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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE

AMY PHELAN, individually, on a
representative basis, and on behalf of all
others similarly situated;

Plaintiff,

vs.

RLS-CMC, INC., a Delaware Corporation;
and DOES 1 through 20, inclusive;

Defendants.

Case No.: CVRI2101907
*[Assigned to Hon. Harold Hopp, Dept 1, for all
purposes]*

**PLAINTIFF'S UNOPPOSED MOTION FOR
FINAL APPROVAL OF CLASS ACTION
SETTLEMENT**

*Filed Concurrently with Declarations in Support
Thereof and [Proposed] Final Order and
Judgment*

Hearing

Date: March 8, 2024

Time: 8:30 a.m.

Dept.: 1

Complaint filed: 4/13/2021

TO THE HONORABLE COURT AND TO ALL PARTIES AND COUNSEL OF RECORD:

PLEASE TAKE NOTICE THAT on March 8, 2024, at 8:30 a.m., or as soon thereafter as
this matter may be heard by the Honorable Harold Hopp in Department 1 of the Riverside
County Superior Court located at 4050 Main Street, Riverside, CA 92501, Plaintiff Amy Phelan
respectfully moves this Court for an Order granting final approval of the class action settlement
between Plaintiff and Defendants RLS-CMC, Inc., Roger Lee Sanchez, and Jasmine Bormann,

1 which was preliminarily approved by the Court. This Motion, which is supported and unopposed
2 by Defendants, seeks final approval and entry of judgment of a \$250,000 settlement on behalf of
3 55 Participating Class Members.

4 Specifically, Plaintiff will and hereby does move the Court to grant final approval of the
5 Class and PAGA Settlement Agreement and Release of Claims (the "Settlement Agreement"),
6 and enter the proposed order and final judgment filed concurrently herewith:

7 1. Finally certifying the Class, as defined in the Settlement Agreement and the
8 Court's Order Granting Preliminary Approval of the Settlement;

9 2. Finally appointing Plaintiff as Class Representative for purposes of settlement;

10 3. Finally appointing Brian Mankin and Peter Carlson of Lauby Mankin Lauby LLP
11 as Class Counsel for purposes of settlement;

12 4. Finding that the Class Notice Packet was properly provided to the Class in
13 accordance with the Court's Order granting Preliminary Approval;

14 5. Finally approving the settlement as fair, adequate, and reasonable, based upon the
15 terms set forth in the Settlement Agreement;

16 6. Binding Participating Class Members, Plaintiff, and the State of California to the
17 terms of the Settlement Agreement, including the Released Class Claims and PAGA Released
18 Claims specified therein; and

19 7. Retaining jurisdiction to enforce the Settlement Agreement.

20 This Motion will be based upon this notice; the attached memorandum of points and
21 authorities; the Declarations of the Settlement Administrator (Taylor Mitzner of Phoenix
22 Settlement Administrators), Class Counsel (Brian Mankin and Peter Carlson) and Plaintiff Amy
23 Phelan filed concurrently herewith; the records and files in this action; and any other further
24 evidence or argument that the Court may receive at or before the hearing.

25 Dated: February 14, 2024

LAUBY, MANKIN & LAUBY LLP

26
27 BY:

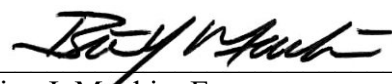

28 Brian J. Mankin, Esq.
Attorneys for Plaintiff and the Class

TABLE OF CONTENTS

I.	SUMMARY OF ARGUMENT AND ESSENTIAL POINTS	1
II.	SUMMARY OF THE SETTLEMENT	1
III.	THE NOTICE PROCESS.....	3
A.	Notice to the Class Members	3
B.	There were No Objections or Requests for Exclusion, Resulting in an Impressive 100% Class Participation in the Settlement	4
IV.	EVALUATION OF THE SETTLEMENT	4
A.	The Settlement was Reached through Informed Arms-Length Negotiation	5
B.	Plaintiff’s Investigation was Sufficient.....	5
C.	Class Counsel are Experienced in Similar Litigation and Endorse the Settlement	6
D.	Reasonable Estimated of the Nature and Amount of Recovery	6
V.	THE REQUESTED ATTORNEYS’ FEES ARE FAIR AND REASONABLE.....	7
A.	Plaintiff is Entitled to Recover Reasonable Attorneys’ Fees Under the Labor Code.....	7
B.	Class Counsel’s Request for Fees is Reasonable and Properly Calculated as a Percentage of the Common Fund.....	8
1.	The Attorneys’ Fees Requested Here Fall Within the Reasonable Range Awarded in Cases Under the Established Common Fund Method .	8
2.	The High Quality of Work and Excellent Result Support the Award	9
3.	Class Members had Sufficient Notice of the Requested Fees	10
4.	The Contingent Nature of Class Counsel’s Representation Further Supports the Fee Award at 1/3 of the Common Fund	10
5.	A Lodestar Cross-Check Confirms the Reasonableness of the Fee Award.....	11
VI.	THE REQUESTED COSTS AND SERVICE AWARD ARE REASONABLE	13
A.	The Requested Costs are Reasonable and Merit Approval.....	13
B.	The Requested Service Award is Reasonable and Merits Approval	14
VII.	OTHER MATTERS FOR FINAL APPROVAL.....	15
A.	Settlement Administrator Costs	15
B.	Uncashed Checks	15
C.	Final Report	15
VIII.	CONCLUSION.....	15

TABLE OF AUTHORITIES

Cases

<i>7-Eleven Owners for Fair Franchising v. Southland Corp.</i> (2000) 85 Cal.App.4th 1135	6
<i>Bell v. Am. Title Ins. Co.</i> (1991) 226 Cal.App.3d 1589	4
<i>Bell v. Farmers Insurance Exchange</i> (2004) 115 Cal.App.4th 715.....	14
<i>Boeing Co. v. Van Gemert</i> , 444 U.S. 472	9
<i>Chavez v. Netflix, Inc.</i> (2008) 162 Cal.App.4th 43	7
<i>Dunk v. Ford Motor Co.</i> (1996) 48 Cal.App.4th 1794	4, 5
<i>Ferguson v. Lieff, Cabraser, Heimann & Bernstein</i> (2003) 30 Cal.4th 1037.....	4
<i>Horsford v. Board of Trustees of California State University</i> , 132 Cal.App.4th 359 (2005). 10, 11	
<i>Kullar v. Foot Locker Retail, Inc.</i> (2008) 168 Cal.App.4th 116.....	6
<i>Laffitte v. Robert Half International, Inc.</i> (2016) 1 Cal.5th 480.....	7, 8
<i>Litwin v. iRenew Bio Energy Solutions, LLC</i> (2014) 226 Cal.App.4th 877	10
<i>PLCM Group, Inc. v. Drexler</i> (2000) 22 Cal.4 th 1084.....	12
<i>Press v. Lucky Stores, Inc.</i> (1983) 34 Cal.3d 311	12
<i>Serrano III v. Priest</i> (1977) 20 Cal.3d 25	9
<i>Sternwest Corp v. Ash</i> (1986) 183 Cal.App.3d 74.....	12
<i>Wershba v. Apple Computers, Inc.</i> (2001) 91 Cal.App.4th 246	6
<i>Williams v. MGM-Pathe Communs. Co.</i> (9th Cir. 1997) 129 F.3d 1026.....	9

Statutes

<i>Laguna v. Coverall North America, Inc.</i> (9th Cir. 2014) 753 F.3d 918	11
<i>Mandujano v. Basic Vegetable Prods., Inc.</i> (9th Cir. 1976) 541 F.2d 672.....	4
<i>Rodriguez v. West Publishing</i> (9th Cir. 2009) 563 F.3d 948	14
<i>Van Bronkhorst v. Safeco Corp.</i> (9th Cir. 1976) 529 F.2d 943	4
<i>Vizcaino v. Microsoft Corp</i> (9th Cir. 2002) 290 F.3d 1043	10
<i>Whiteway v. FedEx Kinkos Office & Print Svcs., Inc.</i> (N.D. Cal. Dec. 17, 2007) 2007 WL 4531783.....	14

Rules

California Rules of Court Rule 3.769	5
California Rules of Court, Rule 3.766	3
California Rules of Court, Rule 3.769	1, 3, 5, 10

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. SUMMARY OF ARGUMENT AND ESSENTIAL POINTS**

3 Pursuant to California Rules of Court, Rule 3.769 (d) and (e), Plaintiff Amy Phelan
4 respectfully requests that this Court grant final approval of the Class and PAGA Settlement
5 Agreement and Release of Claims (the “Settlement Agreement” or “S.A.”) on file in this action,
6 which is supported and unopposed by Defendants RLS-CMC, Inc., Roger Lee Sanchez, and
7 Jasmine Bormann, and enter the proposed order and final judgment in this matter.

8 There are several essential reasons why this settlement should be approved, and judgment
9 entered accordingly, as follows:

10 • After considerable work in litigation, including fighting off a removal to federal
11 court, along with substantial exchange of information via formal discovery and informal
12 exchange prior to mediation, the Parties reached a \$250,000 settlement on behalf of only 55
13 Class Members;

14 • The Class Members were deemed to participate in the Settlement and were not
15 required to submit a claim form to receive funds;

16 • There is no reversion to Defendants; and

17 • There were zero objections and zero Requests for Exclusion, meaning 100% of
18 the Class is currently participating in the Settlement.

19 Thus, in accordance with the analysis and law set forth herein, as well as in the
20 preliminary approval motion, the Settlement should be approved, and judgment entered based on
21 the determination that the Settlement is fair, reasonable, adequate, and in the best interests of the
22 Class. (Declaration of Class Counsel, Brian J. Mankin [“Mankin Decl.”] ¶¶ 13, 14, 35).

23 **II. SUMMARY OF THE SETTLEMENT**

24 Plaintiff and the Class Members include all current and former nonexempt employees
25 employed by Defendants in California at any time during the Class Period (which is April 13,
26 2017, through May 2, 2023). The primary claims (which Defendants vehemently disputed)
27 involved allegations that Defendants failed to pay the Class all wages owed, failed to provide
28 compliant meal and rest breaks, failed to reimburse for business expenses, as well as wage

statement violations, waiting time penalties, and PAGA penalties arising from the same underlying conduct.

The Settlement includes 55 Participating Class Members, and the following is a breakdown of how the funds are allocated under the Settlement Agreement (Declaration of Taylor Mitzner of Phoenix Settlement Administrators (“Mitzner Decl.”) ¶ 12):

<i>Gross Settlement Amount</i>	\$ 250,000.00
Attorneys’ Fees (1/3)	\$ 83,333.33
Litigation Costs	\$ 9,564.47
Administrator Costs	\$ 6,000.00
PAGA Penalties	\$ 10,000.00
Credit for Prior Payments made by Defendants	\$ 25,343.98
Class Representative Service Awards	\$ 5,000.00
<i>Net Settlement Amount</i>	\$ 110,758.22

The Participating Class Members were deemed to participate and did not need to submit a Claim Form to receive payment. (S.A. ¶ 26). Each Participating Class Member will receive an Individual Class Payment which will be calculated and apportioned from the Net Settlement Amount based on the number of Share Points credited to the individual, which is based on Weeks Worked by each Class Member during certain portions of the Class Period. (S.A. ¶ 54(c) [also noting that Individual Class Payments will be reduced by any “Prior Payment” received]).

Assuming all of the amounts in the Settlement are approved by the Court, the highest payment to Participating Class Members is estimated to be approximately \$12,861.30; the average payment is estimated to be \$2,013.49, and; the lowest is \$50.00 for a short-term employee who only worked a short time during the Class Period. (Mitzner Decl. ¶ 13).

In addition, 54 Aggrieved Employees will share in the \$2,500 PAGA Payment based on Weeks Worked, who will receive \$46.30 each on average. (Mitzner Decl. ¶ 15).

The Individual Settlement Payments to Participating Class Members will be allocated as one-third to wages subject to standard withholdings and two-thirds for interest and statutory penalties (pursuant to, e.g., California Labor Code sections 203, 210, 226) from which no taxes will be withheld. The Settlement Administrator will issue to each Participating Class Member an Internal Revenue Service Form W-2 and comparable state forms with respect to the wage

1 allocation and a Form 1099 with respect to the penalties and interest allocations. (S.A. ¶ 54(d)).
2 Payments to Aggrieved Employees will be treated as civil penalties and paid on a Form 1099.

3 The Settlement Agreement provides that Defendants shall fund the Settlement Amount
4 within 30 days of the Effective Date, which is anticipated to be the date the Court enters an order
5 granting Final Approval. The Settlement Administrator is then required to issue payments within
6 10 calendar days of receipt of the payment. (S.A. ¶¶ 76-77). Class Members will have 180 days
7 to cash the settlement check. (S.A. ¶ 78). If a Class Member fails to cash a check by the deadline,
8 the Administrator shall issue unclaimed funds to the California State Controller in the name of
9 the Participating Class Member/Aggrieved Employee.

10 **III. THE NOTICE PROCESS**

11 **A. Notice to the Class Members**

12 Pursuant to the Court's Order and the Settlement Agreement, the Parties directed the
13 Settlement Administrator to review and update the Class Members' addresses, mail the Court-
14 approved Notice Packet, and process their responses. (Mitzner Decl. ¶ 2). Prior to mailing the
15 Notice Packet, the Settlement Administrator performed a National Change of Address search on
16 all Class Members to determine if any had moved. (*Id.* at ¶ 4). Then, on December 4, 2023, the
17 Notice Packet was sent via first-class mail to the 55 Class Members to advise each about the suit
18 and settlement. There were no Notice Packets undeliverable or returned notices; thus, there was
19 a **100% success rate** in mailing the Notice Packets. (*Id.* at ¶ 5).

20 In accordance with California Rules of Court, Rules 3.766(d) and 3.769(f), the Notice
21 Packet provided Class Members with (1) a brief explanation of the case; (2) an explanation of
22 each Settlement Class Member's right to opt out of the settlement class; (3) an explanation of the
23 process (and relevant deadlines) through which a Class Member could opt out of the settlement
24 class; (4) notice about the binding nature of the Judgment for Class Members who do not opt out;
25 (5) an explanation of each Settlement Class Member's right to appear through counsel; (6) an
26 explanation of each Settlement Class Member's right to appear at the fairness hearing and
27 express views on the settlement, i.e., object or otherwise respond; and (7) an explanation of each
28 Class Member's right to participate in the Settlement and receive payment accordingly. (*See*

1 **Exhibit A** to the Mitzner Decl.).

2 **B. There were No Objections or Requests for Exclusion, Resulting in an**
3 **Impressive 100% Class Participation in the Settlement**

4 California law makes clear that the percentage of objectors and opt-outs is an important
5 factor in the Court’s consideration of a proposed class action settlement. *Dunk v. Ford Motor*
6 *Co.* (1996) 48 Cal.App.4th 1794, 1802; *see also Mandujano v. Basic Veg. Prods., Inc.* (9th Cir.
7 1976) 541 F.2d 672, 677 (where the Ninth Circuit recognized that the number or percentage of
8 class members who object to the settlement is a significant factor in the final fairness analysis).

9 In this case, there are zero objections and zero opt-outs to the Settlement -- meaning that
10 100% of the Class Members are currently participating in the Settlement. (Mitzner Decl. ¶¶ 7-8).
11 Considering this positive reaction to the Settlement and its overall terms, it is clear that the
12 Settlement, which was the product of arm’s-length negotiations, is fair and reasonable and the
13 Parties therefore respectfully request that the Court grant final approval and enter the proposed
14 judgment as requested. *See Dunk*, 48 Cal.App.4th at 1800-1802 (class action settlements should
15 be approved if they are fair and reasonable, and a low percentage of objectors and opt-outs is
16 evidence of an agreement’s fairness).

17 **IV. EVALUATION OF THE SETTLEMENT**

18 It is axiomatic that California law strongly favors and encourages settlements. *See*
19 *Stambaugh v. Super. Ct.* (1976) 62 Cal.App.3d 231, 236. This presumption in favor of
20 settlement applies with particular force in the context of class actions. *See Ferguson v. Lieff,*
21 *Cabraser, Heimann & Bernstein* (2003) 30 Cal.4th 1037 (Kennard, J., concurring and dissenting)
22 (“[p]ublic policy favoring settlement is especially weighty for class actions”); *Bell v. Am. Title*
23 *Ins. Co.* (1991) 226 Cal.App.3d 1589, 1607-1608 (affirming approval of a class settlement and
24 implicitly endorsing its citation of federal precedent for the notion that there is a “strong public
25 policy in favor of settlement of class actions”); *Van Bronkhorst v. Safeco Corp.* (9th Cir. 1976)
26 529 F.2d 943, 950 (“it hardly seems necessary to point out that there is an overriding public
27 interest in settling and quieting litigation. This is particularly true in class action suits”).
28

1 When entertaining a request for final approval of a class action settlement, a court's
2 fundamental consideration is whether the settlement is fair, adequate and reasonable. *Dunk*, 48
3 Cal.App.4th at 1801, fn. 7 (noting that state courts look to federal authority concerning the
4 approval of class settlements); California Rules of Court, Rule 3.769 (g).

5 Fairness is presumed when: (1) the settlement is reached through arm's-length
6 bargaining; (2) investigation and discovery are sufficient to allow counsel and the court to act
7 intelligently; (3) counsel is experienced in similar litigation; (4) the percentage of objectors and
8 opt outs is small, and (5) the range of reasonableness of the settlement fund to a possible
9 recovery in light of all attendant risks of litigation." *Dunk*, 48 Cal.App.4th at 1802. All five of
10 these factors are discussed in detail below.

11 **A. The Settlement was Reached through Informed Arms-Length Negotiation**

12 Courts presume the absence of fraud or collusion in the negotiation of a settlement,
13 unless evidence to the contrary is offered. Thus, there is a presumption here that the negotiations
14 were conducted in good faith. *See* 3 Alba Conte & Newberg, *supra*, at § 11.51. The proposed
15 settlement here was the product of arm's-length negotiation before a highly experienced and
16 reputable class action mediator to reach a settlement.

17 Here, Plaintiff and Class Counsel have diligently investigated the claims raised in this
18 litigation and, after taking into account the disputed factual and legal issues involved in this
19 action, the risks attending further prosecution, and the benefits to be received pursuant to the
20 compromise and settlement of the action as set forth in the Settlement, concluded that the
21 settlement terms are fair, reasonable, and in the best interest of the Settlement Class.
22 As the Settlement Agreement itself reveals, the Settlement is designed to fairly and adequately
23 compensate all Class Members. And, pursuant to California Rules of Court Rule 3.769(b), the
24 parties have disclosed the agreed upon and proposed attorney fee award, which is well within the
25 range of reasonableness for matters of this nature.

26 **B. Plaintiff's Investigation was Sufficient**

27 As set forth at the time of preliminary approval, Class Counsel's investigation into the
28 facts and merits of the wage and hour claims alleged included substantial formal discovery and

1 meet and confer, along with analyzing substantial amounts of information, correspondence,
2 documents, pay data, policies and procedures, and evidence relating to the class size and the
3 commonality of the claims. During this process, Plaintiff and Class Counsel conducted
4 investigations into the potential claims of the similarly situated employees, as well as researching
5 and investigating Defendants' defenses. Finally, Class Counsel synthesized and analyzed
6 information provided by Defendants as to the total Class Members, the number of current and
7 former employees, the number of employees who worked during various time periods, and
8 prepared comprehensive damages calculations regarding the claims at issue.

9 **C. Class Counsel are Experienced in Similar Litigation and Endorse the**
10 **Settlement**

11 Class Counsel are experienced in this type of litigation, and they have (and hereby do)
12 represent that this Settlement is fair and reasonable. (Mankin Decl. ¶¶ 8-14)); *see 7-Eleven*
13 *Owners for Fair Franchising v. Southland Corp.* (2000) 85 Cal.App.4th 1135, 1152 (Final
14 approval of settlement affirmed where counsel were all experienced litigators with class-action
15 experience and had recommended settlement based on the negotiated terms).

16 **D. Reasonable Estimated of the Nature and Amount of Recovery**

17 Plaintiff's Motion for Preliminary Approval contained a comprehensive *Kullar* analysis
18 which sufficiently provided the Court with "basic information about the nature and magnitude
19 of the claims in question and the basis for concluding that the consideration being paid for the
20 release of those claims represents a reasonable compromise." *Kullar v. Foot Locker Retail,*
21 *Inc.* (2008) 168 Cal.App.4th 116, 133. Of course, a settlement is not judged against what might
22 have been recovered had a plaintiff prevailed at trial, nor does the settlement have to provide
23 100% of the damages sought to be fair and reasonable. *Wershba v. Apple Computers, Inc.* (2001)
24 91 Cal.App.4th 246, 250 ("Compromise is inherent and necessary in the settlement process ...
25 even if the relief afforded by the proposed settlement is substantially narrower than it would be if
26 the suits were to be successfully litigated, this is no bar to a class settlement because the public
27 interest may indeed be served by a voluntary settlement in which each side gives ground in the
28 interest of avoiding litigation").

1 Considering the uncertainties of protracted litigation, this negotiated settlement reflects
2 the best practicable recovery for the Class. While the total settlement amount is, of course, a
3 compromise figure, the potential risks and opportunities of both parties were effectively
4 weighed and considered by the parties, resulting in a fair and equitable settlement. Based upon
5 detailed data obtained through informal discovery and information exchanges, and factoring in
6 class certification probabilities and liability probabilities, Class Counsel formulated detailed
7 damages models to evaluate the claims for mediation in order to reach a realistic and
8 reasonable resolution as set forth at preliminary approval.

9 **V. THE REQUESTED ATTORNEYS' FEES ARE FAIR AND REASONABLE**

10 For their efforts in creating a common fund for the benefit of the class, the Settlement
11 Agreement provided that Class Counsel may seek reasonable fees of \$83,333.33 (one-third of the
12 Gross Settlement Amount). These fees are warranted under the law and within the range of fees
13 commonly awarded in similar cases.

14 As shown herein, the requested percentage of one-third of the settlement fund as payment
15 for attorneys' fees should be granted for several reasons. First, one-third is the standard
16 benchmark in California for class action settlements. *See, e.g., Chavez v. Netflix, Inc.* (2008) 162
17 Cal.App.4th 43, 66 n. 11 ("Empirical studies show that, regardless whether the percentage
18 method or the lodestar method is used, fee awards in class actions average around one-third of
19 the recovery"). Second, the California Supreme Court upheld that the percentage of the fund
20 method survives in California class action cases. *See Laffitte v. Robert Half International, Inc.*
21 (2016) 1 Cal.5th 480. Third, the requested amount is eminently reasonable through the prism of
22 a lodestar cross-check. Accordingly, this request should receive final approval.

23 **A. Plaintiff is Entitled to Recover Reasonable Attorneys' Fees Under the Labor**
24 **Code**

25 Plaintiff and the Class in this action are entitled to recover reasonable attorneys' fees,
26 expenses and costs under section 218.5 of the California Labor Code, which provides that, "[i]n
27 any action brought for the nonpayment of wages ... the Court shall award reasonable attorneys'
28 fees and costs to the prevailing party." In addition, Plaintiff and the Class are entitled to recover

1 reasonable attorneys' fees pursuant to section 1194.2 of the Labor Code, which provides that,
2 "... any employee receiving less than the legal minimum wage ... applicable to the employee is
3 entitled to recover in a civil action the unpaid balance of the full amount of this minimum
4 wage... including ... reasonable attorney's fees, and costs of suit." Plaintiff is also entitled to
5 fees and costs under section 226(e) of the Labor Code (employee who prevails on claim for
6 itemized wage statement violation "is entitled to an award of costs and reasonable attorneys'
7 fees"), under PAGA (Labor Code § 2699(g), which provides "Any employee who prevails in any
8 action shall be entitled to an award of reasonable attorney's fees and costs, including any filing
9 fee paid"), and, potentially, section 1021.5 of the California Code of Civil Procedure.

10 **B. Class Counsel's Request for Fees is Reasonable and Properly Calculated as a**
11 **Percentage of the Common Fund**

12 Under the "common fund" doctrine, the request for attorneys' fees in the amount of 1/3
13 of the common fund is reasonable and appropriate, because (1) it is within the approved range
14 for percentages awarded as attorneys' fees in similar cases; (2) it is supported by the high quality
15 of Class Counsel's work on this case and the results obtained for the Class; (3) the Class had
16 sufficient notice of the fee request; (4) it is supported by the fact that this case was handled on a
17 contingency basis and was undertaken despite various risks and expenses; and (5) the lodestar
18 cross-check supports the fee request.

19 **1. The Attorneys' Fees Requested Here Fall Within the Reasonable Range**
20 **Awarded in Cases Under the Established Common Fund Method**

21 The California Supreme Court approved trial courts' usage of the common fund method
22 of awarding attorneys' fees in wage and hour class actions, like this one, and upheld a fee
23 awarded of 1/3 of the total settlement amount obtained for the class. *See Laffitte, supra*, 1 Cal.5th
24 at 506; *see also*, 4 Newberg on Class Actions, § 14:6 at 552 ("fee awards in class actions average
25 around one-third of the recovery"). Specifically, in *Laffitte*, the Court wrote: "[w]e join the
26 overwhelming majority of federal and state courts in holding that when class action litigation
27 establishes a monetary fund for the benefit of the class members, and the trial court in its
28 equitable powers awards class counsel a fee out of that fund, the court may determine the amount

1 of a reasonable fee by choosing an appropriate percentage of the fund created”). *Id.* at 506. The
2 California Supreme Court also noted that trial courts have the discretion to award fees as a
3 percentage of the common fund, with or without the necessity to conduct a lodestar cross-check.
4 *Id.* (“...[Courts] ... retain the discretion to forgo a lodestar cross-check and use other means to
5 evaluate the reasonableness of a requested percentage fee.”).

6 The California Supreme Court’s *Laffitte* decision was consistent with its prior rulings
7 recognizing that “when a number of persons are entitled in common to a specific fund, and an
8 action brought by ... plaintiffs for the benefit of all results in the creation or preservation of that
9 fund, such ... plaintiffs may be awarded attorneys’ fees out of the fund.” *Serrano III v. Priest*
10 (1977) 20 Cal.3d 25, 34; *Boeing Co. v. Van Gemert* (1980) 444 U.S. 472, 478 (“[A] lawyer who
11 recovers a common fund . . . is entitled to reasonable attorneys’ fees from the fund as a whole”).
12 Notably, when fees are calculated as a percentage of the common fund, they should be calculated
13 based on the amount that was available to be claimed, rather than as a percentage of the actual
14 amount claimed. *See Boeing Co.*, 444 U.S. at 475-6, 480-1 (the SCOTUS held that attorneys for
15 a successful class may recover a fee based on the fund created for the class, even if some class
16 members make no claims against the fund, so that money remains in it that will be returned to
17 the defendant, explaining: “[t]heir [class members’] right to share the harvest of the lawsuit upon
18 proof of their identity, whether or not they exercise it, is a benefit in the fund created by the
19 efforts of the class representatives and their counsel.” *See also Williams v. MGM-Pathe*
20 *Communs. Co.* (9th Cir. 1997) 129 F.3d 1026, 1027 (trial court “abused its discretion by basing
21 the fee on the class members’ claims against the fund rather than on a percentage of the entire
22 fund or on the lodestar”).

23 **2. The High Quality of Work and Excellent Result Support the Award**

24 In addition to the fact that a Class benefit was created with a non-reversionary common
25 fund settlement, the fairness of the requested fee award of 1/3 of the Settlement Amount is
26 supported by the high quality of work performed by Class Counsel and the positive result
27 obtained for the Class in spite of the risks of ongoing litigation. This result occurred because
28 Class Counsel diligently, efficiently, and creatively pursued this case and reached a settlement

1 for the benefit of the entire Class. The fact that the settlement was embraced and supported by
2 the Class, as evidenced by a 100% participation rate, demonstrates that Class Counsel obtained a
3 favorable result for the Class.

4 **3. Class Members had Sufficient Notice of the Requested Fees**

5 California Rules of Court, Rule 3.769, requires that the Class Members be given notice of
6 any agreement regarding an application for attorneys' fees. Here, the Notice preliminarily
7 approved by the Court and distributed to the Class Members apprised them that Class Counsel
8 will ask for fees of one-third of the Gross Settlement Amount. (Mitzner Decl., Exh. A.)

9 The Class Notice also advised the class members of the procedures for objecting to the
10 proposed settlement and appearing at the settlement hearing, where they could present their
11 objections to any aspect of the settlement, including the amount of attorneys' fees to be awarded
12 to class counsel. *Litwin v. iRenew Bio Energy Solutions, LLC* (2014) 226 Cal.App.4th 877, 883
13 ("Procedural due process requires that affected parties be provided with 'the right to be heard at a
14 meaningful time and in a meaningful manner'"). In accordance with the foregoing, it is
15 respectfully submitted that the instant notice complied with Rule 3.769 and, as a result, the Class
16 Members' due process rights were fulfilled.

17 **4. The Contingent Nature of Class Counsel's Representation Further**
18 **Supports the Fee Award at 1/3 of the Common Fund**

19 An additional factor militating in favor of the granting of the requested fee award is the
20 fact that this case was both legally and financially risky for Class Counsel. *See Vizcaino v.*
21 *Microsoft Corp* (9th Cir. 2002) 290 F.3d 1043, 1048-49. Class Counsel have been representing
22 the Class in this matter on a strictly contingency basis, and as such, incurred the risk of non-
23 recovery after a substantial investment of time, money, and resources, and have done so since the
24 inception of this case without any payment or compensation. Specifically, there was the prospect
25 of enormous cost inherent in class action litigation; the risk that Defendants could prevail on its
26 argument that the class should not be certified; and the risk that Defendants could prevail on the
27 merits of some or all of the claims.

1 The court in *Horsford v. Board of Trustees of California State University*, 132
2 Cal.App.4th 359 (2005) analyzed this issue and held that, when determining the market-level
3 compensation to award to contingent fee attorneys, the analysis must take into account the large
4 risk inherent in such situations:

5 The market value of the services provided by plaintiffs' counsel in
6 a case of this magnitude must take into consideration that any
7 compensation has been deferred for up to four years from the time
8 an hourly fee attorney would begin collecting fees from his or her
9 client; that the demands of the present case substantially precluded
10 other work during that extended period, which makes the ultimate
11 risk of not obtaining fees all the greater (since the attorneys must use
12 savings or incur debt to keep their offices afloat and their families
fed during the years-long litigation); and that a failure to fully
compensate for the enormous risk in bringing even a wholly
meritorious case would effectively immunize large or politically
powerful defendants from being held to answer for constitutional
deprivations, resulting in harm to the public."

13 *Id.* at 399-400.

14 Indeed, as Class Counsel can attest, not all class/PAGA cases are successful. Many cases
15 end with no fees or a greatly reduced fee that is far less than lodestar, often due to no fault of
16 counsel (i.e., bankruptcy, change in the law, consolidation or coordination or preemption, being
17 top filed, etc.). According to Mayer Brown LLP's study entitled, An Empirical Analysis of
18 Class Actions, cited in *Laguna v. Coverall North America, Inc.* (9th Cir. 2014) 753 F.3d 918,
19 found that only one-third of class actions are successful, compared to two-thirds that are defeated
20 and result in no payment to the class members.¹

21 **5. A Lodestar Cross-Check Confirms the Reasonableness of the Fee Award**

22 Despite recognized limitations of the so-called lodestar method, some California and
23 federal courts acknowledge the utility of a lodestar "cross-check."² (*Lealao, supra*, 82
24 Cal.App.4th at 46-47.) Under the "lodestar multiplier" method of cross-checking the

25 _____
26 ¹ www.mayerbrown.com/files/uploads/Documents/PDFs/2013/December/DoClassActionsBenefitClassMembers.pdf

27 ² In practice, the lodestar method is difficult to apply, time-consuming to administer, inconsistent in result, and
28 capable of manipulation. In addition, the lodestar creates inherent incentive to prolong the litigation until sufficient
hours have been expended. Herr, David F., *Manual for Complex Litigation*, § 14.121 (1988); *See also In re*
Activision (N.D. Cal 1989) 723 F.Supp 1373.

reasonableness of attorneys’ fees in class actions, the court ascertains Class counsel’s total “lodestar” amount by multiplying the number of hours reasonably expended by each attorney or legal staff member by their hourly rates, and then enhances or reduces this lodestar figure by a “multiplier” to account for a range of factors, such as the novelty or difficulty of the case, its contingent nature, and the degree of success achieved. *PLCM Group, Inc. v. Drexler* (2000) 22 Cal.4th 1084, 1095-96; *Press v. Lucky Stores, Inc.* (1983) 34 Cal.3d 311, 322; *Lealao, supra*, 82 Cal.App.4th at 43 [court has discretion to use a multiplier to ensure that the “fee awarded is within the range of fees freely negotiated in the legal marketplace in comparable litigation”].)

Historically, California courts have approved multipliers of 1.5 to 4. *See, e.g., Wershba*, 91 Cal.App.4th at 255 (“Multipliers can range from 2 to 4 or even higher”); In *Sternwest Corp. v. Ash*, for instance, the Court of Appeal remanded for a lodestar enhancement of “two, three, four or otherwise.” *Sternwest Corp v. Ash* (1986) 183 Cal.App.3d 74, 76.

Here, the fees requested by Class Counsel are unquestionably reasonable as the requested amount represents a ***negative multiplier***. In fact, as reflected by the following table and in the declarations from Class Counsel, the aggregated lodestar for Class Counsel is \$147,155, which is far less than the requested fees of \$83,333.33.

Attorney/Timekeeper	Rate	Hours	Fee
Brian J. Mankin <i>Trial Counsel / Partner</i> (23 Years)	\$775	27	\$20,925
Peter Carlson <i>Handling Attorney / Sr. Associate</i> (10 Years)	\$650	194.2	\$126,230
Grand Total for All Attorneys			\$147,155

The hourly rates above are comparable to those of other attorneys with equal or similar experience, if not somewhat lower (*i.e.*, the Laffey Matrix at www.laffeymatrix.com indicates that the benchmark rates are: \$777/hour for an 8–10-year attorney, \$878/hour for a 11–19-year attorney, and \$1,057/hour for a 20+ year attorney).

Moreover, the Wolters Kluwer 2023 Real Rate Report (“Real Rate Report”) provides directly applicable information in this regard. The Real Rate Report is based on an enormous and

1 statistically significant compilation of data, comprising millions billing entries from a hundred
2 thousand individual timekeepers who worked at thousands of law firms. The Real Rate Report
3 then compiles and analyzes this data to provide the hourly rates for partners and associates in
4 major metropolitan areas. For the southern California area: (a) the rate for partners in Los
5 Angeles is between \$840 and \$1,159 per hour for the middle and upper quartiles, and (b) the
6 rates for associates with seven or more years of experience, the median rate is \$674 per hour, and
7 the upper quartile rate is \$888 per hour. And, perhaps most importantly, the information
8 provided in the Real Rate Report is not based on self-reported numbers, surveys, sampling, or
9 reviews or other publications – instead, the Real Rate Report is based on the actual hours and
10 fees billed by law firms, which makes it “a much better reflection of true market rates than self-
11 reported rates in all practice areas.” *Brown v. CVS Pharmacy, Inc.* (C.D. Cal. Apr. 24, 2017)
12 2017 U.S. Dist. LEXIS 182309, at *21; *PLCM Group*, 22 Cal.4th at 1085 (holding that rates
13 should be premised upon precisely this form of independent, “objective” rate data that reflects
14 “fair market” rates actually billed to clients “in the community for similar work”).

15 Class Counsel are also highly experienced in Class/PAGA litigation, including having
16 been named by the LA Times as one “Southern California Leading Lawyers” in the May 2023
17 issue of Consumer Attorneys of Southern California (a recognition given to 17 employment law
18 attorneys in 2023), having been selected as “Super Lawyer” in employment litigation over the
19 last 5 consecutive years, having achieved large settlements, having prevailed at trial in PAGA-
20 only actions and Class Action jury trials. (Mankin Decl. ¶¶ 2-6; Carlson Decl. ¶¶ 3-9 [named
21 Super Lawyer Rising Star past 4 years]). Indeed, Class Counsel’s rates are typical of the rates
22 charged by defense counsel with similar experience doing similar work in this region.

23 Thus, Plaintiff’s Counsel’s rates reasonable and typical, and the attorneys’ fees requested
24 confirm that the fee request is fair and reasonable under the lodestar multiplier cross-check.

25 **VI. THE REQUESTED COSTS AND SERVICE AWARD ARE REASONABLE**

26 **A. The Requested Costs are Reasonable and Merit Approval**

27 The Settlement Agreement authorized litigation costs of up to \$20,000. (S.A. ¶ 54(f)).
28 Class Counsel’s actual costs through the final approval hearing are estimated to be \$9,564.47.

(Mankin Decl. ¶ 28 and Exhibit C thereto). These costs include mediation fees, filing fees, expert charges, CourtCall charges, and process server fees, among others.

B. The Requested Service Award is Reasonable and Merits Approval

A named plaintiff is an essential ingredient of any class action and an incentive award is appropriate to induce individuals to step forward and assume the burdens and obligations of representing the Class. Courts regularly approve a service payment to compensate named plaintiffs for their service to the class and the risks they incurred during the litigation. *See, e.g. Bell v. Farmers Insurance Exchange* (2004) 115 Cal.App.4th 715, 726 (upholding “service payments” to named Plaintiff for their efforts in bringing class action); *Rodriguez v. West Publishing* (9th Cir. 2009) 563 F.3d 948, 959 (stating that incentive awards are “intended to compensate class representatives for work done on behalf of the class, to make up for financial or reputational risk undertaken in bringing the action, and, sometimes, to recognize their willingness to act as a private attorney general.”).

Defendants agreed to pay a Service Award of \$5,000 to Plaintiff in recognition of her contribution as Class Representative. (*See* Plaintiff’s Decl. ¶ 3-10). Moreover, Plaintiff came forward and undertook significant risks, including the risk of being blackballed in the industry and the risk that he could have been liable for Defendants’ costs if she lost. This factor is a significant one for a wage earner, and the potential risk is very real. *See Whiteway v. FedEx Kinkos Office & Print Svcs., Inc.* (N.D. Cal. Dec. 17, 2007) 2007 WL 4531783, at *3 (“the few courts to consider this ‘class representatives’ dilemma’ have not found it inequitable to assess costs upon the lead or named plaintiff in a class action.”).)

Plaintiff also committed a significant number of hours to assist with the litigation/settlement processes of this case. The requested Service Award is reasonable, particularly in light of the substantial benefits Plaintiff generated for the Class Members, the risks she undertook, and the time and effort devoted to assisting with the Class/PAGA settlement. (*See* Plaintiff’s Decl. ¶ 3-11).

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1 **VII. OTHER MATTERS FOR FINAL APPROVAL**

2 **A. Settlement Administrator Costs**

3 The Administrator, Phoenix Settlement Administrators, agreed to administer the
4 settlement for a flat-fee of \$6,000. (Mitzner Decl. ¶¶ 17). This amount was fully disclosed to
5 the Class Members in the Class Notice, and no Class Members objected to it. Phoenix
6 Settlement Administrator's declaration also fully complies with the CMO regarding the fixed
7 fee and other work to be performed. As such, the Parties request that the Administrator's fee
8 request be approved.

9 **B. Uncashed Checks**

10 The Settlement Agreement provides that if checks are not cashed within the 180 day
11 check cashing period, then the uncashed funds will be issued to the California State Controller's
12 Office in the name of the Class Member and/or Aggrieved Employee.

13 **C. Final Report**

14 Defendant will issue payment to the Administrator within 30 days of the Effective Date,
15 which is expected to occur on the day that Final Approval is granted. The Administrator will
16 then have 10 days to issue payment to the Class Members, who will then have 180 days to cash
17 their checks. Thus, the Parties propose submitting a declaration from the Administrator setting
18 forth the money that was actually paid to the class members and potentially to the State on
19 approximately December 6, 2024.

20 **VIII. CONCLUSION**

21 Plaintiff respectfully submits that the Settlement is fair, adequate, and reasonable, and
22 merits approval. This motion is unopposed by Defendants.

23
24 Dated: February 14, 2024

LAUBY, MANKIN & LAUBY LLP

25
26 BY:



27 Brian J. Mankin, Esq.
28 Attorneys for Plaintiff and the Class

PROOF OF SERVICE
(Pursuant to CCP §§ 1013(a)(1) and 2015.5)

STATE OF CALIFORNIA)
) ss.
COUNTY OF RIVERSIDE)

I am employed in the County of Riverside, State of California. I am over the age of 18 and not a party to the within action; my business address is 5198 Arlington Avenue, PMB 513, Riverside, California 92504.

On February 14, 2024, I caused to be served the foregoing document(s) described as follows:

PLAINTIFF'S UNOPPOSED MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT

I declare that I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. It is deposited with the U.S. postal service on that same day in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

☐ **By Mail** I deposited such envelope in the mail at Riverside, California. The envelope was mailed with postage thereon fully prepaid.

☐ **By Facsimile** I sent this document via fax to all parties as listed on attached service list, on

☐ **By Overnight Service** I deposited such envelope in a facility regularly maintained by the United Parcel Service for receipt of items for overnight delivery, with overnight delivery expenses prepaid, addressed to the person to be served.

☒ **By Email or Electronic Transmission:** Pursuant to CCP § 1010.6 or an agreement of the parties to accept service by email or electronic transmission, I caused the document(s) to be sent from email address tracie@lmlfirm.com to the persons at the electronic notification address listed in the service list. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was not successful.

☐ **By Certified Mail-Return Receipt Requested** I caused such envelope with postage fully prepaid thereon, to be placed in the United States mail at Riverside, California.

☐ **By Personal Service** I caused said document(s) to be personally served by hand on the parties listed on the attached service list.

☒ **State** I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on February 14, 2024, Riverside, California.

☐ **Federal** I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.


Tracie Chiarito, Declarant

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