

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
CALIFORNIA, SAN JOSE DIVISION

Rodriguez v. BELFOR USA Group, Inc.

Rodriguez · No. 22-cv-02071-VKD · Decided October 9, 2025

SUMMARY

The United States District Court for the Northern District of California granted final approval of a settlement resolving Richard Rodriguez’s FLSA, PAGA, and related California employment-law claims against BELFOR USA Group, Inc. and affiliated defendants. The court also approved attorneys’ fees and costs and a \$10,000 class representative enhancement payment. The settlement provided for a \$1,622,000 non-reversionary gross settlement covering a California class, an FLSA collective, and PAGA claims.

CASE DETAILS

COURT	United States District Court for the Northern District of California, San Jose Division
WRITING FOR THE COURT	Virginia K. DeMarchi
JURISDICTION	United States District Court for the Northern District of California, San Jose Division
DECIDED	October 9, 2025
DOCKET	22-cv-02071-VKD
DISPOSITION	approved
PROCEDURAL POSTURE	Plaintiff moved for final approval of a class, collective, and representative action settlement and for attorneys' fees, litigation costs, and a class representative enhancement payment. The court had previously granted preliminary approval of the amended settlement and held a final fairness hearing.
STANDARD OF REVIEW	The court reviewed the Rule 23 settlement for fundamental fairness, adequacy, and reasonableness under Rule 23(e), applying heightened scrutiny because the settlement preceded formal class certification. It reviewed the FLSA settlement for a fair and reasonable resolution of a bona fide dispute and reviewed the PAGA settlement for statutory compliance and fundamental fairness, reasonableness, and adequacy in light of PAGA's public-policy goals.

PRECEDENTIAL VALUE	Unknown; federal district court order
PARTIES	Richard Rodriguez v. BELFOR USA Group, Inc., BELFOR Environmental, Inc., Oakwood Construction and Restoration Services, Inc., 1 800 Water Damage North America, LLC

TOPICS

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QUESTIONS PRESENTED

1. Whether the proposed Rule 23 California class settlement was fair, reasonable, adequate, and entitled to final approval.
2. Whether the proposed FLSA collective-action settlement was a fair and reasonable resolution of a bona fide dispute and whether opt-in collective members consented to magistrate judge jurisdiction.
3. Whether the proposed PAGA settlement satisfied statutory requirements and was fundamentally fair, reasonable, and adequate in view of PAGA's enforcement purposes.
4. Whether the requested settlement administration costs, attorneys' fees, and class representative enhancement payment were reasonable.

HOLDINGS

1. A pre-certification class settlement may be finally approved when the court confirms that a class exists and, under heightened scrutiny, finds the settlement fundamentally fair, adequate, and reasonable after considering the applicable Rule 23(e) and Ninth Circuit factors. The California class settlement satisfied that standard.
2. An FLSA collective settlement may be approved when it provides a fair and reasonable resolution of a bona fide dispute, evaluated using factors similar to those applied to Rule 23 settlements. The proposed \$250,000 FLSA settlement satisfied that standard.
3. FLSA collective members who opted in through a form containing a consent provision consented sufficiently to the magistrate judge's jurisdiction for purposes of final approval and judgment.
4. A PAGA settlement may be approved when it satisfies PAGA's statutory requirements and is fundamentally fair, reasonable, and adequate in view of PAGA's public-policy goals. The proposed PAGA settlement satisfied those requirements.
5. The court may award reasonable attorneys' fees from a common settlement fund using the percentage-of-the-fund method, with a lodestar cross-check, and may award reasonable litigation costs and an incentive payment supported by the representative's work and risks. The court awarded \$300,000 in fees, \$27,813.74 in costs, and a \$10,000 enhancement payment.

KEY QUOTATIONS

“The settlement must stand or fall in its entirety.” (Rule 23 discussion)

“The Court concludes that the FLSA settlement is both fair and reasonable.” (FLSA Collective discussion)

“The settlement agreement is hereby finally approved in all respects.” (Conclusion)

FACTUAL BACKGROUND

Defendants provide nationwide property recovery and restoration services. Rodriguez worked for defendants as a non-exempt Water Damage Specialist-Laborer from approximately March 2020 through December 2021. He alleged unpaid overtime and minimum wages, meal and rest-period violations, inaccurate wage records and statements, unreimbursed business expenses, reporting-time-pay violations, and related California statutory and PAGA violations. The parties negotiated a non-reversionary \$1,622,000 settlement covering a California class, an FLSA collective, and PAGA claims.

PROCEDURAL HISTORY

Rodriguez brought FLSA, PAGA, and California labor-law claims on behalf of himself and similarly situated employees. The court initially denied preliminary approval because of concerns with the proposed settlement, but granted preliminary approval of an amended settlement on May 21, 2025. After notice, four California class members opted out, 488 FLSA collective members opted in, and no objections were received. The court held a final fairness hearing on October 7, 2025, and entered this order granting final approval and awarding fees, costs, and an enhancement payment.

DISPOSITION

approved

CASES CITED

- Class Plaintiffs v. City of Seattle, 955 F.2d 1268, 1276 (9th Cir. 1992)
- Roes, 1-2 v. SFBSC Mgmt., LLC, 944 F.3d 1035, 1049 (9th Cir. 2019)
- Staton v. Boeing Co., 327 F.3d 938, 952, 968-69 (9th Cir. 2003)
- In re Bluetooth Headset Prods. Liability Litig., 654 F.3d 935, 941-46 (9th Cir. 2011)
- Campbell v. City of Los Angeles, 903 F.3d 1090, 1101, 1117 (9th Cir. 2018)
- Johnson v. Serenity Transp., Inc., No. 15-cv-02004-JSC, 2020 WL 7260059, at *2 (N.D. Cal. Dec. 10, 2020)
- Nall v. Mal-Motels, Inc., 723 F.3d 1304, 1306 (11th Cir. 2013)
- Kulik v. NMCi Med. Clinic Inc., No. 21-cv-03495-BLF, 2023 WL 2503539, at *3-*4 (N.D. Cal. Mar. 13, 2023)
- Otey v. CrowdFlower, Inc., No. 12-cv-05524-JST, 2014 WL 1477630, at *3-*4 (N.D. Cal. Apr. 15, 2014)
- Lynn's Food Stores, Inc. v. United States, 679 F.2d 1350, 1355 (11th Cir. 1982)
- Sakkab v. Luxottica Retail N. Am., Inc., 803 F.3d 425, 435 (9th Cir. 2015)

- Eisenacher v. VITAS Hospice Servs. LLC, No. 20-cv-04948-RS, 2021 WL 1846574, at *2 (N.D. Cal. Apr. 2, 2021)
- O'Connor v. Uber Techs., Inc., 201 F. Supp. 3d 1110, 1132-34 (N.D. Cal. 2016)
- Lusby v. Gamestop, Inc., 297 F.R.D. 400, 412 (N.D. Cal. 2013)
- Dennis v. Kellogg Co., 697 F.3d 858, 864 (9th Cir. 2012)
- McKinney-Drobnis v. Oreshack, 16 F.4th 594, 609 n.4 (9th Cir. 2021)
- Kim v. Allison, 8 F.4th 1170, 1178-81 (9th Cir. 2021)
- In re Apple Inc. Device Performance Litig., 50 F.4th 769, 782 (9th Cir. 2022)
- Williams v. King, 875 F.3d 500, 503 (9th Cir. 2017)
- Koby v. ARS Nat'l Servs., Inc., 846 F.3d 1071, 1076 (9th Cir. 2017)
- Bellinghausen v. Tri-Pharma, LLC, 306 F.R.D. 245, 259-60, 265-68 (E.D. Cal. 2015)
- Fischel v. Equitable Life Assurance Soc'y of the U.S., 307 F.3d 997, 1007 (9th Cir. 2002)
- In re Google Referrer Header Priv. Litig., 869 F.3d 737, 748 (9th Cir. 2017), vacated on other grounds by Frank v. Gaos, 586 U.S. 485 (2019)
- Chalmers v. City of Los Angeles, 796 F.2d 1205, 1210-11 (9th Cir. 1986), amended on other grounds by 808 F.2d 1373 (9th Cir. 1987)
- Camacho v. Bridgeport Fin., Inc., 523 F.3d 973, 979, 981 (9th Cir. 2008)
- United Steelworkers of Am. v. Phelps Dodge Corp., 896 F.2d 403, 407 (9th Cir. 1990)
- Hensley v. Eckerhart, 461 U.S. 424, 434, 436 (1983)
- Rodriguez v. West Publ'g Corp., 563 F.3d 948, 958-59 (9th Cir. 2009)
- Hickcox-Huffman v. US Airways, Inc., No. 10-cv-05193-VKD, 2019 WL 1571877, at *2 (N.D. Cal. Apr. 11, 2019)

OPINION

1 2 3 4 UNITED STATES DISTRICT COURT 5 NORTHERN DISTRICT OF CALIFORNIA 6
 SAN JOSE DIVISION 7 8 RICHARD RODRIGUEZ, Case No. 22-cv-02071-VKD 9 Plaintiff,
 ORDER GRANTING MOTION FOR FINAL APPROVAL OF SETTLEMENT 10 v. AND
 MOTION FOR ATTORNEYS' FEES, COSTS, AND A CLASS 11 BELFOR USA GROUP, INC.,
 et al., REPRESENTATIVE ENHANCEMENT PAYMENT Defendants. 12 Re: Dkt. Nos. 82, 83
 13 14 Plaintiff Richard Rodriguez asserts claims under the Fair Labor Standards Act, 29 U.S.C. 15
 § 201, et seq. ("FLSA"), the California Private Attorneys' General Act, California Labor Code 16
 § 2698, et seq. ("PAGA"), and other California state labor laws on behalf of himself and others 17
 similarly situated against his former employers, defendants Belfor USA Group, Inc., Belfor 18
 Environmental, Inc., Oakwood Construction and Restoration Services, Inc., and 1 800 Water 19
 Damage North America, LLC (collectively "defendants").

See Dkt. No. 27. On May 21, 2025, 20 the Court granted plaintiff's motion for preliminary
 approval of a class, collective, and 21 representative action settlement agreement. Dkt. No. 81.
 Now before the Court are plaintiff's 22 motion for final approval of the settlement (Dkt. No. 83),

and class counsel's motion for attorneys' 23 fees, costs, and a class representative enhancement payment (Dkt.

No. 82). Defendants do not 24 oppose the motion. The Court held a fairness hearing regarding final approval on October 7, 25 2025. Dkt. No. 87. 26 Having considered the arguments of counsel and the papers submitted, the Court grants the 27 motion for final approval of the settlement agreement and the motion for attorneys' fees, costs, 1 and class representative enhancement payment as set forth below.¹ 2 I. BACKGROUND 3 Defendants provide property recovery and restoration services for properties damaged by 4 natural disasters, such as fires and floods, on a nationwide basis.

Dkt. No. 27 ¶ 21. The four 5 named corporate defendants are wholly owned by the same parent corporation, share corporate 6 officers, and operate out of a single headquarters in Birmingham, Michigan. Dkt. No. 4; Dkt. No. 7 27 ¶¶ 20-21. Mr. Rodriguez was employed by defendants as a non-exempt "Water Damage 8 Specialist – Laborer" from approximately March of 2020 to December of 2021.

Dkt. No. 27 ¶ 5. 9 Mr. Rodriguez claims that during his employment, defendants violated the FLSA and 10 California labor law by, among other things: (1) requiring unpaid overtime work; (2) failing to 11 provide timely meal periods during the workday; (3) failing to provide paid rest periods during the 12 workday; (4) requiring the use of personal cell phones for business purposes; and (5) requiring 13 workers to report for scheduled shifts, but sending them home unpaid if no work was available.

14 See id. ¶¶ 68-163. In the operative complaint, Mr. Rodriguez asserts claims for: (1) violations of 15 the FLSA (unpaid overtime and minimum wages, meal and rest period violations, failure to keep 16 accurate records of all hours worked); (2) violations of California Labor Code §§ 510 and 1198 17 (unpaid overtime); (3) violations of California Labor Code §§ 1182.12, 1194, 1197, 1197.1, and 18 1198 (unpaid minimum wages); (4) violations of California Labor Code §§ 226.7, 512(a), 516, 19 and 1198 (meal period violations); (5) violations of California Labor Code §§ 226.7, 516, and 20 1198 (rest period violations); (6) violations of California Labor Code §§ 226(a), 1174(d), and 21 1198 (non-compliant wage statements and failure to maintain accurate payroll records); (7) 22 violations of California Labor Code §§ 201 and 202 (wages not timely paid upon termination); (8) 23 violations of California Labor Code § 204 (failure to timely pay wages during employment); (9) 24 violations of California Labor Code § 1198 and California Code of Regulations Title 8, § 1160 25 Subdivision 5(B) (failure to provide reporting time pay); (10) violations of California Labor Code 26 1 All parties have expressly consented that all proceedings in this matter may be heard and finally 27 adjudicated by a magistrate judge.

Dkt. Nos. 7, 8; 28 U.S.C. § 636(c); Fed. R. Civ. P. 73. As 1 § 2802 (unpaid business-related expenses); (11) civil penalties pursuant California Labor Code § 2 2698, et seq. (PAGA); (12)

violations of California Business & Professions Code § 17200, et seq. 3 (unlawful business practices); and (13) violations of California Business & Professions Code 4 § 17200, et seq. (unfair business practices).

Id. ¶¶ 68-210. 5 The Court initially denied plaintiff's motion for preliminary approval of the settlement, 6 citing several concerns. Dkt. No. 48. After the parties engaged in further settlement negotiations 7 and agreed on various amendments to address the Court's concerns, the Court granted plaintiff's 8 motion for preliminary approval of the amended settlement on May 21, 2025.

Dkt. No. 81. The 9 terms of the amended settlement agreement are memorialized in the parties' Amended Joint 10 Stipulation of Class, Collective, and PAGA Action Settlement and Release. Dkt. No. 75-2 ¶ 6, Ex. 11 1. 12 The amended settlement agreement encompasses claims relating to three categories of 13 employees.

First, the settlement defines a "settlement class" consisting of "all persons who were 14 employed by defendants in the State of California in non-exempt positions at any time during the 15 period from February 25, 2018 through May 21, 2025." Dkt. No. 83 at 4; Dkt. No. 75-2 at ECF 31 16 (¶ 5).

The Court refers to this as the "California class" in this order. There are 1,049 participating 17 members in the California class. Dkt. No. 83 at 4. Second, the settlement identifies an FLSA 18 collective consisting of "all persons who were employed by Defendants in the United States of 19 America in non-exempt positions at any time during the period from February 25, 2019 through 20 May 21, 2025." Id. at 5; Dkt.

No. 75-2 at ECF 32 (¶ 14). There are 4,432 members in the FLSA 21 collective, of whom 488 have opted in to the FLSA settlement.² Dkt. No. 83 at 5. Third, the 22 settlement includes a PAGA settlement amount for members consisting of "all persons who were 23 employed by Defendants in the State of California in non-exempt positions at any time during the 24 period from March 8, 2021 through May 21, 2025." Id. at 5; Dkt.

No. 75-2 at ECF 34 (¶ 25). 25 There are 716 PAGA members, all of whom are—by definition—also members of the California 26 2 Mr. Rodriguez originally reported that 479 FLSA collective members had opted in to the FLSA 27 settlement. Dkt. No. 83-2 ¶ 7-8. At the final approval hearing, class counsel reported that they 1 class. See Dkt. No. 83 at 5. 2 In sum, the parties have agreed to a non-reversionary settlement for a release of claims in 3 return for a gross settlement amount of \$1,622,000 to be distributed amongst the members of the 4 three employee categories, their attorneys, the settlement administrator, and Mr. Rodriguez.

Id. at 5 2. 6 1. California Class 7 The largest share of the monetary relief, referred to as the "net settlement fund," will be 8 distributed to the members of the California class. Id. at 2, 5. It is defined as "the portion of the 9 Gross Settlement Amount remaining after deducting the Attorneys'

Fees and Costs, Class 10 Representative Enhancement Payment, PAGA Settlement Amount, FLSA Settlement Fund, and 11 Settlement Administration Costs.” Dkt.

No. 75-2 at ECF 33-34 (¶ 23). The value of the net 12 settlement fund is \$801,686.26. Dkt. No. 83 at 5. This amount will be distributed to the members 13 of the California class who do not affirmatively opt out of the settlement agreement, in proportion 14 to the number of weeks each member worked for defendants during the class period. Id. at 2.

The 15 settlement provides that when members of the California class opt out, the remaining members’ 16 distributions are proportionally increased, so that 100% of the net settlement fund would be 17 distributed to the California class. See Dkt. No. 75-2 at ECF 33-34 (¶ 23).

The settlement 18 administrator will deduct any applicable employee-side payroll taxes from the class members’ 19 payments and ensure they are paid to the appropriate authorities. Id. at ECF 48-49 (¶ 75). 20 Additionally, if any class members’ settlement checks remain uncashed 180 days after being 21 issued, the remaining funds will be donated to Worksafe, a workplace safety non-profit 22 organization.

Id. at ECF 48 (¶ 72); see also <https://worksafe.org/>. 23 In return for this relief, California class members who do not opt out will release 24 defendants from “any and all claims, rights, demands, liabilities, and causes of action, that were 25 asserted or could have been asserted in the operative complaint or that otherwise reasonably arise 26 from, or are reasonably related to, the same or substantially similar set of operative facts as those 27 set forth in the operative complaint during the Class Period, including but not limited to: (1) 1 sections 1182.12, 1194, 1197, 1197.1, and 1198 (unpaid minimum wages); (3) California Labor 2 Code sections 226.7, 512(a), 516, and 1198 (failure to provide meal periods); (4) California Labor 3 Code sections 226.7, 516, and 1198 (failure to authorize and permit rest periods); (5) California 4 Labor Code sections 226(a), 1174(d), and 1198 (non-compliant wage statements and failure to 5 maintain payroll records); (6) California Labor Code sections 201 and 202 (wages not timely paid 6 upon termination); (7) California Labor Code section 204 (failure to timely pay wages during 7 employment); (8) California Labor Code section 1198 and California Code of Regulations Title 8, 8 section 11160 Subdivision 5(B) (failure to provide reporting time pay); (9) California Labor Code 9 section 2802 (unreimbursed business expenses); (10) California Business & Professions Code 10 sections 17200, et seq. (unlawful business practices); and (11) California Business & Professions 11 Code sections 17200, et seq. (unfair business practices) (including, without limitation, any claims 12 relating to Plaintiff’s alleged regular rate of pay allegations and reporting time pay allegations 13 including to the extent applicable to any or all of the above causes of action).” Id. at ECF 35-36 14 (¶ 33).

15 2. FLSA Collective Action 16 The settlement agreement also creates an “FLSA settlement fund” of \$250,000 that will be 17 distributed to members of the FLSA collective who affirmatively

opt in to the settlement. Dkt. 18 No. 83 at 2; Dkt. No. 75-2 at ECF 32-33 (§§ 14, 16, 19).

As with the net settlement fund for the 19 California class, the FLSA settlement fund will be distributed among the participating members in 20 proportion to the number of weeks they worked during the class period, so that 100% of the FLSA 21 settlement fund will be distributed. Dkt. No. 75-2 at ECF 42 (§ 52(c)). 22 In return for this relief, the members of the FLSA collective who participate in the 23 settlement will release defendants from “any and all claims, rights, demands, liabilities, and causes 24 of action arising under the Fair Labor Standards Act, both known and unknown, that were asserted 25 or could reasonably have been asserted in the Action or that otherwise reasonably arise from, or 26 are reasonably related to, the facts alleged or substantially similar set of operative facts, including, 27 but not limited to, any claim for failure to pay overtime wages, minimum wages, unpaid wages,...

1 members’ settlement checks remain uncashed 180 days after being issued, the remaining funds 2 will be donated to Worksafe. Id. at ECF 48 (§ 72). 3 3. PAGA Settlement 4 The settlement agreement provides for \$200,000 to be allocated to a settlement of the 5 PAGA claims. Id. at ECF 34-35 (§ 27). Of that amount, 75% or \$150,000 will be paid to the 6 California Labor and Workforce and Development Agency (“LWDA”).

Id. The remaining 25% 7 or \$50,000 will be distributed to the PAGA members in proportion to the number of weeks each 8 member worked during the PAGA period. Id. at ECF 34-35, 41-42 (§§ 27, 52(b)). However, 9 unlike the California class, PAGA members are not permitted to exclude themselves from this part 10 of the settlement or object to it. Id. at ECF 40 (§ 48).

11 Once approved, the PAGA settlement will release defendants from “any and all claims for 12 civil penalties under California Labor Code [§] 2698, et seq., that were asserted or could 13 reasonably have been asserted in plaintiff’s LWDA letter or in the operative complaint or that 14 otherwise reasonably arise from, or are reasonably related to, the same or substantially similar set 15 of operative facts as those set forth in plaintiff’s LWDA letter or operative complaint, during the 16 PAGA Period, including but not limited to claims for violation of: (1) California Labor Code 17 sections 510 and 1198 (unpaid overtime); (2) California Labor Code sections 1182.12, 1194, 1197, 18 1197.1, and 1198 (unpaid minimum wages); (3) California Labor Code sections 226.7, 512(a), 19 516, and 1198 (failure to provide meal periods); (4) California Labor Code sections 226.7, 516, 20 and 1198 (failure to authorize and permit rest periods); (5) California Labor Code sections 226(a), 21 1174(d), and 1198 (non-compliant wage statements and failure to maintain payroll records); (6) 22 California Labor Code sections 201 and 202 (wages not timely paid upon termination); (7) 23 California Labor Code section 204 (failure to timely pay wages during employment); (8) 24 California Labor Code section 1198 and California Code of Regulations Title 8, section 11160 25 Subdivision 5(B) (failure to provide reporting time pay); (9)

California Labor Code section 2802.26 (unreimbursed business expenses); and (10) California Labor Code sections 2698, et seq. based on the foregoing.” Id. at ECF 36 (¶ 35).

If any PAGA members’ settlement checks remain uncashed (¶ 72). 4. Attorneys’ Fees, Settlement Administration, and Class Representative Payment In addition to the payments associated with the three employee categories described above, the settlement agreement provides for payment to class counsel, the settlement administrator, and Mr. Rodriguez.

The agreement allows Capstone Law APC, the law firm that represents Mr. Rodriguez in this action and that the Court appointed as class counsel (Dkt. No. 81 at 21), to move for an award of attorneys’ fees not in excess of \$300,000 or 18.5% of the gross settlement amount. Dkt. No. 75-2 at ECF 30 (¶ 2).

The agreement provides that counsel may also seek to recover costs of up to \$30,000. Id. 10 Additionally, the settlement agreement provides for payment of an estimated \$32,500 in settlement administration costs to the settlement administrator. Id. at ECF 37 (¶ 39).

The Court appointed CPT Group, Inc. (“CPT”) as the settlement administrator. Dkt. No. 81 at 21. 13 Finally, the settlement agreement allows for Mr. Rodriguez to apply to the Court for a class representative enhancement payment of \$10,000, in addition to the amount he will otherwise receive as a member of the California class, the FLSA collective, and the PAGA settlement.

Dkt. No. 75-2 at ECF 39 (¶ 45). 5. Notice to Members In its preliminary approval order, the Court approved, as to form and content, the Notice of Class Action Settlement and the FLSA Notice, and directed the mailing of the notices to California class members and FLSA collective action members. Dkt. No. 81 at 21. 21 Of the 1,053 Notices of Class Action Settlement sent by mail, 11 notices were returned as undeliverable, with no forwarding address and for which CPT was not able to obtain updated address information.

Dkt. No. 83-2 ¶¶ 4-5. Of the 4,432 FLSA Notices sent by mail, 45 notices were returned as undeliverable, with no forwarding address and for which CPT was not able to obtain updated address information. Id. ¶¶ 4, 6. California class members were given 45 days to opt out or object to the settlement, and FLSA collective action members were given 45 days to opt in to the settlement.

Dkt. No. 83 at 8. Mr. Rodriguez and CPT report that four individuals opted out of the California class, and 488 FLSA collective members opted in to the FLSA settlement. 2 Id.; see supra note 2. Mr. Rodriguez and CPT further report that they received no objections to the settlement. Dkt. No. 83 at 8; Dkt. No. 83-2 ¶ 9. CPT received one workweek dispute which CPT and defendants agreed should be approved.

Dkt. No. 83-2 ¶ 10. The Court received no 5 objections, and no one appeared at the October 7, 2025 final fairness hearing to state any objection 6 to the proposed settlement. 7 II. LEGAL STANDARD 8 A. Rule 23 Class Action Settlements 9 Court approval is required for the settlement of Rule 23 class actions. See Fed. R. Civ. P. 10 23(e) (“The claims, issues, or defenses of a certified class—or a class proposed to be certified for 11 purposes of settlement—may be settled, voluntarily dismissed, or compromised only with the 12 court’s approval.”).

The Ninth Circuit has declared that a strong judicial policy favors settlement 13 of Rule 23 class actions. *Class Plaintiffs v. City of Seattle*, 955 F.2d 1268, 1276 (9th Cir. 1992). 14 However, no presumption of fairness applies to such settlements. *Roes, 1-2 v. SFBSC Mgmt., 15 LLC*, 944 F.3d 1035, 1049 (9th Cir. 2019). And where the parties reach a settlement before class 16 certification, courts must “employ[] extra caution and more rigorous scrutiny,” *id.*, and “peruse the 17 proposed compromise to ratify both the propriety of the certification and the fairness of the 18 settlement,” *Staton v. Boeing Co.*, 327 F.3d 938, 952 (9th Cir.

2003); see also *In re Bluetooth 19 Headset Prods. Liability Litig.*, 654 F.3d 935, 946 (9th Cir. 2011) (“Prior to formal class 20 certification, there is an even greater potential for a breach of fiduciary duty owed the class during 21 settlement.

Accordingly, such agreements must withstand an even higher level of scrutiny for 22 evidence of collusion or other conflicts of interest than is ordinarily required under Rule 23(e) 23 before securing the court’s approval as fair.”). 24 In considering Mr. Rodriguez’s motion for final approval, the Court must first assess 25 whether a class exists. *Staton*, 327 F.3d at 952.

Second, the Court must assess whether the 26 proposed settlement is “fundamentally fair, adequate, and reasonable,” considering “the settlement 27 taken as a whole, rather than the individual component parts, that must be examined.” *Id.* (cleaned B. FLSA Collective Action Settlements 1 Court approval is also required for settlements of private collective actions under the 2 FLSA.

Johnson v. Serenity Transp., Inc., No. 15-cv-02004-JSC, 2020 WL 7260059, at *2 (N.D. 3 Cal. Dec. 10, 2020); see also *Nall v. Mal-Motels, Inc.*, 723 F.3d 1304, 1306 (11th Cir. 2013). 4 Although “[c]ollective actions [under the FLSA] and class actions [under Rule 23] are creatures of 5 distinct texts... that impose distinct requirements,” *Campbell v. City of Los Angeles*, 903 F.3d 6 1090, 1101 (9th Cir.

2018), district courts assess FLSA settlements using a two-step process that is 7 similar to what is required for review of class action settlements under Rule 23. See *Kulik v. 8 NMCI Med. Clinic Inc.*, No. 21-cv-03495-BLF, 2023 WL 2503539, at *3 (N.D. Cal. Mar. 13, 9 2023). 10 First, the Court must assess whether the members of proposed collective are “similarly 11 situated” and may proceed in a collective action.

Id.; see also *Campbell*, 903 F.3d at 1117. 12 Second, the Court must assess whether the proposed settlement is “a fair and reasonable resolution 13 of a bona fide dispute.” *Otey v. CrowdFlower, Inc.*, No. 12-cv-05524-JST, 2014 WL 1477630, at 14 *3 (N.D. Cal. Apr. 15, 2014) (quoting *Lynn’s Food Stores, Inc. v. United States*, 679 F.2d 1350, 15 1355 (11th Cir. 1982)).

16 C. PAGA Settlements 17 Court approval is likewise required for settlements of PAGA claims. Cal. Lab. Code § 18 2699(s)(2) (2024). The proposed settlement must also be submitted simultaneously to LWDA. Id. 19 “An employee bringing a PAGA action does so as the proxy or agent of the state’s labor law 20 enforcement agencies,... who are the real parties in interest.” *Sakkab v. Luxottica Retail N. Am., 21 Inc.*, 803 F.3d 425, 435 (9th Cir.

2015) (cleaned up). “Accordingly, a judgment in a PAGA action 22 binds not only the plaintiff, but also the government and nonparty aggrieved employees.” 23 *Eisenacher v. VITAS Hospice Servs. LLC*, No. 20-cv-04948-RS, 2021 WL 1846574, at *2 (N.D. 24 Cal. Apr. 2, 2021). Even so, PAGA settlements “[do] not require class action procedures, such as 25 notice and opt-out rights.” *O’Connor v. Uber Techs., Inc.*, 201 F. Supp. 3d 1110, 1134 (N.D.

Cal. 26 2016). 27 While court approval of PAGA settlements is statutorily required, PAGA does not provide 1 express guidance about the scope or nature of judicial review. In the absence of binding guidance, 2 federal district courts reviewing PAGA settlements have drawn on factors utilized by the Ninth 3 Circuit to evaluate whether a class action settlement is fundamentally fair, adequate, and 4 reasonable.

See id. at 1133-34 (citing *Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1026 (9th Cir. 5 1998)); see also *Moniz v. Adecco USA, Inc.*, 72 Cal. App. 5th 56, 77 (2021) (“[A] trial court 6 should evaluate a PAGA settlement to determine whether it is fair, reasonable, and adequate in 7 view of PAGA’s purposes to remediate present labor law violations, deter future ones, and to 8 maximize enforcement of state labor laws.”). “These factors are evaluated in light of PAGA’s 9 public policy goals of ‘benefit[ing] the public by augmenting the state’s enforcement capabilities, 10 encouraging compliance with Labor Code provisions, and deterring noncompliance.’” 11 *Eisenacher*, 2021 WL 1846574, at *2 (quoting *O’Connor*, 201 F. Supp. 3d at 1132-33).

12 III. DISCUSSION 13 The Court previously found that certification of the California class and FLSA collective 14 for the purposes of this settlement was warranted under the applicable law. Dkt. No. 48 at 11-17; 15 Dkt. No. 81 at 9.

As the claims at issue and proposed classes remain the same, the Court finds that 16 its prior reasoning is applicable and determines both classes are properly certified. The Court next 17 turns to whether the proposed settlement is fair, reasonable, and adequate. At the preliminary 18 approval stage, the Court found that the proposed settlement was fair, reasonable, and adequate as 19 to the California class, FLSA collective members, and PAGA members.

See Dkt. No. 81 at 10-20. 20 The circumstances supporting this determination have not materially changed. The Court 21 summarizes the relevant findings below. 22 A. Final Approval of Settlement 23 1. Rule 23 24 Under Rule 23(e), review of a proposed settlement of a class action proceeds in two steps. 25 Fed. R. Civ. P. 23(e); *Lusby v. Gamestop, Inc.*, 297 F.R.D.

400, 412 (N.D. Cal. 2013). First, the 26 Court conducts a preliminary fairness evaluation. *Lusby*, 297 F.R.D. at 412. If the Court 27 preliminarily approves the settlement, then notice to the class is disseminated and the Court sets a 1 if it is “fair, reasonable, and adequate.” Fed. R. Civ. P. 23(e) (2).

In determining whether a 2 proposed settlement meets this standard, the Court does not have “the ability to delete, modify, or 3 substitute certain provisions,” and “[t]he settlement must stand or fall in its entirety.” *Staton*, 327 4 F.3d at 969 (cleaned up).

The Court’s evaluation of a settlement reached prior to class 5 certification “requires a higher standard of fairness and a more probing inquiry than may normally 6 be required under Rule 23(e).” *Dennis v. Kellogg Co.*, 697 F.3d 858, 864 (9th Cir. 2012) (cleaned 7 up). 8 The Ninth Circuit has described several factors a court may consider in evaluating the 9 fairness of a proposed settlement: 10 [1] the strength of the plaintiffs’ case; [2] the risk, expense, complexity, and likely duration of further litigation; [3] the risk of 11 maintaining class action status throughout trial; [4] the amount offered in settlement; [5] the extent of discovery completed and the 12 stage of the proceedings; [6] the experience and views of counsel; [7] the presence of a governmental participant; and [8] the reaction 13 of the class members to the proposed settlement.

14 *Campbell v. Facebook, Inc.*, 951 F.3d 1106, 1121 (9th Cir. 2020) (quoting *Hanlon*, 150 F.3d at 15 1026). Rule 23(e)(2) requires a court to consider a similar list of factors before approving a 16 settlement, including whether: 17 (A) the class representatives and class counsel have adequately represented the class; 18 (B) the proposal was negotiated at arm’s length; (C) the relief provided for the class is adequate, taking into account: 19 (i) the costs, risks, and delay of trial and appeal; (ii) the effectiveness of any proposed method of distributing 20 relief to the class, including the method of processing class-member claims; 21 (iii) the terms of any proposed award of attorney’s fees, including timing of payment; and 22 (iv) any agreement required to be identified under Rule 23(e)(3); and 23 (D) the proposal treats class members equitably relative to each other.

24 Fed. R. Civ. P. 23(e). This list of factors is not intended to displace any factors identified by 25 courts, “but rather to focus the court and the lawyers on the core concerns of procedure and 26 substance that should guide the decision whether to approve the proposal.” Fed. R. Civ. P. 23(e) 27 advisory committee’s note to 2018 amendment; see also *McKinney-Drobnis v. Oreshack*, 16 F.4th 1 594, 609 n.4 (9th Cir.

2021) (“The amended Rule 23(e) did not ‘displace’ this court’s previous 2 articulation of the relevant factors, and it is still appropriate for district courts to consider these 3 factors in their holistic assessment of settlement fairness.”); *Kim v. Allison*, 8 F.4th 1170, 1178-79 4 (9th Cir. 2021) (directing district courts to consider both the factors previously identified by the 5 Ninth Circuit and Rule 23(e)(2) when determining whether to approve a settlement).

However, 6 “the district court must show it has explored comprehensively all Rule 23(e)(2) factors.” *In re 7 Apple Inc. Device Performance Litig.*, 50 F.4th 769, 782 (9th Cir. 2022) (cleaned up). 8 Additionally, the Northern District of California has published procedural guidance for 9 class action settlements, which includes guidelines for parties seeking final approval of class 10 action settlements.

See <https://www.cand.uscourts.gov/forms/procedural-guidance-for-class-11-action-settlements/>. These guidelines identify information that is often helpful to district courts in 12 when assessing whether a class action settlement satisfies the standards identified above. 13 a. Strength of plaintiff’s case and the risk, expense, complexity, and likely duration of further litigation 14 15 The Court previously found that this factor weighed in favor of approval.

Dkt. No. 48 at 16 19-21; Dkt. No 81 at 11-12. As discussed in prior orders, the Court finds that early resolution 17 through settlement would be beneficial to the California class. See, e.g., *Burgos v. Sunvalleytek 18 Int’l, Inc.*, No. 18-cv-06910-HSG, 2020 WL 7319354, at *7 (N.D. Cal. Dec. 11, 2020) (settlement 19 is preferable when “additional litigation would have, in the best-case scenario, been expensive and 20 time-consuming—and in the worst-case scenario, could have led to Plaintiff and the class going 21 home empty-handed.”).

The Courts finds that this factor continues to weigh in favor of approving 22 the settlement. 23 b. Amount offered in settlement 24 The Court previously found that this factor weighs in favor of approval as Mr. Rodriguez 25 provided sufficient justification for the Court to conclude that the amount allocated to the 26 California class is fair and reasonable.

Dkt. No. 81 at 12-13. Mr. Rodriguez reports that the 27 average settlement payment from the net settlement fund will be \$764.24 and the highest payment 1 in other similar cases. See *id.* at 12-13. The Court concludes that this factor weighs in favor of 2 final approval. 3 c. Extent of discovery completed and the stage of the proceedings 4 As there has been no change since the Court’s prior orders finding that this factor weighs 5 in favor of approval, the Court reaffirms that conclusion.

See Dkt. No. 48 at 22; Dkt. No. 81 at 13. 6 d. Adequate representation and equitable treatment 7 In its prior orders, the Court raised concerns relating to the amount of the proposed class 8 representative enhancement award. Dkt. No. 48 at 23-24; Dkt. No. 81 at 14. Mr. Rodriguez 9 separately moves for approval of the proposed class representative enhancement award.

Dkt. No. 10 82. As discussed further in section B, the Court concludes that the \$10,000 enhancement award 11 request for Mr. Rodriguez is appropriate and does not interfere with his ability to adequately 12 represent the interests of the class.

The Court thus finds this factor weighs in favor of final 13 approval. 14 e. Potential for collusion and attorneys' fees award 15 The Ninth Circuit has held that an attorneys' fees award representing 25% of a common 16 settlement fund is a "benchmark" for a reasonable award, unless special circumstances warrant a 17 departure. See *Bluetooth*, 654 F.3d at 942.

Here, class counsel seeks fees that are 18.5% of the 18 settlement fund and considerably lower than their claimed lodestar. Dkt. No. 82 at 4, 10. 19 As discussed below in connection with class counsel's unopposed motion for fees and 20 costs, the Court concludes that the requested attorneys' fees, which are below the 25% benchmark, 21 are reasonable. This factor weighs in favor of final approval.

22 f. Adequacy of notice and plan for distribution 23 Rule 23(c)(2)(B) provides that for any class certified under Rule 23(b)(3), the Court must 24 direct to class members the best notice that is practicable under the circumstances, including 25 individual notice to all members who can be identified through reasonable effort. Specifically, 26 "[t]he notice must clearly and concisely state in plain, easily understood language: (i) the nature of 27 the action; (ii) the definition of the class certified; (iii) the class claims, issues, or defenses; (iv) 1 that the court will exclude from the class any member who requests exclusion; (vi) the time and 2 manner for requesting exclusion; and (vii) the binding effect of a class judgment under Rule 3 23(c)(3)." Fed.

R. Civ. P. 23(c)(2)(B). 4 The Court previously found the settlement agreement's plan for distribution and settlement 5 administration to be adequate. Dkt. No. 48 at 27-28; Dkt. No. 81 at 15. The Court approved the 6 form and content of the proposed Notice of Class Action Settlement and directed the settlement 7 administrator to mail notices to California class members by June 30, 2025.

Dkt. No. 81 at 21. 8 The claim administrator appears to have effectively executed its obligations under the plan. Class 9 counsel confirmed at the final fairness hearing that notice was provided and no objections were 10 received. 11 *** 12 Accordingly, the Court grants final approval of the California class settlement. 13 2. FLSA Collective 14 a. Fair and reasonable resolution 15 "The Ninth Circuit has not established the criteria that a district court must consider in 16 determining whether an FLSA settlement warrants approval." Kulik, 2023 WL 2503539, at *3 17 (quoting *Otey*, 2014 WL 1477630, at *3).

In the absence of guidance, most district courts in the 18 Ninth Circuit apply a test developed by the Eleventh Circuit and assess whether the proposed 19 settlement is "a fair and reasonable resolution of a bona fide dispute." *Otey*, 2014 WL 1477630, at 20 *3 (quoting *Lynn's Food Stores*,

679 F.2d at 1355); see also Kulik, 2023 WL 2503539, at *3; *De Leon v. Ricoh USA, Inc.*, No. 18-cv-03725-JSC, 2020 WL 1531331, at *7 (N.D.

Cal. Mar. 31, 22 2020). To make this determination, “district courts implicitly or explicitly consider the factors 23 that are used to evaluate Rule 23 class action settlements.” *Otey*, 2014 WL 1477630, at *4. 24 “[C]ourts in the Ninth Circuit have found FLSA cases settling for approximately 25%-35% 25 of the total possible recovery to be reasonable.” *Chalmers v. DSSV, Inc.*, No. 22-cv-08863-HSG, 26 2024 WL 4844376, at *3 (N.D.

Cal. Nov. 19, 2024) (quoting *Estorga v. Santa Clara Valley 27 Transp. Auth.*, No. 16-cv-02668-BLF, 2020 WL 7319356, at *4 (N.D. Cal. Dec. 11, 2020)) 1 Here, there are 488 FLSA opt in claimants who stand to receive an average payment of 2 \$521.92. See Dkt. No. 83 at 14; see supra note 2. Approximately 11% of all eligible FLSA 3 collective members opted in to the settlement.3 See Dkt.

No. 83 at 5 (stating there are 4,432 FLSA 4 collective members). Mr. Rodriguez calculated the maximum total exposure if all FLSA 5 collective members opted in would be \$6,062,506.43. *Id.* at 13. This estimate is based on 6 approximately 385,533 workweeks during the FLSA period, with an estimated half hour of unpaid 7 overtime per week and the \$31.45 national average overtime rate.

Id. Thus, at an 11% opt in rate, 8 the total recovery would be \$666,875.70. The settlement amount of \$250,000 is approximately 9 37% of the estimated “realistic” maximum of \$666,875.70. 10 Considering both the average payment and the percentage of recovery, the Court thus 11 concludes that the FLSA settlement is both fair and reasonable. 12 b. Notice and consent to magistrate judge jurisdiction 13 The Ninth Circuit has held that all parties, meaning “all plaintiffs and defendants named in 14 the complaint,” must consent to the jurisdiction of a magistrate judge before the judge acts on a 15 dispositive matter, *Williams v. King*, 875 F.3d 500, 503 (9th Cir.

2017), but also that “Congress 16 did not intend absent class members to be treated as parties in this context,” *Koby v. ARS Nat’l 17 Servs., Inc.*, 846 F.3d 1071, 1076 (9th Cir. 2017). Separately, the Ninth Circuit has emphasized 18 the difference between an FLSA collective and a Rule 23 class: “A collective action is more 19 accurately described as a kind of mass action, in which aggrieved workers act as a collective of 20 individual plaintiffs with individual cases—capitalizing on efficiencies of scale, but without 21 necessarily permitting a specific, named representative to control the litigation, except as the 22 workers may separately so agree....

[Plaintiffs who join the collective hold] ‘the same status in 23 relation to the claims of the lawsuit as that held by the original named plaintiffs.’” *Campbell*, 903 24 F.3d at 1105 (quoting *Prickett v. DeKalb Cnty.*, 349 F.3d 1294, 1297 (11th Cir. 2003)) (cleaned 25 26 3 The typical opt in rate in

FLSA collective actions is approximately 14% to 25%. Dkt. No. 83 at 14 (citing *Gutierrez-Bejar v. SOS Int'l, LLC*, No. 2:16-cv-09000 JAK (JEMx), 2019 WL 5683901, 27 at *9 (C.D.

Cal. Nov. 1, 2019) and *Bautista v. Harvest Mgmt. Sub LLC*, No. 2:12-cv-10004 FMO 1 up, emphasis in original). 2 The Court may not enter final judgment on the claims of FLSA collective members who 3 opt in without first obtaining their consent. Pursuant to the Court's order, the parties included a 4 provision regarding consent in the FLSA opt in form. See Dkt.

No. 75-2 at ECF 71. The Court 5 finds that this is sufficient to establish consent to the Court's jurisdiction by FLSA collective 6 members who opted in. See, e.g., *Chavez v. Stellar Management Grp. VII, LLC*, No. 19-cv-1353- 7 JCS, Dkt. No. 115-1 (N.D. Cal. Oct. 21, 2020). Additionally, at the final approval hearing, class 8 counsel confirmed that they received no objections to the Court's jurisdiction.

The Court 9 concludes that FLSA collective members who opted in have consented to magistrate judge 10 jurisdiction. 11 *** 12 The Court grants final approval of the FLSA collective portion of the settlement. 13 3. PAGA Settlement 14 A reviewing court must ensure that a PAGA settlement "(1) meet[s] the statutory 15 requirements set forth by PAGA, and (2) [is] fundamentally fair, reasonable, and adequate in view 16 of PAGA's public policy goals." Kulik, 2023 WL 2503539, at *4.

17 The settlement meets the statutory requirements set forth by PAGA. The agreement 18 allocates 75% of the PAGA settlement amount to LWDA as civil penalties, and the remaining 19 25% to the PAGA members. See Cal. Lab. Code § 2699(i) (2016).4 The parties submitted their 20 settlement agreement to the LWDA. Dkt. No. 75-4; see Cal. Lab. Code § 2699(s)(2) (2024).

21 The Court previously found that the proposed PAGA settlement is adequate as the amount 22 of the PAGA settlement is 10% of the "realistic" exposure calculation of \$1.937 million. Dkt. No. 23 81 at 20. The Court also found that because the California class settlement was fair and 24 reasonable, the goals of PAGA may be fulfilled through this settlement as well.

Id.; see 25 *O'Connor*, 201 F. Supp. 3d at 1134 ("[I]f the settlement for the Rule 23 class is robust, the 26 4 The PAGA statute was amended on July 1, 2024. Certain citations to the statute reference the 27 pre-amendment version of the statute which applies to this action based on the pre-amendment 1 purposes of PAGA may be concurrently fulfilled.").

The Court reaffirms its earlier findings and 2 concludes that the PAGA settlement is fair, reasonable, and adequate. 3 *** 4 Accordingly, the Court grants final approval of the PAGA settlement. 5 4. Settlement Administration Costs 6 Mr. Rodriguez requests final approval of settlement administration costs in the amount of 7 \$32,500. Dkt. No. 83 at 16. CPT's work included printing and mailing the Notice of Class Action 8 Settlement to all California class members and the FLSA Notice to all FLSA collective members; 9 performing skip traces to obtain

updated addresses for notices returned as undeliverable; receiving 10 and maintaining requests for exclusion and opt in forms; monitoring objections to the settlement; 11 and reviewing workweek disputes.

Dkt. No. 83-2 ¶¶ 2-10. 12 Courts regularly award administrative costs associated with providing notice to the class. 13 *Bellinghausen*, 306 F.R.D. at 266. Moreover, the parties agreed to allocate up to \$32,500 of the 14 settlement fund for settlement administration costs. Dkt. No. 75-2 at ECF 37 (¶ 39).

The Court 15 therefore concludes that CPT's costs were reasonably incurred for the benefit of the class and 16 awards the full amount. 17 Accordingly, the Court grants final approval of the settlement administration costs 18 requested. 19 B. Motion for Attorneys' Fees, Costs, and a Class Representative Enhancement Payment 20 Next, the Court determines whether the requested attorneys' fees, costs, and class 21 representative enhancement payment are fair and reasonable.

22 1. Attorneys' Fees 23 "The Ninth Circuit has approved two methods of determining attorneys' fees in cases 24 where, as here, the amount of the attorneys' fee award is taken from the common fund set aside for 25 the entire settlement: the 'percentage of the fund' method and the 'lodestar' method." 26 *Bellinghausen*, 306 F.R.D. at 259-60 (citing *Vizcaino v. Microsoft Corp.*, 290 F.3d 1043, 1047 27 (9th Cir.

2002)). "The district court retains discretion in common fund cases to choose either 1 method," *id.*, but the Ninth Circuit recommends that district courts apply one method, using the 2 other to cross-check the appropriateness of the amount of requested attorneys' fees. See 3 *Bluetooth*, 654 F.3d at 944. "Under either approach, '[r]easonableness is the goal, and mechanical 4 or formulaic application of either method, where it yields an unreasonable result, can be an abuse 5 of discretion.'" *Bellinghausen*, 306 F.R.D. at 260 (quoting *Fischel v. Equitable Life Assurance 6 Soc'y of the U.S.*, 307 F.3d 997, 1007 (9th Cir.

2002)). 7 Because this case involves a common settlement fund with an easily quantifiable benefit to 8 the class, the Court will primarily determine attorneys' fees using the benchmark "percentage of 9 the fund" method. See *Kim*, 8 F.4th at 1181 ("The percentage-of-recovery approach may be used 10 where the defendants provide monetary compensation to the plaintiffs and class benefit is easy to 11 quantify") (citation and internal quotation marks omitted); see also *Bluetooth*, 654 F.3d at 942 12 (percentage method is particularly appropriate in common fund cases, where "benefit to the class 13 is easily quantified"). "Under this method, the court simply awards the attorneys a percentage of 14 the fund sufficient to provide class counsel with a reasonable fee." *Kim*, 8 F.4th at 1181 (citation 15 and internal quotation marks omitted).

The Court will also apply a lodestar cross-check to ensure 16 the award's reasonableness. See *Bellinghausen*, 306 F.R.D. at 260 (citing *Vizcaino*, 290 F.3d at 17 1047). 18 a. Reasonableness of

the Percentage 19 The Ninth Circuit has consistently approved a “benchmark” award of 25% of the common 20 fund. Bluetooth, 654 F.3d at 942; Staton, 327 F.3d at 968.

In this district, other judges reviewing 21 wage and hour class action settlements have approved attorneys’ fee awards over the 25% 22 benchmark in some circumstances. See, e.g., Rivas v. BG Retail, LLC, No. 16-cv-06458-BLF, 23 2020 WL 264401, at *8 (N.D. Cal. Jan. 16, 2020) (approving attorneys’ fees totaling 45% of the 24 settlement fund); Smith v. Am. Greetings Corp., No. 14-cv-02577-JST, 2016 WL 362395, at *8-9 25 (N.D.

Cal. Jan. 29, 2016) (approving attorneys’ fees totaling 28% of the settlement fund). Here, 26 class counsel’s request for fees of \$300,000 is 18.5% of the \$1,622,000 common settlement fund, 27 well below the 25% benchmark. Dkt. No. 82 at 4. 1 success obtained.” Smith, 2016 WL 362395, at *8 (citing Hensley v. Eckerhart, 461 U.S. 424, 436 2 (1983)) (internal quotation marks omitted).

Here, the results obtained support the requested award 3 of attorneys’ fees, because the net settlement is approximately 9% of defendants’ estimated 4 maximum total liability. Dkt. No. 83-1 ¶ 48. This net settlement amount falls well within the 5 range found acceptable in other wage and hour class actions. See Camilo v. Ozuna, No. 18-cv- 6 02842-VKD, 2020 WL 1557428, at *6 (N.D.

Cal. Apr. 1, 2020) (net settlement was 44% of 7 defendants’ potential liability); Rivas, 2020 WL 264401, at *5 (2.4% net recovery to the class was 8 not reason to reject the settlement). Given the risks of further litigation, see Dkt. No. 83-1 ¶¶ 24- 9 44, the class has achieved a high degree of success. 10 Additionally, “[t]he existence or absence of objectors to the requested attorneys’ fee is a 11 factor in determining the appropriate fee award.” Bellinghausen, 306 F.R.D. at 261 (citation 12 omitted).

Here, the Notice of Class Action Settlement that was disseminated pursuant to the 13 Court-approved notice plan notified class members of the maximum amount of attorneys’ fees that 14 would be sought. Dkt. No. 75-2 at ECF 62. At least 99% of the class received notice of their right 15 to object to the attorney fee award set forth in the settlement agreement, but not one class member 16 objected.

See Dkt. No. 83-2 ¶¶ 4-5, 9. “[T]he lack of objection from any Class Member supports 17 the attorneys’ fee award.” Smith, 2016 WL 362395, at *9. 18 The Court finds that an attorneys’ fee award in the amount of 18.5% of the common 19 fund—i.e., \$300,000—is reasonable, using the benchmark method. 20 b. Lodestar Cross-Check 21 The Court now compares the requested award percentage of 18.5% to the lodestar.

22 Although this “extra step” is “not required,” In re Google Referrer Header Priv. Litig., 869 F.3d 23 737, 748 (9th Cir. 2017), vacated on other grounds by Frank v. Gaos, 586 U.S. 485 (2019), the 24 lodestar “provides a check on the reasonableness of the percentage award.” Vizcaino, 290 F.3d

at 25 1050. “The lodestar figure is calculated by multiplying the number of hours the prevailing party 26 reasonably expended on the litigation (as supported by adequate documentation) by a reasonable 27 hourly rate for the region and for the experience of the lawyer.” *Bluetooth*, 654 F.3d at 941.

The 1 of representation, the benefit obtained for the class, the complexity and novelty of the issues 2 presented, and the risk of nonpayment.” *Id.* at 942. 3 i. Reasonable Rate 4 “In determining a reasonable hourly rate, the district court should be guided by the rate 5 prevailing in the community for similar work performed by attorneys of comparable skill, 6 experience, and reputation.” *Chalmers v. City of Los Angeles*, 796 F.2d 1205, 1210-11 (9th Cir.

7 1986), amended on other grounds by 808 F.2d 1373 (9th Cir. 1987). The relevant community for 8 purposes of determining the prevailing market rate is generally the “forum in which the district 9 court sits.” *Camacho v. Bridgeport Fin., Inc.*, 523 F.3d 973, 979 (9th Cir. 2008). “Affidavits of 10 the plaintiffs’ attorney and other attorneys regarding prevailing fees in the community, and rate 11 determinations in other cases, particularly those setting a rate for the plaintiffs’ attorney, are 12 satisfactory evidence of the prevailing market rate.” *United Steelworkers of Am. v. Phelps Dodge 13 Corp.*, 896 F.2d 403, 407 (9th Cir.

1990). The Court is required to consider cases that were 14 decided relatively contemporaneously to the time the work was performed. See *Camacho*, 523 15 F.3d at 981. 16 Here, class counsel request fees based on 522.5 hours billed by eleven attorneys at rates 17 ranging from \$475 to \$550 for associates, and \$625 to \$950 for senior counsel and partners. Dkt. 18 No. 81 at 8; Dkt.

No. 82-1 ¶ 17. Class counsel have considerable experience litigating labor and 19 employment disputes and settling class and representative actions. See Dkt. No. 82-1 ¶¶ 8-15; see 20 also *id.* ¶ 16, Ex. 1. 21 Other judges in this district have determined that similar rates are consistent with the 22 overall range of market rates in the Northern District of California for attorneys with 23 commensurate experience.

See, e.g., *Koeppen v. Carvana, LLC*, No. 21-cv-01951-TSH, 2024 WL 24 3925703, at *12-13 (N.D. Cal. Aug. 22, 2024) (finding rates ranging from \$575 to \$1,495 per hour 25 within the range of rates approved in wage and hour litigation in this district); *Gutierrez v. Wells 26 Fargo Bank, N.A.*, No. 07-cv-05923-WHA, 2015 WL 2438274, at *5 (N.D. Cal. May 21, 2015) 27 (finding reasonable rates for Bay Area attorneys of between \$475 to \$975 for partners and \$300 to 1 Based on the fees regularly awarded in comparable actions in this district, and the fact that 2 class counsel practice extensively in wage and hour class actions on behalf of workers, the Court 3 concludes that class counsel’s rates are reasonable.

4 ii. Reasonable Hours 5 In calculating hours reasonably expended, the Court should exclude hours that are 6 “excessive, redundant, or otherwise unnecessary.” *Hensley*, 461 U.S. at 434. Over

the three and a 7 half years of this litigation, class counsel have billed a total of 522.5 hours, the majority of which 8 were spent working on complaints, pleadings, other filings, and the settlement approval process.

9 See Dkt. No. 82-1 ¶ 17. 10 In this case, the Court finds that the hours expended by class counsel are reasonable given 11 the length of the lawsuit and the accounting of hours provided by the attorneys. The time spent 12 does not appear to be unnecessary, duplicative, or excessive. 13 iii. Lodestar Calculation 14 Given class counsel's reasonable hourly rates and reasonable hours expended, the total 15 lodestar calculation for class counsel is \$354,517.50.

Dkt. No. 82-1 ¶ 17. The \$300,000 fee 16 award requested is less than the amount of fees actually incurred. 17 *** 18 Accordingly, the Court concludes that the attorneys' fees requested are reasonable and 19 awards class counsel \$300,000. 20 2. Costs 21 Because "an attorney who has created a common fund for the benefit of the class is entitled 22 to reimbursement of reasonable litigation expenses from that fund," "courts throughout the Ninth 23 Circuit regularly award litigation costs and expenses—including reasonable travel expenses—in 24 wage-and-hour class actions." Bellinghausen, 306 F.R.D. at 265 (citation omitted).

25 The settlement agreement contemplates an award of litigation costs of up to \$30,000, to 26 compensate class counsel for actual documented out-of-pocket costs and expenses associated with 27 this litigation and settlement of the action. Dkt. No. 75-2 at ECF 30, 38-39 (¶¶ 2, 44). Class 1 \$27,813.74. Dkt. No. 82 at 10-11. According to class counsel, these costs account for filing and 2 service fees, copying and mailing, legal research, mediation expenses, travel expenses, and 3 payment to Desmond, Marcello & Amster who assisted class counsel in reviewing time and wage 4 records and developing a damages model for mediation.

Id. 5 The Court concludes that these are reasonable litigation expenses incurred for the benefit 6 of the class and therefore grants class counsel's request for \$27,813.74 in costs. 7 3. Class Representative Enhancement Payment 8 Mr. Rodriguez requests a class representative enhancement payment, also known as an 9 incentive award, of \$10,000. "Incentive awards are meant to 'compensate class representatives for 10 work done on behalf of the class, to make up for financial or reputational risk undertaking in 11 bringing the action, and, sometimes, to recognize their willingness to act as a private attorney 12 general." Bellinghausen, 306 F.R.D. at 266 (citing Rodriguez v. West Publ'g Corp., 563 F.3d 948, 13 958-59 (9th Cir.

2009)). Incentive awards are "particularly appropriate in wage-and-hour actions 14 where plaintiffs undertake a significant 'reputational risk' by bringing suit against their former 15 employers." Id. at 267 (citing Rodriguez, 563 F.3d at 958-59).

However, because the amount of 16 the requested incentive award is higher than the "presumptively reasonable" \$5,000 payment in 17 this district, see id. at 266-67 (citing cases), the

Court considers the reasonableness of the 18 requested amount. 19 To determine the reasonableness of an incentive award, courts have generally considered 20 these factors: 21 (1) [T]he risk to the class representative in commencing a suit, both financial and otherwise; (2) the notoriety and personal difficulties 22 encountered by the class representative; (3) the amount of time and effort spent by the class representative; (4) the duration of the 23 litigation; and (5) the personal benefit (or lack thereof) enjoyed by the class representative as a result of the litigation.

24 25 Id. at 266 (citing cases). Here, Mr. Rodriguez requests a class representative enhancement 26 payment of \$10,000 for his time and effort in assisting counsel with the investigation of his 27 claims, gathering information, and reviewing the settlement. Dkt. No. 75-3 ¶¶ 6, 10, 14. Mr. 1 this action. Id. ¶ 16. 2 Moreover, the risk to Mr. Rodriguez in commencing suit was not insignificant.

Plaintiffs 3 in wage and hour actions may risk their reputation and ability to obtain work by bringing suit 4 against their employers. *Bellinghausen*, 306 F.R.D. at 266 (citing *Rodriguez*, 563 F.3d at 958-59). 5 Mr. Rodriguez's status as a class representative also may expose him to the risk that future 6 employers will be reluctant to hire him because of his public role in this litigation challenging his 7 conditions of employment.

See id. at 267. 8 It is not uncommon for a court to award a class representative several thousand dollars as 9 an incentive award. See id. at 268 (awarding incentive award of \$15,000 to class representative); 10 *Hickcox-Huffman v. US Airways, Inc.*, No. 10-cv-05193-VKD, 2019 WL 1571877, at *2 (N.D. 11 Cal. Apr. 11, 2019) (awarding incentive award of \$10,000 to class representative).

While \$10,000 12 is higher than the typical award, that amount is appropriate here in view of the time and effort Mr. 13 Rodriguez has expended for the benefit of the class and the risks he incurred in initiating the 14 litigation. 15 Accordingly, the Court awards Mr. Rodriguez a class representative enhancement payment 16 of \$10,000. 17 IV. CONCLUSION 18 For the reasons described above, the Court grants Mr. Rodriguez's motion for final 19 approval of the settlement and his motion for attorneys' fees, costs, and a class representative 20 enhancement payment.

21 The Court orders as follows: 22 1. This order hereby adopts and incorporates by reference the terms and conditions of 23 the Amended Joint Stipulation of Class, Collective, and PAGA Action Settlement and Release, 24 together with the definitions and terms used and contained therein. 25 2. Final approval shall be with respect to California class members defined as: All 26 persons who were employed by defendants in the State of California in non-exempt positions at 27 any time during the period from February 25, 2018 to May 21, 2025.

1 were employed by defendants in the United States of America in non-exempt positions at any time 2 during the period from February 25, 2019 to May 21, 2025, and who opted in to the FLSA 3 settlement. 4 4. Final approval shall be with respect to PAGA members defined as: All persons 5

who were employed by defendants in the State of California in non-exempt positions at any time 6 during the period from March 8, 2021 through May 21, 2025.

7 5. The settlement agreement is hereby finally approved in all respects. The parties 8 and their counsel are directed to implement and consummate the settlement agreement according 9 to its terms and conditions. 10 6.

The Court finds that the requested award of attorneys' fees in the amount of 11 \$300,000, or 18.5% of the common fund created by the settlement, is reasonable and awards the 12 requested amount. 13 7. The Court finds that the requested costs of \$27,813.74 are fair and reasonable and 14 awards the requested amount. 15 8.

The Court awards Mr. Rodriguez a class representative enhancement payment of 16 \$10,000 for his service on behalf of the settlement class. 17 9. Other than as provided in the settlement agreement and this order, the parties shall 18 bear their own costs and attorneys' fees. 19 10. Without affecting the finality of the judgment, the Court shall retain exclusive and 20 continuing jurisdiction over the above-captioned action and the parties under, including all 21 participating California class members, FLSA opt in claimants, and PAGA members, for purposes 22 of enforcing the terms of the judgment entered herein.

23 11. Within 21 days after all settlement distributions have been completed, but in no 24 event later than 210 days from the date of this order, the parties shall file a post-distribution 25 accounting, describing the disposition of the gross settlement amount and fulfillment of the terms 26 of the settlement agreement. See [https://www.cand.uscourts.gov/forms/procedural-guidance-for-](https://www.cand.uscourts.gov/forms/procedural-guidance-for-27-class-action-settlements/) 27 class-action-settlements/ (Post-Distribution Accounting).

1 IT IS SO ORDERED. 2 Dated: October 9, 2025 3. 28 □ 4 □ Virginia K. DeMarchi 5 United States Magistrate Judge 6 7 8 9 10 11 12 13 15 16 = 17 Z 18 19 20 21 22 23 24 25 26 27 28