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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MONTEREY

OMAR SOTO on behalf of himself and all similarly aggrieved employees,

Plaintiff,

v.

RAMCO ENTERPRISES, L.P.; TAYLOR FARMS RETAIL, INC.; and DOES 1 through 50, inclusive,

Defendants.

Case No. 22CV002774

PLAINTIFFS' NOTICE OF MOTION AND MOTION FOR APPROVAL OF PAGA SETTLEMENT UNDER CALIFORNIA LABOR CODE § 2698 ET SEQ.; MEMORANDUM OF POINTS AND AUTHORITIES

Date: August 14, 2026
Time: 8:30 a.m.
Dept.: 14

Complaint Filed: September 19, 2022
Trial Date: Not Set

NABOR SANCHEZ on behalf of himself and all similarly aggrieved employees,

Plaintiff,

v.

TAYLOR FARMS CALIFORNIA, INC.; and DOES 1 through 50, inclusive,

Defendants.

Complaint Filed: December 30, 2022
Trial Date: None Set

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TO THE COURT AND DEFENDANT AND ITS ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on August 14, 2026, at 8:30 a.m., or as soon thereafter as the matter may be heard, before the Honorable Ian A. Rivamonte, Judge presiding in Department 14 of the above-referenced Court, located at 1200 Aguajito Road, Monterey, CA 93940. Plaintiffs Omar Soto and Nabor Sanchez ("Plaintiffs" or "PAGA Representatives"), on behalf of themselves, the State of California, and all aggrieved employees (the "Aggrieved Employees"), will and hereby do move this Court pursuant to California Labor Code § 2698 *et seq*. for an order approving the PAGA Settlement Agreement ("Agreement" or "Settlement") between Plaintiffs and Defendants RAMCO Enterprises, L.P. and Taylor Farms Retail, Inc.

This Motion will be based on this Notice of Motion, the attached Memorandum of Points and Authorities, the accompanying Declarations of Kristen M. Agnew, B. James Fitzpatrick, Victoria Harp, Plaintiff Omar Soto, Plaintiff Nabor Sanchez and Jodey Lawrence (Phoenix Settlement Administrators), the records and file herein, and on such other evidence as may be presented at the hearing of the motion.

DATED: July 23, 2026

DIVERSITY LAW GROUP, P.C.

By: ______________________________
Kristen Agnew
Attorneys for Plaintiffs and the Aggrieved Employees

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Through this Motion, Plaintiffs Omar Soto ("Plaintiff Soto") and Nabor Sanchez ("Plaintiff Sanchez") (collectively, "Plaintiffs") request that the Court enter an order approving the non-reversionary settlement with Defendants RAMCO Enterprises, L.P. ("RAMCO") and Taylor Farms Retail, Inc. ("TFR") (collectively, "Defendants") as memorialized in the PAGA Settlement Agreement ("Settlement Agreement" or "Settlement"), attached as **Exhibit 1** to the Declaration of Kristen M. Agnew ("Agnew Decl.").

Pursuant to the terms of the Settlement, RAMCO will pay the gross amount of $950,000.00 ("Gross Settlement Amount" or "GSA") to resolve the representative PAGA claims of its current and former non-exempt employees who were assigned to work at TFR food processing facilities in California during the period of September 19, 2021 through the date of approval of the Settlement by the Court ("Aggrieved Employees"). As further explained below, Plaintiffs and their counsel believe that the Settlement is fair, reasonable, and in the best interests of the Aggrieved Employees and the State. Accordingly, Plaintiffs respectfully request that the Court enter an order approving the Settlement in the form lodged herewith ordering the Parties and Administrator to carry out the terms of the Settlement Agreement and enter a Final Judgment thereon.

II. FACTUAL AND PROCEDURAL BACKGROUND

The Settlement encompasses the instant matter of *Omar Soto v. RAMCO Enterprises, L.P., et al.*, Monterey County Superior Court, Case No. 22CV002774 ("*Soto* PAGA Action"), as well as the related matters of *Nabor Sanchez v. Taylor Farms California, Inc., et al*., Monterey County Superior Court, Case No. 22CV004066 (the "*Sanchez* PAGA Action").[1] The extensive procedural history of the Actions is detailed in Section 2 of the Settlement Agreement and the accompanying

[1] The Parties entered into separate confidential settlement agreements resolving Plaintiffs' individual claims alleged in *Nabor Sanchez v. RAMCO Enterprises, L.P.*, Monterey County Superior Court, Case No. 25CV001936 ("*Sanchez* FEHA Action"), *Nabor Sanchez v. RAMCO Enterprises, L.P*, AAA Case Number: 01-23-0003-4765 ("*Sanchez* Individual Arbitration"), and *Omar Soto v. RAMCO Enterprises, L.P.*, Monterey County Superior Court, Case No. 25CV004250 ("*Soto* Individual Civil Action"). The agreements may be submitted to the Court for *in camera* review upon request.

Declarations of Victoria L. Harp ("Harp Decl.") and Kristen M. Agnew. For the Court's convenience, Plaintiffs briefly summarize the pertinent facts below.

A. Plaintiffs' Employment with Defendants

RAMCO is an employment staffing agency, catering primarily to various sectors of the agricultural industry. During the relevant period, RAMCO assigned its employees, including Plaintiff Sanchez and Plaintiff Soto, to work at TFR's food processing facilities in California. *See* Declaration of Nabor Sanchez ¶ 3; Declaration of Omar Soto ¶ 3.

B. Litigation Overview and Procedural History

On September 19, 2022, Plaintiff Soto's counsel sent a letter to the California Labor & Workforce Development Agency ("LWDA") via online submission and to RAMCO via certified mail regarding Defendants' alleged violations. *See* Harp Decl., ¶ 3, Exhibit 1. That same day, Plaintiff Soto commenced the *Soto* PAGA Action, by filing a class action complaint against Defendants alleging failure to pay minimum wages, failure to pay overtime wages, failure to provide meal periods, failure to provide rest periods, failure to provide accurate itemized wage statements, failure to pay wages timely during employment, failure to pay all wages due upon separation of employment and violation of business and professions codes sections 17200, *et seq*. *See id.* at ¶ 5. On December 5, 2022, Plaintiff filed a first amended complaint adding a single cause of action for recovery of civil penalties for violation of the PAGA. *See id.* Following motion practice, the class action claims were dismissed and this matter proceeded on a PAGA-only basis. *See id.* at ¶ 6.

On December 30, 2022, Plaintiff Sanchez submitted written notice to the LWDA and RAMCO alleging violations of Labor Code sections 201, 202, 203, 204, 226, 233, 510, 558, 1194, 1197, 1197.1, 1198, and 1199. *See* Agnew Decl. ¶ 3, Exhibit 2. Plaintiff Sanchez subsequently submitted an amended PAGA Notice adding alleged violations of Labor Code sections 2800 and 2802. *See id*. at ¶ 5, Exhibit 3.

On December 30, 2022, Plaintiff Sanchez commenced the related *Sanchez* PAGA Action. *See id.* at 4. In the *Sanchez* PAGA Action, Plaintiff Sanchez asserts a single PAGA cause of action predicated on RAMCO's alleged policies and practices of: (1) requiring employees to call or text before scheduled shifts to learn their start times, without compensating them for that time; (2) failing to provide reporting time pay or other compensation when employees were instructed not to report after making the required call or text; (3) failing to reimburse employees for the required use of their personal cell phones; and (4) requiring employees to wait in line and undergo uncompensated temperature screenings before entering TFR's facility. *See id.* at ¶¶ 8-9, 12.

C. Plaintiffs' Investigation and Discovery

As set forth in the Agnew Declaration, the Parties engaged in substantial formal and informal discovery and conducted multiple depositions concerning Defendants' wage and hour policies and practices. *See* Agnew Decl. ¶¶ 13, 15, 17-19, 21. Through this discovery, RAMCO produced documents and information concerning RAMCO's policies and procedures regarding COVID-19 temperature screenings, compensation for all hours worked, overtime, meal and rest periods, payroll and operations, and expense reimbursement. RAMCO also produced Plaintiffs' personnel records and wage statements, as well as timekeeping and payroll data for the aggrieved employees. *See id.* at ¶ 21.

D. Mediation and Settlement Negotiations

On or about August 4, 2025, the Parties agreed to participate in a global mediation, which included the *Soto* PAGA Action and *Sanchez* PAGA Action. *See* Agnew Decl. ¶ 21; Harp Decl. ¶ 7. In preparation for mediation, RAMCO produced data and documents for PAGA Counsel to evaluate the claims and calculate the alleged exposure, including policy documents, a sample of time and payroll records, and named Plaintiffs' personnel record. *See* Agnew Decl. ¶ 21; Harp Decl. ¶ 7.

The Parties attended mediation on February 10, 2026, with Tripper Ortman, a respected class action and PAGA action mediator. *See* Agnew Decl. ¶ 22; Harp Decl., ¶ 8. After a full day of negotiating, the Parties agreed to a settlement amount and executed a Memorandum of Understanding. *See* Agnew Decl. ¶ 22; Harp Decl., ¶ 8. The Parties spent the next few months negotiating the terms of the Settlement, which was finalized in June of 2026. *See* Agnew Decl. ¶ 23; Harp Decl., ¶ 8.

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E. The Operative Second Amended Consolidated Complaint

To facilitate settlement, the Parties stipulated to consolidate the *Soto* PAGA Action and *Sanchez* PAGA Action and to permit Plaintiffs to file a Second Amended Consolidated Representative Action Complaint (the "Operative Complaint"). *See* Agnew Decl. ¶ 25. Plaintiff Soto also submitted an amended notice to the LWDA alleging that RAMCO violated Labor Code sections 1174, 1174.1, 1174.5, 1194, 1197, 1198, 1199, 2698, 2699, 2699(a), 2699.3, and 2699.5, as well as the applicable Industrial Welfare Commission Wage Order provisions. *See id.* at ¶ 24, Exhibit 4.

On July 9, 2026, Plaintiffs filed the Operative Complaint. *See* Agnew Decl. ¶ 26. Plaintiffs seek civil PAGA penalties based on Defendants' alleged policy and practice of failing to: (i) timely pay all earned wages, including minimum wage and overtime wages, during employment and upon separation of employment, in violation of Labor Code sections 201, 202, 203, 204, 205, 210, 510, 1182.12, 1194, 1197, 1197.1, and 1198; (ii) provide compliant meal and rest periods or pay premium compensation in lieu thereof, in violation of Labor Code sections 226.7 and 512; (iii) furnish accurate itemized wage statements, in violation of Labor Code section 226; (iv) maintain accurate and complete records showing, among other things, the hours worked daily by and the wages paid to aggrieved employees, in violation of Labor Code sections 1174 and 1174.5; (v) provide and/or pay paid sick leave, in violation of Labor Code sections 245 to 249; (vi) pay reporting time compensation as required by section 5 of Industrial Welfare Commission Wage Orders 1 through 17, including Wage Order No. 8-2001; and (vii) indemnify and reimburse aggrieved employees for all necessary business expenses, including expenses associated with the required use of their personal cell phones for work-related calls and text messages, in violation of Labor Code sections 2800 and 2802. *See id.*

Defendants deny the allegations in the Operative Complaint, and deny any failure to comply with the laws identified in the Operative Complaint. *See* Agnew Decl. ¶ 27.

III. PAGA REQUIREMENTS

Based on the California Supreme Court's opinions in *Arias v. Superior Court*, 46 Cal. 4th 969 (2009), and *Iskanian v. CLS Transportation Los Angeles, LLC,* 59 Cal. 4th 348 (2014), Plaintiffs can seek appropriate civil penalties as called for under PAGA on behalf of the State of California and other similarly aggrieved employees without seeking class certification or meeting the requirements of class certification (i.e. numerosity, typicality, commonality and adequacy). As such, the class action two-step preliminary and final approval process is not required.

PAGA was enacted to allow enforcement of the Labor Code and recovery of penalties by the State and by private individuals who have been aggrieved by their employers. The statute calls for 75% of any penalties recovered to be paid to the LWDA and the remaining 25% to the aggrieved employees. *See* Lab. Code § 2699(i) (2016).

In order to enforce and seek penalties under PAGA in a civil action, an aggrieved employee must first provide written notice to the LWDA and the employer of the particular Labor Code violations the aggrieved employee alleges the employer has violated. *See* Labor Code§ 2699.3(a)(l)(A) (2016). Once the LWDA notifies the aggrieved employee that it does not intend to investigate the alleged violations, or if the LWDA does not respond within a certain time period, the aggrieved employee is then allowed to proceed in a civil action against the employer on behalf of the LWDA and all other similarly aggrieved employees. *See* Labor Code § 2699.3(a)(2)(A) (2016).

In 2009, the California Supreme Court considered the issue of whether an aggrieved employee who brings a PAGA representative claim needs to meet class certification requirements. *Arias,* 46 Cal. 4th at 976. After a substantial review of the legislative history of PAGA, the Court held that an aggrieved employee's representative action brought on behalf of other aggrieved employees against an employer for PAGA violations does not need to meet the requirements for class certification. *Id*. at 975, 980-88. As the Court held, a plaintiff bringing suit under PAGA does so as the proxy or agent of California's labor law enforcement agencies. *Id*. at 986. Because the employee's PAGA action functions as a substitute for an action brought by the government itself, a judgment in the PAGA action binds all those who would be bound by a judgment in an action brought by the government. *Id.*

Finally, in a settlement of a PAGA action brought by an aggrieved employee, the court need only “review and approve” the settlement. *See* Lab. Code § 2699(l)(2) (2016). The Parties to this current PAGA action have reached such an agreement and now seek this Court's approval of the proposed settlement.

IV. THE SETTLEMENT TERMS AND DISTRIBUTION OF PENALTIES

A. The Aggrieved Employees

For purposes of the Settlement, "Aggrieved Employees" or "PAGA Representative Action Members" means all current and former non-exempt employees of RAMCO assigned to work at TFR's food processing facilities in California at any time during the PAGA Period. *See* Settlement Agreement, § 1.4. The PAGA Period commences on September 19, 2021, and ends on the date the Court approves the Settlement. *See id*. at § 1.24. RAMCO estimates that there are 2,388 Aggrieved Employees who worked a total of 269,922 pay periods from September 19, 2021, through the date of mediation (February 10, 2026). *See id.* at § 4.1.

B. The Gross Settlement Amount

Under the Settlement Agreement, RAMCO will pay a non-reversionary gross settlement amount of $950,000.00 (the "Gross Settlement Amount"). *See* Settlement Agreement, § 3.1. The Parties negotiated the Gross Settlement Amount based on RAMCO's representation that Aggrieved Employees worked 269,922 pay periods from the start of the PAGA Period through the date of mediation. *See id.* at § 8.[2]

Subject to Court approval, the Gross Settlement Amount will be allocated as follows: (1) up to one-third (1/3) of the Gross Settlement Amount, or $316,666.67, in attorneys' fees ("PAGA Counsel Fees Payment"); (2) $33,967.37 in actual litigation costs ("PAGA Counsel Litigation Expenses Payment")[3]; (3) up to $12,995.00 in settlement administration costs ("Administration Expenses Payment") to be paid to the Phoenix Settlement Administrators; and (4) PAGA penalties in the amount of $586,370.96 (the "PAGA Payment"). *See* Settlement Agreement, § 3.2.

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[2] If the actual number of pay periods worked through the date of Settlement approval, exceeds 269,922 by more than ten percent, RAMCO may elect either to: (a) end the PAGA Period on the date the number of pay periods reaches 296,915; or (2) increase the GSA proportionately by the percentage by which the actual number of pay periods exceeds 296,915. *See* Settlement Agreement, § 8.

[3] The Settlement Agreement provides for a PAGA Counsel Litigation Expenses Payment up to $50,000.00 to actual litigation costs. *See* Settlement Agreement, § 3.2.1.

The PAGA Payment will be available for distribution to the LWDA and Aggrieved Employees. Seventy-five percent (75%) of the PAGA Payment, or $439,778.22, will be paid to the LWDA as the LWDA PAGA Payment. *See* Settlement Agreement, § 3.2.3. The remaining twenty-five percent (25%) of the PAGA Payment, or $146,592.74, will be distributed to Aggrieved Employees on a pro rata basis based on the number of PAGA Pay Periods—that is pay period where an employees performed work during at least one shift for RAMCO—worked by each Aggrieved Employee. *See id*. at §§ 1.23, 3.2.3.

The Settlement Administrator will issue each Aggrieved Employee a single check that will remain valid for 180 days. *See* Settlement Agreement, § 4.4.1. Funds represented by uncashed checks will be distributed pursuant to California Code of Civil Procedure section 384 to the California Farmworker Foundation, the designated *cy pres* recipient. *See id.* Individual PAGA Payments will be treated as miscellaneous income and reported on IRS Form 1099. *See id*.

C. The Released PAGA Claims

Upon payment of the Gross Settlement Amount, Plaintiffs, on behalf of the State of California, and Aggrieved Employees shall release the Released Parties from the following:

> All claims for PAGA civil penalties pursuant to California Labor Code Section 2698, *et seq.* pleaded or which could have been pleaded arising, in whole or in part, from the facts and/or allegations contained in the Second Amended Complaint in the Consolidated PAGA Action and Plaintiffs' LWDA Notices (including any amended Notices) against the Released Parties…that arose during the PAGA Period, including the following: California Labor Code sections 201, 202, 203, 204, 205, 210, 218, 218.5, 226, 226.3, 226.7, 233, 245 - 249, 294, 510, 512, 558, 558.1, 1174, 1174.1, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2800, 2802, 2698, et seq., 2699, 2699(a), 2699.3, 2699.5, Wage Orders 1-17, Sections 3-5, 11, and 12, Wage Order No. 8-2001, and Code of California Civil Procedure § 1021.5. The release shall run through the end date of the PAGA Period.

Settlement Agreement, §§ 1.26, 5.2.[4] Thus, the release is limited to claims for PAGA civil penalties arising from the facts and allegations pleaded in the Operative Complaint or identified in Plaintiffs' LWDA notices during the PAGA Period.

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[4] The term "Released Parties" is defined in section 1.27 of the Settlement Agreement.

V. THE SETTLEMENT IS FAIR AND REASONABLE

A. Standard for Approval

The Court's focus in evaluating a PAGA settlement is not the amount that aggrieved employees will ultimately receive as a result of a settlement. Instead, "a trial court should evaluate a PAGA settlement to determine whether it is fair, reasonable, and adequate in view of PAGA's purposes to remediate present labor law violations, deter future ones, and to maximize enforcement of state labor laws." *Moniz v. Adecco USA, Inc*., 72 Cal.App.5th 56, 77 (2021); *see also Kang v. Wells Fargo Bank, N.A*., 2021 WL 5826230, at *15 (N.D. Cal., 2021) (evaluating a PAGA settlement under the standard of whether the settlement terms "are fundamentally fair, reasonable, and adequate in view of PAGA's public policy goals"). In conducting that review, courts may look to parallel class action settlement guidelines, including the strength of the claims, the risks and expense of continued litigation, the stage of the proceedings, and the amount of the settlement, so long as those factors are assessed through the lens of PAGA's enforcement objectives. *Moniz*, 72 Cal.App.5th at 76-77; *Kullar v. Foot Locker Retail,* 168 Cal.App.4th 116, 126 (2008); *Dunk v. Ford Motor Co*., 48 Cal.App.4th 1794, 1801 (1996). In that analysis, the court has "broad discretion in making this determination." *In re Microsoft I-V Cases*, 135 Cal.App.4th 706, 723 (2006).

B. The Settlement Is Reasonable and Effectuates PAGA's Objective

The Settlement easily satisfies that standard here. This was not a quick or uninformed compromise. Rather, the Settlement was reached only after substantial investigation, litigation, and arm's-length negotiations concerning overlapping PAGA matters. *See* Agnew Decl. ¶¶ 3-21. Counsel evaluated the strengths of the alleged Labor Code violations, the available defenses, the risks presented by arbitration issues, and the uncertainty, delay, and expense that continued litigation across several related actions would entail. *See* Agnew Decl. ¶¶ 29-36; Harp Decl. ¶ 9; Declaration of B. James Fitzpatrick ("Fitzpatrick Decl.") ¶ 3. Against that backdrop, the Settlement secures a substantial six-figure recovery and provides an immediate, certain, and meaningful result in lieu of years of additional contested proceedings.

Just as important, the Settlement serves PAGA's deterrent and enforcement purposes. PAGA is "fundamentally a law enforcement action designed to protect the public," not merely a vehicle for private recovery. *Moniz*, 72 Cal.App.5th at 77; *Arias*, 46 Cal.4th at 980. The $950,000 Gross Settlement Amount is significant. The Gross Settlement Amount is equivalent to approximately $397.82 per Aggrieved Employee. It reflects a real economic consequence for the alleged wage and hour violations, promotes future compliance with California labor laws, and secures penalties now rather than risking a lesser recovery—or no recovery at all—after further motion practice, appeals, and trial.[5] At the same time, the Settlement is not unjust, oppressive, or confiscatory when considered in relation to Defendants' potential exposure and the litigation risks discussed below.

C. Maximum Potential PAGA Exposure

At the time the Parties negotiated the Settlement, RAMCO estimated that Aggrieved Employees worked 269,922 pay periods from the start of the PAGA Period through the date of mediation. *See* Settlement Agreement, § 8. Based on that estimate, PAGA Counsel calculated that—provided Plaintiffs prevailed on the merits and the default penalty of $100 per pay period applied— Defendants' maximum potential exposure was approximately $26,992,200 through the date of mediation. *See* Agnew Decl. ¶ 33. The Gross Settlement Amount of $950,000 represents approximately 3.52% of that maximum potential exposure.

D. Realistic Potential Exposure in Light of Defendants' Defenses and the Risks of Continued Litigation

However, the maximum potential exposure discussed above does not account for PAGA Counsel's reasoned assessment of the strength of the PAGA claims, Defendants' asserted defenses, the substantial risks and expense of continued litigation, and the possibility that, even if Plaintiffs prevailed, the Court could exercise its discretion to reduce any penalty award. *See* Agnew Decl. ¶ 34.

[5] The Settlement is also consistent with the State's public policy favoring resolution of disputes. *Consumer Advocacy Group, Inc. v. Kintetsu*, 141 Cal. App. 4th 46, 62-63 (2006) ("California law favors the settlement of disputes as our high court clarified in *Neary*[]. Settlement is efficient; it reduces costs, saves resources, and minimizes court congestion. [] The parties are best positioned to understand their interests and resolve a dispute in a mutually beneficial manner without court intervention into the settlement").

Defendants denied, and continue to deny, Plaintiffs' allegations and contend that they acted in compliance with California law at all relevant times. *See* Agnew Decl. ¶ 29. Among other things, Defendants contend that Plaintiffs and the Aggrieved Employees were paid for all hours worked; that any time spent undergoing temperature screenings was compensated and occurred on the clock; that compliant meal and rest periods were provided, and that any missed, late, or short breaks were voluntary and not the result of work demands; that all wages were timely paid; that wage statements complied with the Labor Code; and that no unreimbursed business expenses were incurred. *See* Agnew Decl. ¶ 29.

Plaintiffs dispute those contentions and believe the claims have substantial merit. Even so, in evaluating the Settlement, continued litigation presented meaningful risk. *See* Agnew Decl. ¶¶ 30-32. To establish liability, Plaintiffs would have been required to prove that Defendants' policies and practices systematically violated the Labor Code throughout the PAGA liability period. *See* *Rope v. Auto–Chlor System of Washington, Inc*., 220 Cal.App.4th 635, 651 (2013) ("PAGA requires that the representative plaintiff establish that the employer have committed the Labor Code violations for which recovery is sought against the aggrieved employees"); *Hibbs-Rines v. Seagate Technologies, LLC*., 2009 WL 513496, at *4 (N.D. Cal., 2009) ("Plaintiff will have to prove Labor Code violations with respect to each and every individual on whose behalf plaintiff seeks to recover civil penalties under PAGA"). That showing would have required substantial additional discovery, expert testimony, statistical analysis, and evidence regarding Defendants' timekeeping, temperature screening, payroll, and break practices. *See* Agnew Decl. ¶ 30. Defendants, for their part, denied liability and were prepared to argue that any alleged violations were not the product of uniform unlawful practices, but instead reflected isolated circumstances, employee choice, or conduct unknown to management. *See id.* In other words, continued litigation would have presented sharply disputed factual and legal issues requiring Plaintiffs to prove not only that violations occurred, but that they occurred on a representative basis across the relevant period.

For this reason, the claims asserted by Plaintiffs presented significant manageability and proof issues. *See* Agnew Decl. ¶ 31. By way of example, Defendants contend that meal/rest period violations cannot be established by time records alone because, even where time records reflect missed, short, or delayed breaks, such records create only a rebuttable presumption of liability—not automatic liability. *See Donohue v. AMN Services, LLC*, 11 Cal.5th 58, 77 (2021). The employer may rebut the presumption with evidence that employees were provided compliant, duty-free meal periods, voluntarily chose to work, or were paid the required premium. *Id.* Defendants maintain that the Court would need to determine, on an employee-by-employee and shift-by-shift basis, the circumstances of each allegedly missed, late, short or interrupted meal period. That individualized inquiry, according to Defendants, would create litigation risk for Plaintiff both as to liability and as to the value of any recoverable penalties. *See* Agnew Decl. ¶ 31.

Against that backdrop, the Settlement secures a meaningful and certain recovery now, rather than a speculative recovery years later

E. The Court's Discretion to Reduce Civil Penalties

Additionally, even if Plaintiffs prevailed on the merits, the Court would retain discretion under Labor Code section 2699 (e)(2), to reduce any penalty award it found "unjust, arbitrary and oppressive, or confiscatory." Although "PAGA penalties…are mandatory, not discretionary" in the sense that penalties must be awarded upon a showing of a Labor Code violation, the amount awarded remains subject to reduction based on the facts and circumstances of the case. *Amaral v. Cintas Corp. No. 2*, 163 Cal.App.4th 1157, 1213 (2008); Lab. Code, § 2699(e)(2).

California courts have repeatedly recognized and applied that discretion. In *Carrington v. Starbucks Corp.*, for example, the plaintiff prevailed on his PAGA claim at trial, yet the trial court reduced the maximum penalty amount by 90 percent based on the employer's good-faith efforts to comply with the law, and the Court of Appeal affirmed. 30 Cal.App.5th 504, 517, 539 (2018). Similarly, in *Raines v. Coastal Pacific Food Distributors, Inc.*, the Court of Appeal recognized that trial courts may reduce PAGA penalties for technical or inadvertent violations, particularly where the violations caused little or no injury. 23 Cal.App.5th 667, 681 (2018). And in *Thurman v. Bayshore Transit Management, Inc.*, the Court of Appeal upheld a substantial reduction in PAGA penalties where the employer was not initially on notice of the violations and took steps to come into compliance once made aware of them. 203 Cal.App.4th 1112, 1136 (2012).

In evaluating the Settlement, PAGA Counsel therefore considered not only the maximum theoretical exposure, but also the realistic potential recovery in light of the factors that could lead a court to reduce penalties. *See* Agnew Decl. ¶¶ 34, 35. Those considerations included Defendants' defenses, the factual disputes regarding whether violations occurred, and the manageability challenges presented by trying PAGA claims over the entire period at issue. *See id*. at ¶ 29-32. Taking those risks into account, PAGA Counsel believes that a reduced penalty value of $10 per pay period provides an appropriate benchmark for estimating a realistic potential exposure of $2,699,220 (269,922 pay periods x $10). *See id*. at ¶ 35. The $950,000 Gross Settlement Amount therefore represents approximately 35.20% of the realistic potential exposure as assessed in light of the risks of continued litigation. *See id.* In PAGA Counsel's view, that result is excellent for both the State and the Aggrieved Employees given the strengths and weaknesses of the claims, the substantial defenses asserted by Defendants, and the significant risks of continued litigation. *See* Agnew Decl. ¶¶ 36; Harp Decl. ¶ 9; Fitzpatrick Decl. ¶ 3.

F. Benefits of Settlement

The Settlement provides immediate and certain relief to the LWDA and the Aggrieved Employees while avoiding the substantial risks, delay, and expense of continued litigation. It eliminates the possibility of a defense verdict and avoids years of further proceedings, including any appeals following trial. The Settlement also allocates PAGA penalties based on the number of PAGA Pay Periods worked by each Aggrieved Employee, thereby ensuring a proportional distribution tied to the alleged period of harm. Under these circumstances, the certainty and immediacy of the recovery obtained through Settlement outweigh the possibility of a larger, but highly uncertain, recovery after years of additional litigation.

VI. THE COURT SHOULD APPROVE THE REQUEST FOR ATTORNEYS' FEES & COSTS

A. The PAGA Counsel Fees Payment

Pursuant to the Settlement Agreement, PAGA Counsel is requesting an award of attorneys' fees in the amount of $316,666.67 as the PAGA Counsel Fees Payment. Labor Code section 2699(g)(1) provides for the recovery of attorneys' fees and costs in any successful action brought under PAGA.

Although this is not a class action, courts evaluating fee requests in representative wage and hour settlements have recognized that the percentage-of-the-benefit method provides a useful and appropriate framework for determining a reasonable fee. *Wershba v. Apple Computer, Inc*., 91 Cal. App. 4th 224, 254 (2001); *Laffitte v. Robert Half Int'l Inc.*, 1 Cal.5th 480, 503 (2016). Under that approach, the Court's objective is to award a fee that approximates the market rate for contingent representation and fairly compensates counsel for the result achieved. *See Laffitte*, 1 Cal.5th at 503; *Serrano v. Priest*, 20 Cal.3d 25, 48 (1977).

Here, the requested fee award of one-third of the Gross Settlement Amount is reasonable and consistent with the market rate commonly approved in wage and hour representative actions. Courts have repeatedly recognized that one-third of the common fund falls within the range of reasonable fee awards, particularly where counsel undertook the matter on a fully contingent basis and achieved a substantial result without proceeding through trial. *See Amaro v. Anaheim Arena Management, LLC*, 69 Cal.App.5th 521 (2021) ("Fee awards in class actions average around one-third of the recovery regardless of whether the percentage method or the lodestar method is used"); *Chavez v. Netflix, Inc*., 162 Cal.App.4th 43, 66 (2008) ("Empirical studies show that, regardless whether the percentage method or the lodestar method is used, fee awards in class actions average around one-third of the recovery"); *Martin v. AmeriPride Servs.*, 2011 U.S. Dist. LEXIS 61796, 23 (S.D. Cal. 2011) (recognizing that "courts may award attorney's fees in the 30-40% range in wage and hour class actions that result in recovery of a common fund under $10 million").

That percentage is especially appropriate here given the risks assumed by PAGA Counsel. Counsel undertook the representation on a wholly contingent basis, advanced substantial time and expense with no guarantee of recovery, and faced the risks inherent in complex representative wage and hour litigation, including contested liability, manageability issues, and the prospect of extended proceedings against a sophisticated corporate defendant. *See* Agnew Decl. ¶ 48; Harp Decl., ¶ 25; Fitzpatrick Decl. ¶ 4. Under these circumstances, the requested fee fairly compensates PAGA Counsel for the risks undertaken and the result achieved, and should therefore be approved.

PAGA Counsel's fee request is reasonable when calculated using the lodestar method. Under the lodestar method, a base fee amount is calculated from a compilation of time reasonably spent on the case and the reasonable hourly compensation of the attorney. *Serrano v. Priest* (1977) 20 Cal.3d 25, 48. The court then may enhance this lodestar figure by a "multiplier" to account for a range of factors, such as the novelty and difficulty of the case, its contingent nature, and the degree of success achieved. *Id*. at 49; *see also Ketchum v. Moses* (2001) 24 Cal.4th 1122, 1132-36; *Thayer v. Wells Fargo Bank* (2001) 92 Cal. App. 4th 819, 834, ("[t]here is no…rule limiting the factors that may justify an exercise of judicial discretion to [adjust the] lodestar").

Here, PAGA Counsel establish their hours and hourly rates as follows:

Counsel	**Anticipated Total Hours**	**Discounted Hourly Rate**	**Lodestar**
Diversity Law Group	137.6	$595	$81,872.00
Fitzpatrick& Swanston	495.50	$595	$294,822.50
Aegis Law Firm	172.70	$595	$102,756.50
TOTAL	**805.80**		$479,451.00

See Agnew Decl. ¶ 46, Exhibit 5; Harp Decl. ¶¶ 22-23; Fitzpatrick Decl. ¶ 4, Exhibit A. The requested fee award of $316,666.67 is $162,784.33 less than PAGA Counsel's lodestar. Accordingly, the lodestar cross-check strongly supports the reasonableness of the requested fee award. PAGA Counsel therefore respectfully request that the Court approve an award of $316,666.67 in attorneys' fees.

B. The PAGA Counsel Litigation Expenses Payment

Pursuant to the Settlement Agreement, PAGA Counsel is requesting an award of litigation costs in the amount of $33,967.37, consisting of $3,965.15 incurred by Aegis Law Firm, $13,341.34 incurred by Diversity Law Group, and $16,660.88 incurred by Fitzpatrick & Swanston. *See* Agnew Decl. ¶ 47, Exhibit 6; Harp Decl., ¶ 21, Exhibit 2; Fitzpatrick Decl. ¶ 8, Exhibit B. As set forth in counsel's declarations, the costs were all directly incurred in the prosecution of the Action, including but not limited to filing fees, service of process costs, postage costs, and mediation fees. *See* Agnew Decl. ¶ 47, Exhibit 6; Harp Decl., ¶ 21, Exhibit 2; Fitzpatrick Decl. ¶ 8, Exhibit 8. As such, the requested costs should be approved as fair and reasonable

VII. THE COURT SHOULD APPROVE THE ADMINISTRATION EXPENSE PAYMENT

The parties agreed to use Phoenix Settlement Administrators ("Phoenix") as the third-party settlement administrator in this case. *See* Settlement Agreement, § 1.2. Phoenix will be responsible for updating the addresses for the Aggrieved Employees, mailing the Notice of Settlement (which is attached as Exhibit A to the Settlement Agreement) and calculating and distributing the settlement checks, among other duties. *See id.* at § 4.4. Phoenix capped its fees at $12,995.00 for administering the Settlement, and based on PAGA Counsel's experience in other class and PAGA settlements, Phoenix's costs for administering this Settlement are fair and reasonable. *See id.*

VIII. NOTICE TO THE LWDA HAS BEEN PROVIDED

Concurrent with the filing of this Motion, Plaintiffs uploaded the Settlement Agreement and the instant motion to the LWDA's website. *See* Agnew Decl. ¶ 49, Exhibit 7; Harp Decl. ¶ 26, Exhibit 3.

IX. CONCLUSION

Plaintiffs and PAGA Counsel submit that the proposed Settlement as documented in the Settlement Agreement is fair, adequate, reasonable, and in the best interests of the Aggrieved Employees and the State of California. Plaintiffs respectfully request that the Court approve the Settlement Agreement, approve the requested fees and costs, approve the administration expenses, and order the Parties and Administrator to carry out the Settlement according to the terms of the Settlement Agreement and enter the concurrently filed [Proposed] Order Granting Approval and Judgment to that end.

DATED: July 23, 2026

DIVERSITY LAW GROUP, P.C.

By: ______________________

Kristen Agnew
Attorneys for Plaintiffs and the Aggrieved Employees