

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SACRAMENTO

Gordon D. Schaber Superior Court, Department 23

JUDICIAL OFFICER: HONORABLE JILL H. TALLEY

Courtroom Clerk: T. Shaddix
Court Attendant: C. Carrillo

CSR: None

34-2021-00308730-CU-OE-GDS

November 1, 2024
9:00 AM

Maria Segismundo vs. Rancho Murieta Country Club

MINUTES

APPEARANCES:

No Appearances

NATURE OF PROCEEDINGS: Hearing on Motion for Preliminary Approval of Settlement

There being no request for oral argument, the Court affirmed the tentative ruling.

TENTATIVE AFFIRMED

Plaintiffs Maria Segismundo and David Gray's ("Plaintiffs") motion for preliminary approval of class action and Private Attorneys General Act ("PAGA") settlement is UNOPPOSED and GRANTED as follows.

Preliminary Matter

Moving Counsel's declaration fails to attest that they have reviewed the Court's checklist and their briefing complies with the checklist, as required by Local Rule 2.99.05. The Court, in its discretion, has nonetheless considered Plaintiff's motion. Counsel is admonished that any future failure to do so may result in the denial of the motion without prejudice. (Local Rule 2.99.05(C).) Failure to comply with the checklist may lead to an order to show cause regarding sanctions and/or a reduction in the requested attorneys' fee award. (*Id.* at 2.99.05(D).)

Overview

On September 23, 2021, Plaintiff Segismundo filed a wage and hour class action complaint against Defendant Rancho Murieta Country Club ("Defendant"). On March 14, 2023, Plaintiff filed an amended complaint adding Plaintiff Gray to this Action. On September 23, 2021, Plaintiff Segismundo filed a representative action complaint against Defendant asserting a single cause of action for violation of PAGA. (Case No. 34-2021-00308737). On June 28, 2024,

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Plaintiffs filed a Second Amended Complaint that consolidated this Action with the separate PAGA action. The Second Amended Complaint alleges the following causes of action against Defendant: (1) unfair competition; (2) failure to pay minimum wages; (3) failure to pay overtime wages; (4) failure to provide required meal periods; (5) failure to provide required rest periods; (6) failure to provide accurate itemized wage statements; (7) failure to reimburse employees for required expenses; (8) failure to provide wages when due; (8) failure to provide wages when due; (9) failure to provide gratuities; (10) constructive discharge; and (11) violation of PAGA.

The Parties engaged in formal and informal discovery. (Nordrehaug Decl. ¶ 10.) Defendant produced data concerning the class, payroll data and time punch data for the class, Defendant's wage and hour policies, the employment files for Plaintiffs, and samples of wage statements. (*Ibid.*) Plaintiff engaged an expert to prepare valuations for the Class claims. (*Ibid.*) On November 17, 2022, the Parties participated in a mediation with Tim Del Castillo and reached a settlement. (*Id.* at ¶ 12.) Thereafter, the Parties entered in a written settlement agreement. (*Id.* at Ex. 1 ("Agreement").) Plaintiffs now seek preliminary approval of the class and PAGA settlement. This ruling incorporates by reference the definitions in the Agreement and all capitalized terms defined therein shall have the same meaning in this ruling as set forth in the Agreement.

Settlement Class Certification

Plaintiff seeks to certify the following settlement class: All individuals who are or previously were employed by Defendant in the State of California on a non-exempt basis at any time from September 23, 2017 through January 15, 2023. (Agreement ¶¶ 1.5 & 1.13.) There are approximately 420 Class Members. (*Id.* at ¶ 4.1.) The Parties stipulate to certification of the settlement class. (*Id.* at ¶ 13.1.) The Court finds, based on the moving papers, the requisites for establishing class certification have been met and preliminarily certifies the proposed settlement class.

Aggrieved Employees

Aggrieved Employees are defined in the Agreement as: All individuals who were employed by Defendant in California and classified as a non-exempt employee at any time from September 23, 2020 to the date by which the collective Workweeks worked by the Class Members does not exceed 20,000 workweeks. (Agreement ¶¶ 1.4 & 1.31.) There are approximately 290 Aggrieved Employees. (*Id.* at ¶ 4.1.) Aggrieved Employees will receive their share of the PAGA penalty regardless of whether they opt out of the Class portion of the settlement. (*Id.* at ¶ 8.5 & Ex. A ("Class Notice")) Plaintiffs' counsel submitted a copy of the settlement to the Labor and Workforce Development Agency ("LWDA"). (Proof of Service; Supplemental Nordrehaug Decl. ¶ 3.)

Class Representatives

Plaintiffs are preliminarily appointed as Class Representatives for settlement purposes only.

Class Counsel

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Norman B. Blumenthal, Kyle R. Nordrehaug, Aparajit Bhowmik, Nicholas J. De Blouw and Christine T. LeVu of Blumenthal Nordrehaug Bhowmik De Blouw LLP are preliminarily appointed as Class Counsel for settlement purposes only.

Settlement Administrator

The Court appoints Apex Class Action as the settlement administrator.

Fair, Adequate and Reasonable Settlement

The Court must find a settlement is “fair, adequate, and reasonable” before approving a class action settlement. (*Wershba v. Apple Computer* (2001) 91 Cal.App.4th 224, 244-245.) The trial court has broad discretion to determine whether a proposed settlement in a class action is fair, adequate, and reasonable. (*Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801.) “[A] presumption of fairness exists where: (1) the settlement is reached through arm’s-length bargaining; (2) investigation and discovery are sufficient to allow counsel and the court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small.” (*Id.* at 1802.) In making its fairness determination, the Court considers the strength of the Plaintiffs’ case, the risk, expenses, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the state of the proceedings, and the experience and views of counsel. (*Id.* at 1801.) In approving a class action settlement, the Court must “satisfy itself that the class settlement is within the ‘ballpark’ of reasonableness.” (*Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 133.)

This is a non-reversionary, opt-out settlement. Defendant will pay the Gross Settlement Amount (“GSA”) of \$400,000. (Agreement ¶ 3.1.) Defendant will separately pay employer-side payroll taxes. (*Ibid.*) The following will be paid out of the GSA: (1) class member service awards of not more than \$12,500 to each Class Representative; (2) attorneys’ fees equal to one-third of the GSA (\$133,333) and litigation costs not to exceed \$18,000 to Class Counsel; (3) settlement administration costs not to exceed \$20,000; (4) a PAGA Penalty of \$10,000 (75% of which will be paid to the LWDA and 25% will be paid to Aggrieved Employees); and (5) individual settlement payments. (*Id.* at ¶¶ 3.2(a)-(e).)

For tax purposes, settlement payments will be allocated as follows. Individual class member payments will be treated as 20% wages and 80% interest and penalties. (Agreement ¶ 3.2(e)(i).) PAGA payments will be treated entirely as penalties. (*Id.* at 3.2(d)(ii).) Class Members have 60 days to opt-out, submit an objection, or submit a workweek dispute. (*Id.* at ¶ 1.42) The funds from settlement checks that are uncashed after 180 days will be transferred to the California Unclaimed Property Fund in the name of the payee. (*Id.* at ¶¶ 5.2 & 5.4.) The average individual class member payment is approximately \$461.11. (Nordrehaug Decl. ¶ 6.)

Disposition

The Court preliminarily finds that the class is entitled to a presumption of fairness and that all

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relevant factors support preliminary approval. (*Dunk*, supra, 48 Cal.App.4th at 1802.) The moving papers demonstrate the settlement was reached after arms-length bargaining between the parties and was reached after sufficient discovery and negotiations, which allowed the parties, and therefore, this Court, to act intelligently with respect to the settlement. Class Counsel conducted a thorough investigation into the facts and law and issue in this case, including the exchange of informal discovery and the review of extensive information. Therefore, the motion is granted. The Court also approves the proposed Class Notice. The Notice shall be disseminated as provided in the Agreement. The Court will sign the proposed order submitted with the moving papers.

The Final Approval Hearing will take place on March 7, 2025, at 9:00 a.m. in this Department. The Court amend the hearing date stated at paragraph 14 of the Proposed Order.

To request oral argument on this matter, you must call Department 23 at 916-874-5754 by 4:00 p.m., the court day before this hearing and notification of oral argument must be made to the opposing party/counsel. If no call is made, the tentative ruling becomes the order of the court. (Local Rule 1.06.)

Please check your tentative ruling prior to the next Court date at www.saccourt.ca.gov prior to the above referenced hearing date.

If oral argument is requested, the parties may and are encouraged to appear by Zoom with the links below:

To join by Zoom Link - <https://saccourt-ca-gov.zoomgov.com/my/sscdept23>
To join by phone dial (833) 568-8864 ID 16108301121

Parties requesting services of a court reporter will need to arrange for private court reporter services at their own expense, pursuant to Government code section 68086 and California Rules of Court, Rule 2.956. Requirements for requesting a court reporter are listed in the Policy for Official Reporter Pro Tempore available on the Sacramento Superior Court website at <https://www.saccourt.ca.gov/court-reporters/docs/crtrp-6a.pdf>. Parties may contact Court-Approved Official Reporters Pro Tempore by utilizing the list of Court Approved Official Reporters Pro Tempore available at <https://www.saccourt.ca.gov/court-reporters/docs/crtrp-13.Pdf>

A Stipulation and Appointment of Official Reporter Pro Tempore (CV/E-206) is required to be signed by each party, the private court reporter, and the Judge prior to the hearing, if not using a reporter from the Court's Approved Official Reporter Pro Tempore list. Once the form is signed it must be filed with the clerk.

If a litigant has been granted a fee waiver and requests a court reporter, the party must submit a Request for Court Reporter by a Party with a Fee Waiver (CV/E-211) and it must be filed with the clerk at least 10 days prior to the hearing or at the time the proceeding is scheduled if less than 10 days away. Once approved, the clerk will be forward the form to the Court Reporter's Office and an official reporter will be provided.

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Counsel for Plaintiffs is directed to notice all parties of this order.

Hearing on Motion for Final Approval of Settlement is scheduled for 03/07/2025 at 9:00 AM in Department 23 at Gordon D. Schaber Superior Court.

By: */s/ T. Shaddix*
T. Shaddix, Deputy Clerk
Minutes of: 11/01/2024
Entered on: 11/01/2024