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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

TREVOR JOHNSON, individually, and on
behalf of other members of the general public
similarly situated and on behalf of other
aggrieved employees pursuant to the California
Private Attorneys General Act,

Plaintiff,

v.

RENAUD'S BAKERY AND BISTRO, INC., a
California corporation; and DOES 1 through
100, inclusive,

Defendants.

Case No.: 19STCV35046

Honorable Carolyn B. Kuhl
Department SSC12

CLASS ACTION

**PLAINTIFF'S NOTICE OF MOTION
AND MOTION FOR FINAL APPROVAL
OF CLASS ACTION SETTLEMENT,
ATTORNEYS' FEES, COSTS, AND
ENHANCEMENT AWARD;
MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT THEREOF**

[Declaration of Class Counsel
(Edwin Aiwazian); Declaration of Class
Representative (Trevor Johnson);
Declaration of Settlement Administrator
(Taylor Mitzner); and [Proposed] Final
Approval Order and Judgment filed
concurrently herewith]

Date: June 28, 2022
Time: 10:30 a.m.
Department: SSC12

Complaint Filed: October 2, 2019
FAC Filed: January 14, 2022
Trial Date: None Set

1 **PLEASE TAKE NOTICE** that on June 28, 2022 at 10:30 a.m., in Department SSC12
2 of the above-entitled Court, located at 312 North Spring Street, Los Angeles, California 90012,
3 Plaintiff Trevor Johnson (“Plaintiff”) will and hereby does move for an order granting final
4 approval of:

5 1. The Stipulation of Settlement and Release and Amendment No. 1 to Stipulation
6 of Settlement and Release (together, “Settlement,” “Agreement,” or “Settlement Agreement”) on the grounds that the Settlement is fair, adequate, and reasonable because:

- 7
- 8 • A Net Fund Value of approximately **\$119,932.60** will be fully distributed to the Class
 - 9 Members who did not timely opt out of the Settlement (“Settlement Class Member”);
 - 10 • **No Objections** were submitted to the settlement administrator, Phoenix Class Action
 - 11 Administration Solutions (“Settlement Administrator”); and
 - 12 • **Only two (2) Requests for Exclusion** were submitted to the Settlement
 - 13 Administrator;

14 2. Payment in the amount of **\$92,750.00** to Lawyers *for* Justice, PC (“Class
15 Counsel”), representing thirty-five percent (35%) of the Gross Fund Value, for attorneys’ fees,
16 which is reasonable and justified on a percentage-basis;

17 3. Payment in the amount of **\$15,017.40** to Class Counsel for reimbursement of
18 litigation costs and expenses;

19 4. Payment in the amount of **\$10,800.00** to the Settlement Administrator, Phoenix
20 Class Action Administration Solutions (“Phoenix”), for Administration Costs;

21 5. Payment in the amount of **\$6,500.00** to Plaintiff Trevor Johnson, as an
22 Enhancement Award, for his time and effort in representing the Class; and

23 6. Allocation of the penalties under the Private Attorneys General Act of 2004,
24 California Labor Code section 2698, *et seq.*, in the amount of **\$20,000.00**, of which seventy-five
25 percent (75%), or \$15,000.00, will be paid to the California Labor and Workforce Development
26 Agency and twenty-five percent (25%), or \$5,000.00, will be part of the Net Fund Value for
27 distribution to the Settlement Class Members.

28 ///

1 Plaintiff also requests that the Court permit the filing of a single consolidated
2 memorandum in support of this motion that exceeds the page limit established by California
3 Rules of Court, Rule 3.1113(d), instead of filing several separate motions and/or memorandums

4 This Motion is made pursuant to Rule 3.769 and Rule 3.1113(e) of the California Rules
5 of Court, which require approval by the Court of a class action settlement and permit the Court
6 to extend the page limit for memoranda.

7 This motion is based upon the following Memorandum of Points and Authorities; the
8 Declaration of Class Counsel (Edwin Aiwarzian), Class Representative (Trevor Johnson), and
9 Settlement Administrator (Taylor Mitzner of Phoenix) in support thereof; the pleadings and
10 other records on file with the Court in this matter; and such evidence and oral argument as may
11 be presented at the hearing on this Motion.

12 Dated: June 6, 2022

LAWYERS for JUSTICE, PC

13
14 By:



Edwin Aiwarzian
Attorneys for Plaintiff and the Class

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MEMORANDUM OF POINTS AND AUTHORITIES

I. SUMMARY OF MOTION

Plaintiff Trevor Johnson (“Plaintiff”) seeks final approval of: (1) the Gross Fund Value of \$265,000.00; (2) attorneys’ fees in the amount of \$92,750.00, which is thirty-five percent (35%) of the Gross Fund Value, and reimbursement of litigation costs and expenses in the amount of \$15,017.40 (together, “Attorneys’ Fees and Litigation Costs”) to Lawyers for Justice, PC (“Class Counsel”); (3) Administration Costs in the amount of \$10,800.00 to Phoenix Class Action Administration Solutions (“Phoenix” or “Settlement Administrator”); (4) Enhancement Award in the amount of \$6,500.00 to Plaintiff Trevor Johnson; and (5) allocation of \$20,000.00 for penalties under the Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* (“PAGA Payment”).

Plaintiff seeks relief on behalf of the following Class:

All current and former hourly-paid or non-exempt employees who worked for Defendant at any time during the period from October 2, 2015 through January 29, 2022 in California (“Class” or “Class Members”).¹

This matter involved ongoing investigations, informal discovery, review and analysis of thousands of pages of documents and data prior to and during mediation conducted by Jeff Krivis, Esq., and extensive settlement negotiations. This matter has required 396.10 hours of attorney time by Class Counsel. As will be demonstrated herein, the request for attorneys’ fees, which represents thirty-five percent (35%) of the Gross Fund Value, is fully supported by the use of the percentage-fee method. Courts have historically awarded fees of up to fifty percent (50%) of the recovery. The requested attorneys’ fees are also supported under the lodestar cross-check method.

Plaintiff moves for final approval of the Enhancement Award in the amount of \$6,500.00, to compensate Plaintiff for the time and effort that he expended spearheading this lawsuit on behalf of the Class. Plaintiff also moves for final approval of the payment to the Settlement Administrator in the amount of \$10,800.00 for Administration Costs. Plaintiff also moves for final approval of the allocation of \$20,000.00 for the PAGA Payment, of which

¹ Stipulation of Settlement and Release (“Original Agreement”), Exh. A, § 3.

\$15,000.00 will be paid to the California Labor Workforce and Development Agency (“LWDA”) for its portion of the PAGA Payment (“LWDA Penalty”), and \$5,000.00 will be part of the Net Fund Value that will be distributed to Class Members who did not submit a timely and valid request to be excluded from the Settlement (“Settlement Class Members”).

The requests for Attorneys’ Fees and Litigation Costs, Enhancement Award, Administration Costs, and allocation for the PAGA Payment were fully disclosed in the Notice of Pendency of Class Action Settlement (“Notice”) that was mailed to the Class Members. Most importantly, as of the date of this Motion, *not a single Class Member has objected to any aspect of the Settlement, including the requested Attorneys’ Fees and Litigation Costs, Enhancement Award, Administration Costs, or allocation for PAGA Payment.*

The Settlement is fair, adequate, and reasonable, and is the product of arm’s-length, good-faith negotiations by experienced counsel presided over by a highly-regarded mediator who is experienced in mediating wage-and-hour class action lawsuits. Accordingly, the Court should grant final approval of the Settlement, and award Attorneys’ Fees and Litigation Costs, Enhancement Award, Administration Costs, and PAGA Payment in the amounts as fully disclosed to the Class and as requested herein.

In order to efficiently present the Court with adequate information to determine whether to grant final approval of the Settlement and award Attorneys’ Fees and Litigation Costs, Enhancement Award, Administration Costs, and PAGA Payment, Plaintiff also moves for an order permitting the filing of this single consolidated memorandum, although it exceeds the page limit established by California Rules of Court, Rule 3.1113(d), instead of filing several separate motions.

II. PROCEDURAL HISTORY AND FACTUAL BACKGROUND

Defendant Renaud’s Bakery and Bistro, Inc. (“Defendant”) is a bakery and restaurant with multiple locations across Southern California. Plaintiff Trevor Johnson is a former employee of Defendant.

On October 2, 2019, Plaintiff Trevor Johnson, individually, and on behalf of all current and former hourly-paid or non-exempt employees who worked for Defendant within the State

1 of California at any time since October 2, 2015, filed a Class Action Complaint for Damages,
2 thereby commencing the action. The action was filed in the Superior Court of California for the
3 County of Los Angeles, Case No. 19STCV35046 (the “Action”).

4 On January 14, 2022, First Amended Class Action Complaint for Damages &
5 Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq.
6 (“Operative Complaint” or “First Amended Complaint”), adding a cause of action under PAGA.

7 Plaintiff’s core allegation is that Defendant has violated the California Labor Code by
8 engaging in a uniform practice and procedure, with respect to Plaintiff and the Class Members,
9 of, *inter alia*, failing to pay minimum and overtime wages, failing to provide compliant meal
10 and rest periods and associated premium pay, failing to timely pay wages and associated waiting
11 time penalties, failing to maintain accurate payroll records, failing to provide compliant wage
12 statements, and failing to reimburse necessary business-related expenses, and thereby engaged
13 in unfair business practices under the California Business and Professions Code and conduct
14 that gives to penalties recoverable under the Private Attorneys General Act of 2004 (California
15 Labor Code sections 2698, *et seq.*).

16 Defendant has denied, and continues to deny, any liability and wrongdoing of any kind
17 associated with any of the allegations in the case, and further denies that the case is appropriate
18 for class or representative treatment for any purpose other than for settlement purposes only.

19 The parties have actively litigated the matter since it was commenced October 2, 2019.
20 The parties conducted significant informal discovery, and exchanged thousands of pages of
21 documents and data. On March 20, 2020, the parties participated in a formal, full-day mediation
22 conducted by Jeff Krivis, Esq., a well-regarded mediator experienced in mediating complex
23 labor and employment matters. With the aid of the mediator’s evaluation, the parties ultimately
24 reached the Settlement described herein to resolve the case in its entirety.

25 On November 15, 2021, Plaintiff filed a Motion for Preliminary Approval of Class
26 Action Settlement and supporting documents. On January 11, 2022, a hearing was held on
27 Plaintiff’s Motion for Preliminary Approval, during which the Court raised certain points of
28 inquiry. On January 25, 2022, the parties filed supplemental papers in support of the Motion

for Preliminary Approval. On January 29, 2022, the Court entered an Order Granting Plaintiff's Motion for Preliminary Approval of Class Action Settlement ("Preliminary Approval Order"), thereby preliminarily approving the terms of the Settlement, the Notice, and the proposed administration procedures and associated deadlines.

Plaintiff now moves for final approval of the Settlement, Attorneys' Fees and Litigation Costs, Enhancement Award, Administration Costs, and allocation for the PAGA Payment.

III. SUMMARY OF THE SETTLEMENT TERMS AND PLAN OF DISTRIBUTION

Under the terms of the Settlement Agreement, Defendant has agreed to pay a Gross Fund Value of \$265,000.00 on a non-reversionary basis, in three (3) installments – an initial payment of \$100,000 ("First Installment") into an interest-bearing account within fifteen (60) business days after the Court grants final approval of the Settlement; a second payment of \$100,000 ("Second Installment") into an interest-bearing account within ten (10) months after the date on which payment of the First Installment is due; and a third payment of the remaining \$65,000 ("Third Installment") into an interest-bearing account within six (6) months after the date on which payment of the Second Installment is due.² Any interest accrued on the account will be distributed to the Settlement Class Members except if final approval of the Settlement is reversed.³ Subject to approval by the Court, the Net Fund Value will be calculated by deducting the following amounts from the Gross Fund Value: (1) Attorneys' Fees and Litigation Costs, consisting of attorneys' fees in the amount of \$92,750.00 and reimbursement of litigation costs and expenses in the amount of \$15,017.40, to Class Counsel; (2) Enhancement Award in the amount of \$6,500.00 to Plaintiff Trevor Johnson; (3) Administration Costs in the amount of \$10,800.00 to Phoenix; and (4) LWDA Penalty in the amount of \$15,000.00.⁴ The Net Fund Value, which is estimated to be \$119,932.60, will be distributed in accordance with the Settlement Agreement, and there is no reversion to Defendant.⁵

² Original Agreement; §§ 14.e.1-3.

³ *Id.*, § 14.e.

⁴ *Id.*, §§ 12, 13, 14.a-c, & 14.g.

⁵ This amount is higher than the amount stated in Paragraph 13 of the accompanying Declaration of Taylor Mitzner with Respect to Settlement Notice Administration ("Phoenix Declaration" or "Phoenix Decl.") because the Settlement Administrator's calculation assumes that Class Counsel will obtain litigation costs and expenses in the maximum amount of \$25,000.00, which is allocated under the Settlement. However, Class Counsel seeks the

1 The Settlement Administrator will calculate each Settlement Class Member's share of
2 the Net Fund Value ("Settlement Share"), by multiplying the Net Fund Value by a fraction, the
3 numerator of which is the total of a Settlement Class Member's number of weeks that he or she
4 was employed by Defendant as an hourly-paid non-exempt employee in California during the
5 period from October 2, 2015 through January 29, 2022 ("Workweeks"), and the denominator
6 of which is the total of all Settlement Class Members' Workweeks.⁶

7 Class Members had sixty (60) calendar days after the initial mailing of the Notice to
8 Class Members, or in the case of a re-mailed Notice the latter of the original Response Deadline
9 or fifteen (15) calendar days from the date of remailing, to dispute the number of Workweeks
10 credited to each of them, opt out of the Settlement, and/or object to the Settlement ("Response
11 Deadline").⁷ The Response Deadline was May 10, 2022.⁸ The Settlement Administrator has
12 received only two (2) written requests for exclusion from the Settlement ("Requests for
13 Exclusion") or zero (0) objections to the Settlement ("Objections") from Class Members.⁹

14 Settlement Shares will be allocated as twenty percent (20%) wages, to be reported on
15 IRS Form W-2; and eighty percent (80%) interest and penalties, to be reported on IRS Form
16 1099 (if applicable).¹⁰

17 Settlement Shares will be paid to Settlement Class Members after Defendant funds the
18 Second Installment.¹¹

19 Any and all Settlement Share checks issued to Settlement Class Members will remain
20 valid for 180 calendar days from the date of mailing.¹² Thereafter, Settlement Share checks that
21 are not negotiated within the 180-day period will be void, and the funds associated with such
22 voided checks will be distributed to State of California's Unclaimed Property Fund in the name
23 of the Settlement Class Members whose checks are cancelled.¹³

24 amount of only \$15,017.40 for reimbursement of litigation costs and expenses, and the difference of \$9,982.60
25 will remain part of the Net Fund Value.

26 ⁶ Original Agreement, § 14.d.1.

⁷ *Id.*, § 17.

⁸ Phoenix Decl., ¶ 8, Exh. A.

⁹ *Id.*, ¶¶ 9 & 10.

¹⁰ Original Agreement, § 14.h.

¹¹ *Id.*, § 14.f; Amendment No. 1, § B.

¹² *Ibid.*

¹³ *Ibid.*

1 **IV. THE SETTLEMENT ADMINISTRATION PROCESS**

2 The Court-appointed Settlement Administrator, Phoenix, has taken all necessary steps
3 to effectuate the notice and settlement administration process, as set forth in the Court’s January
4 29, 2022 Preliminary Approval Order.

5 On March 1, 2022, Phoenix received the Court-approved text for the Notice.¹⁴

6 On March 1, 2022, Phoenix received a mailing list from Defendant’s counsel that
7 contained the names, last known addresses, Social Security numbers, telephone numbers, and
8 dates of employment as hourly-paid or non-exempt employees in California from October 2,
9 2015 through January 29, 2022 for individuals identified as Class Members (“Class Data
10 List”).¹⁵ The Class Data List contained information for 514 individuals identified as Class
11 Members.¹⁶ Phoenix processed the names and addresses through the National Change of
12 Address Database (“NCOA”) and updated the Class Data List with any updated addresses
13 located.¹⁷

14 On March 11, 2022, Phoenix mailed the Notice via first class mail to 514 individuals
15 identified as Class Members in the Class Data List.¹⁸

16 As of the date of this Motion, two (2) Notices were returned as undeliverable with
17 forwarding addresses, and Phoenix promptly re-mailed the Notice to the forwarding addresses.¹⁹
18 Fifty-seven (57) Notices were returned as undeliverable without forwarding addresses.²⁰
19 Phoenix performed a skip-trace search on the fifty-seven (57) Notices that were returned to
20 Phoenix without forwarding addresses, located an updated address for fifty-four (54) Class
21 Members, and promptly re-mailed the Notice to the updated addresses.²¹ Eight (8) Notices were
22 returned to Phoenix as undeliverable a second time.²² Ultimately, eleven (11) Notices remain
23 undeliverable because an updated address was not located through skip-tracing or the Notice
24

25 ¹⁴ Phoenix Decl., ¶ 3.

26 ¹⁵ *Ibid.*

27 ¹⁶ *Ibid.*

28 ¹⁷ *Id.*, ¶ 4.

¹⁸ *Id.*, ¶ 5.

¹⁹ *Id.*, ¶ 6.

²⁰ *Ibid.*

²¹ *Ibid.*

²² *Id.*, ¶ 7.

was returned as undeliverable a second time.²³

As of the date of this Motion, the Settlement Administrator has not received any Objections and only two (2) Requests for Exclusion from Class Members.²⁴

To date, there are 512 Class Members who did not submit a timely and valid Request for Exclusion, and are therefore, deemed to be Settlement Class Members.²⁵ Pursuant to the terms of the Settlement, the Net Fund Value of approximately \$119,932.60 will be distributed to Settlement Class Members in accordance with the terms of the Settlement.²⁶ The highest Settlement Share is currently estimated to be at least \$2,415.30 and the average Settlement Share is currently estimated to be at least \$1,537.76.²⁷

V. THE COURT SHOULD GRANT FINAL APPROVAL OF THE CLASS ACTION SETTLEMENT.

The trial court has broad discretion to determine whether a class action settlement is fair and reasonable. *Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th 43, 52. To determine whether the settlement is fair and reasonable, courts consider relevant factors such as:

the strength of plaintiffs' case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction of the class members to the proposed settlement.

Dunk v. Ford Motor Co. (1996) 48 Cal.App.4th 1794, 1801. "The list of factors is not exclusive and the court is free to engage in a balancing and weighing of the factors depending on the circumstances of each case." *Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 245. "Due regard should be given to what is otherwise a private consensual agreement between the parties." *Dunk, supra*, 48 Cal.App.4th at 1801.

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²³ Phoenix Decl., ¶ 7.

²⁴ *Id.*, ¶¶ 9 & 10.

²⁵ *Id.*, ¶ 12.

²⁶ *Id.*, ¶ 13; see also, n.5, *supra*.

²⁷ *Id.*, ¶ 14. The actual average and highest Settlement Shares will be larger than the amounts stated in the Phoenix Declaration because the Net Fund Value is larger due to Class Counsel's request for reimbursement of litigation costs and expenses in an amount that is less than \$25,000.00 (the difference between the amount sought and the amount authorized under the Settlement, i.e., \$9,982.60, will be part of the Net Fund Value). See n.5, *supra*.

The proponent of the settlement has the burden to show that it is fair and reasonable. *Wershba, supra*, 91 Cal.App.4th at 245. At the final approval stage, a presumption of fairness exists where, as here: “(1) the settlement is reached through arm’s-length bargaining; (2) investigation and discovery are sufficient to allow counsel and the court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small.” *Dunk, supra*, 48 Cal.App.4th at 1802. In reviewing a class settlement, the court need not reach any ultimate conclusions on the issues of fact and law that underlie the merits of the dispute. *7-Eleven Owners for Fair Franchising v. Southland Corp.* (2000) 85 Cal.App.4th 1135, 1146. The inquiry is not whether the settlement agreement is the best one that class members could have possibly obtained, but whether the settlement, taken as a whole, is “fair, adequate, and reasonable.” *Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th 43, 55. A settlement need not obtain 100 percent of the damages sought in order to be fair, reasonable, and ultimately, meaningful. *Wershba, supra*, 91 Cal.App.4th at 251. Even if the proposed settlement affords relief that is substantially narrower than it would be if the case were to be successfully litigated, that is no bar to a class settlement because the public interest may indeed be served by a voluntary settlement in which each side gives ground in the interest of avoiding prolonged litigation. *Id.*

A. The Settlement Resulted from Arm’s-Length Negotiations Based Upon Extensive Investigation and Discovery.

The parties actively litigated the case since it was commenced on October 2, 2019. Counsel for the parties used the pre-mediation time period to investigate the veracity, strength, and scope of the claims, and also to prepare the matter for class certification, representative adjudication, and trial.²⁸ The parties conducted extensive informal discovery and investigation into the facts of the case, and also informally exchanged information and data in preparation for mediation.²⁹ Class Counsel also interviewed and obtained information from Plaintiff and Class Members, including and not limited to the names of potential witnesses, and reviewed and

²⁸ Declaration of Edwin Aiwazian (“Aiwarzian Decl.”), ¶ 6.

²⁹ *Ibid.*

analyzed thousands of pages of documents and data produced by Defendant and obtained through other sources.³⁰ The documents and data reviewed and analyzed by Class Counsel included, and were not limited to, Plaintiff's employment records, Class Members' time and pay data, multiple iterations of Defendant's Employee Handbook, Handbook Addendums, company policy acknowledgements, internal memoranda, new hire orientation checklists, Defendant's operations and employment practices, procedures, and policies (including but not limited to Defendant's Employment Application, Waiver of Meal Period Form, Company Dress Code, and Company Cell Phone Policy), and Defendant's financial document, among other information, documents, and data.³¹ Class Counsel researched applicable law, developed damages/valuation models in preparation for mediation, and met and conferred with Defendant's counsel on numerous occasions, e.g., to discuss issues relating to the pleadings, case management, and production of documents and data prior to mediation.³²

After conducting significant informal discovery and investigation into the facts of the case, the parties participated in a formal, full-day mediation conducted by Jeff Krivis, Esq., a well-regarded mediator experienced in mediating complex labor and employment matters.³³ Prior to and during mediation and settlement discussions, the parties exchanged information and data, and discussed various aspects of the case, including and not limited to, the risks and delays of further litigation, the risks and expenses to the parties of proceeding with class certification, representative adjudication, and trial, the law relating to off-the-clock theory, meal and rest periods, representative PAGA claims, and wage-and-hour enforcement, Defendant's financial condition, the evidence produced and analyzed, and the possibility of appeals, among other things.³⁴ During all settlement discussions, the parties conducted their negotiations at arm's length in an adversarial position.³⁵ Arriving at a settlement that was acceptable to the parties was not easy.³⁶ Defendant and its counsel felt very strongly about Defendant's ability to prevail

³⁰ Aiwazian Decl., ¶ 6.

³¹ *Ibid.*

³² *Ibid.*

³³ *Id.*, ¶ 8.

³⁴ Aiwazian Decl., ¶ 8.

³⁵ *Ibid.*

³⁶ *Ibid.*

on the merits and to obtain a denial of class certification, while Plaintiff and Class Counsel believed that class certification would be obtained and Plaintiff would prevail at trial.³⁷ After conducting significant informal discovery and investigations, extensive settlement negotiations, and with the aid of the mediator's evaluation, the parties agreed that the matter was well-suited for settlement given the legal issues relating to Plaintiff's principal claims, as well as the costs and risks to the parties that would attend further litigation.³⁸

The Settlement takes into account the strengths and weaknesses of each side's position and the uncertainty of how the case might have concluded at certification, trial, and/or appeals. Class Counsel interviewed, and obtained information from Plaintiff and other Class Members.³⁹ Class Counsel also reviewed and analyzed thousands of pages of documents produced by Defendant and obtained through other sources, and performed significant research into the law concerning certification, off-the-clock theory, meal and rest periods, representative PAGA claims, wage-and-hour enforcement, Plaintiff's claims, and Defendant's defenses, as well as facts discovered.⁴⁰ The Settlement was based on this large volume of facts, evidence, and investigation.⁴¹ Additionally, Class Counsel has extensive experience in handling complex wage-and-hour matters, including significant experience in employment class action litigation.⁴²

B. The Risks Inherent in Continued Litigation Favor Final Approval of the Settlement.

The Settlement, which provides for a Gross Fund Value of \$265,000.00, represents a fair, adequate, and reasonable resolution of the case, given the risks inherent in litigating class and representative claims through certification proceedings, trial, and/or appeals.⁴³ The Settlement was calculated using information and data uncovered through extensive case investigation, informal discovery, and the exchange of information in the context of mediation.⁴⁴ Had the action not settled, Defendant would have vigorously challenged class certification,

³⁷ Aiwazian Decl., ¶ 8.

³⁸ *Ibid*

³⁹ *Id.*, ¶ 6.

⁴⁰ *Ibid.*

⁴¹ *Id.*, ¶¶ 6 & 8.

⁴² *Id.*, ¶¶ 15-18.

⁴³ *Id.*, ¶¶ 8 & 21.

⁴⁴ *Id.*, ¶¶ 5-8.

manageability of representative adjudication, and liability. Defendant contended that individualized questions of fact predominate over any common issues, and these issues would pose challenges to certification and representative adjudication. Defendant would have likely argued again at trial, if any, that Plaintiff's claims were not appropriate for class-wide and/or representative adjudication. On the other hand, Defendant also faced the risk of the Court certifying a class and allowing a jury to decide Plaintiff's claims on a class-wide or representative basis. Additionally, preparation for trial would have been expensive for all parties.

It is preferable to reach an early resolution of a dispute because such resolutions save time and money that would otherwise go to litigation. If this matter had settled after further litigation, the settlement amount would have taken into account the additional costs incurred, and there might have been less money available for Class Members after all was said and done. This is not just an abstract contention. The risks and expenses of further litigation outweighed any benefit that might have been gained otherwise. These risks of further litigation include a determination that the claims were unsuitable for class treatment and/or representative adjudication, failure to obtain certification, class de-certification after certification of a class, allowing a jury to decide the claims asserted in the case, and the real possibility of no recovery after years of litigation, especially in light of Defendant's financial condition. Additionally, the parties were moving into the phase of the litigation where they would have to conduct a significant amount of additional discovery, including and not limited to, depositions of Defendant's Person Most Knowledgeable designees, expert witnesses, and percipient witnesses, such as managers, supervisors, and other current and former employees throughout the State of California. Discovery disputes would have certainly arisen, which would have cost the parties additional time and money. In contrast, the Settlement provides real and significant benefits for the Class Members here and now, while avoiding the further expenses, risks, and delay of prolonged litigation with only the possibility of recovery.

It would be grossly inefficient for such a large class of current and former employees to bring individual actions to recover from Defendant for the alleged violations of wage-and-hour

laws. Moreover, the potential individual recovery that could be obtained by a Class Member would not be significant enough to provide him or her with the incentive to sue. By granting final approval of the Settlement, the Court can approve a resolution that provides a certain and substantial recovery for Class Members and the State of California.

C. The Settlement Is Fair, Reasonable, and Adequate.

The Settlement, which provides for a Gross Fund Value of \$265,000.00, represents a fair, reasonable, and adequate resolution of the case. The Settlement was calculated using information and data uncovered through extensive case investigation, informal discovery, and the exchange of information in the context of mediation. The Settlement takes into account the potential risks and rewards inherent in any case and, in particular, in this matter. Moreover, considering all of the facts in the case, the Gross Fund Value represents a considerable recovery.

Even after deducting attorneys' fees in the amount of \$92,750.00, litigation costs and expenses in the amount of \$15,017.40, Enhancement Award, Administration Costs in the amount of \$10,800.00, and LWDA Penalty in the amount of \$15,000.00 from the Gross Fund Value of \$265,000.00, the Net Fund Value is currently estimated to be \$119,932.60.⁴⁵ Under the Settlement Agreement, the Gross Fund Value will be fully paid out without any reversion to Defendant, in accordance with the terms of the Settlement. As discussed in Section III, *supra*, each Settlement Class Member will be paid a *pro rata* share of the Net Fund Value, based on the number of Workweeks credited to him or her. To date, there are 512 Settlement Class Members, representing 100% of the Class Members.⁴⁶ The highest Settlement Share to a Settlement Class Member is currently estimated to be at least \$2,415.30 and the average Settlement Share is currently estimated to be at least \$1,537.76.⁴⁷ These are significant individual recoveries, particularly in light of the risks of litigation.

At the final approval stage, "[a]n allocation formula need only have a reasonable, rational basis [to warrant approval], particularly if recommended by experienced and competent class counsel." *In re American Bank Note Holographics, Inc., Securities Litigation* (S.D.N.Y. 2001)

⁴⁵ Phoenix Decl., ¶ 13; see n.5, *supra*.

⁴⁶ *Id.*, ¶ 12.

⁴⁷ *Id.*, ¶ 14; see n.27, *supra*.

127 F.Supp.2d 418, 429-30. The *pro rata* allocation here is a fair and reasonable way to distribute the Net Fund Value. In light of the above considerations, Class Counsel believes that the Settlement as a whole is fair, reasonable, and adequate, and in the best interest of the Class Members.⁴⁸ Although the recommendations of Class Counsel are not conclusive, the Court can properly take the recommendations into account, particularly if Class Counsel appears to be competent, has experience with this type of litigation, and significant discovery and investigation have been completed, as is the case here. Conte & Newberg, *Newberg on Class Actions* (4th Ed., 2002) § 11.47. Accordingly, the Court should grant final approval of the Settlement.

D. The Class Was Represented by Competent Counsel.

Class Counsel has extensive experience in employment class action law and complex wage-and-hour litigation.⁴⁹ Lawyers for Justice, PC has been appointed class counsel in numerous complex wage-and-hour cases, and has recovered millions of dollars for individuals in California.⁵⁰ Both parties' counsel were capable of assessing the strengths and weaknesses of the Class Members' claims against Defendant and the benefits of the Settlement under the circumstances of the case and in the context of a private, consensual settlement agreement.

E. There Are No Objections to the Settlement.

The Settlement has been well received by the Class – *not a single Class Member objected to the Settlement*.⁵¹ Specifically, no objections have been made as to the Gross Fund Value or requested Attorneys' Fees and Litigation Costs, Enhancement Award, Administration Costs, or the allocation for PAGA Payment. California courts have consistently found that a small number of objectors indicates the class' support for a settlement and strongly favors final approval. *Wershba, supra*, 91 Cal.App.4th at 250-51 (final approval granted despite 20 objectors); *7-Eleven Owners, supra*, 85 Cal.App.4th at 1152-53 (final approval granted despite 9 objectors).

⁴⁸ Aiwazian Decl., ¶ 21.

⁴⁹ *Id.*, ¶¶ 15-18.

⁵⁰ *Ibid.*

⁵¹ Phoenix Decl., ¶ 10.

Here, the lack of any objections speaks volumes about the fairness, reasonableness, and adequacy of the Settlement. Accordingly, the Settlement as a whole is presumed to be fair, reasonable, and adequate, and the Court should grant final approval of the Settlement in its entirety. *Dunk, supra*, 48 Cal.App.4th at 1802.

VI. THE ATTORNEYS' FEES AWARD REQUESTED BY CLASS COUNSEL IS FAIR AND REASONABLE AND SHOULD BE APPROVED.

A. Legal Standard for Attorneys' Fees in a Class Action Settlement.

Trial courts have "wide latitude" in assessing the value of attorneys' fees and their decisions will "not be disturbed on appeal absent a manifest abuse of discretion." *Lealao v. Beneficial Cal., Inc.* (2000) 82 Cal.App.4th 19, 41; *Ketchum v. Moses* (2001) 24 Cal.4th 1122, 1132 (The "experienced trial judge is the best judge of the value of professional services rendered in his court[.]"); *Cellphone Termination Fee Cases* (2009) 180 Cal.App.4th 1110, 1118. Where the amount of a settlement is a "certain easily calculable sum of money," California courts may calculate attorneys' fees as a reasonable percentage of the settlement. Weil and Brown, *California Practice Guide, Civil Procedure Before Trial*, Chapter 14, § 14:145; *see also Laffitte v. Robert Half Int'l Inc.* (2016) 1 Cal.5th 480, 503; *Dunk, supra*, 48 Cal.App.4th at 1808. The percentage-of-the-benefit approach is preferred in class and representative actions because "it better approximates the workings of the marketplace than the lodestar approach." *Lealao, supra*, 82 Cal.App.4th at 49.

California law provides that an attorneys' fees award should be equivalent to fees paid in the legal marketplace for the result achieved and risk incurred. *Id.* at 47-50; *Laffitte v. Robert Half Int'l, Inc.* (2016) 1 Cal.5th 480, 503. In *Lealao*, the court held that when an action leads to a recovery that can be "monetized" with a reasonable degree of certainty, the trial court should "ensure that the fee awarded is within the range of fees freely negotiated in the legal marketplace in comparable litigation." *Lealao, supra*, 82 Cal.App.4th at 50. Fee awards that are too small will "chill the private enforcement essential to the vindication of many legal rights and obstruct the representative actions that often relieve the courts of the need to separately adjudicate numerous claims." *Lealao, supra*, 82 Cal.App.4th at 53.

“The ultimate goal . . . is the award of a ‘reasonable’ fee to compensate counsel for their efforts, irrespective of the method of calculation.” *Consumer Privacy Cases* (2009) 175 Cal.App.4th 545, 557-58 (quoting *Apple Computer, Inc. v. Superior Court*, *supra*, 126 Cal.App.4th at 1270). It is not an abuse of discretion to choose one method over another as long as the method chosen is applied consistently using percentage figures and/or rates that accurately reflect the marketplace. In cases where class members present claims against a settlement amount and the settlement agreement provides that the defendant agrees to paying the attorneys a percentage of the same, use of that percentage method is appropriate. *Lealao*, *supra*, 82 Cal.App.4th at 32.

Historically, courts have awarded fees as high as fifty percent (50%) of the settlement, depending on the circumstances of the case. Conte & Newberg, *Newberg on Class Actions* (4th Ed., 2002) § 14.03; *see also In re Ampicillin Antitrust Litig.* (D.D.C. 1981) 526 F.Supp. 494 (awarding attorneys’ fees in the amount of 45% of the settlement amount of \$7.3 million); *Beech Cinema, Inc. v. Twentieth-Century Fox Film Corp.* (S.D.N.Y. 1979) 480 F.Supp. 1195 (awarding approximately 53% of the settlement amount as attorneys’ fees). California courts routinely approve class action attorneys’ fees awards “averag[ing] around one-third of the recovery.” *Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th 43, 66 n.11 (lower court found 20 to 40 percent range of contingency fee in marketplace was appropriate in class actions); *see also Laffitte*, 1 Cal.5th at 488 & 506 (approving fee award of 1/3 of common fund of \$19 million).

B. A Fee Award of a Percentage of the Entire Fund Is Appropriate.

California and federal courts have long recognized that an appropriate method for determining the award of attorneys’ fees is based on a percentage of the total value of benefits made available to class members by the settlement. *Laffitte*, 1 Cal.5th at 503; *Boeing Co. v. Van Gemert* (1980) 444 U.S. 472, 478; *Paul, Johnson, Alston & Hunt v. Graulity* (9th Cir. 1989) 886 F.2d 268, 272; *Vincent v. Hughes Air West, Inc.* (9th Cir. 1977) 557 F.2d 759, 769; *Serrano v. Priest* (1977) 20 Cal.3d 25, 34.⁵² The purpose of this equitable doctrine is to spread litigation

⁵² The California Supreme Court has urged trial courts to consider class action federal authority. *Green v. Obledo* (1981) 29 Cal.3d 126, 146; *Vasquez v. Superior Court* (1971) 4 Cal.3d 800, 821.

costs proportionally among all the beneficiaries so that the active beneficiary does not bear the entire burden alone. See *Vincent, supra*, 557 F.2d at 769.

When a litigant's efforts result in a settlement from which others may derive benefits, the litigant may require the passive beneficiaries to compensate those whose efforts brought about the settlement. See, R. Pearle, *California Attorney Fee Awards* (CEB, 1993) § 7A, p. 5-7 (permitting attorneys' fees and costs to be paid out of the settlement or directly on behalf of the other parties enjoying the benefit of the settlement). Both state and federal courts have embraced this doctrine. See *Serrano, supra*, 20 Cal.3d at 35; *Crampton v. Takegoshi* (1993) 17 Cal.App.4th 308, 317; *Vincent, supra*, 557 F.2d at 769.

The propriety of calculating and awarding attorneys' fees as a percentage of a monetary settlement that has, by litigation, been preserved or recovered for the benefit of others, has been confirmed by the California Supreme Court. *Laffitte, supra*, 1 Cal.5th 480 at 486 & 506. The California Supreme Court has taken the position that "[t]rial courts have discretion to conduct a lodestar cross-check on a percentage fee," "they also retain the discretion to forgo a lodestar cross-check and use other means to evaluate the reasonableness of a requested percentage fee[.]" and "[t]he percentage [...] method survives in California." *Id.* (internal quotes omitted).

Courts have consistently recognized that class and representative action litigation is increasingly necessary to protect the rights of individuals whose injuries and/or damages are too small to economically justify legal action on an individual basis. Accordingly, in determining a reasonable fee award, courts award fees to serve as an economic incentive for lawyers to pursue such litigation in order to achieve increased access to the judicial system for meritorious claims and to enhance deterrents to wrongdoing. This is especially true in situations where multiple similar alleged wrongs would not be economically feasible to pursue individually, such as here. See A. Conte, *Attorney Fee Awards* (2d Ed., 1993) 104, at 6. As such, the percentage fee requested in this matter is reasonable and appropriate.

When the case was originally filed, not only was it inescapably contingent, but the prospect of a long, drawn-out battle with a defendant represented by experienced counsel, was almost a certainty. By taking on this "battle" on a contingency basis, Class Counsel risked

substantial economic loss if the results were not successful. This substantial risk is the reason that the courts approve the use of the percentage method when a settlement is obtained by the efforts of class counsel. See *Vizcaino v. Microsoft* (9th Cir. 2002) 290 F.3d 1043, 1048-49 (discussing the risks of engaging in litigation without certainty of compensation).

Under the terms of the Settlement Agreement, Defendant will pay a Gross Fund Value of \$265,000.00 on a non-reversionary basis. The requested attorneys' fees are thirty-five percent (35%) of the total value of the monetary settlement. Taking into account the applicable law and policy, and in light of Class Counsel's successful prosecution and resolution of the case, the requested attorneys' fees are appropriate and reasonable.

Compensating class counsel in class litigation on a percentage basis makes good sense because: (1) it is consistent with the private marketplace where contingent fee attorneys are customarily compensated on such a basis; (2) it aligns the interests of class counsel and absent class members in achieving the maximum possible resolution of the case; and (3) it encourages the most efficient and expeditious resolution of the litigation by providing an incentive for early, yet reasonable, settlement. The requested attorneys' fees in this matter satisfy all of those factors and should be approved on a percentage basis.

The percentage method is consistent with, and is intended to mirror, the practice in the private marketplace where contingent-fee attorneys typically negotiate percentage-fee arrangements with their clients. A named plaintiff's agreement to pay a contingent fee is powerful evidence of a reasonable fee. One of the best ways to demonstrate the value of counsel's work to the class is to review the consideration agreed to be paid by the named plaintiff. If the named plaintiff has employed counsel on a contingency-fee basis, it would indeed be inequitable for the members of the class, who will enjoy the benefits of the settlement without incurring the risks of bringing the claim, to pay less than the named plaintiff. In this case, Plaintiff has agreed to a contingency fee of at least thirty-five percent (35%) of the recovery.⁵³

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⁵³ Aiwazian Decl., ¶ 9.

Furthermore, a percentage-fee award is not dependent on a determination of the actual amount claimed by those entitled—it is the creation of the settlement that is the crucial fact. In *Winslow v. Harold G. Ferguson Corp.*, the California Supreme Court expressly held that “it is equitable that [the attorney’s] compensation and expenses should come from the entire fund saved for all classes concerned before it is distributed.” *Winslow v. Harold G. Ferguson Corp.* (1944) 25 Cal.2d 274, 284. Likewise, *Lealao* expressly held that a percentage-based fee “may be calculated on the basis of the total fund made available rather than the actual payments made to the class.” *Lealao, supra*, 82 Cal.App.4th at 51; *see also Boeing, supra*, 444 U.S. at 478 (“a litigant or a lawyer who recovers” a settlement “for the benefit of persons other than himself or his client is entitled to a reasonable attorneys’ fee from the fund as a whole”).

In *Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, in determining reasonable attorneys’ fees, the Court of Appeal valued a settlement based on the total value of the settlement made available to class members by the efforts of counsel, decided in favor of granting fees as a percentage of the total value of the settlement, and rejected an objection that the fees be awarded based on the exact amount claimed by class members. *Id.* at 247.

Class Counsel has obtained a substantial recovery on behalf of Plaintiff and the Class, and the results achieved justify an attorneys’ fees award that is the equivalent of the standard market fee and that is consistent with the contingency-fee agreement entered into by and between Plaintiff and Class Counsel. Thus, the requested attorneys’ fees are appropriate.

C. The Attorneys’ Fees Award Requested by Class Counsel Is Reasonable Based on the Factors Considered in Determination of Fee Awards.

In *Camden I Condominium Association, Inc. v. Dunkel*, the court identified twelve factors to be considered in determining whether fee awards are reasonable: (1) the time and labor required; (2) the novelty and difficulty of the questions involved; (3) the skill required to perform the legal services properly; (4) the preclusion of other employment by the attorney due to the acceptance of the case; (5) the customary fee; (6) whether the fee is fixed or contingent; (7) 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.

Each and every one of these factors favors the attorneys' fees sought here; however, some of the most relevant factors to this Court's fee determination will be addressed herein. The award of attorneys' fees in the amount of \$92,750.00 (which is 35% of the Gross Fund Value) is commensurate with the time, effort, and expense dedicated to the case, the contingent nature of Class Counsel's fee and the risks taken in commencing the case, the skill and determination required, the results that Class Counsel has achieved, and the value of the settlement that Class Counsel has obtained for the Class Members.

1. Time & Labor.

Class Counsel used its experience and skills, and dedicated the full extent of resources, to litigate and bring this matter to a successful conclusion on behalf of the Class and the State of California. Moreover, as demonstrated in the supporting declaration, Class Counsel has extensive experience in the handling of class actions and complex litigation matters.⁵⁴

As outlined in the Declaration of Edwin Aiwasian, Class Counsel has fully and actively participated in litigation of this case.⁵⁵ Prior to commencing the lawsuit, Class Counsel had conducted a significant amount of investigation into the factual and legal issues, Defendant's business, and its operations and employment policies, practices, and procedures.⁵⁶ During the litigation of the action, Class Counsel interviewed Plaintiff and other Class Members; reviewed and analyzed thousands of pages of pages of documents and data provided by Defendant and obtained through other sources; and prepared damages/valuation calculations.⁵⁷ Class Counsel also met and conferred with Defendant's counsel over the issues relating to pleadings, case management, and production of documents and data, among other things; engaged in extensive

⁵⁴ Aiwasian Decl., ¶¶ 15-18.

⁵⁵ *Id.*, Exh. A.

⁵⁶ *Id.*, ¶ 6 & Exh. A.

⁵⁷ *Id.*, ¶ 6.

1 settlement negotiations with Defendant's counsel; and prepared for and attended court
2 proceedings, mediation, and settlement negotiations.⁵⁸

3 Class Counsel has dedicated staffing and monetary resources necessary to prosecute this
4 matter diligently and with maximum efficiency and has fully and actively participated in the
5 litigation process. The Task and Time Chart, which is attached as EXHIBIT A to the
6 accompanying Declaration of Edwin Aiwazian, sets forth in detail the hours that Class Counsel
7 has spent performing tasks on behalf of Plaintiff and the Class.⁵⁹ The Task and Time Chart is
8 thorough and comprehensive, and was prepared so that the Court can peruse it without having
9 to set forth each and every task in the body of this Motion. The Court is respectfully referred to
10 the chart, which sets forth the history of the work performed by Class Counsel, commencing
11 with the pre-filing analysis and research, and continuing up to settlement and final approval.
12 Class Counsel has spent **396.10** hours performing tasks and to obtain a significant recovery on
13 behalf of Plaintiff and the Class.⁶⁰ These hours were required to bring this matter to its successful
14 conclusion. In light of the value of time expended and the carrying of costs involved in litigating
15 this case, the requested attorneys' fees are fair, adequate, and reasonable.

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

17 The skill required to properly litigate the case is evident not only in the results achieved,
18 but in the steps necessary to reach the same. Defendant retained well-respected counsel to
19 represent its defenses. More specifically, Defendant and its counsel felt very strongly about
20 Defendant's ability to obtain a denial of certification and to prevail on the merits. Plaintiff and
21 Class Counsel believed that they would have obtained class certification and prevailed at trial.

22 Class Counsel undertook significant investigation, analysis, and research prior to filing
23 this case, during the litigation, and prior to, during, and after the mediation. Class Counsel took
24 steps to prepare the matter for class certification and representative adjudication and had every
25 intention of taking the case to trial on a class-wide basis if Defendant did not offer an appropriate
26 class-wide settlement. Despite all of the obstacles that had to be overcome, as demonstrated in

27
28 ⁵⁸ Aiwazian Decl., ¶ 6.

⁵⁹ *Id.*, Exh. A.

⁶⁰ *Id.*, ¶ 11.

the Declaration of Edwin Aiwasian, Class Counsel used its extensive experience in the handling of class actions and complex wage-and-hour litigation matters in order to obtain the Settlement with maximum efficiency.⁶¹

3. The Value of the Settlement for the Class Members.

The Settlement represents an excellent resolution of the action, given the risks inherent in litigating the case through certification proceedings, trial, and/or appeals. Had the case not settled, Defendant would have vigorously challenged certifiability, manageability of representative adjudication, and liability. Defendant, however, faced risks if the Court certified a class and allowed a jury to decide the claims. Additionally, preparing the case for trial would have been expensive for the parties.

The Settlement at this stage is preferred over continued litigation because such resolutions save time and money that would otherwise go to litigation. The risks and expenses of further litigation outweighed any benefit that might have been gained otherwise. The Settlement provides an immediate recovery, as opposed to an uncertain result in the future after prolonged litigation involving expert discovery, trial preparation, class certification proceedings, and appellate review of those proceedings. The Settlement offers present relief and/or recovery to Settlement Class Members and the State of California while avoiding the further expense, risk, and delay in obtaining possible recovery at an unknown time in the future.

As a result of this litigation and extensive settlement negotiations, Defendant agreed to pay a Gross Fund Value of \$265,000.00 to settle the matter. After deducting the attorneys' fees (\$92,750.00), litigation costs and expenses (\$15,017.40), Enhancement Award (\$6,500.00), Administration Costs (\$10,800.00), and LWDA Penalty (\$15,000.00) from the Gross Fund Value, it is currently estimated that the Net Fund Value is approximately \$119,932.60.⁶² The Net Fund Value will be fully distributed in accordance with the terms of the Settlement. The highest Settlement Share to a Settlement Class Member is currently estimated to be at least

⁶¹ Aiwasian Decl., ¶¶ 15-18.

⁶² Phoenix Decl., ¶ 13; see n.5, *supra*.

\$2,415.30 and the average Settlement Share is currently estimated to be at least \$1,537.76.⁶³ The Settlement offers significant monetary relief to the Settlement Class Members.

4. Whether the Fee Is Fixed or Contingent.

Plaintiff entered into a contingency fee agreement with Class Counsel, and the representation of the Class provided by Class Counsel has been wholly contingent. Class Counsel took on the case without knowing whether any recovery would be obtained. Class Counsel has invested 396.10 hours of time to obtain relief on behalf of Plaintiff, the Class, and the State of California.⁶⁴ Class Counsel has also incurred litigation costs and expenses in the amount of \$15,017.40.⁶⁵

Class Counsel has borne all of the risks and costs of litigation and will not receive any compensation until recovery is obtained.⁶⁶ Class Counsel is well-experienced in wage-and-hour class action and complex litigation and used that experience to obtain a great result.⁶⁷ The skill and determination that Class Counsel has shown, along with the results obtained, justify the requested Attorneys' Fees and Litigation Costs. Considering the amounts requested, the work performed, and the risks incurred, the requested fees and costs are reasonable and should be awarded.

In determining the reasonableness of a fee award in a class action settlement, whether or not representation is provided on a contingency basis is an important factor:

A contingent fee must be higher than a fee for the same legal services paid as they are performed. The contingent fee compensates the lawyer not only for the legal services he renders but for the loan of those services. A lawyer who both bears the risk of not being paid and provides legal services is not receiving the fair market value of his work if he is paid only for the second of these functions. If he is paid no more, competent counsel will be reluctant to accept fee award cases.

Cates v. Chiang (2013) 213 Cal.App.4th 791, 823 (internal quotes and citations omitted). Class Counsel litigated the case on a contingent basis with all of the concomitant risk factors inherent in such an uncertain undertaking. Had Class Counsel not been successful, the time that Class

⁶³ Aiwazian Decl., ¶ 14; see n.27, *supra*.

⁶⁴ *Id.*, ¶ 11, Exh. A.

⁶⁵ See Part VII, *infra*.

⁶⁶ Aiwazian Decl., ¶ 19.

⁶⁷ See *id.*, ¶¶ 15-18.

Counsel has devoted to litigating the case would have been for naught, and would not have produced any fee or any reimbursement of costs or expenses.

5. The Amount Involved and the Results Achieved.

The results achieved, in light of the difficulties inherent in similar cases and the specific difficulties faced in this matter, are considerable. The Settlement has yielded a positive response from the Class Members—no Class Members objected to the Settlement.⁶⁸

The court in *Camden* noted that, “a key element of the common fund case is that fees are [...] taken from the fund [...] and a common fund is itself the measure of success ... [and] represents the benchmark on which a reasonable fee will be awarded.” *Camden*, 946 F. 2d 768, fn. 28 (citing *Court Awarded Attorney Fees, Report of the Third Circuit Task Force* (October 8, 1985) 108 F.R.D. 237 and Newberg, *Attorney Fee Awards* § 2.07 (1986)).

Here, the results achieved and obtained on behalf of Plaintiff, the Class, and the State of California are reasonable in light of the risks inherent in further litigating this matter. Class Counsel’s efforts have resulted in a settlement that provides for a Gross Fund Value of \$265,000.00.⁶⁹ The Gross Fund Value will be fully paid out, in accordance with the terms of the Settlement Agreement. The highest Settlement Share to a Settlement Class Member is currently estimated to be at least \$2,415.30 and the average Settlement Share is currently estimated to be at least \$1,537.76.⁷⁰

6. The Reputation and Ability of the Attorneys.

Lawyers for Justice, PC is a recognized class action law firm that employed its attorneys’ knowledge, skills, and experience in bringing this case to a successful conclusion. Class Counsel has years of complex and class action litigation experience, has recovered millions of dollars on behalf of thousands of individuals in California, and has successfully handled numerous significant wage-and-hour class action and complex cases.⁷¹

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⁶⁸ Phoenix Decl., ¶ 10.

⁶⁹ Aiwasian Decl., ¶¶ 5-8.

⁷⁰ *Id.*, ¶ 14; see n.27, *supra*.

⁷¹ Aiwasian Decl., ¶¶ 15-18.

1 **D. The Lodestar Methodology Also Justifies Approval of the Requested Fees,**
2 **Because Class Counsel Has Performed Work That Is of Significant Value**
3 **Based On Reasonable Hours and Prevailing Hourly Rates of Compensation.**

4 While the percentage-of-the-benefit approach is endorsed as the better approximation of
5 the workings of the marketplace than the lodestar approach, courts may also use the lodestar
6 method to “cross-check” the results of the other. See *Laffitte, supra*, 1 Cal.5th at 505 (explaining
7 that “[a] lodestar cross-check is simply a quantitative method for bringing a measure of the time
8 spent by counsel into the trial court’s reasonableness determination”); see also, e.g., *Vizcaino*,
9 290 F.3d at 1050 (“[W]hile the primary basis of the fee award remains the percentage method,
10 the lodestar may provide a useful perspective on the reasonableness of a given percentage
11 award.”). Importantly, “the lodestar calculation . . . does not override the trial court’s primary
12 determination of the fee as a percentage” of the settlement amount and “does not impose an
13 absolute maximum or minimum on the potential fee award.” *Laffitte, supra*, 1 Cal.5th at 505.

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

17 **1. *The Number of Hours Spent on the Litigation was Reasonable.***

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

21 As discussed above, the case was highly contested and required a significant amount of
22 time and labor. Defendant made it clear very early on that it disputed all of the allegations of
23 the case and disputed that the matter was appropriate for class or representative treatment.
24 Defendant raised affirmative defenses and denied liability, and the pursuit of this matter
25 involved gathering and analyzing data not only from Defendant but also from the Class
26 Members. The handling of the case involved a great amount of effort, and also required and
27 involved the exercise of a high level of skill, which Class Counsel has as a result of its extensive
28 experience in employment class actions and complex wage-and-hour litigation. Long and

difficult battles would have followed as the case moved toward certification and trial, including taking and defending depositions of Defendant's Person Most Knowledgeable designees, percipient witnesses, and experts, propounding discovery requests and conducting additional document production, and engaging in extensive motion practice. As Class Counsel geared up for these battles, Class Counsel undertook intense preparation in an attempt to resolve the entire matter through mediation.

Class Counsel had to bring together a large volume of data and documents that were produced by Defendant and obtained from Plaintiff and Class Members and through other sources. Class Counsel conducted extensive review and analysis of these documents and data to strategize the action and to prepare for and attend mediation and engage in settlement discussions.

As discussed above in Part VI.C.1, *infra*, attached to the Declaration of Edwin Aiwanian is a task and time chart that sets forth in detail the numerous tasks that Class Counsel performed on behalf of Plaintiff and the Class, and the time required for completing those tasks.⁷² The chart demonstrates that Class Counsel has spent a total of 396.10 hours litigating the case and finalizing the Settlement.⁷³ In light of the facts and circumstances of the case, as well as the results that Class Counsel has achieved on behalf of Plaintiff, the Class Members and the State of California, Class Counsel has spent a reasonable number of hours on this matter. In addition, Class Counsel will continue to perform work on this matter through the date of final approval and in connection with the implementation of the Settlement.

2. The Fees Requested Represent a Reasonable Hourly Rate of Compensation in Light of Class 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 action. See *Ketchum*, *supra*, 24 Cal.4th at 1132-33. In

⁷² See Aiwanian Decl., Exh. A.

⁷³ *Id.*, ¶ 11.

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.*

Class Counsel has been actively involved in this case, prior to its commencement and all the way up to the present, and Class Counsel's dedication to providing representation in this matter has precluded other employment. Here, Class Counsel bore the risk that, despite all of its efforts and skills employed, there may be no recovery. Ultimately, Class Counsel was successful in reaching a settlement of \$265,000.00.

As set forth in the Declaration of Edwin Aiwarzian, the professional backgrounds and experience of Class Counsel support a reasonable blended hourly rate of compensation of at least \$600 per hour for services provided by Class Counsel.⁷⁴ Lawyers for Justice, PC has been awarded attorneys' fees, compensating the firm at the blended rate of at least \$600 for legal service performed by attorneys at the firm, by courts of this state.⁷⁵ While the circumstances of

⁷⁴ Aiwarzian Decl., ¶ 12.

⁷⁵ 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 Corp.* (Sonoma County Superior Court Case No. SCV258764) was granted on February 6, 2019, and the award of attorneys' fees involved a higher hourly rate of \$855.96; 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 a higher hourly rate of \$831.38; approval of the Private Attorneys General Act settlement in *Roberta Robles v. Altamed Health Services Corporation* (Los Angeles County Superior Court Case No. BC639623) was granted on October 31, 2018, and the award of attorneys' fees involved a higher hourly rate of \$602.22; final approval of the class and representative action settlement in *Samuel Guerra, et al v. Graphic Packaging International, Inc.* (Sacramento County Superior Court Case No. 34-2016-00203789) was granted on June 5, 2018, and the award of attorneys' fees involved an hourly rate of \$600; 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 a higher hourly rate of \$780.77; 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 a higher hourly rate of \$845.64; and final approval of the class and representative action settlement in *Kevin Coonce v. Ferguson Enterprises, Inc.* (Sacramento County Superior Court Case No. 34-2021-00136285) was granted on May 22, 2014, and the award of attorneys' fees involved a higher hourly rate of \$625. Aiwarzian Decl., ¶ 12.

every case is unique, the fact remains that the work performed and efforts undertaken by Class Counsel on behalf of the Class Members justify the requested attorneys' fees.

Applying the rate of \$600 per hour to 396.10 hours would place a reasonable value of \$237,660.00, based on lodestar, for the work performed by Class Counsel. However, Class Counsel only seeks attorneys' fees in the amount of \$92,750.00, which is thirty-five percent (35%) of the total recovery, as provided for by 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 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 grant final approval of, and award, attorneys' fees in the amount of \$92,750.00 to Class Counsel.

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VII. COSTS TO BE REIMBURSED TO CLASS COUNSEL ARE FAIR AND REASONABLE, AND SHOULD BE APPROVED.

The Settlement provides for reimbursement of litigation costs and expenses of up to \$25,000.00. As set forth in the Declaration of Edwin Aiwazian, Class Counsel has incurred a total of \$15,017.40 in litigation costs and expenses.⁷⁶ This amount was reasonable and necessary in the prosecution of the case and to obtain the Settlement, and is less than the maximum amount allocated under the Settlement Agreement.⁷⁷ The cost savings of \$9,982.60 will be part of the Net Fund Value, which will be distributed to the Settlement Class Members in accordance with the Settlement.⁷⁸ Accordingly, Plaintiff requests that the Court award litigation costs and expenses in the amount of \$15,017.40 to Class Counsel.

VIII. THE ADMINISTRATION COSTS ARE FAIR AND REASONABLE AND SHOULD BE APPROVED.

As set forth in the accompanying Phoenix Declaration, the total costs incurred and to be incurred by Phoenix for the notice and settlement administration process are \$10,800.00.⁷⁹ The costs incurred and to be incurred include, but are not limited to, expenses for formatting, printing, translating, and mailing the Notice to the Class Members in English, Spanish, French, and Swahili; providing translation services; performing skip-trace searches on Notices returned as undeliverable; re-mailing the Notices to any updated addresses located by skip-trace search; receiving, reviewing, and processing Requests for Exclusion, Objections, and Workweeks disputes (if any); handling inquiries from Class Members regarding the Settlement; calculating Settlement Shares and preparing the associated tax forms; and transmitting payments, among other things.⁸⁰

Accordingly, the Court should grant final approval of payment to Phoenix, a necessary third-party for handling of the notice and settlement process, in the amount of \$10,800.00.

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⁷⁶ Aiwazian Decl., ¶ 19.

⁷⁷ *Ibid.*

⁷⁸ *Ibid.*

⁷⁹ Phoenix Decl., ¶ 17.

⁸⁰ *Id.*, ¶ 2.

IX. **THE REQUESTED ENHANCEMENT AWARD IS FAIR AND REASONABLE,
AND SHOULD BE APPROVED.**

The Settlement provides for an Enhancement Award in the amount of \$6,500.00 to Plaintiff Trevor Johnson to compensate Plaintiff for the time and effort that he expended on behalf of the Class. The requested Enhancement Award is both common and reasonable and should be awarded.

In determining whether to make service payments, courts consider the following factors: (1) the risk to the class representative in commencing suit, both financial and otherwise; (2) the notoriety and personal difficulties encountered by the class representatives; (3) the amount of time and efforts spent by the class representatives; (4) the duration of the litigation; and (5) the personal benefit (or lack thereof) enjoyed by the class representatives as a result of the litigation. *Vranken v. Atlantic Richfield Co.* (N.D. Cal. 1995) 901 F.Supp. 294, 299 (approving \$50,000 participation award to a single class representative).

The requested Enhancement Award is fair and appropriate because Plaintiff spent a substantial amount of time and effort producing relevant documents and past employment records, as well as providing the facts and evidence necessary to attempt to prove the allegations.⁸¹ Plaintiff was available whenever Class Counsel needed him and actively tried to obtain, and gave, information that would benefit the Class.⁸² Plaintiff spent numerous hours speaking with Class Counsel about his claims, describing his work experiences with Defendant, and gathering and reviewing documents.⁸³ These services merit the requested Enhancement Award to Plaintiff, who has not received any compensation for his efforts on behalf of the Class Members and the State of California to date.⁸⁴

The requested Enhancement Award was fully disclosed in the Notice that was mailed to the Class Members. No objections were made with regards to the requested Enhancement Award. Accordingly, it is appropriate and just for Plaintiff Trevor Johnson to receive \$6,500.00 as a reasonable Enhancement Award, in addition to his Settlement Share, for his services on

⁸¹ Aiwazian Decl., ¶ 20; Declaration of Trevor Johnson (“Johnson Decl.”), ¶¶ 3-5.

⁸² Aiwazian Decl., ¶ 20; Johnson Decl., ¶¶ 3-5.

⁸³ Aiwazian Decl., ¶ 20; Johnson Decl., ¶¶ 2-6.

⁸⁴ Johnson Decl., ¶ 9.

1 behalf of the Class and the State of California.

2 **X. CONCLUSION**

3 For the foregoing reasons, Plaintiff respectfully requests that the Court grant final
4 approval of the Settlement, approve and award Attorneys' Fees and Litigation Costs,
5 Enhancement Award, Administration Costs, and approve the allocation for the PAGA Payment,
6 in their entirety, as sought herein; and permit the filing of a memorandum that exceeds the page
7 limit.

8 Dated: June 6, 2022

LAWYERS for JUSTICE, PC

10 By:



11 Edwin Aiwanian
12 *Attorneys for Plaintiff and the Class*