Kane Moon (SBN 249834)
E-mail: kmoon@moonlawgroup.com
Allen Feghali (SBN 301080)
E-mail: afeghali@moonlawgroup.com
Enzo Nabiev (SBN 332118)
E-mail: enabiev@moonlawgroup.com
Michael E. Braud (SBN 345573)
E-mail: mbraud@moonlawgroup.com
MOON LAW GROUP, PC
725 S. Figueroa Street, 31st Floor
Los Angeles, California 90017
Telephone: (213) 232-3128
Facsimile: (213) 232-3125

Attorneys for Plaintiff Gerardo Tamayo

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

GERARDO TAMAYO, individually, and on behalf of all others similarly situated,

Plaintiff,

vs.

CONSTRUCTION AND DEMOLITION RECYCLING, INC., a California corporation; INTERIOR REMOVAL SPECIALIST, INC., a California corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No.: 25STCV06252

REPRESENTATIVE ACTION

DECLARATION OF KANE MOON IN SUPPORT OF MOTION FOR APPROVAL OF PAGA SETTLEMENT

[Filed with (1) Plaintiff's Notice of Motion and Motion for Approval of PAGA Settlement, (2) the Declaration of Plaintiff, (3) the Declaration of Jodey Lawrence, (4) [Proposed] PAGA Approval Order, and (5) [Proposed] Judgment]

PRELIMINARY APPROVAL HEARING:
Date: December 9, 2026
Time: 8:30 a.m.
Dept.: 9
Judge: Hon. Elaine Lu

Briefing Schedule by Court:
Motion Due: 8/21/2026
Opposition Due: 11/12/2026
Reply Due: 11/25/2026

Action filed: March 5, 2025
Trial date: Not set

<u>DECLARATION OF KANE MOON</u>

I, KANE MOON, declare as follows:

1. I am an attorney at law duly licensed to practice as such before all the Courts of the State of California and am one of the attorneys of record for Plaintiff Gerardo Tamayo ("Plaintiff"). I have personal knowledge of the facts set forth in this declaration and if called as a witness, I could and would testify competently to them under oath.

2. This declaration is submitted in support of Plaintiff's Motion for Approval of PAGA Settlement. Plaintiff seeks approval of a Private Attorneys General Act Settlement Agreement (the "Settlement") entered into with Defendants Construction and Demolition Recycling, Inc. ("Defendant CDR") and Interior Removal Specialist, Inc. ("Defendant IRS") (collectively, "Defendants") (collectively, Plaintiff and Defendants are the "Parties"). A true and correct copy of the fully executed Settlement is attached hereto as **<u>Exhibit 1</u>**. Exhibit A to the Settlement contains the Parties' proposed *Court-Approved Notice of PAGA Settlement* to be mailed to Aggrieved Employees with Individual PAGA Payments following settlement approval and Defendants' full settlement funding.

3. The proposed Settlement seeks to resolve all alleged claims for civil penalties pursuant to the California Private Attorneys General Act, Labor Code sections 2698, *et seq.* ("PAGA"). Plaintiff brought this PAGA action on behalf of himself and all individuals who worked for Defendants in California as hourly, non-exempt employees during the PAGA Period ("Aggrieved Employees"). (Settlement, ¶ 1.4.) For purposes of settlement, the "PAGA Period" is March 2, 2024 to May 16, 2026. (*Id.* at ¶ 1.23.)

<u>CASE BACKGROUND AND PROCEDURAL HISTORY</u>

4. Defendant CDR is a demolition company that works in and around the Los Angeles metro area. Defendant IRS is also a demolition company. Defendants are under the same ownership. Plaintiff worked for Defendants from approximately 2018 to February 2025 as a demolition and general employee. Throughout his employment, Plaintiff was classified as non-exempt and paid on an hourly basis. Plaintiff contends he and his former coworkers were subjected to the same or similar unlawful labor practices during their employment by Defendants, including failure to pay all wages.

5. Plaintiff's claims for unpaid wages stems from allegations of Defendants' failure to pay employees all minimum, overtime, meal premiums, and sick pay owed, including as a result of Defendants' failure to compensate employees for off-the-clock work and Defendants' failure to incorporate all remunerations into the regular rate of pay. Plaintiff's meal and rest period claims are based on allegations that due to the nature of their work and Defendants' employment practices, employees regularly experienced missed, untimely, or interrupted breaks, and that Defendants failed to provide any premiums for non-compliant rest breaks or all premiums for non-compliant meals. Plaintiff also alleges that Defendants failed to reimburse employees for all reasonable and necessary business expenses incurred, including expenses incurred for the purchase of tools and for the use of personal cellphones and vehicles for work purposes. Plaintiff further alleges that he and other employees did not receive all wages owed at the time of termination nor accurate itemized wage statements due to Defendants' failure to pay all wages and premiums. Accordingly, Plaintiff alleges Defendants are liable for civil penalties under PAGA.

6. Because of the foregoing alleged violations of the Labor Code, Plaintiff filed a Class Action Complaint on March 5, 2025, alleging Defendant CDR systematically: (1) failed to pay minimum wages, (2) failed to pay overtime compensation, (3) failed to provide meal periods, (4) failed to authorize and permit rest breaks, (5) failure to indemnify necessary business expenses, (6) failed to timely pay final wages at termination, (7) failed to provide accurate itemized wage statements, and (8) engaged in unfair business practices.

7. Pursuant to PAGA, on March 2, 2025, Plaintiff submitted notice of the alleged Labor Code violations to the California Labor and Workforce Development Agency (the "LWDA"), with certified mail service on Defendant CDR, and paid the required filing fee. On June 17, 2025, Plaintiff submitted an amended PAGA Notice, adding Defendant IRS. On April 16, 2026, Plaintiff submitted a second amended PAGA Notice to correct Defendant IRS's name. True and correct copies of Plaintiff's PAGA Notices are attached hereto as **Exhibit 2**. The administrative exhaustion period under PAGA expired without the LWDA indicating any intent to investigate the allegations. Accordingly, Plaintiff is duly authorized to act as a private attorney general with respect to the PAGA claims involved in this action.

On May 12, 2025, Plaintiff filed a First Amended Complaint adding a representative claim seeking civil penalties under PAGA. ("First Amended Complaint").

8. On May 29, 2026, the Parties filed a Joint Stipulation to Dismiss Plaintiff's Class Claims, Grant Plaintiff's Leave to Amend the Case Caption, and Amend Operative Complaint to leave only the representative claim for civil penalties pending before the Court. On June 18, 2026, Plaintiff filed a Second Amended Complaint to correct the name of Defendant IRS and to allege only the representative claim seeking civil penalties under PAGA. The Parties agree that the Second Amended Complaint is the "Operative Complaint."

9. In compliance with Labor Code section 2699(s)(1), Plaintiff submitted to the LWDA a file-stamped copy of the complaint containing the Court-assigned case number. To date, the LWDA has not sought to intervene in this action.

10. Defendants ardently oppose the merits of this case and deny Plaintiff's factual allegations. Defendants argue that all employees were properly paid for all hours worked and that they did not require or permit employees to work off-the-clock. As for the regular rate claim, Defendants argue there was no issue with paying employees the proper regular rate of pay because any additional remuneration was discretionary and thus, not required to be incorporated into the regular rate of pay. Defendants maintain all employees were provided with the opportunity to take all their code-compliant meal and rest breaks and that missed breaks, if any, were solely the result of employees' voluntary choice. As for the unreimbursed business expenses, Defendants maintain they did not require employees to incur any business-related expenses. To the extent employees received wage statements that were allegedly inaccurate, Defendants argue that penalties are not warranted because employees suffered no actual damage or harm as a result. (*See, e.g.*, *Angeles v. U.S. Airways, Inc.* (N.D. Cal. Feb. 19, 2013) No. C 12–05860 CRB, 2013 WL 622032, at *10 ["A plaintiff must adequately plead an injury arising from an employer's failure to provide full and accurate wage statements, and the omission of the required information alone is not sufficient."].) Additionally, Defendants allege their good-faith belief that they paid all wages precludes the imposition of waiting time penalties because Plaintiff would be unable to show Defendants' alleged conduct was done willfully or knowingly. (*See, e.g.*, *Pedroza v. PetSmart, Inc.* (C.D. Cal. June 14, 2012) No. ED CV 11–298 GHK (DTBx), 2012 WL 9506073, *5.) For these reasons,

Defendants claim that they did not engage in any unfair business practices and deny liability under PAGA. Defendants also maintain that the claims are not susceptible to proof on a representative basis because of the individualized and varying nature of each employee's experience, making this matter unmanageable.

DISCOVERY AND INVESTIGATION

11. The Parties agreed to attempt to resolve the matter through private mediation. In preparation for mediation, the Parties agreed to an informal exchange of data and documents, which included, but was not limited to, a sample of time and corresponding payroll records of approximately 22% of the Aggrieved Employees, as well as employee handbooks and policies in effect during the PAGA Period. Defendants provided information and documents, which enabled Plaintiff's Counsel to meaningfully investigate Plaintiff's allegations and assess the value of the PAGA claims.

12. Prior to mediation, Plaintiff's Counsel reviewed and analyzed all the information that Defendants produced, including the time/pay records and Defendants' written policies, in conjunction with information provided by Plaintiff. Plaintiff's Counsel retained an expert to analyze the time/pay records and prepare a damage analysis prior to mediation. The time/pay records contained 16,531 shifts actually worked (roughly 17.84% of all shifts), which allowed the expert to prepare an analysis with a reasonable degree of certainty. Further, Plaintiff's Counsel investigated the applicable law regarding the claims and defenses asserted in this action. Accordingly, Plaintiff's Counsel were able to evaluate the probability of success on the merits and Defendants' monetary exposure. In sum, Plaintiff and his Counsel's familiarity with the facts of the case and the legal issues involved allowed them to act intelligently in negotiating the Settlement.

SETTLEMENT NEGOTIATIONS AND NOTICE TO THE LWDA

13. On March 17, 2026, the Parties participated in a full day of private mediation facilitated by Marc Feder, Esq., an experienced PAGA action mediator. The negotiations were at arm's-length and although conducted in a professional matter, were adversarial. Both sides went into the mediation willing to explore the potential for a settlement of the dispute, but they were also prepared to litigate their position through trial and appeal if a settlement had not been reached. Negotiations were protracted, with extended discussions and instances in which it appeared the Parties would not reach a resolution. Following a full

discussion of the strengths and weaknesses of the claims and defenses, the Parties ultimately reached a resolution, the material terms of which are encompassed within the Settlement at issue.

14. In reaching a resolution, the Parties recognized that the issues presented in this action are likely only to be resolved with extensive and costly pretrial and trial proceedings, and that further litigation will lead to inconvenience, distraction, disruption, delay, and expense disproportionate to the potential benefits of litigation. Plaintiff and his Counsel also considered the risk and uncertainty of the outcome inherent in any litigation when determining whether this Settlement was the correct option. In sum, Plaintiff and his Counsel believe the proposed Settlement is in the best interests of Aggrieved Employees and the LWDA.

15. In compliance with Labor Code section 2699(s)(2), notice of settlement and a copy of the proposed Settlement has been submitted to the LWDA along with a copy of Plaintiff's motion and the hearing date. A true and correct copy of the LWDA's email confirming receipt thereof is attached hereto as **Exhibit 3**. To date, the LWDA has not indicated any objection to the Settlement.

KEY TERMS OF SETTLEMENT

16. Gross Settlement Amount, Funding, Disbursement, and Uncashed Checks. The Gross Settlement Amount ("GSA") is a non-reversionary $306,000.00. (Settlement, ¶ 3.1.) No later than thirty (30) calendar days after the Effective Date,[1] Defendants shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator. (*Id.* at ¶ 4.2.) Disbursement will occur within fourteen (14) calendar days after Defendant fully funds the GSA. (*Id.* at ¶ 4.3.) For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled 180 days after date of mailing (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 Aggrieved Employee. (*Id.* at ¶¶ 4.3.1., 4.3.3.)

17. Aggrieved Employee Size Estimates. The Parties agree that the settlement is based on an estimated total of 8,500 PAGA Pay Periods during the PAGA Period. (*Id.* at ¶ 7.1.) If the actual number of PAGA Pay Periods is ten percent (10%) higher than the estimated 8,500 PAGA Pay Periods (i.e.

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[1] "Effective Date" means the date by when each of the following has occurred: (a) the Court enters Judgment on its Approval Order, and (b) the Judgment is final. The Judgment is final as of the day the Court enters the Judgment. (Settlement, ¶ 1.11.)

9,350) during the PAGA Period, then Defendant shall have the option to either: (1) pay a pro-rata increase in the Gross Settlement Amount equal to the percentage increase in PAGA Pay Periods above 9,350 (i.e., if the number of total PAGA Pay Periods is 12% more than the 8,500 PAGA Pay Periods used to calculate the Gross Settlement Amount, then the Gross Settlement Amount will increase by 2%—a $6,120 increase—making the revised Gross Settlement Amount $312,120), or (2) scale back the PAGA period to end on the date where the total PAGA Pay Periods is equal to ten percent (10%) or 9,350; PAGA Pay Periods may be based on either: (1) two-week pay periods during which at least some portion of one day was worked; or (2) hire dates and, where applicable, last dates worked or separation dates, re-hire dates, dates of any periods of leave, and dates of any transition between non-exempt and exempt status. (*Id.*)

18. <u>Incentive Award</u>. The Settlement provides for an incentive award to Plaintiff in an amount not to exceed $7,500.00, in recognition of Plaintiff's efforts, time, and risks undertaken in connection with the prosecution of this Action. (*Id.* at ¶ 3.1.2.) To the extent the Court approves an amount less than requested, the difference shall revert to the Net Settlement Amount and be distributed in accordance with the terms of the Settlement. (*Id.*)

19. <u>PAGA Counsel Fees and Costs</u>. The Settlement includes a PAGA Counsel Fees Payment of not more than one third of the Gross Settlement Amount, (i.e., $102,000.00), for their reasonable fees incurred to prosecute the Action, and a PAGA Counsel Expenses Payment of not more than $20,000.00 for reimbursement of reasonable expenses incurred to prosecute the Action. (*Id.* at ¶ 3.1.1.) If the Court approves a PAGA Counsel Expenses Payment and/or a PAGA Counsel Fees Payment in amounts less than requested, the Administrator will allocate the remainder to the Net Settlement Amount. (*Id.*) My firm has incurred $15,673.78 in litigation costs. A true and correct copy of a report showing these costs is attached hereto as <u>**Exhibit 4**</u>.

20. <u>Administration Expenses</u>. The Settlement provides an Administration Expenses Payment of not more than $8,000.00 for reimbursement of the Administrator's reasonable fees and expenses. (*Id.* at ¶ 3.1.3.) In the event the amount of actual administration costs is less and/or the amount approved by the Court is less than requested, the difference will be allocated to the Net Settlement Amount. (*Id.*) The Parties jointly selected Phoenix Class Action Administration Solutions ("Phoenix") as the neutral entity

to administer this Settlement. (*Id.* at ¶ 1.2.) A true and correct copy of Phoenix's bid for $5,000.00 is attached hereto as **Exhibit 5**.

21. Net Settlement Amount. The Net Settlement Amount is the Gross Settlement Amount less the following payments in the amounts approved by the Court: the LWDA PAGA Payment, PAGA Counsel Expenses Payment, PAGA Counsel Fees Payment, Incentive Award to Plaintiff and Administration Expenses Payment. (*Id.* at ¶ 1.18.) The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments. (*Id.*) Accordingly, the Net Settlement Amount is estimated to be **$175,826.22**,[2] which will be distributed 65% (i.e., 65% * $175,826.22 = **$114,287.04**) to the LWDA and 35% (i.e., 35% * $175,826.22 = **$61,539.18**) to Aggrieved Employees pursuant to PAGA law governing Plaintiff's claims.

22. Individual PAGA Payments. Each Aggrieved Employee will be entitled to his or her pro rata amount from the 35% share of PAGA Penalties that is directly proportional to the number of PAGA pay periods worked in the PAGA Period without having to submit any claim form. (*Id.* at ¶¶ 3.1, 3.1.4.1.) This results in an average Individual PAGA Payment of roughly **$250.16** for each of the estimated 246 Aggrieved Employees ($61,539.18 / 246), and a PAGA Pay Period value of **$7.24** for each of the 8,500 estimated PAGA Pay Periods ($61,539.18 / 8,500). The Individual PAGA Payments shall be allocated 100% as penalties. (*See id.* at ¶ 3.1.4.1.)

23. Releases of Claims. The Parties and Plaintiff agree that effective on the date Defendants fully fund the entire Gross Settlement Amount, the LWDA shall release the Released Parties from any claim for civil penalties arising out of the Released Claims. (*Id.* at ¶ 5.)

24. Released Parties. Defendants Construction and Demolition Recycling, Inc. and Interior Removal Specialist, Inc. and each of their former, present, and future owners, parents, and subsidiaries, and all of their current, former, and future officers, directors, members, managers, employees,

[2] The estimated Net Settlement Amount was calculated by deducting the following amounts from the GSA ($306,000.00): $7,500.00 for the Incentive Award, $15,673.78 for the PAGA Counsel Expenses Payment, $102,000.00 for the PAGA Counsel Fees Payment, and $5,000.00 for the Administration Expenses Payment. (*See* Settlement, ¶¶ 3.1.1-3.1.1.3.)

consultants, partners, shareholders, joint venturers, agents, predecessors, successors, assigns, accountants, insurers, reinsurers, and/or legal representatives. (*Id.* at ¶ 1.28.)

25. No Related Cases. To the best of my knowledge, there is no other pending litigation involving similar claims against Defendants that may be impacted by approval of the Settlement at issue, nor has Defendants pointed to any. I have come to this conclusion after a reasonable inquiry and review of the LWDA's PAGA Case Search website, this Court's case search website, and other information reasonably available online.

THE PROPOSED SETTLEMENT IS FAIR AND REASONABLE

26. There can be no doubt that this Settlement is the result of vigorous, adversarial, non-collusive, and arm's-length negotiations between the Parties. Based on Plaintiff's Counsel's analysis of the arguments and information provided by Defendants, on expert analysis of the time and pay records, and on information from Plaintiff, Plaintiff's Counsel evaluated Defendants' both maximum and risk-adjusted potential exposure in preparation for mediation. Although the expert's analysis revealed that the time and pay records supported several violations by Defendants, those identifiable violations were primarily limited to the regular rate and meal period claims. The records themselves did not provide strong support for the off-the-clock work, rest period, and expense reimbursement claims, and derivative penalties for those claims, as these claims are predominantly testimony based. In other words, Plaintiff's analysis revealed that certain claims were not as strong as originally believed.

27. Because Defendants did not require employees to record rest periods, there are no records to establish the rest period claim on the merits. Additionally, there are no records to establish the off-the-clock work and reimbursement claims on the merits. Rather, proof of these claims would need to be supported by declarations from Aggrieved Employees regarding missed rest periods and off-the-clock work as the records themselves cannot demonstrate what breaks were missed, when, and why, what expenses were incurred without reimbursement, and they cannot demonstrate the time, if any, Aggrieved Employees spent working off the clock.

28. Indeed, the maximum exposure figures that were calculated for mediation were based on assumed high violation rates that would not likely be demonstrated at trial, as they assume either the participation of all Aggrieved Employees (which would be difficult given that some may be apprehensive

of the adverse effects of participating in litigation to their employments with Defendant and/or in the future), or alternatively, the use of surveys or statistical data as a surrogate (which would still require the participation of a majority of Aggrieved Employees to establish a sound representation of all non-exempt employees). The reality is that many, if not all, employees would be unwilling to participate due to fear of retaliation. However, even assuming those employees would be willing to participate, obtaining such declarations would potentially reveal that each Aggrieved Employee had a different experience. The individualized nature of their employment experience and the numerosity of employees affected present significant risk with manageability and proof on the merits.

29. Even as to the regular rate and meal period claims, our analysis found that Defendants' exposure is less than initially believed. A review of the time and pay records shows only a 10.8% violation rate for meal periods, 3.6% of which was accompanied by a meal waiver. The records also show that Defendants made some meal premium payments. Defendants argue that its payment of meal premiums and use of meal waivers indicate that they did not intentionally fail to provide Aggrieved Employees with meal breaks. Defendants also argue that many meal breaks were taken and, where a violation appears, it was a result of the Aggrieved Employee voluntarily choosing to forego a meal period, to take it after the end of the fifth hour, or to stop his or her break early to return to work. As to the regular rate issue, Plaintiff's expert found that 59.8% of pay periods included overtime pay and additional compensation, 6.8% of pay periods included sick pay and additional compensation and that only 6.0% of pay periods included meal break premium and additional compensation. However, the violation rates assume that the bonuses were non-discretionary, which Defendants dispute.

30. The likelihood that Defendants could assert viable legal defenses would likely further reduce their overall exposure. For example, the individualized and testimony-intensive nature of the claims could bar manageability of this representative action or otherwise significantly reduce Defendants' overall liability.

31. Further, a claim-by-claim penalty calculation is overly optimistic as it presumes Plaintiff would be able to stack the penalties, although penalty stacking is not expressly permitted by PAGA. Rather, without either (i) a prior finding by the LWDA or a court within the past five years that the employer violated PAGA or (ii) evidence that the employer's conduct was malicious, fraudulent, or

oppressive, PAGA only provides for a maximum $100 penalty for each pay period. (Lab. Code § 2699(f)(2)(A)–(B).) Moreover, Plaintiff's Counsel believe it would be unrealistic to expect the Court to award the full (penalty-stacked) exposure given the discretionary nature of awarding penalties and given Defendants' defenses, including that any failure to pay premiums, regular rate wages, or for off-the-clock work was not knowingly or willfully done, and additionally, to the extent employees received wage statements that were allegedly inaccurate, employees suffered no actual resulting damage or harm. Moreover, awarding the full penalties amount would likely raise Due Process concerns.

32. For the foregoing reasons, the *realistic* exposure is thus far below the *optimistic* claim by claim estimate.

33. Based on the foregoing, Plaintiff's Counsel believe it is more reasonable to assess penalties on a $100.00 civil penalty per pay period basis pursuant to Labor Code § 2699(f)(2)(A) for each of the estimated 8,500 pay periods at issue, as opposed to a claim-by-claim approach. Accordingly, Plaintiff's Counsel estimate Defendants' maximum PAGA exposure to be **$850,000.00** ($100.00 x 8,500). However, based on the discovery, Defendants' arguments at mediation and continued settlement discussions, an understanding that the claims are heavily dependent on the unlikely participation by Aggrieved Employees and their varying employment experience, and other important considerations discussed above, it is reasonable to assume a violation occurred in at most one-half of all pay periods, which results in a realistic (*risk-adjusted*) exposure of **$425,000.00** ($850,000.00 / 2). As a result, the GSA of $306,000.00 represents approximately **72%** of the realistic exposure ($306,000.00 / $425,000.00).

34. The proposed Settlement therefore represents a substantial recovery when compared to the reasonably forecasted recovery. When considering the risks of litigation, the uncertainties involved in continued litigation, the burdens of proof necessary to establish liability, and the probability of appeal, it is clear the GSA of $306,000.00 is within the "ballpark" of reasonableness, and that settlement approval is appropriate. (*Kullar v. Foot Locker Retail, Inc*. (2008) 168 Cal.App.4th 116, 133; *see Munoz v. BCI Coca-Cola Bottling Co. of L.A.* (2010) 186 Cal.App.4th 399, 408–09 [holding that *Kullar* does not require "an explicit statement of the maximum amount the plaintiff class could recover if it prevailed on all its claims," but instead, only an "understanding of the amount that is in controversy and the realistic range

of outcomes of the litigation"].)

35. The $306,000.00 GSA amounts to "genuine and meaningful" relief. This is an excellent result, particularly because, under the Settlement, Aggrieved Employees and the LWDA will receive timely, guaranteed relief and will avoid the risk of not being able to recover anything at all.

36. The Settlement is a fair and reasonable resolution that satisfies PAGA's dual statutory purposes of deterrence and punishment, on the one hand, and providing Aggrieved Employees with genuine and meaningful relief, on the other. As a result of this litigation, Defendants have to hire legal counsel, engage in employee-wide discovery, and participate in mediation. Assuming approval is granted, Defendants will also have to pay civil penalties pursuant to PAGA. Not including its own attorneys' fees and costs, Defendant will pay $306,000.00 to resolve this matter—of which $175,826.22 is allocated toward PAGA Penalties and will be distributed as 65% to the LWDA and 35% to Aggrieved Employees, in compliance with PAGA law governing the claims in this Action. (*See* Settlement, ¶¶ 3.1.4, 3.1.4.1.) This amount represents roughly **41%** of the realistic exposure for the claims ($175,826.22 / $425,000.00).

37. Plaintiff's Counsel have conducted a thorough investigation into the facts of the allegations. Based on discovery and on their own independent investigation and evaluation, Plaintiff's Counsel are of the opinion that the proposed Settlement is fair, reasonable, and adequate. Furthermore, considering all known facts and circumstances, the risk of significant delay, trial risk, appellate risk, the defenses that could be asserted by Defendants on the merits, Plaintiff's Counsel respectfully submit that the Settlement is in the best interests of the Aggrieved Employees and the State of California.

38. Although Plaintiff's Counsel believe there is merit to Plaintiff's allegations, they also acknowledge a legitimate controversy exists as to each allegation. Plaintiff's Counsel also recognize that proving the amounts of penalties owed to each Aggrieved Employee would be an expensive, time-consuming, and uncertain proposition.

39. Moreover, Plaintiff's Counsel are also of the opinion that because the issues here are fairly contested, there is a possibility of the Court not awarding PAGA penalties even if Plaintiff prevailed on the merits due to the largely discretionary nature of awarding PAGA penalties. In other words, were this matter to go to trial, any award granted would be at the discretion of the Court and subject to a substantial

reduction.

40. While Plaintiff's Counsel believe there would be no persuasive grounds to reduce penalties, they recognize that the Court could determine otherwise and significantly reduce any award of penalties. This wide range of potential recovery and additional delays and risks of trial provide justification to settle for a reasonable amount of recovery at this point in the litigation. In all, based on the investigation and analysis of the claims in preparation for mediation, the maximum exposure did not comport with the realistic exposure that Defendants faced, as discussed above.

41. Plaintiff's Counsel took into account the risk of not being able to proceed on a representative basis at all due to the potential manageability issues, the risk of not prevailing at trial, and the risk that even if Plaintiff prevailed at trial, the penalties would be limited due to the largely discretionary nature of awarding PAGA penalties. The provisions of the Labor Code triggering PAGA penalties in this case include Labor Code sections 203, 210, 226.3, 558, 1197.1, and 2802. However, PAGA penalties are not mandatory, but rather, permissive. (Lab. Code § 2699(e)(2).) Accordingly, it is entirely possible that even if Plaintiff would be successful at trial, assuming he is first able to win on the merits regarding his individual claims at arbitration and then defeat the manageability issues presented at litigation by the large number of Aggrieved Employees in this action, Plaintiff may still be awarded substantially less than what was obtained through the Settlement.

42. The Settlement avoids the significant risks, burdens, and the accompanying expense of further litigation. Though the Parties have engaged in a significant amount of investigation, informal discovery, and employee data analysis, they have not conducted formal discovery procedures. Moreover, Plaintiff would have to proceed with arbitration of his individual claims and win on the merits before proceeding with litigation of the representative PAGA claims. Preparation for trial and the prospect of appeals in the wake of any summary judgment ruling would remain for the Parties. As a result, the Parties would incur considerably more attorneys' fees and costs through trial, a lengthy and uncertain process that could result in recovering less than was settled for.

<u>THE INCENTIVE AWARD SHOULD BE APPROVED</u>

43. Throughout this litigation, Plaintiff, who was a former employee of Defendant, has cooperated immensely with my office and has taken many actions to protect the interests of the State of

California and the Aggrieved Employees. Plaintiff provided valuable information regarding his hours worked, and what duties were performed during those hours. Plaintiff participated in decisions concerning this action, assisted in preparation for the mediation, and searched for potential witnesses. Before we filed this action, Plaintiff worked with my office to determine the viability of his claims. Plaintiff also provided information and documents relating to his employment with Defendants. The information and documentation provided by Plaintiff was instrumental in establishing the violations alleged in this action, and the recovery provided for under the Settlement would have been impossible to obtain without his participation.

44. At the same time, Plaintiff faced many risks in adding himself as the PAGA Representative in this matter. Plaintiff faces actual risks with his future employment, as putting himself on public record in an employment lawsuit could also very well affect his likelihood for future employment. For example, a search of Plaintiff's name will reveal this action, and as a result, many employers may likely forego hiring Plaintiff upon learning he sued a former employer.

45. In turn, Aggrieved Employees will now be reimbursed civil penalties for wage violations they may have never known about or been willing to pursue on their own. If each Aggrieved Employee would have tried to pursue legal remedies on their own, that would have resulted in each having to expend a significant amount of their own monetary resources and time, not to mention limited judicial resources, which were obviated by Plaintiff putting himself on the line on behalf of the Aggrieved Employees and the LWDA. Further, prior to executing the Settlement, Plaintiff carefully reviewed the document and asked questions to ensure his understanding, including as to the total recovery and releases of claims.

46. In the final analysis, this representative action would not have been possible without the aid of Plaintiff, who put his own time and effort into this litigation and placed himself at risk for the sake of the State of California and the Aggrieved Employees. The requested incentive award to Plaintiff for his service as the PAGA Representative is a relatively small amount of money considering the time and effort put into the litigation. For all the foregoing reasons, the requested award to Plaintiff is reasonable.

MY EXPERIENCE AND QUALIFICATIONS

47. I received a B.A. in History in 1998 from UCLA, and my J.D. from Loyola Marymount Law School in 2006. I became an Active Member of the State Bar of California in June 2007 and have been

an Active Member in good standing continuously since then. I have been selected to Super Lawyers each year from 2019 to 2023.

48. I co-founded Moon & Yang, APC—now Moon Law Group, PC—in March 2010. My practice is focused exclusively on advocating for the rights of employees in wage-and-hour litigation, almost entirely in class and/or PAGA representative actions.

49. For the past decade, I have built my practice to have an emphasis on employment and related civil litigation cases and have both prosecuted and defended employment-related litigation cases. I have been heavily, successfully, and continuously involved in active litigation and trial work, and have conducted bench and jury trials on behalf of both employees and employers in wage-and-hour cases.

50. My current billing rate is $950.00 per hour, which is my usual hourly rate for wage and hour litigations. A $950 per hour rate is reasonable considering my years of experience practicing in the highly specialized area of employment and labor law and my Laffey Matrix rate (The Laffey Matrix, http://www.laffeymatrix.com/see.html, [last visited August 11, 2026].) The Laffey Matrix is a "well-established objective source for rates that vary by experience" used by the District of Columbia. (*In re HPL Tech., Inc. Sec. Litig.* (N.D. Cal. 2005) 366 F. Supp 2d 912, 921.) A true and correct copy of the Laffey Matrix is attached hereto as **Exhibit 6**. California Courts have adjusted the Laffey Matrix rate upwards based on "locality pay differentials" and the location of counsel's office in California to determine whether counsel's rates are reasonable. (*See, e.g., id.* [applying a 9% upward adjustment to the Laffey Matrix rate based on an approximate difference of 9% between the locality pay differential of the District of Columbia and San Francisco, California, where counsel's office was located].) To determine the locality pay differential, the Court in *In re HPL Technologies, Inc.* utilized the locality pay differentials within the federal courts. (*Id.* at pp. 921–22.) Using the same method here and based on firm's location in Los Angeles, California, the current locality pay differential of the Los Angeles-Long Beach area is 36.47% and of the Washington-Baltimore-Arlington area is 33.94%, which results in a difference of approximately 2.53%. (*Compare* Judiciary Salary Plan of Los Angeles-Long Beach, CA, Effective January 12, 2026 *with* Judiciary Salary Plan of Washington-Baltimore-Arlington, Effective January 12, 2026.) True and correct copies of the Los Angeles-Long Beach and Washington-Baltimore-Arlington salary plans are attached hereto as **Exhibit 7** and **Exhibit 8**, respectively. Based on my 19+

years of experience, my Laffey Matrix rate with a 2.53% adjustment is $1,044.78 per hour ($1,019 Laffey Matrix rate + (2.53% x $1,019)). (*See* Ex. 6.) Accordingly, my current billing rate of $950.00 per hour is reasonable.

51. I am experienced in prosecuting and defending employment matters, particularly class actions and PAGA representative actions. My firm has focused a substantial percentage of its practice on wage, hour, and working conditions violations. In addition to the present case, I am also class counsel for other wage and hour class action lawsuits pending in various California counties, including in state and federal courts. The following is a list of some of our recent class action settlements that have received preliminary and final approval: *Aparicio v. Lineage Logistics, LLC* (LASC No. BC722764) (class size approx. 155; lead counsel); *Black v. Mission Healthcare Servs., Inc*. (LASC No. 19STCV04602) (class size approx. 1,000; lead counsel); *Campa v. Bloomingdeals, Inc*. (LASC No. BC700366) (class size approx. 1,500; lead counsel); *Garcia v. Comfy U.S.A. Apparel, Inc.* (LASC No. BC709630) (class size approx. 210; lead counsel); *Gomez v. H Mart Cos., Inc.* (LASC No. BC671525) (class size approx. 2,500; co-counsel); *Jones v. Citiguard, Inc.* (LASC No. BC664890) (class size approx. 587; lead counsel); *Jones v. Fitness Alliance, LLC* (Riverside No. PSC1404079) (class size approx. 1,000; lead counsel); *Lagos v. ThyssenKrupp Elevator Corp.* (LASC No. BC682972) ($750,000 for 79 class members; lead counsel); *Mark Brulee et al. v. DAL Global Servs., LLC* (C.D. Cal. Dec. 20, 2018, No. CV 17-6433 JVS(JCGx)) 2018 WL 6616659, at *10 (class size approx. 2,650; lead counsel) (in approving my hourly rate in that case, the Court found: "Class Counsel's declarations show that the attorneys are experienced and successful litigators. Other courts have approved the attorneys' current rates for the Moon & Yang, APC attorneys"); *Martinez v. Bail Hotline Bail Bonds, Inc.* (LASC No. BC700131) (class size approx. 173; lead counsel); *Montoya v. Golden 1 Credit Union* (Sacramento No. 34-2018-00228252) (class size approx. 1,900; lead counsel); *Onofre v. Caitac Garment Processing, Inc*. (LASC No. BC702283) (class size approx. 750; lead counsel); *Rodriguez v. Rossmoyne, Inc.* (LASC No. BC699137) (class size approx. 220; lead counsel); *Sison v. Cha Hollywood Med. Ctr., L.P.* (LASC No. BC6441 29) (class size approx. 2,100; co-counsel); *Slaughter v. ACA Sec. Stems, LP* (LASC No. BC699137) (class size approx. 300; lead counsel); *Taylor v. Sherman's Delicatessen & Bakery, LLC* (LASC No. BC722765) (class size approx. 515; lead counsel); *Vargas v. AMS Paving, Inc*. (LASC No. BC722767) (case size approx. 260;

lead counsel); *Vertti v. Bagcraft Papercon III, LLC* (LASC No. 19STCV12729) (class size approx. 260; lead counsel); and *Wallick v. Campbell Soup Supply Co., LLC* (San Joaquin No. STK-CV-UOE-2021-0000865) (class size 435; lead counsel).

ALLEN FEGHALI'S EXPERIENCE AND QUALIFICATIONS

52. Allen Feghali is a Senior Partner at Moon Law Group, PC. He received his B.A. in Global and International Studies in 2011 from UC Santa Barbara, and his J.D. from University of La Verne College of Law in 2014. Mr. Feghali became an Active Member of the State Bar of California in December 2014 and has been an Active Member in good standing continuously since then. He was selected by Super Lawyers as a "Southern California Rising Star" in 2020–2023.

53. Mr. Feghali began working at Moon Law Group, PC in May 2015, and his practice focuses on advocating for the rights of employees at the trial-court and appellate level. Prior to approximately June 2018, with the exception of a handful of cases, his practice focused on individual FEHA and wrongful termination claims, as well as individual wage-and-hour claims. In June 2018, Mr. Feghali became heavily involved in the firm's class action practice.

54. Mr. Feghali's current billing rate is $900.00 per hour, which is his usual hourly rate in wage and hour litigations. Based on Mr. Feghali's 11+ years of experience out of law school, his Laffey Matrix rate with a 2.53% adjustment is $1,044.78 per hour ($1,019 Laffey Matrix rate + (2.53% x $1,019)). (*See* Ex. 6.) As compared to the Laffey Matrix rate and when considering his experience, Mr. Feghali's billing rate of $900.00 per hour is reasonable.

55. During Mr. Feghali's tenure with Moon Law Group, PC, he has played a critical role in obtaining outstanding results for employees who have been wronged by their employers. Mr. Feghali's litigation experience includes, but is not limited to:

(a) In March 2021, Mr. Feghali prepared the briefing in the matter of *Rivera, et al. v. Clearpath Federal Credit Union* (LASC No. 19STCV33504), which resulted in a certification order on all causes of action following contested briefing in a wage-and-hour class action.

(b) Mr. Feghali prepared the briefing in a contested class certification motion in the matter of *Dawson, et al. v. GoHealth, LLC, et al.* (No. CGC-19-577790), which was granted in part.

(c) Mr. Feghali prepared the briefing in a contested class certification motion in the matter of *Brown v. NTI-CA, Inc., et al.* (No. 21STCV04397).

(d) Mr. Feghali was part of a team that prepared the briefing in a contested class certification motion in the matter of *Thong, et al. v. Outlook Resources, Inc., et al*. (No. 19STCV44400), which was granted in part and denied in part in October 2022.

(e) Mr. Feghali prepared the briefing which resulted in a remand order in the matter of *Andrade v. Rehrig Pacific Corp.* (C.D. Cal. April 22, 2020, No. CV 20-1448 FMP (RAOx)) 2020 WL 1934954, where defendant removed a wage-and-hour class alleging that Plaintiffs' claims were pre-empted by the Labor Management Relations Act.

(f) Mr. Feghali briefed, argued, and won the matter of *Lee, et al. v. The Christian Herald, U.S.A., Inc.* (Cal. Ct. App. Dec. 12, 2017, No. B266853) 2017 WL 6333905, at *1. There, the Court of Appeal reversed a dismissal of an individual defendant following the trial court's granting of a demurrer without leave to amend relating to alter ego allegations.

(g) Mr. Feghali prepared the briefing which resulted in a remand order in the matter of *Sotelo v. Belfor USA Group, Inc.* (C.D. Cal. March 13, 2018, No. 2:17–cv–09056–RSWL–MRWx) 2018 WL 1352910. Defendants there sought to remove the case based on the inclusion of a "sham defendant," but the court agreed with Mr. Feghali's briefing which argued that the individual defendant, who was alleged to have harassed the Plaintiffs under FEHA, was a proper defendant.

(h) Mr. Feghali has been the lead counsel, or co-lead counsel, in individual cases that settled for $850,000.00, $375,000.00, and $250,000.00. In addition to the foregoing, Mr. Feghali has resolved or assisted in the resolution of approximately 100 cases which has resulted in millions of dollars of unpaid wages being returned to low-wage employees.

(i) Mr. Feghali was part of a team that prepared the briefing in a contested class certification motion in the matter of Hernandez v. CR Laurence, Inc., et al. (No. 20STCV32372), which was granted, in part, and denied, in part, in February 2024.

56. Since June 2018, Mr. Feghali's practice has shifted to almost exclusively representing employees in wage-and-hour class and representative actions. His fee has been approved by Courts

throughout the state. He has participated as lead, or co-lead counsel, in the litigation and resolution of over 100 wage-and-hour class actions, including obtaining preliminary and final approval of settlements. A selection of settled cases wherein Mr. Feghali served as lead or co-lead class counsel includes the following: *Barahona v. Methodist Hosp. of Cal*. (No. 20STCV09876) ($5,000,000); *Stanley Black & Decker Wage and Hour Cases* (No. JCCP5218) ($3,500,000); *Vazquez v. St. Mar 2.0 Inc.* (No. 37-2021-00042702-CU-OE-CTL) ($2,250,000); *Duncan v. Infineon Technologies Americas Corp*. (No. 21STCV16872) ($2,500,000); *Aquino v. Coast King Packing, LLC* (No. 21CV002448) ($2,300,000); *Martinez, et al. v. Curative LLC* (No. 21STCV20778) ($1,500,000); *Calderon v. Installed Building Products* (No. 37-2021-00035844-CU-OE-CTL) ($1,500,000); *Majdoub v. Argent Hotel Mgmt.* (No. CGC-20-582921) ($1,800,000); *Fuentes v. Covid Clinic, Inc*. (No. CIVSB2106806) ($1,526,317.57); *Rahman, et al. v. Gate Gourmet, Inc*. (No. 3:20-cv-03047) ($3,850,000); *Pagoulatos v. Coast Hills Credit Union* (No. 20CV02801) ($1,100,000); *Hammers v. Redwood Oil Co., Inc*. (No. SCV-269625) ($1,180,000); *Cuadras v. R.C. Wendt Painting, Inc*. (No. BC705964) ($1,400,000); *Zaragoza v. The Roman Catholic Bishop of Fresno* (No. 22CV-00282) ($1,500,000); *Garcia v. San Jose Water Co.* (22CV396328) ($1,200,000); *Garcia v. Tri-Valley Plastering, Inc*. (No. 22CECG00591) ($1,250,000); *Garcia v. Tapia Enter., Inc*. ($2,137,651 for 507 class members); *Cha v. Center Point, Inc*. (No. CIV2102081) ($1,000,000); *Sison v. Cha Hollywood Med. Ctr., L.P*. (No. BC644129) (2,137 class members); *Lagos v. ThyssenKrupp Elevator Corp.* (No. BC682972) ($750,000 for 79 class members); and *Montoya v. Golden 1 Credit Union* (No. 34-2018-00228252) ($1,250,000).

ENZO NABIEV'S EXPERIENCE AND QUALIFICATIONS

57. Enzo Nabiev is an associate attorney at Moon Law Group, PC. Mr. Nabiev represents employees in all aspects of employment litigation, including wage and hour class action and representative actions involving claims related to overtime and minimum wages, meal and rest break violations, improper wage statements, the California Private Attorneys General Act and unfair business practices.

58. Mr. Nabiev received his Bachelor of Arts in Political Science from the University of California, Berkeley and his Juris Doctorate from The George Washington University Law School,

where he served as a member of the Federal Circuit Bar Journal. He also served as a Judicial Extern for the Honorable William Nooter of the Superior Court of the District of Columbia.

59. Mr. Nabiev is a member in good standing with the California State Bar and in the United States District Court for the Central and Northern Districts. Mr. Nabiev's billing rate is $750.00 per hour, which is his usual hourly rate in wage and hour litigations. Based on Mr. Nabiev's 5 years of experience, his Laffey Matrix rate with a 2.53% adjustment is $640.81 per hour ($625 Laffey Matrix rate + (2.53% x $625)). (*See* Ex. 6.) As compared to the Laffey Matrix rate and when considering his experience, Mr. Nabiev's billing rate of $750.00 per hour is reasonable.

60. During his employment with Moon Law Group, PC, he has played a critical role in obtaining outstanding results for employees who have been wronged by their employers. His litigation experience includes, but is not limited to:

(a) In August 2025, Mr. Nabiev prepared the briefing in the matter of *Slaughter v. Finlite, Inc.* (Alameda Case No.: 22CV018565), which resulted in a certification order following contested briefing in a wage and hour class action.

(b) In March 2023, he prepared the briefing in *Aguirre JR. v. B.W Packaging Systems*. et al., No. 222CV04980ODWGJSX, 2023 WL 2605016 (C.D. Cal. Mar. 22, 2023), which resulted in a remand order where defendant's removal was based on CAFA jurisdiction.

(c) In April 2022, he fully briefed, argued, and won in the Court of Appeal in the Fourth Appellate District, regarding the issue of whether a pre-dispute arbitration agreement is enforceable under the Federal Arbitration Act when it includes a contractual waiver of representative claims under PAGA.

(d) In February 2022, he briefed a motion for class certification in *Brown v. NTI-CA, Inc.* (LASC No. 21STCV04397) where Defendant elected to file bankruptcy.

(e) In September 2021, he fully briefed, argued, and won an Opposition to a Motion for Summary Adjudication in the matter of *Dorsey v. Circa Tile &*

Stone, Inc. (LASC Case No: 19STCV08365) where Defendant attempted to release individual claims under PAGA on behalf of each employee who executed a release agreement.

(f) In May 2021, he fully briefed and won an Opposition to a Motion to Compel Arbitration in the matter of *Morales v. Precision Aerospace Corp.* (Case No: CIV-DS2006541) where Defendant attempted to compel individual arbitration and dismiss class action claims based on Plaintiff's signed arbitration agreement within an employee handbook. There, the matter was settled on a class-wide basis for $900,000.00.

(g) In December 2020, he fully briefed, argued, and won an Opposition to a Motion for Summary Judgment in the matter of *Gonzalez v. Lipscomb* (LASC Case No: 19STCV10352) where he successfully established triable issues of material facts of whether a general manager of a hotel is considered a joint employer for purposes of liability for wage & hour violations.

61. He has participated in the litigation and resolution of approximately 100 wage and hour class actions, including obtaining preliminary and final approval of settlements on the first attempt.

MICHAEL E. BRAUD'S EXPERIENCE AND QUALIFICATIONS

62. Michael Braud received a B.A. in History with a minor in Public Policy in 2016 from University of California, Berkeley, and his J.D. from University of California, Davis, Law School in 2022. Mr. Braud became an Active Member of the State Bar of California in November 2022, and he has been an Active Member in good standing continuously since November 2022.

63. For the past four years working for labor and employment firms, Mr. Braud has focused on litigation of labor and employment matters, and he has prosecuted cases on behalf of employees and defended employees against employer's potential countersuits, with a strong focus on wage and hour class action and PAGA causes of action. Mr. Braud has been heavily, successfully, and continuously involved in active litigation and trial work, and has acted as second-chair in a jury trial on behalf of an employee in a wrongful termination, retaliation, and discrimination action.

64. His current billing rate is $650.00 per hour, which is his usual hourly rate for wage and hour litigations. A $650.00 per hour rate is reasonable considering his years of experience practicing in the highly specialized area of employment and labor law and his Laffey Matrix rate. Based on his 4 years of experience, his Laffey Matrix rate with a 2.53% adjustment is $640.81 per hour ($625 Laffey Matrix rate + (2.53% x $625)). (*See* Ex. 6.) Accordingly, his current billing rate of $650.00 per hour is reasonable.

65. Mr. Braud is experienced in prosecuting and defending employment matters, particularly wage and hour class and PAGA actions. The firms he has worked for have mostly focused on wage, hour, and working conditions violations. In addition to the present case, he is also class counsel for other wage and hour class action lawsuits pending in various counties throughout California, including in state and federal courts. The following is a list of recent class action and/or PAGA settlements for which Mr. Braud was the handling attorney at his prior employer that have received preliminary and/or final approval: *Kasie Bey-Keys and Paris Lorenzo Woods v. BG-IC, L.L.C.., et al* (LASC Case Nos. 23STCH23484 (Class), 23STCH28946 (PAGA)) (class size approx. 110); *Edwards v. Firecode Safety Equipment, Inc., et al.* (Sacramento County, Case No. 23CV001535 (PAGA-only) (PAGA size approx. 49); *Greg Enciso v. Master Lightning Security Solutions, et al.* (San Bernardino County Case No. CIVSB2133451) (class size approx. 420); *Essary v. Community Corporation of Santa Monica* (LASC Case No. 22STCV38098) (PAGA size approx. 125); *Ravneet Kaur and Jessica Gonzalez v. Color Health, Inc., et al.* (San Mateo County Case No. 23-CV-00420) (PAGA size approx. 347); *Christina Baterina Pada Morales v. Millbrae Care Center, LLC, et al.* (San Mateo County Case No. 23-CIV-04710) (Class size approx. 327); *Shaloma Smith v. Marksman Security Corporation, et al.* (Orange County Case Nos. 30-2023-01352183-CU-OE-CXC (Class), 30-2023-01352183-CU-OE-CXC (PAGA)) (class size approx. 310); *Luis Villalpando et al. v. Los Angeles Truck Service, LLC, et al.* (LASC Case Nos.: 22STCV11804 (Class), 22STCV26724 (PAGA)) (class size approx. 1,921); *Wayne Williams et al. v. ForTec Medical, Inc., et al.* (Alameda County Case No. 22CV014116) (Class size approx. 59). In addition to aforementioned settled matters, I have been the handling attorney on many other class action and/or PAGA action cases which are currently proceeding through the settlement approval process, including: *Miguel Aguilar v. YHB Long Beach, LLC, et al.* (LASC Case No.

25STCV07719) (class size approx. 160); *Leonard Keith Jr. Alfonso v. SCP Property Management, LLC, et al.* (SFSC Case No. CGC-25-624023) (class size approx. 54); *Kevin Liberato Campos Vargas v. California Arborist Complete Tree Care, Inc., et al.* (LASC Case Nos. 24STCV11469 (Class), 24STCV20153 (PAGA) (class size approx.. 125); *Major Castleberry, et al. v. Covenant Aviation Security, LLC, et al.* (SFSC Case No. 25STCV06252) (class size approx. 1670); *Esperanza Coe v. Five J's Family Enterprises L.P., et al.* (Riverside County Case Nos. CVRI2402798 (Class), CVRI2404282 (PAGA)) (class size approx. 588); *Andrew Correa v. Evoqua Water Technologies, LLC, et al.* (LASC Case No. 25STCV09650 (Class); USDC CDCA Case No. CV-25-03956-KS (Class); LASC Case No. 25STCV17059 (PAGA)) / *Trevor Thomas v. Evoqua Water Technologies, LLC, et al.* (LASC Case No. 25STCV28376 (PAGA) (class size approx. 262); *Crimlisk v. Seabreeze Management Company, Inc., et al.* (SFSC Case No. CGC-24-619789 (PAGA-only)) (PAGA size approx. 375); *Marcos Flores v. Edgebanding Services, Inc., et al.* (Alameda County Case No. 24CV069821) (class size approx. 55); *Rene Gonzalez v. Allied International Security, Inc., et al.* (LASC Case Nos. 24STCV09984 (Class), 24STCV20065 (PAGA)) (class size approx. 506); *Leopoldina Jackson v. Valley Presbyterian Hosp., et al.* (LASC Case No. 25STCV08667) (class size approx. 1,971); *Sungduk Lee v. DMG Mori USA, Inc. and DMG Mori Mfg. USA, Inc., et al.* (San Diego County Case No. 25CU030144C) (class size approx. 193); *Joel Machuca v. Ocha Classic Corp., et al.* (LASC Case No. 24STCV01955) (class size approx. 147); *Ruben Munoz and Jada Scott v. Children's Hospital Los Angeles, et al.* (LASC Case No. 23STCV02941 (PAGA-only) (PAGA size approx. 7,500); *Francisco Poroj Alvarez v. Samuel Hale, LLC, et al.* (Alameda County Case No. 24CV074900 (PAGA-only)) (PAGA size approx. 499); *Sarah N. Sapien, et al. v. DCH Del Norte, Inc., et al.* (LASC Case Nos. 21STCV38930 (Class), (21STCV47072 (PAGA)); (class size approx. 2,300); *Jessie Taylor Scarborough-Ghent v. Sticky Rice Highland Park, Inc., et al.* (LASC Case Nos. 24STCV05796 (Class), 24STCV15932 (PAGA)) (class size approx. 390); *Bryson L. Slaughter v. Sully's Food Stores, LLC, et al.* (Kern County Case No. BCV-25-101224) (class size approx. 559); *Sorto v. Clark Pest Control of Stockton, Inc., et al.* (Santa Clara County Case No. 24CV428713 (PAGA-only), coordinated into CLARK PEST CONTROL WAGE AND HOUR CASES, JCCP Case No. 5327) (PAGA size approx. 1,900); *Gerardo Tamayo v. Construction and Demolition Recycling, Inc., et al.* (LASC Case No. 25STCV06252) (PAGA size approx. 230); *Jacqueline Trujillo* *v. The Original Fish Taco, LLC, et al.* (San Bernardino County Case No. 25STCV06252) (PAGA size approx. 2,213); *Ernest Abraham Turay v. K.R. Wolfe, Inc., et al.* (LASC Case No. 24STCV10673 (PAGA-only) (PAGA size approx. 77); *Belem Villalpa v. Mattel Sales Corp., et al.* (San Bernardino County Case Nos. CIVSB2424849 (Class), CIVSB2502575 (PAGA)) (class size approx. 225); *Juliet Welton v. Cerna Healthcare, LLC, et al.* (Orange County Case No. 30-2024-01390734-CU-OE-CXC (Class), 30-2024-01410320-CU-OE-CXC (PAGA)) (class size approx. 1,160); *Turesa Wilcox, et al., v. Harbor UCLA Medical Center Guild, Inc., et al.* (LASC Case No. 23STCV13382 (Class); USDC CDCA Case No. 2:23-cv-02802-MCS-JC (Class); LASC Case No. 23STCV24794 (PAGA)) (class size approx. 1,300); *Charles Wilkins v. Orthopaedic Hospital, et al.* (LASC Case Nos. 24STCV03460 (Class), 24STCV10042 (PAGA)) (class size approx. 386).

PAGA COUNSEL'S EXPERIENCE AND QUALIFICATIONS

66. As demonstrated by the foregoing, my office is qualified to handle this litigation because we are experienced in litigating Labor Code and Wage Order violations in individual, class, and representative actions. The attorneys at my office have been appointed as lead or co-lead counsel in numerous wage-and-hour class and/or PAGA actions in state and federal courts by way of motion for settlement approval. Including myself, Moon Law Group, PC is currently comprised of roughly 35 attorneys, all of whom are actively and continuously practicing employment litigation, representing almost entirely employee-plaintiffs, in both individual and class and/or PAGA actions, in this Superior Court and other Superior Courts throughout the State, in the Courts of Appeal, and in various federal courts. The attorneys at my firm have a high level of skill, knowledge, and experience in areas of wage-and-hour class and PAGA actions, and labor and employment law generally, the substantive (state and federal) and procedural law of which is frequently evolving.

67. Moon Law Group, PC has been engaged in the practice of employment and labor law for over a decade and presently focuses exclusively on plaintiffs' employment law. The firm and its lawyers have tried both bench and jury trials (representing both plaintiffs and defendants) in employment-related matters. As noted above, my firm has been appointed lead or co-lead class counsel in federal and state courts in California. Also, the firm and its lawyers have successfully settled hundreds of cases during that time, including wage-and-hour class and/or PAGA actions.

68. The foregoing experience of myself and other attorneys of Moon Law Group, PC is helpful in assessing the reasonableness of settlements, such as the one at issue here, and from this experience we concluded that this litigation could not have been settled on better terms than provided under the proposed Settlement.

69. I do not believe that I or any other attorneys of my firm have any conflicts of interest with the named Plaintiff, Aggrieved Employees, or the proposed Administrator. I am not related to Plaintiff. I respectfully submit that Moon Law Group, PC is competent and well suited to act as PAGA Counsel in this action, and we have and will continue to vigorously represent the interests of the Aggrieved Employees.

REQUEST FOR ATTORNEYS' FEES AND COSTS

70. In line with the Settlement, my firm requests an award of attorneys' fees equal to one-third of the GSA (i.e., $102,000.00), plus reimbursement for actual litigation costs in the amount of $15,673.78. (*See* Settlement, ¶ 3.1.1.)

71. The requested PAGA Counsel Fees Payment can be justified under either the common fund or lodestar method. However, we base the requested award on the common fund method. Nonetheless, the lodestar method can be used to cross-check the reasonableness of the award calculated under the common fund method.

72. The total current lodestar for Moon Law Group, PC is *not less than* the following:

Attorney	**Rate**	**Hours**	**Lodestar**
Kane Moon	$950.00	19.4	$18,430.00
Allen Feghali	$900.00	14.1	$12,690.00
Enzo Nabiev	$750.00	36.5	$27,375.00
Michael E. Braud	$650.00	28.2	$18,330.00
	Total:	**98.2**	**$78,825.00**

73. There are additional hours devoted to this litigation by the attorneys and legal assistants in my office that are not reflected in the foregoing lodestar, including additional attorney time that will be spent to obtain and monitor approval of the Settlement and requested awards, oversee the settlement

administration process and distribution of funds, respond to inquiries, and communicate with Plaintiff regarding the case. I estimate that my office will commit *no less than* 10 hours, although likely more time, to these additional tasks, which are hours not included in the foregoing lodestar total. My office also bears the risk of taking whatever actions are necessary if Defendants fail to pay. At my $950.00 hourly rate, these additional 10 hours results in a lodestar of **$9,500.00**.

74. "California case law permits fee awards in the absence of detailed time sheets." (*Wershba v. Apple Comp., Inc.* (2001) 91 Cal.App.4th 224, 255.) The Court "should defer to the winning lawyer's professional judgment as to how much time he was required to spend on the case." (*Moreno v. City of Sacramento* (9th Cir. 2008) 534 F.3d 1106, 1112.) We can provide complete, detailed billing records in the event the Court requests them but would request the opportunity to redact attorney-client privileged information and any other privileged information. As discussed below, application of a positive multiplier is warranted in this case.

75. The lodestar method requires the Court to determine a "touchstone" or lodestar figure based on a compilation of time spent and reasonable hourly compensation for each attorney. (*Graham v. DaimlerChrysler Corp.* (2004) 34 Cal.4th 553, 579.) Generally, hours are reasonable if they were "reasonably expended in pursuit of the ultimate result achieved in the same manner that an attorney traditionally is compensated by a fee-paying client." (*Hensley v. Eckerhart* (1983) 461 U.S. 424, 431.)

(a) <u>Number of Hours Expended by My Office is Reasonable</u>: As set forth in this declaration, my office expended a significant amount of time litigating the case to achieve an excellent result on behalf of the Aggrieved Employees. To date, my office has spent no less than **98.2 hours** litigating this case. In the event the Court grants settlement approval, my office will spend additional time related to this litigation, including to monitor administration of the settlement after approval, committing no less, although likely more, than **10** hours to those additional tasks. The number of hours that my office has and will devote to this case is reasonable. (*See, e.g.*, *Ketchum III v. Moses* (2001) 24 Cal.4th 1122, 1133 [fee award should be fully compensatory and, "absent circumstances rendering the award unjust, an attorney fee award should ordinarily include compensation for *all* the hours *reasonably spent*"] [emphasis in original]; *Serrano v. Unruh* (1982) 32 Cal. 3d 621, 624 [counsel are entitled to compensation for all hours reasonably expended]; *Hensley*, *supra*, 461 U.S. at pp. 435–36; *Caudle v. Bristow Optical Co.* (9th Cir. 2000) 224 F.3d 1014, 1028; *Cabrales v. Cty. of L.A.* (9th Cir. 1991) 935 F.2d 1050, 1052–53.) As discussed above, my office was required to expend considerable time and resources to investigate, litigate, and successfully settle these claims for the benefit of the Aggrieved Employees.

(b) The Attorneys' Hourly Rates are Reasonable: "[T]he established standard when determining a reasonable hourly rate is the 'rate prevailing in the community for similar work performed by attorneys of comparable skill, experience, and reputation.'" (*Camacho v. Bridgeport Fin., Inc.* (9th Cir. 2008) 523 F.3d 973, 979 [quoting *Barjon v. Dalton* (9th Cir. 1997) 132 F.3d 496, 502].) This rule applies even when, as here, the attorneys representing a named plaintiff perform the work on a contingent fee basis. (*See, e.g.*, *Robertson v. Fleetwood Travel Trailers of Cal., Inc.* (2006) 144 Cal.App.4th 785, 818; *Blanchard v. Bergeron* (1989) 489 U.S. 87, 96.) These hourly rates are reasonable in light of the significant experience, expertise, and skill my firm brought to this action. Rates are reasonable if they are "within the range of reasonable rates charged by and judicially awarded comparable attorneys for comparable work." (*Children's Hosp. & Med. Ctr. v. Bonta* (2002) 97 Cal.App.4th 740, 783.) The trial court may "find hourly rates reasonable based on evidence of other courts approving similar rates." (*Parkinson v. Hyundai Motor Am.* (C.D. Cal. 2010) 796 F.Supp.2d 1160, 1172.) The attorneys at Moon Law Group, PC are experienced litigators who specialize in employment law, with a substantial wage-and-hour class action practice. The hourly rates of each attorney are also reasonable as compared to their respective Laffey Matrix rates as explained *supra*. Moreover, these rates are not opposed or challenged, and have been approved by other courts, as explained *supra*.

(c) Application of a Multiplier is Warranted: Once this lodestar figure has been determined, the Court may take into account other "enhancement" factors to adjust the lodestar award. As the California Supreme Court has held, contingency fees should be higher than fees for the same legal services paid concurrently with the provision of the services. (*Ketchum III*, *supra*, 24 Cal.4th at pp. 1132–33; *see also Fischel v. Equitable Life Assurance Soc'y of the U.S.* (9th Cir.

2002) 307 F.3d 997, 1008.) “A lawyer who both bears the risk of not being paid and provides legal services is not receiving the fair market value of his work if he is paid only for the second of these functions. If he is paid no more, competent counsel will be reluctant to accept fee award cases.” (*Ketchum,* 24 Cal.4th at p. 1133.) Application of that rule is particularly appropriate where the case is brought to redress important rights of vulnerable persons. (*Id.*) A risk enhancement is “earned compensation; unlike a windfall, it is neither unexpected nor fortuitous. Rather, it is intended to approximate market-level compensation for such services, which typically includes a premium for the risk of nonpayment or delay in payment of attorney fees.” (*Id.* at p. 1138.) **Multipliers normally range from two to four or higher.** (*Wershba*, *supra*, 91 Cal.App.4th at p. 255; *see also Vizcaino v. Microsoft Corp.* (9th Cir. 2002) 290 F.3d 1043, 1051, n.6 [“most” common fund cases apply a multiplier of 1.0–4.0]; *Been v. O.K. Indus., Inc.* (E.D. Okla. 2011, No. CIV–02–285–RAW) 2011 WL 4478766, *11 [citing a study “reporting [an] average multiplier of 3.89 in survey of 1,120 class action cases” and finding that a multiplier of 1.22 would be “per se reasonable”].) Factors considered in determining whether a lodestar multiplier is appropriate generally include: (1) the risks presented by the contingent nature of the case; (2) the novelty and difficulty of the questions involved and the skill requisite to perform the legal service properly; (3) the nature of the opposition; (4) the preclusion of other employment by the attorney due to acceptance of the case; and (5) the result obtained and the importance of the lawsuit to the public. (*Serrano v. Ivy Baker Priest* (1977) 20 Cal. 3d 25, 48–49 [hereinafter “*Serrano III*”].) All these factors favor approval of a multiplier along the lines of those approved in the cases above. To date, my office has incurred no less than **$76,825.00** in attorneys’ lodestar fees, anticipates incurring at least another $9,500.00 in lodestar fees, and has advanced **$15,673.78** in actual litigation costs. Thus, after reimbursement of our out-of-pocket expenses, the fee request of $102,000.00 represents a **1.33** multiplier ($102,000 / $76,825) of the lodestar fees incurred to-date in prosecuting this case.

1) *Risks presented by the contingent nature of the case*: The major consideration in determining the necessity of a multiplier is the contingent nature of the award. (*Ketchum III*, *supra*, 24 Cal.4th at pp. 1132–33; *see also Fischel*, *supra*, 307 F.3d

at p. 1008.) In determining what multiplier to award, the probability of success must be assessed *ex ante*, that is, as viewed from the outset of the case. (*See, e.g.*, *Harman v. Lyphomed, Inc.* (7th Cir. 1991) 945 F.2d 969, 976.) Further, the possibility of no recovery is only one of the uncertainties involved in taking on such a case. Other uncertainties are the amount that will be recovered, uncertainty as to the cost, both in effort and expenses, and uncertainty about how much time will pass before the recovery is obtained. (*See, e.g.*, *Ketchum*, 24 Ca1.4th at pp. 1132–1133, 1138.) My office's outlay of time and money in this case has been significant. In all, my office has spent *no less than* **98.2** hours to date investigating, analyzing, researching, litigating, and negotiating a favorable resolution of this case, in addition to *a minimum of* **10** hours that will be spent following final settlement approval, including to monitor settlement administration and distribution of funds, and has incurred $15,673.78 in necessary litigation costs. Unsettled legal issues also presented risks to the claims in this case. My office bore the substantial risk of an uncertain outcome in agreeing to prosecute this PAGA action on a contingency fee basis, as well as the difficulties and delay inherent in such litigation. There was the prospect of the enormous cost inherent in PAGA representative action litigation, as well as extensive negotiations with a corporate Defendants who vigorously opposed Plaintiff's claims and right to pursue his individual or class action claims in state court. My office risked significant time and expense to ensure a successful settlement. As detailed *supra*, the risks presented in this case were significant, and Defendants' defenses posed serious risks to the success of this PAGA matter on the merits, assuming we were first successful at proving the merits of Plaintiff's individual claims at arbitration. These risks illustrate the recognition by the California Supreme Court in *Ketchum III* that, if multipliers are not awarded to PAGA counsel in the cases that are successfully settled, counsel's fees are essentially being cut because the lodestar in and of itself would not account for contingent risk.

2) *Difficulty of the questions involved and the skill required*: My office is comprised of skilled attorneys who have had success in wage-and-hour class and PAGA

actions. This case required experienced and competent lawyers, as well as expertise in the issues presented herein. To obtain such an attorney on the free market, a client must pay the market rate. While most class/PAGA actions are complex and involve some risk, my office had to overcome several major obstacles in prosecuting this case, as explained *supra*. Defendants' contentions underscore the risk of prevailing at trial, and any of these obstacles could have prevented recovery completely.

3) *Vigorous opposition by Defendants*: Counsel who skillfully overcome difficult issues or uncompromising opposition in the litigation are entitled to a fee enhancement. (*Serrano III*, *supra*, 20 Cal.3d at 49.) Here, before eventually agreeing to a settlement, Defendants asserted a vigorous defense and challenged Plaintiff's ability to litigate his individual and class action claims. The settlement effort was protracted, with extended discussions and instances in which it appeared the Parties would not reach a settlement. Further, proceeding to arbitration, and if successful, then trial would have added years to the resolution of this case because of the difficult legal and factual issues raised and the likelihood of appeals. Indeed, even if Plaintiff prevailed on the representative PAGA claims at trial, assuming he was first successful at arbitration, Defendants would likely have mounted an appeal.

4) *The extent to which litigation precluded other employment would justify an enhancement*: There are only so many cases that my office can take at any one time. Consequently, there were other meritorious cases presented to my office that would have generated substantial fees, but were declined, during the pendency of this action in order to devote the attention necessary to achieve favorable results.

5) *The result obtained would justify an enhancement*: The results obtained in litigation can properly be used to enhance a lodestar calculation where an exceptional effort produced excellent results. (*Graham*, *supra*, 34 Cal.4th at p. 582.) Here, the final maximum settlement figure is **$306,000.00**, which represents roughly **72%** of the total realistic recovery. Considered against the size of the Aggrieved Employees, the risks posed by continued litigation, and the importance of the employment rights and a speedy

recovery, the relief provided under the Settlement represents a very strong result for the Aggrieved Employees and LWDA.

6) *The use of a multiplier is permitted in PAGA actions*: PAGA provides that "[a]ny employee who prevails in any action shall be entitled to an award of reasonable attorney's fees and costs." (Lab. Code § 2699(k)(1).) Although, PAGA does not provide a specific standard for evaluating attorneys' fees in connection with a settlement of PAGA claims, California Courts have employed a lodestar analysis and use of multipliers for this purpose. "Where a settlement produces a common fund for the benefit of the entire class, courts have discretion to employ either the lodestar method or the percentage-of-recovery method. . . . To guard against an unreasonable result, the Ninth Circuit encourages district courts to "cross-check[] their calculations against a second method. . . . Accordingly, the Court calculates attorneys' fees in the instant case using the percentage-of-recovery method and then cross-checks its calculations against the lodestar method." (*Hermosillo v. Davey Tree Surgery Co.* (N.D. Cal. July 7, 2021) No. 18-CV-00393-LHK, 2021 WL 2826697, at *1 [quoting *In re Bluetooth Headset Prods. Liab. Litig.* (9th Cir. 2011) 654 F.3d 935, 942, 944–45].)

76. I am informed and believe that the fees and costs provision under the Settlement is reasonable. My office invested significant time and resources into the case, with payment deferred to the end of the case, and then, of course, contingent on the outcome.

77. The risk to my office has been very significant, particularly if we would not be successful in pursuing this representative action. In that case, we would have been left with no compensation for all the time taken in litigating this case. Indeed, I have taken on a number of class and/or PAGA action cases that have resulted in thousands of attorney hours being expended and ultimately having the defendant company going bankrupt. The contingent risk in these types of cases is very real and occurs regularly. Furthermore, we were precluded from focusing on, or taking on, other cases which could have resulted in a larger, and less risky, monetary gain.

78. Because most individuals cannot afford to pay for legal representation on an hourly basis, Moon Law Group, PC represents virtually all its employment law clients on a contingency fee basis,

including Plaintiff in this action. Pursuant to this arrangement, we are not compensated for our time unless we prevail at trial or our clients' cases are successfully settled. Because Moon Law Group, PC is taking the risk that we will not be reimbursed for our time unless our client settles or wins his or her case, we cannot afford to represent an individual employee on a contingency basis if, at the end of our representation, all we are to receive is our regular hourly rate for services. It is essential that we recover more than our regular hourly rate when we win if we are to remain in practice so as to be able to continue representing other individuals in civil rights employment disputes.

79. My office invested significant time and resources into the case, with payment deferred to the end of the case, and then, of course, contingent on the outcome. My office's efforts have included, and will include following an approval order, without limitation, the following:

a. Numerous interviews with Plaintiff and review of documents provided by him;

b. Legal research and investigation regarding the Defendants' practices at numerous points in the litigation;

c. Preparation and submission of Plaintiff's PAGA Notices;

d. Preparation of multiple drafts of the original class action complaint and subsequent amended complaints, as well as finalization and filing of said complaints;

e. Extensive meet-and-confer discussions with Defendants' counsel regarding the dismissal of Plaintiff's class action claims;

f. Informal discovery activity;

g. Extensive meet-and-confer discussions with Defendants' counsel regarding mediator selection and production of relevant documents and information in preparation for mediation through informal discovery;

h. Analysis of Defendants' informal discovery production and preparation of a damages model with the aid of a statistics expert;

i. Contacting witnesses;

j. Research and preparation of Plaintiff's mediation brief;

k. Attendance and active participation at a full day of mediation;

l. Drafting, negotiating, and reviewing multiple drafts of the Settlement and its attachment;

m. Preparation and submission of the instant motion for settlement approval and accompanying filings;

n. Anticipated preparation for and attendance at the hearing on the motion for approval, monitoring approval of the Settlement and requested awards, and overseeing the administration process and distribution of funds; and

o. Communications with Plaintiff throughout the case.

80. As of the drafting of this motion, my office has incurred **$15,673.78** in expenses litigating this action without any reimbursement. These expenses were reasonably necessary to the litigation and were actually incurred by my office. These to-date expenses are summarized as follows:

(a) "LWDA Fee": a one-time cost for submitting Plaintiff's PAGA Notice to the LWDA;

(b) "One Legal - Complaint": the initial case filing fee for initiating Plaintiff's action;

(c) "Berger Consulting Group": costs of expert review of discovery for mediation;

(d) "Marc Feder Mediator": a one-time cost for mediation services;

(e) "ACE," "Case Anywhere," "One Legal," "LASC," and "Journal": costs for purchasing court documents, and for filing and serving various documents during this Action.

81. We anticipate incurring additional costs up to and after Settlement approval, including filing costs for the approval motion and any notice of entry of approval order and judgment. However, at this time, we are only requesting reimbursement of our to-date costs ($15,673.78). Moreover, because our costs are below the maximum allocation ($20,000.00) under the Settlement, the difference ($20,000.00 - $15,673.78 = $4,326.22) will revert to PAGA Penalties. (Settlement, ¶ 3.1.1.) I respectfully submit that our reimbursement request is fair and reasonable.

82. Through the efforts of my office and Plaintiff in this case, a fair and reasonable resolution has been reached that includes a non-reversionary payment by Defendants of at least $306,000.00 to compensate Aggrieved Employees for Defendants' alleged employment practices. I am informed and believe that, without the efforts of my office or Plaintiff, the Labor Code and Wage Order violations alleged in this action would have gone completely unremedied.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on August 21, 2026, at Los Angeles, California.

Kane Moon