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SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF ORANGE

THANH PHAN, an individual, on behalf of
herself and on behalf of all persons similarly
situated,

Plaintiffs,

vs.

ST. JUDE MEDICAL CENTER, a California
Corporation; ST. JUDE HOSPITAL, a
California Corporation; and DOES 1 through
50, inclusive,

Defendants.

MARK MORANVILLE, as an individual on
behalf of himself and on behalf of all others
similarly situated,

Plaintiff,

vs.

ST. JUDE HOSPITAL, a California
Corporation; ST. JUDE HERITAGE
MEDICAL GROUP, A MEDICAL
CORPORATION, a California Corporation;
and DOES 1-100, inclusive,
Defendants.

Case No. **30-2022-01244478-CU-OE-CXC**
[Consolidated with Case No.
30-2022-01246853-CU-OE-CXC]

**MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF MOTION
FOR FINAL APPROVAL OF CLASS
SETTLEMENT AND AWARD OF
ATTORNEYS' FEES, COSTS AND
SERVICE AWARDS**

Hearing Date: September 13, 2024
Hearing Time: 9:00 a.m.
[Hearing scheduled by Order dated April 5,
2024]

Judge: Hon. William D. Cluster
Dept.: CX101

Action Filed: February 8, 2022
Trial Date: Not set

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1 **I. INTRODUCTION**

2 The parties to this action have reached a Settlement and the Court preliminarily approved the
3 First Amended Class Action and PAGA Settlement Agreement (the “Agreement”), a true and correct
4 copy of which is attached as Exhibit #2 to the Declaration of Norman Blumenthal (“Blumenthal Decl.”).¹
5 In accordance with the Preliminary Approval Order dated April 5, 2024 (“Preliminary Approval Order”),
6 the approved Class Notice has been disseminated to the Class.²

7 The purpose of this hearing is to determine whether the proposed settlement of the litigation
8 should be finally approved. Plaintiffs Thanh Phan and Mark Moranville (“Plaintiffs”) respectfully move
9 for final approval, including attorneys’ fees, costs and the service award, and the proposed entry of the
10 Final Approval Order and Judgment, submitted herewith. The settlement represents an excellent result
11 for the Class and avoids the delays, risks, and costs of further litigation. After disseminating the notice
12 to the 4,643 members of the Class, there were **no objections** and twenty-four (24) requests for
13 exclusion from the Class, which means that nearly the entire Class (99.48%) has elected to participate
14 in the Settlement. Blumenthal Decl. ¶4. This is a positive response from the Class evidencing their
15 collective approval of the settlement. As a result, Plaintiffs respectfully submit that the settlement should
16 be finally approved for the same reasons that the Court preliminarily approved the settlement as fair,
17 reasonable, and adequate.

18 **II. THE SETTLEMENT BEFORE THE COURT**

19 As consideration for this Settlement, the Gross Settlement Amount to be paid by St. Jude
20 Hospital dba St. Jude Medical Center (“Defendants”) is Four Million Dollars (\$4,000,000) (the
21 “Gross Settlement Amount”) is to be paid by Defendant, as set forth in the Agreement. Under the
22 Settlement, the Gross Settlement Amount consists of the following elements: (1) payment of the
23 Individual Class Payments to the Participating Class Members; (2) Class Counsel Fees Payment and
24 Class Counsel Litigation Expenses Payment; (3) Administration Expenses Payment; (4) the Class

25
26 ¹ Capitalized terms are defined in the Agreement.

27 ² The “Class” consists of “all individuals who were employed by Defendant in California and classified
28 as a non-exempt employee at any time during the Class Period.” The “Class Period” is defined as
 “February 8, 2018 through July 27, 2023.” (Preliminary Approval Order at ¶ 6.)

Representative Service Payments to the Plaintiffs; and (5) the PAGA Penalties payment. (Agreement at ¶ 1.22.) Blumenthal Decl. ¶3(a). The Gross Settlement Amount does not include Defendant's share of payroll taxes. (Agreement at ¶ 3.1.) The Gross Settlement Amount shall be all-in with no reversion to Defendant. (Agreement at ¶ 3.1.) Blumenthal Decl. ¶3(b). The following is a table of the key financial terms of the Settlement and the proposed deductions:

\$4,000,000 (Gross Settlement Amount)

- \$60,000 (Plaintiffs' proposed service awards - not to exceed \$30,000 each)
- \$20,000 (Class Counsel Litigation Expenses Payment - not to exceed amount)
- \$1,333,333 (Class Counsel Fees Payment - not to exceed 1/3 of settlement)
- \$80,000 (PAGA Payment - 75% to LWDA / 25% to Aggrieved Employees)
- \$34,658.89 (Administration Expenses Payment)

\$2,472,008.11 (Net Settlement Amount)

The specific details of the Settlement were discussed in the Motion for Preliminary Approval and are set forth again in the Declaration of Blumenthal at ¶¶ 3(c)-3(i).

The Settlement is fair, adequate and reasonable to the class and should be finally approved for the same reasons the Court granted preliminary approval of the Settlement, agreeing that the settlement is "fair, adequate and reasonable". (Preliminary Approval Order at ¶ 3.) In sum, the Settlement valued at \$4,000,000 is an excellent result for the Class. This result is particularly favorable in light of the fact that liability and class certification in this case were far from certain in light of the defenses asserted by Defendant. Given the complexities of this case, the defenses asserted, the uncertainty of class certification, along with the uncertainties of proof at trial and appeal, the proposed settlement is fair, reasonable and adequate, and should be finally approved. Blumenthal Decl. ¶3(j); Declaration of Sepideh Ardestani ("Ardestani Decl.") at ¶¶ 7-11.

III. GENERAL STANDARDS APPLICABLE TO JUDICIAL REVIEW AND APPROVAL OF CLASS ACTION SETTLEMENTS

Settlements of disputed claims are favored by the courts. *Huens v. Tatum*, 52 Cal. App. 4th 259, 265 (1997). In evaluating settlements, the courts have long recognized that compromise is particularly appropriate since such litigation is difficult and notoriously uncertain. *7-Eleven Owners for Fair Fran. v. Southland Corp.*, 85 Cal. App. 4th 1135, 1151 (2000) ("[V]oluntary conciliation and settlement are the preferred means of dispute resolution. This is especially true in complex class action litigation.")

The court must decide whether the proposed settlement falls within the range of reasonable

1 settlements, taking into account that settlements are compromises between the parties reflecting
2 subjective, unquantifiable judgments concerning the risks and possible outcomes of litigation. *See*
3 *Wershba v. Apple Computer*, 91 Cal. App. 4th 224, 246 (2001) (“The proposed settlement is not to be
4 judged against a hypothetical or speculative measure of what might have been achieved had plaintiffs
5 prevailed at trial.”) In *Wershba*, the Court explained that “the merits of the underlying class claims are
6 not a basis for upsetting the settlement of a class action.” *Id.*; *see also 7-Eleven, supra*, at 1150.

7 In these cases, courts have repeatedly emphasized that there is a strong initial presumption that
8 the compromise is fair and reasonable. *Wershba*, 91 Cal. App. 4th at 245. Courts should not substitute
9 their judgment for that of the parties who negotiated the settlement. *Id.* at 246. The presumption of
10 fairness exists where: (1) investigation and discovery are sufficient to allow counsel and the court to act
11 intelligently; (2) the settlement is reached through arm's-length bargaining; (3) counsel is experienced
12 in similar litigation; and (4) the percentage of objectors is small. *Dunk v. Ford Motor Co.*, 48 Cal. App.
13 4th 1794, 1801 (1996). Here, the facts and circumstances compel the conclusion that the proposed
14 settlement satisfies that standard and the presumption applies.

15 **IV. THE SETTLEMENT IS FAIR, REASONABLE AND ADEQUATE**

16 The Court must determine whether the settlement is fair, adequate, and reasonable. *Dunk v.*
17 *Ford Motor Co.*, 48 Cal.App.4th 1794, 1801 (1996); *see also Officers for Justice v. Civil Service*
18 *Com'n*, 688 F.2d 615, 625 (9th Cir. 1982). The trial court has broad discretion to determine whether
19 the settlement is fair. *Cellphone Termination Fee Cases*, 180 Cal. App. 4th 1110, 1117 (2009). “The
20 well-recognized factors that the trial court should consider in evaluating the reasonableness of a class
21 action settlement agreement include 'the strength of plaintiffs' case, the risk, expense, complexity and
22 likely duration of further litigation, the risk of maintaining class action status through trial, the amount
23 offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience
24 and views of counsel, the presence of a governmental participant, and the reaction of the class members
25 to the proposed settlement.’” *Kullar v. Foot Locker Retail, Inc.*, 168 Cal. App. 4th 116, 128 (2008)
26 (internal citations omitted); *see also Munoz v. BCI Coca-Cola Bottling Co. of L. A.*, 186 Cal. App. 4th
27 399, 408 (2010).

28 The list of factors is not exhaustive and should be tailored to each case. *Dunk, supra*, at 1801.

1 Due regard should be given to what is otherwise a private consensual agreement between the parties.
2 *Id.* The inquiry “must be limited to the extent necessary to reach a reasoned judgment that the
3 agreement is not the product of fraud or overreaching by, or collusion between, the negotiating parties,
4 and that the settlement, taken as a whole, is fair, reasonable and adequate to all concerned.” *Id.*
5 “Ultimately, the [trial] court's determination is nothing more than 'an amalgam of delicate balancing,
6 gross approximations and rough justice.' [Citation omitted.]” *Id.*

7 These factors are analyzed seriatim below, and all support final approval of the class action
8 settlement before this Court, consistent with this Court’s Preliminary Approval Order.

9 **A. The Settlement Satisfies the California Test for Fairness**

10 1. The Investigation and Analysis of Documents are Sufficient to Allow Counsel
11 and the Court to Act Intelligently

12 Over the course of more than two years of litigation, the Parties engaged in the investigation of
13 the claims, including the production of documents, class data, and other information, allowing for the
14 full and complete analysis of liabilities and defenses to the claims in this Action. The procedural history
15 and investigation performed was detailed at length in support of the motion for preliminary approval.
16 The Settlement was the product of one arms-length mediation and contentious negotiations through an
17 all-day mediation presided over by Jeff Krivis. The details of the litigation are set forth in the Blumenthal
18 Decl. at ¶¶ 6(a)-6(g).

19 2. The Settlement was Reached Through Arm’s Length Bargaining

20 This settlement is the result of extensive and hard-fought litigation as well as negotiations before
21 an experienced and well-respected mediator. Defendant has expressly denied and continues to deny any
22 wrongdoing or legal liability arising out of the conduct alleged in the Action. Plaintiffs and Class
23 Counsel have determined that it is desirable and beneficial to the Class to resolve the Released Class
24 Claims of the Class in accordance with this Settlement, based upon the experience of Class Counsel who
25 has previously litigated similar claims against other employers. Blumenthal Decl. ¶7(a).

26 The Parties attended an arms-length mediation session with Jeff Krivis, a respected and
27 experienced mediator of wage and hour class actions, in order to reach this Settlement. In preparation
28 for the mediation, Defendant provided Class Counsel with payroll and employment data and other

1 information regarding the Class Members, various internal documents, and other compensation and
2 employment-related materials. Class Counsel analyzed the data with the assistance of damages expert
3 Berger Consulting and prepared and submitted a mediation brief to the mediator. Following this all-day
4 mediation, the Parties agreed to this Settlement. Blumenthal Decl. ¶7(b).

5 The fact that the settlement was negotiated with the assistance of an experienced mediator
6 supports approval. *Alberto v. GMRI, Inc.*, 252 F.R.D. 652, 666 (E.D. Cal. Jun 24, 2008); *Glass v. UBS*
7 *Fin. Servs.*, 2007 U.S. Dist. LEXIS 8476 at *15 (N.D. Cal. 2007) (where settlement was “negotiated
8 and approved by experienced counsel on both sides of the litigation, with the assistance of a
9 well-respected mediator” this factor supports approval of the settlement”).

10 From May 2023 to August 2023, the settlement agreement and exhibits thereto were negotiated,
11 finalized and executed. On January 5, 2024, the Court issued a Minute Order requesting additional
12 information and revisions to the settlement agreement. On March 1, 2024, the Court issued another
13 Minute Order requesting additional information. On April 5, 2024, the Court granted the Motion for
14 Preliminary Approval, and entered the Order granting preliminary approved of the settlement as fair and
15 reasonable to the Class. Blumenthal Decl. ¶7(c).

16 3. Class Counsel is Experienced in Similar Litigation

17 Class Counsel in this matter has extensive class action experience and has represented thousands
18 of persons in class actions including employment litigation, wage and hour class actions, and complex
19 litigation. Class Counsel has previously litigated wage and hour class actions involving employees and
20 claims similar to this case and have been approved as experienced class counsel during contested motions
21 in state and federal courts throughout California. The experience of counsel and class action cases
22 managed and settled by the Class Counsel in this action is provided to the Court in the Blumenthal Decl.
23 at Exhibit #1 and in the Ardestani Decl. at ¶24. Class Counsel have participated in every aspect of the
24 settlement discussions and have concluded the settlement is fair, adequate and reasonable and in the best
25 interests of the Class. Blumenthal Decl. ¶3(j); Ardestani Decl. ¶7.

26 4. There Are No Objections and a Small Percentage of Exclusions

27 The reaction of the Class unequivocally supports approval of the Settlement. On May 9, 2024,
28 the Administrator mailed the Court-approved Class Notice to the Class Members, which provided each

1 class member with the terms of the Settlement, including notice of the claims at issue and the financial
2 terms of the settlement, including the attorneys' fees, costs, and service awards that were being sought,
3 how individual settlement awards would be calculated, and the specific, estimated payment amount to
4 that individual. See Declaration of Nicole Bench ["Bench Decl."], ¶ 8, Exh. A. In disseminating the
5 notice, the Administrator followed the notice procedures authorized by the Court in its Preliminary
6 Approval Order. Significantly, there have been no objections and twenty-four (24) requests for
7 exclusion from the Settlement. Bench Decl. ¶¶12-13. As such, 99.48% of the Class will participate in
8 the Settlement and will be sent a settlement check. See Bench Decl. at ¶¶ 16-18; Blumenthal Decl. ¶4.

9 The absence of any objector strongly supports the fairness, reasonableness and adequacy of the
10 Settlement. See *In re Austrian & German Bank Holocaust Litigation*, 80 F. Supp. 2d 164, 175
11 (S.D.N.Y. 2000) ("If only a small number of objections are received, that fact can be viewed as
12 indicative of the adequacy of the settlement."); *Stoetznner v. U.S. Steel Corp.*, 897 F.2d 115, 118-119 (3d.
13 Cir. 1990) (29 objections out of 281 member class "strongly favors settlement"); *Laskey v. Int'l Union*,
14 638 F.2d 954 (6th Cir. 1981) (The fact that 7 out of 109 class members objected to the proposed
15 settlement should be considered when determining fairness of settlement). Here, where there are no
16 objections, the approval of the class is evident.

17 5. The Strength of Plaintiffs' Case

18 The Action generally alleges that Plaintiffs and other Class Members were not properly paid all
19 minimum and overtime wages for hours worked and at the correct rate, were not provided meal and rest
20 periods, were not timely paid earned wages, were not provided reimbursement for required expenses,
21 were not provided accurate itemized wage statements, and were not paid all wages at the time of
22 termination. The Action seeks unpaid wages, penalties, attorney fees, litigation costs, and any other
23 equitable or legal relief allegedly due and owing to Plaintiffs and the other Class Members by virtue of
24 the foregoing claims. Blumenthal Decl. ¶5.

25 Where both sides face significant uncertainty, the attendant risks favor settlement. *Hanlon v.*
26 *Chrysler Corp.*, 150 F.3d 1011, 1026 (9th Cir. 1998). Here, a number of defenses asserted by
27 Defendant present serious threats to the claims of the Plaintiffs and the other Class Members. Defendant
28 asserted that Defendant's practices complied with all applicable Labor laws. Defendant argued that Class

1 Members were paid for all time worked and that all work time was properly recorded. Defendants
2 argued that any rounding was facially neutral and therefore lawful. *See's Candy Shops, Inc. v. Sup. Ct.*,
3 210 Cal.App.4th 889, 901 (2012) (holding rounding policies are only lawful if they are consistently
4 applied and, on average, favor neither overpayment nor underpayment of wages). Defendant contends
5 that its meal and rest period policies fully complied with California law and Defendant did not fail to
6 provide the opportunity for legally required meal and rest breaks. Defendant could argue that its
7 payment of significant meal period premiums is evidence of lawful practices. Defendant contends that
8 there was no failure to pay for business expenses and any cell phone usage was merely convenient and
9 voluntary such that reimbursement was not legally required. Finally, Defendant could argue that the
10 Supreme Court decision in *Brinker v. Superior Court*, 53 Cal. 4th 1004 (2012), weakened Plaintiffs'
11 claims, on liability, value, and class certifiability as to the meal and rest period claims. Defendant also
12 argues that based on its facially lawful practices, Defendant acted in good faith and without willfulness,
13 which if accepted would negate the claims for waiting time penalties and/or inaccurate wage statements.
14 If successful, Defendant's defenses could eliminate or substantially reduce any recovery to the Class.
15 While Plaintiffs believe that these defenses could be overcome, Defendant maintains these defenses have
16 merit and therefore present a serious risk to recovery by the Class. Blumenthal Decl. ¶8(a).

17 In a similar wage and hour case, the federal district court in *Hopson v. Hanesbrands Inc.*, 2009
18 U.S. Dist. LEXIS 33900 (N.D. Cal. 2009), explained in approving an overtime class action settlement:

19 Plaintiffs may have a strong case, but the risks inherent in continued litigation are great.
20 Defendants strongly deny liability for Plaintiffs' principal claim... [...T]he gross
21 settlement amount and the Class Members' expected net recovery, after fees and other
costs are deducted, appear to be a reasonable compromise, in light of the risks of
litigation.

22 2009 U.S. Dist. LEXIS 33900 at *19-20 (N.D. Cal. 2009); *see also Browning v. Yahoo!, Inc.*, 2007
23 U.S. Dist. LEXIS 86266, at *30 (N.D. Cal. 2007) ("In considering the strength of Plaintiff's case, legal
24 uncertainties at the time of settlement - particularly those which go to fundamental legal issues - favor
25 approval."). As recognized in a federal decision approving settlement of an overtime wage class action:

26 The potential complexity and possible duration of trial also weigh in favor of granting
27 final approval. Plaintiffs acknowledge the difficulties of proving damages, recognize the
28 uncertainty of outcome, and believe defendant would appeal in the event of adverse
judgment. A post-judgment appeal would require many years to resolve and delay
payment to class members. Plaintiffs believe the benefits of a guaranteed recovery today

1 outweigh an uncertain future result. Accordingly, plaintiffs argue, and the Court agrees,
2 the actual recovery confers substantial benefits on the class that outweigh the potential
recovery through full adjudication.

3 *Barcia v. Contain-A-Way, Inc.*, 2009 U.S. Dist. LEXIS 17118, *9 (S.D. Cal. 2009); *see also Louie v.*
4 *Kaiser Foundation Health Plan, Inc.*, 2008 U.S. Dist. LEXIS 78314, *14 (S.D. Cal. 2008).

5 There was also a significant risk that, if the Action was not settled, Plaintiffs would be unable to
6 obtain a certified class and maintain the certified class through trial, and thereby not recover on behalf
7 of any employees other than themselves. At the time of the mediation, Defendant forcefully opposed
8 the propriety of class certification, arguing that individual issues precluded class certification. Further,
9 as demonstrated by the California Supreme Court decision in *Duran v. U.S. Bank National Assn.*, 59
10 Cal. 4th 1 (2014), there are significant hurdles to overcome for a class-wide recovery even where the
11 class has been certified. While other cases have approved class certification in wage and hour claims,
12 class certification in this action was hotly disputed and the maintenance of a certified class through trial
13 was by no means a foregone conclusion. Blumenthal Decl. ¶8(b).

14 In sum, the Settlement is a fair and reasonable result, and provides the Class with a significant
15 recovery, particularly when viewed in light of the fact that the Defendant asserted serious and substantial
16 defenses both to liability and to class certification. The maximum and average Participating Class
17 Member are \$1,090.00 and \$535.18, respectively. *See* Bench Decl. ¶18. Given the complexities of this
18 case, the defenses, along with the uncertainties of proof and appeal, the proposed Settlement is fair,
19 reasonable and adequate, and should be finally approved. Blumenthal Decl. at ¶8(e).

20 6. The Risk, Expense, Complexity, and Likely Duration of Further Litigation

21 As demonstrated by the decision in *Duran*, the complexities and duration of further litigation
22 cannot be overstated. There is little doubt that Defendant would post a bond and appeal in the event of
23 an adverse judgment. A post-judgment appeal by Defendant would have required many more years to
24 resolve, assuming the judgment was affirmed. If the judgment was not affirmed in total, then the case
25 could have dragged on for years after the appeal. The benefits of a guaranteed recovery today outweigh
26 an uncertain result three or more years in the future. Blumenthal Decl. ¶8(c).

27 Plaintiffs and Class Counsel recognize the expense and length of a trial against Defendant through
28 possible appeals which could take at least another two or three years. Class Counsel also have taken into

1 account the uncertain outcome, the risk of litigation, especially in complex actions such as this one.
2 Class Counsel are also mindful of and recognize the inherent problems of proof under, and alleged
3 defenses to, the claims asserted in the Action. Moreover, post-trial motions and appeals would have
4 been inevitable. Costs would have mounted and recovery would have been delayed if not denied,
5 thereby reducing the benefits of an ultimate victory. The Settlement confers substantial benefits upon
6 the Class. Based upon their evaluation, Plaintiffs and Class Counsel have determined that the Settlement
7 set forth in the Agreement is in the best interest of the Class. Blumenthal Decl. ¶8(c).

8 Although Plaintiffs and Class Counsel believe that their case has merit, which Defendant continue
9 to vigorously deny, they recognized the potential risks both sides would face if litigation of the Action
10 continued. As the federal court held in *Glass*, where the parties faced uncertainties similar to those in
11 this litigation:

12 In light of the above-referenced uncertainty in the law, the risk, expense, complexity, and
13 likely duration of further litigation likewise favors the settlement. Regardless of how this
14 Court might have ruled on the merits of the legal issues, the losing party likely would
15 have appealed, and the parties would have faced the expense and uncertainty of litigating
16 an appeal. "The expense and possible duration of the litigation should be considered in
evaluating the reasonableness of [a] settlement." See *In re Mego Financial Corp.*
Securities Litigation, 213 F.3d 454, 458 (9th Cir. 2000). Here, the risk of further
litigation is substantial.

16 *Id.* at *12.

17 7. The Amount Offered in Settlement

18 The Settlement in this case is fair, reasonable and adequate considering Defendants' defenses to
19 Plaintiffs' claims. As set forth in the Declaration of Nordrehaug in support of preliminary approval
20 which discussed the value of the class claims in detail, the Gross Settlement Amount compares favorably
21 to the value of the claims. Based upon 2,619 Participating Class Members who collectively worked
22 648,619 Workweeks, the Gross Settlement Amount provides an average value of \$865 per Class
23 Member and \$6.16 per Workweek, and after deductions the Net Settlement Amount provides an average
24 recovery of \$535.18 per Class Member and a recovery of \$3.81 per Workweek. Blumenthal Decl. at
25 ¶8(d).

26 The calculations to compensate for the amount due for the Class at the time of the mediation
27 were calculated by Berger Consulting, Plaintiffs' damage expert. As to the Class whose claims are at
28

1 issue in this Action, Plaintiffs used the expert to analyze the data and determine the potential unpaid
2 wages for the employees. The maximum potential damages were calculated to be \$110,617 for the
3 alleged unpaid wages due to alleged rounding of work time, \$33,335,557 for alleged meal period
4 damages based upon a 58% potential violation rate for shifts worked and after deducting the meals that
5 could validly be waived and deducting the meal period premiums paid by Defendant, \$6,087,509 for
6 alleged rest period damages based upon one violaton per month, \$750,175 for alleged unreimbursed
7 business expenses for personal cell phone usage at \$5 per month. As a result, the total damage valuation
8 was calculated that Defendant was subject to a maximum damage claim in the amount of \$40,283,858.
9 As to potential penalties, Plaintiffs calculated that potential waiting time penalties were a maximum of
10 \$16,848,452 and potential maximum wage statement penalties were \$ 11,712,000.³ Defendant vigorously
11 disputed Plaintiffs' calculations and exposure theories.

12 Consequently, the Gross Settlement Amount of \$4,000,000 represents 10% of the maximum
13 value of the alleged damages at issue in this case at the time this Settlement was negotiated.⁴
14 Importantly, the recent decision that good faith belief of compliance by the employer in *Naranjo v.*
15 *Spectrum Sec. Servs., Inc.*, 15 Cal. 5th 1056, 1065 (2024), could completely negate the claims for
16 waiting time and wage statement penalties, even if wages were owed to the class. The above maximum
17 calculations should then be adjusted in consideration for both the risk of class certification and the risk
18 of establishing class-wide liability on all claims. Given the amount of the settlement as compared to the
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20
21

22 ³ While Plaintiffs alleged claims for statutory penalties pursuant to Labor Code Sections 203 and
23 226, at mediation Plaintiffs recognized that these claims were subject to additional, separate defenses
24 asserted by Defendant, including, a good faith dispute defense as to whether any premium wages for
25 meal or rest periods or other wages were owed given Defendants' position that Plaintiffs and Class
26 Members were properly compensated. *See Nordstrom Commission Cases*, 186 Cal. App. 4th 576, 584
27 (2010) ("There is no willful failure to pay wages if the employer and employee have a good faith dispute
28 as to whether and when the wages were due.").

27 ⁴ Because the PAGA claim is not a class claim and primarily is paid to the State of California, the
28 PAGA claim is not included in the value of the class claims. The PAGA claim was addressed in the
Declaration of Nordrehaug at ¶33 filed in support of the Motion for Preliminary Approval.

1 potential value of claims in this case and the defenses asserted by Defendant, this settlement is fair and
2 reasonable.⁵ Clearly, the goal of this litigation has been met. Blumenthal Decl. ¶8(d).

3 **V. THE REQUESTED ATTORNEYS' FEES, COSTS AND SERVICE AWARD SHOULD**
4 **BE APPROVED**

5 **A. The Attorneys' Fees are Reasonable and Supported by the Percentage of the Fund**
6 **Method**

7 Class Counsel seeks a fee award calculated at one-third (1/3) of the total value of the settlement
8 for the successful prosecution and resolution of this action. California state and federal courts have
9 recognized that an appropriate method for determining award of attorneys' fees is based on a percentage
10 of the total value of benefits to class members by the settlement. *Wershba v. Apple Computer, Inc.*, 91
11 Cal. App. 4th 224, 254 (2001); *Serrano v. Priest*, 20 Cal. 3d 25, 34 (1977); *Boeing Co. v. Van Gemert*,
12 444 U.S. 472, 478 (1980); *Vincent v. Hughes Air West, Inc.*, 557 F.2d 759, 769 (9th Cir. 1997). The
13 purpose of this equitable doctrine is to avoid unjust enrichment to the Class and to "spread litigation
14 costs proportionally among all the beneficiaries so that the active beneficiary does not bear the entire
15 burden alone." *Vincent*, 557 F.2d at 769.

16 The California Supreme Court has provided guidance regarding the award of attorneys' fees in
17 wage and hour class action settlements. Under California law, the award of attorneys' fees in common
18 fund wage and hour class action settlements should start with the percentage method. See *Laffitte v.*
19 *Robert Half Int'l*, 1 Cal. 5th 480, 503 (2016) ("We join the overwhelming majority of federal and state
20 courts in holding that when class action litigation establishes a monetary fund for the benefit of the class
21 members, and the trial court in its equitable powers awards class counsel a fee out of that fund, the court

22 ⁵ See *Glass v. UBS Fin. Servs.*, 2007 U.S. Dist. LEXIS 8476 (N.D. Cal. 2007) (approving a
23 settlement where the settlement amount constituted approximately 25% of the estimated overtime
24 damages for the class); *Stovall-Gusman v. W.W. Granger, Inc.*, 2015 U.S. Dist. LEXIS 78671, at *12
25 (N.D. Cal. 2015) (granting final approval where "the proposed Total Settlement Amount represents
26 approximately 10% of what class might have been awarded had they succeeded at trial."); *Dunleavy v.*
27 *Nadler (In re Mego Fin. Corp. Sec. Litig.)*, 213 F.3d 454, 459 (9th Cir. 2000) (affirming approval of
28 a class settlement which represented "roughly one-sixth of the potential recovery".) See also *Viceral v.*
Mistras Grp., Inc., 2016 WL 5907869 (N.D. Cal. 2016) (approving wage and hour class action
settlement amounting to 8.1% of full value); *Ma v. Covidien Holding, Inc.*, 2014 WL 2472316, (C.D.
Cal. 2014) (approving wage and hour class action settlement worth "somewhere between 9% and 18%"
of maximum valuation).

1 may determine the amount of a reasonable fee by choosing an appropriate percentage of the fund
2 created”). Under the percentage of the fund method, a court’s objective remains to “mimic the market”
3 in fixing a reasonable fee. See *Gaskill v. Gordon*, 160 F.3d 361, 363 (7th Cir. 1998).

4 First, the fee award representing one-third of the fund clearly falls within that range and is
5 consistent with other rulings of other courts and comprehensive surveys of class action settlements and
6 fee awards. Attorneys’ fees awards of one-third of the fund are within the expected range in the market
7 in legal services. See Fitzpatrick, *An Empirical Study of Class Action Settlements and Their Fee Award*,
8 7 J. Empirical Leg. Stud. 811, 833 (2010) (analyzing 444 cases between 2006-2007 and concluding that
9 “[m]ost fee awards were between 25 percent and 35 percent”). In *Laffitte v. Robert Half Int’l*, 1 Cal.
10 5th 480, 503 (2016), The California Supreme Court both (1) joined the majority of federal and state
11 courts in holding that when class action litigation establishes a monetary fund for the benefit of the class
12 members, the trial court in its equitable powers awards class counsel a fee out of that fund, and (2)
13 expressly approved of one-third as a reasonable percentage in a contingent common fund class
14 settlement. Such similar awards by other Courts are set forth in the Blumenthal Decl. ¶11.

15 Second, the results delivered by Class Counsel also support the requested percentage of the fund.
16 Here, Plaintiffs and their counsel secured a \$4,000,000 settlement for the benefit of the Class and very
17 few of the Class Members elected to opt out. Similarly, not one Class Member objected. The Settlement
18 was possible only because Class Counsel was able to convince Defendant that Plaintiffs could potentially
19 prevail on the contested issues regarding liability, maintain class certification, overcome difficulties in
20 proof as to monetary relief and take the case to trial if need be. Blumenthal Decl. ¶10(f). In successfully
21 navigating these hurdles Class Counsel displayed the necessary skills in both wage and hour and class
22 action litigation. Moreover, as discussed above, there were significant risks to the contingent litigation.
23 See *Barbosa v. Cargill Meat Solutions Corp.*, 297 F.R.D. 431, 449 (E.D. Cal. 2013) (“**Like this case,**
24 **where recovery is uncertain, an award of one-third of the common fund as attorneys' fees has**
25 **been found to be appropriate.**”)

26 Third, “the response of the class members to attorneys’ fee notice, though not decisive, is
27 relevant to the ... reasonable determination” regarding fees. *Swedish Hospital v. Shalala*, 1 F.3d 1261,
28 1272 (D.C. Cir. 1993). A positive response rate tends to suggest that the court’s “approximation of the

1 market” for fees is well supported. *Id.* at 1269. Here, the Class Notice specifically notified the Class that
2 Class Counsel would be seeking a one-third fee award. Again, there were no objections.

3 Fourth, it is recognized that one of the primary factors justifying an enhanced attorney’s fees
4 reward is the attendant risks inherent in the litigation. As observed in *City of Detroit v. Grinnell Corp.*:

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

9 495 F.2d 448, 470 (2d Cir. 1974). Here, it is clear that a settlement fund of \$4,000,000 has been created.
10 For Class Counsel, the fees here were wholly contingent in nature and the case presented far more risk
11 than the usual contingent fee case. Among the risks was the cost inherent in class action litigation, as
12 well as a long battle with a corporate Defendant who had retained a premier and highly experienced
13 defense firm. **Counsel retained on a contingency fee basis, whether in private matters or in class
14 action litigation, is entitled to a premium above their hourly rate in order to compensate for both
15 the risks and the delay in payment.** See e.g. *Stanger v. China Elec. Motor, Inc.*, 812 F.3d 734, 741
16 (9th Cir. 2016) (courts "must" apply a risk enhancement); *Stetson v. Grissom*, 821 F.3d 1157, 1166 (9th
17 Cir. 2016) (abuse of discretion not to apply risk multiplier).

18 Fifth, the requested fee award is supported by the lodestar cross-check. The reasonableness of
19 the requested attorneys’ fee of one-third equal to \$1,333,333 is also established by reference to Class
20 Counsel’s lodestar in this matter. The contemporaneous billing records for Class Counsel evidence that
21 through August 21, 2024, Class Counsel’s total combined lodestar is \$588,245.75, with significant
22 additional fees still to be incurred to complete final approval and the settlement process. (Blumenthal
23 Decl. at ¶12 and Exhibits #3 and 4 [lodestar of \$314,830.75]; Ardestani Decl. at ¶12 [lodestar of
24 \$273,415].) The requested fee award is therefore currently equivalent to Class Counsel’s total lodestar
25 with a reasonable multiplier of less than 2.3, and there will be additional lodestar incurred by Class
26 Counsel to complete the settlement process and manage the settlement distribution and reports.
27
28

(Blumenthal Decl. at ¶12.) Such a multiplier is within the range of multipliers approved in other cases such as *Laffitte* and *Vizcaino v. Microsoft Corp.*, 290 F.3d 1043, 1051 (9th Cir. 2002).⁶

For such reasons, Class Counsel's request for attorneys' fees in the amount of one-third of the common fund is reasonable and should be approved.

B. The Reimbursement of Litigation Expenses

The Agreement provides at paragraph 3.2(b), that Class Counsel may seek a "Class Counsel Litigation Expenses Payment of not more than \$20,000." Class Counsel requests reimbursement for incurred litigation expenses and costs in the amount of \$20,000. Class Counsel have incurred total combined expenses of \$26,125.76 as set forth in counsel's billing records; therefore, this requested amount of \$20,000 is less than the amount actually incurred by Class Counsel. These litigation expenses include the expenses incurred for filing fees, mediation expenses, expert expenses (Berger Consulting), and attorney service charges (Knox, OneLegal), research charges (LexisNexis), and appearance fees, all of which are costs normally billed to and paid by the client.⁷ The details of the litigation expenses incurred are set forth the Blumenthal Decl. at ¶13 and Exhibits #3 and 4 [expenses of \$19,147.43] and the Declaration of Ardestani at ¶ 29 [expenses of \$6,077.76]. Because these costs were reasonable and necessary to the successful prosecution of these claims, the request is reasonable and should be granted.

C. The Service Award Is Reasonable and Should be Approved

Plaintiffs respectfully submit that for their service as the class representatives, Plaintiffs should

⁶ See *Laffitte*, *supra*, 1 Cal. 5th at 487 (approving 1/3 fee award with multiplier of 2.13); *Vizcaino* *supra*, at 1051 (3.65 multiplier approved); *Pellegrino v. Robert Half Intern., Inc.*, 182 Cal.App.4th 278 (2010) (in class actions reasonable multipliers of 2.0 to 4.0 are often applied); *Wershba*, 91 Cal. App. 4th at 255 ("multipliers can range from 2 to 4 or even higher."); *In re Sutter Health Uninsured Pricing Cases*, 171 Cal.App.4th 495, 512 (2009) (affirming multiplier of 2.52 as "fair and reasonable"); *Chavez v. Netflix, Inc.*, 162 Cal.App.4th 43, 66 (2008) (affirming multiplier of 2.53 as well within the approved range of 2 to 4); *Taylor v. Fedex Freight, Inc.*, 2016 U.S. Dist. LEXIS 142202 (E.D. Cal. 2016) (2.26 multiplier).

⁷ Nontaxable costs are properly awarded where authorized by the parties' agreement. *Stetson*, 821 F.3d at 1165. Accordingly, "[e]xpenses such as reimbursement for travel, meals, lodging, photocopying, long-distance telephone calls, computer legal research, postage, courier service, mediation, exhibits, documents scanning, and visual equipment are typically recoverable." *Rutti v. Lojack Corp., Inc.*, 2012 WL 3151077, at *12 (C.D. Cal. 2012).

1 be awarded the agreed service award of \$30,000 each, in accordance with the Agreement for their time,
2 risk and effort expended on behalf of the Class as the class representatives. (Agreement at ¶ 3.2(a).) The
3 Blumenthal Decl., at ¶14, provides a long list of equivalent service awards approved in California in
4 similar cases, which further supports the request in this case. The Plaintiffs' Declarations in support of
5 these requests are attached as Exhibits #6 and 7 to the Blumenthal Decl. Notably, as detailed in the
6 Declaration of Pham at paragraph 15: "St. Jude offered to pay me approximately \$31,000 for unpaid
7 wages and meal break penalties for the past two years", which Plaintiff Pham declined in order to pursue
8 the class claims. As such, the increased service award ensures that a class representative is not penalized
9 for acting on behalf of the interests of the Class.

10 As the representatives of the Class, Plaintiffs performed their duties to the Class admirably and
11 without exception. Plaintiffs worked extensively with Class Counsel during the course of the litigation,
12 responding to numerous requests, searching for documents, working with counsel, and reviewing the
13 settlement documentation. (Blumenthal Decl. at ¶ 14.) As set forth in the Agreement, Plaintiffs are also
14 providing a comprehensive release as part of the Settlement, far beyond the class release. The Plaintiffs'
15 Declarations detail the involvement, stress and risks they undertook as a result of this Action. Plaintiffs
16 also assumed the serious risk that they might possibly be liable for costs and fees to Defendants, as well
17 as the reputational risk of being "blacklisted" by other future employers for having filed a class action
18 on behalf of employees. (Blumenthal Decl. at ¶15.) Without the Plaintiffs' participation, cooperation
19 and information, no other employees would be receiving any benefit. (Blumenthal Decl. at ¶¶ 15-16).

20 The payment of service awards to successful class representatives is appropriate and the amount
21 of \$30,000 is within the currently awarded range for similar settlements. *See, e.g., Andrews v. Plains*
22 *All Am. Pipeline L.P.*, 2022 U.S. Dist. LEXIS 172183, at *11 (C.D. Cal. 2022) (finding service awards
23 of \$15,000 are appropriate); *Reynolds v. Direct Flow Med., Inc.*, 2019 U.S. Dist. LEXIS 149865, at *19
24 (N.D. Cal. 2019) (granting \$12,500 service award); *Mathein v. Pier 1 Imps. (U.S.), Inc.*, 2018 U.S. Dist.
25 LEXIS 71386 (E.D. Cal. 2018) (awarding \$12,500 where average class member payment was \$351);
26 *Louie v. Kaiser Foundation Health Plan, Inc.*, 2008 WL 4473183, *7 (S.D. Cal. Oct. 06, 2008)
27 (\$25,000 service award to each of six plaintiffs); *Glass v. UBS Fin. Servs.*, 2007 WL 221862, *16-17
28 (N.D. Cal. 2007) (awarding \$25,000 service award). Accordingly, Class Counsel respectfully request

1 approval of the requested Class Representative Service Payments in accordance with the Agreement.

2 **VI. CONCLUSION**

3 Plaintiffs respectfully submit that the proposed settlement satisfies the standard of fairness
4 established in California law and should therefore be finally approved as fair, reasonable and adequate
5 and requests entry of the Final Approval Order and Judgment, submitted herewith.

6 Respectfully submitted,

7 Dated: August 21, 2024

BLUMENTHAL NORDREHAUG BHOWMIK DE BLOUW LLP

By: /s/ Kyle Nordrehaug

Kyle R. Nordrehaug, Attorneys for Plaintiffs