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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

SUZETTE MIRANDA, individually, and on
behalf of other members of the general public
similarly situated;

Plaintiff,

v.

ASKEW INDUSTRIAL CORPORATION, a
California corporation; and DOES 1 through
100, inclusive;

Defendants.

Case No.: 21STCV40337

Assigned for All Purposes to:
Honorable Elihu M. Berle
Department 6

CLASS ACTION

**PLAINTIFF'S NOTICE OF MOTION AND
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT, CONDITIONAL
CERTIFICATION, APPROVAL OF
CLASS NOTICE, SETTING OF FINAL
APPROVAL HEARING DATE;
MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT THEREOF**

[Declaration of Proposed Class Counsel
(Douglas Han); Declaration of Proposed Class
Representative (Suzette Miranda); and
[Proposed] Order filed concurrently herewith]

Hearing Date: October 6, 2022
Hearing Time: 9:00 a.m.
Hearing Place: Department 6

Complaint Filed: November 2, 2021
Trial Date: None Set

1 **PLEASE TAKE NOTICE** that on October 6, 2022, at 9:00 a.m., or as soon as the matter
2 may be heard, before the Honorable Elihu M. Berle in Department 6 of the Los Angeles County
3 Superior Court, located at 312 North Spring Street, Los Angeles, California 90012 (Spring Street
4 Courthouse), Plaintiff Suzette Miranda (“Plaintiff”) will and hereby moves for an order:

- 5 • Granting Preliminary Approval of the proposed class action settlement described
6 herein and as set forth in the Parties’ Joint Stipulation of Class Settlement and
7 Release (“Stipulation of Settlement,” “Settlement Agreement,” or “Settlement”),
8 attached as **Exhibit 2** to the Declaration of Douglas Han, including, and not limited
9 to, the means of allocation and distribution of funds, and the allocations for
10 penalties under the California Labor Code Private Attorneys General Act of 2004
11 (“PAGA”), Attorneys’ Fees and Costs, the Enhancement Award, and
12 Administration Costs;
- 13 • Conditionally certifying the proposed Settlement Class for settlement purposes
14 only;
- 15 • Appointing Plaintiff as the Class Representative;
- 16 • Appointing Justice Law Corporation as Class Counsel;
- 17 • Approving the proposed Notice of Pendency of Class Action (“Notice”) attached
18 as **Exhibit A** to the Settlement Agreement;
- 19 • Directing the mailing of the proposed Notice with a postage-paid return envelope
20 to the proposed Settlement Class;
- 21 • Approving the proposed deadlines for the notice and settlement administration
22 process;
- 23 • Approving Simpluris Class Action Settlement Administrator (“Simpluris”) as the
24 Claims Administrator; and
- 25 • Scheduling a hearing to consider whether to grant Final Approval of the Settlement
26 Agreement, at which time the Court will also consider whether to grant Final
27 Approval of the requests for Attorneys’ Fees and Costs, the Enhancement Award,
28 and the Administration Costs, and approval of the allocation for PAGA penalties.

1 This motion is based upon the following memorandum of points and authorities; the
2 Declaration of Proposed Class Counsel (Douglas Han); the Declaration of the Proposed Class
3 Representative (Suzette Miranda); the [Proposed] Order filed concurrently with this motion; the
4 pleadings and other records on file with the Court in this matter; and such documentary evidence
5 and oral argument as may be presented at the hearing on this motion.

6
7 Dated: August 1, 2022

JUSTICE LAW CORPORATION

8
9 By:



Douglas Han
Shunt Tatavos-Gharajeh
Lizette Rodriguez
Attorneys for Plaintiff

TABLE OF CONTENTS

I.	INTRODUCTION	10
II.	BACKGROUND	10
III.	INVESTIGATION/ LITIGATION HISTORY	11
a.	Discovery, Investigation, and the Parties' Staunchly Conflicting Positions	11
b.	The Parties Were Able to Reach an Agreement on Settlement of the Action.....	12
i.	The Parties Attended Mediation Which Ultimately Led to the Joint Stipulation of Class Settlement and Release	12
ii.	The Settlement Was Reached as a Result of Arm's-length Negotiations	12
iii.	The Settlement Is the Result of Thorough Investigation and Discovery..	13
c.	Terms of the Proposed Settlement.....	13
i.	Deductions from the Settlement	13
ii.	Calculation of the Class Members' Settlement Payments.....	14
iii.	Notice to the Settlement Class.....	15
iv.	Distribution of Funds.....	15
v.	Release of Claims	16
d.	Counsel for Both Parties Are Experienced in Similar Litigation	17
IV.	ARGUMENT	17
a.	Class Action Settlements Are Subject to Court Review	17
b.	The Proposed Settlement Is a Reasonable Compromise of Claims	18
i.	The Gross Settlement Amount of \$750,000 Is Fair and Reasonable	19
ii.	The PAGA Payment of \$50,000 Is Reasonable	20
c.	Discount Analysis Justifies the Settlement.....	21
d.	Conditional Certification of the Settlement Class Is Appropriate.....	22
i.	The Proposed Settlement Class Is Ascertainable and Sufficiently Numerous	23
ii.	The Class Members Share a Well-defined Community of Interest.....	23

1	1.	Common Issues Predominate	24
2	2.	Plaintiff’s Claims Are Typical of the Class Claims	24
3	3.	Plaintiff Is Adequate to Represent the Settlement Class	25
4	4.	Class Action is Superior for the Fair and Efficient Adjudication of	
5		this Controversy	25
6	e.	The Settlement Is Fair, Reasonable, and Adequate	25
7	f.	Notice to Class Members Complies with California Rules of Court, Rule 3.769(f)	
8			26
9	V.	CONCLUSION	26

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(2021) 69 Cal.App.5th 52117

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(S.D.Fla. Jan. 11, 2016, No. 14-21244-CIV-GOODMAN) 2016 U.S.Dist.LEXIS24

1	<i>Green v. Obledo</i>	
2	(1981) 29 Cal.3d 126	17
3	<i>Harris v. Superior Court</i>	
4	(2007) 154 Cal.App.4th 164	19
5	<i>Hicks v. Kaufman & Broad Home Corp.</i>	
6	(2001) 89 Cal.App.4th 908	23
7	<i>Hopson v. Hanesbrands Inc.</i>	
8	(N.D.Cal. Apr. 3, 2009, No. CV-08-00844 EDL) 2009 U.S.Dist.LEXIS 33900	20
9	<i>Iowa Beef Processors, Inc. v. Meat Price Investigators Ass’n</i>	
10	(1981) 452 U.S. 905	18
11	<i>Jones v. JGC Dallas LLC</i>	
12	(N.D.Tex. Nov. 29, 2012, Civil Action No. 3:11-CV-2743-O) 2012 U.S.Dist.LEXIS	
13	185042	24
14	<i>Kullar v. Foot Locker Retail, Inc.</i>	
15	(2008) 168 Cal.App.4th 116	18, 19
16	<i>Linder v. Thrifty Oil Co.</i>	
17	(2000) 23 Cal.4th 429	23
18	<i>Linney v. Cellular Alaska Partnership</i>	
19	(9th Cir. 1998) F.3d 1234	22
20	<i>Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles</i>	
21	(2010) 186 Cal.App.4th 399	18
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23	(2010) 186 Cal.App.4th 576	20
24	<i>Sav-On Drug Stores, Inc. v. Superior Court</i>	
25	(2004) 34 Cal.4th 319	19, 22, 23
26	<i>In re Tableware Antitrust Litig.</i>	
27	(N.D.Cal. 2007) 484 F.Supp.2d 1059	22
28	///	

1	<i>Thurman v. Bayshore Transit Mgmt.</i>	
2	(2012) 203 Cal.App.4th 1112.....	20
3	<i>Vasquez v. Superior Court</i>	
4	(1971) 4 Cal.3d 800	17
5	<i>Walsh v. IKON Solutions, Inc.</i>	
6	(2007) 148 Cal.App.4th 1440	19
7	<u>Rules</u>	
8	Federal Rule 23.....	17
9	Rule 3.769.....	17, 18
10	Rule 3.769(f).....	26
11	Rule 3.769(g).....	18
12	<u>Statutes</u>	
13	Code of Civil Procedure § 382	22, 25
14	Code of Civil Procedure § 877.6	19
15	Federal Rule 23.....	17
16	Labor Code § 201	20
17	Labor Code § 202	20
18	Labor Code § 203	20
19	Labor Code § 204	20
20	Labor Code § 218.5	20
21	Labor Code § 221	20
22	Labor Code § 226(a).....	20
23	Labor Code § 226.3	20
24	Labor Code § 226.7	20
25	Labor Code § 246	20
26	Labor Code § 510	20
27	Labor Code § 512(a).....	20
28	Labor Code § 558	20

1	Labor Code § 1174(d)	20
2	Labor Code § 1194	20
3	Labor Code § 1197	20
4	Labor Code § 1197.1	20
5	Labor Code § 1198	20
6	Labor Code § 2698	19
7	Labor Code § 2800	20
8	Labor Code § 2802	20

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1 **I. INTRODUCTION**

2 This motion seeks preliminary approval of a non-reversionary \$750,000.00 proposed
3 wage-and-hour class action settlement by Plaintiff on behalf of herself and on behalf of non-
4 exempt employees of Askew Industrial Corporation (“Defendant”) in California and/or temporary
5 employees placed on assignment at Defendant in California by any staffing agency during the
6 Class Period (“Settlement Class” and “Class Members”). The Class Period is the time period from
7 November 2, 2017, through April 27, 2022 (“Class Period”). At the time of this filing, the number
8 of Class Members provided by Defendant is estimated to be three hundred nine (309).

9 It is requested this Court grant Preliminary Approval, as, when analyzing the strengths
10 and vulnerabilities of the class claims alongside Defendant’s potential liability exposure, this
11 proposed settlement of \$750,000.00 – with an average settlement payment currently estimated to
12 be between \$1,362.92 and \$1,355.98– is well within the range of reasonableness. Class Counsel
13 is convinced that the proposed Settlement is in the best interests of the Class Members based on
14 the negotiations and a detailed knowledge of the issues present in this action.

15 **II. BACKGROUND**

16 On August 13, 2020, Plaintiff, a former hourly-paid, non-exempt employee of Defendant,
17 provided written notice to the California Labor and Workforce Development Agency (“LWDA”)
18 and Defendant of the specific provisions of the Labor Code he contends Defendant violated and
19 the theories supporting his contentions. (Declaration of Douglas Han (“Han Dec.”), ¶ 10.)

20 On November 2, 2021, Plaintiff filed a wage-and-hour class action lawsuit against
21 Defendant in the Superior Court of California, County of Los Angeles, entitled *Miranda v. Askew*
22 *Industrial Corporation*, Case Number 21STCV40337 (the “Action”). (Han Dec., *supra*, at ¶ 12.)
23 Specifically, Plaintiff alleged nine (9) causes of action for violation of various sections of the
24 California Labor Code and California Business & Professions Code. (*Ibid.*)

25 Plaintiff and Defendant (the “Parties”) attended mediation on Plaintiff’s claims with
26 mediator Jeff Ross on January 27, 2022. (Han Dec., *supra*, at ¶ 14.) Under the auspices of the
27 mediator, the Parties eventually reached an agreement on the settlement of the action. (*Ibid.*)

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1 **III. INVESTIGATION/ LITIGATION HISTORY**

2 **a. Discovery, Investigation, and the Parties’ Staunchly Conflicting Positions**

3 After Plaintiff filed her wage-and-hour class action lawsuit, the Parties engaged in both
4 formal and informal discovery. (Han Dec., *supra*, at ¶ 16.) Plaintiff propounded one (1) set of
5 form interrogatories, one (1) set of special interrogatories, one (1) set of requests for admissions,
6 and one (1) set of requests for production of documents. (*Ibid.*) The Parties agreed to continue
7 formal discovery deadlines and engage in an informal exchange of information and to attend
8 mediation. (*Ibid.*)

9 Prior to the mediation, and both before and after the lawsuit was filed, the Parties
10 conducted significant investigation and discovery of the relevant facts and law. (Han Dec., *supra*,
11 at ¶ 17.) Specifically, Defendant produced excerpts of employee handbooks related to its wage
12 and hour policies including meal and rest break periods, overtime, and timekeeping. Defendant
13 also assembled and produced, and Plaintiff reviewed, a random sampling of time and pay records,
14 and information and data relating to the size and scope of the Settlement Class and permitting
15 Plaintiff to understand the number of workweeks and pay periods in the Class Period and the
16 relevant time period for Plaintiff’s PAGA claim, respectively. (*Ibid.*) Class Counsel also
17 interviewed Class Members who worked for Defendant throughout the Class Period. (*Ibid.*)

18 Based upon the information provided by Defendant and interviews Class Counsel had
19 with non-exempt employees, Plaintiff contends – and Defendant denies – that Defendant: (a)
20 failed to provide employees with legally mandated rest and meal breaks; (b) maintained a
21 rounding practice that consistently resulted in the underpayment of wages; (c) failed to pay
22 employees for all hours worked; (d) failed to properly calculate and pay overtime and sick leave
23 pay; (e) failed to reimburse employees for necessary business expenses; (f) issued noncompliant
24 wage statements; and (g) is liable for waiting time penalties. (Han Dec., *supra*, at ¶¶ 19-26.)

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1 **b. The Parties Were Able to Reach an Agreement on Settlement of the Action**

2 **i. The Parties Attended Mediation Which Ultimately Led to the Joint**
3 **Stipulation of Class Settlement and Release**

4 During the Parties' mediation on January 27, 2022, the Parties discussed the risks of
5 continued litigation, the likelihood of certification, and the merits of the Parties' claims and
6 defenses versus the benefits of settlement. (Han Dec., *supra*, at ¶ 28.) With the assistance of the
7 mediator, the Parties were eventually able to reach an agreement on settlement, the terms of which
8 were memorialized in the Settlement Agreement that the Parties now seek Preliminary Approval
9 of. (*Ibid.*; Exhibit 2.)

10 **ii. The Settlement Was Reached as a Result of Arm's-length Negotiations**

11 The Settlement Agreement was reached because of arm's-length negotiations. (Han Dec.,
12 *supra*, at ¶ 44.) Though cordial and professional, the settlement negotiations have always been
13 adversarial and non-collusive in nature. (*Ibid.*) At the mediation on January 27, 2022, both Parties'
14 counsel conducted extensive arm's-length settlement negotiations until an agreement was
15 ultimately reached by all Parties. (*Ibid.*)

16 Plaintiff and Class Counsel believe in the merits of the case but also recognize the expense
17 and length of additional proceedings necessary to continue the litigation against Defendant. (Han
18 Dec., *supra*, at ¶ 45.) Plaintiff and Class Counsel have also considered the uncertainty and risk of
19 further litigation, the potential outcome, and the difficulties and delays inherent in such litigation.
20 (*Ibid.*) Based on the foregoing, Plaintiff and Class Counsel believe the Settlement is a fair,
21 adequate, and reasonable settlement, and is in the Class Members' best interests. (*Ibid.*)

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1 **iii. The Settlement Is the Result of Thorough Investigation and Discovery**

2 The Parties thoroughly investigated and evaluated the factual strengths and weaknesses
3 of Plaintiff's claims and Defendant's defenses before reaching the Settlement and engaged in
4 sufficient investigation, research, and discovery to support the Settlement. (Han Dec., *supra*, at ¶
5 46.) The Settlement was only possible following significant investigation and evaluation of
6 Defendant's relevant policies and procedures and the data Defendant produced for the putative
7 class. (*Ibid.*) Furthermore, this case has also reached the stage where "the Parties certainly have
8 a clear view of the strengths and weaknesses of their cases" sufficient to support the
9 reasonableness, adequacy, and fairness of the Settlement. (*Ibid.*; *Boyd v. Bechtel Corp.* (N.D.Cal.
10 1979) 485 F.Supp. 610, 617.)

11 **c. Terms of the Proposed Settlement**

12 **i. Deductions from the Settlement**

13 The Parties have agreed (subject to and contingent upon the Court's approval) that this
14 action be settled and compromised for the non-reversionary total sum of \$750,000.00 ("Gross
15 Settlement Amount"), which includes, subject to Court approval: (a) attorneys' fees to Class
16 Counsel in an amount not to exceed \$250,00.00 (one-third (1/3) of the Gross Settlement Amount);
17 (b) a cost award to Class Counsel in an amount currently estimated at \$9,856.53, but not to exceed
18 \$12,000.00, for reimbursement of litigation costs and expenses;¹ (c) the Enhancement Award to
19 Plaintiff in the amount of \$10,000.00 for her service as the Class Representative; (d)
20 Administration Costs to Simpluris, the Claims Administrator, in an amount not to exceed
21 \$9,000.00; and (e) the PAGA Payment of \$50,000.00, seventy-five percent (75%) of which
22 (\$37,500.00) will be paid to the LWDA and twenty-five percent (25%) of which (\$12,500.00)
23 will be distributed among the PAGA Members on a pro rata basis. (Han Dec., *supra*, at ¶ 29.)

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25 ¹ The final amount of actual litigation costs will be provided to the Court in conjunction
26 with Plaintiff's motion for final approval. (Han Dec., *supra*, at ¶ 30.) At that time, Plaintiff will
27 ask the Court to approve the amount of these costs. (*Ibid.*) If Plaintiff's actual litigation costs
28 exceed \$12,000.00, Plaintiff will only seek reimbursement in the amount of \$12,000.00. (*Ibid.*) If
the amount awarded is less than the amount requested by Class Counsel for Attorneys' Fees and
Costs, the difference shall become part of the Net Fund Value and be available for distribution to
all Class Members who do not timely opt out from this Settlement ("Qualified Claimants"). (*Ibid.*)

1 **ii. Calculation of the Class Members' Settlement Payments**

2 After all Court-approved deductions from the Gross Settlement Amount, it is estimated
3 that between \$421,143.47 and \$419,000.00 ("Net Settlement Amount") will be distributed to
4 Class Members – with an average gross settlement payment estimated to be between \$1,362.92
5 and \$1,355.98.² (Han Dec., *supra*, at ¶ 31.)

6 Each Qualified Claimant's settlement payment will be apportioned as twenty percent
7 (20%) wages and eighty percent (80%) penalties and interest. (Han Dec., *supra*, at ¶ 32.) The
8 portion treated as wages will be subject to IRS Form W-2 reporting and, therefore, normal payroll
9 taxes and withholdings will be deducted pursuant to state and federal law, and Defendant will
10 make all required payroll tax contributions (e.g., FICA, FUTA). (*Ibid.*) Contingent upon a
11 Qualified Claimant cashing his/her settlement payment, the portion of the payment representing
12 wages will be reported to the IRS and the Qualified Claimant under the Qualified Claimant's
13 name and Social Security number on an IRS Form W-2, and the portion of the payment
14 representing penalties and interest will be reported to the IRS and the Qualified Claimant under
15 the Qualified Claimant's name and Social Security number on an IRS Form 1099 to the extent
16 required by law. (*Ibid.*) Defendant will pay the employer's share of payroll taxes, which will be
17 paid separate and in addition to the Gross Settlement Amount. (*Ibid.*) The Claims Administrator
18 will be responsible for calculating the payments, issuing the payments and any required tax
19 reporting forms, and for communicating this information to Defendant and Class Counsel. (*Ibid.*)
20 Upon completion of its calculation of payments, the Claims Administrator will provide the Parties
21 with a report listing the amount of all payments to be made to each Qualified Claimant. (*Ibid.*)
22 Proof of payment will be filed with the Court and provided to the Parties' counsel. (*Ibid.*)

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27 _____
28 ² \$421,143.47 (Net Fund Value) / 309 (Class Members) = \$1,362.92; \$419,000.00 (Net
Fund Value) / 309 (Class Members) = \$1,355.98.

1 The Claims Administrator will pay each Qualified Claimant his/her pro-rata share of the
2 Net Settlement Amount. (Han Dec., *supra*, at ¶ 33.) Each Qualified Claimant's settlement
3 payment will be determined by dividing the entire Net Settlement Amount by the total number of
4 workweeks for all Class Members combined during the Class Period. (*Ibid.*) The resulting amount
5 will be the Workweek Amount. (*Ibid.*) Plaintiff and each Qualified Claimant will receive a pro-
6 rata value equal to the number of workweeks worked during the Class Period multiplied by the
7 Workweek Amount. (*Ibid.*)

8 The Claims Administrator will also pay each PAGA Representative Group member
9 his/her pro-rata share of the PAGA Payment. (Han Dec., *supra*, at ¶ 34.) Each PAGA
10 Representative Group member's settlement payment will be based on the number of workweeks
11 he/she worked during the period between August 24, 2020, through April 27, 2022. (*Ibid.*)

12 **iii. Notice to the Settlement Class**

13 Within twenty-one (21) calendar days after the latter of the Court issuing an order granting
14 preliminary approval of the Settlement or Court approval of settlement notice to the Settlement
15 Class, Defendant will provide the Class Data List to the Claims Administrator. (Han Dec., *supra*,
16 at ¶ 36.) Within ten (10) calendar days after receipt of the Class Data List, the Claims
17 Administrator will send Class Members, by first-class mail to their last known address, the
18 approved Notice of Pendency of Class Action ("Notice") in both English and Spanish. (*Id.* at ¶
19 37.) Class Members and PAGA Representative Group members are not required to submit a claim
20 form to receive payment under the Settlement Agreement. (*Ibid.*)

21 **iv. Distribution of Funds**

22 Within five (5) calendar days after the Effective Date, Defendant will issue to the Claims
23 Administrator the payment of the Gross Settlement Amount and the employer-side taxes for the
24 Qualified Claimants' wage payments. (Han Dec., *supra*, at ¶ 38.) Within ten (10) calendar days
25 after receiving the payment from Defendant, the Claims Administrator will mail settlement
26 checks to Qualified Claimants and make payments for Attorneys' Fees and Costs, the PAGA
27 Payment – including settlement payments to PAGA Representative Group members and the
28 payment to the LWDA, and Plaintiff's Enhancement Award. (*Id.* at ¶ 39.)

1 Qualified Claimants and PAGA Representative Group members will have one hundred
2 eighty (180) days after mailing by the Claims Administrator to cash their settlement checks. (Han
3 Dec., *supra*, at ¶ 40.) Should there remain any residual from the Gross Settlement Amount after
4 all payments are made under the Settlement Agreement, for example, if any settlement checks
5 remain uncashed more than one hundred eighty (180) calendar days after mailing, all uncashed
6 settlement checks shall be sent to the California State Controller’s Unclaimed Property Fund in
7 the name of the Class Member. (*Ibid.*)

8 **v. Release of Claims**

9 Upon the funding of the Gross Settlement Amount, in exchange for the consideration set
10 forth in the Settlement Agreement, the Settlement Class and each Class Member (with the
11 exception of those who timely Opt-Out) will release Defendant and the Releasees from the
12 Released Class Claims arising on or before April 27, 2022 (“Released Claims”). (Han Dec., *supra*,
13 at ¶ 41; Exhibit 2, *supra*, at ¶¶ 1.33, 11.1.)

14 Upon the funding of the Gross Settlement Amount the LWDA, Plaintiff and the PAGA
15 Members shall be deemed to have release the Released Parties, and each of them, of and from
16 any and all PAGA Released Claims during the PAGA Period. (“PAGA Released Claims”). (Han
17 Dec., *supra*, at ¶ 42; Exhibit 2, *supra*, ¶ 1.27, 11.2.) The PAGA Released Claims will bind the
18 PAGA Members even if they timely and validly opt out of the Settlement Class.

19 Upon the funding of the Gross Settlement Amount, in exchange for the Enhancement
20 Award in an amount not to exceed \$10,000.00, and in recognition of her work and efforts in
21 obtaining the benefits for the Settlement Class and undertaking the risk of paying litigation costs
22 in the event this matter had not successfully resolved, Plaintiff will fully release and discharge
23 Defendant and the Releasees from the Plaintiff’s Released Claims (“Release of Claims by
24 Plaintiff”). (Han Dec., *supra*, at ¶ 43; Exhibit 2, *supra*, at ¶¶ 11.1, 11.3.)

25 The Releasees include Defendant and its officers, directors, managers, owners, executives,
26 partners, employees, shareholders, agents, attorneys, and any other successors, assigns, or legal
27 representatives and any of Askew Industrial Corporation’s former and present parents,
28 subsidiaries, successors, and affiliates, and their officers, directors, managers, owners, executives,

1 partners, employees shareholders, agents, attorneys, and any other successors, assigns, or legal
2 representatives (collectively, the “Released Parties”). (Han Dec., *supra*, at ¶ 44; Exhibit 2, *supra*,
3 at ¶ 1.34.)

4 With regard to class action releases, “[A] court may release not only those claims alleged
5 in the complaint and before the court, but also claims which ‘could have been alleged by reason
6 of or in connection with any matter or fact set forth or referred to in’ the complaint.”” (*Amaro v.*
7 *Anaheim Arena Management, LLC* (2021) 69 Cal.App.5th 521, 537.) The scopes of the releases
8 in this case are acceptable because they are limited to the scope of the allegations contained in the
9 Complaint. Moreover, the released claims are ““based on *the identical factual predicate* as that
10 underlying the claims in the settled class action.”” (*Ibid.*) In other words, the released claims do
11 not ““go beyond the scope of the allegations in the operative complaint”” (*Ibid.*)

12 **d. Counsel for Both Parties Are Experienced in Similar Litigation**

13 Counsel for both Parties are particularly experienced in wage-and-hour employment law
14 and class actions. (Han Dec., *supra*, at ¶¶ 2-7; Exhibit 1.) Class Counsel have prosecuted
15 numerous cases on behalf of employees for Labor Code violations and, thus, are experienced and
16 qualified to evaluate the class claims, the advantages and disadvantages of settlement versus trial,
17 and the viability of the defenses. (*Ibid.*) Class Counsel’s experience also guided their
18 determination to endorse the proposed Settlement.³ (*Ibid.*)

19 **IV. ARGUMENT**

20 **a. Class Action Settlements Are Subject to Court Review**

21 California Rules of Court, rule 3.769 requires court approval for class action settlements.⁴
22 “Before final approval, the court must conduct an inquiry into the fairness of the proposed

23 ³ The final factor mentioned in *Dunk v. Motor Co.* (1996) 48 Cal.App.4th 1794 – the
24 number of objectors – is not determinable until the Notice has been provided to the Class
25 Members, and they have had an opportunity to respond. This information will be provided to the
26 Court in conjunction with the Motion for Final Approval of Class Action Settlement.

27 ⁴ The California Supreme Court has also authorized California’s trial courts to use Federal
28 Rule 23 and cases applying it for guidance in considering class issues. (See *Vasquez v. Superior*
Court (1971) 4 Cal.3d 800, 821; see *Green v. Obledo* (1981) 29 Cal.3d 126, 145-146.) Where
appropriate, Plaintiff cites Federal Rule 23 and federal case law in addition to California law.

1 settlement.” (Cal. Rules of Court, rule 3.769(g).) Rule 3.769 further requires a noticed motion for
2 preliminary approval of class settlements:

3 (a) A settlement or compromise of an entire class action, or a cause of action in
4 a class action, or as to a party, requires the approval of the court after
5 hearing.

6 . . .

7 (c) Any party to a settlement agreement may serve and file a written notice of
8 motion for preliminary approval of the settlement. The settlement
9 agreement and proposed notice to class members must be filed with the
10 motion, and the proposed order must be lodged with the motion.

11 Courts have discretion to approve settlements that are fair, not collusive, and consider “all the
12 normal perils of litigation as well as the additional uncertainties inherent in complex class
13 actions.” (*In re Beef Industry Antitrust Litigation* (5th Cir. 1979) 607 F.2d 167, 179, cert. den. *sub*
14 *nom. Iowa Beef Processors, Inc. v. Meat Price Investigators Ass’n* (1981) 452 U.S. 905.)

15 **b. The Proposed Settlement Is a Reasonable Compromise of Claims**

16 An understanding of the amount in controversy is an important factor in whether the
17 settlement “of the class members’ claims is reasonable in light of the strengths and weaknesses
18 of the claims and the risks of the particular litigation.” (*Kullar v. Foot Locker Retail, Inc.* (2008)
19 168 Cal.App.4th 116, 129; see also *Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles* (2010)
20 186 Cal.App.4th 399, 409.) The most important factor in this regard is “the strength of the case
21 for plaintiffs on the merits, balanced against the amount offered in settlement.” (*Kullar*, at p. 129;
22 see also *Munoz*, at p. 409.)

23 In weighing the strength of the plaintiff’s case, *Kullar* instructs that the court is not to
24 “decide the merits of the case or to substitute its evaluation of the most appropriate settlement for
25 that of the attorneys.” (*Kullar v. Foot Locker Retail, Inc.*, *supra*, 168 Cal.App.4th at p. 133.)
26 Finally, *Kullar* does not require an explicit statement of the maximum amount the class could
27 recover if the plaintiff prevailed on all his claims, provided there is a record that allows “an
28 understanding of the amount that is in controversy and the realistic range of outcomes of the
litigation.” (*Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles*, *supra*, 186 Cal.App.4th at p.
409.) Put differently, “as the court does when it approves a settlement as in good faith under Code

1 of Civil Procedure § 877.6, the court must at least satisfy itself that the class settlement is within
2 the ‘ballpark’ of reasonableness.” (*Kullar*, at p. 133.)

3 **i. The Gross Settlement Amount of \$750,000 Is Fair and Reasonable**

4 The proposed Settlement was only possible following significant investigation and
5 evaluation of Defendant’s relevant policies and procedures and the data Defendant produced for
6 the putative class, as referenced in Section III above, which permitted Class Counsel to engage in
7 a comprehensive analysis of liability and potential damages. (Han Dec., *supra*, at ¶ 46.)

8 This investigation and evaluation informed Plaintiff’s central theories of liability. (Han
9 Dec., *supra*, at ¶ 48.) Plaintiff’s claims are predicated on Defendant’s alleged: (a) failure to pay
10 overtime wages; (b) failure to provide compliant rest and meal breaks and pay applicable
11 premiums; (c) failure to pay minimum wages; (d) failure to timely pay wages; (e) failure to issue
12 compliant wage statements; (f) failure to reimburse business expenses; (g) violation of Labor
13 Code section 2698, *et seq.* (PAGA); and (h) violation of Business & Professions Code section
14 17200, *et seq.* (*Ibid.*) Defendant denies Plaintiff’s theories of liability. (*Id.* at ¶ 49.)

15 Although Plaintiff believes the case is suitable for certification, uncertainties with respect
16 to certification are always present. (Han Dec., *supra*, at ¶ 50.) As the California Supreme Court
17 ruled in *Sav-On Drug Stores, Inc. v. Superior Court* (2004) 34 Cal.4th 319, class certification is
18 always a matter of the trial court’s sound discretion. (*Ibid.*) Decisions following *Sav-On Drug*
19 *Stores, Inc.* have reached different conclusions concerning certification of wage-and-hour
20 claims.⁵ (*Ibid.*) These factors led Plaintiff to discount calculations of potential damages.

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25 ⁵ (See, e.g., *Harris v. Superior Court* (2007) 154 Cal.App.4th 164 [reversing decertification
26 of class claiming misclassification and ordering summary adjudication in favor of employees],
27 review granted Nov. 28, 2007, (2007) 171 P.3d 545 [not cited as precedent, but rather for
28 illustrative purposes only]; *Walsh v. IKON Solutions, Inc.* (2007) 148 Cal.App.4th 1440
[affirming decertification of class claiming misclassification]; *Aguilar v. Cintas Corp. No. 2*
(2006) 144 Cal.App.4th 121 [reversing denial of certification]; *Dunbar v. Albertson’s Inc.* (2006)
141 Cal.App.4th 1422 [affirming denial of certification].)

1 **ii. The PAGA Payment of \$50,000 Is Reasonable**

2 The provisions of the Labor Code potentially triggering PAGA penalties in this case
3 include but are not limited to Labor Code sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3,
4 226.7, 246, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802. (Han Dec.,
5 *supra*, at ¶ 60.) Defendant asserts that, regardless of the results of the underlying causes of action,
6 PAGA penalties are not mandatory but permissive and discretionary. (*Ibid.*) Defendant also
7 maintains that, in addition to its strong arguments against the underlying claims, it had a strong
8 argument that it would be unjust to award maximum PAGA penalties given the law’s current
9 unsettled state. (*Ibid.*; *Thurman v. Bayshore Transit Mgmt.* (2012) 203 Cal.App.4th 1112
10 [reducing penalties by 30% under this authority].) Defendant argued that without stacking and
11 limited to the initial violation, the PAGA penalties would be limited to **\$10,600.00** (106
12 employees x \$100 initial violations) on the low end and **\$74,200.00** (106 employees x \$100 x 7
13 theories of recovery) on the high end. (Han Dec., at ¶ 63.)

14 Plaintiff also recognized the risk that any PAGA award could be significantly reduced.
15 (Han Decl., *supra*, at ¶ 65.) Many of the causes of action brought were duplicative of the statutory
16 claims such as violations of Labor Code sections 201, 202, 203, 204, 218.5, 226.3, 226.7, 510,
17 512(a), 1194, 1197, 1197.1, 1198, 2800, and 2802. (*Ibid.*) Thus, allocating \$50,000.00 to PAGA
18 civil penalties was reasonable based on a rate of **\$11.82** per pay period [$\$50,000.00 / 4,229$ pay
19 periods in PAGA date range = **\$11.82**], given the fact that Defendant is also paying an additional
20 \$700,000.00 in the Settlement.⁶ (*Ibid.*) When PAGA penalties are negotiated in good faith and
21 “there is no indication that [the] amount was the result of self-interest at the expense of other
22 Class Members,” such amounts are generally considered reasonable.⁷ (*Ibid.*)

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24 ⁶ (See *Carrington v. Starbucks Corp.* (2018) 30 Cal.App.5th 504, 529 [affirming a rate of
25 \$5 per violation and a total PAGA penalty of \$150,000 while the plaintiff requested a rate of \$25
26 to \$75 per violation and a total PAGA penalty of \$70,000,000].)

27 ⁷ (*Hopson v. Hanesbrands Inc.* (N.D.Cal. Apr. 3, 2009, No. CV-08-00844 EDL) 2009
28 U.S.Dist.LEXIS 33900, at *24; see, e.g., *Nordstrom Com. Cases* (2010) 186 Cal.App.4th 576,
579, “[T]rial court did not abuse its discretion in approving a settlement which does not allocate
any damages to the PAGA claims”).

Considering Defendant's defenses, its supporting evidence, and its position that the case is not suitable for class treatment, the settlement of \$750,000.00 is reasonable, adequate, and fair.

c. Discount Analysis Justifies the Settlement

Excluding the civil penalties, which could be discretionary, for the reasons stated, the total estimated potential exposure, assuming certification and prevailing at trial, would be about **\$1,104,223.59** on the low end and **\$1,158,105.20** on the high end. (Han Dec., *supra*, at ¶ 66.)

Category	Potential Exposure	Certification Risk	Merits Risk	Realistic Exposure
Rest Break Premiums	\$196,865.78	50%	40%	\$59,059.73
Meal Break Premiums	\$18,058.58	40%	30%	\$7,584.60
Overtime/Minimum Wage: Rounding	\$15,930.02	25%	35%	\$7,765.88
Overtime/Minimum Wage: Off-the-Clock Work	\$107,763.21 to \$161,644.82	50%	50%	\$26,940.80 to \$40,411.21
Overtime/Minimum Wage: Regular Rate	\$13,210.00	25%	35%	\$6,439.88
Unreimbursed Business Expenses	\$37,080.00	25%	60%	\$11,124.00
Wage Statement Penalty	\$418,700.00	35%	25%	\$204,116.25
Waiting Time Penalty	\$296,616.00	35%	25%	\$144,600.30
MAXIMUM TOTAL EXPOSURE	\$1,104,223.59 to \$1,158,105.20⁸			\$467,631.44 to \$481,101.85⁹

Based on this analysis, the realistic recovery for this case is **\$467,631.44** on the low end and **\$481,101.85** on the high end. (Han Dec., *supra*, at ¶ 75.) The Gross Settlement Amount of \$750,000.00 is approximately sixty-five percent (64.76%) of the maximum potential exposure and approximately one hundred fifty-six percent (155.89%) of the maximum realistic exposure at trial. (*Ibid.*)

⁸ (Han Dec., *supra*, at ¶¶ 51-58.)

⁹ (*Id.* at ¶¶ 66-73.)

1 The only question at preliminary approval is whether the settlement is within the range of
2 possible approval. (*In re Tableware Antitrust Litig.* (N.D.Cal. 2007) 484 F.Supp.2d 1059, 1079.)
3 “The fact that a proposed settlement may only amount to a fraction of the potential recovery does
4 not, in and of itself, mean that the proposed settlement is grossly inadequate and should be
5 disapproved.” (*City of Detroit v. Grinnell Corporation* (2d Cir. 1974) 495 F.2d 448, 455; see also
6 *Linney v. Ceullar Alaska Partnership* (9th Cir. 1998) 151 F.3d 1234, 1242, “[I]t is the very
7 uncertainty of outcome in litigation and avoidance of wasteful and expensive litigation that induce
8 consensual settlements. The proposed settlement is not to be judged against a hypothetical or
9 speculative measure of what might have been achieved by the negotiators”). Nevertheless, this
10 Settlement is in line with the realistic exposure had Plaintiff prevailed at trial and provides a
11 significant recovery for the Class Members.

12 **d. Conditional Certification of the Settlement Class Is Appropriate**

13 Code of Civil Procedure section 382 “authorizes class actions ‘when the question is one
14 of a common or general interest, of many persons, or when the parties are numerous, and it is
15 impracticable to bring them all before the court.’” (*Sav-On Drug Stores, Inc. v. Superior Court*,
16 *supra*, 34 Cal.4th at p. 326.) California courts certify class actions where the plaintiff identifies
17 “both [1] an ascertainable class and [2] a well-defined community of interest among class
18 members.” (*Ibid.*)

19 The proposed Settlement Class is ascertainable and numerous as to make it impracticable
20 to join all Class Members, and there are common questions of law and fact that predominate over
21 any questions affecting any individual Class Member. (Han Dec., *supra*, at ¶ 76.) Plaintiff
22 contends that as former hourly-paid, non-exempt employees of Defendant, her claims are typical
23 of the claims of the Settlement Class, and Class Counsel will fairly and adequately protect the
24 interests of the Settlement Class. (*Ibid.*) Also, Plaintiff asserts that the prosecution of separate
25 actions by individual Class Members would create the risk of inconsistent or varying
26 adjudications. (*Ibid.*)

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1 **i. The Proposed Settlement Class Is Ascertainable and Sufficiently**
2 **Numerous**

3 “Ascertainability is required in order to give notice to putative class members as to whom
4 the judgment in the action will be res judicata.” (*Hicks v. Kaufman & Broad Home Corp.* (2001)
5 89 Cal.App.4th 908, 914.) “A class is ascertainable if it identifies a group of unnamed plaintiffs
6 by describing a set of common characteristics sufficient to allow a member of that group to
7 identify himself or herself as having a right to recover based on the description.” (*Bartold v.*
8 *Glendale Federal Bank* (2000) 81 Cal.App.4th 816, 828.) The proposed class must also be
9 sufficiently numerous. (*Linder v. Thrifty Oil Co.* (2000) 23 Cal.4th 429, 435.)

10 This case involves approximately three hundred nine (309) Class Members. (Han Dec.,
11 *supra*, at ¶ 77.) Thus, the Settlement Class is sufficiently numerous. (*Ibid.*)

12 **ii. The Class Members Share a Well-defined Community of Interest**

13 The community of interest requirement “embodies three factors: (1) predominant common
14 questions of law or fact; (2) class representatives with claims or defenses typical of the class; and
15 (3) class representatives who can adequately represent the class.” (*Sav-On Drug Stores, Inc. v.*
16 *Superior Court, supra*, 34 Cal.4th at p. 326.) “[T]he community of interest requirement for
17 certification *does not mandate that class members have uniform or identical claims.*” (*Capitol*
18 *People First v. Department of Developmental Services* (2007) 155 Cal.App.4th 676, 692
19 (emphasis in original).) Rather, courts focus on the defendant’s internal policies and “pattern and
20 practice . . . in order to assess whether that common behavior toward similarly situated plaintiffs
21 renders class certification appropriate.” (*Ibid.*) The application of each of these factors is
22 discussed below.

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Plaintiff asserts common issues of fact and law predominate as to each of the claims alleged. (Han Dec., *supra*, at ¶ 78.) Plaintiff contends all Class Members were subject to the same or similar employment practices, policies, and procedures, described in detail above. (*Ibid.*)

Typical claims rely on legal theories and facts that are substantially like those of other class members. (*Classen v. Weller* (1983) 145 Cal.App.3d 27, 46.) Plaintiff is a former employee of Defendant and alleges she and the Class Members were employed by the same company and injured by Defendant's common policies and practices related to the claims described above. (Han Dec., *supra*, at ¶ 79.) Plaintiff seeks relief for these claims and derivative claims on behalf of all Class Members. (*Ibid.*) Thus, Plaintiff's claims arise from the same employment practices and are based on the same legal theories as those applicable to the Settlement Class. (*Ibid.*)

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Plaintiff has proven to be an adequate Class Representative. (Han Dec., *supra*, at ¶ 80.) She has conducted himself diligently and responsibly in representing the Settlement Class in this litigation, understands his fiduciary obligations, and has actively participated in the prosecution of this case. (*Ibid.*) Plaintiff has spent time in meetings and conferences with Class Counsel to provide Class Counsel with a complete understanding of his work environment and requirements. (*Ibid.*) Further, Plaintiff has no interest that is averse to the interests of the other Class Members. (*Ibid.*)

4. Class Action Is Superior for the Fair and Efficient Adjudication of this Controversy

A class action is superior to other available means for the fair and efficient adjudication of this controversy. Plaintiff contends the joinder of all Class Members is impractical and that class treatment will permit many similarly situated persons to prosecute their common claims for settlement purposes simultaneously in a single forum without the duplication of effort and expense that numerous individual actions would necessitate. Because several Class Members are current employees, Plaintiff believes fear of retaliation further supports the superiority of class-wide relief as this fear often discourages current employees from seeking legal redress.

e. The Settlement Is Fair, Reasonable, and Adequate

In deciding whether to approve a proposed class action settlement under Code of Civil Procedure section 382, the Court must find that a proposed settlement is “fair, adequate and reasonable.” (*Dunk v. Ford Motor Co., supra*, 48 Cal.App.4th at p. 1801.) A proposed class action settlement is presumed fair under the following circumstances: (1) the parties reached settlement after arm’s-length negotiations; (2) investigation and discovery were sufficient to allow counsel and the court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small. (*Id.* at p. 1802.) All these elements are present here.

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