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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

MARICRUZ TORRES, as an individual and on
behalf of all others similarly situated,

Plaintiff,

vs.

COASTAL BUILDING SERVICES, INC., a
California corporation; and DOES 1 through
100, inclusive,

Defendants.

Case No.: 22STCV20308

*[Assigned for All Purposes to Hon. Samantha P.
Jessner, SSC-7]*

**PLAINTIFF'S NOTICE OF MOTION AND
MOTION FOR PRELIMINARY APPROVAL
OF CLASS ACTION SETTLEMENT;
MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT THEREOF**

Date: July 2, 2025
Time: 11:00 a.m.
Dept.: SSC-7

Complaint Filed: June 22, 2022
Trial Date: None Set

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

2 PLEASE TAKE NOTICE that pursuant to Rule 3.769 of the California Rules of Court, on July
3 2, 2025 at 11:00 a.m., in Department SSC-7 of the above-entitled Court, located at 312 N. Spring Street,
4 Los Angeles, California 90012, Plaintiff Maricruz Torres (“Plaintiff”), individually and on behalf of a
5 class of similarly situated individuals, will and hereby does move this Court for:

- 6 1. Preliminary approval of the proposed class settlement of this lawsuit;
7 2. Pursuant to section 382 of the California Code of Civil Procedure, provisional certification
8 of the following Settlement Class defined as follows:

9 All individuals who worked as non-exempt employees of Defendant Coastal
10 Building Services, Inc. in California at any time during the Class Period.

11 The “Class Period” is the period of time starting on June 22, 2018 and ending on
12 the date that the Court enters an order preliminarily approving the Settlement.

- 13 3. Preliminary appointment of Plaintiff Maricruz Torres as Class Representative;
14 4. Preliminary appointment of Scott M. Lidman, Milan Moore, and Tiara Gose-Hardy of
15 Lidman Law, APC and Paul K. Haines of Haines Law Group, APC as Class Counsel;
16 5. The scheduling of a hearing to consider whether the Settlement should be finally approved
17 and to permit an enhancement award to Plaintiff, Settlement Administration costs, civil
18 penalties payable to the California Labor Workforce Development Agency, and attorneys’
19 fees and costs to Class Counsel;
20 6. Appointment of Phoenix Class Action Administration Solutions as the third-party Settlement
21 Administrator for mailing notices; and
22 7. Approval of the proposed Notice of Class Action Settlement and Hearing Date for Final
23 Court Approval which is attached to the Settlement as Exhibit A and an order that it be
24 disseminated to the proposed Settlement Class Members as provided in the Settlement
25 Agreement.

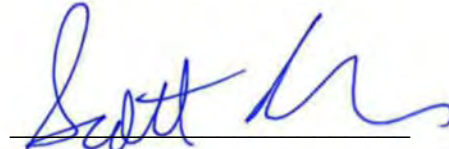
26 This Motion is based on this notice of motion, the memorandum of points and authorities, the
27 declarations of Scott M. Lidman, Milan Moore, Tiara Gose-Hardy, Paul K. Haines, Plaintiff Maricruz
28 Torres, and Jodey Lawrence of Phoenix Class Action Administration Solutions, and the exhibits

1 attached thereto, the pleadings and other papers filed in this action, and on any further oral or
2 documentary evidence or argument presented at the time of hearing.

3
4 Dated: April 24, 2025

Respectfully submitted,
LIDMAN LAW, APC

5
6
7 By:



Scott M. Lidman
Attorney for Plaintiff
MARICRUZ TORRES

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Plaintiff Maricruz Torres (“Plaintiff”) brought this class and representative action against
4 Defendant Coastal Building Services, Inc. (“Defendant”) alleging various wage and hour and related
5 violations. Plaintiff’s primary allegations are that Defendant: (1) failed to pay all overtime wages owed;
6 (2) failed to reimburse necessary business expenses; (3) failed to provide accurate, itemized wage
7 statements; (4) failed to timely pay all wages upon termination; (5) engaged in unfair competition; and
8 (6) is liable for civil penalties under the Private Attorneys General Act of 2004 (“PAGA”).

9 Plaintiff now respectfully requests that this Court preliminarily approve this non-reversionary,
10 class action settlement,¹ in which Defendant has agreed to pay a total settlement amount of Four
11 Hundred Sixty-Nine Thousand Dollars and Zero Cents (\$469,000.00) on behalf of the following
12 Settlement Class:

13 All individuals who worked as non-exempt employees of Defendant Coastal
14 Building Services, Inc. in California at any time during the Class Period.

15 The “Class Period” is the period of time starting on June 22, 2018 and ending on
16 the date that the Court enters an order preliminarily approving the Settlement.

17 Significantly, Settlement Class Members do not need to file a claim to benefit from the
18 Settlement because all Settlement Class Members will automatically receive a payment unless they
19 affirmatively opt-out.

20 Thus, after deducting administration costs, Plaintiff’s service award, attorneys’ fees and costs,
21 and payment of PAGA penalties to the California Labor and Workforce Development Agency
22 (“LWDA”), the remaining Net Settlement Amount (“NSA”) of approximately \$240,166.67 will be paid
23 to all Settlement Class Members who do not timely opt out. There are approximately 450 Settlement
24 Class members, rendering the average payment to participating Settlement Class members to be
25 approximately \$533.70 as a direct result of this litigation.

26
27 ¹ The Class Action and PAGA Settlement Agreement and Class Notice (“Settlement”) is attached to the
28 Declaration of Scott M. Lidman as Exhibit 2. The proposed Notice of Class Action Settlement and
Hearing Date for Final Court Approval is attached to the Settlement as Exhibit A. All defined terms in
this motion have the same definitions as used in the Settlement.

1 This proposed Settlement is well-within the range of possible approval in light of the significant
2 legal and factual obstacles that Plaintiff faced, the risks and costs of further litigation, and the tangible
3 monetary benefits to be received by the Settlement Class. For the reasons discussed herein, Plaintiff
4 respectfully requests that the Court grant preliminary approval of the Settlement.

5 **II. SUMMARY OF THE LITIGATION**

6 **A. THE PARTIES**

7 Defendant does business by offering cleaning services. See Declaration of Scott M. Lidman
8 (“Lidman Decl.”), ¶ 10. Plaintiff was employed by Defendant as a non-exempt employee from
9 approximately December 2020 through approximately April 1, 2022. See Declaration of Maricruz
10 Torres (“Torres Decl.”), ¶ 2. During her employment, Plaintiff held the position of Cleaner and was
11 responsible for disinfecting warehouse equipment and routine cleaning of clients’ facilities. *Id.*

12 **B. BRIEF PROCEDURAL HISTORY**

13 On June 22, 2022, Plaintiff filed a putative class action complaint against Defendant in Los
14 Angeles County Superior Court. Lidman Decl., ¶ 10. On June 22, 2022, Plaintiff submitted a letter to
15 the California Labor & Workforce Development Agency (“LWDA”) and Defendant advising of her
16 intention of filing a PAGA claim based on the Labor Code violations alleged in her operative complaint.
17 *Id.*, **Exhibit 1**. On October 14, 2022, Plaintiff filed a First Amended Class Action and Representative
18 Complaint. *Id.* The primary allegations are that Defendant: (1) failed to pay all overtime wages owed;
19 (2) failed to reimburse necessary business expenses; (3) failed to provide accurate, itemized wage
20 statements; (4) failed to timely pay all wages upon termination; (5) engaged in unfair competition; and
21 (6) is liable for civil penalties under the Private Attorneys General Act of 2004 (“PAGA”). *Id.*

22 Plaintiff will serve the instant Motion and proposed Settlement Agreement on the LWDA on the
23 same date she files this Motion and will submit a supplemental declaration to the Court evidencing the
24 submission. Lidman Decl., ¶ 34.

25 **III. DUNK/KULLAR ANALYSIS**

26 Settlement is the preferred means of dispute resolution, particularly in complex class action
27 litigation. See *In re Syncor ERISA Litig.* (9th Cir. 2008) 516 F.3d 1095, 1101. The Court’s role in
28 evaluating a proposed settlement is limited to ensuring that the agreement taken as a whole is fair. See
e.g., Hanlon, supra, 150 F.3d at 1027. There is an initial presumption of fairness where, as here, the

1 Settlement agreement was negotiated at arm's-length by class counsel and with the assistance of an
2 experienced wage and hour class action mediator. *See e.g. Kullar v. Foot Locker Retail, Inc.* (2008)
3 168 Cal.App.4th 116, 130.

4 **A. FORMAL AND INFORMAL DISCOVERY**

5 In the instant action, the Parties have engaged in both formal and informal discovery. Lidman
6 Decl., ¶ 11. On November 11, 2022, Plaintiff served the following written discovery on Defendant:
7 Form Interrogatories - General (Set One), Form Interrogatories – Employment Law (Set One); Special
8 Interrogatories (Set One); Special Interrogatories (Set Two); and Requests for Production of Documents
9 (Set One). *Id.* On January 27, 2023, Defendant served its responses and objections to Plaintiff's
10 discovery requests and responsive documents, which included timekeeping and pay records for the
11 putative class. *Id.* On March 14, 2024, Plaintiff took the deposition of Defendant's Person Most
12 Knowledgeable. *Id.*

13 The *Belaire-West* notice process was completed and the contact information for the putative
14 class members who did not opt out was provided on May 17, 2023. Lidman Decl., ¶ 11.

15 After agreeing to participate in private mediation, Defendant informally produced a sampling of
16 timekeeping and pay records for the putative class. Lidman Decl., ¶ 12. After a detailed review of the
17 discovery responses and responsive documents, Class Counsel drew on their extensive experience in
18 similar cases to assess the strengths and weaknesses of Plaintiff's case. *Id.* The formal and informal
19 discovery allowed the parties to assess the merits and value of Plaintiff's claims and Defendant's
20 defenses thereto, if a settlement could not be reached. *Id.*

21 **B. ARMS-LENGTH NEGOTIATIONS**

22 On December 3, 2024, after extensive research and analysis, the Parties participated in a private
23 mediation with Henry J. Bongiovi, a well-respected wage and hour class action mediator. Lidman Decl.,
24 ¶ 13. During mediation, the parties vigorously debated their opposing legal positions, the likelihood of
25 certification of Plaintiff's claims, the legal basis for the claims and defenses, and Defendant's financial
26 condition and ability to pay a class-wide settlement. *Id.* The Parties ended mediation early and set
27 another date to recommence to allow time to review Defendant's financial documents. *Id.*

28 On February 6, 2024, mediation recommenced and, via a mediator's proposal, the parties agreed
in principle on a class-wide resolution. Lidman Decl., ¶ 14. In the weeks that followed, the parties

1 finalized the terms of settlement and executed the Class Action and PAGA Settlement Agreement and
2 Class Notice (“Settlement”). *Id.*

3 **C. THE EXPERIENCE AND VIEWS OF COUNSEL**

4 “Parties represented by competent counsel are better positioned than courts to produce a
5 settlement that fairly reflects each party’s expected outcome in litigation.” *In re Pacific Enterprises*
6 *Securities Litigation* (9th Cir. 1995) 47 F.3d 373, 378. Here, Plaintiff is represented by competent,
7 experienced counsel who possess extensive experience prosecuting and defending wage-and-hour class
8 actions, and who have been appointed as class counsel in numerous cases alleging similar claims. *See*
9 *Lidman Decl.*, ¶¶ 2-8; Declaration of Milan Moore (“Moore Decl.”), ¶¶ 2-5; Declaration of Tiara Gose-
10 Hardy (“Gose-Hardy Decl.”), ¶¶ 2-3; Declaration of Paul K. Haines (“Haines Decl.”), ¶¶ 2-8. Class
11 Counsel conducted an in-depth review of the produced timekeeping and pay records, and drew on their
12 extensive experience in similar cases to assess the strengths and weaknesses of Plaintiff’s case. *Lidman*
13 *Decl.*, ¶ 12. The Settlement was also reached with the assistance of an experienced and respected wage
14 and hour class action mediator. *Lidman Decl.*, ¶¶ 13-14. This factor strongly supports preliminary
15 approval of the Settlement. *See Kullar, supra*, 168 Cal.App.4th at 130.

16 **D. AMOUNT OFFERED IN SETTLEMENT GIVEN REALISTIC VALUE OF CLAIMS**

17 The Settlement provides a fair and reasonable monetary recovery for the Settlement Class in
18 the face of disputed claims. Plaintiff’s analysis of the maximum and realistic expected recoveries for
19 each of the theories of liability pled is set forth below:

20 Defendant Failed to Pay for All Overtime Hours Worked: Plaintiff alleges that she and
21 Settlement Class Members were not fully compensated for all of their overtime worked. *Lidman Decl.*,
22 ¶ 18. Specifically, Plaintiff alleges Defendant miscalculated overtime hours and did not pay all
23 overtime hours at 1.5 times the regular rate of pay. *Id.* As such, the employees were routinely underpaid
24 for their time worked. *Id.* Accordingly, Plaintiff estimated that 30 hours per week were not paid at one
25 and one-half times the regular rate of pay and Defendant’s exposure is at least \$4,166,640.00 (17,361
26 workweeks x 30 overtime hours per week x \$8.00 [one-half the average hourly rate]). *Id.*

27 Defendant contends that it later compensated Settlement Class Members for their overtime
28 worked, and otherwise significantly over estimated the total number of alleged unpaid overtime hours.

Lidman Decl., ¶ 19. Defendant also asserts that Plaintiff would be unable to certify an overtime class given the individualized inquiries that would be required. *Id.* In light of these defenses, Plaintiff discounted the maximum exposure by 55% for the risk of non-certification, and an additional 60% to account for Defendants’ defenses on the merits, to arrive at an estimated exposure of \$745,995.20. *Id.*

Defendant Failed to Reimburse for Business Expenses: Plaintiff alleges that Defendant failed to reimburse her and Settlement Class Members for all necessary business expenses incurred. Lidman Decl., ¶ 20. Specifically, Defendant required Plaintiff and Settlement Class Members to use their personal cellular phones for work-related purposes but did not reimburse the Settlement Class Members for such usage. *Id.* Despite knowing that Settlement Class Members had incurred necessary business expenses to communicate with team members and submit documents, Defendant failed to reimburse putative class members in violation of Labor Code § 2802. *Id.* Therefore, Plaintiff calculated Defendant’s maximum exposure for unreimbursed business expenses at approximately \$217,012.50 (\$12.50/workweek x 417,361 workweeks). *Id.*

Defendant contends that reimbursing non-exempt employees \$50 a month for the use of their personal cellular phone, as Plaintiff has valued the claim, is unusually high and unreasonable. Lidman Decl., ¶ 21. Defendant also argues that this claim is not suitable for class treatment because it would require individualized determinations as to how often each employee used a personal cellular phone and how much of that use was a reasonable percentage of their individual monthly expenses. *Id.* As such, Plaintiff discounted the calculated exposure by 30% for a risk of non-certification and an additional 65% for a risk of being unsuccessful on the merits, to arrive at an estimated total of \$53,168.06. *Id.*

Defendant Issued Inaccurate Itemized Wage Statements: Plaintiff alleges that Defendant issued inaccurate wage statements in violation of Labor Code § 226 as a result of the alleged unpaid overtime wages described above. Lidman Decl., ¶ 22. Plaintiff’s data analysis reflected that there were approximately 10,039 wage statements issued during the relevant time period. *Id.* Therefore, Plaintiff calculated Defendant’s maximum exposure for wage statement violations at approximately \$981,400.00 ((\$50 initial violation x 450 class members + (\$100 subsequent violation x 9,589)). *Id.*

Defendant argues that its alleged wage statement violations could not be shown to be “knowing and intentional,” and that Plaintiff cannot show that she or any other employee “suffer[ed] injury” as a

1 result of the alleged wage statement violations, as required by Lab. Code § 226(e) for imposition of
2 penalties. Lidman Decl., ¶ 23. As such, Plaintiff discounted the calculated exposure by 30% for a risk
3 of non-certification and an additional 45% for a risk of being unsuccessful on the merits, to arrive at an
4 estimated total of \$377,839.00. *Id.*

5 Defendant Is Subject to Waiting Time Penalties: Plaintiff alleges that as a result of failing to pay
6 all wages owed at the end of employment, Defendant is liable for waiting time penalties under Labor
7 Code § 203. Lidman Decl., ¶ 24. There are 307 former employees and as such, Plaintiff calculated
8 Defendant’s maximum exposure for waiting time penalties to be approximately \$1,178,880.00. *Id.*

9 Defendant asserts it has strong defenses to the waiting time claim because there exist good-faith
10 disputes as to Plaintiff’s underlying claims, precluding imposition of penalties. Lidman Decl., ¶ 25; *See*
11 *also* 8 Cal. Code Regs. § 13520 (a “good faith dispute that any wages are due will preclude imposition
12 of waiting time penalties”); *Kao v. Joy Holiday*, 12 Cal.App.5th 947, 963 (2017) (holding that “good
13 faith dispute” over whether employee was exempt precluded imposition of waiting time penalties over
14 contested wages owed). As such, Plaintiff discounted the calculated exposure by 45% for a risk of non-
15 certification and an additional 40% for a risk of being unsuccessful on the merits, to arrive at an estimated
16 total of \$389,030.40. *Id.*

17 Defendant Is Liable for PAGA Civil Penalties: Plaintiff also seeks civil penalties under the
18 PAGA as a result of the foregoing alleged Labor Code violations. Lidman Decl., ¶ 26. Plaintiff
19 calculated Defendant’s maximum exposure at \$1,003,900. *Id.*; *see Amaral v. Cintas Corp. No. 2* (2008)
20 163 Cal.App.4th 1157, 1207 (finding “initial” violation rate applies until employer is notified that it is
21 violating a Labor Code provision).

22 Defendant argues that Plaintiff’s PAGA claim will fail for the same reasons that her underlying
23 claims will fail. Lidman Decl., ¶ 27; *see Price v. Starbucks Corp.* (2011) 192 Cal.App.4th 1136, 1147
24 (“Because the underlying causes of action fail, the derivative UCL and PAGA claims also fail.”).
25 Defendant also maintains that, given its good faith defenses, this Court would exercise its discretion to
26 substantially reduce any PAGA penalties if it were to find Defendant liable for any of Plaintiff’s claims.
27 Lidman Decl., ¶ 27; *See* Lab. Code § 2699(e)(2); *Thurman v. Bayshore Transit Mgmt., Inc.* (2012) 203
28 Cal.App.4th 1112, 1135 (affirming reduction of PAGA penalties); *Fleming v. Covidien Inc.* (C.D. Cal.

2011) Case No. ED CV10-01487 RGK (OPx), 2011 WL 7563047, at *4 (reducing PAGA penalties from \$2.8 million to \$500,000). Therefore, Plaintiff discounted the maximum exposure figure by 50% for a risk of being unsuccessful on the merits, and an additional 75% to account for the possibility of this Court reducing penalties, to arrive at an estimated exposure of \$125,487.50. Lidman Decl., ¶ 27.

E. THE SETTLEMENT IS WITHIN THE RANGE OF POSSIBLE APPROVAL

Using these estimated figures for each of the claims described above, Plaintiff predicted the realistic total recovery for the Settlement Class would be approximately \$1,695,520.16. Lidman Decl., ¶ 28. The proposed settlement of \$469,000.00 therefore represents approximately 27.6% of the reasonably forecasted recovery for the Settlement Class. *Id.* Preliminary approval is appropriate, as the settlement will provide tangible monetary relief to Settlement Class members and will still provide an average recovery to Settlement Class members of over \$530. *Id.*

The proposed settlement reflects approximately 27.6% of the estimated recovery the Settlement Class could reasonably expect in light of the significant litigation risks and Defendant's financial condition, and will provide tangible monetary compensation for hotly disputed claims. Indeed, the percentage of the liability exposure recovered in this case is within the percentage range routinely approved by courts. *See, e.g., Glass v. UBS Finan. Servs.* (N.D. Cal. 2007) Case No. C-06-4068 MMC, 2007 WL 221862, *4 (approving settlement representing 25% to 35% of potential damages); *Dunleavy v. Nadler* (9th Cir. 2000) 213 F.3d 454, 459 (approving settlement representing about one-sixth of potential recovery); *Nat'l Rural Telecomm. Coop. v. DirecTV, Inc.* (C.D. Cal. 2004) 221 F.R.D. 523, 527 ("it is well-settled law that a proposed settlement may be acceptable even though it amounts to only a fraction of the potential recovery that might be available to the Settlement Class members at trial"). Thus, Plaintiff submits that the proposed settlement is within the range of possible approval, such that notice should be provided to the Settlement Class so that they can consider the Settlement. The Court will have the opportunity to again assess the reasonableness of the Settlement after the Settlement Class has had the opportunity to opt-out or object.

1 **F. RISK, EXPENSES, COMPLEXITY, AND DURATION OF FURTHER**
2 **LITIGATION**

3 Although the parties engaged in formal discovery, the parties still had significant formal
4 discovery to complete in litigation had the matter not settled. Lidman Decl., ¶ 33. Moreover, Plaintiff
5 still had to file for class certification and faced the prospect of appeals in the wake of a disputed class
6 certification ruling for Plaintiff and/or an adverse summary judgment ruling. *Id.* Even if the classes
7 sought to be certified by Plaintiff were in fact certified, the parties would incur considerably more
8 attorneys’ fees and costs through a possible decertification motion, trial, and possible appeal. *Id.* This
9 Settlement avoids those risks and the accompanying expense. Thus, this factor supports preliminary
10 approval.

11 **G. RISK OF MAINTAINING CLASS ACTION STATUS**

12 Plaintiff had not yet filed her motion for class certification and as such, the extent to which
13 Plaintiff’s proposed classes were certifiable is somewhat speculative. Absent settlement, there was a
14 risk that there would not be a certified class at the time of trial.

15 **IV. CLASS CERTIFICATION FOR SETTLEMENT PURPOSES**

16 California Rule of Court 3.769 conditions settlement of a class action on court approval, which
17 is generally evaluated under the federal standards applicable under Rule 23 of the Federal Rules of
18 Civil Procedure. *See Reed v. United Teachers Los Angeles* (2012) 208 Cal.App.4th 322 requires trial
19 court to determine “that the settlement is fair, reasonable and adequate to all concerned”); *Hanlon v.*
20 *Chrysler Corp.* (9th Cir. 1998) 150 F.3d 1011, 1026 requires the trial court to determine “whether a
21 proposed settlement is fundamentally fair, adequate, and reasonable”).

22 As further explained below, the Settlement Class satisfies the criteria for certification of a
23 settlement class under California law because: (1) the Settlement Class is so numerous that joinder
24 would be impractical; (2) common questions of law and fact predominate over individual questions
25 such that class certification is the most efficient and desirable way to maintain this litigation; (3)
26 Plaintiff’s claims are typical of the claims of absent Settlement Class members; and (4) Plaintiff and
27 her counsel will fairly and adequately represent Settlement Class members’ interest. *See* Cal. Civ. Proc.
28 § 382.

//

1 **A. NUMEROSITY IS SATISFIED.**

2 Here, the proposed Settlement Class consists of approximately 450 members and is therefore
3 sufficiently numerous as to make joinder impracticable. *See* Lidman Decl., ¶ 16; *See, e.g., Bowles v.*
4 *Sup. Ct.* (1955) 44 Cal.2d 574 (holding a class representing 10 beneficiaries of a trust sufficiently
5 numerous). Thus, numerosity is satisfied.

6 Further, a class is “ascertainable” where the members “may be readily identified without
7 unreasonable expense or time by reference to official [or business] records.” *See Sevidal v. Target*
8 *Corp.* (2010) 189 Cal.App.4th 905, 916 (alterations in original). Here, the proposed Settlement Class
9 is defined as “all individuals who worked as non-exempt employees of Defendant Coastal Building
10 Servies, Inc. in California during the Class Period...[The] ‘Class Period’ means the period of time
11 starting on June 22, 2018 and ending on the date that the Court preliminarily approves the Settlement.”
Lidman Decl., ¶ 16.

12 **B. COMMONALITY IS SATISFIED.**

13 The focus in a certification dispute is not the merits, but rather on what types of questions,
14 “common or individual,” are likely to arise in the action. *See Sav-On Drug Store, Inc. v. Superior*
15 *Court (Rocher)* (2004) 34 Cal.4th 319, 327.

16 Here, Settlement Class members’ claims arise from Defendant’s common, uniform policies and
17 practices that applied to Settlement Class members during the class period. Lidman Decl., ¶ 17.
18 Specifically, Plaintiff alleged that Defendant’s common and uniform policies and practices resulted in
19 the following violations: (1) failure to pay all overtime wages owed; (2) failure to reimburse necessary
20 business expenses; (3) failure to provide accurate, itemized wage statements; (4) failure to pay all
21 wages owed upon termination; (5) engagement in unfair competition; and (6) liability for civil penalties
22 under the PAGA. *Id.* As a result of the common and uniform policies and practices that applied to all
23 Settlement Class members, their claims involve common questions of law and fact, including but not
limited to:

- 24 1. Whether Defendants paid all overtime wages owed;
25 2. Whether Defendants reimbursed necessary business expenditures;
26 3. Whether Defendants failed to furnish accurate, itemized wage statements;
27 4. Whether Defendants failed to pay all wages owed upon termination; and
28 5. Whether Defendants’ conduct constituted unlawful and/or unfair business practices.

1 These alleged practices result in common questions as to the affected Settlement Class
2 members. See e.g., *Benton v. Telecom Network Specialists, Inc.* (2013) 220 Cal.App.4th 701, 726.

3 **C. TYPICALITY IS SATISFIED.**

4 The typicality requirement is satisfied where class representatives have claims that are typical
5 of those of the rest of the class. *B.W.I. Custom Kitchen v. Owens-Illinois, Inc.* (1987) 191 Cal.App.3d
6 1341, 1347 (finding typicality satisfied where named Plaintiff purchased the same goods as the putative
7 class in a consumer class action).

8 Here, Plaintiff's claims are typical of those held by the members of the proposed Settlement
9 Class. First, Plaintiff was employed by Defendant during the Class Period as a non-exempt employee
10 and was subject to Defendant's wage and hour policies at issue in this case. Torres Decl., ¶ 2. Second,
11 Plaintiff was allegedly injured by the same challenged policies that allegedly injured the Settlement
12 Class as a whole. For example, Plaintiff asserts that she was not paid all overtime wages, was not
13 reimbursed for necessary business expenses, and received inaccurate itemized wage statements (similar
14 to those received by the Settlement Class members). Torres Decl., ¶¶ 3-6. Given that Defendant's
15 policies and practices applied to all non-exempt employees, Settlement Class members possess a
16 similar interest and have suffered similar alleged injuries as Plaintiff. Accordingly, because Plaintiff's
17 claims and those of the Settlement Class all arise from the same conduct, typicality is satisfied.

18 **D. ADEQUACY IS SATISFIED.**

19 The adequacy requirement examines conflicts of interest between named parties and the
20 class(es) they seek to represent. *Capital People First v. State Dept. of Developmental Services* 155
(2007) Cal.App.4th 676, 697.

21 Here, there are no apparent conflicts of interest between Plaintiff and the Settlement Class she
22 seeks to represent. Lidman Decl., ¶ 32; Torres Decl., ¶ 13. Indeed, Plaintiff's interests are aligned with
23 those of the Settlement Class members, as they all seek monetary relief under the same facts and legal
24 theories. Additionally, Class Counsel does not have any conflict of interest with the Settlement Class.
25 Lidman Decl., ¶ 32; See *McGhee v. Bank of America* (1976) 60 Cal.App.3d 442, 450-51 (adequacy
26 satisfied where there was no indication that Class Counsel were not qualified and the named plaintiff
27 had no interests antagonistic to those of the proposed class). Further, Class Counsel also have extensive
28

experience in wage and hour class action litigation and have vigorously litigated this case. *See* Lidman Decl., ¶¶2-8; Moore Decl., ¶¶ 2-5; Gose-Hardy Decl., ¶¶ 2-3; Haines Decl., ¶¶ 2-8.

V. SETTLEMENT AGREEMENT

A. THE BASICS

1. Class Definition

The proposed Settlement Class is defined as “all individuals who worked as non-exempt employees of Defendant Coastal Building Services, Inc. in California at any time during the Class Period.” Settlement, ¶ 1.5.

The proposed PAGA Aggrieved Employee group is defined as “all individuals who worked as non-exempt employees of Defendant Coastal Building Services, Inc. in California at any time during the PAGA Period.” Settlement, ¶ 1.4.

2. Class and Release Period

For purposes of this Settlement Agreement, the “Class Period” shall mean the period of time starting on June 22, 2018 and ending on the date that the Court preliminarily approves the Settlement. Settlement, ¶ 1.12.

Additionally, for purposes of this Settlement Agreement, the “PAGA Period” shall mean the time period starting on June 22, 2021 through the date that the Court preliminarily approves the Settlement. Settlement, ¶ 1.31.

B. RELEASE OF CLAIMS

1. Scope

All Participating Class Members release Defendant and all of its present and former parent companies, subsidiaries, affiliates, and joint ventures, and all of their owners, officers, managers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors and assigns, and any persons acting by, through, under, or in concert with any of them (“Released Parties”) from all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and/or ascertained in the course of the Action and which occurred during the Class Period. The claims released include, without limitation: (1) failure to pay all overtime wages owed; (2) failure to reimburse necessary business expenses; (3) failure to provide accurate, itemized wage statements; (4) failure to timely pay all wages upon termination; and (5) unfair business practices

1 in violation of Business and Professions Code section 17200, *et seq.* premised on the above claims; and
2 violation of or liability under California Labor Code under sections 201-204, 226 *et seq.*, 510, 558,
3 1194, 1198, 2802, the relevant Wage Orders issued by the Industrial Welfare Commission, and any and
4 all related claims for attorneys' fees and costs. Settlement, ¶ 5.2.

5 Further, all Aggrieved Employees release the Released Parties from all claims for PAGA
6 penalties that were alleged, or reasonably could have been alleged, based on the tracts stated in the
7 operative First amended Complaint and/or the PAGA Notice and/or ascertained in the course of the
8 Action and which occurred during the PAGA Period. The claims released include, without limitation:
9 (1) failure to pay all overtime compensation earned; (2) failure to reimburse for all necessary
10 expenditures incurred; (3) failure to furnish accurate and compliant itemized wage statements; (4)
11 failure to pay all earned wages at least twice during each calendar month; (5) failure to maintain accurate
12 records; (6) failure to timely pay all final wages due; and (7) any and all related claims for attorneys'
fees and costs. *See* Settlement, ¶ 5.3.

13 2. Release Effective Date

14 The releases described above will be effective only on the date when Defendant fully funds the
15 entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the
16 Individual Class Payments. Settlement, ¶ 5.

17 C. MONETARY TERMS OF SETTLEMENT

18 1. Gross Settlement Amount and Timing of Payment

19 If the Court approves this Settlement, Defendant will pay a Gross Settlement Amount ("GSA")
20 of \$469,000.00.² *Lidman Decl.*, ¶ 16, Exh. 2 (Settlement, ¶ 3.1). Significantly, this Settlement is **non-**
21 **reversionary**, and no Settlement Class member will have to submit a claim form to receive a Settlement
22 Award. *Id.* Each Settlement Class member will automatically receive a Settlement Award unless he or
23 she affirmatively opts out of the Settlement. Settlement, ¶ 7.5.3.

24 _____
25 ² As of December 20, 2024, Defendant estimates that the Settlement Class worked a total of seventeen
26 thousand three hundred sixty-one (17,361) Workweeks during the Class Period. If the actual number
27 of Workweeks during the Class Period increases by more than ten percent (10%) above this estimate
28 (i.e., if the actual Workweeks during the Class Period is greater than nineteen thousand ninety-seven
(19,097)), then the Total Settlement Amount as defined in Paragraph 1.22 of the Settlement shall be
increased on a proportional percentage basis for Workweeks in excess of seventeen thousand three
hundred sixty-one (17,361). *See* Settlement ¶ 8.

Within thirty (30) days of the Effective Date, Defendant will transmit the Gross Settlement Amount to the Settlement Administrator. Settlement, ¶ 4.3. The Effective Date means the date by when both the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the date the Court enters Judgment; or (b) if one or more Participating Class members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur. Settlement, ¶ 1.18.

2. Deductions from Settlement Amount

The monetary terms of the Settlement are summarized below:

Settlement Amount (“SA”):	\$469,000.00
Minus Court-approved attorneys’ fees (1/3 of the SA):	\$156,333.33
Minus Court-approved, verified costs (up to \$25,000.00):	\$25,000.00
Minus Court-approved Class Representative Service Award:	\$7,500.00
Minus Settlement Administration Costs:	\$10,000.00
Minus PAGA payment to the LWDA:	\$22,500.00
Minus PAGA payment to Aggrieved Employees:	\$7,500.00
Net Settlement Amount (“NSA”):	\$240,166.67

After deducting amounts for the Court-approved attorneys’ fees and verified costs, Service Award to Plaintiff, Settlement Administrator costs, the PAGA payment to the LWDA, and the PAGA payment to Aggrieved Employees, the Settlement requires Defendant to pay a Net Settlement Amount (“NSA”) of at least \$240,166.67 to all Settlement Class members who do not timely opt out. Lidman Decl., ¶ 15, Exh. 1. Thus, the average individual payment is \$533.70, as a direct result of this litigation (assuming all Settlement Class members worked the same length of time). *Id.*

3. Class Representative Service Award

“[I]ncentive awards are fairly typical in class action cases . . . and are intended to compensate class representatives for work done on behalf of the class [and] to make up for financial or reputational risk undertaken in bringing the action.” *In re Cellphone Fee Termination Cases* (2010) 186 Cal.App.4th 1380, 1393-94.

1 Here, as part of the Settlement, Plaintiff will separately apply for a service award at the time of
2 seeking final approval of the proposed class action settlement in the amount of \$7,500.00 for her
3 services to the Settlement Class. Lidman Decl., ¶ 31, Exh. 1 (Settlement, ¶ 3.2.1); Torres Decl., ¶¶ 2-
4 12. As will be fully briefed at the time of final approval, Plaintiff's requested service award is intended
5 to recognize the time and effort Plaintiff expended on behalf of the Settlement Class, including
6 providing substantial factual information and documents to Class Counsel, attending multiple meetings
7 with Class Counsel to discuss the claims and theories at issue in the litigation, as well as the significant
8 risks Plaintiff undertook by agreeing to serve as the named plaintiff in this case, and the fact that
9 Plaintiff has agreed to a general release of all claims subject to a waiver of Civil Code § 1542. See
10 Lidman Decl., ¶ 31; Torres Decl., ¶¶ 2-12; Settlement ¶ 5.1.

11 **4. Attorneys' Fees and Costs**

12 California courts recognize an appropriate method for awarding attorneys' fees in class actions
13 is to award a percentage of the "common fund" created as a result of a settlement. See *e.g.*, *Laffitte v.*
14 *Robert Half Int'l, Inc.* (2016) 1 Cal.5th 480, 506 (holding "the percentage of fund method survives in
15 California class action cases"). Class Counsel's request for fees of one-third of the GSA is well within
16 the range of reasonableness, and indeed is considered the typical rate for common fund settlements.
17 Historically, courts have awarded percentage fees in the range of 20% to 50%, depending on the
18 circumstances of the case. See 4 Newberg on Class Actions § 14.6 (4th Ed. 2013).

19 Here, Class Counsel will apply for an attorneys' fees award of one-third of the GSA, which is
20 currently estimated to be \$156,333.33, and up to \$25,000.00 in verified costs reimbursement. See
21 Settlement, ¶ 3.2.2; Lidman Decl., ¶ 29. Plaintiff submits the requested fee is fair compensation for
22 undertaking complex, risky, expensive, and time-consuming litigation on a purely contingent fee basis.
23 *Id.* Further, Plaintiff has provided written approval of the split of attorneys' fees in this action. Lidman
24 Decl., ¶ 30. Class Counsel has incurred substantial attorney fees conducting pre-filing investigation,
25 analyzing Plaintiff's claims, conducting legal research, drafting discovery requests, reviewing discovery
26 responses and supplemental discovery responses, drafting correspondence to defense counsel,
27 reviewing approximately hundreds of pages of Defendant's documents, analyzing Settlement Class
28 members' timekeeping data and pay records, preparing for and attending mediation, negotiating and
revising the long-form Settlement, preparing this Motion, and otherwise litigating the case. Lidman

1 Decl., ¶ 29. Class Counsel expect to expend additional attorney time in attending the hearing on this
2 Motion, overseeing the Notice process and fielding questions from Settlement Class members,
3 preparing the final approval papers, and attending the Final Approval hearing. *Id.*

4 Class Counsel submits that the request for attorneys' fees is reasonable when viewed as an
5 overall percentage of the settlement in light of the substantial risks, significant work undertaken, the
6 extremely positive results obtained for the class, and the efficiency with which the Parties conducted
7 the litigation. Should the Court grant preliminary approval, Class Counsel will seek an award of
8 attorneys' fees and verified litigation costs at the time of seeking final approval of the Settlement, which
9 will include a lodestar analysis.

10 **5. Payroll Taxes**

11 The Settlement provides that Defendant shall separately pay any and all employer payroll taxes
12 owed. Settlement ¶ 3.1.

13 **6. Payment Formula**

14 According to Defendant, there are approximately 450 total Settlement Class members. Lidman
15 Decl., ¶ 16. The Net Settlement Amount shall be allocated to Settlement Class members who worked
16 during the Class Period, as follows: the NSA will be divided by the total number of workweeks worked
17 during the Class Period in order to establish the workweek amount. The workweek amount will then be
18 multiplied by the number of workweeks attributable to each Participating Class Member in order to
19 determine the correct amount to be payable to each Participating Class Member. Settlement ¶ 3.2.4.

20 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of
21 the Aggrieved Employees' 25 percent share of PAGA Penalties (\$7,500) by the total number of PAGA
22 Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying
23 the result by each Aggrieved Employee's PAGA Period Pay Periods. Settlement ¶ 3.2.7.1.

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1 **7. Tax Allocation**

2 For purposes of calculating applicable taxes and withholdings, each Settlement Award shall be
3 allocated as follows:

4 Of the Individual Class Payments:

- 5 a. Twenty percent (20%) of each Participating Class member's Individual Class Payment
6 will be allocated to settlement of wage claims. This is subject to tax withholding and will
7 be reported on an IRS W-2 Form.
- 8 b. Eighty percent (80%) of each Participating Class Member's Individual Class Payment
9 will be allocated to settlement of claims for interest and penalties. This is not subject to
10 wage withholdings and will be reported on IRS 1099 Forms.

11 Settlement, ¶ 3.2.5. Participating Class Members assume full responsibility and liability for any
12 employee taxes owed on their Individual Class Payment. *Id.*

13 Of the Individual PAGA Payments: The Administrator will report the Individual PAGA
14 Payments on IRS 1099 Forms. Settlement, ¶ 3.2.7.2.

15 **8. PAGA Penalty**

16 The parties have agreed to a PAGA award of \$30,000.00 and in accordance with California
17 Labor Code section 2699(i), the LWDA will receive 75% of the amount attributable to PAGA penalties
18 – or \$22,500.00. Settlement ¶ 3.2.7. This \$22,500.00 represents roughly 4.79% of the \$469,000.00
19 Total Settlement Amount and is above the zero to two percent range for PAGA claims approved by
20 Courts. *See, e.g., In re M.L. Stern Overtime Litig.*, No. CV 07-0118 BTM (JMAx), 2009 WL 995864,
21 at *1 (S.D. Cal. Apr. 13, 2009) (approving PAGA settlement of 2 percent, or \$20,000); *Hopson v.*
22 *Hanesbrands, Inc.*, No. CV 08-0844 EDL, 2008 WL 3385452, at *1 (S.D. Cal. Apr. 13, 2009)
23 (approving a PAGA settlement of 0.3 percent, or \$1,500); *Nordstrom Comm'n Cases*, 186 Cal. App.
24 4th 576, 589 (2010) (approving settlement of wage and hour class action claims and PAGA claims under
25 which no money was allocated to the PAGA claims).

26 //

1 **VI. NOTICE ADMINISTRATION**

2 **A. SETTLEMENT ADMINISTRATOR**

3 Phoenix Settlement Administrator's ("PSA") fees and expenses are estimated not to exceed
4 \$10,000.00. See Declaration of Jodey Lawrence in support of Plaintiff's Motion for Preliminary
5 Approval filed concurrently herewith ("Lawrence Decl."). This request is reasonable in light of the
6 proposed class size of approximately 450 Settlement Class members and the costs and expenses
7 associated with administering the notices and distributing the awards. Additionally, PSA will translate
8 the Notice and mail the Notice in both English and Spanish to Settlement Class members. Lawrence
9 Decl., ¶ 16.

10 **B. QUALIFICATIONS AND EXPERIENCE OF ADMINISTRATOR**

11 PSA has extensive experience administering class action matters. Lawrence Decl., ¶ 5. PSA has
12 administered complex wage and hour, labor and employment, consumer/product liability, TCPA,
13 FLSA, FACTA, ERISA and PAGA class action matters, through final approval and distribution. PSA
14 has developed a system of quality assurance measures, to ensure the highest quality service is provided
15 in our cases and to class members. *Id.*

16 **C. CLASS LIST FROM DEFENDANT**

17 Within 20 calendar days after entry of an order preliminarily approving this Agreement,
18 Defendant will provide the Settlement Administrator with each Settlement Class Member's name,
19 employee identification number, last-known mailing address, Social Security number, and number of
20 Class Period Workweeks and PAGA Pay Periods. Settlement, ¶ 1.8.

21 **D. CLASS LIST UPDATED PRIOR TO INITIAL MAILING**

22 Upon receipt of the Class Data, the Settlement Administrator will perform a search based on the
23 National Change of Address (NCOA) Database to update Class Member addresses. Settlement, ¶ 7.4.2.

24 **E. DEADLINE FOR INITIAL ISSUANCE OF NOTICE TO CLASS MEMBERS**

25 Within 14 calendar days from receipt of the Class Data, the Settlement Administrator shall mail
26 a Notice to each Settlement Class member at his or her last known address or at the updated address
27 found through the NCOA search. Settlement, ¶ 7.4.2.

28 //

1 **F. NOTICE COMPLIES WITH CAL. RULES OF COURT, RULE 3.766(D)**

2 The content of the proposed Notice satisfies California Rule of Court 3.766(d) because it
3 advises Settlement Class members of the nature of the claims, basic contentions and denials of the
4 parties, and the key terms of the Settlement, the 60-day deadline to opt-out or object to the Settlement
5 and the procedures by which to do so, explains the recovery formula and expected recovery amount
6 for each Settlement Class member, provides them the opportunity to contest their total workweeks
7 included in the notice, and advises them that they will be bound by the terms of the Settlement if they
8 do not opt-out. *See* Lidman Decl., Exh. 1 (Settlement, Exh. A). The proposed Notice will also notify
9 Settlement Class members of the final approval hearing date and provides Settlement Class members
10 the contact information for Class Counsel, and advises Settlement Class members that they may enter
11 an appearance through counsel if they wish to. Settlement, Exh. A. This manner of giving notice
12 satisfies California Rule of Court 3.766(e) as the most reliable and cost-effective method of reaching
13 Settlement Class members.

14 **G. PROCESSING OF PAYMENTS**

15 Within 14 days after the Effective Date, the Settlement Administrator will mail Individual
16 Settlement Payments, less applicable taxes and withholdings, to participating Settlement Class
17 members. Settlement, ¶ 4.4.

18 **H. UNDELIVERABLE NOTICE PACKETS**

19 Any Notices returned to the Settlement Administrator as undelivered on or before the Response
20 Deadline shall be re-mailed to the forwarding address affixed thereto. Settlement, ¶ 7.4.3. If no
21 forwarding address is provided, the Settlement Administrator shall conduct a Class Member Address
22 Search, and re-mail the Class Notice to the most current address obtained. *Id.* If a Settlement Class
23 member's Notice is returned to the Settlement Administrator more than once before the Response
24 Deadline, the Settlement Administrator is not required to continue to make reasonable efforts to obtain
25 an updated mailing address. *Id.*

26 **I. NOTICE OF ANY CHANGE OF LOCATION OR DATE OF HEARING AND**
27 **FINAL JUDGMENT**

28 Any changes to date, time, or location of the Final Approval Hearing will be posted on an
internet website maintained by the Settlement Administrator. Settlement, ¶ 7.9. Notice of the Court's
final judgment will also be posted on the Settlement Administrator's website. *Id.*

1 **VII. RESPONSES TO NOTICE**

2 **A. REQUESTS FOR EXCLUSION**

3 Class members who wish to exclude themselves from the Class Settlement must submit a signed,
4 written Request for Exclusion. The Request for Exclusion must (1) include the Class Member's name,
5 address, and email address or telephone number; and (2) reasonably communicate the Class Member's
6 election to be excluded from the Settlement. Settlement, ¶ 7.5.1.

7 The Parties agree there is no statutory or other right for any Settlement Class member to opt out
8 or otherwise exclude himself or herself from the PAGA portion of the Settlement. A Settlement Class
9 member who submits a valid and timely Request for Exclusion shall still receive his or her proportionate
10 share of the PAGA Amount. Settlement, ¶7.5.4.

11 **B. RE-MAILED NOTICES**

12 The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay
13 Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days
14 otherwise provided in the Class Notice for all Class Members whose Notice is re-mailed. Settlement, ¶
15 7.4.4. Notices that are re-mailed shall inform the recipient of this adjusted deadline. *Id.*

16 **C. OBJECTION PROCEDURES**

17 Participating Class Members must send any objection in writing to the Administrator via fax,
18 email, or mail and must do so not later than 60 days after the mailing of the Notice. Settlement, ¶ 7.7.2.
19 In the alternative, Participating Class Members may appear in Court to present verbal objections at the
20 Final Approval Hearing. *Id.*

21 **VIII. DISTRIBUTION OF UNCASHED FUNDS**

22 The Settlement provides that Settlement Class members with 180 days from the date the
23 Settlement Administrator mails the checks and any funds remaining after 180 days shall be transmitted
24 by the Settlement Administrator to the California State Controller's Office under the unclaimed
25 property laws in the names and corresponding amounts associated with each Participating Class
26 Member. Settlement ¶ 4.4.3. As all settlement funds will be distributed to the Settlement Class
27 members, there will be no residue and it is unnecessary to designate *cy pres* recipients.

28 //

1 **IX. CONCLUSION**

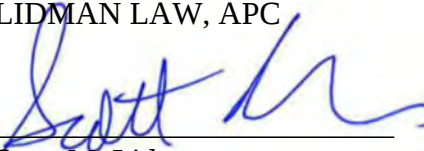
2 This Court should set a hearing for final approval of the Settlement on a date appropriately
3 scheduled to follow the deadline by which Settlement Class members must file objections to the
4 Settlement or opt-out. See California Rule of Court 3.769.

5 Therefore, for the foregoing reasons, Plaintiff respectfully requests that the Court preliminarily
6 approve the proposed Settlement, provisionally certify the Settlement Class, and enter the Proposed
7 Order Granting Preliminary Approval of Class Action Settlement submitted concurrently herewith.

8
9 Dated: April 24, 2025

LIDMAN LAW, APC

10
11 By:



Scott M. Lidman
Attorney for Plaintiff
MARICRUZ TORRES