I	Case 3:21-cv-03776-AGT	Document 34	Filed 12/09/22	Page 1 of 12		
1 2 3 4 5 6 7 8	DONNA R, ZIEGLER [142415] County Counsel SCOTT J. FEUDALE [242671] Deputy County Counsel Office of County Counsel, County of A 1221 Oak Street, Suite 450 Oakland, California 94612 Telephone: (510) 272-6700 Attorney for Defendant County of Alar JOSEPH GRUCHAWKA [303548] The Law Office of Joseph Gruchawka 725 College Avenue Santa Rosa, CA 95404 Telephone: (707) 843-7085 Email: joseph@lawofficeofjg.com					
9	Attorney for Plaintiff Aram Bronston					
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12	UNITED STATES DISTRICT COURT					
13	NORTHERN DISTRICT OF CALIFORNIA					
14	SAN FRANCISCO DIVISION					
15		ŕ	Case No : 2:21 o	·· 02276 ACT		
16	ARAM BRONSTON, Plaintiff,		Case No.: 3:21-c	N FOR APPROVAL		
17 18	v.		OF SETTLEME	IN FOR AFFROVAL ENT AGREEMENT IT ENTRY OF A		
19	COUNTY OF ALAMEDA,		STIPULATED DISMISSAL			
20	Defendar	11.	Date: TBA Time: TBA			
21			Dept: San Franc 15th Floor			
22				 the set framework 		
23	I. INTRODUCTION					
24	Plaintiff Aram Bronston ("Plaintiff") and Defendant County of Alameda ("Defendant")					
25	file this joint motion for approval of settlement of Plaintiff's claim under the Fair Labor					
26	Standards Act ("FLSA") and to permit entry of a stipulated dismissal.					
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	Jt. Mot. Approval Set. Agreement & Entry Stip.	Dismissal, Case No. 3	3:21-cv-03376-AGT	1		
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II. FACTUAL AND PROCEDURAL HISTORY

Between November 19, 2018, and August 21, 2020, Plaintiff worked for Defendant's Emergency Medical Services Agency as an Emergency Medical Services Coordinator ("EMS Coordinator"), initially on a provisional basis from November 19, 2018, to March 21, 2020, and then as a permanent hire on probationary status from March 22, 2020, to August 21, 2020. As an EMS Coordinator, Plaintiff was assigned to serve as the Regional Disaster Medical Health Specialist ("RDMHS") for Region II, which is comprised of sixteen counties in Northern California, including the County of Alameda.

The RDMHS is unique County position that is partially funded under a contract between the State's Emergency Medical Services Authority and EMS. In his role as RDMHS, Plaintiff was tasked with coordinating Regional medical and health responses in the event of an epidemic, natural disaster, power shutoff, or other situation requiring the coordination of medical and health needs.

Plaintiff contends that Defendant misclassified his position as exempt from section 207 of the FLSA. Section 207 requires employers engaged in interstate commerce to pay its employees one-and-a-half times their regular rate of compensation for any time worked in excess of a fortyhour workweek. Plaintiff contends that during his employment with Defendant he worked approximately 1,400 hours of overtime.

Defendant contends that Plaintiff's position fell within the FLSA's administrative and highly compensated employee exemptions to its overtime requirement because: (1) Plaintiff met the weekly and annual salary requirements for each exemption; (2) performed non-manual work directly related to the County and the State's general business operations; and (3) exercised discretion and independent judgment as to matters of significance.

Plaintiff disputes that his job duties as RDMHS were directly related to the County's general business operations, and required him to exercise discretion and independent judgment with respect to matters of significance.

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On March 23, 2021, Plaintiff filed a lawsuit in state court seeking relief under the FLSA for the unpaid overtime wages that he alleges he is owed. On May 19, 2021, Defendant removed Plaintiff's complaint to federal court under 28 U.S.C. § 1441(a). (Docket No. 1.) Following a brief period of discovery, Defendant moved for summary judgment arguing that Plaintiff was not entitled to overtime compensation because his job duties fell within the FLSA's administrative and highly compensated employee exemptions. (Docket No. 15.) Plaintiff opposed Defendant's motion. (Docket No. 16.)

On August 15, 2021, the Court denied Defendant's summary judgment motion finding there to be genuine issues of material fact as to the second and third elements of the administrative exemption and the second element of the highly compensated employee exemption. (Docket No. 22.)

The Court subsequently referred the matter to Magistrate Judge Donna Ryu for a settlement conference. (Docket No. 28.) Judge Ryu held a settlement conference on November 7, 2022, during which the parties reached a settlement agreement, conditioned upon this Court's approval. (Docket Nos. 31 & 33.) Accordingly, the parties bring this joint motion.

III. ARGUMENT

The FLSA requires employers engaged in interstate commerce to pay their employees for any work performed beyond a forty-hour workweek at a rate of one and a half times their regular rate of compensation. 29 U.S.C. § 207(a)(1).

Employees cannot waive their claims under the FLSA; such claims may only be settled under the Supervision of the Secretary of Labor or a district court. *See D.A. Schulte, Inc. v. Gangi*, 328 U.S. 108, 113 n. 8 (1947) (disallowing private settlements of FLSA claims but distinguishing such settlements from stipulated judgments because the later has the inherent protection of judicial scrutiny); *Seminiano v. Xyris Enter., Inc.*, 602 Fed.Appx. 682, 683 (9th Cir. 2015) ("FLSA claims may not be settled without approval of either the Secretary of Labor or a district court."); *Yue Zhou v. Wang's Rest.*, No. C 05-0279 PVT, 2007 WL 172308, at *1 (N.D.

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Cal. Jul. 17, 2007) ("An employee's claims under the FLSA are not waivable, and thus may not be settled without supervision of the Secretary of Labor or a district court.")

3 In the context of a lawsuit brought by an employee to recover back wages for FLSA violations, the proper procedure for obtaining court approval of a settlement agreement is to 4 5 present to the district court a proposed settlement, which determines whether the settlement 6 agreement is a "fair and reasonable resolution of a bona fide dispute over FLSA provisions." 7 Lynn's Food Stores v. United States, 679 F.2d 1350, 1353, 1355 (11th Cir. 1982), and if so, 8 permits the parties to file a stipulated dismissal with prejudice under Federal Rule of Civil 9 Procedure 41(a)(1)(A)(ii.) Cheeks v. Freeport Pancake House, Inc., 796 F.3d 199, 206 (2d Cir. 10 2015 ("Rule 41(a)(1)(A)(ii) stipulated dismissals settling FLSA claims with prejudice require 11 approval of the district court or the DOL [Department of Labor] to take effect."); see also, Yue Zhong, 2007 WL 172308, at *1-2; Jarrard v. Se. Shipbuilding Corp., 163 F.2d 960, 961 (5th Cir. 12 1947.) Ultimately, "[i]f a settlement in an employee FLSA suit does reflect a reasonable 13 compromise over issues . . . that are actually in dispute . . . the district court [may] approve the 14 15 settlement in order to promote the policy of encouraging settlement of litigation." Lynn Foods, 16 Inc., 679 F.2d at 1354.

17 Here, as noted by the Court's findings in its order denying Defendant's motion for 18 summary judgment, there is a genuine issue of material fact as to whether Plaintiff is exempt 19 from section 207 of the FLSA. The briefing provided by the parties within the context of 20 Defendant's summary judgment motion shows that there are multiple legal and factual issues to 21 evaluate in this case, including whether: (1) Plaintiff's job duties as the Regional Disaster 22 Medical Health Coordinator fell within the FLSA's administrative and/or highly compensated 23 employee exemptions; and (2) whether Defendant acted in good faith in classifying Plaintiff's 24 position as FLSA exempt. Defendant also disputes the number of hours Plaintiff claims to have 25 worked.

Accordingly, the parties believe that the proposed settlement agreement, which is attached to this motion as Exhibit A, reflects a reasonable compromise of these difficult issues

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and request that the Court approve this approve this proposed agreement.

The proposed agreement—which was reached after several hours of negotiations mediated by an experienced trial judge—represents approximately seventy one percent of the overtime pay Plaintiff alleges that he is due and seventy-four percent of the attorney's fees and costs that Plaintiff claims would be recoverable as of the date of the settlement conference were this matter to proceed to trial.

Accordingly, the parties submit that this agreement reflects a fair and reasonable compromise of this FLSA dispute and the parties request that the Court so find.

IV. CONCLUSION

In the interest of justice, and in furtherance of the policy of promoting settlement of litigation, the parties respectfully request that the Court approve the proposed settlement agreement and permit the parties to file a stipulation to dismiss this action with prejudice following Plaintiff's receipt of the settlement payment.

DATED: December 9, 2022

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DONNA R. ZIEGLER, County Counsel in and for the County of Alameda, <u>State of California</u>

By SCOTT J. FEUDALE

Deputy County Counsel Attorneys for County of Alameda

Dated: December 9, 2022

The Law Office of Joseph Gruchawka

By

GOSEPH GRUCHAWKA Attorney for Plaintiff Aram Bronston

Exhibit A

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RELEASE AND SETTLEMENT AGREEMENT

This Release and Settlement Agreement ("Agreement") is entered into by and between Plaintiff Aram Bronston (hereinafter referred to as "Plaintiff") and Defendant County of Alameda (hereinafter referred to as "Defendant" or "County"). Plaintiff and Defendant shall collectively be referred to as the "Parties."

This Agreement is contingent and only enforceable upon the Court's approval of it. To that end, the Parties shall file a joint motion requesting Court approval of the Agreement following its full execution.

RECITALS

A. Plaintiff was employed by the County of Alameda between November 18, 2018, and August 21, 2020, as an Emergency Medical Services Coordinator in the County's Emergency Medical Services Agency.

B. Plaintiff filed a lawsuit in the Superior Court of California, County of Alameda, entitled *Bronston v. County of Alameda*, Case No. RG21094751. Defendant subsequently removed the case to federal court. The case now bears the title *Bronston v. County of Alameda*, Case No. 3:21-cv-03776-AGT. In his complaint ("Plaintiff's Complaint"), Plaintiff alleged that Defendant violated section 207 of the Fair Labor Standard Act ("FLSA") by failing to pay him overtime for the approximately 1,400 hours he alleges that he worked beyond a 40-hour workweek during his employment with Defendant.

C. Defendant asserts that Plaintiff was properly classified as an exempt employee and was not entitled to overtime payments and expressly denies any and all liability for claims asserted against it.

D. Despite their good faith dispute, the Parties desire to compromise and fully and finally resolve all claims made in this action, or arising from the allegations raised in Plaintiff's Complaint, and therefore freely and willingly enter into the agreement as set forth below. The parties agree that the settlement described herein is a fair and reasonable resolution of a bona fide dispute regarding entitlement to overtime under the FLSA.

AGREEMENT

NOW, THEREFORE, based upon the above recitals and in consideration of the promises made herein, the Parties hereby agree as follows:

1. County shall issue a valid draft payable to Plaintiff in the sum of \$97,468.82 in satisfaction of the unpaid overtime wages Plaintiff alleges that he is owed, and a second draft payable to The Law Office of Joseph Gruchawka in Trust of Aram Bronston in the sum of \$52,531.18 in satisfaction of the attorney's fees and costs Plaintiff claims that he

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is owed. The draft payable directly to Plaintiff shall be reported by Defendant on IRS form W-2 as wages paid to Plaintiff. The draft payable to The Law Office of Joseph Gruchawka in Trust of Aram Bronston shall be reported by Defendant on IRS form 1099-MISC in box 10, "Gross proceeds paid to an attorney." Both drafts shall be mailed to The Law Office of Joseph Gruchawka, 725 College Ave., Santa Rosa, CA 95404 via a delivery service with tracking. The tracking number shall be promptly provided to Plaintiff's attorney upon request.

2. Upon the full execution of this Agreement, Court approval of this Agreement, and payment of the settlement amount to Plaintiff, Plaintiff releases and forever discharges the County, its current and former supervisors, employees, attorneys, insurers, agents, heirs, executors, administrators, assignees, and successors (hereinafter referred to as "Released Parties") from any and all claims and demands of every kind and nature, in law, equity, or otherwise, including claims for costs, expenses, and attorney's fees, claims known and unknown, claims suspected and unsuspected, claims disclosed and undisclosed, actual, consequential, exemplary, and liquidated damages, and past, present, and future claims arising out of, or in any way related to, his employment with the County, including but not limited to, the incidents which are the subject of Plaintiff's Complaint. Notwithstanding the foregoing, Plaintiff reserves his right to bring an action to enforce this Agreement if necessary. In order for Plaintiff's release to come into effect, the following conditions must occur first: 1) this Agreement must be fully-executed and exchanged by the parties, 2) the Court must approve this settlement agreement, and 3) Plaintiff must receive the settlement amount specified in the Agreement.

3. The County hereby releases and forever discharges Plaintiff from any and all crossclaims that it has or may have against Plaintiff related to the allegations raised in Plaintiff's Complaint.

4. The Agreement is a compromise of disputed claims, and nothing contained herein is to be construed as an admission of liability on the part of Defendant, by whom liability is expressly denied. Accordingly, while this Agreement resolves all issues between the parties, it is not an adjudication of the merits of the allegations. Moreover, neither this Agreement nor anything in it shall be construed to be admissible in any proceeding as evidence of or an admission of liability by any of the Parties.

5. This is a full and final release applying to all unknown and unanticipated damages arising out of said incident as well as to those not disclosed, and Plaintiff waives all rights or benefits which Plaintiff now has or in the future may have under the terms of Section 1542 of the Civil Code of the State of California, which said section reads as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party. ۰.

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Plaintiff has been fully advised by his attorney of the contents of section 1542 of the Civil Code of the State of California, and that section and the benefits thereof are hereby expressly waived. By expressly waiving these rights, Plaintiff elects to assume all risks for claims known or unknown that are released under this Agreement. Plaintiff expressly acknowledges that this Agreement is intended to include in its effect, without limitation, all claims of whatever kind arising out of the Action and/or incidents and circumstances alleged in Plaintiff's Complaint, whether known or unknown, and that this Agreement extinguishes all such claims. Nevertheless, Plaintiff acknowledges that this Agreement has been negotiated and agreed upon in light of this realization and, being fully aware of the situation, hereby expressly waives any and all rights that he may have under California Civil Code section 1542, as well as under any state or federal law of similar effect.

6. Plaintiff understands and agrees that any and all tax liability, penalties, and interest, if any, which may become due or assessed against him because of the payment of this settlement is his sole responsibility, and he will pay any taxes, penalties and interest which may become due. The Plaintiff shall indemnify and hold harmless County from any tax, tax penalty, interest, attorney's fees, or other costs related to the failure by the Plaintiff to pay any tax liability assessed against him because of the payment of this settlement. Plaintiff will seek his own tax advice.

7. Plaintiff agrees that he shall list William McClurg as his supervisor on any employment application who will refer all prospective employers to the Health Care Services Agency's Human Resources Department. The Human Resources Department shall follow its standard practice, confirming Plaintiff's dates of employment and the position that Plaintiff held with the County. The County may additionally release Plaintiff's last salary. The County further agrees to change the August 21, 2020, letter noticing Plaintiff of his termination of employment to indicate that he was "released from probation" rather than "terminated from probation."

8. Upon the full execution of this Agreement, Court approval of this Agreement, and payment of the settlement amount to Plaintiff, Plaintiff abandons and dismisses with prejudice all of his causes of action growing out of the subject incident asserted against the Released Parties, including the above referenced action, and authorizes a dismissal with prejudice of said action against the Released Parties. To that effect, within ten calendar days of receipt of payment of the settlement amount by Plaintiff's counsel, the Parties shall execute and file a voluntary dismissal with prejudice with the Court. In order for Plaintiff's obligation to dismiss this action to come into effect, the following conditions must occur first: 1) this Agreement must be fully-executed and exchanged by the Parties, 2) the Court must approve this settlement agreement, and 3) Plaintiff must receive the settlement amount specified in this Agreement.

9. If any legal action or other proceeding is brought for enforcement of this Agreement, because of an alleged breach thereof, the prevailing party shall be entitled to recover reasonable attorney's fees and costs incurred in that action or proceeding, in addition to any other relief to which that party may be entitled.

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10. Plaintiff represents that there are no attorney or other liens, reimbursement or subrogation rights, or claims which remain outstanding or unresolved or that will in any way affect any party to this Agreement arising out of or related to the subject incident referred to above. Should there be any such liens, subrogation rights, or claims, Plaintiff agrees to pay them or make some other disposition that will not affect the rights of the Released Parties. Plaintiff represents, warrants, and agrees that he will indemnify, defend, and hold harmless the Released Parties from any cost, including attorneys' fees, loss, damage, or liability incurred by or imposed upon the Released Parties, or their insurance carriers, by reason of any of any existing or future attorney or other lien, reimbursement or subrogation right, claim, or cause of action arising out of the allegations set forth in the Complaint, including any and all liens, rights, or claims as to which the identity of the lienholder(s) or claimant(s) and/or the amount of the lien(s) or claim is presently unknown to Plaintiff or his attorney.

11. Plaintiff hereby represents and warrants that he has not heretofore assigned or transferred, or purported to assign or transfer, to any person or entity any claim or other matter related to the subject matter of the Complaint. In the event that Plaintiff has assigned or transferred, or purported to assign or transfer, any claim or other matter related to the subject matter or the Complaint, Plaintiff shall indemnify and hold harmless the Released Parties from and against any loss, claim, cost, or expense, including but not limited to all costs related to the defense of any action, including reasonable attorney's fees, based upon or arising out of, or incurred as a result of any such claim, assignment, or transfer.

12. The provisions of this Agreement shall extend to and inure to the benefit of and be binding upon each of the Parties to the Agreement, and that party's decedents, ancestors, dependents, heirs, executors, administrators, assignees, agents, servants, employees, representatives, and successors just as if each of the foregoing had executed this Release.

13. This Agreement and any other documents referred to herein shall in all respects be interpreted, enforced, and governed by and under the laws of the State of California.

14. Counsel for all parties have read and approved the language of this Release. The language of this Agreement shall be construed as a whole according to its fair meaning, and not strictly for or against any of the parties.

15. This Agreement may be executed in duplicate originals and/or counterpart which, taken together, shall constitute one and the same Agreement and shall be effective as of the date last written below.

16. Any person signing this Agreement for a party represents and warrants that he or she has express authority to sign this Agreement for that party and agrees to hold the opposing party harmless for any costs or consequences of the absence of actual authority to sign.

17. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof, and represents the complete, final, and exclusive expression of the terms and conditions of this Release. Any and all prior agreements, representations, negotiations, and undertakings made by the parties, oral or written, express or implied, are hereby suspended and merged herein. The Parties acknowledge that the terms of this Agreement are contractual in nature and not mere recitals. Each party has carefully read this Agreement, has been advised of its meaning and consequences by his/her/its respective attorney, and signs the same of his/her/its own free will. The Agreement may not be amended or modified except in writing signed by the Parties.

18. If any provision of this Agreement is held invalid, the invalidity shall not affect other provisions or applications of the Agreement which can be given effect without the invalid provision or application. To this end, the provisions of this Agreement are severable.

19. The Parties acknowledge that they have read this Agreement, that they fully understand their rights, privileges, and duties under the Agreement, and that they enter into this Agreement freely and voluntarily. The Parties further acknowledge that they have had the opportunity to consult with an attorney of their choice to explain the terms of this Agreement and the consequences of signing it.

20. Plaintiff hereby authorizes the County or its representative to issue the two settlement drafts in the sums mentioned in this Agreement, one made payable to Plaintiff, and one made payable to The Law Office of Joseph Gruchawka in Trust of Aram Bronston. Plaintiff hereby consents to and authorizes the delivery of said drafts to Plaintiff's counsel.

21. Contingent upon the Court's approval of this agreement, the County will execute two drafts payable to Plaintiff and The Law Office of Joseph Gruchawka in Trust of Aram Bronston, within thirty (30) calendar days of receipt of all necessary information and signatures required on this Agreement, an IRS W-4 to be completed and signed by Plaintiff, and two separate IRS W-9 forms to be completed and signed by Plaintiff and his counsel. The completed signed IRS W-4 signed by Plaintiff, and the completed signed IRS W-9 forms signed by Plaintiff and his counsel shall be transmitted to Defendant's counsel via email no later than November 14, 2022.

Dated: _____///6____, 2022

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Aram Bronston Signature:

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Dated: December G, 2022

President Board of Supervisors County of Alameda

Signature

Approved as to form:

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Dated: November 17, 2022

Office of the County Counsel

By (Signature):

Print Full Name and Title: Scott Feudale, Deputy County Counsel Attorney For Defendant, County of Alameda

Dated: November 16, 2022

Law Office of Joseph Gruchawka

By (Signature)

Print Full Name and Title: <u>Joseph Gruchawka</u>, Attorney for <u>Plaintiff Aram Bronston</u>

	Case 3:21-cv-03776-AGT Docu	ment 34-1	Filed 12/09/22	Page 1 of 5	
1 2 3 4 5 6 7 8 9 10	DONNA R. ZIEGLER [142415] County Counsel SCOTT J. FEUDALE [242671] Deputy County Counsel Office of the County Counsel, County of Ala 1221 Oak Street, Suite 450 Oakland, California 94612 Telephone: (510) 272-6700 Attorney for Defendant County of Alameda JOSEPH GRUCHAWKA [303548] The Law Office of Joseph Gruchawka 725 College Avenue Santa Rosa, CA 95404 Telephone: (707) 843-7085 Email: joseph@lawofficeofjg.com Attorney for Plaintiff Aram Bronston	umeda			
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12	UNITED STATES DISTRICT COURT				
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14	SAN FRANCISCO DIVISION				
 15 16 17 18 19 20 21 22 23 	ARAM BRONSTON, V. COUNTY OF ALAMEDA, Defendant.		OINT MOTION ETTLEMENT A PERMIT ENTRY DISMISSAL Date: TBA Time: TBA	RDER GRANTING TO APPROVE AGREEMENT AND OF STIPULATED	
23 24 25 26 27 28	I. INTRODUCTION Before the Court is the parties' joint motion for Court approval of their settlement agreement and for the entry of a stipulated dismissal. After reviewing the parties' motion and the substance of the settlement agreement, the Court finds, for the reasons set forth below, that the agreement				
	[Proposed] Order Grant'g Jt. Mot. Approve Set. Agrmn	t. & Permit Ent	ry Stip. Dismissal, Cas	se No. 3:21-cv-03376-AGT	

is a fair and reasonable comprise of a bona fide dispute over whether Plaintiff Aram Bronston 2 ("Plaintiff") was entitled to overtime under the Fair Labor Standards Act ("FLSA") during his 3 years of employment with Defendant County of Alameda ("Defendant").

II. BACKGROUND

Between November 19, 2018, and August 21, 2020, Plaintiff, worked for Defendant's Emergency Medical Services Agency ("EMS") as an Emergency Medical Services Coordinator ("EMS Coordinator"). As an EMS Coordinator, Plaintiff was assigned to serve as the Regional Disaster Medical Health Specialist ("RDMHS") for Region II, which is comprised of sixteen counties in Northern California, including the County of Alameda.

The RDMHS is unique County position that is partially funded under a contract between the State's Emergency Medical Services Authority and EMS. In his role as RDMHS, Plaintiff was tasked with coordinating regional medical and health responses in the event of an epidemic, natural disaster, power shutoff, or other situation requiring the coordination of medical and health needs.

Plaintiff contends that Defendant misclassified his position as exempt from section 207 of the FLSA. Section 207 requires employers engaged in interstate commerce to pay its employees one-and-a-half times their regular rate of compensation for any time worked in excess of a fortyhour workweek. See 29 U.S.C. § 207(a). Plaintiff contends that during his employment with Defendant he worked approximately 1,400 hours of overtime.

Defendant contends that Plaintiff's position fell within the FLSA's administrative and highly compensated employee exemptions to its overtime requirement because: (1) Plaintiff met the weekly and annual salary requirements for each exemption; (2) performed non-manual work directly related to the County and the State's general business operations; and (3) exercised discretion and independent judgment as to matters of significance. See 29 C.F.R. §§ 541.200(a) & 541.601(a)(1).

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Plaintiff disputes that his job duties directly related to the County's general business operations and required him to exercise discretion and independent judgment with respect to matters of significance.

On March 23, 2021, Plaintiff filed a lawsuit in state court seeking relief under the FLSA for the unpaid overtime wages that he alleges he is owed. On May 19, 2021, Defendant removed Plaintiff's complaint to federal court under 28 U.S.C. § 1441(a). Following a brief period of discovery, Defendant moved for summary judgment arguing that Plaintiff was not entitled to overtime compensation because his job duties fell within the FLSA's administrative and highly compensated employee exemptions. Plaintiff opposed Defendant's motion.

On August 15, 2021, the Court denied Defendant's summary judgment motion finding there to be genuine issues of material fact as to the second and third elements of the administrative exemption and the second element of the highly compensated employee exemption.

The Court subsequently referred the matter to Magistrate Judge Donna Ryu for a settlement conference. Judge Ryu held a settlement conference on November 7, 2022, during which the parties reached a settlement agreement, conditioned upon this Court's approval.

III. DISCUSSION

The FLSA requires employers engaged in interstate commerce to pay their employees for any work performed beyond a forty-hour workweek at a rate of one and a half times their regular rate of compensation. 29 U.S.C. § 207(a)(1). Employees cannot waive their claims under the FLSA; such claims may only be settled under the Supervision of the Secretary of Labor or a district court. *See D.A. Schulte, Inc. v. Gangi*, 328 U.S. 108, 113 n. 8 (1947) (disallowing private settlements of FLSA claims but distinguishing such settlements from stipulated judgments because the later has the inherent protection of judicial scrutiny); *Seminiano v. Xyris Enter., Inc.*, 602 Fed.Appx. 682, 683 (9th Cir. 2015) ("FLSA claims may not be settled without approval of either the Secretary of Labor or a district court."); *Yue Zhou v. Wang's Rest.*, No. C 05-0279 PVT, 2007 WL 172308, at *1 (N.D. Cal. Jul. 17, 2007) ("An employee's claims under the FLSA

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are not waivable, and thus may not be settled without supervision of the Secretary of Labor or a 1 2 district court.")

3 In the context of a lawsuit brought by an employee to recover back wages for FLSA 4 violations, the proper procedure for obtaining court approval of a settlement agreement is to present to the district court a proposed settlement, and, after determining that the agreement is 5 fair and reasonable resolution of a bona fide dispute over FLSA provisions, the district court will 6 7 permit the parties to file a stipulation of dismissal with prejudice under Federal Rule of Civil 8 Procedure 41(a)(1)(A)(ii). Cheeks v. Freeport Pancake House, Inc., 796 F.3d 199, 206 (2d Cir. 9 2015) ("Rule 41(a)(1)(A)(ii) stipulated dismissals settling FLSA claims with prejudice require 10 approval of the district court or the DOL [Department of Labor] to take effect."); Lynn's Food Stores v. United States, 679 F.2d 1350, 1353, 1355 (11th Cir. 1982); Yue Zhong, 2007 WL 12 172308, at *1-2. Ultimately, "[i]f a settlement in an employee FLSA suit does reflect a 13 reasonable compromise over issues . . . that are actually in dispute . . . the district court [may] 14 approve the settlement in order to promote the policy of encouraging settlement of litigation." 15 *Lynn Foods, Inc.*, 679 F.2d at 1354.

Here, as noted by this Court's findings in its order denying Defendant's motion for summary judgment, there is a genuine issue of material fact as to whether Plaintiff is exempt from section 207 of the FLSA. The briefing provided by the parties within the context of Defendant's summary judgment motion shows that there are multiple legal and factual issues to evaluate in this case, including whether: (1) Plaintiff's job duties as the RDMHS fell within the FLSA's administrative and/or highly compensated employee exemptions; (2) Defendant acted in good faith in classifying Plaintiff's position as FLSA exempt; and (3) the amount of overtime hours that Plaintiff worked.

24 The Court finds that the proposed agreement—which represents approximately seventy 25 one percent of the overtime pay Plaintiff claims that he is due and seventy four percent of the 26 attorney's fees and costs that Plaintiff claims would be recoverable as of the date of the

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settlement conference were this matter to proceed to trial—reflects a reasonable compromise
 with respect to these difficult issues.

Accordingly, the Court finds that the settlement agreement reflects a fair and reasonable compromise of this FLSA dispute, and that it is in the interests of justice, and in furtherance of the policy of promoting settlement of litigation, to approve the parties' proposed settlement agreement and permit the parties to file a stipulated dismissal with prejudice.

IV. CONCLUSION

For the foregoing reasons, the parties' joint motion for approval of the proposed settlement agreement is **GRANTED**. The parties will be permitted to file a voluntary dismissal with prejudice fully resolving this action following Plaintiff's receipt of the settlement payment.

13	Dated:	, 2022
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By:__

ALEX G. TSE United States Magistrate Judge