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Electronically Filed by Superior Court of CA, County of Santa Clara, on 4/10/2026 4:34 PM Reviewed By: C. Roman Case #25CV466613 Envelope: 23323907

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SANTA CLARA

MOHINDERPAL DHALIWAL, an individual; on behalf of himself and all others similarly situated,

Plaintiffs,

v.

APPLIED MATERIALS, INC., a Delaware corporation; and DOES 1 through 20, inclusive,

Defendants.

Case No. 25CV466613

[Assigned for all purposes to the ~~Hon. Charles F. Adams, Dept. 7~~]Hon. Beth McGowen D22

PLAINTIFF'S NOTICE OF MOTION AND MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF

Date: November 12, 2026
Time: 1:30 p.m.
Dept: ~~7~~ 22

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

PLEASE TAKE NOTICE that on November 12, 2026, at 1:30 p.m., or as soon thereafter as the matter may be heard in Department 7 of the above-entitled court, located at 161 North First Street, San Jose, California 95113, Plaintiff Mohinderpal Dhaliwal ("Plaintiff") will hereby move the Court for an order granting Plaintiff's Motion for Preliminary Approval of Class Action Settlement. In this unopposed motion, Plaintiff seeks the entry of an order to: (1) preliminarily approve the proposed settlement of this class action; (2) certify a class for settlement purposes only and appoint Bartz Law Group, APC and United Employees Law Group, P.C. as class counsel for settlement purposes only (hereinafter "Class Counsel"); (3) approve the substance, form, and method to provide class-wide notice; (4) direct that notice of the proposed settlement be given to all Class Members; and (5) schedule a hearing at which time the following will be considered: (i) the request for final approval of the proposed settlement; (ii) the entry of the Final Judgment; and (iii) approval of Class Counsel's motion for attorneys' fees and costs, and Plaintiff's enhancement award.

This Motion is based upon this Notice, the attached Memorandum of Points and Authorities, the Declarations of Aaron Bartz, Walter Haines, Mohinderpal Dhaliwal, and Sean Hartranft, all documents and records on file in this action, and on such other further oral and documentary evidence as may be given at the hearing on this Motion.

Dated: April 10, 2026

BARTZ LAW GROUP, APC
UNITED EMPLOYEES LAW GROUP, P.C.

/s/Aaron A. Bartz
AARON A. BARTZ
Attorneys for Plaintiff MOHINDERPAL DHALIWAL and all others similarly situated

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I. INTRODUCTION

This class action and PAGA settlement is sought on behalf of approximately 997 non-exempt employees who worked in California for Defendant Applied Materials, Inc. ("Defendant"), between March 1, 2024 through December 8, 2025.[1]

The case arises out of Plaintiff's allegations that Defendant violated California's wage and hour laws, including failing to pay all wages owed and overtime, failing to authorize and permit meal and rest periods, failing to pay Plaintiff and the class members at the regular rate of pay for overtime and sick pay, meal and rest period premiums, failing to reimburse class members for necessary business expenses, and failing to properly maintain and submit wage statements. Defendant denies the allegations and contends that it complied with all applicable laws.

After conducting informal discovery, and attending an all-day Mediation, the parties have agreed to a non-reversionary, all-in common fund settlement of **$225,000**. (See Declaration of Aaron A. Bartz ("Bartz Decl."), **Exhibit A**.) The net amount to be paid to class members (after payment of class counsel fees and expenses, settlement administration costs, Private Attorneys General Act ("PAGA") penalties to the LWDA, and Plaintiff's enhancement award), is approximately **$107,000**. Each class member's share of the settlement is based on each of their eligible number of workweeks, and shall receive, on average, approximately $107. So long as the class members do not opt out of the settlement, they will receive a settlement payment. For purposes of this settlement only, the parties agree that the proposed Settlement Class satisfies each of the requirements of Code of Civil Procedure section 382. The settlement is fair, reasonable, and confers a substantial monetary benefit to the entire class. Accordingly, Plaintiff requests that the court grant preliminary approval of the Settlement Agreement submitted

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[1] The instant case comes on the heels of a prior class action settlement entitled *James v. Applied Materials, Inc.*, Case No. 23CV417412 ("*James*"). Thus, the class period in this case starts the day after the end of the class period in *James*, which is March 1, 2024.

herewith (see Bartz Decl., Exhibit A) conditionally certify the Settlement Class, approve the proposed Notice of Proposed Class Action Settlement and Final Approval Hearing, and set a hearing date for final settlement approval.

II. PRE-TRIAL PROCEEDINGS AND SETTLEMENT

A. Procedural History

Plaintiff Mohinderpal Dhaliwal ("Dhaliwal") worked for Defendant as a technician between 2015 and 2025.

On March 10, 2025, Plaintiff Dhaliwal, on behalf of himself and all other aggrieved employees of Defendant, served a Private Attorneys General Act (PAGA) letter, alleging various Labor Code violations, including: (1) failure to pay all wages, including minimum wages, straight time wages, and overtime compensation; (2) failure to provide meal periods; (3) failure to authorize and permit rest periods or provide compensation in lieu thereof; (4) failure to timely pay all wages owed; (5) waiting time penalties; (6) failure to reimburse expenses; and (7) failure to properly maintain and submit accurate itemized wage statements. (Attached as **Exhibit B** to the Bartz Decl. is a true and correct copy of the PAGA letter served on March 10, 2025.) On March 3, 2026, Plaintiff Dhaliwal filed the operative First Amended Class and Representative Action Complaint. (Attached as **Exhibit C** to the Bartz Decl. is a true and correct copy of Plaintiff's First Amended Class and Representative Action Complaint.)

B. Investigation and Discovery

After filing his case, Plaintiff and Defendant discussed informally resolving this case to resolve the outstanding claims. To this end, the parties agreed to attend Mediation, and Defendant produced a representative sampling of discovery to ensure a fruitful Mediation.

The parties did not attend Mediation in this matter until adequate representative discovery had been produced, including a 25% sampling of representative payroll and time data, average rates of pay, employee policies and procedures, meal and rest period attestations, and the like. Class Counsel thoroughly reviewed, investigated, and analyzed this information. This informal

discovery process occurred over a period of several months and involved extensive meet and confer efforts between counsel for the parties.

On October 9, 2025, the parties attended a full-day Mediation before Louis Marlin, and did not settle until the parties engaged in many hours of tense and hard-fought negotiations. Several more months were necessary to negotiate the specific long form Settlement Agreement, which was finalized and entered into in December 2025.

C. The Operative Settlement Terms And Plan of Allocation

The class members participating in the settlement are all non-exempt employees working for Defendant in California within the Class Period, i.e., between March 1, 2024 through December 8, 2025. There are approximately 997 class members according to Defendant's employment records.

The settlement fund is all in (except for the employer's share of payroll taxes, which Defendant shall pay in addition to the $225,000 settlement), there is no claim form requirement, and no residual will revert to Defendant. Class members will be paid as long as they do not opt out of the settlement. If a Class Member opts out, their share of the Net Settlement Amount will be allocated to other members of the Settlement Class. In the event a class member does not negotiate his or her settlement check, the claims administrator will forward the monies to the California State Controller's Office, Unclaimed Property Division, in the name of the Class Member, thereby leaving no "unpaid residue" subject to the requirements of Code of Civil Procedure section 384, subd. (b).

The payment to the Class Members will be characterized eighty percent (80%) interest and penalties, and twenty percent (20%) wages. The class administrator will issue W-2 statements for the wage portion of the settlement, and a form 1099 for all amounts paid as penalties and interest.

Based upon Class Counsel's independent analysis and investigation in this matter, the Settlement Class will be compensated based on each member's respective number of workweeks during the Class Period.

Based on the settlement terms, there will be an approximate net settlement fund of **$107,000**. In exchange for their payment, the class members will release Defendant from any and all claims, known or unknown, contingent or accrued, arising out of or reasonably relating to the operative facts alleged in the lawsuit. The named Plaintiff will, in addition to releasing claims alleged in the lawsuit, give a general release of all claims pursuant to Civil Code section 1542.

The parties further agree to appoint an experienced claims administrator, Apex Class Action Administration ("Apex"), to prepare and send notice to the class, receive and process objections, and prepare and mail settlement checks to Settlement Class Members. The claims administrator will conduct skip-tracing for any Settlement Class Member whose address cannot be found.

The all-in settlement fund will also include all of the attorneys' fees and costs allowed by this Court. The attorneys' fees shall not exceed one-third of the $225,000 settlement fund, or $75,000. Defendant will also pay class counsel's costs, not to exceed $15,000, as well as settlement administration costs not to exceed $11,500, out of the common fund.

The PAGA allocation of the settlement is $10,000, of which $6,500 (65%) will be distributed to the Labor Workforce and Development Agency (LWDA), with the remaining portion - $3,500 (35%) - going to PAGA Members (all allegedly aggrieved persons who worked for Defendant as non-exempt employees in California, at any time from October 18, 2024 through December 8, 2025).

The settlement also includes Plaintiff's class representative enhancements Based on Plaintiff's work in connection with this case, including meeting and conferring with Class Counsel regarding legal strategies, and assisting with developing the claims and theories in this case, and attending Mediation, Plaintiff seeks a total of $10,000.

In summary, the settlement fund is allocated as follows:

(1) Class member compensation totaling approximately $107,000;

(2) Attorney's fees and costs: $75,000 in attorneys' fees and up to $15,000 in costs.

(3) Settlement administrator expenses not to exceed $11,500.

(4) PAGA payment to the LWDA: $6,500.

(5) Class representative enhancement of $10,000 for the named Plaintiff.

III. FACTUAL AND LEGAL BACKGROUND

Plaintiff's First Amended Class and Representative Action Complaint alleges claims for 1) Failure to Pay All Wages; 2) Failure to Provide Meal Periods; 3) Failure to Authorize and Permit Proper Rest Periods; 4) Failure to Pay Meal and Rest Break Premiums at the Proper Regular Rate of Pay; 5) Failure to Properly Maintain and Submit Itemized Wage Statements; 6)Waiting Time Penalties; 7) Unfair Business Practices; 8) Failure to Reimburse Expenses; and 8) Violation of Labor Code § 2699 (PAGA). Plaintiff further alleges that he and the Class are entitled to damages, restitution, wages, attorneys' fees, and interest, among other remedies.

Pursuant to *Kullar v. Footlocker Retail Inc.*, 168 Cal.App.4th 116 (2008) and *Dunk v. Ford Motor Co.*, 48 Cal.App.4th 1794 (1996), the following describes the settlement's reasonableness. Plaintiff recognizes the expense and length of continued proceedings necessary to continue the litigation against Defendant through trial and through any possible appeals. Plaintiff has also taken into account the uncertainty and risk of denial of motion for class certification and the uncertain outcomes resulting from further litigation, and the difficulties and delays inherent in such litigation. Plaintiff is also aware of the burdens of proof necessary to establish liability for the claims asserted in this case, Defendant's defenses thereto, and the difficulties in establishing damages for the Plaintiff and Class Members.

Based on the foregoing, Plaintiff has determined that the settlement is a fair, adequate and reasonable settlement and is in the best interests of the Class Members. The reasonable exposure and the reasonable settlement value for each of the alleged claims are as follows:

1. Unpaid Wages

California Labor Code § 510(a) and the IWC Wage Orders regulating payment of wages in the state of California, provide that eight (8) hours of labor constitutes a day's work and any work in excess of eight (8) hours in one (1) workday and any work in excess of forty (40) hours in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for each employee and any work in excess of twelve (12) hours in any one workday shall be compensated at the rate of no less than twice the regular rate of pay for each employee. Defendant allegedly fails to pay all wages owed in numerous respects.

First, Plaintiff alleges that Defendant fails to pay the full amount of overtime and sick pay wages due because Defendant miscalculates the regular rate, by among other things, failing to properly include items of remuneration when determining the employees' regular rate. Plaintiff contends that Defendant fails to incorporate employees' non-discretionary compensation earned by the class members. It is undisputed that such amounts must be added to an employees' compensation when calculating the regular rate. *See Ferra v. Loews Hollywood Hotel, LLC*, 11 Cal.5th 858, 869 (2021) (a bonus earned for weekend work . . . was "part of an employee's overall compensation package, and therefore ... its per-hour value must be determined so that the employee's regular rate of pay — and, derivatively, the employee's overtime pay rate — reflects all the various forms of regular compensation that the employee earned in the relevant pay period"). Also, Plaintiff alleges that Defendant fails to pay sick time at the regular rate of pay, instead, paying that time at the base rate of pay. Sick time must be paid "in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time." Labor Code § 246, subd. (l)(1).

Second, Plaintiff alleges that Defendant fails to pay all wages because Plaintiff and other class members are forced to work off-the-clock hours prior to and after their shifts with time spent donning and doffing protective clothing that must be worn in the fabrication facilities. As such, Plaintiff contends that Defendant regularly and routinely failed to pay Plaintiff and the class members all wages owed, including minimum wage and overtime compensation. Off-the-clock

time is compensable when an employer knows or should have known the employees are working off-the-clock time. *See Morillion v. Royal Packing Co.*, 22 Cal.4th 575, 585 (2000).

Defendant contests each and every one of Plaintiff's allegations. Defendant contends that it correctly included all shift differentials and its annual bonus on the regular rate, and that any other bonus payments were discretionary payments that qualified for exclusion from the regular rate. Defendant also contends that it has a strict off-the-clock policy that prohibits "off-the-clock work", states that all work time must be accurately recorded, and expressly instructs Plaintiff and other class members to record all time taken to put on and take off any specialized or protective clothing necessary to perform their job duties. Class members also completed an attestation confirming the accuracy of their time entries when they submitted their time. Finally, Defendant contends that Plaintiff (and virtually all other class members) are bound by arbitration agreements that would require individual arbitration of their claims.

Class Counsel analyzed payroll and time records for the class members and calculated that the total estimated verdict value for the regular rate and failure to pay all wages claim is approximately $2.14 million. Class Counsel assumed 1 hours per week of unpaid hours, and applied an overtime violation value based on payroll records for the class, including pay period counts per year, and a weighted average rate of pay. Defendant contends its actual exposure for the claim is zero, because it disputes that it underpaid employees in any respect. Based on the defenses alleged, the off-the-clock claims, the fact that documented evidence of such violations is scant, Plaintiff placed a reasonable settlement value of the overtime/off-the-clock wage claim at five percent of the total verdict value, or **$107,000**. (Bartz Decl., ¶ 21.a).

2. Meal and Rest Period Claims

a. Meal period liability and damages

Plaintiff contends that Defendant fails to provide duty-free meal periods to Plaintiff and the class members, who suffered short, late and missed meal periods on a regular basis.

In *Brinker Restaurant Corp. v. Superior Court*, 53 Cal. 4th 1004 (2012), the California Supreme Court held that "under ... Labor Code section 512, subdivision (a), an employer must

relieve the employee of all duty for the designated period but need not ensure that the employee does no work" during the meal period. *Brinker*, 53 Cal. 4th at 1034. However, "...an employer may not undermine a formal policy of providing meal breaks by pressuring employees to perform their duties in ways that omit breaks. *Cicairos v. Summit Logistics, Inc.*, 133 Cal. App. 4th 949, 962–963 (2005); *see also Jaimez v. DAIOHS USA, Inc.*, 181 Cal. App. 4th 1286, 1304–1305 (2010) [proof of common scheduling policy that made taking breaks extremely difficult would show violation]; *Dilts v. Penske Logistics, LLC*, 267 F.R.D. 625, 638 (S.D.Cal.2010) [indicating informal anti-meal-break policy "enforced through 'ridicule' or 'reprimand' " would be illegal].) The wage orders and governing statute do not countenance an employer's exerting coercion against the taking of, creating incentives to forego, or otherwise encouraging the skipping of legally protected breaks." *Brinker*, 53 Cal. 4th at 1040.

Moreover, in *Donohue, supra*, the Court held that at both the class certification and summary judgment stage, when time records show short, missed, and late meal periods, there is a presumption that an employer violated California's meal period requirements. *See Donohue, supra*, 11 Cal.5th at 78 ("If time records show noncompliant meal periods, then a rebuttable presumption of liability arises.")

Plaintiff alleges that the failure to provide meal periods here was evident from Defendant's failure to have appropriate meal period clock out policies and procedures. Prior to January 13, 2025, Plaintiff's and class members' timecards were pre-populated based on scheduled hours, and employees were instructed to key in their precise start and stop times, including for meal periods. After January 13, 2025, employees have recorded their time by punching in and out of time clocks. Plaintiff therefore contends that between the end of the class period in *James* and January 13, 2025, that Defendant's meal period policies and procedures were deficient.

Defendant, on the other hand, contends that it has fully compliant meal period policies, and that its objective records reflect strict compliance with California's meal period requirements. Further, during the period prior to January 13, 2025, Defendant both instructed

and trained employees to review their time entries daily to ensure the records reflected their precise start and stop times, including for meal periods. Defendant also automatically paid premiums for all short, late, and missed first and second meal periods reflected in employees' time records, and required employees to self-assess premiums for non-compliant rest periods, in addition to reporting any non-compliant breaks to HR. Defendant also contends the meal period claim cannot be certified because individualized issues would predominate and no common proof of meal period violations exists. .

Class Counsel calculated the maximum verdict value of the meal break claims to be approximately **$500,000**. This calculation is based on the assumption that each late, missed or short meal period was the result of Defendant's interference with Plaintiff's and the class members' abilities to take duty-free meal periods. Accordingly, Class Counsel determined a total violation rate for the class members, and average rate of pay based on the payroll data for the class. Based on discussions with Plaintiff, and the fact that Defendant has facially compliant meal period policies, and for the last half of the class period Defendant corrected any potential deficiencies with its meal period policies, Plaintiff believe he had a ten percent probability of recovering all of these damages. Accordingly, Plaintiff contends the reasonable exposure of the meal break claim is approximately **$50,000**. (Bartz Decl., ¶ 21.b.i.).

b. Rest period liability and damages

Labor Code § 226.7(b) provides that "[a]n employer shall not require an employee to work during a meal or rest or recovery period mandated under an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health."

Section 12(B) of the IWC Wage Order(s) states: "If an employer fails to provide an employee a rest period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the rest period is not provided." Moreover, during rest periods, "employees must not only be relieved of work duties, but also be freed from employer control over how they spend

their time." *Augustus v. ABM Sec. Servs., Inc.*, 2 Cal.5th 257, 270 (2016). Further, when an employer adopts common policies that prevent employees from taking their rest breaks, it presents a common factual issue by which liability may follow. *See Jaimez v. Daiohs USA, Inc.*, 181 Cal.App.4th 1286, 1304 (2010). Indeed, "[t]he wage orders and governing statute do not countenance an employer's exerting coercion against the taking of, creating incentives to forego, or otherwise encouraging the skipping of legally protected breaks." *Brinker, supra*, 53 Cal.4th at 1040.

Plaintiff contends that Defendant's rest period practices are unlawful under California law and that Defendant did not authorize or permit Plaintiff or the class members' duty-free rest periods. Plaintiff alleges that he was never afforded a rest break at any time during his work shifts, and that taking breaks was discouraged based on the nature of the work. Plaintiff and the class members were also forced to remain on the premises and continue to be on-call during and attend to their work duties, which is "irreconcilable with employees' retention of freedom to use rest periods for their own purposes. *See Augustus, supra,* 2 Cal.5th at 270.

Defendant contends, on the other hand, that liability is tenuous at best because Defendant had a compliant rest period policy, employees attest when they submit their time that they were provided the opportunity to take compliant rest periods and if not, they will immediately notify HR in writing, and that Plaintiff would not be able to succeed on this claim because of numerous individual issues regarding why rest periods were not taken.

Plaintiff's counsel calculated total violations across the class, multiplied by an average rate of pay for the class members. As such, Class Counsel calculated the maximum verdict value of the rest period claims to be **$2.1 million**. Based on the difficulty of proving rest period violations on a classwide basis, and the lack of objective evidence proving such violations, Plaintiff believes that he had a five percent chance of recovering all of the rest period damages. As such, Plaintiff believes the reasonable exposure of the rest break claim is approximately **$105,000**. (Bartz Decl., ¶ 21.b.ii.).

3. Failure to Pay Meal and Rest Period Premiums At The Regular Rate

Plaintiff contends that Defendant failed to pay for missed meal and missed rest periods at the regular rate of pay. *See Ferra v. Loews Hollywood Hotel, LLC*, 11 Cal.5th 858, 878 (2021) (finding that "regular rate of compensation" in section 226.7(c) "has the same meaning as 'regular rate of pay' in section 510(a) and encompasses not only hourly wages but all nondiscretionary payments for work performed by the employee."). Based on Plaintiff's investigation and discovery, however, Defendant began paying meal and rest period premiums during the James class period, so Defendant's liability and damages would be reflected based on the meal and rest period analysis above. As such, there is no separate damages exposure here. (Bartz Decl., ¶ 21.c.).

4. Wage Statement Claim

Labor Code §226(a) states in pertinent part: "Every employer shall, semimonthly or at the time of each payment of wages, furnish each of his or her employees, either as a detachable part of the check, draft, or voucher paying the employee's wages, or separately when wages are paid by personal check or cash, an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, … (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer…, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee… ."

Plaintiff's theory of liability with respect to the paystub claim is twofold. ***First***, Plaintiff alleges that Defendant fails to set forth the proper regular rate when calculating overtime when bonuses and other non-discretionary compensation is paid. ***Second***, Plaintiff alleges that Defendant failed to set forth all premium payments for meal and rest period violations. In *Naranjo v. Spectrum Security Servs., Inc.*, 13 Cal.5th 93 (2022), the Court held that an

employer's obligation to report wages includes an obligation to report premium pay for meal and rest break violations. Plaintiff therefore contends that any time Defendant failed to do so here should result in paystub penalties.

Defendant argues that this derivative claim fails for the same reasons as the underlying claims and, even assuming there are any violations, which it denies, Defendant presents evidence of a good faith dispute as to any violation. *Hurst v. Buczek Enters., LLC,* 870 F.Supp.2d 810, 829 (N.D. Cal. 2012) (no section 226 violation where the employer "makes a good faith claim" in its defense); *Harris v. Vector Mktg. Corp.*, 656 F.Supp.2d 1128, 1146 (2009) (the "employer did not knowingly and intentionally fail to provide itemized wage statements" where there was a "good faith dispute").

Pursuant to Labor Code section 226, subd. (e)(1), employees are entitled to $50 for the initial pay period in which a violation occurs, and $100 per pay period for subsequent violations. Nevertheless, pursuant to *Amaral v. Cintas Corp. No. 2*, 163 Cal.App.4th 1157, 1209 (2008), the heightened penalty amount is not recoverable unless there is a showing of a prior citation or in the absence of a good faith dispute. *See also Bernstein v. Virgin America, Inc.*, 3 F.4th 1127, 1144 (9th Cir. 2021). Because there is no evidence here that Defendant has previously been cited with Labor Code violations, Class Counsel believes the $50 penalty to be applicable for all violations.

Based on the pay periods at issue here, Plaintiff calculated wage statement penalties by multiplying the total employee count during the statutory period by the total number of pay periods during that period. The maximum verdict value of the paystub penalties are approximately **$500,000**. Because this claim is derivative of the wage and meal and rest period claims above, Plaintiff believes that he has a five percent chance of recovering all of those penalties, or **$25,000**, based on the risks set forth above and Defendant's defenses. (Bartz Decl., ¶ 21.d.).

5. <u>Waiting Time Penalties</u>

Labor Code § 203 provides that if an employer willfully fails to pay, without abatement

or reduction, in accordance with *Labor Code* §§ 201 and 202, any wages of an employee who is discharged or who quits, the wages of the employee shall continue at the same rate, for up to thirty (30) days from the due date thereof, until paid or until an action therefore is commenced.

In *Naranjo, supra*, the Court held that failing to pay meal and rest period premium payments constituted "wages" for purposes of waiting time penalties. *Naranjo, supra*, 13 Cal.5th at 117. Defendant denies any violations whatsoever, and that even if such violations are proven, that Defendant has a good faith dispute regarding whether such wages are owed.

Class counsel determined that the total verdict value of this claim is approximately **$1 million**, based on termination counts provided, multiplied by the average daily rate per terminated employee and the maximum 30-day waiting time period. Class Counsel believes the reasonable settlement value is far less than the maximum amount because of the willfulness standard for proving such penalties. Plaintiff believes he has a five percent possibility of proving all such penalties. As such, Plaintiff believes the realistic value of the waiting time penalties are **$50,000**. (Bartz Decl., ¶ 21.e.).

6. Failure to Reimburse Expenses

Labor Code section 2802 provides, in pertinent part: "An employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer. . .." The purpose of section 2802 is "to prevent employers from passing their operating expenses on to their employees." *Gattuso v. Harte-Hanks Shoppers, Inc.*, 42 Cal.4th 554, 562 (2007).

Plaintiff alleges that he and the class members were required to use their own personal cell phones for their work, reimbursement was required. *See Cochran v. Schwan's Home Serv., Inc.*, 228 Cal. App. 4th 1137, 1144 (2014) (finding that reimbursement for personal cell phone usage required when mandatory for performing one's job). Additionally, Plaintiff alleges that he and other non-exempt employees were required to use their personal vehicles for work purposes without reimbursement.

Defendant contends that Plaintiff and the class were paid for all of their expenses, that they were not required to use their cell phone for work purposes, and any other expenses incurred were appropriately reimbursed.

Plaintiff allocates $15 per pay period for the reimbursement claim. As such, the value of this claim as calculated by Plaintiff is approximately $431,000. Based on the Defendant's defenses, and issues in proving the reimbursement claim on a classwide basis, Plaintiff alleges he has a ten percent chance of recovery here, and the realistic value of the reimbursement claim is therefore **$43,100**. (Bartz Decl., ¶ 21.f.).

7. PAGA

Plaintiff contends that PAGA penalties are owed based on the numerous alleged Labor Code violations identified above. Once a PAGA violation is found, a court must award civil penalties. *See Amaral v. Cintas Corp. No. 2*, 163 Cal.App.4th 1157, 1211-1213 (2008). Nevertheless, a court has discretion to reduce the award of civil penalties if it finds that "based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory." Cal. Lab. Code § 2699(e)(2).

Significantly, however, the California Supreme Court recently ruled that penalties may not accrue during a time when the law was unsettled, which it was in part during the pendency of this case. *See Naranjo v. Spectrum Security Services, Inc.*, 15 Cal.5th 1056 (2024) ("*Naranjo II*") (finding that employer's reasonable, good faith dispute precluded penalties from being awarded for failure to report meal and rest period payments on wage statements). As such, there is a very real possibility that a court would substantially reduce the PAGA penalties, even if they are proven. *See, e.g., Fleming v. Covidien, Inc.*, 2011 WL 7563047, *3-4 (C.D. Cal. 2011) (reducing penalties from $2.8 million to $500,000 based on wage statement violations because to assess full penalties would be unjust and arbitrary); *Thurman v. Bayshore Transit Mgmt., Inc.*, 203 Cal.App.4th 1112, 1134 (2012) (reduction of PAGA penalties by 30% affirmed on appeal). Defendant also contends that even if Plaintiff could prevail on one of his theories, any penalties would be substantially reduced based on Defendant's lawful policies that in many ways exceed

the requirements under California law.

Plaintiff calculated the maximum verdict value of the PAGA penalties as **$2 million**, based on assumed violations of Labor Code sections 1194, 512, 226.7 and 226, violations for each and every pay period at issue, stacking of penalties, heightened subsequent penalties, and a 100% violation rate. Plaintiff believes recovering all of these penalties is highly unlikely, and based on a Court's discretion to reduce such penalties, Plaintiff believes he had a five percent chance of recovering those penalties. As such, Plaintiff values the claim at **$100,000**. (Bartz Decl., ¶ 21.g.).

8. Total Damages Exposure[2]

Plaintiff believes that the **$225,000** settlement achieved in this case is a reasonable and adequate settlement for the class members. Based upon a realistic exposure of **$480,100**, the settlement represents approximately 47% of that total value. Given the many defenses raised, the uncertainty of the certifiability of any class, and the difficulty in proving the claims, Class Counsel believe this settlement is an excellent result for all of the class members. (Bartz Decl., ¶ 21.h.).

IV. CONDITIONAL CERTIFICATION OF THE CLASS

A. Class Certification Is Appropriate in this Case

The proposed settlement seeks conditional certification of the Class. The Class is defined as follows:

All current and former non-exempt employees who worked in California for Defendant during the Class Period (March 1, 2024 through December 8, 2025).

The certification of the Class is essential to the settlement. California public policy favors the use of the class action device. *Richmond v. Dart Industries* (1981) 29 Cal.3d 462,

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[2] The Unfair Competition claim is subsumed into the *Kullar* analysis above. The Unfair Competition claim is based upon the wage and hour violations, and adds an extra year of damages, and is included within the above analysis.

469. California Code of Civil Procedure section 382 authorizes class action suits in California when "the question is one of the common or general interest, of many persons, or when the parties are numerous, and it is impracticable to bring them all before the courts, one or more may sue or defend for the benefit of all." To obtain certification, a party must establish the existence of both an ascertainable class and a well-defined community of interest among class members. *Linder v. Thrifty Oil Co.* (2000) 23 Cal. 4th 429, 435. The "community of interest" requirement depends on three factors: (1) whether common issues of law or fact predominate; (2) whether the class representatives have claims that are typical of the class; and (3) whether the class representatives will adequately represent the class. *Richmond*, *supra*, 29 Cal.3d at 470. Because the policy of favoring use of class actions is so strong, any doubts as to the appropriateness of class treatment must be resolved in favor of certification, subject to later modification. *Richmond*, *supra*, 29 Cal.3d at 473-75. Except in extraordinary circumstances not present here, the trial court does not weigh the merits of the claims in ruling on a motion for class certification. *Linder*, *supra*, 23 Cal.4th at 443. The seminal California Supreme Court decision of *Sav-On Drug Stores, Inc. v. Superior Court* (2004) 34 Cal.4th 319, 326 has reemphasized the procedural nature of the certification motion.

B. The Proposed Class Is Ascertainable and Numerous

For a class to exist, the class description must be sufficiently definite so that it is administratively feasible for the court to determine whether a particular individual is a member of the proposed Class by reference to objective criteria. The class definition, as set forth in the parties Settlement Agreement and reiterated above, 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.* (1987) 191 Cal.App.3d 605, 617.)

Here, there are approximately 997 Class Members, all of whom have been identified by Defendant's employment and payroll records (*See* Bartz Decl., ¶ 22). This is sufficient to satisfy numerosity requirements. As a general matter, courts have found that numerosity is satisfied when class size exceeds 40 members, but not satisfied when membership dips below 21. *See*

Ansari v. New York Univ., 179 F.R.D. 112, 114 (S.D.N.Y. 1998) (citing a thorough review of cases in 5 MOORE'S FEDERAL PRACTICE §23.22[3][a] (Matthew Bender 3d ed. 1999)). The Ninth Circuit has not offered a precise numerical standard; other District Courts have, however, enacted presumptions that the numerosity requirement is satisfied by a showing of 25-30 members. *See, e.g., In re Kirschner Med. Corp. Sec. Litig.*, 139 F.R.D. 74, 78 (D. Md. 1991); *EEOC v. Printing Indus., Inc.*, 92 F.R.D. 51, 53 (D.D.C. 1981), *Slaven v. BP America, Inc.*, 190 F.R.D. 649, 654 (C.D. Cal. 2000).

C. Common Issues of Law or Fact Predominate

Common questions of law and fact predominate here for purposes of settlement, as the main issues involve the legality of Defendant's policies regarding the failure to pay all wages, failure to provide all legally compliant off duty and uninterrupted meal periods, the failure to provide all legally compliant off duty and uninterrupted paid rest periods, failure to timely furnish accurate itemized wage statements, and failure to timely pay all former employees all wages owed. (*See* Bartz Decl., ¶ 24). Whether each member of the Class might be required to ultimately justify an individual claim does not preclude maintenance of a class action (see, e.g. *Collins v. Rocha* (1972) 7 Cal.3d 232, 238). Plaintiff contends that these are all pay policy questions that are uniform and can be proven by common objective evidence. The evidence to support these claims consists of pay policies, payroll records, time records and pay stubs given to all Class Members. (*See* Bartz Decl., ¶ 25). In assessing whether common issues predominate over individual issues, it is not necessary that the Class Members' claims or their circumstances be identical. *L.A. Fire & Police Protective League* (1972) 23 Cal.App.3d 67, 74 (in an overtime action, the fact that there were 19 different subgroups of employees did not preclude finding that common issues predominated.) California law specifically authorizes class actions when a defendant's corporate policies result in injury to a group of plaintiffs. In *Stephens v. Montgomery Ward & Co., Inc.* (1987) 193 Cal.App.3d 411, 421, the court held that testimony from the class representative, coupled with proof of company-wide policies and practices, was sufficient to prove that common issues affecting the class of employees as a whole predominated over

individual issues. See *Sav-On*, *supra*, 34 Cal.4th 319.

D. Plaintiff's Claims Are Typical of the Class 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.* (1987) 191 Cal.App.3d 1341, 1347; *Classen v. Weller* (1983) 145 Cal.App.3d 27, 46. Here, Plaintiff class representative worked for Defendant in California as an hourly, non-exempt employee who worked during the Class Period and worked pursuant to Defendant's uniform pay, meal, and rest policies applicable to all hourly employees working within California (*See* Bartz Decl., ¶ 26).

E. Adequacy of Representation

Adequacy of representation depends on whether Plaintiff class representative and Plaintiff's attorneys are qualified to conduct the proposed litigation and whether the representative Plaintiff's interests are antagonistic to those of the Class. In this case, the representative Plaintiff has the same injuries and damages similar to those of the Class he seeks to represent, he has agreed to act as a class representative and in the best interests of the class, and Plaintiff has no claims that are antagonistic to the Class. (*See* generally Dhaliwal Decl.). Plaintiff's counsel are also very experienced and qualified, and have been approved to act as class counsel in numerous class and representative actions. (*See* Bartz Decl., ¶¶ 27-29; Declaration of Walter Haines ("Haines Decl."), ¶¶ 3-6).

V. THE CLASS ACTION SETTLEMENT MEETS THE REQUIREMENTS FOR PRELIMINARY APPROVAL

When a proposed class action settlement is reached, the settlement must be submitted to the court for approval. H. Newberg & A. Conte, *Newberg on Class Actions* at § 11.41, p. 11-87 (3d ed. 1992). Review of a proposed class action settlement involves two hearings. First, the settlement must be preliminarily approved by the court. Second, a final settlement approval hearing is set, where evidence and argument are submitted concerning the fairness, adequacy,

and reasonableness of the settlement, and class members may be heard regarding the settlement. See Manual for Complex Litigation, Fourth §§ 21.632-21.633 (2004).

The question presented on a motion for preliminary approval of a proposed class action settlement is whether the proposed settlement is "within the range of possible approval." *Manual for Complex Litigation*, Fourth, § 21.632 at 321; *Gautreaux v. Pierce*, 690 F.2d 616, 621 n.3 (7th Cir. 1982). Preliminary approval is merely the prerequisite to giving notice so that "the proposed settlement...may be submitted to members of the prospective Class for their acceptance or rejection." *Philadelphia Housing Authority v. American Radiator & Standard Sanitary Corp.*, 323 F.Supp. 364, 372 (E.D. Pa. 1970). The court must determine whether the settlement is fair, adequate, and reasonable. *See Dunk v. Ford Motor Co.*, 48 Cal. App. 4th 1794, 1801 (1996) *citing Officers for Justice v. Civil Service Com'n*, 688 F.2d 615, 625 (9th Cir. 1982) and Fed. R. Civ. Proc. 23(e). There is an initial presumption of fairness when a proposed settlement, which was negotiated at arm's length by counsel for the Class, is presented for court approval. *Newberg, supra*, §11.41, p. 11-88. However, the ultimate question of whether the proposed settlement is fair, reasonable and adequate is made after notice of the settlement is given to the class members and a final settlement hearing is held by the court.

A. The Role Of The Court In Preliminary Approval Of A Class Action Settlement

The approval of a proposed settlement of a class action suit is a matter within the broad discretion of the trial court. *Wershba v. Apple Computer, Inc.*, 91 Cal. App. 4th 224, 234-235 (2001); *Dunk*, 48 Cal. App. 4th at 1801. Preliminary approval does not require the trial court to answer the ultimate question of whether a proposed settlement is fair, reasonable and adequate. That determination is made only after notice of the settlement has been given to the class members and after they have been given an opportunity to voice their views of the settlement or to be excluded from the settlement. *See, e.g.*, J. Moore, Moore's Federal Practice §§ 23.80-23.85 (2003). With regard to class action settlements, the opinions of counsel should be given

considerable weight both because of counsel's familiarity with the litigation and previous experience with cases such as these. *See Officers for Justice, supra*, 688 F.2d at 625.

B. Factors To Consider In Granting Preliminary Approval

A number of factors are to be considered in evaluating a settlement for purposes of preliminary approval. No one factor should be determinative, but rather all factors should be considered. These criteria have been summarized as follows:

If the proposed settlement is the product of serious, informed, noncollusive negotiations, has no obvious deficiencies, does not improperly grant preferential treatment to class representatives or segments of the class, and falls within the range of possible approval, the court should direct notice to be given to the class members of a formal fairness hearing, at which evidence may be presented in support of and in opposition to the settlement.

Manual of Complex Litigation, Second §30.44, at 229. This settlement meets all of these criteria.

1. The settlement is the product of serious, informed, and non-collusive negotiations

This settlement is the result of extensive and hard-fought negotiations. Defendant has denied and continues to deny all of the claims and contentions alleged in this case. Nonetheless, Defendant has agreed to settle this case in the manner and upon the terms and conditions set forth in the Settlement Agreement in order to avoid the expense, inconvenience, and burden of further legal proceedings, and the uncertainties of trial and appeals.

Class Counsel are also mindful of and recognize the inherent problems of proof under, and alleged defenses to, the claims asserted in the case. Based upon their evaluation, Plaintiff and Class Counsel have determined that the settlement set forth in the Settlement Agreement is in the best interest of the Class Members.

Here, the litigation has been hard fought and displayed capable and experienced advocacy on both sides. "There is likewise every reason to conclude that settlement negotiations

were vigorously conducted at arm's length and without any suggestion of undue influence." *In re Wash. Public Power Supply System Sec. Litig.*, 720 F. Supp. 1379, 1392 (D. AZ 1989).

2. The settlement has no "obvious deficiencies" and falls within the range for approval

The proposed settlement herein also has "no obvious deficiencies" and is well within the range of permissible compromise. This settlement, which represents approximately 39% of the claimed exposure faced by Defendant, is entitled to preliminary approval. *See, e.g., Glass v. UBS Fin. Servs.*, 2007 WL 221862, *4 (N.D. Cal. Jan. 26, 2007) (approving settlement of unpaid overtime wages where the settlement amount constituted approximately 25- 35% of the estimated actual loss to the class). Each Settlement Class Member will receive the same opportunity to participate in and receive payment. Clearly, the goal of this litigation, to seek redress for the Class, has been met.

Where both sides face significant uncertainty, the attendant risks favor settlement. *Hanlon v. Chrysler Com.*, 150 F.3D 1011, 1026 (9th Cir. 1998). Here, Defendant has maintained that its wage and hour policies comply with California law. Notwithstanding the risk of continuing to litigate this case, after vigorous, arms-length negotiations that included an all day mediation, the parties reached a proposed settlement of $225,000, where each member of the Class will receive payment unless the class member opts out of the settlement.

3. No preferential treatment is given to the class representatives or other members of the class

All of the class members will share in the settlement according to the number of workweeks worked during their employment with Defendant. The compensation formula is objective, justified, and reasonable in this case, and does not improperly grant preferential treatment to any class member.

4. The parties engaged in adequate discovery prior to settlement

The agreement to settle did not occur until Class Counsel possessed sufficient information to make an informed judgment regarding the likelihood of success on the merits and

the results that could be obtained through further litigation. Class Counsel developed strong legal theories for their case, and engaged in informal discovery, including reviewing and analyzing payroll and time records, employment policies and manuals, and related documentation produced by Defendant.

Based on the foregoing data and their own independent investigation and evaluation, Class Counsel is of the opinion that the settlement with Defendant for the consideration and on the terms set forth in the Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the class in light of all known facts and circumstances, including the risk of significant delay, defenses asserted by Defendant, and numerous issues that could be raised on appeal and potential appeals down the road. Defendant and its counsel also agree that the settlement is fair and in the best interest of the Settlement Class Members.

5. The class representative service payment is reasonable

The class representative has spent many hours reviewing documents produced by Defendant, conferring with Class Counsel, and attending mediation, to achieve the result herein. But for the class representative, this settlement would not have been reached. The proposed class representative service award payment for Plaintiff is intended to recognize his initiative, risk, and efforts on behalf of the Settlement Class. Courts routinely approve class representative service payments, also known as incentive awards, to compensate named plaintiffs for the services they provide and the risks they incur during class action litigation. *See In re Cellphone Fee Termination Cases*, 186 Cal. App. 4th 1380, 1393 (2010); *see also Bell v. Farmers Ins. Exch.*, 115 Cal. App. 4th 715, 726 (2004) (upholding "service payments" to named plaintiffs for efforts in bringing the case); Manual for Complex Litigation, § 21.62, n. 971 (noting that such awards "may sometimes be warranted for time spent meeting with Class Members, monitoring cases, or responding to discovery").

6. Plaintiff's counsel's attorney's fees and costs are reasonable

California courts have recognized that an appropriate method for determining an award of attorneys' fees is based on a percentage of the total value of benefits to class members by the

settlement. *Serrano v. Priest,* 20 Cal.3d 25, 34 (1977); *Vincent v. Hughes Air West, Inc.*, 557 F.2d 759, 769 (9th Cir. 1977). The purpose of this equitable doctrine is to avoid unjust enrichment of counsel and to "spread litigation costs proportionally among all the beneficiaries so that the active beneficiary does not bear the entire burden alone." *Vincent*, 557 F.2d at 769.

Class Counsel has extensive experience in employment litigation and has successfully handled wage and hour class actions. Class Counsel seeks up to one-third of the Settlement Amount for attorney's fees. Such a percentage is regularly granted in wage and hour class actions. (*See, e.g.*, Rubinstein, Conte and Newberg, Newberg on Class Actions at § 14:6 [surveying cases, and finding that 30-50% of fees awarded in cases in which the common fund is relatively small]; *see also In re Ampicillin Antitrust Litigation* (D.D.C. 1981) 526 F.Supp. 494 [court approved attorney fee award equal to 45% of the settlement fund].)

Moreover, Class Counsel seeks costs not to exceed $15,000, plus class administrator expenses not to exceed $11,500, which Defendant has agreed to pay out of the settlement amount. All such costs, as well as the class administrator's expenses to oversee the class notice procedure and remit the settlement fund to the class, are reasonably necessary in prosecuting this action.

VI. THE PROPOSED CLASS NOTICE IS FAIR AND APPROPRIATE

The method and content of a Notice of Settlement to class members should be designed to fairly apprise them of the terms of the proposed settlement and options available to them. *See Philadelphia Housing Authority v. American Radiators& Standard Sanitary Corp.*, 323 F. Supp. 364, 378 (E.D. Pa. 1970). An appropriate notice is one which has a reasonable chance of reaching a substantial percentage of the class members. *See Cartt v. Superior Court*, 50 Cal. App. 3d 960, 974 (1975).

The proposed Notice of Class Settlement is fair and reasonable in this case. It describes the nature of the lawsuit, the Settlement Class, the settlement amount, the proposed plan of allocation of the settlement amount, and the attorneys' fees that Class Counsel may receive. The proposed notice also describes the Settlement Agreement in sufficient detail to allow the

Settlement Class Members to make an informed choice to accept or reject it. The proposed Notice also contains information on opting out of the Class, objecting to the settlement, and sets forth the schedule for the final approval hearing.

Moreover, the parties propose that the Notice be mailed by the Claims Administrator to all Class members at the last known address maintained by Defendant, and updated by the Claims Administrator, if necessary, after accessing the National Change of Address database. In the event the Notice of Settlement is returned as undeliverable, the Claims Administrator will perform a skip-trace procedure, and if such procedure reveals a new address, the Claims Administrator will re-mail the Notice within five days.

In summary, the proposed notice here describes the proposed settlement with enough specificity to permit class members to make an informed decision whether to participate in the settlement.

VII. CONCLUSION

Based on the foregoing, Plaintiff respectfully requests that this Court preliminarily approve the Settlement, approve the Notice of Settlement, and set the date and time for the Final Approval Hearing.

Dated: April 10, 2026

BARTZ LAW GROUP, APC
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/s/Aaron A. Bartz
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