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9 ELISA ORTEGO, individually, and on
10 behalf of other aggrieved employees

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 COUNTY OF LOS ANGELES

14 ELISA ORTEGO, an individual, and on behalf
15 of other aggrieved employees,

16 Plaintiff,

17 vs.

18 MAGIC LAUNDRY SERVICES INC., a
19 corporation; and DOES 1 through 50,
20 inclusive,

21 Defendants.

CASE NO. 22STCV01605

[Assigned for all purposes to the
Honorable James I. Montgomery, Dept. 58]

**PLAINTIFF'S NOTICE OF MOTION
AND MOTION FOR APPROVAL OF
PAGA SETTLEMENT**

Reservation ID: 692900186633

Date: March 19, 2026
Time: 9:00 a.m.
Dept.: 58

Action Filed: January 12, 2022
Trial Date: None set

1 TO THE COURT, ALL PARTIES, AND THEIR ATTORNEYS OF RECORD:

2 PLEASE TAKE NOTICE that on March 19, 2026, at 9:00 a.m., or as soon thereafter as
3 this matter may be heard, in Department 58 of the Los Angeles County Superior Court, Stanley
4 Mosk Courthouse, located at 111 North Hill Street, Los Angeles, California 90012, Plaintiff Elisa
5 Ortego ("Plaintiff") will, and hereby does, move this Court, pursuant to Labor Code § 2699(s)(2),
6 for entry of an order and judgment approving the parties' settlement agreement under the Labor
7 Code Private Attorneys General Act of 2004 ("PAGA").

8 The motion is based on the fact that the proposed settlement of \$200,000.00 is fair,
9 reasonable, and adequate, will provide genuine and meaningful relief, and will fulfill PAGA's
10 purpose to benefit the public.

11 The motion is based upon this notice, the attached Memorandum of Points and
12 Authorities, the Declaration of Dalia Khalili and all exhibits thereto, the Declaration of
13 Plaintiff, the Declaration of Jonathan Paul of Xpand Legal Consulting LLC, the complete files
14 and records of this case, and any other evidence or oral argument which may be considered by
15 the Court at the time of the hearing.

16 DATED: January 28, 2026

17 Respectfully submitted,

18 MATERN LAW GROUP, PC

19
20 By: 

21 MATTHEW J. MATERN

22 DALIA KHALILI

23 MATTHEW W. GORDON

24 ERIN R. HUTCHINS

25 Attorneys for Plaintiff

26 ELISA ORTEGO, individually, and on
27 behalf of other aggrieved employees
28

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Pursuant to the California Labor Code Private Attorneys General Act of 2004 (“PAGA”),
4 Labor Code § 2698 *et seq.*, Plaintiff Elisa Ortego (“Plaintiff”) seeks court approval of the PAGA
5 Settlement Agreement (“Settlement Agreement” or “Settlement”), which, if approved, will
6 resolve this action entirely. Plaintiff alleges that Defendant Magic Laundry Services Inc.
7 (“Defendant”) (Plaintiff and Defendant are collectively referred to as the “Parties”) failed to
8 provide Plaintiff and other aggrieved employees with, among other things, lawful meal and rest
9 periods, failed to pay all overtime wages, and failed to furnish accurate itemized wage statements.
10 The Settlement resolves all claims for PAGA penalties based on the alleged Labor Code
11 violations, on behalf of approximately 2,679 individuals who worked for Defendant as non-
12 exempt employees in California at any time between November 9, 2020 to December 14, 2024
13 (“Aggrieved Employees”).¹

14 Under the terms of the Settlement, Defendant will pay a Gross Settlement Amount of
15 \$200,000.00 to settle Plaintiff’s PAGA claims against the Released Parties. The civil penalties
16 secured by the Settlement are significant and fulfill PAGA’s underlying purpose to benefit the
17 public and to deter future labor law violations. As such, the Court should approve the Settlement.
18 Plaintiff’s request for attorneys’ fees in the amount of \$66,666.67 (i.e., one-third of the Gross
19 Settlement Amount), reimbursement of costs in the amount of \$26,970.20, a service payment to
20 Plaintiff in the amount of \$5,000.00, and settlement administration costs to Xpand Legal
21 Consulting LLC (“Xpand”) in the amount of \$8,400.00 are also reasonable and should be
22 approved by the Court. Accordingly, Plaintiff respectfully requests that the Court enter an order
23 and judgment granting approval of the Settlement, pursuant to Labor Code § 2699(s)(2).

24 **II. FACTUAL AND PROCEDURAL BACKGROUND**

25 **A. The Parties**

26 Plaintiff was employed by Defendant in its dry cleaning department from in or about
27 November 2018 to in or about March 2020 and again from in or about June 2021 to in or about

28 ¹ A copy of the Settlement Agreement is attached as Exhibit B to the Declaration of Dalia Khalili.

1 September 2021 at its location in Montebello, California. Declaration of Plaintiff Elisa Ortego
2 (“Ortego Decl.”) ¶ 3. Defendant provides dry cleaning and other laundry services for hotels,
3 spas, restaurants, and other facilities. Declaration of Dalia Khalili (“Khalili Decl.”) ¶ 3.

4 **B. Procedural History**

5 Pursuant to Labor Code § 2699.3, on October 5, 2021, Plaintiff gave written notice to
6 the California Labor and Workforce Development Agency (“LWDA”) and Defendant of the
7 specific provisions of the Labor Code alleged to have been violated, including the facts and
8 theories to support the alleged violations. Khalili Decl. ¶ 4, Ex. A. The LWDA did not provide
9 notice that it intended to investigate the alleged violations. *Id.* Accordingly, on January 13,
10 2022, Plaintiff filed a complaint with one cause of action for penalties under the Private Attorneys
11 General Act of 2004. *Id.* at ¶ 5.

12 On September 27, 2023, Defendant filed a motion to compel arbitration. *Id.* at ¶ 6. On
13 October 23, 2023, the Court granted Defendant’s motion, compelled Plaintiff’s individual claims
14 to arbitration, and stayed Plaintiff’s representative claims pending the outcome of the arbitration.
15 *Id.* ¶ at 7. Upon Defendant failing to timely pay an invoice for the arbitration, on July 29, 2024,
16 Plaintiff filed a Motion to Vacate Order Compelling Arbitration, which was granted on
17 September 17, 2024. *Id.* ¶ at 8. On October 31, 2024, the Court ordered Defendant to pay
18 Plaintiff’s counsel attorneys’ fees in the amount of \$14,400 for 36 hours of work, pursuant to
19 Code of Civil Procedure §§ 1281.99(a) and 1298(c)(1), because Defendant materially breached
20 the arbitration agreement. *Id.* ¶ at 9.

21 **C. Discovery and Investigation**

22 Prior to mediation, Plaintiff received timekeeping and payroll data for approximately 348
23 employees for the time period of November 9, 2020 through August 24, 2024. *Id.* ¶ at 10.
24 Plaintiff’s counsel hired a data expert to analyze the data, which consisted of timekeeping records
25 for 46,049 shifts. *Id.* The analysis of Plaintiff’s data expert assisted Plaintiff’s counsel in
26 preparing a model of the maximum potential civil penalties prior to the mediation. *Id.* Plaintiff’s
27 expert extrapolated the data to the time period of November 9, 2020 to July 8, 2025. *Id.* In
28 addition, Defendant produced relevant written wage-and-hour policies and procedures. *Id.* Based

1 on this discovery and investigation, Plaintiff's counsel was able to act intelligently and effectively
2 in negotiating the Settlement. *Id.*

3 **D. Settlement Negotiations**

4 On July 8, 2025, the Parties participated in a private mediation with Steve Serratore. *Id.*
5 at ¶ 11. On July 15, 2025, the parties accepted a mediator's proposal to resolve the Action,
6 subject to the Parties entering into a comprehensive written settlement agreement. *Id.* at ¶ 12.
7 On November 14, 2025, the Parties fully executed the Settlement Agreement. *Id.* at ¶ 13, Ex. B.
8 On January 28, 2026, Plaintiff submitted a copy to the LWDA. *Id.* at ¶ 52, Ex. C.

9 **III. SUMMARY OF SETTLEMENT**

10 **A. Aggrieved Employees**

11 The Aggrieved Employees consists of all persons currently or formerly employed by
12 Defendant in California as a non-exempt or hourly employee at any time from November 9, 2020
13 through December 14, 2024 (the "PAGA Period"). Settlement Agreement ¶¶ 1.4, 1.20; Khalili
14 Decl. ¶ 14. Defendant estimates that there are approximately 2,679 Aggrieved Employees who
15 worked a total of approximately 110,000 weekly PAGA Pay Periods. Settlement Agreement at ¶
16 4.1; Khalili Decl. ¶¶ 15-16. On December 24, 2025, Defendant elected to exercise its option,
17 pursuant to Section 8 of the Settlement Agreement, to modify the PAGA Period to remain under
18 the threshold to trigger the escalator clause, making the PAGA period November 9, 2020 through
19 December 14, 2024. Khalili Decl. ¶ 14.

20 **B. Settlement Terms**

21 Under the terms of the Settlement, the claims of all Aggrieved Employees shall be settled
22 for the Gross Settlement Amount of \$200,000.00, which is inclusive of Individual PAGA
23 Payments, the LWDA PAGA Payment, the PAGA Representative Service Payment, the PAGA
24 Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, and the Administration
25 Expenses Payment. Settlement Agreement ¶ 1.10. The Gross Settlement Amount shall be
26 allocated as follows:

27 1. PAGA Penalties. The "Net Settlement Amount" means the Gross Settlement
28 Amount, less the following payments in the amounts approved by the Court: PAGA

1 Representative Service Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation
2 Expenses Payment, and the Administration Expenses Payment. *Id.* at ¶ 1.15. Seventy-five
3 percent (75%) of the Net Settlement Amount shall be distributed to the LWDA, and twenty-five
4 percent (25%) of the Net Settlement Amount shall be distributed to Aggrieved Employees as
5 Individual PAGA Payments. *Id.* at ¶¶ 1.15, 1.23. There will be no reversion to Defendant. *Id.* at
6 ¶ 3.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the
7 amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of
8 PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b)
9 multiplying the result by each Aggrieved Employee's number of PAGA Pay Periods. *Id.* ¶ 3.2.5.

10 2. Plaintiff's Service Payment. Subject to Court approval, in exchange for executing
11 a general release of her claims against Defendant and in recognition of her efforts and risks in
12 prosecuting the Action, Plaintiff shall be paid up to \$5,000.00 as an enhancement for her service
13 as a PAGA representative. *Id.* at ¶¶ 1.24, 3.2.2.

14 3. PAGA Counsel's Attorney Fees and Costs. Subject to Court approval, PAGA
15 Counsel shall receive a PAGA Counsel Fees Payment in an amount not to exceed one-third of
16 the Gross Settlement Amount, which equals \$66,666.67, plus reimbursement of reasonable costs
17 and expenses ("PAGA Counsel Litigation Expenses Payment") not to exceed \$35,000.00. *Id.* at
18 ¶ 3.2.1. PAGA Counsel's actual costs are \$26,970.20. Khalili Decl. ¶ 49.

19 4. Administrator Expenses Payment. Subject to Court approval, the Administrator,
20 Xpand, shall be paid for the reasonable costs and expenses incurred for administration of the
21 Settlement, not to exceed \$10,000.00. Settlement Agreement at ¶¶ 1.3, 3.2.3.

22 **C. The Release**

23 Upon Defendant's funding of the entire Gross Settlement Amount, all Aggrieved
24 Employees are deemed to release, on behalf of themselves and their respective former and present
25 representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released
26 Parties from all claims for PAGA penalties that were alleged, or reasonably could have been
27 alleged, based on the PAGA Period facts stated in the Complaint and/or the PAGA Notice
28 ("Released PAGA Claims"). *Id.* at ¶ 5.3.

1 “Released Parties” means Defendant and any of its past, present and future direct or
2 indirect parents, subsidiaries, predecessors, successors, assigns, and affiliates, joint venturers, as
3 well as its past, present and future owners, officers, directors, employees, associates, partners,
4 shareholders, members, agents, attorneys, insurers, reinsurers, and any individual or entity that
5 could be jointly liable with Defendant. *Id.* at ¶ 1.28.

6 Plaintiff’s Release includes a general release of all claims, known or unknown, and a
7 waiver of her rights under California Civil Code § 1542. *Id.* at ¶ 5.2.

8 **D. Settlement Administration**

9 Within 14 days of the Effective Date, Defendant will deliver the Aggrieved Employee
10 Data to the Administrator in the form of a Microsoft Excel spreadsheet. *Id.* at ¶ 4.2. The
11 Effective Date is the later of (i) the sixty-fifth (65) day after the Court enters a Judgment on its
12 Order Approving the PAGA Settlement, provided no appeal has been initiated and no motion to
13 vacate, motion to intervene, or motion to reconsider has been filed; or (ii) if such an appeal or
14 motion to vacate, motion to intervene, or motion to reconsider initiated, fifteen (15) business days
15 after final resolution of that appeal or motion (including any requests for rehearing or appeals,
16 including petitions for certiorari), resulting in final judicial approval of the Settlement. *Id.* at ¶
17 1.9. The Aggrieved Employee Data consists of Aggrieved Employees’ identifying information in
18 Defendant’s possession including the Aggrieved Employee’s full name, last-known mailing
19 address, Social Security number, and number of PAGA Pay Periods. *Id.* at ¶ 1.5.

20 Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the
21 Administrator no later than 21 days after the Effective Date, or if that date falls on a weekend or
22 holiday, the next day that is not a weekend or holiday. *Id.* at ¶ 4.3.

23 Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator
24 will calculate the Individual PAGA Payments and mail checks for all Individual PAGA
25 Payments, the PAGA Representative Service Payment, the LWDA PAGA Payment, the
26 Administration Expenses Payment, the PAGA Counsel Fees Payment, and the PAGA Counsel
27 Litigation Expenses Payment. *Id.* at ¶ 4.3. Disbursement of the PAGA Counsel Fees Payment
28 and the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of

1 Individual PAGA Payments. *Id.*

2 The Administrator will issue checks for the Individual PAGA Payments and send them to
3 the Aggrieved Employees via First Class U.S. Mail, postage prepaid. *Id.* at ¶ 4.4.1. The face of
4 each check shall prominently state the date (not less than 180 days after the date of mailing) when
5 the check will be voided. *Id.* The Administrator will cancel all checks not cashed by the void
6 date. *Id.* Before mailing any checks, the Settlement Administrator must update the recipients'
7 mailing addresses using the National Change of Address Database. *Id.*

8 The Administrator must conduct an Aggrieved Employee Address Search for all
9 Aggrieved Employees whose checks are returned undelivered without USPS forwarding address.
10 *Id.* at ¶ 4.4.2. Within 7 days of receiving a returned check the Administrator must re-mail checks
11 to the USPS forwarding address provided or to an address ascertained through the Aggrieved
12 Employee Address Search. *Id.* The Administrator need not take further steps to deliver checks to
13 Aggrieved Employees whose re-mailed checks are returned as undelivered. *Id.* The
14 Administrator shall promptly send a replacement check to any Aggrieved Employee whose
15 original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.
16 *Id.*

17 For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and
18 cancelled after the void date, the Administrator shall transmit the funds represented by such
19 checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved
20 Employee. *Id.* at ¶ 4.4.3.

21 **IV. THE COURT SHOULD GRANT APPROVAL OF THE PAGA SETTLEMENT**

22 **A. The Standard for Review and Approval of PAGA Settlements**

23 The PAGA statute specifically provides that “[t]he superior court shall review and
24 approve any settlement of any civil action filed pursuant to this part.” Lab. Code § 2699(s)(2).
25 The statute, however, does not require a two-step (preliminary and final approval) process or
26 otherwise mimic the class action approval requirements when the parties reach a settlement only
27 as to PAGA civil penalties. *See Arias v. Superior Court* (2009) 46 Cal.4th 969, 975 (class action
28 requirements “need not be met when an employee’s representative action against an employer is

1 seeking civil penalties” under PAGA). “[A] trial court should evaluate a PAGA settlement to
2 determine whether it is fair, reasonable, and adequate in view of PAGA’s purposes to remediate
3 present labor law violations, deter future ones, and to maximize enforcement of state labor laws.”
4 *Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, 77.

5 A PAGA representative action to recover civil penalties “is fundamentally a law
6 enforcement action designed to protect the public and not to benefit private parties.” *Iskanian v.*
7 *CLS Transportation, Los Angeles* (2014) 59 Cal.4th 348, 381. When evaluating a PAGA
8 settlement, a trial court “must scrutinize whether, in resolving the action, a PAGA plaintiff has
9 adequately represented the state’s interests, and hence the public interest.” *Moniz*, 72
10 Cal.App.5th at 89. In addition, a court must independently determine whether a PAGA
11 settlement is fair, adequate, and reasonable using similar factors that apply to the evaluation of the
12 fairness of a class action settlement, “including the strength of the plaintiff’s case, the risk, the
13 stage of the proceeding, the complexity and likely duration of further litigation, and the settlement
14 amount.” *Id.* at 77.

15 **B. The Settlement Is Fair, Reasonable, and Adequate**

16 Here, the Settlement is consistent with PAGA’s goal of penalizing Defendant for the
17 alleged violations, deterring future violations, and providing a benefit to the public through
18 enforcement of state labor laws.

19 The Gross Settlement Amount of \$200,000.00 is significant enough to deter Defendant
20 from future violations, creating an effective disincentive for Defendant to engage in unlawful
21 business practices. Khalili Decl. ¶ 21. The Settlement provides a substantial benefit to the State
22 of California, with the LWDA receiving approximately \$69,722.35, as 75 percent of the Net
23 Settlement Amount, to assist with the future enforcement of state labor laws. *Id.* The Settlement
24 also provides a substantial benefit to the Aggrieved Employees, who will share approximately
25 \$23,240.78 as 25 percent of the Net Settlement Amount. *Id.* It is currently estimated that each
26 Aggrieved Employee, on average, will receive an Individual PAGA Payment of approximately
27 \$8.68 as part of the Settlement. *Id.* Accordingly, the Settlement fulfills the underlying purposes
28 of the statute and confers a substantial benefit on the public.

1 In assessing whether the Settlement is fair, reasonable, and adequate, the Court may
2 balance the amount in penalties with the risks of further litigation. Here, Plaintiff obtained a
3 meaningful amount in civil penalties despite facing significant challenges and risks had the
4 litigation continued. *Id.* at ¶ 17. Plaintiff considered several factors in reaching the decision to
5 settle at this point in the litigation. *Id.* Plaintiff risked the Court finding merit in Defendant's
6 affirmative defenses. *Id.* Plaintiff recognizes that proving liability and PAGA penalties at trial
7 would be an expensive, time-consuming, and extremely uncertain proposition. *Id.* Moreover,
8 continued litigation would very likely reduce and substantially delay any recovery to the state and
9 the Aggrieved Employees. *Id.* Even if Plaintiff were to obtain a favorable judgment at trial,
10 Defendant would likely appeal the judgment, which would further delay any recovery. *Id.*
11 Additionally, this area of the law is constantly evolving, creating uncertainty for employees. *Id.*

12 Plaintiff also considered the reality that courts have discretion to substantially reduce any
13 award of civil penalties on the grounds that "to do otherwise would result in an award that is
14 unjust, arbitrary and oppressive, or confiscatory," pursuant to Labor Code § 2699(e)(2). *Id.* at ¶
15 18.

16 Further, while Plaintiff and MLG remain confident in the merits of the case, a legitimate
17 controversy exists as to each predicate Labor Code claim. *Id.* at ¶ 19. Defendant contends that
18 Aggrieved Employees received meal and rest periods and were paid for all hours worked. *Id.*
19 Defendant further contends that it maintained lawful meal and rest break policies. *Id.* Defendant
20 also contends there were no daily overtime violations. *Id.* As a result, Defendant contends that,
21 throughout the PAGA Period, it complied with applicable California law. *Id.* The Settlement
22 removes all of these risks. *Id.*

23 Here, Plaintiff has calculated the maximum potential penalties in an "everything goes
24 right" scenario to be approximately \$13,106,900. *Id.* at ¶ 16. Many of the assumptions of the
25 maximum potential recovery rest on unresolved legal and factual issues and therefore the actual
26 value of the case is less than the maximum exposure. For example, Plaintiff's maximum exposure
27 analysis assumes the stacking of penalties by Labor Code section. But this assumption is subject
28 to challenge. *See, e.g., Snow v. United Parcel Servs., Inc.* (C.D. Cal April 1, 2020) 2020 WL

1 1638250, *3 (“[P]laintiffs may only recover a set of civil penalties for each type of violation.”);
2 *Salazar v. PODS Enterprise, LLC* (C.D. Cal. May 8, 2019) 2019 WL 2023726, *6 (“[I]t is
3 possible (although highly unlikely) that [plaintiff] could recover PAGA penalties for each
4 separate type of Labor Code violation.”); *Smith v. Lux Retail North America* (N.D. Cal. June 13,
5 2013) 2013 WL 2932243, *4 (questioning whether it was “really plausible that we would pile one
6 penalty on another for a single substantive wrong”).

7 Furthermore, PAGA gives the trial court wide latitude to reduce the amount of civil
8 penalties “based on the facts and circumstances of a particular case” when “to do otherwise would
9 result in an award that is unjust, arbitrary and oppressive, or confiscatory.” *Lopez v. Friant &*
10 *Assocs., LLC* (2017) 15 Cal.App.5th 773, 788 (citing Lab. Code § 2699, subd. (e)(2)); *see also*
11 *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1213; *Raines v. Coastal Pac. Food*
12 *Distributors, Inc.* (2018) 23 Cal.App.5th 667, 681. In reducing PAGA penalties, courts consider
13 issues including whether the employees suffered actual injury from the violations, whether the
14 defendant was aware of the violations, whether the violation arises from an unsettled legal
15 obligation, and the employer’s willingness to fix the violation. *See Carrington v. Starbucks Corp.*
16 (2018) 30 Cal.App.5th 504, 529 (affirming judgment where the trial court reduced the \$50
17 maximum penalty per initial violation to just \$5 on its finding that imposing the maximum
18 penalty would be unjust, arbitrary, and oppressive based on defendant’s “good faith attempts” to
19 comply with its meal break obligations and the violations were minimal); *Fleming v. Covidien*
20 *Inc.* (C.D. Cal. Aug. 12, 2011) 2011 WL 7563047, at *4 (reducing \$2.8 million penalty to
21 \$500,000—a reduction of 82.2%—where there was no injury due to defendants’ erroneous wage
22 statements, the aggrieved employees made no complaint of the errors or omissions prior to filing
23 suit, and defendants “took prompt steps to correct all violations once notified”); *Thurman v.*
24 *Bayshore Transit Mgmt., Inc.* (2012) 203 Cal.App.4th 1112, 1135-36 (affirming 30% reduction
25 under specified PAGA claim where the employer produced evidence that it took its obligations
26 seriously); *Aguirre v. Genesis Logistics* (C.D. Cal. Dec. 30, 2013) 2013 WL 10936035 at *2-3
27 (reducing penalty for past PAGA violations from \$1.8 million to \$500,000.00, after rejecting
28 numerous other PAGA claims). During the mediation, Plaintiff discovered potential issues that

1 could create substantial risks if Plaintiff were to proceed with litigation. Khalili Decl. at ¶ 17.
2 For example, a significant number of Aggrieved Employees may have signed waivers to waive a
3 meal break for shifts between five to six hours and may have signed acknowledgements
4 confirming that they have received compliant meal and rest breaks. *Id.* Defendant's expert
5 found the meal break violation rate for shifts greater than six hours to be much lower than
6 Plaintiff's expert. *Id.* Further, Defendant stated that it had a bell system for many of its
7 departments to alert for breaks. *Id.* Last, the PAGA Pay Periods were weekly, not biweekly. *Id.*

8 Considering the risks of continued litigation, the burdens of proof necessary to establish
9 liability, the unsettled state of the law, the possibility that the Court would reduce an award of
10 civil penalties, and the probability of appeal of a favorable judgment, it is clear that the non-
11 reversionary settlement amount of \$200,000.00 is fair, adequate, and reasonable in light of
12 PAGA's purpose to remediate present labor law violations, to deter future violations, and to
13 maximize enforcement of the Labor Code. *Id.* at ¶ 22.

14 For these reasons, the Court should find that the Settlement is fair, reasonable, and
15 adequate.

16 **V. THE REQUESTED SERVICE AWARD IS REASONABLE**

17 The State of California and the Aggrieved Employees are beneficiaries of a settlement that
18 would not have been made possible but for the effort and commitment of Plaintiff. Khalili Decl.
19 ¶¶ 23-27; Ortego Decl. ¶¶ 4-11. The Settlement provides that Plaintiff shall be paid an
20 enhancement award in an amount not to exceed \$5,000.00, in recognition of her efforts and risks
21 in prosecuting the Action and for her general release of all claims. Settlement Agreement ¶ 3.2.2.
22 The amount of the requested service award is reasonable in light of incentive payments approved
23 in other PAGA settlements. *See, e.g., Blanchard v. BJ's Restaurants, Inc.*, Orange County
24 Superior Court Case No. 30-2014-00761961-CU-OE-CXC (Sept. 26, 2016) (approving
25 \$10,000.00 service award); *Bui v. Vitamin Shoppe Industries Inc.*, Los Angeles County Superior
26 Court Case No. BC518486 (Aug. 31, 2016) (approving \$10,000.00 service award); *Miranda v.*
27 *HomeDeliveryLink, Inc.*, San Bernardino County Superior Court Case No. CIV DS1505393 (Aug.
28 9, 2016) (approving \$10,000.00 service award); *Sheldon v. AHMC Monterey Park Hospital LP*,

1 Los Angeles County Superior Court Case No. BC440282 (March 2, 2016) (approving \$10,000.00
2 service award).

3 Plaintiff has actively participated in this action, including reviewing and signing a
4 declaration opposing Defendant's motion to compel arbitration, attending telephonic meetings
5 with her attorneys, searching for and producing relevant documents to her attorneys, preparing for
6 and responding to questions from her attorneys in preparation for mediation, and reviewing and
7 signing the settlement agreement with her attorneys to ensure that its terms are fair and achieve
8 PAGA's objectives. Ortego Decl. ¶¶ 4-11. Plaintiff also faced the real risk that future employers
9 may not hire her because she brought a representative action against her employer, as well as the
10 real risk that she could have been liable for Defendant's litigation costs if the action went to trial
11 and she lost. *Id.*; Khalili Decl. ¶ 23. In addition, Plaintiff has entered into a much broader release
12 (with a Civil Code § 1542 waiver) than the other Aggrieved Employees. Ortego Decl. ¶ 9;
13 Settlement Agreement ¶ 5.2.

14 As part of the Settlement, the LWDA will receive approximately \$69,722.35 as 75 percent
15 of the Net Settlement Amount, which is a substantial amount to assist with the enforcement of
16 state labor laws. Khalili Decl. ¶ 21. In addition, without Plaintiff's efforts in bringing a PAGA
17 action, those Aggrieved Employees who worked for Defendant at any time from November 9,
18 2020 to December 14, 2024 likely would not have received any payment for civil penalties. *Id.* at
19 ¶ 23. Accordingly, Plaintiff respectfully request that the Court approve an enhancement award in
20 the amount of \$5,000.00.

21 **VI. THE REQUESTED ATTORNEY FEES AND COSTS ARE REASONABLE**

22 The Settlement provides for attorneys' fees to PAGA Counsel in an amount up to one-
23 third of the Gross Settlement Amount, for a maximum fee award of \$66,666.67, plus reasonable
24 litigation costs not to exceed \$35,000.00. Settlement Agreement ¶ 3.2.1. Plaintiff request
25 attorneys' fees pursuant to the "common fund theory" with a lodestar cross-check. *See Laffitte v.*
26 *Robert Half Int'l, Inc.* (2016) 1 Cal. 5th 480, 504 ("[t]he lodestar method better accounts for the
27 amount of work done, while the percentage of the fund method more accurately reflects the
28 results achieved").

1 **A. Plaintiff's Counsel Are Entitled to Attorneys' Fees and Costs under PAGA**

2 Labor Code § 2699(k)(1) provides that “[a]ny employee who prevails in any [PAGA]
3 action shall be entitled to an award of reasonable attorney’s fees and costs.” Lab. Code §
4 2699(k)(1). It is undisputed that Plaintiff is the prevailing party with a net monetary recovery.
5 See *DeSaulles v. Cmty Hosp. of Monterey Peninsula* (2016) 62 Cal.4th 1140, 1157 (“the rule is
6 that a partial recovery, as long as it is a net monetary recovery, entitles a plaintiff to costs.”).
7 Accordingly, Plaintiff is entitled to recover reasonable attorneys’ fees and costs.

8 **B. The Requested Fees Are Reasonable Under the Common Fund Method**

9 A request for attorneys’ fees as a percentage of the gross settlement amount is supported
10 by the “common fund theory,” where “one who expends attorney fees in winning a suit which
11 creates a fund from which others derive benefits, may require those passive beneficiaries to bear a
12 fair share of the litigation costs.” *Serrano v. Priest* (1977) 20 Cal.3d 25, 35 (citing *Quinn v. State*
13 *of California* (1975) 15 Cal.3d 162); *Laffitte*, 1 Cal.5th at 503 (trial court “may determine the
14 amount of a reasonable fee by choosing an appropriate percentage of the fund created”). The
15 percentage is properly based upon the maximum settlement amount, rather than upon the amount
16 of funds distributed to class members. *Williams v. MGM-Pathe Communications Co.* (9th Cir.
17 1997) 129 F.3d 1026. In *City and County of San Francisco v. Sweet* (1995) 12 Cal.4th 105, the
18 California Supreme Court recognized that the common fund doctrine has been applied
19 “consistently in California when an action brought by one party creates a fund in which other
20 persons are entitled to share.” *Id.* at 110, fn. omitted.

21 The lodestar analysis may be used to cross-check a percentage-of-recovery award. *In re*
22 *Consumer Privacy Cases* (2009) 175 Cal.App.4th 545, 556-558. However, the Supreme Court of
23 California clarified that:

24 [W]hen an attorney fee is awarded out of the common fund preserved or
25 recovered by means of litigation [citation], the award is not per se unreasonable
26 merely because it is calculated as a percentage of the common fund.

26 *Laffitte*, 1 Cal.5th at 486. The *Laffitte* court further held that “trial courts have discretion to
27 conduct a lodestar cross-check on a percentage fee . . . [and] also retain the discretion to forego a
28 lodestar cross-check and use other means to evaluate the reasonableness of a requested percentage

1 fee.” *Id.* at 506.

2 California courts routinely award attorneys’ fees equaling one-third or more of the
3 common fund. *See, e.g., Laffitte*, 1 Cal.5th at 506 (affirming fee award representing one-third of
4 a non-reversionary fund); *Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th 43, 66, n.11 (“fee
5 awards in class actions average around one-third of the recovery”); Eisenberg & Miller, *Attorney*
6 *Fees in Class Action Settlements: An Empirical Study*, J. of Empirical Legal Studies, Vol. 1, Issue
7 1, 27-78, March 2004, at 35 (independent studies of class action litigation nationwide conclude
8 that fees representing one-third of the total recovery is consistent with market rates). In addition,
9 a fee award in the amount of one-third of the common fund is reasonable because it best reflects
10 the market rate for contingency fees. *See Lealao v. Beneficial California, Inc.* (2000) 82
11 Cal.App.4th 19, 47 (“[A]ttorneys providing the essential enforcement services must be provided
12 incentives roughly comparable to those negotiated in the private bargaining that takes place in the
13 legal marketplace.”).

14 Here, Plaintiff’s request for attorneys’ fees in the amount of one-third of the Gross
15 Settlement Amount is reasonable given the significant result achieved on behalf of the State of
16 California and Aggrieved Employees. Plaintiff’s counsel has litigated the Action for four years
17 on a purely contingent basis, incurring \$26,970.20 in costs with no guarantee of recovery. Khalili
18 Decl. at ¶¶ 5, 46, 49. Plaintiff’s counsel invested 310.2 hours of attorney time into the Action,
19 with payment deferred to the end and entirely contingent on the outcome. *Id.* at ¶¶ 29-32. In
20 addition, the requested fee percentage is less than that charged by Plaintiff’s counsel for other
21 employment cases. *Id.* at ¶ 29.

22 Accordingly, Plaintiff’s request for attorneys’ fees in the amount of \$66,666.67, or one-
23 third of the Gross Settlement Amount, is reasonable under California law.

24 **C. The Requested Fees Are Reasonable Under the Lodestar Cross-Check**

25 Plaintiff’s request for attorneys’ fees is reasonable based upon a crosscheck of PAGA
26 Counsel’s lodestar with the application of a multiplier. Under the lodestar method, the court
27 considers a compilation of the time spent and a reasonable hourly compensation of each attorney
28 to evaluate the reasonableness of the fee requested. *Ramos v. Countrywide Home Loans, Inc.*

1 (2000) 82 Cal.App.4th 615, 622. The moving party meets its burden in this regard by submitting
2 “declarations evidencing the reasonable hourly rate for their services and establishing the number
3 of hours spent working on the case” as “California case law permits fee awards in the absence of
4 detailed time sheets.” *Wershba v. Apple Computer* (2001) 91 Cal.App.4th 224, 254-55; *Dunk v.*
5 *Ford Motor Company* (1996) 48 Cal.App.4th 1794, 1810; *Nightengale v. Hyundai Motors*
6 *America* (1994) 31 Cal.App.4th 99, 103. The hours spent and the reasonable hourly
7 compensation are computed to arrive at a “lodestar” figure which may then be augmented or
8 diminished by the court taking into account various “multiplier” factors. *See Ramos*, 82
9 Cal.App.4th at 622 (citing *Serrano*, 20 Cal.3d at 48-49).

10 Here, the lodestar of Plaintiff’s counsel is \$212,797.50 which is based on 310.2 hours of
11 attorney time at customary hourly rates. Khalili Decl. ¶¶ 29-32. Plaintiff is requesting attorneys’
12 fees in the amount of \$66,666.67. *Id.*

13 **1. Plaintiff’s Counsel’s Hours Are Reasonable**

14 In determining whether the number of hours expended on the litigation was reasonable,
15 the court must determine that “the time spent was reasonably necessary and that [] counsel made
16 ‘a good faith effort to exclude from the fee request hours that are excessive, redundant, or
17 otherwise unnecessary.” *Jordan v. Multnomah County* (9th Cir. 1987) 815 F.2d 1258, 1263 n.8.
18 The court “should defer to the winning lawyer’s professional judgment as to how much time he
19 was required to spend on the case.” *Moreno v. City of Sacramento* (9th Cir. 2008) 534 F.3d 1106,
20 1112 (noting that “[l]awyers are not likely to spend unnecessary time on contingency fee cases in
21 the hope of inflating their fees. The payoff is too uncertain, as to both the result and the amount
22 of the fee.”).

23 Here, Plaintiff’s counsel expended a significant amount of time litigating the Action to
24 achieve the excellent result on behalf of the State of California and Aggrieved Employees.
25 Khalili Decl. ¶ 31. The efforts expended by Plaintiff’s counsel thus far include, but are not
26 limited to, the following: interviewing Plaintiff and reviewing documents provided by Plaintiff;
27 drafting a PAGA notice letter on behalf of Plaintiff; drafting the complaint; preparing for and
28 attending numerous court hearings and status conferences; opposing Defendant’s motion to

1 compel arbitration; initiating arbitration and attending an Arbitration Management Conference;
2 propounding discovery on behalf of Plaintiff; preparing motions to compel discovery responses;
3 meeting and conferring with Defendant's counsel to obtain relevant documents and information;
4 reviewing time and payroll records and other employment records produced by Defendant;
5 retaining a data expert to analyze voluminous time records and corresponding payroll data;
6 performing legal research regarding Plaintiff's claims; drafting a mediation brief and preparing a
7 damages analysis; attending a private mediation session; negotiating, drafting, and revising the
8 Settlement; and drafting the Motion for Approval of PAGA Settlement and accompanying
9 documents. *Id.* at ¶ 30.

10 To date, PAGA Counsel have spent over 310.2 hours of attorney time litigating the
11 Action. *Id.* at ¶¶ 31-23. These hours were necessary and reasonable to achieve the excellent
12 result on behalf of the State and the Aggrieved Employees.

13 **2. Plaintiff's Counsel's Hourly Rates Are Reasonable**

14 The reasonable hourly rate is that prevailing in the community for similar work. *PLCM*
15 *Group, Inc. v. Drexler* (2000) 22 Cal.4th 1084, 1095. "[I]n assessing a reasonable hourly rate, the
16 trial court is allowed to consider the attorneys' skill as reflected in the quality of work, as well as
17 the attorneys' reputation and status." *MBNA Am. Bank, N.A. v. Gorman* (2006) 147 Cal.App.4th
18 1, 3. The trial court may also "find hourly rates reasonable based on evidence of other courts
19 approving similar rates." *Parkinson v. Hyundai Motor Am.* (C.D. Cal. 2010) 796 F.Supp.2d
20 1160, 1172. "Affidavits of the plaintiff's attorney and other attorneys regarding prevailing fees in
21 the community, and rate determinations in other cases, particularly those setting a rate for the
22 plaintiff's attorney, are satisfactory evidence of the prevailing market rate." *United Steelworkers*
23 *of Am. v. Phelps Dodge Corp.* (9th Cir. 1990) 896 F.2d 403, 407; *Bouman v. Block* (9th Cir.
24 1991) 940 F.2d 1211, 1235 (9th Cir. 1991) (the submission of "declarations stating that the rate
25 was the prevailing market rate in the relevant community [was]... sufficient to establish the
26 appropriate rate for lodestar purposes").

27 PAGA Counsel's rates are in line with the prevailing market rates of other Southern
28 California employment law attorneys with comparable experience and qualifications. Khalili

Decl. ¶ 41; *see also Roberti v. OSI Sys., Inc.* (C.D. Cal. Dec. 8, 2015) No. CV1309174MWFMRW, 2015 WL 8329916, at *7 (finding rates between \$525 and \$975 per hour reasonable); *Rodriguez v. County of Los Angeles* (C.D. Cal. 2014) 96 F.Supp.3d 1012, 1023 (approving attorney rates in 2014 from \$500 to \$975); *Perfect 10, Inc. v. Giganews, Inc.* (C.D. Cal. Mar. 24, 2015) No. CV 11-07098-AB SHX, 2015 WL 1746484, at *15-18, *aff'd*, 847 F.3d 657 (9th Cir. 2017) (finding hourly rates of \$825-\$930 for a senior partner, \$350-\$690 for associates, and \$290 and \$240 for support staff—for work performed in 2011 and 2014—to be reasonable and prevailing market rates at that time). PAGA Counsel are experienced litigators who specialize in employment law, with a substantial wage and hour class action practice. Khalili Decl. ¶¶ 33-40. Numerous courts have approved Plaintiff's Counsel's hourly rates. *Id.* at ¶ 42. Given PAGA Counsel's skill and experience, PAGA Counsel's hourly rates are reasonable.

D. Plaintiff's Counsel's Costs Are Reasonable

PAGA Counsel is entitled to reimbursement of reasonable litigation costs under PAGA. *See* Lab. Code § 2699(g)(l). The Settlement provides for reimbursement of costs not to exceed \$35,000.00. Settlement Agreement ¶ 3.2.1. To date, Plaintiff's counsel has incurred actual costs in the amount of \$26,910.20. Khalili Decl. ¶ 49. PAGA Counsel will incur approximately \$60.00 in future costs for the motion filing fee for a total of **\$26,970.20** in costs. *Id.* Because these costs were reasonably incurred in prosecuting the Action on behalf of the State of California and Aggrieved Employees, the costs should be approved by the Court. *Id.* Accordingly, Plaintiff's counsel respectfully requests the Court approve the reimbursement of costs in the amount of **\$26,970.20**.

VII. THE REQUESTED ADMINISTRATION COSTS ARE REASONABLE

The Settlement provides for settlement administration costs up to \$10,000.00 to be paid from the Gross Settlement Amount to Xpand. Settlement Agreement ¶ 3.2.3. Xpand's not-to-exceed bid is \$8,400. Declaration of Jonathan Paul of Xpand Legal Consulting LLC ¶ 9, Ex. B. Given the number of Aggrieved Employees and the scope of the duties to be performed by Xpand, the Court should approve the settlement administration costs as reasonable. Khalili Decl. ¶ 51.

1 **VIII. CONCLUSION**

2 Based on the foregoing, Plaintiff respectfully requests that the Court grant approval of the
3 Settlement and enter the proposed judgment.

4 DATED: January 28, 2026

Respectfully submitted,

6 MATERN LAW GROUP, PC

7
8 By: *Erin Hutchins*

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