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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SONOMA

CAMERON SMITH, as an individual and on behalf of all others similarly situated,

Plaintiff,

vs.

REGAL III, LLC, a California Limited Liability Company, JACKSON FAMILY ENTERPRISES, INC., a Delaware Corporation; and DOES 1 through 100,

Defendants.

Case No.: 25CV02184

[*Assigned for all purposes to the Hon. Dana Beernink Simonds; Courtroom 18*]

PLAINTIFF'S NOTICE OF MOTION AND MOTION FOR APPROVAL OF PAGA SETTLEMENT, ATTORNEYS' FEES AND COSTS, REPRESENTATIVE ENHANCEMENT PAYMENT, AND SETTLEMENT ADMINISTRATION COSTS

Action Filed: March 26, 2025
Trial Date: None Set

TO THE COURT, ALL PARTIES, AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on ______________________, at ____________, or as soon thereafter as the matter may be heard, in Courtroom 18 of the Superior Court of California, County of Sonoma, located at 3055 Cleveland Avenue, Santa Rosa, California 95403, Plaintiff Cameron Smith will and hereby does move this Court for entry of an Order as follows:

1. Granting approval, pursuant to Labor Code § 2699(s)(2), of the Parties' PAGA Settlement Agreement;
2. Appointing Phoenix Settlement Administrators as the Settlement Administrator and approving administration expenses in the amount of $4,500.00;
3. Approving payment of the non-reversionary Maximum Settlement Amount of $212,500.00 and distribution thereof pursuant to the Settlement;
4. Awarding attorneys' fees to Plaintiff's Counsel in the amount of $74,375.00;
5. Awarding litigation costs to Plaintiff's Counsel in the amount of $13,142.75;
6. Approving a Representative Enhancement Payment of $10,000.00 to Plaintiff Cameron Smith;
7. Approving payment to the LWDA of its statutory share of the Net Settlement Amount in the estimated amount of $71,813.46, assuming approval of all requested deductions;
8. Approving payment to Aggrieved Employees of their statutory share of the Net Settlement Amount in the estimated amount of $38,668.79, assuming approval of all requested deductions;
9. Approving as to form and content the proposed explanatory letter and check enclosure to be mailed to Aggrieved Employees in English and Spanish, and directing that they be distributed pursuant to the Settlement; and
10. Entering judgment and retaining jurisdiction under Code of Civil Procedure § 664.6 to enforce the Settlement and oversee settlement administration until performance is complete.

This motion is based on this Notice, the accompanying Memorandum of Points and Authorities, the declaration of Plaintiff, the declaration of Plaintiff's Counsel, the declaration of the proposed Settlement Administrator, the PAGA Settlement Agreement, all pleadings and papers on file in this action, and such further argument and evidence as may be presented at or before the hearing.

Dated: June 29, 2026

Respectfully submitted,
HAINES LAW GROUP, APC

By: ______________________________
Andrew J. Rowbotham
Attorneys for Plaintiff

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiff Cameron Smith ("Plaintiff"), an "aggrieved employee" under the Private Attorneys General Act of 2004, Labor Code § 2698 *et seq*. ("PAGA"), respectfully moves for approval of a PAGA-only settlement against Defendants Regal III, LLC and Jackson Family Enterprises, Inc. ("Defendants").

Under the proposed Settlement,[1] Defendants will pay a non-reversionary Maximum Settlement Amount of $212,500.00 to resolve Plaintiff's representative PAGA claim brought on behalf of the State of California and the Aggrieved Employees. After deduction of Court-approved attorneys' fees, litigation costs, the Representative Enhancement Payment, and administration expenses, the Net Settlement Amount will be allocated entirely to PAGA civil penalties and distributed 65% to the California Labor and Workforce Development Agency ("LWDA") and 35% to Aggrieved Employees, as required by Labor Code § 2699(m). Aggrieved Employees will receive their shares automatically on a pay-period basis, and no claim form will be required.

The Settlement is narrowly tailored. The release by Aggrieved Employees is limited to claims for PAGA civil penalties that were alleged, or reasonably could have been alleged, based on the facts and allegations in the operative complaint and PAGA Notice during the PAGA Period. Aggrieved Employees do not release any underlying individual wage-and-hour claims through the Settlement.

The Settlement is fair, reasonable, and adequate because it reflects arm's-length negotiations, resolves genuinely disputed representative claims, preserves the limited nature of the PAGA release, and provides a meaningful recovery in the face of substantial merits and penalty-reduction risks. Plaintiff therefore respectfully requests that the Court approve the

[1] The PAGA Settlement Agreement ("Settlement Agreement" or "Settlement") is attached as Exhibit 1 to the Declaration of Andrew J. Rowbotham ("Rowbotham Decl."), filed concurrently herewith. The proposed Explanatory Letter and Check Enclosure to be mailed to Aggrieved Employees in English and Spanish are attached as Exhibit 2 to the Rowbotham Declaration.

Settlement in full and enter the proposed order submitted concurrently herewith.

II. BACKGROUND AND PROCEDURAL HISTORY

A. The Parties

Defendants operate a wine distribution company in California. Rowbotham Decl., ¶ 9. Plaintiff worked for Defendants as a non-exempt Account Sales Executive beginning on or about January 18, 2024. Declaration of Cameron Smith ("Smith Decl."), ¶ 2. Plaintiff's primary duties included assisting grocery stores, drug stores, and large retailers with placing wine orders and building wine displays. *Id.* Plaintiff typically traveled to approximately 8 to 12 stores per day to perform these duties. *Id.*

B. Procedural History

Plaintiff submitted his written PAGA Notice to the LWDA on March 26, 2025, and provided notice to Defendants via certified mail.[2] Rowbotham Decl., ¶ 10. That same day, Plaintiff filed the original Class Action Complaint in Sonoma County Superior Court. *Id.* On June 17, 2025, Plaintiff filed the First Amended Class and Representative Action Complaint, which is the operative complaint in this Action. *Id.*

After the Action was filed, Defendants provided Plaintiff's counsel with an arbitration agreement containing a class and collective action waiver that Defendants contend Plaintiff signed during onboarding. Rowbotham Decl., ¶ 11. Defendants maintained that Plaintiff's class claims were barred by that agreement. *Id.* Rather than litigate the enforceability or scope of the arbitration agreement at the outset, the Parties agreed to mediate the case and attempt to resolve the matter on a PAGA-only basis. *Id.*

On February 27, 2026, the Parties participated in a mediation before Steve Mehta, Esq. Rowbotham Decl., ¶ 12. The Parties accepted the mediator's proposal later that day, subject to memorialization in a long-form settlement agreement and Court approval. *Id.* The resulting Settlement is PAGA-only. On June 12, 2026, Plaintiff filed a request to dismiss all class claims, class allegations, and claims for relief other than civil penalties under PAGA without prejudice.

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[2] The PAGA Notice is attached as Exhibit 3 to the Declaration of Andrew J. Rowbotham.

On June 22, 2026, the Court granted that request and ordered that the only claim remaining in this action is Plaintiff's representative claim for civil penalties under PAGA. Accordingly, Plaintiff's representative PAGA claim is the only claim now before the Court for settlement approval.

C. <u>Plaintiff's Claims and Defendants' Defenses</u>

Plaintiff contends Defendants paid sales bonuses tied to specific performance goals, but excluded those bonuses from the regular rate used to calculate overtime, paid sick leave, and meal period premiums. Rowbotham Decl., ¶ 13. Plaintiff also contends Defendants regularly failed to provide legally compliant second meal periods on workdays in excess of 10 hours. *Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1040 (employer must relieve employees of all duty, relinquish control over their activities, permit them a reasonable opportunity to take an uninterrupted 30-minute meal period, and not impede or discourage them from doing so). Plaintiff also contends Defendants failed to authorize and permit compliant rest periods. Rowbotham Decl., ¶ 13. Specifically, Defendants did not schedule rest periods throughout the workday or account for adequate break time in the daily routing and store coverage expectations. *Id.* Instead, Defendants expected Plaintiff and other aggrieved employees to take rest periods while driving to the next store location. *Id.* Plaintiff argues that expectation did not provide an uninterrupted, 10-minute, duty-free rest period because employees remained responsible for safely operating their vehicle and maintaining route timing. *Id.*

Defendants deny all liability. Rowbotham Decl., ¶ 14. Defendants contend they maintained lawful policies, paid all wages owed, provided compliant meal periods and rest periods, and did not prevent employees from taking breaks. *Id.* Defendants also contend Plaintiff and other employees were responsible for managing their schedules, that any missed or shortened breaks resulted from employee choice rather than unlawful company policy, that some second meal periods were waived, and that Plaintiff's claims are subject to individualized defenses. *Id.* Defendants further contend Plaintiff's class claims are barred by an arbitration agreement containing a class and collective action waiver, and that any PAGA penalty award would be subject to reduction under Labor Code § 2699(e)(2). *See Thurman v. Bayshore Transit Management, Inc.* (2012) 203 Cal.App.4th 1112, 1135-1136 (confirming trial court has the discretion to award less than the maximum PAGA penalty if it determines that the maximum would be "unjust, arbitrary, oppressive, or confiscatory" based on the facts and circumstances of the case, and affirming a 30% reduction in part because the employer attempted to comply with the law); *Carrington v. Starbucks Corp*. (2018) 30 Cal.App.5th 504, 529 (affirming PAGA judgment and noting that the trial court reduced the penalty from the $50 maximum to $5 per violation based on Starbucks's "good faith attempts" to comply with meal break obligations and the minimal nature of the violations).

III. <u>THE PROPOSED SETTLEMENT</u>

A. <u>Aggrieved Employees and PAGA Period</u>

The Settlement defines "Aggrieved Employees" as all current and former non-exempt employees who worked for Defendant Regal III, LLC in California at any time between March 26, 2024 and April 28, 2026. The "PAGA Period" runs from March 26, 2024 through April 28, 2026. *See* Settlement Agreement, §§ I.2, I.13.

B. <u>Essential Terms of the Settlement</u>

Defendants will pay a non-reversionary Maximum Settlement Amount of $212,500.00. *See* Settlement Agreement, §§ I.9, III.2. The Maximum Settlement Amount is inclusive of all payments to the LWDA and Aggrieved Employees, Court-approved attorneys' fees and costs, the Court-approved Representative Enhancement Payment, and Court-approved settlement administration costs. *Id*. No portion of the Maximum Settlement Amount will revert to Defendants. *Id*.

Subject to Court approval, the deductions requested from the Maximum Settlement Amount are as follows:

Maximum Settlement Amount:	**$212,500.00**
Less attorneys' fees:	$74,375.00
Less litigation costs:	$13,142.75
Less Representative Enhancement Payment:	$10,000.00
Less administration costs:	$4,500.00
Net Settlement Amount:	**$110,482.25**

Assuming approval of the requested deductions above, the Net Settlement Amount will be $110,482.25. The Net Settlement Amount will be allocated entirely to PAGA civil penalties, with 65% distributed to the LWDA and 35% distributed to Aggrieved Employees. *See* Settlement Agreement, § III.5. Based on the estimated Net Settlement Amount, the LWDA share will be approximately $71,813.46, and the Aggrieved Employee share will be approximately $38,668.79. Rowbotham Decl., ¶ 15.

The Aggrieved Employees' share will be distributed automatically on a pro rata basis according to the number of pay periods worked by each Aggrieved Employee during the PAGA Period. *See* Settlement Agreement, § III.5. No claim form will be required. Individual Settlement Payments will be characterized as penalties and reported on IRS Form 1099. *Id*., § IV.4.

C. <u>Administration</u>

The Parties selected Phoenix Settlement Administrators to administer the Settlement. See Settlement Agreement, § IV.1. Within ten business days after the Court grants approval, Defendants will provide Phoenix with the information necessary to administer the Settlement, including each Aggrieved Employee's name, last known mailing address, last known telephone number, start date, end date, total pay periods worked during the PAGA Period, and Social Security number or other unique employee identifier. *Id*., § IV.2.

Phoenix will update addresses using the National Change of Address database. *See* Settlement Agreement, § IV.3. Phoenix will also circulate an anonymized spreadsheet containing the proposed Individual Settlement Payments and the data used to calculate those payments for counsel's approval before mailing. *Id*., § IV.3.a. Within five business days after the later of counsel's approval of the calculations or Defendants' full funding of the Settlement, Phoenix will mail each Aggrieved Employee the explanatory letter in English and Spanish and the Individual Settlement Payment. *Id*., § IV.3.b.

Checks will remain negotiable for 180 days after mailing. Any check not cashed within that period will be transferred to the California State Controller's Unclaimed Property Fund in the name of the Aggrieved Employee. *See* Settlement Agreement, § IV.4.

D. <u>Release</u>

The release by Aggrieved Employees is limited to claims for PAGA civil penalties that were alleged, or reasonably could have been alleged, based on the facts and allegations in the operative complaint and the PAGA Notice, to the extent those claims are alleged to have occurred during the PAGA Period. *See* Settlement Agreement, § I.17. Aggrieved Employees do not release any underlying individual wage-and-hour claims through the Settlement. *Id*., § III.6.

Plaintiff separately provides an individual general release of his own individual claims, except claims that cannot be waived as a matter of law. Plaintiff also waives the protections of Civil Code § 1542 as part of his individual release. *See* Settlement Agreement, § III.7.

E. Escalator Provision

The Settlement includes an escalator provision. *See* Settlement Agreement, § III.3. Defendants represent that there are an estimated 4,378 total pay periods worked by the 185 Aggrieved Employees during the PAGA Period. *Id.* If the number of pay periods reported to the Settlement Administrator is more than 10% greater than that figure, meaning 4,816 or more pay periods, Defendants may elect either to increase the Maximum Settlement Amount on a proportional basis or shorten the PAGA Period so that the total number of pay periods included in the PAGA Period does not exceed 4,816. *Id.*

IV. ARGUMENT

A. Standards for Approval of a PAGA Settlement

The settlement of a PAGA claim requires court approval. *See* Labor Code § 2699(s)(2) ("The superior court shall review and approve any settlement of any civil action filed pursuant to this part.") "[S]ettlement is a compromise, which balances the possible recovery against the risks inherent in litigating further." *In re TD Ameritrade Account Holder Litigation* (N.D. Cal., Sept. 13, 2011) 2011 WL 4079226, at *9. Indeed, "the very essence of a settlement is compromise… a yielding of absolutes and an abandoning of highest hopes," as "it is the very uncertainty of outcome in litigation and avoidance of wasteful and expensive litigation that induce consensual settlements." *Officers for Justice v. Civil Service Com'n of City and County of San Francisco* (9th Cir. 1982) 688 F.2d 615, 624-625. As such, "the settlement or fairness hearing is not to be turned into a trial or rehearsal for trial on the merits," or "judged against a hypothetical or speculative measure of what might have been achieved." *Id.*

In evaluating a PAGA settlement, courts consider whether the settlement is fair, reasonable, and adequate in view of PAGA's purposes of remediating present labor law violations, deterring future violations, and maximizing enforcement of state labor laws. *Moniz v. Adecco USA, Inc*. (2021) 72 Cal.App.5th 56, 77, disapproved on other grounds by *Turrieta v. Lyft, Inc*. (2024) 16 Cal.5th 664. Although PAGA does not set forth a detailed list of settlement-approval factors, courts may consider class settlement factors by analogy where appropriate. But a PAGA settlement is not reviewed in the same manner as a class settlement because "a PAGA claim asserted on a non-class representative basis…is not considered a class action but a law enforcement action, and therefore does not have to meet the requirements of [a class action]." *Casida v. Sears Holdings Corp*. (E.D. Cal., Jan. 26, 2012) 2012 WL 253217, at *3; *see also Mendez v. Tween Brands, Inc*. (E.D. Cal., July 1, 2010) 2010 WL 2650571, at *4 ("PAGA claims are law enforcement actions, not class actions."). The Court's review should therefore account for the following features that make approval of a PAGA settlement distinct from approval of a class action settlement.

First, in evaluating the adequacy of the settlement amount, the Court should focus not on the amounts aggrieved employees will receive, but on whether the total settlement amount advances PAGA's objective. Indeed, "[t]he remedy sought in a PAGA suit consists of civil penalties, not individual or class damages," and while a "[PAGA] action is … designed to protect the public and penalize the employer for past illegal conduct," a reviewing Court must be mindful of the fact that settlement of a PAGA claim involves a compromise. *Mendez, supra*, 2010 WL 2650571, at *4. "Unlike class actions, these civil penalties are not meant to compensate unnamed employees because the action is fundamentally a law enforcement action." *Ochoa-Hernandez v. Cjaders Foods, Inc.* (N.D. Cal., Apr. 2, 2010) 2010 WL 1340777, at *4. The Court must not lose sight of the fact that "[u]nlike a class action seeking damages or injunctive relief for injured employees, the purpose of PAGA is to incentivize private parties to recover civil penalties for the government that otherwise may not have been assessed and collected by overburdened state enforcement agencies." *Id*.

Second, consistent with the fact that unnamed employees have no property interest in a

PAGA claim,[3] "[u]nnamed employees need not be given notice of the PAGA claim, nor do they have the ability to opt out of the representative PAGA claim." *Ochoa-Hernandez,* 2010 WL 1340777, at *5. This renders the approval process of a PAGA settlement distinct from a class action settlement, as there is no need for the Court to employ the two-step approval process for notice as required under F.R.C.P. Rule 23 ("Rule 23") and C.R.C. Rule 3.769 ("Rule 3.769").

Finally, unlike class action settlements under Rule 23(e) and Rule 3.769, the scope of release permitted in a PAGA settlement is limited. "[T]he non-party employees, because they were not given notice of the action or afforded any opportunity to be heard, would not be bound by the judgment as to remedies other than civil penalties." *Arias v. Superior Court* (2009) 46 Cal.4th 969, 987. Thus, the scope of a release in a PAGA settlement is confined to the PAGA penalties alleged in the complaint and to the claims that were, or could have been, alleged pursuant to PAGA based on the factual allegations in the complaint.

B. <u>Plaintiff Adequately Represented the State's Interests</u>

Plaintiff is an aggrieved employee who worked for Defendants as a non-exempt Account Sales Executive during the PAGA Period. Smith Decl., ¶ 2. Plaintiff personally experienced the challenged policies and practices alleged in the operative complaint and PAGA Notice, including the alleged regular-rate miscalculations, second meal period violations, and rest period violations. *Id.*, ¶¶ 3-5. Plaintiff also assisted counsel in investigating the claims, providing facts and documents, reviewing factual allegations and settlement documents, communicating with counsel, participating in the settlement process through counsel, and accepting the burdens and risks associated with representative litigation. *Id.*, ¶¶ 6-8. Based on Plaintiff's declaration and participation, Plaintiff adequately represented the State's interests in prosecuting and settling the released PAGA claims.

[3] As held by the California Supreme Court, "[PAGA] does not create property rights or any other substantive rights" as "[i]t is simply a procedural statute allowing an aggrieved employee to recover civil penalties—for Labor Code violations—that otherwise would be sought by state labor law enforcement agencies." *Amalgamated Transit Union, Local 1756, AFL-CIO v. Superior Court* (2009) 46 Cal.4th 993, 1003.

C. Settlement is a Fair, Adequate, and Reasonable Compromise of Claims

California courts have a strong policy in favor of settlement. *See Stambaugh v. Superior Court* (1976) 62 Cal.App.3d 231, 235 ("…settlement of litigation should be encouraged."); *see also In re Syncor ERISA Litigation* (9th Cir. 2008) 516 F.3d 1095, 1101 ("[T]here is a strong judicial policy that favors settlements, particularly where complex class action litigation is concerned."). Unlike individual settlements, class and representative PAGA settlements involve a court approval process that exists to prevent fraud, collusion, and unfairness to absent individuals. *See Malibu Outrigger Bd. of Governors v. Superior Court* (1980) 103 Cal.App.3d 573, 578–579. California law generally follows the same standards applicable under Rule 23. *See Hanlon v. Chrysler Corp.* (9th Cir. 1998) 150 F.3d 1011, 1026 (stating that Rule 23(e) requires the trial court to determine "whether a proposed settlement is fundamentally fair, adequate, and reasonable"). To be approved, a settlement must be "fair, reasonable and adequate to all concerned." *Reed v. United Teachers Los Angeles* (2012) 208 Cal.App.4th 322, 337. The Court's role in evaluating a proposed settlement is limited to ensuring that the agreement taken as a whole is fair and is not the product of fraud or collusion between the negotiating parties. *See, e.g., Hanlon, supra*, 150 F.3d at 1027. There is an initial presumption of fairness when the settlement agreement was negotiated at arm's length by experienced counsel. *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 130.

1. Factors in Evaluating a Representative PAGA Settlement

A settlement is presumptively fair where it is reached through arm's-length bargaining, based on sufficient discovery and investigation to allow counsel and the court to act intelligently, and counsel is experienced in similar litigation. *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1802; *see also Kullar, supra*, 168 Cal.App.4th at 130. In deciding whether to approve a proposed settlement, a trial court has broad powers to determine if the proposed settlement is fair under the circumstances of the case. *Mallick v. Superior Court* (1979) 89 Cal.App.3d 434, 438. In exercising these powers, the overriding concern is to ensure that a proposed settlement is "fair, adequate, and reasonable." *Dunk*, 48 Cal.App.4th at 1801 (internal quotations omitted). Relevant factors for the Court to consider include, but are not limited to:

> [T]he strength of Plaintiff's case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction of the class members to the proposed settlement.

Id. These factors require balancing and are non-exhaustive. Trial courts should therefore tailor the factors to each case and give due regard to "what is otherwise a private consensual agreement between the parties." *Id*. In the context of a PAGA settlement, the third and eighth factors (risk of maintaining class action status and reaction of class members to settlement) are inapplicable.

"In the context of a settlement agreement, the test is not the maximum amount plaintiffs might have obtained at trial on the complaint, but rather whether the settlement is reasonable under all of the circumstances." *Wershba v. Apple Computer, Inc*. (2001) 91 Cal.App.4th 224, 250, disapproved on other grounds by *Hernandez v. Restoration Hardware, Inc*. (2018) 4 Cal.5th 260. Because settlements inherently involve compromise, settlements providing narrower relief than could be obtained if the suit were successfully litigated can still be reasonable because "the public interest may indeed be served by a voluntary settlement in which each side gives ground in the interest of avoiding litigation." *Air Lines Stewards & Stewardesses Ass'n Local 550 v. American Airlines, Inc.* (7th Cir. 1972) 455 F.2d 101, 109. Further, courts review the discovery conducted by the parties to aid in assessing whether the parties sufficiently developed the claims and supporting factual bases before reaching settlement. *See Kullar, supra,* 168 Cal.App.4th at 129-31. Information is sufficient where it allows the parties and the court to form "an understanding of the amount that is in controversy and the realistic range of outcomes of the litigation." *Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785, 801. This requirement exists so that parties can provide the trial court with "a meaningful and substantiated explanation of the manner in which the factual and legal issues have been evaluated." *Kullar,* 168 Cal.App.4th at 132.

a) Strengths of Plaintiff's Claims, the Risks of Continued Litigation, and the Court's Discretion to Reduce Penalties

Plaintiff believes the PAGA claims have merit. The mediation record showed meaningful evidence of regular-rate miscalculations, second meal period violations, and rest period violations. Rowbotham Decl., ¶¶ 16-20. Plaintiff's review of payroll data showed that Defendants paid quarterly sales bonuses tied to performance goals but did not include those bonuses in the regular rate used to calculate overtime, paid sick leave, and meal period premiums. *Id.*, ¶ 18. Plaintiff's review of the timekeeping data also showed widespread facial second meal period violations on shifts in excess of 10 hours, as well as routing and scheduling practices that Plaintiff contends did not allow employees to take uninterrupted, duty-free rest periods. *Id.*, ¶¶ 19-20.

That said, continued litigation presented real risks. Defendants deny all liability and would contend they maintained lawful policies, paid all wages owed, provided employees with compliant meal periods and rest periods, and did not prevent employees from taking breaks. Rowbotham Decl., ¶ 14. Defendants would also argue that any missed or shortened meal periods or rest periods resulted from employee choice, that Plaintiff and other employees were responsible for managing their daily schedules, that second meal period waivers defeat or substantially reduce Plaintiff's meal period theory, and that any PAGA penalty award should be reduced under Labor Code § 2699(e)(2). *Id.* Defendants also contend Plaintiff signed an arbitration agreement containing a class and collective action waiver, which created risk and delay regarding the non-PAGA class claims. *Id.*

Further litigation would require continued discovery, motion practice, possible arbitration-related proceedings, PAGA trial preparation, trial, post-trial motions, and potential appellate proceedings. The Settlement avoids those risks and secures a substantial, non-reversionary recovery now.

b) <u>The Amount Offered Is Fair in Light of the Realistic Range of Outcomes</u>

The Settlement provides a fair and reasonable recovery in light of the disputed claims, the evidentiary risks, and the Court's discretion to reduce penalties. Plaintiff prepared a conservative PAGA exposure model for mediation that focused on the strongest liability drivers and used initial-violation penalties only.

Plaintiff estimated $79,300.00 in PAGA exposure for regular-rate miscalculations, based on 793 affected pay periods. Rowbotham Decl., ¶ 21. Plaintiff estimated $106,400.00 in PAGA exposure for second meal period violations, based on 1,064 affected pay periods. *Id.* Plaintiff estimated $428,600.00 in PAGA exposure for rest period violations, based on 4,286 affected pay periods. *Id.* In total, Plaintiff estimated $614,300.00 in conservative PAGA exposure. *Id.* This exposure estimate did not include subsequent-violation penalties, additional wage-component exposure, interest, or attorneys' fees. It also did not separately add derivative penalties for wage statement, recordkeeping, or timely-payment violations. *Id.* Plaintiff prepared the model to focus on the most significant liability drivers and to present a conservative assessment of Defendants' civil penalty exposure.

The $212,500.00 Maximum Settlement Amount represents approximately 34.6% of Plaintiff's calculated exposure. Rowbotham Decl. ¶ 22. The estimated Net Settlement Amount of $110,482.25, assuming approval of all requested deductions, represents approximately 18.0% of that same exposure. *Id.* Given the disputed facts, Defendants' defenses, the arbitration-related risk, the possibility of statutory penalty reductions, and the non-reversionary nature of the recovery, the Settlement falls well within the range of reasonableness.

c) <u>The Extent of Discovery and Investigation Completed</u>

The Parties had sufficient information to evaluate the claims, defenses, and settlement value before resolving the case. In connection with mediation, Defendants produced timekeeping records, payroll records, the employee handbook, and written policies in effect during the PAGA Period. Rowbotham Decl. ¶ 16. Plaintiff completed a comprehensive review and analysis of those materials. *Id.*

The payroll dataset analyzed for mediation spanned March 26, 2024 through August 14, 2025, and included 3,087 employee pay periods and 5,711 workweeks. Rowbotham Decl. ¶ 17. Plaintiff extrapolated the pay-period and workweek counts through the mediation date of February 27, 2026, yielding an estimated 4,286 employee pay periods and 7,930 workweeks. *Id.* Plaintiff also calculated an average regular rate of pay of $22.94. *Id.* Those records allowed Plaintiff to evaluate the regular-rate miscalculation theory, second meal period theory, rest period theory, and related derivative PAGA exposure.

The Settlement also includes an escalator provision based on Defendants' representation that there are approximately 4,378 pay periods worked by 185 Aggrieved Employees during the PAGA Period. *See* Settlement Agreement, § III.3. If the final pay-period count materially exceeds that estimate, the escalator provision requires either a proportional increase to the Maximum Settlement Amount or a shortened PAGA Period. *Id.* This further supports approval because it protects against a material undercount of the population used to value and distribute the Settlement.

d) <u>The Experience and Views of Counsel</u>

"Parties represented by competent counsel are better positioned than courts to produce a settlement that fairly reflects each party's expected outcome in litigation." *In re Pacific Enterprises Securities Litigation* (9th Cir. 1995) 47 F.3d 373, 378. Plaintiff's Counsel is experienced in wage-and-hour class and representative litigation. Counsel's declarations describe substantial experience litigating representative employment cases, assessing complex wage-and-hour records, and negotiating representative settlements. Plaintiff's Counsel believes the Settlement is fair, reasonable, and adequate in light of the risks and the result achieved. The arm's-length mediation before Steve Mehta, Esq., the informal exchange and analysis of timekeeping and payroll records, and the non-reversionary structure of the Settlement further support the conclusion that the compromise is informed and non-collusive. Thus, this factor strongly supports settlement approval. *See, Kullar, supra,* 168 Cal.App.4th at 130 ("The court undoubtedly should give considerable weight to the competency and integrity of counsel and the involvement of a neutral mediator in assuring itself that a settlement agreement represents an arm's length transaction entered without self-dealing or other potential misconduct.").

D. <u>The Requested Award for Attorneys' Fees is Reasonable</u>

Plaintiff, as the prevailing party in settlement, is entitled to recover attorneys' fees and costs for bringing this PAGA claim. *See* Labor Code § 2699(k)(1) ("Any employee who prevails in any action shall be entitled to an award of reasonable attorney's fees and costs…"); Code of Civil Procedure § 1021.5 ("Upon motion, a court may award attorneys' fees to a successful party against one or more opposing parties in any action which has resulted in the enforcement of an important right affecting the public interest if: (a) a significant benefit, whether pecuniary or nonpecuniary, has been conferred on the general public or a large class of persons…")

California state and federal courts routinely approve percentage-of-the-fund fee awards in class and representative actions, including awards of approximately one-third of the settlement fund, and courts may confirm reasonableness through a lodestar cross-check. *Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th 43, 66, fn. 11; *see also Wershba, supra,* 91 Cal.App.4th at 254 (recognizing the "percentage of recovery" method); *In re Pacific Enterprises Securities Litigation* (9th Cir. 1995) 47 F.3d 373, 379 (affirming 33% fee award). Indeed, the California Supreme Court approved the use of the "percentage of fund" method. *See Laffitte v. Robert Half Internat. Inc.* (2016) 1 Cal.5th 480, 506 ("the percentage of fund method survives in California class action cases…"). Specifically, the *Laffitte* Court held:

> The recognized advantages of the percentage method—including relative ease of calculation, alignment of incentives between counsel and the class, a better approximation of market conditions in a contingency case, and the encouragement it provides counsel to seek an early settlement and avoid unnecessarily prolonging the litigation—convince us the percentage method is a valuable tool that should not be denied our trial courts.

Id., at 503 (internal citation omitted); *see also Rawlings v. Prudential-Bache Properties, Inc*. (6th Cir. 1993) 9 F.3d 513, 516 (the percentage of the fund method more accurately reflects the results achieved than the lodestar method and "establishes reasonable expectations on the part of plaintiffs' attorneys as to their expected recovery; and it encourages early settlement, which avoids protracted litigation."); *In re Rite Aid Corp. Securities Litigation* (3d Cir. 2005) 396 F.3d 294, 300 ("The percentage-of-recovery method is generally favored in common fund cases."). This is consistent with Plaintiff's counsel's experience in similar PAGA matters. Rowbotham Decl., ¶ 23.

Here, Plaintiff requests attorneys' fees in the amount of $74,375.00, which equals 35% of the Maximum Settlement Amount. Rowbotham Decl., ¶ 23. In *Laffitte*, the California Supreme Court held that trial courts have discretion to assess the reasonableness of fee awards with tools such as the "lodestar cross-check," whereby the trial court calculates counsel's lodestar and determines whether the "lodestar multiplier" needed to bring the lodestar on par with the percentage of recovery is reasonable. *Laffitte, supra,* 1 Cal.5th at 503-06. Under the lodestar method, the court multiplies the number of hours reasonably expended by each attorney or legal staff member by their reasonable hourly rates, then enhances this lodestar figure by a multiplier to account for a range of factors, such as the contingent nature of the case and the degree of success achieved. *See Serrano v. Priest* (1977) 20 Cal.3d 25, 48-49; *Ketchum v. Moses* (2001) 24 Cal.4th 1122, 1132-1134; *Thayer v. Wells Fargo Bank, N.A.* (2001) 92 Cal.App.4th 819, 834 ("There is no hard-and-fast rule limiting the factors that may justify an exercise of judicial discretion to increase or decrease a lodestar calculation.")

Under California law, lodestar multipliers can range from 2 to 4 or even higher. *Wershba, supra,* 91 Cal.App.4th at 255; *see, e.g., Chavez*, *supra,* 162 Cal.App.4th at 49-50 (multiplier of approximately 2.5); *Coalition for L.A. County Planning etc. Interest v. Board of Supervisors* (1977) 76 Cal.App.3d 241, 251 (multiplier of approximately 2). In class and representative actions, where the value of the benefit conferred "can be monetized with a reasonable degree of certainty," a court may "adjust the lodestar in comparison to a percentage of the common fund to ensure that the fee awarded is reasonable and within the range of fees freely negotiated in the legal marketplace in comparable litigation." *Consumer Privacy Cases* (2009) 175 Cal.App.4th 545, 557.

In this case, Plaintiff's counsel calculated a lodestar of approximately $110,082.50, which results in a ***negative*** multiplier of 0.68 compared to the $74,375.00 fee request. Rowbotham Decl., ¶ 23. A summary of the hours worked by each attorney and paralegal is set forth below. *Id*. The billing rates are reasonable in view of the evidence submitted and have been approved by courts throughout California. *Id*., ¶¶ 2-8; Exhibit 4 (HLG Billing Summary); Exhibit 5 (2026 Laffey Matrix); Haines Decl., ¶¶ 2-11; Schmidt Decl., ¶¶ 2-9; Perez Decl., ¶¶ 2-6.

Name	**Rate**	**Hours**	**Pre-Multiplier Lodestar**
Paul K. Haines (19th Year Attorney)	$925	3.1	$2,867.50
Fletcher W. Schmidt (13th Year Attorney)	$825	23.5	$19,387.50
Andrew J. Rowbotham (11th Year Attorney)	$725	84.5	$61,262.50
Susan J. Perez (6th Year Attorney)	$550	45.1	$24,805.00
Firm Paralegals	$200	8.8	$1,760.00
Total Lodestar			**$110,082.50**

The quality and quantity of work performed also support the request. Plaintiff's Counsel prosecuted this matter on a contingent basis and assumed the risk that they would receive no compensation if the case did not succeed. Counsel investigated Plaintiff's claims, prepared the PAGA Notice, filed the original complaint, prepared the First Amended Class and Representative Action Complaint, reviewed and analyzed Defendants' payroll and timekeeping records, reviewed Defendants' handbook and written policies, prepared the mediation analysis, participated in mediation, negotiated the long-form PAGA Settlement Agreement, prepared the approval papers, and will continue to oversee settlement administration through completion. Rowbotham Decl. ¶ 24. Because it is reasonable to compensate Plaintiff's counsel commensurate with their skill, reputation, and experience, the requested fee award of $74,375.00 is fair and should be approved.

E. <u>The Requested Litigation Costs Are Reasonable</u>

Plaintiff's Counsel incurred and reasonably anticipates incurring litigation costs in the amount of $13,142.75, which is within the $20,000.00 cap provided by the Settlement. Rowbotham Decl., ¶ 25; Exhibit 6 (HLG Cost Records). This amount includes $13,010.08 in costs incurred to date and $132.67 in estimated filing, service, and settlement-approval related costs expected to be incurred in completing the approval process. *Id.* These costs were or will be reasonably incurred in prosecuting the Action, including costs associated with filing, service, investigation, mediation, legal research, data review, document review, and settlement approval. *See, e.g., Harris v. Marhoefer* (9th Cir. 1994) 24 F.3d 16, 19 (counsel should recover "those out-of-pocket expenses that would normally be charged to a fee paying client"); *Berkeley Cement, Inc. v. Regents of University of California* (2019) 30 Cal.App.5th 1133, 1142 (mediation costs reimbursable); *Ashker v. Sayre* (N.D. Cal., Mar. 7, 2011) 2011 WL 825713, at *3 (copying costs reimbursable); *Trustees of the Construction Industry and Laborers Health and Welfare Trust v. Redland Insurance Co*. (9th Cir. 2006) 460 F.3d 1253, 1258-1259 (legal research costs reimbursable); *In re Immune Response Securities Litigation* (S.D. Cal. 2007) 497 F.Supp.2d 1166, 1177-1178 (mediation expenses, legal research, copies, postage, filing fees, messenger, and overnight delivery costs reimbursable). The requested costs are documented in the Declaration of

Andrew J. Rowbotham and should be approved.

F. <u>The Requested Administration Expenses Are Reasonable</u>

Plaintiff requests approval of administration expenses in the amount of $4,500.00 for Phoenix Settlement Administrators. Rowbotham Decl. ¶ 26. The Parties selected Phoenix to administer the Settlement. *See* Settlement Agreement, § IV.1. Phoenix will receive and safeguard the Aggrieved Employee data, update addresses through the National Change of Address database, calculate Individual Settlement Payments on a pay-period basis, circulate an anonymized payment spreadsheet for counsel's review, mail the explanatory letters and checks in English and Spanish, handle returned mail, conduct skip tracing where necessary, issue replacement checks where appropriate, remit the LWDA payment, issue tax forms, and provide an accounting after the check-cashing deadline. *Id.*, §§ IV.2-IV.6. In light of these duties, the requested administration expense is reasonable and should be approved.

G. <u>The Requested Representative Enhancement Payment Is Reasonable</u>

Courts routinely approve enhancement payments to compensate named plaintiffs for the services they provide and the risks they assume in representative litigation. *See e.g. Cellphone Termination Fee Cases* (2010) 186 Cal.App.4th 1380, 1394-1395 (affirming $10,000 incentive awards); *Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles* (2010) 186 Cal.App.4th 399, 412 ("[I]t is established that named plaintiffs are eligible for reasonable incentive payments to compensate them for the expense or risk they have incurred in conferring a benefit on other members of the class.") This is also true in the context of PAGA-only settlements. *See* Rowbotham Decl., ¶ 8, Exhibit 7 (PAGA Enhancement Exemplar).

Plaintiff requests a Representative Enhancement Payment of $10,000.00. Rowbotham Decl. ¶ 27. The request is reasonable in light of Plaintiff's service to the State of California and the Aggrieved Employees. Plaintiff provided information and documents to counsel, assisted counsel's investigation, reviewed factual allegations, participated in the mediation process through counsel, accepted the burden of serving as the named representative in a public enforcement action, and undertook the risk associated with bringing claims against his employer. *Id.*; Smith Decl., ¶¶ 6-8.

The requested enhancement is also consistent with the Settlement and will be paid from the non-reversionary Maximum Settlement Amount. *See* Settlement Agreement, §§ I.9, III.4.b. If the Court approves a lesser amount, the difference will remain in the Net Settlement Amount for distribution to the LWDA and Aggrieved Employees. *Id.* The Court should approve the requested Representative Enhancement Payment.

H. **Plaintiff Complied With PAGA's LWDA Submission Requirements**

Labor Code § 2699(s)(2) requires that the proposed settlement be submitted to the LWDA at the same time it is submitted to the Court. Plaintiff is submitting the Settlement to the LWDA concurrently with this Motion and is filing proof of submission with the Court. Plaintiff will also submit the Court's judgment and any order providing for or denying an award of civil penalties to the LWDA within 10 days after entry, as required by Labor Code § 2699(s)(3).

V. **CONCLUSION**

For the reasons stated herein, the Court should grant Plaintiff's Motion in its entirety and adopt the [Proposed] Judgment and Order submitted with this Motion.

Dated: June 29, 2026

Respectfully submitted,
HAINES LAW GROUP, APC

By: ______________________
Andrew J. Rowbotham
Attorneys for Plaintiff