Preliminary Approval of Class Action Settlement
Department SSC-9
Hon. Elaine Lu

<u>Marlon Perez v. Kuhns Enterprises, Inc.</u>
Case No.: 25STCV06393
Hearing: April 29, 2026

<u>FINAL RULING</u>

The Parties' Motion for Preliminary Approval of Class Action Settlement is GRANTED as the settlement is fair, adequate, and reasonable.

The essential terms of the Settlement Agreement are:

- The Gross Settlement Amount ("GSA") is **$750,000**, non-reversionary. (¶4.1)
    - Escalator Clause: Based on its records, Defendant initially estimated that there are approximately 1,142 Class Members who worked a total of 75,306 Workweeks during the Class Period. The Settlement provides that if the actual number of Workweeks worked during the Class Period is more than 10 percent greater that this figure (i.e., there are 82,837 or more Workweeks worked by the Class Members), Defendant shall have the sole option to: (i) cut off the Class Period, PAGA Period, and release periods on the date on which the aggregate workweeks is closest to, without exceeding, 82,837 Workweeks worked by the Class Members; or (ii) increase the Gross Settlement Amount on a proportional percentage basis (i.e., if there was a 11% increase in the number workweeks during the Class Period, Defendant would agree to increase the Gross Settlement Amount by 11%). (¶9) At the April 29, 2026 hearing, Defendant's counsel indicated in open court that the escalator has been triggered, and Defendant has opted to cut short the class period at February 8, 2026. The Parties agreed in open court that there will be no change to the Gross Settlement Amount or any other change.

- The Parties will request the Court to approve and award the following payments and deductions to be made from the GSA:
    - Up to **$250,000** (33 1/3%) for attorney fees (¶4.2.2);
    - Up to **$30,000** for attorney costs (*Ibid*.);
    - Up to **$15,000 total [$7,500 each]** for a service award to each proposed class representative (¶4.2.1);

- Up to **$16,500** for settlement administration costs (¶4.2.3); and
- Payment of **$50,000** PAGA penalty (65% or $32,500 to the LWDA). (¶4.2.7)

- Defendant will separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. (¶4.1)

- Plaintiffs shall release Defendants from claims described in the Settlement.

The Parties' Motion for Final Approval of Class Action Settlement must be filed by ***August 10, 2026*** and will be heard on ***September 22, 2026*** at 8:30 AM**.** *Failure to file the Parties' Motion for Final Approval of Class Action Settlement by this deadline will result in a continuance of the final approval hearing to the Court's first available hearing date, which could be months after the hearing date noted here.* Prior to filing the moving papers, Plaintiff must contact the court staff for Department 9 to obtain a briefing schedule, which must be included in the caption of the moving papers.

The Parties' Motion for Final Approval of Class Action Settlement must include a concurrently lodged **single document** that constitutes a [Proposed] Order and Judgment containing among other things, the class definition, full release language, and names of the any class members who opted out.

A Non-Appearance Case Review is set for ***August 17, 2026***, at 8:30 a.m., Department 9 re filing of Motion for Final Approval of Class Action Settlement.

BACKGROUND

Plaintiffs Marlon Perez and Berenice Quiroz sue their former employer, Defendant Kuhns Enterprises, Inc. dba Brand Enhance Parking & Hospitality ("Defendant" or "Kuhns"), for alleged wage and hour violations. Defendant is a hospitality parking management company. Plaintiffs seek to represent a class of Defendant's current and former non-exempt employees.

On March 6, 2025, Plaintiff Perez commenced this Action by filing a Complaint alleging causes of action against Defendant for: (i) failure to pay all minimum wages owed; (ii) failure to pay all overtime wages owed; (iii) failure to provide meal periods; (iv) failure to authorize and permit rest periods; (v) failure to provide accurate, itemized wage statements; (vi) failure to pay sick pay wages at the correct rate of pay; (vii) failure to indemnify all necessary business expenditures; and (viii) unfair competition.

Pursuant to Labor Code section 2699.3, subd.(a), on March 6, 2025, Plaintiff Marlon Perez gave timely written notice to Defendant and the LWDA by sending the PAGA Notice. On May 13, 2025, Plaintiff filed a Representative PAGA Action Complaint.

On March 11, 2026, pursuant to the instant settlement, and the Parties' joint stipulation, Plaintiff Perez filed a First Amended Complaint adding Plaintiff Quiroz as a named Plaintiff and adding the PAGA claim.

On October 15, 2025, a mediation was held with Kevin Barnes, which ultimately resulted in settlement. The terms of settlement were finalized in the long-form *Class Action and PAGA Settlement Agreement*, a copy of which is attached to the Declaration of Scott M. Lidman ("Lidman Decl.") as Exhibit 2.

Now before the Court is the Motion for Preliminary Approval of the Settlement Agreement.

SETTLEMENT CLASS DEFINITION

- "Class" means all individuals whom Defendant Kuhns Enterprises, Inc. dba Brand Enhance Parking & Hospitality classified as non-exempt employees and who worked for Defendant in California at any time during the Class Period. (¶1.5)
    - "Class Period" means the period of time starting on March 6, 2021 and ending on February 8, 2026 (pursuant to Defendant's election to cut short the class period under the escalator clause). (¶1.12)
- "Aggrieved Employee" means all individuals whom Defendant Kuhns Enterprises, Inc. dba Brand Enhance Parking & Hospitality classified as non-exempt employees and who worked for Defendant in California at any time during the PAGA Period. (¶1.4)
    - "PAGA Period" means the period of time starting on March 6, 2024 and ending on February 8, 2026 (pursuant to Defendant's election to cut short the class period under the escalator clause). (¶1.36)
- "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement. (¶1.35)

TERMS OF SETTLEMENT AGREEMENT

The essential terms are as follows:

- The Gross Settlement Amount ("GSA") is **$750,000**, non-reversionary. (¶4.1)
    - Escalator Clause: Based on its records, Defendant initially estimated that there are approximately 1,142 Class Members who worked a total of 75,306 Workweeks during the Class Period. The Settlement provides that if the actual number of Workweeks worked during the Class Period is more than 10 percent greater that this figure (i.e., there are 82,837 or more Workweeks worked by the Class Members), Defendant shall have the sole option to: (i) cut off the Class Period, PAGA Period, and release periods on the date on which the aggregate workweeks is closest to, without exceeding, 82,837 Workweeks worked by the Class Members; or (ii) increase the Gross Settlement Amount on a proportional percentage basis (i.e., if there was a 11% increase in the number workweeks during the Class Period, Defendant would agree to increase the Gross Settlement Amount by 11%). (¶9) At the April 29, 2026 hearing, Defendant's counsel indicated in open court that the escalator has been triggered, and Defendant has opted to cut short the class period at February 8, 2026. The Parties agreed in open court that there will be no change to the Gross Settlement Amount or any other change.

- The Net Settlement Amount ("Net") (**$388,500**) is the GSA minus the following:
    - Up to **$250,000** (33 1/3%) for attorney fees (¶4.2.2);
    - Up to **$30,000** for attorney costs (*Ibid*.);
    - Up to **$15,000 total [$7,500 each]** for a service award to each proposed class representative (¶4.2.1);
    - Up to **$16,500** for settlement administration costs (¶4.2.3); and
    - Payment of **$50,000** PAGA penalty (65% or $32,500 to the LWDA). (¶4.2.7)
- Defendant will separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. (¶4.1)
- There is no claim form requirement. (¶4.1)
- Individual Settlement Payment Calculation: Each Participating Settlement Class Member will receive an Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks. (¶4.2.4) Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis. (¶4.2.6)
    - PAGA Payments: The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees 35 percent share of PAGA Penalties ($17,500.00) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee PAGA Period Pay Periods. (¶4.2.7.1)
    - Tax Allocation**:** Each Participating Class Member's Individual Class Payment will be allocated as 33% to wages, 67% to interest and penalties (¶4.2.5). The Administrator will report the Individual PAGA Payments on IRS 1099 Forms. (¶4.2.7.2)
- "Response Deadline" means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice is resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired. (¶1.45) The same deadline applies to the submission of workweek disputes. (¶8.6)
- Funding of Settlement**:** Defendant shall fully fund the Gross Settlement Amount, and any amounts necessary to fully pay Defendant's share of payroll taxes, by transmitting the funds to the Administrator by no later than fourteen days after the Effective Date. (¶5.3)
- Disbursement: Within 14 days after Defendant fully funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class

Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payments shall not precede disbursement of Individual Class Payments and Individual PAGA Payments. (¶5.4)

- Uncashed Settlement Checks: The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. (¶5.4.1) For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b). (¶5.4.3)
- The settlement administrator will be Phoenix Settlement Administrators. (¶1.2)
- The proposed settlement was submitted to the LWDA on March 20, 2026. (Proof of Service on LWDA filed 3/20/2026.)
- Participating class members and the named Plaintiffs will release certain claims against Defendant. (See further discussion below)

<u>ANALYSIS OF SETTLEMENT AGREEMENT</u>

1. <u>Does a presumption of fairness exist?</u>

1. <u>Was the settlement reached through arm's-length bargaining?</u> On October 15, 2025, a mediation was held with Kevin Barnes, which ultimately resulted in settlement. (Lidman Decl., ¶12.)

2. <u>Were investigation and discovery sufficient to allow counsel and the court to act intelligently?</u> Class Counsel represents that in advance of mediation, Defendant produced timekeeping and payroll data for a 20% sampling of the putative class, as well as its wage and hour policies and other relevant documents and information relevant to the claims alleged. also provided Plaintiffs the necessary metrics, including without limitation, class size for the relevant time periods. The key data points coupled with the data enabled Plaintiffs to extrapolate for the entire relevant time period and aided in Plaintiffs' creation of a class-wide exposure model for all the claims at issue, including unpaid wages, meal and rest period premiums, and penalties potentially owed for alleged unpaid overtime wages, and meal and rest period violations. (*Id.* at ¶11.)

3. <u>Is Class Counsel experienced in similar litigation?</u> Class Counsel is experienced in class action litigation, including wage and hour class actions. (*Id.* at ¶8; Declaration of Paul K. Haines, ¶6.)

4. <u>What percentage of the class has objected?</u> This cannot be determined until the fairness hearing. See Weil & Brown, Cal. Practice Guide: Civil Procedure Before Trial (The Rutter Group 2014) ¶ 14:139.18, ("Should the court receive objections to the proposed settlement, it will consider and either sustain or overrule them at the fairness hearing.").

<u>CONCLUSION:</u> The settlement is entitled to a presumption of fairness.

2. <u>Is the settlement fair, adequate, and reasonable?</u>

1. Strength of Plaintiff's case. "The most important factor is the strength of the case for plaintiff on the merits, balanced against the amount offered in settlement." (*Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 130.) Here, Class Counsel has provided information, summarized below, regarding the estimated values of the class claims alleged:

Violation	Maximum Exposure	Realistic Exposure
Unpaid Wages	$421,194.00	$66,338.06
Meal Period Violations	$1,148,684.00	$206,763.12
Rest Period Violations	$5,613,628.00	$589,430.94
Wage Statement Violations	$1,353,600.00	$236,880.00
Reimbursement for Business Expenses	$1,175,192.00	$185,092.74
Waiting Time Penalties	$2,250,230.00	$275,653.18
PAGA Penalties	$4,981,900.00	$784,649.25
Total	**$16,944,428.00**	**$2,344,807.29**

(Lidman Decl., ¶¶16-30.)

2. Risk, expense, complexity and likely duration of further litigation. Given the nature of the class claims, the case is likely to be expensive and lengthy to try. Procedural hurdles (e.g., motion practice and appeals) are also likely to prolong the litigation as well as any recovery by the class members.

3. Risk of maintaining class action status through trial. Even if a class is certified, there is always a risk of decertification. (See *Weinstat v. Dentsply Intern., Inc*. (2010) 180 Cal.App.4th 1213, 1226 ("Our Supreme Court has recognized that trial courts should retain some flexibility in conducting class actions, which means, under suitable circumstances, entertaining successive motions on certification if the court subsequently discovers that the propriety of a class action is not appropriate.").)

4. Amount offered in settlement. Class Counsel estimated Defendant's maximum damages at $16,944,428 and realistic damages at $2,344,807.29. Class Counsel obtained a settlement valued at $750,000. This is approximately 4.4% of Plaintiffs' potential maximum recovery and 32% of the estimated realistic recovery which, given the uncertain outcomes, is within the "ballpark" of reasonableness.

The settlement amount, if reduced by the requested deductions, leaves approximately $388,500 to be divided among approximately 1,142 class members. Assuming full participation, the resulting payments will average approximately $340.19 per class member.

5. Extent of discovery completed and stage of the proceedings. As indicated above, at the time of the settlement, Class Counsel had conducted sufficient discovery.

6. Experience and views of counsel. The settlement was negotiated and endorsed by Class Counsel who, as indicated above, is experienced in class action litigation, including wage and hour class actions.

7. Presence of a governmental participant. This factor is not applicable here.

8. Reaction of the class members to the proposed settlement. The class members' reactions will not be known until they receive notice and are afforded an opportunity to object, opt-out and/or submit claim forms. This factor becomes relevant during the fairness hearing.

CONCLUSION: The settlement can be preliminarily deemed "fair, adequate, and reasonable."

3. Scope of the release

Releases of Claims: Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows: (¶6)

- Release By Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and/or ascertained in the course of the Action and which occurred during the Class Period. The claims released include, without limitation: (1) failure to pay all minimum wages owed; (2) failure to pay all overtime wages owed; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to provide accurate, itemized wage statements; (6) failure to pay sick wages at the correct rate; (7) failure to indemnify all necessary business expenses; and (8) unfair competition in violation of Business and Professions Code section 17200, et seq. premised on the above claims; and violation of or liability under California Labor Code under sections 204, 226 et seq., 226.7, 510, 512, 516, 558, 1194, 1194.2, 1197, 1198, 2802, and the relevant Wage Orders issued by the Except as set forth in Section 6.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period. (¶6.2)
- Release by Aggrieved Employees: All Aggrieved Employees release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and/or the PAGA Notice and/or ascertained in the course of the Action and which occurred during the PAGA Period. The claims released include, without limitation: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods or pay meal period premiums; (4) failure to provide all legally required rest periods or pay rest period premiums; (5) failure to provide accurate, itemized wage statements; (6) failure to pay sick wages at the correct rate; (7) failure to reimburse necessary business expenditures; and (8) failure to maintain accurate records, and the relevant Wage Orders issued by the Industrial Welfare Commission, and any and all related claims for attorneys' fees and costs. (¶6.3)
    - "PAGA Notice" means Plaintiff Marlon Perez March 6, 2025 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a). (¶1.33)

- Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 6.3 of this Agreement and are eligible for an Individual PAGA Payment. (¶8.5.4)

- "Released Parties" means: Defendant and its respective former, current and future parent companies, subsidiaries, affiliates, shareholders, managers, members, agents, principals, heirs, representatives (including, without limitation, any investment bankers, accountants, auditors, consultants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees) predecessors, successors, and assigns. (¶1.43)
- Named Plaintiffs will also provide a general release and CC § 1542 waiver. (¶6.1)

4. May conditional class certification be granted?

1. Standards

A detailed analysis of the elements required for class certification is not required, but it is advisable to review each element when a class is being conditionally certified (*Amchem Products, Inc. v. Winsor* (1997) 521 U.S. 620, 622-627.) The trial court can appropriately utilize a different standard to determine the propriety of a settlement class as opposed to a litigation class certification. Specifically, a lesser standard of scrutiny is used for settlement cases. (*Dunk* at 1807, fn 19.) Finally, the Court is under no "ironclad requirement" to conduct an evidentiary hearing to consider whether the prerequisites for class certification have been satisfied. (*Wershba* at 240.)

2. Analysis

a. Numerosity. There are approximately 1,142 putative Class Members. (Lidman Decl., ¶14.) This element is met.

b. Ascertainability. The proposed class is defined above. The class definition is "precise, objective and presently ascertainable." (*Sevidal v. Target Corp.* (2010) 189 Cal.App.4th 905, 919.) The class members are identifiable from Defendant's records. (Lidman Decl., ¶14.)

c. Community of interest. "The community of interest requirement involves three factors: '(1) predominant common questions of law or fact; (2) class representatives with claims or defenses typical of the class; and (3) class representatives who can adequately represent the class.'" (*Linder v. Thrifty Oil Co.* (2000) 23 Cal.4th 429, 435.)

As to predominant questions of law or fact, Plaintiffs allege Class Members' claims arise from Defendant's common, uniform policies and practices that applied to Class Members during the class period. Specifically, Plaintiffs alleged that Defendant's common and uniform policies and practices resulted in the following violations: (1) failure to pay all minimum wages owed; (2) failure to pay all overtime wages owed; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to provide accurate, itemized wage statements; (6) failure to reimburse necessary business expenses; (7) waiting time penalties; (8) unfair competition; and (9) liability for civil penalties under the PAGA. As a result of the common and uniform policies and practices that applied to all

Class Members, their claims involve common questions of law and fact as to whether in fact Defendant committed these alleged violations. (Memo ISO Prelim at 19:5-14.)

As to typicality, Plaintiffs' claims are typical of those held by the members of the proposed Class. Plaintiffs were employed by Defendant during the Class Period as non-exempt employees and were subject to Defendant's wage and hour policies at issue in this case. Plaintiffs were allegedly injured by the same challenged policies that allegedly injured the Class as a whole. Given that Defendant's policies and practices applied to all non-exempt employees, Class Members possess a similar interest and have suffered similar alleged injuries as Plaintiffs. (*Id*. at 19:16-24.)

As to adequacy, each Plaintiff represents that he or she has participated in the litigation and is aware of the risks and duties of serving as class representative. (Declarations of Marlon Perez, Berenice Quiroz.)

d. Adequacy of class counsel. As indicated above, Class Counsel has shown experience in class action litigation, including wage and hour class actions.

e. Superiority. Given the relatively small size of the individual claims, a class action appears to be superior to separate actions by the class members.

CONCLUSION: The class is conditionally certified as the prerequisites of class certification have been satisfied.

5. Is the notice proper?

1. Content of class notice. The proposed notice is attached to the Settlement Agreement. Its content appears to be acceptable. It includes information such as: a summary of the litigation; the nature of the settlement; the terms of the settlement agreement; the proposed deductions from the gross settlement amount (attorney fees and costs, enhancement awards, and administration costs); the procedures and deadlines for participating in, opting out of, or objecting to, the settlement; the consequences of participating in, opting out of, or objecting to, the settlement; and the date, time, and place of the final approval hearing.

Notice will be given in English and Spanish. (¶1.11)

2. Method of class notice.

Not later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. (¶5.2) Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first- the Class Notice. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database. (¶8.4.2)

Not later than 3 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time. (¶8.4.3)

The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is remailed. (¶8.4.4) Notice of Final Judgment will be posted on the Settlement Administrator's website. (¶8.9)

3. Cost of class notice. As indicated above, settlement administration costs are estimated not to exceed **$16,500.** Prior to the time of the final fairness hearing, the administrator must submit a declaration attesting to the total costs incurred and anticipated to be incurred to finalize the settlement for approval by the Court.

6. Attorney fees and costs

CRC rule 3.769(b) states: "Any agreement, express or implied, that has been entered into with respect to the payment of attorney fees or the submission of an application for the approval of attorney fees must be set forth in full in any application for approval of the dismissal or settlement of an action that has been certified as a class action."

Ultimately, the award of attorney fees is made by the court at the fairness hearing, using the lodestar method with a multiplier, if appropriate. (*PLCM Group, Inc. v. Drexler* (2000) 22 Cal.4th 1084, 1095-1096; *Ramos v. Countrywide Home Loans, Inc*. (2000) 82 Cal.App.4th 615, 625-626; *Ketchum III v. Moses* (2000) 24 Cal.4th 1122, 1132-1136.) Despite any agreement by the parties to the contrary, "the court ha[s] an independent right and responsibility to review the attorney fee provision of the settlement agreement and award only so much as it determined reasonable." (*Garabedian v. Los Angeles Cellular Telephone Company* (2004) 118 Cal.App.4th 123, 128.)

The question of whether Class Counsel is entitled to **$250,000** (33 1/3%) in attorney fees will be addressed at the fairness hearing when class counsel brings a noticed motion for attorney fees. Class counsel must provide the court with billing information so that it can properly apply the lodestar method and must indicate what multiplier (if applicable) is being sought as to each counsel.

Fee Split: Pursuant to a written fee split agreement, the proposed attorneys' fees will be split by the attorneys involved in this matter as follows: 29% to Lidman Law, APC; 43.5% to Haines Law Group, APC; and 22.5 % to Dash & Port, LLP; and 5% to Michael Burgis & Associates, PC. (Notice, p. 4.) Plaintiffs have provided written approval of the split of attorneys' fees in this action. (Lidman Decl., ¶32.)

Class Counsel should also be prepared to justify the costs sought (capped at **$30,000**) by detailing how they were incurred.

7. Incentive Awards

The Settlement Agreement provides for enhancement awards of up to **$7,500 each** to the named Plaintiffs. In connection with the final fairness hearing, named Plaintiffs must submit a declaration attesting to why he or she should be entitled to an enhancement award in the proposed amount. The named Plaintiff must explain why he or she "should be compensated for the expense or risk she has incurred in conferring a benefit on other members of the class." (*Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785, 806.) Trial courts should not sanction enhancement awards of thousands of dollars with "nothing more than *pro forma* claims as to 'countless' hours expended, 'potential stigma' and 'potential risk.' Significantly more specificity, in the form of quantification of time and effort expended on the litigation, and in the form of reasoned explanation of financial or other risks incurred by the named plaintiff, is required in order for the trial court to conclude that an enhancement was 'necessary to induce [the named plaintiff] to participate in the suit . . . .'" (*Id.* at 806-807, italics and ellipsis in original.) The Court will decide the issue of the enhancement awards at the time of final approval.

CONCLUSION AND ORDER

The Parties' Motion for Preliminary Approval of Class Action Settlement is GRANTED as the settlement is fair, adequate, and reasonable.

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    - Up to **$250,000** (33 1/3%) for attorney fees (¶4.2.2);

    - Up to **$30,000** for attorney costs (*Ibid*.);

    - Up to **$15,000 total [$7,500 each]** for a service award to each proposed class representative (¶4.2.1);

    - Up to **$16,500** for settlement administration costs (¶4.2.3); and

  - Payment of **$50,000** PAGA penalty (65% or $32,500 to the LWDA). (¶4.2.7)

- Defendant will separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. (¶4.1)

- Plaintiffs shall release Defendants from claims described in the Settlement.

The Parties' Motion for Final Approval of Class Action Settlement must be filed by ***August 10, 2026***and will be heard on ***September 22, 2026*** **at 8:30 AM.** *Failure to file the Parties' Motion for Final Approval of Class Action Settlement by this deadline will result in a continuance of the final approval hearing to the Court's first available hearing date, which could be months after the hearing date noted here.* Prior to filing the moving papers, Plaintiff must contact the court staff for Department 9 to obtain a briefing schedule, which must be included in the caption of the moving papers.

The Parties' Motion for Final Approval of Class Action Settlement must include a concurrently lodged **single document** that constitutes a [Proposed] Order and Judgment containing among other things, the class definition, full release language, and names of the any class members who opted out.

A Non-Appearance Case Review is set for ***August 17, 2026***,at 8:30 a.m., Department 9 re filing of Motion for Final Approval of Class Action Settlement.

The Judicial Assistant is to give notice to Counsel for Plaintiff who is ordered to give further and formal notice to all other parties and file proof of service of such within 10 days.

IT IS SO ORDERED.

DATED: April 29, 2026

Elaine Lu / Judge
Judge of the Superior Court