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4 UNITED STATES DISTRICT COURT  
5 NORTHERN DISTRICT OF CALIFORNIA  
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7 MIHAIL SLAVKOV, ET AL.,

Case No.14-cv-04324-JST

8 Plaintiffs,

**ORDER APPROVING SETTLEMENT**

9 v.

Re: ECF No. 125

10 FAST WATER HEATER PARTNERS I,  
11 LP, et al.,

12 Defendants.

13 Before the Court is the parties' joint motion for approval of settlement. ECF No. 125.<sup>1</sup>

14 The Court will grant the motion.

15 **I. BACKGROUND**

16 Plaintiffs Mihail Slavkov, Nikola Vlaovic, Martin Arnaudov, Dale Weise, Kevin Yarnell,  
17 Carlos Gomez, Francisco Magana, Robert Gutierrez and Jose Alfredo Vasquez ("Plaintiffs"),  
18 allege that Defendants Fast Water Heater Partners I, LP d/b/a Fast Water Heater Company; FWH  
19 Acquisition Company, LLC d/b/a Fast Water Heater Company; Jeffrey David Jordan; and Jason  
20 Sparks Hanleybrown ("Defendants"), violated the Fair Labor Standards Act ("FLSA") and the  
21 Private Attorneys General Act ("PAGA"), among other allegations in the operative Third  
22 Amended Complaint ("TAC"). ECF No. 115. Defendants deny Plaintiffs' allegations. ECF No.  
23 116.

24 After multiple attempts, the parties reached a settlement, and on June 14, 2017, the parties  
25 filed a joint motion for approval of that settlement. ECF No. 125 (filing includes the motion and  
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27 <sup>1</sup> The parties originally filed a redacted version of their Settlement Agreement. ECF No. 123.  
28 Following an order from the Court, ECF No. 124, the parties renewed their motion, relying on an  
unredacted version of the Settlement Agreement. ECF No. 125.

1 Settlement Agreement). The total amount of the settlement is \$345,000.00. Settlement  
 2 Agreement ¶ V.A. Of that amount, \$7,500 is PAGA penalties, which will go to the California  
 3 Labor and Workforce Development Agency. Settlement Agreement ¶ V.B. Plaintiffs will receive  
 4 the following payments:

5 <b>Plaintiff</b>	<b>Settlement Amount</b>
6 Arnaudov	\$8,592.78
7 Slavkov	\$4,638.42
8 Vlaovic	\$7,933.72
9 Magna	\$18,262.74
10 Gutierrez	\$26,089.58
11 Vasquez	\$19,380.86
12 Gomez	\$14,908.38
13 Weise	\$11,811.89
14 Yarnell	\$11,811.89

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 16 ECF No. 129 at 6-7. The remainder of the settlement compensates Plaintiffs’ counsel for their  
 17 fees and costs. ECF No. 125 at 6. The Settlement Agreement also includes a general release for  
 18 the California Plaintiffs, and, for the Oregon Plaintiffs, a release of any claims that were or could  
 19 have been brought based on the allegations in the TAC. Agreement ¶ VI. The parties agree that  
 20 Court approval is required to settle Plaintiffs’ FLSA and PAGA claims.

21 **II. ANALYSIS**

22 **A. FLSA**

23 FLSA was enacted for the purpose of protecting workers from substandard wages and  
 24 oppressive working hours. Barrentine v. Arkansas-Best Freight System, Inc., 450 U.S. 728, 739  
 25 (1981). The Eleventh Circuit<sup>2</sup> has explained that, to approve a FLSA settlement, a court must

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 27 <sup>2</sup> Ninth Circuit has not established the criteria that a district court must consider in determining  
 28 whether an FLSA settlement warrants approval, but district courts in this circuit have followed  
Lynn’s Food Stores. See McKeen-Chaplin v. Franklin Am. Mortg. Co., No. C 10-5243 SBA, 2012  
 WL 6629608, at \*2 n.3 (N.D. Cal. Dec. 19, 2012) (citing cases).

1 conclude that the settlement agreement is “a fair and reasonable resolution of a bona fide dispute.”  
2 Lynn’s Food Stores, Inc. v. United States, 679 F.2d 1350, 1353-55 (11th Cir. 1982). In this  
3 district, courts have concluded that settlements are reasonable when they equal between 70% and  
4 100% of a plaintiff’s FLSA damages. See Lee v. The Timberland Co., No. C 07-2367 JF, 2008  
5 WL 2492295, at \*2 (N.D. Cal. June 19, 2008) (70%); Nen Thio v. Genji, LLC, 14 F. Supp. 3d  
6 1324, 1337–38 (N.D. Cal. 2014) (100%); Dunn v. Teachers Ins. & Annuity Ass’n of Am., No. 13-  
7 CV-05456-HSG, 2016 WL 153266, at \*5 (N.D. Cal. Jan. 13, 2016) (over 100%); Kempen v.  
8 Matheson Tri-Gas, Inc., No. 15-CV-00660-HSG, 2016 WL 4073336, at \*11 (N.D. Cal. Aug. 1,  
9 2016) (100%). Here, the payments to the individual Plaintiffs represent 100-344% of their  
10 estimated FLSA damages. ECF No. 129 at 6-7. This is a reasonable resolution of Plaintiffs’  
11 claims, particularly in light of the significant risk in litigating the case through to trial. ECF No.  
12 125 at 9 (e.g., Defendants would dispute liability and challenge joinder). Moreover, every  
13 Plaintiff endorsed the Settlement Agreement. ECF No. 125 at 9.

14 The releases negotiated under the Settlement Agreement are also reasonable in light of the  
15 fact that they apply only to the individual Plaintiffs; the class claims were dropped from the TAC.  
16 ECF No. 115. Finally, Plaintiffs’ attorneys have accepted a substantial reduction in fees compared  
17 with their lodestar in this case, which they further reduced to ensure that each named Plaintiff  
18 received 100% of his or her FLSA damages. ECF No. 125 at 9-10; ECF No. 129 at 6.

19 The Court approves the settlement of Plaintiffs’ FLSA claims.

### 20 **B. PAGA**

21 A reviewing court may judicially approve settlement of PAGA claims after a dispute has  
22 arisen. See Iskanian v. CLS Transp. Los Angeles, LLC, 59 Cal. 4th 348, 383 (2014); In re Uber  
23 FCRA Litig., No. 14-CV-05200-EMC, 2017 WL 2806698, at \*7 n.4 (N.D. Cal. June 29, 2017).  
24 Here, the Court concludes that the \$7,500 PAGA payment is reasonable when measured against  
25 the total overall settlement and the possible weaknesses in Plaintiffs’ case. Id. (approving \$7,500  
26 PAGA payment); Chavez v. Lumber Liquidators, Inc., No. CV-09-4812 SC, 2015 WL 2174168,  
27 at \*2 (N.D. Cal. May 8, 2015) (same); Sarinana v. DS Waters of America, Inc., No. 3:13-CV-  
28 00905-EMC, 2014 WL 12709948, at \*2 (N.D. Cal. July 9, 2014) (approving \$5,000 PAGA  
payment).

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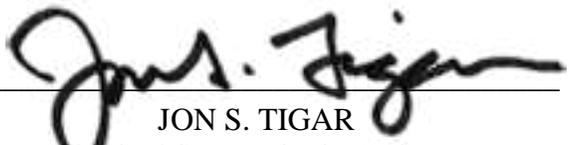
The Court approves the settlement of Plaintiffs' PAGA claims.

**CONCLUSION**

The Court grants judicial approval of the settlement of Plaintiffs' claims under FLSA and PAGA. This matter and Plaintiffs' Third Amended Complaint shall be dismissed with prejudice following the occurrences outlined in Sections VI(F) & XII of the Agreement, i.e., Plaintiffs' filing a dismissal with prejudice following the satisfaction of the contractual conditions precedent for the filing of that dismissal set forth in Sections VI(F). The Court will retain jurisdiction over this matter for the purposes of effectuating and enforcing the terms of the Agreement.

IT IS SO ORDERED.

Dated: July 25, 2017

  
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JON S. TIGAR  
United States District Judge