

Armond M. Jackson, SBN 281547
ajackson@jacksonapc.com
Andrea M. Fernandez, SBN 295924
afernandez@jacksonapc.com
Anthony S. Filer, Jr., SBN 337704
afiler@jacksonapc.com
JACKSON APC
2 Venture Parkway, Ste. 240
Irvine, California 92618
Phone (949) 281-6857
Fax (949) 777-6218

Attorneys for Plaintiff Sergio Echeverria

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ORANGE—CIVIL COMPLEX CENTER**

SERGIO ECHEVERRIA, as an individual
and on behalf of other similarly situated
employees,

Plaintiff,

vs.

STATEK CORPORATION, a California
corporation,

Defendants

CASE NO: 30-2021-01192372-CU-OE-CXC

Assigned for all purposes to:
Judge Lon F. Hurwitz
Dept. CX103

**MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
MOTION FOR ORDER APPROVING
SETTLEMENT UNDER CALIFORNIA
LABOR CODE SECTION 2699 ET SEQ.**

Hearing Date: April 7, 2023
Hearing Time: 1:30 p.m.
Department: CX103

Case filed: March 30, 2021
Trial date: TBD
Reservation No.

TABLE OF CONTENTS

I. INTRODUCTION	2
II. BRIEF STATEMENT OF FACTS AND PROCEDURAL HISTORY	2
A. BACKGROUND	2
B. PAGA NOTICE	2
C. COMPLAINT.....	3
D. SUBSTANTIAL DISCOVERY AND CASE ANALYSIS BY PLAINTIFF	3
E. SUBMISSION OF PAGA SETTLEMENT AGREEMENT AND MOTION TO LWDA	4
III. LEGAL STANDARD	4
IV. ARGUMENT.....	5
A. PAGA SETTLEMENT IS A FAIR OUTCOME IN THIS CASE	5
1. Plaintiff's Core PAGA Allegations Wage Statement Violations	5
a. Labor Code Violations	5
b. Minimum Wage and/or Overtime Wage Violations.....	Error! Bookmark not defined.
c. Wage Statements.....	6
d. 203 Penalty Violations.....	5
2. Settlement Achieves the Purpose of PAGA.....	6
a. Factors (1) and (2) Settlement Achieves Compliance with State Labor Laws and Deters Further Violations	7
b. Factor (3) This Settlement Serves to Enlist Private Citizens in Public Enforcement of PAGA.....	7
c. Factor (4) This Settlement is Just and in the Public Interest.....	7
B. SETTLEMENT DISTRIBUTION UNDER PAGA	8

1	C. ATTORNEY’S FEES AND COSTS UNDER PAGA SETTLEMENT AGREEMENT ..	9
2	1. Lodestar Analysis.....	9
3	2. The Number of Hours Expended by Plaintiff’s Counsel Was Reasonable.	10
4	3. The Hourly Rate Charged for the Services of Plaintiff’s Counsel is Reasonable.	11
5	4. Laffey Matrix Rates	13
6	5. Attorney’s Fees	13
7	6. Costs.....	14
8	V. CONCLUSION	14

TABLE OF AUTHORITIES

Cases

<i>Arias v. Superior Court</i> (2009), 46 Cal. 4th 969, 986	4,6
<i>Bihun v. AT&T Information Systems, Inc.</i> (1993) 13 Cal.App.4th 976, 997	11
<i>Caliber Bodyworks, Inc. v. Superior Court</i> , (2005) 134 Cal. App. 4th 365, 374	4
<i>Consumer Advocacy Group, Inc. v. Kinetsu Ent. of America</i> , (2006) 141 Cal.App.4th, 46, 63.....	8
<i>Chavez v. City of Los Angeles</i> (2010) 47 Cal. 4 th 970	9
<i>Gates v. Deukmejian</i> (9th Cir. 1992) 987 F.2d 1392	11
<i>Iskanian v. CLS Transp. Los Angeles, LLC</i> (2014), 59 Cal. 4th 348, 381	4
<i>Ketchum v. Moses</i> (2001) 24 Cal. 4 th 1122, 1134	9
<i>Laffey v. Northwest Airlines, Inc.</i> , (D.D.C. 1983) 572 F.Supp. 354,	13
<i>Lakin v. Watkins Assoc. Indus.</i> (1993) 6 Cal.4th 644	11
<i>New York Gaslight Club, Inc. v. Carey</i> (1980) 447 U.S. 54	10
<i>Ochoa-Hernandez v. CJADERS Foods, Inc</i> (N.D. Cal. Apr. 2, 2010) 2010 WL 1340777 at *4 ...	6
<i>Press v. Lucky Stores, Inc.</i> , (1983) 34 Cal. 3d 311, 322	10
<i>Serrano v. Unruh</i> (1982) 32 Cal.3d 631	11
<i>Serrano v. Unruh</i> , (1982) 32 Cal. 3d 621, 640, fn. 31	12
<i>Syers Properties III, Inc. v. Rankin</i> , (2014) 226 Cal.App.4th 691, 702,	12
<i>Villacres v. ABM Indus. Inc.</i> (2010), 189 Cal. App. 4th 562, 579	4
<i>Vitamin Cases</i> (2003) 110 Cal. App. 4 th 1041	9
<i>Wershba v. Apple Computer, Inc.</i> (2001) 91 Cal. App. 4th 224, 254	9
<i>Williams v. Superior Court</i> (2017) 3 Cal.5th 531, 549	5

Statutes

Cal. Lab Code § 226	2
Cal. Lab. Code § 203	2

1	Cal. Lab. Code § 2699	2, 9,14
2	Cal. Lab. Code §§ 510 and 1194.....	2
3	Cal. Lab. Code Sec. 2699(e)(2)	3
4	Cal. Labor Code § 2699.3(b)(4).....	5
5	California Labor Code, § 2699(l)(2)	2,5
6	<u>Other Authorities</u>	
7	2003 Cal. Legis. Serv. H. 906 section 1(a).	6
8	<i>HLP Technologies, Inc. Securities Litigation</i> , (2005) 366 F.Supp. 2d 912, 921	13
9	<i>In Re: Vitamin Cases</i> (2003) 110 Cal. App. 4 th 1041	9

1 **I. INTRODUCTION**

2 Plaintiff Sergio Echeverria (“Plaintiff”) seeks an order from the Court approving the
3 PAGA Settlement between Plaintiff and Defendant Statek Corporation, (referred to herein as
4 “Defendant”). Plaintiff brought this action for violations of the California Labor Code, both as an
5 individual and in a representative capacity under the Private Attorney General Act (“PAGA”).

6 At the mediation, the parties were able to resolve all claims. Plaintiff and Defendant
7 entered into an agreement that settles all of Plaintiff’s outstanding claims, including a written
8 PAGA Settlement Agreement related to Plaintiff’s PAGA claim. Plaintiff and Defendant now
9 seek an Order from this Court approving the PAGA Settlement, as is required by California
10 Labor Code §2699(1)(2). (Declaration of Armond M. Jackson (“Jackson Decl.” ¶ 1, Ex. A,
11 Settlement Agreement.)

12 **II. BRIEF STATEMENT OF FACTS AND PROCEDURAL HISTORY**

13 **A. BACKGROUND**

14 Plaintiff worked for Defendant as a non-exempt employee. Defendant operates as a
15 manufacturing facility. Plaintiff filed this Complaint on March 30, 2021. After engaging in
16 discovery, Plaintiff filed an amended complaint on June 6, 2022 reducing the claims to PAGA
17 only claims alleging Plaintiff and other similarly situated non-exempt employees in the state of
18 California were not paid all minimum and overtime wages (Cal. Lab. Code §§ 510 and 1194),
19 were not provided with accurate wage statements (Cal. Lab Code §§ 226, 226.3, and 1198), nor
20 paid premium wages upon termination (Cal. Lab. Code §§ 201, 202, and 203) Plaintiff’s wage
21 and hour claims were brought on an individual and representative basis under PAGA pursuant to
22 Cal. Lab. Code § 2699 et seq. (ROA No. 87) This is the operative complaint. (*Id.*)

23 Defendant denied these allegations.

24 **B. PAGA NOTICE**

25 On November 18, 2020, Plaintiff served via certified mail, return receipt requested, the
26 LWDA and the Defendants with notice of alleged wage and hour violations. (See Jackson Decl.
27 ¶ 12, Ex. E.)
28

1 **C. COMPLAINT**

2 On March 30, 2021, Plaintiff filed a complaint for damages, titled *Echeverria v. Statek*
3 *Corporation*, filed in Orange County Superior Court Case 30-2021-01192372-CU-OE-CXC
4 (“Lawsuit”), alleging the following claims for claim for failure to provide accurate wage
5 statements, failure to maintain records, claim for failure to pay for meal periods and rest periods,
6 claim for failure to pay for minimum wages and overtime wages, and claim for failure to pay
7 upon termination and unlawful business practices. (See ROA No. 2) On March 22, 2022,
8 Plaintiff filed an Amended Complaint alleging PAGA only claims. (See ROA No. 75) After
9 further discovery and evaluation, on June 6, 2022, Plaintiff filed a Second Amended Complaint
10 seeking relief for PAGA only claims concerning Covid-19 screenings along with derivative
11 Labor Code violations such as overtime wages, minimum wages, wage statement claims and
12 failure to pay upon termination claims. (See ROA No. 87)

13 **D. SUBSTANTIAL DISCOVERY AND CASE ANALYSIS BY PLAINTIFF**

14 PAGA attaches penalties of at least \$100 for each aggrieved employee per pay period in
15 which a Labor Code violation exists. To be able to collect PAGA penalties, Plaintiff would have
16 to prevail on the merits of the underlying claims. Thus, these weaknesses would limit recovery
17 under PAGA. Moreover, the trial court has discretion in reducing civil penalty “amount based on
18 facts and circumstances of a particular case, to do otherwise, would result in an award that is
19 unjust, arbitrary or oppressive, or confiscatory.” Cal. Lab. Code Sec. 2699(e)(2). (*Id.*) In light of
20 the foregoing, and even factoring in the potential advantage for Plaintiff of not having to seek
21 certification of PAGA claims, the value of these claims are predicated on the discretion of the
22 Court and the likelihood of prevailing at trial.

23 Discovery was taken by Plaintiff, including payroll data and identifying the aggrieved
24 employees at issue that would be subjected to the various Labor Code violations. Additionally,
25 during each phase of litigation, Plaintiff’s counsel engaged in a detailed case analysis based on
26 the information revealed. (Jackson Decl. ¶¶ 3-7.) Calculations were performed, as well as
27 analysis of the risks and rewards of continued litigation. (*Id.*) Under these assumptions, for
28

1 purposes of negotiation, it was determined that there were approximately a total of 223 total
2 aggrieved employees worked for Defendant during the relevant time period including Plaintiff
3 and that PAGA penalties would realistically amount to approximately \$405,900 for all
4 violations. (*Id.*) The risk factors created cause for discounts. (Jackson Decl. ¶ 7.) After several
5 rounds of negotiations, a settlement of \$214,000 was reached. (*Id.*) This settlement results in
6 approximately 52% (\$405,900/\$214,000) of the maximum expected realistic exposure against
7 Defendant for civil penalties for PAGA claims for the aggrieved employees.

8 **E. SUBMISSION OF PAGA SETTLEMENT AGREEMENT AND MOTION TO** 9 **LWDA**

10 On March 3, 2023, Plaintiff submitted the PAGA Settlement Agreement, together with a
11 copy of this motion and all concurrently filed associated documents to the Labor and Workforce
12 Development Agency (“LWDA”). (Jackson Decl. ¶ 2, Ex. B.)

13 **III. LEGAL STANDARD**

14 The California Legislature enacted the Private Attorney General Act (“PAGA”) as a
15 “[r]espon[se] to a shortage of State funds and staffing to enforce State labor laws.” *Caliber*
16 *Bodyworks, Inc. v. Superior Court*, 134 Cal. App. 4th 365, 374 (2005). PAGA “allow[s]
17 aggrieved employees, defined as any person who was employed by the alleged violator and
18 against whom one or more of the alleged violations was committed, to bring a civil action to
19 collect civil penalties for [California] Labor Code violations.” *Id.* at 374 (internal quotation
20 marks omitted). An individual suing under PAGA “does so as [a] proxy or agent of the state’s
21 labor law enforcement agencies.” *Arias v. Superior Court* (2009), 46 Cal. 4th 969, 986. In other
22 words, “an aggrieved employees action under the PAGA functions as a substitute for an action
23 brought by the government itself.” *Iskanian v. CLS Transp. Los Angeles, LLC* (2014), 59 Cal. 4th
24 348, 381. Consequently, PAGA allows an employee to recover “civil penalties on behalf of the
25 state against his or her employer for [California] Labor Code violations.” *Id.* at 360 (emphasis
26 added); see also *Villacres v. ABM Indus. Inc.* (2010), 189 Cal. App. 4th 562, 579 (“PAGA is
27 limited to the recovery of civil penalties”).
28

1 When a plaintiff settles a PAGA claim, the court must review the settlement related to
2 claim and the payment of penalties. Cal. Labor Code § 2699.3(b)(4). “PAGA settlements are
3 subject to trial court review and approval, ensuring that any negotiated resolution is fair to those
4 affected.” (*Williams v. Superior Court* (2017) 3 Cal.5th 531, 549 [citing Lab. Code, §
5 2699(l)(2)].) “A court has discretion to approve the settlement of PAGA claims if the settlement
6 would be ‘fair.’” (See *Nordstrom Commission Cases* (2010), 186 Cal. App. 4th 576, 581)

7 **IV. ARGUMENT**

8 **A. PAGA SETTLEMENT IS A FAIR OUTCOME IN THIS CASE**

9 **1. Plaintiff’s Core PAGA Allegations Wage Statement Violations**

10 **a. Labor Code Violations**

11 In this case, the core basis to support Plaintiff’s PAGA claims were based upon,
12 minimum wage and overtime wage violations for working off-the-clock. (Jackson Decl. ¶¶ 3-7.)
13 After analyzing the discovery, it was confirmed that approximately 223 aggrieved employees
14 worked during the PAGA period. (*Id.*) It was also determined there was approximately 8,906 pay
15 periods during the relevant time period. (*Id.*)

16 **b. Minimum Wage and/or Overtime Wage Violations**

17 Overtime and minimum wage violations were based upon the allegation that the
18 aggrieved employees were subjected to a policy of off-the-clock temperature checks before
19 beginning the shifts as well as before clocking-in. (Jackson Decl. ¶ 4.) It was alleged that these
20 activities would amount to approximately 5 to 15 minutes per shift of off-the-clock work. (*Id.*)
21 This policy and practice occurred approximately between March 24, 2020 to February 9,
22 2021 estimating approximately 8,906 pay periods. (*Id.*) Based upon this analysis, a
23 maximum exposure would amount to \$1,781,200 in PAGA penalty exposure. The
24 realistic range of exposure should be discounted by 75% to account for the lack of
25 documented evidentiary support and duplication of potential PAGA penalties resulting in an
26 exposure of \$445,300.

1 **c. Wage Statements**

2 This wage statement claim is based upon Defendants failing to include gross and net
3 wages and total hours worked as a result of failing to include meal break violations and off-the-
4 clock work in violation of Labor Code section 226(a)(1)(2)(5) and (9). (Jackson Decl. ¶ 5.) The
5 exposure under Labor Code 226(a) would amount to \$890,600. This calculation is comprised of
6 the maximum number of pay periods (8,906) being potentially subjected to a wage statement
7 violation based upon minimum wage or overtime wage violations. The realistic range of
8 exposure should be discounted by 50% to account for the lack of documented
9 evidentiary support resulting in an exposure of \$445,300.

10 **d. 203 Penalty Violations**

11 This penalty claim is based upon purported minimum wage or overtime violations. It was
12 estimated that 60 employees were terminated, laid off, or resigned whom were subjected to
13 Labor Code violations. (Jackson Decl. ¶ 6.) The PAGA penalties equate to \$6,000 (60 former
14 employees * \$100).

15 **2. Settlement Achieves the Purpose of PAGA**

16 The purpose of PAGA is “to incentivize private parties to recover civil penalties for the
17 government that otherwise may not have been accessed and collected by overburdened state
18 enforcement agencies.” (See *Ochoa-Hernandez v. CJADERS Foods, Inc.* (N.D. Cal. Apr. 2,
19 2010) 2010 WL 1340777 at *4 (citing *Arias, supra*, 46 Cal.4th at 986.) Moreover, PAGA was
20 enacted “to achieve maximum compliance with state labor laws’ and “to ensure an effective
21 disincentive for employers to engage in unlawful and anticompetitive business practices.” 2003
22 Cal. Legis. Serv. H. 906 section 1(a).

23 Consistent with the purpose of PAGA, the following factors in determining whether to
24 approve the settlement should be applied;

- 25 (1) The extent to which the settlement achieves compliance with state labor laws;
26 (2) The extent to which the settlement deters violations of the state labor laws;
27
28

1 (3) Whether the settlement serves to enlist private citizens in public enforcement of
2 PAGA;

3 (4) Whether the settlement is otherwise “just” and “in the public interest.”

4 Because this proposed settlement reasonably and fairly advances each of the above
5 factors, the parties request approval.

6 **a. Factors (1) and (2) Settlement Achieves Compliance with State Labor Laws and**
7 **Deters Further Violations**

8 As discussed above, several Labor Code violations were discovered. Defendant is paying
9 attorneys, the State and aggrieved employees for these Labor Code violations. This litigation
10 incentivized Defendant to ensure full compliance with the state Labor Code deterring further
11 similar violations thereby achieving this purpose of PAGA. This litigation caused Defendant to
12 account for any gaps in their off-the-clock work practices.

13 **b. Factor (3) This Settlement Serves to Enlist Private Citizens in Public**
14 **Enforcement of PAGA**

15 Plaintiff also believes the proposed settlement acts to encourage private enforcement of
16 PAGA. Through the settlement, Plaintiff’s counsel will receive attorneys’ fees and costs as
17 determined by the Court, and all aggrieved employees will receive 25% share of the net
18 settlement amount, as well as notice of the claim.

19 **c. Factor (4) This Settlement is Just and in the Public Interest**

20 Lastly, the proposed settlement is both just and in the public’s interest.

21 First, *Viking River Cruises, Inc. v. Moriana* (2022) 142 S. Ct. 1906 has diminished the
22 value of these claims given this Court has discretion to lower any penalties as a result of Labor
23 Code violations creating further risks of discount.

24 Given the risks and the discretion to reduce penalties, the maximum exposure amount
25 must be discounted by 50% resulting in a realistic expected exposure of \$448,300 (\$896,600*.5)
26 Here, the \$214,000 settlement amount is approximately 47% of the realistic maximum exposure
27 while incorporating risks. If the Court grants Plaintiff’s motion, the State and the aggrieved
28 employees will share approximately \$118,577.68 which is a substantial sum given the narrow
release and extent of Labor Code violations.

1 Second, the settlement seeks penalties only and release is narrowly tethered to the alleged
2 Labor Code violations.

3 Third, the settlement shall, even with deductions, provides a substantial sum to the State:
4 \$88,952.67. It also provides a reasonable sum to each employee on a pro-rata basis. Given the
5 purpose of PAGA is not to compensate employees, whom still retain any private rights of action
6 they may have had under the applicable Labor Code provisions, this sum provided to the
7 aggrieved employees is reasonable. Moreover, the settlement will also provide notice that
8 describes the litigation and settlement sum. (See Jackson Declaration ¶ 1, Ex. 3 to Settlement
9 Agreement Exhibit A.) Plaintiff contends this notice will educate the aggrieved employees as to
10 the requirement of the Labor Code, which is in the public interest intended to achieve the
11 purpose of PAGA. (See Labor Code section 2699(j) (stating that civil penalties recovered under
12 PAGA shall be distributed to the LWDA for [among other things] “education of employers and
13 employees about their legal rights and responsibilities under this code.”)

14 Lastly, public policy strongly favors the settlement of litigation. (*Consumer Advocacy*
15 *Group, Inc. v. Kinetsu Enterprises of America*, (2006) 141 Cal.App.4th, 46, 63.) This settlement
16 is not unjust or ignores the public interest, thus it should be approved.

17 **B. SETTLEMENT DISTRIBUTION UNDER PAGA**

18 The PAGA Settlement Agreement provides for a gross settlement of all PAGA penalties
19 in the amount of \$214,000. (Jackson Decl. ¶ 1, Ex. A.) This settlement amount covers civil
20 penalties (to be shared between the LWDA and aggrieved employees), as well as attorneys’ fees,
21 litigation costs, and settlement administration costs. (*Id.*)

22 Pursuant to the agreement, the settlement amount will be distributed as follows: 1)
23 Thirty-Three and one-third percent, equaling \$71,326.20 will be apportioned to attorney’s fees to
24 Plaintiff’s counsel to procure the PAGA penalties; 2) Litigation costs in the amount of
25 \$13,070.24; 3) Settlement Administration costs not to exceed \$6,000.00; 4) a PAGA
26 Enhancement payment of \$5,000.00 will be awarded to Plaintiff; 5) of the remaining [\$214,000
27 GSA – 71,326.20 (Attorney Fees) - \$13,070.24 (Cost) – \$6,000.00 (Settlement Administration
28

Costs (– \$5,000 PAGA Enhancement = \$118,603.56], Seventy-Five percent, equaling to \$88,952.67 will be apportioned to the California Workforce Development Agency; and 6) the remaining Twenty-Five percent, equaling \$29,650.89, will be distributed to the PAGA group.) The amount to be distributed to the PAGA group will be paid on a pro-rata basis by dividing the Net Settlement Amount by the total number of pay periods worked by all members of the PAGA Group during the settlement period and then multiplying the pay period amount by the number of pay periods worked by the individual PAGA member.

C. ATTORNEY’S FEES AND COSTS UNDER PAGA SETTLEMENT AGREEMENT

The Labor Code permits a Plaintiff to seek attorney’s fees and costs for actions arising under PAGA. (Cal. Lab. Code §2699, subd. (g)(1))

1. Lodestar Analysis

“Courts recognize two methods of calculating attorney fees in civil class action; the lodestar/multiplier method and the percentage of recovery method.” (*Wershba v. Apple Computer, Inc.* 91 Cal. App. 4th 224, 254 (2001).) “[T]he lodestar is calculated by multiplying the reasonable hours expended by a reasonable hourly rate. The court may then enhance the lodestar with a multiplier, if appropriate.” (*Id.*) “The lodestar multiplier can range from 2 to 4 or even higher.” (*Id.* at 255.)

In calculating attorney’s fees under the Labor Code, the court should follow the lodestar approach adopted by the California Supreme Court in *Ketchum v. Moses* (2001) 24 Cal. 4th 1122, 1134. See also *Chavez v. City of Los Angeles* (2010) 47 Cal. 4th 970, 985. The “lodestar” method is clearly defined in recent case law. It involves a five-step process. *In Re: Vitamin Cases* (2003) 110 Cal. App. 4th 1041, 1052. To determine the “lodestar number” – steps one through three of the process – the court multiplies the number of hours reasonably worked by a reasonable hourly rate. (*Id.*) Step four requires the Court to determine what, if any, multiplier should be applied to the lodestar number. Step five determines the amount of the attorney fee award by applying the multiplier to the lodestar number. (*Id.*)

For the Court's ease of reference, the following chart summarizes the attorney's fees
PAGA Counsel seeks:

Item Description	Amount
Reasonable attorney's fees incurred in procuring the underlying award applying the Lodestar method for calculating attorney's fees in Labor Code cases (\$640.00 hourly rate; Andrea Fernandez-Jackson \$440.00 hourly rate; Anthony Filer Jr. \$250 hourly rate; Yesenia Villalba \$145 hourly rate)	\$73,423.50 *no multiplier
TOTAL:	\$71,326.20 requested

2. The Number of Hours Expended by Plaintiff's Counsel Was Reasonable.

"The starting point of every fee award...must be a calculation of the attorney's services in terms of the time he has expended on the case." *Press v. Lucky Stores, Inc.*, (1983) 34 Cal. 3d 311, 322. Reasonable hours include, in addition to time spent during litigation, time spent before the action is filed, including time reasonably spent interviewing the client, investigating the facts and the law, and preparing the initial pleadings, as well as time spent in exhausting administrative remedies. *New York Gaslight Club, Inc. v. Carey* (1980) 447 U.S. 54, 62.

The evidence submitted by PAGA Counsel in support of this motion reflect that PAGA Counsel reasonably expended the following number of hours in the prosecution of this case. (Jackson Decl. ¶¶ 3-7, 11 Ex. D) Jackson Law began filed this action in March 2021, more than 22 months prior to this hearing. A reasonable amount of work was performed pre-litigation, including conducting an extensive intake process. (Jackson Decl. ¶¶ 3-7, 11 Ex. D) Discovery was conducted by counsel regarding both the circumstances of the Plaintiff's employment, hours worked during his employment, meal breaks, wage statements, and rest periods taken during his employment and Defendant's policies in general regarding the employment of individuals with

1 respect to payment of wages, working conditions, meal breaks and rest periods, minimum wage
2 and overtime violations. (Jackson Decl. ¶¶ 3-7, 11 Ex. D)

3 The time expended during the discovery phase was also reasonably incurred. (*Id.*)
4 Thereafter, numerous hours were spent by counsel in performing damages analysis of over
5 aggrieved employees regarding their entitlement to wages for overtime, accurate wage
6 statements, minimum wage claims, and pay upon termination. (*Id.*)

7 The time expended to achieve approval also reasonably incurred. (*Id.*) Counsel
8 conducted extensive legal research on the procedures and issues involved in achieving approval.
9 (*Id.*) Armond M. Jackson appeared for court hearings preparing and arguing the motion and
10 addressing any concerns of the Court. (*Id.*) These hours were reasonably spent to achieve
11 approval of this PAGA Settlement. (*Id.*)

12 As set forth in the declarations submitted herewith, the total number of hours spent on
13 this matter by PAGA Counsel is reasonable in light of the work required to achieve the result.
14 (*Id.*) Thus, the Court shall conclude that all of the time spent on this case was reasonable and
15 necessary to achieve this result and counsel is entitled to compensation for all the attorney hours
16 worked in this case. (*Id.*)

17 **3. The Hourly Rate Charged for the Services of Plaintiff's Counsel is Reasonable.**

18 When determining a reasonable hourly rate for the attorney's services, courts consider the
19 following factors: (i) the prevailing rate charged by attorneys of similar skill and experience for
20 comparable legal services in the community, (ii) the nature of the work performed, and (iii) the
21 attorney's customary billing rates. *Serrano v. Unruh* (1982) 32 Cal.3d 631, 643; *See also Bihun*
22 *v. AT&T Information Systems, Inc.* (1993) 13 Cal.App.4th 976, 997 *disapproved on other*
23 *grounds Lakin v. Watkins Associated Industries* (1993) 6 Cal.4th 644, 664. The hourly rate is
24 determined at the time of the prevailing party's fee application rather than rates charged at the
25 time the litigation began. (*Gates v. Deukmejian* (9th Cir. 1992) 987 F.2d 1392, 1406.)
26
27
28

1 The Jackson Declaration lays the proper foundation for why the hourly rates charged for
2 each attorney working on this case is reasonable and customary for those rates charged in
3 Southern California by attorneys with similar experience. (Jackson Decl. ¶¶ 3-7, 11 Ex. D).

4 Mr. Jackson’s hourly rate on this matter was \$640 is consistent with the Laffey Matrix.
5 (Jackson Decl. ¶¶ 3-7, 11 Ex. D, 19, Ex. E) Mr. Jackson is a senior attorney who has been
6 litigating for over 11 years. (*Id.*) He has handled over a hundred of employment matters on
7 behalf of the plaintiff in his career. (*Id.*) Mr. Jackson is a former member of the California
8 Employment Litigation Association (“CELA”). (Jackson Decl. ¶¶ 8-9.) Mr. Jackson has argued
9 before the Ninth Circuit and responsible for a published opinion. (*Id.*) Based on his experience,
10 and based on his own research for purposes of keeping his law firm competitive and profitable,
11 he has knowledge of the hourly rates other plaintiff’s attorneys with similar experience charge in
12 employment cases. (*Id.*) Based on this foundation, Mr. Jackson believes that his regular hourly
13 rate of \$640 per hour is reasonable and similar to what attorneys with his tenure, experience and
14 expertise are charging in the Orange County area. (*Id.*) All other staff’s hourly rates that worked
15 on this matter are also reasonable; Andrea M. Fernandez-Jackson at \$440 per hour as 8-year
16 California licensed attorney with experiencing arguing before the Ninth Circuit, Anthony S.
17 Filer, Jr. as 1-year California licensed attorney at \$250 per hour and Yesenia Villalba as
18 paralegal with 5 years of litigation experience at \$145 per hour. (Jackson Decl. ¶ 15.)

19 This evidence therefore supports the reasonableness of the fees charged in this case.

20 “Our Supreme Court has explained that the reasonable hourly rate used for the lodestar
21 calculation ‘is that prevailing in the community *for similar work.*’” *Syers Properties III, Inc. v.*
22 *Rankin*, 226 Cal.App.4th 691, 702, (2014). Reasonable hourly rates are determined by the
23 formula “‘reasonable market value’” and reached by evaluating the “‘comparable salaries earned
24 by private attorneys with similar experience and expertise in equivalent litigation’” and the
25 “‘hourly amount to which attorneys of like skill in the area would typically be entitled.’”
26 (*Serrano v. Unruh*, 32 Cal. 3d 621, 640, fn. 31 (1982).)
27
28

1 Given the skill and experience of the attorneys who represented plaintiff, an hourly rate
2 of \$640 for Armond M. Jackson, \$440 for Andrea M. Fernandez-Jackson, \$250 for Anthony S.
3 Filer, Jr. and \$145 for Yesenia Villalba are reasonable. (Jackson Decl. ¶¶ 3-7, 11, 15 Ex. D)

4 **4. Laffey Matrix Rates**

5 The Laffey Matrix is one well-established objective source setting rates for attorneys
6 based upon years of experience for attorneys practicing in the District of Columbia. See
7 <https://www.justice.gov/usao-dc/file/796471/download> (citing *Laffey v. Northwest Airlines, Inc.*,
8 572 F.Supp. 354 (D.D.C. 1983), aff'd in part, rev'd in part on other grounds. 746 F.2d 4
9 (D.C.Cir. 1984). The Laffey Matrix figures are adjusted to comport with the cost of living in
10 which where the firm operates. (*In re HLP Technologies, Inc. Securities Litigation*, 366 F.Supp.
11 2d 912, 921 (2005).) Under the Laffey Matrix, Orange County attorney rates fall under the
12 Locality of Pay Rates of Los Angeles-Long Beach, California. When performing the appropriate
13 calculation ($126.65-124.78/124.78=2.3\%$), the adjustment to the District of Columbia Laffey
14 Matrix is 2.3% for Orange County attorneys. (See *In re HLP Technologies, Inc. Securities*
15 *Litigation*, 366 F.Supp. 2d 912, 922 fn. 1.) Thus, the rate for Armond M. Jackson's as a ten plus
16 year attorney is \$640.00 (Laffey \$676), Andrea M. Fernandez-Jackson as 8-year attorney set at
17 \$440.00 (Laffey \$676), and Anthony S. Filer, Jr. as 1-year attorney set at \$250 (Laffey \$381) and
18 Yesenia Villalba as paralegal set at \$145 (Laffey \$208) are reasonable. (Jackson Decl. ¶ 13, Ex.
19 F) According to the Laffey Matrix, these rates are discounted.

20 **5. Attorney's Fees**

21 Plaintiff requests that 33.33% of the amount awarded under the PAGA will be
22 apportioned to attorney's fees. (Jackson Decl. ¶ 1, Ex. A) This amount is to be distributed from
23 the lump sum of \$214,000 that was distributed to the claim brought under PAGA and amounts to
24 a total of \$71,326.20. (*Id.*) A fee application of 33.33% was used in this case to be consistent
25 with standard practices for representative actions. (*Id.*)

26 The attorney time spent, as well as the costs incurred, as to one necessarily affected the
27 other. The Plaintiff had to establish that he was an aggrieved employee to be able to maintain
28

1 standing under PAGA. (Cal. Lab. Code § 2699, subd. (a)). As of the date of this filing, in excess
2 of 136.5 hours of attorney time, in excess of \$73,423.50 in legal fees, has been spent pursuing
3 this case. A 33.33% allocation of the \$214,000 award to PAGA is \$71,326.20. (*Id.*) Based
4 upon the standard practices for representative actions and the amount of time that has been spent
5 pursuing the representative action in this case, the attorney's fees allocated are reasonable.
6 (Jackson Decl, ¶ 11, Ex. D).

7 **6. Costs**

8 Plaintiff seeks \$12,994.67 in litigation costs. This amount represents costs incurred
9 including court-filing and process-serving fees; mediation costs, postage costs and expected
10 filing fees for the instant motion. This amount of costs requested is modest and reflects efficient
11 litigation of the case. (Jackson Decl, ¶ 10, Ex. C)

12 **V. CONCLUSION**

13 For the reasons set forth herein, Plaintiff requests that the Court approve the proposed
14 settlement; approve the proposed notice; and adopt the Order filed concurrently herein.

15
16 Dated: March 3, 2023

JACKSON APC

17
18 By: /s/ Armond M. Jackson
Armond M. Jackson
19 Attorney for Plaintiff Sergio Echeverria
20
21
22
23
24
25
26
27
28