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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN JOAQUIN

CYNTHIA WOOD, an individual; on behalf of himself and all others similarly situated, Plaintiff, v. MAXIM HEALTHCARE STAFFING, INC.; and DOES 1 through 10, inclusive, Defendants.	Case No.: STK-CV-UOE-2022-0006312 [*Assigned for all purposes to the Hon. Barbara A. Kronlund, Dept. 10D*] **PLAINTIFF'S NOTICE OF MOTION AND MOTION FOR APPROVAL OF PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AND FOR AWARD OF ATTORNEYS' FEES AND COSTS** [*Filed concurrently with the Declaration of Joshua H. Haffner; Declaration of Cynthia Wood; [Proposed] Order*] <u>Hearing Dates</u>: February 5, 6, 10, 11 or 12 of 2026 <u>Hearing Time</u>: 09:00 a.m. Complaint Filed On: July 22, 2022

TO THE HONORABLE COURT, TO ALL PARTIES, AND TO THEIR COUNSEL OF RECORD: NOTICE IS HEREBY GIVEN that at 9:00 A.M. on either February 5, 6, 10, 11 or 12 of 2026, as selected by the Clerk of the Court, or any other dates thereafter as the matter can be heard in Department 10D of the above-referenced Court, located at 180 E. Weber Avenue, Stockton, California 95202, Plaintiff Cynthia Wood ("Plaintiff") will move for an order granting approval of the proposed settlement on the terms and conditions set forth in the Private Attorneys General Act (Labor Code § 2698, *et seq*.) ("PAGA") Settlement Agreement and Release of PAGA claims (the "Settlement Agreement") between Plaintiff and Defendant Maxim Healthcare Staffing Services, Inc. ("Defendant," n/k/a Amergis Healthcare Staffmg, Inc.). A copy of the PAGA Settlement Agreement is attached as **Exhibit 1** to the Declaration of Joshua H. Haffner in Support of Plaintiffs' Motion for Approval of PAGA Settlement Agreement And Release Of PAGA Claims (hereinafter "Settlement Agreement" or "Settlement") ("Haffner Dec.") at ¶3.

Notice to the LWDA: On January 8, 2026, Plaintiff's Counsel filed the Settlement Agreement with the California Labor and Workforce Development ("LWDA"). (Haffner Dec. **Exhibit 5** at ¶ 63.)

The motion is based on this Notice of Motion and Motion, the Memorandum of Points and Authorities in Support, Declaration of Joshua H. Haffner in Support, Declaration of Cynthia Wood in Support, exhibits, all other pleadings and papers on file in this action, and any oral argument or other matter that may be considered by the Court.

DATE: January 8, 2026

Respectfully submitted,
HAFFNER LAW PC

By: */s/ Vahan Mikayelyan*
Joshua H. Haffner
Alfredo Torrijos
Vahan Mikayelyan

Attorneys for Plaintiff Cynthia Wood
And all others similarly situated

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Cases

Statutes

Other Authorities

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiff Cynthia Wood ("Plaintiff"), as representatives of the LWDA and behalf of herself and other aggrieved employees, respectfully submits this memorandum in support of her motion for approval of the settlement of this action pursuant to the Private Attorneys General Act of 2004, Labor Code section 2698, et seq. (hereinafter "PAGA") with Defendant Maxim Healthcare Staffing Services, Inc. ("Defendant"). Plaintiffs seek entry of a proposed order and judgment granting approval of the PAGA settlement.

As consideration for this settlement, Defendant will fund a non-reversionary, common fund settlement of $1,500,000.00 (the "Gross Settlement Amount") which includes: the Attorney Fee Award, the Cost Award, Service Awards, the Administration Costs, Individual Payments, and the LWDA Payment. (Haffner Decl. Ex. 1 §3.1.) If all requested amounts are approved, after deduction from the Gross Settlement Amount of the Attorney Fee Award, the Cost Award, Service Awards, and the Administration Costs, the amount to be distributed to the California Labor and Workforce Development ("LWDA") and Aggrieved Employees is equal to approximately $962,600.00.

The remaining amount of approximately $962,600.00 is for the payment of civil penalties under PAGA to the LWDA and Aggrieved Employees. This amount shall be distributed 75% to the LWDA and 25% to the Aggrieved Employees. (Haffner Decl. Ex. 1 §3.2.; Lab. Code §2699(i) [civil penalties recovered by aggrieved employees shall be distributed as follows: 75 percent to the [LWDA] …; and 25 percent to the aggrieved employees]. Plaintiffs estimate the LWDA will receive approximately $721,950.00 ($962,600.00 X .75 to LWDA = $721,950.00). Plaintiffs estimate $240,650.00 will be distributed pro rata to the Aggrieved Employees based on the number of pay periods worked during the PAGA Period[1] ($962,600.00 X .25 = $240,650.00). (Haffner Decl. Ex. 1 §3.2-3.7.) As set forth below, Plaintiffs believe this is a fair result for the PAGA litigation.

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[1] "PAGA Period" shall refer to the time period from May 9, 2022, through June 29, 2025. (Haffner Decl. Ex. 1 §1.18.)

II. SUMMARY OF LITIGATION

A. The Parties

Defendant is authorized to do business within the State of California and do business in the State of California, including but not limited to San Joaquin County. Plaintiff was employed by Maxim Healthcare Staffing Services, Inc. as a nurse, and assigned to work at San Joaquin General Hospital as a nonexempt hourly employee, performing services in California at the San Joaquin General Hospital. Based on information from Defendant, there were approximately 3,406 hourly, non-exempt employees who worked for Defendant in California during the PAGA Period. (Haffner Decl. ¶ 4.)

B. The Complaint and Allegations

On May 9, 2022, Plaintiff Cynthia Wood submitted a Notice of Labor Code Violations Pursuant to Labor Code Section 2699.3 to Defendant and to the California Labor and Workforce Development Agency ("LWDA") to notify the LWDA pursuant to PAGA of Plaintiff's intent to seek civil penalties under PAGA for violations of the Labor Code. (Haffner Decl. ¶ 5.)

On July 22, 2022, Plaintiff filed her initial Complaint in this Action alleging a single cause of action for Civil Penalties Pursuant to PAGA for the following claims against Defendant: (1) failure to pay Plaintiff and class members for overtime at their regular rate of pay, (2) failure to provide meal and rest breaks and associated labor violations. As set forth herein, Defendant operates a national healthcare professional staffing company, and has a policy of failing to pay overtime based on all nondiscretionary income Plaintiff and class members received. Plaintiff worked for Defendant in California as a nurse, and did not receive overtime pay at the legal rate, and did not receive lawful meal and rest breaks (the "Action"). (Haffner Decl. ¶ 6.)

Pursuant Plaintiff's allegations in the complaint Plaintiff and other employees are not being paid their regular rate of pay for overtime by Defendant. Plaintiff and the other employees receive nondiscretionary compensation for: (1) working more shifts than they are contracted for; and (2) for housing. Defendant fails to account for this nondiscretionary compensation in Plaintiff and the representative group of employees' regular rate of pay. (Haffner Decl. ¶ 7.)

Representative group of employees contract with Defendant to work a certain number of shifts per week. Plaintiff contracted with Defendant to work three (3) shifts per week. Plaintiff and the aggrieved employees receive nondiscretionary bonuses, in addition to their regular pay, for, among other things, working extra shifts. Plaintiff's extra shift bonus was $400 for each additional shift, in addition to regular pay. Defendant's other employees also had similar per extra shift bonuses. They also receive a housing benefit as part of their nondiscretionary employment compensation with Defendant. Defendant's pay policy, as stated in Defendant's Travel Assignment Agreement, with respect to the housing benefit, is that it paid for a "minimum number of weekly work hours." The housing stipend was contingent upon class members working their minimum required number of hours each week, and if Defendant's employees failed to work their minimum number of weekly required hours, the housing benefit is clawed back through a "housing charge back." (Haffner Decl. ¶ 8.)

Defendant fails to calculate Plaintiff's and aggrieved employees' nondiscretionary compensation, including for working extra shifts and/or for housing, in Plaintiff's and aggrieved employees' regular rate of pay when calculating overtime. (Haffner Decl. ¶ 9.)

At all times, Defendant denied the allegations and contended that: they properly paid overtime wages, they properly provided all necessary meal and rest breaks and/or paid appropriate meal and rest period premiums, they provided employees with itemized statements in compliance with the Labor Code, and that they promptly paid all wages due and owing upon separation of employment. (Haffner Decl. ¶ 10.)

C. Relevant Procedural Background

On June 15, 2022, the U.S. Supreme Court issued its decision in *Viking River Cruises, Inc. v. Moriana* (2022) 596 U.S.__ [142 S.Ct. 1906] (Viking River), holding that the employer "was entitled to enforce the [arbitration agreement at issue] insofar as it mandated arbitration of [plaintiff's] individual PAGA claim," and that the trial court should have compelled individual arbitration and dismissed the employee's non-individual PAGA claims for lack of statutory standing. *Id.* at 1925. On August 1, 2022, after *Viking River*, the California Supreme Court granted review in *Adolph*, and on August 1, 2022, the Court issued an order identifying the issue to be briefed and argued. (Haffner

Decl. ¶ 11.)

Given the issue identified above, the Parties agreed that the California Supreme Court's decision in *Adolph* would materially impact the disposition of Plaintiff's non-individual PAGA claims. On September 15, 2022, the Parties stipulated to a stay of this action until after *Adolph* was decided. On September 15, 2022, the Court stayed this action pursuant to the Parties' stipulation pending the California Supreme Court's decision in *Adolph*. (Haffner Decl. ¶ 12.)

On July 17, 2023, the California Supreme Court published its opinion in Adolph wherein the Court held that a PAGA plaintiff does not lose standing to pursue a non-individual claim when his or her individual claim is compelled to arbitration. On August 17, 2023 the California Supreme Court issued the remittitur in *Adolph*, after which, on October 10, 2023 the Parties stipulated and request that the Court enter an Order. The stipulation was granted on October 30, 2023, setting a case management conference for November 28, 2023. (Haffner Decl. ¶ 13.)

After the stay was lifted, the Parties organized early mediation with Kevin T. Barnes for May 23, 2024 in an attempt to resolve the Action but the session was not successful. The Parties engaged in extensive discussions in an attempt to reach a settlement of Plaintiff's PAGA claims at issue in this Action. Following mediation on May 23, 2024 with Kevin T. Barnes, a well-respected mediator of wage and hour class actions, the Parties were able to reach a settlement in principle after accepting the mediator offer of settlement from April 30, 2024. In preparation for these negotiations, the Parties exchanged various documents and information that allowed both sides to evaluate the potential exposure and potential risk, as well as information about the number of pay periods and the number of individuals in the PAGA group. The Parties were able to subsequently execute a long-form settlement agreement and finalize it on December 5, 2025. (Haffner Decl. ¶ 14.)

The subsequent settlement efforts followed after substantial briefing on different motions and extensive written discovery. Specifically, Plaintiff successfully opposed Defendant's Motion for Judgment on the Pleadings, Motion for Bifurcation and two motions *in limine*. The Court denied Defendant's Motion for Judgment on the Pleadings and Motion for Bifurcation on January 28, 2025. The motions *in limine* were decided on February 18, 2025. On top of this, the Parties have participated in several case management conferences during the Action. (Haffner Decl. ¶ 15.)

D. Production Of Directly Relevant Formal and Informal Discovery and Legal Analysis By Parties' Counsel

After the unsuccessful mediation on May 23, 2024, the Parties engaged in significant formal written discovery, specifically form interrogatories, employment form interrogatories, special interrogatories, requests for production of documents. (Haffner Decl. ¶ 16.)

The Parties have undertaken reasonable investigation of the facts and law during the pendency of this action. Plaintiff's Counsel diligently conducted and pursued an investigation of the PAGA claims against Defendant, including research of the applicable law and the potential defenses and review of relevant documents. Plaintiffs obtained directly relevant data including Defendant's written policies related to the claims at issue in the Operative Complaint and Plaintiff's personnel files. (Haffner Decl. ¶ 17.)

Plaintiff and Plaintiff's Counsel have concluded—after considering the sharply disputed factual and legal issues involved on the PAGA claims, the risks attending further prosecution, and the benefits to be received pursuant to the compromise and settlement of the action as set forth in the agreement—that settlement was in the best interest of the representative Plaintiffs, the LWDA, and the aggrieved employees and is fair and reasonable and furthers the purpose of the PAGA to enforce the Labor Code. (Haffner Decl. ¶ 18.)

III. SUMMARY OF SETTLEMENT

A. Terms Of Settlement

The Parties have agreed to settle the Lawsuit by agreement upon the terms and conditions and for the consideration set forth in the Settlement Agreement a copy of which is attached to the concurrently filed Declaration of Joshua H. Haffner as **Exhibit "1"**.

A summary of the key terms of the Settlement is as follows:

1. PAGA Members: Any current or former non-exempt employee who worked for Defendant in the State of California as "travelers" – i.e., those nurses who have traveled out-of-town to work for Defendant's clients in California – at any time during the PAGA Period. (Haffner Decl. Ex. 1 §1.16.)
2. Gross Settlement Amount or GSA: one million five hundred thousand dollars ($1,500,000.00), which is the total amount Defendant agrees to pay under the Settlement. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees, PAGA Counsel Costs, the PAGA Representative Payment, and the Administrator's Expenses Payment. (Haffner Decl. Ex. 1 §1.8.)

3. Net Settlement Amount: Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Counsel Fees (four hundred ninety five thousand dollars $499,950), PAGA Counsel Costs (not to exceed eight thousand dollars $8,000.00), PAGA Representative Payment (not to exceed fifteen thousand dollars $15,000.00), and the Administration Expenses Payment (fourteen thousand four hundred and fifty dollars $14,450.00). (Haffner Decl. Ex. 1 §1.13.)

4. Individual PAGA Payment: The PAGA Member's pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the PAGA Member worked during the PAGA Period. (Haffner Decl. Ex. 1 §1.9.)

   The Individual PAGA Payments to the PAGA Members will be calculated based on the respective number of Pay Periods each PAGA Member worked during the PAGA Period. The Administrator shall calculate the respective number of Pay Periods for each PAGA Member. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms, if applicable. The payments to PAGA Members constitute civil penalties. (Haffner Decl. Ex. 1 §3.8.)

5. Attorney Fee Award and Cost Award: Plaintiffs' Counsel will apply to the Court for, and Defendant will not oppose PAGA Counsel's request for attorneys' fees of one-third (33.33%) of the Gross Settlement Amount, or $499,950.00. Any reduction by the Court of this request will revert to the NSA. Defendant will not oppose PAGA Counsel's requests for reimbursement of litigation costs in the amount not to exceed $8,000.00. Any reduction by the Court of this request will revert to the NSA. (Haffner Decl. Ex. 1 §3.4-3.5.)

6. PAGA Representative Payment: Defendant will not oppose Plaintiff's request for a payment not to exceed $15,000.00, as consideration for Plaintiff's General Release (defined and discussed below) and her services as a PAGA representative. Any reduction by the Court of this request will revert to the NSA. (Haffner Decl. Ex. 1 §3.6.)

7. Administration Costs: The Administrator's costs for administering the Settlement shall be $14,450.00, which shall be paid from the Gross Settlement Amount. Any reduction by the Court of this amount will revert to the NSA. (Haffner Decl. Ex. 1 §3.3.)

8. LWDA Payment: The LWDA PAGA Payment shall be 75% of the NSA. (Haffner Decl. Ex. 1 §3.7.)

9. Release by Plaintiff, the PAGA Members, and the State of California: Upon deposit of the Gross Settlement Amount in the Qualified Settlement Fund, Plaintiff, the PAGA Members, and the State of California release the Released Parties from any and all claims for civil penalties arising from the claims alleged that were alleged or reasonably could have been alleged based on the facts asserted in the PAGA Notice dated May 9, 2022 and/or the operative complaint during the PAGA Period, including any claims for civil penalties arising from Defendant's alleged violations of California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1194, 1194.2, 1197, 1197.1, and 1198 and the corresponding provision under the applicable Industrial Welfare Commission wage order(s) including but not limited to claims for: (1) failing to pay minimum, regular, and overtime wages purportedly due; (2) failing to provide legally compliant meal periods and meal period premiums purportedly due; (3) failing to provide legally compliant rest periods and rest period premiums purportedly due; (4) failing to timely pay all wages purportedly due during employment; (5) failing to timely pay all wages purportedly due upon separation from employment; and (6) failing to provide accurate wage statements (the "Released PAGA Claims"). (Haffner Decl. Ex. 1 §5.1.)

10. Plaintiff's General Release: Plaintiff and her former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors and assigns generally, release and discharge Released Parties from all claims, transactions or occurrences arising out of her employment with Maxim

> Healthcare Staffing Services, Inc. (n/k/a Amergis Healthcare Staffing, Inc.) through the date of executing this Agreement ("Plaintiff's General Release"). Plaintiff's General Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits that arose at any time. Plaintiff acknowledges that she may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's General Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them. Plaintiff represents and warrants that she has not experienced any job-related illness or injury for which she has not already filed a claim. (Haffner Decl. Ex. 1 §5.2.)

B. Notice and Distribution of PAGA Funds

No later than ten (10) calendar days after the Effective Date, Defendant will deliver the PAGA Member Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect PAGA Members' privacy rights, the Administrator must maintain the PAGA Member Data in confidence, use the PAGA Member Data only for purposes of this Settlement and for no other purpose, and restrict access to the PAGA Member Data to Administrator employees only those who need access to the PAGA Member Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the PAGA Member Data omitted employee identifying information and to provide corrected or updated PAGA Member Data as soon as reasonably feasible. (Haffner Decl. Ex. 1 §4.4.)

Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than ten (10) calendar days after the Effective Date. (Haffner Decl.Ex. 1 §4.5.)

Within ten (10) calendar days after Defendant funds the Gross Settlement Amount, the Administrator will distribute the Administration Expenses Payment, PAGA Counsel Fees, PAGA Counsel Costs, and PAGA Representative Payment. (Haffner Decl. Ex. 1 §4.6.)

Mailing of Individual PAGA Payments. Within ten (10) calendar days after Defendant funds the Gross Settlement Amount, the Administrator shall mail the Individual PAGA Payments to all PAGA Members by first-class U.S. mail. Prior to mailing, the Administrator shall perform a National Change of Address (NCOA) search to obtain the best possible address for the PAGA Member. (Haffner Decl. Ex. 1 §4.7.)

The face of each Individual PAGA Payment check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Thereafter, any settlement check to a PAGA Member that is not collected within one hundred eighty (180) days of mailing to the PAGA Members shall be cancelled, and the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the PAGA Member. (Haffner Decl. Ex. 1 §4.7.1.)

IV. ARGUMENT IN FAVOR OF APPROVAL

A. The Proposed PAGA Settlement Should Be Approved

It is well established that PAGA serves to augment the limited enforcement capability of the LWDA by empowering employees to bring actions to enforce California's labor standards. (*Iskanian v. CLS Transportation L.A., LLC* (2014) 59 Cal.4th 348, 383; accord *Arias v. Sup. Ct.* (2009) 46 Cal.4th 969, 986 ["The act's declared purpose is to supplement enforcement actions by public agencies, which lack adequate resources to bring such actions themselves."].) In the similar context of wage and hour class actions, the Courts review settlements to determine whether the proposed settlement is within the range of reasonableness considering the strength of the claims against the proposed settlement, the risk, expense, complexity and likely duration of further litigation, the extent of discovery completed and the stage of the proceedings, and the experience and views of counsel. (*Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801.) Furthermore, courts must give "proper deference to the private consensual decision of the parties" because "the court's intrusion upon what is otherwise a private consensual agreement negotiated between the parties to a lawsuit must be limited to the extent necessary to reach a reasoned judgment that the agreement is not the product of fraud or overreaching by, or collusion between, the negotiating parties, and that the settlement, taken as a whole, is fair, reasonable and adequate to all concerned." (*Hanlon v. Chrysler Corp.* (9th Cir. 1998) 150 F.3d 1011, 1027.)

In this case, the settlement was reached through arms' length bargaining, and sufficient investigation was performed to allow counsel to act intelligently. (Haffner Decl. ¶¶17-30.) As described above, the parties thoroughly investigated and evaluated the factual strengths and weaknesses of this case before reaching the proposed settlement and engaged in sufficient investigation and discovery, to support the settlement. Accordingly, the settlement came only after the case was fully investigated by counsel. This litigation, therefore, had reached the stage where "the Parties certainly have a clear view of the strengths and weaknesses of their cases" sufficient to support the settlement. (*Boyd v. Bechtel Corp.* (N.D. Cal. 1979) 485 F. Supp. 610, 617.)

The settlement negotiations have been at all times adversarial and non-collusive in nature. Indeed, continued good faith but occasionally contentious negotiations were required over several months to ultimately reach a fully-executed settlement agreement. (*Id.*) While Plaintiffs believe in the merits of the case, they also recognize the inherent risks of litigation and understands the benefit of settlement and providing funds immediately as opposed to delaying payment or risking an unfavorable decision on summary adjudication/judgment, at trial and/or the damages awarded, and/or appeal all of which have potential to eliminate any relief. *Id*.

Further, experienced counsel, operating at arms-length, have weighed the strengths of the case and examined all of the issues and risks of litigation and endorse the proposed settlement. The view of the attorneys actively conducting the litigation "is entitled to significant weight" in deciding whether to approve the settlement. (*Fisher Bros. v. Cambridge Lee Industries, Inc.* (E.D. Pa. 1985) 630 F.Supp. 482, 488; *Ellis v. Naval Air Rework Facility* (N.D. Cal. 1980) 87 F.R.D. 15, 18, *affd.* 661 F.2d 939 (9th Cir. 1981); *Boyd,* 485 F.Supp. at 617.) Counsel is experienced in similar litigation and approves the settlement. (Haffner Decl. ¶¶ 31-54.)

There are legal uncertainties associated with cases such as this as they can be factually complex and require protracted litigation to resolve. A settlement is not judged solely against what might have been recovered had plaintiff prevailed at trial, nor does the settlement have to provide 100% of the damages sought to be fair and reasonable. (*Linney v. Cellular Alaska Partnership* (9th Cir. 1998) 151 F. 3d 1234, 1242; *Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 246 & 250; *Rebney v. Wells Fargo Bank* (1990) 220 Cal.App. 3d 1117, 1139.) Instead, "[c]ompromise is inherent and necessary in the settlement process ... 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" (*Wershba*, 91 Cal.App.4th at 250.)

B. The Proposed Settlement Is a Reasonable Compromise of Claims

To evaluate a settlement, the trial court must receive "basic information about the nature and magnitude of the claims in question and the basis for concluding that the consideration being paid for the release of those claims represents a reasonable compromise." (See *Kullar v. Foot Locker*

Retail, Inc. (2008) 168 Cal.App.4th 116, 133.) To assist the Court with determining if the proposed settlement is within a range that is fair, reasonable, and adequate, Plaintiffs' counsel analyzed the value of pleaded allegations. As stated above, the settlement was reached only after exchanging discovery prior and conducting legal analyses of both Plaintiffs' and Defendant's theories.

Based on the informal discovery produced by Defendant, during the period from May 9, 2022, through June 29, 2025, Defendant employed approximately 3,406 Aggrieved Employees over the course of approximately 76,321 work weeks. Based on the data, the realistic exposure for the PAGA claims amounted to approximately **$3,816,050**, assuming that the Court assessed a maximum penalty of $50 per pay period with a proven violation as in *Amaral* (76,321 pay periods X $50 per pay period = $3,816,050.00). (Haffner Decl. ¶26.)

Defendant's Defenses to Plaintiffs' Claims:

With regard to Plaintiff's wage claims, Defendant would likely contend that they properly paid Aggrieved Employees for all overtime, meal period and rest periods. Defendant would argue on the grounds that the Labor Code statutes upon which Plaintiff seeks relief do not apply to Plaintiff because she was directly employed by a public entity – San Joaquin General Hospital. Specifically, the statutes under which Plaintiff brings her PAGA claims for failure to (i) timely pay all wages purportedly due during employment, (ii) pay overtime compensation purportedly due, (iii) provide compliant meal periods, (iv) provide compliant rest periods, and (v) provide accurate wage statements are not applicable to individuals directly employed by public entities. (Haffner Decl. ¶ 21.) Defendant relies on California Supreme Court's opinion that "'***provisions of the Labor Code apply only to employees in the private sector*** unless they are specifically made applicable to public employees.'" (*Stoetzl v. Department of Human Resource*s (2019) 7 Cal.5th 718, 752, quoting *Campbell v. Regents of University of California* (2005) 35 Cal.4th 311, 330, emphasis added; accord Cal. Code Regs., tit. 8, § 11050, subds. (1)(C) [except in circumstances not applicable here, "[t]he provisions of this order shall not apply to any employees directly employed by the State or any political subdivision thereof, including any city, county, or special district"]. Defendant would further argue that, therefore, Plaintiff lacks standing to pursue PAGA action on behalf of aggrieved employees. (*Adolph v. Uber Technologies, Inc.* (2023) 14 Cal.5th 1104, 1123–1124 ["If the arbitrator determines that Adolph is not an aggrieved employee and the court confirms that determination and reduces it to a final judgment, the court would give effect to that finding, and Adolph could no longer prosecute his non-individual claims due to lack of standing."].)

Regarding Plaintiffs' wage statement claims, because they were wholly derivative of the Plaintiffs' primary claims, as explained above, they would fail for the same reasons. (Haffner Decl. ¶ 22.)

Importantly however, a number of courts have found that the "subsequent" penalty under PAGA applies only after a court or the Labor Commissioner determines that the employer has violated the Labor Code. *See Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1209; *accord Amalgamated Transit Union Local 1309 v. Laidlaw Transit Service, Inc*. (S.D. Cal. Aug. 10, 2009) 2009 WL 2448430, at *9 ("[u]nder California law, courts have held that employers are not subject to heightened penalties for subsequent violations unless and until a court or commissioner notifies the employer that it is in violation of the Labor Code"); *Bernstein v. Virgin Am., Inc*., 990 F.3d 1157, 1173 (9th Cir. 2021) (reversing judgment as to "heightened civil penalties" because the defendant was not given notice by the Labor Commissioner when the "subsequent" violations occurred); *Chen v. Morgan Stanley Smith Barney, LLC*, 2014 WL 4961182 (C.D. Cal., October 2, 2014) ("Under the Labor Code, if an employer does not have notice that they are committing a violation, they are not subject to the heightened penalties."); *Trang v. Turbine Engine Components Technologies Corp.*, 2012 WL 6618854 (C.D. Cal. Dec. 19, 2012) ("courts have held that employers are not subject to heightened penalties for subsequent violations unless and until a court or commissioner notifies the employer that it is in violation of the Labor Code"), citing *Amaral v. Cintas Corp. No. 2*, 163 Cal. App. 4th 1157 (2008). When evaluating Defendant's exposure here, Plaintiff's counsel was forced to consider this line of cases.

Applying further significant discounts for the risks associated with the action (including but not limited to, the risk that the Court exercises its discretion to lower the penalties awarded and the risk of losing at trial), this settlement for $1,500,000.00 is well within a reasonable range. (Haffner Decl. ¶ 23.)

Moreover, the proposed Settlement, even with deductions, provides a substantial sum to the Aggrieved Employees. The Settlement secured by Plaintiff here is greater than other PAGA penalty awards approved by California state courts, which often range between $7,500.00 and $15,000.00 for

PAGA claims impacting hundreds or thousands of individuals, resulting in much lower PAGA penalty payments on a per capita basis. *See, e.g., Penaloza v. PPG Industries Inc*., 2013 WL 2917624 at *2 (Super. Ct. L.A. County, May 20, 2013) (approving PAGA penalties of $5,000.00 to class of 667 members); *Cabrera v. Advantage Sale & Marketing, LLC*, 2013 WL 1182822 (Super. Ct. L.A. County, March 12, 2013) (approving PAGA penalties of $10,000.00 for class of approximately 3,000 members). (Haffner Decl. ¶ 24.)

Defendant would likely argue that PAGA penalties would be limited. Defendant could argue that even if Plaintiffs prevailed, the recoverable penalties under PAGA are minimal. Indeed, as assumed above, courts considering the issue have refused to "stack" PAGA penalties. *See Carrington v. Starbucks Corporation* (Cal. Ct. App. Nov. 27, 2018) No. D072392 (published Dec. 19, 2018) (approving PAGA penalty reduction to $5 per pay period); *accord Atempa v. Pedrazzani* (2018) 27 Cal.App.5th 809. Moreover, Defendant would likely argue that Plaintiffs are not entitled to recover PAGA penalties at the subsequent violation rate of $100 per pay period. California's appellate courts have held that "[u]ntil the employer has been notified that it is violating a Labor Code provision (whether or not the commissioner or court chooses to impose penalties), the employer cannot be presumed to be aware [of the violation]" and therefore, until a Court or the Commissioner issues a finding of a violation, the initial $50 violation rate applies for each pay period in which the alleged violation occurred. *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1209; *accord Amalgamated Transit Union Local 1309 v. Laidlaw Transit Service, Inc*. (S.D. Cal. Aug. 10, 2009) 2009 WL 2448430, at *9 ("[u]nder California law, courts have held that employers are not subject to heightened penalties for subsequent violations unless and until a court or commissioner notifies the employer that it is in violation of the Labor Code"). Thus, Defendant could argue that even if Plaintiffs were able to establish any violation of the Labor Code, the PAGA penalties assessed for these violations will be computed at the $50 per pay period rate, as opposed to the $100 per pay period rate at maximum, and there is a possibility that a further reduction of the penalty to $5 per pay period as approved in *Carrington* could apply given Defendant's alleged compliance with the Labor Code as discussed above. (Haffner Decl. ¶ 25).

Plaintiffs understood Defendant's position to be, using the most recent court of appeal decision on the topic of evaluating the value of a PAGA claim (*Carrington v. Starbucks, supra*) (i.e. at $5.00 per pay period X 76,321 pay periods at issue), that it is likely Defendant's maximum exposure on the minimum and overtime wage claims could not exceed **$381,605.00**. Defendant could argue that this Court would use the *Carrington* valuation as a ceiling for assessing PAGA penalties on the remaining primary and derivative claims as well and that this amount (i.e., $381,605.00) was its true "worst case scenario" exposure for **all** claims. As such, the settlement amount of $1,500,000.00 is approximately 39.3% of the realistic exposure scenario of $3,816,050.00 (assuming $50 per pay period) and exceeds the "worst case scenario" exposure by approximately a factor of 4. (Haffner Decl. ¶ 26.)

Finally, public policy strongly favors the settlement of litigation. *Consumer Advocacy Group v. Kintetsu Enterprises of America* (2006) 141 Cal.App.4th 46, 63. Because the proposed Settlement is neither unjust nor ignores the public interest, it should be approved. (Haffner Decl. ¶ 27.)

Practically speaking, if Plaintiffs continued litigating this matter, the Plaintiffs, LWDA, and employees potentially could have received nothing if the Court had agreed with Defendant's position especially in light of the volatility of this area of law and the aforementioned defenses. The settlement is reasonable in light of the risks involved in this case—including the prospect of a potential adverse summary adjudication ruling, defenses to the case, potential appeal, and potential costs which could be forced on our client if Plaintiffs were not successful. (Haffner Decl. ¶ 28.)

Plaintiffs' Counsel is convinced that the proposed settlement is fair based on the negotiations and a detailed knowledge of the issues present in this action. The length and risks associated with a motion for summary adjudication, trial, and other normal perils of litigation have impacted the value of the claims and were all weighed in reaching the proposed settlement. In light of the above, the proposed Settlement is well within the range of reasonableness and should be granted approval. Plaintiffs believe that in providing employees with relief and obtaining penalties for the LWDA, this settlement furthers the purpose of PAGA to enforce compliance with the Labor Code and should be approved. (Haffner Decl. ¶ 29.)

Accordingly, the gross PAGA penalty payment is highly reasonable in light of the risks and uncertainties associated with the PAGA claims in this case. Additionally, the length and risks associated with a motion for summary adjudication, trial, and other normal perils of litigation have impacted the value of the claims and were all weighed in reaching the proposed settlement. The

Settlement commits Defendant to pay a sum large enough to punish Defendant for alleged violations and to deter such alleged conduct in the future. At the same time, in light of the alleged violations and defenses thereto, it is not so large as to be unjust, oppressive or confiscatory. Based upon the foregoing, the proposed settlement is fair, reasonable, and in the best interest of the state of California and the Aggrieved Employees and should be granted approval. (Haffner Decl. ¶ 30.)

V. THE REQUESTED ATTORNEYS' FEES AND COSTS SHOULD BE APPROVED

Counsel seeks $499,950.00, one-third of the Gross Settlement Amount, in fees for the time spent litigating this matter and reimbursement of expenses of $8,000.00 incurred in the prosecution of this action. The request is for fair compensation for undertaking complex, risky, expensive, and time-consuming litigation on a contingent fee basis. (Haffner Decl. Ex 2 ¶ 61).

A. Plaintiffs' Attorneys' Fee Request of One-Third of the Gross Settlement Is Proper Under the Common Fund Doctrine

California state and federal courts have recognized that in actions creating a common fund benefiting others as well as a plaintiff, an appropriate method for determining an award of attorneys' fees is based on a percentage of the total value of benefits provided by the litigation. (*Laffitte v. Robert Half Int'l Inc*. (2016) 1 Cal.5th 480, 497-499, 503-506; *Serrano v. Priest* (1977) 20 Cal.3d 25, 34; *Boeing Co. v. Van Gemert* (1980) 444 U.S. 472, 478; *Vincent v. Hughes Air West, Inc*. (9th Cir. 1977) 577 F.2d 759, 769.) Such "fee spreading" assures that all those benefited by the litigation pay their fair share of obtaining the recovery. (*Lealao v. Beneficial Calif., Inc.* (2000) 82 Cal.App.4th 19, 26.)

In *Laffitte v. Robert Half Int'l Inc*. (2016) 1 Cal.5th 480, a wage and hour class action wherein Counsel obtained a $19 million non-reversionary settlement on behalf of the class, the California Supreme Court approved the use of the percentage of fund or common fund method to award one-third of the settlement amount or $6,333,333.33 to Counsel for attorneys' fees. The Court stated:

> Whatever doubts may have been created by *Serrano III, supra*, 20 Cal.3d 25, [], or the Court of Appeal cases that followed, we clarify today that use of the percentage method to calculate a fee in a common fund case, where the award serves to spread the attorney fee among all the beneficiaries of the fund, does not in itself constitute an abuse of discretion. We join the overwhelming majority of federal and state courts in holding that when class action litigation established a monetary fund for the benefit of the class members, and the trial court in its equitable powers awards Counsel a fee out of that fund, the court may determine the amount of a reasonable fee by choosing an appropriate percentage of the fund created. The recognized advantages of the percentage

> method - including relative ease of calculation, alignment of incentives between counsel and the class, a better approximation of market conditions in a contingency case, and the encouragement it provides counsel to seek an early settlement and avoid unnecessarily prolonging the litigation [] convince us the percentage method is a valuable tool that should not be denied our trial courts.

(*Laffitte,* 1 Cal.5th at 503.) Under the "common fund" doctrine, "a litigant or a lawyer who recovers a common fund for the benefit of persons other than himself or his client is entitled to a reasonable attorney's fee from the fund as a whole." (*Boeing,* 444 U.S. at 478.) The Supreme Court explained: "The doctrine rests on the perception that persons who obtain the benefit of a lawsuit without contributing to its costs are unjustly enriched at the successful litigants' expense. Jurisdiction over the fund involved in the litigation allows a court to prevent this inequity by assessing attorney's fees against the entire fund, thus spreading fees proportionately among those benefitted by the suit." (*Id*.) Thus, the common fund doctrine ensures that each beneficiary of the settlement contributes proportionately to the payment of the attorneys' fees recovered from monetary payments that the prevailing party recovered in the lawsuit. (*Stanton v. Boeing* (9th Cir. 2003) 327 F.3d 938, 967, citing *Wininger v. SI Mgmt. L.P*. (9th Cir. 2002) 301 F.3d 1115.)

In common fund cases, the percentage approach is preferable to the lodestar because: (1) it aligns the interests of Counsel and absent class members; (2) it encourages efficient resolution of the litigation by providing an incentive for early, yet reasonable, settlement; and (3) it reduces the demands on judicial resources. (*Laffitte,* 1 Cal.5th at 486-487; see *Lealao,* 82 Cal.App.4th at 31 n.5 citing *In re Activision Sec. Litig.* (N.D. Cal 1989) 723 F. Supp. 1373, 1375, 1378-79.)

A fee of $499,950.00, which constitutes one-third of the gross settlement, is within the range of reasonableness. (See *Laffitte,* 1 Cal.5th at 503-504 [approving common fund method used for attorneys' request of one-third of settlement].) Historically, courts have awarded percentage fees in the range of 20% to 50%, depending on the circumstances of the case. (*See In re Activision Sec. Litig.*, 723 F. Supp. at 1378.) Because Counsel's requested fee is reasonable and falls well within the historical range of attorney's fee awards under the common fund theory, the Court should approve the requested fees as reasonable pursuant to the common fund approach.

B. Plaintiffs' Fee Request Is Reasonable Under the "Lodestar Plus Multiplier" Method

In a common fund settlement "[t]he lodestar method is merely a cross-check on the reasonableness of a percentage figure." (*Vizcaino v. Microsoft* Corp. (9th Cir. 2002) 290 F.3d 1043, 1050, n.5.) In this case, consideration of Counsel's lodestar as a cross-check to the percentage figure also strongly supports the reasonableness of the requested fee award. The base amount is then adjusted in light of various factors. (*Serrano v. Priest,* 20 Cal.3d at 48.)

Under California law, the Court may award attorneys' fees based on a lodestar plus multiplier approach. Under this approach, the lodestar is calculated by multiplying the reasonable hours expended by a reasonable hourly rate. The court may then enhance the lodestar with a multiplier, if appropriate. See, for example, *Rebney v. Wells Fargo Bank*, (1991) 232 Cal.App.3d 1344, 1347.

Counsel's total lodestar in this case as of the date of this motion is approximately $223,475. (Haffner Decl. ¶ 47.) Counsel's hourly rates are reasonable, Counsel's hours spent are reasonable, and Plaintiffs would even be entitled to a multiplier to account for the successful result in this action and to compensate Plaintiffs and their counsel for the contingent risk inherent in the litigation and for the delay in receiving fees. The breakdown of the hours worked by counsel in this matter is set forth as follows:

Attorney	**Hours**	**Hourly Rate**	**Total**
Joshua H. Haffner	76.7	$900	**$69,030**
Alfredo Torrijos	85.8	$850	**$72,930**
Vahan Mikayelyan	191.8	$425	**$81,515**
Total	**354.3**	N/A	**$223,475**

(*Id.*)

Multipliers as high as 12 have been approved by the California appellate courts. See, for example, *Glendora Community Redevelopment Agency v. Demete* (1984) 155 Cal.App.3d 465 (affirming a 12-times multiplier of counsel's hourly rate and expressly rejecting the argument that the requested fee was exorbitant or unconscionable). Treatises on class actions describe multipliers in the double digits in other California cases. (3 Newberg & Conte, *Newberg on Class Actions*, § 1403, at 14-5 n.21 (multiplier of 10 times the hourly rate awarded) (internal citations omitted).

Here, Class Counsel's total attorneys' fees to date are $223,475.00 (Haffner Decl. ¶ 47.) This represents just over a 3 years of litigation, involving technical issues and complex litigation matters. When compared with the amount of the fee award sought, Class Counsel's request is fully justified under *Serrano*. Based on the quality of the result achieved here, the very substantial contingency litigation risk presented by this class action, class counsel's preclusion of other work (as reflected in the lodestar), and the delay in compensation, all discussed more fully below, a fee multiplier is appropriate. Counsel therefore requests approval of a multiplier of approximately 2.2, which falls well below multiplier amounts Courts have previously approved. *See citations supra; see also Wershba v. Apple Computer* (2001) 91 Cal.App.4th 224, 255. Cal.4th 1084, 1095 (lode star may range from "2 to 4 or even higher."). Thus, Class Counsel seeks a fee amount of $499,950.00.

1. Counsel's Hourly Rates Are Reasonable

The hourly rates of the attorneys stated above are in line with rates approved for attorneys in this region with similar experience. (Haffner Decl. **Exhibits 3-4,** ¶ 56 [2026 Locality Pay Tables for Los Angeles-Long Beach, CA and Laffey Matrix].) A reasonable hourly rate is the prevailing rate charged by attorneys of similar skill and experience in the relevant community. (*PLCM Group, Inc. v. Drexler* (2000) 22 Cal. 4th 1084, 1095.) When determining a reasonable hourly rate, courts may consider factors such as the attorney's skill and experience, the nature of the work performed, the relevant area of expertise and the attorney's customary billing rates. (*Flannery v. California Highway Patrol* (1998) 61 Cal. App. 4th 629, 632.) Class Counsel's skill and experience support their hourly rates. (Haffner Dec. ¶¶ 57-60 [describing Mr. Haffner's, Mr. Torrijos and Mr. Mikayelyan's experience in working on class action and other representative lawsuits].)

Plaintiffs' Counsel's rates are also in line with the respective Laffey Matrix rates. (Haffner Decl. **Exhibit 3** available at http://www.laffeymatrix.com/see.html.) California Courts have applied the Laffey Matrix with adjustments to the specific California locality where the Counsel's office is located based on "Locality Pay Tables." (*Syers Properties III, Inc. v. Rankin* (2014) 226 Cal.App.4th 691, 695-696 [affirming fee award based on Laffey Matrix with upward 9 percent rate adjustment from D.C. area compared to San Francisco Bay Area based on Locality Pay Tables]; *In re HPL Techs., Inc., Secs. Litig.* (N.D. Cal. April 22, 2005, No. C-02-3510 VRW) 365 F.Supp.2d 912, 921-922 [using Laffey Matrix with upward adjustment of 9 percent for San Francisco based on difference between D.C. Area 's +15.98 locality pay compared to San Francisco's +26.39 percent locality pay differential from the federal courts' "Judiciary Salary Plan Pay Tables."].) Here, Plaintiff's Counsel's office is located in Los Angeles County. For 2026, the Locality Pay Tables, state a 36.47% locality payment for the Los Angeles-Long Beach, CA area (Haffner Decl. **<u>Exhibits 3-4</u>** ¶ 56 [2026 Locality Pay Tables for Los Angeles-Long Beach, CA available at https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/26Tables/html/LA.aspx and Laffey Matrix rates]). The 2024/2025 Laffey Matrix states the following relevant rates: $473 for attorneys 1 to 3 years out of law school, $581 for attorneys 4 to 7 years out of school, $839 for attorneys 8 to 10 years out of school, $948 for attorneys 11 to 19 years out of law school and $1,141 for attorneys 20 plus years out of law school.

2. Counsel's Total Hours Are Reasonable

In determining a lodestar, reasonable hours include, in addition to time spent during litigation, the time spent before the action is filed, including time spent interviewing the clients, investigating the facts and the law, and preparing the initial pleadings. (See *New York Gaslight Club, Inc. v. Carey* (1980) 447 U.S. 54, 62.) Further, the fee award should include fees incurred to establish and defend the attorneys' fee claim. (*Serrano v. Unruh* (1982) 32 Cal.3d 621, 639.)

Counsel has spent approximately a combined 354.3 hours on this case. (Haffner Decl. ¶47.) In summary form, counsel's many tasks included the following: pre-filing investigation, legal research, and research of Defendant and its operations; communicating with client regarding their responsibility in bringing the action, the facts of their case, their employment, their work environment, their documents and Defendant's policies and procedures; drafting pleadings and notices; drafting communications with the LWDA; reviewing Plaintiffs' files and determining liability and evaluating claim and defense strengths and weaknesses; legal research of case law and wage orders regarding applicable claims and defenses; propounding and responding to informal discovery; meeting and conferring over directly relevant informal discovery; evaluating Defendant's policies; determining case strategy; communicating with Defendant's Counsel; evaluating data provided in informal discovery; calculating PAGA damages; negotiating settlement and settlement documents; communicating with the administrator and responding to administrator's inquiries; preparing the motion for approval of PAGA and supporting documents. Combining Plaintiffs' counsels' hours and their hourly rates in this case amounts to a total of 354.3 hours, and calculating individual hourly contributions amounts to a total lodestar of $223,475.00. Counsel is seeking an $$499,950.00 award of attorneys' fees in connection with this matter, which is in line with the calculated lodestar value, assuming a reasonable multiplier of 2.2. (Haffner Decl. ¶47.)

C. Counsel's Costs Request Is Reasonable

Plaintiffs' Counsel requests $8,000.00 in total costs in this matter. This amount is reasonable and was incurred in the litigation of this matter. (Haffner Decl. ¶ 61, **Exhibit 2**.) All costs were reasonably incurred in prosecution of the lawsuit and paid on a contingency basis. The majority of the costs were associated with the initial filing fees and mediation fees, and the remainder was reasonably incurred in prosecution of the lawsuit. (*Id.*)

VI. CONCLUSION

The PAGA settlement is fair, adequate, and reasonable. It will result in fair payment considering the risks and defenses; it is non-collusive; and it was achieved as the result of informed, extensive, and arms' length negotiations conducted by counsel for respective parties who are experienced in wage and hour representative litigation. For the foregoing reasons, the parties respectfully request that the Court grant approval of the proposed PAGA Settlement.

Date: January 8, 2026

Respectfully submitted,
HAFFNER LAW PC

By: *<u>/s/ Vahan Mikayelyan</u>*
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And all others similarly situated