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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF SAN FRANCISCO**

MIGUEL ATENCIO, FRANCISCO
NOGUERA, NICOLE LABEUCHERIE, and
EMIR LOUDHABACHI on behalf of
themselves and on behalf of all persons
similarly situated,

Plaintiffs,

vs.

STACHS LLC, a Limited Liability
Company; EAZE TECHNOLOGIES, INC.,
a Corporation; and DOES 1 through 50,
inclusive,

Defendants.

CASE NO.: **CGC-21-594434**

**MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
UNOPPOSED MOTION FOR
PRELIMINARY APPROVAL OF CLASS
SETTLEMENT**

Hearing Date: June 4, 2024
Hearing Time: 9:30 a.m.

Judge: Hon. Richard B. Ulmer
Courtroom: 302

Action Filed: August 11, 2021
Trial Date: Not set

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1 **I. INTRODUCTION**

2 Plaintiffs Miguel Atencio, Nicole Labeucherie, and Emir Loudhabachi (“Plaintiffs”)
3 respectfully submit this memorandum in support of the unopposed motion for preliminary approval of
4 the proposed class action settlement with Defendants Stachs, LLC and Eaze Technologies, Inc.
5 (“Defendants”), and seek entry of an order: (1) preliminarily approving the proposed settlement of this
6 class action with Defendants; (2) for settlement purposes only, conditionally certifying the Class, which
7 is comprised of “all current and former hourly-paid or non-exempt employees of either of the
8 Defendants and any of Defendants’ parents, subsidiaries, or affiliates in California employed at any
9 time during the Class Period” of April 15, 2021 through December 11, 2023; (3) provisionally
10 appointing Plaintiffs as the representatives of the Class; (4) provisionally appointing Norman B.
11 Blumenthal, Kyle R. Nordrehaug, and Aparajit Bhowmik of Blumenthal Nordrehaug Bhowmik De
12 Blouw LLP as Class Counsel; (5) approving the form and method for providing class-wide notice;
13 (6) directing that notice of the proposed settlement be given to the class; (7) appointing ILYM Group,
14 Inc. as Administrator, and (8) scheduling a final approval hearing date, proposed for October 9, 2024
15 to consider Plaintiffs’ motion for final approval of the settlement and for approval of attorneys’ fees
16 and expenses. Plaintiffs and Defendants (collectively the “Parties”) have reached a full and final
17 settlement of the above-captioned action, which is set forth in the Class Action and PAGA Settlement
18 Agreement (“Agreement”) filed concurrently with the Court.¹ A copy of the fully executed Agreement
19 is attached as Exhibit #1 to the Declaration of Kyle Nordrehaug (“Decl. Nordrehaug”), served and filed
20 herewith. The form of the Agreement is based upon the Los Angeles County Superior Court model
21 form for a class and PAGA settlement.

22 As consideration for this Settlement, the non-reversionary Gross Settlement Amount of One
23 Million Five Hundred Thousand Dollars (\$1,500,000) (the “Gross Settlement Amount”) is to be paid
24 by Defendants, as set forth in the Agreement. The Gross Settlement Amount will settle all issues
25 pending in the Action between the Parties and will be made in full and final settlement of the Released
26 Class Claims in exchange for the payments to Participating Class Members from the Net Settlement
27

28 ¹ Capitalized terms shall have the same meaning as defined in the Agreement.

Amount, and includes (a) the costs of administration of the settlement, (b) all attorneys' fees and costs, (c) Class Representative Service Payments, and (d) the PAGA Penalties payment allocated 75% to the LWDA and 25% to the Aggrieved Employees. (Agreement at ¶ 1.22.) Decl. Nordrehaug at ¶3. The following is a table of the key Settlement terms and the proposed deductions:

\$1,500,000 (Gross Settlement Amount)

- \$36,000 (Plaintiffs' proposed service awards not to exceed \$12,000 each)
- \$30,000 (Class Counsel Litigation Expenses Payment - not to exceed amount)
- \$499,500 (Class Counsel Fees Payment - not to exceed 33.3% of settlement)
- \$30,000 (PAGA Payment - 75% to LWDA / 25% to Aggrieved Employees)
- \$22,000 (Administration Expenses Payment - not to exceed amount)

\$882,500 (Net Settlement Amount)

Based upon 2,172 Class Members who worked an estimated 135,311 work weeks (Agreement at ¶ 4.1), the Gross Settlement Amount provides an average value of \$690 per Class Member and \$11 per workweek and after deductions the Net Settlement Amount provides an average recovery of \$406.30 per Class Member and a recovery \$6.52 per workweek. Decl. Nordrehaug at ¶6.

On October 12, 2023, the Parties participated in an all-day mediation session presided over Lynn Frank, a respected and experienced mediator of wage and hour class actions. Following this mediation, the Parties agreed on the basic terms of a settlement pursuant to a mediator's proposal which was memorialized in the form of a Memorandum of Understanding. Decl. Nordrehaug at ¶5. The Settlement is fair, reasonable and adequate, and should be preliminarily approved because there is a substantial monetary payment, and there are significant litigation risks. Therefore, Plaintiffs respectfully request that this Court grant preliminary approval of the Agreement and enter the proposed order submitted herewith.

II. DESCRIPTION OF THE SETTLEMENT

The Gross Settlement Amount is One Million Five Hundred Thousand Dollars (\$1,500,000). (Agreement at ¶ 1.22.) Under the Settlement, the Gross Settlement Amount consists of the following elements: (1) payment of the Individual Class Payments to the Participating Class Members; (2) Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment; (3) Administration Expenses Payment; (4) the Class Representative Service Payments to the Plaintiffs; and (5) the PAGA Penalties payment. (Agreement at ¶ 1.22.) The Gross Settlement Amount does not include Defendants' share of payroll taxes. (Agreement at ¶ 3.1.) The Gross Settlement Amount shall be all-in with no reversion

1 to Defendants. (Agreement at ¶ 3.1.) Decl. Nordrehaug at ¶15.

2 The Agreement contains appropriate terms which have been previously approved by this Court
3 and Courts throughout California. (See Agreement at ¶¶ 1.28, 3.2, 4.3, 5.1.) The proposed Class
4 Notice also provides the required protections for the Class to opt out, object or dispute their weeks
5 worked. (See Agreement at ¶¶ 8.5, 8.6, 8.7, and Exhibit A.) The additional details of the Settlement
6 are addressed in the Decl. Nordrehaug at ¶¶ 16-22. As set forth in the accompanying proof of service,
7 the LWDA has been served with this motion and the Agreement.

8 **III. CASE BACKGROUND**

9 The description of the case and claims, along with the procedural history is set forth in the
10 Declaration of Kyle Nordrehaug at ¶¶ 7-14. The Parties engaged in thorough investigation and the
11 exchange of documents and information in connection with the Action for more than two years which
12 permitted Class Counsel to perform a thorough analysis of the claims. Decl. Nordrehaug, ¶¶ 10, 14.
13 The Parties participated in a mediation on October 12, 2023 with Lynn Frank, which after arms' length
14 negotiations during and after the mediation, resulted in this Settlement. Decl. Nordrehaug, ¶12.

15 **IV. THE SETTLEMENT MEETS THE CRITERIA NECESSARY FOR THIS COURT TO GRANT PRELIMINARY APPROVAL**

16 California "[p]ublic policy generally favors the compromise of complex class action litigation."
17 *Nordstrom Comm'n Cases*, 186 Cal. App. 4th 576, 581 (2010) quoting *Cellphone Termination Fee*
18 *Cases*, 180 Cal.App.4th 1110, 1117-18 (2009). Class action settlements are approved where the
19 proposed settlement is "fair, adequate and reasonable." *Dunk v. Ford Motor Co.*, 48 Cal.App.4th 1794,
20 1801 (1996) (citing *Officers for Justice v. Civil Serv. Comm'n*, 688 F.2d 615, 625 (9th Cir. 1982), cert.
21 denied, 459 U.S. 1217 (1983)).

22 Preliminary approval is the first of three steps that comprise the approval procedure for
23 settlements of class actions. The second step is the dissemination of notice of the settlement to all class
24 members. The third step is a final settlement approval hearing, at which evidence and argument
25 concerning the fairness, adequacy, and reasonableness of the settlement may be presented, and class
26 members may be heard regarding the settlement. See *Dunk v. Ford Motor Co.*, 48 Cal.App.4th 1794,
27 1801 (1996); *Manual for Complex Litigation, Second* §30.44 (1993); Cal. Rules of Court, rule 3.769.
28

1 The primary question presented on an application for preliminary approval of a proposed class
2 action settlement is whether the proposed settlement is “within the range of possible approval.”
3 *Manual for Complex Litigation*, Second §30.44 at 229; *Gautreaux v. Pierce*, 690 F.2d 616, 621 n.3 (7th
4 Cir. 1982).² Preliminary approval is merely the prerequisite to giving notice so that “the proposed
5 settlement... may be submitted to members of the prospective Class for their acceptance or rejection.”
6 *Sayaman v. Baxter Healthcare Corp.*, 2010 U.S. Dist. LEXIS 151997, *3 (C.D. Cal. 2010). There is
7 “a presumption of fairness . . . where . . . [a] settlement is reached through arms-length bargaining.”
8 *Wershba v. Apple Computer, Inc.*, 91 Cal.App.4th 224, 245 (2001) (citation omitted); see also *Cho v.*
9 *Seagate Tech. Holdings, Inc.*, 177 Cal. App. 4th 734, 742-45 (2009) (upholding trial court’s
10 determination that settlement was “fair, reasonable and adequate” where the settlement “provided
11 valuable benefits to the class . . . that were ‘particularly valuable in light of the risks plaintiff would have
12 faced if she proceeded to litigate her case.’”); *Newberg*, 3d Ed., §11.41, p.11-88. However, the ultimate
13 question of whether the proposed settlement is fair, reasonable and adequate is made after notice of the
14 settlement is given to the class members and a final settlement hearing is held by the Court.

15 **A. The Role Of The Court In Preliminary Approval Of A Class Action Settlement**

16 The approval of a proposed settlement of a class action suit is a matter within the broad
17 discretion of the trial court. *Wershba, supra*, 91 Cal.App.4th at 234-235; *Dunk*, 48 Cal.App.4th 1794.
18 In considering a potential settlement for preliminary approval purposes, the trial court does not have
19 to reach any ultimate conclusions on the issues of fact and law which underlie the merits of the dispute,
20 and need not engage in a trial on the merits. *Wershba, supra*, 91 Cal.App.4th at 239-40; *Dunk, supra*,
21 48 Cal.App. 4th at 1807. The Ninth Circuit explained that, “the very essence of a settlement is
22 compromise, ‘a yielding of absolutes and an abandoning of highest hopes.’” *Officers for Justice*, 688
23 F.2d at 624. Thus, when analyzing the settlement, the amount is “not to be judged against a
24 hypothetical or speculative measure of what might have been achieved by the negotiators.” *Officers*

25
26 ² California courts look to federal authority on class actions. *Vasquez v. Superior Court*, 4 Cal.3d
27 800, 821 (1971). “It is well established that in the absence of relevant state precedents trial courts are
28 urged to follow the procedures prescribed in Rule 23 of the Federal Rules of Civil Procedure for
conducting class actions.” *Frazier v. City of Richmond*, 184 Cal. App.3d 1491, 1499 (1986), citing
Green v. Obledo, 29 Cal.3d 126, 145-146 (1981).

1 *for Justice*, 688 F.2d at 625, 628.

2 With regard to class action settlements, the opinions of counsel should be given considerable
3 weight both because of counsel's familiarity with this litigation and previous experience with cases
4 such as these. *Officers for Justice*, 688 F.2d at 625. As a result, courts hold that the recommendation
5 of counsel is entitled to significant weight. *Nat'l Rural Telecomms. Coop. v. DIRECTV, Inc.*, 221
6 F.R.D. 523, 528 (C.D. Cal. 2004).

7 **B. Factors To Be Considered In Granting Preliminary Approval**

8 A number of factors are to be considered in evaluating a settlement for purposes of preliminary
9 approval. In determining whether to grant preliminary approval, the court considers whether the "(1)
10 the proposed settlement appears to be the product of serious, informed, non-collusive negotiations, (2)
11 has no obvious deficiencies, (3) does not improperly grant preferential treatment to class
12 representatives or segments of the class, and (4) falls within the range of possible approval." *In re*
13 *Tableware Antitrust Litig.*, 484 F.Supp. 2d 1078, 1079 (N.D. Cal. 2007). Courts hold that "a
14 presumption of fairness exists where: (1) the settlement is reached through arm's-length bargaining;
15 (2) investigation and discovery are sufficient to allow counsel and the court to act intelligently; (3)
16 counsel is experienced in similar litigation; and (4) the percentage of objectors is small." *Kullar v.*
17 *Foot Locker Retail, Inc.*, 168 Cal. App. 4th 116, 128 (2008). Here, the Settlement meets all of these
18 criteria for preliminary approval and therefore the presumption applies.

19 **1. The Settlement is the Product of Serious, Informed and**
20 **Arm's Length Negotiations by Experienced Counsel**

21 This settlement is the result of extensive and hard-fought litigation as well as negotiations
22 before an experienced and well-respected mediator. Defendants have expressly denied and continue
23 to deny any wrongdoing or legal liability arising out of the conduct alleged in the Action. Plaintiffs
24 and Class Counsel have determined that it is desirable and beneficial to the Class to resolve the
25 Released Class Claims of the Class in accordance with this Settlement. The release applicable to the
26 Class is appropriately tethered to allegations in the Action. (Agreement at ¶¶ 1.38 and 6.2.)

27 Class Counsel are experienced and qualified to evaluate the class claims, the defenses asserted,
28 and the risks and benefits of trial and settlement, and Class Counsel are particularly experienced in

1 wage and hour employment class actions, as Class Counsel has previously litigated and certified similar
2 claims against other employers. Decl. Nordrehaug at ¶31. The view of qualified and well-informed
3 counsel that a class action settlement is fair, adequate, and reasonable is entitled to significant weight.
4 *See Kullar v. Foot Locker*, 168 Cal. App. 4th 116, 133 (2008) (the trial court "undoubtedly should
5 continue to place reliance on the competence and integrity of counsel, the involvement of a qualified
6 mediator, and the paucity of objectors to the settlement."); *Dunk*, 48 Cal. App. 4th at 1802.

7 The Parties attended an arms-length mediation session with David A. Rotman, a respected and
8 experienced mediator of wage and hour class actions, in order to reach this Settlement. In preparation
9 for the mediation, Defendants provided Class Counsel with payroll, time and employment data, along
10 with and other information regarding the Class Members, various internal documents, and other
11 compensation and employment-related materials. Class Counsel analyzed the data with the assistance
12 of damages expert Berger Consulting and prepared and submitted a mediation brief to the mediator.
13 The final settlement terms were negotiated and set forth in the Agreement now presented for this
14 Court's approval. Decl. Nordrehaug at ¶ 5. Importantly, Plaintiffs and Class Counsel believe that this
15 Settlement is fair, reasonable and adequate.

16 Class Counsel has conducted a thorough investigation into the facts of the class action as
17 detailed in the Decl. Nordrehaug. Based on the Class data and their own independent investigation,
18 evaluation and experience, Class Counsel believes that the settlement with Defendants on the terms set
19 forth in the Agreement is fair, reasonable, and adequate and is in the best interest of the Class in light
20 of all known facts and circumstances, including the risk of significant delay, defenses asserted by
21 Defendants, and potential appellate issues. Decl. Nordrehaug at ¶ 14. Plaintiffs and Class Counsel
22 recognize the risks, expense and length of continuing to litigate and trying this Action against
23 Defendants and then litigating possible appeals which could take several years. Plaintiffs and Class
24 Counsel have determined that the Settlement set forth in the Agreement is in the best interest of the
25 Class Members. Decl. Nordrehaug, ¶ 23.

26 Here, there can be no dispute that the litigation has been hard-fought with aggressive and
27 capable advocacy on both sides. The Parties were represented by experienced and capable counsel who
28 zealously advocated their positions. Accordingly, "[t]here is likewise every reason to conclude that

1 settlement negotiations were vigorously conducted at arms' length and without any suggestion of undue
2 influence." *In re Wash. Public Power Supply Sec. Litig.*, 720 F. Supp. 1379, 1392 (D. Ariz 1989).

3 **2. The Settlement Has No "Obvious Deficiencies" and Falls Well Within**
4 **the Range for Approval**

5 The proposed Settlement herein has no "obvious deficiencies" and is well within the range of
6 possible approval. All Class Members will receive an opportunity to participate in the Settlement and
7 receive payment according to the same formula. (Agreement at ¶ 3.2(e).) Based upon 2,172 Class
8 Members who worked an estimated 135,311 work weeks (Agreement at ¶ 4.1), the Gross Settlement
9 Amount provides an average value of \$690 per Class Member and \$11 per workweek and after
10 deductions the Net Settlement Amount provides an average recovery of \$406.30 per Class Member and
11 a recovery \$6.52 per workweek. Decl. Nordrehaug, ¶6.

12 The calculations to compensate for the amount due for the Class at the time of the mediation
13 were calculated by Berger Consulting, Plaintiffs' damage expert. As to the Class whose claims are at
14 issue in this Action, Plaintiffs used the expert to analyze the data and determine the potential unpaid
15 wages for the employees. The maximum potential damages were calculated to be \$795,362 for the
16 alleged unpaid wages for off-the-clock work due to at 5 minutes per shift, \$5,070 for the alleged unpaid
17 wages due to miscalculation of the regular rate when paying wages, \$4,437,176 for alleged meal period
18 damages based upon a 52% potential violation rate for shifts worked and after accounting for the meal
19 premiums actually paid by Defendants, \$4,504,053 for alleged rest period damages based upon the
20 same 52% potential violation rate for shifts worked, \$157,335 for alleged unreimbursed business
21 expenses for cell phone usage at \$5 per month. Decl. Nordrehaug, ¶6. As a result, the total damage
22 valuation was calculated that Defendants were subject to a maximum damage claim in the amount of
23 \$9,898,996. As to potential penalties, Plaintiffs calculated that potential waiting time penalties were
24 a maximum of between \$857,176 and \$4,356,141, and potential maximum wage statement penalties
25 were between \$172,350 and \$6,268,100, both depending on the predicate violation giving rise to the
26 penalty.³ Defendants vigorously disputed Plaintiffs' calculations and exposure theories. Decl.

27
28 ³ While Plaintiffs alleged claims for statutory penalties pursuant to Labor Code Sections 203 and
226, at mediation Plaintiffs recognized that these claims were subject to additional, separate defenses

1 Nordrehaug, ¶6.

2 Consequently, the Gross Settlement Amount of \$1,500,000 represents more than 15% of the
3 maximum value of the alleged damages at issue in this case at the time this Settlement was negotiated.⁴

4 The above maximum calculations should then be adjusted in consideration for both the risk of class
5 certification and the risk of establishing class-wide liability on all claims. Given the amount of the
6 settlement as compared to the potential value of claims in this case and the defenses asserted by
7 Defendants, this settlement is fair and reasonable.⁵ Clearly, the goal of this litigation has been met.

8 Decl. Nordrehaug, ¶6.

9 Where both sides face significant uncertainty, the attendant risks favor settlement. *Hanlon v.*
10 *Chrysler Corp.*, 150 F.3d 1011, 1026 (9th Cir. 1998). Here, a number of defenses asserted by
11 Defendants present serious threats to the claims of the Plaintiffs and the other Class Members.
12 Defendants asserted that Defendants' practices complied with all applicable Labor laws. Defendants
13 argued that Class Members were paid for all time worked and that all work time was properly recorded.
14 Defendants maintained there was no miscalculation of the regular rate when paying wages to the
15 Plaintiffs and the Class. Defendants contend that their meal and rest period policies fully complied
16 with California law and that Defendants did not fail to provide the opportunity for legally required meal

17 _____
18 asserted by Defendants, including, a good faith dispute defense as to whether any premium wages for
19 meal or rest periods or other wages were owed given Defendants' position that Plaintiffs and Class
20 Members were properly compensated. *See Nordstrom Commission Cases*, 186 Cal. App. 4th 576, 584
21 (2010) ("There is no willful failure to pay wages if the employer and employee have a good faith
22 dispute as to whether and when the wages were due.").

23 ⁴ Because the PAGA claim is not a class claim and primarily is paid to the State of California,
24 Plaintiffs have not included the PAGA claim in this discussion of the value of the class claims. The
25 PAGA claim is addressed in the Decl. Nordrehaug at ¶33.

26 ⁵ See *Glass v. UBS Fin. Servs.*, 2007 U.S. Dist. LEXIS 8476 (N.D. Cal. 2007) (approving a
27 settlement where the settlement amount constituted approximately 25% of the estimated overtime
28 damages for the class); *Stovall-Gusman v. W.W. Granger, Inc.*, 2015 U.S. Dist. LEXIS 78671, at *12
(N.D. Cal. 2015) (granting final approval where "the proposed Total Settlement Amount represents
approximately 10% of what class might have been awarded had they succeeded at trial."); *Viceral v.*
Mistras Grp., Inc., 2016 WL 5907869 (N.D. Cal. 2016) (approving wage and hour class action
settlement amounting to 8.1% of full value); *Ma v. Covidien Holding, Inc.*, 2014 WL 2472316, (C.D.
Cal. 2014) (approving wage and hour class action settlement worth "somewhere between 9% and 18%"
of maximum valuation).

1 and rest breaks. Defendants could argue that its payment of significant meal period premiums is
2 evidence of its lawful practices. Defendants contend that there was no failure to pay for business
3 expenses and any cell phone usage was merely convenient and voluntary such that reimbursement was
4 not legally required. Finally, Defendants could argue that the Supreme Court decision in *Brinker v.*
5 *Superior Court*, 53 Cal. 4th 1004 (2012), weakened Plaintiffs' claims, on liability, value, and class
6 certifiability as to the meal and rest period claims. Defendants also argue that based on its facially
7 lawful practices, Defendants acted in good faith and without willfulness, which if accepted, would
8 negate the claims for waiting time penalties and/or inaccurate wage statements. If successful,
9 Defendants' defenses could eliminate or substantially reduce any recovery to the Class. While
10 Plaintiffs believe that these defenses could be overcome, Defendants maintain these defenses have
11 merit and therefore present a serious risk to recovery by the Class. Decl. Nordrehaug, ¶ 24.

12 There was also a significant risk that, if the Action was not settled, Plaintiffs would be unable
13 to obtain a certified class and maintain the certified class through trial, and thereby not recover on
14 behalf of any employees other than themselves. At the time of the mediation, Defendants forcefully
15 opposed the propriety of class certification, arguing that individual issues precluded class certification.
16 Further, as demonstrated by the California Supreme Court decision in *Duran v. U.S. Bank National*
17 *Assn.*, 59 Cal. 4th 1 (2014), there are significant hurdles to overcome for a class-wide recovery even
18 where the class has been certified. While other cases have approved class certification in wage and
19 hour claims, class certification in this action was hotly disputed and the maintenance of a certified class
20 through trial was by no means a foregone conclusion. Decl. Nordrehaug, ¶ 25.

21 After arm's length negotiations between experienced and informed counsel, the Parties
22 recognized the potential risks and agreed on the Settlement with a Gross Settlement Amount of
23 \$1,500,000. As the Court held in *Glass*, where the parties faced uncertainties similar to those here:

24 In light of the above-referenced uncertainty in the law, the risk, expense, complexity,
25 and likely duration of further litigation likewise favors the settlement. Regardless of
26 how this Court might have ruled on the merits of the legal issues, the losing party likely
27 would have appealed, and the parties would have faced the expense and uncertainty of
28 litigating an appeal. 'The expense and possible duration of the litigation should be
considered in evaluating the reasonableness of [a] settlement.'

2007 WL 221862, at *4 (quoting *In re Mego Financial Corp. Securities Litigation*, 213 F.3d 454, 458

(9th Cir. 2000)).

3. The Settlement Does Not Improperly Grant Preferential Treatment To Class Representatives or Segments Of The Class

The relief provided in the Settlement will benefit all members of the Class. The Settlement does not grant preferential treatment to Plaintiffs or segments of the Class in any way. Payments to the Class Members are all determined under a neutral methodology. Each Participating Class Member will receive the same opportunity to participate in and receive payment through a neutral formula that is based upon the weeks worked for that individual. Decl. Nordrehaug, ¶4.

Plaintiffs will apply to the Court for Class Representative Service Payments in consideration for their service and for the risks undertaken on behalf of the Class. (Agreement at ¶ 3.2(a).) Plaintiffs performed their duties admirably by working with Class Counsel over the course of litigation. The Declaration of the Plaintiffs are submitted herewith in support. Decl. Nordrehaug at ¶27. At this stage, the requested service award is within the accepted range of awards for purposes of preliminary approval. *See e.g. Andrews v. Plains All Am. Pipeline L.P.*, 2022 U.S. Dist. LEXIS 172183, at *11 (C.D. Cal. 2022) (finding that the requested service awards of \$15,000 each are appropriate); *Reynolds v. Direct Flow Med., Inc.*, 2019 U.S. Dist. LEXIS 149865, at *19 (N.D. Cal. 2019) (granting request for \$12,500 service award); *Mathein v. Pier 1 Imps. (U.S.), Inc.*, 2018 U.S. Dist. LEXIS 71386 (E.D. Cal. 2018) (awarding \$12,500 where average class member payment was \$351); *Louie v. Kaiser Foundation Health Plan, Inc.*, 2008 WL 4473183, *7 (S.D. Cal. Oct. 06, 2008) (awarding \$25,000 service award to each of six plaintiffs in overtime class action); *Glass v. UBS Fin. Servs.*, 2007 WL 221862, *16-17 (N.D. Cal. 2007) (awarding \$25,000 service award in overtime class action and a pool of \$100,000 in enhancements). As explained in *Glass*, service awards are routinely awarded to class representatives to compensate the employees for the time and effort expended on the case, for the risk of litigation, for the fear of suing an employer and retaliation there from, and to serve as an incentive to vindicate the statutory rights of all employees. 2007 WL 221862 at *16-17.

4. The Stage Of The Proceedings Are Sufficiently Advanced To Permit Preliminary Approval Of The Settlement

The stage of the proceedings at which this Settlement was reached also militates in favor of preliminary approval and ultimately, final approval of the Settlement. Class Counsel has conducted

1 a thorough investigation into the facts of the class action. Class Counsel began investigating the Class
2 Members' claims before the Action were filed, and during the course of litigation, and Class Counsel
3 and engaged in both formal and informal discovery to obtain necessary information. Class Counsel
4 conducted a review and analysis of the relevant documents and data. Class Counsel was also
5 experienced with these claims, as Class Counsel previously litigated and settled similar claims in other
6 actions. Accordingly, the agreement to settle did not occur until Class Counsel possessed sufficient
7 information to make an informed judgment regarding the likelihood of success on the merits and the
8 results that could be obtained through further litigation. Decl. Nordrehaug at ¶28.

9 Based on the foregoing data and their own independent investigation and evaluation, Class
10 Counsel is of the opinion that the Settlement with Defendants for the consideration and on the terms
11 set forth in the Agreement is fair, reasonable, and adequate and is in the best interest of the Class in
12 light of all known facts and circumstances, including the risk of significant delay, defenses asserted by
13 Defendants, and numerous potential appellate issues. Decl. Nordrehaug at ¶29.

14 **V. THE CLASS IS PROPERLY CERTIFIED FOR SETTLEMENT PURPOSES ONLY**

15 Plaintiffs contend that the proposed settlement meet all of the requirements for class
16 certification under California Code of Civil Procedure § 382 as demonstrated below, and therefore, the
17 Court may appropriately approve the Class as defined in the Agreement. This Court should
18 conditionally certify the Class for settlement purposes only, defined as follows:

19 All current and former hourly-paid or non-exempt employees of either of the
20 Defendants and any of Defendants' parents, subsidiaries, or affiliates in California
employed at any time during the Class Period.

21 (Agreement at ¶ 1.5.)

22 The Class Period is from April 15, 2021 through December 11, 2023. (Agreement at ¶ 1.13)

23 **A. California Code of Civil Procedure § 382**

24 Plaintiffs seek certification of this Class for settlement purposes under California Code of Civil
25 Procedure § 382. The California Supreme Court has summarized the standard for determining whether
26 class certification is appropriate as follows:

27 Code of Civil Procedure Section 382 authorizes class actions “when the question is one
28 of a common or general interest, of many persons, or when the parties are numerous,
and it is impracticable to bring them all before the court....” The party seeking

1 certification has the burden to establish the existence of both an ascertainable class and
2 a well-defined community of interest among class members. (*citations omitted*). The
3 “community of interest” requirement embodies three factors: (1) predominant common
questions of law or fact; (2) class representatives with claims or defenses typical of the
class; and (3) class representatives who can adequately represent the class.

4 *Sav-On Drug Stores, Inc. v. Superior Court*, 34 Cal. 4th 319, 326 (2004).

5 While Defendants reserve all rights to dispute that the Plaintiffs can satisfy these requirements,
6 the Parties agree that Defendants will not dispute that these requirements may be satisfied in this case
7 for purposes of settlement only and therefore, the proposed Class should be certified for purposes of
8 settlement only. (Agreement at ¶ 2.9.)

9 **B. The Proposed Class Is Ascertainable and Numerous**

10 Plaintiffs bring this action on behalf of a Class of non-exempt employees of Defendants during
11 the Class Period. Plaintiffs assert that all of these individuals are ascertainable because the class
12 members can readily be determined through examination of Defendants’ files. Given that the Class
13 consists of approximately 2,172 individuals, Plaintiffs maintain that numerosity is clearly satisfied.
14 *See Bowles v. Superior Court*, 44 Cal.2d 574 (1955) (class with 10 members sufficiently numerous);
15 *Rose v. City of Hayward*, 126 Cal.App.3d 926, 934 (1981) (class of 48 members satisfies numerosity
16 requirement.) Here, Plaintiffs assert that the 2,172 current and former employees that comprise the
17 Class can be identified based on Defendants’ records and are sufficiently numerous for class
18 certification. Decl. Nordrehaug at ¶30.

19 **C. Common Issues of Law and Fact Predominate**

20 Predominance of common issues of law or fact does not require that the common issues be
21 dispositive of the entire controversy or even that they be dispositive of all liability issues. 1 *Newberg*
22 *on Class Actions*, Section 4.25 at 4-82, 4-83 (1992). “Predominance is a comparative concept, and ‘the
23 necessity for class members to individually establish eligibility and damages does not mean individual
24 fact questions predominate.’” *Sav-On*, 34 Cal. 4th at 334.

25 Commonality exists if there is a predominant common legal question regarding how an
26 employer’s policies impact its employees. *Ghazaryan v. Diva Limousine, Ltd.*, 169 Cal. App. 4th 1524,
27 1536 (2008) (“[T]he common legal question remains the overall impact of Diva's policies on its
28 drivers.”) Whether the plaintiff is likely to prevail on their theory of recovery is irrelevant at the

1 certification stage since the question is “essentially a procedural one that does not ask whether an action
2 is legally or factually meritorious.” *Linder v. Thrifty Oil Co.*, 23 Cal. 4th 429, 439-440 (2003).

3 Here, Plaintiffs contend that common questions of law and fact are present, specifically the
4 common questions of whether Defendants’ employment practices were lawful, whether Defendants
5 failed to provide meal and rest periods to Class Members, whether Class members were lawfully
6 compensated for all hours worked, whether Defendants miscalculated the regular rate when paying
7 Class Member overtime, meal period premiums and/or sick pay, whether Defendants failed to provide
8 required expense reimbursement, and whether Class Members are entitled to damages and penalties
9 as a result of these practices. Plaintiffs contend that certification of this Class is appropriate because
10 Defendants allegedly engaged in uniform practices with respect to the Class Members. As a result,
11 these common questions of liability could be answered on a class wide basis. Decl. Nordrehaug, ¶30.
12 Defendants dispute that common questions predominate but will not oppose such a finding for purposes
13 of this Settlement only.

14 **D. The Claims of the Plaintiffs Are Typical of the Class Claims**

15 The typicality requirement requires the Plaintiffs to demonstrate that the members of the class
16 have the same or similar claims as the Plaintiffs. “The typicality requirement is met when the claims
17 of the [p]laintiff arise from the same event or are based on the same legal theories.” *Tate v.*
18 *Weyerhaeuser Co.*, 723 F.2d 598, 608 (8th Cir. 1983). In *Hanlon, supra*, 150 F.3d at 1020, the Ninth
19 Circuit held that “[u]nder the rule’s permissive standards, representative claims are ‘typical’ if they are
20 reasonably coextensive with those of absent class members; they need not be substantially identical.”

21 In this Action, Plaintiffs contend that the typicality requirement is fully satisfied. Plaintiffs, like
22 every other member of the Class, were employed by Defendants as non-exempt employees, and, like
23 every other member of the Class, were subject to the same employment practices. Plaintiffs, like every
24 other member of the Class, also claim owed compensation as a result of the Defendants’ uniform
25 company policies and practices. Thus, the claims of Plaintiffs and the members of the Class arise from
26 the same course of conduct by Defendants, involve the same issues, and are based on the same legal
27 theories. Decl. Nordrehaug at ¶30. For purposes of settlement, Plaintiffs assert that the typicality
28

1 requirement is met as to the common issues presented in this case. Defendants do not oppose a finding
2 of typicality for purposes of this Settlement only.

3 **E. The Class Representation Fairly and Adequately Protected the Class**

4 Plaintiffs contends that the Class Members are adequately represented here because Plaintiffs
5 and representing counsel (a) do not have any conflicts of interest with other class members, and (b) will
6 prosecute the case vigorously on behalf of the class. *Hanlon*, 150 F.3d at 1020. This requirement is
7 met here. First, Plaintiffs are well aware of their duties as the representatives of the Class and have
8 actively participated in the prosecution of this case to date. Plaintiffs effectively communicated with
9 Class Counsel, provided documents and information to Class Counsel, and participated in the
10 investigation and resolution of the Action. The personal involvement of the Plaintiffs was essential to
11 the prosecution of the Action and the monetary settlement reached. Second, Plaintiffs retained
12 competent counsel who are experienced in employment class actions and who have no conflicts. Decl.
13 Nordrehaug at ¶ 31. Third, there is no antagonism between the interests of the Plaintiffs and those of
14 the Class. Both the Plaintiffs and the Class Members seek monetary relief under the same set of facts
15 and legal theories. Under such circumstances, there can be no conflicts of interest, and adequacy of
16 representation is satisfied. *Reaves v. Ketoro, Inc.*, 2020 U.S. Dist. Lexis 167926, *23 (C.D. Cal. 2020).
17 Defendants dispute that the adequacy requirement is satisfied but will not oppose such a finding for
18 purposes of this Settlement only.

19 **F. The Superiority Requirement Is Met**

20 To certify a class, the Court must also determine that a class action is superior to other available
21 methods for the fair and efficient adjudication of the controversy. “Where classwide litigation of
22 common issues will reduce litigation costs and promote greater efficiency, a class action may be
23 superior to other methods of litigation.” *Valentino v. Carter-Wallace, Inc.*, 97 F.3d 1227, 1234 (9th Cir.
24 1996). As courts have previously observed:

25 Absent class treatment, each individual plaintiff would present in separate, duplicative
26 proceedings the same or essentially the same arguments and evidence, including expert
27 testimony. The result would be a multiplicity of trials conducted at enormous expense
28 to both the judicial system and the litigants. “It would be neither efficient nor fair to
anyone, including defendants, to force multiple trials to hear the same evidence and
decide the same issues.”

1 *Sav-On*, 34 Cal. 4th at 340, citing *Boggs v. Divested Atomic Corp.*, 141 F.R.D. 58, 67 (S.D. Ohio 1991).

2 Here, Plaintiffs contend that a class action is the superior mechanism for resolution of the
3 claims as pled by the Plaintiffs. While Defendants dispute that class treatment is superior, Defendants
4 do not dispute a finding of superiority in this action for purposes of this Settlement only.

5 **VI. THE PROPOSED METHOD OF CLASS NOTICE IS APPROPRIATE**

6 The Court has broad discretion in approving a practical notice program. *7-Eleven Owners for*
7 *Fair Franchising v. Southland Corp.*, 85 Cal. App. 4th 1135, 1164 (2000). The Parties have agreed
8 upon procedures by which the Class Members will be provided with written notice of the Settlement
9 similar to that approved and utilized in hundreds of class action settlements and the Class Notice
10 includes all relevant information with a Spanish translation included. (See Exhibit “A” to the
11 Agreement.) Decl. Nordrehaug at ¶32. The Class Notice will explain that the Class Members shall
12 have sixty (60) days from the date that the Class Notice is mailed to them (the “Response Deadline”)
13 to request exclusion (opt-out) or to submit a written objection. (Agreement at ¶¶ 1.42, 8.5, 8.7.) Class
14 Members shall be given the opportunity to object to the Settlement and/or the attorneys’ fees and
15 expenses, and to appear at the Final Approval Hearing. (Agreement at ¶ 8.7.) This notice program was
16 designed to meaningfully reach the Class Members and it advises them of all pertinent information
17 concerning the Settlement. Decl. Nordrehaug at ¶32. The distribution of the Class Notice satisfies the
18 requirements of due process, is the best notice practicable under the circumstances, and complies with
19 Rules of Court 3.766 and 3.769(f).

20 **VII. CONCLUSION**

21 Plaintiffs respectfully request that the Court preliminarily approve the proposed settlement and
22 sign the proposed Preliminary Approval Order, which is submitted herewith, and schedule the final
23 approval hearing for the proposed date of October 9, 2024.

24 Dated: May 2, 2024

**BLUMENTHAL NORDREHAUG BHOWMIK
DE BLOUW LLP**

25 By: /s/ Kyle Nordrehaug
26 Kyle R. Nordrehaug, Esq.
27 Attorney for Plaintiffs
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