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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SANTA CRUZ

MARIA MAGDALENA AVILA, as an individual and on behalf of all other similarly situated Class Plaintiff, v. LAKESIDE ORGANIC GARDENS, LLC, a California Limited Liability Company; and DOES 1-100, inclusive, Defendants.	Case No.: 24CV00507 **MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT** Date: November 19, 2025 Time: 8:30 Dept.: 5 **Judge: Hon. Rebecca Connolly**

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I. INTRODUCTION

Plaintiff Maria Magdalena Avila hereby move the Court for an order granting preliminary approval to a proposed non-reversionary class action settlement to resolve wage and hour claims on behalf of approximately 1,820 individuals employed by Defendant Lakeside Organic Gardens LLC ("Lakeside" or "Defendant") as current and former non-exempt employees that worked either directly or via a staffing agency and employed by Defendant in California during the Class Period of February 20, 2020 through the date of preliminary approval. The proposed $900,000 settlement will provide at least $524,000 in cash payments to the settlement class, with an average award of about $291. The balance of approximately $376,000 will cover a modest enhancement award to the named Plaintiff, reasonable attorney's fees and actual litigation costs, settlement administration costs, and payment of civil penalties to the state. The settlement is the product of Plaintiff's pre- and post-filing investigation, extensive formal and informal discovery, and arms-length and adversarial negotiations overseen by experienced and well-regarded mediator Michael Loeb, Esq.

As demonstrated below, the settlement is within the "range of reasonableness" for preliminary approval. Plaintiff's counsel believes the settlement is a significant result for the class given the substantial risks inherent in this matter. Accordingly, Plaintiff requests the Court enter an order: (1) granting preliminary approval to the proposed class action settlement; (2) conditionally certifying the settlement class as defined below; (3) appointing Crosner Legal, PC as Class Counsel; (4) appointing plaintiff Maria Magdalena Avila as the Class Representative; (5) appointing Phoenix Settlement Administrators as the Settlement Administrator; (6) approving the form of notice to the class and the procedure for providing such notice; and (7) scheduling a final fairness hearing.

II. FACTUAL BACKGROUND AND PROCEDURAL POSTURE

Defendant Lakeside is a family-owned and operated solely organic vegetable grower/shipper located in Watsonville. Plaintiff was employed by Lakeside as a field worker, harvesting crops in the Watsonville area from approximately 2012 through December 2021. She typically worked 5-6 days a week and was paid mainly on a piece-rate basis. Her piece rate was usually $4.50 per unit, which was calculated by the total number of boxes of produce divided by the number of workers on the work crew. [Declaration of Chad Saunders ("Saunders Decl."), ¶ 4.]

Plaintiff alleges a number of wage and hour violations by Defendant. First, she alleges Lakeside failed to pay all wages due, including minimum and overtime wages, because Lakeside paid employees based on their scheduled hours rather than actuals worked, resulting in uncompensated "off the clock" work. She further alleges Lakeside failed to pay for both rest breaks and overtime at the correct rates of pay, and frequently underpaid class members in this regard. She next alleged Lakeside failed to provide timely and uninterrupted duty free meal and rest periods, and that Defendant's supervisors simply "auto deducted" timely 30 minute lunch periods without regard to when the lunch periods actually started or how long they lasted. Plaintiff also alleged she and the class members were required to supply their own tools, special work clothes, and harvesting packs without any reimbursement. Based on these allegations, Plaintiff filed her class lawsuit on February 20, 2024, in Santa Cruz Superior Court, alleging causes of action for unpaid minimum wages, unpaid overtime wages, failure to provide meal and rest breaks, waiting time penalties, business expense reimbursements, and unfair competition. [Saunders Decl., ¶ 5.]

Lakeside has at all times denied Plaintiff's allegations and maintained its break and payroll policies and procedures comply with California law, that it provided its employees with required meal and rest breaks, that it properly tracked employee time and paid Plaintiff and all other employees all wages due at the correct hourly rates, and that it provided them with all tools needed to perform the job. Additionally, Defendant strongly contends the case cannot be maintained as any kind of class or representative action, arguing that to the extent class members missed meal breaks, that such breaks were non-compliant, or that any unpaid "off the clock" work occurred, it was intermittent and infrequent, against company policy, and done without the company's knowledge. Thus, per Lakeside, evidence of such violations would be purely anecdotal and therefore individualized issues predominate and class certification would be inappropriate as any trial would be unmanageable. [Saunders Decl., ¶ 6.]

After Plaintiff filed the complaint, she initiated formal written discovery. The Parties then engaged in several meet and confer discussions regarding discovery, case management, and potential law and motion, and ultimately agreed to mediation. After agreeing to mediate, the Parties also undertook additional informal discovery to facilitate an exchange of information necessary to engage in a meaningful mediation. Consequently, Plaintiff's counsel reviewed payroll records, personnel policies/handbooks, meal and rest break policies, personnel files, and a random sampling of paystubs and time records produced by Lakeside. Defendant also provided documents and information reflecting the estimated total amount of workweeks and pay periods the class members worked, and average hourly pay rates, among other relevant data. Plaintiff had that data reviewed and analyzed by Berger Consulting Group to assist with determining potential break violation rates, amount of underpaid rest and recovery time and unproductive time, etc., and preparing a damages model. [Saunders Decl., ¶ 7.]

The Parties then engaged Michael Loeb, Esq., a highly respected mediator with extensive wage and hour class action experience and, in January 2025, participated in a full-day mediation with Mr. Loeb. Throughout the day, the arms-length negotiations were hard-fought and adversarial as the Parties exchanged extensive information on their legal and factual positions, and made numerous offers and counter-offers. After a full day of negotiations, the Parties reached agreement on all major issues. They then collaboratively drafted the Class Action and PAGA Settlement Agreement ("Settlement Agreement") setting forth the full and final settlement terms, and a true and correct, fully-executed copy of the Settlement Agreement is attached to the Saunders Declaration as Exhibit 1. Additionally, after exhausting the required administrative remedies under PAGA, and in order to conform the pleadings to the scope of the tentative settlement, on October __, 2025, Plaintiff amended her complaint to a cause of action for penalties under the PAGA based on the same alleged Labor Code violations. [Saunders Decl., ¶ 8; Exh. 3.]

III. THE PROPOSED SETTLEMENT TERMS

Under the proposed settlement, Lakeside will pay $900,000.00 into a common fund, the Gross Settlement Amount ("GSA"). Reasonable attorney's fees of up to one-third of the GSA, or $300,000, actual litigation costs of up to $20,000, a service award of up to $10,000 for plaintiff, settlement administration costs of no more than $16,000, and $30,000 PAGA Payment for alleged civil penalties under PAGA,[1] all will be paid from the GSA. The remainder of approximately $524,000 will be allocated among the Participating Class Members based on their total weeks worked during the Class Period. No portion of the GSA will revert to Defendant. [Saunders Decl., ¶ 9.]

A. Certification of the Settlement Class

The settlement provides for conditional certification of a settlement class including all current and former non-exempt employees that worked either directly or via a staffing agency and employed by Defendant in California during the Class Period of February 20, 2020 through the date of preliminary approval. Defendant estimates the Settlement Class consists of approximately 1,820 individuals. [Saunders Decl., ¶ 10.]

B. The Benefit Conferred on the Settlement Class

As noted, the settlement obligates Lakeside to pay $900,000 to resolve the Settlement Class's claims, inclusive of attorney's fees and costs. At least $524,000 from the GSA will be distributed to the Participating Class Members. This is a cash settlement that does not require Participating Class Members to submit a claim form to receive their settlement share. Participating Class Members will receive their settlement checks automatically via First Class U.S. Mail. Twenty percent of each settlement share will be allocated to wages and the remaining s will be allocated to penalties, unreimbursed expenses, and interest. Lakside will pay any and all applicable employer-side payroll taxes separately and in addition to the GSA. Subject to the Court's approval, any amounts not claimed (because a class member does not cash his or her settlement check) will be forwarded to the California State Controller's Unclaimed Property Fund. [Saunders Decl., ¶ 11.]

Each Participating Class Member will receive a share of the Net Settlement Sum based on his or her position held and total weeks worked for Lakeside during the Class Period while

[1] Consistent with PAGA, $22,500 of that amount will go the LWDA for the State's share of the civil penalties, and the remaining $7,500 will be distributed pro rata to the Aggrieved Employees (defined as all individuals employed by Lakeside as non-exempt employees during the PAGA Period of February 4, 2024 to the date of preliminary approval).

employed as a non-exempt employee. Thus, each Class Member's Individual Settlement Payment will be calculated using criteria typically used in determining appropriate amounts of alleged unpaid wages, unpaid premium wages for missed meal breaks, and potential statutory penalties under applicable law. These methods are intended to ensure each Class Member receives a portion of the available settlement funds corresponding to the relative value of his or her potential claims. The proposed allocation provides a reasonable way to compensate Class Members based on the amount of time they worked for Defendant, and the number of instances they missed a break, were not provided compensation in lieu of such missed breaks, or lost wages due to Defendant's alleged improper payroll practices. The average class settlement award is estimated to be around $291. Per Lakeside, there are approximately 850 Aggrieved Employees, and their average PAGA award will be about $8.82. [Saunders Decl., ¶ 11.]

As discussed below, the overall settlement amount is reasonable in light of the considerable risks associated with Plaintiff's claims as well as the delay and risk posed by continuing to litigate such disputed allegations. In Plaintiff's counsel's judgment, the total value recovered for the class is substantial and in the range of reasonableness.

C. <u>Settlement Administration</u>

Subject to the Court's approval, the Parties have agreed on Phoenix Settlement Administrators as the Settlement Administrator. Phoenix is qualified and has significant experience administering class action settlements, including numerous wage and hour matters. Phoenix's fees will not exceed $16,000. [Saunders Decl., ¶ 13; Declaration of Michael Moore, ¶¶ 2-16, Exhs. A-B.]

D. <u>The Class Notice</u>

The proposed Notice (Exhibit 2 hereto) sets out information about this case and explains the basic settlement terms in plain language. The Notice also sets forth the individualized information used to calculate Class Members' Individual Settlement Payments and each Class Member's estimated settlement award. The Notice likewise details the procedures for Class Members to dispute their individual information, the procedure for submitting an objection to the Settlement, and the procedure to request exclusion. In sum, the Notice provides the Class

Members with the information necessary to evaluate the Settlement, provides fair opportunity to participate in, opt out of, or object to the proposed Settlement, and otherwise complies with California Rules of Court 3.769(f) and 3.766(d). Coupled with the notice procedure, the proposed Notice provides the Class with the best notice practicable. [Saunders Decl., ¶ 14.]

E. Right to Correct Information, Opt Out, or Object

Class Members will have forty-five (45) days to dispute the information in their Notice used to calculate their settlement award, and also have 45 days to submit any objections to the settlement or to request exclusion. In the event a Class Member disputes their individual information, the Settlement Administrator will review the Class Member's records as well as any additional information submitted, and make a final determination. [Saunders Decl., ¶ 15.]

F. Release of Claims

All Participating Class Members will be deemed to release Defendant from all class claims alleged in the operative complaint, or that could have been brought based on the allegations in the operative complaint, during the Class Period, and the Aggrieved Employees will release all claims under PAGA for the PAGA Period. The releases are limited to the claims that were actually pleaded or could have been pleaded based on the alleged facts in the operative complaint. [Saunders Decl., ¶ 16.]

G. Attorney's Fees and Costs, and Plaintiff's Enhancement Award

The settlement provides Defendant will not oppose a request for reasonable attorney's fees not to exceed one-third of the Total Maximum Settlement Amount, or $200,000.00, nor will it oppose a request for reimbursement of actual litigation costs and expenses of up to $20,000.00. Defendant also will not oppose a request for an enhancement award to Plaintiff of not more than $10,000.00 in recognition of her time spent on this matter, the risks he undertook on behalf of the class, and the benefit conferred to the class. Plaintiff's counsel will provide the Court with appropriate summaries and evidence of their efforts and time records in anticipation of the Final Approval Hearing, and Plaintiff has submitted a declaration herewith. If the Court approves less than the above amounts, the difference will remain in the Net Settlement Sum for distribution to the Participating Class Members. [Saunders Decl., ¶ 17.]

H. PAGA Claims and Notice to the LWDA

The Parties allocated $30,000 to payment of civil penalties under PAGA for such claims against Lakeside, and Plaintiff submits that amount if fair, reasonable and adequate, and consistent with PAGA's underlying purposes, as addressed in more detail below. As required by Labor Code section 2699(*l*)(2), Plaintiff gave notice of the settlement and preliminary approval hearing to the LWDA via its online portal. [Saunders Decl., ¶ 18; Exh. 4.]

IV. ARGUMENT

A. Standard of Review for a Class Action Settlement

The law favors settlement, particularly in class actions where substantial resources can be conserved by avoiding the time, costs and rigors of formal litigation. H. Newberg & A. Conte, 4 Newberg on Class Actions (4th ed. 2002) § 11.41; Class Plaintiffs v. City of Seattle (9th Cir. 1992) 955 F.2d 1268, 1276, cert. denied, 506 U.S. 953; Potter v. Pacific Coast Lumber Co. (1951) 37 Cal.2d 592, 602. Nevertheless, to ensure the rights of absent class members are not unjustly compromised, settlement of a class action requires court approval. Cal. Rule of Court. 3.769; Wershba v. Apple Computer (2001) 91 Cal.App.4th 224, 245; Dunk v. Ford Motor Co. (1996) 48 Cal.App.4th 1794, 1801. This judicial review protects against fraud or collusion and ensures fairness to the absent class members. Dunk, 48 Cal.App.4th at 1800-01. Judicial review occurs via a two-step process to determine, under all the circumstances, if the proposed settlement is fair, reasonable and adequate. Id. at 1801; Wershba, 91 Cal.App.4th at 245.

The first step is a motion for preliminary approval, through which the parties present the court with the proposed settlement and seek a determination if it is sufficiently fair and reasonable to warrant notice to the class and further proceedings as to its fairness and adequacy. Cal. Rule of Court 3.769(c). This preliminary evaluation determines if the proposed settlement is within the "range of reasonableness" and if notice should be provided to the class regarding the settlement's proposed terms and conditions, and whether a final fairness hearing should be scheduled. Wershba, 91 Cal.App.4th at 234-35; North County Contractors Ass'n, Inc. v. TouchTWC Ins. Servs. (1994) 27 Cal.App.4th 1085, 1089-90. Considering the strong judicial policy favoring settlement of class actions, courts generally apply a presumption of fairness to class action settlements when (1) the settlement results from arms-length bargaining, (2) investigation and discovery are sufficient to allow counsel and the court to act intelligently, (3) counsel is experienced in similar litigation, and (4) the percentage of objectors is small. Dunk, 48 Cal.App.4th at 1802; Wershba, 91 Cal.App.4th at 245.

If the court grants preliminary approval, it then orders the class be given notice in an appropriate manner, establishes a schedule and procedures for class members to request exclusion or object, and sets the matter for a final fairness hearing. Typically, any motion for attorney's fees and costs, and any enhancement for the class representative(s), is filed subsequent to preliminary approval and heard with the motion for final approval, as part of the second step of the two-step approval process. Dunk, 48 Cal.App.4th at 1800; Wershba, 91 Cal.App.4th at 232.

The proposed settlement in this matter warrants preliminary approval under the liberal standard discussed above, as it is fair, reasonable and adequate under all the circumstances, and represents a favorable result for the class.

B. The Proposed Settlement Class Should Be Conditionally Certified

The purpose of conditional class certification for purposes of settlement is to facilitate provision of notice of the proposed settlement's terms, and the date and time of the final fairness hearing. In this context, courts apply lesser scrutiny than they would otherwise in the context of certifying a class. Dunk, 48 Cal.App.4th at 1807, n.19; Global Minerals & Metals Corp. v. Superior Court (2003) 113 Cal.App.4th 836, 839 ("[I]t is well established that trial courts should use different standards to determine the propriety of a settlement class.")

In the present matter, conditional certification is proper since this matter satisfies all requirements for class certification under Code of Civil Procedure section 382. First, the class is both sufficiently numerous, consisting of approximately 1,820 individuals, and ascertainable by reference to Defendant's personnel and payroll records. [Saunders Decl., ¶ 19.] Next, Plaintiff is an adequate class representative, as her claims do not conflict with and are not antagonistic to the claims of other class members. Further, her claims are typical given she is a member of the class and her respective claims arise from the same employment practices and course of conduct giving rise to the claims of the other class members. [Saunders Decl., ¶ 20; Declaration of Maria

Magdalena Avila, ¶¶ 2-9.] Lastly, Plaintiff's counsel are experienced and adequate class counsel. [Saunders Decl., ¶¶ 35-43.]

Next, common questions of law and fact predominate – particularly for purposes of a settlement class – as the Class Members all were subject to the same meal rest break policies, the same alleged time rounding policy that allegedly shorted them on hours worked, etc. Since the focus of the claims against Lakeside concerns the legality of common policies applied uniformly to the entire class, common issues predominate over individualized inquiries concerning liability. Lakesdie's alleged rounding policy is company-wide policy applied equally and consistently to all class members, and this policy is either compliant with California law or it is not. Regardless of that determination, it will decide liability for all class members one way or another. Similarly, whether Lakeside was required to reimburse employees for use of their personal phones presents another common issue. [Saunders Decl., ¶ 21.]

It is now well-settled that a theory of recovery asserting the existence of a uniform policy violating California law is sufficient to satisfy the requirements for class certification. Saunders v. Farmers Ins. Exch. (2013) 221 Cal.App.4th 986, 996 ("Claims alleging that a uniform policy consistently applied to a group of employees is in violation of the wage and hour laws are of the sort routinely, and properly, found suitable for class treatment"); Williams v. Superior Court (2013) 221 Cal.App.4th 1353 ("A company-wide practice can sustain a common question of fact or law that supports commonality for class certification"). Lastly, a class action is superior to other means for the fair and efficient adjudication of this controversy. [Saunders Decl., ¶ 22.]

C. The Proposed Settlement Meets the Dunk and Kullar Factors and is within the Range of Reasonableness

The proposed settlement resulted from serious, arms-length negotiations facilitated by respected mediator Michael Loeb, Esq., who has extensive experience mediating wage and hour class actions. [Saunders Decl., ¶ 8.] Plaintiff's counsel Zach Crosner, Brandon Brouillette, and Chad Saunders, and Crosner Legal, PC, all have years of litigation experience, including litigating wage and hour class actions. Plaintiff's counsel are well-qualified to evaluate the risks and benefits of pursuing further litigation or settling the matter. [Saunders Decl., ¶¶ 35-43.]

California law recognizes several factors bearing on the fairness, adequacy, and reasonableness of a proposed class settlement. Kullar v. Foot Locker Retail, Inc. (2008) 168 Cal.App.4th 116, 128. In relevant part, these factors include: 1) the amount offered in settlement 2) the strength of plaintiff's case; 3) the risk, expense, complexity, and likely duration of further litigation; 4) the risk of maintaining class action status throughout trial; 5) the experience and views of counsel; and 6) the reaction of the class members to the proposed settlement. Id. As demonstrated below, the proposed settlement satisfies these requirements.

Prior to mediation, the parties engaged in extensive formal and informal discovery to facilitate settlement discussions. As a result, Plaintiff reviewed documents and information regarding Lakeside's payroll practices, pay stubs and time records for a sampling of class members, meal and rest break policies, etc., and information from Defendant regarding class size and breakdown of job positions, work weeks, rates of pay, and other information used to formulate a damages model. This extensive information then was analyzed by a consulting expert to look for meal and rest break violation rates, time spent working off the clock due to donning/doffing, security checks, etc., and other issues relevant to liability and damages. Plaintiff's counsel are confident they obtained sufficient information to enable them to understand the law and facts of this case and make an informed decision regarding the proposed settlement and whether it is in the best interests of the class. [Saunders Decl., ¶¶ 7, 23.]

Next, the proposed settlement falls within the range of reasonableness warranting preliminary approval. The proposed settlement involves a significant sum that, when distributed, will confer direct monetary benefits on the class members. As described above, each class member will be entitled to a monetary payment without having to file a claim and each payment will be relative to the value of his or her potential claims.

Plaintiff's analysis was supported by the pre-mediation production described above, which permitted Plaintiffs' counsel to estimate potential damages on various theories of liability. Using that data, Plaintiff ran various calculations and estimated Lakeside's likely maximum exposure on the class claims at approximately $14,877,600, including $1,078,000 on the unpaid wage off the clock claims, $151,000 on the unpaid rest period claims, $85,100 on the unpaid overtime premium claims, $3,390,000 on the meal break claims, $3,3140,000 on the rest break claims, $385,000 on the expense reimbursement claim, $2,671,000 on the wage statement claims, and $3,72,500 on the waiting time penalty claims. [Saunders Decl., ¶¶ 24-25.] Plaintiff and his counsel substantially discounted the value of these claims, however, in light of Defendant's multi-layered defenses on both class certification and on the merits, and the multiple and considerable risks posed by proceeding with the litigation.

The unpaid wage claims focus primarily on Lakeside's alleged policy of paying employees based on their schedules rather than actual hours worked. Per Plaintiff, when being paid by the hour, supervisors would manually record the time for her entire work crew and would simply write down hours based on their schedule without accounting for pre- and post-shift work performed. Per Plaintiff, she and the class members typically worked as much as 30 extra minutes beyond their scheduled hours in order to complete the day's work, which time went unrecorded and uncompensated. Next, when working on a piece rate basis, Plaintiff alleged Lakeside failed to pay for rest breaks at the correct rate of pay, and further failed to pay for overtime hours at the correct rate of pay. When employees are paid by the piece, they must be separately compensated for rest periods and for non-productive time at their regular rate of pay. Labor Code § 226.2; Bluford v. Safeway Inc., (2013) 216 Cal.App.4th 864, 872 (rest periods must be separately compensated in a piece-rate system."). According to Labor Code section 226.2, subdivision (a)(3)(A), "[e]mployees shall be compensated for rest and recovery periods at a regular hourly rate **. . . ."** Plaintiff alleges that many times, when working piece rate, she and the employees did not receive the required pay for their rest breaks, separate and apart from their piece rate pay. Similarly, California law requires overtime to be paid at the regular rate of pay. *See* Labor Code § 510 ("Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee.") As with the rest and recovery pay, Plaintiff alleges that Lakeside's own records show a failure to properly pay for overtime hours during many pay periods. [Saunders Decl., ¶ 26.]

In response, Lakeside argued its payroll policies are fully compliant, that it properly tracked and paid for all hours worked at the appropriate hourly wage. Defendant emphasized its policies strictly prohibited "off the clock" work and, to the extent any employees did work off the clock it was unsanctioned and done without the employer's knowledge. White v. Starbucks Corp. (N.D. Cal. 2007) 497 F.Supp.2d 1080, 1083 (employer must have actual or constructive knowledge of the off the clock work). Further, Defendant argued the issue would not be certifiable since it would require individualized inquiries whether any compensable "off the clock" work occurred, whether it was authorized or approved by management or done voluntarily, etc. Defendant likewise argued its payroll policies accounted and separately paid for rest and recovery periods for piece rate employees, and that all overtime was paid for at the correct premium rates. [Saunders Decl., ¶ 27.]

On the meal and rest break claims, Plaintiff contends Lakeside's written policies are not fully compliant, and Plaintiff's review of the time and payroll records provided suggested Lakeside relied on an "auto deduct" policy whereby supervisors simply recorded a compliant 30 minute meal period for employees regardless of whether the meal period actually occurred or whether it was compliant. Plaintiff submits the evidence ultimately will show that meal periods were not so precise as reflected in Defendant's records and, due to pressure from supervisors to produce as much as possible, meals were frequently cut short or taken late. This evidence will raise a presumption that class members were not provided with compliant meal periods under Donohue v. AMN Servs. LLC (2021) 11 Cal.5th 58, 77. Plaintiff also contends she and the class members were consistently required to work in excess of four hours without receiving lawful ten minute rest periods. Even when they were provided an opportunity to take such a break within each four hour period, she alleges they were consistently denied compliant rest periods because such rest periods were interrupted and/or cut short by management, or used to travel from one field to the next such that the class members were still subject to employer control and on duty. [Saunders Decl., ¶ 28.]

In response, Lakeside argued its written meal and rest break policies are fully compliant, that it provided employees with the opportunity to receive all required breaks as reflected in its time records. Defendant further maintained that, in light of its compliant policies and accurate records, whether a class member missed a meal period, received a late meal period, or missed a rest break would have been aberrational and against company policy. Thus, per Lakeside, these issues are not amenable to class or representative treatment since their resolution would require individualized inquiries as to why a break was missed or non-compliant. [Saunders Decl., ¶ 29.]

On the expense reimbursement claim, Plaintiff alleges she and the class members had to purchase special knives and packs for harvesting crops, and special clothing to wear, but received no reimbursement. In response, Lakeside argued it provided employees with all tools and equipment necessary to perform their job duties and, to the extent employees purchased any special clothing, it was purely for personal convenience or comfort, was not necessary to their employment, and therefore was not reimbursable. [Saunders Decl., ¶ 30.]

The claims under Labor Code sections 203 and 226 are derivative of the primary unpaid wage claims, and accordingly are subject to the same risks and uncertainties plus additional risks posed by the need to take into account the discretionary nature of such awards and the "good faith" and other defenses available to Defendant. Amaral v. Cintas Corp. No. 2 (2008) 163 Cal.App.4th 1157, 1203-4 (employer did not willfully fail to pay wages under Labor Code § 203 even though class prevailed on underlying claim for failure to pay living wages). Thus, while these claims largely are derivative of the unpaid wage claim, they also are subject to additional defenses. [Saunders Decl., ¶ 31.]

As far as potential PAGA liability, the allegedly aggrieved employees theoretically are entitled to penalties totaling over $12 million in civil penalties should Plaintiff prevail on all claims and establish violations of the multiple Labor Code sections at issue. [Saunders Decl., ¶ 32.] As with the class claims, Plaintiff discounted the potential PAGA penalties based on Defendant's various defenses on the merits and also accounted for the Court's wide discretion to reduce such penalties, or to decline to award penalties at all. Labor Code § 2699(e)(2); Carrington v. Starbucks Corp. (2018) 30 Cal.App.5th 504 (trial court awarded penalties of $5 per pay period after a bench trial, which decision was upheld on appeal); In re Taco Bell Wage and Hour Actions (E.D. Cal. Apr. 8, 2016) 2016 U.S. Dist. LEXIS 48557 (PAGA penalties denied after trial). Accordingly, the Parties allocated $45,000 to PAGA penalties, and Plaintiffs submit this amount is reasonable under the circumstances and in line with comparable settlements in other wage and hour class actions in California. *E.g.*, Van Kempen v. Matheson Tri-Gas, Inc. (N.D. Cal. Aug. 25, 2017) 2017 U.S. Dist. LEXIS 137182 (granting final approval of $5,000 PAGA penalty from $370,000 settlement, or 1.4 percent of total settlement); Slavkov v. First Water Heater Partners I (N.D. Cal. July 25, 2017) 2017 U.S. Dist. LEXIS 116303 (finding a $7,500 PAGA payment reasonable when measured against the overall settlement of $345,000 and the possible weaknesses in Plaintiffs' case, or 2.2 percent of total settlement). Additionally, the LWDA has been informed of the terms of the PAGA portion of the settlement, and will be able to weigh in as necessary. Jennings v. Open Door Mktg. Inc. (N.D. Cal. Oct. 3, 2018) 2018 U.S. Dist. LEXIS 171356, at *27 (approving settlement with PAGA penalties of 0.6% where "[p]laintiffs [have] submitted the settlement agreement to the LWDA, and the LWDA has not objected to the settlement.

The settlement obviates the significant risk that this Court may find any kind of class or representative resolution unachievable or deny certification of all or some of Plaintiff's claims. Furthermore, even if Plaintiff obtained certification of all or some of the claims, continued litigation would be lengthy and expensive as the parties pursued merits discovery, a probable motion to decertify, as well as trial and possible appeals, and would further and substantially delay any recovery by the class with no assurance of recovering significantly more than the proposed settlement. While Plaintiff is confident in the merits of these claims, legitimate controversies exist regarding each one of them. Plaintiff also recognizes proving the amount of wages and penalties due each Class Member would be an expensive, time-consuming, and uncertain proposition. [Saunders Decl., ¶ 33.]

Plaintiff and her counsel discounted the value of the class claims consistent with the risks discussed above, and carefully weighed the likelihood of the class receiving substantially greater benefit if the litigation continued. Plaintiff and counsel concluded – in light of these very real and substantial risks – settlement on the proposed terms and without prolonged and costly litigation was in the best interests of the class, and the overall $900,000 recovery represents a significant percentage of Defendant's potential exposure. Given these risks, a total recovery for the class of $900,000, which will result in average award of some $290 per class member, plus additional amounts under PAGA, is a significant result well within the range of reasonableness considering all potential outcomes, and it will provide direct monetary awards to all Class Members without further delay. [Saunders Decl., ¶ 34.]

Importantly, the mere fact that a settlement does not provide the same recovery as might be achieved at trial is not a proper indicator of whether the settlement is fair, reasonable, and adequate. Wershba, 91 Cal.App.4th at 246, 250 ("Compromise is inherent and necessary in the settlement process…even if the relief afforded by the proposed settlement is substantially narrower than it would be if the suits were to be successfully litigated, this is no bar to a class settlement because the public interest may indeed be served by a voluntary settlement in which each side gives ground in the interest of avoiding litigation"); Lane v. Facebook, Inc. (9th Cir. 2012) 696 F.3d 811, 819 ("[T]he question whether a settlement is fundamentally fair . . . is different from the question whether the settlement is perfect in the estimation of the reviewing court"); 7-Eleven Owners for Fair Franchising v. Southland Corp. (2000) 85 Cal.App.4th 1135, 1150 ("The fact that a proposed settlement may amount to only a fraction of the potential recovery does not, in and of itself, mean that the proposed settlement is grossly inadequate and should be disapproved"); White v. Experian Information Solutions, Inc. (C.D. Cal. 2011) 803 F.Supp.2d 1086, 1098 (rejecting contention settlement was not fair and reasonable even though it represented 99% discount off the maximum value of the claims). Importantly as well, the proposed settlement is non-reversionary and will provide timely benefits to the Class Members without a claims process. White, 803 F.Supp.2d at 1098; c.f., Federal Judicial Center, Managing Class Action Litigation: A Pocket Guide for Judges (3d ed. 2010) at 20, available at http:// www.fjc.gov/sites/default/files/2012/ClassGd3.pdf (reversionary provisions and/or cumbersome claims process may indicate lack of fairness). Plaintiffs and their counsel submit the settlement is within the "range of reasonableness," and is fair and adequate for the Class.

/////

V. CONCLUSION

For all the foregoing reasons, Plaintiff respectfully requests that the Court grant this motion, conditionally certify the settlement class, grant preliminary approval to the proposed class action settlement, and enter the [Proposed] Order filed herewith.

Dated: October 23, 2025

CROSNER LEGAL, PC

By: ____________________

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