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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ALAMEDA

OSCAR BARAJAS, as an individual and on behalf of all others similarly situated, Plaintiff, v. CPC LOGISTICS SOLUTIONS, LLC, a Missouri limited liability company; CPC LOGISTICS INC., a Missouri corporation; NEWCO DISTRIBUTORS, INC., a California corporation; and DOES 1-100, inclusive, Defendants.	Case No.: 22CV011373 Assigned for All Purposes to: Hon. Sarah Sanford-Smith Dept. 17 **MEMORANDUM OF POINTS & AUTHORITIES IN SUPPORT OF MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT** Date: March 18, 2026 Time: 3:00 p.m. Dept.: 17 Reservation ID: 251609557445

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I. INTRODUCTION

Plaintiff Oscar Barajas hereby moves the Court for an order granting preliminary approval to a proposed non-reversionary class action settlement to resolve wage and hour claims on behalf of approximately 560 individuals who are or previously were employed by any of the Released Parties (as defined and including CPC Logistics Solutions, LLC and CPC Logistics Inc., collectively, "Defendants") and performed work in California during the Class Period of November 19, 2017 to August 15, 2025, excluding all such individuals who were employed in positions requiring a commercial driver's license. The proposed $305,160 settlement will provide about $129,040 in cash payments to the class, with an average award currently estimated at about $230. The balance of approximately $176,720 will cover reasonable attorney's fees and actual litigation costs, settlement administration costs, PAGA civil penalties, and a modest enhancement award to plaintiff. The settlement is the product of Plaintiff's pre-filing investigation, formal discovery and a pre-mediation exchange of information, and arms-length negotiations overseen by experienced mediator Steve Pearl, Esq.

The proposed settlement is within the "range of reasonableness" for approval and Plaintiff's counsel submit the settlement is a fair result given the substantial risks inherent in this matter. Accordingly, Plaintiff requests the Court enter an order: (1) granting preliminary approval to the proposed class action settlement; (2) conditionally certifying the settlement class as defined below; (3) appointing Zachary M. Crosner, Jamie K. Serb and Sepideh Ardestani, and Crosner Legal, P.C. as Class Counsel; (4) appointing Plaintiff Oscar Barajas as the Class Representative; (5) appointing Simpluris, Inc. as the Settlement Administrator; (6) approving the form of notice to the class and the notice procedure; and (7) scheduling a final fairness hearing.

II. FACTUAL BACKGROUND AND PROCEDURAL POSTURE

CPC is a staffing company that has provided its clients with drivers and warehouse staff for the past 50 years. Plaintiff Barajas was hired by CPC on September 17, 2021 and placed to work at Newco Distributor's facility in Hayward, California, as a non-exempt warehouse equipment operator/clerk. He was responsible for relocating inventory within the warehouse using a forklift as well as other loading equipment. [Declaration of Sepideh Ardestani ("Ardestani Decl."), ¶ 4.]

On May 16, 2022 Plaintiff filed his class action complaint against all Defendants and Newco Distributors[1] alleging claims for: (1) unpaid minimum wages, (2) unpaid overtime wages, (3) unpaid premium wages for late, short or denied meal and rest periods, (4) failure to furnish accurately itemized wage statements, (5) failure to pay all wages due upon separation of employment, (6) failure to reimburse business expense, and (7) unfair competition. On July 1, 2022, Defendant CPC Logistics removed Plaintiff's Class Action to the United States District Court for the Northern District of California based on the Class Action Fairness Act ("CAFA"). On September 23, 2022, United States District Court Judge William H. Orrick granted Plaintiff's Motion to Remand the Class Action back to the Alameda County Superior Court as Plaintiff successfully argued that Defendant CPC Logistics failed to allege more than $5 million in controversy as to the claims against it. [Ardestani Decl., ¶ 5.]

Meanwhile, on August 17, 2022, and after exhausting his administrative remedies with the LWDA, Plaintiff filed a representative complaint seeking penalties pursuant to PAGA based on the same alleged Labor Code violations as the class action matter. [Ardestani Decl., ¶ 6.]

Defendants have at all times denied Plaintiff's allegations and maintained their meal and rest break and payroll policies and procedures comply with California law, that they paid the class member wages due at the correct rates of pay, and provided them with required meal and rest breaks or paid the required compensation for any documented meal/rest violations. Defendants also contend there would be no need for any class member to incur any business expenses in the performance of their job duties and therefor no reimbursement is owed. Additionally, Defendants strongly contend the case cannot be maintained as a class action, arguing for example that to the extent class members missed meal and/or rest breaks, or that such breaks were non-compliant, it was intermittent and infrequent and evidence of such missed breaks would be anecdotal, and therefore individualized issues would predominate. [Ardestani Decl., ¶ 7.]

After Plaintiff filed his complaints, and after the matter was remanded from federal court, the Parties engaged in initial written discovery and, after meeting and conferring regarding

[1] Plaintiff reached a separate settlement with Defendant Newco, and that entity is not a party to the proposed settlement currently before the Court. [Ardestani Decl, ¶ 6.]

discovery, law and motion, and other case management issues, agreed to attempt mediation. The Parties also agreed on a protocol for an exchange of substantial documents and information before the mediation to facilitate the settlement discussions. Consequently, Plaintiff's counsel reviewed payroll records, compensation plans, personnel policies/handbooks, meal and rest break policies, personnel files, and a random of sampling of Class Member paystubs and time records. Plaintiff then had those records analyzed by Berger Consulting Group to look for, inter alia, violation rates for missed, late and/or short meal breaks, potential damages from unpaid overtime, etc. Defendants also provided data regarding the total number of putative class members, the estimated total amount of workweeks and pay periods they worked, average pay rates, and information regarding other non-hourly compensation, among other relevant data. [Ardestani Decl., ¶ 8.]

The Parties then engaged Steve Pearl, Esq., a respected professional neutral with substantial wage and hour and class action experience and, in February 2024, the Parties participated in a full day mediation with Mr. Pearl. Throughout the day, the arms-length negotiations were hard-fought and adversarial as the Parties exchanged extensive information on their legal and factual positions, and made numerous offers and counter-offers, and ultimately were able to reach agreement on all major issues. The Parties then collaboratively drafted the Joint Stipulation of Class Action and PAGA Settlement ("Settlement Agreement") setting forth the settlement terms now before the Court for approval. [Ardestani Decl., ¶ 9.] A true and correct copy of the Settlement Agreement is attached to the Ardestani Declaration as Exhibit 1. Finally, in order to fully effectuate the global settlement in both matters, Plaintiff filed a First Amended Complaint to incorporate all allegations from both matters and conform the pleadings to the scope of the proposed settlement.

III. THE PROPOSED SETTLEMENT TERMS

Under the settlement, Defendants will pay $305,160 into a common fund, the Maximum Settlement Amount ("MSA"). Attorney's fees of up to $101,720 (1/3 of the MSA), actual litigation costs of up to $26,000, settlement administration costs of no more than $10,000, a service award to Plaintiff of no more than $10,000, and PAGA civil penalties of $30,000 (divided 75%, or $22,500 to the LWDA and 25%, or $7,500, to the Aggrieved Employees), all will be paid from the MSA.

The balance of around $129,040 will be allocated pro rata to the Class Members based on their weeks worked during the Class Period. No portion of the MSA will revert to Defendants. [Ardestani Decl., ¶ 10.]

A. <u>Certification of the Settlement Class</u>

The settlement provides for conditional certification of a settlement class including all non-exempt employees who are or previously were employed by any of the Released Parties (as defined in the Settlement Agreement) and performed work in California during the Class Period of November 19, 2017 to August 15, 2025, excluding all such individuals who were employed in positions requiring a commercial driver's license. The Settlement Class consists of about 560 individuals. [Ardestani Decl., ¶ 11.]

B. <u>The Benefit Conferred on the Settlement Class</u>

As noted, the settlement obligates Defendants to pay $305,160 to resolve the Settlement Class's claims, inclusive of attorney's fees and costs. At least $129,040 from the MSA will be distributed to the Participating Class Members. This is a cash settlement that <u>does not</u> require Participating Class Members to submit a claim form to receive their settlement share. Participating Class Members will receive their settlement checks automatically via First Class U.S. Mail. Twenty percent of each settlement share will be allocated to wages and the remaining eighty percent will be allocated to expenses, penalties and interest, which allocation is consistent with CPC's potential liability. Defendants will pay any and all applicable employer-side payroll taxes separately and in addition to the MSA. Subject to the Court's approval, any amounts not claimed (because a class member does not cash their settlement check) will be forwarded to the State Controller's Unclaimed Property Fund. [Ardestani Decl., ¶ 12.]

Each Participating Class Member will receive a share of the Net Settlement Amount based on his or her total weeks worked in California as a non-exempt employee in a position that did not require a commercial driver's license. Thus, each Class Member's Individual Settlement Payment will be calculated using criteria typically used in determining appropriate amounts of unpaid wages, unpaid premium wages for missed meal and rest breaks, unreimbursed expenses, and potential statutory penalties under applicable law. These methods are intended to ensure each

Class Member receives a settlement award corresponding to the relative value of their potential claims. The proposed allocation provides a reasonable way to compensate Class Members based on the amount of time they worked for CPC in California and the amount unpaid wages due to using the incorrect regular rate, the number of missed meal breaks and/or rest breaks, etc. The average gross award is estimated to be around $230.00. [Ardestani Decl., ¶ 13.]

C. <u>Settlement Administration</u>

Subject to the Court's approval, the Parties have agreed on Simpluris, Inc. ("Simpluris") as the Settlement Administrator. Simpluris is qualified and has significant experience administering class action settlements, including numerous wage and hour matters. Simpluris's fees and costs will not exceed $10,000.00. If the Court approves less than the above amount, the difference will remain in the Net Settlement Amount for distribution to the Participating Class Members. [Ardestani Decl., ¶ 14; Declaration of Michael Bui, ¶¶ 2-9; Exhs. A-C.]

D. <u>The Class Notice</u>

The proposed Notice of Class Action Settlement (Exhibit 2 hereto) sets out information about this case and explains the basic settlement terms in plain language. The Notice also sets forth the individualized information used to calculate Class Members' Individual Settlement Payments and each Class Member's estimated settlement award. The Notice likewise details the procedures for Class Members to dispute their individual information, the procedure for submitting an objection to the Settlement, the procedure to request exclusion, and the fact that any final judgment will bind all class members who do not op out. Cal. Rules of Court 3.769(f) and 3.766(d). In sum, the Notice provides the Class Members with the information necessary to evaluate the Settlement and decide to participate in, opt out of, or object to the proposed Settlement, and meets all requirements imposed by the California Rules of Court. Coupled with the notice procedure, the Notice provides the best notice practicable. [Ardestani Decl., ¶ 15.]

E. <u>Right to Correct Information, Opt Out, or Object</u>

Class Members will have sixty (60) days to dispute the information in their Notice used to calculate their settlement award, and also have 60 days to submit any objections to the settlement or to request exclusion. If a Class Member disputes their individual information, the Settlement

Administrator will review the Class Member's records and any other information submitted, and make a final determination. [Ardestani Decl., ¶ 16.]

F. Release of Claims

All Participating Class Members will release Defendants and the Released Parties from all claims alleged in the operative complaint, or that could have been brought based on the factual allegations in the complaint during the Class Period. The release is limited to the claims that were actually pleaded or could have been pleaded based on the alleged facts in the complaint. All Aggrieved Employees will release Defendants and the Released Parties from all claims for PAGA civil penalties alleged in the PAGA notice letter, or that could have been brought based on the factual allegations in the PAGA notice letter during the PAGA Period. [Ardestani Decl., ¶ 17.]

G. Plaintiff's Enhancement Award

A modest incentive award for Plaintiff is appropriate under applicable law. See Staton v. Boeing (9th Cir. 2003) 327 F.3d 938, 977 (collecting cases awarding class representatives service and incentive payments ranging from $2,000 to $25,000). He devoted time and resources to the litigation, provided documents, assisted Class Counsel with investigating the claims asserted and in preparing for mediation. The service payment provided to Plaintiff as the class representatives is typical in class action cases and reasonable. Rodriguez v. W Publ'g Corp. (9th Cir. 2009) 563 F.3d 948, 958-59 (incentive awards are "intended to compensate class representatives for work done on behalf of the class, to make up for financial or reputational risk undertaken in bringing the action, and, sometimes, to recognize their willingness to act as a private attorney general."). Defendants will not oppose a request for an enhancement award to Plaintiff of not more than $10,000.00 in recognition of his time spent on this matter, the risks he undertook on behalf of the class, and the benefit conferred to the class, as addressed in his declaration filed herewith. If the Court approves less than the above amount, the difference will remain in the Net Settlement Amount for distribution to the Participating Class Members. [Ardestani Decl., ¶ 18.]

H. Attorney's Fees and Costs

The terms of the Parties' settlement also allow Plaintiff's counsel to apply for an award of attorney's fees of up to one-third of the MSA, or $101,720 and reimbursement of actual costs and expenses of up to $26,000.00. Plaintiff's counsel will submit a separate motion for attorney's fees and actual litigation costs per the terms of the Settlement Agreement and applicable law, and will provide the Court with appropriate information and evidence regarding hourly rates, tasks performed, and time expended on the case. If the Court approves less than the above amounts, the difference will remain in the Net Settlement Amount for distribution to the Participating Class Members. [Ardestani Decl., ¶ 19.]

H. <u>PAGA and Notice to the LWDA</u>

As noted, the Parties allocated $30,000 to payment of alleged civil penalties under PAGA, and Plaintiff submits that amount is fair, reasonable and adequate, and consistent with PAGA's underlying purposes. As required by Labor Code section 2699(*l*)(2), Plaintiff gave notice of the settlement and the hearing to the LWDA via its online portal. [Ardestani Decl., ¶ 20; Exh. 4.]

IV. <u>ARGUMENT</u>

A. <u>Standard of Review for a Class Action Settlement</u>

The law favors settlement, particularly in class actions where substantial resources can be conserved by avoiding the time, costs and rigors of formal litigation. H. Newberg & A. Conte, 4 <u>Newberg on Class Actions</u> (4th ed. 2002) § 11.41; <u>Class Plaintiffs v. City of Seattle</u> (9th Cir. 1992) 955 F.2d 1268, 1276, <u>cert. denied</u>, 506 U.S. 953; <u>Potter v. Pacific Coast Lumber Co.</u> (1951) 37 Cal.2d 592, 602. Nevertheless, to ensure the rights of absent class members are not unjustly compromised, settlement of a class action requires court approval. Cal. Rule of Court. 3.769; <u>Wershba v. Apple Computer</u> (2001) 91 Cal.App.4th 224, 245; <u>Dunk v. Ford Motor Co.</u> (1996) 48 Cal.App.4th 1794, 1801. This judicial review protects against fraud or collusion, and ensures fairness to the absent class members. <u>Dunk</u>, 48 Cal.App.4th at 1800-01. Judicial review occurs via a two-step process to determine, under all the circumstances, if the proposed settlement is fair, reasonable and adequate. <u>Id.</u> at 1801; <u>Wershba</u>, 91 Cal.App.4th at 245.

The first step is a motion for preliminary approval, through which the parties present the court with the proposed settlement and seek a determination that it is sufficiently fair and reasonable to warrant notice to the class and further proceedings as to its fairness and adequacy. Cal. Rule of Court 3.769(c). This preliminary evaluation determines if the proposed settlement is within the "range of reasonableness" and if notice should be provided to the class regarding the settlement's proposed terms and conditions, and whether a final fairness hearing should be scheduled. Wershba, 91 Cal.App.4th at 234-35; North County Contractors Ass'n, Inc. v. Touchstone Ins. Servs. (1994) 27 Cal.App.4th 1085, 1089-90. Considering the strong judicial policy favoring settlement of class actions, courts generally apply a presumption of fairness to class action settlements when (1) the settlement results from arms-length bargaining, (2) investigation and discovery are sufficient to allow counsel and the court to act intelligently, (3) counsel is experienced in similar litigation, and (4) the percentage of objectors is small. Dunk, 48 Cal.App.4th at 1802; Wershba, 91 Cal.App.4th at 245.

If the court grants preliminary approval, it then orders the class be given notice in an appropriate manner, establishes a schedule and procedures for class members to request exclusion or object, and sets the matter for a final fairness hearing. Typically, any motion for attorney's fees and costs is filed subsequent to preliminary approval and heard with the motion for final approval, as part of the second step of the two-step approval process. Dunk, 48 Cal.App.4th at 1800; Wershba, 91 Cal.App.4th at 232. The proposed settlement in this matter warrants preliminary approval under the liberal standard discussed above, as it is fair, reasonable and adequate under all the circumstances, and represents a favorable result for the class.

B. The Proposed Settlement Class Should Be Conditionally Certified

The purpose of conditional class certification for purposes of settlement is to facilitate provision of notice of the proposed settlement's terms, and the date and time of the final fairness hearing. In this context, courts apply lesser scrutiny than they would otherwise in the context of certifying a class. Dunk, 48 Cal.App.4th at 1807, n.19; Global Minerals & Metals Corp. v. Superior Court (2003) 113 Cal.App.4th 836, 839 ("[I]t is well established that trial courts should use different standards to determine the propriety of a settlement class.")

In the present matter, conditional certification is proper since this matter satisfies all requirements for class certification under Code of Civil Procedure section 382. First, the class is both sufficiently numerous, consisting of approximately 560 individuals, and ascertainable by reference to Defendants' personnel and payroll records. [Ardestani Decl., ¶ 21.] Next, Plaintiff is an adequate class representative, as her claims do not conflict with and are not antagonistic to the claims of other class members. [Declaration of Oscar Barajas, ¶¶ 2-9; Ardestani Decl., ¶ 22.] Further, his claims are typical as he is a member of the class and his claims arise from the same employment practices and course of conduct giving rise to the claims of the other class members. [Id.] Lastly, his counsel is experienced and adequate class counsel. [Ardestani Decl., ¶¶ 37-42.]

Next, common questions of law and fact predominate – particularly for purposes of a settlement class – as the Class Members all were paid via substantially similar compensation plans that underpaid them for overtime hours worked, and subject to the same policies that resulted in missed/non-compliant meal and rest periods. Since the focus of the claims against Defendants concerns the legality of common policies applied uniformly to the entire class, common issues predominate over individualized inquiries concerning liability. For instance, CPC's compensation plans either properly calculated the regular rate and paid the class members for overtime hours worked or they did not. Regardless of these determinations, it will decide liability for all Class Members one way or another. [Ardestani Decl., ¶ 23.]

By now it is well-settled a theory of recovery asserting the existence of a uniform policy violating California law is sufficient to satisfy the requirements for class certification. Jones v. Farmers Ins. Exch. (2013) 221 Cal.App.4th 986, 996 ("Claims alleging that a uniform policy consistently applied to a group of employees is in violation of the wage and hour laws are of the sort routinely, and properly, found suitable for class treatment"); Williams v. Superior Court (2013) 221 Cal.App.4th 1353 ("A company-wide practice can sustain a common question fact or law that supports commonality for class certification"). Lastly, a class action is superior to other means for the fair and efficient adjudication of this controversy. [Ardestani Decl., ¶ 24.]

C. The Proposed Settlement Meets the Kullar Factors and is within the Range of Reasonableness

The proposed settlement resulted from serious, arms-length negotiations facilitated by respected mediator, Steve Pearl, Esq., who has considerable experience mediating wage and hour class action cases. [Ardestani Decl., ¶ 9.] Plaintiff's counsel Zachary M. Crosner, Jamie K. Serb, and Sepideh Ardestani of Crosner Legal, P.C. have years of experience litigating wage and hour class actions. Plaintiff's counsel are well-qualified to evaluate the risks and benefits of pursuing further litigation or settling the matter. [Ardestani Decl., ¶¶ 37-42.]

Next, California law recognizes several factors bearing on the fairness, adequacy, and reasonableness of a proposed class settlement. Kullar v. Foot Locker Retail, Inc. (2008) 168 Cal.App.4th 116, 128. These factors include: 1) the amount offered in settlement 2) the strength of plaintiff's case; 3) the risk, expense, complexity, and likely duration of further litigation; 4) the risk of maintaining class action status throughout trial; and 5) the experience and views of counsel. Id. As demonstrated below, the proposed settlement satisfies these requirements.

Prior to the mediations, the parties engaged in both formal and informal discovery to facilitate settlement discussions. Plaintiff reviewed documents and information regarding CPC's payroll practices, a random sampling of pay stubs and time records from class members, a class list, applicable compensation plans and expense reimbursement plans, meal and rest break policies, arbitration agreements, etc., and information from Defendants regarding class size and breakdown, work weeks/pay periods, rates of pay, and other information used to formulate a damages model. Plaintiff then had that information analyzed by a consulting expert to assist in determining potential violation rates and other data used to formulate a damages model. Plaintiff's counsel are confident they obtained sufficient information to understand the law and facts of this case and make an informed decision regarding the proposed settlement and whether it is fair and reasonable. [Ardestani Decl., ¶¶ 8, 25.]

Using the data obtained from Defendants, Plaintiff ran various calculations and estimated Defendants' likely maximum exposure on the class claims at approximately **$5,098,000**, including about $68,500 on the unpaid wage/regular rate claim, $565,135 on the meal break claims, $2,550,800 on the rest break claims, $149,690 on the unreimbursed expense claim, $560,050 on the wage statement claims, and $1,204,390 on the waiting time penalty claims. [Ardestani Decl., ¶¶ 26-27.] Through the information exchanged and analysis undertaken, Plaintiff weighed the risks of continued litigation against the benefits of the proposed settlement and determined settlement to be the most reasonable option.

In addition to their base hourly wages, Class Members also earned various other forms of wages, such as Bonus Pay, Referral Bonus, Referral Bonus-CPC, zCommisions, Per Diem, and Per Diem-Single, as reflected in the payroll records. Plaintiff contends Defendants failed to include these non-hourly, non-discretionary wages in the calculation of the employees' "regular rate of pay." On the regular rate issue, "an employee's 'regular rate of pay' for purposes of Labor Code section 510 and the IWC wage orders is not the same as the employee's straight time rate (i.e., his or her normal hourly wage rate). Regular rate of pay, which can change from pay period to pay period, includes adjustments to the straight time rate, reflecting, among other things, shift differentials and the per-hour value of any non-hourly compensation the employee has earned." Alvarado v. Dart Container Corp. (2018) 4 Cal.5th 542, 554. Bonuses and other incentive pay designed to increase an employee's productivity must be included in the regular rate. Id. As the Ninth Circuit recently confirmed, per diems also may be included in determining the regular rate. Clarke v. AMN Servs. (9th Cir. 2021) 987 F.3d 848, 858. As a result, per Plaintiff, Defendants regularly underpaid Class Members for their overtime, sick pay, and meal break premiums. On the other hand, CPC argued that its pay policies fully compensated the class members for all hours worked at the correct hourly rates, and further argued there was very little in the way of bonus pay that would even trigger an obligation calculate the regular rate, or that many of these forms of additional compensation were discretionary and properly excluded from the regular rate calculation. [Ardestani Decl., ¶ 28.]

On the meal break claims, Plaintiff focused primarily on Defendants' alleged failure to maintain a California-compliant break policy and to provide Plaintiff and the class members employees with all required meal periods, particularly on shifts lasting longer than 10 hours. Not only does the meal period policy fail to notify employees hours when to take their meal periods, but Plaintiff's expert's review of the records provided by Defendants suggests that some 26% of all shifts contained a unique meal period violation (i.e., missed, late, or short), including failing to provide timely meal periods, failing to provide first meal periods, and failing to provide a second meal period on shifts over ten hours. [Ardestani Decl., ¶ 29.]

Defendants countered that in many instances actually took their meal break (including second meal breaks) even if not reflected on the time sheets and, accordingly, class certification is not appropriate because individual inquiries would be necessary to determine this question. For the same reasons, Defendants contended the claim would fail on the merits because it would be difficult for Plaintiff to show Defendants' actual or constructive knowledge that a particular class member worked through a specific lunch period. Defendants also contended they maintained a fully-compliant meal break policy at all times, and it always provided the class members with the opportunity to take meal breaks and thus met the requirements imposed by California law. Per Defendants, if individuals did not take a meal period, it was in violation of company policy and, once again, a multitude of individual inquiries would be necessary to determine if an individual may have missed a meal break by personal choice or for some other reason. Defendants further emphasized that many travel nurses signed valid meal period waivers, and that it paid thousands of dollars in meal premiums for documented violations and accordingly made a good faith effort to comply. [Ardestani Decl., ¶ 30.]

On the rest break claim, Plaintiff claimed Defendants' written policy failed to inform employees that rest breaks had to be for a net 10 minutes to be compliant, which failure directly impacted Class Member rest breaks as, per Plaintiff, they lost time getting to/from their work station to a break room. Thus, per Plaintiff, this failure to communicate that the rest break is a *net* ten minutes resulted in non-compliant breaks. Defendants countered that it is only liable if Plaintiff can prove, on a shift-by-shift basis, that Class Members actually did not take a fully-compliant rest break based on Plaintiff's theory of liability advanced above. This arguably would have made class certification more difficult and/or rendered trial unmanageable. [Ardestani Decl., ¶ 31.]

The claims for unreimbursed business expenses under Labor Code § 2802 revolved around Plaintiff's allegations that CPC required its non-exempt employees to incur extraordinary laundry costs to maintain their own work uniforms, and also to purchase their own Covid test kits. In response, Defendants argued there was no need for employees to incur any special costs for laundering or maintaining their uniforms, and that if any Class Members did so it would have been purely for personal preference and not reimbursable. Similarly, CPC contends it did not require employees to purchase or provide their own Covid test kits and if any Class Member purchased such kits it was entirely voluntary. [Ardestani Decl., ¶ 32.]

Plaintiff's claims for penalties under Labor Code §§ 203 and 226 are derivative of the underlying unpaid minimum and overtime wage and meal/rest break claims and, accordingly, they would essentially rise or fall with Plaintiff's success or failure on her primary claims. Further, Plaintiff had to account for the discretionary nature of such awards and the "good faith" and other defenses available to Defendants. Defendants also raised a good faith defense to the waiting time penalties as it applies to both meal/rest periods and underpaid overtime premiums. Amaral v. Cintas Corp. No. 2,163 Cal.App.4th 1157, 1203-4 (2008) (employer did not willfully fail to pay wages under Labor Code § 203 even though the class prevailed on the merits for failing to pay living wages). [Ardestani Decl., ¶ 33.]

As far as potential PAGA liability, the alleged aggrieved employees theoretically are entitled to penalties totaling about $3 million should Plaintiff prevail on all claims, establish violations of the multiple Labor Code sections at issue, and secure the maximum penalty on all issues. [Ardestani Decl., ¶ 34.] As with the class claims, Plaintiff discounted the potential PAGA penalties based on Defendants' various defenses on the merits and also accounted for the Court's wide discretion to reduce such penalties, or to decline to award penalties at all. Labor Code § 2699(e)(2); Carrington v. Starbucks Corp. (2018) 30 Cal.App.5th 504 (trial court awarded penalties of $5 per pay period after a bench trial, which decision was upheld on appeal); In re Taco Bell Wage and Hour Actions (E.D. Cal. Apr. 8, 2016) 2016 U.S. Dist. LEXIS 48557 (PAGA penalties denied after trial). Accordingly, the Parties allocated $30,000 to PAGA penalties.

Plaintiff submits this amount is reasonable under the circumstances and in line with comparable settlements in other wage and hour class actions in California. *E.g.*, Van Kempen v. Matheson Tri-Gas, Inc. (N.D. Cal. Aug. 25, 2017) 2017 U.S. Dist. LEXIS 137182 (granting final approval of $5,000 PAGA penalty from $370,000 settlement, or 1.4 percent of total settlement); Slavkov v. First Water Heater Partners I (N.D. Cal. July 25, 2017) 2017 U.S. Dist. LEXIS 116303 (finding a $7,500 PAGA payment reasonable when measured against the overall settlement of $345,000 and the possible weaknesses in plaintiffs' case, or 2.2 percent of total settlement). Additionally, the LWDA has been informed of the terms of the PAGA portion of the settlement, and will be able to weigh in as necessary. Jennings v. Open Door Mktg. Inc. (N.D. Cal. Oct. 3,

2018) 2018 U.S. Dist. LEXIS 171356, at *27 (approving settlement with PAGA penalties of 0.6% where "[p]laintiffs [have] submitted the settlement agreement to the LWDA, and the LWDA has not objected to the settlement.

Overall, Defendants raised various defenses to Plaintiff's claims on both class certification and the merits that, if successful, could have negatively impacted Plaintiff's claims or potentially reduced potential damages. Accordingly, Plaintiff faced significant risks going forward with this litigation, and given the need to secure and maintain class certification, prevail at trial, and deal with post-trial appeals, it would have taken years to realize any recovery in this action. Plaintiff and counsel discounted the value of the class claims consistent with the risks discussed above, and carefully weighed the likelihood of the class receiving substantially greater benefit if the litigation continued. Plaintiff and counsel concluded – in light of these very real and substantial risks – settlement on the proposed terms and without prolonged and costly litigation was in the best interests of the class. The overall $305,160 recovery represents a significant percentage of Defendants' potential exposure and, given the multiple litigation risks addressed above, a total recovery for the class of $305,160, with an average award of some $230 per class member, is a fair result within the range of reasonableness considering all potential outcomes. [Ardestani Decl., ¶¶ 35-36.]

Importantly, the mere fact that a settlement does not provide the same recovery as might be achieved at trial is not a proper indicator of whether the settlement is fair, reasonable, and adequate. Wershba, 91 Cal.App.4th at 246, 250 ("even if the relief afforded by the proposed settlement is substantially narrower than it would be if the suits were to be successfully litigated, this is no bar to a class settlement because the public interest may indeed be served by a voluntary settlement in which each side gives ground in the interest of avoiding litigation"); 7-Eleven Owners for Fair Franchising v. Southland Corp. (2000) 85 Cal.App.4th 1135, 1150 ("The fact that a proposed settlement may amount to only a fraction of the potential recovery does not, in and of itself, mean that the proposed settlement is grossly inadequate and should be disapproved"); Lane v. Facebook, Inc. (9th Cir. 2012) 696 F.3d 811, 819 ("[T]he question whether a settlement is fundamentally fair . . . is different from the question whether the settlement is perfect in the estimation of the reviewing court"). Importantly as well, the proposed settlement is non-reversionary and will provide benefits to the Class Members without a claims process. White, 803 F.Supp.2d at 1098; c.f., Federal Judicial Center, Managing Class Action Litigation: A Pocket Guide for Judges (3d ed. 2010) at 20, available at www.fjc.gov/sites/default/files/2012/ClassGd3.pdf (reversionary provisions and/or cumbersome claims process may indicate lack of fairness). Plaintiff and his counsel submit the settlement is within the "range of reasonableness," and is fair and adequate for the Class.

V. CONCLUSION

For all the foregoing reasons, Plaintiff respectfully requests that the Court grant this motion, conditionally certify the settlement class, grant preliminary approval to the proposed class action settlement, and enter the [Proposed] Order filed herewith.

Dated: November 13, 2025

CROSNER LEGAL, PC

By: ______________________________

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