Miriam L. Schimmel (State Bar No. 185089)
mschimmel@blackstonepc.com
Joana Fang (State Bar No. 309623)
jfang@blackstonepc.com
Alexandra Rose (State Bar No. 329407)
arose@blackstonepc.com
Jasmine Y. Kianfard (State Bar No. 349975)
jkianfard@blackstonepc.com
BLACKSTONE LAW, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278/ Fax: (855) 786-6356

Attorneys for Plaintiffs Yrene Diaz and Yolanda Castro and the Class

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

JOSE PASCUAL SALGADO; YRENE DIAZ, individually, and on behalf of other members of the general public similarly situated, and on behalf of other aggrieved employees pursuant to the California Private Attorneys General Act; and YOLANDA CASTRO, individually, and on behalf of other members of the public similarly situated,

Plaintiffs,

vs.

MACADI CLEANING CORPORATION, a California corporation; and DOES 1 through 25, inclusive,

Defendants.

Case No. 21STCV33823

Honorable Theresa M. Traber
Department 1

NOTICE OF MOTION AND MOTION FOR FINAL APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT, ATTORNEYS' FEES AND COSTS, ENHANCEMENT PAYMENTS, AND SETTLEMENT ADMINISTRATION COSTS; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF

Date: September 2, 2026
Time: 10:30 a.m.
Dept: 1

Complaint Filed: September 14, 2021
FAC Filed: August 29, 2023
SAC Filed: October 16, 2025
Trial Date: Not Set

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE THAT on **September 2, 2026 at 10:30 a.m.** in Department 1 of the above-captioned Court located at Spring Street Courthouse, 312 North Spring Street, Los Angeles, California 90012, pursuant to California Code of Civil Procedure section 382, Rule 3.769 of the California Rules of Court, and California Labor Code section 2699(s)(2), Plaintiffs Yrene Diaz and Yolanda Castro (together, "Plaintiffs") will and hereby do move the Court for an Order granting final approval of the proposed class action and Labor Code Private Attorneys General Act of 2004, California Labor Code sections 2698, *et seq*. ("PAGA") settlement between Plaintiffs and Defendant Macadi Cleaning Corporation ("Defendant").

Plaintiffs request that the Court enter an Order:

1. Granting final approval of the class action and PAGA settlement;

2. Approving the settlement as fair, adequate, and reasonable, based upon the terms as set forth in the Court-approved Joint Stipulation of Class Action and PAGA Settlement ("Settlement Agreement" or "Settlement"), including payment by Defendant of the Gross Settlement Amount of Five Hundred Thousand Dollars and Zero Cents ($500,000.00) equal to the amounts to pay (1) the Settlement Class Members and Aggrieved Employees pursuant to the terms of the Settlement; (2) the Court-approved Attorneys' Fees and Costs; (3) the Court-approved Enhancement Payments; (4) the Court-approved Settlement Administration Costs; and (5) the Court-approved payment to the California Labor and Workforce Development Agency ("LWDA") pursuant to PAGA;

3. Approving Class Counsel's request for thirty-five (35%) of the Gross Settlement Amount, i.e., One Hundred Seventy-Five Thousand Dollars and Zero Cents ($175,000.00) in attorneys' fees, plus reimbursement of actual costs and expenses in the amount of Forty-Eight Thousand Six Hundred Eighty-Four Dollars and Ninety-Two Cents ($48,684.92);

4. Approving the Enhancement Payments to Plaintiffs in the aggregate amount of Seven Thousand Five Hundred Dollars and Zero Cents ($7,500.00) in recognition of their services to the Class Members;

5. Approving the Settlement Administration Costs to ILYM Group, Inc. in the amount of Eight Thousand Nine Hundred Fifty Dollars and Zero Cents ($8,950.00); and

6. Approving Seven Thousand Five Hundred Dollars and Zero Cents ($7,500.00) to be paid to the LWDA as seventy-five percent (75%) of the Ten Thousand Dollars and Zero Cents ($10,000.00) allocated to civil penalties under PAGA.

This Motion is made pursuant to Rule 3.769 and Rule 3.1113(e) of the California Rules of Court, which require approval by the Court of a class action settlement and permit the Court to extend the page limit for memoranda.

This Motion is based on the following Memorandum of Points and Authorities, the Settlement Agreement, the Declarations of Class Counsel (Alexandra Rose), the Class Representatives (Yrene Diaz and Yolanda Castro), and the Settlement Administrator (Cassandra Polites on behalf of ILYM Group, Inc.), the pleadings and other records on file with the Court in this matter, and such evidence or oral argument as may be presented at the hearing on this Motion.

Respectfully submitted,

Dated: August 3, 2026

BLACKSTONE LAW, APC

By: Alexandra Rose
Alexandra Rose
Attorneys for Plaintiffs Yrene Diaz and Yolanda Castro and the Class

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiffs Yrene Diaz ("Plaintiff Diaz") and Yolanda Castro ("Plaintiff Castro") ("Plaintiffs" or "Class Representatives") seek final approval of the class action settlement reached with Defendant Macadi Cleaning Corporation ("Defendant"). Subject to Court approval, Plaintiffs and Defendant (collectively, the "Parties") have settled the Released Class Claims and Released PAGA Claims as defined in the Joint Stipulation of Class Action and PAGA Settlement ("Settlement Agreement" or "Settlement") for a total amount of Five Hundred Thousand Dollars and Zero Cents ($500,000.00) ("Gross Settlement Amount"). (*See* Declaration of Alexandra Rose in Support of Plaintiffs' Motion for Final Approval of Class Action and PAGA Settlement, Attorneys' Fees and Costs, Enhancement Payments, and Settlement Administration Costs ["Rose Decl."], ¶ 29, Exh. 1).

The Court conditionally certified, for settlement purposes only, the "Class" or "Class Members", which collectively refers to the Non-Arbitration Class Members and the Arbitration Class Members as follows:

a. "Non-Arbitration Class Members(s)" means all individuals who worked for Defendant in California at any time during the Class Period who were classified as non-exempt and who did not sign an arbitration agreement.

b. "Arbitration Class Member(s)" means all individuals who worked for Defendant in California at any time during the PAGA Period[1] who were classified as non-exempt and who signed an arbitration agreement.

(Settlement Agreement, ¶ 15.d; Rose Decl., ¶ 27).

The "Class Period" is defined as the period from September 14, 2017 through August 2, 2025. (Settlement Agreement, ¶ 15.h; Rose Decl., ¶ 27). Even though Plaintiffs did not sign arbitration agreements, they can, for settlement purposes, represent both subclasses, including individuals who did sign arbitration agreements, because the alleged violations were the same for all employees regardless of whether they signed an arbitration agreement. (Rose Decl., ¶ 27).

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[1] Arbitration Class Members are defined as those who worked for Defendant during the PAGA Period rather than the Class Period because these individuals signed arbitration agreements that waived their class claims.

The "Settlement Class Members" collectively refers to the Non-Arbitration Settlement Class Members and the Arbitration Settlement Class Members as follows:

a. "Non-Arbitration Settlement Class Members" are all Non-Arbitration Class Members who do not submit a timely and valid Request for Exclusion.

b. "Arbitration Settlement Class Members" are all Arbitration Class Members who do not submit a timely and valid Request for Exclusion.

(Settlement Agreement, ¶ 15.mm; Rose Decl., ¶ 27).

There are 511 Settlement Class Members who worked 21,867 Workweeks[2], which include:

a. 308 Non-Arbitration Settlement Class Members who worked 12,861 Non-Arbitration Workweeks; and

b. 203 Arbitration Settlement Class Members who worked 9,006 Arbitration Workweeks. (Declaration of Cassandra Polites on behalf of ILYM Group, Inc. Regarding Notice and Settlement Administration ["ILYM Decl."], ¶ 13).

The "Aggrieved Employees" consist of "all individuals who worked for Defendant in California at any time during the PAGA Period and who were classified as non-exempt, regardless of whether they signed an arbitration agreement." (Settlement Agreement, ¶ 15.a; Rose Decl., ¶ 27). The "PAGA Period" is defined as the period from July 17, 2022 through August 2, 2025. (Settlement Agreement, ¶ 15.aa; Rose Decl., ¶ 27). There are 264 Aggrieved Employees who worked 9,946 bi-weekly pay periods for Defendant during the PAGA Period ("PAGA Pay Periods"). (Settlement Agreement, ¶ 15.cc; ILYM Decl., ¶ 15).

As discussed herein, the proposed Settlement satisfies all the criteria for final settlement approval under California law because it is fair, adequate, and reasonable. (Rose Decl., Exh. 1; *See also, Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-30; *Dunk v. Ford Motor*

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[2] "Workweeks" collectively refers to the Non-Arbitration Workweeks and the Arbitration Workweeks as follows:

(a) "Non-Arbitration Workweek(s)" means a week in which a Non-Arbitration Class Member performed work during the Class Period. Weeks in which a Non-Arbitration Class Member was employed but performed no work (i.e., was on sick leave, vacation, or other leave of absence) do not count as Non-Arbitration Workweeks. For purposes of settlement allocation, a Non-Arbitration Workweek counts as one (1).

(b) "Arbitration Workweek(s)" means a week in which an Arbitration Class Member performed work during the PAGA Period. Weeks in which an Arbitration Class Member was employed but performed no work (i.e., was on sick leave, vacation, or other leave of absence) do not count as Arbitration Workweeks. For purposes of settlement allocation, an Arbitration Workweek counts as 0.5, or one-half of a Non-Arbitration Workweek.

Company (1996) 48 Cal.App.4th 1794, 180 l). The response of the Class to the Settlement confirms that final settlement approval is appropriate. *There have been no objections to and no requests to opt-out from* the Class Settlement. (ILYM Decl., ¶¶ 9 and 10).

Because the Settlement achieves outstanding results for the Settlement Class Members, the Aggrieved Employees, and the State of California, Plaintiffs respectfully request, on behalf of the Class and without opposition from Defendant, that the Court approve the Settlement as fair, adequate, and reasonable, and enter judgment in accordance with the Settlement's terms.

Plaintiffs seek the Court's approval of an attorneys' fee award of thirty-five percent (35%) of the Gross Settlement Amount, equaling One Hundred Seventy-Five Thousand Dollars and Zero Cents ($175,000.00), plus reimbursement of actual litigation costs and expenses in the amount of Forty-Eight Thousand Six Hundred Eighty-Four Dollars and Ninety-Two Cents ($48,684.92) (together, "Attorneys' Fees and Costs"). Class Counsel's request for an award of attorneys' fees and costs is reasonable and appropriate in light of the outstanding work performed by Class Counsel in the matter, the contingent nature of this action, and the results achieved under the Settlement. (*See Lealao v. Beneficial California, Inc.* (2000) 82 Cal.App.4th 19).

Plaintiffs also request the Court's approval of the amounts to be paid to Plaintiffs in the amount of Five Thousand Dollars and Zero Cents ($5,000.00) to Plaintiff Diaz and Two Thousand Five Hundred Dollars and Zero Cents ($2,500.00) to Plaintiff Castro (total, $7,500.00) ("Enhancement Payment(s)") for their services on behalf of the Class. These amounts proposed to be awarded to Plaintiffs are fair and reasonable for the reasons Plaintiffs provided in their declarations. (*See* Declaration of Plaintiff Yrene Diaz in Support of Motion for Final Approval of Class Action and PAGA Settlement, Attorneys' Fees and Costs, Enhancement Payments, and Settlement Administration Costs ["Diaz Decl."] and Declaration of Plaintiff Yolanda Castro in Support of Motion for Final Approval of Class Action and PAGA Settlement, Attorneys' Fees and Costs, Enhancement Payments, and Settlement Administration Costs ["Castro Decl."] filed concurrently herewith). Courts approve incentive awards to plaintiffs when justified and appropriate to compensate plaintiffs for their time, effort, and inconvenience. (*See e.g., Van Vranken v. Atlantic Richfield Co.* (N.D. Cal. 1995) 901 F. Supp. 294, 299).

Finally, Plaintiffs request that the Court approve the payment of Eight Thousand Nine Hundred Fifty Dollars and Zero Cents ($8,950.00) ("Settlement Administration Costs") to ILYM Group, Inc. ("ILYM" or "Settlement Administrator") as compensation for its administration services it has and will provide in connection with the Settlement. (*See, generally*, ILYM Decl.).

In order to efficiently present the Court with adequate information to determine whether to grant final approval of the Settlement and award the Attorneys' Fees and Costs, Enhancement Payments, and Settlement Administration Costs, Plaintiffs also move for an order permitting the filing of this single consolidated memorandum, although it exceeds the page limit established by California Rules of Court, Rule 3.1113(d), instead of filing several separate motions.

II. PROCEDURAL HISTORY AND FACTUAL BACKGROUND

Defendant is a janitorial company serving clients throughout Mission Viejo, Irvine, Costa Mesa, Lake Forest, and Laguna Niguel since 1998. Defendant's services include commuter transportation, commercial, office cleaning, janitorial services, floor services, and pressure washing. Plaintiff Diaz was employed by Defendant as an hourly-paid, non-exempt Cleaner from approximately 2017 to approximately November 2022. (Diaz Decl., ¶ 2). Plaintiff Castro was also employed by Defendant as an hourly-paid, non-exempt Cleaner until approximately 2020. (Castro Decl., ¶ 2).

On August 4, 2021, former plaintiff Jose Pascual Salgado ("Former Plaintiff") provided written notice to the California Labor and Workforce Development Agency ("LWDA") by online submission and to Defendant by U.S. Certified Mail, pursuant to California Labor Code Section 2699.3, of the specified provisions of the California Labor Code alleged to have been violated by Defendant. (Rose Decl., ¶ 2).

On September 14, 2021, Former Plaintiff filed a Class Action Complaint for Damages and Enforcement Action Under the Private Attorneys General Act, California Labor Code §§ 2698, Et Seq. against Defendant in the action that is currently entitled *Yrene Diaz and Yolanda Castro v. Macadi Cleaning Corporation*, Los Angeles County Superior Court Case No. 21STCV33823 ("Action"), thereby commencing a putative class and representative action under the California Labor Code Private Attorney General Act of 2004 ("PAGA") against Defendant. (*Id.*, ¶ 3).

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On March 15, 2022, Former Plaintiff propounded written formal discovery onto Defendant, specifically Form Interrogatories – General (Set One), Special Interrogatories (Set One), Requests for Production (Set One), Requests for Admission (Set One), and Notice of Deposition of Defendant's Person Most Knowledgeable and Request for Production of Documents. (*Id*., ¶ 4).

On May 16, 2022, a Belaire-West notice was mailed to three hundred and forty-five (345) putative class members by a third-party administrator. (*Id*., ¶ 5).

On May 16, 2022, Defendant served its Objections and Responses to Former Plaintiff's first set of written formal discovery. (*Id*., ¶ 6). On June 13, 2022, Former Plaintiff propounded Form Interrogatories – General (Set Two) onto Defendant. (Ibid).

On June 17, 2022, the Belaire-West notice was mailed to an additional forty-five (45) putative class members. (*Id*., ¶ 7).

On July 15, 2022, Defendant served Former Plaintiff its Objections and Responses to Former Plaintiff's Formal Interrogatories – General (Set Two). (*Id*., ¶ 8). On November 23, 2022, Defendant served Former Plaintiff with its Supplemental Objections and Responses to Former Plaintiff's first set of formal written discovery. (Ibid).

On May 2, 2023, Former Plaintiff and Defendant participated in mediation with the Honorable Amy D. Hogue (Ret.), a respected mediator of complex wage and hour actions, which did not result in a settlement at the time. (*Id*., ¶ 9).

On July 14, 2023, Defendant filed an *Ex Parte* Application and supporting documents, seeking the Court to enforce the terms of an individual settlement agreement with Former Plaintiff. (*Id*., ¶ 10).

On July 17, 2023, Former Plaintiff filed a Motion for Leave to Amend Complaint to Substitute Class and PAGA Representative and Request to Dismiss Individual Claims with Prejudice, and supporting documents, along with a Response to Defendant's *Ex Parte* Application to Enforce Settlement Agreement and supporting documents. (*Id*., ¶ 11).

On July 17, 2023, Plaintiff Diaz provided written notice to the LWDA by online submission and to Defendant by U.S. Certified Mail, pursuant to California Labor Code Section 2699.3, which, *inter alia*, informed the LWDA and Defendant that she intended to be added to the Action ("PAGA Letter"). (*Id*., ¶ 12).

On August 9, 2023, Former Plaintiff filed an Opposition to Defendant's Motion to Enforce Settlement Agreement and supporting documents. (*Id*., ¶ 13). On August 9, 2023, Defendant filed its Response in Opposition to [Former] Plaintiff's Motion to Amend and Substitute Class Representative and supporting documents along with an Application to File Documents Under Seal. (Ibid). On August 15, 2023, Defendant filed its Reply in Support of Motion to Enforce Settlement Agreement. (Ibid).

On August 22, 2023, the Court held the hearing on [Former] Plaintiff's Motion for Leave to Amend Complaint to Substitute Class and PAGA Representative and Request to Dismiss Individual Claims with Prejudice and Defendant's Motion to Enforce Settlement Agreement and Application to File Documents Under Seal. (*Id*., ¶ 14). The Court granted the [Former] Plaintiff's Motion for Leave to Amend, denied Defendant's Motion to Enforce Settlement Agreement, and denied Defendant's Application to File Documents Under Seal. (Ibid).

On August 29, 2023, Former Plaintiff and Plaintiff Diaz filed a First Amended Class Action Complaint for Damages and Enforcement Action Under the Private Attorneys General Act, California Labor Code §§ 2698, Et Seq., which added Plaintiff Diaz as a named plaintiff in the Action. (*Id*., ¶ 15).

On November 8, 2023, the Court entered an Order, which dismissed Former Plaintiff's individual class and representative claims under PAGA without prejudice. (*Id*., ¶ 16).

On May 28, 2024, the Parties participated in mediation with Jonathan D. Andrews ("Mediator"), a respected mediator of complex wage and hour actions, which did not result in a settlement at the time. (*Id*., ¶ 17).

On May 31, 2024, Plaintiff Diaz propounded Notices of Deposition onto Defendant. (*Id*., ¶ 18). On June 12, 2024, Defendant served its Objections to Plaintiff Diaz's Notices of Deposition. (Ibid). On July 29, 2024, Plaintiff Diaz propounded Amended Notices of Deposition onto Defendant and Requests for Production. (Ibid). On August 22, 2024, Defendant served its Objections and Responses to Plaintiff Diaz's Amended Notices of Deposition. (Ibid).

On August 28, 2024 and August 29, 2024, Blackstone Law, APC took the deposition of Carla Lopez (Office Manager). (*Id*., ¶ 19).

On September 3, 2024, Plaintiff Diaz served a Second Amended Notice of Deposition onto Defendant. (*Id*., ¶ 20).

On September 6, 2024, Blackstone Law, APC took the deposition of Marco Lopez-Miller (General Manager and CEO). (*Id*., ¶ 21).

On September 27, 2024, Defendant served Supplemental Responses to Plaintiff Diaz's Requests for Production of Documents (Set Two). (*Id*., ¶ 22). On February 14, 2025, Defendant served its Second Supplemental Responses to Plaintiff Diaz's Requests for Production of Document (Set One). (Ibid).

On April 11, 2025, after further negotiations and with the assistance of the Mediator, the Parties reached a settlement. (*Id*., ¶ 23).

On October 16, 2025, Plaintiffs filed a Second Amended Class Action Complaint for Damages and Enforcement Action Under the Private Attorneys General Act, California Labor Code §§ 2698, Et Seq. ("Operative Complaint"), which added Plaintiff Castro as a named plaintiff. (*Id*., ¶ 24). The Operative Complaint alleges nine (9) causes of action for violations of the California Labor Code for failure to pay minimum wages, failure to pay overtime wages, failure to provide compliant meal periods and premium payments in leu thereof, failure to provide compliant rest periods and premium payments in leu thereof, failure to timely pay wages upon termination, failure to issue accurate wage statements, and failure to reimburse necessary business expenses, for violations of California Business & Professions Code Section 17200, *et seq.* based on the aforementioned California Labor Code violations, and for civil penalties under PAGA based on the aforementioned California Labor Code violations. (Ibid).

On November 18, 2025, the Parties executed the Settlement Agreement. (*Id*., ¶ 25 and Exh. 1).

On December 11, 2025, Plaintiffs filed a Motion for Preliminary Approval of Class Action and PAGA Settlement ("Motion for Preliminary Approval") and supporting documents. (*Id*., ¶ 26). On April 10, 2026, the Court entered the Order Granting Preliminary Approval of Class Action and PAGA Settlement ("Preliminary Approval Order"), thereby preliminary approving the terms of the Settlement Agreement, the Notice of Class Action Settlement ("Class Notice"), and the proposed administration procedures and associated deadlines. (*Id*., ¶ 26 and Exh. 1).

The Parties agree that the Class described herein may be certified for settlement purposes only. If for any reason the Settlement is not approved, the certification will have no force or effect and will immediately be revoked. The Parties further agree that certification for purposes of approving the Settlement Agreement is in no way an admission that class certification is proper under the more stringent standard applied for litigation and that evidence of this limited stipulation for settlement purposes only will not be admissible for any purpose in this or any other proceeding.

III. SUMMARY OF THE SETTLEMENT TERMS AND PLAN OF DISTRIBUTION

The Parties have agreed to settle the Class and PAGA claims at issue in the Operative Complaint for a non-reversionary Gross Settlement Amount of Five Hundred Thousand Dollars and Zero Cents ($500,000.00), which is exclusive of employer-side payroll taxes. (Settlement Agreement, ¶ 15.s; Rose Decl., ¶ 29). The Gross Settlement Amount includes: (1) Class Counsel's fees in the amount of thirty-five percent (35%) of the Gross Settlement Amount, equaling One Hundred Seventy-Five Thousand Dollars and Zero Cents ($175,000.00); (2) Class Counsel's actual litigation costs and expenses, in the amount of Forty-Eight Thousand Six Hundred Eighty-Four Dollars and Ninety-Two Cents ($48,684.92); (3) Settlement Administration Costs in the amount of Eight Thousand Nine Hundred Fifty Dollars and Zero Cents ($8,950.00); (4) Enhancement Payments in the aggregate amount of Seven Thousand Five Hundred Dollars and Zero Cents ($7,500.00); and (5) PAGA Amount in the amount of Ten Thousand Dollars and Zero Cents ($10,000.00). (Settlement Agreement, ¶¶ 15.s, 18, 19, 20, and 21; Rose Decl., ¶ 29). After the above Court-approved amounts are deducted from the Gross Settlement Amount, the Settlement Class Members will share in a Net Settlement Amount of approximately Two Hundred Forty-Nine Thousand Eight Hundred Sixty-Five Dollars and Eight Cents ($249,865.08). (Settlement Agreement, ¶ 15.x; Rose Decl., ¶ 29).

The Settlement does not require Settlement Class Members to submit claims as a prerequisite to receiving their *pro rata* share of the Net Settlement Amount ("Individual Settlement Share") nor does it require Aggrieved Employees to submit claims as a prerequisite to receiving their *pro rata* share of twenty-five percent (25%) of the PAGA Amount ("Individual PAGA Payment"). (Settlement Agreement, ¶¶ 15.t and 15.v; Rose Decl., ¶ 30).

Individual Settlement Shares are calculated by the Settlement Administrator as follows:

a. For Non-Arbitration Settlement Class Members, the Settlement Administrator will divide the final Net Settlement Amount by the Non-Arbitration Workweeks of all Non-Arbitration Settlement Class Members to yield the "Final Non-Arbitration Workweek Value," and multiply each Non-Arbitration Settlement Class Member's individual Non-Arbitration Workweeks by the Final Non-Arbitration Workweek Value. Each Non-Arbitration Workweek counts as one (1).

b. For Arbitration Settlement Class Members, the Settlement Administrator will divide the final Net Settlement Amount by the Arbitration Workweeks of all Arbitration Settlement Class Members to yield the "Final Arbitration Workweek Value," and multiply each Arbitration Settlement Class Member's individual Arbitration Workweeks by the Final Arbitration Workweek Value. Each Arbitration Workweek counts as 0.5. (Settlement Agreement, ¶ 23.b; Rose Decl., ¶ 30).

The Parties allocated each Non-Arbitration Workweek a value of one (1) and each Arbitration Workweek a value of 0.5. (Rose Decl., ¶ 30). The allocation of a Non-Arbitration Workweek reflects Defendant's bi-weekly pay structure and aligns the Non-Arbitration Settlement Class Members' payments with the amounts that would have been available under PAGA. (Ibid). The allocation is fair to both categories of Class Members because it accounts for the comparatively lower potential value of claims held by individuals who signed arbitration agreements. (Ibid).

Individual PAGA Payments are calculated by the Settlement Administrator by dividing the amount of the Aggrieved Employees' twenty-five percent (25%) share of the PAGA Amount ($2,500.00) by the PAGA Pay Periods to yield the "PAGA Pay Period Value," and multiplying each Aggrieved Employee's individual PAGA Pay Periods by the PAGA Pay Period Value. (Settlement Agreement, ¶¶ 15.b, 20, and 24; Rose Decl., ¶ 30)

Each Individual Settlement Share will be allocated as twenty percent (20%) wages and eighty percent (80%) penalties, interest, and non-wage damages. (Settlement Agreement, ¶ 25; Rose Decl., ¶ 32). The portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. (Settlement Agreement, ¶ 25; Rose Decl., ¶ 32). The Settlement Administrator will withhold the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their net payment of their Individual Settlement Share ("Individual Settlement Payment"). (Settlement Agreement, ¶ 25; Rose Decl., ¶ 32). The employer's share of taxes and contributions in connection with the wages portion of Individual Settlement Shares will be paid by Defendant separately and in addition to the Gross Settlement Amount. (Settlement Agreement, ¶ 25; Rose Decl., ¶ 32). Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. (Settlement Agreement, ¶ 25; Rose Decl., ¶ 32).

Defendant shall pay the Gross Settlement Amount in thirteen (13) installments[3] as follows:

a. Initial Payment: No later than seven (7) calendar days after Final Approval, Defendant will deposit Two Hundred Fifty Thousand Dollars and Zero Cents ($250,000.00) of the Gross Settlement Amount and the Employer Taxes into a Qualified Settlement Fund ("QSF") within the meaning of Treasury Regulation Section 1.468B-1, *et seq.*, to be established by the Settlement Administrator.

b. Installment Payment(s): The remainder of the Gross Settlement Amount shall be paid in twelve (12) equal payments for twelve (12) months thereafter until the Gross Settlement Amount has been fully paid. The first of the twelve (12) Installment Payments shall be paid by the 5th day of the calendar month following the Initial Payment but not sooner than thirty (30) calendar days after the Initial Payment or, if appealed, the 5th day of the calendar month following the date the appeal is finally resolved, but no sooner than thirty (30) calendar days after the appeal is resolved.

c. If an appeal is filed, then the Initial Payment and the Employer Taxes shall be placed in an interest-bearing account by the Settlement Administrator, and interest will accrue and be credited toward the next Installment Payment(s). Defendant will not be

[3] At the hearing on the Motion for Preliminary Approval, Defendant's counsel represented that Defendant has been setting aside funds since the settlement was reached and confirmed that, as a result, Defendant will be able to make the required payments on time.

responsible for any further Installment Payments until all appeals are resolved.

d. Any failure by Defendant to timely pay the Initial Payment or any Installment Payment shall be an event of default. Within three (3) business days of any default, the Settlement Administrator shall email counsel for both Parties notifying them of any default (the "Default Notice"). Defendant shall have no more than ten (10) business days from the date of the Default Notice to cure the default. Any default that is not cured by the 15th business day from the date of the Default Notice shall entitle Plaintiffs to move ex parte to have all remaining unpaid Installment Payment(s) immediately accelerated and judgment entered against Defendant for the remaining unpaid Installment Payment(s). (Settlement Agreement, ¶ 41; Rose Decl., ¶ 33).

Distribution of the Gross Settlement shall be made as follows:

a. Within five (5) business days of the funding of the Initial Payment and Effective Date, the Settlement Administrator will issue half of the Individual Settlement Payments to Settlement Class Members, half of the Individual PAGA Payments to Aggrieved Employees, half of the LWDA Payment to the LWDA, half of the Enhancement Payments to Plaintiffs, half of the Attorneys' Fees and Costs to Class Counsel, and half of the Settlement Administration Costs to itself. The Settlement Administrator shall also set aside the Employer Taxes and all employee-side payroll taxes, contributions, and withholding, and timely forward these to the appropriate government authorities.

b. Within five (5) business days of the funding of the last Installment Payment, the Settlement Administrator will issue the remaining half of the Individual Settlement Payments to Settlement Class Members, remaining half of the Individual PAGA Payments to Aggrieved Employees, remaining half of the LWDA Payment to the LWDA, remaining half of the Enhancement Payments to Plaintiffs, remaining half of the Attorneys' Fees and Costs to Class Counsel, and remaining half of the Settlement Administration Costs to itself. (Settlement Agreement, ¶ 42; Rose Decl., ¶ 34).

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Each Individual Settlement Payment and Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180) calendar days from the date the checks are issued, and thereafter, shall be canceled. (Settlement Agreement, ¶ 43; Rose Decl., ¶ 35). Any funds associated with such canceled checks will be distributed by the Settlement Administrator to the State of California's Unclaimed Property Division in the name of the Settlement Class Member and/or Aggrieved Employee. (Settlement Agreement, ¶ 43; Rose Decl., ¶ 35).

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiffs and all Non-Arbitration Settlement Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims for the Class Period. (Settlement Agreement, ¶ 44.a).

Upon the Effective Date and full funding of the Gross Settlement Amount, all Arbitration Settlement Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims for the PAGA Period. (*Id*., ¶ 44.b).

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiffs, the State of California with respect to all Aggrieved Employees, and all Aggrieved Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims. (*Id*., ¶ 45).

The "Released Class Claims" means any and all causes of action, claims, rights, statutory damages, penalties, liabilities, expenses, and losses against the Released Parties, arising out of the claims pled in the Operative Complaint (i.e., California Labor Code §§ 201, 202, 203, 204, 226, 226.7, 510, 512, 1174, 1194, 1197, 1197.1, 1198, 2800, and 2802, and Business & Professions Code §§ 17200, *et seq*. based on alleged violations of these California Labor Code provisions) and all other potential claims reasonably related to or arising out of the same set of facts pled in the Operative Complaint, such as those under the California Labor Code, Wage Orders, regulations, and/or other provisions of law. (*Id*., ¶ 15.ff). The Released Class Claims do not include claims for unemployment, workers compensation, wrongful termination, disability, race, gender or other discrimination, social security, vested benefits, or claims based on facts outside of the Class Period. (Ibid).

The "Released PAGA Claims" means any and all claims for civil penalties under PAGA arising during the PAGA Period based on the California Labor Code violations alleged in the PAGA Letter, as well as all facts, theories, or claims for civil penalties that would be considered administratively exhausted under applicable law by the PAGA Letter, as well as any claims brought under the PAGA in the Operative Complaint. (*Id*, ¶ 15.gg). The Released PAGA Claims do not include claims for unemployment, workers compensation, wrongful termination, disability, race, gender or other discrimination, social security, vested benefits, or claims based on facts outside of the PAGA Period. (Ibid).

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiffs, individually and on their own behalf, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, or causes of action of any kind or nature whatsoever, known or unknown, suspected or unsuspected, asserted or unasserted, arising out of, relating to, or resulting from their employment and/or separation of employment with Defendant, which Plaintiffs, at any time up until the execution of the Settlement Agreement, had or claimed to have or may have. (*Id*., ¶ 46). It is agreed that this is a general release and is to be broadly construed as a release of all claims, provided that, notwithstanding the foregoing, this Paragraph expressly does not include a release of any claims that cannot be released hereunder by law. (Ibid). Any and all rights granted under any state or federal law or regulation limiting the effect of the Settlement Agreement, including the provisions of Section 1542 of the California Civil Code, ARE HEREBY EXPRESSLY WAIVED. (Ibid). Section 1542 of the California Civil Code reads as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.
> (Ibid).

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The "Released Parties" means Defendant and all of its parent companies, subsidiaries, divisions, related or affiliated companies, and its or their shareholders, officers, directors, employees, agents, principals, representatives, attorneys, accountants, partners, investors, owners, administrators, insurers, predecessors, successors and assigns, and any individual or entity that could be liable for any of the Released Class Claims and Released PAGA Claims. (*Id.*, ¶ 15.hh).

IV. THE SETTLEMENT ADMINISTRATION PROCESS

ILYM has taken all necessary steps to effectuate the notice and settlement administration process, as set forth in the Preliminary Approval Order.

On April 10, 2026, ILYM received the Court approved text for the Class Notice from Class Counsel. (ILYM Decl., ¶ 4).

On April 27, 2026, ILYM received the class data file from Defendant's counsel, which contained each Class Member's and Aggrieved Employee's full name, social security number, last known mailing address, number of Non-Arbitration Workweeks, number of Arbitration Workweeks, and number of PAGA Pay Periods (collectively, "Class List"). (*Id.*, ¶ 5). The Class List was uploaded to ILYM's database and checked for duplicates and other possible discrepancies. (Ibid). The Class List contained 511 individuals identified as Class Members. (Ibid).

As part of the preparation for mailing, all 511 names and addresses contained in the Class List were then processed against the National Change of Address ("NCOA") database, maintained by the United States Postal Service ("USPS"), for purposes of updating and confirming the mailing addresses of the Class Members before mailing of the Class Notice. (*Id.*, ¶ 6). The NCOA contains requested change of addresses filed with the USPS. (Ibid). To the extent that an updated address was found in the NCOA database, the updated address was used for the mailing of the Class Notice. (Ibid). To the extent that no updated address was found in the NCOA database, the original address provided by Defendant's counsel was used for the mailing of the Class Notice. (Ibid).

On May 8, 2026, the Class Notice was mailed, via U.S. First Class Mail, to all 511 individuals contained in the Class List. (*Id.*, ¶ 7). 47 Class Notices were returned to ILYM as undeliverable. (*Id.*, ¶ 8). ILYM performed a computerized skip trace on the 47 returned Class Notices that did not have a forwarding address in an effort to obtain an updated address for the purpose of re-mailing the Class Notice. (Ibid). As a result of this skip trace, 25 updated addresses were obtained and the Class Notice was promptly re-mailed to those Class Members, via U.S First Class Mail. (Ibid). A total of 22 Class Notices have been deemed undeliverable as no updated address was found notwithstanding the skip tracing. (Ibid).

Class Members had forty-five (45) calendar days after the Settlement Administrator mailed the Class Notice to submit a Request for Exclusion, Notice of Objection, and/or Dispute ("Response Deadline"). (Settlement Agreement, ¶ 15.jj). The Response Deadline was June 22, 2026 and the extended Response Deadline was July 7, 2026. (ILYM Decl., ¶¶ 9-11). The Settlement Administrator did not receive any Requests for Exclusion, Notice of Objections, and/or Disputes. (Ibid).

The estimated average gross Individual Settlement Share is $466.83, the estimated highest gross Individual Settlement Share is $4,014.56, and the estimated lowest gross Individual Settlement Share is $10.91; the estimated average Individual PAGA Payment is $9.47, the estimated highest Individual PAGA Payment is $20.11, and the estimated lowest Individual PAGA Payment is $0.25. (*Id*., ¶¶ 14 and 16).[4]

V. COMPLIANCE WITH PROCEDURAL REQUIREMENTS OF PAGA

On December 11, 2026, Class Counsel submitted a copy of the Settlement Agreement to the LWDA through its online submission portal in compliance with California Labor Code § 2699(s)(2). (Rose Decl., ¶ 36). The LWDA has not objected or otherwise responded to the submissions. (Ibid).

VI. EVALUATION OF SETTLEMENT FOR FINAL APPROVAL

A. The Legal Standard for Final Approval

Before granting final approval of a class action settlement, the Court must review the settlement for fairness. (Cal. Rules of Court, rule 3.769(g); *Dunk v. Ford Motor Co*. (1996) 48 Cal.App.4th 1794, 1801). A court must take into account relevant factors, including, for example, the strength of the plaintiff's case, the risk, expense, complexity and likely duration of further litigation, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, and the reaction of the class members to the proposed settlement. (*Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 244-45; *Dunk*, 48 Cal.App.4th at 1801

[4] The actual average, highest, and lowest Individual Settlement Shares will be larger than the amounts stated in the ILYM Decl. because the Net Settlement Amount is larger due to Class Counsel's request for reimbursement of litigation costs and expenses in an amount that is less than $60,000.00 (the difference between the amount sought and the amount authorized under the Settlement, i.e., $11,315.08 will be part of the Net Settlement Amount).

["The list of factors is not exhaustive and should be tailored to each case"]; *Officers for Justice v. Civil Serv. Comm'n* (9th Cir. 1982) 688 F.2d 615, 625). Considering such factors, a presumption of fairness exists where: (1) the settlement is reached through arm's-length bargaining; (2) investigation and discovery are 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. (*Wershba*, 91 Cal.App.4th at 245; *Dunk*, 48 Cal.App.4th at 1802). "The settlement or fairness hearing is not to be turned into a trial or rehearsal for trial on the merits. [The trial court is not] to reach any ultimate conclusions on the contested issues of fact and law which underlie the merits of the dispute, for it is the very uncertainty of outcome in litigation and avoidance of wasteful and expensive litigation that induce consensual settlements." (*Officers for Justice*, *supra*, 688 F.2d at 625).

B. The Settlement Should be Finally Approved

California courts recognize that "a presumption of fairness exists where . . . [a] settlement is reached through arm's-length bargaining." (*Wershba*, 91 Cal.App.4th at 245; *see also Clark v. Am. Residential Servs. LLC*, 175 Cal.App.4th 785, 799 (2009)). Here, the Parties' settlement negotiations were at all times made at arm's-length and were adversarial. (Rose Decl., ¶ 37). The Parties engaged in extensive formal and informal discovery prior to reaching a settlement. (*Id*., ¶ 38).

C. The Settlement is Fair and Reasonable

Courts typically assess the status of discovery in determining whether a class action settlement agreement is fair, reasonable, and adequate. (*Dunk*, 48 Cal.App.4th at 1801). Prior to mediation, Defendant produced putative class members' time and pay records as well as Defendant's relevant wage and hour policies, and information regarding the total number of putative class members, the number of current versus former employees, the total workweeks worked by the putative class members, and the average rate of pay for the putative class members. (Rose Decl., ¶ 38). This allowed Class Counsel to conduct an informed assessment and analysis of the strengths and weaknesses of the claims and the potential class-wide damages. (Ibid). Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Ford Motor Company* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("Dunk/Kullar").

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Based on the information exchanged, the Parties extensively briefed issues regarding class certification and liability and provided their analyses to the Mediator who helped the Parties debate the strengths and weakness of their respective positions. (Rose Decl., ¶ 39). At all times, Plaintiffs were willing and prepared to litigate this matter through class certification and trial if the Parties had been unable to reach a favorable resolution. (Ibid). Additionally, settlement negotiations were conducted by highly capable and experienced counsel. (Ibid). Class Counsel are respected members of the California State Bar with strong records of vigorous and effective advocacy and are experienced in handling complex wage and hour class action litigation. (Ibid). Accordingly, Class Counsel had sufficient information and experience to act intelligently in negotiating the Settlement.

A settlement is not judged against what might have been recovered had a plaintiff prevailed at trial, nor does the settlement have to obtain 100% of the damages sought to be fair and reasonable. (*Wershba*, 91 Cal.App.4th at 246, 250). In evaluating the reasonableness of a settlement, a trial court must consider "the strength of plaintiffs' case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction of the class members to the proposed settlement." (*Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 128 (2008)).

Here, the reasonableness of the Settlement is underscored by the fact that Defendant has legal and factual grounds for defending the Action. Based upon Class Counsel's experience litigating similar complex matters, Plaintiffs reasonably expected a vigorous and lengthy defense to both class certification and the merits of the Action absent a settlement.

Class Counsel is aware of Defendant's defenses and arguments and has also taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation, including those involved in class and/or representative adjudication. (Rose Decl., ¶ 41). Plaintiffs further recognize the burdens of proof necessary to establish liability for the claims asserted in the Action, Defendant's defenses, and the difficulties in establishing entitlement to monetary recovery. (Ibid). Plaintiffs have also considered the Parties' settlement discussions, as well as the evaluations of the mediators, who are experienced and well-regarded in complex labor and employment matters. (Ibid).

Defendant denied and continues to deny any liability and wrongdoing of any kind associated with the claims alleged in the Action, and further denies that class certification is appropriate for any purpose other than the Settlement. (*Id.*, ¶ 42). Defendant believes that it would ultimately prevail in the Action. (Ibid). Defendant proffered defenses to both certification and to the merits of Plaintiffs' claims. (Ibid). Defendant contended that Plaintiffs' claims are not suitable for class certification because individual issues would predominate should this case go to trial. (Ibid). As with all class actions, these complex cases raise difficult management and proof issues and, accordingly, there is a significant risk that the Court may deny class certification. (Ibid).

Class Counsel also recognized that, even if Plaintiffs prevailed at class certification, proving the amount of wages due to each Class Member would be an expensive, time-consuming, and extremely uncertain proposition. (*Id.*, ¶ 43). In order to prove liability and damages, Class Counsel would need to request and analyze thousands of pages of documents, obtain the Class Members' contact information, contact them, and obtain declarations at great expense. (Ibid). Obtaining the cooperation of current employees would also be difficult, given the likely reluctance to aid prosecution of a lawsuit against a current employer. (Ibid). On the other hand, Defendant would likely be able to obtain the cooperation of its employees. (Ibid). Moreover, even if Plaintiffs prevailed at class certification and trial, possible appeals would substantially delay any recovery by the Class. (Ibid).

In light of the Parties' respective legal positions and the risks of continued litigation, the Gross Settlement Amount for resolution of the Class and PAGA claims, is fair, adequate, and reasonable. (*Id.*, ¶ 44).

VII. THE REQUESTED ATTORNEYS' FEES AND COSTS ARE REASONABLE AND SHOULD BE APPROVED

Class Counsel seeks thirty-five percent (35%) of the Gross Settlement Amount (i.e., $175,000.00) for fees for the time spent litigating this matter and reimbursement of actual costs and expenses totaling Forty-Eight Thousand Six Hundred Eighty-Four Dollars and Ninety-Two Cents ($48,684.92) incurred in the prosecution of the Action. (Rose Decl., ¶ 45). The requested fees and costs are fair compensation for undertaking complex, risky, expensive, and time-consuming litigation on a contingent fee basis, especially in light of the substantial benefits achieved by Class Counsel for the Class Members. (Ibid).

A. Plaintiffs' Fee Request of (35%) of the Gross Settlement Amount is Proper Under the Common Fund Doctrine

Courts have long recognized the "common fund" or "common benefit" doctrine, under which attorneys who create a common fund or benefit for a group of persons may be awarded their fees and costs to be paid out of the fund. (*See Serrano v. Priest ("Serrano III")* (1977) 20 Cal.3d 25, 34, quoting *D'Amico v. Board of Medical Examiners* (1974) 11 Cal.3d 1; *Glendale City Employees' Association v. City of Glendale* (1975) 15 Cal.3d 328, 341 fn.19; *Quinn v. State of California* (1975) 15 Cal.3d 162, 16 7; *see also Boeing Co. v. Van Gernert* (1980) 444 U.S. 472,478; *Mills v. Electric Auto-Lite Co.* (1970) 396 U.S. 375, 391-392).

The California Supreme Court has held that, "when a number of persons are entitled in common to a specific fund, and an action brought by a plaintiff or plaintiffs for the benefit of all results in the creation or preservation of that fund, such plaintiff or plaintiffs may be awarded attorneys' fees out of the fund." (*Serrano III, supra,* 20 Cal.3d at 34, quoting *D'Amico,* 11 Cal.3d 1; *see also Boeing, supra,* 444 U.S. at 478 ("[A] lawyer who recovers a common fund for the benefit of persons other than himself or his client is entitled to a reasonable attorney's fee from the fund as a whole."); *Mills, supra,* 396 U.S. at 391-392 (United States Supreme Court endorsing the common fund approach in class actions)). California Practice Guide: Civil Trials and Evidence (The Rutter Group) at § 17:172.3 explains the common fund doctrine as follows:

> Where the lawsuit results in the recovery of a fund or property benefiting others as well as plaintiff (e.g., a class action), the court has inherent equitable power to order plaintiffs attorney fees paid out of the common fund or property [citations]. Such fee spreading assures that all of those benefited by the litigation pay their fair share of obtaining the recovery.

The percentage-of-the-fund approach appears to be the preferred method of awarding fees in traditional common fund cases, such as this case. Where the settlement amount is a "certain or easily calculable sum of money," use of the percentage-of-the-fund method is appropriate. (*Serrano III,* 20 Cal. 3d at 35).

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In *Quinn v. State of California* (1995) 15 Cal.3d 162, 167, the California Supreme Court stated: "[O]ne who expends attorneys' fees in winning a suit which creates a fund from which others derive benefits may require those passive beneficiaries to bear a fair share of the litigation costs." Similarly, in *City and County of San Francisco v. Sweet* (1995) 12 Cal.4th 105, 110-111, the California Supreme Court recognized that the common benefit doctrine has been applied "consistently in California when an action brought by one party creates a fund in which other persons are entitled to share."

Numerous appellate courts have similarly found. (*See e.g., Knoff v. City and County of San Francisco* (1969) 1 Cal.App.3d 184, 203-204 (court upheld a "contingent percentage" award of attorneys' fees in a representative action as the proper exercise of the court's broad equitable powers); *Rider v. County of San Diego* (1992) 1 I Cal.App.4th 1410, 1423 (attorneys' fees and expenses properly awarded from common benefit composed of illegally imposed sales and use tax); *Bank of America v. Cory* (1985) 164 Cal.App.3d 66, 89-92 (fees awarded from common benefit created by action compelling state to claim dormant bank accounts)).

The Supreme Court noted that several courts have expressed frustration with the alternative "lodestar" approach for deciding fee awards, which usually involves wading through voluminous and often indecipherable time records. (*Laffitte v. Robert Half Int'l Inc.* (2016) 1 Cal.5th 480, 503; *see Lealao v. Beneficial California, Inc.* (2000) 82 Cal.App.4th 19, 31 n.5 citing *In re Activision Sec. Litig.* (N.D. Cal 1989) 723 F. Supp. 1373, 1375). The percentage approach is preferable to the lodestar because: (1) it aligns the interests of class counsel and absent class members; (2) it encourages efficient resolution of the litigation by providing an incentive for early, yet reasonable, settlement; and (3) it reduces the demands on judicial resources. (*In re Activision Sec. Litig*., 723 F. Supp. at 1378-79). The Ninth Circuit now routinely uses the percentage of the common fund approach to determine the award of attorney's fees. (*Lealao*, 82 Cal.App.4th at 30-31).

A fee of thirty-five percent (35%) of the Gross Settlement Amount (i.e., $175,000.00) is easily within the range of reasonableness. Historically, courts have awarded percentage fees in the range of 20% to 50%, depending on the circumstances of the case. (*See In re Activision Sec. Litig*., 723 F. Supp. at 1378). According to Professor Newberg: "No general rule can be articulated on what is a reasonable percentage of a common fund…Usually 50 per cent of the fund is the upper limit on a reasonable fee award from a common fund, in order to assure that fees do not consume a disproportionate part of the recovery obtained for the class, though somewhat larger percentages are not unprecedented." (Newberg on Class Actions (4th Ed.), § 14.6). Class Counsel's requested fee is reasonable and falls well within the historical range of attorney's fee awards under the common fund theory. Based on Class Counsel's showing of reasonableness, the Court should approve the requested fees pursuant to the common fund approach.

B. The Circumstances of this Case Support a Thirty-Five Percent (35%) Fee Award

Given the significant results achieved under the circumstances of this litigation, the requested fee award is reasonable. As discussed in *Sumitomo Copper Litigation, supra,* 74 F. Supp. 2d at 396:

> No one expects a lawyer whose compensation is contingent on the success of his services to charge, when successful, as little as he would charge a client who in advance of the litigation has agreed to pay for his services, regardless of success. Nor, particularly in complicated cases producing large recoveries, is it just to make a fee depend solely on the reasonable amount of time expended.

In that vein, this Court should consider the contingent nature of this case, the uncertainty of the outcome, the quality of the counsel, and the preclusion from other employment.

C. The Contingent Nature of This Matter

From the outset of the Action to the present, prosecution of this matter has involved significant financial risk for Class Counsel. Class Counsel undertook this matter solely on a contingent basis, with no guarantee of recovery. Class Counsel has placed its own resources at risk to prosecute this matter with no guarantee of success. The risks of this matter are apparent in that class certification would likely have been a hard-fought issue, especially given the uncertainty regarding certification of cases such as this. Moreover, even if class certification were granted over Defendant's opposition, there was no assurance that Plaintiffs would succeed at trial. (Rose Decl., ¶¶ 41-43). Despite such challenges, Class Counsel was able to persuade Defendant that it faced significant liability exposure such that it was willing to pay $500,000.00 to settle the Class Members' claims.

D. The Experience, Reputation, Ability of Counsel, and Skill in Litigation

Class Counsel has substantial experience in wage-and-hour and other class action litigation, including litigation involving the legal issues in this matter. (Rose Decl., ¶¶ 48 and 49). Class

Counsel's skill in developing a factual record and convincing Defendant of its litigation exposure under California law was essential to achieving the Settlement. Through its skill and reputation, Class Counsel was able to obtain a settlement that provides an outstanding result for Class Members. (*See generally* Rose Decl.).

E. The Results Achieved

The excellent results achieved by the Settlement support Class Counsel's request for attorneys' fees. Class Members' support for the results achieved by Class Counsel is demonstrated by the absence of any objections to either the Class Settlement or to Class Counsel's request for fees, both of which were described clearly in the Class Notice. As of the date of this Motion, Settlement Class Members will be paid, on average, approximately $466.83 each, which is intended to compensate them for the alleged wage and hour violations they suffered during their employment. (Rose Decl., ¶ 31). This is a significant benefit for the Settlement Class Members here as it represents a recovery for highly disputed claims. Equally important is the fact that the State of California will receive $7,500.00 for enforcement of labor laws and education of employers. (*Id*., ¶ 53).

Furthermore, the efficiency with which this litigation was conducted and resolved should be rewarded. After preparing and investigating the case prior to filing the Action, Class Counsel strongly litigated and then resolved the case in an efficient manner. The Class Members will directly benefit from the prompt and fair resolution of their claims. They will be receiving a significant award in a relatively short period of time, as opposed to waiting years to recover some undetermined amount if they succeeded at trial, which is an uncertainty in itself.

F. Preclusion of Other Employment

As California law recognizes, Class Counsel's commitment to this litigation should not be assessed in a vacuum. (*See Serrano, supra,* 20 Cal.3d at 49). A relevant factor in determining attorneys' fees is whether the litigation required Class Counsel to forego other employment. (*See ibid*). Class Counsel had to consider its workload during this litigation when considering taking on additional work that was available, and which Class Counsel had to forego in order to devote the time necessary to pursue this litigation. (Rose Decl., ¶ 47).

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G. The Requested Fees Are Also Justified Under the Lodestar Method

Fee calculations under the lodestar method would result in a similar award, demonstrating the fairness of Class Counsel's percentage fee request. Under the lodestar method, a base fee amount is calculated from a compilation of time reasonably spent on the case and the reasonable hourly compensation of the attorney. The base amount is then adjusted by use of a multiplier in light of various factors. (*Serrano 111, supra,* 20 Cal.3d at 48). Class Counsel's hourly rates are summarized in the Rose Decl. at ¶¶ 48-49.

One difficulty in determining the hourly rate of attorneys of similar skill and experience in the relevant community is the scarcity of hourly fee-paying clients in class action litigation. (Rose Decl., ¶ 49). As a practical matter, few if any employees or consumers pay attorneys' fees on an hourly basis for such extensive litigation, and thus retainer agreements in such cases are based on a stepped-up contingency fee (with the percentage increasing from one third to forty-five – and sometimes even fifty percent, which is on par with personal injury contingency fee agreements – if the case goes to trial). (Ibid). Therefore, there is no customary hourly billing rate for work that is routinely based on a contingent fee relationship, but the nature of class action work should be strongly considered by the Court. (Ibid). Wage and hour work presents a specialized and challenging area of law that is not within the knowledge of many lawyers. (Ibid). This kind of class action work requires specialized learning and the willingness to take large risks. (Ibid).

Class Counsel has spent approximately 458.90 total hours litigating these claims to date.[5] (Rose Decl., ¶ 49). Class Counsel expects to spend another 10 hours in connection with the final approval process (including preparing for and attending the Final Approval Hearing, and managing the Settlement through its conclusion, including anticipated communications with defense counsel, the Settlement Administrator, our clients, and Class Members). (*Id.*, ¶ 50). In addition to time spent during litigation, reasonable hours also include the time spent before the Action was filed, including

[5] In *Martino v. Denevi* (1986) 182 Cal.App.3d 553, 559, the court addressed the issue of what evidence is required in California to support a fee application. The court held: "Testimony of an attorney as to the number of hours worked on a particular case is sufficient evidence to support an award of attorney fees, even in the absence of detailed time records." *Id.* There is no need to attach the voluminous invoices prepared in a case as a basis for an award of fees and costs. *Id.* Through Class Counsel's declaration in support of this application, however, Plaintiff presents a thorough breakdown of the hours spent and costs incurred in prosecuting this class action. Pursuant to *Martino, supra,* this presentation is sufficient to support the amount requested.

time spent interviewing the former client, investigating the facts and the law, preparing the initial pleadings, as well as litigating the case. (*Webb v. Board of Educ.* (1985) 471 U.S. 234). Further, the fee award should include fees incurred to establish and defend the attorneys' fee claim. (*Serrano v. Priest* (1982) 32 Cal .3d 621, 639 ("*Serrano IV*")). Based on the rates of Class Counsel, the total fees incurred to date are $426,358. (Rose Decl., ¶ 49). By the conclusion of this matter, the total fees are estimated to be approximately $433,858. (*Id*., ¶ 50).

In cases where a common fund analysis is not used, once the court establishes the lodestar amount, it should adjust the fee award by a multiplier in order to make an appropriate fee award. (*Serrano III, supra,* 20 Cal.3d at 48). In applying the multiplier, *Newberg on Class Actions* states that "[m]ultiples ranging from one to four frequently are awarded in common fund cases when the lodestar method is applied. A large common fund award may warrant an even larger multiplier." (4 *Newberg on Class Actions* 4th (4th ed. 2002) § 14.6). If the class members paid the fees that the market would bear, they would pay a fee of anywhere from one-third to forty-five percent of any recovery. Since this is the market rate, the lodestar calculation should be enhanced to reflect what the class members would pay on the open market. (*Lealao, supra,* 82 Cal.App.4th at 47-48).

In *Lealao,* the court held that trial courts should award lodestar fees by examining the percentage-of-the-benefit and adjusting the lodestar calculation accordingly. (*Id.* at 49 and 53). The court indicated that this is an upward adjustment and should be akin to a contingency fee recovery; the court stated, "[a]n adjustment reflecting the amount of the class recovery is not significantly different from an adjustment reflecting a percentage of that amount; and California courts have evaluated a lodestar as a percentage of the benefit." (*Id.* at 46). The *Lealao* method appears particularly appropriate because class actions generally are contingency fee cases for plaintiffs - and the class action clients do not expect to pay an hourly fee.

The rationale of *Lealao* comports with the purpose of the multiplier. The multiplier is "primarily to compensate the attorney for the prevailing party at a rate reflecting the risk of nonpayment in contingency cases." (*Ketchum v. Moses* (2001) 24 Cal.4th 1122, 1138). The *Lealao* court reasoned:

> Given the unique reliance of our legal system on private litigants to enforce substantive provisions of law through class and derivative actions, attorneys providing the essential enforcement services must be provided incentives

> roughly comparable to those negotiated in the private bargaining that takes place in the legal marketplace, as it will otherwise be economic for defendants to increase injurious behavior. It has therefore been urged (most persistently by Judge Richard Posner) that in defining a reasonable fee in such representative actions, the law should mimic the market.
>
> In the class action context, that would mean attempting to award the fee that informed private bargaining, if it were truly possible, might have reached. The simplest way for the law to duplicate the bargain that informed parties would reach if agency costs were low is to look to fee award levels in actions brought by sophisticated private parties under the same or comparable statutes.

(*Lealao,* 82 Cal.App.4th at 47-48 (internal citations and quotations omitted)). The court added:

> [T]rial judges need the flexibility *Serrano III* provides, as it enables them to relate fee awards to the economic realities that determine the efficacy of the private enforcement contemplated by our civil justice system. Accordingly, we hold that, in cases in which the value of the class recovery can be monetized with a reasonable degree of certainty and it is not otherwise inappropriate, a trial court has discretion to adjust the basic lodestar through the application of a positive or negative multiplier where necessary to ensure that the fee awarded is within the range of fees freely negotiated in the legal marketplace in comparable litigation.

(*Id.* at 49-50).

In looking at similar cases, including those set forth above, Class Counsel's requested fee comports to the market. Based on the reasonable hourly rates suggested by Class Counsel and the collective hours worked in this matter, the requested fee award would represent a negative multiplier of the current total fee lodestar. In this regard, Class Counsel's fee request is reasonable.

H. No Class Member Objected to the Requested Attorneys' Fee Award

Class Counsel's intention to request the Court's approval for payment of attorneys' fees was clearly disclosed to each Class Member in the Court-approved Class Notice. (Rose Decl., ¶ 52; *See also,* ILYM Decl., Exh. A). As of the filing of this Motion, there has not been a single objection to the request for attorneys' fees. (ILYM Decl., ¶ 10). It is fair to conclude that the Class approves of/does not take issue with the requested award of attorneys' fees. Based thereon, Class Counsel's request for thirty-five percent (35%) of the Gross Settlement Amount, equaling One Hundred Seventy-Five Thousand Dollars and Zero Cents ($175,000.00), should be granted.

I. Plaintiffs' Cost Request is Reasonable

Class Counsel seeks reimbursement of a total amount of Forty-Eight Thousand Six Hundred Eighty-Four Dollars and Ninety-Two Cents ($48,684.92) in costs and expenses in this matter, which includes reasonable future costs for filing the Motion. (Rose Decl., ¶ 51 and Exh. 4). All costs and expenses were reasonably incurred in prosecution of this matter.

VIII. THE REQUESTED ENHANCEMENT PAYMENTS TO PLAINTIFFS ARE REASONABLE

The named Plaintiffs should be awarded Enhancement Payments in the aggregate amount of Seven Thousand Five Hundred Dollars and Zero Cents ($7,500.00), of which Five Thousand Dollars and Zero Cents ($5,000.00) should be awarded to Plaintiff Diaz and Two Thousand Five Hundred Dollars and Zero Cents ($2,500.00) should be awarded to Plaintiff Castro for their services as the Class Representatives and the risks in connection with that role. (Rose Decl., ¶ 53). Enhancement awards in wage and hour cases typically range from $5,000.00 to $20,000.00, although some awards are higher. (Ibid). Often, multiple class representatives receive awards in the above range. (*See e.g.*, *Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles* (2010) 186 Cal.App.4th 399, 412 [approving an enhancement request of $10,000.00 per named plaintiff in a 188 member class]; *Cook v. Niedert*, 142 F.3d 1004, 1016 (7th Cir. 1998); *Thornton v. East Texas Motor Freight*, 497 F.2d 416, 420 (6th Cir. 1974) ["We also think there is something to be said for rewarding those drivers who protect and help to bring rights to a group of employees who have been the victims of discrimination."]). Here, the requested Enhancement Payments are modest, reasonable, and should be approved.

Plaintiffs' actions establish that: (1) they sought to protect the interests of the Class above their own personal interests; (2) the Settlement Class Members will be benefitted from their actions by receiving a payment without having to do anything; and (3) Plaintiffs have put forth a significant amount of time and effort pursuing the litigation and seeing it through to resolution. (*See*, generally, Diaz Decl.; Castro Decl.; *see also Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785, 804 (discussing the criteria for determining class representative enhancement awards in concluding that a requested award of $25,000 for two class representatives was too high)).

The requested awards for Plaintiffs are also reasonable given the financial and personal risk they took in pursuing the Action, and in light of the benefits that their actions have conferred upon the Class. (Diaz Decl., ¶ 7; Castro Decl., ¶ 7; *See also Van Vranken v. Atl. Richfield Co.* (N.D.Cal. 1995) 901 F.Supp. 294, 299-300). Additionally, in considering a requested class representative enhancement award, courts take into consideration a plaintiff's reasonable fear of retaliation. (*Staton v. Boeing Co.* (9th Cir. 2003) 327 F.3d 938, 977). Here, it is easy to see that a potential future employer could expend little effort to discover Plaintiffs pursued the lawsuit – and based thereon, decline to offer Plaintiffs employment.

In sum, Plaintiffs have performed considerable services on behalf of the Class during the litigation. (*See*, generally, Diaz Decl.; Castro Decl.). Class Counsel cannot understate the importance of the role of an employee who is willing to search out an attorney and step forward to assume the risk of litigation and retaliation in order to represent a class and put the interests of the class before their own interests. Plaintiffs have understood that this is a class action where they are serving as the Class Representatives and must protect the Class Members' interests. (Diaz Decl., ¶ 10; Castro Decl., ¶ 10). Plaintiffs were the catalyst to the benefit reached for the Class Members, and have actively protected the Class Members' interests during the pendency of this matter and will continue to do so even if the case was required to go to trial. (Ibid). Plaintiffs spent numerous hours participating in this matter by searching for an attorney, communicating with their attorneys on numerous occasions, searching for and producing relevant documents related to their employment, responding to their attorneys' inquiries, reviewing the settlement documents, and approving the Settlement on behalf of all Class Members. (*See*, generally, Diaz Decl.; Castro Decl.).

In contrast, without having to take on any of the risk incurred by Plaintiffs or time spent by Plaintiffs in litigating this matter, Settlement Class Members will automatically be issued a payment for their claims. It appears that the Settlement Class Members recognize these enhancements were justified because since the time the Class received notice of the requested Enhancement Payments, no one has objected to the requests. Thus, the Enhancement Payments to Plaintiffs are warranted to compensate them for their time and effort, the fear and stress associated with assuming the responsibility of serving as the Class Representatives, and the concrete risks they assumed as the Class Representatives.

IX. THE REQUESTED SETTLEMENT ADMINISTRATION COSTS ARE REASONABLE

In Plaintiffs' Motion for Preliminary Approval, Plaintiffs requested, and the Court approved, Settlement Administration Costs not to exceed Ten Thousand Dollars and Zero Cents ($10,000.00).

(Rose Decl., ¶ 54). ILYM Group, Inc. is the approved Settlement Administrator. (Ibid). It is an experienced class administrator and has adequately performed the administration tasks required by the Preliminary Approval Order. ILYM's *actual* costs to administer the Settlement are only Eight Thousand Nine Hundred Fifty Dollars and Zero Cents ($8,950.00). (ILYM Decl., ¶ 17 and Exh. B). Based thereon, the requested costs should be approved.

X. THE PROPOSED LWDA ALLOCATION IS REASONABLE

Pursuant to California Labor Code Section 2699(s)(2), the Superior Court shall review and approve the settlement of penalties sought under that California Labor Code Section. (Cal. Lab. Code § 2699(s)(2)). For all of the reasons stated above, the Settlement is fair, reasonable, and adequate, and should be approved. As part of the Settlement, Defendant has agreed to pay Ten Thousand Dollars and Zero Cents ($10,000.00) to settle the claims of the Aggrieved Employees brought pursuant to PAGA, of which the payment of Seven Thousand Five Hundred Dollars and Zero Cents ($7,500.00) (75% of the PAGA Amount) will be paid to the LDWA for education and enforcement purposes. (Rose Decl., ¶ 55).

It is extremely common in approved wage and hour class action cases that settle that only a small portion of the total settlement is paid to PAGA penalties "in order to maximize payments to class members." (*Magadia v. Wal-Mart Assocs*. (N.D. Cal. May 31, 2019, No. 17-CV-00062-LHK) 2019 U.S. Dist. LEXIS 91732, *90-91, citing as examples *Ceja-Corona v. CVS Pharm., Inc*. (E.D. Cal. Jan. 14, 2015) 2015 U.S. Dist. LEXIS 5118, 2015 WL 222500, at *2-3 [preliminarily approving $10,000 in PAGA penalties out of a total settlement amount of $900,000]; *Thio v. Genji, LLC* (N.D. Cal. 2014) 14 F. Supp. 3d 1324, 1330 [preliminarily approving $10,000 in PAGA penalties out of a total settlement amount of $1,250,000]; *Franco v. Ruiz Food Prods*. (E.D. Cal. Nov. 27, 2012) 2012 U.S. Dist. LEXIS 169057, 2012 WL 5941801, at *14 [granting final approval of $10,000 in PAGA penalties out of a total settlement amount of $2,500,000]; *Garcia v. Gordon Trucking, Inc.* (E.D. Cal. Oct. 31, 2012) 2012 U.S. Dist. LEXIS 160052, 2012 WL 5364575, at *3 [granting final approval of $10,000 in PAGA penalties out of a total settlement amount of $3,700,000]; *Chu v. Wells Fargo Invs., LLC* (N.D. Cal. Feb. 16, 2011) 2011 U.S. Dist. LEXIS 15821, 2011 WL 672645, at *1 [granting final approval of $10,000 in PAGA penalties out of a total settlement amount of $6,900,000]). Like here, in these approved settlements, the parties generally maximized statutory penalties and minimized PAGA penalties to focus on claims to the class members, the persons who actually suffered the California Labor Code violations. (Rose Decl., ¶ 56).

XI. THE CLASS RECEIVED THE BEST PRACTICABLE NOTICE

California law vests the Court with broad discretion in fashioning an appropriate notice program. (*See* California Civil Code § 1781; *Cartt v. Superior Court* (1975) 50 Cal.App.3d 960, 973-74). To protect the rights of absent class members, the parties must provide class members with the best notice practicable of a potential class action settlement. (*Phillips Petroleum Co. v. Shutts* (1985) 472 U.S. 797, 811-12; *Eisen v. Carlisle & Jacquelin* (1974) 417 U.S. 156, 174-76 [individual notice must be sent to all class members who can be identified through reasonable efforts]; *Mullane v. Central Hanover Bank & Garretson Company* (1950) 339 U.S. 306, 314 [best practicable notice is that which is "reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections”]). The content and method of the notice should be designed to apprise the class members of the terms of the proposed settlement and of the class members' rights regarding the settlement. (*See Mullane*, *supra*, 339 U.S. at 314; *Philadelphia Housing Authority v. American Radiator & Standard Sanitary Corp.* (E.D. Pa. 1970) 323 F. Supp. 364, 378).

The Class Notice approved by the Court met these requirements: it identified the Parties and described the Action, the Class, the Gross Settlement Amount, the proposed method for distribution of the Gross Settlement Amount, the amounts proposed to be paid as the Enhancement Payments to Plaintiffs, the Settlement Administration Costs to the Settlement Administrator, and the Attorneys’ Fees and Costs to Class Counsel. (Rose Decl., ¶ 57; *see also* ILYM Decl., Exh. A thereto). The Class Notice described the proposed Settlement with enough specificity to allow each Class Member to make an informed choice whether to accept and participate in it. (Ibid). It also explained how and when Class Members may object to or opt out of the Class Settlement. (Ibid). Finally, the Class Notice provided the date for the hearing on final approval of the Settlement and informed Class Members how to obtain additional information about the Settlement. (Ibid).

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XII. CONCLUSION

For all of the foregoing reasons, Plaintiffs respectfully request that this Court grant Plaintiffs' Motion for Final Approval of Class Action and PAGA Settlement, and approve: (1) the requested attorneys' fees to Class Counsel of $175,000.00; (2) the requested reimbursement of actual costs and expenses to Class Counsel of $48,684.92; (3) the requested Enhancement Payments to Plaintiffs in the aggregate amount of $7,500.00; and (4) the requested Settlement Administration Costs to the Settlement Administrator of $8,950.00; and permit the filing of a memorandum that exceeds the page limit.

Respectfully submitted,

Dated: August 3, 2026

BLACKSTONE LAW, APC

By: Alexandra Rose

Alexandra Rose
Attorneys for Plaintiffs Yrene Diaz and Yolanda Castro and the Class