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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES, SPRING STREET COURTHOUSE

ERIC HARDIE as an individual and on behalf of all employees similarly situated, Plaintiff, v. MATTEL, INC., a Delaware Corporation; MATTEL HQ, INC., a Delaware Corporation and DOES 1 through 50, inclusive, Defendants.	Case No. BC705075 *Assigned for All Purposes to Honorable William F. Highberger in Department 10* **PLAINTIFF'S NOTICE OF MOTION AND MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT; AND MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT** Date: April 27, 2026 Time: 10:30 a.m. Dept.: 10

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on April 27, 2026, at 10:30 a.m., or as soon thereafter as the matter may be heard, before the Honorable William F. Highberger, judge presiding, in Department 10 of the above referenced Court located at 312 N. Spring St., Los Angeles, CA 90012, Plaintiff ERIC HARDIE ("Plaintiff") will seek an Order: (1) preliminarily approving the Class Action and Private Attorneys General Act (Labor Code § 2698, *et seq*.) Settlement Agreement ("Settlement Agreement"); (2) conditionally certifying the following Class for settlement purposes only: "all persons in the Paid Stipend Class, Unpaid Stipend Class, or Post Reopening Class"; (3) appointing Plaintiff as the Class Representative and Justin Lo of Work Lawyers P.C., and Edward W. Choi of the Law Offices of Choi & Associates as Class Counsel; (4) preliminarily approving the Settlement and the Gross Settlement Amount of $875,000.00; (5) finding on a preliminary basis that the Settlement Agreement appears to be within the range of reasonableness of a settlement, including the amount of the PAGA penalties, Class Representative Service Award, Class Counsel's fees and costs, the settlement administration fees, and the allocation of payments to Settlement Class Members, that could ultimately be given final approval by this Court; (6) approving the Notice of Proposed Class Action Settlement and Hearing Date for Final Court Approval ("Class Notice") to be sent to Class Members, which is attached as Exhibit A to the Settlement Agreement; (7) approving the distribution of the Class Notice to Class Members substantially in the manner and form set forth in the Settlement Agreement; (8) appointing Phoenix Settlement Administrators as the Settlement Administrator; and (9) setting the matter for a Final Fairness and Final Approval hearing.

This Motion is made pursuant to Rule 3.769 of the California Rules of Court, which provides for court approval of the settlement of a purported class action and allows the Court to preliminarily certify a class for settlement purposes.

The basis for this Motion, filed without any opposition from Defendants Mattel, Inc. and Mattel HQ, Inc. (collectively referred to as "Defendants"), is that the proposed settlement is fair, adequate, and reasonable and the procedures proposed by the Parties are adequate to ensure the opportunity of class members to participate in, opt-out of, or object to the settlement.

This Motion will be based on the attached Memorandum of Points and Authorities, the Settlement Agreement, the proposed Notice to Class Members, and the supporting Declarations of Justin Lo, Edward W. Choi and Plaintiff, and upon the oral arguments of counsel (should there be any) and on the complete records and file herein.

DATED: February 10, 2026

LAW OFFICES OF CHOI AND ASSOCIATES
WORK LAWYERS PC

By:______________________
Edward W. Choi
Justin Lo
Attorneys for Plaintiff and the Class

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

On February 8, 2021, Plaintiff provided written notice to the LWDA and Defendant Mattel HQ, Inc. of Plaintiff's intent to pursue PAGA civil penalties under California Labor Code §§ 201-204, 210, 226, 226.7, 510, 512, 558, 1174, 1194, 1197, 1197.1, 1198, 1199, 2802, and 2810.5, and the applicable Industrial Welfare Commission ("IWC") Wage Order. (Declaration of Edward W. Choi ("Choi Decl.") ¶ 2)

On or about March 19, 2021, Plaintiff ERIC HARDIE ("Plaintiff"), on behalf of himself and others similarly situated, filed his Class Action Complaint against Defendants Mattel, Inc. and Mattel HQ, Inc. (collectively referred to as "Defendants") in the Superior Court of California for the County of Los Angeles. (Choi Decl. ¶ 3) The Complaint alleges: (1) Violation of Labor Code §§ 510 and 1194 for failure to pay all wages including overtime; (2) Violation of Labor Code §§ 226.7 and 512 for failure to provide meal periods; (3) Violation of Labor Code § 226.7 for failure to provide rest periods; (4) Violation of Labor Code § 515 for willful misclassification as exempt employee; (5) Violation of Labor Code § 2802 for failure to reimburse expenses; (6) Violation of Labor Code §§ 226 and 1174 for failure to keep accurate itemized wage statements; (7) Violation of Labor Code §§ 201-203 for failure to pay wages upon termination of employment; and (8) Violation of Business and Professions Code §17200, *et seq.* (*Id.*) On March 19, 2021, Plaintiff provided an amended notice to the LWDA and Defendants of Plaintiff's intent to pursue PAGA civil penalties under Labor Code §§ 201-204, 210, 216, 226, 226.3, 226.6, 226.7, 510, 512, 558, 1174, 1194, 1197, 1197.1, 1198, 1199, 2802, and 2810.5, and the applicable IWC Wage Order.

On or about July 23, 2021, Plaintiff filed a First Amended Class Action Complaint adding a cause of action for violation of Labor Code §§ 2698, *et seq.* ("PAGA") ("Operative Complaint" or "Action"). (*Id.* at ¶ 5)

Since the filing of this case, the Parties conducted discovery, engaging in an extensive meet and confer process, the production of documents and class payroll data. (Choi Decl. at ¶ 6) On November 19, 2021, the Parties participated in an all-day mediation presided over by mediator Steven Rottman, Esq. (*Id.* at ¶ 7) The mediation did not result in a settlement. (*Id.*) After further written and informal discovery was conducted and an extensive meet and confer process, on July 16, 2025, the Parties again engaged in a second all-day mediation with Michael Loeb, Esq. (*Id.* at ¶8) Through arms-length negotiations with Mr. Loeb's assistance, the Parties reached an agreement to settle the Action, the terms of which were memorialized in a Memorandum of Understanding, executed by the Parties and their counsel on September 16, 2025. (*Id.* at ¶9) The Parties thereafter signed the operative Class Action and Private Attorneys General Act (Labor Code § 2698, *et seq*.) Settlement Agreement ("Settlement Agreement"), which is based on the Los Angeles Superior Court model settlement agreement. (*Id.* at ¶10)

The terms of the settlement provide that Defendant shall pay a gross settlement fund of Eight Hundred and Seventy Five Thousand Dollars ($875,000.00) which will be distributed to the class on a **non-reversionary** basis without the need to submit claim forms. (*Id.* at ¶ 11) Thus, the entire settlement amount will be distributed and no remaining amounts, i.e. unclaimed funds, will revert back to Defendant. (*Id.*) Further, the class members will not need to do anything to participate in the settlement. (*Id.*)

Although Plaintiff and his counsel have always believed that they can prevail on class certification, as well as on the merits, they recognize the inherent risk in further drawn-out litigation and the specific risks that a class might not be certified. Further, even if successful, there is a potential for damages being reduced by the Court. Based on their own independent investigation and evaluation, the Parties and their respective counsel are of the opinion that settlement for the consideration and on the terms set forth in the Settlement Agreement is fair, reasonable, and adequate and is in the best interests of the Settlement Class and Defendant in light of all known facts and circumstances and the expenses and risks inherent in litigation.

Therefore, the Parties respectfully request that the Court grant this Motion for Preliminary Approval of Class Action Settlement.

II. DISCUSSION

Any settlement of a class action lawsuit must be reviewed and approved by the Court. This is done in two steps: (1) an early (preliminary) review by the trial court, and (2) a final review after notice has been distributed to the class members for their comment or objections. The

Manual for Complex Litigation (Third) § 30.41 states:

> Approval of class action settlements involves a two-step process. First, counsel submits the proposed terms of settlement and the court makes a preliminary fairness evaluation. If the preliminary evaluation of the proposed settlement does not disclose grounds to doubt its fairness or other obvious deficiencies, such as unduly preferential treatment of class representatives or of segments of the class, or excessive compensation for attorneys, and appears to fall within the range of possible approval, the court should direct that notice … be given to the class members of a formal fairness hearing, at which arguments and evidence may be presented in support of and in opposition to the settlement.

Thus, the preliminary approval by the trial court is simply a conditional finding that the settlement appears to be within the range of acceptable settlements. As Professor Newberg comments, "[t]he strength of the findings made by a judge at a preliminary hearing or conference concerning a tentative settlement proposal may vary. The court may find that the settlement proposal contains some merit, is within the range of reasonableness required for a settlement offer or is presumptively valid subject only to any objections that may be raised at a final hearing." 4 Alba Conte & Herbert B. Newberg, *Newberg on Class Actions*, § 11.26 (4th ed. 2002).

The procedures for the parties' submission of a proposed settlement for preliminary approval by the court also are discussed in 4 *Newberg on Class Actions*:

> When the parties to an action reach a monetary settlement, they will usually prepare and execute a joint stipulation of settlement, which is submitted to the court for preliminary approval. The stipulation should set forth the central terms of the agreement, including but not limited to, the amount of settlement, form of payment, manner of determining the effective date of settlement and any recapture clause.

Id. at § 11.24.

Here, the Parties have reached such an agreement and have submitted to this Court in connection with this Motion a copy of the Class Action and Private Attorneys General Act (Labor Code § 2698, *et seq*.) Settlement Agreement ("Settlement Agreement") fully setting forth the agreement reached among the Parties. The Settlement Agreement sets forth all terms of the agreement reached by the Parties, which include, among other things, the method for calculating the Class Members' Individual Settlement Payments.

The parties also may, at the preliminary approval stage, request that the court provisionally approve certification of the class – conditional upon final approval of the settlement. "[P]re-certification settlements are routinely approved if found to be fair and reasonable." *Wershba v. Apple Computer, Inc.*, 91 Cal. App. 4th 224, 240 (2001). *Accord Dunk v. Ford Motor Co*., 48 Cal. App. 4th 1794, 1803 (1996) (although the settlement was reached before any "adversary certification," the court was satisfied that it was "fair, adequate and reasonable"); *In re Baldwin-United Corp*., 105 F.R.D. 475, 478 (S.D.N.Y. 1984) ("many courts have employed this practice in the name of judicial efficiency in order to facilitate apparently beneficial settlement proposals"). As further explained by Professor Newberg:

> The strength of the findings made by a judge at a preliminary hearing or conference concerning a tentative settlement proposal. . . . may be set out in conditional orders granting tentative approval to the various items submitted to the court. Three basic rulings are often conditionally entered at this preliminary hearing. These conditional rulings may approve a temporary settlement class, the proposed settlement, and the class counsel's application for fees and expenses.

4 Newberg on Class Actions, at §11.26

In addition to such terms as class identification, settlement amount and payment procedures, the Settlement Agreement reached among the Parties contains a provision pursuant to which the Parties stipulate to the Court's provisional certification of the Class but do so for the purposes of this settlement only.

A. PROPOSED CLASS DEFINITIONS

The current settlement is being settled on behalf of "all persons in the Paid Stipend Class, Unpaid Stipend Class, or Post Reopening Class." (Settlement Agreement ¶ 1.5).

The "Paid Stipend Class" means a member of the Class who was employed by Defendants between March 21, 2020 and July 31, 2021, who received a stipend from Defendants, and who was (1) assigned to work at Defendants' San Bernardino, California location and worked remotely or (2) assigned to work at Defendants' El Segundo, California location. (Settlement Agreement ¶ 1.35). The Paid Stipend Class were voluntarily paid a stipend to compensate them for work from home expenses from March 21, 2020 through July 31, 2021.

The "Unpaid Stipend Class" means a member of the Class who was employed by Defendants between March 21, 2020 and July 31, 2021, who did not receive a stipend from Defendants, and who was (1) assigned to work at Defendants' San Bernardino, California location and worked remotely or (2) assigned to work at Defendants' El Segundo, California location. (Settlement Agreement ¶ 1.46). The Unpaid Stipend Class were employees that worked from home and were terminated between March 21, 2020 through July 31, 2021 and due to their termination from employment, whether voluntarily or involuntarily, were not paid a stipend.

The "Post Reopening Class" means a member of the Class who was employed by Defendants between August 1, 2021 and July 16, 2025, and who was (1) assigned to work at Defendants' San Bernardino, California location and worked remotely or (2) assigned to work at Defendants' El Segundo, California location. (Settlement Agreement ¶ 1.38).

B. NUMEROSITY

Courts generally find that numerosity is satisfied if the class includes forty or more members. (*See Villalpando v. Excel Direct Inc*. (N.D. Cal. 2014) 303 F.R.D. 588, 605-606; *see also Jordan v. L.A. County* (9th Cir. 1982) 669 F.2d 1311, 1320 (noting, in dicta, that the court "would be inclined to find the numerosity requirement…satisfied solely on the basis of [39] ascertained class members"), *vacated on other grounds*, 459 U.S. 810 (1982).

In this case, Defendant represented that the class includes approximately 3,251 Settlement Class members. Therefore, numerosity is satisfied.

C. ASCERTAINABILITY

Class members are ascertainable where they may be "readily identified without unreasonable expense or time by reference to official records." (*Lee v. Dynamex, Inc.* (2008) 166 Cal. App. 4th 1325, 1334; *see also Faulkinbury v. Boyd & Assocs., Inc*. (2013) 216 Cal. App. 4th 220, 240.)

Here, the identity of class members is clearly ascertainable from Defendants' payroll records and have already been identified.

D. TYPICALITY AND ADEQUACY OF REPRESENTATION

1. Class Representative's Claims are Typical of the Class

The commonality requirement is met when there are questions of law and fact common to the class. *See Hanlon v. Chrysler Corp*., 150 F.3d 1011, 1019 (1998) ("The existence of shared legal issues with divergent legal factual predicates is sufficient, as is a common core of salient facts couple with disparate legal remedies within the class"). Commonality requires only that some common legal or factual questions exist; the plaintiffs need not show that all issues in the litigation are identical. *See Richmond v. Dart Industries, Inc*., 29 Cal. 3d 462, 473 (1981). Defendant's conduct is central to the commonality inquiry. *See City of San Jose v. Superior Court*, 12 Ca1. 3d 447, 460 (1974); *Vasquez v. Superior Court*, 4 Cal. 3d 800, 812-13 (1971). Where the employer's conduct is uniformly directed at a class of employees, as it is here, the class wide impact of the Defendant's policies satisfies the commonality requirement. *See Stephens v. Montgomery Ward & Co*., 193 Cal. App. 3d 411, 421 (1987).

Plaintiff alleges that Defendants, as a matter of corporate policy, practice or procedure violated the Labor Code by failing to reimburse business expenses. Plaintiff alleges that he was required to work from home, but was not reimbursed business related expenses. (Declaration of Eric Hardie ("Hardie Decl.") ¶ 4).

Moreover, Plaintiff does not have any interests adverse to the class, nor has any such issues been raised or presented. (Hardie Decl. ¶ 5). Plaintiff has taken all necessary steps to represent the interests of the Class, by providing information and documents. (Hardie Decl. ¶6). For such reasons, Plaintiff has adequately represented the class members and will continue to do so.

2. Class Counsel Have Adequately Represented the Class and Has Experience with Wage and Hour Class Actions

From the inception of the case, Class Counsel have solely represented the interest of the class. For example, the formal and informal discovery exchanged by the parties was directed towards class issues. (Choi Decl. ¶ 12). Class counsel also engaged in numerous meet and confers with opposing counsel to obtain sufficient class data in order to evaluate that class claims at issue. (*Id.*). The mediation and settlement were also obtained for the benefit of the class, not for the individual Plaintiff. Finally, Class counsel have been approved as class counsel on a number of prior cases and are competent to represent the class. (Choi Decl. ¶ 29); (Declaration of Justin Lo ("Lo Decl.") ¶ 6).

E. SUPERIORITY

Class treatment is clearly superior to any other method of resolving Plaintiff's claims.

(*Sav-on Drug Stores, Inc.*, *supra*, 34 Cal. 4th 319 at p. 326.) In employment actions, class actions are in fact encouraged. (*Jaimez v. DAIOHS USA, Inc.* (2010) 181 Cal. App. 4th 1286, 1308 ("In light of the numerous common issues of fact and law that predominate in this lawsuit, we conclude that proceeding by way of class action is the superior method of adjudication. Doing so would further judicial economy by avoiding repetitious suits, would unify what would otherwise be a series of small claims so as to enhance the class members' access to redress…").)

Here, Plaintiff's claims are based on system-wide policies, procedures, and practices that apply to all class members and can be most efficiently litigated on a class-wide basis. The alternative would be the unrealistic filing of numerous individual claims. Since the putative class members are employees with relatively modest individual claims and limited resources, there is a strong likelihood that individual claims would never be brought. (*See Local Joint Exec. Bd. of Culinary/Bartender Trust Fund* (9th Cir. 2001) 244 F.3d 1152, 1163 (superiority requirement met where class members would recover, at most, about $1,330); *see also Gentry v. Sup. Ct.* (2007) 42 Cal. 4th 443, 462)

F. SUMMARY OF THE CASE, INVESTIGATION AND DISCOVERY AND REASONABLE ESTIMATE OF THE NATURE AND AMOUNT OF RECOVERY

As discussed above, the Action alleges violation of Labor Code § 2802 for failure to reimburse business expenses on behalf of others on a class and representative basis. Defendants deny the allegations in the Action and are prepared to continue to defend the action vigorously. (Choi Decl. at ¶ 19)

After the filing of the lawsuit, Plaintiff engaged in informal and formal discovery, engaged in extensive meet and confers regarding the discovery to be produced by Defendants, and obtained the putative class members' data. (Choi Decl. ¶12). Thereafter, the parties engaged in two mediation sessions, the first on November 19, 2021, with mediator Steven Rottman, Esq and a second session with Michael Loeb, Esq. July 16, 2025 which ultimately led to this settlement (Choi Decl. ¶ 8).

Based on their own independent investigations and evaluations, the Parties and their respective counsel are of the opinion that settlement for the consideration and on the terms set forth in the Settlement Agreement is fair, reasonable, and adequate and is in the best interests of the Class and Defendants in light of all known facts and circumstances and the expenses and risks inherent in litigation. (Choi Decl. ¶¶ 19-20).

As explained by the Court of Appeal in *Kullar v. Foot Locker Retail, Inc*., 168 Cal. App. 4th 116, 130, 133 (2008), a class action settlement should be approved when the plaintiff has conducted sufficient discovery and the settlement is reasonable in light of the strengths of the plaintiff's claims. As discussed herein, Plaintiff's counsel has conducted extensive discovery and investigation and, in light of the strength and weaknesses of Plaintiff's claims, Plaintiff's attorneys submit that this settlement is fair pursuant to *Kullar*.

In the present case, based on the data produced at the time of mediation, Plaintiff estimated that approximately 1,480 individuals that compromise of the Paid Stipend Class received approximately $1,172,177.36, which amounts to approximately $53.40 per month worked ($1,172,177.36 divided by 21,950 months worked). (Choi Decl. ¶ 13). Plaintiff alleges that such payments were insufficient to properly compensate Paid Stipend Class members for the internet, furniture, equipment, phone and other ancillary expenses incurred. (*Id.*) Defendants allege that the Paid Stipend Class was fully compensated for their work from home expenses. (*Id.*) Indeed, Plaintiff believes that a payment of at least $60 per month for 1,480 individuals that worked approximately 21,950 months, which amounts to which amounts to $1,317,000, would have been more appropriate. (*Id.*) Based thereon, Plaintiff believes the underpayment is approximately $144,822.64. (*Id.*)

For the Unpaid Stipend Class, Plaintiff believes that $60 per month should have been paid to the approximately 451 employees that worked 4,793 months, which amounts to $287,580, would have been more appropriate. (*Id.* at ¶ 15.)

For the Post Reopening Class, Plaintiff believes that the approximately 2,989 employees that worked approximately 90,694 months should have been paid approximately $20 per month for working from home, instead of returning to work in person at the office, which amounts to $1,813,880. (*Id.* at ¶ 16.)

The total PAGA exposure is estimated at $11,743,700 (117,437 monthly pay periods X $100). (Choi Decl. ¶ 17.) Plaintiff believes that a monthly pay period is appropriate given that business reimbursements were made by Defendants on a monthly basis. (*Id.*) Plaintiff believes the realistic PAGA exposure would be approximately $1,174,370.00 based on a 90% reduction because Defendants did make voluntary stipend payments to its employees during the total shutdown period and after the offices were reopened, employees chose to work from home instead of coming back to the office. This type of reduction was enumerated in the Court of Appeal's decision in *Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504 (2018), while the plaintiff prevailed on his PAGA claim upon trial, the trial court reduced the maximum PAGA penalty amount by 90%, citing the employer's good faith attempt at complying with the law. *Id*. at 517. Upon review, the Court of Appeal found such reduction to be proper. *Id*. at 539.

Based on the above, Plaintiff alleges that the total exposure, after deducting the stipends that were already paid amounts to $3,420,652.64. (*Id.* at ¶ 18) Based on the foregoing, the Gross Settlement Amount is approximately 25.58% of the realistic total exposure. (*Id.*)

Numerous courts have held that **gross** settlements approximating between only 8 and 25% of the defendant's potential exposure are fair and reasonable. *See*, *e.g.*, *In re Mego Fin. Corp. Secs. Litig.*, 213 F.3d 454, 459 (9th Cir.2000) (holding that class action settlement recovering 16% of potential exposure was fair and reasonable; "[i]t is well-settled law that a cash settlement amounting to only a fraction of the potential recovery does not per se render the settlement inadequate or unfair. Rather, the fairness and the adequacy of the settlement should be assessed relative to risks of pursuing the litigation to judgment"; noting that whether the settlement is fair and adequate depends on the "the difficulties in proving the case"); *Bellinghausen v. Tractor Supply Co*., No. 13-CV-02377-JSC, 2015 WL 1289342, at *6 (N.D. Cal. Mar. 20, 2015) (holding that class action settlement recovering between 8.5% and 25% of the defendant's potential exposure was fair); *Van Ba Ma v. Covidien Holding Inc*., U.S. Dist. Ct. Case No. 8:12-cv-02161 (C.D. Cal. 2014) (court granted preliminary approval of wage and hour class settlement which obtained ***only 9.1%*** of projected damages, given the risks of continued litigation) *Villegas v. J.P. Morgan Chase & Co*., No. CV 09-00261 SBA EMC, 2012 WL 5878390, at *6 (N.D. Cal. Nov.

21, 2012) (holding that gross class action settlement of approximately 15% of the potential recovery was fair and reasonable); *Greko v. Diesel U.S.A., Inc*., No. 10–cv–02576 NC, 2013 WL 1789602, at *5 (N.D. Cal. Apr. 26, 2013) (24 percent was reasonable).

Based on the above, the settlement amount is fair and reasonable.

G. SETTLEMENT WAS NEGOTIATED AT ARMS-LENGTH AND IS NOT COLLUSIVE

Courts presume the absence of fraud or collusion in the negotiation of settlement unless evidence to the contrary is offered. *Priddy v. Edelman*, 883 F.2d 438, 447 (6th Cir. 1989); *Mars Steel Corp. v. Continental Illinois Nat'l Bank & Trust Co*., 834 F.2d 677, 682 (7th Cir. 1987); *In re Chicken Antitrust Litig*., 560 F. Supp. 957, 962 (N.D. Ga. 1980). Courts do not substitute their judgment for that of the proponents, particularly where, as here, settlement has been reached with the participation of experienced counsel familiar with the litigation. *Nat'l Rural Telecomms. Coop. v. DIRECTV, Inc*., 221 F.R.D. 523, 528 (C.D. Cal. 2004); *Hammon v. Barry*, 752 F. Supp. 1087 (D.D.C. 1990); *Steinberg v. Carey*, 470 F. Supp. 471 (S.D.N.Y. 1979); *In re Armored Car Antitrust Litig*., 472 F. Supp. 1357 (N.D. Ga. 1979); *Sommers v. Abraham Lincoln Federal Sav. & Loan Ass'n*, 79 F.R.D. 571 (E.D. Pa. 1978).

While the recommendations of counsel proposing the settlement are not conclusive, the Court can properly take them into account, particularly where, as here, they have been involved in formal and informal discovery and negotiations for some period of time, appear to be competent, have experience with this type of litigation, and have exchanged substantial evidence from the opposing party. *See Newberg on Class Actions*, *supra*, at § 11.47; *Nat'l Rural Telecomms. Coop*., 221 F.R.D. at 528 (quoting *In re Paine Webber Ltd. P'ships Litig*., 171 F.R.D. 104, 125 (S.D.N.Y. 1997) ("[s]o long as the integrity of the arm's length negotiation process is preserved, however, a strong initial presumption of fairness attaches to the proposed settlement . . . [citations] and 'great weight' is accorded to the recommendations of counsel, who are most closely acquainted with the facts of the underlying litigation")).

Here, both Plaintiff's and Defendants' counsel have a great deal of experience in wage and hour class action litigation. Plaintiff's counsel has been approved as class counsel in a number of wage and hour class actions and have extensive litigation experience. (Choi Decl. at ¶ 29; Lo Decl. at ¶ 7). As discussed above, Plaintiff's counsel conducted a thorough investigation of the allegations involved in this case since the inception. Each side has apprised the other of their respective factual contentions, legal theories and defenses, resulting in extensive arms' length negotiations taking place among the Parties.

The settlement for each participating Class Member is fair, reasonable and adequate, given the inherent risks of litigation, including the substantial risks relative to class certification, and the costs of pursuing such litigation. The settlement is the result of extensive arms' length negotiations between the Parties and their counsel, which was achieved after two full days of mediation before two highly regarded mediators.

Although Plaintiff believes that a class can be certified, Plaintiff also believes in the fairness of the settlement that is based on factoring in the uncertainty and risks to Plaintiff involved in not prevailing on the merits, the possibility of non-certification and potential for appeals. (Choi Decl. at ¶ 19).

Despite the asserted fairness of the settlement terms, as set forth in the Class Notice, should any Class Member wish to pursue his or her own case for the claims being released herein, each Class Member has the right to submit a request for exclusion (*i.e.*, Opt-Out) from the settlement. Moreover, as set forth in the Class Notice, Class Members are advised of their right to attend the final approval hearing and object to any of the terms contained in the proposed Settlement Agreement, provided that they give proper notice to the Parties and the Court.

H. SETTLEMENT TERMS AND EVALUATION

1. Proposed Terms of the Settlement

This is a non-reversionary settlement wherein Class Members will be automatically paid out of the settlement if he/she does not opt-out of the settlement. The key terms of the settlement are as follows.

The Settlement Agreement provides for a gross settlement amount of Eight Hundred and Seventy-Five Thousand Dollars ($875,000.00). (Settlement Agreement ¶ 3.1. Attorney's fees of up to $435,592.82 of the Gross Settlement Amount will be paid to Class Counsel along with costs of up to $35,000.00. (Settlement Agreement ¶ 3.2.2). The Class Representative Service Award will be up to $10,000.00. (Settlement Agreement ¶ 3.2.1). The Settlement Administrator will be paid up to $23,000.00 for costs of administering this settlement. (Settlement Agreement ¶ 3.2.3) The PAGA payment is allocated as $40,000.00 of which 75% shall be paid to the LWDA and 25% shall be paid to the Net Class Settlement Fund, allocated to penalties under Labor Code § 2698 et seq., the Private Attorney General Act ("PAGA"). (Settlement Agreement ¶ 3.2.5) After deduction of the foregoing, the remainder will be distributed to Class Members who do not opt-out of the Settlement Agreement. (Settlement Agreement ¶ 1.28).

2. Nature of Any Injunctive Relief

The Settlement Agreement does not provide for any injunctive relief.

3. Amount and Manner of Distribution of the Compensation to be Provided to Class Members Including the Amount, or an Estimate, of What Each Class Member Will Receive

The Net Class Settlement Amount (calculated after deduction of attorneys' fees, costs, incentive awards, LWDA payment, and claims administration costs) shall be paid to all Settlement Class Members who do not opt out of the settlement. (Settlement Agreement ¶ 1.28).

An Individual Class Payment for the Paid Stipend Class will be calculated as follows: (1) 5% of the Net Settlement Amount will be allocated to the Paid Stipend Class ("Paid Stipend Class Amount") (2) the Paid Stipend Class Amount will be divided by the total number of Class Pay Periods of Participating Class Members of the Paid Stipend Class, and (3) multiplying the result by the Class Pay Periods for each Participating Class Member of the Paid Stipend Class. An Individual Class Payment for the Unpaid Stipend Class will be calculated as follows: (1) 20% of the Net Settlement Amount will be allocated to the Unpaid Stipend Class ("Unpaid Stipend Class Amount") (2) the Unpaid Stipend Class Amount will be divided by the total number of Class Pay Periods of Participating Class Members of the Unpaid Stipend Class, and (3) multiplying the result by the Class Pay Periods for each Participating Class Member of the Unpaid Stipend Class. An Individual Class Payment for the Post Reopening Class will be calculated as follows: (1) 75% of the Net Settlement Amount will be allocated to the Post Reopening Class ("Post Reopening Class

Amount") (2) the Post Reopening Class Amount will be divided by the total number of Class Pay Periods of Participating Class Members of the Post Reopening Class, and (3) multiplying the result by the Class Pay Periods for each Participating Class Member of the Post Reopening Class. (Settlement Agreement ¶ 3.2.4.)

The reason for the above allocation is to make it as equitable as possible for the different groups of employees based on the circumstances. (Choi Decl. ¶ 23). First, Plaintiff believes the Paid Stipend Class was almost fully compensated for their work from home expenses given that the average monthly stipend paid was over $53. (*Id.*) Thus, while the Paid Stipend Class should be compensated, the percentage of the settlement that should go to each month worked should be much less than the amount to the Unpaid Stipend Class or the Post Reopening Class, who were not paid at all. (*Id.*) Further, the Unpaid Stipend Class should be paid more than the Post Reopening Class because the Unpaid Stipend Class was forced to work from home without reimbursement of expenses while the Post Reopening Class could have gone back to work in their offices. (*Id.*) Based on this line of reasoning, from a **monthly** perspective, the Paid Stipend Class will receive approximately 4% of the Net Settlement Amount, the Unpaid Stipend Class will receive approximately 80% of the Net Settlement Amount, and the Post Reopening Class will receive approximately 16% of the Net Settlement Amount. (*Id.*)

Settlement Class Members may opt-out of the Settlement if they so choose. (Settlement Agreement ¶ 1.29). Based on the Net Settlement Amount, on a pure raw average, each class member will receive approximately $134.18. (Choi Decl. ¶ 23). Such amounts for each person could increase or decrease depending on a number of factors, including the amount of pay periods worked by each Settlement Class Member. The approximate amount each person will be entitled to will not be known until the class data is transferred to the Settlement Administrator for processing.

4. Whether, and Under What Circumstances, Amounts May Revert to Defendants

This is a non-reversionary settlement as the entirety of the settlement amount will be fully paid out. Funds represented by Individual Settlement Payment checks returned as undeliverable and Individual Settlement Payment checks remaining un-cashed for more than 180 days after issuance will be tendered to *cy pres* Legal Aid at Work, subject to the requirements of California Code of Civil Procedure § 384, subd. (b). (Settlement Agreement ¶ 4.4.3). Upon completion of administration of the Settlement, pursuant to Code of Civil Procedure § 384, the Settlement Administrator will provide a written declaration under oath to certify the total amount that was paid to all class members and ensure that distribution of the un-cashed funds be tendered to the Legal Aid at Work.

5. Scope of the Release of Class Members' Claims

The scope of the release, as listed below, is identified in the Settlement Agreement at ¶ 5.2 as well as in each of the Notices that will be sent to Class Members.

> "Upon the Effective Date and funding of the Gross Settlement Amount, Plaintiff, Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, shall release the Released Parties from any and all claims and/or causes of action for damages and or penalties under Labor Code §2802 and the California IWC's Wage Orders that were plead or which could have been pled based on the factual allegations and claims stated in the Class Action Complaint, Amended Class Action Complaint, or Plaintiff's PAGA Notices that accrued at any time during the Class Period for unpaid business related expenses".

After discovery and investigation, the Parties agreed to narrow the case to only Plaintiff's causes of action for Violation of Labor Code §2802 (Failure to Reimburse Business Expenses) and PAGA penalties for unpaid business related expenses. Further, the Scope of the Release does not waive Civil Code § 1542 for Settlement Class Members. The scope of the release is limited by the claims that are being settled.

6. Tax Treatment of Settlement Amounts

All Individual Settlement Payments are allocated as follows: 100% of the Individual Settlement Payment that is distributed to each Settlement Class Member will be considered interest and penalties and will be reported on IRS 1099 Forms. (Settlement Agreement ¶ 3.2.4.1) The reason for this allocation is because business reimbursement expenses are not wages.

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7. Affirmative Obligations to be Undertaken by Class Members or Class

Counsel and the Reasons for Any Such Obligations

As stated above, Settlement Class Members do not need to do anything should they wish to receive their share of the settlement funds. Thus, this substantially decreases the amount of burden each Settlement Class Member must bear in order to receive their settlement share. If a Settlement Class Member does not wish to take part in this settlement and be bound by the release, he/she must submit an exclusion request.

Such obligations are thoroughly identified in each class member's Class Notice. (Settlement Agreement Exhibit A).

I. SUBMISSION OF CLAIMS/EXCLUSIONS/OBJECTIONS

Class Members will not be required to submit a claim form to receive compensation. Instead, this is a non-reversionary Settlement Agreement. (Settlement Agreement Exhibit A). Settlement Class Members will be provided 45 calendar days to opt out or object to the settlement. (Settlement Agreement ¶ 1.44). Any Class Member who does not opt-out of the settlement will be automatically issued his/her share of the settlement proceeds. Given that this is a non-reversionary settlement, the parties believe that 45 calendar days is sufficient time for class members to object or opt-out of the settlement. Further, Settlement Class Members will be notified of the Fairness/Final Approval hearing and will have an opportunity to appear at the Fairness hearing.

J. UNCASHED FUNDS

Code of Civil Procedure § 384 mandates that unpaid cash residue and unclaimed or abandoned funds in class action litigation are distributed, to the fullest extent possible, in a manner designed either to further the purposes of the underlying class action or causes of action, or to promote justice for all Californians. Individual Settlement Payment checks remaining un-cashed for more than 180 days after issuance will be tendered to the *cy pres* Legal Aid at Work. (Settlement Agreement ¶ 4.4.3). Upon completion of administration of the Settlement, the Settlement Administrator will provide a written declaration under oath to certify the total amount that was paid to all class members and ensure that distribution of the un-cashed funds be tendered to Legal Aid at Work.

Legal Aid at Work is a nonprofit legal services organization that has been assisting low-income working families for more than 100 years. *See* https://legalaidatwork.org/our-mission-and-how-we-work/ (last visited on January 30, 2026). Since the underlying class action is an action to recover wages and penalties for employees in California, Legal Aid at Work furthers the underlying action because it promotes workers' rights.

K. NOTICE TO CLASS MEMBERS

The Notice will be sent in English only because all of the employees are fluent in English, as part of their job requirements. (Choi Decl. ¶ 26). Within fifteen (15) calendar days after the Court grants Preliminary Approval ("Preliminary Approval Date"), Defendants will provide the Class Data to the Settlement Administrator. (Settlement Agreement ¶ 4.2) Within fourteen (14) calendar days of receipt of the Class Data, the Settlement Administrator will mail a Notice Packet to all Class Members via regular First-Class U.S. Mail. (Settlement Agreement ¶ 7.3.2) Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database information to update and correct for any known or identifiable address changes (*Id.*) Not later than three (3) business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. (*Id.* at 7.3.3) If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. (*Id.*) The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time. (*Id.*)

Each Notice Packet will provide: (i) information regarding the nature of the Action; (ii) a summary of the Settlement's principal terms; (iii) the Settlement Class definition; (iv) the total number of wage statements each respective Class Member received from Defendant during the Class Period; (v) each Class Member's estimated Individual Settlement Payment and the formula for calculating Individual Settlement Payments; (vi) the dates which comprise the Class Period; (vii) instructions on how to submit Requests for Exclusion or Notices of Objection; (viii) the deadlines by which the Class Member must postmark any requests for exclusions/opt-outs; and

(ix) the claims to be released. (*See* Class Notice).

Based on the foregoing, the notice procedures fully comply with California Rules of Court Rule 3.766 (d) & (e).

L. FEES AND COSTS

1. Attorneys' Fees

Plaintiff seeks attorney's fees under Code of Civil Procedure §1021.5, commonly known as the "catalyst" theory and under the common fund. Specifically, Plaintiff alleges that the Stipends paid in or about June and July 2021 was a result of the lawsuit that was filed on March 19, 2021. Thus, Plaintiff's counsel allege that they are entitled to seek attorney's fees for the stipends that were paid to the Paid Stipend Class.

California state and federal courts have recognized that an appropriate method for determining award of attorneys' fees is based on a percentage of the total value of benefits to Class Members by the settlement. *Wershba v. Apple Computer, Inc*., 91 Cal.App.4th 224, 254 (2001); *Serrano v. Priest*, 20 Cal. 3d 25, 34 (1977) ("*Serrano III*"); *Boeing Co. v. Van Gemert*, 444 U.S. 472, 478 (1980); *Vincent v. Hughes Air West, Inc*., 557 F. 2d 759, 769 (9th Cir. 1997). The purpose of this equitable doctrine is to avoid unjust enrichment of counsel and to "spread litigation costs proportionally among all the beneficiaries so that the active beneficiary does not bear the entire burden alone." *Vincent*, 557 F. 2d at 769.

Under California law, the award of attorneys' fees in common fund wage and hour class action settlements should start with the percentage method. *See Laffitte v. Robert Half Int'l*, 1 Cal. 5th 480, 503 (Aug. 11, 2016) ("We join the overwhelming majority of federal and state courts in holding that when class action litigation establishes a monetary fund for the benefit of the class members, and the trial court in its equitable powers awards class counsel a fee out of that fund, the court may determine the amount of a reasonable fee by choosing an appropriate percentage of the fund created."). Under the percentage of the fund method, the Court's objective remains to "mimic the market" in fixing a reasonable fee. *See Gaskill v. Gordon*, 160 F.3d 361, 363 (7th Cir. 1998) (J. Posner) ("When a fee is set by a court rather than by contract, the object is to set it at a level that will approximate what the market will set... The judge, in other words, is trying to mimic the market in legal services.”).

In the *Laffitte* intermediate court decision, the court observed that “33 1/3 percent of the common fund is consistent with, and in the range of, awards in other class action lawsuits.” *Laffitte v. Robert Half Int’l*, 231 Cal. App. 4th 860, 871 (2014).

Here, Plaintiff seeks a fee award out of the Gross Settlement pursuant to a catalyst theory wherein Class Counsel will aggregate the Gross Settlement Amount ($875,000) and the total amount of stipends that Defendants paid to certain members of the Class ($1,302,964.11) and seek Court approval of up to 20% of this aggregated amount of the settlement ($435,592.82) for payment to Class Counsel as attorneys’ fees (20% x ($875,000 + $1,302,964.11). (Settlement Agreement ¶ 3.2.2.) This fee request is unopposed by Defendants and, thus, this payment should be presumed to be fair. Indeed, Plaintiff believes that the total value to the three Classes is $ 2,177,964.11. Plaintiff understands that requesting 33 1/3% of the total value to the Classes would not be fair since the new money to settle the case was $875,000. Thus, Plaintiff believes a reduction to 20% of the total value is fair and reasonable.

Class Counsel will be splitting the approved fees which has been authorized by the Plaintiff (50% to Work Lawyers, P.C. and 50% to Law Offices of Choi & Associates, P.C). (Choi Decl. ¶ 31; Lo Decl. ¶ 9; Hardie Decl. ¶ 9).

2. Attorneys’ Costs

The parties have agreed to reimbursement of class counsel’s litigation costs of up to $35,000.00. (Settlement Agreement ¶ 3.2.2) Class counsel have, at their own risk, expended costs, for example, to file this instant action, service of process, payment of mediation fees, expert witness fees and other litigation related costs and will be submitting detailed cost sheets for the respective costs incurred prior to the Motion for Final Approval. Based on the foregoing, the court should preliminarily approve the attorney’s fees and costs being requested by the parties.

3. Proposed Payment to Class Representative

Plaintiff requests a modest enhancement of $10,000.00. (Settlement Agreement ¶ 3.2.1) Plaintiff personally met with Class Counsel on various occasions, via Zoom, to discuss the case, provide documents and information to Class Counsel, and review the Settlement Agreement.

(Hardie Decl. ¶ 7) Moreover, as part of his duties as the representative, Plaintiff provided invaluable information, evidence, and documents that resulted in this settlement. (Hardie Decl. ¶ 7)

Given that future employers are much less likely to hire individuals who have filed suit against their prior employer, particularly cases of this nature, Plaintiff may face prejudice in the future from other potential employers. Plaintiff took this risk upon himself and the whole class benefited from these risks taken by Plaintiff. Class members did not have to file individual lawsuits and bear the risks of payment of fees and costs if they did not prevail, nor did they have to face the potential for retaliation and not getting future employment had they filed a public lawsuit.

Notably, courts have routinely granted approval of representative enhancements for far greater amounts than the $10,000.00 sought by Plaintiff in this case. *See*, *e.g.*, *Van Vranken v. Atlantic Richfield Co.*, 901 F. Supp. 294, 299-300 (N.D. Cal. 1995) (incentive award of $50,000); *In re Dun & Bradstreet Credit Servs. Customer Litig.*, 130 F.R.D. 366, 374 (S.D. Ohio 1990) (two incentive awards of $ 55,000, and three incentive awards of $ 35,000); *Brotherton v. Cleveland*, 141 F. Supp. 2d 907, 913-14 (S.D. Ohio 2001) (granting a $50,000 incentive award); *Enter. Energy Corp. v. Columbia Gas Transmission Corp.*, 137 F.R.D. 240, 251-52 (S.D. Ohio 1991) ($50,000 awarded to each class representative); *Glass v. UBS Fin. Servs.*, No. C-06-4068, 2007 U.S. Dist. LEXIS 8476, at *51-52 (N.D. Cal. Jan. 27, 2007) (awarding $25,000 incentive award in FLSA overtime wages class action); *Cook v. Niedert*, 142 F.3d 1004, 1016 (7th Cir. 1998) (affirming $25,000 Incentive award to class representative in ERISA case). Here, Plaintiff requests a modest enhancement of $10,000.00, which is "presumptively reasonable" and consistent with case law.

4. Class Administration Fees

The parties have agreed to payment of a maximum of $23,000.00 to the Settlement Administrator, Phoenix Settlement Administrators, for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, tax reporting, distributing the Maximum Settlement Amount, and providing necessary reports and declarations, as requested by the Parties. (Settlement Agreement ¶ 3.2.3) Phoenix Settlement Administrators is a well-recognized class action settlement administrator. The parties believe that the administration fee is reasonable and should be approved.

III. LWDA HAS BEEN PROVIDED WITH NOTICE OF THIS MOTION

Plaintiff provided notice of this Motion to the LWDA. (Choi Decl. ¶ 30, Ex. B).

IV. PROPOSED SCHEDULE FOR CLASS NOTICE, OBJECTION, OPT OUT AND MOTION FOR APPROVAL, ATTORNEY'S FEES AND FINAL ACCOUNTING

Plaintiff requests that a final fairness/approval hearing be set for approximately 5 months after the hearing on Plaintiff's Motion for Preliminary Approval.

V. CONCLUSION AND ACTION REQUESTED AS PART OF THE MOTION FOR PRELIMINARY APPROVAL

Here, the proposed settlement is fair, adequate, and reasonable. It will result in both substantial monetary benefits to class members; it is non-collusive; and it was achieved as the result of informed, extensive, and arms' length negotiations conducted by counsel for respective parties who are experienced in wage and hour class action litigation. For the foregoing reasons, Plaintiff respectfully request that the Court grant preliminary approval of the proposed settlement, sign the proposed Order, approve and authorize mailing of the proposed Notice Packet, and set a date for a final approval hearing in mid to late September 2026.

Dated: February 10, 2026

LAW OFFICES OF CHOI & ASSOCIATES, APLC
WORK LAWYERS, PC

By: ______________________________
Edward W. Choi
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