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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES
SPRING STREET COURTHOUSE

JOEL LANUZA, as representative of the State of California on behalf of himself and all other aggrieved employees of Tower Wav LLC, Plaintiff, v. TOWER WAV LLC, a California limited liability company, and DOES 1 through 20, inclusive, Defendants.	Case No. 25STCV26177 **MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF JOINT MOTION FOR AN ORDER APPROVING THE PAGA SETTLEMENT AND ENTERING JUDGMENT THEREON** **Court Reservation Number: 564979995790** Hearing Date: February 17, 2026 Hearing Time: 8:30 a.m. Hearing Location: Department 2 Complaint Filed: September 8, 2025

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Page(s)

State Cases

State Statutes

The Plaintiff, Joel Lanuza, and the Defendant, Tower WAV LLC, by and through their respective undersigned counsel, respectfully submit this Memorandum of Points and Authorities in Support of Their Joint Motion for an Order Approving the PAGA Settlement and Entering Judgment Thereon ("Joint Motion").

I. INTRODUCTION

Plaintiff, as representative of the State of California on behalf of himself and all other aggrieved employees of Defendant, alleges a single cause of action against Defendant for civil penalties under the Private Attorneys General Act of 2004 ("PAGA"), California Labor Code ("Labor Code") § 2698 et seq., for late payment of gratuities or tips earned in violation of Labor Code § 351. Declaration of Daniel V. Santiago in Support of the Parties' Joint Motion ("Santiago Decl."), ¶3. As used herein and Plaintiff's Complaint filed on September 8, 2025, the term "aggrieved employees" is defined as all persons who were employed by Defendant as non-exempt, hourly rate employees, worked from any of its locations in the State of California, and provided transportation services to customers of Uber at any time from March 13, 2024 (one year prior to the date of Plaintiff's submission of the original New PAGA Claim Notice to the California Labor and Workforce Development Agency) through May 30, 2025. Santiago Decl., ¶4.

Plaintiff alleges that: Defendant's uniform, systematic practice was to pay him the gratuities or tips he earned on a monthly, rather than weekly, basis in clear violation of the time limit provided in Section 351 (i.e., "not later than the next regular payday following the date the patron authorized the credit card payment"); and this practice is evidenced by his weekly paystubs for the time period of February 12, 2024, to January 17, 2025. Santiago Decl., ¶5. In addition, Plaintiff alleges upon information and belief that: Defendant paid the gratuities or tips that all other aggrieved employees earned on at least a weekly basis in the same fashion it paid the gratuities or tips earned by him (i.e., on a monthly basis); and the other aggrieved employees and he were affected equally by Defendant's uniform, systematic practice. Santiago Decl., ¶6.

Defendant denies the material allegations in Plaintiff's Complaint. Santiago Decl., ¶7. Defendant further denies any violation of the Labor Code or any other wrongdoing. *Id.*

The parties have agreed to resolve this action in its entirety to avoid the time and expense of protracted litigation. Santiago Decl., ¶8. To that end, the parties have executed a PAGA Settlement Agreement ("Settlement Agreement") that is based on the Los Angeles Superior Court's Model PAGA Settlement Agreement, LASC CIV 298 rev. 02/23 for optional use. *Id.* True and correct copies of the Settlement Agreement in non-redlined and redlined formats are attached to the Santiago Decl. as **Exhibits 1 and 2, respectively**.

By their Joint Motion, the parties request that the Court enter an Order approving the settlement of Plaintiff's PAGA claim and dismissing that claim with prejudice. The Parties are prepared to consummate the Settlement Agreement after the Court grants the relief requested in their Joint Motion. Santiago Decl., ¶27.

II. ARGUMENT

A. The Proposed Settlement of Plaintiff's PAGA Claim Is Fair and Reasonable.

The Settlement Agreement reflects the settlement of Plaintiff's PAGA claim for a Gross Settlement Amount of $205,000 to be distributed as follows: (a) $5,000 is to be paid to the Administrator to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with approval of this settlement (defined as the "Administration Expenses Payment" in the Settlement Agreement); (b) $68,333.33 is to be paid by or on behalf of Defendant to Plaintiff's undersigned counsel (defined as the "PAGA Counsel Fees Payment" in the Settlement Agreement); (c) a PAGA Counsel Litigation Expenses Payment not to exceed $2,500 is to be paid by or on behalf of Defendant to Plaintiff's undersigned counsel; (d) a LWDA PAGA Payment of 65% of the PAGA Penalties[1] is to be paid by or on behalf of Defendant to the Labor and Workforce Development Agency ("LWDA"); and (e) Individual PAGA Payments of 35% of the PAGA Penalties are to be paid by or on behalf of Defendant to the Claims Administrator for prompt, subsequent distribution to the aggrieved employees. Santiago Decl., ¶11. Notably, the Settlement Agreement is subject to and expressly conditioned upon the

[1] The PAGA Penalties shall be calculated as the Gross Settlement Amount less the following payments in the amounts approved by the Court: the Administration Expenses Payment, PAGA Counsel Fees Payment, and PAGA Counsel Litigation Expenses Payment. Santiago Decl., ¶11.

Court's entry of an Order approving the settlement of Plaintiff's PAGA claim against the Defendant and dismissing that claim with prejudice. Santiago Decl., ¶12.

The proposed settlement of Plaintiff's individual and representative PAGA claims against the Defendant is fair and reasonable in light of the following factors, among others: (a) Plaintiff's counsel has conducted sufficient investigation and settlement negotiations that support Plaintiff's and his conclusion that the proposed settlement of Plaintiff's PAGA claim is fair and reasonable, as described more fully in ¶¶14-15 of the Santiago Decl.; (b) any settlement, including the proposed settlement in the Action, should take into consideration the time, inconvenience and uncertainty of trial that are avoided by the settlement; (c) under Labor Code §2699(m), allegedly aggrieved employees like Plaintiff are entitled to receive only 35% of any PAGA settlement with the remaining 65% to be paid to the LWDA; (d) as explained in greater detail in ¶¶16-19 of the Santiago Decl., the proposed settlement of Plaintiff's PAGA claims for $205,000 exceeds Plaintiff's counsel evaluation of a fair and reasonable settlement of those PAGA claims; (e) as explained in greater detail in ¶20 of the Santiago Decl., the proposed settlement of Plaintiff's PAGA claim for $205,000 reflects a significantly higher percentage of Defendant's maximum potential exposure for that claim than the percentages of class action and/or PAGA settlements relative to employers' maximum potential exposures approved by other courts; and (f) as explained in greater detail in ¶¶21-26 of the Santiago Decl., Plaintiff's counsel's background and experience support the conclusion that the proposed settlement of Plaintiff's PAGA claim is fair and reasonable.

B. Plaintiff's Counsel's Investigation and Discovery

Prior to negotiating the Settlement, Plaintiff's counsel obtained through informal discovery the following:

(a) Defendant's production of Plaintiff's itemized wage statements throughout his employment by Defendant (which reflect, *inter alia*, the dates on which Defendant paid him the gratuities or tips he earned pursuant to Labor Code § 351);

(b) Defendant's disclosure of the employee ID numbers of all of Defendant's drivers throughout the State of California who drove for Defendant during the time period of March 6, 2024 (one year prior to the date of Plaintiff's submission of his New PAGA Claim Notice to the LWDA and Defendant) to May 30, 2025, and used the Uber app;

(c) Defendant's disclosure of the start dates and, if applicable, termination dates of the foregoing drivers (if the driver started prior to March 6, 2024, Defendant calculated his or her weeks as if he or she began on that date);

(d) Defendant's disclosure of the foregoing drivers' workweeks;

(e) Defendant's disclosure regarding the frequency with which it paid the foregoing drivers their tips during the relevant time period; and

(f) Defendant's disclosure regarding the approximate time period when the underlying practice at issue was remedied.

Santiago Decl., ¶14.

In addition, prior to filing the Parties' Joint Motion, Plaintiff's counsel confirmed the foregoing facts, data, and other information regarding the aggrieved employees through the Declaration of Juan Fernando Rivera ("Rivera Decl.") submitted by Defendant's counsel and filed concurrently herewith under separate cover. Santiago Decl., ¶15. Mr. Rivera is Defendant's Chief of Staff and has held that position since December 4, 2023.Rivera Decl., ¶2.

C. Plaintiff's Damages Model

Plaintiff's damages model for his PAGA claim assumes the following:

Liability period: March 13, 2024 (one year prior to the date of Plaintiff's submission of the original New PAGA Claim Notice) through May 30, 2025

Number of aggrieved employees: 748

Total number of workweeks worked during the liability period ("gross workweeks"): 11,465[2]

[2] The calculation of the aggrieved employees' workweeks was done by counting the number of paychecks received by each aggrieved employee during the PAGA period. This gives the advantage to the aggrieved employees so that if they got a paycheck in any amount for the workweek in question, they were treated as having worked that week. Accordingly, if they were off that week but got a paycheck with a meal premium or a true up payment, they are treated for settlement purposes as having "worked" that week.

Total number of workweeks worked during the liability period minus 748 workweeks to account for the fact that none of the 748 aggrieved employees were entitled to be paid gratuities or tips via credit card during their first workweeks (“net workweeks”): 10,717

25% reduction of workweeks to account for the fact that gratuities or tips were paid on a monthly basis and, therefore, timely paid approximately 25% of the time: a 25% reduction results in 2,679 fewer workweeks (.25 X 10,717 = 2,679.25, rounded down to 2,679)

25% reduction of workweeks to account for the fact that many of the aggrieved employees drove not only using the Uber ride-share app but also using other ride-share companies’ applications (e.g., Lyft) whose practices vis-à-vis payment of gratuities or tips are not at issue in this case: a 25% reduction results in 2,679 fewer workweeks (.25 X 10,717 = 2,679)

No reduction of workweeks to account for the calculation of the workweeks through 5/30/25 despite the fact that, according to Plaintiff’s investigation, Defendant changed its practice vis-à-vis payment of gratuities or tips at some point between Plaintiff’s submission of its original New PAGA Claim Notice on 3/13/25 and 5/30/25

Total workweeks subject to any of the foregoing percentage reductions: 5,358

Total number of qualified workweeks (i.e., workweeks when the aggrieved employees may have experienced a violation of Labor Code § 351): 5,359 workweeks calculated as follows: 10,717 (net workweeks) – 5,358 (total workweeks subject to any of the foregoing percentage reductions)

Percentage of qualified workweeks in which the aggrieved employees were not timely paid gratuities or tips: 100%

PAGA pay periods: 2,680 (5,359 qualified workweeks X .5 in accordance with the recent PAGA amendment reflected in Labor Code § 2699(o) that reduces PAGA penalties by one-half for employers with weekly pay periods, effectively equalizing the penalty structure for both weekly and biweekly pay periods, = 2,679.5, rounded up to 2,680[3])

Santiago Decl., ¶16; Rivera Decl., ¶¶3-9.

Based upon the foregoing assumptions underlying Plaintiff’s damages model, Plaintiff and his counsel estimate that the total PAGA penalties potentially recoverable are $461,200 calculated as follows: ($100 for the first 748 of the 2,948 PAGA pay periods = $74,800) + ($200 for each of the 1,932 subsequent PAGA pay periods = $386,400) = $461,200. Santiago Decl., ¶17.

[3] Labor Code § 2699(o) provides that “[f]or purposes of this section, the penalty recovered pursuant to this part shall be reduced by one-half if the employees’ regular pay period is weekly rather than biweekly or semimonthly.”

D. Discounts For Settlement Purposes

For settlement purposes, it is reasonable to discount Plaintiff's estimate of the total PAGA penalties potentially recoverable ($461,200) on at least two bases. Santiago Decl., ¶18.

First, it is reasonable to discount Plaintiff's estimate of the total PAGA penalties potentially recoverable ($461,200) by 50% to reflect Defendant's defense that it took all reasonable steps to fix the Labor Code violation at issue (i.e., late payment of aggrieved employees' gratuities or tips earned in violation of Labor Code § 351) within 60 days of receiving Plaintiff's New PAGA Claim Notice (as supported by Defendant's counsel's representations during the informal discovery phase and their subsequent production of the supporting declaration of Mr. Rivera, Defendant's Chief of Staff, prior to the filing of the parties' Joint Motion). Santiago Decl., ¶18. Given those steps and the recent PAGA amendments intended to incentivize employers to rectify alleged Labor Code violations, Defendant can argue that the maximum PAGA penalties should be capped at 30% (i.e., a 70% discount). Labor Code § 2699(h)(1) (30% cap on civil penalties sought under Labor Code § 2699, subdivisions (a) or (f), where employer takes all reasonable steps to prospectively be in compliance with all provisions identified in the notice of violation required by Labor Code § 2699.3 within 60 days of receiving such notice). *Id.* If Plaintiff's estimate of the total PAGA penalties potentially recoverable ($461,200) were discounted by 50% (which, of course, is less than the potential 70% discount under Labor Code § 2699(h)(1)), the resulting figure is $230,600. *Id.*

Second, it is reasonable to discount the latter figure ($230,600) by 40% to reflect the benefits of avoiding the delay, expense, and uncertainty of continued litigation. Santiago Decl., ¶18. Santiago Decl., ¶19. Plaintiff's counsel contends that the resulting figure ($138,360) would be a fair and reasonable settlement of Plaintiff's PAGA claims. *Id.* Notably, however, the proposed settlement of Plaintiff's individual PAGA claims for $205,000 exceeds his counsel's view of a fair and reasonable settlement of Plaintiff's PAGA claims (i.e., $138,360) by $66,640. Santiago Decl., ¶19.

Moreover, the proposed settlement of Plaintiff's PAGA claim is approximately 44% of Defendant's maximum potential liability for that claim ($205,000 of $461,200 is 44.4%). This reflects a significantly higher percentage of Defendant's maximum potential liability for that claim than the percentages of class action and/or PAGA settlements relative to employers' maximum potential liabilities regularly approved by other courts. *See, e.g., Carlin v. DairyAmerica, Inc.*, 380 F. Supp. 3d 998, 1012 (E.D. Cal. 2019) ("Courts regularly approve class settlements where class members recover less than one quarter of the maximum potential recovery amount[,]" and "recovery that is more than a quarter of the class's maximum recovery [] weighs heavily in favor of approval."); *Bravo v. Gale Triangle, Inc.,* 2017 WL 708766, *10 (C.D. Cal. Feb. 16, 2017) (approving a settlement where net recovery to class members was approximately 7.5% of the projected maximum recovery amount); *Bellinghausen v. Tractor Supply Co.*, 306 F.R.D. 245, 256 (N.D. Cal. 2015) (approving a settlement where the gross recovery to the class was approximately 8.5% of the maximum recovery amount); and *Naro v. Walgreen Co.*, 2025 WL 440057 at *3 (N.D. Cal. January 16, 2025) (Court expressed preliminary approval of $100,000 proposed to be allocated to PAGA penalties which represented approximately 3.3% of the maximum PAGA liability, noting that "courts in this circuit have regularly approved settlement amounts constituting single digit percentages of the PAGA penalty.").

E. Additional Factors Supporting Fairness and Reasonableness of Proposed Settlement

The Parties respectfully submit that the relief requested in their Joint Motion is further warranted in light of the additional factors outlined below.

Notice of the proposed settlement of Plaintiff's PAGA claim and the dismissal of that claim as described herein is not required to be provided to any other employee of Defendant. *Turrieta v. Lyft, Inc.* (2021) 69 Cal.App.5th 955, 974 ("PAGA has no notice requirements for unnamed aggrieved employees, nor may such employees opt out of a PAGA action."); *Baumann v. Chase Inv. Servs. Corp.*, 747 F.3d 1117, 1122 (9th Cir. 2014) (same).

In addition, an aggrieved employee's status as the State of California's proxy in a PAGA action does not give that employee the right to seek intervention in the PAGA action of another employee or to require a court to receive and consider objections to a proposed settlement of that action. *Turrieta v. Lyft, Inc.* (2024) 16 Cal.5th 664, 716.

Further, neither Plaintiff nor Plaintiff's counsel have any conflict of interest (actual or potential) with any aggrieved employee and/or the Administrator, CAC Services Group, LLC. Santiago Decl., ¶29; Lanuza Decl., ¶8. Neither Plaintiff nor Plaintiff's counsel have any interest or relationship, financial or otherwise, with the Administrator other than a professional relationship with Plaintiff's counsel arising out of prior experiences administering class action and representative PAGA action settlements. Santiago Decl., ¶30; Lanuza Decl., ¶9.

Moreover, paragraph 2.5 of the Settlement Agreement provides in part:

> Defense Counsel represents that she is Defendant's lead wage and hour counsel, that her Firm is handling all wage and hour matters filed against Defendant in California, and that no other pending case against Defendant asserts any claim for alleged untimely payment of gratuities.

Similarly, Plaintiff's counsel is not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the parties' Settlement Agreement in this action. Santiago Decl., ¶31. As described in detail in pages 5-7 of the Amended New PAGA Claim Notice dated July 2, 2025, and ¶¶32-35 of the Santiago Decl., Plaintiff's singular PAGA claim described in the operative Complaint in this action: (1) is entirely distinct (factually and legally) from all of the claims alleged in the aforementioned 5 previously filed actions against Defendant (including, but not limited to, claims for late payment of wages in violation of Labor Code § 204, unpaid wages in violation of Labor Code § 1194, and failure to timely pay wages upon termination of employment in violation of Labor Code §§ 201-203); (2) is not subsumed by any of the claims alleged in any of the aforementioned actions; and (3) is not encompassed within any of the claims alleged in any of the aforementioned actions

Finally, Plaintiff's counsel's background and experience support his conclusion that the proposed settlement of Plaintiff's PAGA claims is fair and reasonable. Santiago Decl., ¶¶21-26.

F. Plaintiff's Counsel's Timely Notice to the LWDA of the Proposed Settlement and the Parties' Joint Motion

Plaintiff's counsel has timely transmitted to the LWDA (via online filing with the LWDA) all necessary PAGA documents including Plaintiff's initial notice of violations (Labor Code § 2699.3(a)), the Operative Complaint (Lab. Code, § 2699(s)(1)), and the parties' Settlement Agreement (Lab. Code, § 2699(s)(2)). Santiago Decl., ¶36. In addition, Plaintiff's counsel has submitted copies of the parties' Joint Motion and all related papers to the LWDA (via online filing with the LWDA) immediately before filing those papers in the Los Angeles County Superior Court. *Id.* A true and correct copy of the email Plaintiff's counsel received from the DIR PAGA Unit on behalf of the LWDA confirming his submission of the parties' Joint Motion and all related papers to the LWDA is attached to the Santiago Declaration as **Exhibit 3**.

Plaintiff's counsel does not anticipate receiving any objection or other communication from the LWDA regarding the relief requested in the parties' Joint Motion. Santiago Decl., ¶38. Plaintiff's counsel will advise the Court whether he has received any objection or other communication from the LWDA during the hearing on the Joint Motion. Santiago Decl., ¶39.

III. CONCLUSION

For the foregoing reasons, Plaintiff respectfully requests that the Court enter: (1) an Order approving the proposed settlement of Plaintiff's PAGA claim and dismissing that claim with prejudice; and (2) Judgment thereon.

Dated: December 23, 2025

LAW OFFICES OF DANIEL V. SANTIAGO, P.C.

By: ______________________________

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Dated: December 23, 2025

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