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Plaintiff CRYSTAL RAMIREZ (Setareh Law Group), and the proposed Settlement Class

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ALAMEDA**

CHRISTINE FLYNN and CRYSTAL	)	Lead Case No. 22CV005118
RAMIREZ, on behalf of themselves and	)	(Consolidated for settlement purposes with
all others similarly situated,	)	Case No. 22CV011657)
	)	
Plaintiffs,	)	Assigned for All Purposes to the Hon.
	)	Somnath Raj Chatterjee, Department 21
v.	)	
	)	NOTICE OF MOTION AND MOTION
GOODWILL INDUSTRIES OF THE	)	FOR PRELIMINARY APPROVAL OF
GREATER EAST BAY, INC.; and	)	CLASS ACTION AND PAGA
DOES 1 through 50, inclusive,	)	SETTLEMENT; MEMORANDUM OF
	)	POINTS AND AUTHORITIES IN
Defendants.	)	SUPPORT THEREOF
	)	
	)	Date: October 6, 2026
	)	Time: 2:30 p.m.
	)	Dept.: 21
	)	Reservation No.: 236803070730

1 **PLEASE TAKE NOTICE** that on October 6, 2026 at 2:30 p.m., in Department 21
2 of the above-entitled Court, located at 1221 Oak Street, Oakland, California 94612,
3 Plaintiffs Christine Flynn and Crystal Ramirez (collectively, “Plaintiffs”) will and hereby
4 do move the Court, pursuant to California Rule of Court 3.769, for an Order:

5 (1) preliminarily approving the proposed class action and Private Attorneys General
6 Act (“PAGA”) settlement set forth in the Class Action and PAGA Settlement Agreement
7 (the “Settlement” or “Settlement Agreement”);
8

9 (2) provisionally certifying the Settlement Class for settlement purposes only;

10 (3) appointing Plaintiffs Christine Flynn and Crystal Ramirez as Class
11 Representatives;

12 (4) appointing James Hawkins, Isandra Fernandez, and Anthony L. Draper of James
13 Hawkins APLC and Shaun Setareh, Eric Hahn, and Victoria Mas of Setareh Law Group as
14 Class Counsel;

15 (5) appointing ILYM Group, Inc. as the Settlement Administrator;

16 (6) approving the proposed Notice of Class Action and PAGA Settlement (“Class
17 Notice”) and directing its distribution to the Class; and
18

19 (7) setting a date for the Final Approval Hearing and related deadlines.

20 This Motion is made pursuant to California Rule of Court 3.769, which provides
21 for court approval of the settlement of a class action and permits the Court to provisionally
22 certify a class for settlement purposes. The basis for this Motion is that the proposed
23 Settlement is fair, adequate, and reasonable, and the procedures proposed by the Parties are
24 adequate to ensure the opportunity of Class Members to participate in, opt out of, or object
25 to the Settlement.
26

1 This Motion is based on this Notice of Motion and Motion; the following
2 Memorandum of Points and Authorities; the Declaration of Anthony Draper and the
3 Settlement Agreement attached thereto as Exhibit 1; the Declaration of Shaun Setareh; the
4 [Proposed] Order filed concurrently herewith; the pleadings, records, and files in this
5 action; and upon such oral and documentary evidence as may be presented at the hearing.
6

7
8 Dated: September 11, 2026


JAMES HAWKINS APLC

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiffs Christine Flynn and Crystal Ramirez (“Plaintiffs”) respectfully seek preliminary approval of the class and PAGA action settlement reached with Defendant Goodwill Industries of the Greater East Bay, Inc. (“Goodwill” or “Defendant”) (Plaintiffs and Defendant are collectively referred to as the “Parties”).

Subject to Court approval, the Parties have reached a settlement of the claims asserted on behalf of the Class and Aggrieved Employees for a total, non-reversionary Gross Settlement Amount of Eight Hundred Seventy-Five Thousand Dollars (\$875,000.00), inclusive of all settlement payments to Participating Class Members and Aggrieved Employees, Class Counsel’s Court-approved attorneys’ fees and reasonable litigation expenses, the Court-approved Class Representative Service Payments, Settlement Administration Expenses, and the LWDA’s share of PAGA penalties. The Gross Settlement Amount excludes the employer’s share of payroll taxes, which Defendant pays separately. This is a cash, checks-mailed settlement. Every Class Member who does not opt out of the Settlement will automatically be mailed an individual settlement payment, and every Aggrieved Employee will be mailed an Individual PAGA Payment regardless of opt-out status. Class Members are not required to submit a claim form to receive payment.

As discussed below, the proposed Settlement satisfies all of the criteria for preliminary settlement approval under California law and falls well within the range of reasonableness. Plaintiffs therefore move this Court to: (i) provisionally certify the

1 proposed Settlement Class; (ii) appoint James Hawkins APLC and Setareh Law Group as
2 Class Counsel; (iii) appoint Plaintiffs Christine Flynn and Crystal Ramirez as Class
3 Representatives; (iv) appoint ILYM Group, Inc. as Settlement Administrator; (v)
4 preliminarily approve the Settlement Agreement and Class Notice; (vi) direct distribution
5 of the Class Notice; and (vii) schedule a Final Approval Hearing.

6 7 **II. FACTUAL AND PROCEDURAL BACKGROUND**

8 On January 6, 2022, Plaintiff Christine Flynn commenced the *Flynn* action by filing
9 a Class Action Complaint in Alameda County Superior Court, Case No. 22CV005118,
10 alleging causes of action against Defendant for: (1) failure to pay lawful wages; (2) failure
11 to provide lawful meal periods or compensation in lieu thereof; (3) failure to provide lawful
12 rest periods or compensation in lieu thereof; (4) failure to timely pay wages during
13 employment; (5) failure to timely pay wages upon termination; (6) knowing and intentional
14 failure to comply with itemized wage statement provisions; (7) failure to indemnify
15 employees; and (8) violation of the unfair competition law. (Declaration of Anthony Draper
16 (“Draper Decl.”), ¶ 2.)

17
18 Also on January 6, 2022, Plaintiff Flynn provided written notice to the California
19 Labor and Workforce Development Agency (“LWDA”) and Defendant of the alleged
20 Labor Code violations, pursuant to Labor Code section 2699.3. (Draper Decl., ¶ 3; Ex. 3.)
21 On April 15, 2022, Plaintiff Flynn filed a First Amended Class Action Complaint adding a
22 cause of action for civil penalties under PAGA. The First Amended Complaint is the
23 operative complaint in the *Flynn* action and alleges nine causes of action. (Draper Decl., ¶
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1 On May 23, 2022, Plaintiff Crystal Ramirez commenced a related action, since
2 consolidated with the Flynn action for settlement purposes, entitled *Crystal Ramirez v.*
3 *Goodwill Industries of the Greater East Bay, Inc., et al.*, Alameda County Superior Court,
4 Case No. 22CV011657, alleging causes of action for: (1) failure to provide meal periods;
5 (2) failure to provide rest periods; (3) failure to pay hourly wages and overtime; (4) failure
6 to pay all final wages; (5) failure to indemnify employees; and (6) violation of the unfair
7 competition law. (Setareh Decl., ¶ 8.) The *Flynn* and *Ramirez* actions (collectively, the
8 “Actions”) have been consolidated for settlement purposes only and are resolved together
9 pursuant to the Settlement Agreement. (Setareh Decl., ¶ 9.)
10

11 Throughout this litigation, Defendant has denied Plaintiffs’ allegations and raised
12 defenses to the claims, both individually and on a representative basis. (Draper Decl., ¶ 7.)
13 Defendant maintains that its employment policies and practices comply with the Labor
14 Code and applicable Wage Orders. To date, no class has been certified, and the Court has
15 made no findings that Defendant engaged in any wrongdoing or violated any state law,
16 rule, or regulation with respect to the issues presented. (Draper Decl., ¶ 8.)
17

18 Through formal and informal discovery and in preparation for mediation, the
19 Parties exchanged extensive documents and information relating to the claims asserted,
20 including payroll data, timekeeping records, and Defendant’s relevant policies. Plaintiffs
21 obtained and analyzed class data, including sample time and pay records and information
22 regarding the number of non-exempt employees during the relevant time period, with the
23 assistance of experienced professionals. (Draper Decl., ¶ 9.)
24

25 In 2025, the Parties participated in a mediation with Louis Marlin, Esq., an
26 experienced wage-and-hour class action mediator. (Draper Decl., ¶ 10.) With the
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mediator's continued assistance, the Parties reached a settlement in principle and, on October 23, 2025, filed a Joint Notice of Settlement with the Court. (Draper Decl., ¶ 11.) The Parties thereafter exchanged multiple drafts of the long-form Settlement Agreement and Class Notice and engaged in numerous communications regarding the settlement terms, culminating in the fully executed Settlement Agreement now before the Court. (Draper Decl., ¶¶ 12-13; Ex. 1.)

Based on their independent investigations and evaluations, and after taking into account the sharply disputed factual and legal issues, the risks attending further litigation in light of certification hurdles posed by *Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004 ("*Brinker*"), and the discovery and investigation conducted to date, Plaintiffs and Class Counsel are of the opinion that the Settlement is fair, reasonable, adequate, and in the best interests of the named Plaintiffs and the Class. (Draper Decl., ¶ 14.)

III. SUMMARY OF SETTLEMENT TERMS

A. The Settlement Class

The "Class" or "Settlement Class" means all current and former hourly, non-exempt employees employed by Defendant in California during the Class Period. The "Class Period" is the period from January 7, 2018 to September 20, 2025. (Settlement Agreement, ¶¶ 1.5, 1.12.)

B. Aggrieved Employees

"Aggrieved Employee" means all current and former non-exempt hourly employees employed by Defendant in California during the PAGA Period. The "PAGA

Period” is the period from January 6, 2021 through September 20, 2025. (Settlement Agreement, ¶¶ 1.4, 1.31.)

C. The Gross Settlement Amount and Its Allocation

1. The Gross Settlement Amount (“GSA”) is Eight Hundred Seventy-Five Thousand Dollars (\$875,000.00). The GSA is non-reversionary and is in addition to the employer’s share of payroll taxes, which Defendant pays separately. The GSA is inclusive of all Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, the Class Representative Service Payments, and the Administration Expenses Payment. (Settlement Agreement, ¶¶ 1.22, 3.1.)

2. Subject to Court approval, Class Counsel may seek a Class Counsel Fees Payment of up to thirty-five percent (35%) of the GSA (currently estimated at \$306,250.00) and a Class Counsel Litigation Expenses Payment of up to \$35,000.00. (Settlement Agreement, ¶ 3.2.2.)

3. Subject to Court approval, the Class Representatives may each seek a Service Payment not to exceed \$10,000.00 (\$20,000.00 in total) for their service and for a general release of their claims. (Settlement Agreement, ¶ 3.2.1.)

4. Subject to Court approval, the Administration Expenses Payment to ILYM Group, Inc. shall not exceed \$40,000.00. (Settlement Agreement, ¶ 3.2.3.)

5. A total of \$40,000.00 of the GSA is allocated to PAGA penalties, of which seventy-five percent (\$30,000.00) shall be paid to the LWDA and twenty-five percent (\$10,000.00) shall be distributed to Aggrieved Employees as Individual PAGA Payments. (Settlement Agreement, ¶¶ 1.34, 3.2.5.)

1 6. The portion of the GSA remaining after the above payments is the “Net
2 Settlement Amount” or “NSA.” (Settlement Agreement, ¶ 1.28.) The NSA is distributed to
3 Participating Class Members as Individual Class Payments calculated pro rata based on the
4 number of Workweeks each worked during the Class Period. (Settlement Agreement, ¶
5 3.2.4.)

6 7. For tax purposes, twenty-five percent (25%) of each Individual Class Payment
7 is allocated to wages (reported on IRS Form W-2) and seventy-five percent (75%) to
8 interest and penalties (reported on IRS Form 1099). (Settlement Agreement, ¶ 3.2.4.1.) The
9 rationale for this allocation, including the treatment of meal and rest period premiums as
10 wages, is discussed in Section IV.C below.

11 8. Individual PAGA Payments are calculated pro rata based on the number of Pay
12 Periods each Aggrieved Employee worked during the PAGA Period. (Settlement
13 Agreement, ¶ 1.24.) The Settlement is non-reversionary; no portion of the GSA reverts to
14 Defendant. (Settlement Agreement, ¶ 3.1.)

15 9. Defendant will fund the GSA in three equal installments: \$291,666.67 no later
16 than forty-five (45) calendar days after the Effective Date; \$291,666.67 no later than ninety
17 (90) calendar days thereafter; and \$291,666.66 no later than ninety (90) calendar days after
18 that. (Settlement Agreement, ¶¶ 4.1.1-4.1.3.) The Administrator will mail all settlement
19 checks within fifteen (15) calendar days after the third installment is funded. (Settlement
20 Agreement, ¶ 4.2.) If Defendant fails to timely fund any installment, Class Counsel will
21 serve written notice of default; if the default is not cured within ten (10) calendar days, the
22 entire unpaid balance accelerates, becomes immediately due, and accrues interest at ten
23 percent (10%) per annum, and Plaintiffs may seek entry of judgment for the unpaid balance
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1 under the Court's retained jurisdiction pursuant to Code of Civil Procedure section 664.6.
2 (Settlement Agreement, ¶ 4.1.4.) The Settlement further subordinates the Class Counsel
3 Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class
4 Representative Service Payments to the Individual Class Payments and Individual PAGA
5 Payments, so that Class Members are paid first. (Settlement Agreement, ¶ 4.2.)

6 10. If the number of valid Requests for Exclusion exceeds ten percent (10%) of
7 all Class Members, Defendant may elect to withdraw from the Settlement by written notice
8 to Class Counsel and the Court within seven (7) calendar days after the Administrator
9 transmits the final Exclusion List, in which event Defendant remains responsible for
10 Settlement Administration Expenses incurred to that point. (Settlement Agreement, ¶ 9.)

12 Defendant estimates that there are approximately 7,171 Class Members who
13 worked approximately 276,088 Workweeks during the Class Period, and approximately
14 3,435 Aggrieved Employees who worked approximately 65,167 Pay Periods during the
15 PAGA Period. (Settlement Agreement, ¶ 8; Draper Decl., ¶ 16.) An Escalator Clause
16 provides that if the total number of Workweeks ultimately exceeds 276,088 by more than
17 ten percent (i.e., exceeds 303,697 Workweeks), Defendant shall increase the GSA on a pro
18 rata basis. (Settlement Agreement, ¶ 8.)

20 Based on these figures, the estimated Net Settlement Amount is approximately
21 \$433,750.00, and the estimated average net recovery per Class Member is approximately
22 \$60.49, in addition to the Individual PAGA Payments payable to Aggrieved Employees.
23 (Draper Decl., ¶ 19.) Because payments are calculated pro rata by Workweeks, Class
24 Members with longer tenure will receive proportionally greater amounts. This average net
25 recovery is consistent with, and exceeds, average recoveries approved in numerous wage-
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1 and-hour class settlements. See, e.g., *Ressler v. Federated Department Stores, Inc.*, No.
2 BC335018 (L.A. Super. Ct.) (average net recovery of approximately \$90); *Doty v. Costco*
3 *Wholesale Corp.*, No. CV05-3241 (C.D. Cal.) (approximately \$65); *Lim v. Victoria's*
4 *Secret Stores, Inc.*, No. 04CC00213 (Orange County Super. Ct.) (approximately \$35); and
5 *Gomez v. Amadeus Salon, Inc.*, No. BC392297 (L.A. Super. Ct.) (approximately \$20).

6
7 **D. Releases**

8 1. *Participating Class Members.* As of the Effective Date, all Participating Class
9 Members release the Released Parties from any and all claims arising during the Class
10 Period and relating to the allegations in the Actions, including all claims that were or
11 reasonably could have been alleged based on the facts in the First Amended Complaint,
12 and related wage-and-hour claims premised on Labor Code sections 200, 201, 202, 203,
13 221, 225, 226, 226.7, 510, 512, 1174, 1194, 1197, 1198, 1199, and 2802, the applicable
14 IWC Wage Orders, and Business and Professions Code sections 17200-17208. (Settlement
15 Agreement, ¶ 5.2.) The class release is expressly tailored to the claims and facts alleged in
16 the operative complaint, and absent Class Members do not waive the protections of
17 California Civil Code section 1542.
18

19 2. *Aggrieved Employees.* All Aggrieved Employees, whether or not they are
20 Participating Class Members, release the Released Parties from all claims for PAGA civil
21 penalties for Labor Code violations during the PAGA Period that were or could have been
22 alleged based on the facts in Plaintiff Flynn's LWDA notice. (Settlement Agreement, ¶
23 5.3.)
24

25 3. *Plaintiffs.* In consideration of their Service Payments, the named Plaintiffs
26 provide a general release of all claims arising from their employment, including a waiver
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1 of California Civil Code section 1542. (Settlement Agreement, ¶¶ 5.1, 5.1.1.) Only the
2 named Plaintiffs — not absent Class Members — waive section 1542.

3 **E. Notice and Settlement Administration Procedure**

4 No later than fourteen (14) calendar days after Preliminary Approval, Defendant
5 will provide the Class Data to ILYM Group, Inc. (Settlement Agreement, ¶ 7.4.1.) Within
6 fourteen (14) calendar days of receiving the Class Data, the Administrator will mail the
7 Class Notice, in English and Spanish, to all Class Members by first-class U.S. mail after
8 updating addresses through the National Change of Address database. (Settlement
9 Agreement, ¶ 7.4.3.) Any Class Notice returned as undeliverable will be re-mailed,
10 including after a skip trace / Class Member Address Search where no forwarding address
11 is provided. (Settlement Agreement, ¶ 7.4.4.)
12

13 Class Members will have forty-five (45) calendar days from the date the Class
14 Notice is mailed to submit a Request for Exclusion or a written Objection, with an
15 additional fourteen (14) calendar days for any Class Member whose Class Notice is re-
16 mailed. (Settlement Agreement, ¶¶ 1.43, 7.5, 7.7.) The Class Notice and Settlement also
17 include a procedure by which a Class Member may dispute the number of Workweeks or
18 PAGA Pay Periods allocated to that Class Member by communicating with the
19 Administrator. (Settlement Agreement, ¶ 7.6.)
20

21 **IV. PRELIMINARY APPROVAL OF THE SETTLEMENT IS APPROPRIATE**

22 The law favors settlement, particularly in class actions and other complex cases in
23 which substantial resources can be conserved by avoiding the time, cost, and rigors of
24 formal litigation. (*In re Microsoft I-V Cases* (2006) 135 Cal.App.4th 706, 723; 4 Newberg
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1 on Class Actions § 11.41.) To grant preliminary approval, the Court need only find that the
2 settlement falls within the “range of reasonableness.” (*North County Contractor’s Ass’n v.*
3 *Touchstone Ins. Servs.* (1994) 27 Cal.App.4th 1085, 1089-1090.) In determining whether
4 a class settlement is fair, adequate, and reasonable, courts consider relevant factors
5 including the strength of the plaintiff’s case; the risk, expense, complexity, and likely
6 duration of further litigation; the risk of maintaining class action status through trial; the
7 amount offered in settlement; the extent of discovery completed and the stage of the
8 proceedings; and the experience and views of counsel. (*Dunk v. Ford Motor Co.* (1996) 48
9 Cal.App.4th 1794, 1801; *Clark v. American Residential Services, LLC* (2009) 175
10 Cal.App.4th 785, 799.) The list is not exclusive, and the court may weigh the factors as the
11 circumstances warrant. (*Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224,
12 245.)

14 Courts must give “proper deference to the private consensual decision of the
15 parties,” limiting the inquiry “to the extent necessary to reach a reasoned judgment that the
16 agreement is not the product of fraud or overreaching by, or collusion between, the
17 negotiating parties, and that the settlement, taken as a whole, is fair, reasonable and
18 adequate to all concerned.” (*Dunk*, supra, 48 Cal.App.4th at p. 1801; *Hanlon v. Chrysler*
19 *Corp.* (9th Cir. 1998) 150 F.3d 1011, 1027.)

21 **A. The Settlement Is Entitled to a Presumption of Fairness**

22 A presumption of fairness exists where: (1) the settlement is reached through arm’s-
23 length bargaining; (2) investigation and discovery are sufficient to allow counsel and the
24 court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the
25 percentage of objectors is small. (*Dunk*, supra, 48 Cal.App.4th at p. 1802.) The first three
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1 factors apply at the preliminary approval stage; the fourth is determinable only at final
2 approval.

3 *Arm's-length bargaining.* The Parties negotiated at arm's length, exchanging
4 extensive information about the claims and defenses and participating in a mediation before
5 Louis Marlin, Esq., followed by continued, mediator-assisted negotiations that produced
6 the Settlement now before the Court. (Draper Decl., ¶¶ 10-13.) A settlement reached
7 through mediation with an experienced neutral strongly supports a finding that it is non-
8 collusive. (*Wershba*, supra, 91 Cal.App.4th at p. 245.)
9

10 *Sufficient investigation and discovery.* Class Counsel conducted significant
11 investigation both before and after filing, reviewed payroll data, timekeeping records, and
12 policy documents produced through formal and informal discovery and in preparation for
13 mediation, and analyzed the data with the assistance of experienced professionals. (Draper
14 Decl., ¶¶ 9, 15.) Counsel thus had ample information to evaluate the strengths and
15 weaknesses of the claims and the value of the Settlement.
16

17 *Experienced counsel.* Class Counsel — James Hawkins APLC and Setareh Law
18 Group — have litigated, mediated, and settled hundreds of wage-and-hour class and
19 representative actions and are well informed of the strengths and risks of the claims against
20 Defendant. (Draper Decl., ¶¶ 21-24; Setareh Decl., ¶¶ 3-4)
21

22 **B. The Settlement Provides Reasonable Compensation in Light of the Risks**
23 **(the Kullar Analysis)**

24 A settling party must provide sufficient information to “enable the court to make
25 an independent assessment of the adequacy of the settlement terms.” (*Kullar v. Foot Locker*
26 *Retail, Inc.* (2008) 168 Cal.App.4th 116, 130.) The court must have “basic information
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1 about the nature and magnitude of the claims in question and the basis for concluding that
2 the consideration being paid for the release . . . represents a reasonable compromise.” (*Id.*
3 at p. 133.) At the same time, “a cash settlement amounting to only a fraction of the potential
4 recovery will not per se render the settlement inadequate or unfair,” and the settlement is
5 not to be “judged against a hypothetical or speculative measure of what might have been
6 achieved.” (*Officers for Justice v. Civil Serv. Comm’n* (9th Cir. 1982) 688 F.2d 615, 625,
7 628.) Estimates of a fair settlement figure are “tempered by factors such as the risk of losing
8 at trial, the expense of litigating the case, and the expected delay in recovery.” (*In re Toys*
9 *R Us-Delaware, Inc. — FACTA Litig.* (C.D. Cal. 2014) 295 F.R.D. 438, 453.)

11 Class Counsel analyzed Defendant’s potential exposure based on the documents
12 and information produced in discovery and in preparation for mediation, expert-assisted
13 analysis of timekeeping and payroll data, and the nature of the claims and Defendant’s
14 defenses. (Draper Decl., ¶ 15.) The damages model was based principally on the number
15 of Class Members, Workweeks, and Pay Periods, the average hourly rate of pay, and a
16 review of representative time and pay records. Based on the data, there are approximately
17 276,088 Workweeks during the Class Period and approximately 65,167 PAGA Pay Periods
18 during the PAGA Period, and the average regular rate of pay is approximately \$16.00 per
19 hour. (Draper Decl., ¶ 16.) The estimated maximum exposure for each claim, and the
20 discounted settlement value reflecting litigation risk, are summarized below. (Draper Decl.,
21 ¶ 17.)
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23

24 **1. Failure to Pay All Wages (Off-the-Clock and Overtime)**

25 Plaintiffs allege that Class Members performed compensable work that was not
26 recorded or paid, including time worked before and after scheduled shifts and during meal
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1 periods, resulting in unpaid straight-time and overtime wages. Defendant disputes these
2 allegations and contends the claim is unsuitable for class treatment because of
3 individualized inquiries into whether and to what extent each employee worked off the
4 clock. Assuming approximately one hour of unpaid time per Workweek across 276,088
5 Workweeks, with ninety percent attributable to overtime, the estimated maximum exposure
6 is approximately \$6,405,242. Considering the nature of the claim and Defendant's
7 defenses, including the difficulty of establishing a class-wide violation, this claim was
8 valued for settlement purposes between approximately \$128,105 (2%) and \$640,524
9 (10%). (Draper Decl., ¶ 17(a).)

11 **2. Meal Period Claim**

12 Plaintiffs allege that Defendant failed to provide compliant meal periods and failed
13 to pay premium wages in lieu thereof. Defendant denies the allegations, maintains that
14 compliant meal periods were provided and that premiums were paid where due, and
15 disputes certification under *Brinker*. Assuming a meal-period violation on each meal-
16 eligible shift (approximately 1,093,308 shifts) at the average hourly rate, the estimated
17 maximum exposure is approximately \$17,492,928. In light of the *Brinker* defenses and
18 certification risk, this claim was valued for settlement purposes between approximately
19 \$874,646 (5%) and \$1,749,293 (10%). (Draper Decl., ¶ 17(b).)

22 **3. Rest Period Claim**

23 Plaintiffs allege that Class Members were not authorized and permitted to take
24 compliant rest periods and were not paid premiums in lieu thereof. Defendant denies the
25 allegations and disputes certification under *Brinker* given the individualized inquiry into
26 each employee's rest periods. Assuming a rest-period violation on each rest-eligible shift
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(approximately 1,180,276 shifts) at the average hourly rate, the estimated maximum exposure is approximately \$18,884,416. Given the substantial certification and merits risk, this claim was valued for settlement purposes between approximately \$188,844 (1%) and \$944,221 (5%). (Draper Decl., ¶ 17(c).)

4. Expense Reimbursement / Indemnification Claim (Labor Code § 2802)

Plaintiffs allege that Class Members incurred necessary business expenses for which they were not reimbursed. Defendant disputes this claim and contends that it is inherently individualized and unsuitable for class treatment because the existence and amount of any unreimbursed expense varies by employee. Because of the highly individualized nature of the claim and the difficulty of establishing class-wide damages, this claim was assigned a settlement value of \$0. (Draper Decl., ¶ 17(d).)

5. Failure to Timely Pay Wages During Employment (Labor Code § 204)

This claim is derivative of the unpaid-wage claims. Employees may recover penalties under Labor Code section 210 or PAGA, but not both. For purposes of settlement, Plaintiffs pursue this claim under PAGA, addressed below. (Draper Decl., ¶ 17(e).)

6. Waiting Time Penalties (Labor Code §§ 201-203)

Plaintiffs allege that former employees were not paid all wages due at separation and are owed waiting time penalties of up to thirty days' wages. Defendant contends that no wages are owed and that any failure was not willful, defeating penalties under section 203. Assuming approximately 3,000 former employees during the limitations period, each owed thirty days of wages at eight hours per day and the average hourly rate, the estimated maximum exposure is approximately \$11,520,000. Given the willfulness defense and the

1 derivative nature of the claim, it was valued for settlement purposes between approximately
2 \$576,000 (5%) and \$1,152,000 (10%). (Draper Decl., ¶ 17(f).)

3 **7. Inaccurate Wage Statements (Labor Code § 226)**

4 Plaintiffs allege knowing and intentional failure to provide accurate itemized wage
5 statements. Defendant contends its wage statements complied with section 226, that any
6 inaccuracy was neither knowing nor intentional, and that Class Members suffered no
7 cognizable injury. Based on an estimated 3,000 employees within the statutory period and
8 the statutory cap of \$4,000 per employee, the estimated maximum exposure is
9 approximately \$12,000,000. Given the derivative nature of the claim and the injury and
10 intent defenses, it was valued for settlement purposes between approximately \$600,000
11 (5%) and \$1,200,000 (10%). (Draper Decl., ¶ 17(g).)

14 **8. Unfair Competition Law (Bus. & Prof. Code § 17200)**

15 The UCL claim is premised on the underlying wage claims and provides only
16 restitution, not damages. Because it serves principally to extend the limitations period to
17 four years — a period already incorporated into the valuations above — Class Counsel
18 assigned no separate value to the UCL claim. (Draper Decl., ¶ 17(h).)

20 **9. PAGA Penalties (Labor Code § 2699)**

21 Plaintiffs' PAGA claim is derivative of the Labor Code violations alleged above.
22 Attributing a \$100 penalty to each of the approximately 65,167 PAGA Pay Periods yields
23 an estimated maximum exposure of approximately \$6,516,700, assuming a 100% violation
24 rate. PAGA penalties are, however, subject to the court's broad discretion to award a lesser
25 amount where a full award would be "unjust, arbitrary and oppressive, or confiscatory"
26 (Lab. Code § 2699(e)(2)), and courts have substantially reduced or declined to award
27

1 PAGA penalties even where violations were shown. (See *Fleming v. Covidien, Inc.* (C.D.
2 Cal. 2011) 2011 U.S. Dist. LEXIS 154590 [reducing PAGA penalties by approximately
3 82%]; *In re Taco Bell Wage & Hour Actions* (E.D. Cal. 2016) 2016 U.S. Dist. LEXIS
4 48557 [declining to award PAGA penalties after trial].) Given these risks, the \$40,000
5 allocated to PAGA penalties is fair and reasonable. (Draper Decl., ¶ 17(i).)

6 **10. Prejudgment Interest**

7
8 Labor Code section 218.6 requires an award of interest on all due and unpaid wages
9 at the rate set by Civil Code section 3289, subdivision (b), which is ten percent (10%) per
10 annum. Interest is recoverable on the wage components of the claims — unpaid straight-
11 time and overtime wages, and meal and rest period premiums, which are wages rather than
12 penalties under *Murphy v. Kenneth Cole Productions, Inc.* (2007) 40 Cal.4th 1094, 1114.
13 It is not recoverable on the waiting time penalties under section 203 or the wage statement
14 penalties under section 226. Measured from the approximate midpoint of the Class Period
15 to the date of this Motion, interest on the maximum wage exposure of approximately
16 \$42,782,586 would be approximately \$20.5 million. Interest is wholly derivative of the
17 underlying wage claims, however, and is subject to the same certification and merits risks
18 described above; it therefore does not alter the risk-adjusted valuation. (Draper Decl., ¶
19 17(j).)

20
21
22 In sum, the aggregate maximum theoretical exposure across all claims — assuming
23 100% violation rates and the rejection of all of Defendant’s defenses — is approximately
24 \$72.8 million, but the realistic, risk-adjusted value of the claims is a small fraction of that
25 figure. Considering the significant risks that class certification could be denied under
26 *Brinker*, that Plaintiffs might not prevail on the merits, and that PAGA penalties might be
27

1 reduced or denied entirely, the \$875,000 non-reversionary Gross Settlement Amount
2 represents a fair, adequate, and reasonable recovery for the Class and Aggrieved
3 Employees.

4 In addition, the recovery reflects a substantial discount attributable to Defendant's
5 financial condition and limited ability to fund a larger settlement or satisfy a greater
6 judgment. Defendant is a California nonprofit public benefit corporation. In connection
7 with the mediation and the negotiation of the Settlement, Defendant produced financial
8 information concerning its operations, revenues, liabilities, and liquidity, which Class
9 Counsel reviewed and analyzed. (Draper Decl., ¶ 18.) That information reflects that
10 Defendant lacks the liquidity to fund a materially larger settlement in a lump sum or to
11 satisfy a substantially greater judgment, which is why the Settlement is funded in three
12 installments over approximately seven and one-half months rather than in a single payment.
13 (Draper Decl., ¶¶ 18, 18.1; Settlement Agreement, ¶ 4.1.) Class Counsel considered
14 Defendant's financial difficulties, including its ability to pay, in evaluating the
15 reasonableness of the Settlement, and a defendant's financial condition and ability to pay
16 are proper considerations bearing on the fairness of a class action settlement. A defendant's
17 limited ability to pay is a proper and often decisive consideration in evaluating whether a
18 class settlement is fair, adequate, and reasonable, because the relevant comparison is not
19 to a hypothetical maximum judgment but to what the class could realistically collect after
20 trial and appeal. (Draper Decl., ¶ 18.)
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22
23

24 **C. The Allocation Between Wage and Non-Wage Amounts Is Reasonable**

25 The Settlement allocates twenty-five percent (25%) of each Individual Class
26 Payment to wages and seventy-five percent (75%) to interest and penalties. This allocation
27
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1 reflects the relative litigation risk borne by each category of claim rather than a simple pro
2 rata division of the claims' nominal values. The claims that would be characterized as
3 wages (the off-the-clock and overtime claim and the meal and rest period premium claims,
4 the latter of which are wages under *Murphy v. Kenneth Cole Productions, Inc.* (2007) 40
5 Cal.4th 1094, 1114) are the claims most vulnerable to denial of class certification under
6 Brinker, because each turns on individualized proof of whether a particular employee
7 worked unrecorded time or was denied a compliant break. The derivative penalty claims
8 under sections 203 and 226, and the PAGA claim, do not depend on the same
9 individualized showings and were therefore more likely to survive. A correspondingly
10 larger share of the consideration Defendant paid is fairly attributable to the penalty and
11 interest components, and a correspondingly smaller share to the wage components.
12 Prejudgment interest, which is non-wage in character, further increases the non-wage
13 share. (Draper Decl., ¶¶ 17, 17(j).) The wage portion is subject to ordinary payroll
14 withholdings and reported on an IRS Form W-2; the non-wage portion is reported on an
15 IRS Form 1099; and Defendant separately pays the employer's share of payroll taxes.
16 (Settlement Agreement, ¶¶ 3.1, 3.2.4.1.)

19 **D. The PAGA Allocation Should Be Approved**

20
21 Plaintiff Flynn provided timely written notice of the alleged Labor Code violations
22 to the LWDA and Defendant on January 6, 2022, satisfying the prerequisites of Labor Code
23 section 2699.3. (Draper Decl., ¶ 3; Ex. 3.) Concurrently with this Motion, Plaintiffs are
24 submitting the proposed Settlement to the LWDA as required by Labor Code section 2699,
25 subdivision (l)(2). (Draper Decl., ¶ 26.) The \$40,000 PAGA allocation, with seventy-five
26 percent (\$30,000) to the LWDA and twenty-five percent (\$10,000) to Aggrieved
27

1 Employees, is genuine, meaningful, and reasonable in light of the significant risk that
2 PAGA penalties would be reduced or denied, and should be approved under Labor Code
3 section 2699, subdivisions (f) and (l).

4 **E. Attorneys' Fees, Costs, and Service Payments Will Be Addressed at Final**
5 **Approval**
6

7 Plaintiffs do not seek approval of the amount of attorneys' fees, litigation costs, or
8 Class Representative Service Payments at this preliminary stage. The Court will determine
9 the reasonable amount of attorneys' fees at the Final Approval Hearing based on a lodestar
10 analysis and supporting evidence of counsel's hourly rates and time expended. (See
11 *Robbins v. Alibrandi* (2005) 127 Cal.App.4th 438, 450-451.) Likewise, the Court will
12 determine the amount of any Class Representative Service Payment at final approval based
13 on evidence of each Plaintiff's participation, time committed, and risks undertaken. (See
14 *Clark*, supra, 175 Cal.App.4th at pp. 804-807.) The requested amounts — up to 35% of the
15 GSA in fees, up to \$35,000 in costs, and up to \$10,000 per Class Representative — are
16 within the ranges customarily approved in comparable actions and are disclosed in the
17 Class Notice so that Class Members may evaluate and, if they wish, object to them.
18

19
20 **V. PROVISIONAL CLASS CERTIFICATION IS APPROPRIATE**

21 The Settlement Agreement provides that the Parties stipulate to provisional
22 certification of the Class for settlement purposes only. Trial courts apply a lower standard
23 when certifying a settlement class than a litigation class, because manageability concerns
24 at trial are not implicated. (*Dunk*, supra, 48 Cal.App.4th at p. 1807, fn. 19.) Under
25 California law, a class action is appropriate where the class is ascertainable and there is a
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1 well-defined community of interest in the questions of law and fact affecting the parties to
2 be represented. (Code Civ. Proc. § 382; *Dunk*, supra, 48 Cal.App.4th at p. 1806.) Although
3 Defendant disputes that a litigation class could be certified, all requirements for
4 certification of a settlement class are met here.

5 **A. The Class Is Ascertainable**
6

7 The proposed Class is ascertainable because Class Members are readily identifiable
8 from Defendant's employment and payroll records. (*Rose v. City of Hayward* (1981) 126
9 Cal.App.3d 926, 932.)

10 **B. Numerosity Is Satisfied**
11

12 The proposed Class consists of approximately 7,171 Class Members, rendering
13 joinder impracticable. (*Hebbard v. Colgrove* (1972) 28 Cal.App.3d 1017, 1030.)
14 Numerosity is plainly satisfied.

15 **C. Common Questions of Law and Fact Exist**
16

17 Commonality is satisfied where there are common questions of fact and law.
18 (*Hanlon*, supra, 150 F.3d at p. 1019.) Plaintiffs' claims arise from common policies and
19 practices, including whether Defendant failed to pay all wages owed, failed to provide
20 compliant meal and rest periods or premiums, failed to timely pay wages during and at the
21 end of employment, failed to provide accurate wage statements, and failed to reimburse
22 expenses. These common questions are susceptible to class-wide resolution for settlement
23 purposes.
24

1 **D. Typicality Is Satisfied**

2 The claims of the Class Representatives are typical of those of the Class because
3 they arise from the same course of conduct and are based on the same legal theories.
4 (*Hanlon*, supra, 150 F.3d at p. 1020.) Plaintiffs, like all Class Members, were non-exempt
5 employees subject to Defendant’s challenged policies and practices.
6

7 **E. Adequacy Is Satisfied**

8 The Class Representatives and Class Counsel have no interests adverse to the Class
9 and have vigorously prosecuted the Actions. (*McGhee v. Bank of America* (1976) 60
10 Cal.App.3d 442, 450.) All Participating Class Members share in the Net Settlement
11 Amount pro rata by Workweeks, and any Class Member who wishes to be excluded may
12 opt out. No conflicts of interest exist.
13

14 **F. Common Issues Predominate and Class Treatment Is Superior**

15 Common questions predominate because all Class Members’ claims share a
16 common nucleus of facts and legal theories arising from Defendant’s uniform policies and
17 practices, and their potential remedies are the same. (*Sav-On Drug Stores, Inc. v. Superior*
18 *Court* (2004) 34 Cal.4th 319, 326.) Class treatment is superior to the alternative —
19 thousands of individual actions — because it conserves judicial resources and avoids
20 inconsistent adjudications, particularly in the settlement context. (*Hanlon*, supra, 150 F.3d
21 at pp. 1022-1023.)
22
23

24 **VI. THE PROPOSED CLASS NOTICE IS APPROPRIATE**

25 The proposed Class Notice is attached as Exhibit A to the Settlement Agreement.
26
27 A Class Member who wishes to be excluded may submit a Request for Exclusion to the
28

1 Administrator; a Class Member who wishes to object may do so as described in the Class
2 Notice; and a Class Member who does nothing will be mailed an individual settlement
3 payment. No claim form is required.

4 **A. The Notice Method Satisfies Due Process**

5
6 California law vests the Court with broad discretion to fashion an appropriate notice
7 procedure. (Cal. Rules of Court, rule 3.766.) Notice is adequate if it has “a reasonable
8 chance of reaching a substantial percentage of the class members.” (*Cartt v. Superior Court*
9 (1975) 50 Cal.App.3d 960, 974.) Here, individual notice will be mailed by first-class mail
10 to all reasonably identifiable Class Members based on Defendant’s records, with address
11 updates through the National Change of Address database and re-mailing after a skip trace
12 for any returned notice. (Settlement Agreement, ¶ 7.4.) The forty-five (45) day response
13 period, extended by an additional fourteen (14) days for any Class Member whose notice
14 is re-mailed, is sufficient here because no claim form is required, every Participating Class
15 Member is automatically mailed a payment, and the first page of the Class Notice states
16 each Class Member’s estimated payment together with the Workweeks and Pay Periods
17 used to calculate it. Individual mailed notice is the best notice practicable and is routinely
18 approved as consistent with due process.
19
20

21 **B. The Notice Content Is Accurate, Informative, and Understandable**

22 The Class Notice is written in plain language and will be distributed in English and
23 Spanish, and informs Class Members of: the nature of the Actions and the Settlement; the
24 terms of the Settlement and the relief it provides; the formula used to calculate Individual
25 Class Payments and Individual PAGA Payments, together with each Class Member’s
26 estimated payment, Workweeks, and Pay Periods; the requested attorneys’ fees, litigation
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1 costs, and Class Representative Service Payments; the date, time, and place of the Final
2 Approval Hearing; and the procedures and deadlines for requesting exclusion, objecting,
3 or disputing Workweeks. The Class Notice also provides contact information for Class
4 Counsel to answer questions; the address of a settlement website maintained by the
5 Administrator with links to the Class Notice and the key case documents; and the URL for
6 the Court’s online case-information portal for Class Members who wish to review the
7 docket. The Class Notice further makes clear that the Settlement is not an admission of
8 liability and that the Court has not ruled on the merits. The Class Notice satisfies California
9 Rules of Court, rule 3.766(d), and the standards of fairness, completeness, and neutrality
10 required of class notice.
11

12 **C. The Distribution Procedure Maximizes Class Benefit and Complies with**
13 **Section 384**
14

15 The Settlement is a checks-mailed settlement: every Participating Class Member is
16 automatically mailed a payment without the need to submit a claim form, which maximizes
17 the benefit to the Class. Settlement checks remain negotiable for 180 days. Funds
18 represented by checks uncashed after the void date are paid to the cy pres recipient, Legal
19 Aid at Work, so that no “unpaid residue” remains, in compliance with Code of Civil
20 Procedure section 384. (Settlement Agreement, ¶¶ 4.2.1, 4.2.3.) Settlement administration
21 funds allocated but not paid to the Administrator are added to the Net Settlement Amount
22 for distribution to the Class. (Settlement Agreement, ¶ 3.2.3.) ILYM Group, Inc. is an
23 experienced class action settlement administrator that has administered hundreds of class
24 and PAGA settlements in California state and federal courts. (Draper Decl., ¶ 25.)
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1 **VII. CONCLUSION**

2 For the foregoing reasons, Plaintiffs respectfully request that the Court enter the
3 [Proposed] Order Granting Preliminary Approval and thereby: (1) preliminarily approve
4 the Settlement and provisionally certify the Settlement Class for settlement purposes only;
5 (2) appoint Plaintiffs Christine Flynn and Crystal Ramirez as Class Representatives; (3)
6 appoint James Hawkins APLC and Setareh Law Group as Class Counsel; (4) appoint
7 ILYM Group, Inc. as Settlement Administrator; (5) approve the Class Notice and direct its
8 distribution; and (6) set a date for the Final Approval Hearing and related deadlines.
9

10
11 Dated: September 11, 2026

12 JAMES HAWKINS APLC

13 By:  _____

14 James R. Hawkins
15 Isandra Y. Fernandez
16 Anthony L. Draper
Attorneys for Plaintiff Christine Flynn

17 Dated: September 11, 2026

18 SETAREH LAW GROUP

19 By: /s/ Shaun Setareh _____

20 Shaun Setareh
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