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and all others similarly situated

SUPERIOR COURT FOR THE STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO

TALIA OVANDO, on behalf of herself and
all others similarly situated,

Plaintiff,

v.

PAOLINO LOGISTICS LLC, a California
Limited Liability Company; PAOLINO
TRANSPORT LLC, a California Limited
Liability Company; AMAZON LOGISTICS,
INC., a Delaware Corporation; and DOES 1
through 100, inclusive

Defendants.

Case No. CIVSB2216425

CLASS ACTION

Assigned to: Hon. Kevin C. Lee

**NOTICE OF MOTION AND MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA ACTION
SETTLEMENT; MEMORANDUM OF
POINTS AND AUTHORITIES**

Date: May 22, 2026

Time: 8:30 a.m.

Dept.: S26

Complaint Filed: July 28, 2022

FAC Filed: April 24, 2023

1 **TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

2 PLEASE TAKE NOTICE that on May 22, 2026, at 8:30 a.m., Judge Kevin C. Lee
3 presiding at San Bernardino Superior Court, 247 West Third Street, San Bernardino, CA 92415-
4 0210, Department S26, or as soon thereafter as the matter can be heard, Plaintiff Talia Ovando
5 (“Plaintiff”) will move for an order granting preliminary approval of class action and Private
6 Attorneys General Act (“PAGA”) settlement, including conditional class certification for
7 settlement purposes. Good cause exists for the granting of the Motion in that the proposed class
8 action settlement is fair, reasonable, and adequate.

9 The Motion will be based on this Notice of Motion and Motion, Memorandum of Points
10 and Authorities, declarations of Talia Ovando, Jason Hatcher, and Cassandra A. Castro, and on
11 such oral and documentary evidence as may be presented before and at the hearing on the Motion.

12
13
14 DATED: April 30, 2026

THE MYERS LAW GROUP, A.P.C.

15
16 By: /s/Cassandra A. Castro
17 David P. Myers,
18 Jason Hatcher,
19 Cassandra A. Castro,
20 Andriana N. Bravo
21 Attorneys for Plaintiff, on behalf of
22 herself and all others similarly
23 situated
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1 **I. INTRODUCTION**

2 Plaintiff Talia Ovando (“Plaintiff”) seeks preliminary approval of a non-reversionary
3 \$474,466.72 Class and Private Attorneys General Act (“PAGA”) action settlement, as well as
4 conditional class certification for settlement purposes, as outlined in the Class Action and PAGA
5 Settlement Agreement and Class Notice (“Settlement” or Settlement Agreement”). (Decl. Castro
6 at ¶ 4, Ex. 1 (“Ex. 1”)).¹ The Settlement covers approximately 612 current and former non-exempt,
7 hourly-paid employees who worked for Defendants Paolino Logistics LLC and Paolino Transport
8 LLC (“Paolino”) and provided dispatch and/or delivery driver services in the State of California
9 during the Class Period defined as November 1, 2020 through March 15, 2026. (Ex. 1 at ¶¶ 1.4,
10 8.2); (Decl. Castro at ¶ 24).²

11 All terms of the Settlement are contained within the Settlement Agreement, which, if
12 approved as requested, provides **the average class member a payment of approximately**
13 **\$427.80** (Net Class Settlement Amount: \$261,811.15/ Approx. class size: 612). Based on 16,864
14 workweeks, based on the Settlement’s allocations, it is estimated that the highest Individual Class
15 Payment is \$4,346.96 and the lowest Individual Class Payment is \$15.52. The Court should grant
16 preliminary approval as this settlement is fair, reasonable, and adequate. (Decl. Hatcher ¶ 10);
17 (Decl. Castro ¶¶ 4, 7, 10, 12, 14, 22), (Decl. Ovando ¶ 22).

18 **II. CASE HISTORY AND OVERVIEW**

19 **A. Factual Background**

20 Paolino provides delivery services for Defendant Amazon Logistics (“Amazon”) (together
21 with Paolino, “Defendants”) throughout the state of California and employed Plaintiff and the
22 proposed Settlement Class during the Class Period.

23 On August 1, 2022, Plaintiff filed a Private Attorneys General Act (PAGA) Notice with
24 the Labor and Workforce Development Agency and mailed Defendants the same.

25 On July 28, 2022, Plaintiff filed a class action complaint, and on April 24, 2023, Plaintiff
26

27 ¹ This Motion incorporates by reference the definitions in the Settlement Agreement. All defined terms in the
28 Settlement Agreement and stated herein shall have the same meaning as set forth in the Settlement Agreement.

² Pursuant to Paragraphs 1.11 and 8.2 of the Settlement, Defendants elected March 15, 2026 as the Class Period cutoff
date.

1 filed a First Amended Complaint (“FAC”), against Paolino Logistics LLC, Paolino Transport LLC,
2 and Amazon Logistics, Inc. The FAC alleges violations of the California Labor Code and Business
3 and Professions Code, on behalf of Plaintiff and all others similarly situated, for the following
4 claims: (a) failure to pay all overtime and double time wages; (b) failure to provide meal periods;
5 (c) failure to provide rest periods; (d) failure to provide accurate wage statements; (e) failure to
6 pay all wages due at separation; (f) unfair competition; and (i) Private Attorneys General Act
7 (PAGA). On December 14, 2022, Paolino filed a Motion to Compel Individual Arbitration,
8 Dismiss Class Claims, and Stay Proceedings (“Motion to Compel”), to which Amazon filed a
9 Notice of Joinder. Plaintiff opposed Defendants’ Motion to Compel. On August 17, 2023, the
10 Court granted Defendants’ Motion to Compel.

11 On February 2, 2024, in accordance with the Court’s ruling on Defendants’ Motion to
12 Compel, Plaintiff demanded arbitration with the American Arbitration Association (“AAA”).

13 On March 5, 2025, Plaintiff and Defendants (the “Parties”) participated in an all-day
14 private mediation with mediator Scott Markus, Esq. Prior to mediation, Defendants provided
15 Plaintiff with informal mediation-based class and PAGA discovery that included data detailing the
16 number of Class Members (former and current Class Members), total number of aggrieved
17 employees (“PAGA employees”), and the total number of workweeks, as well as payroll data and
18 documents, the personnel files for Plaintiff, and wage and hour policy documents, to permit
19 Plaintiff to prepare a damages model. (Decl. Castro at ¶ 5). At the mediation a settlement in
20 principle was reached through non-collusive, arm’s length negotiations, which ultimately resulted
21 in this Settlement. (Id. at ¶ 4).

22 Plaintiff and Plaintiff’s Counsel (“Class Counsel”) have concluded, after taking into
23 account sharply disputed factual and legal issues involved in this litigation, the risks of further
24 litigation, and the substantial benefits received and to be received pursuant to the compromise and
25 settlement of the litigation, that settlement on the terms hereinafter set forth is in the best interest
26 of the class members.

27 Defendants and Defense Counsel have concluded, after taking into account the sharply
28 disputed factual and legal issues involved in the litigation, the risks attending further defense, the

substantial expense and burden of protracted litigation, and their desire to put the controversy to rest, that settlement on the terms hereinafter set forth is in the best interest of Defendants.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Terms of the Settlement

1. The Settlement Class

The class is defined as:

All current and former California hourly, non-exempt employees who worked for Defendants Paolino Logistics LLC and Paolino Transport LLC at any time during the Class Period and who provided dispatch and/or delivery driver services for Defendants Paolino Logistics LLC and Paolino Transport LLC. (the “Class” or “Settlement Class”).

(Ex. 1 at ¶ 1.4).

The Class Period extends from November 1, 2020 through March 15, 2026 with a Settlement Class of approximately 612 Class Members. (*Id.* ¶¶ 1.4, 1.11, 8.1, 8.2) (Decl. Castro at ¶ 24). As detailed below, the Escalator Clause of the Settlement was triggered upon Defendants’ election to end the Class Period as of March 15, 2026.³

2. The Settlement Allocations

Defendants have agreed to pay a *non-reversionary* sum of Four Hundred Seventy-Four Thousand, Four Hundred Sixty-Six Dollars and Seventy-Two Cents (\$474,466.72), or Gross Settlement Amount (“GSA”). (Ex. 1 at ¶¶ 1.21, 3.1, 8.2). The GSA includes all Individual Class Payments to Participating Settlement Class Members, Administrator Expenses Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, and all Individual PAGA Payments to PAGA Employees (totaling 25% of the PAGA Penalties allocation) and the LWDA PAGA Payment (75% of the PAGA Penalties allocation). (Ex. 1 at ¶¶ 3.2, 3.21, 3.2.2, 3.2.3, 3.2.4, 3.2.7, 3.2.8). A full breakdown of the allocations of the GSA is as follows:

³ The Settlement provides a “Class” definition and a “Class Period” to be either the date of an order granting preliminary approval of the settlement or an earlier date of Defendants’ choosing as set forth in the Escalator Clause in Paragraph 8.2. (Ex. 1 at ¶¶ 1.4, 1.11, and 8.2). The Settlement provides a subordinate definition of a “Class Member” at Paragraph 1.9 that mirrors Paragraph 1.4 that includes language from a draft version of the Settlement that inadvertently was not deleted. The Parties are finalizing an amendment to the Settlement to clarify and remove this language which the parties intend to file by reply deadline.

Gross Settlement Amount	\$474,466.72
Class Counsel Fees Payment	\$158,155.57
Class Counsel Litigation Expenses Payment	\$12,500.00
LWDA PAGA Payment	\$15,000.00
PAGA Payment to PAGA Employees	\$5,000.00
Administration Expenses Payment	\$12,000.00
Class Representative Service Payment	\$10,000.00
Net Class Settlement Amount	\$261,811.15

Defendants' share of any employer payroll taxes shall be paid by Defendants separately and in addition to the GSA. (Ex. 1 at ¶ 1.21, 1.18). The total amount of workweeks as of mediation was approximately 13,506, however, the total number of workweeks for the Class Period is 16,864 workweeks, as Defendants elected to cap the Class Period at March 15, 2026. Pursuant to the escalator provision in Section 8.2 of the Settlement, the GSA above is the result of a 13.5% increase in the total number of workweeks. (Ex. 1 at ¶¶ 4.1, 8.2) (Decl. Castro at ¶ 24).

3. Individual Class Payments

Each Participating Class Member who does not submit a valid and timely Request for Exclusion from the Settlement will be a Participating Class Member ("PCM") and will receive an Individual Class Payment based on a pro rata share of the Net Settlement Amount ("NSA"). (Ex. 1 at ¶¶ 7.5.1, 7.5.3, 7.5.4). The Settlement allocates 30% of the Settlement Share as wages subject to employee wage withholdings and reported on IRS Form W-2; and the remaining 70% as interest and penalties reported on IRS Form 1099. (Ex. 1 at ¶¶ 3.2.5).

The NSA shall be distributed to the individual Participating Class Members based on the number of workweeks that he or she worked. It shall be calculated by (a) dividing the NSA by the total number of Workweeks worked by the Participating Class Members during the Class Period and (b) multiplying the result by the number of Workweeks worked by the Participating Class Member during the Class Period. (Ex. 1 at ¶ 3.2.4). Non-Participating Class Members, Class Members who opt-out, will not receive any Individual Class Payment, will not release the Released Class Claims, and have Workweeks that will not be included in the pro rata calculation of the Individual Class Payments. (Ex. 1 at ¶ 3.2.6).

4. PAGA Allocation

The Settlement allocates \$20,000.00 to the PAGA Payment. (Ex. 1 at ¶ 1.34). The PAGA

1 Payment results in 75% (or \$15,000.00) paid to the LWDA. (Id. at ¶¶ 1.34, 3.2.7). The remaining
2 25% (or \$5,000.00) will be paid to the PAGA Employees. The Individual PAGA Payment for the
3 PAGA Employees will be calculated on a pro rata basis based on each individual PAGA
4 Employees' percentage of workweeks for all PAGA Employees for the PAGA Period. (Id. at ¶¶
5 1.34, 3.2.7). At the time of mediation, there were approximately 494 PAGA Employees with 5,911
6 Pay Periods at issue during the PAGA Period. (Id. at ¶¶ 8.1); (Decl. Castro at ¶ 28).

7 **B. Proposed Notice to the Class**

8 In accordance with the Settlement Agreement, all Class Members and PAGA Employees
9 will be mailed a Settlement Notice that includes, but is not limited to, information regarding the
10 nature of the litigation; a summary of the terms of the Settlement Agreement; the definitions of the
11 Class; the estimated cost for administration of the settlement; information regarding payments
12 from the GSA; the individual Class Members' total number of Workweeks; the estimated
13 Individual Class Payment and Individual PAGA Payment; the formulas for calculating Individual
14 Class Payment and Individual PAGA Payment; the dates of the Class Period and PAGA Period;
15 instructions for requesting exclusion from or objecting to the settlement, deadlines for the same;
16 the date, time and location of the Final Approval/Fairness Hearing; and the claims to be released
17 by Participating Class Members and PAGA Employees. (Ex. 1 at Ex. A); (Decl. Castro at ¶ 26 Ex.
18 3) (updated proposed Notice). The Settlement Notice will be provided in English and Spanish.

19 **C. Proposed Release of Claims**

20 The Settlement provides the following narrowly tailored releases.

21 **1. Released Parties**

22 Under the Settlement terms, the Released Parties means Defendants Paolino Logistics
23 LLC, Paolino Transport LLC, and Amazon Logistics, Inc. (Ex. 1 at ¶ 1.41).

24 **2. Released Class Claims**

25 The PCM will release the Released Class Claims as follows:

26 Effective on the date when Defendants fully fund the entire Gross Settlement
27 Amount, and funds all employer payroll taxes owed on the Wage Portion of the
28 Individual Class Payments, all Participating Settlement Class Members will
release, for the Settlement Class Period only, against Defendants and the Released
Parties all claims asserted in the Second Amended Complaint and all claims that

could have been brought based on the factual allegations set forth in the Second Amended Complaint excluding the Seventh Cause of Action for PAGA Penalties. The Participating Settlement Class Members (not including Plaintiff) do not release any other claims, including but not limited to claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims for PAGA violations (which are addressed in Paragraph 5.3 ("Release by PAGA Employees")). (Ex. 1 at ¶ 5.2).

3. Released PAGA Claims

The PAGA Employees will release the PAGA Released Claims as follows:

Effective on the date when Defendants fully fund the entire Gross Settlement Amount, and fund all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, all PAGA Employees will release, for the PAGA Period only, Defendants and the Released Parties from all claims for PAGA penalties that were alleged in the Second Amended Complaint and all claims for PAGA penalties that could have been brought based on the factual allegations set forth in the Second Amended Complaint and the PAGA Notices for this Action.

(Ex. 1 at ¶ 5.3).

4. Plaintiff's Individual Release

Under the Settlement, Plaintiff, and only Plaintiff, is executing a general release of claims that includes a Civil Code §1542 release. (Ex. 1 at ¶ 5.1).

IV. LEGAL ARGUMENT

California courts favor settlement, particularly in class actions and other complex actions where substantial resources may be conserved by avoiding the time, costs, and rigors of protracted formal litigation. *7-Eleven Owners for Fair Franchising v. Southland Corp.*, 85 Cal.App.4th 1135, 1151 (2000). Where a class action settlement is determined to be within the "range of reasonableness," the court should grant preliminary approval. *Hernandez v. Vitamin Shoppe Indus., Inc.*, 174 Cal.App.4th 1441, 1446 (2009).

A. The Court Should Grant Preliminary Approval of the Settlement

1. The Proposed Settlement is Fair, Reasonable, and Adequate

All factors favor preliminary approval of the Settlement. *See Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles*, 186 Cal.App.4th 399, 407 (2010) (citing *Kullar v. Footlocker Retail, Inc.*, 168 Cal.App.4th 116, 130 (2008)). Courts recognize that the strength of the plaintiffs' case

1 on the merits balanced against the amount offered in the settlement as the most important factor to
2 such determination. *Id.* The proponent of the settlement bears the burden of showing that the
3 proposed settlement is fair and reasonable. California courts generally recognize a presumption of
4 fairness where (1) the settlement is reached through arm's length bargaining; (2) investigation and
5 discovery are sufficient to allow counsel and the court to act intelligently; (3) counsel is
6 experienced in similar litigation; and (4) the percentage of objectors is small. *Dunk v. Ford Motor*
7 *Co.* (1996) 48 Cal.App.4th 1794, 1802.

8 **a. The Settlement is the Product of Arm's-Length Negotiations**

9 The proposed Settlement here is fair, reasonable and adequate. The Court should grant
10 preliminary approval as this settlement is fair, reasonable, and adequate. (Decl. Hatcher ¶ 10);
11 (Decl. Castro ¶¶ 4, 7, 10, 12, 14, 22). Plaintiff and Class Counsel engaged in private mediation, on
12 March 5, 2025, with well-respected mediator Scott Markus, Esq. Prior to the mediation, Plaintiff
13 possessed sufficient information and documentation to make an informed decision and conduct a
14 comprehensive review and analysis of the facts, potential damages, and legal issues raised by the
15 Action to reach the Settlement. (Decl. Castro ¶ 4-7). At the mediation, the parties reached a
16 settlement in principle that is memorialized in the Settlement Agreement. (*Id.* at ¶ 4). The
17 settlement negotiations in this matter were at arm's length and non-collusive at all times. (*Id.*).

18 In reaching the proposed Settlement, Plaintiff and Class Counsel's negotiation efforts took
19 into consideration relevant factors such as the size of the class, the information and documents
20 obtained through informal discovery, the experiences of Plaintiff, Defendants' projected liability,
21 the expense of continued litigation, the uncertainty inherent in litigating complex matters, such as
22 obtaining and maintaining class certification, Defendants' policies including its timekeeping and
23 compensation practices, Defendants' alleged arbitration agreements, and the potential for appeals.
24 (Decl. Castro ¶¶ 4-5, 7). Based on Class Counsel's experience handling similar claims, Class
25 Counsel are of the opinion that the proposed settlement represents a favorable resolution for the
26 Settlement Class as it provides for concrete compensation to the absent class members for
27 Defendants' alleged violations without the further expense and uncertainty of further litigation.
28 (Decl. Castro ¶¶ 4, 7, 8, 10, 12, 14, 22). Moreover, the proposed settlement resolves any potential

1 penalties against Defendants for their allegedly unlawful conduct as alleged in the proposed SAC
2 and also compensates Plaintiff and the Class Members fairly for the SAC's claims. (Id.).
3 Accordingly, there can be no doubt that the proposed Settlement before the Court is the product of
4 thorough arm's length and non-collusive negotiations between the Parties, who participated in a
5 full-day of mediation with Scott Markus, Esq., and based thereon the Court should presume the
6 fairness of the proposed settlement.

7 **b. Sufficient Investigation and Discovery Has Been Conducted**

8 Prior to attending the mediation, Plaintiff conducted a comprehensive investigation into
9 the facts and legal issues raised by the FAC and proposed SAC. Plaintiff's investigation included
10 requesting and obtaining documents through mediation-based discovery and information for the
11 Settlement Class and PAGA Employees, that included data detailing the number of class members
12 (formerly and currently employed), total number of aggrieved employees, total number of
13 workweeks and pay periods, as well as payroll data (including a sampling) and documents, the
14 personnel files for Plaintiff, and wage and hour policy documents, to permit Plaintiff to prepare a
15 damages model. (Decl. Castro ¶ 4-7). At the time of mediation, and prior to reaching the
16 Settlement, Plaintiff was equipped with sufficient knowledge of the facts and legal claims at issue,
17 and the evidence in support or in contention thereof, so as to make a proper evaluation of the
18 merits of the claims in the action, the defenses raised by Defendants against said claims, and
19 Defendants' scope of projected liability. (Id.).

20 Given the foregoing, the Settlement for each Participating Class Member is fair,
21 reasonable, and adequate, given the inherent risk of litigation and Defendants prevailing on the
22 merits, the risk relative to class certification, the costs of litigation, and Defendants' affirmative
23 defenses. (Decl. Castro ¶ 4, 7, 8, 12-22). Should any Class Member dispute the fairness,
24 reasonableness, or adequacy of the settlement, they will be afforded an opportunity to do so up to
25 and at the time of the Final Approval/Fairness Hearing. (Ex. 1, at Ex. A).

26 **c. Class Counsel is Experienced in Similar Litigation**

27 To date, Class Counsel has handled numerous class actions and complex cases, the majority
28 of which they served as Class Counsel. (Decl. Hatcher ¶¶ 3-5); (Decl. Castro ¶ 2). This experience

1 and success in similar wage and hour class action litigations supports the views that the proposed
2 Settlement is fair, reasonable and adequate. Class Counsel relied on their extensive experience
3 when negotiating the proposed settlement. (Decl. Hatcher ¶¶ 3-5, 10); (Decl. Castro ¶¶ 2, 4, 7, 10,
4 12, 14, 22). As discussed above, Class Counsel's settlement negotiations were conducted with
5 consideration given to the class size, the information and documentation obtained through
6 mediation-based discovery, the common experience of Plaintiff and other putative class members,
7 Defendants' general denial of any wrongdoing, and the uncertainty, risk, expense and delay
8 associated with litigating the action through trial, including the risks of obtaining and maintaining
9 class certification through trial and the risk for potential appeals. (*Id.*). Class Counsel also
10 considered the just nature of the proposed **non-reversionary** settlement, which requires Defendants
11 to remit any unclaimed funds to the California State Controller's Office, Unclaimed Property
12 Division in the name of the Class Member. (Ex. 1 at ¶ 4.3.2, 4.3.3). Therefore, Defendants are
13 required to pay the entire Gross Settlement Amount.

14 Based on the foregoing, the proposed settlement should be presumed fair since it was
15 reached as the result of arm's length negotiations, sufficient investigation and discovery was
16 conducted, and Class Counsel is highly experienced in similar wage and hour class litigation.
17 Moreover, the Court will possess the necessary information as to the percentage of exclusions and
18 objectors at the time of the Final Approval/Fairness Hearing.

19 **2. Benefits of the Settlement and the Risks of Continued Litigation**

20 This proposed settlement is fair and reasonable and comparable to similar class action
21 settlements involving these types of claims. Based on Class Counsel's review and analysis of the
22 information and documentation obtained in this action, Class Counsel anticipates that if these
23 matters were certified as a class action, proceeded to trial, and resulted in verdicts for Plaintiff and
24 the Class Members, Defendants' reasonable exposure for the class claims at-issue is approximately
25 \$1,084,035.39, which is approximately 22.09% of Defendants' maximum exposure of
26 \$4,906,165.45 (at an assumed 100% violation rate).

27 However, for the reasons described below, the Court might ultimately determine the claims
28 are not suitable for class certification or could be subject to decertification after certification is

1 granted. (Decl. Castro ¶¶ 4, 7, 8). Under the proposed Settlement, Class Members will avoid the
2 risks of continued litigation (including the possibility that (1) appeal of the motion to compel
3 arbitration order will be unsuccessful, or (2) class certification will be denied – in both cases, no
4 relief will be available to the class members;) and receive a pro rata share of the NSA, in exchange
5 for a narrowly tailored release of claims. (Ex. 1 at ¶ 5.2). Based on the Settlement allocations an
6 average participating class member payment is \$427.80 (\$261,811.15 [Net Class Settlement
7 Amount] / 612 [Approx. Class size]). (Decl. Castro at ¶¶ 8, 13). Additionally, all unclaimed funds
8 will be remitted to the California State Controller’s Office, Unclaimed Property Division in the
9 name of the Class Member. (Ex. 1 at ¶ 4.3.3); see also Code Civ. Proc. § 384.

10 Class Counsel are of the opinion that the proposed settlement is fair, reasonable and
11 adequate in light the following: Plaintiff contends that Defendants engaged in a systematic course
12 of illegal employment practices and policies, which were applied across the Class Members,
13 Defendants failed to pay all overtime and double time wages owed, provide legally compliant rest
14 periods and meal periods, failed to pay premiums or sick pay at the regular rate of pay, failed to
15 reimburse business expenses, failed to furnish accurate itemized wage statements, failed to pay all
16 wages due upon separation of employment, and unlawfully mandated arbitration of claims for
17 unpaid wages. Defendants deny Plaintiff’s claims and has asserted various defenses thereof;
18 Participating Settlement Class Members will receive compensation for Defendants’ alleged
19 violations without further delay; the release of claims is carefully crafted to only resolve the claims
20 that were or could have been asserted based on the facts alleged; the uncertainty of the outcome,
21 risk and expense of litigation in complex class actions; and that no amount of the GSA will revert
22 back to Defendants, among other things. (Decl. Castro ¶ 14, and Ex. 1). The Settlement accounts
23 for the strengths and risks of each of the class-based claims, as described below.

24 **Meal Period Violations.** Plaintiff contends that Defendants failed to provide meal periods
25 to Plaintiff and the Class in violation of Labor Code §§ 226.7 and 512, and Industrial Welfare
26 Commission (“IWC”) Wage Order No. 9-2001 and, in such instances, failed to pay premium wages
27 for the same at the regular rate of pay. Plaintiff argues Defendants uniformly failed to include all
28 additional remuneration in the regular rate of pay calculation for meal periods when paying meal

1 period premium wages, and/or otherwise paid the same at the base straight time rate, rather than
2 the regular rate of pay, to non-exempt employees. *See Ferra v. Loews Hollywood Hotel, LLC*
3 (2021) 11 Cal.5th 858, 863 (meal period premiums must be paid at the regular rate of pay).
4 However, Defendants maintain that they implemented and practiced a compliant meal period
5 premium payment policy and practice at all relevant times. Further, Defendants argue that their
6 meal period policy was compliant. Of particular importance, Defendants further contended that all
7 class members are subject to the arbitration agreements. Given the aforementioned challenges,
8 including the potential that the Class would not be certified or later decertified due to the arbitration
9 agreements, this claim was significantly discounted. Given the fractional nature of regular rate
10 based damages and the aforementioned risks, Plaintiff estimates Defendants' reasonable exposure
11 here is approximately \$10,578.10, including interest (approximately 15% of Defendants'
12 estimated maximum exposure of \$70,520.67 for the claim of failing to pay meal period premiums
13 at the regular rate of pay).

14 **Rest Period Violations.** Plaintiff contends that Defendants failed to provide rest periods
15 to Plaintiff and the Class in violation of Labor Code §§ 226.7 and 512, and IWC Wage Order No.
16 9-2001. The employer satisfies its obligation to provide rest periods if it relieves its employees of
17 all duty, relinquishes control over their activities and permits them a reasonable opportunity to
18 take an uninterrupted net 10-minute paid rest break, and does not impede or discourage them from
19 doing so. *See Augustus v. ABM Security Services, Inc.* (2016) 2 Cal.5th 257, 265 (employer's
20 responsibilities are the same for meal and rest periods); *Brinker Restaurant Corp. v. Superior*
21 *Court* (2012) 53 Cal.4th 1004, 1040. Plaintiff contends that Defendants' rest period policy
22 unlawfully places the burden on the employee to provide themselves a rest period, rather than the
23 same being provided to employees by Defendants. Additionally, Plaintiff contends that Defendants
24 required delivery drivers to make over 100 stops per day within a 10 hour time window. Plaintiff
25 contends that Defendants' delivery practices and procedures failed to schedule rest breaks or
26 otherwise provide for rest breaks for delivery drivers within this time period. However, Defendants
27 maintain that they implemented and practiced a compliant rest period practice at all relevant times.
28 Defendants further contend that this claim would not be certified because there would be individual

1 questions as to rest break practices amongst drivers and individual class members are allegedly
2 subject to the arbitration agreements. Further, there would be individual questions as to whether a
3 class member took a rest break on any given shift. Given this, Plaintiff estimates that Defendants'
4 reasonable exposure here is approximately \$143,098.19, including interest (approximately 10% of
5 Defendants' estimated maximum exposure of \$1,430,981.88 for the rest period claims).

6 **Unpaid Wage Claims.** Plaintiff contends that Defendants failed to pay Plaintiff and the
7 Class all overtime and/or double time wages for all hours worked, in violation of Labor Code §§
8 510, 1194, 1194.2, and IWC Wage Order No. 9-2001. Plaintiff contends that Defendants failed to
9 include all non-hourly compensation into the regular rate of pay, such as non-discretionary bonuses
10 and/or incentive payments, as required by the Labor Code and Wage Order. *See Alvarado v. Dart*
11 *Container Corp. of California* (2018) 4 Cal.5th 542, 554. Further, Plaintiff contends that delivery
12 drivers were suffered or permitted to work off-the-clock with Defendants' knowledge. Plaintiff
13 contends Defendants required drivers to go through a brief roll call process to obtain a van key and
14 cell phone from which the drivers could clock in, but failed to pay drivers for time spent completing
15 the roll call and van assignment process. Plaintiff estimated that Defendants' maximum exposure
16 for unpaid wage claims, with interest, was approximately \$45,887.41. Defendants contend that
17 their policies and practices with regard to payment of overtime and/or double time wages complies
18 with the Labor Code and Wage Order. Further, Defendants contend that this claim will not be
19 certified based individual issues regarding roll call and alleged individual arbitration agreements.
20 Although Plaintiff believes that the liability for the regular rate claims is strong, the damages
21 exposure for the same is not significant. Similarly, although Plaintiff believes individual issues
22 regarding roll call only affect damages, not certification, the risk posed by the alleged arbitration
23 agreements is significant. Accordingly, Defendants' reasonable exposure for the total unpaid wage
24 claim is estimated at approximately \$13,766.22 (30% of Defendants' estimated maximum
25 exposure of \$45,887.41 for the total unpaid wage claims).

26 **Unreimbursed Business Expenses.** Plaintiff contends that Defendants did not reimburse
27 Class Members' business expenses, in violation of Labor Code § 2802. Plaintiff alleges that she
28 and the Class were required to use their personal cell phones to clock in and out or otherwise attend

1 to business needs of Defendants and have not been reimbursed for such related costs, in violation
2 of the Labor Code. *See Cochran v. Schwan's Home Service, Inc.* (2014) 228 Cal.App.4th 1137.
3 Plaintiff estimated that Defendant's maximum exposure for unreimbursed business expenses was
4 approximately \$135,060.00 (or approximately \$20/pay period). Defendants contend that their
5 policies and practices are in compliance with the Labor Code and that this claim would not be
6 certified because individual issues would predominate as to whether or not the class members
7 actually used their *personal* cell phone for business and submitted expense reimbursements that
8 were not reimbursed. Further Defendants contend all class members are subject to arbitration
9 agreements. Accordingly, the estimated reasonable value of this claim is approximately \$54,024.00
10 (40% of Defendant's estimated maximum exposure for the unreimbursed business expense claim).

11 **Wage Statement Violations.** Plaintiff contends that there is a derivative wage statement
12 violation pursuant to Labor Code § 226 based on off-the-clock work, failure to pay meal and rest
13 period premiums for non-compliant meal and rest periods, and regular rate violations. At a 100%
14 violation rate, Plaintiff estimates that Defendants' exposure is approximately \$566,400.00 for this
15 claim. Defendants deny liability here to the same degree as they did for the underlying claims.
16 This also raises issues as to whether or not any derivative violations were "knowing and
17 intentional" as required by Labor Code §226(e)(1). Accordingly, the estimated reasonable value
18 of this claim is approximately \$198,240.00 (35% of Defendant's estimated maximum exposure for
19 the wage statement violation claims).

20 **Waiting Time Penalties.** Plaintiff alleges derivative waiting time penalty claims, in
21 violation of Labor Code §§ 201 and 203. While Plaintiff is confident she can establish the claims
22 for unpaid wages, unpaid meal and rest period premiums, and unreimbursed business expenses,
23 Plaintiff still needs to overcome the "willful" prong to obtain waiting time penalties pursuant to
24 Labor Code §203. Notwithstanding the other underlying contentions by Defendants, including the
25 alleged arbitration agreements amongst the class members. At a 100% violation rate, Plaintiff
26 estimates that Defendants' exposure is approximately \$2,657,315.50 for this claim. Defendants
27 argued that the underlying claims will fail and thus so will the derivative claim. Further, that
28 Plaintiff will not be able to establish the "willful" prong for off-the-clock claims and/or unpaid

1 meal/rest period premium claims. And, that unreimbursed business expenses do not operate as an
2 abatement or reduction to wages for purposes of Labor Code §203. Accordingly, the estimated
3 reasonable value of this claim is approximately \$664,328.88. (25% of Defendant’s estimated
4 maximum exposure for the waiting time penalties claims).

5 With respect to Amazon, it has maintained throughout that it is not a joint employer and
6 assert it did not control the manner of the work or compensation. Additionally, Plaintiff’s
7 derivative claims regarding waiting time penalties and wage statement penalties rise and fall with
8 Plaintiff’s other wage claims but are also subject to other potential defenses. For example, Plaintiff
9 would recover nothing under California Labor Code §§ 203 or 226 if she was unable to prove the
10 underlying claims or defeat a “good faith” dispute defense. (*See* Cal. Code Regs. Tit. 8, § 13520;
11 *Naranjo v. Spectrum Sec. Servs., Inc.* (2024) 15 Cal.5th 1056, 1090.) The arguments set forth by
12 Paolino and Amazon create a risk that Plaintiff may not be able to establish liability as to one or
13 more of the alleged causes of action. (Decl. Castro at ¶¶ 12-22).

14 In order to refute Paolino and Amazon’s defenses, Plaintiff would have to conduct
15 numerous depositions of managers, supervisors, and co-workers, including depositions of the
16 person(s) most knowledgeable regarding Paolino’s overtime calculations and relationship with
17 Amazon, and depositions of the person(s) most knowledgeable regarding Amazon’s alleged
18 control of work and compensation for drivers for Paolino. Discovery even in arbitration would be
19 extensive and costly. Additionally, ongoing litigation in arbitration could result in motions related
20 to unresolved discovery disputes as well as a defense motion for summary judgment and/or
21 adjudication. Further litigation will result in both sides logging extensive billable hours and
22 substantial litigation costs, including court reporter fees and expert witness fees. (Decl. Castro at
23 ¶¶ 4, 7, 8, 21).

24 Thus, Plaintiff estimates that Defendant’s total reasonable exposure for the class claims is
25 \$1,084,035.39.⁴ Accordingly, the \$474,466.72 GSA represents an approximate 43.77% discount
26 against the same. The proposed settlement thus provides Class Members with the opportunity to
27

28 ⁴ Potential civil penalties under the PAGA are not included in this figure. As discussed in Section V, any PAGA civil penalties are subject to the discretion of the court and may be substantially reduced at the time of judgment.

1 obtain relief in a prompt and efficient matter, rather than through a further lengthy litigation
2 process with the potential for further appeals and/or potential for not prevailing on these claims at
3 trial or that these claims would not be certified or would later be decertified. Further, the risk of
4 appellate affirmation of this Court's order granting Defendants' Motion to Compel Arbitration
5 cannot be understated. Indeed, if Plaintiff's appeal were unsuccessful, there would surely be no
6 recovery for the Class Members. Rather, if a Class Member overcame a potential fear of retaliation
7 and/or became aware of the alleged unlawful conduct of Defendants, then that Class Member
8 would potentially be forced to file and litigate their own individual arbitration action, with its own
9 set of risks, expenses, and other hurdles to recovery. This process would have to occur *over 600*
10 *times* in order to address that which is at issue in this Motion. Instead, through this proposed
11 Settlement and associated approval and distribution process, and the efforts of Plaintiff and Class
12 Counsel, the average Settlement Class Member is required to do nothing more than standby in
13 order to receive an estimated payment of **\$427.80**. As such, the proposed settlement is reasonable
14 in light of all known facts and circumstances, including the strengths and weakness of the claims,
15 Defendants' defenses to the same, and the significant risks associated with this particular litigation.

16 **3. The Proposed Notice is Appropriate and Adequate**

17 Courts enjoy broad discretion in fashioning an appropriate notice program. *Cartt v.*
18 *Superior Court*, 50 Cal.App.3d 960, 973-974 (1975). Rule 3.766 of the California Rules of Court
19 outlines the notice requirements for class actions. While there is no statutory or due process
20 requirement that all class members receive actual notice, any "notice given should have reasonable
21 chance of reaching a substantial percentage of the class members." *Id.* at 974. Notice mailed to the
22 class members at their most recent known address is typically presumed adequate. *Phillips*
23 *Petroleum Co. v. Shutts*, 472 U.S. 797, 812 (1985). The Settlement's Notice and procedure for
24 mailing satisfy these requirements. (Ex. 1 at ¶¶ 7.4.1, 7.4.2, 7.4.3, 7.4.4, 7.4.5, Ex. A);(Decl. Castro
25 at ¶ 27, Ex. 3 (updated Notice to reflect post-escalator GSA and related distributions)).

26 **B. Allocated Representative Service Award is Fair and Reasonable**

27 Courts routinely approve service awards in order to compensate class representatives for
28 their effort and the risks they incur during class action litigation for the benefit of other class

1 members. *Cellphone Termination Fee Cases*, 186 Cal.App.4th 1380, 1393-94 (2010); *Clark v.*
2 *American Residential Services, LLC*, 175 Cal.App.4th 785, 806 (2009). Simply put, such payments
3 acknowledge that without class representatives, there can be no class action. *Clark*, 175
4 Cal.App.4th at 804. In determining service payments, the court may consider, among other things,
5 the risk to the class representative in commencing the suit, financial and otherwise; the notoriety
6 and personal difficulties encountered by the class representative; the amount of time and effort
7 spent by the class representative; and the personal benefit (or lack thereof) enjoyed by the class
8 representative as a result of the litigation. *Munoz*, 186 Cal.App.4th at 412.

9 By being the named representative in the Action, Plaintiff put her name forward on the
10 public record at the risk of future or potential employers choosing not to hire her based on the fact
11 that she took the lead in this Action. Plaintiff also ran the risk of being liable for Defendants'
12 attorneys' fees and costs in this litigation. Plaintiff spent significant time litigating this Action,
13 reviewing documents, providing documents and information to Class Counsel, discussing her
14 experience with Class Counsel, reviewing settlement documents, attending/participating in private
15 mediation and providing consistent support to Class Counsel. (Decl. Castro ¶ 11); (Decl. Ovando
16 at ¶¶ 10-11, 12-14, 18, 19). Moreover, Plaintiff has executed a full and general release of any and
17 all claims to the furthest extent permitted by law in exchange for the service payment. (Ex. 1 at ¶
18 5.1); (Decl. Ovando at ¶ 19). Plaintiff achieved a significant monetary relief for the Participating
19 Settlement Class Members (notably an average Class Member payment of \$427.80). (Decl. Castro
20 at ¶¶ 8, 11, Ex. 1). Accordingly, Plaintiff has risked and surrendered more than any Class Member.
21 Therefore, a \$10,000.00 Class Representative Service Payment to Plaintiff is reasonable given the
22 work and the risks that she took and bore for the benefit of other members of the Class. (Decl.
23 Castro at ¶ 11).

24 C. Allocated Attorney's Fees and Costs are Fair and Reasonable

25 Class Counsel will seek attorneys' fees of one-third of the Gross Settlement Amount. The
26 California Supreme Court has endorsed attorneys' fees awards in class action litigation which
27 represent a percentage of the common fund created in contingency fee litigation such as this matter.
28 *Laffitte v. Robert Half Internat. Inc.*, 1 Cal. 5th 480, 503 (2016) (affirming trial court decision

1 awarding class counsel with attorneys' fees of one-third of the common fund). The allocation of
2 one-third of the common fund, subject to a later lodestar cross-check at the time of final approval,
3 is fair and reasonable and in line with other employment cases where Class Counsel worked on a
4 contingency fee basis and created a substantial, non-reversionary settlement fund for class
5 members. At this time, and as more fully addressed in the Declaration of Jason Hatcher, Class
6 Counsel's current lodestar is \$147,722.50 (Decl. Hatcher at ¶ 6-9). As part of the final approval
7 process, Class Counsel will file a Motion for Attorney's Fees that includes a final lodestar cross-
8 check.

9 Class Counsel will also seek reimbursement of their actual litigation costs up to a maximum
10 of \$12,500.00 from the GSA for actual litigation costs incurred. (Ex. 1 at ¶ 1.7, 3.2.2). The out-of-
11 pocket costs allocation for the litigation of the Action is fair, reasonable and adequate. Class
12 Counsel will provide the final exact cost reimbursement as part of the final approval process that
13 will be supported by documentation of costs incurred. Moreover, any difference in the maximum
14 amount of cost reimbursement allocated in the Settlement compared to the actual amount
15 sought/awarded will be added to the NSA to be distributed to the PCM. (Ex. 1 at ¶ 3.2.2).

16 **D. Conditional Certification of the Class is Appropriate for Settlement Purposes**

17 Pursuant to California Rules of Court, Rule 3.769(d), the Court is permitted at the
18 preliminary approval stage to make an order approving certification of a provisional settlement
19 class. The Parties stipulated to class certification for settlement purposes. (Ex. 1 at ¶ 11.2). The
20 standard of scrutiny applied by a court to determine the propriety of certifying a settlement class
21 is a lesser standard than that applied to a litigation class since the case management concerns
22 inherent in determining if a litigation class should be certified need not be addressed with respect
23 to a settlement class where trial is not anticipated. *Dunk*, 48 Cal.App.4th at 1807 n. 19; *see also*
24 *Officers for Justice v. Civil Service Com.*, 688 F.2d 615, 623. The law favors settlement of lawsuits,
25 and in particular settlement of class actions and other complex cases where substantial resources
26 can be conserved by avoiding the time, expense, and rigors of formal litigation. *Neary v. Regents*
27 *of the University of California* (1992) 3 Cal.4th 273, 277-281. The Court should provisionally
28 certify the Settlement Class.

1 **1. The Proposed Classes are Ascertainable and Numerous**

2 The Class is tailored to ensure the members are readily ascertainable. The class definition
3 is sufficiently specific to enable potential class members, and the Court, to readily determine the
4 parameters of the class. *See, Clothesrigger, Inc. V. GTE Corp.*, 191 Cal.App.3d 605, 617 (1987).
5 Further, the Class is identifiable from Paolino’s payroll and personnel records. *Rose v. City of*
6 *Hayward*, Cal.App.3d 926, 932 (1981) (finding “[c]lass members are ‘ascertainable’ where they
7 may be readily identified without unreasonable expense or time by reference to official records.”).
8 The Class is defined as:

9 All current and former California hourly, non-exempt employees who worked for
10 Defendants Paolino Logistics LLC and Paolino Transport LLC at any time during
11 the Class Period and who provided dispatch and/or delivery driver services for
12 Defendants Paolino Logistics LLC and Paolino Transport LLC.
13 (Ex. 1 at ¶ 1.4).

14 The Class is ascertainable. The Class represents approximately 612 individuals. (Ex. 1 at ¶
15 8.1). Numerosity is met as the individual joinder of all class members would be impracticable.
16 Code Civ. Proc. §382; *Richmond v. Dart Indus., Inc.*, 29 Cal.3d 462, 470 (1981); *Rose*, 126
17 Cal.App.3d at 934 (presumption of impracticable joinder for class of 30 to 40 individuals).

18 **2. Common Issues of Law or Fact Predominate**

19 Whether a class action is the appropriate mechanism depends largely upon “whether the
20 common questions are sufficiently pervasive to permit adjudication in a class action rather than
21 multiplicity of suits.” *Richmond*, 29 Cal.3d at 477-478. The primary purpose of this inquiry is to
22 ascertain whether the proposed class is sufficiently cohesive to warrant adjudication by
23 representation. *See e.g., Lazar v. Hertz Corp.*, 143 Cal.App.3d 128, 138-139 (1983); *Hogya v.*
24 *Superior Court*, 75 Cal.App.3d 122, 142 (1977). Plaintiff’s FAC alleged numerous Labor Code
25 violations based on common questions of law and fact for the claims at-issue. *See* (First Amended
26 Complaint at ¶ 52). Further, Plaintiff’s proposed SAC, attached to the Settlement as Exhibit B,
27 further alleges and clarifies the Labor Code violations based on similar common questions of law
28 and fact. *See* (Ex. 1, Ex. B Second Amended Complaint (“SAC”) at ¶ 59). Accordingly, common
questions of law and fact exist among the Class because this Action focuses on the Defendants’

1 allegedly systematic course of illegal employment and payroll practices and policies, which were
2 applied across the Class Members. *See Id.* Moreover, the common questions among the Class
3 predominate over individual issues thus warranting class certification.

4 While Defendants dispute that class certification of any claims would be appropriate if the
5 litigation were to continue, the Parties agree to class certification for the purposes of this settlement
6 only. Thus, class treatment is appropriate.

7 **3. Plaintiff's Claims Are Typical of the Class Members' Claims**

8 Typicality simply means that the representative(s) claims be similar to those of class
9 members. The interests of the class representatives need not be identical to those of other class
10 members; the class representatives must simply be similarly situated. *B.W.I. Custom Kitchen v.*
11 *Owens- Illinois, Inc.*, 191 Cal.App.3d 1341, 1347 (1987); *Classen v. Weller*, 145 Cal.App.3d 27,
12 46 (1983). Here, the Class Representative/Plaintiff is a former non-exempt employee of
13 Defendants in California who performed dispatch and/or delivery services. (Decl. Ovando at ¶ 2).
14 Plaintiff worked pursuant to Defendants' corporate policies and pay practices applicable to
15 Defendants' non-exempt hourly employees in California. Like other Class Members, Plaintiff was
16 paid pursuant to Defendants' policy and pay practices including working under Defendants'
17 alleged practice of failing to pay all overtime time wages due to the failure to include non-
18 discretionary bonus payments in the calculation of the regular rate of pay for overtime payments,
19 failing to provide compliant meal and rest periods or premium pay in lieu thereof at the correct
20 regular rate of pay, failing to pay sick pay wages at the regular rate of pay, failing to reimburse
21 business expenses, requiring arbitration of claims for unpaid wages, failing to provide accurate
22 wage statements, and failing to provide all earned wages at the time of separation. (Decl. Ovando
23 at ¶ 2-8); See (FAC at ¶¶ 28-51); (Ex. 1, Ex. B Proposed SAC at ¶¶ 31-58). As each Class Member
24 would be required to demonstrate the same elements in order to recover on their claims against
25 Defendants, their interests are sufficiently aligned with Plaintiff's interests. *Medraza v. Honda of*
26 *North Hollywood*, 166 Cal.App.4th 89, 99 (2008).

27 **4. The Class is Adequately Represented**

28 A class representative is an adequate representative of the class so long as his or her

1 interests are not antagonistic or in conflict with the objectives that he purports to represent.
2 *Richmond*, 29 Cal.3d at 470. Additionally, Class Counsel “must be qualified, experienced and
3 generally able to conduct the proposed litigation.” *Miller v. Woods*, 148 Cal.App.3d 862, 875
4 (1983). Here, Plaintiff’s interests are not antagonistic to the interest of the Class since Plaintiff
5 alleges that she and the Class Members were subject to the same unlawful policies and practices.
6 Consequently, Plaintiff seeks the same or similar relief sought by the Class. *See Amchem Prods.*
7 *v. Windsor*, 521 U.S. 591, 625-626. Moreover, Plaintiff has prosecuted this case on behalf of the
8 Class and has spent time meeting and corresponding with Class Counsel and providing
9 documentation to Class Counsel. (Decl. Castro at ¶ 11); (Decl. Ovando at ¶ 10, 11). Plaintiff has
10 no conflict with the Class. (Decl. Ovando at ¶ 18). As such, there is no doubt that Plaintiff is an
11 adequate representative.

12 Class Counsel is very experienced litigating wage and hour class actions. (Decl. Castro at
13 ¶ 2); (Decl. Hatcher at ¶ 2-5). Class Counsel thoroughly investigated Plaintiff’s claims, the
14 underlying case law and potential defenses, and reviewed the substantial information and
15 documents exchanged in mediation-based discovery prior to attending mediation. (Decl. Castro at
16 ¶¶ 4, 5, 7, 8). Accordingly, Class Counsel was sufficiently informed prior to engaging in settlement
17 negotiations. Furthermore, the settlement negotiations between the Parties were non-collusive, at
18 arm’s length and conducted with the assistance of mediator Scott Markus, Esq. (Id. at ¶¶ 4, 5). As
19 such, Class Counsel has and will adequately represent the Class.

20 **5. The Class Action Procedure is Superior**

21 Courts have repeatedly held that class actions are a superior device to resolve wage and
22 hour class actions. *Moore v. Ulta Salon, Cosmetics & Fragrance, Inc.* (C.D. Cal. 2015) 311 F.R.D.
23 590; *Ortega v. J.B. Hunt Transp., Inc.* (C.D. Cal.2009) 258 F.R.D. 361. Class treatment is clearly
24 superior to any other method of resolving wage and hour employment action, and in fact
25 encouraged. *Sav-On Drug Stores, Inc. v. Superior Court* (2004) 34 Cal.4th 319, 340; *Jaimez v.*
26 *Daiohs USA, Inc.* (2010) 181 Cal.App.4th 1286, 1308. This is no difference here as Plaintiff’s
27 claims are based on common policies and uniform class-wide practices, these claims can be most
28 efficiently litigated and resolved on a class-wide basis. The alternative would be the unrealistic

1 filing of hundreds of individual claims, and even hundreds of individual arbitrations, posing the
2 serious disadvantages pointed out by the court in the *Sav-On* opinion.

3 **V. THE COURT SHOULD APPROVE THE PAGA SETTLEMENT**

4 **A. The Court Should Approve the PAGA Settlement**

5 Pursuant to Labor Code § 2699(s)(2)⁵, a settlement of a civil action brought under the
6 PAGA statute must be submitted to the LWDA and must be approved by the court, “ensuring that
7 any negotiated resolution is fair to those affected.” *Williams v. Superior Court*, 3 Cal. 5th 531, 549
8 (2017). This settlement meets that threshold. Contemporaneously to the filing of this Motion, Class
9 Counsel shall submit the proposed settlement to the LWDA and file notice of the same with the
10 court by the deadline to file the reply in support of this motion. The proposed settlement allocates
11 \$20,000.00 for civil penalties pursuant to PAGA, with seventy-five percent (75%) of the allocation
12 to be paid to the LWDA. (Ex. 1 at ¶ 3.2.7). This represents approximately 4.22% of the GSA.

13 The proposed allocation of \$20,000.00 to PAGA is an exceptional outcome in light of all
14 known facts and circumstances as well as the fact that civil penalties under PAGA are discretionary.
15 Given the derivative nature of the PAGA penalties, the efforts by Paolino to maintain compliant
16 policies contained in its employee handbook, and the court’s discretion to reduce any PAGA
17 penalty award (*see* Lab. Code, § 2699, subd., (e)(2); *Carrington v. Starbucks Corp.* (2018) 30
18 Cal.App.5th 504, 528-529 [affirming trial court’s award of less than 10 percent maximum PAGA
19 penalty for meal break violations where employer sought to comply with the law and violations
20 were minimal]), Plaintiff believes that the \$20,000 PAGA allocation represents a meaningful
21 settlement aimed at deterring non-compliance. Indeed, the trial court may “exercise its discretion
22 to *award lesser penalties* based on enumerated considerations” under Labor Code §2699, which
23 includes a determination that imposition of the maximum statutory penalty would result in an
24 award that is unjust, arbitrary, oppressive, or confiscatory. *Carrington*, 30 Cal.App.5th at 529
25 (applying a 90% discount to the maximum penalty); *quoting Amaral v. Cintas Corp. No. 2* (2008)
26 163 Cal.App.4th 1157, 1213. Here, there was a potential that the Court would apply a similar or
27

28 ⁵ Former subdivision (l)(2). The Settlement is governed by the version of PAGA in effect prior to the 2024 Amendment.

1 greater discount to the civil penalties at-issue given Defendants’ position that they were in
2 compliance with the Labor Code.

3 “Relief under PAGA is designed primarily to benefit the general public, not the party
4 bringing the action.” *Kim v. Reins Int’l Cal., Inc.*, 9 Cal. 5th 73, 81 (2020). As a result, in wage
5 and hour class action cases that settle, which are the overwhelming majority of such cases, very
6 little of the total settlement is paid to PAGA penalties in order to maximize payments to class
7 members. *See Smith v. Am. Greetings Corp.*, 2016 U.S. Dist. LEXIS 66247 (N.D. Cal. May 19,
8 2016) (granting final approval of class action settlement allocating \$37,500 of \$4 million
9 settlement to PAGA); *Willner v. Manpower Inc.*, 2015 U.S. Dist. LEXIS 80697 (N.D. Cal. June
10 20, 2015) (granting final approval of a class settlement allocating \$65,655 of \$8.75 million
11 settlement to PAGA); *Chu v. Wells Fargo Investments, LLC*, 2011 U.S. Dist. LEXIS 15821 (N.D.
12 Cal. Feb. 15, 2011) (approving \$10,000 PAGA allocation in \$6.9 million settlement). The
13 \$15,000.00 payment to the LWDA is thus more than adequate “to supplement” funding the
14 agency’s “enforcement of labor laws” and “education of employers and employees about their
15 rights and responsibilities under” the Labor Code. Cal. Lab. Code § 2699(i); (Ex. 1 at ¶ 3.2.7).

16 Furthermore, if a higher amount is allocated to PAGA, the burden to pay civil penalties
17 would effectively shift to the Class Members since a higher allocation would reduce the amount
18 that the Class Members would ultimately receive under the proposed Settlement. Although this
19 burden shifting may achieve the enforcement objective of the statute, it would do so at the expense
20 of the employees that the statute was designed to protect. Thus, the Settlement strikes a balance
21 between the interest of all the parties, including the LWDA and general public, by penalizing the
22 employer and providing relief to the Settlement Class Members.

23 **B. PAGA Settlement is Procedurally Correct**

24 Contemporaneously to the filing of this Motion, Class Counsel shall submit the proposed
25 settlement to the LWDA pursuant to Labor Code §2699(s)(2). (Decl. Castro at ¶27). The Class
26 Notice effectively informs the Class that even if a class member opts-out of the Class settlement,
27 the class member will not be opted-out of the PAGA settlement and still be bound by the PAGA
28 Release.

1 **VI. CONCLUSION**

2 Accordingly, Plaintiff respectfully requests that this Court Grant preliminary approval of
3 the Settlement, conditionally certify the settlement class, appoint The Myers Law Group, A.P.C.
4 as class counsel, appoint Plaintiff Talia Ovando as class representative, and order notice of
5 conditional certification and preliminary approval of the class action settlement to the class. The
6 proposed order and proposed notice are filed concurrently herewith.

7
8 DATED: April 30, 2026

THE MYERS LAW GROUP, A.P.C.

9
10 By: /s/Cassandra A. Castro
11 David P. Myers,
12 Jason Hatcher,
13 Cassandra A. Castro,
14 Andriana N. Bravo,
 Attorneys for Plaintiff, on behalf of
 herself and all others similarly situated