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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES – POMONA COURTHOUSE**

PORFIRIO LANDEROS, individually, and on
behalf of other aggrieved employees pursuant
to the California Private Attorneys General
Act;

Plaintiff,

vs.

ALLFAST FASTENING SYSTEM, an
unknown business entity; TRIMAS
CORPORATION, an unknown business
entity; and DOES 1 through 100, inclusive,

Defendants.

Case No.: 20PSCV00807

Honorable Peter A. Hernandez
Department O

**PLAINTIFF'S NOTICE OF MOTION
AND MOTION FOR APPROVAL OF
PRIVATE ATTORNEYS GENERAL
ACT (CAL. LABOR CODE § 2698,
ET SEQ.) SETTLEMENT AGREEMENT
AND AWARD OF PLAINTIFF'S
COUNSEL'S PAYMENT,
ENHANCEMENT AWARD, AND
SETTLEMENT ADMINISTRATION
FEE; MEMORANDUM OF POINTS AND
AUTHORITIES**

[Declaration of Plaintiff's Counsel
(Edwin Aiwarzian); Declaration of Plaintiff
(Porfirio Landeros); and [Proposed] Order
and Judgment filed concurrently herewith]

Reservation ID: 284349067627
Date: March 9, 2023
Time: 9:30 a.m.
Department: O

Complaint Filed: November 18, 2020
Trial Date: None Set

1 **PLEASE TAKE NOTICE** that on March 9, 2023 at 9:30 a.m. a.m. or as soon thereafter
2 as the matter may be heard before the Honorable Peter A. Hernandez in Department O of the
3 Superior Court of the State of California, for the County of Los Angeles, located at Pomona
4 Courthouse South, 400 Civic Center Plaza, Pomona, CA 91766, Plaintiff Porfirio Landeros
5 (“Plaintiff”) will and hereby does move for entry of the following orders:

- 6 1. Granting approval, pursuant to California Labor Code section 2699(1)(2), of the
7 settlement between Plaintiff and Defendants Allfast Fastening Systems, LLC and
8 TriMas Corporation (together, “Defendants”) of the claims brought pursuant to the
9 Private Attorneys General Act of 2004 (“PAGA”), as set forth in the Private Attorney
10 General Act Settlement Agreement and Release (“Settlement,” “Agreement,” or
11 “Settlement Agreement”), attached as “**EXHIBIT 1**” to the Declaration of Edwin
12 Aiwazian, including and not limited to, the plan of allocation and distribution of the
13 Settlement Sum for payment of the LWDA Payment to the California Labor and
14 Workforce Development Agency (“LWDA”), Individual PAGA Payments to the
15 Allegedly Aggrieved Employees, Plaintiff’s Counsel’s Payment to Plaintiff’s
16 Counsel, Settlement Administration Fee to the Settlement Administrator, and
17 Enhancement Award to Plaintiff;
- 18 2. Approving the Net PAGA Amount, estimated to be no less than \$214,980.92 which
19 will be distributed to the LWDA and the Allegedly Aggrieved Employees, pursuant
20 to California Labor Code section 2699(i), of which seventy-five percent (75%) will
21 be paid to the LWDA (“LWDA Payment”) and twenty-five percent (25%) will be
22 paid to the Allegedly Aggrieved Employees (“PAGA Employee Amount”);
- 23 3. Appointing Simpluris, Inc. (“Simpluris”) as the Settlement Administrator;
- 24 4. Directing Defendants to transmit the Settlement Sum of \$375,000.00 into a Qualified
25 Settlement Fund established by the Settlement Administrator for administration of the
26 Settlement, and directing the Settlement Administrator to distribute the Settlement
27 Sum in accordance with the Settlement Agreement;

5. Directing the mailing of Individual PAGA Payment checks to the Allegedly Aggrieved Employees along with the Cover Letter, which is substantially similar in content and form to that attached as “**EXHIBIT A**” to the [Proposed] Order and Judgment Granting Approval of Private Attorneys General Act (Cal. Labor Code § 2698, *Et Seq.*) Settlement Agreement and Award of Plaintiff’s Counsel’s Payment, Enhancement Award, and Settlement Administration Fee (“[Proposed] Order and Judgement”) filed concurrently herewith;
6. Awarding \$7,500.00 to Plaintiff Porfirio Landeros as an Enhancement Award;
7. Awarding up to \$5,500.00 to the Settlement Administrator as the Settlement Administration Fee; and
8. Awarding to Plaintiff’s Counsel, Lawyers *for* Justice, PC, \$131,250.00 as compensation for reasonable attorneys’ fees (“Attorneys’ Fee Amount”), and \$15,769.08 for reimbursement of litigation costs and expenses (“Litigation Cost Amount”), (collectively “Plaintiff’s Counsel’s Payment”), pursuant to California Labor Code section 2699(g)(1).

The Settlement Agreement and moving and supporting papers for this motion are being concurrently submitted to the California Labor and Workforce Development Agency in conformity with California Labor Code section 2699(l)(2).

This motion is made pursuant to California Labor Code section 2699(l)(2), which provides for review and approval by the Court of the settlement of a civil action filed pursuant to PAGA, and Rule 3.1113(e) of the California Rules of Court, which permits the Court to extend the page limit for memoranda.

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1 This motion will be based upon the following Memorandum of Points and Authorities,
2 the Settlement Agreement, the Declarations of Plaintiff's Counsel (Edwin Aiwasian) and
3 Plaintiff (Porfirio Landeros) in support thereof, as well as the pleadings and other records on file
4 with the Court in this matter, and such evidence and oral argument as may be presented at the
5 hearing on this motion.

6 Dated: January 4, 2023

LAWYERS for JUSTICE, PC

7
8 By:



Annabel Blanchard
Attorney for Plaintiff

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MEMORANDUM OF POINTS AND AUTHORITIES

I. SUMMARY OF MOTION

Plaintiff Porfirio Landeros (“Plaintiff”) seeks approval of the Private Attorney General Act Settlement Agreement and Release (“Settlement,” “Agreement,” or “Settlement Agreement”) entered into between Plaintiff, individually and on behalf of the State of California and other aggrieved employees, and Defendants Allfast Fastening Systems, LLC and TriMas Corporation (together, “Defendants”), pursuant to California Labor Code section 2699(1)(2).¹

Subject to approval by the Court, Plaintiff and Defendants (together, the “Parties”) have agreed to resolve the above-captioned action, brought pursuant to the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* (“PAGA”), for a Settlement Sum of \$375,000.00.²

The Settlement Sum is inclusive of: (1) Plaintiff’s Counsel’s Payment to be paid to Lawyers for Justice, PC (“Plaintiff’s Counsel”), (2) Enhancement Award to Plaintiff, (3) Settlement Administration Fee to be paid to the Settlement Administrator, and (4) Net PAGA Amount to be paid to the California Labor and Workforce Development Agency (“LWDA”) and any and all individuals currently or formerly employed by Allfast Fastening Systems, LLC in hourly or non-exempt positions in California at any time during the PAGA Period (“Allegedly Aggrieved Employees”).³

The Net PAGA Amount will be the Settlement Sum less the Court-approved Attorneys’ Fee Amount and Litigation Cost Amount (collectively, “Plaintiff’s Counsel’s Payment”), Enhancement Award, and Settlement Administration Fee, and is currently estimated to be no less than \$214,980.92.⁴ The Net PAGA Amount will be distributed as follows: seventy-five percent

¹ The Private Attorney General Act Settlement Agreement and Release (“Settlement Agreement”) is attached as “EXHIBIT 1” to the Declaration of Edwin Aiwazian.

² Settlement Agreement, § 1.01(ff). If the actual number of Pay Periods from September 14, 2019 to September 19, 2021 is more than ten percent (10%) above 7,300 (i.e., if the Pay Periods from September 14, 2019 to September 19, 2021 exceed 8,030), then the Settlement Sum will be increased by the percentage that the actual number exceeds 8,030. *Id.*, § 4.01.

³ *Id.*, § 4.02. See also, § 1.01(c). “PAGA Period” is defined as the time period from September 14, 2019 through the date that the Court grants approval of the Settlement. *Id.*, § 1.01(u).

⁴ *Id.*, § 1.01(s).

(75%) to the LWDA (“LWDA Payment”) and twenty-five percent (25%) to the Allegedly Aggrieved Employees (“PAGA Employee Amount”).⁵ Each Allegedly Aggrieved Employee will be entitled to payment of his or her *pro rata* share of the PAGA Employee Amount, based on the number of pay periods each Allegedly Aggrieved Employee worked during the PAGA Period (“Pay Periods”).⁶

The payments to Allegedly Aggrieved Employees will be treated and reported for tax purposes as one hundred percent (100%) penalties and the Settlement Administrator will be responsible for issuing IRS Forms 1099 as required.⁷

Plaintiff submits that the Settlement is fair, adequate, and reasonable, and meets the requirements for approval by the Court based upon the relevant fairness factors, the relative strengths of the PAGA claim, the risk, expense, and complexity of further litigation, the benefit conferred by the Settlement, the scope of the release of claims, the experience and views of counsel, and the reasonableness of the Net PAGA Amount (consisting of the LWDA Payment and PAGA Employee Amount), Plaintiff’s Counsel’s Payment, Settlement Administration Fee, and Enhancement Award. Plaintiff respectfully requests that this Court approve the Settlement, award the Plaintiff’s Counsel’s Payment, Settlement Administration Fee, and Enhancement Award, and approve the LWDA Payment, which are provided for by the Settlement and requested herein.

In order to efficiently present the Court with adequate information to determine whether to grant approval of the Settlement, Plaintiff also moves for an order permitting the filing of this memorandum, although it exceeds the page limit established by California Rules of Court, Rule 3.1113(d).

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⁵ Settlement Agreement, §§ 1.01(o), 1.01(r), & 4.06(a).

⁶ *Id.*, § 1.01(w).

⁷ *Id.*, § 4.06(b).

II. FACTUAL BACKGROUND AND RELEVANT PROCEDURAL HISTORY

Defendant Allfast Fastening Systems, LLC is located in the City of Industry, California and is the leading company in providing solid and blind rivet fastening solutions in the aerospace industry. Defendant TriMas Corporation is a global manufacturer and provider of products in the consumer, aerospace, and industrial markets, and is the parent company of Allfast Fastening Systems, LLC. TriMas Corporation is a publicly traded company. Plaintiff Porfirio Landeros is a former employee of Defendant Allfast Fastening Systems, LLC.

Prior to commencing this lawsuit, on September 14, 2020, as required by California Labor Code section 2699.3, Plaintiff Porfirio Landeros provided the LWDA and Defendants with written notice of his intent to assert claims under PAGA and the basis for those claims (“PAGA Notice”), to which the LWDA did not respond.⁸

On November 18, 2020, Plaintiff Porfirio Landeros filed a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. (“Complaint”) against Defendants in the Los Angeles County Superior Court (“Court”), Case No. 20PSCV00807 (the “Action”). Plaintiff’s core allegation is that Defendants have violated the California Labor Code by engaging in a uniform practice and procedure, with respect to Plaintiff and other aggrieved employees, of, *inter alia*, failing to pay overtime and minimum wages, failing to provide compliant meal and rest periods and associated premiums, failing to pay timely wages during employment and upon termination of employment, failing to provide complete and accurate itemized wage statements, failing to keep complete and accurate payroll records, and failing to reimburse necessary business-related expenses and costs.

On May 6, 2021, Defendants filed an Answer to the Complaint. Defendants maintained, and continue to maintain, that they had, and continue to have, legally-compliant employment policies and practices throughout the time period at issue. Defendants deny that they ever violated any provision of the California Labor Code, including, but not limited to, those sections for which Plaintiff seeks penalties under the PAGA.

⁸ Declaration of Edwin Aiwazian (“Aiwazian Decl.”), ¶ 10.

During the time period from June 2021 through December 2021, Plaintiff's Counsel propounded multiple sets of written discovery requests on Allfast Fastening Systems, LLC, including Requests for Production of Documents (Set One), and Special Interrogatories (Sets One & Two), and Form Interrogatories – General (Set One). Plaintiff's Counsel also propounded multiple sets of written discovery requests on TriMas Corporation, including Requests for Production of Documents (Set One), Special Interrogatories (Sets One & Two), and Form Interrogatories – General, (Set One). Plaintiff's Counsel also served multiple notices of the depositions of Allfast Fastening Systems, LLC and TriMas Corporation's Person Most Knowledgeable designee(s) regarding organizational structure and wage and hour policies and practices, along with requests for production of documents. Plaintiff's Counsel also reviewed discovery requests and the notice of deposition of Plaintiff, served by Defendants.

On November 15, 2021, the Parties participated in a full-day mediation conducted by Honorable Suzanne H. Segal (Ret.), a well-respected mediator experienced in mediating complex labor and employment matters.⁹ While the matter did not settle at mediation, the Parties were ultimately able to reach a settlement by way of ongoing negotiations and with the aid of the mediator's evaluation.¹⁰ On January 27, 2022, the Parties filed their Joint Case Management Conference Statement and Notice of Settlement.

Plaintiff now moves for an order granting approval of the Settlement pursuant to California Labor Code section 2699(l)(2). The Settlement Agreement and moving and supporting papers for this motion are being submitted to the LWDA in conformity with California Labor Code section 2699(l)(2), concurrently with this filing.¹¹

III. SUMMARY OF THE SETTLEMENT TERMS

A. Allegedly Aggrieved Employees

The Allegedly Aggrieved Employees who are covered by the Settlement are:

⁹ Aiwazian Decl., ¶ 13.

¹⁰ *Ibid.*

¹¹ The Court is referred to the concurrently-filed Proof of Service, which confirms submission of the papers to the LWDA.

Any and all individuals currently or formerly employed by Allfast Fastening Systems, LLC in hourly or non-exempt positions in California at any time during the PAGA Period.¹²

Based on information provided by Defendants, as of December 15, 2022, there are approximately two hundred seventy-eight (278) Allegedly Aggrieved Employees.¹³

B. Distribution of the Settlement Sum

Under the terms of the Settlement Agreement, Defendants will pay a Settlement Sum of \$375,000.00.¹⁴ The Net PAGA Amount will be the Settlement Sum less the following amounts: (1) Plaintiff's Counsel's Payment consisting of attorneys' fees of \$131,250.00 and reimbursement of litigation costs and expenses of \$15,769.08 to Plaintiff's Counsel; (2) Enhancement Award of \$7,500.00 to Plaintiff; and (3) Settlement Administration Fee of up to \$5,500.00 to Simpluris, Inc., ("Simpluris" or "Settlement Administrator").¹⁵ The Net PAGA Amount will be fully distributed to the Allegedly Aggrieved Employees and the LWDA, as described in Part III.C, *infra*.

C. Distribution of the Net PAGA Amount

Within fifteen (15) calendar days after the Effective Date, Defendants shall deposit the Settlement Sum into the Qualified Settlement Fund established by the Settlement Administrator for administration of the Settlement.¹⁶ No later than fifteen (15) calendar days after the Effective Date, Defendants shall provide the Settlement Administrator with a list of all Allegedly Aggrieved Employees ("Employee List"), containing the following information: (i) first and last name for each Allegedly Aggrieved Employee; (ii) last known mailing address and telephone number(s) for each Allegedly Aggrieved Employee; (iii) the social security number or tax identification number for each Allegedly Aggrieved Employee; and (iv) each Allegedly Aggrieved Employee's respective number of Pay Periods.¹⁷

Seventy-five percent (75%) of the Net PAGA Amount (or approximately \$161,235.69)

¹² Settlement Agreement, § 1.01(c).

¹³ Aiwasian Decl., ¶ 9.

¹⁴ Settlement Agreement, § 1.01(ff); and Aiwasian Decl., ¶ 11.

¹⁵ Aiwasian Decl., ¶ 11.

¹⁶ Settlement Agreement, § 5.04(b).

¹⁷ Settlement Agreement, §§ 1.01(l) & 5.03(a)(1).

will be distributed to the LWDA (i.e., LWDA Payment) and twenty-five percent (25%) of the Net PAGA Amount (or approximately \$53,745.23) (i.e., PAGA Employee Amount) will be distributed to the Allegedly Aggrieved Employees on a *pro rata* basis, based on their Pay Periods.¹⁸ To calculate each Allegedly Aggrieved Employee's *pro rata* share of the PAGA Employee Amount ("Individual PAGA Payment"), the Settlement Administrator will divide the PAGA Employee Amount by the total Pay Periods of all Allegedly Aggrieved Employees to yield the "Pay Period Value;" the Settlement Administrator will then multiply the Pay Period Value by each Allegedly Aggrieved Employee's individual number of Pay Periods to arrive at each Allegedly Aggrieved Employee's Individual PAGA Payment.¹⁹ The payments to Allegedly Aggrieved Employees for their Individual PAGA Payment are considered one hundred percent (100%) penalties to be reported on IRS Form 1099, if required.²⁰

No later than ten (10) business days after its receipt of the Settlement Sum and Employee List, the Settlement Administrator shall mail the Cover Letter and Individual PAGA Payment (together, the "PAGA Settlement Package") to all Allegedly Aggrieved Employees by first-class United States mail.²¹ For each PAGA Settlement Package that is returned as undeliverable within thirty (30) calendar days of the initial mailing, the Settlement Administrator shall promptly attempt to locate an alternative, updated address of the Allegedly Aggrieved Employee, by conducting a skip-trace search and shall attempt one (1) re-mailing of the PAGA Settlement Package to an alternative address if one is located.²²

All Individual PAGA Payment checks will remain valid and negotiable for one hundred and eighty (180) calendar days from the date of their mailing by the Settlement Administrator, and thereafter, shall be cancelled.²³ Any funds remaining from the cancelled checks shall be distributed by the Settlement Administrator to the California State Controller's Office Unclaimed

¹⁸ *Id.*, § 4.06(a).

¹⁹ *Id.*, §§ 1.01(p) & 4.06(c).

²⁰ *Id.*, § 4.06(b).

²¹ *Id.*, §§ 5.03(a)(2) & 1.01(v).

²² Settlement Agreement, § 5.03(a)(3).

²³ *Id.*, § 5.04(d).

Property Division, in the name of that Allegedly Aggrieved Employee and in the amount of his or her respective Individual PAGA Payment.²⁴

D. The Scope of the Release in the Settlement Agreement

Upon the Effective Date and full funding of the Settlement Sum, Plaintiff, the Allegedly Aggrieved Employees, and the State of California shall have fully, finally, and forever released, relinquished, and discharged each and all of the Released Parties from the Released Claims.

The “Released Claims” means any and all claims for civil penalties under California Labor Code section 2698 *et seq.* which were made or which could have been made against Defendants based on the factual allegations in the Complaint and PAGA Notice, arising during the PAGA Period, which include but are not limited to, the failure to pay minimum, regular, and overtime, failure to provide compliant meal periods and associated premiums, failure to provide compliant rest periods and associated premiums, failure to timely pay wages during employment, failure to pay reporting time pay, failure to provide a day of rest, failure to timely pay wages upon termination, failure to provide compliant and accurate wage statements, failure to maintain complete and accurate payroll records, failure to reimburse necessary business-related expenses and costs, and for violations of California Labor Code Sections 201, 202, 203, 204, 210, 218.6, 226(a), 226.7, 510, 512(a), 551, 552, 1174, 1194, 1197, 1197.1, 1198, 2800, and 2802, and all applicable California Wage Orders (including and not limited, Wage Order Nos. 1-2001, 4-2001, and 7-2011).²⁵

The “Released Parties” means Defendants and Defendants’ present, former, and future parent, sister, subsidiary, affiliated, and related entities, and each of its/their present, former, and future trustees, officers, directors, employees, managers, partners, shareholders, agents, insurers, attorneys, and any other successors, assigns, or legal representatives.²⁶

E. No Right to Object to, or Opt Out of, the Settlement

“[A] PAGA action is a statutory action for penalties brought as a proxy for the State,” as such, “there is no need to protect absent employees’ due process rights[.]” *Williams v. Superior Court* (2017) 3 Cal.5th 531, 546. “Unnamed employees need not be given notice of the PAGA claim, nor do they have the ability to opt-out of the representative PAGA claim.” *Ochoa-Hernandez v. CJADERS Foods, Inc.* (N.D. Cal. Apr. 2, 2010), 2010 WL 1340777, at *5. A

²⁴ *Ibid.*

²⁵ *Id.*, § 1.01(bb).

²⁶ *Id.*, § 1.01(cc).

1 representative PAGA action need not satisfy class action requirements, and no due process
2 concern arises from the fact that there are “nonparty aggrieved employees who are not given
3 notice of, and an opportunity to be heard in, a representative action that is not brought as a class
4 action.” *Arias v. Superior Court* (2009) 46 Cal.4th 969, 984. “PAGA does not make other
5 potentially aggrieved employees parties” to the action and no “due process concerns arise under
6 PAGA because absent employees do not own a personal claim for PAGA civil penalties and
7 whatever personal claims the absent employees might have for relief are not at stake.” *Williams*,
8 *supra*, 546-547 (internal references omitted, citing *Amalgamated Transit Union, Local 1756*,
9 *AFL-CIO v. Superior Court* (2009) 46 Cal.4th 993, 1003 and *Iskanian v. CLS Transportation*
10 *Los Angeles, LLC*, (2014) 58 Cal.4th 348, 381.)

11 “[A]bsent fellow employees will be bound by the outcome of any PAGA action[.]”
12 *Williams* at 548 (internal references omitted, citing *Arias, supra*, 980-981; *Fireside Bank v.*
13 *Superior Court* (2007) 40 Cal.4th 1069, 1074 and *Richmond v. Dart Industries, Inc.* (1981) 29
14 Cal, 3d 462, 474.) A “judgment in such an action is binding not only on the named employee
15 plaintiff but also on government agencies and any aggrieved employee not a party to the
16 proceeding” because “the employee plaintiff represents the same legal right and interest as state
17 labor law enforcement agencies[.]” “collateral estoppel applies [...] against those for whom the
18 party acted as an agent or proxy[.]” and “[w]hen a government agency is authorized to bring an
19 action on behalf of an individual or in the public interest, and a private person lacks an
20 independent right to bring the action, a person who is not a party but who is represented by the
21 agency is bound by the judgment as though the person were a party.” *Arias, supra*, at 985-86
22 (citations omitted); see also *Robinson v. Southern Counties Oil Co.* (2020) 53 Cal.App.5th 476
23 (aggrieved employee cannot opt out of a PAGA settlement).

24 As such, the Settlement is consistent with the law, and there is no requirement that the
25 Allegedly Aggrieved Employees be provided with a mechanism to opt out of or object to the
26 Settlement.

IV. STANDARDS FOR APPROVAL OF PAGA SETTLEMENT

The PAGA allows an “aggrieved employee” to bring a civil action on behalf of himself or herself and on behalf of other aggrieved employees and the State of California to recover civil penalties which, outside of PAGA, only the LWDA can assess upon and collect from an employer (Cal. Lab. Code § 2699(a)). Before bringing a civil action under PAGA, an employee must comply with California Labor Code section 2699.3. See Cal. Lab. Code § 2699(a). Plaintiff has complied.

The settlement of a PAGA action requires court approval. See Cal. Lab. Code § 2699(l)(2) (“The superior court shall review and approve any settlement of any civil action filed pursuant to this part.”). However, “[a] PAGA claim asserted on a non-class representative basis ... is not considered a class action but a law enforcement action” and therefore does not have to meet the requirements of a class action. *Casida v. Sears Holdings Corp.* (E.D. Cal. Jan. 26, 2012) 2012 WL 253217, at *3; *Thomas v. Aetna Health of Cal., Inc.* (E.D. Cal. June 2, 2011) 2011 WL 2173715, at *11; *Arias, supra*, 46 Cal.4th at 980-88 (affirming lower court’s holding that “plaintiff need not satisfy class action requirements” to assert a PAGA claim); *Pedroza v. PetSmart, Inc.* (C.D. Cal. Jan. 28, 2013) 2013 WL 1490667, at *15. As such, a court’s review of a PAGA settlement involves analysis of several unique features that render the approval process distinct from, and simpler than, the process for approval of a class action settlement. A court reviewing a PAGA settlement need only “ensur[e] that a negotiated resolution is fair to those affected.” *Williams, supra*, 549 (citing Cal. Lab. Code § 2699(l)(2)). Although California Labor Code section 2699(l) does not set forth the criteria on which a PAGA settlement is to be judged, courts have approved settlements of PAGA claims.²⁷ See, e.g., *Resendez v. Bridgestone Retail Operations, LLC*, Los Angeles Superior Court, Case No. BC596892 (June 2016), *DCH Auto Wage and Hour Cases*, Los Angeles Superior Court, Case No. JCCP4833 (May 2017); *Garcia v. Gordon Trucking* (E.D. Cal. Oct. 31, 2012) 2012 WL 5364575, at *3; *Schiller v. David’s Bridal, Inc.* (E.D. Cal. June 11, 2012) 2012 WL 2117001, at *14; *Chu v. Wells Fargo Invs., LLC* (N.D.

²⁷ Aiwasian Decl., ¶ 7.

1 Cal. Feb. 16, 2011) 2011 WL 672645, at *1; *Franco v. Ruiz Food Prods.* (E.D. Cal Nov. 27,
2 2012) 2012 WL 5941801, at *14; *Nordstrom Commissions Case* (2010) 186 Cal.App.4th 576,
3 589.

4 In a PAGA case, the court’s focus is not the monetary amount which aggrieved
5 employees or the State stand to receive, but instead, whether the total settlement amount achieves
6 the PAGA’s objectives. The purpose of the PAGA is “to incentivize private parties to recover
7 civil penalties for the government that otherwise may not have been assessed and collected by
8 overburdened state enforcement agencies.” See *Ochoa-Hernandez, supra*, 2010 WL 1340777, at
9 *4 (citing *Arias, supra*, 46 Cal.4th at 986). Penalties recovered under the PAGA are, in part, to
10 “be distributed to the [LWDA] for enforcement of labor laws ... and for education of employers
11 and employees about their rights and responsibilities under this code, to be continuously
12 appropriated to supplement and not supplant the funding to the agency for those purposes.” See
13 Cal. Lab. Code § 2699(j). The recovery of penalties on behalf of the State, by way of a PAGA
14 claim, is essentially a law enforcement action. See *Amalgamated, supra*, 46 Cal.4th at 1003
15 (stating that the PAGA is a mechanism for “an aggrieved employee to recover civil penalties—
16 for Labor Code violations—that otherwise would be sought by state labor law enforcement
17 agencies”); see also *Iskanian, supra*, at 381.

18 A PAGA settlement is a settlement of claims for penalties and other remedies which the
19 LWDA could assess and collect on behalf of employees without their involvement or approval.
20 “[U]nnamed employees need not be given notice of the PAGA claim, nor do they have the
21 ability to opt-out of the representative PAGA claim.” *Ochoa-Hernandez, supra*, 2010 WL
22 1340777, at *5. This renders the approval process of a PAGA settlement distinct from a class
23 action settlement, and the Court need not employ the two-step approval process that applies to a
24 class action settlement, under both state and federal law.

25 **V. THE SETTLEMENT IS FAIR AND SHOULD BE APPROVED**

26 The Settlement resulted from hard-fought negotiations, fulfills the objectives of the
27 PAGA statute, is fair, adequate, and reasonable, and meets all of the criteria for approval for the
28

reasons discussed below.

A. The Factors Giving Rise to a Presumption of Fairness Exist

The Parties reached the Settlement through arm's-length negotiations, after a mediation with an experienced and respected mediator, Honorable Suzanne H. Segal (Ret.).²⁸ A settlement that is "the product of extensive and hard-fought adversarial negotiations between the parties" is entitled to a presumption of fairness. *Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 245.

The Settlement is presumptively fair because: (1) it is the product of non-collusive, arm's-length negotiations with the assistance of an independent mediator knowledgeable in complex labor and employment matters; (2) it was negotiated by counsel with significant experience in similar complex labor and employment matters; and (3) it occurred after counsel for the Parties engaged in significant investigation to evaluate the strength and potential value of the PAGA claim, and the risks associated with possible arbitration proceedings and of litigating this claim through trial.²⁹

After engaging in significant formal and informal discovery, and exchange of information, the Parties participated in settlement negotiations to try to resolve the lawsuit.³⁰ These efforts included participating in a formal, full-day mediation conducted by Honorable Suzanne H. Segal (Ret.), a well-respected mediator experienced in mediating complex labor and employment matters.³¹ During mediation, the Parties discussed all aspects of the case, including the risks and delays of further litigation, possible efforts to compel arbitration, and proceeding with trial, as well as the law relating to representative PAGA actions, off-the-clock theory, arbitration agreements, and wage-and-hour law and enforcement, the evidence produced and analyzed, and the possibility of bifurcation of discovery and/or trial and appeals, among other things.³² During all settlement discussions, the Parties conducted their negotiations at arm's

²⁸ Aiwazian Decl., ¶ 13.

²⁹ *Id.*, ¶¶ 4-7, 11-13, & 15-20.

³⁰ *Id.*, ¶ 13.

³¹ Aiwazian Decl., ¶ 13.

³² *Ibid.*

length in an adversarial position.³³

Based on all of the information available to the Parties and with the assistance of the experienced mediator, the Parties agree that this matter is well-suited for settlement given the strengths and weaknesses of the PAGA claim.³⁴ Plaintiff and Plaintiff's Counsel believe that the settlement is a fair, adequate, and reasonable resolution of this matter.³⁵ Plaintiff's Counsel has extensive experience handling representative and class action wage-and-hour litigation and used that experience to achieve a great result for Plaintiff, the State of California, and the Allegedly Aggrieved Employees.³⁶ Therefore, the Court should give considerable weight to the competency, experience, and opinion of counsel and the involvement of a neutral mediator in assuring that the settlement is a product of arm's length bargaining. See *Kirkorian v. Borelli* (N.D. Cal. 1988) 695 F.Supp. 446, 451 (opinion of experienced counsel is entitled to considerable weight); *Boyd v. Bechtel Corp.* (N.D. Cal. 1979) 485 F.Supp. 610, 616-17, 622 (recommendations of plaintiffs' counsel should be given a presumption of reasonableness); see also *Satchell v. Fed. Express Corp.* (N.D. Cal. Apr. 13, 2007) 2007 WL 1114010, at *4 (stating that the "assistance of an experienced mediator in the settlement process confirms that the settlement is non-collusive").

B. The Relative Strength of the PAGA Claim and the Range of Possible Outcomes in the Litigation Strongly Favor Approval of the Settlement

In order for Plaintiff to prevail on the PAGA claim, he would have to prove that Defendants engaged in the alleged California Labor Code violations and demonstrate that Defendants' conduct warrants the imposition of penalties. See, e.g., *Elliot v. Spherion Pac. Work, LLC* (C.D. Cal. 2008) 572 F.Supp.2d 1169, 1181-82 ("Plaintiff's claim under [PAGA] is wholly dependent upon her other claims. Because all of plaintiff's other claims fail as a matter of law, so does her PAGA claim.").

³³ *Ibid.*

³⁴ *Id.*, ¶ 26.

³⁵ *Ibid.*

³⁶ *Id.*, ¶¶ 4-7.

Plaintiff's core allegation is that Defendants have systematically violated the California Labor Code, with respect to Plaintiff and the Allegedly Aggrieved Employees, by, *inter alia*, failing to properly pay minimum, regular, overtime wages, failing to provide compliant meal and rest periods and associated premiums, failing to timely pay wages during employment and upon termination of employment, failing to provide complete and accurate wage statements, failing to keep complete and accurate payroll records, and failing to reimburse necessary business-related expenses and costs.

Although wage-and-hour actions are amenable to resolution as to a group of employees,³⁷ some courts have also found that, for various reasons, the issues raised by Plaintiff raise individualized issues and/or are unmanageable and thus not suitable for adjudication as to a group of employees.³⁸

³⁷ See, e.g., *Martinez vs. Joe's Crab Shack Holdings, et al.* (2014) 231 Cal.App.4th 362, 383-84, *modified on other grounds by Martinez v. Joe's Crab Shack Holdings, et al.* (Dec. 3, 2014, B242807) 2014 Cal.App. LEXIS 1102, *1-2 (stating that difficult issues of proof do not vitiate the preference for efficient and effective means of resolving wage-and-hour claims, including misclassification and overtime, recognizing that "statistical sampling may provide assistance in identifying the realistic demands of the job and illuminating whether the typical employee was able to meet those expectations" and that "[b]y refocusing its analysis on the policies and practices of the employer and the effect those policies and practices have on the [employees] . . . the trial court may in fact find class analysis a more efficient and effective means of resolving plaintiffs' overtime claim"); *Sav-On Drug Stores, Inc. v. Superior Court* (2004) 34 Cal.4th 319, 330-31 (Court successfully managed and adjudicated wage-and-hour claims made on behalf of a group of employees, utilizing, among other things, statistics and surveying.); *Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1033 ("Claims alleging that a uniform policy consistently applied to a group of employees is in violation of the wage and hour laws are of the sort routinely, and properly, found suitable for class treatment [...] The theory of liability – that [the employer] has a uniform policy, and that that policy, measured against wage order requirements, allegedly violates the law – is by its nature a common question eminently suited for class treatment."); *Safeway v. Superior Court* (2015) 238 Cal.App.4th 1138, 1159 (finding that real parties demonstrated that the existence of the practice and the fact of damage were matters suitable for determination on behalf of a group of employees and that, "[r]eal parties' evidence supports the reasonable inference that [...] they could establish that petitioners engaged in the alleged practice, that is, they never paid meal break premium wages, even though a significant number of employees accrued them. Furthermore, in view of real parties' theory of restitution, those facts would also suffice to demonstrate the fact of damage. Under that theory, the fact of damage does not require a showing that all -- or virtually all -- class members accrued unpaid meal break premium wages, but only that on a system-wide basis, petitioners denied the class members the benefits of the compensation guarantee and enhanced enforcement implemented by section 226.7."); *Tyson Foods, Inc. v. Bouaphakeo* (2016) 136 S.Ct. 1036 (holding that statistical evidence is admissible to support class action certification because it is also admissible to prove liability and damages across a group of employees, where the defendant employer had not kept records of time spent by employees with respect to donning and doffing protective clothing).

³⁸ See, e.g., *Duran v. U.S. Bank Nat. Assn.* (2014) 59 Cal.4th 1, 25, 29, 31, and 34-35 (stating that even where it has been alleged "that the employer consistently imposed a uniform policy or de facto practice" as to its employees, "the party must still demonstrate that the illegal effects of this conduct can be proven efficiently and manageably" and in litigating representative actions the procedures utilized by the court "may not be used to abridge a party's substantive rights," including "abridge[ing the defendant's] presentation of [a defense] simply because that defense was cumbersome to litigate," because of "principles of due process"); *Ali v. U.S.A. Cab Ltd.* (2009) 176 Cal.App.4th

(Footnote continued)

Defendants contended that courts have required, and that due process requires, that the adjudication of PAGA claims meets a “manageability” requirement. *See, e.g., Wesson v. Staples the Office Superstore, LLC* (2021) 68 Cal.App.5th 746, 756 (“courts have inherent authority to ensure that PAGA claims can be fairly and efficiently tried and, if necessary, may strike claims that cannot be rendered manageable”)³⁹; *but cf. Estrada v. Royalty Carpet Mills, Inc.* (2022) 76 Cal.App.5th 685⁴⁰, 712, *petition for cert. pending* (May 2, 2022) (“[i]mposing a manageability

1333, 1341 (affirming denial of certification because employees’ declarations attesting to having taken meal and rest breaks demonstrated that individualized inquiries were required to show harm); *Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1018 (stating that employers must authorize, permit, or “relieve the employee of all duty for [a] designated meal [or rest] period,” and “relinquish [full] control over [the employee’s] activities” and “afford” employees an “opportunity to take an *uninterrupted* thirty-minute break,” but are not obligated to affirmatively ensure that no work related tasks are performed during such periods).

³⁹ In *Wesson*, the appellate court determined that trial courts may dismiss PAGA actions if they are unmanageable. The employer moved to strike the PAGA claim, arguing that the misclassification allegations were “highly fact dependent” and would require individualized inquiries to evaluate the company’s affirmative defenses, and that the number of employees and the nature of the allegations made the PAGA action “unmanageable,” which would violate Staples’ due process rights. *Wesson*, 68 Cal.App.5th 746, 755-756 and 772-773. The trial court invited the plaintiff to submit a trial plan showing that his PAGA action would be manageable at trial, but the plaintiff insisted the trial court lacked authority to require that his claim was manageable. *Id.* at 755-756. Following this response, the trial court concluded that the PAGA claim could not be managed at trial and granted the employer’s motion to strike the PAGA claim. *Ibid.* The appellate court affirmed, holding that trial “courts have inherent authority to ensure that PAGA claims can be fairly and efficiently tried and, if necessary, may strike claims that cannot be rendered manageable;” “as a matter of due process, defendants are entitled to a fair opportunity to litigate available affirmative defenses, and a court’s manageability assessment should account for them;” and “given the state of the record and [plaintiff’s] lack of cooperation with the trial court’s manageability inquiry, the court did not abuse its discretion in striking his PAGA claim as unmanageable.” *Id.* at 755-756 and 764-766. The appellate court noted that because PAGA claims lack the basic requirements that control class actions, such as a well-defined community of interest and a showing that common questions predominate over individual ones, PAGA claims “may well present more significant manageability concerns than those involved in class actions.” *Id.* at 766. In other words, the appellate court noted, because PAGA actions may include “disparate groups of employees and involve different kinds of violations raising distinct questions,” there is a heightened need to consider manageability and that “a need for individualized proof pertaining to a very large number of employees will raise manageability concerns.” *Ibid.*

⁴⁰ In *Estrada*, the plaintiffs alleged representative claims under PAGA and class claims primarily based on purported meal and rest period violations. The trial court initially certified two classes and denied the employer’s pre-trial motion to decertify the class, due to the employer’s failure to show changed circumstances warranting decertification. *Estrada*, 76 Cal.App.5th 685, 700. However, following the presentation of evidence at trial, the trial court decertified one of the classes (and in relevant part, this also involved dismissing the PAGA meal period claims of this class, due to their being “unmanageable”), and entered judgment. *Id.* at 701-702. Both sides appealed. The Fourth District Court of Appeal determined, in relevant part, that the trial court erred in dismissing the PAGA claims as unmanageable, and in doing so, specifically acknowledged that it was reaching “the opposite conclusion” to that reached in *Wesson v. Staples the Office Superstore, LLC* (2021) 68 Cal.App.5th 746 (where it was concluded that courts have inherent authority to strike unmanageable PAGA claims). *Id.* at 697. The appellate court relied on *Arias v. Superior Court* (2009) 46 Cal.4th 969 and *Kim v. Reins International California, Inc.* (2020) 9 Cal.5th 73, to find that a court cannot strike a PAGA claim based on manageability, because:

“[t]hese cases have made clear that PAGA claims are unlike conventional civil suits and, in particular, are not class actions. Allowing dismissal of unmanageable PAGA claims would effectively graft a class action requirement onto PAGA claims, undermining a core principle of these authorities. It would also interfere with PAGA’s purpose as a law enforcement mechanism by placing an extra hurdle on PAGA plaintiffs that is not placed on the state. That said, courts are not powerless when facing unwieldy PAGA claims. Courts may still, where appropriate and within reason, limit the amount of evidence PAGA plaintiffs may introduce at trial to prove alleged violations to other unrepresented employees. If plaintiffs are unable to show widespread

(Footnote continued)

1 requirement would create an extra hurdle in PAGA cases that does not apply to LWDA
2 enforcement actions.”); *Litty v. Merrill Lynch & Co.* (C.D. Cal. Nov. 10, 2014) No. CV-l4-0425-
3 PA, WL 5904904 at **3-4 (Court dismissed the PAGA claim because a multitude of
4 individualized assessments would be necessary, making the PAGA claim unmanageable).

5 Defendants also maintained several defenses to Plaintiff’s theory of liability, which, if
6 successfully argued and proven, had the potential to eliminate or substantially reduce recovery.
7 Throughout this litigation, Defendants maintained, and continue to maintain, that they had, and
8 continue to have, legally-compliant employment policies and practices throughout the time
9 period at issue.⁴¹ Defendants deny that they ever violated any provision of the California Labor
10 Code, including, but not limited to, those sections for which Plaintiff seeks penalties under the
11 PAGA.⁴² Defendants further denied, and continue to deny, that the lawsuit is appropriate for
12 representative treatment for any purpose other than settlement.⁴³

13 Defendants also challenged Plaintiff’s standing as an aggrieved employee and denied that
14 any of Defendants’ other employees whom Plaintiff seeks to represent are aggrieved.⁴⁴ Also, at
15 the time that this case commenced, multiple courts had taken an approach requiring a plaintiff to
16 establish standing and face the possibility of bifurcation of discovery and/or trial of the PAGA
17 claim. *See Amalgamated Transit Union, supra*, 46 Cal.4th at 1001 (noting that PAGA
18 “require[s] a plaintiff to have suffered an injury resulting from an unlawful action”); *Stafford v.*
19

20 violations in an efficient and reasonable manner, that will just reduce the amount of penalties awarded rather
21 than lead to dismissal.” *Id.* at 697.

22 For this and other reasons, the appellate court reversed the trial court’s order decertifying the class and dismissing the
23 related PAGA claim as unmanageable. However, the appellate court also acknowledged that “[s]ome PAGA claims
24 involve hundreds or thousands of alleged aggrieved employees, each with unique factual circumstances” and to address
25 this, where appropriate and within reason, trial courts may “limit witness testimony and other forms of evidence when
26 determining the number of violations that occurred and the amount of penalties to assess[.]” and plaintiffs’ counsel
27 should “work with the trial courts during trial planning to define a workable group or groups of aggrieved employees
28 for which violations can be more easily shown[.]” *Id.* at 712-713. Otherwise, the appellate court noted, a PAGA
plaintiff seeking to try their claim “risk[s] being awarded a paltry sum of penalties, if any,” due to problems of proof.
Id. at 713. The appellate court’s comments regarding the practical limitations of actually trying a PAGA lawsuit are
being used by employers to argue that PAGA lawsuits are unmanageable or that the scope of such lawsuits should be
narrowed for purposes of trial.

⁴¹ Aiwazian Decl., ¶ 17.

⁴² *Ibid.*

⁴³ Aiwazian Decl., ¶ 17.

⁴⁴ *Id.*, ¶ 18.

1 *Dollar Tree Stores, Inc.* (E.D. Cal. Nov. 21, 2014) 2014 WL 6633396, at *4 (finding that judicial
2 economy supported bifurcation because of the difficulties and inherent uncertainties of being
3 able to establish liability with respect to a large number of potentially aggrieved employees and
4 noted that “PAGA’s public purpose would be ill-served if the court finds [the plaintiff] has not
5 been aggrieved by a Labor Code violation”); *Horton v. Jones* (1972) 26 Cal.App.3d 952, 955
6 (stating that bifurcation and sequencing of litigation is allowed to avoid wasting time and money
7 on trial when litigation of issues could be rendered moot).

8 Defendants also argued that an important feature of PAGA is that the Court retains
9 discretion to lower the penalties if, based on the facts and circumstances of the particular case, to
10 do otherwise would result in an award that is “unjust, arbitrary and oppressive, or confiscatory.”
11 See Cal. Lab. Code § 2699(e)(2); see also *Thurman v. Bayshore Transit Management, Inc.*
12 (2012) 203 Cal.App.4th 1112, 1136 (holding that a court may reduce the amount of PAGA
13 penalties awarded to an employee based upon discretionary factors). Defendants maintained,
14 and continue to maintain, that they had and continue to have, legally-compliant employment
15 policies and practices throughout the time period at issue.⁴⁵ Defendants deny that they ever
16 violated any provision of the California Labor Code.⁴⁶ Even if, *arguendo*, such violations
17 occurred, which Defendants deny, Defendants contended that said violations would only be
18 considered “initial violations” and thus heightened “subsequent violation” penalties were not
19 warranted. See Cal. Lab. Code § 2699(f)(2); see also *Amaral v. Cintas Corp. No. 2* (2008) 163
20 Cal.App.4th 1157, 1208-09 (“Until the employer has been notified that it is violating a Labor
21 Code provision [...], the employer cannot be presumed to be aware that its continuing
22 underpayment of employees is a ‘violation’ subject to penalties.”).

23 Defendants also contended that, with respect to PAGA claims, the Court was unlikely to
24 assess cumulative penalties for the maximum number of possible, separate California Labor
25 Code violations, because it would be unjust, arbitrary, oppressive, and/or confiscatory, especially
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27 ⁴⁵ *Id.*, ¶ 17.

28 ⁴⁶ *Ibid.*

where certain conduct may be regulated by multiple provisions of the California Labor Code that are interrelated and work in tandem. As such, Defendants contended that cumulative penalties and heightened penalties would be unjust, arbitrary, oppressive, and confiscatory.

There is also uncertainty regarding PAGA claims due to the United States Supreme Court's decision in *Viking River Cruises, Inc. v. Moriana* (2022) 142 S. Ct. 1906, 2022 U.S. LEXIS 2940. As a result of that decision, it may be more likely that employer agreements containing arbitration terms will impact the viability of adjudication of PAGA claims in the judicial forum, which is relevant to this matter in light of arbitration agreements that Defendants obtained from its employees. *Viking River Cruises, Inc. v. Moriana* (2022) 142 S. Ct. 1906, 2022 U.S. LEXIS 2940.⁴⁷

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While Plaintiff disagrees with Defendants' contentions and maintains that his PAGA claim has merit, in reaching the settlement, Plaintiff and his counsel took into account the strengths and weaknesses of each side's position and the uncertainty of how the case might have concluded as litigation continued, at trial, in arbitration proceedings, and/or appeals.⁴⁸

C. The Settlement Avoids Risky, Complex, and Lengthy Further Litigation

Courts favor the voluntary conciliation and settlement of complex litigation. *Class Plaintiffs v. City of Seattle* (9th Cir. 1992) 955 F.2d 1268, 1276. Generally, "unless the

⁴⁷ Aiwasian Decl., ¶ 19. In *Viking River Cruises*, the U.S. Supreme Court determined that PAGA claims can be split into individual claims based on California Labor Code violations suffered by the plaintiff (that can then be subject to arbitration) and non-individual claims (that are representative in nature) and that the "indivisibility rule" recognized by the California Supreme Court in *Iskanian v. CLS Transp. Los Angeles, LLC* (2014) 59 Cal.4th 348 is preempted by the Federal Arbitration Act (FAA) to the extent it circumscribes the freedom of parties to agree to such contractual division or splitting of PAGA actions. *Viking River Cruises, Inc.*, 1923-1925. The U.S. Supreme Court also determined that, important structural differences between PAGA actions and class actions preclude any straightforward application of U.S. Supreme Court precedents invalidating prohibitions on class-action waivers, to *Iskanian*'s ban on wholesale PAGA representative action waivers, and thus this aspect of *Iskanian* is not preempted by the FAA. *Id.* at 1919, 1922-1925. The U.S. Supreme Court also expressed its understanding of California state law, and the impact of its ruling on, PAGA's standing requirement, regarding which California courts will have the last word, as noted by a concurring opinion. *Id.* at 1925-1926 (concurring opinion). Taken together, the substantive statutory right to pursue a PAGA claim has not been eviscerated and has been preserved, however, arbitration agreements may be used to select the forum and procedure to be used to resolve PAGA claims to some extent, and the California courts and legislature have yet to weigh in on and articulate where California law stands.

⁴⁸ Aiwasian Decl., ¶ 19.

1 settlement is clearly inadequate, its acceptance and approval are preferable to lengthy and
2 expensive litigation with uncertain results.” *Nat’l Rural Telecomms. Coop. v. DIRECTV, Inc.*
3 (C.D. Cal. Jan. 5, 2004) 221 F.R.D. 523, 526 (citation omitted).

4 Prior to reaching the settlement, both sides investigated the veracity, strength, and scope
5 of the PAGA claims and allegations, and were preparing for trial.⁴⁹ In addition, the Parties
6 exchanged a large volume of documents and data relevant to Plaintiff’s claims and Defendants’
7 defenses thereto, including, and not limited to, the employment records of Plaintiff, aggrieved
8 employees’ time and pay data, Defendants’ Organizational Charts, Defendants’ Company Policy
9 Manual, Daily Activity Reports, job descriptions, orientation and termination checklists, various
10 other agreements and acknowledgments (such as, Defendants’ Agreement to Arbitrate, Meal
11 Break Waiver Agreement, Acknowledgement of Receipt of Company Cell Phone Policy, and
12 Confirmation of Receipt of Meal Premium Policy), and Defendants’ employment and operations
13 practices, policies, and procedures (such as, Defendants’ Meal Premium Policy, Hours of Work
14 Policy, Overtime Policy, Report Pay Policy, Shift Premium Policy, Prescription Safety Glasses
15 Policy, Dress Standards Policy, Employee Tools Policy, and Pay Day Policy), among other
16 documents.⁵⁰ Counsel for the Parties undertook significant investigation, and also invested time
17 reviewing and analyzing relevant documents and data to evaluate Plaintiff’s claims, including,
18 and not limited to, calculating the potential monetary recovery under PAGA.⁵¹ Other work
19 performed by Plaintiff’s Counsel included, but was not limited to: meeting and conferring with
20 Defendants’ counsel regarding the pleadings, mediation, and settlement, among other issues;
21 case strategy and analysis; drafting, reviewing, and revising the mediation brief; and preparing
22 for and attending court proceedings.

23 Had the case not settled, the Parties would have conducted extensive additional formal
24 discovery, including propounding additional written discovery requests as well as multiple
25 depositions of party and percipient witnesses all over the State of California, to prepare the case

26 ⁴⁹ *Id.*, ¶ 14.

27 ⁵⁰ *Ibid.*

28 ⁵¹ Aiwazian Decl., ¶ 14.

for trial. From the inception of this litigation, Defendants indicated that they would aggressively litigate this case.⁵² Even if Defendants failed on their defenses, litigating a complex PAGA action is inherently expensive, and the litigation could continue beyond entry of judgment if either party were to appeal adverse rulings.⁵³ Additionally, there is a real possibility that Plaintiff would recover nothing, either for himself or on behalf of the State of California or other Allegedly Aggrieved Employees after years of costly and labor-intensive litigation. Avoiding these risks and the likelihood of future contentious litigation, which would involve significant costs, favors settlement.

D. The Settlement Is Fair, Adequate, and Reasonable

“[T]he very essence of a settlement is compromise, ‘a yielding of absolutes and an abandoning of highest hopes.’” *Officers for Justice v. Civil Service Comm’n* (9th Cir. 1981) 688 F.2d 615, 624. “The proposed settlement is not to be judged against a hypothetical or speculative measure of what might have been achieved by the negotiators.” *Id.* at 625.

The Settlement provides significant benefits to the State of California and the Allegedly Aggrieved Employees and falls well-within the range of acceptable settlements under the circumstances. Under the Agreement, Defendants have agreed to pay a Settlement Sum of \$375,000.00, which encompasses the Net PAGA Amount, Plaintiff’s Counsel’s Payment, Settlement Administration Fee, and Enhancement Award.⁵⁴ Subject to approval by the Court, the following amounts will be subtracted from the Settlement Sum to yield the Net PAGA Amount: (1) Plaintiff’s Counsel’s Payment consisting of attorneys’ fees in the amount of \$131,250.00 and reimbursement of litigation costs and expenses in the amount of \$15,769.08 to Plaintiff’s Counsel⁵⁵; (2) the Settlement Administration Fee of up to \$5,500.00; and (3)

⁵² *Id.*, ¶ 17.

⁵³ *Id.*, ¶ 18.

⁵⁴ Settlement Agreement, § 1.01(ff).

⁵⁵ *Id.*, § 4.03. Although the Settlement Agreement provides that Plaintiff’s Counsel can seek up to \$18,000.00 for reimbursement of litigation costs and expenses, Plaintiff’s Counsel only seeks the amount of \$15,769.08 for this payment, which is less than \$18,000.00. The difference between the amount sought and the maximum allocated amount available under the settlement (i.e., the difference of \$2,230.92), will be a part of the Net Settlement Amount.

Enhancement Award of up to \$7,500.00 to Plaintiff.⁵⁶

The Net PAGA Amount is currently estimated to be \$214,980.92, of which an estimated \$53,745.23 is to be distributed to Allegedly Aggrieved Employees (i.e., PAGA Employee Amount) on a *pro rata* basis, based on their Pay Periods and \$161,235.69 is to be distributed to the LWDA (i.e., LWDA Payment). There is no reason to doubt the fairness of the proposed plan of allocation of the Net PAGA Amount as it fully complies with California Labor Code section 2699(i).

The Settlement is a compromise of highly disputed claims. Plaintiff and his counsel recognize the expense and length of continued proceedings necessary to litigate the matter through trial and any possible appeals.⁵⁷ Plaintiff and his counsel have also taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation.⁵⁸ Plaintiff and his counsel are also aware of the burdens of proof necessary to establish liability, both generally and in response to Defendants' defenses thereto, and the difficulties in establishing Defendants' liability for, and the right to recover, penalties on behalf of Plaintiff, the State of California, and other Allegedly Aggrieved Employees.⁵⁹ Plaintiff and his counsel have also taken into account Defendants' agreement to enter into a settlement that confers significant relief upon the Allegedly Aggrieved Employees and the State of California.⁶⁰

Considering all of the facts in this case, Plaintiff and his counsel have determined that the Settlement represents a fair, adequate, and reasonable resolution of the PAGA claim, and that it is in the best interests of the Allegedly Aggrieved Employees and the State of California.⁶¹

The result achieved in this case, and the monetary recovery provided by this settlement, are well-within the range of an acceptable settlement under the circumstances, especially when

⁵⁶ *Id.*, §§ 4.03, 4.04 & 4.05.

⁵⁷ Aiwasian Decl., ¶¶ 13, 15 & 20.

⁵⁸ *Ibid.*

⁵⁹ *Id.*, ¶¶ 15 & 16.

⁶⁰ Aiwasian Decl., ¶ 19.

⁶¹ *Id.*, ¶ 26.

1 compared to the settlement of PAGA claims in other cases. *See, e.g., DCH Auto Wage and Hour*
2 *Cases*, Los Angeles Superior Court, Case No. JCCP4833 (May 2017) (approving the amount of
3 \$15,000 out of \$4 million toward settlement of PAGA claims); *Garcia, supra*, 2012 WL
4 5364575, at *3 (approving the amount of \$10,000 out of \$3.7 million toward settlement of
5 PAGA claims); *Schiller, supra*, 2012 WL 2117001, at *14 (approving the amount of \$10,000 out
6 of \$518,245 toward settlement of PAGA claims); *Chu, supra*, 2011 WL 672645, at *1
7 (approving the amount of \$10,000 out of \$6.9 million toward settlement of PAGA claims);
8 *Franco, supra*, 2012 WL 5941801, at *14 (approving the amount of \$10,000 out of \$2.5 million
9 toward settlement of PAGA claims); *Nordstrom Commissions Case, supra*, at 589 (finding no
10 abuse of discretion by the trial court in approving a settlement that allocates \$0 toward the
11 settlement of PAGA claims that were at issue in the lawsuit). Here, the value obtained for
12 settlement of the PAGA claims is significant, and it will be distributed in accordance with and in
13 fulfillment of the objectives of the PAGA statute.

14 **E. The Experience and Views of Plaintiff’s Counsel Favor Approval of the**
15 **Settlement**

16 Plaintiff’s Counsel is highly experienced in complex representative and class action
17 wage-and-hour litigation.⁶² In the view of Plaintiff’s Counsel, the benefits conferred by the
18 settlement are eminently fair and reasonable, and in the best interests of the State of California
19 and the Allegedly Aggrieved Employees in light of the risk, delay, and uncertainty of continued
20 litigation and the substantial monetary benefits provided for by the Settlement.⁶³ Furthermore,
21 courts have acknowledged that “the interests of plaintiff, counsel and other potentially aggrieved
22 employees are largely aligned. All stand to gain from proving as convincingly as possible as
23 many Labor Code violations as the evidence will sustain[.]” *Williams, supra*, 548 (citing Cal.
24 Lab. Code § 2699(g)(1)(i)).

25 **VI. THE PROPOSED ATTORNEYS’ FEE AMOUNT IS FAIR AND REASONABLE,**

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27 ⁶² *Id.*, ¶¶ 4-7.

28 ⁶³ Aiwazian Decl., ¶ 26.

AND SHOULD BE APPROVED**A. A Fee Award of a Percentage of the Entire Fund Is Appropriate**

The Settlement provides for a Settlement Sum of \$375,000.00.⁶⁴ The Settlement provides for attorneys' fees in an amount of thirty-five percent (35%) of the Settlement Sum, which is \$131,250.00, subject to approval and award by the Court.⁶⁵ The requested attorneys' fees award is commensurate with: (1) the risk that Plaintiff's Counsel took in bringing and litigating the case, (2) the time, effort, and expense dedicated to the case, (3) the skill and determination that Plaintiff's Counsel has shown, (4) the results that Plaintiff's Counsel has achieved throughout the litigation, (5) the value that Plaintiff's Counsel has achieved in the case, and (6) the other cases that Plaintiff's Counsel has turned down in order to devote its time and effort to this case.

Plaintiff's Counsel is entitled to recover reasonable attorneys' fees and costs as a matter of right under PAGA. See Cal. Lab. Code § 2699(g)(1) ("Any employee who prevails in any [PAGA] action shall be entitled to an award of reasonable attorney's fees and costs"). Plaintiff's Counsel is also entitled to fees and costs under California Code of Civil Procedure section 1021.5, as the instant PAGA action is by definition "for the benefit" of others and secures monetary recovery for a large number of Aggrieved Employees, as well as the State of California. See *Estrada v. FedEx Ground Package Sys. Inc.* (2007) 154 Cal.App.4th 1, 16-17 (recognizing that recovery obtained on behalf of 205 Allegedly Aggrieved Employees satisfies the "significant benefit," "public interest," and "large class of persons" requirements of Code of Civil Procedure section 1021.5, regardless of plaintiff's personal motivation). The settlement will also benefit the state labor agency in enforcing labor laws and educating "employers and employees about their rights and responsibilities under [the California Labor Code]." Cal. Lab. Code § 2699(i).

The propriety of calculating and awarding attorneys' fees as a percentage of a monetary

⁶⁴ Settlement Agreement, § 1.01(ff).

⁶⁵ *Id.*, § 4.03.

1 fund that has, by litigation, been preserved or recovered for the benefit of others, has been
2 confirmed by the California Supreme Court. *Laffitte v. Robert Half Int'l, Inc.* (2016) 1 Cal.5th
3 480 at 486 & 506. While trial courts have discretion to apply either a lodestar method or
4 percentage-of-the-fund method, the California Supreme Court has taken the position that trial
5 courts also “retain the discretion to forgo a lodestar cross-check and use other means to evaluate
6 the reasonableness of a requested percentage fee” and “[t]he percentage of fund method survives
7 in California.” *Id.* (internal quotes omitted); see also *Wershba, supra*, 91 Cal.App. 4th at 253.

8 Courts award fees to serve as an economic incentive for lawyers to undertake litigation,
9 and thereby enhance and facilitate access to the judicial system for adjudication of meritorious
10 claims, and to deter wrongdoing. This is especially true in situations where multiple similar
11 alleged wrongs would not be economically feasible to pursue individually, such as here. See A.
12 Conte, *Attorney Fee Awards* (2d ed. 1993) 104, at 6.

13 Trial courts have “wide latitude” in assessing the value of attorneys’ fees and their
14 decisions will “not be disturbed on appeal absent a manifest abuse of discretion.” *Lealao v.*
15 *Beneficial Cal., Inc.* (2000) 82 Cal.App.4th 19, 41; see also *Laffitte, supra*, 1 Cal.5th 480 at 506
16 (holding that “trial court did not abuse its discretion in using [the percentage of fund method], in
17 part to approve the fee request”). Indeed, it is long settled that the “experienced trial judge is the
18 best judge of the value of professional services rendered in his court.” *Ketchum v. Moses* (2001)
19 24 Cal.4th 1122, 1132.

20 The percentage method is particularly appropriate where a monetary settlement has been
21 recovered and “the benefit [recovered can be] easily quantified.” *In re Bluetooth Headset Prods.*
22 *Liab. Litig.* (9th Cir. 2011) 654 F.3d 935, 942. Where the amount of a settlement is a “certain
23 easily calculable sum of money,” California courts may calculate attorneys’ fees as a reasonable
24 percentage of the settlement created. Weil and Brown, California Practice Guide, *Civil*
25 *Procedure Before Trial*, Chapter 14, section 14:145; *Dunk, supra*, 48 Cal. App. 4th at 1808.

26 The percentage fee method is preferred in representative actions because “it better
27 approximates the workings of the marketplace than the lodestar approach.” *Lealao, supra*, 82
28

1 Cal.App.4th at 49. California law provides that the award for attorneys' fees should be
2 equivalent to fees freely negotiated in the legal marketplace and paid in comparable litigation
3 based on the result achieved and risk incurred. *See Lealao, supra*, 82 Cal.App.4th at 47-50;
4 *Laffitte, supra*, 1 Cal.5th 480 at 503. In cases where the settlement agreement provides that the
5 defendant will pay the plaintiff's attorneys a percentage of the fund created by the settlement, use
6 of that percentage method is appropriate. *Lealao, supra*, 82 Cal.App.4th at 32. Fee awards that
7 are too small will "chill the private enforcement essential to the vindication of many legal rights
8 and obstruct the representative actions that often relieve the courts of the need to separately
9 adjudicate numerous claims." *Id.* at 53. Therefore, fees in representative actions should
10 approximate the probable terms of a contingent fee contract negotiated by a sophisticated
11 attorney and client in comparable litigation. *Id.* at 48. "The ultimate goal . . . is the award of a
12 'reasonable' fee to compensate counsel for their efforts, irrespective of the method of
13 calculation." *Consumer Privacy Cases* (2009) 175 Cal.App.4th 545, 557-58 (quoting *Apple*
14 *Computer, Inc. v. Superior Court, supra*, 126 Cal.App.4th at 1270).

15 Plaintiff's Counsel's application for attorneys' fees in light of the facts and circumstances
16 surrounding the case is well-within the range of reasonableness. Historically, courts have
17 awarded fees as high as fifty percent (50%) of the settlement in complex actions, depending on
18 the circumstances of the case. *See In re Ampicillin Antitrust Litig.* (D.D.C. 1981) 526 F.Supp.
19 494 (awarding attorneys' fees in the amount of 45% of the \$7.3 million total settlement amount);
20 *Beech Cinema, Inc. v. Twentieth-Century Fox Film Corp.* (S.D.N.Y. 1979) 480 F.Supp. 1195
21 (awarding approximately 53% of the settlement as attorneys' fees). California courts routinely
22 approve attorneys' fees awards "average[ing] around one-third of the recovery." *Chavez v.*
23 *Netflix, Inc.* (2008) 162 Cal.App.4th 43, 66 n.11 (lower court found the range of contingency
24 fees in marketplace to be 20 to 40 percent and determined such a percentage fee was
25 appropriate).

1 Plaintiff's Counsel has litigated this case since it was commenced, with the very real
2 possibility of an unsuccessful outcome and no fee recovery of any kind.⁶⁶ Counsel for the
3 Parties undertook significant investigation, and also invested time reviewing and analyzing
4 relevant documents and data to evaluate the claims, including, and not limited to, calculating the
5 potential monetary recovery under PAGA.⁶⁷ Other work performed by Plaintiff's Counsel
6 included, but was not limited to: meeting and conferring with Defendants' counsel regarding the
7 mediation and settlement, among other issues; case strategy and analysis; drafting, reviewing,
8 and revising the mediation brief; and preparing for and attending court proceedings.⁶⁸

9 In the present case, Plaintiff's Counsel has borne all of the risks and costs of litigation.⁶⁹
10 Plaintiff's Counsel is experienced in complex wage-and-hour litigation and used that experience
11 to obtain a great result for Plaintiff, the Allegedly Aggrieved Employees and the State of
12 California.⁷⁰ Considering the amount of fees requested, work performed, risks incurred, results
13 obtained, and experience of Plaintiff's Counsel in handling similar matters, Plaintiff maintains
14 that the requested attorneys' fees are reasonable and should be awarded.

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18 **B. The Fee Award Requested by Plaintiff's Counsel Is Reasonable Based on the**
19 **Factors Considered in Determination of Fee Awards**

20 The factors which courts consider in determining whether fee awards are reasonable, all
21 of which support the fee award requested by Plaintiff's Counsel, are: (1) the time and labor
22 required; (2) the novelty and difficulty of the questions involved; (3) the skill requisite to
23 perform the legal services properly; (4) the preclusion of other employment by the attorney due
24 to the acceptance of the case; (5) the customary fee; (6) whether the fee is fixed or contingent;

25 ⁶⁶ Aiwazian Decl., ¶ 24.

26 ⁶⁷ *Id.*, ¶ 14.

27 ⁶⁸ *Ibid.*

28 ⁶⁹ *Id.*, ¶ 24.

⁷⁰ *Id.*, ¶¶ 4-7.

(7) the time limitation imposed by the client or the circumstances; (8) the amount involved and results obtained; (9) the experience, reputation, and ability of the attorney; (10) the undesirability of the case; (11) the nature and length of the professional relationship with the client; and (12) awards in similar cases. *Camden I Condominium Association, Inc. v. Dunkel* (11th Cir. 1991) 946 F. 2d 768, 772. Some of the most relevant factors to this Court's fee determination will be addressed below.

It should be highlighted that the percentage award sought is commensurate with the time, effort, and expense dedicated to the case, the contingent nature of Plaintiff's Counsel's representation and the risks taken in commencing the Action, the skill and determination required, the results that Plaintiff's Counsel has achieved, and the value of the settlement that Plaintiff's Counsel has obtained on behalf of Plaintiff, the Allegedly Aggrieved Employees, and the State of California. For the reasons discussed herein, an award of attorneys' fees in the amount of thirty-five percent (35%) of the Settlement Sum is reasonable.

1. Time & Labor

Plaintiff's Counsel has used its experience and skills in litigating complex wage-and-hour actions to bring this matter to a successful conclusion. Prior to commencing this lawsuit, Plaintiff's Counsel conducted a significant amount of investigation into the factual and legal issues, Defendants' business, and their operations and employment policies, practices, and procedures.⁷¹ During the litigation of the Action, Plaintiff's Counsel had an opportunity to interview and obtain information from Plaintiff and Allegedly Aggrieved Employees, conducted legal research, reviewed and analyzed a large amount of documents and data, prepared for and attended mediation, evaluated the PAGA claim, and calculated the potential monetary recovery under PAGA.⁷² Plaintiff's Counsel also met and conferred with Defendants' counsel over issues relating to the mediation and settlement.⁷³ Plaintiff's Counsel performed other work including,

⁷¹ Aiwazian Decl., ¶ 14.

⁷² Aiwazian Decl., ¶ 14.

⁷³ *Ibid.*

1 *inter alia*, case strategy and analysis; and engaging in extensive settlement negotiations.⁷⁴

2 Plaintiff's Counsel dedicated the full extent of staffing and monetary resources necessary
3 to prosecute the case with maximum efficiency, and has fully and actively participated in the
4 litigation process. The Attorney Task and Time Chart, which is attached as "**EXHIBIT 2**" to the
5 accompanying Declaration of Edwin Aiwarzian, sets forth in detail the hours that Plaintiff's
6 Counsel has spent performing tasks in this matter. Attorneys at Lawyers *for* Justice, PC have
7 spent **315.20 hours** to obtain a recovery on behalf of Plaintiff, the Allegedly Aggrieved
8 Employees, and the State of California. These hours were required to bring the case to its
9 successful conclusion.

10 In light of the value of time expended and the carrying of costs involved in this litigation,
11 the requested attorneys' fees award is fair, adequate, and reasonable.

12 **2. The Skill Required to Perform Legal Services Properly**

13 The skill required to properly litigate this case is evident not only in the results achieved,
14 but in the steps necessary to reach the same. Defendants retained highly-respected counsel to
15 represent its defenses. Defendants and their counsel felt very strongly about Defendants' ability
16 to prevail on the merits and avoid representative adjudication of the PAGA claim. Plaintiff and
17 Plaintiff's Counsel believe that the PAGA claim has merit and that Plaintiff will prevail at trial.
18 Plaintiff's Counsel undertook extensive investigation, analysis, and research prior to filing the
19 lawsuit and during the litigation. Plaintiff's Counsel took steps to prepare the case for trial and
20 had every intention of taking the case to trial if Defendants did not offer an appropriate
21 settlement.

22 Plaintiff's Counsel's effort and skill were used to, among other things, investigate the
23 allegations and gather facts, research the legal issues, analyze data and information obtained
24 from Defendants, Plaintiff, and through other sources, evaluate the PAGA claim, and negotiate
25 the settlement. Despite all of the obstacles that had to be overcome, Plaintiff's Counsel used its
26 extensive experience and skill in the handling of complex wage-and-hour matters to advocate for

27 ⁷⁴ *Ibid.*

1 and obtain Allegedly Aggrieved Employees and the State of California a recovery now, with
2 maximum efficiency, as opposed to the possibility of recovery in the future, after significant
3 expense and time.⁷⁵

4 **3. The Value of the Settlement**

5 The Settlement represents an excellent resolution of this lawsuit, given the uncertainty
6 and risks of further litigation.⁷⁶ Had the case not settled, Defendants would have vigorously
7 challenged manageability and liability, and sought a reduction in the amount assessed as
8 penalties. Defendants, however, faced risks too, including and not limited to, the risk of having
9 the Court assess penalties. Additionally, preparing the case for trial would have been
10 extraordinarily expensive for the Parties.

11 At this stage, the settlement is preferred over continued litigation because such resolution
12 saves time and money that would otherwise go to litigation. The risks and expenses of further
13 litigation outweighed any benefit that might have been gained otherwise. The Settlement
14 provides an immediate recovery, as opposed to an uncertain result in the future after prolonged
15 litigation involving expert discovery, trial preparation, and appellate review of those
16 proceedings. The Settlement offers present and considerable monetary relief to Plaintiff, the
17 Allegedly Aggrieved Employees, and the State of California while avoiding additional expense,
18 risk, and delay in obtaining possible further recovery.

19 ///

20 **4. Whether the Fee Is Fixed or Contingent**

21 The representation provided by Plaintiff's Counsel has been wholly contingent and
22 Plaintiff's Counsel took on this matter without knowing whether any recovery would be
23 obtained. Plaintiff's Counsel has invested **315.20 hours** of time to obtain relief on behalf of
24 Plaintiff, the Allegedly Aggrieved Employees, and the State of California. Plaintiff's Counsel is
25 also requesting reimbursement of litigation costs and expenses in the amount of \$15,769.08.⁷⁷

26 ⁷⁵ Aiwazian Decl., ¶¶ 4-7.

27 ⁷⁶ *Id.*, ¶¶ 13, 15, 16 & 19.

28 ⁷⁷ Aiwazian Decl., ¶ 24 and Exh. 3.

1 In this case, Plaintiff's Counsel has borne all of the risks and costs of litigation.⁷⁸ If
2 Plaintiff's Counsel had not been successful, the time that they have devoted to litigating the
3 PAGA case would have been for naught and would not have produced any fee or any
4 reimbursement of costs or expenses. Plaintiff's Counsel is well-experienced in complex wage-
5 and-hour litigation and used that experience to obtain a great result for Plaintiff, the Allegedly
6 Aggrieved Employees, and the State of California.⁷⁹ The skill and determination that Plaintiff's
7 Counsel has shown throughout the Action justify the requested attorneys' fees and costs.
8 Considering the amounts requested, work performed, and risks incurred, the requested fees and
9 costs are reasonable and should be awarded.

10 **5. The Amount Involved and the Results Achieved**

11 The results achieved, in light of the difficulties inherent in similar cases and the specific
12 difficulties faced in this case, are considerable. Here, the results achieved, and the recovery
13 obtained on behalf of Plaintiff, the Allegedly Aggrieved Employees, and the State of California
14 represent a fair and reasonable resolution of this lawsuit. Plaintiff's Counsel's efforts have
15 resulted in a settlement that provides for a Settlement Sum of \$375,000.00, and it is currently
16 estimated that the Net PAGA Amount available for distribution to the Allegedly Aggrieved
17 Employees and the State of California, as set forth in Part III.C *infra*, is approximately
18 \$214,980.92.⁸⁰

19 **6. The Reputation and Ability of the Attorneys**

20 Plaintiff's Counsel is a recognized class action and complex litigation law firm, and its
21 attorneys employed their knowledge, skill, and experience to bring the case to a successful
22 conclusion. Plaintiff's Counsel has years of wage-and-hour class action and complex litigation
23 experience, has recovered millions of dollars on behalf of thousands of individuals in California,
24
25

26 ⁷⁸ *Id.*, ¶ 24.

27 ⁷⁹ *Id.*, ¶¶ 4-7.

28 ⁸⁰ Settlement Agreement, § 1.01(s).

and has successfully handled numerous significant wage-and-hour class action and representative action cases.⁸¹

C. The Lodestar Methodology Also Justifies Approval of the Requested Fees, Because Plaintiff’s Counsel Has Performed Work That Is of Significant Value Based on Reasonable Hours and Prevailing Hourly Rates of Compensation

While the percentage-of-the-benefit approach is endorsed as the better approximation of the workings of the marketplace than the lodestar approach, courts may also use the lodestar method to “cross-check” the results of the other. *See Laffitte, supra*, 1 Cal.5th at 505 (explaining that “[a] lodestar cross-check is simply a quantitative method for bringing a measure of the time spent by counsel into the trial court’s reasonableness determination”); *see also, e.g., Vizcaino*, 290 F.3d at 1050 (“[W]hile the primary basis of the fee award remains the percentage method, the lodestar may provide a useful perspective on the reasonableness of a given percentage award.”). Importantly, “the lodestar calculation . . . does not override the trial court’s primary determination of the fee as a percentage” and “does not impose an absolute maximum or minimum on the potential fee award.” *Laffitte, supra*, 1 Cal.5th at 505.

The lodestar is calculated based on reasonable hours at reasonable prevailing hourly rates for the attorneys. *Ketchum, supra*, 24 Cal.4th at 1131-32. Under California law, counsel is entitled to compensation for every hour reasonably spent on the matter. *Id.* at 1133.

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1. Plaintiff’s Counsel Performed Work for a Reasonable Number of Hours

The reasonableness of hours is assessed by “the entire course of the litigation, including pretrial matters, settlement negotiations, discovery, litigation tactics, and the trial itself[.]” *Vo v. Las Virgenes Municipal Water Dist.* (2000) 79 Cal.App.4th 440, 447.

⁸¹ Aiwazian Decl., ¶¶ 4-7.

As discussed above, this case was highly contested and required a significant amount of time and labor. Defendants made it clear very early on that they disputed all of Plaintiff's allegations and disputed that representative adjudication was appropriate. Defendants also argued, *inter alia*, that they had facially-compliant employment policies and practices throughout the time period at issue.⁸² Defendants raised affirmative defenses and denied liability, and the pursuit of this case involved gathering and analyzing data from Defendants as well as other sources.⁸³ The handling of this litigation involved a great amount of effort, and also required and involved the exercise of a high level of skill, which Plaintiff's Counsel has, as a result of its extensive experience in complex wage-and-hour litigation. Long and difficult battles would have followed as the case moved toward trial, including taking and defending declarant and expert depositions, depositions of person most knowledgeable designees, conducting additional formal discovery, and engaging in extensive motion practice. As Plaintiff's Counsel geared up for these battles, Plaintiff's Counsel undertook intense preparation in an attempt to resolve the entire matter through settlement negotiations.

Plaintiff's Counsel had to bring together a large volume of data and documents that were produced by Defendants and obtained from Plaintiff, Allegedly Aggrieved Employees, and through other sources. Plaintiff's Counsel conducted extensive review and analysis of these documents and data to strategize and evaluate the case and engage in settlement discussions.

As set forth above in Part VI.B.1 *infra*, attached to the Declaration of Edwin Aiwasian is the Attorney Task and Time Chart that sets forth in detail the numerous tasks that Plaintiff's Counsel performed in this case, and the time required for completing those tasks.⁸⁴ The chart demonstrates that Lawyers for Justice, PC has spent a total of **315.20 hours** on this matter. In light of the facts and circumstances of this case, as well as the results Plaintiff's Counsel has achieved on behalf of Plaintiff, the Allegedly Aggrieved Employees, and the State of California, Plaintiff's Counsel has spent a reasonable number of hours on this matter.

⁸² Aiwasian Decl., ¶ 17.

⁸³ *Ibid.*

⁸⁴ *Id.*, Exh. 2.

2. *The Fees Requested Represent a Reasonable Hourly Rate of Compensation
in Light of Plaintiff's Counsel's Efforts and Experience*

Both California and federal courts recognize that attorneys should be compensated for providing representation on a contingency basis and for taking on the risks associated with said representation, as well as being provided with financial incentives to enforce important rights and protections like those at issue in this matter. *See Ketchum, supra*, 24 Cal.4th at 1132-33. In awarding attorneys' fees, the aim is to mirror "the established practice in the private legal market of rewarding attorneys for taking the risk of nonpayment by paying them a premium over their normal hourly rates for winning contingency cases." *See id.*

Plaintiff's Counsel has been actively involved in the prosecution of this case, prior to the commencement of the Action and all the way up to approval of the settlement, and their dedication to the representation of Plaintiff, the Allegedly Aggrieved Employees, and the State of California has precluded other employment. Here, Plaintiff's Counsel bore the risk that, despite all of their efforts and skills employed, there may be no recovery. Ultimately, Plaintiff's Counsel was successful in reaching a settlement of \$375,000.00.

As set forth in the Declaration of Edwin Aiwarzian, the professional backgrounds and experience of Plaintiff's Counsel support a reasonable hourly rate of compensation of at least \$650 per hour for services provided by Plaintiff's Counsel.⁸⁵ Lawyers for Justice, PC has been awarded attorneys' fees, compensating the firm at the rate of at least \$650 for legal services performed, by courts of this state.⁸⁶ While the circumstance of every case is unique, the fact

⁸⁵ Aiwarzian Decl., ¶ 23.

⁸⁶ For example, final approval of the class and representative action settlement in *David Dugan v. TEC Equipment, Inc., et al.* (Los Angeles Superior Court Case No. 19STCV01591) was granted on July 8, 2021, and the award of attorneys' fees involved an hourly rate of \$936.47; final approval of the class and representative action settlement in *Larry Greenwood, et al. v. Scan Health Plan* (Los Angeles Superior Court Case No. BC715157) was granted on April 20, 2021, and the award of attorneys' fees involved an hourly rate of \$919.57; final approval of the class action settlement in *Thereasa Carrozzella v. Basalite Concrete Products, LLC* (Sacramento County Superior Court Case No. 34-2017-00220214-CU-OE-GDS) was granted on February 21, 2020, and the award of attorneys' fees involved an hourly rate of \$766.05; final approval of the class and representative action settlement in *Alice Rutledge, et al. v. Healthport Technologies, LLC* (Alameda County Superior Court Case No. RG16835813) was granted on June 11, 2019, and the award of attorneys' fees involved an hourly rate of \$764.82; final approval of the class and representative action settlement in *Seth Swan v. Pace Supply* (Sonoma County Superior Court Case No. SCV258764) was granted on February 6, 2019, and the award of attorneys' fees involved an hourly rate of \$855.96;

(Footnote continued)

remains that the work performed and efforts undertaken by Plaintiff's Counsel in this matter justify the requested attorneys' fees award.

The lodestar method, as a cross-check to the percentage fee sought, strongly supports the reasonableness of the requested attorneys' fees award. Applying the rate of \$650 per hour to 315.20 hours worked by Plaintiff's Counsel, would place a base lodestar value of \$204,880.00 on the services provided by Plaintiff's Counsel. However, Plaintiff's Counsel only seeks an attorneys' fee award of \$131,250.00 (equal to 35% of the Settlement Sum based on the Settlement Agreement).

It also bears noting that a court may apply a multiplier in consideration for risk, efficiency, and/or obtaining a substantial result, to enhance the lodestar for purpose of cross-check. See *Ketchum*, 24 Cal.4th at 1133-34 (holding that a risk multiplier may be applied to compensate contingency fee attorneys at a fair market rate). Such an enhancement "mirrors the established practice in the private legal market of rewarding attorneys for taking the risk of nonpayment by paying them a premium over their normal hourly rates for winning contingency cases." *Vizcaino*, 290 F.3d at 1051; accord *Ketchum*, *supra*, 24 Cal.4th 1122, 1132-34. A risk multiplier also serves to bring the financial incentives for enforcing important rights "into line with incentives [attorneys] have to undertake claims for which they are paid on a fee-for-services basis." *Ketchum*, 24 Cal.4th at 1132. Courts have also approved fee awards with multipliers of 2 and even higher. See, e.g., *City of Oakland v. Oakland Raiders* (1988) 203 Cal.App.3d 78 (affirming a 2.34 multiplier without remand); *Wershba*, *supra*, 91 Cal.App.4th at 255 ("Multipliers can range from 2 to 4 or even higher."); *Sutter Health Uninsured Pricing Cases* (2009) 171 Cal.App.4th 495, 512 (applying a

final approval of the class and representative action settlement in *Stanley Bland, et al. v. Telecare Corporation* (Alameda County Superior Court Case No. RG16811450) was granted on November 21, 2018, and the award of attorneys' fees involved an hourly rate of \$831.38; final approval of the class and representative action settlement in *Maryjo Ungerbuhler Anderson v. Boyett Petroleum* (Stanislaus County Superior Court Case No. 2020582) was granted on May 15, 2018, and the award of attorney's fees involved an hourly rate of \$780.77; and final approval of the class and representative action settlement in *Demetrius Camarillo v. Blue Diamond Growers* (Sacramento County Superior Court Case No. 34-2015-00175871) was granted on June 30, 2017, and the award of attorneys' fees involved an hourly rate of \$845.64. Aiwazian Decl., ¶ 23.

2.52 multiplier on a lodestar cross-check); *Chavez, supra*, 162 Cal.App.4th at 66 (applying a 2.5 multiplier in a consumer class action).

The lodestar method as a cross-check to the percentage figure sought strongly supports the reasonableness of the requested attorneys' fees. Accordingly, Plaintiff respectfully requests that the Court approve and grant an attorneys' fees award in the amount of \$131,250.00 to Plaintiff's Counsel, which is reasonable and justified on a percentage-basis, but also based on a lodestar cross-check.

VII. COSTS TO BE REIMBURSED TO PLAINTIFF'S COUNSEL ARE FAIR AND REASONABLE, AND SHOULD BE APPROVED

The Settlement provides for reimbursement of litigation costs and expenses of up to \$18,000.00. As set forth in the Declaration of Edwin Aiwasian, Plaintiff's Counsel seeks a total of \$15,769.08 in litigation costs and expenses.⁸⁷ These expenses were reasonable and necessary in the prosecution of this matter and to obtain the Settlement, and the amount sought for reimbursement is less than the maximum amount allocated under the Settlement Agreement for reimbursement of litigation costs and expenses.⁸⁸ The cost savings of \$2,230.92 will be part of the Net PAGA Amount.⁸⁹ Accordingly, Plaintiff's Counsel requests that the Court award reimbursement of litigation costs and expenses in the amount of \$15,769.08 to Plaintiff's Counsel.

VIII. THE PROPOSED COVER LETTER TO THE ALLEGEDLY AGGRIEVED EMPLOYEES SHOULD BE APPROVED

Although PAGA does not require notice to unnamed aggrieved employees of a settlement, the Parties prepared, and now present for the Court's consideration and approval, the Cover Letter for transmission to the Allegedly Aggrieved Employees along with their Individual PAGA Payment check (together, PAGA Settlement Package), substantially in the form attached as "EXHIBIT 1" to the [Proposed] Order and Judgment and as "EXHIBIT A" to the Settlement

⁸⁷ Aiwasian Decl., ¶ 24.

⁸⁸ *Ibid.*

⁸⁹ *Ibid.*

1 Agreement. The Cover Letter informs the Allegedly Aggrieved Employees about the Action and
2 the Settlement. Accordingly, Plaintiff respectfully requests that the Court approve the Cover
3 Letter for transmission to the Allegedly Aggrieved Employees at the time of disbursing their
4 Individual PAGA Payments.

5 **IX. THE PROPOSED SETTLEMENT ADMINISTRATION FEE IS FAIR AND**
6 **REASONABLE, AND SHOULD BE APPROVED**

7 As set forth in the Settlement Agreement, the Parties have agreed to retain, subject to
8 approval by the Court, Simpluris, Inc., to handle the administration of the Settlement. The fees
9 and expenses of the Settlement Administrator are estimated not to exceed \$5,500.00. These
10 costs include, but are not limited to, all fees and costs for postage, envelopes, and computer
11 searches to locate addresses; and expenses of the Settlement Administrator to implement and
12 complete the settlement process according to the terms of the Settlement Agreement, including,
13 and not limited to, to calculate payments to Allegedly Aggrieved Employees, and costs
14 associated with the escheatment process for any uncashed or undeliverable settlement checks, to
15 prepare any necessary tax documents for Allegedly Aggrieved Employees, and any other related
16 fees and costs. Accordingly, the Court should grant approval of the Settlement Administration
17 Fee in the amount of up to \$5,500.00 to Simpluris, Inc., a necessary third-party for handling the
18 settlement process.

19 **X. THE PROPOSED ENHANCEMENT AWARD IS FAIR, ADEQUATE, AND**
20 **REASONABLE, AND SHOULD BE APPROVED**

21 The Settlement provides for an Enhancement Award to be paid to Plaintiff in the amount
22 of \$7,500.00.⁹⁰ The purpose of such an award is to incentivize aggrieved employees to step into
23 the shoes of the state labor agency and undertake the responsibilities associated with initiating a
24 lawsuit and serving in a representative capacity. *See Bell v. Farmers Ins. Exch.* (2004) 115
25 Cal.App.4th 715, 726 (“service payments” compensate named plaintiff “for [her] efforts in
26 bringing the action”); *Clark v. Am. Residential Servs., LLC* (2009) 175 Cal.App.4th 785, 804

27 ⁹⁰ Settlement Agreement, § 4.04.
28

1 (“an incentive award is appropriate ‘if it is necessary to induce an individual to participate in the
2 suit’”); accord *Ingram v. The Coca-Cola Co.* (N.D. Ga. 2001) 200 F.R.D. 685, 694 (internal
3 quotation marks omitted) (“Courts routinely approve incentive awards to compensate named
4 plaintiffs for the services they provided and the risks they incurred during the course of the [...]
5 litigation.”); see also, e.g., *Resendez, supra*, Los Angeles County Superior Court, Case No.
6 BC59689 (approving \$10,000 enhancement award in a PAGA action).

7 Here, Plaintiff contributed considerable time and effort to the litigation of this case in
8 order to enforce the California Labor Code on behalf of the State of California and for the benefit
9 of other Allegedly Aggrieved Employees. Plaintiff discussed his employment with his counsel,
10 gathered and produced relevant documents and information, and provided the facts and evidence
11 necessary to attempt to prove the allegations.⁹¹ Plaintiff was available whenever his counsel
12 needed him and tried to obtain and provide documents and information that would aid in the
13 litigation of the PAGA claim and pursuit of recovery on behalf of the State of California and
14 Allegedly Aggrieved Employees.⁹²

15 Accordingly, it is reasonable and just for Plaintiff to receive an Enhancement Award in
16 the amount of \$7,500.00, for his services on behalf of the State of California and other Allegedly
17 Aggrieved Employees, in addition to the Individual PAGA Payment he will receive as an
18 Allegedly Aggrieved Employee.

19 **XI. CONCLUSION**

20 The Settlement is fair, adequate, and reasonable, as it represents a reasoned compromise
21 of disputed claims that has been reached through arm’s-length negotiations, in light of the risks,
22 complexity, and expense of further litigation. Plaintiff respectfully requests that the Court
23 approve the Settlement, including the plan of allocation and distribution of the Settlement Sum
24 for the LWDA Payment to the LWDA, Individual PAGA Payments to the Allegedly Aggrieved
25 Employees, Plaintiff’s Counsel’s Payment to Plaintiff’s Counsel, Settlement Administration Fee
26

27 ⁹¹ Aiwazian Decl., ¶ 25; Declaration of Porfirio Landeros (“Landeros Decl.”), ¶¶ 3 & 4.

28 ⁹² Aiwazian Decl., ¶ 25; Landeros Decl., ¶¶ 3 & 4.

1 to the Settlement Administrator, and Enhancement Award to Plaintiff, and permit the filing of a
2 memorandum that exceeds the page limit.

3 Dated: January 4, 2023

LAWYERS for JUSTICE, PC

4
5 By: 
6 Annabel Blanchard
7 Attorney for Plaintiff
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View a Reservation

Reservation
Reservation ID: 284349067627
Reservation Type: Motion re: (Motion for Approval of PAGA Settlement)
Case Number: 20PSCV00807
Case Title: PORFIRIO LANDEROS, INDIVIDUALLY, AND ON BEHALF OF OTHER AGGRIEVED EMPLOYEES PURSUANT TO THE CALIFORNIA PRIVATE ATTORNEYS GENE vs ALLFAST FASTENING SYSTEM, AN UNKNOWN BUSINESS ENTITY, et al.
Filing Party: Porfirio Landeros, individually, and on behalf of other aggrieved employees pursuant to the California Private Attorneys General Act (Plaintiff)
Location: Pomona Courthouse South - Department L
Date/Time: March 9th 2023, 9:30AM
Status: RESERVED
Number of Motions: 1

Motions
Motion re: (Motion for Approval of PAGA Settlement)
Reschedule
Cancel

Reservation History		
Status Date	Status	Action
01/04/2023 4:56PM	Updated by the COURT Date: March 9th 2023, 9:30AM Location: Pomona Courthouse South - Department L Motions: 1	