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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

MIGUEL A. HUERTA ALVAREZ, individually, on behalf of all others similarly situated, and on behalf of the State of California and other aggrieved persons,

Plaintiff,

v.

ASAS GROUP, INC., a California corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No.: 30-2025-01487413-CU-OE-CXC
Assigned to Hon. David A. Hoffer, Dept. CX103

Complaint filed: June 3, 2025
FAC filed: February 5, 2026
Trial date: Not Set

CLASS & REPRESENTATIVE ACTION

PLAINTIFF'S SUPPLEMENTAL BRIEF IN SUPPORT OF MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT

[Filed with Supp. Decl. of Trenten N. Bilodeaux; Decls. of Zachary M. Schwartz and Abdul Sadruddin; Amended [Proposed] Order]

Related to ROA #: 72

CONTINUED HEARING
Date: November 16, 2026
Time: 1:30 p.m.
Dept.: CX103

TO THE COURT, ALL PARTIES, AND THEIR COUNSEL OF RECORD:

Plaintiff Miguel A. Huerta Alvarez ("Plaintiff") submits this supplemental brief in response to the Court's July 20, 2026 ruling continuing Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement to November 16, 2026 (the "Ruling"). As the Court directed, the Parties executed an amendment to the Settlement Agreement rather than an amended agreement (the First Amendment to Class Action and PAGA Settlement Agreement, the "First Amendment"), and Plaintiff submits redlined versions of the revised Class Notice and [Proposed] Order. (Supplemental Declaration of Trenten N. Bilodeaux ("Supp. Bilodeaux Decl.") ¶¶ 3–5, Exs. 1–3.) Defendant joins in the explanation of the negotiated 20% wage allocation in Section I.C and submits the Declarations of its counsel, Zachary M. Schwartz ("Schwartz Decl."), and its owner, Abdul Sadruddin ("Sadruddin Decl."). Each of the Court's concerns, and where it is resolved, is addressed below in the order raised in the Ruling.

I. HOW EACH ISSUE IN THE RULING HAS BEEN RESOLVED

A. Attorneys' Fees Reduced to 30% of the Gross Settlement Amount

Court's concern: The Court is inclined to approve fees of only 30% of the gross settlement amount and invited the Parties to reduce the request by amendment to the Settlement Agreement and the Class Notice.

Resolution: The Parties reduced the maximum Class Counsel Fees Payment from one-third ($75,000.00) to thirty percent (30%) of the $225,000.00 Gross Settlement Amount, or $67,500.00. (First Amendment ¶¶ 2, 5 [amending Settlement ¶¶ 1.7, 3.2.2].) The Amended Class Notice states the reduced request in Sections 7 and 16, and the estimated Net Settlement Amount increases by $7,500.00, from $98,010.00 to $105,510.00. (Supp. Bilodeaux Decl. ¶¶ 3, 5, Exs. 1–2.) The Amended [Proposed] Order is conformed at Paragraph 3.

B. Average Estimated Payments

Court's concern: The motion did not provide the class members' and aggrieved employees' estimated high and low payments; the average payment must be provided for preliminary approval, and the high and low estimated payments, if not now available, must be provided at final approval.

Resolution: Using the amended figures, the estimated Net Settlement Amount is $105,510.00 ($225,000.00 – $67,500.00 fees – $17,000.00 costs – $4,990.00 administration – $20,000.00 PAGA – $10,000.00 service award). Defendant has completed its review of payroll and time records for the entire Class Period and reports 123 Class Members who worked a total of 6,479 Workweeks. (Supp. Bilodeaux Decl. ¶ 6; First Amendment ¶ 6 [amending Settlement ¶ 4.1].) On those figures, the estimated **average Individual Class Payment is $857.80** ($105,510.00 ÷ 123), or about $16.29 per Workweek. Defendant's further review of its payroll and timekeeping records, matching actual work dates to its biweekly pay periods, yields updated estimates of 60 Aggrieved Employees and 1,161 PAGA Pay Periods (previously 77 and 1,231; ROA 70 ¶ 15). On those figures, the estimated **average Individual PAGA Payment is $116.67** ($7,000.00 ÷ 60), or about $6.03 per PAGA Pay Period. Because of limitations in the payroll records, including possible duplicate names, these remain estimates subject to the Administrator's review. (Supp. Bilodeaux Decl. ¶ 7.) As the Court permitted, Plaintiff will provide the highest and lowest estimated payments, and the final Aggrieved Employee and PAGA Pay Period counts, in the motion for final approval. (Amended [Proposed] Order ¶ 15.)

Updated class size. The original motion relied on Defendant's pre-mediation figures of 92 Class Members and 6,400 Workweeks. (ROA 70 ¶ 15; Settlement ¶ 4.1.) The updated review increased the estimated number of Class Members from 92 to 123, while increasing the estimated aggregate Workweeks from 6,400 to 6,479. These revised figures reflect Defendant's review of records covering the entire Class Period and remain below the escalator threshold of 7,040 Workweeks. (Supp. Bilodeaux Decl. ¶ 6.) Because the Settlement is allocated by Workweek, the additional Class Members receive payments proportionate to the time they worked, and the per-Workweek value of the Settlement decreases only from about $16.49 to about $16.29. (*Id.* ¶¶ 6–7.)

C. The Negotiated 20% Wage Allocation Is Reasonable

Court's concern: Allocating only 20% of the settlement payments to wages appears low; the Court requires either an increase to 33⅓% or an explanation.

Resolution: The Parties respectfully request that the Court approve the 20% wage

allocation in Paragraph 3.2.4.1, which the First Amendment leaves unchanged, for the following reasons, which Plaintiff and Defendant jointly submit.

1. The allocation was a negotiated, material term. The 20% allocation was negotiated at mediation as part of the overall settlement and was not added after the Gross Settlement Amount was agreed. Because the Settlement requires Defendant to pay the employer's share of payroll taxes on the wage portion separately from, and in addition to, the $225,000.00 Gross Settlement Amount (Settlement ¶ 3.1), the allocation set part of Defendant's total funding obligation, and Defendant evaluated and authorized the Settlement as an integrated economic package. (Schwartz Decl. ¶¶ 3–5, 10, 14; Sadruddin Decl. ¶¶ 3–5, 14–15.)

2. The Settlement resolves a mixed set of disputed claims. The released claims include alleged unpaid wages and meal and rest period premiums, but also waiting-time penalties, wage-statement penalties, PAGA penalties, expense reimbursement under Labor Code section 2802, record-production claims, UCL claims, and interest. (Schwartz Decl. ¶ 6.) Plaintiff's realistic-recovery estimate of $358,933.92 included $99,914.72 in statutory and civil penalties and $16,000.00 in expense reimbursement, neither of which is wages. (ROA 70 ¶¶ 19–22.) Plaintiff does not suggest the wage-based claims were insubstantial; the off-the-clock, meal period, and rest period claims made up much of that estimate. (*Id.* ¶¶ 16–18.) But each of those claims was disputed, no liability or backpay was ever adjudicated, and Individual Class Payments are distributed by Workweek rather than by any reconstruction of unpaid wages owed to each Class Member. (Schwartz Decl. ¶¶ 6–9.) The allocation reflects a compromise of that mixed claim package, not a finding about the character of any particular payment.

3. The allocation increases the net amount Class Members receive now. The wage portion of each Individual Class Payment is subject to employee payroll tax withholding, while the non-wage portion is not. (Settlement ¶ 3.2.4.1.) A 20% wage allocation therefore results in less withholding from each check, and a larger immediate net payment to each Participating Class Member, than a 33⅓% allocation would.

4. Defendant's financial circumstances. Defendant is an independently owned business that operates a single Denny's restaurant. (Sadruddin Decl. ¶ 2; Schwartz Decl. ¶ 10.) Defendant

will fund the Gross Settlement Amount and employer payroll taxes from its remaining operating reserves and personal funds provided by its owner, which will exhaust substantially all of its operating reserves. (Sadruddin Decl. ¶¶ 7–10, 14.) Defendant estimates that a 33⅓% allocation would increase the wage portion by about $14,068.00 and its employer-side payroll taxes by roughly one to two thousand dollars, which it states it cannot absorb without further reducing funds needed for payroll and operations or requiring additional personal funds from its owner. (Schwartz Decl. ¶¶ 11–13; Sadruddin Decl. ¶¶ 13–14.) Plaintiff and Class Counsel weighed that constraint against the risk that insisting on a different allocation would jeopardize a settlement that delivers guaranteed relief to the Class now.

The Parties therefore respectfully submit that the negotiated 20% allocation should be evaluated in the context of the Settlement as a whole, including the disputed nature of the underlying claims, the absence of any adjudicated backpay amounts, and the total funding obligation undertaken by Defendant. The allocation was a material component of the Parties' arm's-length compromise, rather than an allocation selected after the Settlement amount was determined. (Schwartz Decl. ¶¶ 4, 6–9, 14; Sadruddin Decl. ¶¶ 5, 14–15.)

If the Court nonetheless requires a different allocation as a condition of approval, the Parties will meet and confer as Paragraphs 6.3 and 11.6 of the Settlement require.

D. The Court Will Decide Unresolved Workweek and Pay Period Disputes

Court's concern: Paragraphs 7.6 and 7.8.4 of the Settlement Agreement stated that the Administrator will resolve workweek disputes; the documents should instead provide that, while the Administrator and the Parties will attempt to resolve any dispute, the Court will ultimately decide any unresolved dispute.

Resolution: The "final and not appealable" language in Paragraph 7.6 was deleted and replaced, and Paragraph 7.8.4 was replaced in full, with language providing that the Administrator and the Parties will attempt in good faith to resolve challenges and that any challenge they cannot resolve will be submitted to the Court, which will ultimately decide it. (First Amendment ¶¶ 9–10.) The Amended Class Notice says the same on page 1, in the options table, and in Section 9, and the Amended [Proposed] Order so provides at Paragraph 12.

E. The Court Will Decide Unresolved Opt-Out Authenticity Disputes

Court's concern: Paragraph 7.5.2 stated that the Administrator makes the final determination as to the authenticity of an opt-out request; the documents should instead reflect that the Court will ultimately decide any unresolved dispute.

Resolution: Both "final and not appealable" sentences in Paragraph 7.5.2 (validity and authenticity) were deleted, and the paragraph now provides that the Administrator and the Parties will attempt in good faith to resolve any dispute regarding the validity or authenticity of a Request for Exclusion, and that the Court will decide any dispute they cannot resolve. (First Amendment ¶ 8; Amended Class Notice § 12; Exclusion Form; Amended [Proposed] Order ¶ 12.)

F. Copy of the May 23, 2025 PAGA Notice to the LWDA

Court's concern: The moving papers did not include a copy of the LWDA letter sent May 23, 2025, which the Court needs to verify that the settlement terms are consistent with the notice provided to the LWDA.

Resolution: A true and correct copy of Plaintiff's May 23, 2025 PAGA notice (LWDA-CM-1100866-25) is attached as Exhibit 4 to the Supplemental Bilodeaux Declaration. (Supp. Bilodeaux Decl. ¶ 8, Ex. 4.) The notice alleges that Defendant failed to pay for all hours worked (including minimum, straight-time, and overtime wages), failed to provide meal periods, failed to authorize and permit rest periods, failed to timely pay wages during employment and at termination, failed to maintain accurate records, failed to furnish accurate itemized wage statements, failed to reimburse business expenses, and failed to timely produce requested employment records, and it seeks civil penalties under Labor Code sections 210, 226.3, 1174.5, 1197.1, and 2699. (*Id.*, Ex. 4 at pp. 9–10.) The PAGA cause of action in the operative First Amended Complaint seeks civil penalties for the same violations under the same penalty provisions. (FAC ¶¶ 105–112.) The Released PAGA Claims are limited to PAGA claims arising during the PAGA Period that were asserted, or reasonably could have been asserted, based on the facts stated in that notice and the operative complaint. (Settlement ¶ 5.3.) The Settlement's PAGA terms are therefore consistent with the notice provided to the LWDA.

G. Escalator Clause: Evaluated Before Notice and Not Triggered

Court's concern: Paragraph 8 permits Defendant, if Workweeks exceed the threshold, either to increase the settlement amount or to shorten the Class and PAGA Periods. The Court will not approve a settlement under which class members are told they are in the settlement and later told they are not. If the Parties preserve the option to shorten the periods, they must determine whether the escalator applies before sending the class notice, state the adjusted end date in the notice, and not send the notice to non-participants.

Resolution: The escalator has been evaluated before notice and has not been triggered. Defendant reviewed its payroll and time records for the entire Class Period (June 3, 2021, through February 6, 2026) and determined that 123 Class Members worked a total of 6,479 Workweeks, which is 561 Workweeks below the 7,040-Workweek threshold. (Supp. Bilodeaux Decl. ¶ 6.) Accordingly, the Gross Settlement Amount remains $225,000.00, the Class Period and PAGA Period continue to end on February 6, 2026, and the Class Notice will be sent to all 123 Class Members. (First Amendment ¶¶ 6, 11.) To eliminate the concern the Court identified, the First Amendment also deletes the option to shorten the Class Period. If the Class Data delivered to the Administrator nonetheless reflects more than 7,040 Workweeks, the only consequence is a pro-rata increase in the Gross Settlement Amount, subject to Defendant's opportunity to review and dispute the calculation, with any dispute the Parties cannot resolve to be decided by the Court; no person who receives notice can later be excluded. (First Amendment ¶ 11 [adding Settlement ¶ 8.1]; Amended [Proposed] Order ¶ 11.)

H. Corrections to the Class Notice

1. Exclusion form. The Amended Class Notice is accompanied by a Request for Exclusion Form that Class Members can complete and return, and the form is referenced in the options table and in Section 12. (First Amendment ¶¶ 3–4, 7, 12, Ex. B.)

2. Administration costs. Section 7 now identifies the Administrator, Apex Class Action LLC, and the administration costs of up to $4,990.00. (Amended Class Notice § 7.)

3. Section 14. Section 14 now informs Class Members that if they exclude themselves they may still receive money from the PAGA penalties portion of the Settlement if they are

Aggrieved Employees. Conforming changes were made to Section 18 so the Notice does not state elsewhere that persons who opt out receive no money. (Amended Class Notice §§ 14, 18.)

4. Section 21. Section 21 now reads exactly as the Court directed: "If you do nothing, and the court grants final approval of the settlement, you will receive a Settlement payment, and you will be bound by the terms of Settlement, which means that you will not be able to start a lawsuit, continue a lawsuit, or be a part of any other lawsuit against the Defendant about the legal issues in the Action." (Amended Class Notice § 21.)

5. Conforming changes. The Amended Class Notice also reflects the reduced fee request and Net Settlement Amount, the $17,000.00 litigation expenses cap, the Court's role in deciding unresolved disputes, the Administrator's contact information, the Response Deadline, the Final Approval Hearing date, and the funding and payment timeline in Settlement Paragraphs 4.3 and 4.4 (§ 10). An inaccurate case citation in Section 8 was removed. All changes are shown in the redline. (Supp. Bilodeaux Decl. ¶ 5, Ex. 2.)

I. Notice to the LWDA and Defendant

Plaintiff gave notice of the Ruling to Defendant and the LWDA on July 30, 2026. (ROA 79.) The First Amendment, these supplemental papers, and the Schwartz and Sadruddin Declarations are being submitted to the LWDA at the same time they are submitted to the Court. (Lab. Code, § 2699, subd. (s)(2); Supp. Bilodeaux Decl. ¶ 9.)

II. CONCLUSION

Because the First Amendment and revised documents resolve each concern identified in the Ruling, Plaintiff respectfully requests that the Court grant preliminary approval and enter the Amended [Proposed] Order, setting the final approval hearing for April 12, 2027, at 1:30 p.m., or another date convenient to the Court.

Dated: October 26, 2026

WILSHIRE LAW FIRM, PLC

By: _____

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