

**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: M. Aria

CSR: None

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**23CV012040**

February 21, 2025  
9:00 AM

**ESCOBAR, et al.**

**vs**

**DGE INVESTMENTS LLC, et al.**

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**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**

Plaintiff Estefany Escobar's ("Plaintiff") motion for preliminary approval of class action settlement is UNOPPOSED and GRANTED as follows.

**Overview**

On November 20, 2023, Plaintiff filed a putative class action wage and hour complaint against Defendants DGE Investments, LLC and RiverGlen Apartments, LLC ("Defendants"). On January 19, 2024, Plaintiff filed the operative First Amended Complaint to add a representative claim under the Private Attorneys General Act ("PAGA"). The First Amended Complaint alleges the following causes of action: (1) failure to pay minimum wages; (2) failure to pay wages and overtime; (3) failure to pay reporting time pay; (4) meal period liability; (5) rest break liability; (6) failure to pay vacation wages; (7) violation of Labor Code section 226(a), (8) violation of Labor Code section 203, (9) violation of Labor Code section 204, (10) failure to keep required payroll records; (11) failure to reimburse necessary business expenses; (12) unfair business practices; and (13) penalties under PAGA.

The Parties engaged in informal discovery. (Haritounian Decl. ¶ 15.) Defendants produced all versions of Defendants' applicable employee handbooks and policies, Plaintiff's personnel files,

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Plaintiff's timekeeping and payroll records, a sampling of timekeeping and payroll records for the Class, and information on class and PAGA group demographics. (*Id.* at ¶ 28.) On August 27, 2024, the Parties participated in a mediation with Gig Kyriacou, Esq. and reached a settlement. (*Id.* at ¶ 17.) The Parties thereafter negotiated and entered in to a written settlement agreement. (*Id.* at Ex. 1 ("Agreement").) Plaintiff seeks preliminary approval of this class and representative 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 certification of the following settlement class: all persons employed by Defendants in California and classified as a non-exempt, hourly employee who worked for Defendants at any time from November 20, 2019 to August 31, 2024. (Agreement ¶¶ 1.5 & 1.12.) There are approximately 220 Class Members. (*Id.* at ¶¶ 4.1 & 8.) The Parties have stipulated to certification of the settlement class. (*Id.* at ¶ 12.1.) The Court finds, based on the moving papers, that the requisites for certification of the settlement class have been established. Accordingly, the Court preliminarily certifies the proposed class for settlement purposes only.

## **Aggrieved Employees**

Aggrieved Employees are defined in the Agreement as: a person employed by Defendants in California and classified as a non-exempt, hourly employee who worked for Defendants from November 17, 2022 to August 31, 2024. (Agreement ¶¶ 1.4 & 1.32.) There are approximately 158 Aggrieved Employees. (*Id.* at ¶¶ 4.1 & 8.) 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 ¶ 7.5.4 & Attached Proposed Class Notice.) Plaintiff's counsel gave notice of the settlement to the Labor and Workforce Development Agency ("LWDA") and attached proof of submission. (Haritonian Decl. Ex. 5.)

## **Class Representative**

The Court preliminarily appoints Plaintiff as Class Representative for settlement purposes only.

## **Class Counsel**

The Court preliminarily appoints Emil Davtyan, David Yeremian, and Natalie Haritonian of D.Law, Inc. as Class Counsel for settlement purposes only.

## **Settlement Administrator**

The Court approves 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

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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. Defendants will pay the Gross Settlement Amount (“GSA”) of \$512,000. (Agreement ¶ 3.1.) Defendants will separately pay employer payroll taxes in addition to the GSA. (*Ibid.*) The following will be paid out of the GSA: (1) a Class Representative service payment not to exceed \$7,500; (2) attorneys’ fees of not more than one-third of the GSA (\$170,666.67) and litigation costs not to exceed \$25,000 to Class Counsel; (3) administration costs not to exceed \$7,500; (4) individual Class Member payments; and (5) a PAGA Penalty of \$30,000 (75% of which will be paid to the LWDA and 25% of which will be paid to Aggrieved Employees.) (*Id.* at ¶¶ 3.2.1-3.2.5.)

For tax purposes, individual Class Member payments will be treated as follows: 20% will be allocated to the settlement of wage claims and 80% will be allocated to the settlement of claims for interest and penalties. (Agreement ¶ 3.2.4.1.) PAGA Payments will be treated entirely as penalties. (*Id.* at ¶ 3.2.5.1.) Class Members have 60 days to respond to the Class Notice. (*Id.* at ¶ 1.44.) The funds from settlement checks that remain uncashed after 180 days will be sent to the California Unclaimed Property Fund in the name of the payee. (*Id.* at ¶¶ 4.4.1 & 4.4.3.) The settlement payout is estimated to be \$1,233.33. (Haritooonian Decl. ¶ 55.)

### **Disposition**

The Court finds that all 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 issues in this case, including the exchange of discovery and the review of extensive information. The settlement appears to be within the “ballpark of reasonableness.” (Haritooonian Decl. ¶¶ 27-59.) 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 July 18, 2025, at 9:00 a.m. in this Department.  
**The Court will insert the hearing date at paragraph 21 of the proposed Order.**

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

Hearing on Motion for Final Approval of Settlement is scheduled for 07/18/2025 at 9:00 AM in Department 23 at Gordon D. Schaber Superior Court.

By: */s/ T. Shaddix*  
T. Shaddix, Deputy Clerk

Minutes of: 02/21/2025  
Entered on: 02/21/2025