plaintiff should be prepared to present evidence of the named plaintiff's "substantial efforts" as class representative to justify the discrepancy between the award and those of the unnamed plaintiffs"]; see also *Staton v. Boeing Co*. (9th Cir, 2003) 327 F.3d 938, 975 [condemning a class enhancement of $30,000 when average payout was $1,000, a multiplier of 30]; compare with *Munoz, supra*, 186 Cal.App.4th at p. 412 [noting there that class representatives would receive more than twice as much as the average payment to class members, in contrast to the multipliers of 30 and 44 in *Stanton* and *Clark*, respectively]; see also *Pauley v. CF Entertainment* (C.D. Cal., July 23, 2020, No. 2:13-CV-08011-RGK-CW) 2020 WL 5809953, at *3 [plaintiffs request of $10,000 each in class representative awards, is over 35 times greater than the average recovery per unnamed class member, and provide little justification for this].) Further, even if the court assumes Mr. Rodriquez worked 35 hours, that amounts to approximately $285 an hour, a high hourly amount under any calculation. More detail must be provided to justify these disparities. The court will preliminarily approve the two $10,000 enhancement awards, but will condition final approval on submission of a far more detailed explanation by each plaintiff. The parties are placed on notice that without further detail the court will reduce the enhancements at the final approval hearing.

In Summary:

- The court vacates the final approval hearing scheduled for today;
- The court approves counsel's request for an oversized motion pursuant to CRC 3.1113(e);
- Plaintiff is directed to file a "Notice of Settlement" as required by CRC 3.1385 (at least before final approval);
- Plaintiff is directed to provide the attorney-fee agreement or its substance as required by CRC 3.796(b) (at least before final approval).
- Counsel is directed at that hearing to inform the court about the number of aggrieved employees at issue. The court has assumed it is approximately 1,700 employees (the same number as the putative class);
- Counsel is directed at the hearing to address the average payout of the class action settlement (the court has assumed it is approximately $310, dividing the net settlement amount by the number of putative call members).
- The court preliminarily approves the gross settlement of $935,000, as fair, adequate, reasonable, and preliminarily certifies the class of 1,700 putative class members as appropriate for class action treatment, as it has a well-

defined community of interest, meaning there are predominant common questions of law and fact, and that plaintiffs as class representatives can adequately represent the class. The court approves the representative PAGA settlement of $40,000. The court approves of the notice to be sent to the putative class and aggrieved employees, and finds generally that the procedures and releases are adequately explained (although the court directs counsel to confirm that the notice will be translated into Spanish and sent to putative class members in both English and Spanish);

- The court preliminarily approves the appointment of Phoenix Settlement Administrators as the third-party settlement administrator, and costs of up to $15,000 (although the actual costs must be justified at the final approval hearing);
- The court preliminarily approves the appointment of Capstone Law APC and Lavi & Ebrahimian, LLP, along with all named attorneys associated with these firms, as class counsel. The court preliminarily approves attorney fees of $311,667, along with a maximum of $20,000 in litigation costs (assuming sufficient documentation is offered at the final approval hearing to justify the final amount). The court directs counsel at the hearing to address any fee- and cost-splitting arrangement between the two law firms;
- The court preliminarily approves the appointment of plaintiffs Jose Rodriquez and Oscar Gomez as representatives for the class and representative action. While the court preliminarily approves the $10,000 enhancement for each plaintiff, the court will require a more detailed declaration from each at the final approval hearing, most notably because the enhancement constitutes an approximate 32.258 multiplier over the average class payout (a multiplier courts have condemned without more detailed explanations). Counsel is placed on notice that unless more detailed explanations are provided at the final approval hearing, the court may well reduce the enhancement amount requests;
- The court will sign the proposed order submitted on July 13, 2026.