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UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

TLALOC MUNOZ, an individual; MIGUEL RUIZ, an individual; EDGAR CORONA, an individual; STEVEN SNAVELY, an individual, on behalf of themselves and all others similarly situated,

Plaintiffs,

vs.

EARTHGRAINS DISTRIBUTION, LLC a Delaware limited liability company; BIMBO BAKERIES USA, INC., a Delaware corporation; and DOES 1 through 100, inclusive,

Defendants.

Case No. 3:22-cv-01269-AJB-AHG

MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF PLAINTIFFS' UNOPPOSED MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT

Hearing Date: November 12, 2026
Time: 10:00 a.m.
Courtroom: 4A

Judge: Hon. Anthony J. Battaglia
Magistrate: Hon. Allison H. Goddard

SAC Filed: January 23, 2026
Trial Date: None Set

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I. INTRODUCTION

Plaintiffs Tlaloc Munoz, Miguel Ruiz, Edgar Corona, and Steven Snavely ("Plaintiffs") move for final approval of the Stipulation of Class and PAGA Representative Action Settlement (the "Settlement")[1] the Court preliminarily approved on July 16, 2026. ECF No. 120 ("Preliminary Approval Order"). Since then, notice has reached all 296 Class Members. There were no opt outs, no disputes, and no objections – an overwhelmingly positive response by the class.

The Settlement is a strong result and should be finally approved. Defendants will pay $17,500,000 into a non-reversionary common fund, and no claim form is required. Participating Class Members will receive an average of over $39,000 each. The parties reached agreement after nearly four years of hard-fought litigation. In that time, the parties engaged in extensive briefing on various dispositive and procedural issues, appellate briefing, and significant discovery resulting in several key rulings, and fully briefed class certification following the close of discovery. See Preliminary Approval Order at 2–3. The parties settled only by accepting an experienced mediator's proposal which came weeks after their unsuccessful full-day mediation.

Below, Plaintiffs address the relevant factors considered at final approval in this Circuit and address each point the Court asked Plaintiffs to address at final approval.[2] *See* Preliminary Approval Order at 13, 22, 27–29, 31–35.

II. BACKGROUND

A. Factual Background.

Defendant Earthgrains Distribution, LLC ("Earthgrains") is a Delaware limited liability company. Defendant Bimbo Bakeries USA, Inc. ("Bimbo

[1] The Settlement is available at ECF No. 116-3. Capitalized terms in this motion have the meanings given in the Settlement.

[2] Where relevant, Plaintiffs address these issues in their concurrently filed Motion for Attorneys' Fees, Costs, and Service Awards.

Bakeries") manufactures baked goods and is the sole member of Earthgrains. Earthgrains sells distribution rights to "Independent Business Partners" ("IBPs"). The IBPs execute contracts with Earthgrains called "Distribution Agreements" to purchase baked goods products from Earthgrains and sell those products to customers in a designated geographic area. Preliminary Approval Order at 1–2. Plaintiffs allege that IBPs are employees under California's ABC test because they perform work within the usual course of Defendants' business under Defendants' control. *Id.* Plaintiff Tlaloc Munoz, through his business, contracted with Earthgrains from approximately 2014 to 2019. Plaintiff Miguel Ruiz, through his business, contracted with Earthgrains from approximately 2014 to 2019. Plaintiff Edgar Corona did the same through his business from approximately 2017 to January 2022. Finally, Plaintiff Steven Snavely, a current IBP, through his business, entered into a contract with Earthgrains in 2013. *Id.* at 2.

B. Procedural Background.

The Preliminary Approval Order aptly summarizes the lengthy history of this litigation. Preliminary Approval Order at 2–4. To briefly recap, Plaintiffs Munoz, Ruiz, and Corona gave notice to the LWDA on May 18, 2022 and filed suit in San Diego Superior Court on July 27, 2022. Defendants removed the case on August 26, 2022. ECF No. 1.

As this Court is well aware, this case has involved substantial law and motion practice since its inception in 2022, including briefing on various merits issues. *See* ECF Nos. 9, 11, 12, 18. After remand from the Ninth Circuit, on May 2, 2025, Plaintiffs amended the complaint to add Plaintiff Steven Snavely, a current IBP. ECF No. 52. Plaintiff Snavely also sent a letter to the LWDA advising that he would join the PAGA action. ECF No. 116-5. The parties also engaged in dispositive motion practice relating to the claims of the former IBP Plaintiffs. ECF No. 93.

At the close of discovery, the Parties fully briefed class certification. ECF Nos. 95, 105, 106. The parties mediated with Michael Russell on November 5, 2025,

continued to discuss a potential resolution thereafter, and eventually accepted his mediator's proposal on December 22, 2025, executing a Memorandum of Understanding on January 14, 2026. Settlement §§ 2.1.9–2.1.10. Per the terms of the Settlement, Plaintiffs filed the Second Amended Complaint (ECF No. 110) and notified the LWDA of the additional sick pay theory (ECF No. 116-6).

The Court granted preliminary approval on July 16, 2026. ECF No. 120.

C. Events Since Preliminary Approval.

1. Class Data.

Defendants provided the Class Data to the CPT Group ("CPT") on March 24, 2026. Declaration of Laura Singh ("CPT Dec.") ¶ 3. It identifies 296 Class Members: 99 Former IBPs and 197 Current IBPs. CPT Dec. ¶¶ 3, 23. At preliminary approval, the parties approximated 290 Class Members. Preliminary Approval Order at 10. This small bump did not trigger the Settlement's class-size escalator provision (Settlement § 3.4).

2. Class Notice.

On August 13, 2026, after updating addresses through the National Change of Address database, CPT sent the Notice of Settlement to all 296 Class Members by first-class mail, in English and Spanish, and emailed it to the 295 Class Members with email addresses. CPT Dec. ¶¶ 4–6. With it, CPT sent each Current IBP the revised Arbitration Agreement. Settlement § 4.2.2; CPT Dec. ¶¶ 2(b), 5–6. Each Notice stated the Class Member's Eligible Workweeks and estimated Individual Settlement Payment. *Id.*; Settlement Ex. 2. CPT skip-traced the notices returned without a forwarding address and, in all, re-mailed 21 notices to updated addresses and forwarded 15 more. Only 4 Class Members could not be reached by mail, and all four received the Notice by email. CPT Dec. ¶¶ 14–15. CPT also maintained a settlement website, where Current IBPs could sign the revised Arbitration Agreement electronically, and a toll-free line (Settlement § 4.2.3), which received 1,300 visits and 147 calls respectively. CPT Dec. ¶ 21.

3. Arbitration Agreement Signing.

As of October 15, 2026, 193 of the 197 Current IBPs (98%) had signed the revised Arbitration Agreement. CPT Dec. ¶ 20. CPT and the parties went well beyond the standard notice program to attempt to get as many Current IBPs as possible to sign the agreement. After the initial mailing and email, CPT emailed a reminder on September 4 to the 100 Current IBPs who had not yet signed and, on September 21, called those still outstanding. CPT Dec. ¶¶ 7–8, 10-13, Ex. B-D. Defendants' local sales teams also delivered hardcopy reminders, with content the parties agreed on. ECF No. 121 at 2–3. The Parties also moved the Court to extend the Response Deadline to October 12, 2026 to give these efforts more time to play out. ECF Nos. 121, 122. Around this time, CPT sent a second reminder email on October 1 and a text message on October 5 to the 7 Current IBPs who still had not signed. CPT Dec. ¶¶ 10–11, Exs. C–D. The effort proved successful. Over the course of the Notice campaign, all but 4 Current IBPs signed. CPT Dec. ¶ 20. Defendants have also exercised their discretion under the Settlement to accept signed revised Arbitration Agreements through the final approval hearing. Settlement §§ 3.5.4, 5.1; CPT Dec. ¶ 20. The Individual Settlement Payment of any Current IBP who does not sign will go to the *cy pres* recipient. Settlement § 5.1; *see* § IV.E, *infra*. Plaintiffs will update the Court before the hearing on the final tally of unsigned agreements and amount to go to the *cy pres*.

4. Class Response.

The response of the class has been very positive. The Response Deadline, originally September 28, 2026, was extended for all Class Members through October 12, 2026. ECF No. 122; Settlement § 1.37. To date, no Class Member opted out, objected, or disputed their estimated payment. CPT Dec. ¶¶ 16–18. One individual who was not in the Class Data asked to be included, but Defendants had no record of that individual contracting with either Defendant or one of their affiliates in California during the relevant time period. That person provided no additional

documents or information to show otherwise, and so the request was denied. *Id.* ¶ 9; *see* Settlement § 4.11. Plaintiffs will update the Court regarding any changes prior to final approval.

5. CAFA and LWDA Notice.

On May 1, 2026, CPT served the CAFA Notice on Defendants' behalf upon the Attorney General of the United States and the Attorney General of California. Settlement § 4.1.3; CPT Dec. ¶¶ 27–28 & Ex. F. No official has objected or otherwise responded. Plaintiffs submitted the Settlement to the LWDA on September 23, 2026 and the LWDA has not commented or objected. Declaration of Shaun Markley ("Markley Dec."), ¶ 2, 5, Exhibit 1. Plaintiffs will further advise on any LWDA response in advance of the final approval hearing.

6. Fees, Costs, and Service Award Motion.

Plaintiffs are concurrently moving for attorneys' fees, costs, and enhancement awards. ECF No. 124.

III. THE SETTLEMENT

The Preliminary Approval Order also captures the core terms of the Settlement. Preliminary Approval Order at 4–9. To briefly refresh, its principal terms are set out below.

A. Settlement Amounts.

Defendants will pay a non-reversionary Gross Settlement Amount of $17,500,000. Settlement § 3.3. After court-approved deductions, the remainder (the Net Settlement Amount) goes to Participating Class Members:

Component	Amount	Settlement §
Gross Settlement Amount	$17,500,000	3.3
Attorneys' fees (requested)	$5,250,000	3.5.2

Component	Amount	Settlement §
Litigation costs (requested)	$37,449.85	3.5.2
Enhancement Awards (4 × $15,000)	$60,000	3.5.1
PAGA Payment (LWDA $262,500; PAGA Members $87,500)	$350,000	3.5.5
Reserve Fund	$200,000	3.5.6
Settlement Administration Costs	$15,000	3.5.3
Net Settlement Amount	$11,587,550.15	1.25

Any fees, costs, enhancement awards, or administration costs the Court does not award go back to the Net Settlement Amount. Settlement §§ 3.5.1–3.5.3.

B. Plan of Allocation.

Each Participating Class Member receives an Individual Settlement Payment with two parts. The first is a Minimum Payment: 15% of the Net Settlement Amount divided equally among all Participating Class Members. The second is a Pro Rata Payment: the other 85% of the Net Settlement Amount divided according to each member's share of total Eligible Workweeks. Settlement § 3.5.4. No claim form is required. *Id.* §§ 1.31, 3.5.4.

PAGA Members share the $87,500 in Individual PAGA Payments pro rata by Eligible Pay Periods. *Id.* § 3.5.5.

Based on the final Class Data, assuming the Court grants all requests for attorney's fees, costs, and the service awards in addition to the administrator costs, the average Individual Settlement Payment is over $39,000, ranging from $5,996.64

to $55,425.25, and the average Individual PAGA Payment is about $333.97, ranging from $3.55 to $444.05. CPT Dec. ¶¶ 23–25.

Checks uncashed after 180 days go to the State Controller's Unclaimed Property Fund in the member's name. Settlement § 4.10.

The $200,000 Reserve Fund pays any Class Members omitted from the Class Data, using the same formula. *Id.* §§ 3.5.6, 4.11. If more than $5,000 is left after the check-cashing period, it goes out in a second pro rata distribution to Class Members; a smaller residue goes to the cy pres recipient. *Id.* § 4.12; *see* § IV.E, *infra*. Given that there have been no successful requests to join the class beyond the data that Defendants provided, the Reserve Fund should result in an average additional payment to the class of roughly $675.

C. Attorneys' Fees, Costs, and Service Awards.

Class Counsel is concurrently moving for fees and costs and the Class Representatives' enhancement awards. ECF No. 124. Approval of the Settlement does not depend on those awards being granted or denied. Settlement §§ 3.5.1–3.5.2, 4.8.4. As noted above, any amounts not awarded go back to the Net Settlement Amount. *Id.* §§ 3.5.1–3.5.3.

D. Release.

Participating Class Members release the Released Class Claims arising during the Class Settlement Period: claims that were or could have been asserted based on the facts alleged in the action and the LWDA letters. Settlement §§ 1.34, 3.7.2. PAGA Members release the Released PAGA Claims – all claims for civil penalties under PAGA asserted in the Action and/or the LWDA letters or that could have been asserted based on the facts therein – for the PAGA Settlement Period, whether or not they opt out of the class. *Id.* §§ 1.35, 3.7.3, 4.3.1. The Class Representatives also give a general release with a Cal. Civ. Code § 1542 waiver. *Id.* §§ 1.8, 3.7.1.

IV. THE COURT SHOULD GRANT FINAL APPROVAL

A. Legal Standard.

A class action may be settled only with court approval, "which may be granted only after a fairness hearing and a determination that the settlement taken as a whole is fair, reasonable, and adequate." *In re Bluetooth Headset Prods. Liab. Litig.*, 654 F.3d 935, 946 (9th Cir. 2011) (citing Fed. R. Civ. P. 23(e)(2)). The Court's review protects absent class members from unfair settlements while "accounting for 'the strong judicial policy that favors settlements, particularly where complex class action litigation is concerned.'" *Campbell v. Facebook, Inc.*, 951 F.3d 1106, 1121 (9th Cir. 2020) (citation and internal quotation marks omitted); *see also Morel v. HNTB Corp.*, No. 22-cv-00408-AJB-AHG, 2025 WL 1870758, at *5 (S.D. Cal. July 7, 2025).

Courts must consider the Rule 23(e)(2) factors in evaluating settlement approval. Fed. R. Civ. P. 23(e)(2)(A)–(D). Courts must also weigh the Ninth Circuit's somewhat overlapping factors like: the strength of the plaintiff's case; the risk, expense, complexity, and likely duration of further litigation; the risk of maintaining class status through trial; the amount offered; the extent of discovery and stage of the proceedings; the experience and views of counsel; the presence of a governmental participant; and the class's reaction. *Kim v. Allison*, 8 F.4th 1170, 1178 (9th Cir. 2021).

B. The Settlement Class Should be Finally Certified.

Before granting final approval, the Court must determine whether the class can be certified. Fed. R. Civ. P. 23(e)(1)(B); *Staton v. Boeing Co.*, 327 F.3d 938, 952 (9th Cir. 2003). The Court has already examined the Settlement Class under Rule 23(a) and (b)(3) and conditionally certified it while leaving a few points for Plaintiffs to address at final approval. Preliminary Approval Order at 9–16. The Court should reaffirm and incorporate that analysis, as it has done in similar cases. *Morel*, 2025 WL 1870758, at *5; *Cabrales v. BAE Sys. San Diego Ship Repair, Inc.*, No. 21-cv-

02122-AJB-DDL, 2025 WL 2098757, at *6 (S.D. Cal. July 25, 2025). That means reaffirming numerosity, commonality, and typicality under Rule 23(a), Preliminary Approval Order at 10–13, as well as predominance and superiority under Rule 23(b)(3), *id.* at 14–16.

Plaintiffs now address the certification issues the Preliminary Approval Order flagged for more details. As to adequacy, the Court found it "conditionally satisfied" pending each Plaintiffs' declaration disclaiming any conflict with the class. Preliminary Approval Order at 13. Each Plaintiff has now done so – they have no conflict with the Class, and each performed substantial work on the class's behalf to bring this settlement to fruition. Declaration of Tlaloc Munoz ("Munoz Dec.") ¶¶ 5, 20; Declaration of Miguel Ruiz ("Ruiz Dec.") ¶¶ 5, 20; Declaration of Edgar Corona ("Corona Dec.") ¶¶ 5, 20; Declaration of Steven Snavely ("Snavely Dec.") ¶¶ 5, 17. This satisfies Rule 23(a)(4). *See Staton*, 327 F.3d at 957.

While the Court found the superiority requirement met, it identified two considerations Plaintiffs had not adequately addressed. Preliminary Approval Order at 15–16. Three superiority considerations apply in the settlement context: (1) the interest of class members in individually controlling the prosecution or defense of separate actions; (2) the extent and nature of any litigation concerning the controversy already commenced by or against members of the class; and (3) the desirability of concentrating the litigation of the claims in this particular forum. *Id.* at 15 (*citing* Fed. R. Civ. P. 23(b)(3); *Zinser v. Accufix Rsch. Inst., Inc.*, 253 F.3d 1180, 1190 (9th Cir. 2001), *as amended on denial of reh'g*, 273 F.3d 1266 (9th Cir. 2001)). Manageability is not at issue where the class is certified for settlement. *Id.* at 16.

As to factor 1, the Court correctly inferred that the expense, complexity, and risk of pursuing individual claims compared to their potential value is what leaves individual class members with little interest in pursuing and controlling their own matters. Preliminary Approval Order at 16. This is, as the Court notes, evidenced by

the lack of any other pending claims over the course of this long-running case. *Id.* The Class's response confirms the point: not one Class Member opted out to pursue an individual claim or disputed the amount they will receive or otherwise objected to the Settlement. CPT Dec. ¶¶ 16–18. The Court found factor 2 adequately addressed and weighing in Plaintiffs' favor and it should conclude the same here. Preliminary Approval Order at 16.

Factor 3 also tilts Plaintiffs' way. Preliminary Approval Order, 16. It is desirable to have a California court preside over California state law claims involving alleged harm to California workers that arose in this state. *Aguirre v. Genesis Logistics*, No. SACV 12-00687 JVS (ANx), 2016 WL 6573986, at *8 (C.D. Cal. July 20, 2016) (concentrating litigation in the forum was desirable where "the proposed class consists only of California employees alleging California state law claims"); *United States ex rel. Terry v. Wasatch Advantage Grp., LLC*, 327 F.R.D. 395, 419 (E.D. Cal. 2018) (similar). Here, the class definition limits the class to those who contracted with Defendants and carried out work in this state, the claims arise under California law, and Defendants' relevant operations are within this District (and others in California). With the first two superiority factors already favoring certification, Preliminary Approval Order at 16, all the applicable factors now point the same way.

With no objections filed since the Preliminary Approval Order, no circumstances changed, and the Court's few class certification concerns addressed herein, the Court should once again certify the Class for settlement purposes, appoint Plaintiffs Tlaloc Munoz, Miguel Ruiz, Edgar Corona, and Steven Snavely as Class Representatives, and appoint Nicholas & Tomasevic, LLP, as Class Counsel.

C. The Class Received Adequate Notice.

The Court must next determine that the class received adequate notice. Fed. R. Civ. P. 23(e)(1); *Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1025 (9th Cir. 1998), *overruled on other grounds by Wal-Mart Stores, Inc. v. Dukes*, 564 U.S. 338 (2011).

Notice is adequate if it "generally describes the terms of the settlement in sufficient detail to alert those with adverse viewpoints to investigate and to come forward and be heard." *Churchill Vill., L.L.C. v. Gen. Elec.*, 361 F.3d 566, 575 (9th Cir. 2004) (citation omitted). The Court preliminarily approved the Notice and notice plan. Preliminary Approval Order at 33–34.

CPT carried out that plan. It mailed an individualized Notice, in English and Spanish, to all 296 Class Members, stating each member's Eligible Workweeks and estimated payment, and emailed it to the 295 with email addresses. *See* Section II(C)(2), *supra*. It skip-traced returned notices and re-mailed them to updated addresses. As a result, all but 4 Class Members (98.6%) received the Notice by mail, and those 4 received it by email, so the Notice reached every Class Member. CPT Dec. ¶¶ 4–6, 14–15. CPT also maintained a settlement website and a toll-free line which the Class Members used frequently. *Id.* ¶¶ 2(e), (h), 21. The Court found comparable showings adequate regarding notice in *Morel*, 2025 WL 1870758, at *5, and *Cabrales*, 2025 WL 2098757 at *6. It should do the same here.

As part of assessing adequacy of notice, the Court also indicated it would consider how many Current IBPs signed and submitted the revised Arbitration Agreements. Preliminary Approval Order at 34. As of October 15, 2026, 193 of 197 Current IBPs (98%) had signed. CPT Dec. ¶ 20. That rate is the product of the extended outreach described above: reminder emails, phone calls, hardcopy reminders, text messages, and a two-week extension of the Response Deadline. ECF No. 121 at 2–3; CPT Dec. ¶¶ 7–13. Any Current IBP who has not yet signed may still do so through the final approval hearing. CPT Dec. ¶ 20.

Plaintiffs or CPT will file a supplemental declaration before the final approval hearing covering the final signature count for revised Arbitration Agreements in addition to any other outstanding information that the Court may need to finally evaluate the Notice and Settlement. *See Cabrales*, 2025 WL 2098757, at *3.

D. The Settlement is Fair, Reasonable, and Adequate.

The Rule 23(e)(2) factors ask whether the class was adequately represented, whether the proposal was negotiated at arm's length, whether the relief is adequate, and whether class members are treated equitably relative to each other. Fed. R. Civ. P. 23(e)(2). Courts also consider the Ninth Circuit's somewhat overlapping factors. *Kim*, 8 F.4th at 1178; *Morel*, 2025 WL 1870758, at *6–7.

The Court preliminarily found that the Rule 23(e)(2) factors and the additional Ninth Circuit factors it was able to address collectively favor approval. Preliminary Approval Order at 17–26. Nothing material has changed except that the Notice program has been successfully carried out and the class has demonstrated strong support for the Settlement by not registering a single objection, opt-out, or dispute. CPT Dec. ¶¶ 16–18. Plaintiffs therefore ask the Court to reaffirm and incorporate its Preliminary Approval Order findings regarding the adequacy of the Settlement and make a final determination that the Settlement is fair, adequate, and reasonable. *See, e.g.*, *Morel*, 2025 WL 1870758, at *6; *Cabrales*, 2025 WL 2098757, at *7. Each issue the Court reserved for final approval favors approval.

1. Rule 23(e)(2) Factors.

The Court should affirm the adequacy of representation under Fed. R. Civ. P. 23(e)(2)(A). Preliminary Approval Order, 23–24. The lone lingering issue regarding the Plaintiffs' lack of conflicts has been resolved as noted above. Plaintiffs have no conflict with the class and they worked hard to bring this Settlement about. Munoz Dec. ¶¶ 5, 20; Ruiz Dec. ¶¶ 5, 20; Corona Dec. ¶¶ 5, 20; Snavely Dec. ¶¶ 5, 17.

As was the case at the preliminary approval stage, there is no concern with any signs of collusion and the Settlement resulted from arm's length negotiations carried out by experienced parties and a well-versed mediator. Fed. R. Civ. P. 23(e)(2)(B); Preliminary Approval Order at 24–25. There continue to be no side agreements, reversions, or clear sailing provisions. *Id.*; *see* Markley Dec. ¶ 3.

The relief obtained remains strong. Fed. R. Civ. P. 23(e)(2)(C); Preliminary Approval Order at 18–23. The recovery, measured against the exposure, risks, and likely duration of the case, remains the same. Preliminary Approval Order at 18–20. The Court's concerns about the proposed fees, costs, and enhancement awards, Preliminary Approval Order at 20–22, are addressed in Plaintiffs' concurrently filed fee motion. Approval of the Settlement does not depend on those awards, and any amount not awarded returns to the Net Settlement Amount. Settlement §§ 3.5.1–3.5.3, 4.8.4. This sub-factor therefore weighs in favor of approval. *See Morel*, 2025 WL 1870758, at *6 (reaffirming adequacy of relief where the settlement did not depend on the requested fees and incentive award).

The equitable distribution of the Settlement also remains the same and supports approval. Fed. R. Civ. P. 23(e)(2)(D); Preliminary Approval Order at 25–26. Each Class Member's Notice stated their estimated payment and explained how it was calculated. Not one Class Member opted out, objected, or disputed their payment, which demonstrates satisfaction with the recovery they will obtain.

2. Additional Ninth Circuit Factors.

The Court's preliminary analysis discussed a few of the additional fairness considerations in this Circuit leaving others for the final approval stage. Preliminary Approval Order at 26–28.

Regarding the experienced views of counsel, "[g]reat weight is accorded to the recommendation of counsel, who are most closely acquainted with the facts of the underlying litigation." *Nat'l Rural Telecomms. Coop. v. DIRECTV, Inc.*, 221 F.R.D. 523, 528 (C.D. Cal. 2004) (citation omitted); *see In re Pac. Enters. Sec. Litig.*, 47 F.3d 373, 378 (9th Cir. 1995). Experienced counsel on both sides endorsed the Settlement, and the Court has already found that this factor favors approval. Preliminary Approval Order at 26–27.

No government official or agency has commented on the Settlement despite ample opportunity to do so. The Court correctly reserved this factor for final

approval, Preliminary Approval Order at 27, and it now favors approval. CPT served the CAFA notice on May 1, 2026. Settlement § 4.1.3; CPT Dec. ¶¶ 27–28 & Ex. F. No official has objected or commented, and the 90-day waiting period under 28 U.S.C. § 1715(d) has run. *Id.* That silence supports approval. *See In re LinkedIn User Priv. Litig.*, 309 F.R.D. 573, 588–89 (N.D. Cal. 2015). The LWDA, which received the Settlement, the preliminary approval moving papers, all complaints filed in this action and each PAGA letter in advance of the final approval hearing, has not commented at any point throughout this case either. *See* § IV(F), *infra*. Nor did the LWDA respond to any of Plaintiffs' original or amended PAGA notices during this litigation. ECF No. 116-2 ¶¶ 3–5 & Exs. 2–4 (ECF Nos. 116-4 to 116-6). This silence, too, supports approval.

The Court also reserved analysis of the reaction of the class. Preliminary Approval Order at 27. "[T]he absence of a large number of objections to a proposed class action settlement raises a strong presumption that the terms of a proposed class settlement action are favorable to the class members." *In re Omnivision Techs., Inc.*, 559 F. Supp. 2d 1036, 1043 (N.D. Cal. 2008) (quoting *Nat'l Rural*, 221 F.R.D. at 529). Here there are no objections and no opt-outs at all among 296 Class Members. CPT Dec. ¶¶ 16–18. That "speaks volumes" about the class's support. *Nat'l Rural*, 221 F.R.D. at 529; *see Morel*, 2025 WL 1870758, at *7; *Cabrales*, 2025 WL 2098757, at *7–8. Furthermore, that 98% of Current IBPs signed the Arbitration Agreement to receive their settlement share also strongly supports approval.

E. The *Cy Pres* Recipient.

A cy pres distribution must be the "next best" use of the funds and must bear "a substantial nexus to the interests of the class members," which means accounting for "the nature of the plaintiffs' lawsuit, the objectives of the underlying statutes, and the interests of the silent class members." *Lane v. Facebook, Inc.*, 696 F.3d 811, 819, 821 (9th Cir. 2012) (citations omitted); *see Nachshin v. AOL, LLC*, 663 F.3d 1034, 1036–40 (9th Cir. 2011). The Court asked Plaintiffs to explain why Feeding

San Diego meets that standard or to propose a substitute. Preliminary Approval Order, 28.

After conferring on the issue, the Parties have agreed to change the *cy pres* to USD School of Law Workers Rights Clinic for both of the Settlement's *cy pres* distributions: any Reserve Fund residue of $5,000 or less and the Individual Settlement Payment of any Current IBP who does not sign the Arbitration Agreement. Settlement §§ 4.12, 5.1. This Clinic has operated in collaboration with Legal Aid at Work since 2017. Markley Dec., ¶ 4. It provides free legal advice to low-income workers in San Diego County on a variety of employment law issues, including employee rights, unemployment benefits, and unpaid wages. *Id.* ¶ 4. Funding legal advice for local, low-income workers has a close nexus to this case in light of its core allegation that local workers were misclassified and denied basic Labor Code and other rights under California law.

F. The PAGA Settlement Should be Approved.

The Court must review and approve any settlement of PAGA claims. Cal. Lab. Code § 2699(s)(2) (formerly § 2699(l)(2)). The court asks whether the settlement is fair, reasonable, and adequate in light of PAGA's purposes: remediating present Labor Code violations, deterring future ones, and maximizing enforcement of state labor laws. *Moniz v. Adecco USA, Inc.*, 72 Cal. App. 5th 56, 75-78 (2021), *disapproved on other grounds by Turrieta v. Lyft, Inc.*, 16 Cal. 5th 664 (2024). Federal courts apply the same *Moniz* inquiry, which borrows many of the Rule 23(e) considerations. *See, e.g.*, *Turner v. Northrop Grumman Corp.*, No. CV 23-3756 PA (PDx), 2025 WL 2994719, at *2 (C.D. Cal. May 14, 2025); *Morel*, 2025 WL 1870758, at *7–8.

1. PAGA's Statutory Requirements are Met.

The $350,000 PAGA Payment is split 75% ($262,500) to the LWDA and 25% ($87,500) to PAGA Members. Settlement § 3.5.5. That follows the allocation in former § 2699(i), which governs because this action was filed before June 19, 2024.

Cal. Lab. Code § 2699(v)(1); Preliminary Approval Order at 29 & n.7. Plaintiffs submitted the Settlement to the LWDA on September 23, 2026. Markley Dec. ¶ 2, Ex. 1. They also gave the LWDA a copy of the Preliminary Approval Order. *Id.* The LWDA has not commented or objected. *Id.* ¶ 5. Plaintiffs will further update the Court on any developments prior to the final approval hearing. Plaintiffs will also submit the judgment and any order awarding PAGA penalties to the LWDA within 10 days of entry. Cal. Lab. Code § 2699(s)(3).

2. The PAGA Allocation is Fair, Reasonable, and Adequate.

The Settlement serves each of PAGA's purposes. It remediates the alleged violations directly, paying the very workers PAGA protects. It deters future violations and it advances enforcement by paying penalties to the LWDA. Where "the settlement of Labor Code claims under Rule 23 provides 'robust' relief to the class," a smaller PAGA allocation is appropriate. *Haralson v. U.S. Aviation Servs. Corp.*, 383 F. Supp. 3d 959, 972 (N.D. Cal. 2019); *see* Preliminary Approval Order at 30. The $350,000 allocation is 2% of the Gross Settlement Amount, within the range this Court and others have approved. Preliminary Approval Order at 31 (collecting cases, including *Cabrales v. BAE Sys. San Diego Ship Repair, Inc.*, No. 21-cv-02122-AJB-DDL, 2024 WL 4994339, at *17 (S.D. Cal. Dec. 5, 2024)).

The Court also asked whether the Class Members and PAGA Members are coterminous. Preliminary Approval Order, 31. They largely are. Every PAGA Member is a Class Member, but some Class Members are not PAGA Members because they stopped contracting with Defendants prior to the shorter PAGA Settlement Period, May 18, 2021 through February 28, 2026 (while the Class Period spans several earlier years). Settlement §§ 1.6, 1.28, 1.30. Of the 296 Class Members, 262 are PAGA Members; the other 34 stopped contracting with Defendants before the PAGA Settlement Period began. CPT Dec. ¶¶ 3, 25.

G. The Plan of Allocation is Fair, Reasonable, and Adequate.

The allocation of the Settlement and PAGA amounts here is reasonable for

largely the same reasons discussed under the Rule 23(e) factors.

A plan of allocation is judged by the same standard as the settlement as a whole, and allocating by "the extent of [class members'] injuries or the strength of their claims" is reasonable. *Omnivision*, 559 F. Supp. 2d at 1045; *Morel*, 2025 WL 1870758, at *9. As the Court found in the Preliminary Approval Order, at 25–26, the plan to pay each Participating Class Member a Minimum Payment (which reflects only 15% of the Net Settlement Amount) plus a Pro Rata Payment by Eligible Workweeks on the remaining 85% in addition to the payment to PAGA Members based on Eligible Pay Periods is fair and reasonable. *Id.*; *see* Settlement §§ 3.5.4–3.5.5. For the reasons given above, the plan treats Class Members equitably and aims to apportion the payments based on relative harm and damages incurred. *See* § IV(D)(1), *supra*; *Morel*, 2025 WL 1870758, at *9; *Cabrales*, 2025 WL 2098757, at *10. Additionally, Class Members received a Notice showing their own Eligible Workweeks and estimated payment, and none objected to the formula or disputed their workweeks. CPT Dec. ¶¶ 16–17.

H. The Settlement Administration Costs are Reasonable.

CPT's costs are reasonable. CPT won the engagement through competitive bidding. The parties obtained several bids, and CPT was in line with the others and the preferred administrator by the Parties. ECF No. 116-1 at 26; ECF No. 116-2 ¶ 14. CPT performed the tasks the Settlement requires and more. It processed the Class Data; mailed and emailed bilingual, individualized Notices and, where applicable, Arbitration Agreements; skip-traced and re-mailed returned notices; ran the website and toll-free line; and tracked opt-outs, objections, disputes, and executed Arbitration Agreements. It will also calculate and distribute all payments and handle tax reporting. Settlement § 3.5.3; CPT Dec. ¶¶ 2–15, 21. As noted above, at the Parties' request, CPT also conducted additional follow-up and reminder outreach to reach as many Current IBPs as possible, which improved the revised Arbitration Agreement signing rate. CPT Dec. ¶¶ 7–8, 10–13.

The Court asked for an itemization of the administration costs actually incurred and those remaining. Preliminary Approval Order, 33. CPT will charge $15,000 in total, which covers both the costs incurred to date and the estimated costs to complete administration. CPT Dec. ¶ 26, Ex. E. Plaintiffs ask the Court to approve those costs.

The Court should approve these costs as reasonable. *Cabrales*, 2025 WL 2098757 at *10–11.

V. CONCLUSION

For these reasons, Plaintiffs respectfully request that the Court enter an order which:

1. Confirms certification of the Settlement Class under Rule 23(b)(3) for settlement purposes, and confirms the appointment of Plaintiffs as Class Representatives and Nicholas & Tomasevic, LLP as Class Counsel;
2. Finds that the Notice satisfied Rule 23 and due process;
3. Grants final approval of the Settlement as fair, reasonable, and adequate, and directs the parties to carry it out according to its terms;
4. Approves the PAGA settlement and directs payment of $262,500 to the LWDA and $87,500 in Individual PAGA Payments;
5. Approves CPT's Settlement Administration Costs of $15,000;
6. Bars the Released Class Claims and Released PAGA Claims, enters judgment, and dismisses the action with prejudice, while retaining jurisdiction over implementation and enforcement of the Settlement;
7. Approves USD School of Law Workers Rights Clinic as the *cy pres* recipient under Settlement §§ 4.12 and 5.1, in place of Feeding San Diego;

and

8. Directs Plaintiffs to file a status report after distribution, covering completion of payments, the final Arbitration Agreement count, and any *cy pres* payments.

Respectfully submitted,

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