BRANDON BROUILLETTE (SBN 273156)
bbrouillette@crosnerlegal.com
RAYMOND WENDELL (SBN 298333)
raymond@crosnerlegal.com
ZACHARY M. CROSNER (SBN 272295)
zach@crosnerlegal.com
CROSNER LEGAL, P.C.
9440 Santa Monica Blvd., Suite 301
Beverly Hills, CA 90210
Tel. (310) 496-5818
Fac. (818) 700-9973

Attorneys for Plaintiff ROBERT F. ADAMS

**SUPERIOR COURT OF CALIFORNIA**

**IN AND FOR THE COUNTY OF LOS ANGELES**

ROBERT F. ADAMS, individually and on behalf of all others similarly situated,

Plaintiff,

v.

LEDRA BRANDS, INC., a California Corporation; VOLT MANAGEMENT CORP., a Delaware Corporation; and DOES 1-100, inclusive,

Defendants.

CASE NO. 26STCV03427

Assigned for All Purposes to:
Hon. Peter A. Hernandez
Dept. 34

MEMORANDUM OF POINTS & AUTHORITIES IN SUPPORT OF MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT

Date: June 17, 2026
Time: 9:30 a.m.
Dept.: 34
Reservation ID: 601574899823

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## I. INTRODUCTION

Plaintiff Robert F. Adams hereby moves the Court for an order granting preliminary approval to a proposed non-reversionary class action settlement to resolve wage and hour claims on behalf of approximately 150 hourly/non-exempt employees who are or were employed by Ledra Brands, Inc. ("Ledra") and/or who performed work for Ledra in the State of California during the Class Period of October 2, 2021 through February 15, 2026. This includes individuals assigned by Defendant Volt Management Corp. ("Volt") to perform work at Ledra during the Class Period (Ledra and Volt, collectively, "Defendants"). The proposed $325,000 settlement will provide at least $120,700 in cash payments to the settlement class, with an average award of about $805. In addition, $65,000 is allocated to resolve Plaintiff's claims under the California Private Attorneys General Act ("PAGA"), resulting in an average individual award of about $227.50 per Aggrieved Employee. The balance of approximately $139,300 will cover a modest enhancement award to the named Plaintiff, reasonable attorney's fees and actual litigation costs, and settlement administration costs. The settlement is the product of Plaintiff's pre-filing investigation, informal discovery, and several months of arms-length and adversarial negotiations between experienced counsel.

As demonstrated below, the settlement is within the "range of reasonableness" for preliminary approval, and is fair, reasonable and adequate. Plaintiff's counsel believes the settlement is a significant result for the class given the substantial risks inherent in this matter. Accordingly, Plaintiff requests the Court enter an order: (1) granting preliminary approval to the proposed Joint Stipulation of Class Action and PAGA Settlement and Release (the "Agreement"); (2) conditionally certifying the settlement class as defined below; (3) appointing Crosner Legal, P.C. as Class Counsel; (4) appointing plaintiff Robert F. Adams as the Class Representative; (5) appointing Apex Class Action, LLC as the Settlement Administrator; (6) approving the form of notice to the class and the procedure for providing such notice; and (7) scheduling a final fairness hearing.

## II. BACKGROUND/LITIGATION HISTORY

Defendant Ledra is an importer and manufacturer of luxury lighting products, and secured temporary employees from Defendant Volt. Plaintiff Adams was originally assigned to work at Ledra by Defendant Volt, a staffing agency, in or around February of 2024. Later, in August of 2024, he was hired directly by Ledra. He then worked at Ledra on a full-time basis until he was terminated in February 2025. (Declaration of Raymond Wendell ("Wendell Decl."), ¶ 4.)

Plaintiff alleges Defendants engaged in a number of Labor Code violations. First, he alleges Defendants failed to pay all wages owed to employees, including overtime wages. Plaintiff also contends employees did not receive fully compliant rest breaks because they lost a few minutes of break time each shift while they traveled from their work station to the break room and back, allegedly resulting in rest breaks that lasted less than a net of 10 minutes. Plaintiff also contends that Defendants furnished inadequate itemized wage statements that did not list employees' hours worked. Finally, he contends these violation resulted in derivative penalties for failure to timely pay all wages due upon separation of employment. (Wendell Decl., ¶ 5.)

Based on these allegations, on May 2, 2025, Plaintiff submitted a letter to the Labor & Workforce Development Agency ("LWDA") as the required notice of PAGA violations, and further provided Defendants with the notice letter via certified mail. Defendants deny all of Plaintiff's allegations.

After receiving Plaintiff's PAGA notice letter, but before any complaint was filed, the Parties agreed to informally explore settlement and then entered into a tolling agreement to maintain the status quo while engaging in settlement negotiations. After several months of negotiations, including an informal exchange of data, information, and correspondence addressing each side's contentions, the Parties reached a tentative agreement to resolve Plaintiff's claims on both a class-wise and PAGA basis. On February 2, 2026 Plaintiff subsequently filed his class action and PAGA representative complaint on behalf of himself and all current and former non-exempt employees who are or were employed by Ledra and/or who performed work for Ledra in California during the relevant period. (Wendell Decl., ¶ 6.)

## III. <u>INVESTIGATION</u>

After Plaintiff submitted his PAGA notice letter and the Parties agreed to settlement discussions, they further agreed on and undertook an informal exchange of data and information to facilitate those negotiations. As a result, Defendants provided Plaintiff with extensive informal discovery, including Plaintiff's personnel, time, and payroll records, as well as anonymized time and payroll records for a sample of class members, wage statement exemplars, Defendant's employee handbooks, including Defendant's policies and procedures regarding the payment of wages, meal and rest breaks, timekeeping policies (including recording hours), expense reimbursement, and information regarding the number of putative Class Members who are current and former employees, the number of PAGA Members, the number of workweeks throughout the Class Period, and the number of pay periods throughout the PAGA Period. From this information, Plaintiff analyzed Defendant's potential liability for the claims asserted in this case and the potential exposure and damages. (Wendell Decl., ¶ 7.)

Based on this informal discovery, Plaintiff contends the Class Members were not paid all minimum and overtime wages, not provided with legally compliant meal and rest periods, did not receive reimbursement for certain business expenses, did not receive compliant wage statements, and did not receive all wages due on separation of employment. In considering the reasonableness of the proposed settlement, Plaintiff considered each of Defendant's counterarguments, which sharply contested Plaintiff's claims. Plaintiff's Counsel weighed the strength of Defendant's arguments, including the risk that Defendant's arbitration agreement and class action waiver would be enforced, as well as risks of prevailing at class certification and on the merits. Plaintiff's Counsel determined that the proposed settlement is in the best interests of the Class. Although remaining confident in the strength of their claims, all these factors led Plaintiff to discount the exposure analysis, discussed in detail below. (Wendell Decl., ¶ 8.)

## IV. TERMS OF THE PROPOSED SETTLEMENT

### A. Deductions from the Settlement

The Parties have agreed (subject to the Court's approval) that this action be settled for the non-reversionary amount of $325,000.00 ("Gross Settlement Amount" or "GSA") (Agreement, §§ 13, 42), with Ledra to pay $310,000 of that amount and Volt to pay $15,000 (which amount payable by Volt is allocated solely to alleged PAGA penalties). The GSA includes: (a) attorney's fees of up to $113,750 (35% of the GSA)[1] to compensate Class Counsel for work already performed and all work remaining to be performed (Agreement, § 43); (b) actual litigation expenses as documented and not to exceed $20,000.00 (Agreement, § 43); (c) an Enhancement Award to Plaintiff not to exceed $5,000.00 (Agreement, § 44); (d) Administration Costs to Apex Settlement Administrators (the proposed settlement administrator) not to exceed $5,550 (Agreement, § 45); and (e) PAGA penalties of $65,000, of which 65% ($42,250) will go to the LWDA and the remaining 35% ($22,750.00) will go pro rata to the PAGA Members[2] (Agreement, § 46). Defendants will pay all employer-side payroll taxes separate and apart from the GSA. (Agreement, § 42.)

### B. <u>Calculation of the Individual Settlement Payments to Class and PAGA Members</u>

After all Court-approved deductions from the GSA, about $120,700 ("Net Settlement Amount" or "NSA") will be distributed to the estimated 150 Class Members, with an average individual settlement amount of around $805.[3] Additionally, the 35% PAGA Payment ($22,750.00) will be distributed to the estimated 100 PAGA Members, resulting in an average payment of $227.50[4] per Aggrieved Employee. (Wendell Decl., ¶ 10.) No portion of the GSA will revert to Defendants. (Agreement, § 42.)

Subject to the terms and conditions of the Settlement, Apex will calculate and issue Individual Class Payments to Participating Class Members by (a) dividing the Net Settlement Amount by the total number of workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's workweeks. (Agreement, § 50(a).) Additionally, Apex will calculate and issue payments to the PAGA Members based (a) dividing the amount of the PAGA Members' 35% share of PAGA Penalties

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[1] The percentage method, with or without a lodestar cross-check, may be used in common fund cases like this one. *Laffitte v. Robert Half Int'l, Inc.* (2016) 1 Cal.5th 480, 503. In support of their fee request at Final Approval, Class Counsel will provide the Court with lodestar information to permit the Court to do a lodestar cross-check in connection with Class Counsel's request for attorney's fees.

[2] Defined as hourly/non-exempt employees who are or were employed by Ledra and/or who performed work for Ledra in the State of California during the PAGA Period of May 2, 2024 to February 15, 2026. (Agreement, § 18.)

[3] $120,700 NSA/ 150 Class Members.

[4] $22,750 (35% PAGA Payment) /100 PAGA Members.

($22,750) by the total number of pay periods worked by all PAGA Members during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's pay periods. (Agreement, § 50(b).)

Each Class Member's settlement share will be apportioned as follows: fifteen percent (15%) wages and eighty-five (85%) percent to expense reimbursement, penalties and interest. (Agreement, § 68.) Apex will issue Form W-2s for amounts deemed "wages" and Form 1099s for the portions allocated to expenses, penalties and interest. (Agreement, § 68.)

### C. <u>Uncashed Funds to Unclaimed Property Fund</u>

Settlement checks must be cashed or deposited within 180 days after the checks are mailed to the Participating Class Members and PAGA Members. (Agreement, § 66.) In the event a settlement check remains uncashed, the unclaimed funds will go to the State Controller's Unclaimed Property Fund in the name of the Participating Class Member and/or Aggrieved Employee. (Agreement, § 66.) Because this lawsuit benefits Class Members/PAGA Members who are releasing claims by participating in the lawsuit, the funds representing their settlement payments should remain their property. By sending the uncashed funds to the Unclaimed Property Fund, they can reclaim their property at a future date convenient to the Class Member. There will be no unpaid residue or unclaimed or abandoned Class Member funds under California Code of Civil Procedure section 384(a).

### D. <u>Notice and Extended Response Deadline for Re-Mailed Notices</u>

Within 20 days after entry of the Preliminary Approval Order, Defendants will provide Apex with the Class Data, which Apex will maintain as private and confidential. (Agreement, § 56.) Prior to mailing, Apex will search for updated addresses in the National Change of Address Database. (Agreement, § 58.) Apex will use the NCOA and skip traces to attempt to find current addresses for any Notice returned as undeliverable. If Apex is unable to obtain a better address for a Class Member, the Notice will be deemed undeliverable. (Agreement, § 59.) Within 10 days after receipt of the Class Data, Apex will mail a Notice to all Class Members via regular First-Class mail. (Agreement, § 57.)

### E. <u>Responses to the Settlement and Deadline Thereon</u>

Class Members will have sixty days from the initial mailing of the Notice to respond to the settlement by submitting a challenge to the number of weeks or pay periods attributed to them, submitting an objection, or requesting exclusion. (Agreement, § 31.)

Class Members can object to the settlement in writing via mail or fax by submitting a document with their name, the words "Notice of Objection" or "Formal Objection" and a description of the arguments supporting their objection. Class Members are informed that the Court will hear any objections from any Class Member who attends the Final Approval Hearing. (Agreement, § 63.) Class Members can also submit a written request for exclusion from the settlement by mailing or faxing a written request, including his or her name, address, and phone number, and a statement demonstrating his or her intent to opt out of the settlement. (Agreement, § 62.) The Notice also informs the Class Member/PAGA Members that they can dispute the number of weeks/pay periods allotted to them to calculate their settlement payments by contacting Apex before the Response Deadline and including any documentation supporting the dispute. The Administrator shall then make a final determination as to that individual's correct number of workweeks/pay periods. (Agreement, §§ 60-61.)

### F. <u>Funding and Distribution of the Settlement</u>

Defendants shall fund the settlement within 30 days of the Effective Date, and within 10 days of funding Apex will make all disbursements under the Agreement. (Agreement, §§ 42, 65.)

### G. <u>Release of Claims</u>

Upon the Funding Date, Participating Class Member will release the Released Ledra Parties[5] from the Released Class Claims[6] arising during the Class Period. PAGA Members will

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[5] "Released Ledra Parties" means Ledra, its past, present, and future owners, officers, directors, shareholders, managers, partners, members, employees, attorneys, trustees, investors, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective past, present, and future successors and predecessors in interest and assigns, subsidiaries, corporations, divisions, affiliates, parents and attorneys, if any.

[6] "Released Class Claims" means all claims, rights, demands, liabilities, and causes of action that were alleged, or reasonably could have been alleged, arising from, or related to, the same set of operative facts as those set forth in the Complaint or Plaintiff's LWDA letter during the Class Period, including but not limited to: (a) all claims for unpaid minimum wages and liquidated damages; (b) all claims for unpaid overtime; (c) all claims for meal and rest break violations; (d) all claims for the failure to reimburse for necessary business expenses; (e) all claims for the failure to timely pay wages upon termination; (f) all claims for wage statement violations; and (g) all claims asserted through California Business & Professions Code §§ 17200, et seq. For avoidance of doubt, Released Class Claims include, but are not limited to, claims under Labor Code sections 201, 201.3, 202, 203, 204, 210, 218, 218.5, 222, 223, 224, 225.5, 226, 226.3, 226.6, 226.7, 256, 510, 512, 558, 558.1, 1021.5, 1174, 1174.5, 1193.6, 1194, 1194.2, 1197,

release the Released Ledra Parties and the Released Volt Parties[7] from the Released PAGA Claims[8] arising during the PAGA Period, provided that as to the Released Volt Parties, the release is limited to work performed at Ledra. Plaintiff separately provides an individual general release and 1542 waiver.

Plaintiff and his counsel are convinced that the proposed settlement is in the Class Members' best interests based on the negotiations and a detailed knowledge of the issues present in this action. The length and risks of continued litigation and trial, Defendant's affirmative defenses, the uncertainty of class certification, the difficulties of complex litigation, the lengthy process of establishing specific damages, and possible delays and appeals, all were carefully considered in arriving at the proposed settlement. (Wendell Decl., ¶ 19.)

### H. <u>The Class Representative Service Awards Are Justified Given the Risks and Should be Preliminarily Approved</u>

The Agreement provides for a service payment not to exceed $5,000.00 to Plaintiff. (Agreement, § 44.) Courts routinely approve service payments, or incentive awards, to compensate named plaintiffs for the services they provide and the risks they incur during class litigation. *In re Cellphone Fee Termination Cases* (2010) 186 Cal. App. 4th 1380, 1393 ("These awards are discretionary . . . and are intended to compensate class representatives for work done on behalf of the class, to make up for financial or reputational risk undertaken in bringing the

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1197.1, 1198, 1199, 2100, 2100-2112, 2699, 2699.3, 2699.5, 2802, 2804, and 2810.3; California Business and Professions Code §§ 17200 et seq.; California Code of Civil Procedure §§ 382, 395.5, and 1021.5; and all applicable Industrial Welfare Commission Wage Order provisions, including but not limited to sections 3, 7, 9(b), 11, 12, and 20 thereof.

[7] "Released Volt Parties" means Volt, its past, present, and future owners, officers, directors, shareholders, managers, partners, members, employees, attorneys, trustees, investors, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective past, present, and future successors and predecessors in interest and assigns, subsidiaries, corporations, divisions, affiliates, parents and attorneys, if any.

[8] "Released PAGA Claims" means all claims for civil penalties under California Labor Code §§ 2698, et seq., that were brought or could have been brought based on the facts alleged in Plaintiff's LWDA letter or Complaint during the PAGA Period, and/or as were alleged in the Complaint. For avoidance of doubt, Released PAGA Claims include, but are not limited to, claims under Labor Code sections 201, 201.3, 202, 203, 204, 210, 218, 218.5, 222, 223, 224, 225.5, 226, 226.3, 226.6, 226.7, 256, 510, 512, 558, 558.1, 1021.5, 1174, 1174.5, 1193.6, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2100, 2100-2112, 2699, 2699.3, 2699.5, 2802, 2804, and 2810.3; California Business and Professions Code §§ 17200 et seq.; California Code of Civil Procedure §§ 382, 395.5, and 1021.5; and all applicable Industrial Welfare Commission Wage Order provisions, including but not limited to sections 3, 7, 9(b), 11, 12, and 20 thereof. The release of the Released PAGA Claims shall be effective as to all PAGA Members, regardless of whether a PAGA Member submitted a request for exclusion from the Class. As to the Released Volt Parties, the release is limited to PAGA Members' work at Ledra.

action, and, sometimes, to recognize their willingness to act as a private attorney general."); *Bell v. Farmers Ins. Exch*. (2004) 115 Cal. App. 4th 715, 725-26 (upholding service payments to class representatives).

The requested service award is reasonable in light of the benefits Plaintiff conferred upon the entire Class, resulting in a benefit to all Class Members and the State of California, the time spent assisting counsel with the investigation and prosecution of these claims, commitment to responding to discovery, and consenting to the proposed Agreement. Furthermore, by attaching his name to a lawsuit, Plaintiff also took on the reputational risk that future employers would learn of his participation in this case and unfairly associate them with costly litigation, costing them future employment opportunities. This is the kind of reputational risk, borne only by Plaintiff alone and no other Class Member, that an incentive award is meant to compensate. Furthermore, in pursuing this action on behalf of the Class, Plaintiff risked a judgment for attorney's fees and costs in the event this matter had been lost. For these reasons, at final approval, Plaintiff will request an enhancement payment not exceed $5,000. (Wendell Decl., ¶ 20; Declaration of Robert F. Adams ("Adams Decl."), ¶¶ 2-9.)

## V. ARGUMENT

In deciding whether to approve a proposed class action settlement under Code of Civil Procedure section 382, the Court must find that a proposed settlement is "fair, adequate and reasonable." *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801 [quoting *Officers for Justice v. Civil Serv. Comm'n* (9th Cir. 1982) 688 F.2d 615, 625, cert. den. (1983) 459 U.S. 1217]. A proposed class action settlement is **presumed** fair under the following circumstances: (1) the parties reached settlement after arms-length negotiations; (2) investigation and discovery were sufficient to allow counsel and the court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small. *Id.* at 1802. As the following shows, all of these elements are present here and the Court should grant of preliminary approval.

### A. The Settlement was Reached as a Result of Arm's Length Negotiations

The proposed settlement was reached as a result of arm's-length negotiations. Though cordial and professional, the settlement negotiations were at all times adversarial and noncollusive. Following submission of the PAGA Letter, the Parties' counsel conducted extensive arm's length negotiations (based on an informal exchange of data, information, and policies) on all terms memorialized in the Agreement. (Wendell Decl., ¶ 21.)

**B. <u>The Settlement is the Result of Thorough Investigation and Discovery</u>**

The Parties thoroughly investigated and evaluated the factual strengths and weaknesses of their arguments before reaching the proposed settlement, and engaged in sufficient investigation, research and discovery to support the settlement. The proposed settlement was only possible following significant analysis and evaluation of Defendants' relevant policies and procedures, as well as the data it produced for the putative Class, which permitted Plaintiff's counsel to engage in a comprehensive analysis of liability and potential damages to prepare for meaningful settlement negotiations. (Wendell Decl., ¶¶ 7-8, 22.) Through this exchange of information, the negotiations reached the stage where "the Parties certainly have a clear view of the strengths and weaknesses of their cases" sufficient to support the Settlement. *Boyd v. Bechtel Corp.* (N.D. Cal. 1979) 485 F. Supp. 610, 617.

**C. <u>Counsel for the Parties are Experienced in Similar Litigation</u>**

Counsel for the Parties are particularly experienced in wage and hour employment law, class actions and PAGA actions. Plaintiff's counsel has prosecuted numerous cases on behalf of employees for wage and hour violations and are qualified to evaluate the class and PAGA claims, the viability of Defendants' defenses, and the risks and benefits of settlement versus trial. This experience informed Plaintiff's counsel on the risks and uncertainties of further litigation and guided their determination to endorse the proposed settlement.[9] (Wendell Decl. ¶¶ 37-49.)

**D. <u>The Proposed Settlement is a Reasonable Compromise of Claims</u>**

An understanding of the amount in controversy is an important factor in considering whether settlement "of the class members' claims is reasonable in light of the strengths and weaknesses of the claims and the risks of the particular litigation." *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129; *Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles*

[9] The final factor mentioned in *Dunk* - the number of objectors - is not determinable until the Notice of Class Action Settlement has been provided to the Class and they have had an opportunity to respond. This information will be provided to the Court in conjunction with the Motion for Final Approval of Class Action Settlement.

(2010) 186 Cal.App.4th 399, 409. Indeed, the most important factor in this regard is "the strength of the case for plaintiffs on the merits, balanced against the amount offered in settlement." *Kullar*, 168 Cal.App.4th at 129.

In weighing the strength of a plaintiff's case, *Kullar* instructs that a court does not "decide the merits of the case or to substitute its evaluation of the most appropriate settlement for that of the attorneys." 168 Cal.App.4th at 133. Further, this analysis does not require an explicit statement of the maximum amount the plaintiff class could recover if it prevailed on all its claims, provided there is a record that allows "an understanding of the amount that is in controversy and the realistic range of outcomes of the litigation." *Munoz*, 186 Cal. App. 4th at 409. Put differently, "as the court does when it approves a settlement as in good faith under Code of Civil Procedure section 877.6, the court must at least satisfy itself that the class settlement is within the 'ballpark' of reasonableness." *Kullar*, 168 Cal.App.4th at 133 citing *Tech-Bilt v. Woodward-Clyde & Associates* (1985) 38 Cal.3d 488, 499-500. As shown below, the Parties' investigation and discovery revealed several reasons to discount claims and agree to this settlement.

### E. <u>The Settlement is Fair and Reasonable Based on the Strengths of Plaintiff's Case and the Risks and Costs of Further Litigation</u>

The proposed settlement was only possible following significant analysis and evaluation of Defendant's relevant policies and procedures, as well as the data that Defendants produced for the Class. This permitted Plaintiff's counsel to engage in a comprehensive analysis of potential liability and potential damages. The informal discovery conducted resulted in Plaintiff's central theories of liability, which are based on the claims that Defendants failed to provide compliant meal and rest periods, failed to pay all wages, failed to reimburse business expenses, failed to provide accurate, itemized wage statements and failed to pay all wages due on separation of employment. As explained above, Defendants maintain the information and documents produced demonstrate they would succeed at both class certification and on the merits. (Wendell Decl., ¶ 22.)

Plaintiff believes this case is suitable for certification as Plaintiff contends there are company-wide policies that violate California wage and hour law and uniformly affect the Class

Members. Defendants' counterarguments, however, raise uncertainties as to both class certification and success on the merits. As the California Supreme Court emphasized in *Sav-On v. Superior Court* (2004) 34 Cal.4th 319 (2004), class certification is always a matter of the trial court's sound discretion, and decisions following *Sav-On* have reached different conclusions with respect to certification of wage and hour claims.[10] Beyond the difficulties posed by class certification, Defendants further emphasized the class members signed valid and enforceable arbitration agreements with enforceable class action waivers that would further make it difficult if not impossible to proceed on a class basis. While remaining confident in the strengths of his claims, all of these factors led Plaintiff to discount the claims. (Wendell Decl., ¶ 23.)

### 1. The Settlement Amount is Reasonable Based on Plaintiff's Evaluation of the Claims and Defenses

Defendants provided Plaintiff with a sample of anonymized data from which Plaintiff's Counsel extrapolated a damage analysis in preparation for settlement negotiations. Defendants represented there is a total of approximately 150 Class Members who worked approximately 21,520 workweeks, and approximately 3,000 PAGA pay periods, as of November 2025. (Wendell Decl., ¶ 24.)

Plaintiff alleges Defendants engaged in a number of Labor Code violations. First, he alleges Defendants failed to pay all wages owed to employees, including overtime wages. Plaintiff alleges that Ledra failed to implement a compliant pay system for time worked in excess of eight hours in one day or forty in one week, resulting in instances of uncompensated work time. Even though the unpaid/underpaid amounts were not great, there is no de minimis exception to the requirement to pay for all work time, *Troester v. Starbucks Corp.* (2018) 5 Cal.5th 829, 847, and as noted by the Supreme Court in *Troester* even small amounts of unpaid time can add up over time.

In response, Defendants argued their timekeeping and payroll policies are fully compliant with California law, and that they captured and paid for all hours worked at the correct hourly

[10] *E.g.*, *Walsh v. IKON Solutions, Inc.*, (2007) 148 Cal.App.4th 1440 (affirming decertification of class claiming misclassification); *Aguilar v. Cintas Corp. No. 2*, (2006) 144 Cal.App.4th 121 (reversing denial of certification); *Dunbar v. Albertson's Inc*. (2005) 141 Cal.App.4th 1422.

rates, including paying for overtime hours at the correct premium rate. Without considering any of Defendant's defenses to certification or on the merits, Plaintiff estimated the unpaid wage exposure at about **$215,520**. (Wendell Decl., ¶ 26.)

Plaintiff next contends Defendant failed to provide legally compliant meal and rest breaks. On the rest break claims, Plaintiff contends Defendant violated the rest break requirements by failing to provide full ten-minute rest periods and by prohibiting employees from leaving the premises. *Augustus v. ABM Security Services, Inc.* (2016) 5 Cal.5th 257, 269. For the meal break claims, Plaintiff's thorough review of the sample time records ultimately revealed only a nominal number of potential violations, and accordingly Plaintiff accorded little weight to this claim for purposes of evaluating the proposed settlement.[11] (Wendell Decl., ¶ 27.)

As to the rest breaks, Defendants deny those allegations and contend they made compliant rest breaks available to class members at all relevant times, maintained lawful break policies, and followed practices consistent with *Brinker*. Defendants also argued Plaintiff's rest break claims are not susceptible to common proof, as the claims would require individualized inquiry, including whether there was an unlawful companywide policy, whether employees had the opportunity to take rest periods, whether they voluntarily chose to forego their rest periods, and whether Defendant ever prevented them from taking rest periods. Accordingly, Defendants contends these claims are vulnerable to a ruling that class treatment is not appropriate. Without taking into consideration any of Defendant's defenses to certification or on the merits, Plaintiff estimates about **$2,520,000** in damages under on the rest period claims based on a 100% violation rate. (Wendell Decl., ¶ 28.)

Plaintiff also alleged Defendants' wage statements violated Labor Code § 226 because they did not list employees' hours worked. He further alleged that Defendant failed timely pay all wages that were due and owing upon separation of employment. In addition to emphasizing that should the primary claims for unpaid wages fail, Plaintiff's derivative claims for waiting time penalties would also fail, Defendants further contend they would not be liable for waiting time

[11] Similarly Plaintiff's investigation did not support his allegations that Defendants required employees to incur business expenses, particularly for use of personal cell phones, such that Plaintiff also afforded his claims under Labor Code § 2802 only nominal value for settlement purposes. (Wendell Decl., ¶ 27.)

penalties because a “good faith dispute” exists over the alleged payment of past wages. Cal. Code Regs. Tit. 8 § 13520; *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1201. Further, Defendants contend Plaintiff would have to prove a "willful” failure to pay Class Members appropriate wages due upon separation of employment in order to prevail. Without taking into consideration any of Defendants’ defenses to certification or on the merits, Plaintiff calculated Defendants’ maximum exposure for wage statement penalties at **$292,500** for about 3,000 pay periods with a violation within the limitations period, and waiting time penalties at **$240,000** for 50 terminated employees. (Wendell Decl., ¶ 29.)

As far as potential PAGA liability, the theoretical civil penalties likely are around **$2.2 million** should Plaintiff prevail on all claims and establish violations of the multiple Labor Code sections at issue for each and every pay period. (Wendell Decl., ¶ 30.) As with the class claims, Plaintiff discounted the potential PAGA penalties based on Defendants’ various defenses on the merits and also accounted for the Court’s wide discretion to reduce such penalties, or to decline to award penalties at all. Labor Code § 2699(e)(2); *Carrington v. Starbucks Corp.* (2018) 30 Cal.App.5th 504 (trial court awarded penalties of $5 per pay period after a bench trial, which decision was upheld on appeal); *In re Taco Bell Wage and Hour Actions* (E.D. Cal. Apr. 8, 2016) 2016 U.S. Dist. LEXIS 48557 (PAGA penalties denied after trial). Defendants also argued that Plaintiff's PAGA claims are subject to penalty reductions, standing revisions, and manageability defenses provided by recent revisions to the PAGA statute, and that they would be entitled to significant deductions due to Defendant's efforts to substantially comply with its wage and hour obligations. Lab. Code § 2699(g)-(h). Accordingly, the Parties allocated $65,000 to PAGA penalties. (Agreement, § III.46.)

Plaintiff submits this amount is reasonable under the circumstances and in line with comparable settlements in other wage and hour class actions in California. *E.g.*, *Van Kempen v. Matheson Tri-Gas, Inc.* (N.D. Cal. Aug. 25, 2017) 2017 U.S. Dist. LEXIS 137182 (granting final approval of $5,000 PAGA penalty from $370,000 settlement, or 1.4 percent of total settlement); *Slavkov v. First Water Heater Partners I* (N.D. Cal. July 25, 2017) 2017 U.S. Dist. LEXIS 116303 (finding a $7,500 PAGA payment reasonable when measured against the overall settlement of $345,000 and the possible weaknesses in plaintiffs' case, or 2.2 percent of total settlement). Additionally, the LWDA has been informed of the terms of the PAGA portion of the settlement, and will be able to weigh in as necessary. *Jennings v. Open Door Mktg. Inc.* (N.D. Cal. Oct. 3, 2018) 2018 U.S. Dist. LEXIS 171356, at *27 (approving settlement with PAGA penalties of 0.6% where "[p]laintiffs [have] submitted the settlement agreement to the LWDA, and the LWDA has not objected to the settlement").

Thus, Plaintiff and his counsel discounted the value of the class claims consistent with the risks discussed above, and carefully weighed the likelihood of the class receiving substantially greater benefit if the litigation continued. Plaintiff and counsel concluded – in light of these very real and substantial risks – settlement on the proposed terms and without prolonged and costly litigation was in the best interests of the class. The overall $325,000 recovery represents a significant percentage of Defendant's potential exposure, and given Defendant's multi-layered defenses and all other potential risks of continued litigation, a total recovery for the class of $325,000, which will result in average award of some $805 per class member, plus additional sums under PAGA, is a significant result well within the range of reasonableness considering all potential outcomes, and it will provide direct monetary awards to all Class Members without further delay. (Wendell Decl., ¶ 31.)

Importantly, the mere fact that a settlement does not provide the same recovery as might be achieved at trial is not a proper indicator of whether the settlement is fair, reasonable, and adequate. *Wershba,* 91 Cal.App.4th at 246, 250 ("Compromise is inherent and necessary in the settlement process…even if the relief afforded by the proposed settlement is substantially narrower than it would be if the suits were to be successfully litigated, this is no bar to a class settlement because the public interest may indeed be served by a voluntary settlement in which each side gives ground in the interest of avoiding litigation"); *7-Eleven Owners for Fair Franchising v. Southland Corp.* (2000) 85 Cal.App.4th 1135, 1150 ("The fact that a proposed settlement may amount to only a fraction of the potential recovery does not, in and of itself, mean that the proposed settlement is grossly inadequate and should be disapproved"); *White v. Experian Information Solutions, Inc.* (C.D. Cal. 2011) 803 F.Supp.2d 1086, 1098 (rejecting contention settlement was not fair and reasonable even though it represented 99% discount off the maximum value of the claims); *Lane v. Facebook, Inc.* (9th Cir. 2012) 696 F.3d 811, 819 ("[T]he question whether a settlement is fundamentally fair . . . is different from the question whether the settlement is perfect in the estimation of the reviewing court"). Importantly as well, the proposed settlement is non-reversionary and will provide immediate benefits to the Class Members without a claims process. *White*, 803 F.Supp.2d at 1098; c.f., Federal Judicial Center, *Managing Class Action Litigation: A Pocket Guide for Judges* (3d ed. 2010) at 20, available at http://www.fjc.gov/sites/default/files/2012/ClassGd3.pdf. (reversionary provisions and/or cumbersome claims process may indicate lack of fairness). Plaintiff and his counsel submit the settlement is within the "range of reasonableness," and is fair and adequate for the Class.

**F. Provisional Class Certification Should be Granted**

A class action is appropriate when the class is ascertainable and there is "a well-defined community of interest in the questions of law and fact involved affecting the parties to be represented." Code Civ. Proc. § 382. Class certification requirements under Section 382 follow Rule 23 of the Federal Rules of Civil Procedure, and require*:* numerosity, typicality of the class representatives' claims, adequacy of representation, predominance of common issues, and superiority. Fed.R.Civ.Proc. 23(b)(3); *Hanlon v. Chrysler Corp.* (9th Cir. 1998) 150 F.3d 1011, 1019. While a court must certify a class for settlement purposes if a class has not already been certified, "it is well established that trial courts should use different standards to determine the propriety of a settlement class, as opposed to a litigation class certification. Specifically, a lesser standard of scrutiny is used for settlement cases." *Glob. Minerals & Metals Corp. v. Superior Court* (2013) 113 Cal.App.4th 836, 859 *citing Dunk*, Cal.App.4th 1794, 1807, n.19; *Wershba v. Apple Computer* (2001) 91 Cal.App.4th 224, 237-38.

**1. The Proposed Class is Sufficiently Numerous and Ascertainable**

First, the class is both sufficiently numerous, consisting of approximately 150 individuals, and ascertainable by reference to Defendant's personnel and payroll records. (Wendell Decl., ¶ 32.) "There is no set number required to maintain a class action, and the statutory test is whether a class is so numerous that 'it is impracticable to bring them all before the court.'" *Hebbard v.*

*Colgrove* (1972) 28 Cal. App. 3d 1017, 1030 (noting that there is no set minimum to meet the numerosity prerequisite, but that a class of as few as 28 is acceptable); *Rose v. City of Hayward* (1981) 126 Cal. App. 3d 926, 932 (finding that "Class Members are 'ascertainable' where they may be readily identified without unreasonable expense or time by reference to official records.").

**2. The Typicality and Adequacy Requirements Are Met**

The typicality requirement is met if the claims of the named representative are typical of those of the Class, though, "they need not be substantially identical." *Classen v. Weller* (1983) 145 Cal.App.3d 27, 46-47. Here, Plaintiff contends his claims are typical of the Class Members' claims because they arise from the same factual basis and are based on the same legal theories applicable to the Class Members. He contends further that Defendants' policies applied to all Class Members and each Class Member is challenging the same policies and practices. As such, the typicality requirement is satisfied for purposes of settlement. (Adams Decl., ¶¶ 3-5; Wendell Decl. ¶ 33.)

Adequacy requires that the Plaintiff have no interests adverse to the interests of the proposed Class Members and be committed to vigorously prosecuting the case on behalf of the Class. *McGhee v. Bank of America* (1976) 70 Cal.App.3d 442, 450-51. Plaintiff has been and will continue to be committed to vigorously prosecuting this case, and he has no conflicts of interest with the Class. (Adams Decl.., ¶¶ 3-7; Wendell Decl., ¶ 33.)

**3. The Commonality Requirement is Met**

Next, common questions of law and fact predominate – particularly for purposes of a settlement class – as the Class Members all were subject to the same allegedly unlawful policies and practices, including regarding payment of overtime wages, rest breaks, and wage statements. Since the focus of the claims against Defendant concerns the legality of common policies applied uniformly to the entire class, common issues predominate over individualized inquiries concerning liability. For instance, Defendant's meal and rest break policy is a company-wide policy applied equally and consistently to all class members, and this policy is either compliant with California law or it is not. Regardless of that determination, it will decide liability for all class members one way or another. (Wendell Decl., ¶ 34.)

By now it is well-settled a theory of recovery asserting the existence of a uniform policy violating California law is sufficient to satisfy the requirements for class certification. *Jones v. Farmers Ins. Exch.* (2013) 221 Cal.App.4th 986, 996 ("Claims alleging that a uniform policy consistently applied to a group of employees is in violation of the wage and hour laws are of the sort routinely, and properly, found suitable for class treatment"); *Williams v. Superior Court* (2013) 221 Cal.App.4th 1353 ("A company-wide practice can sustain a common question of fact or law that supports commonality for class certification"). Lastly, a class action is superior to other means for the fair and efficient adjudication of this controversy. [Wendell Decl., ¶ 35.]

**G. Apex Should be Appointed as the Settlement Administrator**

The Parties agreed to use Apex Class Action, LLC as the Settlement Administrator in this matter. (Agreement, § 54.) Apex is highly qualified and experienced as a settlement administrator, committed to the security of data, carries insurance for the theft of money or data, and has no relationship with any counsel or party. (Declaration of Michael Sutherland, ¶¶ 2-9; Exhs. A-B; Wendell Decl., ¶ 36.)

## VI. CONCLUSION

Plaintiff respectfully submits the proposed settlement is in the best interests of the Class Members, as it is fair, adequate, and reasonable. Plaintiff accordingly request the Court certify the class for settlement purposes, appoint Plaintiff as the Class Representatives, appoint his counsel as Class Counsel, appoint Apex Class Action, LLC as the Settlement Administrator, approve the method of notice and the Notice to be sent to the Class, preliminarily approve the Settlement Agreement, enter the proposed order filed herewith, and set a Final Approval hearing date.

Dated: April 22, 2026 CROSNER LEGAL, P.C.

*/s/ Raymond Wendell*
Zachary M. Crosner
Raymond Wendell
Brandon Brouillette
Attorneys for Plaintiff ROBERT F. ADAMS