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FILED KERN COUNTY SUPERIOR COURT 04/13/2021

BY <u>Griffith, Kasey</u> DEPUTY

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF KERN

EDGAR SANCHEZ, individually, and on behalf of other members of the general public similarly situated;

Plaintiffs,

v.

SUNPOWER CORPORATION, a Delaware Corporation; and DOES 1 through 100, inclusive;

Defendants.

Case No: BCV-18-102563-SDS

Honorable Stephen D. Schuett Department 10

CLASS ACTION

[PROPOSED] ORDER OF FINAL APPROVAL AND JUDGMENT

Hearing Date: April 13, 2021 Hearing Time: 8:30 a.m. Hearing Place: Dept. 10

Complaint Filed: October 9, 2018 Jury Trial: None Set The Court, having read the papers filed with regard to Plaintiffs' motion for final approval of a class action settlement and award of the Class Counsel Award (consisting of the Class Counsel Fees and Class Counsel Expenses), and Class Representative Enhancements, and after considering the papers submitted in support of the motion, including the Stipulation for Class, Collective, and Representative Action Settlement and Release ("Settlement Agreement," "Settlement," or "Agreement"), hereby FINDS AND ORDERS as follows:

This is a putative class action. Plaintiffs Edgar Sanchez, Christopher Heard, and Manual Tobar ("Plaintiffs," "Plaintiff Sanchez," "Plaintiff Heard," and "Plaintiff Tobar") are former employees of Defendant Sunpower Corporation ("Defendant"). The operative complaint in the action asserts ten (10) causes of action for wage and hour violations. Plaintiffs have brought this action on behalf of two Classes:

- (1) all current and former field employees who worked for Defendant (whether hired directly by Defendant or hired indirectly by a staffing agency) in the State of California at any time from October 10, 2014 through February 12, 2020 ("California Class" and "Class Periods"); and
- (2) all current and former field employees who worked for Defendant (whether hired directly by Defendant or hired indirectly by a staffing agency) in the United States outside of the State of California at any time from March 28, 2016 through February 12, 2020 ("FLSA Class" and "Class Period").

There are seven hundred twenty-five (725) California Class Members and two hundred fifty-two (252) FLSA Class Members. There are seven hundred twenty-five (725) California Participating Class Members and thirty-seven FLSA Participating Class Members.

On September 8, 2020, the Court preliminarily approved the proposed class action settlement. Plaintiffs now move for Final Approval of Class Action Settlement.

The terms used in this Order of Final Approval and Judgment shall have the same meaning as defined in the Settlement Agreement except as may otherwise be ordered.

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The following Classes are certified for purposes of settlement only:

- (1) all current and former field employees who worked for Defendant (whether hired directly by Defendant or hired indirectly by a staffing agency) in the State of California at any time from October 10, 2014 through February 12, 2020; and
- (2) all current and former field employees who worked for Defendant (whether hired directly by Defendant or hired indirectly by a staffing agency) in the United States outside of the State of California at any time from March 28, 2016 through February 12, 2020

Generally, "questions whether a settlement was fair and reasonable, whether notice to the class was adequate, whether certification of the class was proper, and whether the attorney fee award was proper are matters addressed to the trial court's broad discretion." (*Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 234-235, *citing Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794.)

In determining whether a class settlement is fair, adequate and reasonable, the trial court should consider relevant factors, such as "the strength of plaintiffs' case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction of the class members to the proposed settlement.

(Wershba v. Apple Computer, Inc., supra, 91 Cal.App.4th at pp. 244-245, citing Dunk, supra, 48 Cal.App.4th at p. 1801 and Officers for Justice v. Civil Service Com'n, etc. (9th Cir. 1982) 688 F.2d 615, 624.)

"The list of factors is not exclusive and the court is free to engage in a balancing and weighing of factors depending on the circumstances of each case." (Wershba v. Apple Computer, Inc., supra, 91 Cal.App.4th at p. 245.) The court must examine the "proposed settlement agreement to the extent necessary to reach a reasoned judgment that the agreement is not the product of fraud or overreaching by, or collusion between, the negotiating parties, and that the settlement, taken as a whole, is fair, reasonable and adequate to all concerned." (Ibid., quoting Dunk, supra, 48 Cal.App.4th at p. 1801 and Officers for Justice v. Civil Service Com'n, etc., supra, 688 F.2d at p. 625, internal quotation marks omitted.)

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The burden is on the proponent of the settlement to show that it is fair and reasonable. However "a presumption of fairness exists where: (1) the settlement is reached through arm's-length bargaining; (2) investigation and discovery are sufficient to allow counsel and the court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small."

(Wershba v. Apple Computer, Inc., supra, 91 Cal.App.4th at p. 245, citing Dunk, supra, 48 Cal.App.4th at p. 1802.)

Although [t]here is usually an initial presumption of fairness when a proposed class settlement ... was negotiated at arm's length by counsel for the class, ... it is clear that the court should not give rubber-stamp approval. Rather, to protect the interests of absent class members, the court must independently and objectively analyze the evidence and circumstances before it in order to determine whether the settlement is in the best interests of those whose claims will be extinguished. To make this determination, the factual record before the ... court must be sufficiently developed... . The proposed settlement cannot be judged without reference to the strength of plaintiffs' claims. The most important factor is the strength of the case for plaintiffs on the merits, balanced against the amount offered in settlement. The court must stop short of the detailed and thorough investigation that it would undertake if it were actually trying the case, but nonetheless it must eschew any rubber stamp approval in favor of an independent evaluation.

(Kullar, supra, 168 Cal.App.4th at p. 130, internal citations and quotation marks omitted.)

Defendant will pay \$800,000, which includes Settlement Administration Costs in the amount of \$15,000; payment to the California Labor and Workforce Development Agency ("LWDA") in the amount of \$22,500, which is seventy-five percent (75%) of \$30,000 allocated to Plaintiffs' claims under the Private Attorneys General Act of 2004 ("PAGA"); Class Representative Enhancements of \$10,000 to each Plaintiff; Class Counsel Fees of up to \$304,000; Class Counsel Expenses in the amount of \$17,459.47; and Individual Settlement Shares to be paid directly to California Class Members who do not submit a valid letter requesting to be excluded from the Settlement ("California Participating Class Members") and FLSA Class Members who properly opt in to the Settlement ("FLSA Participating Class Members") (collectively, "Participating Class Members") as class relief. There is no reversion. Funding of the settlement will be made as follows:

Defendant shall deposit via electronic wire transfer into the Qualified Settlement Account the Gross Settlement Amount within fifteen (15) calendar days of the Effective Date. Defendant shall deposit into the Qualified Settlement Account to be established by the Settlement Administrator the Gross Settlement Amount less any funds associated with estimated Individual Settlement Shares allocated to FLSA Class Members who do not opt into the Settlement. The funds in the Qualified Settlement Account shall be used to pay: (1) Individual Settlement Payments; (2) the Class Counsel Award; (3) the Class Representative Enhancement payments; (4) Settlement Administration Costs; and (5) the PAGA Payment.

As noted in the Preliminary Approval Order, the Proposed Settlement is entitled to a presumption of fairness. In their moving papers, Plaintiffs contend that the proposed Settlement was the product of arms-length negotiations following extensive litigation and following extensive discovery and exchange of documentation relating to the claims made by Plaintiffs. The negotiations were facilitated with the assistance of an experienced wage and hour mediator, Steve Serratore, Esq.

Any checks issued by the Settlement Administrator to Participating Class Members shall remain valid and negotiable for one hundred eighty (180) calendar days from the date of their issuance. The total amount of any such uncashed checks shall be donated to Legal Aid at Work, a Section 501(c)(3) corporation, as a *cy pres* beneficiary within thirty (30) calendar days of the last day any issued check remains valid and negotiable.

The Plaintiffs have explained the risks and costs associated with continuing with the litigation and the benefits conferred upon Class Members in the form of immediate compensation. Plaintiffs have satisfactorily assessed the maximum value of the claims and of the reasonableness of the discount accepted in the settlement in light of these risks. Finally, the Declaration of the Settlement Administrator, Kevin Lee, states that the California Notice of Settlement sent to California Class Members and the FLSA Notice of Settlement and Consent to Join Form sent to FLSA Class Members (collectively, "Notice Packets") were sent to seven hundred twenty-five (725) California Class Members and two hundred fifty-two (252) FLSA Class Members, and there were no objections to the Settlement and no requests for exclusion from California Participating Class Members. This is further proof of the fairness of the Settlement. The Declarations of Class Counsel provide sufficient

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information about counsels' experience in litigating class action lawsuits.

The Court also has an independent right and responsibility to review the requested attorneys' fees and only award so much as it determines reasonable. (See Garabedian v. Los Angeles Cellular Telephone Co. (2004) 118 Cal.App.4th 123, 127-128.) The amount of Class Counsel Fees requested by Class Counsel is in the sum of \$304,000 is thirty-eight percent (38%) of the common fund created for the benefit of the Class Members and are supported by use of the percentage-fee method. (See Laffitte v. Robert Half International, Inc. (2016) 1 Cal. 5th 480, 504.) According to the Declarations of Douglas Han and Ashkan Shakouri, Class Counsel collectively expended 584.9 hours with a total lodestar figure of \$351,530. Even under the lodestar cross-check, the requested fee is below the lodestar. Considering the contingent nature of the representation and the ongoing monitoring of the settlement administration, the requested hourly rates and the fee is justified. The Court finds that the fee request is reasonable, and it is therefore approved.

The Court has also reviewed Class Counsel's declarations regarding the costs expended in the prosecution of this litigation. Under the terms of the settlement, Plaintiffs may seek reimbursement for Class Counsel Expenses in an amount up to \$20,000. The Court finds that Plaintiffs have expended \$17,459.47, in costs and expenses, and that such costs and expenses were reasonable. Therefore, the Court approves the payment of \$17,459.47 from the Gross Settlement Amount as reimbursement for Class Counsel Expenses.

The rationale for making Class Representative Enhancements to the Class Representatives is that they should be compensated for the expense or risk they have incurred in conferring a benefit on other members of the Classes. Such Class Representative Enhancements are appropriate if they are necessary to induce an individual to participate in the suit. Criteria courts may consider in determining whether to make an enhancement payment include: 1) the risk to the class representative in commencing suit, both financial and otherwise; 2) the notoriety and personal difficulties encountered by the class representative; 3) the amount of time and effort spent by the class representative; 4) the duration of the litigation; and 5) the personal benefit (or lack thereof) enjoyed by the class representative as a result of the litigation.

The Court has reviewed the Declarations of Plaintiff Sanchez, Plaintiff Heard, and Plaintiff Tobar, which outline their involvement in the lawsuit. Given the risks inherent in service as Class Representatives, the duration of the case and time involved, and the benefits created for the class, the Court approves a Class Representative Enhancements in the amount of \$10,000 to each Plaintiff.

The Court has reviewed the Declaration of Kevin Lee, the Settlement Administrator from Phoenix Class Action Administration Solutions ("Phoenix"), the Court-approved Settlement Administrator. The Court finds that notice was provided to the Classes pursuant to the preliminary approval order, and that notice was sufficient and that it satisfies due process. Phoenix has discharged its duties to provide notice to the Classes and approves a payment of \$15,000 for its services in administering this settlement, including the mailing of Individual Settlement Shares according to the terms of the Settlement Agreement.

Upon Final Approval by the Court of the Settlement Agreement and payment of amounts set forth in the Settlement Agreement, and except as to such rights or claims as may be created by the Settlement Agreement, Participating Class Members, on behalf of themselves and their heirs and assigns, release Defendant, including its current or former parent, subsidiary, or affiliate entities, and each of their owners, officers, directors, members, managers, employees, attorneys, insurers, assigns, shareholders, successors, predecessors, and agents (collectively, the "Released Parties") from the rights or claims set forth in the Settlement Agreement ("Released Claims").

This Order of Final Approval and Judgment, the Settlement Agreement, the settlement which the Settlement Agreement reflects, and any and all acts, statements, documents or proceedings relating to the settlement are not, and shall not be construed as, or used as an admission by or against Defendant or any other Released Party of any fault, wrongdoing, or liability on their part, or of the validity of any Released Claim or of the existence or amount of damages.

Except as otherwise provided in this Order of Final Approval and Judgment, the parties shall bear their own costs and attorney's fees.

For the reasons set forth above, the Motion for Final Approval of Class Action Settlement, Class Counsel Award, and Class Representative Enhancements are GRANTED. The Settlement Administrator is directed to carry out the terms of the Settlement Agreement forthwith.

Notice of the Final Judgment shall be given by posting the final judgment on the Settlement Administrator's website. THE PARTIES ARE HEREBY ORDERED TO COMPLY WITH THE TERMS OF THE SETTLEMENT AGREEMENT. PURSUANT TO CALIFORNIA RULES OF COURT 3.769, THE COURT HEREBY ENTERS FINAL JUDGMENT BASED UPON THE TERMS OF THIS ORDER AND SETTLEMENT AGREEMENT AND, WITHOUT AFFECTING THE FINALITY OF THIS MATTER, RETAINS EXCLUSIVE AND CONTINUING JURISDICTION TO ENFORCE THIS ORDER, THE SETTLEMENT AGREEMENT, AND THE JUDGMENT THEREON. IT IS SO ORDERED. Signed: 4/13/2021 08:57 AM DATED: 04/13/2021 HONORABLE STEPHEN D. SCHUETT SUPERIOR COURT JUDGE