

1 Michael Nourmand, Esq. (SBN 198439)
2 James A. De Sario, Esq. (SBN 262552)
3 **THE NOURMAND LAW FIRM, APC**
4 8822 West Olympic Boulevard
5 Beverly Hills, California 90211
6 Telephone: (310) 553-3600
7 Facsimile: (310) 553-3603

8 Attorneys for Plaintiffs,
9 FATIMA G. SANCHEZ, on behalf of herself and
10 all others similarly situated

11 **LIBERTY MAN LAW, P.C.**
12 Arash S. Khosrowshahi (SBN 293246)
13 *ash@libertymanlaw.com*
14 1010 F Street, Ste. 300
15 Sacramento, California 95814
16 Tel: (916) 573-0469; Fax: (866) 700-0787

17 **FALAKASSA LAW, P.C.**
18 Joshua S. Falakassa (SBN 295045)
19 *josh@falakassalaw.com*
20 1901 Avenue of the Stars, Suite 450
21 Los Angeles, California 90067
22 Tel: (818) 456-6168; Fax: (888) 505-0868

23 Attorneys for Plaintiff,
24 ARIANA CAMACHO, on behalf
25 of herself and all others similarly situated

26 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
27 **FOR THE COUNTY OF SACRAMENTO**

28 ADRIANA CAMACHO and FATIMA G.
SANCHEZ, on behalf of themselves and all
others similarly situated,

Plaintiffs,

v.

TWENTY4SEVEN HOTELS
CORPORATION, a California Corporation;
T4S MANAGEMENT CA LLC, a California
Limited Liability Company; DAVID WANI, an
Individual; and DOES 1 through 50, Inclusive,

Defendants.

CASE NO.: 34-2020-00278596

Assigned to the Hon. Lauri A. Damrell - Dept. 22

**PLAINTIFF'S UNOPPOSED MOTION TO
APPROVE THE SETTLEMENT PURSUANT
TO THE PRIVATE ATTORNEYS GENERAL
ACT OF 2004; MEMORANDUM OF POINTS
AND AUTHORITIES**

Hearing Information:

Date: June 20, 2025

Time: 9:00 a.m.

Dept.: 22

1 **TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

2 **PLEASE TAKE NOTICE** that on June 20, 2025, at 9:00 a.m., or as soon thereafter as the matter
3 may be heard in Department 22 of the Superior Court of the State of California, County of Sacramento,
4 located at 720 9th Street, Sacramento, California 95814, before the Honorable Lauri A. Damrell, Plaintiffs
5 Ariana Camacho (“Camacho”) and Fatima G. Sanchez (“Sanchez”) will, and hereby do, move the Court
6 for an order approving a settlement pursuant to the Private Attorneys General Act of 2004, Labor Code
7 § 2698 *et seq.*

8 This unopposed motion seeks approval of a non-reversionary \$380,000.00 settlement reached
9 after mediation, which resolves all PAGA claims alleged in this action on behalf of current and former
10 non-exempt or hourly paid employees of Defendants Twenty4Seven Hotels Corporation, T4S
11 Management CA LLC, and David Wain (“Defendants”) in the State of California during the PAGA
12 period. The settlement allocates:

- 13 • 75% (\$125,250) allocated PAGA Penalties to the Labor and Workforce Development
14 Agency,
- 15 • 25% (\$41,750) allocated PAGA Penalties to the Aggrieved Employees, distributed pro
16 rata based on pay periods worked,
- 17 • up to \$133,000 in attorneys’ fees and \$50,000 in litigation costs;
- 18 • an incentive award of \$10,000 to each Plaintiff for a total of \$20,000; and
- 19 • and up to \$10,000 in administration costs.

20 This motion is based on the Memorandum of Points and Authorities, the Declarations of
21 Plaintiffs’ Counsels Michael Nourmand, Joshua Falakassa, and Arash Khosrowshahi, the Declaration of
22 Plaintiffs Ariana Camacho and Fatima Sanchez, the PAGA Settlement Agreement, the proposed Order
23 Granting Approval of Settlement, all pleadings and papers on file, and any argument or evidence
24 presented at the hearing.

25 Pursuant to Local Rule 1.06 (A), the court will make a tentative ruling on the merits of this matter
26 by 2:00 p.m., the court day before the hearing. The complete text of the tentative rulings for the
27 department may be downloaded off the court’s website. If the party does not have online access, they
28 may call the dedicated phone number for the department as referenced in the local telephone directory

1 between the hours of 2:00 p.m. and 4:00 p.m. on the court day before the hearing and receive the tentative
2 ruling. If you do not call the court and the opposing party by 4:00 p.m. the court day before the hearing,
3 no hearing will be held.

4
5 Dated: May 27, 2025

FALAKASSA LAW, P.C.
LIBERTY MAN LAW, P.C.
THE NOURMAND LAW FIRM APC

6
7
8 By: _____



9 Joshua Falakassa, Esq.
10 Arash Khosrowshahi, Esq.
11 Michael Nourmand, Esq.
12 Attorneys for Plaintiffs and the Aggrieved Employees
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

TABLE OF CONTENTS

I.	INTRODUCTION.....	1
II.	FACTUAL BACKGROUND AND PROCEDURAL HISTORY.....	3
III.	THE PAGA AND ITS REQUIREMENTS.....	5
IV.	THE SETTLEMENT AND DISTRIBUTION OF PAGA PENALTIES.....	7
A.	TERMS OF THE SETTLEMENT AND DISTRIBUTION OF PAGA PENALTIES.....	7
B.	PAYMENT AND THE NOTICE.....	8
C.	SETTLEMENT ALLOCATION TO THE AGGRIEVED EMPLOYEES.....	9
D.	THE RELEASE	9
V.	THE SETTLEMENT IS FAIR AND REASONABLE AND WARRANTS COURT APPROVAL	
	10	
A.	EVALUATION OF THE PAGA SETTLEMENT.....	11
B.	THE REQUEST INCENTIVE PAYMENTS TO PLAINTIFFS ARE FAIR AND REASONABLE.....	12
VI.	THE REQUESTED ATTORNEYS' FEES AND LITIGATION COSTS ARE FAIR AND	
	REASONABLE.....	13
A.	PLAINTIFF'S COUNSEL ARE ENTITLED TO RECOVER ATTORNEYS' FEES UNDER THE COMMON	
	FUND DOCTRINE IN THIS QUI TAM ACTION	13
B.	THE PERCENTAGE FEE OF THE GROSS SETTLEMENT AMOUNT IS FAIR AND REASONABLE	16
C.	A LODESTAR CROSS-CHECK CONFIRMS THE REASONABLENESS OF THE FEE AWARD.....	17
D.	THE REQUESTED LITIGATION COSTS ARE FAIR AND REASONABLE	19
VII.	SUBMISSION TO THE LWDA.....	20
VIII.	THE SETTLEMENT ADMINISTRATOR	20
IX.	CONCLUSION	20

TABLE OF AUTHORITIES

CASES

<i>Amalgamated Transit Union Local 1309 v. Laidlaw Transit Servs.</i> , 2009 U.S. Dist. LEXIS 69842, *26 (C.D. Cal.)-----	11
<i>Amaral v. Cintas Corp.</i> (2008) 163 Cal.App.4th 1157 -----	11
<i>Arias v. Superior Court</i> (2009) 46 Cal.4th 969 -----	passim
<i>Bank of America v. Cory</i> (1985) 164 Cal.App.3d 66-----	14
<i>Bell v. Farmers Insurance Exchange</i> (2004) 115 Cal.App.4th 715-----	16
<i>Boeing Co. v. Van Gemert</i> (1980) 444 U.S. 472-----	15
<i>Boeing Co. v. Van Gemert</i> , 444 U.S. 472, 478 (1980)-----	15
<i>Chavez v. City of Los Angeles</i> (2010) 47 Cal.4th 970-----	19
<i>Chavez v. Netflix, Inc.</i> (2008) 162 Cal.App.4th 43 -----	16
<i>Chavez v. Netflix, Inc., supra</i> , 162 Cal.App.4th at pp. 65-66 -----	16
<i>Consumer Cause, Inc. v. Mrs. Gooch's Natural Food Markets, Inc.</i> (2005) 127 Cal.App.4th 387-----	16
<i>Dunk v. Ford Motor, Co.</i> (1996) 48 Cal.App.4th 1794-----	15
<i>Gonzalez v. CoreCivic of Tennessee, LLC</i> (E.D. Cal. Mar. 30, 2022) 2022 WL 1050300 -----	13
<i>Harris v. Marhoefer</i> (9th Cir. 1994) 24 F.3d 16 -----	19
<i>Iskanian v. CLS Transp.</i> (2014) 59 Cal.4th 348 -----	13
<i>Iskanian v. CLS Transp. Los Angeles, LLC</i> (2014) 59 Cal.4th 348 -----	1, 3
<i>Jutkowitz v. Bourns, Inc.</i> (1981) 118 Cal.App.3d 102 -----	15
<i>Laffitte v. Robert Half Int'l Inc.</i> (2016) 1 Cal.5th 480 -----	15, 16
<i>Lealao v. Beneficial California, Inc.</i> (2000) 82 Cal.App.4th 19 -----	15, 18
<i>Mexican Workers v. Arizona Citrus Growers</i> (9 th Cir. 1990) 904 F.2d 1301, 1311 -----	15
<i>Mills v. Electric Auto-Lite Co.</i> (1970) 396 U.S. 375-----	15
<i>Moniz v. Adecco USA, Inc.</i> (2021) 72 Cal.App.5th 56-----	10
<i>People ex rel. Stratham v. Acacia Research Corp.</i> (2012) 210 Cal.App.4 th 487-----	14

1	<i>PLCM Group, Inc. v. Drexler</i> (2000) 22 Cal.4th 1084, 1095–96; <i>Press v. Lucky Stores, Inc.</i> (1983) 34	
2	Cal.3d 311 -----	18, 19
3	<i>Rider v. County of San Diego</i> (1992) 11 Cal.App.4th 1410-----	19
4	<i>Sanders v. City of Los Angeles</i> (1970) 3 Cal.3d 252 -----	16
5	<i>Serrano III v. Priest</i> (1977) 20 Cal.3d 25-----	15
6	<i>Serrano v. Priest</i> (1977) 20 Cal.3d 25 -----	16, 19
7	<i>Staton v. Boeing Co.</i> (9th Cir. 2003) 327 F.3d 938 -----	15
8	<i>Vizcaino v. Microsoft Corp.</i> (9 th Cir. 2002) 290 F.3d 1043 -----	17
9	<i>Wershba v. Apple Computer, Inc.</i> (2001) 91 Cal.App.4th 224 -----	16
10	<i>Williams v. MGM-Pathe Communications Co.</i> (9 th Cir. 1997) 129 F.3d 1026-----	15

STATUTES

13	2699(g)(1) of the California Labor Code -----	13
14	California Labor Code § 2698-----	1
15	Lab. Code § 2699(l)(2) -----	10
16	Lab. Code §§ 2699.3(a)(2), 2699(h)-----	6
17	Labor Code § 2698-----	5
18	Labor Code § 2699(e)(2) -----	11, 12
19	Labor Code § 2699(f)(2) -----	11
20	Labor Code § 2699(i) -----	6, 7
21	Labor Code § 2699(l)(2) -----	6, 20
22	Labor Code § 2699.3(a) -----	6
23	Labor Code § 90.5(a) -----	6
24	Labor Code section 2699(l)(2) -----	3

OTHER AUTHORITIES

26	<i>Manual for Complex Litigation</i> , § 14.121 (1988) -----	18
27	<i>Newberg on Class Actions</i> , § 14:6 (4th ed. 2002) -----	15

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Plaintiffs Ariana Camacho (“Camacho”) and Fatima Sanchez (“Sanchez”) (collectively
4 “Plaintiffs”)—individually and on behalf of other allegedly aggrieved employees, and acting as
5 representatives of the State of California—brought this representative action for civil penalties against
6 their employer(s) Defendants Twenty4Seven Hotels Corporation, T4S Management CA LLC, and David
7 Wani (collectively, “Defendants”) under the Private Attorneys General Act of 2004, California Labor
8 Code § 2698 et seq. (“PAGA”). (Declaration of Joshua Falakassa in Support of Plaintiff’s Motion to
9 Approve Settlement Pursuant to PAGA [“Falakassa Decl.”], ¶¶ 14, 16.)

10 A PAGA action is a type of qui tam proceeding that enables private citizens to assist the State of
11 California in enforcing labor laws. (*Iskanian v. CLS Transp. Los Angeles, LLC* (2014) 59 Cal.4th 348,
12 380–382.) In such an action, the State of California is the real party in interest. (*Id.* at 382.)

13 As required by statute, the State of California was timely served with a copy of the executed
14 Settlement Agreement and this Motion for Approval. (Falakassa Decl., ¶ 41.)

15 Plaintiff’s operative claims are brought on behalf of current and former non-exempt or hourly
16 paid employees of Defendants in California between January 24, 2019, through August 12, 2024 (the
17 “Aggrieved Employees”). (Falakassa Decl. ¶ 9.)

18 Plaintiffs allege that during the relevant period:

- 19 • Defendants failed to properly calculate and pay minimum and overtime wages (Falakassa
20 Decl. ¶ 10.)
- 21 • Plaintiff and the Aggrieved Employees were denied compliant meal and rest periods, as a
22 result of Defendants’ policies, practices, and the nature of the work. (Falakassa Decl. ¶
23 10.)
- 24 • Defendants failed to pay all wages due upon termination, i.e. waiting time penalties.
25 (Falakassa Decl. ¶ 11); and
- 26 • Defendants issued inaccurate itemized wage statements, thereby incurring civil penalties
27 under PAGA. (Falakassa Decl. ¶ 11.)

28 Following discovery—including the exchange and review of statistical data, including records of

1 Defendants' employees, which consisted of wage statements, clock in and clock out times, wages earned
2 during the relevant pay periods, written policies and procedures on meal breaks, rest breaks, and overtime
3 compensation, the number of pay periods in the PAGA Period, and the total number of aggrieved
4 employees—the Parties participated in a private mediation before Tripper Ortman, Esq. an experienced
5 wage and hour mediator. (Settlement Agreement, Recitals ¶ 2.1-2.5 [**Exhibit B** to Falakassa Decl.].)

6 However, the Parties were not able to reach a settlement at mediation because Defendants claimed
7 financial hardship. Thereafter, Defendants agreed to produce certain financial documents to a CPA
8 retained by Plaintiffs to determine the maximum amount they could pay without impacting their business.
9 After several back and forth, with the assistance of the mediator, the Parties agreed to resolve the Action.
10 (*Id.*, ¶ 2.4)

11 With a comprehensive Settlement Agreement now in place, Plaintiffs seek—without opposition
12 from Defendants—the Court's approval of a \$380,000 non-reversionary settlement resolving all claims
13 alleged in this action pursuant to the Private Attorneys General Act of 2004, Labor Code § 2698 et seq.
14 ("PAGA"). The settlement covers approximately 1,612 Aggrieved Employees and approximately 61,352
15 PAGA Pay Periods. (Settlement Agreement ¶ 4.1.)

16 Following the proposed deduction of:

- 17 • Attorneys' fees of \$133,000 (35% of the Gross Settlement Amount);
- 18 • Litigation costs up to \$50,000;
- 19 • Settlement administration expenses capped at \$10,000; and
- 20 • Incentive Payments of \$10,000 to each Plaintiff for their service in pursuing the action
21 and assisting with settlement efforts,

22 \$167,000 remains as PAGA Penalties in accordance with Labor Code § 2699(i). (Settlement
23 Agreement ¶ 3.2.4.) Of that amount:

- 24 • 75% (\$125,250) will be paid to the California Labor and Workforce Development Agency
25 (LWDA), and

- 25% (\$41,750) will be distributed to Aggrieved Employees on a pro rata basis based on the number of PAGA Pay Periods worked during the PAGA period. (Settlement Agreement ¶ 3.2.4., 3.2.4.1)

This results in an average PAGA payment of approximately \$25.90 per employee, which is meaningful relief for aggrieved employees given that the value is being distributed solely for representative penalties under PAGA. (Settlement Agreement ¶¶ 3.2.4-3.2.4.1.)

This settlement merits full approval because it furthers the statutory goals of PAGA:

- To deter future Labor Code violations,
- To incentivize employer compliance with wage and hour laws,
- And to provide meaningful enforcement of California labor standards for the public benefit. (*See* Labor Code § 2698 et seq.; *Arias v. Superior Court* (2009) 46 Cal.4th 969, 980.)

Approval of the settlement is governed by Labor Code section 2699(l)(2), which provides that “[t]he superior court shall review and approve any settlement of any civil action filed pursuant to this part.” Consistent with California Supreme Court precedent, PAGA settlements are not subject to the requirements of class certification (such as numerosity, typicality, adequacy, or commonality), and there is no preliminary/final two-step process as is required in class actions. (*See Arias*, supra, at pp. 975–976; *Iskanian v. CLS Transp. Los Angeles, LLC* (2014) 59 Cal.4th 348, 380–382.)

For these reasons—and those discussed in more detail below—Plaintiff respectfully requests that the Court grant approval of the PAGA Settlement as fair, reasonable, and in the public interest.

II. FACTUAL BACKGROUND AND PROCEDURAL HISTORY

Defendants do business by providing, amongst other things, hotel industry management, investment and development service, with Defendant David Wani at all relevant times being the CEO of his co-Defendants. (Falakassa Decl. ¶ 13).

Camacho and Sanchez, along with the other Aggrieved Employees, were employed in a non-exempt position (Ms. Camacho a banquet server, Ms. Sanchez a waitress/bartender) at Defendants’ facilities in California during the relevant PAGA period. (Falakassa Decl. ¶ 14).

1 On May 13, 2020, and again on June 9, 2020, Plaintiffs submitted a Private Attorney General Act
2 (“PAGA”) notice to the Labor Workforce Development Agency (“LWDA”) on behalf of themselves and
3 all aggrieved non-exempt employees of Defendants in California. Plaintiffs’ PAGA notice alleged
4 violations of the following Labor Code sections: 200- 203, 226, 226.7, 510, 512, 1194, 1194.2, 1197 and
5 2699, et seq.

6 On May 13, 2020, and June 10, 2020, Plaintiffs filed class action lawsuits in Sacramento and Los
7 Angeles County Superior Court. On January 30, 2023, Plaintiffs filed a First Amended Complaint,
8 consolidating the two actions in Sacramento Superior Court (the “Action”). The Action alleges that
9 Defendants failed to pay overtime wages, failure to pay minimum wages, failed to provide meal periods,
10 failed to provide rest periods, provided inaccurate wage statements, failed to timely pay wages upon
11 termination, unfair competition, and civil penalties under PAGA. (Falakassa Decl. ¶¶ 15-16; **Exhibit A**
12 to Falakassa Decl. [Camacho’s PAGA letters])

13 After several attempts of scheduling mediations with various mediators and meeting and
14 conferring on discovery, counsel for Camacho filed several motions to compel discovery responses and
15 documents on or about October 31, 2022, which subsequently led to Defendants filing their motion to
16 compel arbitration on or about November 17, 2022. These hearings were continued multiple times.
17 (Falakassa Decl. ¶ 17).

18 Indeed, Defendants subsequently presented an arbitration agreement purportedly binding the
19 parties and moved to compel the matter to arbitration in accordance therewith and stay pending discovery.
20 Defendants’ motion was granted as to Camacho on an individual and class action basis only, but not a
21 representative basis, while Defendants’ motion was denied as to Sanchez on both an individual and non-
22 individual basis. (Falakassa Decl. ¶ 18).

23 Thereafter, the Parties agreed to mediation. In advance of mediation, the Parties engaged in an
24 exchange of relevant information and documents. Defendants produced statistical data, including records
25 of Defendants employees, which consisted of wage statements, clock in and clock out times, wages
26 earned during the relevant pay periods, written policies and procedures on meal breaks, rest breaks, and
27
28

1 overtime compensation, the number of pay periods in the PAGA Period, and the total number of
2 aggrieved employees, which enabled Plaintiff’s counsel to conduct a thorough analysis of liability
3 exposure, identify representative violations, and formulate a damages and penalties model. (Falakassa
4 Decl. ¶ 19). As part of this informal discovery, Plaintiff’s counsel analyzed issues including but not
5 limited to rounding practices, meal and rest period violations, regular rate miscalculations, wage
6 statement violations, and late payment penalties. Plaintiff also reviewed applicable policies, practices,
7 and pay data to evaluate the risks and potential recovery at trial. (Falakassa Decl. ¶ 20.) (See also
8 Declarations of Arash Khosrowshahi and Michael Nourmand in Support of Plaintiffs’ Motion for
9 Approval of PAGA Settlement [“Khos. Decl.” and “Nourmand Decl.” respectively].)

10 Following these efforts, the Parties participated in a full-day mediation on May 12, 2024, before
11 Tripper Ortman, Esq., a respected and experienced mediator of complex wage and hour class and PAGA
12 actions. However, the Parties were not able to reach a settlement at mediation because Defendants
13 claimed financial hardship. Thereafter, Defendants agreed to produce certain financial documents to a
14 CPA retained by Plaintiffs to determine the maximum amount they could pay without impacting their
15 business. After several back and forth, with the assistance of the mediator, the Parties agreed to resolve
16 the Action. (Settlement Agreement, Recitals ¶ 2.4; Falakassa Decl. ¶ 21.)

17 The Parties thereafter memorialized the material terms in a formal Private Attorneys General Act
18 Settlement Agreement, which is now presented to the Court for review and approval. (Falakassa Decl. ¶
19 22; **Exhibit B** [settlement agreement].)

20 **III. THE PAGA AND ITS REQUIREMENTS**

21 The Private Attorneys General Act of 2004 (“PAGA”), codified at Labor Code § 2698 et seq.,
22 provides a mechanism for aggrieved employees to recover civil penalties on behalf of the State of
23 California for violations of the Labor Code committed by their employers. Before PAGA, the
24 enforcement of such civil penalties was vested exclusively in California's labor enforcement agencies.
25 (*Arias v. Superior Court* (2009) 46 Cal.4th 969, 980.).

26 However, recognizing both the limited resources of enforcement agencies and the prevalence of
27 Labor Code violations, the California Legislature determined it was in the public interest to deputize
28

1 private individuals as “private attorneys general” to enforce the law. (*Id.*) As the Legislature explained:
2 “The only meaningful deterrent to unlawful conduct is the vigorous assessment and collection of civil
3 penalties as provided in the Labor Code.” (Stats. 2003, ch. 906, § 1(b).) Labor Code § 90.5(a) reinforces
4 that California’s labor laws exist to prevent employees from being “required or permitted to work under
5 substandard unlawful conditions,” and protect compliant employers from unfair competition by those
6 who cut corners on labor standards. The Legislature further found that: Labor enforcement agencies had
7 insufficient staffing, unlikely to keep pace with growth in the labor market, and allowing private
8 enforcement through PAGA was a necessary supplement—while retaining agency primacy over
9 enforcement. (Stats. 2003, ch. 906, § 1(c).)

10 Under Labor Code § 2699(i), civil penalties recovered in a PAGA action are distributed: 75% to
11 the Labor and Workforce Development Agency (LWDA) for enforcement and education efforts, and
12 25% to the aggrieved employees.

13 Before bringing a PAGA action, the employee must satisfy notice and exhaustion requirements
14 under Labor Code § 2699.3(a) by submitting written notice to both the employer and the LWDA
15 identifying the specific Labor Code provisions allegedly violated. The LWDA may then investigate or
16 respond; if it declines to investigate or does not act within the statutory period, the aggrieved employee
17 may proceed. (*See* Lab. Code §§ 2699.3(a)(2), 2699(h).)

18 In this case, Camacho submitted a timely PAGA Notice Letter on January 24, 2020, and a
19 Supplemental Notice on February 3, 2022, notifying the LWDA and Defendants of the alleged violations.
20 Sanchez submitted a timely PAGA Notice Letter on June 9, 2020. The LWDA did not intervene, thereby
21 authorizing Plaintiff to proceed with this enforcement action on behalf of the State. (Falakassa Decl. ¶
22 15; see also Nourmand Decl., ¶ 2.)

23 Thus, the entire recovery in this case—\$380,000—is the result of enforcement efforts undertaken
24 solely by Plaintiffs and their counsels. The LWDA was provided with notice of the proposed Settlement
25 Agreement and of this Motion, in accordance with Labor Code § 2699(l)(2). (Falakassa Decl. ¶ 41.)

26 PAGA also requires that any settlement of a PAGA claim brought by an aggrieved employee
27 must be approved by the Court. (*Ibid.*) In *Arias*, the California Supreme Court held that PAGA
28 representative actions are not subject to class certification requirements, nor is notice required for other

employees. (*Arias*, 46 Cal.4th at 975–76, 980–88.) The plaintiff is deemed to act as a proxy or agent of California’s labor law enforcement agencies. (*Id.* at 986.)

Accordingly, the Court’s role is to review the terms of the PAGA settlement to ensure they are fair, reasonable, and in the public interest—goals that this proposed Settlement fully satisfies, as discussed below.

IV. THE SETTLEMENT AND DISTRIBUTION OF PAGA PENALTIES

The following is a summary of the principal terms of the Settlement Agreement.

A. TERMS OF THE SETTLEMENT AND DISTRIBUTION OF PAGA PENALTIES

The Settlement provides that Defendants will pay a non-reversionary Gross Settlement Amount of \$380,000 (the “Gross Settlement Amount”), which is inclusive of:

- Civil penalties payable to the Labor and Workforce Development Agency (“LWDA”) and Aggrieved Employees,
- Attorneys’ fees and costs,
- Settlement administration expenses, and
- Incentive Payments to the Plaintiffs (*See* Settlement Agreement (“S.A.”) ¶¶ 3.1–3.2.4.2; Falakassa Decl., **Ex. B.**)

Following deduction of up to \$133,000 in attorneys’ fees, \$50,000 in litigation costs, \$10,000 in settlement administration fees, and a \$10,000 Incentive Payment to each Plaintiff, \$167,000 remains as PAGA Penalties (*See* S.A. ¶¶ 3.2.4.)

Pursuant to Labor Code § 2699(i) and the terms of the Settlement:

- 75 percent of the PAGA Penalties (\$125,250) will be paid to the LWDA, to be used for labor law enforcement and education;
- The remaining 25 percent (\$41,750) will be distributed to the Aggrieved Employees on a pro-rata basis based on the number of PAGA Pay Periods worked during the PAGA period. (*See* S.A. ¶¶ 3.2.4.-3.2.4.1)

This structure complies with the statutory distribution scheme and provides meaningful recovery to the State and to employees, without the possibility of reversion to Defendants. Uncashed settlement checks will escheat to the State of California Unclaimed Property Fund in accordance with California

law. (See S.A. ¶ 4.4.3.)

The following chart reflects the estimated payments from the Settlement Agreement:

	Amount
Gross Settlement Amount	\$380,000
PAGA Counsel Fees Payment	\$133,000
PAGA Counsel Litigation Expenses Payment	\$50,000
Administration Expenses Payment	\$10,000
Plaintiffs' Incentive Payments (\$10k each)	\$20,000
PAGA Penalties	\$167,000
75% to the LWDA	\$125,250
25% to Aggrieved Employees	\$41,750

As such, the LWDA will receive approximately \$125,250 (75 percent of the PAGA Penalties) and the Aggrieved Employees will collectively receive approximately \$41,750 (25 percent of the PAGA Penalties), which will be paid on a pro-rata basis according to the number of pay periods worked during the PAGA Period. The average payment to the Aggrieved Employees is approximately \$25.90. (Falakassa Decl. ¶ 32).

B. PAYMENT AND THE NOTICE

Defendants will fund 50% of the Gross Settlement Amount of \$380,000 (\$190,000) to the Settlement Administrator within thirty (30) calendar days of the Court issuing an Approval Order granting approval of the PAGA Settlement, and the remaining 50% (\$190,000) within 120 calendar days after the first payment. (See S.A. ¶ 4.3.)

Within 14 days after Defendants fund the Gross Settlement Amount, the Settlement Administrator will issue payments to:

- The Aggrieved Employees (25% of the PAGA Penalties),
- The LWDA (75% of the PAGA Penalties),
- The Settlement Administrator (for administration costs),
- Plaintiffs (Incentive Payment), and
- Plaintiff's counsel (approved attorneys' fees and costs).

(See S.A. ¶¶ 4.4.)

Each Aggrieved Employee will have one hundred eighty (180) days from the date of issuance to

1 cash their settlement checks. (See S.A. ¶ 4.4.1.) If any checks remain uncashed after that time, those funds
2 will be voided and submitted to the California State Controller’s Office – Unclaimed Property Fund in
3 the name of the respective Aggrieved Employee. (See S.A. ¶ 4.4.3.)

4 **C. SETTLEMENT ALLOCATION TO THE AGGRIEVED EMPLOYEES**

5 As set forth in the Settlement Agreement, twenty-five percent (25%) of the PAGA Penalties—or
6 \$41,750—will be allocated to the Aggrieved Employees. (See S.A. ¶ 3.2.4.) According to data provided
7 by Defendants, approximately 1,612 Aggrieved Employees will share in this allocation on a pro rata
8 basis, based on the number of PAGA Pay Periods each individual worked during the applicable PAGA
9 Period. (See S.A. ¶¶ 1.18, 1.19, 1.22.).

10 The PAGA Period is defined in the Settlement Agreement to cover January 24, 2019, to August
11 12, 2024. (See S.A. ¶ 1.19.)

12 The portion of each Aggrieved Employee’s share of the PAGA Penalties will be reported on an
13 IRS Form 1099 by the Settlement Administrator. (See S.A. ¶ 3.2.4.2.)

14 **D. THE RELEASE**

15 The California Supreme Court has held that a judgment in “a representative action brought by an
16 aggrieved employee under the Labor Code Private Attorneys General Act of 2004 ... is binding not only
17 on the named employee plaintiff but also on government agencies and any aggrieved employee not a
18 party to the proceeding.” (*Arias v. Superior Court* (2009) 46 Cal.4th 969, 985–986.)

19 Here, the release in the Settlement Agreement is narrowly tailored and binds only the LWDA, the
20 State of California, and the Aggrieved Employees—and only as to PAGA civil penalty claims. The
21 release is triggered upon Defendants’ full funding of the Gross Settlement Amount. (See S.A. § 5.2.)

22 The relevant language provides:

23 **“5.2. Release by Aggrieved Employees.**

24 All Aggrieved Employees are deemed to release, on behalf of themselves
25 and their respective former and present representatives, agents, attorneys,
26 heirs, administrators, successors, and assigns, the Released Parties from all
27 claims for PAGA penalties that were alleged, or reasonably could have been
28 alleged, based on the PAGA Period facts stated in the Operative Complaint
and the PAGA Notice, including but not limited to Labor Code sections,
200, 201, 202, 203, 226, 226.7, 510, 512, 1194, 1194.2, 1197, and 2699,

and the applicable IWC Wage Order, and Business and Professions Code sections 17200 et seq.”

Given these parameters, the release is appropriately narrow and consistent with California law governing representative PAGA actions and related to claims alleged and identified in the Plaintiffs’ PAGA Notice Letters. Accordingly, the Parties respectfully submit that the scope of the release is both reasonable and enforceable.

V. THE SETTLEMENT IS FAIR AND REASONABLE AND WARRANTS COURT APPROVAL

In 2016, the California Legislature amended PAGA to require that “[t]he superior court shall review and approve any settlement of any civil action filed pursuant to this part.” (Lab. Code § 2699(1)(2).) The same provision requires that the proposed settlement be submitted to the Labor and Workforce Development Agency (LWDA) at the same time it is submitted to the Court. Plaintiff has complied with this requirement. The Settlement Agreement and this Motion for Approval have been concurrently submitted to the LWDA. (Falakassa Decl. ¶ 41; **Ex. C.**)

Beyond procedural compliance, courts must evaluate whether a proposed PAGA settlement is fair, reasonable, and consistent with PAGA’s statutory purpose—namely, to deter Labor Code violations, incentivize employer compliance, and serve the State’s interest in enforcing labor standards. (See *Arias*, 46 Cal.4th at 980.) Courts have held that a PAGA settlement should be approved where it represents a genuine and informed compromise, particularly when the parties have participated in arm’s-length negotiations (such as mediation), exchanged relevant data or discovery, and thoroughly evaluated liability, exposure, and litigation risks. (See *Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, 76.)

Here, the Parties engaged in meaningful pre-settlement litigation and mediation efforts. They litigated the issue of the enforceability of the arbitration agreements, conducted discovery and factual investigation through litigation proceedings, discovery, and informal exchanges of Defendants’ policies and a sampling of time and payroll records. Plaintiffs’ counsels reviewed this data and conducted an exposure analysis to assess penalties and litigation risks. The Parties then participated in a full-day private mediation with experienced wage and hour mediator Tripper Ortman, Esq., and reached a negotiated resolution only after extensive analysis and good-faith negotiations. (Falakassa Decl. ¶¶ 17-21.)

1 The resulting non-reversionary \$380,000 settlement reflects a fair and reasonable compromise. It
2 accounts for Defendants’ asserted defenses—including arbitration agreements—as well as the challenges
3 of proving liability and penalties, and the Court’s discretion to reduce penalties under Labor Code §
4 2699(e)(2). Of the PAGA Penalties, \$125,250 will be paid to the LWDA and \$41,750 will be distributed
5 to approximately 1,612 Aggrieved Employees on a pro rata basis based on PAGA Pay Periods.

6 Given the strength of Plaintiff’s claims, the risks of further litigation, and the real and meaningful
7 recovery for both the State and employees, the proposed settlement is fair, adequate, reasonable, and in
8 the public interest. Accordingly, the Parties respectfully request that the Court grant approval.

9 **A. EVALUATION OF THE PAGA SETTLEMENT**

10 Although PAGA and its legislative history do not expressly require courts to evaluate settlements
11 against the theoretical “maximum value” of the claims, courts routinely assess whether the penalties
12 recovered are reasonable in light of the potential exposure and litigation risks. Here, even under that
13 framework, the penalties provided under the Settlement are fair and reasonable.

14 Plaintiff estimates that Defendants’ maximum potential penalty exposure was approximately
15 \$6,135,200 based on approximately 61,352 PAGA Pay Periods and the statutory \$100 per-pay-period
16 penalty for a first violation. (Falakassa Decl. ¶ 33.) This figure is grounded in Plaintiffs’ core theories—
17 namely, unpaid minimum/overtime wages, meal and rest break violations, and derivative penalties for
18 inaccurate wage statements, untimely wages, and untimely final wages.

19 Plaintiff based this estimate on civil penalties available under Labor Code § 2699(f)(2), which
20 generally provides \$100 for an initial violation and \$200 for each subsequent violation, per aggrieved
21 employee, per pay period. Citing *Amaral v. Cintas Corp.* (2008) 163 Cal.App.4th 1157, Plaintiff asserted
22 that Defendants’ notice of the alleged violations through the PAGA notice letters justified applying at
23 least the \$100 rate for each pay period after the notice was served. However, Plaintiff acknowledges that
24 some courts have held that the \$200 “subsequent violation” rate applies only after an employer has been
25 put on notice of a violation by a court or commission, not merely by the PAGA letter. (See, e.g.,
26 *Amalgamated Transit Union Local 1309 v. Laidlaw Transit Servs.*, 2009 U.S. Dist. LEXIS 69842, *26
27 (C.D. Cal.)) Defendants maintain that the higher \$200 rate does not apply and that only the \$100 rate is
28 available.

1 However, this maximum amount does not take into account the various risks and potential
2 defenses to the claims herein. Moreover, Defendants dispute liability altogether and argue that, even if
3 violations occurred, the Court has discretion under Labor Code § 2699(e)(2) to significantly reduce any
4 penalties “based on the facts and circumstances of the particular case,” including where an award might
5 otherwise be “unjust, arbitrary and oppressive, or confiscatory.” Defendants further assert that any
6 violations were unintentional, isolated, or de minimis and that any penalties should be mitigated due to
7 the absence of “willfulness” or based on their good-faith compliance efforts. They also argue that stacking
8 penalties for multiple derivative violations (e.g., wage statements and final pay) would be improper and
9 excessive. Finally, Defendants provided evidence of financial inability to afford a larger six figure or
10 seven figure settlement. (Falakassa Decl. ¶ 29.)

11 Despite these defenses and the litigation risks, Plaintiffs secured a \$167,000 PAGA penalty fund.
12 This result reflects a meaningful compromise following a thorough and extensive investigation,
13 discovery, and private mediation. Plaintiffs’ counsel analyzed time and pay data, reviewed Defendants’
14 policies and procedures, and modeled potential penalty outcomes using the data provided for
15 approximately 1,612 Aggrieved Employees. (Falakassa Decl. ¶ 30, **Ex. B.**)

16 The agreed-upon penalty fund ensures meaningful recovery to the State and affected employees
17 while avoiding the uncertainty and cost of further litigation. It advances the goals of PAGA and is neither
18 unjust, arbitrary, nor excessive. Accordingly, the Settlement is a fair and reasonable resolution of the
19 disputed claims and warrants the Court’s approval.

20 **B. THE REQUEST INCENTIVE PAYMENTS TO PLAINTIFFS ARE FAIR AND REASONABLE**

21 Plaintiffs respectfully request that the Court approve a \$10,000 Incentive Payment for each of
22 them in recognition of their time, effort, and commitment in prosecuting this action on behalf of the State
23 of California and Aggrieved Employees. The award is reasonable given Plaintiffs’ active roles in the
24 case, including assisting counsel in preparing pleadings and declarations, participating in discovery and
25 litigation proceedings, attending status conferences, reviewing Defendants’ policy documents and payroll
26 data, and providing input throughout the settlement negotiations.

27 Courts routinely approve service or enhancement awards in PAGA-only cases to compensate
28 plaintiffs who invest time and energy in advancing claims for the benefit of others. Such awards reflect

1 the burden representative plaintiffs undertake and the critical role they play in enforcing the Labor Code
2 where state resources may be limited. (See, e.g., *Gonzalez v. CoreCivic of Tennessee, LLC* (E.D. Cal.
3 Mar. 30, 2022) 2022 WL 1050300, at *6.)

4 Here, Plaintiffs helped initiate this enforcement action, litigated through discovery motions,
5 motions to compel arbitration, and status conferences, and supported resolution of the case following
6 extensive discovery, mediation, and analysis. These efforts ultimately led to a significant, non-
7 reversionary \$380,000 PAGA settlement. As the California Supreme Court has explained, a PAGA
8 plaintiff “represents the same legal right and interest as state labor law enforcement agencies,” and acts
9 as a proxy for the State in vindicating public rights. (*Arias*, 46 Cal.4th at 986; *Iskanian v. CLS Transp.*
10 (2014) 59 Cal.4th 348, 387.) In addition, pursuant the Settlement, each Plaintiff entered into a general
11 release of claims.

12 In light of Plaintiffs’ meaningful contributions to this matter and the strong result obtained on
13 behalf of the State and Aggrieved Employees, the requested \$10,000 Incentive Payment for each Plaintiff
14 is fair, reasonable, and appropriate. Accordingly, Plaintiffs respectfully requests that the Court approve
15 the awards as part of the overall settlement.

16 **VI. THE REQUESTED ATTORNEYS’ FEES AND LITIGATION COSTS ARE FAIR AND**
17 **REASONABLE**

18 For their efforts and the risk, they undertook in obtaining a common fund settlement that benefits
19 the LWDA and Aggrieved Employees, the Parties allocated \$133,000 to Plaintiffs’ Counsels for
20 reasonable attorneys’ fees, which is 35% of the Gross Settlement Amount. Additionally, the Parties
21 agreed to reimburse Plaintiff’s Counsels for its actual litigation costs. These fees are warranted under
22 the law and within the range of fees commonly awarded in similar cases.

23 **A. PLAINTIFFS’ COUNSELS ARE ENTITLED TO RECOVER ATTORNEYS’ FEES UNDER THE**
24 **COMMON FUND DOCTRINE IN THIS QUI TAM ACTION**

25 PAGA provides that a plaintiff is entitled to recover reasonable attorneys’ fees, expenses, and
26 costs under section 2699(g)(1) of the California Labor Code, which provides that, “Any employee who
27 prevails in any action shall be entitled to an award of reasonable attorney’s fees and costs, including any
28 filing fee paid pursuant to subparagraph (B) of paragraph (1) of subdivision (a) or subparagraph (B) of

1 paragraph (1) of subdivision (c) of Section 2699.3.” As discussed below, in a qui tam action, reasonable
2 attorney’s fees and costs are typically awarded under the common fund doctrine where, as here, the
3 litigation creates a common fund of money in a specific amount for the benefit of others.

4 “A qui tam action is one brought under a statute that allows a private person to sue as a private
5 attorney general to recover damages or penalties, all or part of which will be paid to the government.”
6 *People ex rel. Stratham v. Acacia Research Corp.* (2012) 210 Cal.App.4th 487, 491-492. “A qui tam
7 action ‘is a type of private attorney general lawsuit’ (citation), in which ‘the qui tam Plaintiff stands in
8 the shoes of the state or political subdivision (citation).’” *Id.* at 501. As the name of the PAGA statute
9 makes clear (e.g., “Labor Code Private Attorney General Act”), a PAGA action is a qui tam action
10 because the statute allows the employee plaintiff, acting as the proxy of the state’s labor law enforcement
11 agency, to sue his or her employer for Labor Code violations and recover civil penalties that otherwise
12 would have been assessed and collected by the LWDA. *Iskanian*, 59 Cal.4th at 380. “A PAGA
13 representative action is therefore a type of *qui tam* action.” *Id.* at 382. Indeed, the majority of the civil
14 penalties recovered in a PAGA action are paid to the state, with a smaller portion paid to the aggrieved
15 employees (e.g., 75% paid to the state; 25% paid to the aggrieved employees). See Labor Code § 2699(i).

16 As here, where a common fund is created in a qui tam action by the successful litigation of a
17 plaintiff and his attorneys, the attorneys are entitled to recover their fees from the common fund. *Bank*
18 *of America v. Cory* (1985) 164 Cal.App.3d 66, 89-91. In *Bank of America*, California taxpayers
19 compelled the State Controller to enforce the Unclaimed Property Law against banks who were retaining
20 accounts that should have been turned over to the State. Because of the success of the taxpayers’ lawsuit,
21 a common fund was created in favor of some depositors and the State of California. *Id.* When the
22 taxpayers’ attorneys sought recovery of their attorney’s fees from the judgment under the common fund
23 doctrine, the Controller opposed the request. The Court of Appeal affirmed the trial court’s fee award to
24 the taxpayers’ counsel under the common fund doctrine stating:

25 “Those benefiting from the recovery of the fund, in this case some depositors
26 and eventually the People of the State of California, must bear their share of the
27 cost of litigation. Fees for taxpayers’ attorneys will be deducted from the
28 judgment, and each claimant’s share reduced proportionately. To the extent the
judgment relies upon section 1021.5 for recovery of attorney fees, it must be
modified to confine the award of fees to the common fund theory.” *Id.* at p. 91.

1 In this case, the PAGA Settlement created a common fund for the benefit of the employees and
2 the State of California. Thus, these beneficiaries must bear their share of the costs and attorneys' fees,
3 which fees and costs must be deducted from the settlement amount under the common fund theory. *Id.*
4 Moreover, such fees are deducted as a percentage of the settlement amount. *Boeing Co. v. Van Gemert*
5 (1980) 444 U.S. 472, 478-482; *Six (6) Mexican Workers v. Arizona Citrus Growers* (9th Cir. 1990) 904
6 F.2d 1301, 1311; *Williams v. MGM-Pathe Communications Co.* (9th Cir. 1997) 129 F.3d 1026, 1027;
7 *Staton v. Boeing Co.* (9th Cir. 2003) 327 F.3d 938, 967.

8 The California Supreme Court upheld the use of the common fund theory of recovery for
9 attorneys' fees in *Laffitte v. Robert Half Int'l Inc.* (2016) 1 Cal.5th 480, 506. In *Laffitte*, the settlement
10 created a common fund of \$19 million dollars. This ruling is consistent with the Court's prior rulings
11 recognizing that "when a number of persons are entitled in common to a specific fund, and an action
12 brought by ... Plaintiff for the benefit of all results in the creation or preservation of that fund, such ...
13 Plaintiff may be awarded attorneys' fees out of the fund." *Serrano III v. Priest* (1977) 20 Cal.3d 25, 34;
14 *Boeing Co. v. Van Gemert*, 444 U.S. 472, 478 (1980) ["(A) lawyer who recovers a common fund . . . is
15 entitled to reasonable attorneys' fees from the fund as a whole"]; *Mills v. Electric Auto-Lite Co.* (1970)
16 396 U.S. 375, 393-394 [discussing the acceptance of awarding attorneys' fees and expenses from a
17 settlement where "litigation has conferred a substantial benefit on the members of an ascertainable
18 class"]; see also *Lealao v. Beneficial California, Inc.* (2000) 82 Cal.App.4th 19, 26 ["(f)ee spreading
19 occurs when a settlement or adjudication results in the establishment of a separate or so-called common
20 fund for the benefit of the class."].)

21 Accordingly, the common fund doctrine allows a court to award attorneys' fees based upon a
22 percentage of the total fund that is created for the satisfaction of beneficiaries' claims when the fund
23 consists of a "certain or easily calculable sum of money." *Dunk v. Ford Motor, Co.* (1996) 48
24 Cal.App.4th 1794, 1809; *Jutkowitz v. Bourns, Inc.* (1981) 118 Cal.App.3d 102, 1,282.91 [application of
25 the percentage of the fund recovery depended on "(t)he critical point" that "a fund was created from
26 which attorneys' fees could be paid"]; A. Conte & H. Newberg, *Newberg on Class Actions*, § 14:6 (4th
27 ed. 2002).

1 California law has long upheld, and continues to uphold, the percentage of the recovery method
2 for awarding attorneys' fees where a fund is established. See e.g., *Serrano v. Priest* (1977) 20 Cal.3d 25,
3 34; *Bell v. Farmers Insurance Exchange* (2004) 115 Cal.App.4th 715, 726; *Chavez v. Netflix, Inc.* (2008)
4 162 Cal.App.4th 43, 563 ["fees based on a percentage of the benefits are in fact appropriate in large class
5 actions..."]; *Sanders v. City of Los Angeles* (1970) 3 Cal.3d 252, 261, 263 [affirming award of attorneys'
6 fee based on percentage of recovery]; *Chavez v. Netflix, Inc.*, *supra*, 162 Cal.App.4th at pp. 65-66; see
7 also *Consumer Cause, Inc. v. Mrs. Gooch's Natural Food Markets, Inc.* (2005) 127 Cal.App.4th 387,
8 397 [the common fund doctrine is "frequently applied in class actions when the efforts of the attorney
9 for the named class representatives produce monetary benefits for the entire class"]; *Wershba v. Apple*
10 *Computer, Inc.* (2001) 91 Cal.App.4th 224, 254 ["courts recognize two methods for calculating attorney
11 fees in class actions: the lodestar/multiplier method and the percentage of recovery"].

12 Based on the foregoing, awarding attorneys' fees of 35% of the Gross Settlement Amount is fair
13 and warranted in light of the PAGA settlement that was reached on behalf of the State of California and
14 Aggrieved Employees. Accordingly, awarding fees on this basis in this amount is reasonable and
15 appropriate.

16 **B. THE PERCENTAGE FEE OF THE GROSS SETTLEMENT AMOUNT IS FAIR AND**
17 **REASONABLE**

18 An award of fees from the Gross Settlement Amount under the common fund doctrine prevents
19 unjust enrichment of those who benefit from the common fund created through the successful efforts of
20 Plaintiff's counsel and furthers the important goal of attracting competent counsel to handle
21 representative actions enforcing minimum labor standards. *Laffitte*, 1 Cal.5th at 503. In affirming the
22 use of the common fund doctrine in California, the California Supreme Court summarized the benefits
23 of the percentage method of recovery stating: "The recognized advantages of the percentage method—
24 including relative ease of calculation, alignment of incentives between counsel and the class, a better
25 approximation of market conditions in a contingency case, and the encouragement it provides counsel to
26 seek an early settlement and avoid unnecessarily prolonging the litigation (citations)—convince us the
27 percentage method is a valuable tool that should not be denied our trial courts." *Id.*

1 Among the factors considered in determining whether the requested fee percentage is reasonable
2 are: (1) the results achieved; (2) the risk of further litigation; (3) the skill required of Plaintiff's counsel
3 and the quality of work performed by Plaintiff's counsel; (4) the contingent nature of the fee and the
4 financial burden carried by the Plaintiff; and (5) awards made in similar cases. *Vizcaino v. Microsoft*
5 *Corp.* (9th Cir. 2002) 290 F.3d 1043, 1048-50. All these factors support an award here of 35% of the
6 common fund.

7 First, Plaintiff's counsel achieved a superb PAGA settlement in a case that involved highly
8 contested issues that were primarily related to small, alleged underpayments, as well as limited meal and
9 rest break violation rates. Notably, Defendants had prevailed on its motion to compel arbitration as to
10 Camacho's individual claim, and Defendants have claimed poverty.

11 Second, Plaintiff faced significant risks going forward with the litigation. As discussed above,
12 Defendants raised various defenses and, as such, Plaintiff faced risky issues going forward with this
13 litigation, and it would have taken significant time to realize any recovery in this action.

14 Third, Plaintiffs' Counsels are experienced representative PAGA action litigators, including
15 having been selected as a "Super Lawyer" in employment litigation and having achieved large PAGA
16 awards in the State of California (Falakassa Decl. ¶¶ 3-8). This experience and expertise, combined with
17 the high quality of work performed by Plaintiffs' Counsels, resulted in the settlement achieved in this
18 case.

19 Fourth, as discussed above and as set forth in the Declaration of Plaintiffs' Counsels, the request
20 for attorneys' fees falls well within the norms accepted by state and federal courts in California in
21 comparable wage and hour actions actually handled by Plaintiff's Counsel.

22 For all of the above reasons, a fee award of one-third of the Gross Settlement Amount is fair and
23 reasonable.

24 **C. A LODESTAR CROSS-CHECK CONFIRMS THE REASONABLENESS OF THE FEE AWARD**

25 Despite recognized limitations of the lodestar method, California and federal courts often find it
26
27
28

useful as a “cross-check” on the reasonableness of percentage-based attorneys’ fee requests.¹ *Lealao, supra*, 82 Cal.App.4th at 46-47. Under this approach, the court calculates counsel’s total lodestar by multiplying the hours reasonably expended by each attorney or legal staff member by their respective hourly rates. The resulting figure may then be adjusted using a multiplier based on factors such as the novelty or difficulty of the issues, the contingency risk, and the results achieved. (*See PLCM Group, Inc. v. Drexler* (2000) 22 Cal.4th 1084, 1095–96; *Press v. Lucky Stores, Inc.* (1983) 34 Cal.3d 311, 322; *Lealao, supra*, at 43.)

Here, Plaintiff’s counsel requests fees in the amount of \$133,000—representing 35% of the gross settlement amount. As set forth in the declarations of Plaintiffs’ counsels submitted herewith, this fee represents a negative multiplier when cross-checked against their actual lodestar, which totals \$162,087.50. The table below summarizes the lodestar calculation:

Lodestar Summary

Attorney	Experience	Hourly Rate	Total Hours	Lodestar
Arash Khosrowshahi	11 years	\$700	53	\$37,100
Joshua Falakassa	11 years	\$675	62.5	\$42,187.50
Michael Nourmand	27 years	\$900	74	\$66,600
James Desario	16 Years	\$600	27	\$16,200
TOTAL				\$162,087.50

(*See Falakassa Decl.* ¶ 38; *Khosrowshahi Decl.* ¶ 25; *Nourmand Decl.*, ¶ 9.)

The requested fee of \$133,000 represents a lodestar negative multiplier. This is well within the range routinely approved by California courts, particularly in wage and hour litigation involving significant litigation risk, meaningful relief, and substantial investment of attorney time. The requested fee is thus reasonable and appropriate under both the percentage-of-recovery method and the lodestar cross-check.

¹ In practice, the lodestar method is difficult to apply, time-consuming to administer, inconsistent in result, and capable of manipulation. In addition, the lodestar creates inherent incentive to prolong the litigation until sufficient hours have been expended. Herr, David F., *Manual for Complex Litigation*, § 14.121 (1988); *see also In re Activision* (N.D. Cal 1989) 723 F.Supp 1373.

1 The hourly rates requested by Plaintiffs' counsel are consistent with rates approved by California
2 courts for attorneys of similar skill, experience, and reputation in complex wage-and-hour matters. The
3 starting point for determining a reasonable hourly rate is the prevailing market rate in the relevant legal
4 community. (*See PLCM Group, Inc. v. Drexler* (2000) 22 Cal.4th 1084, 1095; *Chavez v. City of Los*
5 *Angeles* (2010) 47 Cal.4th 970, 985.)

6 Given that Mr. Khosrowshahi (11 years) requests \$700 per hour, Mr. Falakassa (11 years)
7 requests \$675 per hour, and Mr. Nourmand (27 years) requests \$900 per hour, James DeSario (16 years)
8 \$600 per hour, their rates fall squarely within this approved and prevailing range for experienced counsel
9 handling complex representative employment matters in California.

10 Thus, the hourly rates used in Plaintiffs' lodestar calculation are well-supported by recent
11 authority, and further confirm that the requested attorneys' fees are fair, reasonable, and consistent with
12 market standards.

13 **D. THE REQUESTED LITIGATION COSTS ARE FAIR AND REASONABLE**

14 Plaintiffs' Counsel respectfully requests reimbursement of their actual out-of-pocket litigation
15 expenses incurred in prosecuting this action. These costs were both reasonable and necessary to the
16 effective representation of Plaintiff and the Aggrieved Employees. Courts routinely allow prevailing
17 plaintiffs to recover such costs under the common fund doctrine, which applies equally to representative
18 PAGA actions. (*See Serrano v. Priest* (1977) 20 Cal.3d 25, 35 [common fund doctrine permits recovery
19 of fees and costs from the fund]; *Rider v. County of San Diego* (1992) 11 Cal.App.4th 1410, 1424 n.6
20 [litigation costs may be recovered for the same reasons supporting a fee award].)

21 Additionally, courts recognize that counsel is entitled to recover "those out-of-pocket expenses
22 that would normally be charged to a fee-paying client." (*Harris v. Marhoefer* (9th Cir. 1994) 24 F.3d 16,
23 19.) Such reimbursable expenses may include filing fees, mediation costs, court reporting, research, and
24 related case administration expenses.

25 Here, the Settlement Agreement authorizes recovery of litigation costs of up to \$50,000. (S.A. ¶
26 3.2.1.) However, Plaintiff's Counsel's actual costs total \$52,661.01 (including \$16,540.45 for economics
27 research). (Falakassa Decl. ¶ 33; Khosrowshahi Decl., ¶ 19; Nourmand Decl., ¶ 12.) Although costs
28 marginally exceed the cap, counsel is willing to accept. These costs are modest in relation to the size and

complexity of the case and are uncontested by Defendants.

Because the requested costs are well-documented, reasonably incurred, and are only slightly above the cap in the Settlement, Plaintiff respectfully requests that the Court approve reimbursement in the amount of \$50,000.

VII. SUBMISSION TO THE LWDA

As required by Labor Code § 2699(1)(2), Plaintiffs have concurrently submitted the Settlement Agreement and this Motion for Approval to the California Labor and Workforce Development Agency (LWDA). (See Falakassa Decl. ¶ 41.) Proof of the electronic submission to the LWDA is attached as **Exhibit C** to the Falakassa Declaration.

VIII. THE SETTLEMENT ADMINISTRATOR

ILYM Group, Inc. (“ILYM”) has been selected to serve as the Settlement Administrator. ILYM will be responsible for issuing settlement payments, providing notice to Aggrieved Employees, handling tax reporting, and performing other standard administrative functions related to the Settlement. ILYM submitted an all-inclusive bid to administer the Settlement for \$10,000, which will be paid from the Gross Settlement Amount. (See S.A. § 3.2.2, 7.1.).

IX. CONCLUSION

For the foregoing reasons, Plaintiff respectfully requests—without opposition from Defendants—that the Court grant approval of the Parties’ PAGA Settlement Agreement pursuant to Labor Code § 2699(1)(2). The Settlement is fair, adequate, and reasonable, and it advances the enforcement goals of the PAGA by providing meaningful relief to the State of California and the Aggrieved Employees.

Dated: May 27, 2025

**FALAKASSA LAW, P.C.
LIBERTY MAN LAW, P.C.
THE NOURMAND LAW FIRM APC**



By: _____

Arash Khosrowshahi, Esq.
Joshua Falakassa, Esq.
Michael Nourmand, Esq.
Attorneys for Plaintiffs and the Aggrieved Employees