

11/06/2025

David W. Slayton, Executive Officer / Clerk of Court

By R. Arraiga Deputy

RULING RE: MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT

Julian Jose Martinez v. WCL Corporation dba Hill Street Café

Case No.: 24STCV11500

Department SSC-9

Hon. Elaine Lu

Hearing: November 6, 2025

The Parties' Motion for Preliminary Approval of Class Action Settlement is **GRANTED** as the settlement is fair, adequate, and reasonable.

The essential terms of the Settlement Agreement are:

- The Gross Settlement Amount ("GSA") is **\$186,000**, non-reversionary. (¶3.1)
- The Parties will request the Court to approve and award the following deductions to be made from the GSA:
 - Up to **\$62,000** (33 1/3%) for attorney fees (¶3.2.2);
 - Up to **\$18,000** for litigation costs (*ibid.*);
 - Up to **\$5,000** for a Service Payment to the Named Plaintiff (¶3.2.1);
 - Up to **\$6,000** for settlement administration costs (¶3.2.3); and
 - Payment of **\$7,500** (75% of \$10,000 PAGA penalty) to the LWDA and \$2,500 (25% of \$10,000 PAGA penalty) to the Aggrieved Employees. (¶3.2.5)
- Employer's share of the payroll taxes on the taxable portion of the settlement payments shall be paid separately from the GSA by Defendant. (¶3.1)
- Plaintiffs shall release Defendants from claims described herein.

The Parties' Motion for Final Approval of Class Action Settlement must be filed by **03/11/2026**, and will be heard on **04/15/2026, 8:30 a.m., in Department 9**. *Failure to file the Parties' Motion for Final Approval of Class Action Settlement by this deadline will result in a continuance of the final approval hearing to the Court's first available hearing date, which could be months after the hearing date noted here.* Prior to filing the moving papers, Plaintiff must contact the court staff for Department 9 to obtain a briefing schedule, which must be included in the caption of the moving papers.

The Parties' Motion for Final Approval of Class Action Settlement must include a concurrently lodged **single document** that constitutes a [Proposed] Order and Judgment

containing among other things, the class definition, full release language, and names of the any class members who opted out.

Non-Appearance Case Review Re: Filing and Serving of Motion for Final Approval of Class Action Settlement is set for 03/18/2026, 8:30 a.m., Department 9.

BACKGROUND

This is a wage and hour class action. On May 7, 2024, Plaintiff filed a class action complaint against Defendants alleging eleven causes of action: (1) Failure to Pay Minimum Wages; (2) Failure to Pay Wages and Overtime Under Labor Code § 510; (3) Meal Period Liability Under Labor Code § 226.7; (4) Rest Break Liability Under Labor Code § 226.7; (5) Violation of Labor Code § 226(a); (6) Violation of Labor Code § 203; (7) Violation of Labor Code § 204; (8) Failure to Keep Required Payroll Records Under Labor Code §§ 1174 and 1174.5; (9) Failure to Reimburse Necessary Business Expenses § 2802; and (10) Violation of Business & Professions Code § 17200 *et seq.*

On May 7, 2024, Plaintiff submitted a Private Attorneys General Act (“PAGA”) notice letter to the Labor Workforce Development Agency (“LWDA”) and served Defendant. On July 11, 2024, Plaintiff filed a First Amended Complaint adding a cause of action for penalties under PAGA.

On April 25, 2025, the parties mediated this case with Lonnie Giamela, which resulted in this settlement. A fully executed copy of the Settlement Agreement was filed with the Court on July 23, 2025 attached to the Declaration of David Yeremian (“Yeremian Decl.”), as Exhibit 1.

Now before the Court is Plaintiff’s Motion for Preliminary Approval of the Settlement Agreement.

SETTLEMENT CLASS DEFINITION

- “Class” means all persons employed by Defendant in California and classified as a nonexempt, hourly employee who worked for Defendant during the Class Period. (¶1.5)
 - “Class Period” means the period from May 7, 2020 to April 30, 2025. (¶1.12)
- “Aggrieved Employee” means a person employed by Defendant in California and classified as a non-exempt, hourly employee worked for Defendant during the PAGA Period. (¶1.4)
 - “PAGA Period” means the period from May 7, 2023 to April 30, 2025. (¶1.31)
- The parties stipulate to class certification for settlement purposes only. (¶12.1.)

TERMS OF SETTLEMENT AGREEMENT

The essential terms are as follows:

- The Gross Settlement Amount (“GSA”) is **\$186,000**, non-reversionary. (¶3.1)
 - Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, (1) there are 116 Class Members and 12,000 Total Workweeks during the Class period and (2) there are 67 Aggrieved Employees who worked 2,518 Pay Periods during the PAGA Period. If the Total Workweeks increases by more than 10%, then the GSA will be increased proportionally by the number of

workweeks worked in excess of 10%. For example, if the Total Workweeks increases by 11%, then the GSA will increase by 1%. (¶18)

- The Net Settlement Amount (“Net”) (**\$87,500**) is the GSA minus the following:
 - Up to **\$62,000** (33 1/3%) for attorney fees (¶13.2.2);
 - Up to **\$18,000** for litigation costs (*ibid.*);
 - Up to **\$5,000** for a Service Payment to the Named Plaintiff (¶13.2.1);
 - Up to **\$6,000** for settlement administration costs (¶13.2.3); and
 - Payment of **\$7,500** (75% of \$10,000 PAGA penalty) to the LWDA. (¶13.2.5)
- Defendants will pay their share of taxes separate from the GSA. (¶13.1)
- Funding of Settlement: Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant’s share of payroll taxes by transmitting the funds to the Administrator no later than March 1, 2026 or 60 days after the Effective Date, whichever is later. (¶14.3)
- There is no claim form requirement. (¶13.1)
- Individual Settlement Payment Calculation: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member’s Workweeks. (¶13.2.4)
 - Tax Allocation: 10% as wages and 90% as interest and penalties. (¶13.2.4.1)
- PAGA Payments: The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees’ 25% share of PAGA Penalties \$2,500.00 by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee’s PAGA Period Pay Periods. (¶13.2.5.1)
 - Tax Allocation: 100% penalties. (¶13.2.5.2)
- “Response Deadline” means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are re-sent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired. (¶1.43) The same deadline applies to challenges to workweek calculations. (¶17.6)
 - If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement. (¶19)
- Uncashed Settlement Checks: The face of each check shall prominently state the date (180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. (¶14.4.1) For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b). (¶14.4.3)

- The settlement administrator will be Apex Class Action, LLC. (¶1.2)
- Notice of Final Judgment will be posted on the Settlement Administrator’s website. (¶7.8.1)
- The proposed settlement was submitted to the LWDA on July 23, 2025. (Yeremian Decl., Exhibit 3.)
- Participating class members and the named Plaintiff will release certain claims against Defendants. (See further discussion below)

ANALYSIS OF SETTLEMENT AGREEMENT

A. Does a presumption of fairness exist?

1. Was the settlement reached through arm’s-length bargaining? Yes. On April 25, 2025, the parties mediated this case with Lonnie Giamela, which resulted in this settlement. (Yeremian Decl., ¶16.)

2. Were investigation and discovery sufficient to allow counsel and the court to act intelligently? Yes. Counsel represents that prior to the mediation, Class Counsel conducted an investigation of the facts and claims giving rise to the action, including: (1) conducting informal discovery and meeting and conferring with defense counsel about same; (2) reviewing and analyzing a sampling of time and pay records as well as employment handbooks, Plaintiff’s personnel files, relevant policies and other documentation; (3) researching the applicable law and potential defenses; (4) constructing damage models based on interpretations of California law; and (5) reviewing information provided by Defendant at the mediation. (*Id.* at ¶14; See also Decl. from Berger Consulting.)

3. Is counsel experienced in similar litigation? Yes. Class Counsel represents that they are experienced in class action litigation, including wage and hour class actions. (*Id.* at ¶¶3-9.)

4. What percentage of the class has objected? This cannot be determined until the fairness hearing. (See Weil & Brown, Cal. Practice Guide: Civil Procedure Before Trial (The Rutter Group 2014) ¶ 14:139.18, [“Should the court receive objections to the proposed settlement, it will consider and either sustain or overrule them at the fairness hearing.”].)

CONCLUSION: The settlement is entitled to a presumption of fairness.

B. Is the settlement fair, adequate, and reasonable?

1. Strength of Plaintiff’s case. “The most important factor is the strength of the case for plaintiffs on the merits, balanced against the amount offered in settlement.” (*Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 130.) Here, Class Counsel has provided detailed analysis, summarized below, of the estimated values of the claims asserted:

Violation	Maximum Exposure
Unpaid Regular Wages	\$76,967.00
Meal Break Violations	\$94,749.77
Rest Break Violations	189,499.54,
Wage Statement Violations	\$248,450.00
Waiting Time Penalties	\$216,873.60

Business Expenses	\$5,800.00
PAGA	\$251,800.00
TOTAL	\$894,640.37

(Yeremian Decl. ¶¶26 -55.)

2. Risk, expense, complexity and likely duration of further litigation. Given the nature of the class claims, the case is likely to be expensive and lengthy to try. Procedural hurdles (e.g., motion practice and appeals) are also likely to prolong the litigation as well as any recovery by the class members.

3. Risk of maintaining class action status through trial. Even if a class is certified, there is always a risk of decertification. (See *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.”].)

4. Amount offered in settlement. Plaintiff’s counsel obtained a \$186,000 non-reversionary settlement. The \$186,000 settlement amount constitutes approximately 20.79% of Defendant’s maximum exposure. Given the uncertain outcomes, the settlement appears to be within the “ballpark of reasonableness.”

The \$186,000 settlement amount, if reduced by the requested deductions, will leave \$87,500 to be divided among approximately 116 class members. The resulting payments will average \$754.31 per class member. [$\$87,500 / 116 = \754.31].

5. Extent of discovery completed and stage of the proceedings. As indicated above, at the time of the settlement, Class Counsel had conducted sufficient discovery.

6. Experience and views of counsel. The settlement was negotiated and endorsed by Class Counsel who, as indicated above, is experienced in class action litigation, including wage and hour class actions.

7. Presence of a governmental participant. This factor is not applicable here.

8. Reaction of the class members to the proposed settlement. The class members’ reactions will not be known until they receive notice and are afforded an opportunity to object, opt-out and/or submit claim forms. This factor becomes relevant during the final fairness hearing.

CONCLUSION: The settlement can be preliminarily deemed “fair, adequate, and reasonable.”

C. Scope of the release

Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff and Class Members will release claims against all Released Parties as follows: (¶5)

- Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period

facts stated in the Operative Complaint (as well as Class Period facts ascertained in the course of the Action) including, but not limited to, any and all claims involving any (a) failure to pay minimum wages; (b) failure to pay overtime wages; (c) failure to provide meal periods or timely meal periods; (d) failure to provide rest periods or timely rest periods; (e) failure to provide accurate itemized wage statements; (f) failure to timely pay wages including wages due upon termination; (g) failure to maintain accurate records; (h) failure to pay reimbursable expenses; and (i) violation of Business & Professions Code § 17200, et seq. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period. (¶5.2)

- Release by Aggrieved Employees: All Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice and ascertained in the course of the Action including, but not limited to any and all claims involved any (a) failure to pay minimum wages; (b) failure to pay overtime wages; (c) failure to provide meal periods or timely meal periods; (d) failure to provide rest periods or timely rest periods; (e) failure to provide accurate itemized wage statements; (f) failure to timely pay wages including wages due upon termination; (g) failure to maintain accurate records; (h) failure to pay reimbursable expenses; (i) violation of Business & Professions Code § 17200, et. seq.; and (j) violation of Labor Code § 2698, et. seq. (¶5.3)
- Released Parties” means: Defendant and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates. (¶1.41)
- Named Plaintiff will also provide a general release and CC § 1542 waiver. (¶5.1)

D. May conditional class certification be granted?

1. Standards

A detailed analysis of the elements required for class certification is not required, but it is advisable to review each element when a class is being conditionally certified (*Amchem Products, Inc. v. Winsor* (1997) 521 U.S. 620, 622-627.) The trial court can appropriately utilize a different standard to determine the propriety of a settlement class as opposed to a litigation class certification. Specifically, a lesser standard of scrutiny is used for settlement cases. (*Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1807 fn. 19.) Finally, the Court is under no “ironclad requirement” to conduct an evidentiary hearing to consider whether the prerequisites for class certification have been satisfied. (*Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 240.)

2. Analysis

- a. **Numerosity.** There are approximately 116 class members. (Yeremian Decl. ¶72.a.) This element is met.

b. Ascertainability. A class is ascertainable, as would support certification under statute governing class actions generally, when it is defined in terms of objective characteristics and common transactional facts that make the ultimate identification of class members possible when that identification becomes necessary.” (*Noel v. Thrifty Payless, Inc.* (2019) 7 Cal.5th 955, 961.) The proposed class is defined above. The class members are ascertainable from Defendant’s employment records. (Yeremian Decl. ¶172.b.)

c. Community of interest. “The community of interest requirement involves three factors: ‘(1) predominant common questions of law or fact; (2) class representatives with claims or defenses typical of the class; and (3) class representatives who can adequately represent the class.’” (*Linder v. Thrifty Oil Co.* (2000) 23 Cal.4th 429, 435.)

Here, regarding commonality, Plaintiff contends that common questions of law and fact predominate because this action involves, inter alia, a determination about Defendant’s alleged failure to provide meal and rest periods, failure to pay minimum wages, unlawfully rounding Class Members time worked to their detriment, failure to pay all wages due to allegedly common and unlawful policies, failure to pay final wages when required, failure to provide accurate wage statements, failure to pay employees on a timely basis, failure to provide required paid sick days and largely derivative claims under the Business & Professions Code and PAGA. (Yeremian Decl., ¶172.e)

As to typicality, Plaintiff contends that her claims are typical of the Class Members’ claims because they arose from the same factual basis and are based on the same legal theories. Plaintiff was employed by Defendants during the Class Period subject to the allegedly unlawful meal and rest break policies and pay practices at issue in this litigation. (*Id.* at ¶172.c.)

As to adequacy, Plaintiff represents that he was informed of the risks of serving as class representative, participated in the litigation, and does not have conflicts of interest with the class. (*Id.* at ¶172.d; Declaration of Julian Jose Martinez, *passim.*)

d. Adequacy of class counsel. As indicated above, Class Counsel has shown experience in class action litigation, including wage and hour class actions.

e. Superiority. Given the relatively small size of the individual claims, a class action appears to be superior to separate actions by the class members.

CONCLUSION: The class is conditionally certified as the prerequisites of class certification have been satisfied.

E. Is the notice proper?

a. Content of class notice. The proposed notice is attached to the Settlement Agreement. Its content appears to be acceptable. It includes information such as: a summary of the litigation; the nature of the settlement; the terms of the settlement agreement; attorney fees and costs; enhancement awards; the procedures and deadlines for participating in, opting out of, or objecting to, the settlement; the consequences of participating in, opting out of, or objecting to, the settlement; and the date, time, and place of the final approval hearing.

Notice will be given in English with Spanish translation. (¶1.11)

b. Method of class notice. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. (¶14.2) Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice with Spanish translation, if applicable substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database. (¶17.4.2) Not later than 3 business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time. (¶17.4.3)

c. Cost of class notice. As indicated above, settlement administration costs are estimated to be **\$6,000**. Prior to the time of the final fairness hearing, the claims administrator must submit a declaration attesting to the total costs incurred and anticipated to be incurred to finalize the settlement for approval by the Court.

F. Attorney fees and costs

California Rule of Court, rule 3.769(b) states: “Any agreement, express or implied, that has been entered into with respect to the payment of attorney fees or the submission of an application for the approval of attorney 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.”

Ultimately, the award of attorney fees is made by the court at the fairness hearing, using the lodestar method with a multiplier, if appropriate. (*PLCM Group, Inc. v. Drexler* (2000) 22 Cal.4th 1084, 1095-1096; *Ramos v. Countrywide Home Loans, Inc.* (2000) 82 Cal.App.4th 615, 625-626; *Ketchum III v. Moses* (2000) 24 Cal.4th 1122, 1132-1136.) Despite any agreement by the parties to the contrary, “the court ha[s] an independent right and responsibility to review the attorney fee provision of the settlement agreement and award only so much as it determined reasonable.” (*Garabedian v. Los Angeles Cellular Telephone Company* (2004) 118 Cal.App.4th 123, 128.)

The question of whether Class Counsel is entitled to **\$62,000** (33 1/3%) in attorney fees and up to **\$18,000** in costs will be addressed at the final fairness hearing when class counsel brings a noticed motion for attorney fees. Class counsel must provide the court with billing information so that it can properly apply the lodestar method, and must indicate what multiplier (if applicable) is being sought as to each counsel.

Class Counsel should also be prepared to justify the costs sought by detailing how they were incurred.

G. Incentive Award to Class Representative

The named Plaintiff will request a service award of **\$5,000**. (¶3.2.1) In connection with the final fairness hearing, the named Plaintiff must submit a declaration attesting to why he should be entitled to an enhancement award in the proposed amount. The named Plaintiff must explain why he “should be compensated for the expense or risk she has incurred in conferring a benefit on other members of the class.” (*Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785, 806.) Trial courts should not sanction enhancement awards of thousands of dollars with “nothing more than pro forma claims as to ‘countless’ hours expended, ‘potential stigma’ and ‘potential risk.’ Significantly more specificity, in the form of quantification of time and effort expended on the litigation, and in the form of reasoned explanation of financial or other risks incurred by the named plaintiffs, is required in order for the trial court to conclude that an enhancement was ‘necessary to induce [the named plaintiff] to participate in the suit’” (*Id.* at 806-807, italics and ellipsis in original.)

The Court will decide the issue of the enhancement award at the time of final approval.

CONCLUSION AND ORDER

The Parties’ Motion for Preliminary Approval of Class Action Settlement is **GRANTED** as the settlement is fair, adequate, and reasonable.

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- Employer’s share of the payroll taxes on the taxable portion of the settlement payments shall be paid separately from the GSA by Defendant. (¶3.1)
- Plaintiffs shall release Defendants from claims described herein.

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Non-Appearance Case Review Re: Filing and Serving of Motion for Final Approval of Class Action Settlement is set for 03/18/2026, 8:30 a.m., Department 9.

THE PLAINTIFF IS ORDERED TO DOWNLOAD THE INSTANT **SIGNED** ORDER FROM THE COURT'S WEBSITE AND TO GIVE NOTICE TO ALL PARTIES AND TO FILE PROOF OF SERVICE OF SUCH WITHIN 10 DAYS.

IT IS SO ORDERED.

DATED: November 6, 2025




Elaine Lu
Judge of the Superior Court
Elaine Lu / Judge