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SUPERIOR COURT FOR THE STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

LUIS SEDANO; and JONATHAN AVALOS, on behalf of themselves and others similarly situated

PLAINTIFFS,

v.

NEW-INDY ONTARIO LLC, a Delaware Limited Liability Company; NEW-INDY OXNARD LLC, a Delaware Limited Liability Company; NEW-INDY CONTAINERBOARD LLC, a Delaware Limited Liability; NEW-INDY CONTAINERBOARD HOLD CO LLC, a Delaware Limited Liability Company; and DOES 1 through 100, inclusive

DEFENDANTS.

Case No. CIVSB2216238

CLASS ACTION

Assigned to: Hon. Kevin C. Lee

NOTICE OF MOTION AND MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA ACTION SETTLEMENT; MEMORANDUM OF POINTS AND AUTHORITIES

Date: October 26, 2026
Time: 8:30 a.m.
Dept.: S26

Complaint Filed: July 22, 2022
FAC Filed: December 21, 2022
SAC Filed: July 29, 2024
Trial Date: None Set

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on October 26, 2026, at 8:30 a.m., Judge Kevin C. Lee presiding at San Bernardino Superior Court, 247 West Third Street, San Bernardino, CA 92415-0210, Department S26, or as soon thereafter as the matter can be heard, Plaintiffs Luis Sedano and Jonathan Avalos ("Plaintiffs") will move for an order granting preliminary approval of class action and Private Attorneys General Act ("PAGA") settlement, including conditional class certification for settlement purposes. Good cause exists for the granting of the Motion in that the proposed class action and PAGA action settlement is fair, reasonable, and adequate.

The Motion will be based on this Notice of Motion and Motion, Memorandum of Points and Authorities, declarations of Luis Sedano, Jonathan Avalos, Jason Hatcher, and Cassandra A. Castro, and on such oral and documentary evidence as may be presented before and at the hearing on the Motion.

DATED: October 2, 2026

THE MYERS LAW GROUP, A.P.C.

By: */s/Cassandra A. Castro*
David P. Myers,
Jason Hatcher,
Cassandra A. Castro,
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Attorneys for Plaintiffs, on behalf of themselves and all others similarly situated

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I. INTRODUCTION

Plaintiffs Luis Sedano and Johnathan Avalos ("Plaintiffs") seek preliminary approval of a non-reversionary $680,000.00 Class and Private Attorneys General Act ("PAGA") action settlement, as well as conditional class certification for settlement purposes, as outlined in the Class Action and PAGA Settlement Agreement and Class Notice ("Settlement" or Settlement Agreement"). (Decl. Castro at ¶ 4, Ex. 1 ("Ex. 1")).[1] The Settlement covers approximately 310 current and former California hourly non-exempt employees of Defendants who provided production services at their Ontario or Oxnard facilities during the respective Class Periods, wherein the Ontario Class Period is from November 6, 2019 through June 30, 2026 and the Oxnard Class Period is from July 22, 2018 to June 30, 2026. (Ex. 1 at ¶¶ 1.4, 1.9, 1.11, 4.1).

All terms of the Settlement are contained within the Settlement Agreement, which, if approved as requested, provides **the average class member a payment of approximately $1,110.75** (Net Class Settlement Amount: $344,333.33/ Approx. class size: 310). Based on 45,000 workweeks, based on the Settlement's allocations, it is estimated that the highest Individual Class Payment is $3,167.87 and the lowest Individual Class Payment is $7.65. The Court should grant preliminary approval as this settlement is fair, reasonable, and adequate. (Decl. Hatcher ¶ 6); (Decl. Castro ¶¶ 4, 8, 10, 22), (Decl. Sedano ¶ 20), (Decl. Avalos ¶ 21).

II. CASE HISTORY AND OVERVIEW

A. Factual Background

Defendants New-Indy Ontario LLC, New-Indy Oxnard LLC, New-Indy Containerboard LLC, and New-Indy Containerboard Hold Co LLC (collectively "Defendants") manufacture and supply corrugated boxes, recycled containerboard, and linerboard in the industrial packaging industry. Defendants operate two production facilities in California, one facility in Ontario and the other in Oxnard. Defendants employed Plaintiffs and the proposed Settlement Class of production employees at the Ontario and/or Oxnard facilities during the applicable Class Periods.

///

[1] This Motion incorporates by reference the definitions in the Settlement Agreement. All defined terms in the Settlement Agreement and stated herein shall have the same meaning as set forth in the Settlement Agreement.

On July 22, 2022, Plaintiff Luis Sedano ("Plaintiff Sedano") filed a Private Attorneys General Act (PAGA) Notice with the Labor and Workforce Development Agency and mailed Defendants the same.

On July 22, 2022, Plaintiff Sedano filed a class action complaint, and on December 21, 2022, Plaintiff Sedano filed a First Amended Complaint ("FAC"), against Defendants. The FAC alleged violations of the California Labor Code and Business and Professions Code, on behalf of Plaintiff Sedano and all others similarly situated, for the following claims: (1) failure to pay all overtime and double time wages, (2) failure to provide meal periods, (3) failure to provide rest periods, (4) failure to provide accurate wage statements, (5) unfair competition, and (6) Private Attorneys General Act (PAGA).

On October 12, 2023, the Parties participated in an all-day mediation presided over by respected wage and hour mediator Lisa Klerman. Before mediation, Plaintiff Sedano informally obtained documents including time keeping records and pay records, the personnel file for Plaintiff Sedano, policy documents (Employee Handbooks, etc.), payroll and timekeeping data, and data on the numbers of workweeks and/or pay periods worked by putative class members. The matter was not resolved at mediation.

Plaintiff Sedano continued pursuing the class action and PAGA action claims, seeking formal written discovery, engaging in a *Belaire West* notice process and obtaining putative class member contact information, and preparing for class certification motion practice.

On July 29, 2024, the Court granted Plaintiff Sedano's motion for leave to amend and deemed filed the Operative Second Amended Complaint, which added (1) Plaintiff Jonathan Avalos ("Plaintiff Avalos") as a named representative and (2) a cause of action for Failure to Pay All Wages Due at Separation.

The Parties engaged in further formal discovery, formally obtaining timekeeping and pay records of both Plaintiffs, taking the deposition of Defendants' person most knowledgeable, and seeking additional written discovery regarding the allegations in Plaintiffs' Operative Complaint.

After significant post-mediation, pre-certification litigation, and with the continued assistance of mediator Lisa Klerman, Esq., resolution of the matter was reached through non-

collusive, arm's length negotiations and by way of mutual acceptance of a mediator's proposal on or about May 1, 2026.

Plaintiffs and Plaintiffs' Counsel ("Class Counsel") have concluded, after taking into account sharply disputed factual and legal issues involved in this litigation, the risks of further litigation, and the substantial benefits received and to be received pursuant to the compromise and settlement of the litigation, that settlement on the terms hereinafter set forth is in the best interest of the class members.

Defendants and Defense Counsel have concluded, after taking into account the sharply disputed factual and legal issues involved in the litigation, the risks attending further defense, the substantial expense and burden of protracted litigation, and their desire to put the controversy to rest, that settlement on the terms hereinafter set forth is in the best interest of Defendants.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Terms of the Settlement

1. The Settlement Class

The class is defined as:

All current and former California hourly non-exempt employees of Defendants who provided production services for Defendants as follows:

i. New-Indy Ontario LLC – all current and former California hourly non-exempt employees of Defendants who provided production services for Defendants at their Ontario, California facility during the Ontario Class Period; and/or

ii. New-Indy Oxnard LLC – all current and former California hourly non-exempt employees of Defendants who provided production services for Defendants at their Oxnard, California facility during the Oxnard Class Period (the "Class" or "Settlement Class").

(Ex. 1 at ¶ 1.4, 1.9).

The Class Period is comprised of the respective time periods from (1) November 6, 2019 to June 30, 2026 for Class Members who worked at Defendants' Ontario, California facility ("Ontario Class Period")[2], and (2) July 22, 2018 to June 30, 2026 for Class Members who worked

[2] The Ontario Class Period begins later due to a prior settlement that only applied to employees at the Ontario facility, *Chase v. New-Indy Ontario, LLC* (SBSC Case No. CIVDS1900901).

at Defendants' Oxnard, California facility ("Oxnard Class Period") (collectively the "Class Period(s)". (Ex. 1 at 1.11). The Settlement Class of approximately 310 Class Members. (*Id*. ¶¶ 1.4, 1.9, 1.11, 4.1).

2. The Settlement Allocations

Defendants have agreed to pay a ***non-reversionary*** sum of Six Hundred Eighty Thousand Dollars and Zero Cents ($680,000.00), or Gross Settlement Amount ("GSA"), subject to the Escalator Clause in the Settlement. (Ex. 1 at ¶¶ 1.22, 3.1, 8.1). The GSA includes all Individual Class Payments to Participating Settlement Class Members, Administrator Expenses Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representatives Service Payments, and all Individual PAGA Payments to PAGA Employees (totaling 25% of the PAGA Penalties allocation) and the LWDA PAGA Payment (75% of the PAGA Penalties allocation). (Ex. 1 at ¶¶ 3.2, 3.2.1, 3.2.2, 3.2.3, 3.2.4, 3.2.7, 3.2.8). A full breakdown of the allocations of the GSA is as follows:

Gross Settlement Amount	$680,000.00
Class Counsel Fees Payment	$226,666.67
Class Counsel Litigation Expenses Payment	$25,000.00
LWDA PAGA Payment	$41,250.00
PAGA Payment to PAGA Employees	$13,750.00
Administration Expenses Payment	$9,000.00
Class Representatives Service Payments	$20,000.00
Net Class Settlement Amount	$344,333.33

Defendants' share of any employer payroll taxes shall be paid by Defendants separately and in addition to the GSA. (Ex. 1 at ¶ 1.21, 1.18). The total amount of workweeks as of May 1, 2026 was approximately 45,000. Should the total number of actual workweeks during the Class Period exceed 49,500, then the GSA may change depending on Defendants' election under Section 8.1 of the Settlement.[3]

3. Individual Class Payments

Each Participating Class Member who does not submit a valid and timely Request for Exclusion from the Settlement will be a Participating Class Member ("PCM") and will receive an

[3] If available prior to the hearing on this Motion, Class Counsel will provide a supplemental declaration regarding Defendants' election under Section 8.1 and exact total number of workweeks during the Class Period.

Individual Class Payment based on a pro rata share of the Net Settlement Amount ("NSA"). (Ex. 1 at ¶¶ 7.5.1, 7.5.3, 7.5.4). The Settlement allocates 20% of the Settlement Share as wages subject to employee wage withholdings and reported on IRS Form W-2; and the remaining 80% as interest and penalties reported on IRS Form 1099. (Ex. 1 at ¶¶ 3.2.5).

The NSA shall be distributed to the individual Participating Class Members based on the number of workweeks that he or she worked. It shall be calculated by (a) dividing the NSA by the total number of Workweeks worked by the Participating Class Members during the Class Period and (b) multiplying the result by the number of Workweeks worked by the Participating Class Member during the Class Period. (Ex. 1 at ¶ 1.47, 3.2.4). Non-Participating Class Members, Class Members who opt-out, will not receive any Individual Class Payment, will not release the Released Class Claims, and have Workweeks that will not be included in the pro rata calculation of the Individual Class Payments. (Ex. 1 at ¶ 3.2.6).

4. PAGA Allocation

The Settlement allocates $55,000.00 to the PAGA Penalties. (Ex. 1 at ¶ 1.35). The PAGA Penalties results in 75% (or $41,250.00) paid to the LWDA. (Id. at ¶¶ 1.35, 3.2.7). The remaining 25% (or $13,250.00) will be paid to the PAGA Employees. The Individual PAGA Payment for the PAGA Employees will be calculated on a pro rata basis based on each individual PAGA Employees' percentage of workweeks for all PAGA Employees for the PAGA Period. (Id. at ¶¶ 1.35, 3.2.7). As of May 1, 2026, there were approximately 267 PAGA Employees with 16,432 Pay Periods at issue during the PAGA Period. (Id. at ¶¶ 4.1).

B. Proposed Notice to the Class

In accordance with the Settlement Agreement, all Class Members and PAGA Employees will be mailed a Settlement Notice that includes, but is not limited to, information regarding the nature of the litigation; a summary of the terms of the Settlement Agreement; the definitions of the Class; the estimated cost for administration of the settlement; information regarding payments from the GSA; the individual Class Members' total number of Workweeks; the estimated Individual Class Payment and Individual PAGA Payment; the formulas for calculating Individual Class Payment and Individual PAGA Payment; the dates of the Class Period and PAGA Period;

instructions for requesting exclusion from or objecting to the settlement, deadlines for the same; the date, time and location of the Final Approval/Fairness Hearing; and the claims to be released by Participating Class Members and PAGA Employees. (Ex. 1 at Ex. A). The Settlement Notice will be provided in both English and Spanish. (Ex. 1 at ¶ 1.46, 7.4.2).

C. Proposed Release of Claims

The Settlement provides the following narrowly tailored releases.

1. Released Parties

Under the Settlement terms, the Released Parties means Defendants and their parents, subsidiaries, affiliates, and related companies, and all of its and their respective past and present employees, directors, officers, shareholders, attorneys, representatives, insurers, agents, successors, and assignees. (Ex. 1 at ¶ 1.42).

2. Released Class Claims

The PCM will release the Released Class Claims as follows:

> Effective on the date when Defendants fully fund the entire Gross Settlement Amount, and fund all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, all Participating Settlement Class Members will release, for the Settlement Class Period only, against Defendants and the Released Parties all claims and/or legal theories asserted in the Operative Complaint, or that could have been alleged based on the facts in the Operative Complaint, including: (1) failure to pay minimum wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to provide rest breaks, (5) failure to pay wages for accrued sick days, (6) failure to provide accurate itemized wage statements, (7) failure to timely pay all earned wages at time of separation, (8) unfair and unlawful competition; and (9) all damages, penalties, interest and other amounts recoverable under said causes of action or primary rights under the law, to the extent permissible, including but not limited to the California Labor Code, the applicable Wage Orders, and the California Unfair Competition Law as to the facts alleged in the Operative Complaint. The Participating Settlement Class Members (not including Plaintiffs) do not release any other claims, including but not limited to claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, claims based on any facts occurring outside the Settlement Class Period, or the PAGA cause of action or claims for PAGA (which are addressed in the PAGA Released Claims).
>
> (Ex. 1 at ¶ 5.2).

///

3. Released PAGA Claims

The PAGA Employees will release the PAGA Released Claims as follows:

> Effective on the date when Defendants fully fund the entire Gross Settlement Amount, and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, all PAGA Employees will release, for the PAGA Period only, Defendants and the Released Parties from all claims for PAGA penalties that were alleged in the Operative Complaint and all claims for PAGA penalties that could have been brought based on the factual allegations set forth in the Operative Complaint and the Amended PAGA Notice for this Action.

(Ex. 1 at ¶ 5.3).

4. Plaintiffs' Individual Releases

Under the Settlement, Plaintiffs, and only Plaintiffs, are executing a general release of claims that includes a Civil Code §1542 release. (Ex. 1 at ¶ 5.1).

IV. LEGAL ARGUMENT

California courts favor settlement, particularly in class actions and other complex actions where substantial resources may be conserved by avoiding the time, costs, and rigors of protracted formal litigation. *7-Eleven Owners for Fair Franchising v. Southland Corp*., 85 Cal.App.4th 1135, 1151 (2000). Where a class action settlement is determined to be within the "range of reasonableness," the court should grant preliminary approval. *Hernandez v. Vitamin Shoppe Indus., Inc.,* 174 Cal.App.4th 1441, 1446 (2009).

A. The Court Should Grant Preliminary Approval of the Settlement

1. The Proposed Settlement is Fair, Reasonable, and Adequate

All factors favor preliminary approval of the Settlement. *See Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles*, 186 Cal.App.4th 399, 407 (2010) (*citing Kullar v. Footlocker Retail, Inc.*, 168 Cal.App.4th 116, 130 (2008)). Courts recognize that the strength of the plaintiffs' case on the merits balanced against the amount offered in the settlement as the most important factor to such determination. *Id.* The proponent of the settlement bears the burden of showing that the proposed settlement is fair and reasonable. California courts generally recognize a presumption of fairness where (1) the settlement is reached through arm's 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 v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1802.

a. The Settlement is the Product of Arm's-Length Negotiations

The proposed Settlement here is fair, reasonable and adequate. The Court should grant preliminary approval as this settlement is fair, reasonable, and adequate. (Decl. Hatcher ¶ 6); (Decl. Castro ¶¶ 4, 8, 10, 22). Plaintiff Sedano and Class Counsel engaged in private mediation, on October 12, 2023, with well-respected mediator Lisa Klerman, Esq. Prior to the mediation, Plaintiff Sedano possessed sufficient information and documentation to make an informed decision and conduct a comprehensive review and analysis of the facts, potential damages, and legal issues raised by the Action to engage in Settlement negotiations, but ultimately the matter did not resolve at that time. (Decl. Castro ¶ 4-7). Only after significant formal discovery and pre-certification litigation efforts, whereby Plaintiffs possessed additional information and testimonial evidence regarding the claims, damages, and legal issues at issue in the Action, and with the continued assistance of mediator Lisa Klerman, Esq., did the matter resolve by way of mutual acceptance of Ms. Klerman's mediator's proposal on or about May 1, 2026, which is memorialized in the Settlement Agreement. (Id. at ¶ 4-7). The settlement negotiations in this matter were at arm's length and non-collusive at all times. (Id.).

In reaching the proposed Settlement, Plaintiffs and Class Counsel's negotiation efforts took into consideration relevant factors such as the size of the class, the information and documents obtained through informal discovery, the experiences of Plaintiffs, Defendants' projected liability, the expense of continued litigation, the uncertainty inherent in litigating complex matters, such as obtaining and maintaining class certification, Defendants' policies including its timekeeping and compensation practices, Defendants' collective bargaining agreement(s), and the potential for appeals. (Decl. Castro ¶¶ 4-5, 7). Based on Class Counsel's experience handling similar claims, Class Counsel are of the opinion that the proposed settlement represents a favorable resolution for the Settlement Class as it provides for concrete compensation to the absent class members for Defendants' alleged violations without the further expense and uncertainty of further litigation. (Decl. Castro ¶¶ 4, 8, 10, 12-22). Moreover, the proposed settlement resolves any potential

penalties against Defendants for their allegedly unlawful conduct as alleged in the proposed TAC and also compensates Plaintiffs and the Class Members fairly for the TAC's claims. (Id.). Accordingly, there can be no doubt that the proposed Settlement before the Court is the product of thorough arm's length and non-collusive negotiations between the Parties, who participated in a full-day of mediation with Lisa Klerman, Esq., and thereafter engaged in further negotiations through Ms. Klerman, which resulted in the mutual acceptance of a mediator's proposal, and based thereon the Court should presume the fairness of the proposed settlement.

b. Sufficient Investigation and Discovery Has Been Conducted

Prior to attending the mediation and in preparation for submission of a motion for class certification, Plaintiffs conducted a comprehensive investigation into the facts and legal issues raised by the SAC and proposed TAC. Plaintiffs' investigation included requesting and obtaining documents through informal and/or formal discovery and information for the Settlement Class and PAGA Employees, that included data (and subsequent updated data) detailing the number of class members (formerly and currently employed), total number of aggrieved employees, total number of workweeks and pay periods, as well as payroll data (including a sampling) and documents, the personnel files for Plaintiffs, and wage and hour policy documents, and taking the deposition of Defendants' Person Most Knowledgeable, which permitted Plaintiffs to prepare a damages model and to prepare for class certification. (Decl. Castro ¶ 4-7). Prior to reaching the Settlement, Plaintiffs were equipped with sufficient knowledge of the facts and legal claims at issue, and the evidence in support or in contention thereof, so as to make a proper evaluation of the merits of the claims in the action, the defenses raised by Defendants against said claims, and Defendants' scope of projected liability. (Id.).

Given the foregoing, the Settlement for each Participating Class Member is fair, reasonable, and adequate, given the inherent risk of litigation and Defendants prevailing on the merits, the risk relative to class certification, the costs of litigation, and Defendants' affirmative defenses. (Decl. Castro ¶ 4-5, 7, 8, 12-22). Should any Class Member dispute the fairness, reasonableness, or adequacy of the settlement, they will be afforded an opportunity to do so up to and at the time of the Final Approval/Fairness Hearing. (Ex. 1, at Ex. A).

c. Class Counsel is Experienced in Similar Litigation

To date, Class Counsel has handled numerous class actions and complex cases, the majority of which they served as Class Counsel. (Decl. Hatcher ¶¶ 2-5); (Decl. Castro ¶ 2). This experience and success in similar wage and hour class action litigations supports the views that the proposed Settlement is fair, reasonable and adequate. Class Counsel relied on their extensive experience when negotiating the proposed settlement. (Decl. Hatcher ¶¶ 2-5, 6); (Decl. Castro ¶¶ 2, 4, 7, 8, 10, 12-22). As discussed above, Class Counsel's settlement negotiations were conducted with consideration given to the class size, the information and documentation obtained through mediation-based discovery, the common experience of Plaintiffs and other putative class members, Defendants' general denial of any wrongdoing, and the uncertainty, risk, expense and delay associated with litigating the action through trial, including the risks of obtaining and maintaining class certification through trial and the risk for potential appeals. (*Id*.). Class Counsel also considered the just nature of the proposed ***non-reversionary*** settlement, which requires Defendants to remit any unclaimed funds to the California State Controller's Office, Unclaimed Property Division in the name of the Class Member. (Ex. 1 at ¶ 4.4.2, 4.4.3). Therefore, Defendants are required to pay the entire Gross Settlement Amount.

Based on the foregoing, the proposed settlement should be presumed fair since it was reached as the result of arm's length negotiations, sufficient investigation and discovery was conducted, and Class Counsel is highly experienced in similar wage and hour class litigation. Moreover, the Court will possess the necessary information as to the percentage of exclusions and objectors at the time of the Final Approval/Fairness Hearing.

2. Benefits of the Settlement and the Risks of Continued Litigation

This proposed settlement is fair and reasonable and comparable to similar class action settlements involving these types of claims. Based on Class Counsel's review and analysis of the information and documentation obtained in this action, Class Counsel anticipates that if these matters were certified as a class action, proceeded to trial, and resulted in verdicts for Plaintiffs and the Class Members, Defendants' reasonable exposure for the class claims at-issue is approximately $1,778,808.61, which is approximately 24.6% of Defendants' maximum exposure

of $7,232,343.86 (at an assumed 100% violation rate).

However, for the reasons described below, the Court might ultimately determine the claims are not suitable for class certification or could be subject to decertification after certification is granted. (Decl. Castro ¶¶ 4, 5, 7, 8, 12-22). Under the proposed Settlement, Class Members will avoid the risks of continued litigation (including the possibility that class certification will be denied – in which case, no relief will be available to the class members) and receive a pro rata share of the NSA, in exchange for a narrowly tailored release of claims. (Ex. 1 at ¶ 5.2). Based on the Settlement allocations an average participating class member payment is $1,110.75 ($344,333.33 [Net Class Settlement Amount] / 310 [Approx. Class size]). (Decl. Castro at ¶¶ 8, 13). Additionally, all unclaimed funds will be remitted to the California State Controller's Office, Unclaimed Property Division in the name of the Class Member. (Ex. 1 at ¶ 4.4.3); see also Code Civ. Proc. § 384.

Class Counsel are of the opinion that the proposed settlement is fair, reasonable and adequate in light the following: Plaintiffs contend that Defendants engaged in a systematic course of illegal employment practices and policies, which were applied across the Class Members, Defendants failed to pay all minimum, overtime and double time wages owed, provide legally compliant rest periods and meal periods, failed to pay sick pay at the regular rate of pay, failed to furnish accurate itemized wage statements, and failed to pay all wages due upon separation of employment. Defendants deny Plaintiffs' claims and have asserted various defenses thereof; Participating Settlement Class Members will receive compensation for Defendants' alleged violations without further delay; the release of claims is carefully crafted to only resolve the claims that were or could have been asserted based on the facts alleged; the uncertainty of the outcome, risk and expense of litigation in complex class actions; and that no amount of the GSA will revert back to Defendants, among other things. (Decl. Castro ¶ 14, and Ex. 1). The Settlement accounts for the strengths and risks of each of the class-based claims, as described below.

Meal Period Violations. Plaintiffs contend that Defendants failed to provide meal periods to Plaintiffs and the Class in violation of Labor Code §§ 226.7 and 512, and Industrial Welfare Commission ("IWC") Wage Order No. 1-2001 and, in such instances where Defendants did pay a

premium for a violation, Defendants failed to pay premium wages for the same at the regular rate of pay. Plaintiffs argue Defendants uniformly failed to include all additional remuneration in the regular rate of pay calculation for meal periods when paying meal period premium wages, and/or otherwise paid the same at the base straight time rate, rather than the regular rate of pay, to non-exempt employees. *See Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858, 863 (meal period premiums must be paid at the regular rate of pay). However, Defendants maintain that they implemented and practiced a compliant meal period premium payment policy and practice at all relevant times. Further, Defendants argue that their meal period policy was compliant. Given the aforementioned challenges, including the potential that the Class would not be certified or later decertified due to differing job titles, duties, and supervisors at the different locations, this claim was significantly discounted. Given the fractional nature of regular rate-based damages and the aforementioned risks related to class certification of direct meal violations, Plaintiffs estimate Defendants' reasonable exposure here is approximately $365,859.52, including interest (approximately 25% of Defendants' estimated maximum exposure of $1,463,438.09 for the claim of failing to pay meal period premiums at the regular rate of pay.

Rest Period Violations. Plaintiffs contend that Defendants failed to provide rest periods to Plaintiffs and the Class in violation of Labor Code §§ 226.7 and 512, and IWC Wage Order No. 1-2001. The employer satisfies its obligation to provide rest periods if it relieves its employees of all duty, relinquishes control over their activities and permits them a reasonable opportunity to take an uninterrupted net 10-minute paid rest break, and does not impede or discourage them from doing so. *See Augustus v. ABM Security Services, Inc.* (2016) 2 Cal.5th 257, 265 (employer's responsibilities are the same for meal and rest periods); *Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1040. Plaintiffs contend that Defendants required production employees to remain at their work stations during 10-minute rest breaks. Defendants' production facilities run 24 hours a day, and Plaintiffs contend Defendants' policies, practices, and/or procedures fail to provide adequate break coverage for an individual working the production line to leave their station. Plaintiffs further contend that Defendants practices and procedures failed to provide rest breaks for production employees for every four hours or major fraction thereof within

the relevant time period. However, Defendants maintain that they implemented and practiced a compliant rest period practice at all relevant times. Defendants further contend that this claim would not be certified because there would be individual questions as to rest break practices amongst different job classifications, supervisors, and locations. Further, there would be individual questions as to whether a class member took a rest break on any given shift. Given this, Plaintiffs estimate that Defendants' reasonable exposure here is approximately $412,896.36, including interest (approximately 25% of Defendants' estimated maximum exposure of $1,651,585.42 for the rest period claims).

Unpaid Wage Claims. Plaintiffs contend that Defendants failed to pay Plaintiffs and the Class all minimum, overtime and/or double time wages for all hours worked, in violation of Labor Code §§ 510, 1194, 1194.2, and IWC Wage Order No. 1-2001. Plaintiffs contend that Defendants failed to include all non-hourly compensation into the regular rate of pay, such as non-discretionary bonuses and/or GTL payments, as required by the Labor Code and Wage Order. *See Alvarado v. Dart Container Corp. of California* (2018) 4 Cal.5th 542, 554. Further, Plaintiff Avalos contends that putative class members who worked at the Oxnard facility were suffered or permitted to work without being paid for all hours worked with Defendants' knowledge. Plaintiff Avalos contends Defendants had a rounding practice and/or policy whereby Oxnard employees who were subject to the collective bargaining agreement ("CBA") between Defendants and the United Steel Works International Union, Local No. 675 were not permitted to clock-in more than seven (7) minutes prior to the start of their shifts. Failure to abide by this rule subjected employees to potential discipline. At the same time, Plaintiff Avalos contends Defendants' timekeeping policy subjected the same employees to discipline if they were even one (1) minute late. Thus, Plaintiff Avalos contends Defendants' rounding and timekeeping policies were not neutral and worked to the detriment of the affected employees. Defendants contend that their policies and practices with regard to payment of minimum, overtime and/or double time wages complies with the Labor Code and Wage Order. Of particular importance, Defendants further contended that class members who worked at the Oxnard facility are subject to the collective bargaining agreement ("CBA") between Defendants and the United Steel Works International Union, Local No. 675. Defendants contended

that the CBA exemption to Labor Code §510 thus applied to the Oxnard employees. Further, Defendants contend that this claim will not be certified based on analysis related to its rounding policies. Although Plaintiffs believe that the liability for the regular rate claims is strong, the damages exposure for the same is not significant. Similarly, although Plaintiffs believe the rounding claims are strong given the policies applicable to the Oxnard employees, the risk posed by the CBA and potential exemption through Labor Code §510 is significant. Accordingly, Defendants' reasonable exposure for the total unpaid wage claim is estimated at approximately $734,268.29 (25% of Defendants' estimated maximum exposure of $2,937,073.15 for the total unpaid wage claims).

Wage Statement Violations. Plaintiffs contend that there is a derivative wage statement violation pursuant to Labor Code § 226 based on failure to pay all unpaid wages (minimum, overtime, and/or double time), failure to pay meal and rest period premiums for non-compliant meal and rest periods, and regular rate violations. At a 100% violation rate, Plaintiffs estimate that Defendants' exposure is approximately $594,700.00 for this claim. Defendants deny liability here to the same degree as they did for the underlying claims. This also raises issues as to whether or not any derivative violations were "knowing and intentional" as required by Labor Code §226(e)(1). Accordingly, the estimated reasonable value of this claim is approximately $148,675.00 (25% of Defendant's estimated maximum exposure for the wage statement violation claims).

Waiting Time Penalties. Plaintiff Avalos alleges derivative waiting time penalty claims, in violation of Labor Code §§ 201 and 203. While Plaintiff Avalos confident he can establish the claims for unpaid wages, unpaid meal and rest period premiums, Plaintiff Avalos still needs to overcome the "willful" prong to obtain waiting time penalties pursuant to Labor Code §203. Notwithstanding the other underlying contentions by Defendants, including the alleged impact of the CBA applicable to Plaintiff Avalos and the Oxnard employees. Plaintiff estimates that Defendants' maximum exposure is approximately $585,547.00 for this claim. Defendants argued that the underlying claims will fail and thus so will the derivative claim. Further, Defendants contend that Plaintiffs will not be able to establish the "willful" prong for the unpaid wages claims

and/or unpaid meal/rest period premium claims. Plaintiff Avalos would recover nothing under California Labor Code §§ 203 or 226 if he was unable to prove the underlying claims or defeat a "good faith" dispute defense. (*See* Cal. Code Regs. Tit. 8, § 13520; *Naranjo v. Spectrum Sec. Servs., Inc.* (2024) 15 Cal.5th 1056, 1090.) Accordingly, the estimated reasonable value of this claim is approximately $117,109.44 (20% of Defendant's estimated maximum exposure for the waiting time penalties claims).

In order to refute Defendants' defenses, Plaintiffs would have to conduct numerous depositions of managers, supervisors, and co-workers, including additional depositions of the person(s) most knowledgeable at each location. Discovery, including additional expert discovery essential to the unpaid wages, meal, and rest period claims, would be extensive and costly. Additionally, ongoing litigation after certification could result in motions related to unresolved discovery disputes as well as a defense motion for summary judgment and/or adjudication. Further litigation will result in both sides logging extensive billable hours and substantial litigation costs, including court reporter fees and expert witness fees. (Decl. Castro at ¶¶ 4, 7, 8, 12-22).

Thus, Plaintiffs estimate that Defendants' total reasonable exposure for the class claims is $1,778,808.61.[4] Accordingly, the $680,000.00 GSA represents an approximate 38.2% discount against the same. The proposed settlement thus provides Class Members with the opportunity to obtain relief in a prompt and efficient matter, rather than through a further lengthy litigation process with the potential for appeals and/or potential for not prevailing on these claims at trial or that these claims would not be certified or would later be decertified. Indeed, if Plaintiffs' certification efforts were unsuccessful, there would surely be no recovery for the Class Members. Rather, if a Class Member overcame a potential fear of retaliation and/or became aware of the alleged unlawful conduct of Defendants, then that Class Member would potentially be forced to file and litigate their own individual action, with its own set of risks, expenses, and other hurdles to recovery. This process would have to occur *over 300 times* in order to address that which is already at issue in this Motion. Instead, through this proposed Settlement and associated approval

[4] Potential civil penalties under the PAGA are not included in this figure. As discussed in Section V, any PAGA civil penalties are subject to the discretion of the court and may be substantially reduced at the time of judgment.

and distribution process, and the efforts of Plaintiffs and Class Counsel, the average Settlement Class Member is required to do nothing more than standby in order to receive an estimated payment of $1,110.75. As such, the proposed settlement is reasonable in light of all known facts and circumstances, including the strengths and weakness of the claims, Defendants' defenses to the same, and the significant risks associated with this particular litigation.

3. The Proposed Notice is Appropriate and Adequate

Courts enjoy broad discretion in fashioning an appropriate notice program. *Cartt v. Superior Court*, 50 Cal.App.3d 960, 973-974 (1975). Rule 3.766 of the California Rules of Court outlines the notice requirements for class actions. While there is no statutory or due process requirement that all class members receive actual notice, any "notice given should have reasonable chance of reaching a substantial percentage of the class members." *Id*. at 974. Notice mailed to the class members at their most recent known address is typically presumed adequate. *Phillips Petroleum Co. v. Shutts*, 472 U.S. 797, 812 (1985). The Settlement's Notice and procedure for mailing satisfy these requirements. (Ex. 1 at ¶¶ 7.4.1, 7.4.2, 7.4.3, 7.4.4, 7.4.5, Ex. A).

B. Allocated Representative Service Awards Are Fair and Reasonable

Courts routinely approve service awards in order to compensate class representatives for their effort and the risks they incur during class action litigation for the benefit of other class members. *Cellphone Termination Fee Cases*, 186 Cal.App.4th 1380, 1393-94 (2010); *Clark v. American Residential Services, LLC*, 175 Cal.App.4th 785, 806 (2009). Simply put, such payments acknowledge that without class representatives, there can be no class action. *Clark*, 175 Cal.App.4th at 804. In determining service payments, the court may consider, among other things, the risk to the class representative in commencing the suit, financial and otherwise; the notoriety and personal difficulties encountered by the class representative; the amount of time and effort spent by the class representative; and the personal benefit (or lack thereof) enjoyed by the class representative as a result of the litigation. *Munoz*, 186 Cal.App.4th at 412.

By being the named representatives in the Action, Plaintiffs put their names forward on the public record at the risk of future or potential employers choosing not to hire them based on the fact that they took the lead in this Action. Plaintiffs also ran the risk of being liable for Defendants'

attorneys' fees and costs in this litigation. Plaintiffs spent significant time litigating this Action, reviewing documents, providing documents and information to Class Counsel, discussing their experiences with Class Counsel, reviewing settlement documents, attending/participating in private mediation and/or providing consistent support to Class Counsel. (Decl. Castro ¶ 6); (Decl. Sedano at ¶¶ 10-11, 12-14, 18, 19); (Decl. Avalos at ¶¶ 9-14, 16, 19). Moreover, Plaintiffs have executed a full and general release of any and all claims to the furthest extent permitted by law in exchange for the service payments. (Ex. 1 at ¶ 5.1); (Decl. Sedano at ¶ 17); (Decl. Avalos at ¶18). Plaintiffs achieved a significant monetary relief for the Participating Settlement Class Members (notably an average Class Member payment of **$1,110.75**). (Decl. Castro at ¶¶ 8, 13, Ex. 1). Accordingly, Plaintiffs have risked and surrendered more than any Class Member. Therefore, a $10,000.00 Class Representative Service Payment to each respective plaintiff is reasonable given the work and the risks that they took and bore for the benefit of other members of the Class. (Decl. Castro at ¶ 11).

C. Allocated Attorney's Fees and Costs are Fair and Reasonable

Class Counsel will seek attorneys' fees of one-third of the Gross Settlement Amount. The California Supreme Court has endorsed attorneys' fees awards in class action litigation which represent a percentage of the common fund created in contingency fee litigation such as this matter. *Laffitte v. Robert Half Internat. Inc*., 1 Cal. 5th 480, 503 (2016) (affirming trial court decision awarding class counsel with attorneys' fees of one-third of the common fund). The allocation of one-third of the common fund, subject to a later lodestar cross-check at the time of final approval, is fair and reasonable and in line with other employment cases where Class Counsel worked on a contingency fee basis and created a substantial, non-reversionary settlement fund for class members. As of October 1, 2026, Class Counsel's current attorney only lodestar is $177,622.50, based on hours recorded and applicable hourly rates for the attorneys. As part of the final approval process, Class Counsel will file a Motion for Attorney's Fees that includes a final, detailed lodestar cross-check.

Class Counsel will also seek reimbursement of their actual litigation costs up to a maximum of $25,000.00 from the GSA for actual litigation costs incurred. (Ex. 1 at ¶ 1.7, 3.2.2). The out-of-

pocket costs allocation for the litigation of the Action is fair, reasonable and adequate. Class Counsel will provide the final exact cost reimbursement as part of the final approval process that will be supported by documentation of costs incurred. Moreover, any difference in the maximum amount of cost reimbursement allocated in the Settlement compared to the actual amount sought/awarded will be added to the NSA to be distributed to the PCM. (Ex. 1 at ¶ 3.2.2).

D. Conditional Certification of the Class is Appropriate for Settlement Purposes

Pursuant to California Rules of Court, Rule 3.769(d), the Court is permitted at the preliminary approval stage to make an order approving certification of a provisional settlement class. The Parties stipulated to class certification for settlement purposes. (Ex. 1 at ¶ 11.1). The standard of scrutiny applied by a court to determine the propriety of certifying a settlement class is a lesser standard than that applied to a litigation class since the case management concerns inherent in determining if a litigation class should be certified need not be addressed with respect to a settlement class where trial is not anticipated. *Dunk,* 48 Cal.App.4th at 1807 n. 19*; see also Officers for Justice v. Civil Service Com.*, 688 F.2d 615, 623. The law favors settlement of lawsuits, and in particular settlement of class actions and other complex cases where substantial resources can be conserved by avoiding the time, expense, and rigors of formal litigation. *Neary v. Regents of the University of California* (1992) 3 Cal.4th 273, 277-281. The Court should provisionally certify the Settlement Class.

1. The Proposed Classes are Ascertainable and Numerous

The Class is tailored to ensure the members are readily ascertainable. The class definition is sufficiently specific to enable potential class members, and the Court, to readily determine the parameters of the class. *See, Clothesrigger, Inc. V. GTE Corp.*, 191 Cal.App.3d 605, 617 (1987). Further, the Class is identifiable from Defendants' payroll and personnel records. *Rose v. City of Hayward*, Cal.App.3d 926, 932 (1981) (finding "[c]lass members are 'ascertainable' where they may be readily identified without unreasonable expense or time by reference to official records."). The Class is defined as:

> All current and former California hourly non-exempt employees of Defendants who provided production services for Defendants as follows:

i. New-Indy Ontario LLC – all current and former California hourly non-exempt employees of Defendants who provided production services for Defendants at their Ontario, California facility during the Ontario Class Period; and/or

ii. New-Indy Oxnard LLC – all current and former California hourly non-exempt employees of Defendants who provided production services for Defendants at their Oxnard, California facility during the Oxnard Class Period (the "Class" or "Settlement Class").

(Ex. 1 at ¶ 1.4, 1.9).

The Class is ascertainable. The Class represents approximately 310 individuals. (Ex. 1 at ¶ 4.1). Numerosity is met as the individual joinder of all class members would be impracticable. Code Civ. Proc. §382; *Richmond v. Dart Indus., Inc.*, 29 Cal.3d 462, 470 (1981); *Rose,* 126 Cal.App.3d at 934 (presumption of impracticable joinder for class of 30 to 40 individuals).

2. Common Issues of Law or Fact Predominate

Whether a class action is the appropriate mechanism depends largely upon "whether the common questions are sufficiently pervasive to permit adjudication in a class action rather than multiplicity of suits." *Richmond*, 29 Cal.3d at 477-478. The primary purpose of this inquiry is to ascertain whether the proposed class is sufficiently cohesive to warrant adjudication by representation. *See e.g., Lazar v. Hertz Corp.*, 143 Cal.App.3d 128, 138-139 (1983); *Hogya v. Superior Court,* 75 Cal.App.3d 122, 142 (1977). Plaintiffs' SAC alleged numerous Labor Code violations based on common questions of law and fact for the claims at-issue. *See* (Second Amended Complaint at ¶ 51). Further, Plaintiffs' proposed TAC, attached to the Settlement as Exhibit B, further alleges and clarifies the Labor Code violations based on similar common questions of law and fact. *See* (Ex. 1, Ex. B Third Amended Complaint ("TAC") at ¶ 52). Accordingly, common questions of law and fact exist among the Class because this Action focuses on the Defendants' allegedly systematic course of illegal employment and payroll practices and policies, which were applied across the Class Members. *See Id.* Moreover, the common questions among the Class predominate over individual issues thus warranting class certification.

While Defendants dispute that class certification of any claims would be appropriate if the litigation were to continue, the Parties agree to class certification for the purposes of this settlement only. (Ex. 1 at 11.1). Thus, class treatment is appropriate.

3. Plaintiffs' Claims Are Typical of the Class Members' Claims

Typicality simply means that the representative(s) claims be similar to those of class members. The interests of the class representatives need not be identical to those of other class members; the class representatives must simply be similarly situated. *B.W.I. Custom Kitchen v. Owens- Illinois, Inc.*, 191 Cal.App.3d 1341, 1347 (1987); *Classen v. Weller*, 145 Cal.App.3d 27, 46 (1983). Here, the Class Representatives/Plaintiffs Luis Sedano and Johnathan Avalos are, respectively, current and former California hourly-paid, non-exempt employees of Defendants who performed production services at Defendant's Ontario and Oxnard facilities. (Decl. Sedano at ¶ 2)(current, Ontario); (Decl. Avalos at ¶ 2)(former, Oxnard). Plaintiffs worked pursuant to Defendants' corporate policies and pay practices applicable to Defendants' non-exempt hourly employees at the Ontario and Oxnard facilities in California. Like other Class Members, Plaintiffs were paid pursuant to Defendants' policy and pay practices including working under Defendants' alleged practice of illegally rounding or shaving the time of union employees at the Oxnard facility in a non-neutral manner to the detriment of the employees, failing to pay all overtime time wages due to the failure to include non-discretionary bonus payments and other remuneration in the calculation of the regular rate of pay for overtime payments, failing to provide compliant meal and rest periods or premium pay in lieu thereof at the correct regular rate of pay, failing to pay sick pay wages at the regular rate of pay, failing to provide accurate wage statements, and/or failing to provide all earned wages at the time of separation. (Decl. Sedano at ¶ 2-6); (Decl. Avalos at ¶ 2-7); See (SAC at ¶¶ 30-50); (Ex. 1, Ex. B Proposed TAC at ¶¶ 31-51). As each Class Member would be required to demonstrate the same elements in order to recover on their claims against Defendants, their interests are sufficiently aligned with Plaintiffs' interests. *Medrazo v. Honda of North Hollywood,* 166 Cal.App.4th 89, 99 (2008).

4. The Class is Adequately Represented

A class representative is an adequate representative of the class so long as his or her interests are not antagonistic or in conflict with the objectives that he purports to represent. *Richmond*, 29 Cal.3d at 470. Additionally, Class Counsel "must be qualified, experienced and generally able to conduct the proposed litigation." *Miller v. Woods,* 148 Cal.App.3d 862, 875

(1983). Here, Plaintiffs' interests are not antagonistic to the interest of the Class since Plaintiffs allege that they and the Class Members were subject to the same unlawful policies and practices. Consequently, Plaintiffs seek the same or similar relief sought by the Class. *See Amchem Prods. v. Windsor*, 521 U.S. 591, 625-626. Moreover, Plaintiffs have prosecuted this case on behalf of the Class and have spent time meeting and corresponding with Class Counsel and providing documentation to Class Counsel. (Decl. Castro at ¶ 11); (Decl. Sedano at ¶ 10, 11); (Decl. Avalos at ¶ 9-10). Plaintiffs have no conflict with the Class. (Decl. Sedano at ¶ 16); (Decl. Avalos at ¶17). As such, there is no doubt that Plaintiffs are adequate representatives.

Class Counsel is very experienced litigating wage and hour class actions. (Decl. Castro at ¶ 2); (Decl. Hatcher at ¶ 2-5). Class Counsel thoroughly investigated Plaintiffs' claims, the underlying case law and potential defenses, and reviewed the substantial information and documents exchanged in mediation-based and formal discovery prior to and during settlement negotiations. (Decl. Castro at ¶¶ 4, 5, 7, 8). Accordingly, Class Counsel was sufficiently informed prior to and while engaging in settlement negotiations. Furthermore, the settlement negotiations between the Parties were non-collusive, at arm's length and conducted with the assistance of mediator Lisa Klerman, Esq. (Id. at ¶¶ 4, 5). As such, Class Counsel has and will adequately represent the Class.

5. The Class Action Procedure is Superior

Courts have repeatedly held that class actions are a superior device to resolve wage and hour class actions. *Moore v. Ulta Salon, Cosmetics & Fragrance, Inc*. (C.D. Cal. 2015) 311 F.R.D. 590; *Ortega v. J.B. Hunt Transp., Inc*. (C.D. Cal.2009) 258 F.R.D. 361. Class treatment is clearly superior to any other method of resolving wage and hour employment action, and in fact encouraged. *Sav-On Drug Stores, Inc. v. Superior Court* (2004) 34 Cal.4th 319, 340; *Jaimez v. Daiohs USA, Inc.* (2010) 181 Cal.App.4th 1286, 1308. This is no difference here as Plaintiffs' claims are based on common policies and uniform class-wide practices, these claims can be most efficiently litigated and resolved on a class-wide basis. The alternative would be the unrealistic filing of hundreds of individual claims posing the serious disadvantages pointed out by the court in the *Sav-On* opinion.

V. THE COURT SHOULD APPROVE THE PAGA SETTLEMENT

A. The Court Should Approve the PAGA Settlement

Pursuant to Labor Code § 2699(s)(2)[5], a settlement of a civil action brought under the PAGA statute must be submitted to the LWDA and must be approved by the court, "ensuring that any negotiated resolution is fair to those affected." *Williams v. Superior Court*, 3 Cal. 5th 531, 549 (2017). This settlement meets that threshold. Contemporaneously to the filing of this Motion, Class Counsel shall submit the proposed settlement to the LWDA and file notice of the same with the court by the deadline to file the reply in support of this motion. The proposed settlement allocates $55,000.00 for civil penalties pursuant to PAGA, with seventy-five percent (75%) of the allocation to be paid to the LWDA and twenty-five percent (25%) of the allocation to be paid to the approximately 267 PAGA Employees. (Ex. 1 at ¶ 3.2.7). This represents approximately 8.1% of the GSA.

The proposed allocation of $55,000.00 to PAGA is an exceptional outcome in light of all known facts and circumstances as well as the fact that civil penalties under PAGA are discretionary Given the derivative nature of the PAGA penalties, the efforts by Defendants to maintain compliant policies contained in their employee handbook, and the court's discretion to reduce any PAGA penalty award (*see* Lab. Code, § 2699, subd., (e)(2); *Carrington v. Starbucks Corp.* (2018) 30 Cal.App.5th 504, 528-529 [affirming trial court's award of less than 10 percent maximum PAGA penalty for meal break violations where employer sought to comply with the law and violations were minimal]), Plaintiffs believe that the $55,000 PAGA allocation represents a meaningful settlement aimed at deterring non-compliance. Indeed, the trial court may "exercise its discretion to *award lesser penalties* based on enumerated considerations" under Labor Code §2699, which includes a determination that imposition of the maximum statutory penalty would result in an award that is unjust, arbitrary, oppressive, or confiscatory. *Carrington,* 30 Cal.App.5th at 529 (applying a 90% discount to the maximum penalty); *quoting Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1213. Here, there was a potential that the Court would apply a

[5] Former subdivision (l)(2). The Settlement is governed by the version of PAGA in effect prior to the 2024 Amendment.

similar or greater discount to the civil penalties at-issue given Defendants' position that they were in compliance with the Labor Code and/or exempt from its provisions due to the Oxnard CBA.

"Relief under PAGA is designed primarily to benefit the general public, not the party bringing the action." *Kim v. Reins Int'l Cal., Inc.,* 9 Cal. 5th 73, 81 (2020). As a result, in wage and hour class action cases that settle, which are the overwhelming majority of such cases, very little of the total settlement is paid to PAGA penalties in order to maximize payments to class members. *See Smith v. Am. Greetings Corp*., 2016 U.S. Dist. LEXIS 66247 (N.D. Cal. May 19, 2016) (granting final approval of class action settlement allocating $37,500 of $4 million settlement to PAGA); *Willner v. Manpower Inc*., 2015 U.S. Dist. LEXIS 80697 (N.D. Cal. June 20, 2015) (granting final approval of a class settlement allocating $65,655 of $8.75 million settlement to PAGA); *Chu v. Wells Fargo Investments, LLC*, 2011 U.S. Dist. LEXIS 15821 (N.D. Cal. Feb. 15, 2011) (approving $10,000 PAGA allocation in $6.9 million settlement). The $41,250.00 payment to the LWDA is thus more than adequate "to supplement" funding the agency's "enforcement of labor laws" and "education of employers and employees about their rights and responsibilities under" the Labor Code. Cal. Lab. Code § 2699(i); (Ex. 1 at ¶ 3.2.7).

Furthermore, if a higher amount is allocated to PAGA, the burden to pay civil penalties would effectively shift to the Class Members since a higher allocation would reduce the amount that the Class Members would ultimately receive under the proposed Settlement. Although this burden shifting may achieve the enforcement objective of the statute, it would do so at the expense of the employees that the statute was designed to protect. Thus, the Settlement strikes a balance between the interest of all the parties, including the LWDA and general public, by penalizing the employer and providing relief to the Settlement Class Members, while still providing the average PAGA Employee an Individual PAGA Payment of approximately $51.50 ($13,750 allocation/267 PAGA Employees = $51.50).

B. PAGA Settlement is Procedurally Correct

Contemporaneously to the filing of this Motion, Class Counsel shall submit the proposed settlement to the LWDA pursuant to Labor Code §2699(s)(2). (Decl. Castro at ¶ 25). The Class Notice effectively informs the Class that even if a class member opts-out of the Class settlement,

the class member will not be opted-out of the PAGA settlement and still be bound by the PAGA Release.

VI. NO OVERLAPPING/RELATED CASES IMPACTED BY SETTLEMENT

For the avoidance of any doubt and following good faith efforts to confirm the same, Plaintiffs are unaware of any related actions (as defined by California Rules of Court, Rule 3.300) impacted by the proposed Class and PAGA Settlement. *See* (Decl. Castro at ¶¶ 23-24).

VII. CONCLUSION

Accordingly, Plaintiffs respectfully request that this Court Grant preliminary approval of the Settlement, conditionally certify the settlement class, appoint The Myers Law Group, A.P.C. as class counsel, appoint Plaintiffs Luis Sedano and Jonathan Avalos as class representatives, and order notice of conditional certification and preliminary approval of the class action settlement to the class. The proposed order and proposed notice are filed concurrently herewith.

DATED: October 2, 2026 **THE MYERS LAW GROUP, A.P.C.**

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