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Byron Aguilar and all those similarly situated

[Additional Counsel on Following Page]

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN FRANCISCO

BYRON MEJIA AGUILAR, individually and
on behalf of all similarly situated,

Plaintiffs,

vs.

365 HOSPITALITY ASSOCIATES LLC, a
Colorado Limited Liability Company doing
business in California; STONEBRIDGE
COMPANIES, a Colorado Limited Liability
Company doing business in California and
DOES 1- 50, Inclusive,

Defendants.

Case No.: CGC-23-603788

[Honorable Jeffrey S. Ross, Department 613]

**PLAINTIFFS' NOTICE OF MOTION
AND MOTION FOR PRELIMINARY
APPROVAL OF CLASS AND
REPRESENTATIVE ACTION
SETTLEMENT; MEMORANDUM OF
POINTS AND AUTHORITIES**

[Filed with Declaration of Kane Moon,
Declaration of Justin Lo, Declaration of
Plaintiff Byron Mejia Aguilar, Declaration of
Plaintiff Ana Batres Vanegas, Declaration of
Jonathan Paul, and [Proposed] Order]

PRELIMINARY APPROVAL HEARING

Date: May 12, 2026

Time: 11:00 a.m.

Dept: 613

Complaint Filed: January 3, 2023

Trial Date: Not Set

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

2 **PLEASE TAKE NOTICE** that on May 12, 2026, at 11:00 a.m., in Department 613 of the
3 Superior Court of the State of California, County of San Francisco, located at 400 McAllister Street,
4 San Francisco, California 94102 pursuant to California Code of Civil Procedure section 382, California
5 Labor Code sections 2698, *et seq.*, and California Rules of Court rules 3.769, *et seq.*, Plaintiffs Byron
6 Mejia Aguilar and Ana Batres Vanegas (“Plaintiffs”) will move the Court for an Order granting
7 preliminary approval of the Joint Stipulation of Class and Representative Action Settlement
8 (“Settlement”) between Plaintiffs and Defendants 365 Hospitality Associates, LLC, Real Hospitality
9 Group, LLC, Stonebridge Hospitality Associates, LLC, 365 Hospitality, LLC, 365 Management
10 Company, LLC, 365 Partner, LLC, Real Payroll Group, LLC, Stonebridge Companies Holdings, LLC,
11 and Stonebridge Concessions. Plaintiffs will further move the Court for an Order:

- 12 1. Certifying the putative Class for settlement purposes;
- 13 2. Approving the proposed Class Notice and plan for distribution of the Class Notice to
- 14 the putative Class;
- 15 3. Appointing Plaintiffs as Class Representatives;
- 16 4. Appointing Justin Lo of Work Lawyers, P.C., and Kane Moon, Allen Feghali, and
- 17 Jacquelyne VanEmmerik of Moon Law Group, P.C. as Class Counsel;
- 18 5. Appointing Xpand Legal as Administrator; and
- 19 6. Scheduling a Final Approval Hearing.

20 The Motion will be based on this Notice, the attached Memorandum of Points and
21 Authorities, the Declaration of Kane Moon and Exhibits therein, the Declaration of Justin Lo and
22 Exhibits therein, the Declaration of Plaintiff Byron Mejia Aguilar, the Declaration of Plaintiff Ana
23 Batres Vanegas the records and files in this Action, and any other evidence or argument the Court
24 may properly receive before or at the Hearing.

25 ///

26 ///

27 ///

28 ///

1
2 Dated: March 27, 2026

Respectfully submitted,
MOON LAW GROUP, P.C.

3 By: Jacquelyne VanEmmerik

4 Kane Moon, Esq.
5 Allen Feghali, Esq.
6 Jacquelyne VanEmmerik, Esq.

Attorneys for Plaintiff, *Ana Vanegas*

7 Dated: March 27, 2026

WORK LAWYERS, P.C.

8 By: Justin Lo

9 Justin Lo, Esq.

10 Attorneys for Plaintiff, *Byron Aguilar*
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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Plaintiff Ana Batres Vanegas (“Plaintiff Vanegas”) and Plaintiff Byron Mejia Aguilar
4 (“Plaintiff Aguilar”) (together with Plaintiff Vanegas, “Plaintiffs”) move the Court for preliminary
5 approval of the Joint Stipulation of Class and Representative Action Settlement (“Settlement”)
6 between Plaintiffs and Defendants 365 Hospitality Associates, LLC (“365 Hospitality”), Real
7 Hospitality Group, LLC (“Real Hospitality”), Stonebridge Hospitality Associates, LLC (“Stonebridge
8 Hospitality”), 365 Hospitality, LLC, 365 Management Company, LLC, 365 Partner, LLC, Real
9 Payroll Group, LLC, Stonebridge Companies Holdings, LLC, and Stonebridge Concessions
10 (collectively, “Defendants”) (Defendants with Plaintiffs, the “Parties”). The Settlement, which was
11 reached after extensive discovery and analysis, and an arm’s-length mediation, satisfies the criteria for
12 settlement approval under California law and provides for substantial monetary payments to
13 approximately 750 Class Members. (Declaration of Kane Moon [“*Moon Decl.*”], ¶ 2.) Plaintiffs
14 further move the Court for certification of the putative Class and approval of the proposed Class
15 Notice.

16 **II. SUMMARY OF THE LITIGATION AND SETTLEMENT**

17 **A. Relevant Procedural History**

18 On June 9, 2022, Plaintiff Aguilar submitted to the Labor and Workforce Development
19 Agency (“LWDA”), and sent via certified mail to Defendants, a Notice of California Labor Code
20 (“Labor Code”) Violations and Private Attorneys General Act (“PAGA”) Penalties pursuant to Labor
21 Code section 2699.3(a). (*Settlement*, ¶ 2.1.). A true and correct copy of Plaintiff Aguilar’s notice is
22 attached to the Declaration of Justin Lo [“*Lo Decl.*”] as **Exhibit X**. On September 24, 2024, Plaintiff
23 Vanegas submitted to the LWDA, and sent via certified mail to Defendants, a Notice of Labor Code
24 Violations pursuant to Labor Code section 2699.3(a). (*Id.*) A true and correct copy of Plaintiff
25 Vanegas’s notice is attached to the Declaration of Kane Moon as **Exhibit 1**. On January 3, 2023,
26 Plaintiff Aguilar filed a PAGA Complaint against Defendants, which alleged nine causes of action for
27 violation of Labor Code sections 201-204, 226, *et seq.*, 512, 1194, *et seq.*, 1197, 1198, 2802, violation
28 of California Business and Professions Code sections 17200, *et seq.*, and civil penalties under PAGA.

1 (*Settlement*, ¶ 2.2.) On September 25, 2024, Plaintiff Vanegas filed a Class Action Complaint against
2 Defendants, which alleged eight causes of action for violation of Labor Code sections 201-204, 226, *et*
3 *seq.*, 512, 1194, *et seq.*, 1197, 1198, 2802, and California Business and Professions Code sections
4 17200, *et seq.* (*Id.* at ¶ 2.3.) On November 27, 2024, Plaintiff Vanegas filed a Representative Action
5 Complaint against Defendants, which alleged a single cause of action for civil penalties under PAGA.
6 (*Id.* at ¶ 2.4.)

7 In or around February 20, 2025, the Parties agreed to attempt to resolve the Action through
8 private mediation with experienced neutral Kelly Knight Esq. (*Id.* at ¶ 2.5.) A tentative settlement of
9 the matter was reached the same day. (*Id.*) Prior to mediation, Plaintiffs obtained, through informal
10 discovery, in addition to other data and documents, a vast majority of the time and corresponding
11 payroll records of the Class and the employee handbooks and policies in effect during the Class
12 Period. (*Id.* at ¶ 2.6.)

13 **B. The Parties**

14 Plaintiff Vanegas worked for Defendant Stonebridge Hospitality Associates, LLC as a
15 Housekeeper from approximately December 2023 to May 2024. (*Declaration of Plaintiff Ana Batres*
16 *Vanegas* (“*Vanegas Decl.*”), ¶ 4.) Plaintiff Aguilar worked for Defendant 365 Hospitality as a
17 Maintenance Worker from approximately March 2019 to March 2022. (*Declaration of Plaintiff Byron*
18 *Mejia Aguilar* (“*Aguilar Decl.*”), ¶ 3.) During their entire employment with Defendants, Plaintiffs
19 were classified as non-exempt; were paid on an hourly basis; were typically scheduled to work at least
20 five days each workweek and eight or more hours each workday; and was subjected to the same
21 alleged unlawful labor practices as her coworkers. (*Vanegas Decl.*, ¶¶ 5-9; *Aguilar Decl.*, ¶¶ 3-4.)
22 Defendants are hotel management companies with locations throughout California. (*Moon Decl.*, ¶ 5.)

23 The Class includes all current and former non-exempt or hourly paid employees who worked
24 for (1) Stonebridge Hospitality in California at any time from July 27, 2018, through April 20, 2025,
25 (2) 365 Hospitality in California at any time from January 3, 2019, through April 20, 2025, and/or (3)
26 Real Hospitality, 365 Hospitality, LLC, 365 Management Company, LLC, 365 Partner, LLC, Real
27 Payroll Group, LLC, Stonebridge Companies Holdings, LLC, and/or Stonebridge Concessions, LLC
28 in California at any time from May 15, 2024, through April 20, 2025; and the Aggrieved Employees

1 include all current and former non-exempt or hourly paid employees who worked for Stonebridge
2 Hospitality, 365 Hospitality, Real Hospitality, 365 Hospitality, LLC, 365 Management Company,
3 LLC, 365 Partner, LLC, Real Payroll Group, LLC, Stonebridge Companies Holdings, LLC, and/or
4 Stonebridge Concessions, LLC in California at any time from April 5, 2021, through April 20, 2025.
5 (*Settlement*, ¶¶ 1.4, 1.6.)

6 **C. Plaintiffs' Claims**

7 The operative, consolidated First Amended Class and Representative Action Complaint alleges
8 Defendants, on a class and representative basis, systematically: Failed to Pay Minimum Wages [Labor
9 Code §§ 204, 1194, 1194.2, and 1197]; Failed to Pay Overtime Compensation [Labor Code §§ 1194
10 and 1198]; Failed to Provide Meal Periods [Labor Code §§ 226.7 and 512]; Failed to Authorize and
11 Permit Rest Breaks [Labor Code § 226.7]; Failed to Indemnify Necessary Business Expenses [Labor
12 Code § 2802]; Failed to Timely Pay Final Wages at Termination [Labor Code §§ 201-203]; Failed to
13 Provide Accurate Itemized Wage Statements [Labor Code § 226]; Engaged In Unfair Business
14 Practices [Business and Professions Code §§ 17200, *et seq.*]; and Is Liable For Civil Penalties Under
15 PAGA [Labor Code §§ 2698, *et seq.*]. (*Moon Decl.*, ¶ 7.)

16 **D. Defendants' Defenses**

17 Defendants deny Plaintiffs' claims and opposes the merits of this Action. (*Settlement*, ¶ 11.2.)
18 Defendants assert they complied with all compensation obligations, including by paying Class
19 Members for all hours worked, including off-the-clock work, and incorporating all non-discretionary
20 remuneration into Class Members' respective regular rates of pay, and thus, Plaintiffs and other Class
21 Members were paid all wages owed. (*Moon Decl.*, ¶ 8.) Defendants assert they complied with all meal
22 period and rest break obligations, including by implementing schedules, policies, and supervisory
23 practices that consistently resulted in Class Members taking timely, uninterrupted, off-duty, and full
24 meal periods and rest breaks, and therefore, Plaintiffs and other Class Members were provided the
25 opportunity to take all code-compliant meal periods and rest breaks to which they were entitled. (*Id.*)
26 Defendants assert they complied with all reimbursement obligations, and therefore, Plaintiffs and
27 other Class Members were compensated for any necessary business expenses incurred. (*Id.*)

28 Defendants assert they did not willfully fail to pay any wages, and thus, Plaintiffs and other

1 Class Members are not owed waiting time penalties for wages untimely paid during employment or at
2 termination. (*Moon Decl.*, ¶ 9.; see *Pedroza v. PetSmart, Inc.* (C.D. Cal. June 14, 2012) No. ED CV
3 11–298 GHK (DTBx), 2012 WL 9506073, *5.) Defendants assert they complied with all wage
4 statement requirements, and even if they did not, Plaintiffs and other Class Members suffered no
5 actual damage or harm from any inaccuracies. (*Moon Decl.*, ¶ 9; see *Angeles v. U.S. Airways, Inc.*
6 (N.D. Cal. Feb. 19, 2013) No. C 12-05860 CRB, 2013 WL 622032, at *10 [“A plaintiff must
7 adequately plead an injury arising from an employer’s failure to provide full and accurate wage
8 statements, and the omission of the required information alone is not sufficient.”].) Defendants deny
9 further derivative liability on these bases, asserting they did not engage in unfair business practices
10 and are not liable for civil penalties under PAGA. (*Moon Decl.*, ¶ 9.) Defendants assert Plaintiffs’
11 claims are individualized, and thus, improper for class treatment. (*Id.*) These general defenses are
12 detailed in paragraph 22 of the Declaration of Kane Moon.

13 **E. Discovery, Analysis, and Settlement Negotiations**

14 In preparation for mediation, the Parties agreed to an informal exchange of data and
15 documents, which included, but was not limited to, the total number of Class Members and Aggrieved
16 Employees; the total number of workweeks and pay periods worked by all Class Members and
17 Aggrieved Employees; a ninety percent (90%) sample of the time and corresponding payroll records
18 of the Class; and the employee handbooks in effect during the Class Period. (*Id.* at ¶ 10.) The data and
19 documents enabled Class Counsel and its expert to evaluate the alleged claims in light of relevant case
20 and statutory law. (*Id.*) In turn, this enabled Class Counsel to estimate the probability of class
21 certification, Plaintiffs’ success on the merits, and Defendants’ maximum monetary exposure. (*Id.*)
22 Defendants’ realistic monetary exposure is detailed in Paragraph 23 of the Declaration of Kane Moon.

23 The Parties mediated the Action with experienced wage-and-hour class and representative
24 action mediator, Kelly Knight, Esq., on February 20, 2025. (*Settlement*, ¶ 2.5.) The Parties went into
25 the mediation willing to settle the dispute but also prepared to litigate their respective positions
26 through trial and appeal if a settlement was not reached. (*Moon Decl.*, ¶ 11.) Mediation was, therefore,
27 adversarial and conducted at arm’s length. (*Id.*) The Parties also went into the mediation willing to
28 discuss and concede to the strengths and weaknesses of Plaintiffs’ claims and Defendants’ defenses.

(*Id.*) Mediation was, resultingly, successful and led to the Settlement. (*Settlement*, ¶ 2.5.)

F. Material Terms of the Settlement

The material terms of the Settlement are set out herein. A true and correct copy of the Settlement is attached to the Declaration of Kane Moon as **Exhibit 2**. Class Counsel submitted the Settlement to the LWDA on November 11, 2025. A true and correct copy of the LWDA case record is attached to the Declaration of Kane Moon as **Exhibit 3**.

- 1. Administration Expenses Payment** means the court-approved amount allocated to the Administrator for reimbursement of its reasonable fees and expenses incurred to administer the Settlement, not to exceed \$12,000.00. (*Id.* at ¶¶ 1.2, 1.3.) A true and correct copy of Xpand Legal’s administration bid is attached to the Declaration of Kane Moon as **Exhibit 4**.
- 2. Class Certification.** The Parties agree to stipulate to class certification only for purposes of the Settlement. (*Id.* at ¶ 11.3.)
- 3. Class Counsel** means Justin Lo of Work Lawyers, P.C., and Kane Moon, Allen Feghali, and Jacquelyne VanEmmerik of Moon Law Group, P.C. (*Id.* at ¶ 1.7.)
- 4. Class Counsel Fees Payment** means the court-approved amount allocated to Class Counsel for reimbursement of their reasonable fees incurred to prosecute the Action, not to exceed \$343,260.00 or one-third of the Gross Settlement Amount, whichever is greater. (*Id.* at ¶ 1.8.) Pursuant to a Joint Prosecution and Fee Sharing Agreement (the “JPA”), the Class Counsel Fees Payment will be divided between Class Counsel, with 50% to Moon Law Group, PC (“MLG”) and 50% to Work Lawyers, P.C. (“WL”). (*Moon Decl.*, ¶ 12(e).) A true and correct copy of the JPA is attached to the Declaration of Kane Moon as **Exhibit 5**.
- 5. Class Counsel Expenses Payment** means the court-approved amount allocated to Class Counsel for reimbursement of their reasonable expenses incurred to prosecute the Action, not to exceed \$29,000.00. (*Settlement*, ¶ 1.7.) True and correct copies of Class Counsel’s itemized list of current litigation expenses are

1 attached to the Declaration of Kane Moon as **Exhibit 6** and the Declaration of
2 Justin Lo as **Exhibit X**.

3 **6. Class Notice** means the court-approved Notice of Class and Representative
4 Action Settlement and Final Approval Hearing to be mailed to Class Members
5 in English and Spanish. (*Settlement*, **Exhibit C**.)

6 **7. Class Representative Service Payments** means the court-approved payments
7 allocated to the Class Representatives for their services in support of the
8 Actions and General Releases, not to exceed \$7,500.00 per Class
9 Representative. (*Id.* at ¶ 1.16.)

10 **8. Effective Date** means the date both of the following have occurred: (a) the
11 Court enters a Judgment on its Order Granting Final Approval of the
12 Settlement; and (b) the Judgment is final. (*Id.* at ¶ 1.20.) The Judgment is final
13 as of the latest of the following occurrences: (a) if no Participating Class
14 Member objects to the Settlement, the day the Court enters the Judgment; (b) if
15 one or more Participating Class Members object(s) to the Settlement, the day
16 after the deadline for filing a notice of appeal from the Judgment; or (c) if a
17 timely appeal from the Judgment is filed, the day after the appellate court
18 affirms the Judgment and issues a remittitur. (*Id.*)

19 **9. Escalator Clause:** Based on their records, Defendants estimate that: Class
20 Members employed by Stonebridge Hospitality worked approximately 49,395
21 Workweeks between July 27, 2018, and February 20, 2025; Class Members
22 employed by 365 Hospitality worked approximately 11,309 Workweeks
23 between January 3, 2019, and February 20, 2025; and Class Members
24 employed by Real Hospitality worked approximately 2,439 Workweeks
25 between January 16, 2024, and December 20, 2024 (a combined total of 63,143
26 Workweeks). (*Id.* at ¶ 7.1.) If the actual number of Workweeks collectively
27 worked by Class Members during the Class Period increases by more than ten
28 percent (10%) above 63,143, Defendants will at their option either (a) agree to

1 increase the Gross Settlement Amount on a proportional basis for the
2 percentage increase over ten percent (10%) (e.g., if the number is eleven
3 percent (11%) higher, the Gross Settlement Amount will be increased by one
4 percent (1%), or (b) agree to shorten and close the Class Period and PAGA
5 Period on the date closest to, but that does not exceed, 69,457 Workweeks to
6 eliminate the need to increase the Gross Settlement Amount. (*Id.*) **Defendants’**
7 **counsel will notify Plaintiffs’ counsel of Defendants’ election after the date**
8 **of the Preliminary Approval Order and within seven (7) days of being**
9 **notified by the Administrator that this clause has been triggered. (*Id.*)**

10 **10. Gross Settlement Amount** means One Million Twenty-Nine Thousand Seven
11 Hundred Eighty Dollars (\$1,029,780.00), the total amount Defendants agree to
12 pay, can ever be required to pay, or can ever cause to be paid, under the
13 Settlement, except as provided under the Escalator Clause, and excluding
14 employer payroll taxes owed on the wage portions of the Individual Class
15 Payments. (*Id.* at ¶ 1.24.) The Gross Settlement Amount will be used to fund
16 the Individual Class Payments, Individual PAGA Payments, LWDA PAGA
17 Payment, Class Counsel Fees Payment, Class Counsel Expenses Payment,
18 Class Representative Service Payments, and Administration Expenses
19 Payment. (*Id.*) **None of the Gross Settlement Amount will revert to**
20 **Defendants. (*Id.* at ¶ 3.1.)**

21 **11. Individual Class Payment** means the Participating Class Member’s pro rata
22 share of the Net Settlement Amount, calculated according to the number of
23 Workweeks he or she worked during the Class Period. (*Id.* at ¶ 1.25.)

24 **12. Individual PAGA Payment** means the Aggrieved Employee’s pro rata share
25 of 25% of the PAGA Penalties allocated pursuant to Labor Code section
26 2699(i) and calculated according to the number of PAGA Pay Periods he or she
27 worked during the PAGA Period. (*Id.* at ¶ 1.26.)

28 **13. LWDA PAGA Payment** means the LWDA’s 75% share of the PAGA

Penalties, allocated pursuant to Labor Code section 2699(i). (*Id.* at ¶ 1.28.)

14. **Net Settlement Amount** means the Gross Settlement Amount less the following court-approved payments: Individual PAGA Payments, LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Expenses Payment, Class Representative Service Payments, and Administration Expenses Payment. (*Settlement*, ¶ 1.29.) The remainder is to be paid to Participating Class Members as Individual Class Payments. (*Id.*)
15. **PAGA Penalties** means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount in settlement of the Released PAGA claims, not to exceed \$80,000.00. (*Id.* at ¶ 1.36.)
16. **Plaintiffs' Release.** Plaintiffs fully release and discharge the Released Parties from any and all claims, known and unknown, under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, against Defendants, including (i) all claims based on violation of Labor Code sections 200, 201, 202, 203, 204, 208, 210, 218.5, 218.6, 221, 222, 223, 226, 226.2, 226.3, 226.7, 227.3, 246, 256, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, and 1199, any California Industrial Commission Wage Order, California Code of Regulations, Title 8, Sections 11040, *et seq.*, Business and Professions Code sections 17200, *et seq.*, and California Code of Civil Procedure section 1021.5; (ii) all claims for or related to alleged unpaid wages, minimum wages, regular rate of pay, hours worked, overtime or double time wages, bonus and incentive pay, sick pay, timely payment of wages at separation, wage statements, meal periods and meal period premiums, rest breaks and rest break premiums, unfair competition, unfair or unlawful business practices, and claims for statutory penalties based on the facts or claims alleged in the operative Complaint at any time during the Class Period; and (iii) all claims for lost wages and benefits, emotional distress, retaliation, punitive damages, and attorneys' fees and costs arising under federal, state, or

1 local laws for discrimination, harassment, retaliation, and wrongful termination,
2 such as, by way of example only, (as amended) 42 U.S.C. section 1981, Title
3 VII of the Civil Rights Act of 1964, the Americans With Disabilities Act, Age
4 Discrimination in Employment Act; California Fair Employment and Housing
5 Act; and the law of contract and tort (“Plaintiffs’ Release”). (*Settlement*, ¶ 5.1.)
6 In connection therewith, Plaintiffs waive the provisions of California Civil
7 Code section 1542. (*Id.*) Plaintiffs’ Release excludes the release of claims not
8 permitted by law. (*Id.* at ¶ 5.1.1.)

9 **17. Released Class Claims** means any and all claims alleged in the operative
10 Complaint and/or any and all claims and/or theories of liability that could have
11 been alleged in the operative Complaint, including, but not limited to (i) all
12 claims for violation of and/or any applicable penalties pursuant to California
13 Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 227.3, 510,
14 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2800,
15 and 2802, the California Industrial Commission Wage Orders, Cal. Code Regs.,
16 Title 8, section 11040, *et seq.*, and California Business and Professions Code
17 sections 17200, *et seq.*, and (ii) any and all claims for or related to alleged
18 unpaid wages, minimum wages, regular rate of pay, hours worked, overtime or
19 double time wages, regular rate of pay, bonus and incentive pay, sick pay,
20 timely payment of wages at separation, wage statements, meal periods and
21 meal period premiums, rest breaks and rest break premiums, unfair
22 competition, unfair business practices, unlawful business practices, and
23 statutory penalties at any time during the Class Periods (collectively, “Released
24 Class Claims”) (*Id.* at ¶ 5.2.)

25 **18. Released PAGA Claims** means any and all PAGA claims and/or theories of
26 liability alleged in the operative Complaint or the PAGA Notices and/or any
27 and all PAGA claims based on the facts stated in the operative Complaint or the
28 PAGA Notices, including, but not limited to, (i) all PAGA claims seeking civil

penalties premised upon California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 227.3, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2800, and 2802 and the California Industrial Commission Wage Orders, and (ii) any and all other claims for civil penalties recoverable under the Private Attorneys General Act, California Labor Code sections 2699, *et seq.*, including, but not limited to those based on the facts or claims alleged in the operative Complaint or the PAGA Notices at any time during the PAGA Period. The Released PAGA Claims do not release any Aggrieved Employees' claims for wages or statutory penalties, and the Aggrieved Employees may not opt out of the Released PAGA Claims (collectively, "Released PAGA Claims"). (*Settlement*, ¶ 5.3.)

19. Released Parties means Defendants, SC Walnut Creek Financeco, LLC, Hotel Beverage Company, LLC, Hotel Beverage Member, LLC, SLS Lodging Advisors, LLC, SC Walnut Creek, LLC, together with their affiliates, officers, directors, employees, owners, and agents, as well as AVR San Jose Downtown Hotel, LLC, Summit Hotel TRS 114, LLC, SC Walnut Creek, LLC, Harbor Suites, LLC, Garden Grove Lodging, LLC, BRE Gateway SSF Operations, LLC, Summit Hotel TRS 129, LLC, West Coast Lodging, LP, and DC San Francisco 1 Operations LLC. (*Id.* at ¶ 1.42.)

20. Tax Allocation. Fifteen percent (15%) of each Participating Class Member's Individual Class Payment will be allocated to the settlement of claims for wages. (*Id.* at ¶ 3.2.3.2.) Eighty-Five percent (85%) of each Participating Class Member's Individual Class Payment will be allocated to the settlement of claims for interest and penalties. (*Id.*) One hundred percent (100%) of each Individual PAGA Payment will be allocated as penalties. (*Id.* at ¶ 3.2.4.2.)

III. THE SETTLEMENT MERITS PRELIMINARY APPROVAL

A. The Circumstances Of The Settlement Support Preliminary Approval

The circumstances of the Settlement support preliminary approval for the following reasons:

1 First, the law favors the settlement of lawsuits, particularly in class actions and other complex cases.
2 Here, the Settlement resolves a putative class and representative action. (*See e.g., Neary v. Regents of*
3 *Univ. of California* (1992) 3 Cal.4th 272, 277-81.)

4 Second, the law favors a discretionary finding that a settlement is fair and reasonable when the
5 settlement terms indicate fairness and reasonableness on balance of the following factors: (1) the
6 strength of the plaintiff's case; (2) the risk, expense, complexity, and likely duration of further
7 litigation; (3) the risk of maintaining class action status through trial; (4) the amount offered in
8 settlement; (5) the extent of discovery completed and the stage of the proceedings; (6) the experience
9 and views of counsel; (7) the presence of a governmental participant; and (8) the reaction of the class
10 members to the proposed settlement. (*See Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1800-
11 1801; *see also Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 128.) The law also
12 favors a discretionary finding that a settlement is fair and reasonable when the settlement is within the
13 ballpark of fairness and reasonableness, and not depending on whether it contains an explicit statement
14 of the maximum theoretical recovery. (*Id.* at 133; *Munoz v. BCI Coca-Cola Bottling Co. of Los*
15 *Angeles* (2010) 186 Cal.App.4th 399, 408-409 [holding that *Kullar* requires only an "understanding of
16 the amount that is in controversy and the realistic range of outcomes of the litigation."].)

17 Here, the Settlement terms indicate fairness and reasonableness on balance of the above
18 factors. For example, Plaintiffs have strong claims supported by the ninety (90%) sample of time and
19 corresponding payroll records of the putative Class produced by Defendants (*Moon Decl.*, ¶¶ 15-21);
20 the risk, expense, complexity, and likely duration of further litigation is high (*Settlement*, ¶ 11.2.); the
21 consideration Class Members and Aggrieved Employees will receive for their releases is reasonable in
22 light of the strengths and weaknesses of their claims (*Moon Decl.*, ¶¶ 15-21); the amount of discovery
23 completed was exhaustive (*Id.* at ¶ 10); Class and Defense Counsel are highly experienced in
24 employment law and class action litigation (*See e.g., id.* at ¶¶ 24-35; *Lo Decl.*, ¶¶ XX.); and the Parties
25 reached the Settlement with the mutual understanding that it is within the ballpark of fairness and
26 reasonableness.

27 Last, a presumption of fairness and reasonableness is triggered when the following factors are
28 present: (1) the investigation was sufficient to allow class counsel and the court to act intelligently; (2)

1 the settlement was reached through arm's-length bargaining; (3) class counsel is experienced in
2 similar litigation; and (4) the percentage of objectors is small. (*Dunk, supra*, 48 Cal.App.4th at p.
3 1800.) Here, the above factors are present, and therefore, this presumption is triggered. The factors
4 will be addressed in turn:

5 **1. The Investigation Was Sufficient To Allow Class Counsel And The Court**
6 **To Act Intelligently**

7 The investigation was sufficient to allow Class Counsel and the Court to act intelligently for
8 two main reasons: First, the investigation was comprised of an exhaustive data analysis. The data
9 analysis involved Class Counsel and its expert examining a ninety percent (90%) sample of the time
10 and corresponding payroll records of the Class. These records, in addition to other documents
11 produced by Defendants, enabled Class Counsel to determine and/or make fact-based assumptions
12 about the following information: the total number of shifts worked by all Class Members; the average
13 hourly rate of pay, average hourly regular rate of pay, and average overtime rate of pay of all Class
14 Members; the total amount of minimum, overtime, regular rate, meal period premium, and rest break
15 premium wages paid, underpaid, and not paid to Class Members; the total number of off-the-clock
16 hours worked by Class Members; the total amount of reimbursements made and not made to Class
17 Members; the total number of code-compliant meal periods and rest breaks that were taken, missed,
18 short, and/or not taken by Class Members; the dates on which Class Members were paid, including the
19 dates on which terminated Class Members were paid their final paychecks; and the accuracy and
20 completeness of the wage statements issued to Class Members. This information enabled Class
21 Counsel to approximate the maximum potential liability of Defendants for all claims, in the event
22 Plaintiffs prevailed on all claims at trial, including all claims for unpaid minimum, overtime, regular
23 rate, meal period premium, and rest break premium wages, unreimbursed expenses, and statutory and
24 civil penalties. At mediation, Class Counsel used the maximum potential liability as the upper limit of
25 a fair and reasonable settlement.

26 Second, the investigation was comprised of a comprehensive evaluation of all factors
27 reasonably affecting full recovery of the maximum potential liability, including the evidence
28 supporting Plaintiffs' claims; the evidence supporting Defendants' defenses; the risks, expenses, and

length of further litigation, including the class certification and appeal processes; the present state of the law as it applies to wage-and-hour class actions; the present value of the Settlement versus the long wait necessitated by any potential judgment in the Class's favor; and the burdens of proof necessary to establish liability against Defendants. This evaluation resulted in Class Counsel reasonably reducing Defendants' maximum potential liability, such that total maximum exposure was lowered in proportion to the presumed effect of any applicable mitigating factors.

The maximum potential liability is estimated to be \$7,834,790.22. (*Moon Decl.*, ¶¶ 14, 21.) However, based on Class Counsel's analysis of the claims and Defendant's defenses, Class Counsel believe Defendant's realistic liability is closer to 20% of the maximum exposure, \$1,566,958.04. (*Id.* at ¶ 22.) In the Settlement, the Parties stipulate to a Gross Settlement Amount of \$1,029,780.00, which is 65.72% of the total projected reasonable recovery. (*Id.* at ¶ 23.)

These facts support the assertion that the investigation was sufficient to allow Class Counsel and the Court to act intelligently, as they demonstrate the Gross Settlement Amount (1) was reached in view of an upper limit, which was calculated by Class Counsel and their expert according to the data and documents produced by Defendants; and (2) reflects a comprehensive comprise, which accounted for all relevant risks and uncertainties. (*See, e.g., Vicerol v. Mistras Grp., Inc.* (N.D. Cal. 2016) No. 15-cv-02198-EMC, 2016 WL 5907869 [approving wage-and-hour class action settlement amounting to 8.1% of potential damages]; *Dunleavy v. Nadler* (9th Cir. 2000) 213 F.3d 454, 459 [approving settlement which represented "roughly one-sixth of the potential recovery."].)

2. The Settlement Was Reached Through Arm's-Length Negotiations

The Settlement was reached through adversarial, non-collusive, and arms-length negotiations between the Parties, as the Parties entered mediation with distinct positions as to the strengths of their respective defenses and valuations of the claims; presented their arguments in a vigorous, yet forthright manner; acknowledged the strengths of opposing arguments; and reached a fair, balanced agreement with the help of a neutral mediator. (*See Kullar, supra*, 168 Cal.App.4th at p. 129 ["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..."].) For example, Defendants asserted various defenses that posed a significant risk

1 to Plaintiffs obtaining class certification, proving Defendants' liability, and proving Class Members'
2 damages; and thus, Plaintiffs agreed to a settlement that reflected a significant discount in liability for
3 the Class's claims, both in light of these defenses, discussed thoroughly with the mediator, and with
4 the overarching desire to compromise. (*Moon Decl.*, ¶¶ 15-24.)

5 **3. Class Counsel Have Substantial Experience In Class Action Litigation**

6 Class Counsel have substantial experience, in both state and federal court, with respect to all
7 facets of class action litigation, including discovery, law and motions, trial, appeals, arbitration, and
8 mediation. (*Moon Decl.*, ¶¶ 26-41; *Lo Decl.*, ¶ XX.) For example, Class Counsel have litigated
9 numerous wage-and-hour class actions on behalf of plaintiffs and have been lead counsel, or otherwise
10 exercised significant case handling responsibilities, in numerous cases resulting in millions of dollars
11 in class action settlements. (*Moon Decl.*, ¶¶ 26-41; *Lo Decl.*, ¶ XX.) Class Counsel are, therefore,
12 qualified to evaluate the strength of Plaintiffs' claims, the strength of Defendants' defenses against
13 certification and on the merits, and the fairness of the Settlement.

14 **4. The Percentage Of Objections Is Likely To Be Small**

15 The percentage of objections to the Settlement is likely to be small, as the average recovery for
16 each Class Member is reasonable—in light of the strength of the claims supported by the ninety-six
17 percent (96%) sample of time and corresponding payroll records of the putative Class and the
18 discounts made based on Defendants' defenses—and reliable, given the arm's-length negotiations and
19 experience of Class Counsel. (*See id.* at ¶¶ 22, 25-36; *In re Lifelock, Inc. Marketing and Sales*
20 *Practices Litigation* (D. Ariz. 2010) 2010 WL 3715138, *6 [relatively few objections and requests for
21 exclusion support approval]; *Kullar, supra*, 168 Cal.App.4th at p. 128 [among the factors to be
22 considered in evaluating a class action settlement include "the reaction of the class members to the
23 proposed settlement."].)

24 The foregoing indicates that the Settlement is comprised of all factors which trigger a
25 presumption of fairness and reasonableness. In addition, it indicates that other discretionary factors the
26 court considers in making a finding of fairness and reasonableness are also present. On these bases, the
27 Settlement merits preliminary approval.

28 ///

1 **B. The Terms Of The Settlement Are Fair And Reasonable**

2 The terms of the Settlement, including the Class Counsel Fees Payment, Class Counsel
3 Expenses Payment, and Class Representative Service Payment, are fair and reasonable for the below
4 reasons. (*See Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 234-235 [“In general,
5 questions of whether a settlement [is] fair and reasonable, whether certification of the class [is] proper,
6 and whether the attorneys’ fee award [is] proper are matters addressed to the trial court’s broad
7 discretion.”].) The Class Counsel Fees Payment is not to exceed \$343,260.00, or one-third of the
8 Gross Settlement Amount; the Class Counsel Expenses Payment is not to exceed \$29,000.00; and the
9 Class Representative Service Payments are not to exceed \$7,500.00 per Plaintiff. (*Settlement*, ¶¶ 3.2,
10 *et seq.*)

11 **1. The Class Counsel Fees Payment Is Fair And Reasonable**

12 The Class Counsel Fees Payment is fair and reasonable because it (1) was calculated using the
13 common fund doctrine and aligns with leading treatises on awards calculated using the common fund
14 doctrine, (2) comports with Labor Code section 2699(k); and (3) is commensurate with Class
15 Counsel’s significant experience, reputation, and ability in class action settlements.

16 **a) The Class Counsel Fees Payment Was Calculated Using The**
17 **Common Fund Doctrine And Aligns With Leading Treatises On**
18 **Awards Calculated Using The Common Fund Doctrine**

19 *(i) The Common Fund Doctrine Is Applicable.*

20 The common fund doctrine provides that, when a number of persons are entitled in common to
21 a specific fund, and an action brought by a plaintiff for the benefit of all results in the creation or
22 preservation of that fund, the plaintiff may be awarded attorneys' fees and costs out of the fund.
23 (*Progressive West Ins. Co. v. Superior Court* (2005) 135 Cal.App.4th 263, 273.) The common fund
24 doctrine is therefore applicable in class action settlements, as class action settlements produce a
25 specific fund to which a number of persons are entitled in common and are the product of an action
26 brought by a plaintiff for the benefit of a class. (*See Petrovic v. Amoco Oil Co.* (8th Cir. 1999) 200
27 F.3d 1140, 1153.)

28 ///

(ii) *The Common Fund Doctrine Is Favorable.*

The common fund doctrine was recognized in *Quinn v. State of California* (1995) 15 Cal.3d 162 as favorable in class action settlements. In *Quinn*, the California Supreme Court specified that the common fund doctrine (1) offsets those who “expend attorneys’ fees in winning a suit which creates a fund from which others derive benefits” by requiring “those passive beneficiaries to bear a fair share of the litigation costs.” (*Id.* at 167.) In *Quinn*, the California Supreme Court further specified that the common fund doctrine promotes “...fairness to the successful litigant, who might otherwise receive no benefit because his recovery might be consumed by the expenses; correlative prevention of an unfair advantage to the others who are entitled to share in the fund and who should bear their share of the burden of its recovery; and encouragement of the attorney for the successful litigant, who will be more willing to undertake and diligently prosecute proper litigation for the protection or recovery of the fund if he is assured that he will be properly...compensated should his efforts be successful.” (*Quinn*, *supra*, 15 Cal.3d at 167.)

Even before *Quinn*, California Courts routinely used the common fund doctrine to determine a reasonable award of attorneys’ fees. (*See, e.g., In re Pacific Enterprises Securities City and County of San Francisco Litigation* (9th Cir. 1994) 47 F.3d 373, 378-79; *see also City and County of San Francisco v. Sweet* (1995) 12 Cal.4th 105, 110 [recognizing that the common fund doctrine has been applied “consistently in California when an action brought by one party creates a fund in which other persons are entitled to share.”]; *Vincent v. Hughes Air West, Inc.* (9th Cir. 1977) 557 F.2d 759, 769 [finding the common fund doctrine attempts to “spread litigation costs proportionally among all the beneficiaries so that the active beneficiary does not bear the entire burden alone.”].)

The common fund doctrine is also recognized as favorable in class action settlements when compared to the alternative lodestar approach, which often involves wading through voluminous and, oftentimes, indecipherable time records. Commenting on the lodestar approach, Chief Judge Marilyn Hall Patel wrote in *In re Activision Securities Litigation* (N.D. Cal. 1989) 723 F.Supp. 1373: “This court is compelled to ask, ‘Is this process necessary?’ Under a cost-benefit analysis, the answer would be a resounding, ‘No!’ Not only do the *Lindy Kerr-Johnson* analyses consume an undue amount of court time with little resulting advantage to anyone, but in fact, it may be to the detriment of the Class

Members.” In contrast to the lodestar approach, the common fund doctrine aligns with the interests of Class Counsel; encourages efficient resolution of litigation by providing an incentive for early, yet reasonable, settlement; and reduces the demands on judicial resources. (*Id.* at pp. 1378-79.)

(iii) *The Class Counsel Fees Payment Aligns With Leading Treatises
On Fee Awards Calculated Using the Common Fund Doctrine*

The Class Counsel Fees Payment is in line with leading treatises on fee awards calculated using the common fund doctrine, which concur that “[n]o general rule can be articulated on what is a reasonable percentage of a common fund. Usually, [fifty percent] of the fund is the upper limit on a reasonable fee award from a common fund in order to assure that the fees do not consume a disproportionate part of the recovery obtained for the class, although somewhat larger percentages are not unprecedented. (*See* Conte & Newberg, *Newberg on Class Actions* (3rd Ed.) § 14.03.)

Here, the Class Counsel Fees Payment equals one-third of the Gross Settlement Amount, which aligns with prevailing guidelines established in California case law and academic literature and is consistent with prior awards approved in California. (*See Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th 43, 66, n.11 [“Empirical studies show that, regardless of whether the percentage method or the lodestar method is used, fee awards in class actions average around one-third of the recovery.”]; *see also Van Vranken v. Atlantic Richfield Company* (N.D. Cal. 1995) 901 F.Supp. 294 [stating that cases where 30-50 percent was awarded involved “smaller” settlement funds of under \$10 million.])

b) **The Class Counsel Fees Payment Comports With California Labor
Code Section 2699(k), as Modified**

Labor Code section 2699(k) states: “any employee who prevails in any action shall be entitled to an award of reasonable attorneys’ fees and costs, including any filing fee paid pursuant to...Section 2699.3.” This fee-shifting provision reflects the understanding that counsel must accept significant risk of substantial expenses and consumption of time and other resources in litigating a PAGA action, and thus, that it is reasonable for counsel to recover reasonable fees and costs if successful in litigating the same. It is notable that the reasonableness of an award is unaffected when the fees are larger than the total recovery for the Aggrieved Employees at the conclusion of the case because once counsel undertake the litigation, they are committed to pursuing the case to its conclusion, placing the

1 fiduciary duty to the Aggrieved Employees ahead of all other concerns.

2 Here, this Action arose, in part, under Labor Code sections 2698, *et seq.* Therefore, Labor
3 Code section 2699(k) applies. The prosecution of this Action involved significant financial risk to
4 Class Counsel, as they undertook this matter solely on a contingency basis, with no guarantee of
5 recovery. (*Moon Decl.*, ¶¶ 42-45.) The Class Counsel Fees Payment therefore comports with the fee-
6 shifting provision of Labor Code section 2699(k).

7 c) **The Class Counsel Fees Payment Is Commensurate With Class**
8 **Counsel's Significant Experience, Reputation, and Ability In Class**
9 **Action Settlements**

10 Here, the experience, reputation, and ability of Class Counsel support the Class Counsel Fees
11 Payment, as fees are generally awarded commensurate with the experience, reputation, and skill of
12 counsel, and Class Counsel have significant and specific experience in litigating class and
13 representative wage-and-hour actions on behalf of hourly, non-exempt employees. (*Moon Decl.*, ¶¶
14 26-41; *Lo Decl.*, ¶¶ XX.) Moreover, Class Counsel have been involved as lead or co-counsel in a
15 multitude of class and representative actions resulting in beneficial results to class members in
16 California. (*Moon Decl.*, ¶¶ 26-41; *Lo Decl.*, ¶¶ XX.) This experience has familiarized Class Counsel
17 with this rapidly evolving area of law, such that they possess significant expertise in this narrow field.
18 (*Moon Decl.*, ¶¶ 26-41; *Lo Decl.*, ¶¶ XX.)

19 2. **The Class Counsel Expenses Payment Is Fair And Reasonable**

20 The Class Counsel Expenses Payment is fair and reasonable because class counsel are entitled
21 to recover the out-of-pocket litigation costs they reasonably incur in investigating, prosecuting, and
22 settling a class and representative action, and the Class Counsel Expenses Payment reflects such costs.
23 (*Staton v. Boeing Co.* (9th Cir. 2003) 327 F.3d 938, 974.)

24 Here, Class Counsel has reasonably incurred \$XX in total litigation costs, with \$10,888.35
25 incurred by Moon Law Group, P.C., and \$XX incurred by Work Lawyers, P.C. (*Moon Decl.*, Exh. 5;
26 *Lo Decl.*, Exh X.) Such costs were reasonably incurred because they were actually incurred and required
27 to prosecute this Action. (*Moon Decl.*, Exh. 5; *Lo Decl.*, Exh X.) For example, they include, but are not
28 limited to, the complaint filing fee and expert fee. (*Moon Decl.*, Exh. 5; *Lo Decl.*, Exh X.) The complaint

1 filing fee was required to initiate the *Vanegas* Action, and the expert fee allowed Class Counsel to
2 determine Plaintiffs’ realistic recovery, which facilitated the Parties’ settlement discussions and
3 ultimately led to the Settlement. (*Moon Decl.*, Exh. 5; *Lo Decl.*, Exh X; *Settlement*, ¶ 2.5.) The Parties
4 have agreed to reimbursement of litigation costs not to exceed \$29,000.00, and any un-awarded
5 litigation costs shall become part of the Net Settlement Amount for allocation to Settlement Class
6 Members. (*Settlement*, ¶ 3.2.2.)

7 **3. The Class Representative Service Payments Are Fair And Reasonable**

8 The Class Representative Service Payments are fair and reasonable, as named plaintiffs in
9 class action lawsuits “are eligible for reasonable incentive payments to compensate them for the
10 expense or risk they incur in conferring a benefit on other members of the class,” and the Service
11 Payments here compensate Plaintiffs for the benefit they conferred on the Class. (*Munoz, supra*, 86
12 Cal.App.4th at 412; *Clark v. Am. Residential Servs. LLC* (2009) 175 Cal.App.4th 785, 806; *see In re*
13 *Cont’l Ill. Sec. Litig.* (7th Cir. 1992) 962 F.2d 566, 571 [“Since without a named plaintiff there can be
14 no class action, such compensation as may be necessary to induce him to participate in the suit could
15 be thought the equivalent of the lawyers’ nonlegal but essential case-specific expenses, such as long-
16 distance phone calls, which are reimbursable.”].) In particular, Plaintiffs helped bring about an average
17 Individual Class Payment of \$734.03. (*Moon Decl.*, ¶ 21.)

18 Courts routinely grant approval of class action settlement agreements containing enhancements
19 for the class representatives, as enhancements are necessary to provide incentive to represent the class
20 and appropriate given the benefit a class representative helps bring about for the class. (*See Rodriguez*
21 *v. W. Publ’g Corp.* (9th Cir. 2009) 563 F.3d 948, 958-59.) In determining whether to award an
22 enhancement payment, “courts may consider... 1) the risk to the class representative in commencing
23 suit, both financial and otherwise; 2) the notoriety and personal difficulties encountered by the class
24 representative; 3) the amount of time and effort spent by the class representative; 4) the duration of the
25 litigation; and 5) the personal benefit (or lack thereof) enjoyed by the class representative as a result of
26 the litigation. (*In re Cellphone Fee Termination Cases* (2010) 186 Cal.App.4th 1380, 1394-95
27 [holding the trial court did not abuse its discretion in awarding enhancements of \$10,000.00 to each of
28 the four named plaintiffs.].) Nonetheless, a court’s “intrusion upon what is otherwise a private

1 consensual agreement negotiated between the parties to a lawsuit must be limited to the extent
2 necessary to reach a reasoned judgment that the agreement is not the product of fraud or overreaching
3 by, or collusion between, the negotiating parties, and that the settlement, taken as a whole, is fair,
4 reasonable, and adequate to all concerned.” (*Officers for Justice v. Civil Service Commission of City*
5 *and County of San Francisco* (9th Cir. 1982) 688 F.2d 615, 625.)

6 Incentive awards are particularly important to plaintiffs in wage and hour cases because they
7 (1) promote the important public policies underlying the wage and hour laws, and (2) compensate
8 employees for the significant risk they face with respect to their future employability. (*See California*
9 *Labor Code section 90.5(a)* [“It is the policy of [the State of California] to vigorously enforce
10 minimum labor standards in order to ensure employees are not required or permitted to work under
11 substandard unlawful conditions or for employers that have not secured the payment of compensation,
12 and to protect employers who comply with the law from those who attempt to gain a competitive
13 advantage at the expense of their workers by failing to comply with minimum labor standards.”];
14 *Gentry v. Super. Ct.* (2007) 42 Cal.4th 443, 460-61 [the California Supreme Court recognizing that
15 “retaliation against employees for asserting statutory rights under the Labor Code is widespread,”
16 despite anti-retaliation statutes designed to protect employees]; *see also Frank v. Eastman Kodak Co.*
17 (W.D.N.Y. 2005) 228 F.R.D. 174, 187.)

18 Here, subject to the Court’s approval, the Parties have agreed to a Service Payment not to
19 exceed \$7,500.00 to each Plaintiff. (*Settlement*, ¶ 3.2.1.) Class Counsel represent that Plaintiffs
20 devoted significant time and work assisting counsel in the case and communicated with Class Counsel
21 regularly following mediation and throughout the Settlement process. (*Moon Decl.*, ¶¶ 50-53; *Lo*
22 *Decl.*, ¶¶ XX.)

23 **IV. CERTIFICATION FOR SETTLEMENT PURPOSES IS WARRANTED**

24 **A. Legal Standard**

25 For the reasons set forth below, and for purposes of settlement, the Class satisfies the
26 prerequisites for certification under the California Code of Civil Procedure section 382: that there be
27 an ascertainable class; and that there be a well-defined community of interest in the questions of law
28 and fact involved affecting the parties to be represented. (*Daar v. Yellow Cab Co.* (1967) 67 Cal. 2d

695, 704.) There is an ascertainable class when: the class is identifiable, is numerous, and shares a well-defined community of interest. (*Miller v. Woods* (1983) 148 Cal. App. 3d 862, 873.) There is a well-defined community of interest when there are predominant questions of law or fact; the class representative possesses claims or defenses typical of the class; and the class representative can adequately represent the class. (*Richmond v. Dart Indus., Inc.*, (1981) 29 Cal. 3d 462, 470.)

1. The Class Is Identifiable

Here, the Class is identifiable because its definition is precise and comprised of objective criteria rendering Class Members discernable. The objective criteria includes the nature of the position held by the Class Member, i.e., non-exempt; the time period during which the Class Member held the position, i.e., from (1) July 27, 2018, through April 20, 2025, for all Class Members who worked for Stonebridge Hospitality, (2) January 3, 2019, through April 20, 2025, for all Class Members who worked for 365 Hospitality, and (3) May 15, 2024, through April 20, 2025, for all Class Members who worked for Real Hospitality, 365 Hospitality, LLC, 365 Management Company, LLC, 365 Partner, LLC, Real Payroll Group, LLC, Stonebridge Companies Holdings, LLC, and/or Stonebridge Concessions, LLC; the state in which the Class Member worked, i.e., California; and the employer of the Class Member, i.e., Defendants. (*Settlement*, ¶ 1.6.) Such objective terms are sufficient for finding a class identifiable. (*See e.g., Wilner v. Sunset Life Ins. Co.*, (2000) 78 Cal.App.4th 952, 959-60.)

2. The Class Is Numerous

Here, the Class is numerous because it consists of an estimated 750 Class Members, and such a number has regularly been found sufficient for finding a class numerous. (*See e.g., id.*, citing *Bowles v. Super. Ct.* (1955) 44 Cal.2d 574 [“Thus, our Supreme Court has upheld a class representing the 10 beneficiaries of a trust in an action for removal of the trustees.”]; *see Rose v. City of Hayward*, (1981) 126 Cal.App.3d 926, 934 [“The requirement of California Code of Civil Procedure section 382 that there be ‘many’ parties to a class action suit is indefinite and has been construed liberally”] [“Where a question is of common interest to ‘many’ persons, an action may be maintained as a class action even where the parties are numerous, and it is in fact practicable to join them all”] [“No set number is required as a matter of law for the maintenance of a class action.”].)

///

1 **3. The Class Shares A Well-Defined Community Of Interest**

2 Here, the Class shares common questions of law and fact that predominate over individual
3 issues. The questions of law and fact center around whether Defendants had legally compliant policies
4 and practices to pay employees all wages owed; whether Defendants had legally compliant policies
5 and practices to provide employees with code-compliant meal periods; whether Defendants had
6 legally compliant policies and practices authorizing and permitting its employees to take code-
7 compliant rest breaks; whether Defendants had legally compliant policies and practices to ensure
8 reimbursement of all necessary business expenses incurred; whether Defendants timely paid final
9 wages to employees; and whether Defendants had legally compliant wage statements. The operative
10 Complaint establishes that all Class Members would need to answer these same questions of law and
11 fact to prevail on their injuries; that all Class Members have suffered from and seek redress for the
12 same injuries; and that their legal remedies would be identical in the event they prevailed. Such is
13 sufficient for finding a class shares common questions of law and fact. (*See, e.g., Clothesrigger, Inc. v.*
14 *GTE Corp.* (1987) 191 Cal.App.3d 605.)

15 Here also, the Class Representatives have claims typical of the Class. A class representative
16 has claims typical of the class when his or her claims arise from the same event, practice, or course of
17 conduct, and if the claims rest on the same legal theories. (*Classen v. Weller* (1983) 145 Cal.App.3d
18 27, 47 [“The only requirements are that common questions of law and fact predominate and that the
19 class representative be similarly situated” vis-à-vis the class.”].) This is precisely the case here. Like
20 all other Class Members, Plaintiffs are former non-exempt employees of Defendants; Plaintiffs
21 worked for Defendants in California; Plaintiffs typically worked at least five days each workweek and
22 eight or more hours each workday; and Plaintiffs were subject to the employment policies and
23 practices of Defendants, which are the basis of her claims and legal theories in support thereof. The
24 Class Members are also all non-exempt employees of Defendants; who worked for Defendants in
25 California; who worked the same average workday and workweek as Plaintiffs; and who were also
26 subject to the same policies and practices as Plaintiffs, which are also the basis of their claims and
27 alleged legal theories. The Class Representatives therefore have identical claims to those of the Class.

28 Here, last, the Class Representatives adequately represent the Class. A class representative

adequately represents the class when he or she is represented by counsel qualified to conduct the pending litigation; and his or her interests are not antagonistic to those of the class. (*McGhee v. Bank of America*, (1976) 60 Cal.App.3d 442, 451.) Plaintiffs retained counsel with extensive experience in prosecuting complex class actions, including similar class actions that previously settled. (*Moon Decl.*, ¶¶ 26-41; *Lo Decl.*, ¶¶ XX.) With their combined experience, Class Counsel are unquestionably “qualified, experienced and generally able to conduct the proposed litigation.” (*Miller, supra*, (1983) 148 Cal.App.3d at 875.) In addition, Plaintiffs have no conflicts of interest with any Class Members, and Plaintiffs have, with counsel, helped bring about the Settlement in this Action and diligently reviewed the Settlement terms, showing their dedication. Plaintiffs’ willingness to serve as representative demonstrates her goal to bring about the best results possible for the Class. (*McGhee, supra*, 60 Cal.App.3d at p. 451.)

4. A Class Action Is Superior To A Multiplicity Of Litigation

If a Court finds all other requirements for class certification are satisfied, it must finally determine that a class action is superior to alternative means for the fair and efficient adjudication of the litigation. By consolidating many potential individual actions into a single proceeding, this Court’s use of the class action device enables it to manage a litigation in a manner that serves the economics of time, effort, and expense for the litigants and the judicial system. Absent class treatment, similarly situated employees with small but meritorious claims for damages would, as a practical matter, have no means of redress because of the time, effort, and expense required to prosecute individual actions. (*Gentry v. Super. Ct.*, (2007) 42 Cal. 4th 443, 457-62; *Leyva v. Medline Ind.*, (9th Cir. 2013) 716 F.3d 510, 515.) For this reason, and those detailed in this Section, the Class satisfies the requirements for provisional certification.

V. THE CLASS NOTICE MERITS APPROVAL

A. The Class Notice Satisfies State Law

Notice requirements are set forth in the California Rules of Court rules 3.766(e) and 3.766(f). California law vests the Court with broad discretion to fashion an appropriate notice program. (*Cartt v. Super Ct.* (1975) 50 Cal.App.3d 960, 973-74.) There is no statutory or Due Process requirement that all class members receive actual notice. However, as the Court of Appeals has explained, “[t]he notice

1 given should have a reasonable chance of reaching a substantial percentage of the class members...”
2 (*Id.* at p. 974.) Here, the Class Notice will be provided by direct mailing through First Class U.S. Mail,
3 the best possible form of notice under the circumstances. (*Settlement*, ¶ 6.4.)

4 **B. The Class Notice is Accurate and Informative**

5 The Class Notice, in substantially the form attached to the Settlement as **Exhibit C**, should be
6 approved for dissemination to the Class Members. The Class Notice informs the Class Members of the
7 terms of the Settlement; of their right to be excluded from the Settlement; and of their right to object to
8 the Settlement and be heard at the Final Approval Hearing. Accordingly, the Class Notice meets all
9 requirements of California Rules of Court rule 3.769(f).

10 The Class Notice also fulfills the requirement of neutrality in class notices: it summarizes the
11 proceedings to date and the terms and conditions of the Settlement in an informative and coherent
12 manner; makes clear that the Settlement does not constitute an admission of liability by Defendants,
13 which denies all liability; and recognizes that this Court has not ruled on the merits of this Action.
14 (*Conte & Newberg, Newberg on Class Actions* (3rd Ed.) section 8.39.) It also states that Final
15 Approval has not yet been granted. Accordingly, the Class Notice complies with the standards of
16 fairness, completeness, and neutrality required of a combined settlement-certification class notice.

17 **VI. CONCLUSION**

18 For the foregoing reasons, Plaintiffs respectfully request the Court grant preliminary approval
19 of the Settlement and set a Final Approval Hearing.

20
21
22 Dated: March 27, 2026

Respectfully submitted,

MOON LAW GROUP, P.C.

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Kane Moon, Esq.

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Attorneys for Plaintiff, *Ana Vanegas*

1 Dated: March 27, 2026

WORK LAWYERS, P.C.

2 By: Justin Lo

3 Justin Lo, Esq.

4 Attorneys for Plaintiff, *Byron Aguilar*

1 **PROOF OF SERVICE**

2 STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

3 I am employed in the county of Los Angeles, State of California. I am over the age of 18 and
4 not a party to the within action; my business address is 725 South Figueroa Street, 31st Floor
Los Angeles, California 90017. On **March 27, 2026**, I served the foregoing document described as:

5 **PLAINTIFFS' NOTICE OF MOTION AND MOTION FOR PRELIMINARY APPROVAL**
6 **OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT; MEMORANDUM OF**
7 **POINTS AND AUTHORITIES**

8 X by placing ____ the original X a true copy thereof enclosed in sealed envelope(s) addressed as
9 follows:

10 [✓] **BY ELECTRONIC SERVICE:** Based on a court order or an agreement of the parties to
11 accept electronic service, I caused the documents to be sent to the persons at the
electronic service addresses listed above via e-mail. I did not receive an error message.

12 I declare under penalty of perjury under the laws of the State of California that the foregoing
13 is true and correct.

14 Executed this, **March 27, 2026** at Los Angeles, California.

15 _____
Type or Print Name

/s/
Signature