

1
2
3 **UNITED STATES DISTRICT COURT**
4 **FOR THE EASTERN DISTRICT OF CALIFORNIA**
5

6 **CARMELA MORA, on behalf of herself and all**
7 **others similarly situated,**

8 **Plaintiff,**

9 **v.**

10 **CAL WEST AG SERVICES, INC., et al.,**

11 **Defendants.**

1:15-cv-01490-LJO-EPG

**ORDER REQUESTING
SUPPLEMENTAL INFORMATION RE
MOTION FOR PRELIMINARY
APPROVAL**

12
13 Plaintiff filed this case against Defendants on September 30, 2015, alleging class action claims
14 and claims brought pursuant to the California Labor Code Private Attorney General Act (“PAGA”), Cal.
15 Lab. Code §§ 2698-2699.5. ECF No. 1. On April 6, 2018, the parties filed a motion for preliminary
16 approval for class action settlement. ECF No. 71. Magistrate Judge Erica P. Grosjean issued Findings
17 and Recommendations (“F&Rs”) recommending that the settlement agreement be granted preliminary
18 approval, subject to certain modifications of the notices provided to class members, and no party filed
19 objections. ECF No. 80.

20 Despite the lack of objections, the Court has an independent duty to review settlement
21 agreements in class actions and PAGA cases. Fed. R. Civ. P. 23(e); *Ficalora v. Lockheed Cal. Co.*, 751
22 F.2d 995, 996 (9th Cir. 1985); Cal. Lab. Code § 2699(1)(2). The Court is concerned about the settlement
23 of the PAGA claims. The settlement agreement purports to settle the PAGA claims, which Plaintiff
24 indicates have a verdict value of at least \$1 million, ECF No. 71-2 ¶ 35, for the sum of \$5,000, while the
25 entire case is valued at \$1.2 million. ECF No. 71-3 at 6; Settlement Agreement III(C)(3). This outcome

1 suggests that the PAGA claims are being “used merely as a bargaining chip.” *O’Connor v. Uber Techs.,*
2 *Inc.*, 201 F. Supp. 3d 1110, 1134 (N.D. Cal. 2016). This is potentially problematic unless the settlement
3 otherwise serves the interests PAGA was designed to protect. *Id.* Neither the F&Rs nor the parties’
4 papers address directly this issue.

5 The Court therefore requests that (1) the parties provide proof that the settlement agreement has
6 been submitted to the California Labor and Workforce Development Agency (“LWDA”) as required by
7 California Labor Code § 2699(1)(2), and (2) obtain a statement of position from the LWDA regarding
8 the settlement outcome. In addition, the parties may submit a joint brief, not to exceed five (5) pages in
9 length addressing how the settlement satisfies the concerns discussed in *O’Connor*. Once it receives
10 proof that the settlement agreement has been submitted to the LWDA and a statement of the LWDA’s
11 position, the Court will endeavor to rule on the approval motion within three business days.

12
13 IT IS SO ORDERED.

14 Dated: July 26, 2018

/s/ Lawrence J. O’Neill
UNITED STATES CHIEF DISTRICT JUDGE