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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

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RYAN GUINN, an individual, on
behalf of himself, and on
behalf of all other persons
similarly situated,

Plaintiff,

v.

SUGAR TRANSPORT OF THE
NORTHWEST, INC., a California
Corporation; BRONCO WINE
COMPANY, a California
Corporation; CLASSIC WINES, a
California Corporation, and
DOES 1 through 100,

Defendant.

No. 2:16-cv-00325 WBS EFB

MEMORANDUM AND ORDER RE: JOINT
MOTION FOR APPROVAL OF
SETTLEMENT AND REQUEST FOR
DISMISSAL WITH PREJUDICE

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Plaintiff Ryan Guinn brought this matter against
defendants Sugar Transport of the Northwest ("Sugar Transport"),
Bronco Wine Company ("Bronco"), and Classic Wines of California
("Classic") for alleged violations of the Fair Labor Standards
Act ("FLSA"), 29 U.S.C. § 216; the California Labor Code, Cal.
Lab. Code §§ 201, 203, 204, and 512; and California's Unfair

1 Competition Law ("UCL"), Cal. Bus. & Prof. Code § 17200, et seq.
2 Before the court is a Joint Motion for Approval of Settlement and
3 Request for Dismissal with Prejudice submitted together by
4 plaintiff and Sugar Transport (collectively "the settling
5 parties"). (Docket No. 112.)

6 In this court's prior order approving settlement as to
7 defendants Bronco and Classic (Docket No. 107), this court
8 described the parties and much of the factual and procedural
9 background to the lawsuit. Since then, the settling parties
10 mediated this action in front of the Honorable Ronald M. Sabraw
11 (Retired) of JAMS and reached an agreement. (Decl. of Cassandra
12 M. Ferrannini in Supp. of Joint Mot. ("Ferrannini Decl.") ¶¶ 2-3
13 (Docket No. 112-3).) Bronco and Sugar Transport also reached
14 agreement on the remaining pending state court actions with the
15 other former putative class members. (Id. ¶ 3.) All parties
16 executed a settlement agreement on or around September 27, 2018.
17 (Exhibit A, Settlement Agreement (Docket No. 112).) On October
18 9, 2018, the settling parties submitted a Joint Motion for
19 Approval of Settlement, in which they seek (1) the court's
20 approval of their settlement under the FLSA and (2) dismissal of
21 Sugar Transport from this action, with prejudice.

22 "Although the Ninth Circuit has not established a
23 standard for district courts to follow when evaluating an FLSA
24 settlement, California district courts frequently apply the
25 standard established by the Eleventh Circuit in Lynn's Food
26 Stores, Inc. v. U.S. By and Through U.S. Dep't of Labor, 679 F.2d
27 1350, 1352 (11th Cir. 1982)." Thompson v. Costco Wholesale
28 Corp., No. 14-cv-2778 CAB WVG, 2017 WL 697895, at *6 (S.D. Cal.

1 Feb. 22, 2017). Under that standard, plaintiff may settle and
2 release his claims against his employer or putative employer if
3 the parties obtain court approval of the proposed settlement and
4 if the settlement constitutes "a fair and reasonable resolution
5 of a bona fide dispute over FLSA provisions." 29 U.S.C. §
6 216(b); Lynn's Food Stores, 679 F.2d at 1355. Court approval is
7 necessary to ensure an employee does not waive statutory rights
8 as a result of an employer overreaching in a non-adversarial
9 context. Lynn Food Stores, Inc., 679 F.2d at 1354.

10 "A bona fide dispute exists when there are legitimate
11 questions about the existence and extent of Defendant's FLSA
12 liability." Seguin v. County of Tulare, No. 16-cv-1262 DAD SAB,
13 2018 WL 1919823, at *2 (E.D. Cal. Apr. 24, 2018). Here, although
14 the parties have reached a settlement, significant disagreement
15 remains. Sugar Transport has not admitted any liability, and the
16 parties continue to disagree about who would prevail at trial.
17 (Ferrannini Decl. ¶ 5; Decl. of James Pagano in Supp. of Joint
18 Mot. ("Pagano Decl.") ¶ 6.) With respect to FLSA liability,
19 plaintiff argues that he is entitled to overtime compensation
20 (First Amended Complaint ("FAC") ¶¶ 18-20 (Docket No. 51)), while
21 Sugar Transport contends that plaintiff was exempt from overtime
22 compensation under the motor carrier exemption (Mot. for Summ. J.
23 at 11 (Docket No. 90-1)). The parties also disagree about
24 whether plaintiff was given a meaningful opportunity to take meal
25 and rest breaks. (Compare FAC ¶¶ 25-28 with Mot. for Summ. J. at
26 6-7.) Given the many substantial disputes that remain between
27 the settling parties as to the merits of plaintiff's FLSA claims,
28 the court concludes that this settlement represents the

1 resolution of multiple bona fide disputes.

2 In determining whether a settlement under the FLSA is
3 fair and reasonable, this court will adopt a "totality of
4 circumstances approach that emphasizes the context of the case
5 and the unique importance of the substantive labor rights
6 involved." See Selk v. Pioneers Mem'l Healthcare Dist., 159 F.
7 Supp. 3d 1164, 1173 (S.D. Cal. 2016). A settlement that reflects
8 "a fair and reasonable compromise of issues that are actually in
9 dispute may be approved to promote the efficiency of encouraging
10 settlement of litigation." Wagner v. Cty. of Inyo, No. 1:17-CV-
11 00969 DAD JLT, 2018 WL 3203116, at *3 (E.D. Cal. June 28, 2018)
12 (citations omitted). This court finds that this settlement is
13 fair and reasonable for several reasons.

14 First, both parties were represented by counsel in
15 negotiations and understood that they were reaching a compromise
16 of their dispute. (Ferrannini Decl. ¶ 2.) The Settlement
17 reflects an actual compromise -- the amount is less than what
18 plaintiff counsel believes plaintiff's claims are worth but more
19 than Sugar Transport's counsel's valuation of plaintiff's claims.
20 (Compare Pagano Decl. ¶ 4 with Ferrannini Decl. ¶ 4.) This court
21 will give considerable weight to both counsel's opinions given
22 their familiarity with the litigation and their experience with
23 similar cases. See Larsen v. Trader Joe's Co., No. 11-CV-05188-
24 WHO, 2014 WL 3404531, at *5 (N.D. Cal. July 11, 2014) (doing the
25 same). The certainty of recovery also helps prevent plaintiff
26 from suffering from additional damage if he does not prevail at
27 trial, further indicating that this settlement is a legitimate
28 compromise. See Selk, 159 F. Supp. 3d at 1175.

1 Second, the settlement took place in an advanced stage
2 of the proceedings, after the settling parties had conducted
3 ample discovery relating to their claims and/or defenses.
4 (Pagano Decl. ¶ 5). In total, the parties to these proceedings
5 took thirteen depositions and exchanged a voluminous number of
6 documents that were reviewed by counsel. (Id.) "A settlement
7 that occurs in an advanced stage of the proceedings indicates
8 that the parties carefully investigated the claims before
9 reaching a resolution." Ontiveros v. Zamora, 303 F.R.D. 356, 371
10 (E.D. Cal. 2014).

11 Third, the settling parties reached an agreement
12 following participation in a multi-day JAMS mediation session in
13 front of an experienced mediator. (See Ferrannini Decl. ¶ 2-3.)
14 Participation in mediation supports "the conclusion that the
15 settlement process was not collusive." Ogbuehi v. Comcast of
16 Cal./Colo./Fla./Or., Inc., 303 F.R.D. 337, 350 (E.D. Cal. 2014)
17 (Mueller, J.) (citation omitted). It also indicates that the
18 parties carefully investigated their claims by considering a
19 neutral opinion in evaluating the strength of their arguments.
20 See Ontiveros, 303 F.R.D. at 371.

21 Given these findings, the court concludes that the
22 settlement reached is a fair and reasonable resolution of bona
23 fide disputes. No party has opposed the Joint Request for
24 Dismissal with Prejudice, and the court will grant the request.

25 IT IS THEREFORE ORDERED that the Joint Motion for
26 Approval of Settlement and Request for Dismissal with Prejudice
27 (Docket No. 112) of this action as against Sugar Transport be,
28 and the same hereby is, GRANTED.

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Dated: November 1, 2018



WILLIAM B. SHUBB
UNITED STATES DISTRICT JUDGE