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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

LESLIE LEON, on behalf of herself and all others similarly situated, Plaintiff, vs. SMBC MANUBANK, f.k.a. MANUFACTURERS BANK, a California corporation; and DOES 1 through 100, inclusive, Defendants.	Case No. 25STCV00968 **REPRESENTATIVE ACTION** [*Assigned for all purposes to the Hon. William F. Highberger, Dept. SSC-10*] **PLAINTIFF'S NOTICE OF MOTION AND MOTION FOR APPROVAL OF SETTLEMENT OF CLAIMS BROUGHT UNDER THE PRIVATE ATTORNEYS GENERAL ACT AND FOR REASONABLE ATTORNEYS' FEES AND COSTS** Date: September 23, 2026 Time: 11:00 a.m. Dept.: SSC-10 Complaint Filed: January 14, 2025 Trial date: None Set

TO THE HONORABLE COURT, ALL PARTIES, AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on September 23, 2026, 2026 at 11:00 a.m., or as soon thereafter as the matter may be heard in Department SSC-10 of the above-entitled Court, located at 312 N. Spring Street, Los Angeles, California 90012. Plaintiff Leslie Leon ("Plaintiff"), individually and on behalf of the State of California and other Aggrieved Employees, will, and hereby does, move this Court for entry of an Order as follows:

1. Granting approval, pursuant to California Labor Code § 2699(s)(2), of the proposed settlement of claims brought pursuant to the Private Attorneys General Act of 2004 (Cal. Labor Code § 2698, *et seq*.) and as set forth in the Parties' Settlement Agreement, a true and correct copy of which is attached to the Declaration of Tuvia Korobkin filed concurrently herewith;
2. Appointing Phoenix Settlement Administrators ("Phoenix") as the Settlement Administrator;
3. Approving the proposed Explanatory Letter (attached as Exhibit A to the Settlement Agreement), and directing that it be distributed to Aggrieved Employees pursuant to the terms of the Settlement Agreement;
4. Directing the distribution of the Goss Settlement Amount pursuant to the terms of the Settlement Agreement;
5. Approving and confirming payment of PAGA penalties to the LWDA in the amount of $164,202.99 (65% of the Net Settlement Amount) and to Aggrieved Employees in the amount of $88,417.00 (35% of the Net Settlement Amount) as set forth in the Settlement Agreement.
6. Approving an award of attorneys' fees to Plaintiff's counsel of $140,000.00 and an award of litigation costs to Plaintiff's counsel of $19,130.01;
7. Approving an Incentive Award to Plaintiff in the amount of $5,000.00; and
8. Approving $3,250.00 in administration costs to Phoenix.

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This Motion is based on this Notice; the attached Memorandum of Points and Authorities; the declaration of Tuvia Korobkin and all exhibits attached thereto; the declaration of Neil M. Larsen; the declaration of Jodey Lawrence on behalf of Phoenix and all exhibits attached thereto; the declaration of Plaintiff Leslie Leon; the Settlement Agreement; all other pleadings and papers on file in this action; and on any further oral or documentary evidence or argument presented at the time of hearing.

Respectfully submitted,

Dated: June 30, 2026 MARQUEE LAW GROUP, A.P.C.

By: ______________________________

Tuvia Korobkin
Attorneys for Plaintiff

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiff Leslie Leon ("Plaintiff"), an "Aggrieved Employee" under the Private Attorneys General Act of 2004 ("PAGA"), respectfully moves this Court for an Order granting approval of the Settlement Agreement ("Settlement") with Defendant SMBC Manubank f.k.a Manufacturers Bank ("Defendant" or "SMBC").

This PAGA representative settlement resolves Plaintiff's claims for civil penalties predicated on Defendant's alleged failure to pay minimum and overtime wages; failure to provide meal periods; failure to furnish accurate itemized wage statements; failure to reimburse necessary business expenses; failure to maintain accurate records; and failure to timely pay final wages from January 14, 2024 through March 17, 2026 (the "PAGA Period").

The proposed Settlement, under which Defendant has agreed to pay a Gross Settlement Amount ("GSA") of $420,000.00, will resolve Plaintiff's representative claim for civil penalties filed on behalf of the State of California and all "Aggrieved Employees," which consists of all non-exempt employees who worked for SMBC in California at any time during the PAGA Period.

Notably, the relief provided for under the Settlement, and the claims released thereunder, are solely for the payment of *civil penalties* under the PAGA, and not for any underlying Labor Code violations. The release encompasses PAGA civil penalties based upon the alleged violations mentioned above, and only for such claims arising during the PAGA Period.

In deciding whether to grant approval of a PAGA settlement, the primary issue is whether the settlement is fair, reasonable, and adequate. As set forth herein, the proposed Settlement embodies all of the features of a settlement that is fair, reasonable, and adequate, as it: (1) is the product of arm's-length negotiations; (2) was negotiated by attorneys experienced in wage-and-hour issues and PAGA litigation with the assistance of an experienced, neutral mediator; (3) was negotiated after undertaking sufficient informal discovery and investigation to evaluate the relative strength and value of Plaintiff's PAGA claim and Defendant's defenses thereto; and (4) reflects a reasoned compromise based on the relative strength and value of the PAGA claim, as well as the risks, expenses, complexity, and likely duration of further litigation.

As noted above, the Settlement provides for a Gross Settlement Amount of $420,000.00. *See* Settlement, §§ I.7, III 2. After deducting amounts for requested attorneys' fees ($140,000.00), litigation costs ($19,130.01), Plaintiff's Incentive Award ($5,000.00), and administration costs of $3,250.00, the Settlement provides for distribution of a Net Settlement Amount ("NSA") of approximately $252,619.99, to be paid to Aggrieved Employees and the California Labor and Workforce Development Agency ("LWDA"). *See* Settlement, §§ I.7, I.10, III.2-6; Declaration of Tuvia Korobkin ("Korobkin Decl."), ¶¶ 20, 30-37 & Exhibits 1, 6; Declaration of Jodey Lawrence ("Lawrence Decl."), ¶ 16 & Exhibit B.

Pursuant to the requirements of the PAGA codified in Lab. Code § 2699(m), the NSA shall be distributed 65% (approximately $164,202.99) to the LWDA, and 35% (approximately $88,417.00) to Aggrieved Employees, on a *pro rata* basis based on their respective number of pay periods worked for Defendant during the PAGA Period. *See* Settlement, § III.3. There are approximately 120 Aggrieved Employees, resulting in average payments of approximately $736.81 to the Aggrieved Employees. Korobkin Decl., ¶ 20.

This Settlement represents a reasonable recovery for the State of California and Aggrieved Employees, who will receive a monetary benefit in exchange for the release of only civil penalties. And the significant recovery for the LWDA furthers the PAGA's purpose to "remediate present labor law violations, deter future ones, and to maximize enforcement of state labor laws." *Moniz v. Adecco USA, Inc.,* 72 Cal.App.5th 56, 77 (2021). Finally, the amounts requested for attorney fees, litigation costs, and administration costs are fair, adequate, and reasonable.

II. SUMMARY OF THE LITIGATION

A. Brief Factual Background

SMBC owns and operates several bank branches in California. Korobkin Decl., ¶ 11. Plaintiff was employed by SMBC as a non-exempt employee from approximately October 2023 to March 2026. *Id.*; *see also* Declaration of Leslie Leon ("Leon Decl."), ¶ 2.

In this lawsuit, Plaintiff contends that SMBC failed to pay all wages owed, failed to provide meal periods, failed to furnish accurate itemized wage statements, failed to reimburse necessary business expenses, failed to timely pay wages, and failed to maintain accurate records.

B. Procedural History

On January 14, 2025, Plaintiff provided written notice to the LWDA and Defendant of her intent to pursue civil penalties under PAGA for alleged violations of California Labor Code sections 204, 226, 226.7, 510, 512, 558, 1174, 1182.12, 1194, 1194.2, 1197, 1198, 2802, 2804 and California Industrial Commission Wage Order 4. *See* Korobkin Decl., ¶ 12 & Exhibit 2.

On January 14, 2025, Plaintiff filed a Class Action Complaint alleging that Defendant failed to pay overtime wages; failed to pay minimum wages; failed to provide meal periods; failed to furnish accurate itemized wage statements; and failed to reimburse necessary business expenses. *See* Korobkin Decl., ¶ 13. On March 21, 2025, Plaintiff filed a First Amended Class and Representative Action Complaint to add a claim for civil penalties under PAGA. *Id*.

On March 10, 2026, pursuant to the Parties' stipulated request, the Court dismissed Plaintiff's class action claims without prejudice, retaining jurisdiction over Plaintiff's individual claims and PAGA claim. Korobkin Decl., ¶ 14. On April 10, 2026, pursuant to the Parties' stipulation, the Court dismissed Plaintiff's individual claims with prejudice, leaving only Plaintiff's PAGA claims. *Id*.

On May 26, 2026, Plaintiff provided a supplemental notice to the LWDA and Defendant of her intent to pursue civil penalties under PAGA for alleged violations of California Labor Code sections 201-203. Korobkin Decl., ¶ 15 & Exhibit 3.

On June 25, 2026, Plaintiff filed her Second Amended Representative Action Complaint to add a PAGA claim for Defendant's alleged violation of Labor Code sections 201-203. Korobkin Decl., ¶ 16.

C. Pre-Mediation Discovery and Mediation

After Plaintiff filed her original Complaint, counsel for the Parties engaged in substantive discussions about the case, and agreed to attend a private mediation with Steven G. Mehta, Esq. Korobkin Decl., ¶ 17. The Parties additionally agreed that in light of the arbitration agreement signed by Plaintiff in connection with her employment with SMBC that contained a class action waiver, the Parties would seek to resolve Plaintiff's wage claims on a PAGA-only basis. *Id*.

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In connection with mediation, the Parties engaged in informal discovery. SMBC informally produced relevant policies, a 50% sampling of payroll and time records, and other relevant information and documents. Korobkin Decl., ¶ 18. Plaintiff's expert data analyst (Berger Consulting Group) also analyzed the data and records to assess SMBC's potential damages. *Id*.

On December 9, 2025, the Parties participated in a full-day mediation with Mr. Mehta. Korobkin Decl., ¶ 19. At the mediation, the Parties vigorously debated Plaintiff's ability to proceed on a representative PAGA basis, the legal basis for Plaintiff's representative claims and SMBC's defenses, the potential amount of civil penalties that could be recovered, and the data analyses and conclusions based thereon. *Id*. The Parties did not reach a settlement at mediation, but they continued to negotiate with the mediator's assistance over the following months. As a result of those negotiations, the Parties were eventually able to reach a settlement of Plaintiff's PAGA claims, which was finalized and executed in March 2026. *Id*.

III. SUMMARY OF THE SETTLEMENT

A. "Aggrieved Employees" Defined

As noted above, the settlement covers all current and former non-exempt employees who worked for Defendant in California during the PAGA Period, i.e., from January 14, 2024 through March 17, 2026. *See* Settlement, §§ I.2, I.13.

B. Monetary Terms

The Settlement provides for a Gross Settlement Amount of $420,000.00. *See* Settlement, §§ I.7, III.2. After deducting amounts for requested attorneys' fees, litigation costs, Plaintiff's incentive award, and settlement administration costs, the Settlement provides for the remaining Net Settlement Amount ("NSA") to be distributed 65% to the LWDA and 35% to Aggrieved Employees, pursuant to Lab. Code § 2699(m). *Id*. at §§ I.10, III.3. The 35% portion to Aggrieved Employees shall be distributed based on each Aggrieved Employee's proportional number of pay periods worked for Defendant in California during the PAGA Period. *Id*. at § III.3.

1. *Requested Attorneys' Fees, Litigation Costs, and Administration Costs*

Plaintiff's counsel requests one-third of the GSA (i.e., $140,000.00) in attorneys' fees, and $19,130.01 in litigation costs. *See* Settlement, §§ III.4; *see also* Korobkin Decl., ¶¶ 20, 30, 37 & Exhibit 6. As discussed below, one-third of the GSA is fair, adequate, and reasonable as a percentage of the fund and as confirmed by a lodestar cross-check, and is in line with fee awards in other PAGA settlements.

The Parties have agreed to engage Phoenix Settlement Administrators ("Phoenix") as the third-party Settlement Administrator. *See* Settlement, §§ I.17, IV.1. Phoenix will update Aggrieved Employees' addresses using the National Change of Address database, calculate and distribute individual payments, mail payments to all Aggrieved Employees together with the Explanatory Letter, and perform other duties that are integral to the effectuation of the Settlement. *Id.*, §§ IV.1-3. Plaintiff requests that the Court approve $3,250.00 in Administration Costs to Phoenix, which will cover all costs incurred by Phoenix in connection with the Settlement. *Id.* at §§ IV.1-3; *see also* Lawrence Decl., ¶ 16 & Exhibit B.

2. *Payment to the LWDA and Aggrieved Employees*

As noted, the NSA will be distributed 65% to the LWDA and 35% to Aggrieved Employees, pursuant to Labor Code § 2699(m). The NSA is estimated to be $252,619.99, with $164,202.99 paid to LWDA and $88,417.00 to Aggrieved Employees.

3. *Funding of the Settlement*

SMBC will fund the settlement within thirty (30) days of the Effective Date. *See* Settlement, § III.2. Within fifteen (15) Court days after the settlement has been fully funded, and after receiving approval from counsel of the payment calculations, Phoenix will mail the Explanatory Letter and Individual PAGA Payments to Aggrieved Employees. *Id.*, § IV.2(b).

Funds represented by undeliverable checks, or checks remaining uncashed after 180 days, shall escheat to the California State Controller's Office for deposit in the Unclaimed Property Fund, in the name of the Aggrieved Employee. *See* Settlement, § IV.3(c).

IV. LEGAL ARGUMENT

A. Standards for Approval of a PAGA Settlement

The settlement of a PAGA claim requires court approval pursuant to the PAGA statute, which states that the "court shall review and approve any settlement of any civil action filed pursuant to this part." Labor Code § 2699(s)(2). Of course, "[s]ettlement is a compromise, which balances the possible recovery against the risks inherent in litigating further." *In re TD Ameritrade Account Holder Litig.*, 2011 WL 4079226 at *9 (N.D. Cal. Sept. 13, 2011). "[T]he very essence of a settlement is…'a yielding of absolutes and an abandoning of highest hopes,'" as "it is the very uncertainty of outcome in litigation and avoidance of wasteful and expensive litigation that induce consensual settlements." *Officers for Justice v. Civil Service Com.*, 688 F.2d 615, 624 (9th Cir. 1982). As such, "the settlement or fairness hearing is not to be turned into a trial or rehearsal for trial on the merits" or "judged against a hypothetical or speculative measure of what might have been achieved by the negotiators." *Id.*

Although the PAGA statute does not set forth the criteria by which a PAGA settlement is to be judged, it is presumed that a reviewing court may utilize some of the factors for review of a class action settlement. However, "a PAGA claim asserted on a non-class representative basis…is not considered a class action but a law enforcement action, and therefore does not have to meet the requirements of [a class action]." *Casida v. Sears Holdings Corp.*, 2012 WL 253217 at *3 (E.D. Cal. Jan. 26, 2012); *Mendez v. Tween Brands, Inc.*, 2010 WL 2650571 at *4 (E.D. Cal. Jul. 1, 2010) ("PAGA claims are law enforcement actions, not class actions"). A court's review of a PAGA settlement implicates the following unique features that render the approval process distinct from approval of a class action settlement.

First, in evaluating a PAGA settlement, the court is not concerned with amount(s) received by "aggrieved employees," but rather, must focus on the total settlement amount in achieving PAGA's objective. "The remedy sought in a PAGA suit consists of civil penalties, not individual or class damages." *Mendez*, *supra*, 2010 WL 2650571 at *4. "Unlike class actions, these civil penalties are not meant to compensate unnamed employees because the action is fundamentally a law enforcement action." *Ochoa-Hernandez v. Cjaders Foods, Inc.*, No. C-08-2073-MHP, 2010 WL 1340777 at *4 (N.D. Cal. Apr. 2, 2010). As our Supreme Court confirmed, "PAGA claims are 'representative' actions in the sense that they are brought on the state's behalf. The employee… 'represents the same legal right and interest as' those agencies — 'namely, recovery of civil penalties that otherwise would have been assessed and collected by the [LWDA].'" *ZB, N.A. v. Superior Court*, 8 Cal.5th 175, 185 (2019) (citing *Iskanian*, 59 Cal.4th at 380).

Moreover, while "'[a PAGA] action is … designed to protect the public and penalize the employer for past illegal conduct" (*Mendez*, 2010 WL 2650571 at *4), a PAGA settlement – like any settlement – involves a compromise that stops short of rendering findings of liability and damages. "Unlike a class action seeking damages or injunctive relief for injured employees, the purpose of PAGA is to incentivize private parties to recover civil penalties for the government that otherwise may not have been assessed and collected by overburdened state enforcement agencies." *Ochoa-Hernandez,* 2010 WL 1340777 at *4. In short, PAGA's purpose is to "remediate present labor law violations, deter future ones, and to maximize enforcement of state labor laws." *Moniz,* 72 Cal.App.5th at 77.

Second, consistent with the fact that unnamed employees have no property interest in a PAGA claim[1], "[u]nnamed employees need not be given notice of the PAGA claim, nor do they have the ability to opt-out of the representative PAGA claim." *Ochoa-Hernandez*, *supra*, 2010 WL 1340777 at *5; *see also Robinson v. Southern Counties Oil Co.*, 53 Cal.App.5th 476, 482 (2020) (recognizing that "there is no mechanism for opting out of the judgment entered on the PAGA claim."). This renders the approval process of a PAGA settlement distinct from a class action settlement, as the Court need not employ the "two-step approval process" required for class action settlements under Fed. R. Civ. Proc. Rule 23(e) and Cal. Rule of Court 3.769.

Finally, unlike a class action under Fed. R. Civ. Proc. Rule 23(e) or Cal. Rule of Court 3.769, the scope of release in a PAGA action is limited to *civil penalties*. While "judgment in [a PAGA] action is binding not only on the named employee Plaintiffs but also on government agencies and any aggrieved employee not a party to the proceeding," if judgment is entered extinguishing the PAGA claim, "the non-party employees, because they were not given notice of the action or afforded any opportunity to be heard, would not be bound by the judgment as to remedies other than civil penalties." *Arias v. Sup. Ct.*, 46 Cal. 4th 969, 985-87 (2009).

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[1] "The [PAGA] does not create property rights or any other substantive rights" as "[i]t is simply a procedural statute allowing an aggrieved employee to recover civil penalties—for Labor Code violations—that otherwise would be sought by state labor law enforcement agencies." *Amalgamated Transit Union, Local 1756, AFL-CIO v. Sup. Ct.*, 46 Cal.4th 993, 1003 (2009).

1. *Factors in Evaluating a Representative PAGA Settlement*

In deciding whether to approve a proposed settlement, a trial court has broad powers to determine if the proposed settlement is fair under the circumstances of the case. *Mallick v. Sup. Ct.,* 89 Cal.App.3d 434, 438 (1979). In exercising these powers, the overriding concern is to ensure that a proposed settlement is "fair, adequate, and reasonable." *Dunk v. Ford Motor Co.*, 48 Cal.App.4th 1794, 1801 (1996) (internal quotations omitted). Relevant factors for the Court to consider include, but are not limited to:

> [T]he strength of plaintiffs' case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction of the class members to the proposed settlement.

Id. These factors require balancing, are non-exhaustive, and trial courts should tailor the factors to each case and give due regard to "what is otherwise a private consensual agreement between the parties." *Id*. In the context of a PAGA settlement, the third and eighth factors (risk of maintaining class action status and reaction of class members to settlement) are inapplicable.

In addition, courts review the discovery process and information received through it to aid them in assessing whether the parties sufficiently developed the claims and their supporting factual bases before reaching settlement. *Kullar v. Foot Locker Retail, Inc.,* 168 Cal.App.4th 116, 129-31 (2008). Information is sufficient where it allows the parties and the court to form "an understanding of the amount that is in controversy and the realistic range of outcomes of the litigation." *Clark v. Am. Residential Serv. LLC,* 175 Cal.App.4th 785, 801 (2009). This requirement exists so that the parties can provide the court with "a meaningful and substantiated explanation of the manner in which the factual and legal issues have been evaluated." *Kullar*, *supra*, 168 Cal.App.4th at 132.

a. __The Strength of Plaintiff's Case__

Although Plaintiff maintains that her claims are meritorious, Plaintiff acknowledges her claims include real risks and uncertainty. Plaintiff alleges that SMBC failed to pay her and other Aggrieved Employees minimum and overtime wages for all hours worked, as a result of Defendant's time rounding policies. Korobkin Decl., ¶ 21. SMBC argues that it utilized an evenhanded timekeeping system that, on balance, resulted in employees being paid for all hours worked, and that those who were underpaid were only underpaid by a *de minimis* amount. *Id*. Indeed, SMBC asserts that in most pay periods, employees were *over*-paid due to rounding, and that employees were overall over-paid as a result of the rounding practice. *Id*.

Plaintiff also alleges that she and other employees often were not able to take timely 30-minute meal periods, or couldn't take them at all. Korobkin Decl., ¶ 22. For its part, SMBC argues that it maintained legally-compliant meal period practices throughout the PAGA Period, and that under *Brinker* it is only required to "provide" the opportunity to take meal periods, not to "ensure" that breaks are taken. *Id*.; *see also Brinker Rest. Corp. v. Sup. Ct.*, 53 Cal.4th 1004, 1038 (rejecting "ensure" standard). SMBC argues that it always informed employees of their right to take meal periods, and that any failure to take a compliant meal period was the result of employee choice, and not SMBC's policies or practices. SMBC also points to the fact that it paid a significant number of meal period premiums, demonstrating that it takes its meal period obligations seriously and remedies potential violations of which it becomes aware.

Plaintiff also alleges Defendant failed to indemnify her and other Aggrieved Employees for the use of their personal cell phones for work purposes. Specifically, Plaintiff alleges that she and other employees needed to use an "authenticator" application on their personal cell phones in order to log in to their computers each workday. Korobkin Decl., ¶ 23. SMBC counters that employees did not need to use their personal cell phones for this purpose, but even if they did, the nominal use of a personal cell phone for a few seconds each workday would not warrant reimbursement. *Id*. Moreover, SMBC argues, there are procedures in place for employees to request reimbursement of work-related expenses. *Id*. SMBC further argues that reimbursement would be owed only once per employee, or at most once per month, rather than every pay period, and that Plaintiff's estimated exposure was severely inflated. *Id*.

Plaintiff alleges derivative violations of Labor Code §§ 203 and 226 based on the above violations, and Plaintiff also alleges that SMBC directly violated Labor Code § 226, because it failed to include an accurate accounting of regular hours worked in most wage statements furnished to Aggrieved Employees during the PAGA Period. Korobkin Decl., ¶ 24. SMBC argues that its wage statements always accurately reflected the number of hours for which employees were *paid*, which is the purpose of the wage statement statute. *See, e.g., Maldonado v. Epsilon Plastics, Inc.*, 22 Cal.App.5th 1308, 1336-37 (2018) ("The purpose of section 226 is to '*document* the *paid wages* to ensure the employee is fully informed regarding the calculation of those wages.") (citing *Soto v. Motel 6 Operating, L.P.*, 4 Cal.App.5th 385, 392 (2016)). *Id*.

Finally, SMBC argues that even if the Court awarded PAGA penalties for some or all of these alleged Labor Code violations, the Court would substantially reduce the penalties based on the discretionary factors in Labor Code § 2699(e)(2). *See, e.g.*, *Thurman v. Bayshore Transit Mgmt., Inc.*, 203 Cal.App.4th 1112, 1135 (2012) (affirming reduction of PAGA penalties because "defendants took their obligations…seriously and attempted to comply with the law"); *Fleming v. Covidien, Inc.*, No. ED-CV-10-1487-RGK, 2011 WL 7563047 at *4 (C.D. Cal. Aug. 12, 2011) (reducing PAGA penalties by over 82%, in part because employer was "not aware" of violations); *Carrington v. Starbucks Corp.*, 30 Cal.App.5th 504, 529 (2018) (affirming PAGA penalty of just $5 per pay period where employer made "good faith attempts" to comply with the law); *Taduran v. Glidewell*, --- Cal.Rptr.3d ---, 2026 WL 1469486 (published June 17, 2026) (affirming reduction of PAGA penalties by over 99%, from $55.9 million to $515,955).

b. <u>Risk, Expense, Complexity, and Duration of Further Litigation</u>

Although the Parties had engaged in significant informal discovery, the Parties still had much written and deposition discovery to conduct if the case did not settle. Substantive motion work and trial preparation also remained for the Parties, as well as potential appeals. As a result, the Parties would likely incur considerably more attorneys' fees and costs through trial and possible appeal. The Settlement avoids those risks and the accompanying expense.

c. <u>Amount Offered in Settlement Given Realistic Value of Claims</u>

The proposed Settlement provides a fair and reasonable monetary recovery for the State of California and Aggrieved Employees in the face of vigorously disputed claims, when compared with the potential realistic exposure.

Based on Plaintiff's review and analysis of the records and information produced by Defendant, and assuming that Plaintiff would be able to collect penalties on multiple violations per pay period, Plaintiff calculated that the potential *maximum* exposure on Plaintiff's PAGA claims was approximately $1,273,400. After applying reasonable discounts due to the possibility of losing on the merits and of the Court reducing penalties, the *realistic* PAGA exposure was approximately $455,241. Korobkin Decl., ¶¶ 21-25. Thus, the $420,000.00 settlement represents between 33% and 92% of the potential exposure in this case, a favorable result for the State of California and Aggrieved Employees. *Id*.

The Settlement will provide a tangible monetary benefit to Aggrieved Employees and the State of California, while avoiding the risks and costs of continued litigation and trial. In addition, the Settlement furthers the purpose of PAGA. First, it requires SMBC to pay a significant six-figure amount for alleged violations. Second, it acts as a deterrent to SMBC and/or other employers from violating the Labor Code in the future. Finally, it rectifies the alleged violations by providing a monetary recovery for both the State of California and the Aggrieved Employees.

d. Discovery Completed and the Status of Proceedings

Only after the completion of informal discovery and following significant debate and discussion with a third-party mediator regarding the merits and defenses of this case, did the Parties reach the proposed Settlement. Thus, this factor supports settlement approval.

e. The Experience and Views of Counsel

"Parties represented by competent counsel are better positioned than courts to produce a settlement that fairly reflects each party's expected outcome in litigation." *In re Pac. Enter. Sec. Litig.*, 47 F.3d 373, 378 (9th Cir. 1995). Plaintiff is represented by experienced counsel with extensive experience in this field of law, who believe this Settlement to be fair and adequate for all involved. Korobkin Decl., ¶¶ 2-9, 27-28; Larsen Decl., ¶¶ 2-6. This factor strongly supports settlement approval. *Kullar*, 168 Cal.App.4th at 130 ("The court undoubtedly should give considerable weight to the competency and integrity of counsel and the involvement of a neutral mediator in assuring itself that a settlement agreement represents an arm's length transaction entered without self-dealing or other potential misconduct.").

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B. <u>The Requested Attorneys' Fees are Reasonable as a Percentage of the Settlement Fund as Confirmed by a Lodestar Cross-Check</u>

Plaintiff is entitled to attorneys' fees in this PAGA action under Labor Code § 2699(k)(1), which provides that "[a]ny employee who prevails in any [PAGA] action shall be entitled to an award of reasonable attorneys' fees and costs." *See also Gouskos v. Aptos Village Garage, Inc.*, 94 Cal.App.4th 754, 765 (2001) (holding attorneys' fees are mandatory when statute says "shall"); *Graciano v. Robinson Ford Sales*, 144 Cal.App.4th 140, 153 (2006) ("[P]laintiffs may be considered 'prevailing parties' for attorney's fee purposes if they succeed on any significant issue in the litigation that achieves some of the benefit the parties sought in bringing suit.").

A fee award is justified where the legal action has produced its benefits by way of settlement. *See*, *e.g.*, *Westside Comty. for Independent Living, Inc. v. Obledo*, 33 Cal.3d 348, 352-53 (1983); *Serrano v. Priest*, 20 Cal.3d 25, 34 (1977) ("when a number of persons are entitled in common to a specific fund, and an action brought by a plaintiff…for the benefit of all results in the creation or preservation of that fund, such plaintiff…may be awarded attorney's fees out of the fund."); *Serrano v. Unruh*, 32 Cal.3d 621, 627 (1982) (in awarding a fee from the common fund obtained for the benefit of all parties, the trial court acts within its equitable power to prevent the other parties' unjust enrichment).

In calculating reasonable attorneys' fees, courts have recognized the benefits of the "percentage of the fund" method. *See*, *e.g.*, *Rawlings v. Prudential-Bache Properties, Inc.*, 9 F.3d 513, 516 (6th Cir. 1993) (the percentage of the fund method for calculating attorneys' fees more accurately reflects the results achieved for the putative class than the lodestar method and "establishes reasonable expectations on the part of plaintiffs' attorneys as to their expected recovery; and it encourages early settlement, which avoids protracted litigation."); *In re Rite Aid Corp. Sec. Litig.*, 396 F.3d 294, 300 (3d Cir. 2005) ("The percentage-of-recovery method is generally favored in common fund cases because it allows courts to award fees from the fund 'in a manner that rewards counsel for success and penalizes it for failure.'").

In *Laffitte*, our Supreme Court held that trial courts may assess the reasonableness of fee awards with tools such as the "lodestar cross-check," whereby the trial court calculates counsel's lodestar and determines whether the "lodestar multiplier" needed to bring the lodestar on par with the percentage of recovery is reasonable. *Laffitte v. Robert Half Int'l, Inc.*, 1 Cal.5th 480, 503-06 (2016). While a trial court may utilize the lodestar cross-check, it need not do so. *Id*. at 506 ("trial courts have discretion to conduct a lodestar cross-check on a percentage fee, as the court did here; they also retain the discretion to forgo a lodestar cross-check and use other means to evaluate the reasonableness of a requested percentage fee."). Under California law, lodestar multipliers can range "from 2 to 4 or even higher." *Chavez v. Netflix, Inc.*, 162 Cal.App.4th 43, 66 (approving multiplier of approximately 2.5) and n.11 ("Empirical studies show that, regardless whether the percentage method or the lodestar method is used, fee awards in class actions average around one-third of the recovery"); *Coalition for L. County Planning etc. Interest v. Bd. of Supervisors*, 76 Cal.App.3d 241, 251 (1977) (approving 2.04 multiplier).

In class and representative actions, where the value of the benefit conferred "can be monetized with a reasonable degree of certainty," a court may "adjust the lodestar in comparison to a percentage of the common fund to ensure that the fee awarded is reasonable and within the range of fees freely negotiated in the legal marketplace in comparable litigation." *Consumer Privacy Cases*, 175 Cal.App.4th 545, 557 (2009).

In this case, and as represented in the table below, Plaintiff's counsel has a lodestar of approximately $126,972.00, resulting in a modest multiplier of 1.1 compared to the $140,000.00 fee request. Korobkin Decl., ¶ 30. The billing rates used are reasonable in view of the evidence submitted herewith. *Id*., ¶¶ 31-36 & Exhibits 4-5.

Name	**Rate**	**Hours**	**Pre-Multiplier Lodestar**
Tuvia Korobkin (18th Year Attorney)	$925	95.1	$87,967.50
F. Shawn Azizollahi (18th Year Attorney)	$925	15.2	$14,060.00
Neil M. Larsen (16th Year Attorney)	$825	21.3	$17,572.50
Nancy Goodes (5th Year Attorney)	$495	10.6	$5,247.00
Paralegals/Legal Assistants	$250	8.5	$2,125.00
Total Lodestar			**$126,547.00**

In sum, Plaintiff's counsel achieved a significant monetary recovery while bearing the substantial burden of representation on a contingency basis. Counsel expended significant time and resources in litigating this case, which resulted in a favorable result for the State of California, and Aggrieved Employees in the face of significant defenses. Counsel also bore the contingency risk of this litigation for the benefit of the Aggrieved Employees, as well as the State of California (which elected not to take the case after receiving Plaintiff's PAGA notice).

Counsel's prior experience in litigating wage and hour representative actions also supports the reasonableness of the fee request. *See* Korobkin Decl., ¶¶ 2-9, 27-28; Larsen Decl., ¶¶ 2-6. Here, counsel's experience in similar matters was integral in evaluating the strengths and weaknesses of this case and the reasonableness of the Settlement. Because it is reasonable to compensate counsel commensurate with their skill, reputation, and experience, a fee award of one-third of the Gross Settlement Amount is reasonable. Based on the above, Plaintiff respectfully submits that the requested fee award is fair, reasonable and adequate and should be approved.

C. <u>The Requested Litigation Costs and Settlement Administration Costs Are Fair, Reasonable, and Adequate</u>

Plaintiff's request for reimbursement of litigation costs of $19,130.01 is also fair and reasonable. All of Plaintiff's litigation costs were reasonably incurred, or are expected to be reasonably incurred, in connection with this matter. *See* Korobkin Decl., ¶ 37 & Exhibit 6. Moreover, the costs Plaintiff seeks are the types of costs routinely approved by courts. *See*, *e.g.*, *Harris v. Marhoefer*, 24 F.3d 16, 19 (9th Cir. 1994) (in civil rights fee-shifting case, counsel should recover "those out-of-pocket expenses that would normally be charged to a fee paying client"); *In re Immune Response Sec. Litig.*, 497 F.Supp.2d 1166, 1177-78 (S.D. Cal. 2007) (mediation expenses, consultant and expert fees, filing fees, messenger and overnight delivery costs, and other costs are reimbursable).

Likewise, the request for administration costs of $3,250.00 is also fair and reasonable. Phoenix was selected because it is an experienced settlement administrator and returned a reasonable bid. *See* Declaration of Jodey Lawrence & Exhibits. Moreover, Phoenix will perform several important functions that are integral to the implementation of the Settlement. *Id.*

D. <u>The Court Should Approve Plaintiff's Requested Incentive Award Because It Is Fair, Adequate, and Reasonable in View of Plaintiff's Efforts and the Risks She Assumed in This Litigation</u>

Courts routinely approve enhancement awards to compensate named plaintiffs for the services they provide and the risks they incur during representative litigation. *See, e.g., Bell v. Farmers Ins. Exch.*, 115 Cal.App.4th 715, 726 (2004) (upholding "service payments" to named plaintiffs); *Van Vranken v. Atlantic Richfield Co*., 901 F. Supp. 294 (N.D. Cal. 1995) (approving $50,000 incentive payment); *Rodriguez v. West Publishing Co.*, 563 F.3d 948, 958-59 (9th Cir. 2009) (observing incentive awards are "fairly typical" and are awarded to named plaintiffs "…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**") (emphasis added); *see also Bellinghausen v. Tractor Supply Co.*, 306 F.R.D. 245, 268 (N.D. Cal. 2015) (awarding $10,000 incentive award in wage-and-hour class/PAGA action, in addition to a $5,000 payment for the plaintiff's individual general release).

Here, Plaintiff seeks an incentive award of $5,000.00. *See* Settlement, § III.5. Plaintiff believes that this request is reasonable given her efforts in this case and the risks she undertook on behalf of Aggrieved Employees. *See* Leon Decl., ¶¶ 4-6. Plaintiff provided substantial documentation and factual information to Counsel, participated in numerous discussions with Counsel regarding the case and the settlement, and reviewed the settlement agreement and other documents in connection with this case. Furthermore, Plaintiff also undertook the significant reputational risk in being the named plaintiff in a representative action against an employer, and agreed to place her name on a lawsuit that benefitted not just herself, but also the State of California and dozens of Aggrieved Employees. *Id.*; *see, e.g., Deaver v. Compass Bank*, 2015 WL 8526982 at **14-15 (N.D. Cal. Dec. 11, 2015) (approving a $7,500 incentive payment, finding that the award "particularly appropriate in this wage and hour class action, where Plaintiff undertook a significant 'reputational risk' in bringing this action against his former employer").

Accordingly, Plaintiff's requested enhancement payment is appropriate and justified as part of the Settlement.

V. CONCLUSION

For the reasons stated herein, Plaintiff respectfully requests that this Court grant Plaintiff's Motion and adopt the [Proposed] Judgment and Order Granting Settlement Approval.

Respectfully submitted,

Dated: June 30, 2026

MARQUEE LAW GROUP, A.P.C.

By: ____________________

Tuvia Korobkin
Attorneys for Plaintiff