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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ORANGE**

LETICIA SANCHEZ, as an individual and on
behalf of other similarly situated employees,

Plaintiff,

vs.

12232 CHAPMAN AVE, INC. DBA
CHAPMAN CARE CENTER, a California
corporation, CHAPMAN CARE CENTER, a
California corporation, and DOES 1-50,
inclusive,

Defendants

CASE NO: 30-2021-01195342-CU-OE-CXC

Assigned for all purposes to:
Judge William Claster
Dept. CX104

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

Hearing Date: August 19, 2022
Hearing Time: 9:00 a.m.
Department: CX104

Case filed: April 13, 2021
Trial date: TBD
Reservation No. 73805188

1 **I. INTRODUCTION**

2 Plaintiff Leticia Sanchez (“Plaintiff”) seeks an order from the Court approving the PAGA
3 Settlement between Plaintiff and 12232 Chapman Ave, Inc dba Chapman Care Center, (referred
4 to herein as “Defendants”). Plaintiff brought this action for violations of the California Labor
5 Code, both as an individual and in a representative capacity under the Private Attorney General
6 Act (“PAGA”), as well as for unlawful business practices (Bus. Prof. Code §17200, et seq.).

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

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

14 **A. BACKGROUND**

15 Plaintiff worked for Defendant as a non-exempt employee. Defendant operates as a care
16 facility. Plaintiff filed this Complaint on April 13, 2021. Through her April 13, 2021 Complaint,
17 Plaintiff alleged they and other similarly situated non-exempt employees in the state of
18 California were required to work through their meal and rest breaks (Cal. Lab Code § 512, 226.7
19 & Wage Order 5-2001), were not provided with accurate wage statements (Cal. Lab Code §
20 226(a), nor paid premium wages upon termination (Cal. Lab. Code § 203) and not paid all
21 minimum and overtime wages (Cal. Lab. Code §§ 510 and 1194). (See ROA No. 2) Plaintiff’s
22 wage and hour claims were brought on an individual and representative basis under PAGA
23 pursuant to Cal. Lab. Code § 2699 et seq. (*Id.*)

24 Defendant denied that Plaintiff and the other similarly situated employees were provided
25 inaccurate wage statements or had to purchase business materials.

1 **B. PAGA NOTICE**

2 On March 4, 2021, Plaintiff served via certified mail, return receipt requested, the LWDA
3 and the Defendants with notice of alleged wage and hour violations. (See Jackson Decl. ¶ 15, Ex.
4 E.) On March 25, 2021, Defendant filed a cure notice with the LWDA and served on Plaintiff’s
5 counsel. (See Jackson Decl. ¶ 16, Ex. F.) On April 15, 2021, Plaintiff served a response to
6 Defendant’s March 25, 2021 notice. (See Jackson Decl. ¶ 17, Ex. G.) On April 27, 2021, LWDA
7 sent a response letter concluding the Defendant’s cure notice was inadequate and no alleged
8 Labor Code violations were deemed curable. (See Jackson Decl. ¶ 18, Ex. H.)

9 **C. COMPLAINT**

10 On April 13, 2021, Plaintiff filed a complaint for damages, titled *Sanchez v. 12232*
11 *Chapman Ave Inc.*, filed in Orange County Superior Court Case 30-2021-01195342-CU-OE-
12 CXC (“Lawsuit”), alleging the following claims for claim for failure to provide accurate wage
13 statements, failure to maintain records, claim for failure to pay for meal periods and rest periods,
14 claim for failure to pay for minimum wages and overtime wages, and claim for failure to pay
15 upon termination and unlawful business practices.

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

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

26 Discovery was taken by Plaintiff, including payroll data and identifying the aggrieved
27 employees at issue that would be subjected to the various Labor Code violations. Additionally,
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1 during each phase of litigation, Plaintiff’s counsel engaged in a detailed case analysis based on
2 the information revealed. (Jackson Decl. ¶¶ 3-10.) Calculations were performed, as well as
3 analysis of the risks and rewards of continued litigation. (*Id.*) Under these assumptions, for
4 purposes of negotiation, it was determined that there were approximately a total of 260 total
5 aggrieved employees worked for Defendant during the relevant time period. Plaintiff that PAGA
6 penalties would realistically amount to approximately \$247,450 for all violations. (*Id.*)
7 However, risk factors and the decision of *Viking River Cruises, Inc. v. Moriana* (2022) 142 S. Ct.
8 1906 there was a 75% discount applied. (Jackson Decl. ¶ 10.) After several rounds of
9 negotiations, a settlement of \$125,000 was reached. (*Id.*) This settlement results in 50%
10 (\$247,450/\$125,000) of the maximum expected realistic exposure against Defendant for civil
11 penalties for PAGA claims for the aggrieved employees.

12 **E. SUBMISSION OF PAGA SETTLEMENT AGREEMENT AND MOTION TO**
13 **LWDA**

14 On June 23, 2022, Plaintiff submitted the PAGA Settlement Agreement, together with a
15 copy of this motion and all concurrently filed associated documents to the Labor and Workforce
16 Development Agency (“LWDA”). (Jackson Decl. ¶ 2, Ex. B.)

17 **III. LEGAL STANDARD**

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

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

IV. ARGUMENT

A. PAGA SETTLEMENT IS A FAIR OUTCOME IN THIS CASE

i. Plaintiff’s Core PAGA Allegations Wage Statement Violations

a. Labor Code Violations

In this case, the core basis to support Plaintiff’s PAGA claims were based upon meal break, rest break, minimum wage and overtime wages for working off-the-clock. (Jackson Decl. 3-10.) After analyzing the discovery, it was confirmed that approximately 260 aggrieved employees worked during the PAGA period. (*Id.*) It was also determined there was approximately 7000 pay periods during the relevant time period. (*Id.*)

b. Meal Break Violations

Based upon the payroll records, it was determined that the maximum exposure amounted to \$7,000 based upon a 1% violation rate during 7000 (7000 *1%) pay periods during the relevant time period. (Jackson Decl. ¶ 4.)

c. Rest Break Violations

There were no records evincing meal break violations. However, a conservative assumption while applying the same violation rate for meal breaks would also amount to \$7,000

1 based upon a 1% violation rate during 7000 (7000 *1%) pay periods during the relevant time
2 period. (Jackson Decl. ¶ 5.)

3 **d. Minimum Wage and/or Overtime Wage Violations**

4 Overtime and minimum wage violations were based upon the allegation that the
5 aggrieved employees were subjected to a policy of off-the-clock temperature checks before
6 beginning the shifts as well as before clocking-in. (Jackson Decl. ¶ 6.) It was alleged that these
7 activities would amount to approximately 5 minutes per shift of off-the-clock work. (*Id.*) This
8 policy and practice admittedly occurred between March 1, 2020 to March 1, 2021 estimating
9 approximately 3,500 pay periods. (*Id.*) Based upon this analysis, a maximum exposure would
10 amount to \$350,000 in penalty exposure. (*Id.*)

11 **e. Wage Statements**

12 This wage statement claim is based upon Defendants failing to include gross and net
13 wages and total hours worked as a result of failing to include meal break violations and off-the-
14 clock work in violation of Labor Code section 226(a)(1)(2)(5) and (9). (Jackson Decl. ¶ 7.) The
15 exposure under Labor Code 226(a) would amount to \$357,000 which is 51% of the maximum
16 exposure (3507 pay periods * \$100). (*Id.*)

17 **f. 203 Penalty Violations**

18 This penalty claim is based upon purported minimum wage or overtime violations. It was
19 estimated that 80 employees were terminated, laid off, or resigned whom were subjected to
20 Labor Code violations. (Jackson Decl. ¶ 8.) Each employee would presumably be entitled to
21 \$3,360 (\$14 avg. rate * 8 hours per day * 30 days * 80 employees) equating to \$268,800 in
22 penalties. (*Id.*)

23 **g. 2802 Penalty Violations**

24 After further investigation, these claims were value at \$0 given the lack of evidentiary
25 support for the 2802 claims given Defendant's policy and practice of not requiring any uniforms
26 that would be subject to qualify for reimbursements. (Jackson Decl. ¶ 9.)
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1 **ii. Settlement Achieves the Purpose of PAGA**

2 The purpose of PAGA is “to incentivize private parties to recover civil penalties for the
3 government that otherwise may not have been accessed and collected by overburdened state
4 enforcement agencies.” (See *Ochoa-Hernandez v. CJADERS Foods, Inc.* (N.D. Cal. Apr. 2,
5 2010) 2010 WL 1340777 at *4 (citing *Arias, supra*, 46 Cal.4th at 986.) Moreover, PAGA was
6 enacted “to achieve maximum compliance with state labor laws’ and “to ensure an effective
7 disincentive for employers to engage in unlawful and anticompetitive business practices.” 2003
8 Cal. Legis. Serv. H. 906 section 1(a).

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

11 (1) The extent to which the settlement achieves compliance with state labor laws;

12 (2) The extent to which the settlement deters violations of the state labor laws;

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

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

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

18 **1. Factors (1) and (2) Settlement Achieves Compliance with State Labor Laws and**
19 **Deters Further Violations**

20 As discussed above, several Labor Code violations were discovered. Defendant is paying
21 attorneys, the State and aggrieved employees for these Labor Code violations. This litigation
22 incentivized Defendant to ensure full compliance with the state Labor Code deterring further
23 similar violations thereby achieving this purpose of PAGA. This litigation caused Defendant to
24 add 2 minutes to 30,000 shifts to account for the potential off-the-clock work for COVID-19
temperature checks. (Jackson Decl. ¶ 15, Ex. G.)

25 **2. Factor (3) This Settlement Serves to Enlist Private Citizens in Public Enforcement**
26 **of PAGA**

27 Plaintiff also believe the proposed settlement acts to encourage private enforcement of
28 PAGA. Through the settlement, Plaintiff’s counsel will receive attorneys’ fees and costs as

determined by the Court, and all aggrieved employees will receive 25% share of the net settlement amount, as well as notice of the claim.

3. Factor (4) This Settlement is Just and in the Public Interest

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

First, *Viking River Cruises, Inc. v. Moriana* (2022) 142 S. Ct. 1906 has diminished the value of these claims if these claims were to proceed to trial given there is a class action and representative action waiver issue that could impact standing to bring any representative claims. Second, this Court has discretion to lower any penalties as a result of Labor Code violations creating further risks of discount.

Given the risks of the applicability of *Viking River* and the discretion to reduce penalties, the maximum exposure amount must be discounted by 75% resulting in a realistic expected exposure of \$247,450 (\$989,800 *.25) Here, the \$125,000 settlement amount is 50% of the realistic maximum exposure while incorporating risks. If the Court grants Plaintiff's motion, the State and the aggrieved employees will share approximately \$61,145.19 which is a substantial sum given the narrow release and extent of Labor Code violations.

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

Third, the settlement shall, even with deductions, provides a substantial sum to the State: \$45,858.89. It also provides a reasonable sum to each employee (around \$58.79) on a pro-rata basis. Given the purpose of PAGA is not to compensate employees, whom still retain any private rights of action they may have had under the applicable Labor Code provisions, this sum provided to the aggrieved employees is reasonable. Moreover, the settlement will also provide notice that describes the litigation and settlement sum. Plaintiff contends this notice will educate the aggrieved employees as to the requirement of the Labor Code, which is in the public interest intended to achieve the purpose of PAGA. (See Labor Code section 2699(j) (stating that civil penalties recovered under PAGA shall be distributed to the LWDA for [among other things]

1 “education of employers and employees about their legal rights and responsibilities under this
2 code.”)

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

6 **B. SETTLEMENT DISTRIBUTION UNDER PAGA**

7 The PAGA Settlement Agreement provides for a gross settlement of all PAGA penalties
8 in the amount of \$125,000.00. (Jackson Decl. ¶ 1, Ex. A, p. 4, Section S.) This settlement
9 amount covers civil penalties (to be shared between the LWDA and aggrieved employees), as
10 well as attorneys’ fees, litigation costs, and settlement administration costs. (*Id.*)

11 Pursuant to the agreement, the settlement amount will be distributed as follows: 1)
12 Thirty-Three and one-third percent, equaling \$41,662.50 will be apportioned to attorney’s fees to
13 Plaintiff’s counsel to procure the PAGA penalties; 2) Litigation costs in the amount of
14 \$9,692.31; 3) Settlement Administration costs in the amount of \$7,500.00; 4) A PAGA
15 Enhancement payment of \$5,000.00 will be awarded to Plaintiff; 5) of the remaining \$61,145.19,
16 Seventy-Five percent, equaling \$45,858.89 will be apportioned to the California Workforce
17 Development Agency; and 6) the remaining Twenty-Five percent, equaling \$15,286.30, will be
18 distributed to the PAGA group. (Jackson Decl. ¶ 1, Ex. A, pp. 3, 8, 12, Sections J, K, L, X, VI.)
19 The amount to be distributed to the PAGA group will be paid on a pro-rata basis by dividing the
20 Net Settlement Amount by the total number of pay periods worked by all members of the PAGA
21 Group during the settlement period and then multiplying the pay period amount by the number of
22 pay periods worked by the individual PAGA member. (Jackson Decl. ¶ 1, Ex. A, p. 9, Section
23 VIII.)

24 **C. ATTORNEY’S FEES AND COSTS UNDER PAGA SETTLEMENT** 25 **AGREEMENT**

26 The Labor Code permits a Plaintiff to seek attorney’s fees and costs for actions arising
27 under PAGA. (Cal. Lab. Code §2699, subd. (g)(1))
28

1 **1. Attorneys' Fees Are Justified**

2 **a. Lodestar Analysis**

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

9 In calculating attorney’s fees under the Labor Code, the court should follow the lodestar
10 approach adopted by the California Supreme Court in *Ketchum v. Moses* (2001) 24 Cal. 4th 1122,
11 1134. See also *Chavez v. City of Los Angeles* (2010) 47 Cal. 4th 970, 985. The “lodestar” method
12 is clearly defined in recent case law. It involves a five-step process. *In Re: Vitamin Cases* (2003)
13 110 Cal. App. 4th 1041, 1052. To determine the “lodestar number” – steps one through three of
14 the process – the court multiplies the number of hours reasonably worked by a reasonable hourly
15 rate. (*Id.*) Step four requires the Court to determine what, if any, multiplier should be applied to
16 the lodestar number. Step five determines the amount of the attorney fee award by applying the
17 multiplier to the lodestar number. (*Id.*)

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

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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*72.54 hours; Andrea Fernandez-Jackson \$440.00 .3 hours; Anthony Filer Jr. 2.51 hours * \$250 hourly rate; Yesenia Villalba 2.97 hours at \$145 hourly rate)	\$47,615.75 *no multiplier
TOTAL:	\$41,662.50 requested

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1 **b. The Number of Hours Expended by Plaintiff's Counsel Was Reasonable.**

2 “The starting point of every fee award...must be a calculation of the attorney’s services
3 in terms of the time he has expended on the case.” *Press v. Lucky Stores, Inc.*, (1983) 34 Cal. 3d
4 311, 322. Reasonable hours include, in addition to time spent during litigation, time spent before
5 the action is filed, including time reasonably spent interviewing the client, investigating the facts
6 and the law, and preparing the initial pleadings, as well as time spent in exhausting
7 administrative remedies. *New York Gaslight Club, Inc. v. Carey* (1980) 447 U.S. 54, 62.

8 The evidence submitted by PAGA Counsel in support of this motion reflect that PAGA
9 Counsel reasonably expended the following number of hours in the prosecution of this case.
10 (Jackson Decl. ¶¶ 3-10, 14 Ex. D) Jackson Law began filed this class action claim in April 2021,
11 more than 12 months prior to this hearing. A reasonable amount of work was performed pre-
12 litigation, including conducting an extensive intake process. (Jackson Decl. ¶¶ 3-10, 14 Ex. D)
13 Discovery was conducted by counsel regarding both the circumstances of the Plaintiff’s
14 employment, hours worked during his employment, meal breaks, wage statements, and rest
15 periods taken during his employment and Defendant’s policies in general regarding the
16 employment of individuals with respect to payment of wages, working conditions, meal breaks
17 and rest periods, minimum wage, overtime violations and unreimbursed business expenses.
18 (Jackson Decl. ¶¶ 3-10, 14 Ex. D)

19 The time expended during the discovery phase was also reasonably incurred. (*Id.*)
20 Thereafter, numerous hours were spent by counsel in performing damages analysis of over
21 aggrieved employees regarding their entitlement to wages for missed meal breaks, rest periods,
22 overtime, accurate wage statements, minimum wage claims, pay upon termination and
23 unreimbursed business expenses. (*Id.*)

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

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

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

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

17 The Jackson Declaration lays the proper foundation for why the hourly rates charged for
18 each attorney working on this case is reasonable and customary for those rates charged in
19 Southern California by attorney's with similar experience. (Jackson Decl. ¶¶ 3-10, 14 Ex. D)

20 Mr. Jackson's hourly rate on this matter was \$640 is consistent with the Laffey Matrix.
21 (Jackson Decl. ¶¶ 3-10, 14 Ex. D) Mr. Jackson is a senior attorney who has been litigating for
22 over 10 years. (*Id.*) He has handled over a hundred of employment matters on behalf of the
23 plaintiff in his career. (*Id.*) Mr. Jackson is a former member of the California Employment
24 Litigation Association ("CELA"). (Jackson Decl. ¶¶ 11-12.) Mr. Jackson has argued before the
25 Ninth Circuit and responsible for a published opinion. (*Id.*) Based on his experience, and based
26 on his own research for purposes of keeping his law firm competitive and profitable, he has
27 knowledge of the hourly rates other plaintiff's attorneys with similar experience charge in
28 employment cases. (*Id.*) Based on this foundation, Mr. Jackson believes that his regular hourly

1 rate of \$640 per hour is reasonable and similar to what attorneys with his tenure, experience and
2 expertise are charging in the Orange County area. (*Id.*) All other staff's hourly rates that worked
3 on this matter are also reasonable; Andrea Fernandez- Jackson at \$440 per hour as 8-year
4 California licensed attorney, Anthony Filer Jr. as 1-year California licensed attorney at \$250 per
5 hour and Yesenia Villalba as paralegal with 5 years of litigation experience at \$145 per hour.
6 (Jackson Decl. ¶ 21.)

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

8 "Our Supreme Court has explained that the reasonable hourly rate used for the lodestar
9 calculation 'is that prevailing in the community *for similar work.*'" *Syers Properties III, Inc. v.*
10 *Rankin*, 226 Cal.App.4th 691, 702, (2014). Reasonable hourly rates are determined by the
11 formula "'reasonable market value'" and reached by evaluating the "'comparable salaries earned
12 by private attorneys with similar experience and expertise in equivalent litigation'" and the
13 "'hourly amount to which attorneys of like skill in the area would typically be entitled.'"
14 (*Serrano v. Unruh*, 32 Cal. 3d 621, 640, fn. 31 (1982).)

15 As explained in the declaration of Armond Jackson, the current prevailing billing or
16 "market" rates for attorneys in the Orange County area range from \$200 to over \$600 per hour.
17 (*See, e.g., Bihun v. AT&T Information Systems, Inc.* (1993) 13 Cal. App. 4th 976, 1004-1005
18 (upholding an attorney's fee award in an action brought under the FEHA based on an hourly rate
19 of \$450 over ten years ago) (overruled on other grounds in *Lakin v. Watkins Assoc. Indus.* (1993)
20 6 Cal.4th 644, 664.)) Given the skill and experience of the attorneys who represented plaintiff,
21 an hourly rate of \$640 for Armond M. Jackson, \$440 for Andrea-Fernandez-Jackson, \$250 for
22 Anthony Filer Jr. and \$145 for Yesenia Villalba are reasonable. (Jackson Decl. ¶¶ 3-10, 14, 21
23 Ex. D)

24 **d. Laffey Matrix Rates**

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

e. Attorney's Fees

Plaintiff requests that 33.33% of the amount awarded under the PAGA will be apportioned to attorney's fees. (Jackson Decl. ¶ 1, Ex. A, p. 12, Section X) This amount is to be distributed from the lump sum of \$125,000.00 that was distributed to the claim brought under PAGA and amounts to a total of \$41,662.50. (*Id.*) A fee application of 33.33% was used in this case to be consistent with standard practices for representative actions. (*Id.*)

The attorney time spent, as well as the costs incurred, as to one necessarily affected the other. The Plaintiff had to establish that he was an aggrieved employee to be able to maintain standing under PAGA. (Cal. Lab. Code § 2699, subd. (a)). As of the date of this filing, in excess of 78 hours of attorney time, in excess of \$47,615.75 in legal fees, has been spent pursuing this case. A 33.33% allocation of the \$125,000.00 award to PAGA is \$41,662.50. (*Id.*) Based upon the standard practices for representative actions and the amount of time that has been spent pursuing the representative action in this case, the attorney's fees allocated are reasonable. (Jackson Decl, ¶ 14, Ex. D.)

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V. CONCLUSION

Dated: July 19, 2022

By: /s/ Armond M. Jackson
Armond M. Jackson
Attorney for Plaintiff Leticia Sanchez

