

JCL LAW FIRM, APC

Jean-Claude Lapuyade (State Bar #248676)

jlapyade@jcl-lawfirm.com

Perssia P. Razma (State Bar # 351398)

prazma@jcl-lawfirm.com

5440 Morehouse Drive, Suite 3600

San Diego, CA 92121

Telephone: (619) 599-8292

ZAKAY LAW GROUP, APLC

Shani O. Zakay (State Bar #277924)

shani@zakaylaw.com

Eden Zakay, Esq. (State Bar #339536)

eden@zakaylaw.com

Jaclyn M. Joyce (State Bar #285124)

jaclyn@zakaylaw.com

5440 Morehouse Drive, Suite 3600

San Diego, CA 92121

Telephone: (619) 255-9047

Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN FRANCISCO

SHASTA COLLINS, on behalf of herself and on
behalf of all persons similarly situated,

Plaintiff,

vs.

HILTON MANAGEMENT, LLC, a Delaware
limited liability company; and DOES 1 through 50,
Inclusive;

Defendants.

Case No. CGC-21-590959

**MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF MOTION
FOR FINAL APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: June 16, 2025

Time: 9:30 a.m.

Judge: Hon. Christine Van Aken

Room: 301

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1 I. INTRODUCTION

2 Plaintiff SHASTA COLLINS (hereinafter “Plaintiff”) seeks final approval of the Stipulation
3 of Settlement of Class and PAGA Action Claims and Release of Claims (“Agreement”)¹, which if
4 approved, would provide valuable monetary relief for 1,041 Settlement Class Members employed
5 by Defendants HILTON MANAGEMENT, LLC (“Defendant Hilton Management”) and HILTON
6 HOTEL EMPLOYER LLC (“Defendant Hilton Hotel Employer”) (collectively, “Defendants”).

7 In an order dated October 10, 2024, this Court preliminarily approved the Agreement and
8 preliminarily certified the Class. Declaration of Jean-Claude Lapuyade (“JCL Dec.”), ¶ 4. On
9 January 23, 2024, the Settlement Administrator delivered notice of the proposed settlement to the
10 Class. Declaration of Madely Nava (“Apex Dec.”), ¶ 7.

11 *The Class greeted news of the Settlement with unanimous approval as, at the time of the*
12 *filing of this motion, all 1,041 Class Members chose to participate in the Settlement.*² There are
13 zero opt-outs and zero objections to the Settlement. Apex Dec., ¶¶ 11-12. The unanimous approval
14 by the Settlement Class evidences the clear fairness and reasonableness of the Settlement. JCL Dec.,
15 ¶ 8.

16 An objective evaluation of the proposed settlement of Two Million Dollars and Zero Cents
17 (\$2,000,000.00) (“Gross Settlement Amount”) confirms that the relief negotiated on behalf of the
18 Settlement Class is fair, reasonable, and valuable. The Settlement is a product of informed,
19 adversarial, and non-collusive negotiations, between experienced counsel, and presided over by
20 Jeffrey A. Ross, Esq., a respected and experienced mediator of wage and hour class and PAGA
21 actions. After deducting any Court-approved Attorneys’ Fees and Attorneys’ Expenses, Service
22 Award, PAGA Payment, and Claims Administration Expenses, the Net Settlement Amount shall be
23 distributed to the Settlement Class based on the number of Workweeks they worked while employed
24 by Defendants during the Class Period. JCL Dec., ¶ 8.

25 This Settlement provides substantial recovery to Class Members. Plaintiff estimates that the
26 Settlement, if approved, would result in a Net Settlement Amount of approximately **\$1,140,833.34**.

27 _____
28 ¹ The Agreement is attached as Ex “A” to the Declaration of Jean-Claude Lapuyade (“JCL Dec.”) at ¶ 3. All citations
to the Agreement incorporate by this reference a citation to the JCL Dec., ¶ 3. Further, unless indicated otherwise,
capitalized terms used herein have the same meaning as those defined by the Agreement.

² As of the filing date of this Motion, 10 Notices were deemed undeliverable. Apex Dec ¶ 10.

1 This will result in an average Individual Settlement Payment of **\$1,095.90**, with the estimated
2 highest gross payment being **\$3,031.67** and the lowest gross payment being **\$2.48**. Aggrieved
3 Employees will receive an estimated average gross payment of **\$38.70**, with the estimated highest
4 gross payment being **\$128.29** and the lowest gross payment being **\$0.18**. JCL Dec., ¶ 9; Apex Dec.,
5 ¶¶ 15-18.

6 The relief offered by the Settlement is immediate and is particularly impressive when viewed
7 against the difficulties encountered by plaintiffs pursuing similar wage and hour cases (*see infra*).
8 Indeed, by settling now rather than proceeding to trial, the Settlement Class will not have to wait
9 (possibly years) for relief, nor will they have to bear the risks associated with prolonged and
10 uncertain litigation. JCL Dec., ¶ 10.

11 As discussed below, the proposed Settlement satisfies all criteria for final settlement approval
12 under California law and falls well within the range of reasonableness. Accordingly, the Class
13 Representative and Class Counsel respectfully request this Court grant final approval of the
14 Agreement and entry of the proposed Final Approval Order and Judgment. JCL Dec., ¶ 11.

15 **II. OVERVIEW OF THE LITIGATION**

16 Defendants own and operate hotels throughout the world, including the Hilton San Francisco
17 Union Square Hotel where Plaintiff worked. JCL Dec., ¶ 12. Plaintiff was employed by Defendants
18 from approximately July of 2019 to January of 2020 as a non-exempt employee paid on an hourly
19 basis, in a security officer position. Declaration of Shasta Collins (“Collins Dec.”) at ¶ 4. Generally,
20 Plaintiff claims that Defendants failed to pay for all time worked, failed to provide compliant meal
21 and rest periods, and failed to furnish accurate itemized wage statements. Throughout her
22 employment, Plaintiff was subject to Defendants’ written policies and procedures contained in,
23 among other documents, Defendants’ Employee Handbook. Defendants deny liability for each of
24 Plaintiff’s claims. Further, Defendants assert that they fully complied with all applicable
25 employment laws and raised several other significant defenses to Plaintiff’s claims, including but
26 not limited to, facially compliant meal and rest period policies, proper calculation of employees’
27 regular rate of pay, and compliant wage statements. JCL Dec., ¶ 13.

28 On December 7, 2020, Plaintiff served Defendants and the Labor and Workforce

1 Development Agency (“LWDA”) with a Notice of Violations (“PAGA Notice”). Plaintiff’s PAGA
2 Notice set forth the facts and theories supporting Defendants’ alleged violations of various
3 provisions of the California Labor Code and applicable Industrial Welfare Commissions (“IWC”)
4 Wage Order and of her intent to pursue claims under California Labor Code Private Attorneys
5 General Act, Cal. Lab. Code Sections 2698 et seq (“PAGA”). JCL Dec., ¶ 14.

6 On February 22, 2021, Plaintiff filed a class action complaint in the San Francisco County
7 Superior Court, Case No. CGC-21-589873 alleging eight causes of action against Defendant Hilton
8 Management, LLC for: (1) Unfair Competition in violation of Cal. Bus. & Prof. Code §§ 17200, et.
9 seq.; (2) Failure to Pay Minimum Wages in violation of Cal. Lab. Code §§ 1194, 1197, 1197.1; (3)
10 Failure to Pay Overtime Wages in violation of Cal. Lab. Code §§ 510, et seq. (4) Failure to Provide
11 Required Meal Periods in violation of Cal. Lab. Code §§ 226.7 & 512 and the Applicable IWC
12 Wage Order; (5) Failure to Provide Required Rest Periods in violation of Cal. Lab. Code §§ 226.7
13 & 512 and the Applicable IWC Wage Order; (6) Failure to Reimburse for Required Expenses in
14 violation of Cal. Lab. Code § 2802; (7) Failure to Provide Accurate Itemized Wage Statements in
15 violation of Cal. Lab Code §226; and (8) Failure to Pay Wages When Due in violation of Cal. Lab.
16 Code §§ 201, 202, and 203. JCL Dec., ¶ 15.

17 On April 12, 2021, Plaintiff filed a separate complaint in the San Francisco Superior Court,
18 Case No. CGC-21-590959 alleging a single claim under the Private Attorneys General Act (Labor
19 Code Sections 2698 et seq.) (“PAGA Complaint”). JCL Dec., ¶ 16.

20 On April 12, 2021, Defendants removed the class action to United States District Court for
21 the Northern District of California. JCL Dec., ¶ 17.

22 The Parties agreed to mediate the case, and subsequently stipulated to dismiss the class action
23 in federal court and amend the PAGA Complaint to add the Class Complaint causes of action.
24 Plaintiff filed a First Amended Complaint (“FAC”) to her PAGA action on August 30, 2022, in
25 order to add these class claims. On October 17, 2023, Plaintiff designated Hilton Hotel Employer
26 LLC as Doe 1 in the operative complaint. The FAC is the operative complaint, and hereinafter
27 referred to as the “Action”. To prepare for mediation, Defendants agreed to informally produce
28 additional documents and data points subject to the mediation privilege, including but not limited

1 to, the Class Members’ time data and certain payroll data points. As discussed infra, Plaintiff’s
2 counsel retained the forensic consultants at EconONE Research, Inc. (“Econ One”) to analyze this
3 data. JCL Dec., ¶ 18.

4 On July 27, 2022, the Parties participated in mediation presided over by Jeffrey A. Ross,
5 Esq., an experienced wage and hour and PAGA mediator. The mediation did not conclude with a
6 settlement. On September 19, 2023, the Parties participated in their second mediation presided over
7 by Jeffrey A. Ross, Esq. This mediation concluded with a settlement, which was subsequently
8 memorialized in the form of a Memorandum of Understanding (“MOU”). The Parties executed the
9 MOU in November 2023. Thereafter, the Parties drafted and negotiated a long-form settlement
10 agreement, which is the subject of the instant motion. JCL Dec., ¶ 19.

11 On October 10, 2024, this Court preliminarily approved the Settlement. JCL Dec., ¶ 20. On
12 January 23, 2024, the Settlement Administrator mailed Notice Packets to all 1,041 Class Members.
13 Apex Dec., ¶ 7. The mailing of the Notice Packets triggered a forty-five (45) day Response Deadline
14 for the Settlement Class to submit requests for exclusion or objections to the Settlement. The
15 response from the Settlement Class to the Settlement was outstanding – 100% of the Class Members
16 are participating in the Settlement. Apex Dec., ¶¶ 11-14.

17 **III. THE SETTLEMENT BEFORE THE COURT**

18 The Court preliminarily approved an initial Gross Settlement Amount of Two Million Dollars
19 and Zero Cents (\$2,000,000.00) based on a total of an estimated 200,000 workweeks worked by the
20 Class during the Class Period. The Gross Settlement Amount shall be used: (1) to satisfy Individual
21 Settlement Payments; (2) to satisfy the Service Award; (3) to satisfy the Attorneys’ Fees and
22 Attorneys’ Expenses; (4) to satisfy the PAGA Payment; and (5) to satisfy the Claims Administration
23 Expenses incurred in this action. JCL Dec., ¶ 21.

24 Assuming there are no objectors, and no appeal is filed, Defendants will fund the Gross
25 Settlement Amount within sixty (60) calendar days of the Court’s entry of the order granting final
26 approval of this Settlement. Agreement, ¶ I(O). Individual Settlement Payments and individual
27 shares of the PAGA Payment shall be mailed by regular First-Class U.S. Mail to Settlement Class
28 Members’ and/or Aggrieved Employees’ last known mailing address no later than fourteen (14)

1 calendar days after the funding date. Agreement, ¶ III(L)(7). The Settlement Administrator will
2 calculate Individual Settlement Payments by adding up the total number of Workweeks for all Class
3 Members. The Settlement Administrator will then divide the respective Workweeks for each Class
4 Member by the total Workweeks for all Class Members, resulting in a Payment Ratio for each Class
5 Member. Each Class Member's Payment Ratio is then multiplied by the Net Settlement Amount to
6 calculate each estimated Individual Settlement Payment. Agreement, ¶ III(L)(1). The estimated
7 average Individual Settlement Payment is approximately **\$1,095.90**. In the event an Individual
8 Settlement Payment and/or Aggrieved Employee's individual share of the PAGA Payment check
9 has not been cashed within one hundred and eighty (180) days from the date of their issuance, all
10 funds represented by such uncashed checks, plus any interest accrued thereon, shall be transmitted
11 by the Administrator to the State Controller's Unclaimed Property Fund in the name of the Class
12 Member who did not claim the funds. JCL Dec., ¶ 9.

13 In exchange for the valuable consideration, as of the funding of the Gross Settlement
14 Amount, the Participating Class Members will release the Defendants from the Released Class
15 Claims that accrued during the Class Period. Plaintiff, the LWDA, and the State of California will
16 release the Defendants from the Released PAGA Claims for the PAGA Period. Agreement at ¶¶
17 III(B), III(C).

18 Apex Class Action LLC was appointed as the Settlement Administrator for the Class. Claims
19 Administration Expenses include those expenses of effectuating and administering the Settlement,
20 i.e., the costs incurred to the Settlement Administrator, the costs of giving notice to the Class, the
21 costs of administering and disbursing the Individual Settlement Payments, and the fees of the
22 Settlement Administrator approved for reimbursement by the court. The Claims Administration
23 Expenses are \$22,500.00. Apex Dec., ¶ 19. These expenses shall be paid from the Gross Settlement
24 Amount. Agreement, ¶ III(L)(12).

25 Subject to Court approval, Class Counsel shall seek an award in the amount of up to
26 \$726,666.66, comprised of Attorneys' Fees in the amount of \$666,666.66 (one-third of the Gross
27 Settlement Amount) *and* up to \$60,000.00 for actually incurred litigation expenses. Plaintiff
28 reviewed the terms of the Agreement, including the monetary terms and releases, and executed the

1 Agreement. Declaration of Shasta Collins (“Collins Dec.”) at ¶12. The Agreement also provides
2 for Service Award in the amount of \$10,000.00 in consideration of Plaintiff’s time, risk, and efforts
3 as the Class Representative on behalf of the Settlement Class. Agreement, ¶¶ I(II); III(L)(9). As
4 explained in further detail below, the Settlement is fair, adequate, and reasonable to the class and
5 should be granted final approval. This is evidenced by the unanimous approval of the Settlement by
6 the Settlement Class and absence of any objections to the Settlement and the average Individual
7 Settlement Payment of **\$1,095.90**. Apex Dec., ¶ 16; JCL Dec., ¶ 22.

8 **IV. GENERAL STANDARDS APPLICABLE TO JUDICIAL REVIEW AND**
9 **APPROVAL OF CLASS ACTION SETTLEMENTS**

10 Settlements of disputed claims are favored by the courts. *Huens v. Tatum* (1997) 52
11 Cal.App.4th 259, 265. In evaluating settlements, the courts have long recognized that compromise
12 is particularly appropriate since such litigation is difficult and notoriously uncertain. *7-Eleven*
13 *Owners for Fair Fran. v. Southland Corp.* (2000) 85 Cal.App.4th 1135, 1151 (“voluntary
14 conciliation and settlement are the preferred means of dispute resolution. This is especially true in
15 complex class action litigation”).

16 “[T]o prevent fraud, collusion or unfairness to the class, the settlement or dismissal of a class
17 action requires court approval.” *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801 *citing*
18 *Malibu Outrigger Bd. Of Governors v. Superior Court* (1980) 103 Cal.App.3d 573, 578-579. The
19 court must decide whether the proposed settlement falls within the range of reasonable settlements,
20 considering that settlements are compromises between the parties reflecting subjective,
21 unquantifiable judgments concerning the risks and possible outcomes of litigation. *See also*
22 *Wershba v. Apple Computer* (2001) 91 Cal.App.4th 224, 2246 (The proposed settlement is not to
23 be judged against a hypothetical or speculative measure of what might have been achieved had
24 plaintiffs prevailed at trial.”). In *Wershba*, appellants argued that the settlement was too low given
25 the “clear” liability, however, the Court rejected this argument and held that “the merits of the
26 underlying class claims are not a basis for upsetting the settlement of a class action.” *Wershba*,
27 *supra*, at 246; *see also 7-Eleven, supra*, at 1150.

28 In these cases, Courts have repeatedly emphasized that there is a strong initial presumption

1 that the compromise is fair and reasonable. *Wershba*, 91 Cal.App.4th at 245. Courts should not
2 substitute their judgment for that of the parties who negotiated the settlement. *Id.* at 246. The
3 presumption of fairness exists where: (1) investigation and discovery are sufficient to allow counsel
4 and the court to act intelligently; (2) the settlement is reached through arm's-length bargaining; (3)
5 counsel is experienced in similar litigation; and (4) the percentage of objectors is small. *Dunk*, 48
6 Cal.App.4th at 1801, citing Newberg & Conte, *Newberg on Class Actions*, (3d ed. 1992) §11.41,
7 pp. 11-91. Here, all of these factors support a presumption of fairness.

8 The essential evaluation is whether, given the risks of litigation and the range of probable
9 results, the settlement, taken as a whole, is fair, reasonable, and adequate to all concerned. Here,
10 the facts and circumstances compel the conclusion that the proposed settlement satisfies that
11 standard.

12 V. THE SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE

13 The court must determine whether the settlement is fair, adequate, and reasonable. *Dunk v.*
14 *Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801; *see also Officers for Justice v. Civil Service*
15 *Com'n* (9th Cir. 1982) 688 F. 2d 615, 625. The purpose of the requirement is "the protection of
16 those class members, including the named plaintiffs, whose rights may not have been given due
17 regard by the negotiating parties." *Dunk, supra*, at 1801.

18 The trial court has broad discretion to determine whether the settlement is fair. *Rebney v.*
19 *Wells Fargo Bank* (1990) 220 Cal.App.3d 1117, 1138. "The well-recognized factors that the trial
20 court should consider in evaluating the reasonableness of a class action settlement agreement
21 include 'the strength of plaintiffs' case, the risk, expense, complexity and likely duration of further
22 litigation, the risk of maintaining class action status through trial, the amount offered in settlement,
23 the extent of discovery completed and the stage of the proceedings, the experience and views of
24 counsel, the presence of a governmental participant, and the reaction of the class members to the
25 proposed settlement.' [Citations.]" *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116,
26 128; *see also Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles* (2010) 186 Cal.App. 4th 399,
27 408.

28 The list of factors is not exhaustive and should be tailored to each case. *Dunk, supra*, at 1801.

1 Due regard should be given to what is otherwise a private consensual agreement between the parties.
2 *Id.* The inquiry “must be limited to the extent necessary to reach a reasoned judgment that the
3 agreement is not the product of fraud or overreaching by, or collusion between, the negotiating
4 parties, and that the settlement, taken as a whole, is fair, reasonable and adequate to all concerned.”
5 *Id.* “Ultimately, the [trial] court’s determination is nothing more than ‘an amalgam of delicate
6 balancing, gross approximations and rough justice.’ [Citation omitted.]” *Id.* These factors are
7 analyzed seriatim below and all support final approval of the class action settlement before this
8 Court.

9 **A. Class Counsel Conducted a Thorough Investigation.**

10 As detailed in the motion for preliminary approval, Class Counsel thoroughly investigated
11 the proposed Class Members’ claims, applicable law, and potential defenses. Specifically, Class
12 Counsel assessed the value of the class claims using data and documents provided by Defendants
13 through informal discovery. Class Counsel obtained extensive time and payroll records, as well as
14 data regarding the number of Class Members, workweeks, and average rate of pay to assess
15 damages before mediation. Class Counsel retained Econ One to analyze Defendants’ time and
16 payroll data to formulate damage models estimating Defendants’ liability exposure. Class Counsel’s
17 investigation, research, experience, and damage models informed and guided the mediated
18 negotiations that resulted in this settlement. Accordingly, Plaintiff’s Counsel fully understood the
19 strengths and weaknesses of the class claims before the parties reached a settlement. JCL Dec., ¶
20 23-30.

21 **B. The Parties Settled at Mediation.**

22 On July 27, 2022, and again on September 19, 2023, the Parties conducted full-day
23 mediations with Jeffrey A. Ross, Esq., a respected and experienced mediator of wage and hour class
24 and PAGA actions. Mr. Ross helped to manage the Parties’ expectations and provided a useful,
25 neutral analysis of the issues and risks to both sides. The Parties made substantial progress with Mr.
26 Ross’ assistance. Namely, the Parties exchanged information regarding their respective claims and
27 defenses, including their respective evaluations of the damages. The Parties’ second mediation
28 concluded with a settlement. The complete and final terms of the Parties’ settlement are now set

1 forth in the Agreement. Class Counsel submits that the Settlement constitutes a fair, adequate, and
2 reasonable compromise of the claims at issue. JCL Dec., ¶ 31.

3 As discussed above, the Parties subsequently negotiated the terms of the Agreement based
4 on Defendants' representations and Mr. Ross' recommendation. No action would likely have been
5 taken by Class Members individually, and no compensation would have been recovered for them,
6 but for Plaintiff's services on behalf of the Class. JCL Dec., ¶ 32.

7 **C. Class Counsel is Experienced in Similar Litigation.**

8 Class Counsel in this matter has extensive class action experience in multiple fields and has
9 represented tens-of-thousands of persons in class actions. Class Counsel has previously litigated
10 similar wage and hour class actions involving similar claims. Class Counsel has been approved as
11 class counsel in similar wage and hour class actions throughout the State of California. As such,
12 courts throughout California have deemed Class Counsel experienced and knowledgeable in this
13 area of law. Class Counsel has participated in every aspect of the settlement discussions and has
14 concluded the settlement is fair, adequate, and reasonable and in the best interests of the Class. JCL
15 Dec., ¶¶ 33-39; Declaration of Shani Zakay ("Zakay Dec."), ¶¶ 1-3.

16 **D. The Settlement Class Responded Positively to the Settlement.**

17 The reaction of the Class unequivocally supports approval of the Settlement. Significantly,
18 after dissemination of the notice to the Class Members, which provided each class member with the
19 terms of the Settlement, including the specific estimated Individual Settlement Payments, none of
20 the 1,041 members of the Settlement Class have opted-out of the Settlement. Moreover, there are
21 zero objections. Stated differently, 100% of the Class chose to participate in the Settlement. JCL
22 Dec., ¶ 8; Apex Dec., ¶ 14.

23 The unanimous approval by the Settlement Class strongly supports a finding that the
24 Settlement is fair, reasonable, and adequate. *See In re Austrian & German Bank Holocaust*
25 *Litigation* (S.D.N.Y. 2000) 80 F.Supp.2d 164, 175 ("If only a small number of objections are
26 received, that fact can be viewed as indicative of the adequacy of the settlement."); *Stoetznier v. U.S.*
27 *Steel Corp.* (3d. Cir. 1990) 897 F.2d 115, 118-119 (29 objections out of 281 member class "strongly
28 favors settlement"); *Laskey v. Int'l Union* (6th Cir. 1981) 638 F.2d 954 (The fact that 7 out of 109

1 class members objected to the proposed settlement should be considered when determining fairness
2 of settlement.). Consequently, Class Counsel respectfully request the Court to follow the high
3 approval of the Settlement Class and grant final approval of the Settlement.

4 **E. The Gross Settlement Amount is Fair and Reasonable.**

5 The Gross Settlement Amount of Two Million Dollars and Zero Cents (\$2,000,000.00) in
6 this case is fair and well within the range of recognized reasonableness. The *Kullar* court
7 acknowledged that “as the court does when it approves a settlement as in good faith under Code of
8 Civil Procedure section 877.6, the court must at least satisfy itself that the class settlement is within
9 the ‘ballpark’ of reasonableness.” *Kullar, supra*, at 129; *See Tech-Bilt, Inc. v. Woodward-Clyde &*
10 *Associates*, 38 Cal.3d 488, 499-500 (1985).

11 Here, the Settlement is clearly within the “ballpark” of reasonableness because the Settlement
12 provides a sizeable recovery to the Settlement Class Members and need not necessarily obtain 100
13 percent of the damages sought to be fair, reasonable, and ultimately, meaningful. *Wershba*, 91
14 Cal.App.4th at 250. While the Gross Settlement Amount of Two Million Dollars and Zero Cents
15 (\$2,000,000.00) represents a discount on Defendants’ potential exposure if Plaintiff established
16 liability on all claims and was awarded the full amount of the estimated damages at trial, this
17 compromise is reasonable because (1) the formidable defenses raised by Defendants presented a
18 risk that could award significantly less in damages than Plaintiff’s estimate and (2) any theoretical
19 post-trial recovery may require many more years of litigation, resulting in added fees and costs
20 without any guarantee of recovery for the Class. JCL Dec., ¶ 40.

21 As detailed at the time of preliminary approval, the Gross Settlement Amount is fair and
22 reasonable considering the nature and magnitude of the claims being settled and the various
23 potential impediments to recovery. Class Counsel developed varied economic damages models
24 measuring Defendants’ liability exposure while accounting for the uncertainties of continued
25 litigation. The various models were informed by Class Counsel’s investigation, including the
26 analysis of a significant sample of payroll data. As detailed in greater depth during the preliminary
27 approval process, Class Counsel projected a range of Defendants’ liability exposure for the claims
28 asserted on behalf of the Settlement Class. The Gross Settlement Amount represents approximately

1 20% of Defendants’ class-wide liability exposure as estimated by Class Counsel at the time of
2 mediation. JCL Dec., ¶ 41.

3 In *Stovall-Gusman v. W.W. Granger, Inc.*, 2015 U.S. Dist. LEXIS 78671, at * 12, the District
4 Court for the Northern District of California granted final approval in a wage and hour
5 misclassification action and found that the Gross Settlement Amount representing 10% of the
6 estimated trial award was within the “range of reasonableness.” In *Dunleavy v. Nadler (In re Mego*
7 *Fin. Corp. Sec. Litig.)* (9th Cir. 2000) 213 F.3d 454, 459, the Ninth Circuit approved a settlement
8 representing “roughly one-sixth of the potential recovery.” Given the amount of the settlement here
9 as compared to potential value of the claims, particularly the strength of Plaintiffs’ action, the
10 settlement is clearly fair and reasonable.³

11 The calculation methodology used to compensate the Settlement Class Members for the
12 alleged damages was negotiated at the time of the Settlement. More importantly, the methodology
13 is fair, objective, and impartial. The calculation methodology is based on the number of Workweeks
14 each Settlement Class Member worked for Defendants during the Class Period. The number of
15 Workweeks for the Settlement Class Members is established through Defendants’ data and
16 documented compensation records. The Settlement Administrator is responsible for calculating the
17 Individual Settlement Payments by multiplying the Payment Ratio for each Class Member by the
18 Net Settlement Amount. The Settlement Administrator will calculate the Payment Ratio by dividing
19 the total number of Workweeks for each Class Member by the total number of Workweeks for all
20 Class Members. This process establishes an objectively fair and reasonable procedure to
21 compensate the Settlement Class. Agreement, ¶ III(L)(1).

22 The Settlement also provides significant relief to the Settlement Class Members. After
23 deductions for the Attorneys’ Fees and Attorneys’ Expenses, Claims Administration Expenses, the
24 PAGA Payment, and the Service Award, the Net Settlement Amount is currently estimated to be

25
26 ³ See also *Viceral v. Mistras Grp., Inc.* (N.D. Cal. Oct. 11, 2016, No. 15-CV-02198) 2016 WL 5907869, at *3, 7
27 (approving a California wage and hour settlement where the class received 11.6% of the estimated total liability, or
28 approximately \$29 per work week); *Leverage v. Traeger Pellet Grills, LLC* (N.D. Cal. June 28, 2017, No. 16-CV-
00784) 2017 WL 2797811, at *7 (Approving a California wage and hour settlement where the class received 18% of
the estimated total liability); see also *In re Newbridge Networks Sec. Litig.* (D.D.C. Oct. 23, 1998) 1998 WL 765724,
at *2 (“Courts have not identified a precise numerical range within which a settlement must fall in order to be deemed
reasonable; but an agreement that secures roughly six to twelve percent of a potential trial recovery, while preventing
further expenditures and delays and eliminating the risk that no recovery at all will be won, seems to be within the
targeted range of reasonableness.”).

1 **\$1,140,833.34.** The average settlement payment is approximately **\$1,095.90.** Apex Dec., ¶ 15-16.
2 This average net recovery is on par with many wage and hour class action settlements approved by
3 California state and federal courts. *See, e.g., Palencia v. 99 Cents Only Stores*, No. 34-2010-
4 00079619 (Sacramento County Super. Ct) (average net recovery of approximately \$80); *Fukuchi v.*
5 *Pizza Hut*, Case No. BC302589 (L.A. County Super. Ct.) (average net recovery of approximately
6 \$120); *Contreras v. United Food Group, LLC*, Case No. BC389253 (L.A. County Super. Ct.)
7 (average net recovery of approximately \$120); *Ressler v. Federated Department Stores, Inc.*, Case
8 No. BC335018 (L.A. County Super. Ct.) (average net recovery of approximately \$90); *Doty v.*
9 *Costco Wholesale Corp.*, Case No. CV05-3241 FMC-JWJx (C.D. Cal. May 14, 2007) (average net
10 recovery of approximately \$65); *Sorenson v. PetSmart, Inc.*, Case No. 2:06-CV-02674-JAM-DAD
11 (ED. Cal.) (average net recovery of approximately \$60); *Lim v. Victoria's Secret Stores, Inc.*, Case
12 No. 04CC00213 (Orange County Super. Ct.) (average net recovery of approximately \$35); and
13 *Gomez v. Amadeus Salon, Inc.*, Case No. BC392297 (L.A. Super. Ct.) (average net recovery of
14 approximately \$20). Additionally, Defendant must separately fund its share of any employer side
15 payroll taxes. Agreement, ¶ III(A)(4).

16 Clearly the goal of this litigation to obtain redress for the class has been met by this
17 Settlement. Given the amount of the Settlement, the risks of litigation and the arm's length
18 negotiations between experienced counsel, the settlement is fair and reasonable, and is therefore
19 entitled to final approval. JCL Dec., ¶ 42.

20 **F. The Strength of Plaintiff's Case and Risks of Continued Litigation**

21 Although Class Counsel believes strongly in Plaintiff's claims, it would be misguided to
22 ignore the asserted defenses. If successful on any one of its defenses, Defendants could defend the
23 action or, at least, drastically undercut Plaintiff's claims. JCL Dec., ¶ 43. As the federal court in
24 *Glass v. UBS Fin. Servs.*, 2007 WL221862 held, where the parties faced uncertainties similar to
25 those in this litigation:

26 ***In light of the above-referenced uncertainty in the law, the risk,***
27 ***expense, complexity, and likely duration of further litigation***
28 ***likewise favors the settlement.*** Regardless of how this Court might
have ruled on the merits of the legal issues, the losing party likely
would have appealed, and the parties would have faced the expense
and uncertainty of litigating an appeal. The expense and possible
duration of the litigation should be considered in evaluating the

reasonableness of [a] settlement.

With respect to the most immediate challenge, i.e., class certification, the risks attendant to the certification of similar wage and hour claims are demonstrated by *Ali v. U.S.A. Cab Ltd.* (2009) 176 Cal.App.4th 1333, 1341. There, the Court of Appeal affirmed the Trial Court’s denial of class certification because employees’ declarations attesting to having taken meal and rest breaks demonstrated that individualized inquiries were required to show harm. *See also Campbell v. Best Buy Stores, L.P.*, (C.D. Cal. 2013) 2013 WL 5302217 at *11-13 (following *Brinker* and denying certification of proposed off-the-clock and rest and meal break classes due to lack of uniform policy); *Brown v. Fed Express Corp.* (C.D. Cal. 2008) 249 F.R.D. 580, 587-88 (denying certification of driver meal and rest period claims based on the predominance of individual issues). JCL Dec., ¶ 44.

Further, even if a class is certified, liability remains uncertain. The risks attendant to the issue of Defendant’s liability in similar wage and hour actions are demonstrated by *Duran v. U.S. Bank National Association* (2014) 59 Cal.4th 1, 31. There, the Court reversed a trial verdict in favor plaintiffs in a wage and hour class action. *See also Tien v. Tenet Healthcare Corp.* (2012) 209 Cal.App.4th 1077, 1088 (“[T]he reason, if any, that employees might not take their breaks were predominantly individualized questions of fact not susceptible to class treatment.”). JCL Dec., ¶ 45.

Finally, even if a class is certified and Defendants are found liable for the class claims alleged, post-certification risks remain, including a reversal of a favorable judgment for Plaintiff and decertification of the class. These post-certification risks are demonstrated by *Magadia v. Wal-Mart Associates, Inc.* (9th Cir. 2021) 999 F.3d 668. There, the Ninth Circuit vacated reversed and remanded a \$110 million judgement against an employer for, *inter alia*, inaccurately paying overtime, and directed the trial court to enter judgement in favor of the employer. *See also O’Conner v. Uber Technologies, Inc.* (9th Cir. 2018) 904 F.3d 1087 (decertification of wage and hour misclassification action). JCL Dec., ¶ 46.

Collectively, the examples cited above illustrate the uncertain nature of class litigation. Consequently, the uncertainty of obtaining certification through a contested motion is a significant risk factor favoring settlement. JCL Dec., ¶ 47.

1 Although Plaintiff is confident about the strength of her claims, Plaintiff nevertheless
2 recognizes that Defendants have factual and legal defenses that, if successful, would potentially
3 defeat or impair the value of the lawsuit. Legally, the fast-changing landscape of wage and hour
4 litigation can drastically affect the value of Plaintiff's claims and, in fact, already has. JCL Dec.,
5 ¶ 48.

6 In a similar wage and hour case, the federal district court in *Hopson v. Hanesbrands Inc.*,
7 No. CV-08-0844 EDL, 2009 WL 928133 (N.D. Cal. Apr. 3, 2009) granted approval of an
8 overtime class action settlement and explained:

9 **Plaintiffs may have a strong case, but the risks inherent in**
10 **continued litigation are great.** Defendants strongly deny liability for
11 Plaintiffs' principal claim that full-time Service Associates were
12 misclassified as exempt. In addition to the uncertainties raised by
13 Defendants at the preliminary stage regarding Plaintiffs' chance of
14 success in this case, Defendants notes that the question of an
15 employer's duty to provide rest and meal periods is an open one,
16 signaling even less certainty for Plaintiffs.....[T]he gross settlement
17 amount and the Class Members' expected net recovery, after fees
18 and other costs are deducted, appear to be a reasonable
19 compromise, in light of the risks of litigation.

20 See also *Browning v. Yahoo! Inc.*, No. C04-01463 HRL, 2007 WL 4105971, at *10 (N.D. Cal.
21 Nov. 16, 2007) (“In considering the strength of Plaintiff's case, legal uncertainties at the time of
22 settlement—particularly those which go to fundamental legal issues—favor approval.”).

23 As recognized in a federal decision approving settlement of an overtime wage class action:

24 **The potential complexity and possible duration of trial also weigh**
25 **in favor of granting final approval.** Plaintiffs acknowledge the
26 difficulties of proving damages, recognize the uncertainty of
27 outcome, and believe defendant would appeal in the event of adverse
28 judgment. A post-judgment appeal would require many years to

1 resolve and delay payment to class members. Plaintiffs believe the
2 benefits of a guaranteed recovery today outweigh an uncertain future
3 result. Accordingly, plaintiffs argue, and the Court agrees, the actual
4 recovery confers substantial benefits on the class that outweigh the
5 potential recovery through full adjudication.

6 *Barcia v. Contain-A-Way, Inc., No. 07CV938-IEG-JMA, 2009 WL 587844, at *3 (S.D. Cal. Mar.*
7 *6, 2009); see also Louie v. Kaiser Found. Health Plan, Inc., No. 08CV0795 IEG RBB, 2008 WL*
8 *4473183 (S.D. Cal. Oct. 6, 2008)*

9 In sum, while other cases have approved class certification in wage and hour claims, class
10 certification in this action would have been hotly disputed and was by no means a foregone
11 conclusion. Where both sides face significant uncertainty, as here, the attendant risks favor
12 settlement. *Hanlon v. Chrysler Corp.*, 150 F. 3d 1011, 1026 (9th Cir. 1998).)

13 As demonstrated by the decisions in *Magadia, supra*, 999 F.3d 668 and *O’Conner v. Uber*
14 *Technologies*, 82 F. Supp. 3d 1133 (N.D. Cal. 2018) and *Duran v. U.S. Bank National Assn.*, 59
15 Cal. 4th 1 (2014), the complexities and duration of further litigation cannot be overstated. There is
16 little doubt that if Defendants faced a large adverse judgement, Defendants undoubtedly have the
17 resources to post a bond and appeal. A post-judgment appeal by Defendants would have required
18 many more years to resolve, assuming the judgment was affirmed. If the judgment was not affirmed
19 in total, then the case could have dragged on for years after the appeal. The benefits of a guaranteed
20 recovery today outweigh an uncertain result three or more years in the future. JCL Dec., ¶ 49.

21 Class Representative and Class Counsel believe that the Settlement confers substantial
22 monetary and non-monetary benefits upon the Class. Based upon their evaluation, Class
23 Representative and Class Counsel have determined that the Settlement set forth in the Agreement
24 is in the best interest of the Class, is fair, reasonable and adequate, and should be granted final
25 approval. JCL Dec., ¶ 50.

26 **VI. THE PENALTIES UNDER THE PRIVATE ATTORNEY GENERAL ACT OF 2004**
27 **ARE REASONABLE**

28 Where settlements “negotiate a good faith amount” for PAGA penalties and “there is no
indication that this amount was the result of self-interest at the expense of class members,” such

1 amounts are generally considered reasonable. *Hopson v. Hanesbrands Inc.*, No. CV-08-0844 EDL,
2 2009 WL 928133, at *9 (N.D. Cal. Apr. 3, 2009). Courts routinely approve of amounts for PAGA
3 penalties in the range of zero to two percent of the settlement. *See id.* at *1, 9 (approving a PAGA
4 payment of 0.3%); *Jack v. Hartford Fire Ins. Co.*, No. 09cv1683 MMA (JMA), 2011 WL 4899942,
5 at *6 (S.D. Cal. Oct. 13, 2011) (approving a PAGA payment of 0.25%); *McKenzie v. Fed. Express*
6 *Corp.*, No. CV 10-02420 GAF (PLAx), 2012 WL 12882124, at *5 (C.D. Cal. Jan. 23, 2012)
7 (acknowledging that courts approve PAGA claim settlements in the range of zero to two percent of
8 the total settlement).

9 Here, the Parties negotiated a good faith PAGA Payment in the amount of \$100,000.00 which
10 is approximately 5% of the Gross Settlement Amount. As illustrated above, this amount falls well
11 within the range of approved PAGA Settlements. Seventy-five percent (75%) of the PAGA
12 Payment (\$75,000.00) will be paid to the LWDA (“LWDA Payment”) with the remaining twenty-
13 five percent (25%) of the PAGA Payment (\$25,000) to be distributed to the Aggrieved Employees,
14 which is within the range of PAGA penalties approved by courts and should be approved. JCL Dec.,
15 ¶ 51.

16 Further, on August 2, 2024, Class Counsel gave the LWDA notice of this Settlement and
17 proposed allocation by filing a copy of the Settlement and the Motion for Preliminary Approval
18 with the LWDA. On May 21, 2025, Plaintiff gave the LWDA notice of this motion seeking final
19 approval of this settlement. By not registering an objection with either Class Counsel or the Court,
20 the LWDA has accepted and approved of the proposed PAGA Payment. JCL Dec., ¶ 52.

21 VII. CONCLUSION

22 Plaintiff respectfully submits that the proposed settlement satisfies the standard of fairness
23 established in California law and should therefore be finally approved as fair, reasonable, and
24 adequate and requests entry of the Final Approval Order and Judgment submitted herewith.

25
26 DATED: May 21, 2025

JCL LAW FIRM APC

27 By: Perssia Razma
28 Perssia P. Razma, Esq.
Attorney for Plaintiffs