

Jonathan M. Genish (State Bar No. 259031)
jgenish@blackstonepc.com
Barbara DuVan-Clarke (State Bar No. 259268)
BDC@blackstonepc.com
Alexander K. Spellman (State Bar No. 250398)
aspellman@blackstonepc.com
P.J. Van Ert (State Bar No. 234858)
pjvanert@blackstonepc.com
Annabel Blanchard (State Bar No. 258135)
ablanchard@blackstonepc.com
BLACKSTONE LAW, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

Attorneys for Plaintiffs
Salomon Garcia and Luis Miguel Guizar

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO**

SALOMON GARCIA and LUIS MIGUEL
GUIZAR, individually, and on behalf of other
members of the general public similarly situated;

Plaintiffs,

vs.

ATLAS FREIGHT FORWARDING, INC., a
California Corporation; and DOES 1 through 25,
inclusive,

Defendants.

Case No. 37-2022-00039724

Honorable Robert C. Longstreth
Department C-65

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

Date: March 28, 2025
Time: 8:30 a.m.
Dept.: C-65

Complaint Filed: October 4, 2022
FAC Filed: December 8, 2022
Trial Date: None Set

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE THAT on March 28, 2025 at 8:30 a.m. in Department C-65 of the above-captioned Court located at 330 West Broadway, San Diego, California 92101, pursuant to California Code of Civil Procedure section 382 and Rule 3.769 of the California Rules of Court, Plaintiffs Salomon Garcia and Luis Miguel Guizar (“Plaintiffs”) will and hereby do move the Court for an Order granting preliminary approval of the proposed class action and PAGA settlement between Plaintiffs and Defendant Atlas Freight Forwarding, Inc. (“Defendant”).

Plaintiff requests that the Court enter an Order:

1. Preliminarily approving the Stipulation of Settlement and of Class and PAGA Action and Release of Claims (“Settlement” or “Settlement Agreement”) attached as Exhibit 2 to the Declaration of Jonathan M. Genish in Support of Plaintiff’s Motion for Preliminary Approval of Class Action and PAGA Settlement (“Genish Decl.”);

2. Certifying the Class for Settlement purposes;

3. Appointing Plaintiffs Salomon Garcia and Luis Miguel Guizar as the Class Representatives;

4. Appointing Jonathan M. Genish, Barbara DuVan-Clarke, Alexander K. Spellman, and P.J. Van Ert of Blackstone Law, APC as Class Counsel;

5. Appointing Apex Class Action LLC as the Settlement Administrator;

5. Approving the proposed Notice of Class Action Settlement (“Class Notice”), attached as Exhibit 1 to the [Proposed] Order Granting Preliminary Approval of Class Action and PAGA Settlement, to be mailed to the Class;

6. Approving the opt-out and objection procedures provided in the Settlement Agreement and set forth in the Class Notice;

7. For each Class Member, directing Defendant to furnish their full name, last known mailing address, Social Security number, dates worked for Defendant during the Class Period, and such other information as is necessary for the Settlement Administrator to calculate Workweeks and Pay Periods to the Settlement Administrator within ten (10) calendar days after entry of the order granting preliminary approval of the Settlement;

8. Approving the proposed deadlines for the settlement administration process; and

9. Setting a Final Approval Hearing.

Pursuant to California Labor Code section 2699(1)(2) and concurrently with the filing of this Motion, a copy of the Settlement was submitted to the California Labor and Workforce Development Agency (“LWDA”) via online submission through the LWDA’s website. (Genish Decl., ¶ 46).

This Motion is based upon this Notice, the attached Memorandum of Points and Authorities, the Declaration of Jonathan M. Genish, the Declarations of Plaintiffs Salomon Garcia and Luis Miguel Guizar, the pleadings and other records on file with the Court in this matter, and any other further evidence or argument that the Court may properly receive at or before the hearing.

Respectfully submitted,

Dated: August 12, 2024

BLACKSTONE LAW, APC

By:

Jonathan M. Genish
Attorneys for Plaintiffs Salomon Garcia and Luis
Miguel Guizar

TABLE OF CONTENTS

I.	INTRODUCTION.....	1
II.	FACTUAL AND PROCEDURAL BACKGROUND	2
III.	THE SETTLEMENT TERMS	3
A.	Class Definition	3
B.	Amount of Settlement.....	3
C.	Allocation and Funding of the Gross Settlement Amount	3
D.	Released Claims	6
IV.	STANDARD OF REVIEW FOR PRELIMINARY APPROVAL	7
V.	THE SETTLEMENT IS PRESUMED FAIR	8
A.	The Settlement Was Reached as a Result of Arm’s-Length Bargaining	8
B.	Sufficient Investigation and Discovery by Experienced Class Counsel	8
C.	The Settlement is Fair and Reasonable in Light of the Parties’ Respective Legal Positions and Recovery Risks.....	9
1.	Class Counsel’s Analysis of the Maximum Available Liability and Damages.....	9
VI.	CERTIFICATION FOR SETTLEMENT PURPOSES IS WARRANTED	14
A.	An Ascertainable Class Exists Which is So Numerous That Joinder of All Members is Impracticable.....	14
B.	The Class Shares a Well-Defined Community of Interest	15
C.	A Class Action is Superior to a Multiplicity of Litigation.....	16
VII.	THE REQUESTED ENHANCEMENT PAYMENT IS REASONABLE.....	16
VIII.	THE REQUESTED ATTORNEYS’ FEES AND COSTS ARE REASONABLE	17
IX.	THE CLASS NOTICE AND THE OPT-OUT AND OBJECTION PROCESS MEETS DUE PROCESS REQUIREMENTS.....	18
X.	CONCLUSION	20

TABLE OF AUTHORITIES

Federal Cases

<i>Aguirre v. Genesis Logistics</i> , 2013 WL 10936035 (C.D. Cal. 2013)	17
<i>Armstrong v. Board of School Directors of City of Milwaukee</i> , 616 F.2d 305 (7th Cir. 1980).....	11
<i>B.W.I. Custom Kitchen v. Owens-Illinois, Inc.</i> , 191 Cal.App.3d 1341 (1987)	19
<i>Bradley v. Networkers Int’l, LLC</i> , 211 Cal.App.4th 1129 (2012)	14
<i>Brinker Restaurant Corp. v. Superior Court</i> , 53 Cal.4th 1051 (2012);	14
<i>Carrington v. Starbucks Corp.</i> 30 Cal.App.5th 504, 529 (2018)	17
<i>Castillo v. ADT, LLC</i> , 2017 WL 363108 (E.D. Cal. Jan. 25, 2017)	17
<i>Choate v. Celite Corp.</i> , 215 Cal App. 4th 1460, 1468 (2013)	15
<i>Clark v. Am. Residential Servs. LLC</i> , 175 Cal. App. 4th 785 (2009)	12
<i>Clothesrigger, Inc. v. GTE Corp.</i> , 191 Cal.App.3d 605 (1987).....	19
<i>Cotter v. Lyft, Inc.</i> , 193 F.Supp.3d 1030 (N.D. Cal. 2016).....	17
<i>Daar v. Yellow Cab Co.</i> , 67 Cal. 2d 695 (1967).....	19
<i>Duran v. U.S. Bank Nat. Assn.</i> , 59 Cal.4th 1 (2014).....	14
<i>Elliot v. Spherion Pac. Work, LLC</i> , 572 F.Supp.2d 1169, 1181-82 (C.D. Cal. 2008).....	16
<i>Gaudin v. Saxon Mortgage Servs., Inc.</i> , 2015 WL 7454183 (N.D. Cal. Nov. 23, 2015)	21
<i>Hebbard v. Colgrove</i> , 28 Cal.App.3d 1017, 1030 (1972).....	19
<i>In re Cellphone Fee Termination Cases</i> , 186 Cal.App.4th 1380 (2010).....	23
<i>In re Online DVD Rental</i> , 779 F.3d 934 (9th Cir. 2014)	21
<i>Jaimez v. DAIOHS USA, Inc.</i> , 181 Cal.App.4th 1286 (2010).....	16
<i>Kullar v. Foot Locker Retail, Inc.</i> (2008) 168 Cal.App.4th 116.....	13
<i>Lealao v. Beneficial Cal, Inc.</i> , 82 Cal.App.4th 19 (2000)	21
<i>Linder v. Thrifty Oil Co.</i> , 23 Cal.4th 429 (2000)	20
<i>McGee v. Bank of America</i> , 60 Cal.App.3d 442 (1976)	20
<i>Miller v. Woods</i> , 148 Cal.App.3d 862 (1983).....	18
<i>Munoz v. BCI Coca-Cola Bottling Co.</i> , 186 Cal.App.4th 399 (2010)	21
<i>Naranjo v. Specturm Security Services, Inc.</i> , 40 Cal.App.5th 444 (2019).....	15

1	<i>Officers for Justice v. Civil Service Commission of City and County of San Francisco</i> , 688 F.2d 615 (1982).....	11
2	<i>Price v. Starbucks Corp.</i> , 192 Cal.App.4th 1136 (2011).....	16
3	<i>Rose v. City of Hayward</i> , 126 Cal.App.3d 926, 934 (1981)	19
4	<i>Sanchez v. McDonalds Restaurants of California, Inc.</i> , 2017 WL 4620746 (LA Super. Ct. July 6, 2017)	17
5		17
6	<i>Seastrom v. Neways, Inc.</i> , 149 Cal.App. 4th 1496 (2007)	20
7	<i>See In re Microsoft I-V Cases</i> , 135 Cal.App.4th 706 (2006).....	11
8	<i>Smith v. Lux Retail North America, Inc.</i> , 2013 WL 2932243 at *3 (N.D. Cal. June 13, 2013).....	17
9	<i>Thurman v. Bayshore Transit Management, Inc.</i> , 203 Cal.App.4th 1112,1131 (2012)	17
10	<i>Wershba v. Apple Computer, Inc.</i> , 91 Cal.App.4th 224 (2001).....	11, 12, 13
11	<i>Wesson v. Staples the Office Superstore, LLC</i> , 68 Cal.App.5th 746 (2021).....	17
12	Statutes	
13	Code of Civil Procedure Section 382.....	18
14	Labor Code section 203	15
15	Other Authorities	
16	<i>Findings of the Study of California Class Action Litigation</i> , 2000-2006, available at http://www.courts.ca.gov/documents/class-action-lit-study.pdf	14
17		
18	Rules	
19	Cal. Rules of Court, Rule 3.769(c)	11
20	Cal. Rules of Court, Rule3.769(g)	11

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Plaintiffs Salomon Garcia and Luis Miguel Guizar (“Plaintiffs”) seek preliminary approval of the
4 Stipulation of Settlement and of Class and PAGA Action and Release of Claims (“Settlement” or
5 “Settlement Agreement”) entered into between Plaintiffs and Defendant Atlas Freight Forwarding, Inc.
6 (“Defendant”) (together, with Plaintiffs, the “Parties”). (Declaration of Jonathan M. Genish in Support
7 of Plaintiff’s Motion for Preliminary Approval of Class Action and PAGA Settlement [“Genish Decl.”],
8 Exh. 2). The Settlement terms are outlined as follows:

- 9
- 10 • Class Size: Approximately 88 individuals.
 - 11 • Gross Settlement Amount: Two Hundred Forty-Five Thousand Dollars and Zero Cents (\$245,000.00).
 - 12 • Attorneys’ Fees and Costs: Attorneys’ fees of thirty-five percent (35%) of the Gross
13 Settlement Amount (\$85,750 if the Gross Settlement Amount is \$245,000.00) plus actual
14 litigation costs and expenses not to exceed Twenty-Five Thousand Dollars and Zero Cents
15 (\$25,000.00), to be paid from the Gross Settlement Amount.
 - 16 • Service Awards: Five Thousand Dollars and Zero Cents (\$5,000.00) each, to be paid to the
17 Plaintiffs from the Gross Settlement Amount (for a total of \$10,000.00).
 - 18 • PAGA Payment: Twenty Thousand Dollars and Zero Cents (\$20,000.00) from the Gross
19 Settlement Amount, 75% of which will be paid to the Labor and Workforce Development
20 Agency (“LWDA”) and the remaining 25% to be paid to the Aggrieved Employees.
 - 21 • Settlement Administration Expenses: Not to exceed Five Thousand Five Hundred Dollars
22 and Zero Cents (\$5,500.00), to be paid from the Gross Settlement Amount.
 - 23 • Estimated Net Settlement Amount: Ninety-Eight Thousand Seven Hundred Fifty Dollars and
24 Zero Cents (\$98,750.00) to be distributed to Settlement Class Members.

25 As set forth herein, the Settlement is the product of informed discovery and arms-length
26 negotiations, and provides a fair, adequate, and reasonable recovery for the Class. Plaintiffs therefore
27 respectfully request that the Court grant preliminary approval of the Settlement, conditionally certify the
28 Class, approve the proposed Notice of Class Action Settlement (“Class Notice”), and set a hearing date
for final settlement approval, among other requested relief.

II. FACTUAL AND PROCEDURAL BACKGROUND

Defendant is a company which arranges transportation of freight and cargo. Plaintiffs were employed by Defendant as a hourly-paid, non-exempt forklift drivers. Plaintiff Solomon Garcia (“Plaintiff Garcia”) was employed by Defendant from approximately November 2021 to approximately June 2023. (Declaration of Salomon Garcia in Support of Motion for Preliminary Approval of Class Action and PAGA Settlement [“Garcia Decl.”], ¶ 3). Plaintiff Luis Miguel Guizar (“Plaintiff Guizar”) was employed by Defendant from approximately October 2021 to approximately November 2022. (Declaration of Luis Miguel Guizar in Support of Motion for Preliminary Approval of Class Action and PAGA Settlement [“Guizar Decl.”], ¶ 3).

On September 30, 2022, Plaintiffs provided written notice to the LWDA by online submission and to Defendant by U.S. Certified Mail, pursuant to California Labor Code Section 2699.3, of the specified provisions of the California Labor Code alleged to have been violated by Defendant (“PAGA Letter”). (Genish Decl., ¶ 9, Exh. 1 thereto).

On October 4, 2022, Plaintiffs filed a Class Action Complaint for Damages in the action entitled *Garcia, et al. v. Atlas Freight Forwarding, Inc.*, San Diego County Case No. 37-2022-00039724 (“Action”), thereby commencing a putative class action against Defendant. (*Id.*, ¶ 10).

Plaintiff sent informal written discovery requests to Defendant and Defendant provided data and documents in response to said informal discovery requests. (*Id.*, ¶ 11).

On December 8, 2022, Plaintiff filed a First Amended Class Action Complaint for Damages and Enforcement Action Under the Private Attorneys General Act, Cal. Labor Code §§ 2698 *et seq.* (the “FAC” or “Operative Complaint”) in the action. (*Id.*, ¶ 10).

The Operative Complaint alleges nine (9) causes of action for violations of the California Labor Code for failure to pay overtime wages, failure to pay minimum wages, failure to provide compliant meal periods and premium payments in lieu thereof, failure to provide compliant rest periods and premiums payments in lieu thereof, failure to provide accurate wage statements, failure to timely pay wages upon termination, and failure to reimburse necessary business expenses, for violations of California Business & Professions Code Section 17200, *et seq.* based on the aforementioned California Labor Code violations, and for civil penalties under PAGA based on the aforementioned California Labor Code

1 violations. (*Id.*, ¶ 12).

2 On August 29, 2023, the Parties participated in a formal mediation conducted by Christ Barnes,
3 Esq. (“Mediator”), a neutral and respected mediator with extensive experience in complex wage and hour
4 matters, which resulted in an agreement to resolve this dispute on a class and representative basis. (*Id.*,
5 ¶ 13). The Parties worked diligently to negotiate and memorialize the terms of the settlement in a long
6 form settlement agreement. (*Ibid.*).

7 On June 6, 2024, the Parties executed the Settlement Agreement. (*Id.*, ¶ 14; Exh. 2 thereto).

8 **III. THE SETTLEMENT TERMS**

9 **A. Class Definition**

10 For purposes of settlement only, the Parties have agreed that the Class shall be defined as: “all
11 current and former non-exempt employees who worked at any time for Defendant in the State of
12 California at any time during the Class Period.” (“Class Members” or “Class”). (Genish Decl., ¶ 15;
13 Settlement Agreement, ¶ I. g.). The Class Period is defined as the period from October 4, 2018 through
14 September 5, 2023. (Genish Decl., ¶ 15; Settlement Agreement, ¶ I. h.). Based on information provided
15 by Defendant, it is estimated that there are a total of eighty-eight (88) Class Members. (Genish Decl., ¶
16 15).

17 **B. Amount of Settlement**

18 The Parties have agreed to settle the class and PAGA claims at issue in the Operative Complaint
19 for a non-reversionary Gross Settlement Amount of Two Hundred Forty-Five Thousand Dollars and Zero
20 Cents (\$245,000.00), exclusive of employer-side payroll taxes. (Genish Decl., ¶ 16; Settlement
21 Agreement, ¶ I. o.).

22 **C. Allocation and Funding of the Gross Settlement Amount**

23 The Gross Settlement Amount is a common fund and therefore includes all requested costs, fees,
24 and other allocations. (Genish Decl., ¶ 16). The Gross Settlement Amount includes: (1) Class Counsel’s
25 fees in the amount of thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$85,750.00 if the
26 Gross Settlement Amount is \$245,000.00); (2) Class Counsel’s actual litigation costs and expenses, not
27 to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00); (3) Settlement Administration
28 Expenses, not to exceed Five Thousand Five Hundred Dollars and Zero Cents (\$5,500.00); (4) Service

Awards in the amount of Five Thousand Dollars and Zero Cents (\$5,000.00) *each* to both Plaintiffs (for a total of \$10,000); and (5) PAGA Payment in the amount of Twenty Thousand Dollars and Zero Cents (\$20,000.00). (Genish Decl., ¶ 16; Settlement Agreement, ¶¶ I.e, I.o, I.w, III.m (ix), III.m. (xii)). After the above-estimated amounts are deducted from the Gross Settlement Amount, the Net Settlement Amount that will be available for Class Members is currently estimated to be Ninety-Eight Thousand Seven Hundred Fifty Dollars and Zero Cents (\$98,750.00). (Genish Decl., ¶ 16). Additionally, 25% of the PAGA Amount (“Aggrieved Employee Payment”), which is \$5,000.00 out of \$20,000.00 will be fully distributed to: “all current and former non-exempt employees who worked at any time during the PAGA Period for Defendant in California.” (“Aggrieved Employees”). (Genish Decl., ¶ 16; Settlement Agreement, ¶¶ I.b, I.w, III.m (xi)). The “PAGA Period” is defined as the period from December 8, 2021 through September 5, 2023. (Genish Decl., ¶ 16; Settlement Agreement, ¶ I.v).

Defendant has represented that the Class Members worked a total of 10,839 Workweeks during the Class Period. (Genish Decl., ¶ 17; Settlement Agreement, ¶ III.a (ii)). If it is determined by the Settlement Administrator that the total number of Workweeks worked by the Settlement Class Members during the Class Period is greater than 11,923 (a 10% increase), then the Gross Settlement Amount will either increase proportionally for each additional Settlement Class Member and/or Workweek worked by Settlement Class Members over those amounts, or Defendant shall have the option to change the end date of the Settlement period so that the number of Workweeks worked by Settlement Class Members during the class period does not exceed 11,923. (Genish Decl., ¶ 17; Settlement Agreement, ¶ III.a (ii)).

The Net Settlement Amount will be distributed and paid to all Class Members who do not submit a timely and valid Request for Exclusion (“Settlement Class Members”) on a *pro rata* basis based on the number of weeks each Class Member was employed by Defendant as a non-exempt employee in California and worked for at least one day during the Class Period (“Workweeks”). (Genish Decl., ¶ 18; Settlement Agreement, ¶ I. ii.). The *pro rata* share of the Net Settlement Amount that a Class Member may be eligible to receive under the Class Settlement (“Individual Settlement Payment”) will be calculated by the Settlement Administrator, in accordance with the Settlement Agreement. (Genish Decl., ¶ 18; Settlement Agreement, ¶¶ III.m (i)).

1 The Aggrieved Employee Payment will be distributed and paid to all Aggrieved Employees on a
2 *pro rata* basis based on the number of weeks each Aggrieved Employee was employed by Defendant as
3 a non-exempt employee in California during the PAGA Period (“PAGA Pay Periods”). (Genish Decl., ¶
4 19; Settlement Agreement, ¶ III.m (ii)). The *pro rata* share of the Aggrieved Employee Payment that an
5 Aggrieved Employee may be eligible to receive under the PAGA Settlement (“Individual PAGA
6 Payment”) will be calculated by the Settlement Administrator, in accordance with the Settlement
7 Agreement. (Genish Decl., ¶ 19; Settlement Agreement, ¶ III.m.(ii)).

8 Each Individual Settlement Payment will be allocated as ten percent (10%) wages and ninety
9 percent (90%) penalties, interest, and non-wage damages. (Genish Decl., ¶ 20; Settlement Agreement, ¶
10 III.m.(iii)). The portion allocated to wages will be reported on an IRS Form W-2 and the portions
11 allocated to penalties, interest, and non-wage damages will be reported on an IRS Form 1099 (if
12 applicable) by the Settlement Administrator. (Genish Decl., ¶ 20; Settlement Agreement, ¶ III.m.(iii)).
13 The Settlement Administrator will withhold the employee’s share of taxes and withholdings with respect
14 to the wages portion of the Individual Settlement Payments, and issue checks to Settlement Class
15 Members for their net payment of their Individual Settlement Payments (“Individual Settlement
16 Payment”). (Genish Decl., ¶ 20; Settlement Agreement, ¶ III.m.(i)). The employer’s share of taxes and
17 contributions in connection with the wages portion of Individual Settlement Payments shall be paid by
18 Defendant separately and in addition to the Gross Settlement Amount. (Genish Decl., ¶ 20; Settlement
19 Agreement, ¶ III.a.(i)). Each Individual PAGA Payment will be allocated as one hundred percent (100%)
20 penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.
21 (Genish Decl., ¶ 20; Settlement Agreement, ¶ III.m.(iv)).

22 The Settlement Agreement is a non-reversionary and non-claims made settlement. (Genish Decl.,
23 ¶ 21; Settlement Agreement, ¶ III.a.(i)). The Net Settlement Amount will be fully distributed to
24 Settlement Class Members and the PAGA Payment will be fully distributed to the LWDA and Aggrieved
25 Employees, in accordance with the Settlement Agreement. (Genish Decl., ¶ 21; Settlement Agreement,
26 ¶ III.a.(i)). No money will revert to Defendant. (Genish Decl., ¶ 21; Settlement Agreement, ¶ III.a.(i)).

27 Each Individual Settlement Payment and Individual PAGA Payment check will be valid and
28 negotiable for one hundred and eighty (180) calendar days from the date the checks are issued, and

thereafter, shall be canceled. (Genish Decl., ¶ 22; Settlement Agreement, ¶ III.m.(viii)). Any funds associated with such canceled checks will be distributed by the Settlement Administrator to the State of California’s Unclaimed Property Division in the name of the Settlement Class Member and/or PAGA Employee. (Genish Decl., ¶ 22; Settlement Agreement, ¶ III.m.(viii)).

D. Released Claims

Upon the full funding of the Gross Settlement Amount, Plaintiffs and all Settlement Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims. (Settlement Agreement, ¶¶ I.bb, III.b). It is the intent of the Parties that the Final Approval Order and Judgment when entered by the Court shall have full res judicata effect and be final and binding upon Settlement Class Members regarding the Released Class Claims.

Upon the full funding of the Gross Settlement Amount, Plaintiffs, the State of California with respect to all Aggrieved Employees, and all Aggrieved Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims. (*Id.*, ¶ I.cc, III.c.).

“Released Class Claims” means All class claims that were pled or could have been pled in the operative complaint in *Salomon Garcia and Luis Miguel Guizar v. Atlas Freight Forwarding, Inc.*, San Diego County Superior Court, Case No. 37-2022-00039724-CU-OE-CTL, and which were pled or could have been pled in the operative complaint based on the facts alleged or ascertained during the pendency of the Action that arose during the Class Period, including, but not limited to, alleged violations of Labor Code § 201; § 202; § 203; § 204; § 226; § 226.7; § 510; § 512; § 558; § 1174; § 1182.12; § 1194; § 1194.2; §1197; § 1197.1; § 1198; § 2698; § 2699; § 2699.3; § 2699.5; § 2800; and § 2802; and Business & Professions Code § 17200, et seq., but expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers’ compensation, and class claims outside the Class Period. (*Id.*, ¶ I.bb).

“Released PAGA Claims” means all PAGA claims that were pled or could have been pled in the operative complaint in the Action and Plaintiff’s PAGA Notice to the LWDA which occurred during the PAGA Period, including, but not limited to, alleged violations of Labor Code § 201; § 202; § 203; § 204;

§226; §226.7; §510; §512; §1174; § 1194; § 1197; § 1197.1; § 1198; § 2698; § 2699; § 2699.3; § 2699.5; § 2800; and § 2802, but expressly excluding all PAGA claims outside the PAGA Period. (Settlement Agreement, ¶ I.cc.).

“Released Parties” means Defendant and all past, present and future agents, employees, servants, officers, directors, partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related corporations, divisions, joint venturers, assigns, predecessors, successor, service providers, insurers, consultants, subcontractors, joint employers, employee benefit plans and fiduciaries therefor, affiliated organizations, and all persons acting under, by, through or in concert with any of them, and each of them. (*Id.*, ¶ I.dd).

IV. STANDARD OF REVIEW FOR PRELIMINARY APPROVAL

The settlement of a class action requires court approval. *See Dunk v. Ford Motor Co.*, 48 Cal. App. 4th 1794 (1996). “In general, questions whether a settlement was fair and reasonable, whether notice to the class was adequate, whether certification of the class was proper, and whether the attorney fee award was proper are matters addressed to the trial court’s broad discretion.” *Wershba v. Apple Computer, Inc.*, 91 Cal.App.4th 224, 234-35 (2001) (disapproved on other grounds).

The review and approval of a proposed class action settlement involves a two-step process. *See* Cal. Rules of Court, Rule 3.769(c). First, counsel submit the proposed terms of the settlement and the Court makes a preliminary assessment of whether the settlement appears to be sufficiently within the range of a fair settlement to justify providing notice of the proposed settlement to class members. After notice is provided to the class, the Court must conduct a second inquiry into whether the proposed settlement is fair, reasonable, and adequate. *Id.*

The initial evaluation of the settlement at the preliminary approval step “is not a fairness hearing.” *Armstrong v. Board of School Directors of City of Milwaukee*, 616 F.2d 305, 314 (7th Cir. 1980). Rather, the limited purpose of this initial inquiry is to determine, at a threshold level, only whether the proposed settlement is within the range of possible approval and, as a result, “whether there is any reason to notify the class members of the proposed settlement and to proceed with a fairness hearing.” A presumption of fairness exists where: (1) the settlement is reached through arm’s length bargaining; (2) investigation and discovery are sufficient to allow counsel and the court to act intelligently; (3) counsel is experienced in

1 similar litigation; and (4) the percentage of objectors is small. *See In re Microsoft I-V Cases*, 135 Cal.
2 App. 4th 706, 723 (2006).

3 Preliminary approval does not require a court to make a final determination that the settlement is
4 fair, reasonable, and adequate. Rather, that decision is made only at the final approval stage, after notice
5 of the settlement has been given to the class members and they have had an opportunity to object or
6 exclude themselves from the settlement. *See* Cal. Rules of Court, Rule 3.769(g). In considering a
7 potential class settlement, the court need not reach any ultimate conclusions on the issues of fact and law
8 which underlie the merits of the dispute and need not engage in a trial on the merits. *See Officers for*
9 *Justice v. Civil Service Commission*, 688 F.2d 615, 625 (9th Cir. 1982).

10 **V. THE SETTLEMENT IS PRESUMED FAIR**

11 **A. The Settlement Was Reached as a Result of Arm's-Length Bargaining**

12 California courts recognize that “a presumption of fairness exists where . . . [a] settlement is
13 reached through arm's-length bargaining.” *Wershba*, 91 Cal.App.4th at 245; *see also Clark v. Am.*
14 *Residential Servs. LLC*, 175 Cal.App.4th 785, 799 (2009). Here, the Parties' settlement negotiations
15 were at all times made at arm's-length and were adversarial. (Genish Decl., ¶ 23). The Settlement was
16 reached following a full day of mediation with a highly respected mediator with substantial experience
17 mediating wage and hour cases and continued negotiations. (Ibid). At all times, Plaintiffs were willing
18 and prepared to litigate this matter through class certification and trial if the Parties had been unable to
19 reach a favorable resolution. (Garcia Decl, ¶ 9; Guizar Decl. ¶ 9).

20 **B. Sufficient Investigation and Discovery by Experienced Class Counsel**

21 Courts typically assess the status of discovery in determining whether a class action settlement
22 agreement is fair, reasonable, and adequate. *Dunk*, 48 Cal.App.4th at 1801. Prior to mediation,
23 Defendant produced a representative sampling of the putative class members' and aggrieved employees'
24 time and pay data, and Defendant's policies relevant to its wage and hour practices, information regarding
25 the total number of putative class members, the total number of former putative class members, the
26 average rate of pay of the putative class members, and the number of workweeks and pay periods of the
27 putative class members and aggrieved employees. (Genish Decl., ¶ 24).

28 This allowed Plaintiff's counsel to conduct an informed assessment and analysis of the strengths

1 and weaknesses of the claims and the potential class-wide damages. (Genish Decl., ¶ 25). Based on
2 information exchanged, the Parties extensively briefed issues regarding class certification and liability
3 and provided their analyses to the Mediator who helped the Parties debate the strengths and weakness of
4 their respective positions. (*Id.*, ¶ 26). Additionally, settlement negotiations were conducted by highly
5 capable and experienced counsel. (*Id.*, ¶¶ 1-8). Accordingly, Class Counsel had sufficient information
6 and experience to act intelligently in negotiating the Settlement.

7 **C. The Settlement is Fair and Reasonable in Light of the Parties' Respective Legal Positions**
8 **and Recovery Risks**

9 A settlement is not judged against what might have been recovered had a plaintiff prevailed at
10 trial, nor does the settlement have to obtain 100% of the damages sought to be fair and reasonable.
11 *Wershba*, 91 Cal.App.4th at 246, 250. In evaluating the reasonableness of a settlement, a trial court must
12 consider “the strength of plaintiffs’ case, the risk, expense, complexity and likely duration of further
13 litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the
14 extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the
15 presence of a governmental participant, and the reaction of the class members to the proposed settlement.”
16 *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 128 (2008).

17 Here, the reasonableness of the Settlement is underscored by the fact that Defendant has legal and
18 factual grounds for defending the Action. Based upon Class Counsel’s experience litigating similar
19 complex matters, Plaintiffs reasonably expected a vigorous and lengthy defense to both class certification
20 and the merits of the Action absent a settlement.

21 **1. Class Counsel’s Analysis of the Maximum Available Liability and Damages**

22 Class Counsel analyzed all available data and estimated Defendant’s maximum potential exposure
23 to be approximately \$2,774,626, assuming the litigation was successful at trial on all claims at issue and
24 every employee had a violation for each claim on every shift worked, and then reduced this exposure
25 analysis based on the challenges facing the likelihood of obtaining class certification, prevailing at trial,
26 and other attendant risks. (Genish Decl., ¶ 27). This estimate is based off an estimated maximum liability
27 for all claims at issue and the total aggregate workweeks during the relevant time period, less interest,
28 and based on the analysis of the data which was extrapolated out for all class members across the entire

putative class period, which included: \$644,313 for meal period violations; \$1,022,990 for rest period violations at a 100% violation rate; \$232,560 for unpaid off-the-clock; \$150,423 for waiting time penalties; \$191,450 in wage statement penalties; and \$108,390 for unreimbursed business expenses (based on unreimbursed purchase of steel-toed boots used for work purposes during the Class Period). (Ibid). Plaintiffs further estimated that Defendant faced an additional exposure of \$424,500 in potential, non-stacked (i.e., one penalty, per employee, per pay period during the PAGA statutory period) PAGA penalties. (Ibid). Together with the PAGA penalties, Defendant's maximum potential exposure totaled \$2,774,626 in damages. (Ibid).

2. Class Counsel's Risk-Based Analysis and Risk-Based Adjustments

While Plaintiffs believe that Defendant faced significant exposure, substantial barriers to a recovery existed. In addition to maintaining it complied with all relevant wage-and-hour laws throughout the relevant time period, Defendant contended that Plaintiffs' claims are not suitable for class certification because individual issues and affirmative defenses would predominate should this case go to trial. (Genish Decl., ¶ 41; *See Brinker Restaurant Corp. v. Superior Court*, 53 Cal.4th 1004 (2012); *Duran v. U.S. Bank Nat. Assn.*, 59 Cal.4th 1, 35-36 (2014); *Wal-Mart Stores, Inc. v. Dukes*, 131 S.Ct. 2541, 2551 (2011). While Plaintiffs and Class Counsel disagree with Defendant's predictions, they also recognize that there is a significant risk that the Court may deny class certification. (Genish Decl., ¶ 30; *see also, Findings of the Study of California Class Action Litigation*, 2000-2006, available at <http://www.courts.ca.gov/documents/class-action-lit-study.pdf> (finding that only 21.4% of all class actions were certified either as part of a settlement or as part of a contested certification motion)).

For example, Plaintiffs' meal period claims, which were based on Defendant's alleged failure to provide lawful meal periods, have been increasingly difficult to certify in recent years. (Genish Decl., ¶ 31; *See Brinker*, 53 Cal. 4th at 1034-35). Plaintiffs' theory of liability for meal period violations was based on allegations that Defendant had failed to implement its policies and that its practices failed to allow Class Members to take meal breaks in the manner required under California law. (Genish Decl., ¶ 31; *See Bradley v. Networkers Int'l, LLC*, 211 Cal.App.4th 1129, 1150 (2012) (holding that "the lack of a meal/rest break policy and uniform failure to authorize such breaks are matters of common proof.")). In contrast, Defendant contended that its practices at all times during the Class Period were lawful.

1 (Genish Decl., ¶ 31). Defendant further argued that the rate of purported meal period violations reflected
2 in the data would require individualized inquiry and that such inquiry would prohibit a class from being
3 certified. (Ibid). Class Counsel also had to consider the risk that the Court would find validity in an
4 individualized proof defense to certification of Plaintiffs' meal period claim. (Ibid).

5 Additionally, a large portion of Defendant's overall liability lies in Plaintiffs' rest period
6 allegations. (*Id.*, ¶ 32). As with the meal period allegations, Defendant contended that it had a lawful
7 written rest period policy, provided compliant rest breaks and relieved Class Members of all duties as
8 required under California law. (Ibid). Defendant contended that, as with meal breaks, employees took
9 rest breaks consistently and timely. (Ibid). Additionally, this claim was even more uncertain given the
10 difficulties associated with proving the alleged rest period violations, as Defendant was not required to
11 record these breaks. (Ibid). Given the lack of records demonstrating rest period violations, there were
12 legitimate concerns Plaintiffs would not be able to certify these claims or prove substantial damages with
13 requisite certainty, which made the estimated value of this claim subject to much challenge. (Ibid).

14 Plaintiffs also faced challenges certifying and proving liability for his minimum wage and
15 overtime claims. (*Id.*, ¶ 33). These claims were largely based on unrecorded, off-the-clock work
16 performed by the Class Members both before and after their shifts and during purported meal and rest
17 periods. (Ibid). However, the individualized nature of why this work was performed and the
18 individualized nature of damages presented substantial concerns regarding the manageability of the case
19 and the risk the Court could find these issues prevented certification. (Ibid).

20 There are also substantial risks associated with Plaintiffs' waiting time penalties and wage
21 statement claims. (*Id.*, ¶ 34). First, these claims were derivative of Plaintiffs' claims for unpaid meal
22 period premiums, unpaid rest period premiums, unpaid minimum wages, and unpaid overtime wages,
23 and if certification was denied on those underlying claims, these derivative claims for penalties would
24 also likely fail. (Ibid). Further, even if Plaintiff prevailed on his underlying claims, he would still be
25 required to demonstrate that Defendant's violations of California Labor Code section 203 were *willful*
26 violations. (Genish Decl., ¶ 34; *See, e.g., Choate v. Celite Corp.*, 215 Cal App. 4th 1460, 1468 (2013)
27 (holding that "an employer's reasonable, good faith belief that wages are not owed may negate a finding
28 of willfulness")). Wage statement claims have also seen varying treatment at the appellate level because

1 such claims have an element of discretion attached to them rather than a pure calculation of damages after
2 liability is proven. (Genish Decl. ¶ 34; *Jaimez v. DAIOHS USA, Inc.*, 181 Cal.App.4th 1286 (2010) with
3 *Price v. Starbucks Corp.*, 192 Cal.App.4th 1136 (2011)). Accordingly, these derivative claims, which
4 comprised a substantial portion of Defendant’s estimated liability, were therefore uncertain. (Genish
5 Decl., ¶ 34).

6 Class Counsel also recognized that, even if Plaintiffs prevailed at class certification, proving the
7 amount of wages due to Class Members would be an expensive, time-consuming, and uncertain
8 proposition. (*Id.*, ¶ 35). In order to prove liability and damages, Class Counsel would need to request
9 and analyze thousands of additional pages of documents, contact the Class Members, and obtain their
10 declarations. (*Ibid.*). Obtaining the cooperation of current employees would also be difficult, given the
11 likely reluctance to aid prosecution of a lawsuit against a current employer. (*Ibid.*). On the other hand,
12 Defendant would likely be able to obtain the cooperation of their employees. (*Ibid.*). Moreover, even if
13 Plaintiffs prevailed at class certification and trial, possible appeals would substantially delay any recovery
14 by the Class. (*Ibid.*).

15 Therefore, taking into account how each of the above risks potentially effected Plaintiffs’ ability
16 to first obtain class certification, and then prove the underlying violations, as well as the cost and delay
17 in recovering the alleged potential damages, Class Counsel discounted Defendant’s estimated liability by
18 75% to \$693,656.50. (*Id.*, ¶ 36). The merits-based risk factors further reduced Defendant’s estimated
19 liability by an additional 60%. (*Ibid.*). This resulted in an adjusted estimated liability of \$277,462.60.
20 (*Ibid.*). In light thereof, the settlement amount of \$245,000 is a significant settlement. (*Ibid.*).

21 Class Counsel also contemplated the risks of proceeding with the PAGA action and potential
22 liability Defendant could face from this claim as part of the global resolution. (*Id.*, ¶ 37). Existing case
23 law makes PAGA claims subject to the same defenses and risks as Plaintiffs’ underlying wage claims.
24 (Genish Decl., ¶ 37; see, *Elliot v. Spherion Pac. Work, LLC*, 572 F.Supp.2d 1169, 1181-82 (C.D. Cal.
25 2008) (“Plaintiff’s claim under [PAGA] is wholly dependent upon her other claims. Because all of
26 Plaintiff’s other claims fail as a matter of law, so does her PAGA claim”). Class Counsel also anticipated
27 that even if successful on the merits at trial, the imposition of cumulative civil penalties based on the
28 alleged wage and hour violations could be considered unjust, arbitrary and oppressive, or confiscatory,

1 and that Defendant would argue that it made a good faith attempt to comply with its legal obligations
2 warranting a reduction in penalties. (Genish Decl., ¶ 37).¹ Class Counsel also anticipated Defendant
3 would argue that it made a good faith attempt to comply with its legal obligations and that the violations
4 per pay period were low, warranting an additional reduction in civil penalties. (Ibid). Finally, Class
5 Counsel was also mindful of the fact that PAGA is fundamentally not intended to be compensatory in
6 nature but is instead intended to facilitate enforcement of California’s labor laws by financing state
7 activities and educating and deterring non-compliance. (Ibid).

8 Therefore, after considering this multitude of factors, Plaintiffs and Class Counsel concluded that
9 it was in the best interest of the State of California and the Aggrieved Employees to enter into the
10 Settlement, and to allocate Twenty Thousand Dollars and Zero Cents (\$20,000.00) of the Gross
11 Settlement Amount towards the PAGA claim, which represents approximately 8.2% of the Gross
12 Settlement Amount. (*Id.*, ¶ 38). This percentage of the settlement is well within the range of wage and
13 hour settlements regularly approved in both state and federal court for cases that include both a class and
14 PAGA action. (Ibid). Typically, such hybrid cases allocate only 1% of the gross settlement value to
15 resolve PAGA claims, and, indeed, settlements allocations as little as 0.22% of the gross settlement
16 amount have been approved as reasonable by courts. (Ibid). Moreover, the overall relief obtained by the
17 Settlement is significant, not only from a monetary perspective, but also because it fulfills the public
18 policy objectives of PAGA—to promote enforcement of California’s labor laws, provide funds to the
19 state, and deter future non-compliance by the employer. (Ibid).

20 The Settlement is in the best interest of the Class Members, the Aggrieved Employees, and the
21 State of California and is within the accepted range of recoveries for this type of litigation given the
22 inherent risk of litigation, the risk of obtaining and maintaining class certification, and the costs of further
23

24 ¹ See, e.g., *Thurman v. Bayshore Transit Management, Inc.*, 203 Cal.App.4th 1112, 1131 (2012) (imposition of both statutory
25 and civil penalties for same conduct is impermissible double recovery) (disapproved on other grounds); *Aguirre v. Genesis*
26 *Logistics*, 2013 WL 10936035, at *3 (C.D. Cal. 2013) (“duplicative effect” of penalties is a factor in favor of “reducing ...the
27 PAGA penalty”); *Smith v. Lux Retail North America, Inc.*, 2013 WL 2932243, at *3 (N.D. Cal. June 13, 2013) (declining to
28 stack penalties based on the same conduct); *Castillo v. ADT, LLC*, 2017 WL 363108, at *4 (E.D. Cal. Jan. 25, 2017); *Sanchez*
v. McDonalds Restaurants of California, Inc., 2017 WL 4620746 (LA Super. Ct. July 6, 2017) (declining to stack penalties
arising out of the same conduct); *Fleming v. Covidien, Inc.*, 2011 WL 756304718, at *4 (C.D. Cal. Aug. 12, 2011) (reducing
PAGA penalties by 80%); *Cotter v. Lyft, Inc.*, 193 F.Supp.3d 1030 (N.D. Cal. 2016) (indicating that a substantial reduction is
warranted where good faith dispute exists in legal obligations); *Carrington v. Starbucks Corp.*, 30 Cal.App.5th 504, 529 (2018)
(approving reduction in penalties from \$50 per pay period to \$5 per pay period based on good faith attempts to comply with
obligations and minimal violations).

litigation. (Genish Decl., ¶ 39).

VI. CERTIFICATION FOR SETTLEMENT PURPOSES IS WARRANTED

Code of Civil Procedure Section 382 provides that three basic requirements must be met in order to sustain any class action: (1) there must be an ascertainable class; (2) there must be a well-defined community of interest in the question of law or fact affecting the parties to be represented; and (3) certification will provide substantial benefits to litigants and the courts, i.e., proceeding as a class action is superior to other methods. *See Dunk*, 48 Cal.App.4th at 1806. Plaintiffs contend that the Action, which is based upon Defendant's wage and hour policies and practices, satisfies the class certification requirements under California Code of Civil Procedure section 382. Defendant denies Plaintiffs' allegations, but for purposes of the Settlement only, Defendant has stipulated to certification of the Class.

A. An Ascertainable Class Exists Which is So Numerous That Joinder of All Members is Impracticable

Whether an ascertainable class exists turns on three factors: (1) the class definition, (2) the size of the class, and (3) the means of identifying the class members. *See Miller v. Woods*, 148 Cal.App.3d 862, 873 (1983). In this case, all three considerations strongly favor class certification. Here, the Class is defined as: "all current and former non-exempt employees who worked at any time for Defendant in the State of California during the Class Period." (Genish Decl., ¶ 15; Settlement Agreement, ¶ I.h). This provides a clear and definite scope for the proposed class.

Next, the Class is sufficiently numerous. There is no magic number that satisfies the numerosity requirement. Courts have certified classes with as few as ten or twenty-eight class members. *Rose v. City of Hayward*, 126 Cal.App.3d 926, 934 (1981); *Bowles v. Superior Court*, 44 Cal. 2d 574 (1995); *Hebbard v. Colgrove*, 28 Cal.App.3d 1017, 1030 (1972). Here, the estimated Class size of eighty-eight (88) individuals meets the numerosity requirement.

Finally, the question of whether class members are easily identifiable turns on whether a plaintiff can establish "the existence of an ascertainable class." *Daar v. Yellow Cab Co.*, 67 Cal.2d 695 at 706 (1967). The existence of an ascertainable class in this case can be established through Defendant's payroll records, and the Class definition is sufficiently specific to enable the Parties, Class Members, and the Court to determine the parameters of the Class. *See Clothesrigger, Inc. v. GTE Corp.*, 191 Cal.App.3d

605, 617 (1987).

B. The Class Shares a Well-Defined Community of Interest

The community of interest requirement embodies three factors: (1) predominant questions of law and fact; (2) class representatives with claims or defenses typical of the class; and (3) class representatives who can adequately represent the class. *Dunk*, 48 Cal.App.4th at 1806. Here, all three requirements are easily satisfied.

The commonality criterion requires the existence of common question of law or fact and is generally established with the issues of predominance and typicality. *See Daar*, 67 Cal.2d 695, 706. What is required is that a common question of fact or law exists which predominates over issues unique to individual plaintiffs. The existence of individual issues or facts—generally present in any case arising from employment—is not a bar to class certification as long as they do not render class litigation unmanageable or predominate over the common issues. *See B.W.I. Custom Kitchen v. Owens-Illinois, Inc.*, 191 Cal.App.3d 1341, 1354 (1987).

Here, Plaintiffs’ claims present common issues of law and fact that predominate and warrant class certification. Plaintiffs allege that Defendant denied compliant meal and rest periods to employees, required employees to perform work off-the-clock, and failed to fully compensate employees for all time actually worked. These policies and practices meant that Defendant allegedly failed to pay minimum and overtime wages, and other related claims. Plaintiffs allege that Defendant’s policies and practices were uniform as to all Class Members. Thus, class treatment is appropriate.

To satisfy the typicality requirement, California law does not require that plaintiffs’ claims be identical to the other class members. Rather, the test of typicality for a class representative is whether other members have the same or similar injury, whether the action is based on conduct which is not unique to the named plaintiff, and whether other class members have been injured by the same course of conduct. *See Seastrom v. Neways, Inc.*, 149 Cal.App.4th 1496, 1502 (2007). The typicality requirement for a class representative refers to the nature of the claim or defense of the representative, and not to the specific facts from which it arose or the relief sought. *See ibid.*

Here, Plaintiffs allege that their claims are similar to that of the other Class Members and that Plaintiffs’ claims arise out of the same alleged course of conduct giving rise to the claims of the other

1 Class Members. Because Plaintiffs' claims are based upon the same alleged conduct and business
2 practices of Defendant as those of the Class Members, the typicality requirement has been satisfied.

3 Finally, the question of adequacy of representation "depends on whether the plaintiff's attorney
4 qualifies to conduct the proposed litigation in the plaintiff's interest or not antagonistic to the interests of
5 the class." *McGee v. Bank of America*, 60 Cal.App.3d 442, 450 (1976). Here, these considerations are
6 satisfied. Class Counsel is well-regarded and is qualified and experienced in employment-related, class-
7 action litigation. (Genish Decl., ¶¶ 1-8). Plaintiffs will vigorously, adequately, and fairly represent the
8 interests of the Class. Plaintiffs have, at all times throughout the course of the litigation, considered the
9 interests of the Class and understood that they must take steps to adequately represent the Class and their
10 interests. (Guizar Decl., ¶¶ 9-12; Garcia Decl., ¶¶ 9-12). Because Plaintiffs' wage-and-hour claims are
11 typical of other Class Members and are not based on unique circumstances, there is no antagonism
12 between the interests of Plaintiffs and the Class.

13 **C. A Class Action is Superior to a Multiplicity of Litigation**

14 Under the circumstances, proceeding as a class action is a superior means of resolving this dispute,
15 as the Class Members and the Court will derive substantial benefits. Class certification would serve as
16 the only means to deter and redress the alleged violations. *See Linder v. Thrifty Oil Co.*, 23 Cal.4th 429,
17 434 (2000) (relevant considerations include the probability that each class member will come forward to
18 prove his or her separate claim and whether the class approach would actually serve to deter and redress
19 the alleged wrongdoing). Further, individual actions arising out of the same operative facts would unduly
20 burden the courts and could result in inconsistent results. Therefore, class action proceedings are superior
21 to individual litigation.

22 **VII. THE REQUESTED ENHANCEMENT PAYMENT IS REASONABLE**

23 Plaintiffs in class action lawsuits are eligible for reasonable incentive payments as compensation
24 "for the expense or risk they have incurred in conferring a benefit on other members of the class." *Munoz*
25 *v. BCI Coca-Cola Bottling Co.*, 186 Cal.App.4th 399, 412 (2010). Courts routinely grant approval of
26 class action settlement agreements containing enhancements for the class representative, which are
27 necessary to provide incentive to represent the class and are appropriate given the benefit the class
28 representatives help to bring about for the class. *See In re Online DVD Rental*, 779 F.3d 934, 947-948

(9th Cir. 2014) (approving incentive award 417 times larger than individual payments where incentive award made up a mere .17% of the settlement); *Gaudin v. Saxon Mortgage Servs., Inc.*, 2015 WL 7454183, at *10 (N.D. Cal. Nov. 23, 2015) (finding service award of \$15,000 to be “fair and reasonable”).

Plaintiffs initiated this litigation on behalf of their former co-workers who will now be entitled to receive payment from the Settlement. Plaintiffs invested substantial time and effort into litigation, including their own research, reviewing documents, and extensive discussions with Class Counsel. (Garcia Decl., ¶¶ 4-6; Guizar Decl., ¶¶ 4-6). Further, the requested amount for Plaintiffs is also reasonable given the average award and the benefit gained by other Class Members. For these reasons, Plaintiffs request that Service Awards of Five Thousand Dollars and Zero Cents (\$5,000.00) *each* to Plaintiffs (for a total of \$10,000.00) be preliminarily approved by the Court. (Genish Decl., ¶ 40; Guizar Decl., ¶ 14; Garcia Decl., ¶ 14).

VIII. THE REQUESTED ATTORNEYS’ FEES AND COSTS ARE REASONABLE

Trial courts have “wide latitude” in assessing the value of attorneys’ fees and their decisions will “not be disturbed on appeal absent a manifest abuse of discretion.” *Lealao v. Beneficial Cal, Inc.*, 82 Cal.App.4th 19, 41 (2000). California law provides that attorney fee awards should be equivalent to fees paid in the legal marketplace to compensate for the result achieved and risk incurred. *Id.* at 47. In cases where class members present claims against a common fund and the defendant agrees to a percentage of the fund as part of the settlement, use of the percentage method is appropriate. *Id.* at 32.

Here, the requested attorneys’ fees of thirty-five percent (35%) the Gross Settlement Amount (i.e., \$85,750.00 if the Gross Settlement Amount is \$245,000.00) is disclosed to Class Members in the proposed Class Notice. (Settlement Agreement, Exh. A). The requested fee was freely negotiated, is common in the legal marketplace, and is not opposed by Defendant. The Motion for Final Approval will elaborate on the nature of the legal services provided and will also support Class Counsel’s request for the reimbursement of litigation costs and expenses not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00). (Genish Decl., ¶¶ 41&43). The Attorneys’ Fees and Costs that are not ultimately approved by the Court shall instead be included in the Net Settlement Amount to be distributed to Settlement Class Members. (Settlement Agreement, ¶ III.m.(x)).

///

1 **IX. THE CLASS NOTICE AND THE OPT-OUT AND OBJECTION PROCESS**
2 **MEETS DUE PROCESS REQUIREMENTS**

3 The Parties have jointly drafted the Class Notice, which will be mailed to the Class Members.
4 (Settlement Agreement, Exh. A). The Class Notice will include information regarding the nature of the
5 Action, a summary of the terms of the Settlement, the Class definition, information on how to object to
6 and/or opt-out of the Class Settlement and to dispute Workweeks and/or PAGA Pay Periods, and the date
7 of the Final Approval Hearing. (Ibid). The Class Notice will list each Class Member's total Workweeks
8 and their estimated Individual Settlement Payment and each Aggrieved Employee's total PAGA Pay
9 Periods and their estimated Individual PAGA Payment. (Ibid).

10 Within ten (10) calendar days after entry of the preliminary approval order, Defendant will
11 provide a list in a formatted readable Microsoft Office Excel spreadsheet to the Settlement Administrator
12 containing the following information for each Class Member: full name; last known mailing address;
13 Social Security number; dates worked for Defendant during the Class Period; and such other information
14 as is necessary for the Settlement Administrator to calculate Workweeks and PAGA Pay Periods (if
15 applicable) (collectively referred to as the "Class Data"). (*Id.*, ¶¶ I.f. & III.1.(i)). Within fourteen (14)
16 calendar days after receiving the Class Data from Defendant, the Settlement Administrator will perform
17 a search based on the National Change of Address Database or other similar services available, such as
18 provided by Experian, for information to update and correct for any known or identifiable address
19 changes, and will mail a Class Notice to all Class Members via First-Class U.S. Mail, using the most
20 current, known mailing addresses identified by the Settlement Administrator. (*Id.*, ¶ III.1.(iii)). The
21 Parties have agreed to use Apex Class Action LLC as the Settlement Administrator. (Genish Decl., ¶ 44;
22 Settlement Agreement, ¶ I.gg.).

23 In determining whether to approve a settlement of a class action, a trial court has virtually
24 complete discretion as to the manner of giving notice to class members, and review on appeal is governed
25 by the abuse of discretion standard. *See In re Cellphone Fee Termination Cases*, 186 Cal.App.4th 1380
26 (2010). Here, Class Counsel is not aware of an alternative method of providing notice to the Class which
27 would result in a higher likelihood of actual notice. (Genish Decl., ¶ 45). The original source of the
28 mailing addresses is from Class Members, who provided the information to Defendant. (Ibid).

1 Class Members will have ninety (90) calendar days after the initial mailing of the Class Notice by
2 the Settlement Administrator to submit a Request for Exclusion, Notice of Objection, and/or Workweeks
3 Dispute (“Response Deadline”). (Settlement Agreement, ¶ I.ee.).

4 Any Class Notice returned to the Settlement Administrator as undeliverable on or before the
5 Response Deadline will be sent promptly via First-Class U.S. Mail to the forwarding address affixed
6 thereto and the Settlement Administrator will indicate the date of such re-mailing on the Class Notice.
7 (*Id.*, ¶ III.1.(iv)). If no forwarding address is provided, the Settlement Administrator will promptly attempt
8 to determine a correct address using a skip-trace or other search, using the name, address, and/or Social
9 Security number of the Class Member, and perform a single re-mailing within five (5) calendar days.
10 (*Ibid.*).

11 Class Members will have an opportunity to dispute the number of Workweeks and/or PAGA Pay
12 Periods which have been credited to them, as reflected in their respective Class Notices, by submitting a
13 timely and valid letter to the Settlement Administrator, by mail, postmarked on or before the Response
14 Deadline. The letter may include documentation and/or an explanation about a dispute as to start and end
15 dates of employment. The Settlement Administrator will then make a determination as to Workweeks
16 and PAGA Pay Periods based on all the information. (*Id.*, ¶ III.1.(v)).

17 Any Class Member wishing to be excluded from the Class Settlement must submit a timely and
18 valid letter (“Request for Exclusion”) to the Settlement Administrator, by mail, postmarked on or before
19 the Response Deadline. (*Id.*, ¶ III.1.(vii)). A Request for Exclusion must be signed by the Class Member
20 and: (a) contain the Class Member’s full name, address, and last four (4) digits of the Class Member’s
21 Social Security number; (b) clearly state that the Class Member does not wish to be included in the Class
22 Settlement; and (c) be returned by mail to the Settlement Administrator at the specified address,
23 postmarked on or before the Response Deadline. (*Ibid.*). Notwithstanding the above, all PAGA
24 Employees will be bound to the PAGA Settlement and will be issued their Individual PAGA Payment,
25 irrespective of whether they submit a Request for Exclusion. (*Ibid.*).

26 To object to the Class Settlement, Settlement Class Members must submit a timely and complete
27 written objection (“Notice of Objection”) to the Settlement Administrator, by mail, postmarked on or
28 before the Response Deadline. (*Id.*, ¶ III.1.(viii)). A Notice of Objection must be signed by the Settlement

1 Class Member and: (a) contain the case name and number of the Action; (b) contain the objector's full
2 name, address, and the last four (4) digits of the objector's Social Security number; (c) contain a written
3 statement of the basis for the objection accompanied by any legal support for such objection; (d) state
4 whether the objector intends to appear a the Final Approval Hearing; (e) be returned by mail to the
5 Settlement Administrator at the specified address, postmarked on or before the Response Deadline.
6 (Settlement Agreement, ¶ III.1.(viii)). Settlement Class Members, individually or through counsel, may
7 also present their objection orally at the Final Approval Hearing, regardless of whether they have
8 submitted a Notice of Objection. (Ibid).

9 **X. CONCLUSION**

10 For all of the foregoing reasons, Plaintiffs respectfully request that this Court grant Plaintiffs'
11 Motion for Preliminary Approval of Class Action and PAGA Settlement and the relief requested herein.

12 Respectfully submitted,

13 Dated: August 12, 2024

BLACKSTONE LAW, APC

14
15 By:


Jonathan M. Genish
Attorneys for Plaintiffs
Salomon Garcia and Luis Miguel Guizar