D.LAW, INC.
David Yeremian (SBN 226337)
d.yeremian@d.law
David Keledjian (SBN 309135)
d.keledjian@d.law
Svetlana Hovhannisyan (SBN 357330)
l.hovhannisyan@d.law
450 N Brand Blvd., Suite 840
Glendale, CA 91203
Telephone: (818) 962-6465
Fax: (818) 962-6469

Attorneys for Plaintiff JOSHUA BARRANTES
on behalf of himself and others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SACRAMENTO

JOSHUA BARRANTES, on behalf of himself and all others similarly situated, and the general public,

Plaintiff,

v.

ADIDAS AMERICA, INC., an Oregon corporation; and DOES 1 through 50, inclusive,

Defendants.

Case No.: 24CV012723

CLASS ACTION

Assigned for All Purposes To:
Hon. Lauri A. Damrell

MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS AND PAGA ACTION SETTLEMENT

[Filed concurrently with Plaintiff's Notice of Motion and Motion; Declaration of David Keledjian; Declaration of Joshua Barrantes; Declaration of Jodey Lawrence; and [Proposed] Order]

Date: March 13, 2026
Time: 9:00 a.m.
Dept.: 22

Original Complaint Filed: June 25, 2024

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I. INTRODUCTION

Plaintiff Joshua Barrantes ("Plaintiff") seeks preliminary approval of a putative class and representative action settlement with Defendant adidas America, Inc. ("Defendant") (Plaintiff and Defendant are collectively referred to herein as "the Parties") on behalf of himself and a proposed class of all current and former employees within the State of California who, at any time from October 2, 2021, to November 30, 2025, are or were employed as non-exempt retail hourly employees by Defendant ("Class" or "Class Members"). After participating in mediation, the Parties reached a settlement in the gross amount of $1,147,500.00 to resolve the foregoing action, subject to this Court's final approval.

Pursuant to California Rules of Court 3.769(d) and (e), Plaintiff respectfully requests that this Court grant preliminary approval of the proposed settlement agreement between the Parties, the terms of which are set forth in the Amended Class and PAGA Settlement Agreement and Release ("Settlement Agreement" or "Settlement").[1] (See Declaration of David Keledjian ("Keledjian Decl."), Exhibit 1). The Settlement Agreement was reached after the Parties engaged in informal discovery and investigation, participated in mediation with a skilled mediator, and negotiated at arms-length through experienced counsel on both sides.

As discussed below, the proposed Settlement Agreement satisfies all criteria for preliminary approval under California law, falls well within the range of reasonableness, and is in the best interests of the Class. Accordingly, Plaintiff respectfully requests that the Court: (1) grant preliminary approval of the Settlement; (2) conditionally grant certification of the proposed Class solely for the purposes of Settlement, (3) approve the appointment of Phoenix Settlement Administrators ("Phoenix") as Settlement Administrator, (4) authorize the Settlement Administrator to send the Notice of Class Action and PAGA Settlement ("Class Notice"), attached to the Settlement Agreement as Exhibit A, to the Class Members, (5) appoint Plaintiff as the Class Representative and Plaintiff's Counsel as Class Counsel, (6) and schedule a final fairness and

[1] Class Counsel has reviewed the Court's "Checklist for Approval of Class Action and/or PAGA Settlements" and Local Rule 2.99.05 and certifies that this briefing complies with the checklist. (Keledjian Decl., ¶ 2.))

approval of settlement hearing.

II. STATUS OF THE LITIGATION

A. Procedural History

Plaintiff worked as an hourly-paid, non-exempt employee for Defendant and seeks to represent approximately 2,946 current and former non-exempt employees employed by Defendant in California at any time during the Class Period. (Keledjian Decl., ¶ 3.) Defendant is a for-profit business that lists its principal address with the California Secretary of State in Portland, Oregon, but owns and operates retail stores across California, including in Venice, Torrance, and Santa Monica, California. Plaintiff's position with Defendant was as a Retail Sales Associate and/or Sales and Service Lead in Defendant's retail store locations in Venice, Torrance, and Santa Monica. (*Id.*)

Plaintiff submitted a PAGA notice (LWDA-CM-987342-23) to the Labor and Workforce Development Agency ("LWDA") on May 22, 2024. (Keledjian Decl., ¶ 4, Exhibit 2.)

On June 25, 2024, Plaintiff commenced a Class and Representative Action by filing a Complaint alleging eleven causes of action against Defendant for (1) Failure to Provide Meal Periods (Lab. Code §§ 204, 223, 226.7, 512 and 1198); (2) Failure to Provide Rest Periods (Lab. Code §§ 204, 223, 226.7 and 1198); (3) Failure to Pay Hourly Wages and Overtime (Lab. Code §§ 223, 510, 1194, 1194.2, 1197, 1997.1, and 1198); (4) Failure to Pay Proper Sick Pay (Lab. Code § 246); (5) Failure to Provide Accurate Written Wage Statements (Lab. Code §§ 226(a)); (6) Failure to Timely Pay All Final Wages (Lab. Code §§ 201, 202 and 203); (7) Failure to Pay Wages Due, Negotiable and Payable in Cash on Demand (Lab. Code §§ 212 and 213); (8) Failure to Indemnify (Lab. Code § 2802); (9) Failure to Pay Split-Shift Premiums (IWC Order 1-15, § 4); (10) Unfair Competition (Bus. & Prof. Code §§ 17200 et seq.); and (11) Civil Penalties (Lab. Code § 2698, et seq.) (the "Action"). (Keledjian Decl., ¶ 5.)

Plaintiff contends that Defendant failed to pay all wages due and owing, by requiring systematic off the clock work, failed to pay all wages due on a timely basis during employment and upon termination, failed to pay overtime at the proper rates, failed to provide meal and rest breaks, failed to pay proper sick pay, failed to furnish and maintain accurate wage statements, failed to maintain accurate records, and failed to reimburse necessary business expenses. (*Id.* at ¶ 6.)

B. Investigation

Before filing the lawsuit, Class Counsel conducted a thorough investigation and researched the facts and circumstances underlying the pertinent issues and applicable law. (*Id*. at ¶ 7.) This required thorough discussions and interviews between Class Counsel and Plaintiff, in addition to the above-described research into the various legal issues involved in the case. (*Id*.) After filing the lawsuit, Class Counsel conducted a thorough investigation of the facts and claims giving rise to the action, including (1) conducting informal discovery and meeting and conferring with defense counsel about same; (2) reviewing and analyzing records and data, as well as employment-related policies; (3) reviewing Plaintiff's personnel file and other documentation; (4) interviewing Plaintiff regarding potential Class Members; (5) researching the applicable law and potential defenses; (6) constructing damage models based on interpretations of California law and the facts and numbers provided by Defendant; and (7) reviewing information provided by Defendant in response to informal discovery and in advance of the mediation. (*Id*.) The Parties conducted their own evaluations of the potential recoveries based on the claims alleged in the Action, including consulting experts. (*Id*.)

Defendant, for its part, vigorously contested liability, the amount of claimed damages, and the propriety of class certification. (*Id*. at ¶ 8.) After analyzing the relevant documents and other gathered data, Class Counsel believed that this case was appropriate for resolution via mediation. (*Id.*) Given the high level of risk present for both sides, the Parties elected to mediate Plaintiff's claims and attempt settlement. (*Id.*)

C. Settlement Efforts

On September 24, 2025, the Parties participated in an all-day mediation with Lonnie Giamela, Esq., a skilled mediator experienced in wage and hour class actions. (Keledjian Decl., ¶ 9.) During mediation, counsel for Plaintiff and Defendant discussed all aspects of the case, including the risks of continued litigation and the risks to both parties of proceeding with a class certification motion, as well as the law relating to unpaid wages, meal periods, rest periods, sick pay, wage statements, and final pay. (*Id.*) The Parties came to a settlement during the mediation. (*Id.*) The Parties continued to work together on a long-form Settlement Agreement following mediation, which resulted in the Settlement Agreement before the Court for approval. (*Id.*)

From Class Counsel's review of the strengths and weaknesses of the case and the risks and delays posed by further litigation, Class Counsel believes that the Settlement is fair and reasonable. (*Id*. at ¶ 10.) Further, the Settlement Agreement was the product of a non-collusive settlement process in which the Parties were forced to make significant compromises in the interest of reaching a full and complete settlement of the lawsuit. (*Id.*)

III. SETTLEMENT AGREEMENT AND ACCOMPANYING DOCUMENTS

The Class/Class Period and Aggrieved Employees/PAGA Period: "all current and former employees within the State of California who, at any time from October 2, 2021, to November 30, 2025, are or were employed as non-exempt retail hourly employees by Defendant." (Keledjian Decl., Exhibit 1, Settlement Agreement, ¶¶ 1.5) The "Class Period" is defined as "October 2, 2021 to November 30, 2025." (Keledjian Decl., Exhibit 1, Settlement Agreement, ¶ 1.12) The Settlement Agreement also defines "Aggrieved Employees" as "all current and former employees within the State of California who, at any time from May 22, 2023, to November 30, 2025, are or were employed as non-exempt retail hourly employees by Defendant." (Keledjian Decl., Exhibit 1, Settlement Agreement, ¶ 1.4). The "PAGA Period" is defined as "May 22, 2023, to November 30, 2025." (Keledjian Decl., Exhibit 1, Settlement Agreement, ¶ 1.31)

Key Financial Terms: Under the terms of the proposed Settlement Agreement, Defendant has agreed to pay $1,147,500.00 ("Gross Settlement Amount") on a non-reversionary basis. (Keledjian Decl., Exhibit 1, Settlement Agreement, ¶ 3.1.) In addition to and separate from the Gross Settlement Amount, Defendant will pay the employers' portion of any payroll taxes on the wage allocation portion of the individual settlement payments to Class Members. (*Id.*)

The Net Settlement Amount, available for distribution to Class Members, is the Gross Settlement Amount, less Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, and the Administration Expenses Payment. (Keledjian Decl., Exhibit 1, Settlement Agreement, ¶ 1.28.) These amounts are detailed as follows:

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- Class Counsel Fees and Litigation Expenses Payment: Up to one-third of the Gross Settlement Amount, or **$382,500.00**, to Class Counsel as attorneys' fees for the litigation and resolution of this Action and up to **$19,000.00** for actual costs incurred in this Action. (Keledjian Decl., Exhibit 1, Settlement Agreement, ¶ 3.2.2);
- Class Representative Service Payment: Up to **$7,500.00** to Plaintiff as an award for his service as the class representative (Keledjian Decl., Exhibit 1, Settlement Agreement, ¶ 3.2.1);
- Settlement Administration Costs Payment: A not-to-exceed amount of **$24,000.00** to the Settlement Administrator for its fees and costs to administer the Settlement (Keledjian Decl., Exhibit 1, Settlement Agreement, ¶ 3.2.3);
- PAGA Penalties Payment: **$100,000.00** for settlement of claims for civil penalties under PAGA, with 25% ($25,000.00) allocated to the Aggrieved Employees ("Individual PAGA Payments") and 75% ($75,000.00) allocated to the LWDA ("LWDA PAGA Payment") (Keledjian Decl., Exhibit 1, Settlement Agreement, ¶ 3.2.5).

If the Court approves the above allocations from the Gross Settlement Amount, the Net Settlement Amount is estimated to be $**614,500.00**. (Keledjian Decl., at ¶ 12.) Twenty percent (20%) of the "Net Settlement Amount" will be allocated to the settlement of wage claims (the "Wage Portion") and will be subject to tax withholding and reported on an IRS W-2 Form. (*Id.*) Each Class Member's share of the Net Settlement Amount ("Individual Settlement Payment") will be calculated based on the number of workweeks the Class Member actively worked during the Class Period. (Keledjian Decl., Exhibit 1, Settlement Agreement, ¶ 1.23.) For the approximately 2,946 Class Members (if no exclusions), the average gross Individual Settlement Payment, using a straight average, is $208.58. The estimated average amount each Class Member will receive per workweek based on the Net Settlement Amount and 160,000 workweeks is $3.84. (Keledjian Decl., ¶ 12.) If the Court approves a lesser amount for any of the above requested allocations from the Net Settlement Amount, the remainder will be added to the Net Settlement Amount to be distributed to Class Members. (Keledjian Decl., Exhibit 1, Settlement Agreement, ¶¶ 3.2.1–3.2.3, 3.2.5.2).

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No affirmative duties imposed on Class: The settlement agreement does not impose any affirmative duties on Participating Class Members. (Keledjian Decl., ¶ 76.) No claim form is required to participate in the Settlement. (*Id*.) Individuals who wish to opt out or object may do so. (*Id*.)

Class Notice Procedures: Not later than fifteen (15) calendar days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Information to the Settlement Administrator in the form of a Microsoft Excel spreadsheet. (Keledjian Decl., ¶ 13, Exhibit 1, Settlement Agreement, ¶ 4.2, 7.4.2.) The Settlement Administrator will mail the Class Notice with Spanish translation to all Class Members in no event later than fourteen (14) days following the receipt of Class Data via first class United States Postal Service ("USPS") mail. (Keledjian Decl., ¶ 13, Exhibit 1, Settlement Agreement, ¶ 7.4.2.) Before mailing the Class Notice, the Settlement Administrator will update Class Member addresses using the National Change of Address database. (*Id.*) The Class Notice includes a summary of the case and settlement terms and provides Class Members with detailed instructions on how to exclude themselves, object to the settlement, and dispute the number of workweeks and/or pay periods attributed to each Class Member per Defendant's records. (Keledjian Decl., ¶ 13.)

Any mailing returned to the Settlement Administrator as undeliverable will be sent within three (3) days via First Class U.S. Mail to the forwarding address affixed thereto, if applicable. (Keledjian Decl., ¶ 13, Exhibit 1, Settlement Agreement, ¶ 7.4.3.) If no forwarding address is provided, the Settlement Administrator will attempt to determine the correct address again using all reasonably available sources and methods, including the National Change of Address database, skip traces, and direct contact by the Settlement Administrator with Class Members, and re-mail the Class Notice to the most current address obtained. (*Id.*) Class Members will have forty-five (45) days from the mailing of the Class Notice (plus an additional fourteen (14) calendar days) if they receive a re-mailed Notice to opt out of or object to the Settlement or to dispute the number of Workweeks and/or pay periods. (Keledjian Decl., ¶ 13, Exhibit 1, Settlement Agreement, ¶ 7.4.4.)

Settlement Administrator: The parties selected Phoenix Settlement Administrators ("Phoenix") to handle the notice and administration of the Settlement based on the competitiveness of their bid, their competency in administering settlements, and their responsiveness to the parties' counsel and settlement class members. (Keledjian Decl., ¶ 13, Exhibit 1, Settlement Agreement, ¶ 7.1). Phoenix has experience administering class action and PAGA settlements, has procedures in place to protect the security of class data, adequate insurance in the event of a data breach or defalcation of funds, and is qualified to administer the Settlement. (See Declaration of Jodey Lawrence, which also includes a breakdown of the anticipated costs of class notice.) In addition, Phoenix will have a website for Class Members to review and reference for details regarding the Final Approval Hearing and any Final Approval Order and Judgment. (Keledjian Decl., ¶ 13, Exhibit 1, Settlement Agreement, ¶ 7.8.1.) If the Court grants final approval of the Settlement, a copy of the Final Approval Order and Judgment will be posted on this website for Class Members to review. (*Id.*) The website will be provided to Class Members in the Class Notice that is mailed to them. (*Id.*)

Funding and Payment of Settlement: Defendant shall fully fund the Gross Settlement Amount and the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Settlement Administrator within thirty (30) days after the Effective Date, which is the date both when the Court enters a Judgment on its Order Granting Final Approval of the Settlement, and when the Judgment is final. The judgment will be final if after the Court grants final approval of the Settlement and no objection is filed; if an objection is filed, the Gross Settlement Amount will be funded on the day after the deadline for filing a notice of appeal from the judgment (65^{th} day following entry of judgment provided no appeal is filed), or if a timely appeal is filed, the day after the appellate court affirms the judgment. (Keledjian Decl., Exhibit 1, Settlement Agreement, ¶¶ 1.18, 4.3.)

Within fourteen (14) days after Defendant funds the Gross Settlement Amount, the Settlement Administrator will issue payments to Class Members pursuant to the terms of the Settlement Agreement. (Keledjian Decl., Exhibit 1, Settlement Agreement, ¶ 4.4.) Checks will be mailed by First Class U.S. Mail to each Class Member and will be valid for 180 calendar days from the date of mailing. (Keledjian Decl., Exhibit 1, Settlement Agreement, ¶ 4.4.1.) Any uncashed amounts after 180 days will be transferred to the California Controller's Unclaimed Property Fund in the name of the Class Member, thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b). (Keledjian Decl., Exhibit 1, Settlement Agreement, ¶ 4.4.3.)

Class Member Release: The Class Member release of claims will not become effective until after the Effective Date has passed and Defendant has fully funded the Gross Settlement Amount including its share of payroll taxes. (Keledjian Decl., Exhibit 1, Settlement Agreement, ¶ 5). The release period ends on November 30, 2025, prior to the date of the preliminary approval hearing. (Keledjian Decl., Exhibit 1, Settlement Agreement ¶¶ 1.5, 5.2.) Further, the release of claims is tailored in scope to claims that were or could have been alleged based on the facts in the Operative Complaint that arose during the Class Period. (*Id.*)

Aggrieved Employee Release: The Aggrieved Employee release of claims will not become effective until after the Effective Date has passed and Defendant has fully funded the Gross Settlement Amount including its share of payroll taxes. (Keledjian Decl., Exhibit 1, Settlement Agreement ¶ 5). The release period ends on November 30, 2025, prior to the date of the preliminary approval hearing. (Keledjian Decl., Exhibit 1, Settlement Agreement ¶¶ 1.31, 5.3). Further, the release of claims is tailored in scope to claims for PAGA civil penalties that are alleged or which reasonably could have been alleged based on the facts alleged in the Operative Complaint and the PAGA Notice to the LWDA that accrued during the PAGA Period. (*Id.*) The Class Notice addresses the fact that an aggrieved employee may not opt out of the PAGA Settlement.

IV. CERTIFICATION FOR SETTLEMENT PURPOSES ONLY IS APPROPRIATE

Express judicial policy favors maintaining wage and hour actions as class actions. (*Prince v. CLS Transp., Inc.* (2004) 118 Cal. App. 4th 1320, 1328; *Richmond v. Dart Industries, Inc.* (1981) 29 Cal. 3d 462, 473.) Any doubt as to the appropriateness of class treatment should be resolved in favor of class certification, subject to later modification if necessary. (*Richmond*, supra, 29 Cal.3d at pp. 473-475.) The decision to certify a class is a procedural one and should be based on the allegations in the operative complaint, and not in the perceived factual or legal merit of the class claims. (*Linder v. Thrifty Oil Co.* (2000) 23 Cal.4th 429, 439-441.)

To certify a settlement class, the Court must find the two primary requirements for maintaining a class action: (1) there must be an ascertainable class, and (2) there must be a well-defined community of interest in the questions of law and fact involving the parties to be represented. (See *Vasquez v. Superior Court* (1971) 4 Cal.3d 800, 805-809; *Daar v. Yellow Cab Company* (1967) 67 Cal.2d 695, 704.) These criteria are met here for the reasons set forth below.

A. There Is a Numerous and Ascertainable Class

Whether a class is ascertainable is determined by examining the class definition, the size of the class, and the means available for identifying class members. (See *Vasquez, supra,* 4 Cal.3d at pp. 821-822; *Reyes v. Board of Supervisors of San Diego County* (1987) 196 Cal.App.3d 1263, 1271.) Class members are "ascertainable" when they may be readily identified without unreasonable expense or time.

Plaintiff contends, and Defendant does not dispute for settlement purposes only, that the numerosity and ascertainability elements are satisfied here. Class Members are all current and former non-exempt, hourly retail employees of Defendant employed in California during the Class Period (October 2, 2021, to November 30, 2025). (Keledjian Decl., ¶ 15.) Defendant has identified 2,946 Class Members based on a review of its payroll and personnel records. (*Id*, ¶ 15.)

Therefore, and notwithstanding the foregoing, there is a numerous and ascertainable class.

B. There Is a Well-Defined Community of Interest

A community of interest is established by the predominance of common issues of law and fact. (See *Vasquez*, supra, 4 Cal.3d at p. 811.) The requirement of a community of interest:

> [D]oes not depend upon an identical recovery, and the fact that each member of the class must prove his separate claim to a portion of any recovery by the class is only one factor to be considered ... The mere fact that separate transactions are involved does not of itself preclude a finding of the requisite community of interest so long as every member of the alleged class would not be required to litigate numerous and substantial questions to determine his individual right to recover subsequent to the rendering of any class judgment which determined in plaintiffs' favor whatever questions were common to the class.

(*Id.* at p. 809.)

Plaintiff contends, and Defendant does not dispute for settlement purposes only, that common issues of fact and law predominate as to each of the claims alleged by Plaintiff, and the Class is united in its proof. (Keledjian Decl., ¶ 16.) Because Plaintiff has alleged a single scheme, "the relevant proof [does] not vary among class members" and "clearly presents a common question fundamental to all class members." (See *In Re NASDAQ Market-Makers Antitrust Litigation* (SDNY 1997 172 F.R.D. 119, 123 [citing *In Re NASDAQ Market-Makers Antitrust Litigation*, (SDNY 1997) 169 F.R.D. 493, 518].) California courts show "no hesitancy" in inferring class-wide causation, class-wide injury, and class-wide damages when a common course of action has been shown. (*B.W.I. Custom Kitchens v. Owens-Illinois, Inc.* (1987) 191 Cal.App.3d 1345, 1350.) This inference "eliminates the need for each class member to prove individually the consequences of the defendants' actions to him or her." (*Id.* at p. 1351 [quoting *Rosack v. Volvo of America Corp* (1982 131 Cal.App.3d 741, 753 (emphasis added.)])

This action involves, *inter alia*, a determination about Defendant's alleged failure to pay wages and overtime due to off-the-clock work, failure to provide meal and rest periods, failure to pay proper sick pay, the resulting failure to pay timely and final wages when required and to provide accurate wage statements, failure to reimburse business expenses, and largely derivative claims under the UCL and PAGA. (Keledjian Decl., ¶ 16.) Plaintiff contends Defendant's practices affected Class Members in the same way and presents questions that are suitable for common adjudication because all Class Members were subject to the same employment policies and practices. (*Id*) The outcome of litigation in this matter depends upon questions that are common to Class Members. (*Id.*)

C. The Named Plaintiff's Claims Are Typical

A class representative's claims are typical when they arise from the same event, practice, or course of conduct that gives rise to the claims of other putative class members, and if their claims rest on the same legal theories. The class representative's claims must be "typical" but not necessarily identical to the claims of other class members. It is sufficient that the representative is similarly situated so that he or she will have the motive to litigate on behalf of all class members. (*Classen v. Weller* (1983) 145 Cal.App.3d 27, 47; *B.W.I. Custom Kitchen*, supra, 191 Cal.App.3d at p. 1347 ["it has never been the law in California that the class representative must have identical interests with the class members."]) Thus, it is not necessary that the class representative should have personally incurred all the damages suffered by each of the other class members. (*Wershba v.*

Apple Computer, Inc. (2001) 91 Cal.App.4th 224, 228.)

Plaintiff contends, and Defendant does not dispute for settlement purposes only, that Plaintiff's claims are typical of Class Members' claims because they arose from the same factual basis and are based on the same legal theories. (Keledjian Decl., ¶ 17.) Thus, Plaintiff's claims are typical of the claims of the putative Class. (*Id.*)

D. Adequacy of Class Counsel and Class Representative

As detailed below, Class Counsel are experienced in class actions, have represented their clients zealously, and have no conflicts of interest. (Keledjian Decl., ¶¶ 18, 77-84.) Plaintiff contends, and Defendant does not dispute for settlement purposes only, the Class Representative's interests are aligned with those of the Class Members, as he has suffered the same injuries as the Class Members and has no conflicts of interest. (*Id.* at ¶ 18.) Plaintiff has not shrunk from this responsibility. (*Id.*) Indeed, Plaintiff has devoted a substantial amount of time and energy to litigating this Action and effectuating a settlement. (*Id.*) Therefore, Class Counsel and the Class Representative are adequate.

E. Predominance and Superiority

Individual issues do not predominate over those common to the class. (Keledjian Decl., ¶ 19.) As explained, *supra*, Plaintiff alleges there are common issues of law and fact given that Plaintiff and all Class Members were subjected to the same policies and pay practices during the relevant time period. (*Id.*) Plaintiff and Class Members seek meal and rest premiums, unpaid wages and overtime, reimbursement for business expenses, and penalties for work performed as non-exempt employees for Defendant. (*Id.*) Plaintiff alleges that these issues are suitable for common adjudication because all Class Members were allegedly subject to the same employment policies, and Plaintiff contends the practices applied uniformly to all Class Members. (*Id.*)

Plaintiff contends that class resolution is superior to other available methods for the fair and efficient adjudication of the controversy as there is little interest or incentive for Class Members to individually control the prosecution of separate actions. (*Id.* at ¶ 20.) Although the alleged injury resulting from Defendant's policies and practices are real and significant, the cost of individually litigating each such case against Defendant would easily exceed the value of any relief that could be obtained by any one Class Member individually. (*Id.*) If Class Members are forced to litigate their claims individually, it would potentially result in over 2,946 individual actions against Defendant, each for relatively small amounts. (*Id.*) Hence, an individual suit would prove uneconomical for potential plaintiffs because litigation costs would dwarf a potential recovery. (*Id.*)

V. SCOPE OF RELEASE

The Scope of Release by Class Members:

"All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were pled, or reasonably could have been pled based on the facts alleged in the Operative Complaint against Defendant that accrued during the Class Period (the "Released Class Claims"). Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period." (Keledjian Decl., Exhibit 1, Settlement Agreement, ¶ 5.2)

The Scope of Release by Aggrieved Employees:

"All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for civil penalties or other remedies recoverable under Labor Code Section 2698, et seq. ("PAGA"), which were pled, or could have been pled based on the facts alleged in the PAGA Notice, against Defendant that accrued during the PAGA Period (the "Released PAGA Claims"). The Released PAGA Claims include a release of civil penalties, attorneys' fees and costs." (Keledjian Decl., Exhibit 1, Settlement Agreement, ¶ 5.3)

VI. THE THREE-STEP APPROVAL PROCESS

California Rule of Court 3.769 requires court approval of the settlement of class action lawsuits. Preliminary approval is merely the first of three steps that comprise the approval procedure for settlements of class actions. (See Manual for Complex Litigation, Second (1993) §30.44; *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801.) The second approval step is the dissemination of notice of the settlement to all Class Members. (*Id.*) The third step is a final settlement approval hearing, at which evidence and argument concerning the fairness, adequacy, and reasonableness of the settlement may be presented and Class Members may be heard. (*Id.*)

The determination of whether a settlement should be preliminarily approved requires, "basic information about the nature and magnitude of the claims in question and the basis for concluding that the consideration being paid for the release of those claims represents a reasonable compromise." (*Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 133.) However, the record need not contain an explicit statement of the maximum theoretical amount that the class could recover. (See *Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles* (2010) 186 Cal.App.4th 399, 409 ["*Kullar* does not… require any such explicit statement of value; it requires a record which allows "an understanding of the amount that is in controversy and the realistic range of outcomes of the litigation."]) Further, "if the proposed settlement appears to be the product of serious, informed, non-collusive negotiations, has no obvious deficiencies, does not improperly grant preferential treatment to class representatives or segments of the class, and falls within the range of possible approval, then the court should direct that notice be given to the Class Members of a formal fairness hearing, at which evidence may be presented in support of and in opposition to the settlement." (Manual for Complex Litigation, Second (1993) §30.44, at p. 229.)

In deciding whether to approve a proposed class action settlement, the Court must find that a proposed settlement is "fair, adequate, and reasonable" and falls within the "range of approval." (*Dunk*, supra, 48 Cal.App.4th at pp. 1801-1802.) The trial court considers all 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." (*Id.*) The Settlement satisfies all of these requirements.

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VII. THE SETTLEMENT IS FAIR, ADEQUATE, AND REASONABLE

The Court's decision to preliminarily approve a settlement is granted great deference as an exercise within its broad discretion. (*Wershba v. Apple Computer, Inc*. (2001) 91 Cal.App.4th 224, 234-235.) As a matter of public policy, courts both encourage the use of the class action device and favor settlement over continued litigation. (See, e.g., *Linder v. Thrifty Oil Co.* (2000) 23 Cal.4th 429, 434 ["[c]ourts have long acknowledged the importance of class actions as a means to prevent a failure of justice in our judicial system."]; *Class Plaintiffs v. City of Seattle* (1992) 955 F.2d 1268, 1276 ["strong judicial policy . . . favors settlements, particularly where complex class action litigation is concerned."]) Applying the above factors, the proposed settlement provides a substantial benefit to the Class. It is fair, reasonable, and adequate, and should be preliminarily approved.

A. The Settlement is the Result of Serious, Informed, Non-Collusive Negotiations.

The proposed Settlement was reached as a result of arm's length negotiations after the completion of pertinent discovery and the exchange of necessary class data. (Keledjian Decl. ¶ 22.) The negotiations have been, at all times, adversarial and non-collusive in nature. (*Id*.; 4 Newberg and Rubenstein on Class Actions § 13:45 [6th ed.] [due to the preference of settlement over litigation, "courts overseeing class action lawsuits historically granted a presumption of fairness to settlements that were shown to be the product of arms-length negotiation, untainted by collusion."]) Although Plaintiff steadfastly maintains that his claims are meritorious, Plaintiff acknowledges that there were substantial risks and uncertainty in proceeding with litigation. (*Id*.) As discussed below, Defendant presented multiple defenses to Plaintiff's claims, both on the merits and with respect to class certification. (*Id*.) Thus, while Plaintiff was prepared to litigate these claims through class certification, and ultimately trial, success was far from guaranteed. (*Id*.) Assistance from a well-respected mediator ensured negotiations between the Parties were non-collusive and well-informed. (*Id*.)

B. Extent of Discovery and Stage of Proceedings.

The Parties engaged in substantial informal discovery before the Settlement was reached to allow them to fully evaluate the class claims and Defendant's defenses. (*Id.* at ¶ 23.) This litigation has reached the stage where the Parties have a clear view of their respective strengths and weaknesses in this case. (*Id*.)

C. The Strength of Plaintiff's Case and the Risk, Expense, Complexity, and Likely Duration of Any Litigation.

Plaintiff's claims are based on Defendant's alleged failure to pay wages (including overtime), failure to provide meal and rest periods, failure to pay proper sick pay, failure to reimburse business expenses, the resulting failure to pay final wages when required and provide accurate wage statements, and largely derivative claims under the UCL and PAGA. (*Id*. at ¶ 24).

Plaintiff alleges that Defendant failed to pay Plaintiff and Class Members at least minimum wages for all hours worked and proper overtime wages for hours worked in excess of eight hours in a day and 40 hours in a week. (Keledjian Decl., ¶ 25.) Specifically, Plaintiff and Class Members were required to undergo mandatory security bag checks before clocking in for work and after clocking out for the day. Next, Plaintiff and Class Members were also consistently required to perform work, including helping customers, after clocking out of their shift. Further, Plaintiff alleges that Plaintiff and Class Members earned split-shift premiums, which were unpaid. (*Id.*)

Defendant contends that it did not require off the clock work, paid for all reported hours worked, that Class Members were instructed and required to record all hours worked, that any alleged off the clock work was performed without Defendant's knowledge and was de minimis, and that it paid wages at the proper rates. (Keledjian Decl., at ¶ 43.) Defendant also argues that given its written policies and practices, any unrecorded hours are likely subject to individualized inquiry and unlikely to be certified. (*Id.*) Given the difficulty in certifying this claim, Class Counsel applied a significant discount to damages based on this theory. (*Id.*)

Plaintiff also alleges that Defendant failed to provide Plaintiff and Class Members with proper meal breaks. (Keledjian Decl., ¶ 27.) Specifically, the uncompensated pre-shift hours delayed Plaintiff and Class Members' meal periods to commence after the completion of their fifth hour of work and Plaintiff and Class Members' meal breaks were interrupted by work-related duties. (*Id.*) Further, Plaintiff alleges Defendant did not pay meal period premiums for these late and interrupted meal breaks. (*Id.*)

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Defendant contends that its time records reflect Class Members were given a reasonable opportunity to take their meal periods in a timely and complete manner, and in the rare instances when compliant meal periods were not provided, Defendant provided premium pay to Class Members as reflected in their time and pay records. (Keledjian Decl., ¶ 47.) Defendant further contends that the meal break claim requires individualized inquiries which would preclude class certification. (*Id.*)

Plaintiff contended that Defendant did not provide Class Members with timely paid 10-minute rest breaks for every four hours or major fraction thereof. (Keledjian Decl., ¶ 29.) Specifically, Plaintiff contended that job requirements and duties required of Class Members consistently manifested in a failure to authorize and permit Class Members to take all their required rest breaks. (*Id.*) Moreover, Plaintiff contended his and Class Members' rest breaks were interrupted by work-related duties. (*Id.*) Further, Plaintiff contended that Defendant failed to pay premiums to Plaintiff and Class Members for missed rest breaks. (*Id.*) Plaintiff contended that job requirements and duties required of Class Members consistently manifested in a failure to authorize and permit Class Members to take all their required rest breaks. (*Id.*)

Defendant maintains that pursuant to its written policies and consistent practices, it did provide a reasonable opportunity for Class Members to take duty-free rest breaks during their shifts and dispute all allegations that rest breaks were not provided. (Keledjian Decl., ¶ 49.) Considering that unlike meal periods, rest breaks need not be recorded, these violations would likely be difficult to prove at trial and potentially depress the damages ultimately awarded. (*Id.*) Therefore, Class Counsel applied significant and appropriate discounts to the rest break claim. (*Id.*)

Additionally, Plaintiff alleges, but Defendant denies, that Defendant required Plaintiff and Class Members to wear a uniform with Defendant's logo present, but were not provided reimbursement for the full cost of the uniform. (Keledjian Decl., ¶ 32.) Additionally, Plaintiff alleges, but Defendant denies, Plaintiff and Class Members were required to use their cellular phones for work-related activities, including communicating with supervisors, the district manager, and contacting local stores, for which they were not reimbursed. (*Id.*) Defendant maintained that individualized issues relating to this claim would preclude class certification. (*Id.*)

As for the wage statement and waiting time penalties claims, Defendant contends that these claims are merely derivative of the underlying claims and that Plaintiff and Class Members would be unable to first establish liability for the underlying claims for the reasons described above. (Keledjian Decl., ¶ 33.) Defendant further contends that even if they could first establish liability for the underlying claims, Plaintiff and Class Members would be unable to establish that Defendant's conduct was willful and knowing as required by the relevant statutes since Defendant acted in good faith to provide accurate wage statements and pay all wages due to Plaintiff and Class Members. (*Id*.) Thus, Defendant contends that the wage statement and waiting time penalties claims to have little to no value. (*Id*.)

Further, Defendant contends that the PAGA claim is also derivative of the underlying claims in the Action and ultimately fails because the underlying claims have no merit. (Keledjian Decl., ¶ 34.) Defendant also contends that even if Plaintiff and Class Members could establish Labor Code violations, the Court has the discretion to award less than the maximum civil penalty amount and would award substantially less civil penalties here because Defendant acted in good faith to comply with the relevant wage and hour laws and any violations were minor and technical in nature. (*Id*.)

Defendant generally denies all claims alleged in the Action and further denies class and/or representative treatment is appropriate for any purpose other than this Settlement and that it complied with all applicable laws. (Keledjian Decl.,¶ 35.) However, Defendant has concluded that further litigation would be protracted and expensive and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions herein. (*Id*.)

As stated above, while Plaintiff and Class Counsel contend the claims asserted in the Action have merit, they also acknowledge the expense, delay, and risks of continued litigation. (Keledjian Decl.,¶ 36.) Although the Parties engaged in significant informal discovery in advance of mediation, the Parties still had significant discovery to complete had the matter not settled. (*Id*.) This would have required the expenditure of substantial time and resources by both Parties that would have very likely spanned several years. (*Id*.) Even if Plaintiff were to certify the classes, the Parties would incur considerably more attorney fees and costs through a possible decertification motion, trial, and possible appeal. (*Id*.) This Settlement avoids those risks and the accompanying expense. (*Id*.)

D. The Risk of Maintaining Class Action Status Through Trial.

Plaintiff has not yet filed his motion for class certification, and as such, the extent to which Plaintiff's proposed classes are certifiable is somewhat speculative. (*Id.* at ¶ 37.) Absent settlement, there is a risk that there would not be a certified class at the time of trial, or if there were, it could consist of a significantly smaller group of employees than the proposed Settlement Class, resulting in less overall recovery. (*Id.*)

Finally, in class actions, decertification is always a possibility, and there is always a risk that a trial of this magnitude can become unmanageable. (*Id.* at ¶ 38.) Cases like *Duran v. U.S. Bank Nat. Assn*. (2014) 59 Cal. 4th 1, 34 address the complexity of using statistical samples in class actions and demonstrate that decertification is a real risk that Class Counsel must consider. (*Id.*) A class trial would have also required expert witnesses, the accrual of extensive litigation costs, and the commitment of extensive further time and financial resources. (*Id.*) Finally, given the complexity and unsettled nature of the issues, it is somewhat likely that any outcome at trial would have resulted in a lengthy and costly appeal. An appeal would result in further delay for the Class Members who have already waited years for resolution in this matter. (*Id.*) Risk and legal uncertainty must be dealt with in any litigation, and this Settlement was the product of compromise accounting for those risks and uncertainty. (*Id.*)

E. The Presence of a Governmental Participant

Class Counsel will be submitting the Settlement Agreement and this Motion to the LWDA concurrently with the filing of this Motion pursuant to Labor Code § 2699(l)(2). (*Id*. at ¶ 39.)

F. The Amount Offered in Settlement is Fair Given the Potential Value of the Claims.

If the Court approves the requested allocations from the Gross Settlement Amount of $1,147,500.00 as addressed above, the Net Settlement Amount is estimated to be $614,500.00. (Keledjian Decl., ¶ 12.) There are approximately 2,946 total Class Members. (*Id.*) If there are no exclusions from the Class, the average gross Individual Settlement Payment, per Class Member, using a straight average, is $208.58. (*Id.*) The estimated average amount each Class Member will receive per workweek based on the Net Settlement Amount and 160,000 workweeks is $3.84. (*Id.*)

Based on an analysis of Plaintiff's time and pay records and a sampling of time and pay records for the Class, Plaintiff estimated the potential realistic exposure for the main claims as follows: **$378,609.00** for unpaid wages claims, including minimum and overtime wages, due to off the clock work and regular rate violations; **$0.00** for meal period violations due to Defendant's overpayment of meal period premiums; **$316,752.93** for rest period violations; **$373,200.00** for wage statement penalties; **$823,777.20** in waiting time penalties; **$93,937.50** for unreimbursed business expenses; and **$234,050.00** for PAGA penalties. (*Id*. at ¶¶ 42-65.) As such, the total estimated realistic exposure Defendant could face is **$2,220,326.63**. (*Id*. at ¶ 68.)

The Gross Settlement Amount of $1,147,500.00 represents a recovery for the Class of approximately 52% of the total realistic exposure Plaintiff estimated that Defendant could face on the primary claims in this case. (*Id*.) Plaintiff and Class Counsel submit that this is an optimal result in the face of uncertainty and the prospects of protracted and contested litigation through class certification, summary judgment, and trial, and particularly in light of all of the factors described above. (*Id*.)

G. A Balance of Risk Factors and *Kullar* Analysis Support Approval.

In deciding whether to approve the settlement, the Court must balance these risk factors against an "understanding of the amount in controversy and the realistic range of outcomes of the litigation." *Kullar v. Foot Locker Retail, Inc*. (2008) 168 Cal.App.4th 116, 130, 133; *Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles* (2010) 186 Cal.App.4th 399, 408-09. The court "must stop short of the detailed and thorough investigation that it would undertake if it were actually trying the case …." *Munoz*, at 408. Class Counsel used the comprehensive data and documents provided to perform an analysis of the potential exposure Defendant faced on Plaintiff's main class-wide claims, establishing the realistic range of outcomes in this case. As noted above, the Gross Settlement Amount represents a recovery of approximately 61% of the estimated total realistic exposure facing Defendant. (Keledjian Decl., ¶ 67.)

There was a very real prospect that nothing would be recovered by the Class if litigation continued and class certification were ultimately denied. At the same time, further litigation would require the expenditure of significant time and financial resources, and there is always the possibility of adverse developments in the law and the likelihood of extended battles in both the trial court and courts of appeal. Settlement is a prudent compromise that benefits the Class Members promptly.

H. The Court Has Discretion When Awarding the Amount of Penalties.

The Private Attorneys General Act, Labor Code § 2699 *et seq.*, provides for penalties in the amount of $100 for each violation per aggrieved employee per pay period for the initial violation and $200 for each violation per aggrieved employee per pay period for each subsequent violation, and penalties in the amount of $50 for each pay period for the initial violation and $100 for each pay period for each subsequent violation for claims brought under Labor Code § 558 and the Wage Order. Labor Code § 2699(f)(2). "PAGA penalties...are mandatory, not discretionary" and must be awarded upon a showing that Defendant violated the Labor Code. (*Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1213.) However, the Private Attorneys General Act provides the Court with discretion when it finds liability and awards these penalties as part of a judgment. Labor Code § 2699(e)(2) states that "a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory."

I. Experience and Views of Counsel.

Experienced counsel, operating at arm's length, have weighed the strengths of the case, examined all the issues and risks of litigation, and endorsed the proposed settlement. Class Counsel are experienced in class actions, have represented their clients zealously, and have no conflicts of interest. (Keledjian Decl., ¶¶ 77-84.) Class Counsel submits the Settlement is fair, adequate, and reasonable in view of the risks and other considerations addressed and is well-suited for final approval upon completion of the administration process. (Keledjian Decl., ¶ 84.)

VIII. THE PROPOSED CLASS NOTICE PROVIDES ADEQUATE NOTICE TO THE CLASS MEMBERS.

To be deemed proper, a notice must provide the Class Members with sufficient information to make an informed decision as to whether to accept or object to the settlement. (*Mullane v. Central Hanover Bank & Trust Co.* (1950) 339 U.S. 306, 314.) The notice must apprise the Class Members of the pendency of the action; reasonably convey information regarding the settlement and the Class

Members' rights, entitlements, and obligations; and affords Class Members the opportunity to present their objections. (*Id.*)

The proposed Class Notice provides all the information a reasonable person would need to make a fully informed decision about the settlement. It will notify all Class Members of the terms of the Settlement, its effect on their rights, their options as Class Members (i.e., participate, object, opt-out, and dispute work weeks), and procedures for exercising those options. (Keledjian Decl., ¶ 13.)

The standard for determining the adequacy of notice is whether it has "a reasonable chance of reaching a substantial percentage of the class members." (*Cartt v. Superior Court* (1975) 50 Cal.App.3d 960, 974.) Here, the Class Notice will be sent via first-class mail to each of the 2,946 Class Members at their addresses from Defendant's records. (Keledjian Decl., ¶ 13, Exhibit 1, Settlement Agreement ¶¶ 4.2, 7.4.2.) Not later than fifteen (15) calendar days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Information to the Settlement Administrator in the form of a Microsoft Excel spreadsheet. (*Id.*) The Settlement Administrator will mail the Class Notice to all Class Members in no event later than fourteen (14) days following the Preliminary Approval Date via first class USPS. (*Id.*) If the USPS does not provide a forwarding address, the Settlement Administrator shall conduct a Class Member Address Search and re-mail the Class Notice to the most current address obtained. (Keledjian Decl., ¶ 13, Exhibit 1, Settlement Agreement, ¶¶ 1.10, 7.4.3.) Class Notice should be approved as the best and most practicable way to ensure the greatest possible number of Class Members will receive notice. (Keledjian Decl., ¶ 75.)

IX. THE STIPULATED CLASS COUNSEL AWARD AND CLASS COUNSEL FEES AND COSTS PAYMENT ARE REASONABLE AND SHOULD BE APPROVED.

Class Counsel respectfully requests, without opposition from Defendant, a Class Counsel Fees Payment of $382,500.00 (up to one-third of the Gross Settlement Amount) and a reasonable Class Counsel Litigation Expenses Payment not to exceed $19,000.00, subject to approval by the Court. (Keledjian Decl. ¶ 9.)

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Class Counsel submits it has the requisite experience, knowledge, and resources to serve as Class Counsel and to zealously represent the Class. (Keledjian Decl., ¶¶ 77-84.) Class Counsel has incurred substantial hours in prosecuting this Action on a contingency basis and will not receive any compensation for their efforts until recovery is obtained for the Class. (Keledjian Decl. ¶ 68.) In addition, Class Counsel's efforts in reaching the Settlement on behalf of the Class will confer a significant benefit to the Class. (*Id*.) As such, the requested Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment are reasonable.

X. THE CLASS REPRESENTATIVE SERVICE PAYMENT IS FAIR AND REASONABLE

"At the conclusion of a class action, the class representatives are eligible for a special payment in recognition of their service to the class." (5 Newberg and Rubenstein on Class Actions § 17:1 [6th ed.])

Plaintiff is entitled to a reasonable service payment for his efforts and initiative in bringing and helping to prosecute this action. (Keledjian Decl., ¶ 70-74.) Plaintiff spent significant time better apprising himself of his rights, deciding whether remedial action should be taken and how it should be taken, searching for attorneys, and contacting Class Counsel, who spent many hours with Plaintiff discussing the case and the law. (*Id*.)

Both before and after the filing of this lawsuit, Plaintiff conferred with Class Counsel regarding every aspect of his case. (Keledjian Decl., ¶ 72.) Plaintiff provided Class Counsel with information about Defendant and about the industry generally, produced and reviewed documents, identified witnesses, consulted with Class Counsel regarding litigation strategy, participated in the mediation process, monitored the progress of the litigation with Class Counsel, and reviewed and signed the Settlement Agreement. (Declaration of Joshua Barrantes, ¶ 10–11.)

In light of the foregoing, Class Counsel believes that the $7,500.00 service award to the Class Representative is fair and reasonable. (Keledjian Decl., ¶ 74.)

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XI. THE ACTION REQUESTED AS A PART OF THE MOTION FOR PRELIMINARY APPROVAL.

Plaintiff respectfully requests this Court, as part of the preliminary approval process, grant the following relief and make the following orders:

1. Review and approve the Settlement Agreement;

2. Review and approve the Class Notice, attached to the Settlement Agreement as Exhibit A;

3. Consider and determine that the proposed class action settlement as set forth in the Settlement Agreement preliminarily appears fair, reasonable, and adequate;

4. Enter an order conditionally certifying the action as a class action for settlement purposes only and preliminarily approving the proposed class action settlement and the Settlement Agreement;

5. Approve and appoint D.Law, Inc. to serve as Class Counsel for settlement purposes;

6. Approve and appoint Phoenix Settlement Administrators as the Settlement Administrator to handle the notice and claims procedures as set forth in the Settlement Agreement;

7. Approve the proposed settlement's allocation of funds to claims made under PAGA;

8. Order Defendant to disclose to the Settlement Administrator the Class Member's name, last-known mailing address, email address, telephone number, Social Security number, hire dates, and termination dates as set forth in the Settlement Agreement;

9. Order Phoenix Settlement Administrators to mail the Class Notice to Class Members; and

10. Set a date for the Final Approval Hearing.

Dated: February 19, 2026 D.LAW, INC.

By ______________________________
David Yeremian
David Keledjian
Svetlana Hovhannisyan
Attorneys for Plaintiff and Settlement Class