Natalie Haritoonian, Esq. (SBN 324318)
Enoch J. Kim (SBN 261146)
Matthew Carraher (SBN 346860)
Jonas Agle (SBN 352712)
D.LAW, INC.
250 N. Madison Ave, 2nd Floor
Pasadena CA 91101
Tel.: (818) 962-6465 / Fax: (818) 962-6469
Emails: N.Haritoonian@d.law, J.agle@d.law
e.kim@d.law; m.carraher@d.law

Attorneys for Plaintiff LUIS ALBERTO BONILLA,
on behalf of herself and all others similarly situated

Nicholas J. Ferraro (State Bar No. 306528)
Lauren N. Vega (State Bar No. 306525)
Andrew T. Katseanes (State Bar No. 351638)
Ferraro Vega Employment Lawyers, Inc.
3333 Camino del Rio South, Suite 300
San Diego, California 92108
(619) 693-7727 main / (619) 350-6855 fax
nick@ferrarovega.com / lauren@ferrarovega.com
andrew@ferrarovega.com

Attorneys for Plaintiff JORGE RODRIGUEZ

**SUPERIOR COURT OF THE STATE OF CALIFORNIA**

**FOR THE COUNTY OF SAN DIEGO**

| | |
|---|---|
| LUIS ALBERTO BONILLA and JORGE RODRIGUEZ, an individual on behalf of himself and all others similarly situated,<br><br>Plaintiffs,<br><br>vs.<br><br>ARCOS MANAGEMENT INC., a California corporation; and DOES 1 through 50, inclusive,<br><br>Defendants. | Case No.: 37-2024-00024322-CU-OE-CTL<br><br>CLASS ACTION<br><br>Assigned for All Purposes To:<br>Hon. Matthew C. Braner<br>Dept.: C-60<br><br>**MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT AGREEMENT**<br><br>Date: March 26, 2027<br>Time: 9:00 a.m.<br>Location: Department C-60 |

## TABLE OF CONTENTS


**I. INTRODUCTION** ..... 1

II. STATUS OF THE LITIGATION ..... 1

A. Procedural History and Investigation ..... 1

B. Settlement Efforts ..... 3

III. SETTLEMENT AGREEMENT AND ACCOMPANYING DOCUMENTS ..... 3

IV. CERTIFICATION FOR SETTLEMENT PURPOSES ONLY IS APPROPRIATE 4

A. There Is a Numerous and Ascertainable Class ..... 5

B. There Is a Well-Defined Community of Interest ..... 5

C. The Named Plaintiffs' Claims Are Typical ..... 6

**D. Adequacy of Class Counsel and the Class Representatives** ..... 6

**E. Predominance and Superiority** ..... 7

V. THE THREE STEP APPROVAL PROCESS ..... 7

VI. THE SETTLEMENT IS FAIR, ADEQUATE, AND REASONABLE ..... 8

A. The Settlement is the Result of Serious, Informed, Non-Collusive Negotiations. ..... 9

C. The Strength of Plaintiffs' Case and the Risk, Expense, Complexity, and Likely Duration of Any Litigation. ..... 9

D. The Risk of Maintaining Class Action Status Through Trial. ..... 11

E. The Presence of a Governmental Participant ..... 11

Class Counsel will be submitting the Settlement Agreement and this Motion to the LWDA concurrently with the filing of this Motion pursuant to Labor Code § 2699(l)(2). (Id. at ¶ 37.) ..... 11

**VII. THE CLASS REPRESENTATIVE SERVICE AWARD IS FAIR AND REASONABLE** ..... 12

VIII. THE PROPOSED CLASS NOTICE PROVIDES ADEQUATE NOTICE TO THE CLASS MEMBERS. ..... 13

IX. THE PAGA SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE AND SHOULD BE APPROVED ..... 14

X. THE STIPULATED ATTORNEYS' FEES AWARD PLUS REASONABLE LITIGATION EXPENSES ARE REASONABLE AND SHOULD BE APPROVED. ..... 15

X. ACTION REQUESTED AS A PART OF THE MOTION FOR PRELIMINARY APPROVAL.....15

## TABLE OF AUTHORITIES

### CASES


B.W.I. Custom Kitchens v. Owens-Illinois, Inc. (1987) 191 Cal.App.3d 1341 ..... 8
Cartt v. Superior Court, 50 Cal.App.3d 960, 974 (1975) ..... 16
Class Plaintiffs v. City Of Seattle, 955 F.2d 1268, 1276 (1992) ..... 11
Classen v. Weller (1983)145 Cal.App.3d 27 ..... 8
Daar v. Yellow Cab Company, 67 Cal. 2d 695, 704 (1967) ..... 7
Dunk v. Ford Motor Co. (1996). 48 Cal.App.4th 1794 ..... 10, 11
In Re NASDAQ Market-Makers Antitrust Litigation
172 F.R.D. 119, 123 (SDNY 1997) ..... 8
Kullar v. Foot Locker Retail, Inc. (2008) 168 Cal.App.4th 116 ..... 10, 14
Linder v. Thrifty Oil Co. (2000) 23 Cal.4th 429, 439-441 ..... 6, 11
Mullane v. Central Hanover Bank & Trust Co. 339 U.S. 306 (1950) ..... 15
Prince v. CLS Transp., Inc., 118 Cal. App. 4th 1320, 1328 (2004) ..... 6
Reyes v. Board of Supervisors of San Diego County
196 Cal. App. 3d 1263, 1271 (1987) ..... 7
Richmond v. Dart Industries, Inc., 29 Cal. 3d 462 (1981) ..... 6
Rosack v. Volvo of America Corp, 131 Cal. App. 3d 741, 753 (1982) ..... 8
Vasquez v. Superior Court, 4 Cal. 3d 800, 805-9 (1971) ..... 7
Wershba v. Apple Computer, Inc., 91 Cal.App.4th 224 (2001) ..... 9, 11


### STATUTES


Business & Professions Code § 17200 ..... 1
Labor Code § 203 ..... 1
Labor Code § 204 ..... 1
Labor Code § 221 ..... 1
Labor Code § 226 ..... 1
Labor Code § 226.7 ..... 1
Labor Code § 510 ..... 1
Labor Code § 1174 ..... 1
Labor Code § 2802 ..... 1
Labor Code § 2699 ..... 1, 2, 13


### OTHER AUTHORITIES


Manual for Complex Litigation (Second) (1993) ..... 10
5 Newberg on Class Actions § 13.45 (5th ed.) ..... 11
5 Newberg on Class Actions § 17.1 (5th ed.) ..... 15

## MEMORANDUM OF POINTS AND AUTHORITIES

## I. INTRODUCTION

Plaintiffs Luis Alberto Bonilla and Jorge Rodriguez ("Plaintiffs") seek preliminary approval of a putative class and representative action settlement with defendant Arcos Management, Inc. ("Defendant") (Plaintiffs and Defendant collectively referred to herein as "the Parties") on behalf of themselves and a proposed class consisting of all persons employed by Defendant in California and classified as non-exempt, hourly employee who worked for Defendant during the Class Period, which is the period from May 24, 2020 to February 3, 2026 and did not also sign arbitration agreements ("Class" or "Class Members"). (*See* Declaration of Enoch Kim ("Kim Decl."), Ex. 1, Settlement Agreement, ¶¶ 1.5; 1.12.) After mediation, the Parties reached a settlement in the gross amount of $699,990.00 to resolve the action, subject to this Court's final approval.

Pursuant to California Rules of Court 3.769(d) and (e), Plaintiffs respectfully request that this Court grant preliminary approval of the settlement terms of which as set forth in the Parties' Class and PAGA Action Settlement Agreement ("Settlement Agreement" or "Settlement"). (Kim Decl., Exhibit 1, Settlement Agreement.) This Motion also seeks approval of the representative action settlement that resolves the claims for civil penalties under the Private Attorneys General Act of 2004 ("PAGA") under California Labor Code section 2699. The Settlement Agreement was reached after the Parties engaged in informal discovery and investigation, participated in mediation with a skilled mediator, and negotiated at arms-length through experienced counsel on both sides.

As discussed below, the Settlement satisfies all criteria for preliminary approval, falls well within the range of reasonableness, and is in the best interests of the Class. Accordingly, Plaintiffs respectfully request that the Court grant preliminary approval of the settlement.

## II. STATUS OF THE LITIGATION

### A. Procedural History and Investigation

On May 24, 2024, Plaintiff Bonilla filed a class action complaint alleging causes of action against Defendant for (1) Failure to Pay Minimum Wages; (2) Failure to Pay Wages and Overtime Under Labor Code § 510; (3) Meal Period Violations Under Labor Code § 226.7; (4) Rest Period

Violations Under Code § 226.7; (5) Violation of Labor Code § 226; (6) Violation Labor Code § 204; (7) Violation of Labor Code § 203; (8) Failure to Maintain Records Required Under Labor Code §§ 1174, 1174.5; (9) Violation of Labor Code § 246; (10) Failure to Reimburse Necessary Business Expenses Under Labor Code § 2802; and (11) Violation of California Business and Professions Code § 17200 *et seq*. (the "Action"). (Kim Decl., ¶ 3.)

On February 27, 2025, Plaintiff Rodriguez filed a class action complaint alleging causes of action against Defendant for (1) Failure to Pay All Wages Owed; (2) Failure to Pay All Overtime Wages; (3) Meal Period Violations; (4) Rest Period Violations; (5) Violation of Labor Code § 226; (6) Violation of Labor Code § 203; (8) Failure to Provide Records; (9) Violation of Labor Code § 246; (10) Failure to Reimburse Necessary Business Expenses Under Labor Code § 2802;; and (11) Violation of California Business and Professions Code § 17200 *et seq*. (the "Action"). Contemporaneously, on February 28, 2025, and pursuant to Labor Code §2699.3, subd.(a), Plaintiffs gave timely notice to the LWDA and Defendant that Plaintiffs intended to proceed with a representative action under PAGA (LWDA-CM-1081469-25). (Kim Decl. ¶4.)

On April 27, 2025, Plaintiffs filed their First Amended Complaint ("Operative Complaint"), which added claims for penalties under PAGA, Labor Code §2698. (Kim Decl. ¶ 5)

Before filing the lawsuit, Class Counsel conducted a thorough investigation and researched the facts and circumstances underlying the pertinent issues and applicable law. (Kim Decl., ¶ 17.) Defendant's Counsel also provided Class Counsel with a comprehensive listing of informal discovery items required to constructively mediate, including a sampling of timekeeping and payroll data for the entire putative Class. (*Id*.) After filing the lawsuit, Class Counsel conducted a thorough investigation of the facts and claims giving rise to the Action, including (1) conducting informal discovery and meeting and conferring with defense counsel about same; (2) reviewing and analyzing records and data, as well as employment-related policies; (3) reviewing Plaintiffs' personnel file and other documentation; (4) interviewing Plaintiffs regarding potential Class Members; (5) researching the applicable law and potential defenses; (6) constructing damage models based on interpretations of California law and the facts and numbers provided by Defendant; and (7) reviewing information provided by Defendant in response to informal discovery

and in advance of the mediation. (*Id*.)

Defendant, for its part, vigorously contested liability, the amount of claimed damages, and the propriety of class certification. (*Id*. at ¶ 18.) After analyzing the relevant documents and other gathered data, Class Counsel believed that this case was appropriate for resolution via mediation. (*Id.*) Given the high level of risk present for both sides, the Parties elected to mediate Plaintiffs' claims and explore the possibility of settlement. (*Id.*)

**B. Settlement Efforts**

On December 5, 2025, the Parties participated in an all-day mediation. (*Id*. at ¶ 19.) During mediation, counsel for Plaintiffs and Defendant discussed all aspects of the case, including the risks of litigation and the risks to both parties of proceeding, as well as unpaid wages, meal periods, rest periods, wage statements, final pay, and reimbursement. (*Id.*) Following a full day of mediation, the Parties agreed to general settlement terms to resolve the lawsuit through a mediator's proposal. (*Id.*) The Parties continued to work together to finalize a long-form settlement agreement, which resulted in the Settlement Agreement now before the Court for approval. (*Id.*)

## III. SETTLEMENT AGREEMENT AND ACCOMPANYING DOCUMENTS

Under the terms of the Settlement Agreement, Defendant has agreed to pay $699,990.00 ("Gross Settlement Amount" or "GSA") on a non-reversionary basis and to pay the employer's portion of any payroll taxes on the wage allocation portion of the individual settlement payments to Class Members. (Kim Decl., Settlement Agreement, ¶¶ 1.22; 3.1.)

The Settlement Agreement defines the "Class" as all persons employed by Defendant in California and classified as a non-exempt, hourly employee who worked for Defendant during the Class Period, which is the period from May 24, 2020 to February 3, 2026 and did not also sign arbitration agreements (Kim Decl., Settlement Agreement, ¶¶ 1.22, 3.1) The "Net Settlement Amount" means the Gross Settlement Amount, less following payments in the amounts approved by the Court. (Kim Decl., Settlement Agreement, ¶ 1.28.) These amounts are detailed as follows:

- Class Counsel Fees Payment: Up to one-third of the Gross Settlement Amount, that is up to $233,330.00 for attorneys' fees, plus reasonable litigation costs not to exceed $45,000.00 (Kim Decl., Settlement Agreement, ¶ 3.2.2);

- Class Representative Enhancement Award: Up to $7,500.00 to each Plaintiff as an award for service as the class representative (Kim Decl., Settlement Agreement, ¶ 3.2.1);
- Settlement Administration Costs: Up to $15,000.00 to the Settlement Administrator for its fees and costs to administer the Settlement (Kim Decl., Settlement Agreement, ¶ 3.2.3);
- PAGA Payment: $200,000.00 for settlement of claims for civil penalties under PAGA, with 35% ($70,000.00) to be paid on a pro rata basis to the Aggrieved Employees based on the number of pay periods each Aggrieved Employee worked during the PAGA Period ("Individual PAGA Payment") and 65% ($130,000.00) to be paid to the LWDA ("LWDA Payment") (Kim Decl., Settlement Agreement, ¶ 3.2.5.)

If the Court approves the above allocations from the Gross Settlement Amount, the Net Settlement Amount is estimated to be **$191,660.00**. Each Participating Class Member's share of the Net Settlement Amount ("Individual Class Payment") will be calculated based on the number of workweeks the Class Member worked in a non-exempt, hourly position during the Class Period. (Kim Decl., ¶21, Settlement Agreement, ¶ 1.23.) For the 783 Settlement Class Members estimated as of the date of the Parties' settlement, the average gross Individual Class Payment using a straight average is $244.78. (Kim Decl., Settlement Agreement, ¶¶ 3.2.)

Defendant will fund the Gross Settlement Amount by making installment payments to the Qualified Settlement Fund established by the Settlement Administrator. (Kim Decl., ¶ 23, Exhibit 1, Settlement Agreement, ¶ 4.3.) The first payment of 25% of the GSA will be funded by December 5, 2026. (*Id.*) The second payment of 25% of the GSA will be funded by May 5, 2027. (*Id.)* The third payment of the remaining 50% of the gross settlement amount and all of Defendant's employer-side payroll taxes will be funded no later than December 5, 2027. (*Id.*) Plaintiffs agreed to this payment installment plan to maximize the Gross Settlement Amount while also considering Defendant's financial circumstances and ability to fund the settlement. (Kim Decl., ¶23.)

## IV. CERTIFICATION FOR SETTLEMENT PURPOSES ONLY IS APPROPRIATE

Express judicial policy favors maintaining wage and hour actions as class actions. *Prince v. CLS Transp., Inc.* (2004) 118 Cal. App. 4th 1320, 1328; *Richmond v. Dart Industries, Inc.* (1981) 29 Cal. 3d 462. Any doubt as to the appropriateness of class treatment should be resolved in favor

of class certification, subject to later modification if necessary. *Richmond*, 29 Cal. 3d at 473-75.) The decision to certify a class is a procedural one and should be based on the allegations in the operative complaint, and not in the perceived factual or legal merit of the class claims. (*Linder v. Thrifty Oil Co.* (2000) 23 Cal. 4th 429, 439-41.

To certify a settlement class, the Court must find the two primary requirements for maintaining a class action: (1) there must be an ascertainable class, and (2) there must be a well-defined community of interest in the questions of law and fact involving the parties to be represented. *See Vasquez v. Superior Court* (1971) 4 Cal. 3d 800, 805-09; *Daar v. Yellow Cab Company* (1967) 67 Cal. 2d 695, 704. These criteria are met here.

**A. There Is a Numerous and Ascertainable Class**

Whether a class is ascertainable is determined by examining the class definition, the size of the class, and the means available for identifying class members. *See Vasquez, supra,* 4 Cal. 3d at 821-22; *Reyes v. Board of Supervisors of San Diego County* (1987) 196 Cal. App. 3d 1263, 1271. Class members are "ascertainable" when they may be readily identified without unreasonable expense or time.

Plaintiffs contend, and for purposes of this motion Defendant does not dispute, that the numerosity and ascertainability elements are satisfied here. Class Members are all persons employed by Defendant in California and classified as non-exempt, hourly employee who worked for Defendant during the Class Period, which is the period from May 24, 2020 to February 3, 2026 and did not also sign arbitration agreements (Kim Decl., Exhibit 1, Settlement Agreement ¶¶ 1.5; 1.12) Defendant has identified 783 Class Members based on a review of its payroll and personnel records as of the date of mediation. (*Id. at ¶ 25*) Therefore, there is a numerous and ascertainable class.

**B. There Is a Well-Defined Community of Interest**

A community of interest is established by the predominance of common issues of law and fact. *See Vasquez*, 4 Cal. 3d at 811. Plaintiffs contend, and Defendant does not dispute for settlement purposes only, that common issues of fact and law predominate as to each of the claims alleged by Plaintiff, and the Class is united in its proof. (Kim Decl., ¶ 25.) Because Plaintiffs have alleged a

single scheme, "the relevant proof [does] not vary among class members" and "clearly presents a common question fundamental to all class members." *See In Re NASDAQ Market-Makers Antitrust Litigation* (SDNY 1997) 172 F.R.D. 119, 123 (citing In Re NASDAQ Market-Makers Antitrust Litigation, (SDNY 1997) 169 F.R.D. 493, 518). California courts show "no hesitancy" in inferring class-wide causation, class-wide injury, and class-wide damages when a common course of action has been shown. *B.W.I. Custom Kitchen*, 191 Cal. App. 3d at 1350. This inference "eliminates the need for each class member to prove individually the consequences of the defendants' actions to him or her." *Id.* at 1351 (quoting *Rosack v. Volvo of America Corp* (1982) 131 Cal. App. 3d 741, 753 [emphasis added]).

This action involves Defendant's alleged failure to provide meal and rest periods, failure to pay wages and overtime due to allegedly common off-the-clock work, failure to pay final wages when required, and failure to provide accurate wage statements. (Kim Decl., ¶ 6.) Plaintiffs contend Defendant's practices affected Class Members in the same way and presents questions that are suitable for common adjudication. (*Id.* at ¶ 26) The outcome of litigation in this matter depends upon questions that are common to Class Members. (*Id.*)

**C. The Named Plaintiffs' Claims Are Typical**

A class representatives' claims are typical when they arise from the same event, practice, or course of conduct that gives rise to the claims of other putative class members, and if their claims rest on the same legal theories. The class representatives' claims must be "typical" but not necessarily identical to the claims of other class members. It is sufficient that the representatives are similarly situated so that they will have the motive to litigate on behalf of all class members. *Classen v. Weller* (1983) 145 Cal.App.3d 27, 47; *B.W.I. Custom Kitchens v. Owens-Illinois, Inc.* (1987) 191 Cal.App.3d 1341, 1347 ("[I]t has never been the law in California that the class representative must have identical interests with the class members.").

Plaintiffs contend, and Defendant does not dispute for settlement purposes only, that Plaintiffs' claims are typical of the class as they arose from the same factual basis and legal theories. (Kim Decl., ¶ 27.) Thus, Plaintiffs' claims are typical of the claims of the putative Class. (*Id.*)

**D. Adequacy of Class Counsel and the Class Representatives**

As detailed below, Class Counsel are experienced in class actions, have represented Plaintiffs and Class Members zealously, and have no conflicts of interest. (Kim Decl., ¶ 28.) Plaintiffs' interests are aligned with those of the Class Members, as they have suffered the same injuries as the Class Members. (*Id.*) Plaintiffs have not shrunk from this responsibility. (*Id.*) Indeed, Plaintiffs have devoted a substantial amount of time and energy to litigating this Action and effectuating a settlement. (*Id*.) Therefore, Class Counsel and the class representatives are adequate.

**E. Predominance and Superiority**

Individual issues do not predominate over those common to the class. (Kim Decl., ¶ 29.) Plaintiffs allege there are common issues of law and fact given that Plaintiffs and all Class Members were subjected to the same policies and pay practices during the relevant time period. (*Id*.) Plaintiffs and Class Members seek meal and rest premiums, unpaid wages and overtime, and penalties for work performed as non-exempt employees for Defendant. (*Id*.) Plaintiffs allege that these issues are suitable for common adjudication as all Class Members were subject to the same employment policies, and Plaintiffs contend the practices applied uniformly to all Class Members. (*Id*.)

Plaintiffs contend that class resolution is superior to other methods for the fair and efficient adjudication of the controversy as there is little interest or incentive for Class Members to individually control the prosecution of separate actions. (*Id.* at ¶ 30.) Although the alleged injury resulting from Defendant's policies and practices are significant, the cost of individually litigating each case against Defendant would outstrip any relief that could be obtained by one Class Member individually. (*Id*.) If Class Members are forced to litigate their claims individually, it would result in over 783 individual actions, each for relatively small amounts. (*Id*.)

## V. THE THREE STEP APPROVAL PROCESS

California Rule of Court 3.769 requires court approval of the settlement of class action lawsuits. Preliminary approval is the first of three steps that comprise the approval procedure for class action settlements. *See* Manual for Complex Litigation, Second §30.44 (1993); *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801. The second approval step is notify the Class Members of the settlement. *Id*. The third step is a final settlement approval hearing, at which evidence and argument concerning the fairness, adequacy, and reasonableness of the settlement

may be presented and Class Members may be heard. *Id.*

The determination of whether a settlement should be preliminarily approved requires, "basic information about the nature and magnitude of the claims in question and the basis for concluding that the consideration being paid for the release of those claims represents a reasonable compromise." *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 133. However, the record need not contain the maximum theoretical amount that the class could recover. *See Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles* (2010) 186 Cal. App. 4th 399, 409 ("*Kullar* does not,… require any such explicit statement of value; it requires a record which allows "an understanding of the amount that is in controversy and the realistic range of outcomes of the litigation."). "If the proposed settlement appears to be the product of serious, informed, non-collusive negotiations, has no obvious deficiencies, does not improperly grant preferential treatment to class representatives or segments of the class, and falls within the range of possible approval, then the court should direct that notice be given to the Class Members of a formal fairness hearing, at which evidence may be presented in support of and in opposition to the settlement." Manual for Complex Litigation, Second § 30.44, at 229.

In deciding whether to approve a proposed class action settlement, the Court must find that a proposed settlement is "fair, adequate, and reasonable" and falls within the "range of approval." *Dunk*, 48 Cal.App.4th at 1801-02. The trial court considers all relevant factors, such as "the strength of plaintiffs' case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction of the Class Members to the proposed settlement." *Id.* The Settlement satisfies all of these requirements.(Kim Decl. ¶ 31)

## VI. THE SETTLEMENT IS FAIR, ADEQUATE, AND REASONABLE

The Court's decision to preliminarily approve a settlement is granted great deference as an exercise within its broad discretion. *Wershba v. Apple Computer, Inc*. (2001) 91 Cal.App.4th 224, 234-235. As a matter of public policy, courts encourage the use of the class action device and favor settlement over continued litigation. *See, e.g., Linder v. Thrifty Oil Co.* (2000) 23 Cal. 4th 429, 434

("Courts have long acknowledged the importance of class actions as a means to prevent a failure of justice in our judicial system."); *Class Plaintiffs v. City of Seattle* (1992) 955 F.2d 1268, 1276 ("[S]trong judicial policy . . . favors settlements, particularly where complex...litigation is concerned."). Applying the above factors, the settlement provides a substantial benefit to the Class.

**A. The Settlement is the Result of Serious, Informed, Non-Collusive Negotiations.**

The proposed settlement was reached as a result of arm's length negotiations after the completion of pertinent discovery and the exchange of necessary class data. (Kim Decl. ¶ 32.) The negotiations have been, at all times, adversarial and non-collusive in nature. (*Id*.) *See*, 4 Newberg on Class Actions § 13:45 (5th ed.) (due to the preference of settlement over litigation, "a court will presume that a proposed class action settlement is fair when certain factors are present, particularly evidence that the settlement is the product of arms-length negotiation, untainted by collusion."). Defendant presented multiple defenses to Plaintiffs' claims, both on the merits and with respect to class certification. (*Id*.) Thus, while Plaintiffs were prepared to litigate these claims through class certification, and ultimately trial, success was far from certain. (*Id*.) Further, a well-respected mediator ensured negotiations between the Parties were non-collusive and well-informed. (*Id*.)

**B. Extent of Discovery and Stage of Proceedings**

As stated above, the Parties engaged in substantial informal discovery before the Settlement was reached to allow them to fully evaluate the class claims and Defendant's defenses. (*Id.* at ¶ 33.) This litigation has reached the stage where the Parties have a clear view of their respective strengths and weaknesses in this case. (*Id*.)

**C. The Strength of Plaintiffs' Case and the Risk, Expense, Complexity, and Likely Duration of Any Litigation.**

Plaintiffs' claims are based on Defendant's alleged failure to pay wages, failure to provide meal and rest periods, failure to reimburse business expenses, failure to pay final wages when required, and failure to maintain and provide accurate wage statements. (*Id*. at ¶ 6.)

Plaintiffs allege that Defendant did not properly record all hours worked by Plaintiffs and Class Members. (Kim Decl., ¶ 7.) Specifically, Plaintiffs allege that Defendant had a uniform policy of requiring Plaintiffs and Class Members to arrive prior to their scheduled shift start times to

prepare for the start of their shifts without compensation for that time. (*Id*.)

Defendant contends that it did not require off the clock work, paid for all reported hours worked, paid wages at the proper rates, that Class Members were instructed to record all hours worked. (Kim Decl., ¶ 8.) Defendant also argues that given its written policies and practices, any unrecorded hours are likely subject to individualized inquiry and unlikely to be certified. (*Id.*)

Plaintiffs also allege that Defendant failed to provide proper meal breaks to Plaintiffs and Class Members. (Kim Decl., ¶ 9.) For example, due to work demands, Plaintiffs and Class Members were often unable to take a duty-free 30-minute meal break during their shifts, had to take their meal breaks late, or had their meal breaks interrupted. (*Id*.)

Defendant contends that Class Members were given a reasonable opportunity to take their meal periods and were informed that they should report any missed meal periods to Defendant so that they could be properly compensated. (Kim Decl., ¶ 10.) Defendant also contends that the meal break claim requires individualized inquiries therefore precluding class certification. (*Id.*) If Defendant's contentions are proven in trial, the likely outcome would be no recovery for the Class Members on the meal break claim. (*Id*.)

Plaintiffs also contend that Defendant did not provide Class Members with paid 10-minute rest breaks for every four hours or major fraction thereof. (Kim Decl., ¶ 11.) Plaintiffs contend that Class Members were required to work through their rest breaks during their shifts due to heavy work demands from Defendant. (*Id*.) Similar to meal breaks, Defendant contends that Class Members were advised of their right to rest periods and given a reasonable opportunity to take their rest periods. (Kim Decl., ¶ 12.)

As for the wage statement and waiting time penalties claims, Defendant contends these claims are derivative of the underlying claims and that Plaintiffs and Class Members would be unable to first establish liability for the underlying claims for the reasons described above. (Kim Decl., ¶ 14.) Defendant further contends that Plaintiffs and Class Members would be unable to establish that Defendant's conduct was willful and knowing since Defendant acted in good faith to provide accurate wage statements and pay all wages due to Plaintiffs and Class Members. (*Id*.)

Similarly, Defendant contends that the PAGA claim is also derivative of the underlying

claims in the Action and ultimately fails because the underlying claims have no merit. (Kim Decl., ¶ 15.) Defendant also contends that even if Plaintiffs and Class Members could establish Labor Code violations, the Court has the discretion to award less than the maximum civil penalty amount because Defendant acted in good faith to comply with the relevant wage and hour laws and any violations were minor and technical in nature. (*Id*.)

As stated above, while Plaintiffs and Class Counsel contend the claims asserted in the Action have merit, they also acknowledge the expense and delay of continued litigation. (*Id.* at ¶ 34.) Although the Parties engaged in significant informal discovery in advance of mediation, the Parties still had significant discovery to complete had the matter not settled. (*Id*.) This would have required the expenditure of substantial time and resources by both Parties that would have very likely spanned several years, which would have further weakened Defendant's financial condition and significantly restricted its ability to pay any judgment. (*Id*.) Even if Plaintiffs were to certify the classes, the Parties would incur considerably more attorney fees and costs through a possible decertification motion, trial, and possible appeal. (*Id*.) This Settlement avoids those risks. (*Id*.)

**D. The Risk of Maintaining Class Action Status Through Trial.**

Plaintiffs have not yet filed their motion for class certification, and as such, the extent to which Plaintiffs' proposed class is certifiable is somewhat speculative. (*Id.* at ¶ 35.) Additionally, decertification is always a possibility, and there is always a risk that a trial of this magnitude can become unmanageable. (*Id.* at ¶ 36.) Finally, it is possible that any outcome at trial could have resulted in a lengthy and costly appeal. An appeal would result in further delay for the Class Members who have already waited years for resolution in this matter. (*Id*.) Risk and legal uncertainty must be dealt with in any litigation, and this Settlement was the product of compromise accounting for those risks and uncertainty. (*Id*.)

**E. The Presence of a Governmental Participant**

Class Counsel will be submitting the Settlement Agreement and this Motion to the LWDA concurrently with the filing of this Motion pursuant to Labor Code § 2699(l)(2). (*Id.* at ¶ 37.)

**F. A Balance of Risk Factors and *Kullar* Analysis Support Approval**

In deciding whether to approve the settlement, the Court must balance these risk factors

against an "understanding of the amount in controversy and the realistic range of outcomes of the litigation." *Kullar v. Foot Locker Retail, Inc*. (2008) 168 Cal.App.4th 116, 130, 133; *Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles* (2010) 186 Cal.App.4th 399, 408-09. The court "must stop short of the detailed and thorough investigation that it would undertake if it were actually trying the case …." *Munoz*, at 408. Plaintiffs' counsel used the comprehensive data and documents provided to perform an analysis of the potential liability exposure Defendants faced on Plaintiffs' main class-wide claims, establishing the realistic range of outcomes in this case: $140,180.00 for unpaid wages claims, including minimum and overtime wages, due to off the clock work; $65,990.40 for meal period violations; $19,711.60 for rest period violations; $151,725.00 wage statement penalties; $176,977.50 in waiting time penalties; $7,830.00 for reimbursement; and $108,430.00 for PAGA penalties. (*Id*. at ¶ 40). As such, the total estimated realistic exposure Defendant could face is $670,844.50. (*Id*.)

The Gross Settlement Amount of $699,990.00 represents a recovery for the Class that exceeds the total realistic exposure Class Counsel estimated that Defendant could face on the primary claims in this case. (*Id*. at ¶ 58.) There was a very real prospect that nothing would be recovered by the Class if litigation continued and class certification were ultimately denied. At the same time, further litigation would require the expenditure of significant time and financial resources, and there is always the possibility of adverse developments in the law and the likelihood of extended battles in both the trial court and courts of appeal. Settlement is a prudent compromise that benefits the Class Members promptly.

### G. Experience and Views of Counsel

Experienced counsel, operating at arm's length, have weighed the strengths of the case, examined all the issues and risks of litigation, and endorsed the proposed settlement. Class Counsel are experienced in class actions, have represented their clients zealously, and have no conflicts of interest. (Kim Decl., ¶¶ 65-73; Gomez Decl. ¶ 3, 9-15)

## VII. THE CLASS REPRESENTATIVE SERVICE AWARD IS FAIR AND REASONABLE

"At the conclusion of a class action, the class representatives are eligible for a special

payment in recognition of their service to the class." 5 Newberg on Class Actions § 17:1 (5th ed.). Plaintiffs request a reasonable Class Representative Service Award for his effort and initiative in bringing and helping to prosecute this class action.

Plaintiffs spent significant time better apprising themselves of their rights, deciding whether remedial action should be taken and how it should be taken, searching for attorneys, and contacting Class Counsel, who spent many hours with Plaintiffs discussing the case and the law. (Kim Decl., ¶ 61.) Both before and after filing this lawsuit, Plaintiffs conferred with Class Counsel to discuss every aspect of this case. (*Id*.) Plaintiffs have provided Class Counsel with information about Defendants, reviewed documents, consulted Class Counsel throughout the litigation, participated in the mediation process, and reviewed and signed the settlement agreement. ((*Id*.) Plaintiffs have diligently, adequately, and fairly represented the Class Members, and have not placed their interests above any member of the putative Class. (*Id*.) The Class Representative Enhancement Awards of **$7,500.00** to each Plaintiff is fair and reasonable. (*Id*.)

## VIII. THE PROPOSED CLASS NOTICE PROVIDES ADEQUATE NOTICE TO THE CLASS MEMBERS.

To be deemed proper, a notice must provide the Class Members with sufficient information to make an informed decision as to whether to accept or object to the settlement. *Mullane v. Central Hanover Bank & Trust Co.* (1950) 339 U.S. 306, 314. The notice must apprise the Class Members of the pendency of the action; reasonably convey information regarding the settlement and the Class Members' rights, entitlements, and obligations; and affords Class Members the opportunity to present their objections. *Id.*

The proposed Class Notice provides all the information a reasonable person would need to make a fully informed decision about the settlement. It will notify all Class Members of the terms of the settlement, its effect on their rights, their options as Class Members (i.e., participate, object, opt-out, and dispute Qualified Workweeks), and procedures for exercising those options. (Kim Decl., ¶ 62; *see also* Class Notice, Exhibit 1 thereto.)

The standard for determining the adequacy of notice is whether it has "a reasonable chance of reaching a substantial percentage of the class members." *Cartt v. Superior Court* (1975) 50

Cal.App.3d 960, 974. Here, the Class Notice will be sent via first-class mail to each of the Class Members at their addresses from Defendant's records. (Kim Decl., ¶ 62.) The Settlement Administrator will mail the Class Notice to all Class Members in no event later than fourteen (14) calendar days after receiving the Class Data via first-class USPS mail. (Kim, Decl., ¶ 62, Exhibit 1, Settlement Agreement ¶ 5.3.1.) Any Class Notices returned to the Settlement Administrator as non-delivered on or before the Response Deadline must be re-mailed to the forwarding address affixed thereto. (*Id*. at ¶ 63) If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine a correct address by lawful use of skip-tracing, or other search using the name and/or address of the Class Member involved. (*Id.*) The Class Notice will be remailed to each Class Member whose Class Notice is returned as undeliverable within (5) calendar days of the initial mailing of the Class Notices by the Settlement Administrator. (*Id.*) This procedure for providing notice is the best and most practicable way to ensure the Class Members will receive the Class Notice. (*Id.*)

## IX. THE PAGA SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE AND SHOULD BE APPROVED

The Court must separately review and approve the settlement of Plaintiffs' representative claims for civil penalties under PAGA. Lab. Code § 2699(s)(2). In evaluating a PAGA settlement, the Court determines whether it is "fair, reasonable, and adequate in view of PAGA's purposes to remediate present labor law violations, deter future ones, and to maximize enforcement of state labor laws." *Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, 77; *accord Norman v. Strateman* (2025) 112 Cal.App.5th 92.

The PAGA settlement satisfies that standard. The Settlement allocates $200,000.00 of the Gross Settlement Amount to the settlement of claims for civil penalties under PAGA, of which 65% ($130,000.00) will be paid to the LWDA and 35% ($70,000.00) will be distributed on a pro rata basis to the Aggrieved Employees based on the number of pay periods each Aggrieved Employee worked during the PAGA Period. (Kim Decl., Settlement Agreement, ¶ 3.2.5.) That allocation is the product of serious, informed, arm's-length negotiation of a vigorously disputed penalty claim that Defendant contends is derivative of the underlying claims and subject to the

Court's discretion to award less than the maximum civil penalty, and it advances PAGA's enforcement purposes by securing a substantial, non-reversionary payment for the State and the Aggrieved Employees. Plaintiffs have submitted the proposed Settlement to the LWDA concurrently with the filing of this Motion. (Kim Decl. ¶ 74). Accordingly, Plaintiffs respectfully request that the Court approve the PAGA settlement as fair, reasonable, and adequate, and consistent with the purposes of PAGA.

## X. THE STIPULATED ATTORNEYS' FEES AWARD PLUS REASONABLE LITIGATION EXPENSES ARE REASONABLE AND SHOULD BE APPROVED.

Class Counsel respectfully requests a Class Counsel Award of no more than $233,330.00 (up to one-third of the Gross Settlement Amount) for attorneys' fees plus reasonable litigation expenses, subject to approval by the Court. (Kim Decl. ¶ 20.)

Class Counsel submits it has the requisite experience, knowledge, and resources to serve as Class Counsel and to zealously represent the Class. (Kim Decl., ¶¶ 49-54; Gomez Decl ¶7). Class Counsel has incurred substantial hours in prosecuting this action on a contingency basis and will not receive any compensation for their efforts until recovery is obtained for the Class. (*Id.*) In addition, Class Counsel's efforts in reaching the Settlement on behalf of the Class confers a significant benefit to the Class. (*Id.*)

## X. ACTION REQUESTED AS A PART OF THE MOTION FOR PRELIMINARY APPROVAL

Plaintiffs respectfully request this Court: (1) grant preliminary approval of the Settlement; (2) certify the Class for settlement purposes; (3) approve D.Law, Inc. and Ferraro Vega as Class Counsel; (4) approve Plaintiffs as the Class Representatives; (4) approve CPT as the Settlement Administrator; (5) approve the PAGA settlement; and (6) schedule a final approval hearing.

Dated: November 5, 2026

D.LAW, INC.

By _____
Enoch J. Kim
Matthew Carraher
Attorneys for Plaintiff and Settlement Class