

1. SCHEIB v. TAHOE KEYS MARINA AND YACHT CLUB, LLC, ET AL., SC20200065**Motion for Approval of PAGA Settlement and Judgment**

Plaintiff asserts defendant failed to comply with wage and hour laws. Currently pending before the court is plaintiff's unopposed motion for approval of a settlement of claims under the Private Attorneys General Act ("PAGA"), Labor Code section 2698, et seq.

The parties' negotiated settlement agreement and general release of plaintiff's PAGA claims states that defendant will pay \$30,000 to resolve the PAGA claims. The proposed PAGA settlement deducts the following amounts from the \$30,000 PAGA Settlement Fund: (1) up to \$3,000 to plaintiff as "incentive pay" and her portion of the PAGA Settlement Fund, and (2) up to \$10,000 to plaintiff's counsel for attorney fees and costs, and costs associated with the administration of the non-party employees' pro-rated shares. Thus, the proposed net PAGA settlement after deductions is \$17,000, of which, no less than 75 percent would be paid to the California Labor and Workforce Development Agency (the "LWDA"), and no less than 25 percent would be distributed to the 23 aggrieved employees, not including plaintiff.

"When a PAGA claim settles, courts are tasked with approving the settlement agreement but only after determining whether the relief provided is genuine and meaningful, consistent with the underlying purpose of the statute to benefit the public." (*Aronson v. Gannett Co.*, No. CV 19-996 PSG (JEMX), 2023 WL 2025706, at *3 (C.D. Cal. Feb. 15, 2023), citing *O'Connor v. Uber Techs., Inc.*, 201 F.Supp.3d 1110, 1133 (N.D. Cal. 2016) [internal quotation marks omitted].)

Here, plaintiff estimates that the maximum possible recovery at trial would be roughly \$485,700 if she were to succeed on all alleged wage and hour violations during the relevant time period. (Mot., Asbill-Bearor Decl., ¶ 11.) Plaintiff, however, explains that recovery of this amount is unlikely at trial for the following reasons: (1) the heightened wage statement penalties under Labor Code section 226.3 apply only where the employer

either fails to provide a wage statement or fails to keep required records as required by section 226, subdivision (a) (*Gunther v. Alaska Airlines, Inc.* (2021) 72 Cal.App.5th 334, 354); and (2) the maximum recoverable amount could be further reduced if plaintiff is precluded from “stacking” PAGA penalties for different labor code violations. (Mtn. at 9:11–17.)

The PAGA Settlement Fund is worth roughly six percent of the full verdict value. If, however, plaintiff is unable to prove the alleged wage statement violations, the maximum recovery would be greatly reduced to \$112,950. (Mot., Asbill-Bearor Decl., ¶ 11.) In that case, the PAGA Settlement Fund would be worth roughly 26 percent of the verdict value.

The court concludes that in light of the particular facts of this case, the agreed settlement amount of \$30,000 is reasonable. Additionally, the court finds that plaintiff’s incentive award and counsel’s requested attorney fees are reasonable. Therefore, the motion is granted.

TENTATIVE RULING # 1: MOTION IS GRANTED. NO HEARING ON THIS MATTER WILL BE HELD (*LEWIS v. SUPERIOR COURT* (1999) 19 CAL.4TH 1232, 1247), UNLESS A NOTICE OF INTENT TO APPEAR AND REQUEST FOR ORAL ARGUMENT IS TRANSMITTED ELECTRONICALLY THROUGH THE COURT’S WEBSITE OR BY TELEPHONE TO THE COURT AT (530) 573-3042 BY 4:00 P.M. ON THE DAY THE TENTATIVE RULING IS ISSUED. NOTICE TO ALL PARTIES OF AN INTENT TO APPEAR MUST BE MADE BY TELEPHONE OR IN PERSON. PROOF OF SERVICE OF SAID NOTICE MUST BE FILED PRIOR TO OR AT THE HEARING.