

**SUPERIOR COURT OF SAN MATEO COUNTY**

400 County Center
Redwood City, CA 94063

1050 Mission Road
South San Francisco, CA 94080
www.sanmateo.courts.ca.gov

800 North Humboldt Street
San Mateo, CA 94401

Minute Order**EDWARD YOUNG vs MAINSPRING ENERGY, INC.**

24-CIV-01894

05/13/2025 2:00 PM

Motion for Preliminary

Approval of Class Settlement

Hearing Result: Held**Judicial Officer:** Fineman, Nancy L.**Courtroom Clerk:** Edward Tsai**Location:** Courtroom 4C**Courtroom Reporter:** Wendy Conde

Parties Present

Exhibits

MinutesJournals

- At 2:15 PM - Matter is called.

No appearance by any parties herein or their counsel of record.

The court finds/orders:

Tentative Ruling is Adopted.

Case Events

- Tentative ruling adopted and becomes order;;

UNOPPOSED MOTION FOR PRELIMINARY APPROVAL OF CLASS SETTLEMENT

TENTATIVE RULING:

The court GRANTS Plaintiff Edward Young's motion for preliminary approval of class action and PAGA (Private Attorney General Act) settlement as presented by plaintiff with the addition of certain changes to the class notice.

According to the motion, it is estimated that there are approximately 230 class members, who worked 15,507 workweeks. The proposed settlement amount is \$450,000. The settlement is estimated to provide \$1,100 to each class member, or \$16.31 per workweek. The settlement will provide a payment of \$7,500 to the California Labor and Workforce Development Agency (i.e., 75% of the \$10,000 amount allocated to resolve the PAGA allegations). The remaining \$2,500 shall be distributed amongst Aggrieved Employees.

In ruling on class action and PAGA settlements, this court has a duty to independently determine whether a settlement is fair, reasonable and adequate. (Moniz v. Adecco USA, Inc. (2021) 72 Cal.App.5th 56, 76 77, disapproved of on other grounds by Turrieta v. Lyft, Inc. (2024) 16 Cal.5th 66 ["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." Kullar v. Foot Locker Retail, Inc. (2008) 168 Cal.App.4th 116, 129 ["The court has a fiduciary responsibility as guardians of the rights of the absentee class members when deciding whether to approve a settlement agreement."]; In re Microsoft I-V Cases (2006) 135 Cal.App.4th 706, 723.)

Review of a proposed class action settlement typically involves a two-step process: preliminary approval and a subsequent final approval hearing. (Cellphone Termination Fee Cases (2009) 180 Cal.App.4th 1110, 1118; Cal. Rules of Court, 3.769; Code. Civ. Proc., § 581, subd. (k).)

Precertification settlements in class actions should be scrutinized carefully. (Cho v. Seagate Technology Holdings, Inc. (2009) 177 Cal.App.4th 734, 743 (Cho).) This is accomplished through careful review by the trial court, and 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, disapproved of on other grounds by Hernandez v. Restoration Hardware, Inc. (2018) 4 Cal.5th 260.) "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 Dunk v. Ford Motor Co. (1996) 48 Cal.App.4th 1794, 1802 (Dunk).) 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 found that the settlement was achieved at arm's length negotiation, including review of the mediator's declaration; 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, 177 Cal.App.4th at p. 745.)

The trial court possesses a broad discretion to determine the fairness of the settlement, a discretion exercised through the application of a handful of identified criteria. Both the federal circuit courts and our Court of Appeal have adopted a mix of relevant considerations, including "[1] the strength of plaintiffs' case, [2] the risk, expense, complexity and likely duration of further litigation, [3] the risk of maintaining class action status through trial, [4] the amount offered in settlement, [5] the extent of discovery completed and the stage of the proceedings, [6] the experience and views of counsel, ... and [7] the reaction of the class members to the proposed settlement." (Dunk, supra, 48 Cal.App.4th at p. 1801.) The list of factors is not exhaustive and "should be tailored to each case." (Id. at p. 1801.) According to the Dunk court, "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 p. 1801.)

The court finds that the requirements for preliminary approval have been met. Plaintiff has sufficiently addressed the following factors:

Plaintiff has provided notice to the Labor Workforce Development Agency (LWDA) as required by Labor Code section 2699.3, subdivision (a)(1)(A). (Nordrehaug Dec., ¶ 7.)

The court finds that the settlement is preliminarily fair and reasonable. While the court places reliance on counsel's opinion, the court "must also receive and consider enough information about the nature and magnitude of the claims being settled, as well as the impediments to recovery, to make an independent assessment of the reasonableness of the terms to which the parties have agreed. We do not suggest that the court should attempt to decide the merits of the case or to substitute its evaluation of the most appropriate settlement for that of the attorneys. However, as the court does when it

approves a settlement as in good faith under Code of Civil Procedure section 877.6, the court must at least satisfy itself that the class settlement is within the 'ballpark' of reasonableness. (See *Tech-Bilt, Inc. v. Woodward-Clyde & Associates* (1985) 38 Cal.3d 488, 499-500, 213 Cal.Rptr. 256, 698 P.2d 159.) While the court is not to try the case, it is " 'called upon to consider and weigh the nature of the claim, the possible defenses, the situation of the parties, and the exercise of business judgment in determining whether the proposed settlement is reasonable.' " (*City of Detroit v. Grinnell Corp.*, [2nd Cir. 1974] *supra*, 495 F.2d [448] at p. 462, *italics added*.) This the court cannot do if it 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." (Kullar, *supra*, 168 Cal.App.4th at p. 133.)

In this case, the memorandum of points and authorities and declaration of Kyle Nordrehaug provide information regarding each of these factors.

The settlement was negotiated at arms-length. The parties participated in an all-day mediation session with Michael Dickstein on November 21, 2024. (Nordrehaug Dec., ¶ 5.) Prior to mediation, Defendant provided Plaintiff's counsel with payroll, time, and employment data and other compensation and employment-related materials. (MPA, p. 6:5-9.) Plaintiff's counsel analyzed the data with the help of Berger Consulting, a damages expert. (*Id.* at p. 6:9-12.) The court finds that the settlement was negotiated at arms-length.

The Settlement is Within the Ballpark of Reasonableness. The settlement is for \$450,000. Nordrehaug explains his analysis of the potential recovery and the strength and weaknesses of the claims, including the risks of going forward. (MPA, pp. 7:9-8:3.) The benefits of settling now for a lesser amount than might be received at trial is reasonable based upon the risks inherent in all litigation, the cost of going forward, and the time value of money.

There has been sufficient investigation and discovery and Plaintiff's counsel is experienced in similar litigation. Plaintiff's Counsel conducted meaningful informal discovery, and Defendant vigorously contested liability and opposed the propriety of class certification. (MPA, pp. 8:12-9:25.) Nordrehaug details his firm's experience and qualifications in wage and hour class actions, including PAGA actions. (Nordrehaug, ¶ 31.)

The court finds that the allocation of the settlement between the class and PAGA is fair and reasonable. (Nordstrom Com. Cases (2010) 186 Cal.App.4th 576, 589 [finding no abuse of discretion to allocate nothing to PAGA in a PAGA/class settlement]). Further, LWDA has been provided notice of the settlement and has not objected.

Plaintiff shows that for settlement purposes, class certification is appropriate.

- **Numerosity/Ascertainability:** Plaintiff demonstrates numerosity of the settlement, and has stated that the class is ascertainable. Plaintiff defines the class according to objective criteria, and the class members are easily identifiable and can be easily located from Defendant's files. The class consists of approximately 230 individuals, making joinder impracticable. The court finds numerosity and ascertainability.
- **Commonality:** Common issues predominate over whether Defendant violated wage and hour laws.
- **Superiority:** The court finds the superiority requirement satisfied because of the benefits and efficiencies of this proposed settlement, when compared to continued litigation of the case on either a class basis or through multiple individual lawsuits.

- **Typicality:** Plaintiff represents that his claims are the same as those of the class members he seeks to represent and the court agrees.
- **Adequacy of Representation:** Plaintiff met his burden to demonstrate that he does not have any disabling conflicts and his counsel is adequate to represent the class. The court approves the appointment of Plaintiff Young as class representative and Blumenthal Nordrehaug Bhowmik De Blouw LLP as class counsel.

Except as noted below, the court finds the rest of the contents of the settlement notice to be substantively adequate. (Cal. Rules of Court, rule 3.769(f); Martorana v. Marlin & Saltzman (2009) 175 Cal.App.4th 685, 694.) The court also finds the method of notice—first class mail—to be sufficient. (City of San Diego v. Haas (2012) 207 Cal.App.4th 472, 502; Chavez v. Netflix, Inc. (2008) 162 Cal.App.4th 43, 57; Wershba v. Apple Computer, Inc., supra, 91 Cal.App.4th at p. 251.)

The notice to the class shall be changed as follows:

The parties shall make the deadline for opt-outs, objections, and disputes 60 days for both mailing and remailing.

Under the "Summary of Your Legal Rights and Options in this Settlement," the notice shall bold: "However, you cannot opt-out of the PAGA portion of the proposed settlement."

In section 7 the second paragraph, after "To opt out" add "of the class settlement."

The parties have selected Apex Class Action LLC ("Apex") as the Administrator. (SA, ¶ 8.1; Nordrehaug Dec., ¶ 20.) Sean Hartranft, the CEO of Apex, submitted a declaration describing Apex's qualifications and attaching their quote for the work. (Hartranft Dec., filed Mar. 4, 2025, ¶¶ 2-5, 7, Ex. B.) The court appoints apex as the administrator.

The court will decide attorneys' fees, costs and incentive awards at a hearing based upon a noticed motion, which will be heard on the same date as the hearing on final approval. The motion shall be filed no later than 14 days before the deadline for class members to object to the settlement or request exclusion from the class. The court will consider the attorneys' fees, costs and service awards proposed by Plaintiff. Plaintiff's counsel is to submit evidence supporting each of these requests. For the attorneys' fees award, counsel shall provide sufficient evidence so that the court can perform a lodestar cross-check, including either billing records or comparable evidence, including which attorneys or support staff worked on each task, support for the hourly rate as reasonable in San Mateo County, and evidence, if any, supporting an award of a multiplier. For the costs, they shall be sufficiently identified so that the court can determine their reasonableness. For the service award, the class representative must submit a declaration with specific facts regarding his contributions; general statements are insufficient. (Clark v. American Residential Services LLC (2009) 175 Cal.App.4th 785, 805.) If there is any specific claim of Plaintiff that is consideration for any general release or specific reputational harm, Plaintiff shall identify them for the court. Some of this information has already been provided, but should also be provided in the motion for attorneys' fees, costs and service award.

The proposed order shall incorporate this tentative ruling, shall append the settlement agreement and notice packet and add any additional information that the parties believe is relevant and necessary to the motion. In that regard, the court modifies San Mateo Local Rule 3.403(b)(iv).

The court sets a hearing for motions for final approval and for attorneys' fees, costs and service award for October 28, 2025 at 2:00 p.m.

If the tentative ruling is uncontested, it shall become the order of the court. Thereafter, counsel for

plaintiff shall prepare a written order consistent with the court's ruling for the court's signature, pursuant to California Rules of Court, rule 3.1312, and provide written notice of the ruling to all parties who have appeared in the action, as required by law and the California Rules of Court.

- Party shall prepare formal order consistent w/order herein; Counsel for Plaintiff.

Others

Comments:

Future Hearings and Vacated Hearings

October 28, 2025 2:00 PM Motion for Final Approval of Class Settlement

Courtroom 4C

Fineman, Nancy L.

Tsai, Edward