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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO

KENNETH PEFFER and REGINA
VILLEGAS, individually, on a
representative basis, and on behalf of all
others similarly situated;

Plaintiff,

vs.

DILLARD-LEWIS, INC., a North Carolina
Corporation; and DOES 1 through 20,
inclusive;

Defendants.

Case No.: CIVSB2223428

*[Assigned to Hon. Christian Towns, Dept S26,
for all purposes]*

**NOTICE OF MOTION AND MOTION FOR
FINAL APPROVAL OF CLASS ACTION
SETTLEMENT; DECLARATIONS IN
SUPPORT THEREOF; AND [PROPOSED]
FINAL ORDER AND JUDGMENT**

Hearing

Date: June 10, 2025

Time: 8:30 a.m.

Dept.: S26

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on June 10, 2025, at 8:30 a.m., or as soon thereafter as this
matter may be heard by the Honorable Christian Towns in Department S26 of the San
Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, CA
92415, Plaintiffs Kenneth Pepper and Regina Villegas, individually and on behalf of all others
similarly situated, will move this Court for an Order granting final approval of the class action
settlement between Plaintiffs and Defendant Dillard-Lewis, Inc., which was preliminarily

1 approved by the Court. This Motion seeks final approval and entry of judgment of a \$550,000
2 settlement on behalf of the Class Members and is unopposed by Defendant.

3 Specifically, Plaintiffs will and hereby do move the Court to grant final approval of the
4 Class Action and PAGA Settlement Agreement and Release of Claims (the "Settlement
5 Agreement"), and enter the proposed order and final judgment filed concurrently herewith:

6 1. Finally certifying the Class, as defined in the Settlement Agreement and the
7 Court's Order Granting Preliminary Approval of the Settlement;

8 2. Finally appointing Plaintiffs as the Class Representatives for purposes of
9 settlement;

10 3. Finally appointing Brian Mankin and Kristina Carlson as Class Counsel;

11 4. Finding that the Class Notice was properly provided to the Class in accordance
12 with the Court's Order granting Preliminary Approval;

13 5. Finally approving the settlement as fair, adequate, and reasonable, based upon the
14 terms set forth in the Settlement Agreement;

15 6. Binding participating Class Members to the terms of the Settlement Agreement,
16 including the Release specified therein; and

17 7. Retaining jurisdiction to enforce the Settlement Agreement.

18 This Motion will be based upon this notice; the attached memorandum of points and
19 authorities; the Declarations of the Settlement Administrator (Kevin Lee of Phoenix Settlement
20 Administrators), Class Counsel (Brian Mankin and Kristina Carlson) and Plaintiffs filed
21 concurrently herewith; the records and files in this action; and any other further evidence or
22 argument that the Court may receive at or before the hearing.

23
24 Dated: May 16, 2025

LAUBY, MANKIN & LAUBY LLP

25
26 BY:



Brian J. Mankin, Esq.

Attorneys for Plaintiffs and the Class

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. SUMMARY OF ARGUMENTS AND ESSENTIAL POINTS**

3 Pursuant to California Rules of Court, Rule 3.769(d) and (e), Plaintiffs Kenneth Peffer
4 and Regina Villegas (the “Plaintiffs”) respectfully request that this Court grant final approval of
5 the Class Action and PAGA Settlement Agreement and Release of Claims (the “Settlement
6 Agreement” or “S.A.”) and enter the proposed order and final judgment in this matter. This
7 Motion is supported and unopposed by Defendant Dillard-Lewis, Inc. (the “Defendant”).

8 There are several essential reasons why this Settlement should be approved, and judgment
9 entered accordingly, as follows:

- 10 • After considerable work, discovery, and mediation, the Parties reached a
11 \$550,000 settlement with the assistance of mediator Hon. Jonathan Cannon (Ret.), which is
12 tailored to a limited release of the claims alleged on behalf of 137 Class Members;
- 13 • The Class Members were deemed to participate in the Settlement and were not
14 required to submit a Claim Form to receive funds;
- 15 • There is no reversion to Defendant;
- 16 • There were zero objections and only one opt-out to the Settlement, meaning
17 99.27% of the Class is participating in the Settlement.

18 In accordance with the analysis and law set forth herein as well the preliminary approval
19 motion, the Settlement should be approved and judgment entered based on the determination that
20 the Settlement is fair, reasonable, adequate, and in the best interests of the Class. (Declaration of
21 Class Counsel, Brian J. Mankin ¶ 13 (“Mankin Decl.”).)

22 **II. PERTINENT BACKGROUND AND SETTLEMENT TERMS**

23 The Settlement covers all current and former nonexempt employees employed by
24 Defendant in California at any time during the Class Period of October 13, 2018, through June 3,
25 2024. The primary claims, which Defendant disputed and denies, involved allegations that the
26 Class Members did not receive all minimum, regular, and overtime wages owed due to
27 noncompliant meal and rest breaks that resulted from the inability to leave the premises or be
28 away from the work vehicle, did not receive accurate itemized wage statements, as well as

claims for waiting time penalties and PAGA penalties.

The Settlement includes 137 Participating Class Members. The following is a breakdown reflecting how the funds are allocated under the Settlement Agreement (Declaration of Administrator, Kevin Lee (“Lee Decl.”), ¶ 13):

Gross Settlement Amount	\$ 550,000.00
Attorneys’ Fees (1/3)	\$ 183,333.33
Litigation Costs	\$ 12,820.63
Administrator Costs	\$ 6,000.00
PAGA Penalties	\$ 40,000.00
Class Representative Service Awards (\$10,000 each)	\$ 20,000.00
Net Settlement Amount	\$ 287,846.04

The Participating Class Members were deemed to participate and did not need to submit a Claim Form to receive payment. (Settlement Agreement or “S.A.” ¶ 70). Each Participating Class Member will receive a pro rata share of the Net Settlement Amount according to the percentage of Workweeks worked during the Class Period, such that the amount actually distributed to Participating Class Members will equal 100% of the Net Settlement Amount.

The 137 Participating Class Members collectively worked 11,624 Workweeks during the Class Period, resulting in a net value of approximately \$24.76/Workweek. (Lee Decl. ¶ 11). Assuming all of the amounts in the Settlement are approved by the Court, the *average* Individual Class Payment is estimated to be \$2,116.52, and the *highest* individual settlement payment is approximately \$7,287.24 (Lee Decl. ¶ 14).

In addition, 78 Aggrieved Employees collectively worked 5,391 Workweeks during the PAGA Period, and will each receive an Individual PAGA Payment based on their share of the \$10,000 in PAGA Penalties (25% of the total \$40,000 PAGA allocation), calculated pro-rata based on the number of Weeks Worked during the PAGA Period. (S.A. ¶ 49(h)). The average payment to the Aggrieved Employees is \$128.21. (Lee Decl. ¶ 15).

The Parties agree that 20% of the Individual Class Payments will be allocated as wages subject to withholding of all applicable local, state and federal taxes and the remaining 80% will be allocated for all other non-wage claims (pursuant to, e.g., Labor Code section 2802), statutory

penalties (pursuant to, *e.g.*, California Labor Code sections 203, 210, 226), and interest from which no taxes will be withheld. (S.A. ¶ 49(d)). The Individual PAGA Payments will be classified entirely as civil penalties and shall be reported as required on an IRS Form 1099. (S.A. ¶¶ 49(h)). Defendant will separately pay their respective share of employer payroll taxes on the sum allocated to wages. (S.A. ¶ 49(a)).

Pursuant to the terms of the Settlement Agreement, Defendant is required to fund the Settlement Amount, plus Defendant's share of payroll taxes owed on the Individual Class Payments, within 15 days of the Effective Date. (S.A. ¶ 72). Within 10 days after receiving the funds, the Administrator shall issue payments to cover all court-approved payments. (S.A. ¶ 74).

Class Members will have 180 days to cash the settlement check. If a Class Member fails to cash a check by the deadline, the Administrator shall issue unclaimed funds to the California State Controller in the name of the Class Member/Aggrieved Employee (S.A. ¶ 75).

III. THE NOTICE PROCESS

A. Notice to the Class Members

Pursuant to the Court's Order and the Settlement Agreement, the Parties directed the Settlement Administrator to review and update the Class Members' addresses, mail the Court-approved Notice Packet, and process their responses. The Administrator also posted the relevant documents on its website for the Class Members to access.

Prior to mailing the Class Notice, the Settlement Administrator performed a National Change of Address search on all Class Members to determine if any had moved. (Lee Decl.¶ 4). On February 27, 2025, the Class Notice was sent via first-class mail to 137 Class Members. (Lee Decl.¶ 5).

As of the date of the Administrator Declaration, zero Notices were returned as undeliverable, resulting in a 100% success rate in mailing the Notice Packet. (Lee Decl.¶ 7).

In accordance with California Rules of Court, rules 3.766 (d) and 3.769 (f), the Notice provided Class Members with (1) a brief explanation of the case; (2) an explanation of each Class Member's right to opt out of the settlement class; (3) an explanation of the process (and relevant deadlines) through which a Class Member could opt out of the settlement class; (4)

1 notice about the binding nature of the Judgment for Class Members who do not opt out; (5) an
2 explanation of each Class Member's right to appear through counsel; (6) an explanation of each
3 Class Member's right to appear at the fairness hearing and express views on the Settlement, i.e.,
4 object or otherwise respond; and (7) an explanation of each Class Member's right to participate
5 in the Settlement and receive payment accordingly. (See **Exhibit A** to the Lee Decl.)

6 **B. There are Zero Objections and One Opt-Out, Resulting In An Impressive**
7 **99.27% of the Class Participating in the Settlement**

8 California law makes clear that the percentage of objectors and opt-outs is an important
9 factor in the Court's consideration of a proposed class action settlement. (See *Dunk v. Ford*
10 *Motor Co.* (1186) 48 Cal.App.4th 1794 at 1802.) Indeed, the Ninth Circuit and other federal
11 courts recognize that in the final fairness analysis, the number or percentage of class members
12 who object to the settlement is a significant factor. (See *Mandujano v. Basic Vegetable Prods.,*
13 *Inc.*, (9th Cir. 1976) 541 F.2d 672, 677; *In re American Bank Note Holographics, Inc.* (SDNY
14 2001) 127 F.Supp.2d 418, 425 ["[i]t is well settled that the reaction of the class to the settlement
15 is perhaps the most significant factor to be weighed in considering its adequacy."])

16 In this case, there are zero objections and only one opt-out to the Settlement -- meaning
17 that 99.27% of the Class Members are participating in the Settlement. (Lee Decl. ¶¶ 8-9).

18 **V. EVALUATION OF THE SETTLEMENT**

19 It is axiomatic that California law strongly favors and encourages settlements. (See
20 *Stambaugh v. Super. Ct.* (1976) 62 Cal.App.3d 231, 236.) This presumption in favor of
21 settlement applies with particular force in the context of class actions. (See *Ferguson v. Lieff,*
22 *Cabraser, Heimann & Bernstein* (2003) 30 Cal.4th 1037 ["[p]ublic policy favoring settlement is
23 especially weighty for class actions"]; *Bell v. Am. Title Ins. Co.* (1991) 226 Cal.App.3d 1589,
24 1607-1608 [affirming the trial court's approval of a class settlement and implicitly endorsing its
25 citation of federal precedent for the notion that there is a "strong public policy in favor of
26 settlement of class actions"]; see also *Franklin v. Kaypro Corp.* (9th Cir. 11869) 884 F.2d 1222,
27 1229, quoting *Van Bronkhorst v. Safeco Corp.* (9th Cir. 1976) 529 F.2d 943, 950 ["it hardly
28 seems necessary to point out that there is an overriding public interest in settling and quieting

1 litigation. This is particularly true in class action suits”].)

2 When entertaining a request for final approval of a class action settlement, a court’s
3 fundamental consideration is whether the settlement is fair, adequate, and reasonable. (See
4 *Dunk, supra*, 48 Cal.App.4th at 1801, fn. 7 [noting that state courts look to federal authority
5 concerning the approval of class settlements]; California Rules of Court, rule 3.769(g).)

6 Fairness is presumed when: (1) the settlement is reached through arm’s-length
7 bargaining; (2) investigation and discovery are sufficient to allow counsel and the court to act
8 intelligently; (3) counsel is experienced in similar litigation; (4) the percentage of objectors and
9 opt outs is small, and (5) the range of reasonableness of the settlement fund to a possible
10 recovery in light of all attendant risks of litigation.” (*Dunk, supra*, 48 Cal.App.4th at 1802.) All
11 five of these factors are present here and discussed in detail below.

12 **A. The Settlement Was Reached Through Informed Arms-Length Negotiation**

13 Courts presume the absence of fraud or collusion in the negotiation of a settlement,
14 unless evidence to the contrary is offered. Thus, there is a presumption here that the negotiations
15 were conducted in good faith. (See, 3 Alba Conte & Newberg, *supra*, at § 11.51.) And it was.
16 The proposed settlement here was the product of arm’s-length negotiation before a highly
17 experienced and reputable class action mediator, which was finally consummated in the months
18 after mediation.

19 Here, Plaintiffs and Class Counsel have diligently investigated the claims raised in this
20 litigation and, after taking into account the disputed factual and legal issues involved in this
21 action, the risks attending further prosecution, and the benefits to be received pursuant to the
22 compromise and settlement of the action as set forth in the Settlement, concluded that the
23 Settlement terms are fair, reasonable, and in the best interest of the Class.

24 As the Settlement Agreement itself reveals, there is no preferential treatment for any
25 segment of the class, as the Settlement is designed to compensate all Class Members fairly and
26 adequately. And pursuant to California Rules of Court Rule 3.769(b), the parties have disclosed
27 the agreed upon and proposed attorney fee award, which is well within the range of
28 reasonableness for matters of this nature.

1 **B. Plaintiffs' Investigation Was Sufficient**

2 As set forth at the time of preliminary approval, Class Counsel's investigation into the
3 facts and merits of the wage and hour claims alleged included substantial written discovery,
4 analyzing substantial amounts of information, correspondence, documents, policies and
5 procedures, pay data and timekeeping records, and evidence relating to the class size and the
6 commonality of the claims. During this process, Plaintiffs and Class Counsel conducted
7 investigations into the potential claims of the similarly situated employees, as well as researching
8 and investigating Defendant's defenses. Finally, Class Counsel synthesized and analyzed
9 information provided by Defendant as to the total Class Members, the number of current and
10 former employees, the number of employees who worked during various time periods, and
11 prepared comprehensive damages calculations regarding the claims at issue.

12 **C. Class Counsel Are Experienced in Similar Litigation and Endorse the**
13 **Settlement**

14 Class Counsel are experienced in this type of litigation, and they have represented (and
15 hereby do represent) that this Settlement is fair and reasonable. (Mankin Decl., ¶¶ 13, 33;
16 Carlson Decl., ¶¶ 2-6; see *7-Eleven Owners for Fair Franchising v. Southland Corp.* (2000) 85
17 Cal.App.4th 1135, 1152 [Final approval of settlement affirmed where counsel were all
18 experienced litigators with class-action experience and had recommended settlement based on
19 the negotiated terms].)

20 **D. The Percentage of Objectors and Opt Outs is Small**

21 There are zero objections and only one opt-out to the Settlement. Objectors and opt outs
22 are therefore small. (Lee Decl. ¶¶ 8-9).

23 **E. Reasonable Estimate of the Nature and Amount of Recovery**

24 Plaintiff's Motion for Preliminary Approval contained a comprehensive *Kullar* analysis
25 (which sufficiently provided the Court with "basic information about the nature and magnitude
26 of the claims in question and the basis for concluding that the consideration being paid for the
27 release of those claims represents a reasonable compromise." (*Kullar v. Foot Locker Retail,*
28 *Inc.* (2008) 168 Cal.App.4th 116, 133.) Of course, a settlement is not judged against what

1 might have been recovered had a Plaintiff prevailed at trial, nor does the settlement have to
2 provide 100% of the damages sought to be fair and reasonable. (*Wershba v. Apple Computers,*
3 *Inc.* (2001) 91 Cal.App.4th 246, 250.) (“Compromise is inherent and necessary in the settlement
4 process ... even if the relief afforded by the proposed settlement is substantially narrower than it
5 would be if the suits were to be successfully litigated, this is no bar to a class settlement because
6 the public interest may indeed be served by a voluntary settlement in which each side gives
7 ground in the interest of avoiding litigation.”)

8 In light of the uncertainties of protracted litigation, this negotiated settlement reflects the
9 best practicable recovery for the Class. While the total settlement amount is, of course, a
10 compromise figure, the potential risks and opportunities of both parties were effectively weighed
11 and considered by the parties, resulting in a fair and equitable settlement. Based upon detailed
12 data obtained through discovery and information exchanges, and factoring in claim certification
13 probabilities and liability probabilities, Class Counsel formulated detailed damages models to
14 evaluate the claims in preparation for mediation and in order to reach a realistic and reasonable
15 resolution.

16 Of course, Defendant denies liability, deny that any damages should be assessed, and
17 deny all of the value assessed by Plaintiffs. Notwithstanding these arguments, the Settlement
18 commits Defendant to pay \$550,000 to settle the litigation.

19 **VI. THE REQUESTED ATTORNEYS’ FEES ARE FAIR AND REASONABLE**

20 For their efforts in creating a common fund for the benefit of the Class, the Settlement
21 Agreement provided that Class Counsel may seek reasonable fees of \$183,333.33 (one-third of
22 the Settlement Amount), which is substantially less than its lodestar. This amount will be paid
23 from the settlement amount. These fees are warranted under the law and within the range of fees
24 commonly awarded in similar cases.

25 As shown herein, the requested percentage of one-third of the Settlement fund as
26 payment for attorneys’ fees should be granted for several reasons. First, one-third is the standard
27 benchmark in California for class action settlements. *See, e.g., Chavez v. Netflix, Inc.* (2008) 162
28 Cal.App.4th 43, 66 n. 11 (“Empirical studies show that, regardless whether the percentage

1 method or the lodestar method is used, fee awards in class actions average around one-third of
2 the recovery”). Second, the California Supreme Court upheld that the percentage of the fund
3 method survives in California class action cases. *See Laffitte v. Robert Half International, Inc.*
4 (2016) 1 Cal.5th 480. Third, the requested amount is eminently reasonable through the prism of
5 a lodestar cross-check. Accordingly, this request should receive final approval.

6 **A. Plaintiffs are Entitled to Recover Reasonable Attorneys’ Fees Under the**
7 **Labor Code**

8 Plaintiffs and the Class in this action are entitled to recover reasonable attorneys’ fees,
9 expenses and costs under section 218.5 of the California Labor Code, which provides that, “[i]n
10 any action brought for the nonpayment of wages ... the Court shall award reasonable attorneys’
11 fees and costs to the prevailing party.” In addition, Plaintiffs and the Class are entitled to recover
12 reasonable attorneys’ fees pursuant to section 1194.2 of the Labor Code, which provides that,
13 “... any employee receiving less than the legal minimum wage ... applicable to the employee is
14 entitled to recover in a civil action the unpaid balance of the full amount of this minimum
15 wage... including ... reasonable attorney’s fees, and costs of suit.” Plaintiffs are also entitled to
16 fees and costs under section 226(e) of the Labor Code (employee who prevails on claim for
17 itemized wage statement violation “is entitled to an award of costs and reasonable attorneys’
18 fees”), under PAGA (Labor Code § 2699(g), which provides “Any employee who prevails in any
19 action shall be entitled to an award of reasonable attorney’s fees and costs, including any filing
20 fee paid”), and, potentially, section 1021.5 of the California Code of Civil Procedure.

21 **B. Class Counsel’s Request for Fees Is Reasonable and Properly Calculated as**
22 **a Percentage of the Common Fund**

23 Under the “common fund” doctrine, the request for attorneys’ fees in the amount of 1/3
24 of the common fund is reasonable and appropriate, because (1) it is within the approved range
25 for percentages awarded as attorneys’ fees in similar cases; (2) it is supported by the high quality
26 of Class Counsel’s work on this case and the results obtained for the Class; (3) the Class had
27 sufficient notice of the fee request; (4) it is supported by the fact that this case was handled on a
28 contingency basis and was undertaken despite various risks and expenses; and (5) the lodestar

1 cross-check supports the fee request.

2 **1. *The Attorneys’ Fees Requested Here Fall Within the Reasonable***
3 ***Range Awarded in Similar Cases Under the Well-Established***
4 ***Common Fund Method***

5 The California Supreme Court approved trial courts’ usage of the common fund method
6 of awarding attorneys’ fees in wage and hour class actions, like this one, and upheld a fee
7 awarded of 1/3 of the total settlement amount obtained for the class. *See Laffitte, supra*, 1 Cal.5th
8 at 506; *see also*, 4 Newberg on Class Actions, § 14:6 at 552 (“fee awards in class actions average
9 around one-third of the recovery”). Specifically, in *Laffitte*, the Court wrote: “[w]e join the
10 overwhelming majority of federal and state courts in holding that when class action litigation
11 establishes a monetary fund for the benefit of the class members, and the trial court in its
12 equitable powers awards class counsel a fee out of that fund, the court may determine the amount
13 of a reasonable fee by choosing an appropriate percentage of the fund created”). *Id.* at 506. The
14 California Supreme Court also noted that trial courts have the discretion to award fees as a
15 percentage of the common fund, with or without the necessity to conduct a lodestar cross-check.
16 *Id.* (“...[Courts] ... retain the discretion to forgo a lodestar cross-check and use other means to
17 evaluate the reasonableness of a requested percentage fee.”).

18 The California Supreme Court’s *Laffitte* decision was consistent with its prior rulings
19 recognizing that “when a number of persons are entitled in common to a specific fund, and an
20 action brought by ... plaintiffs for the benefit of all results in the creation or preservation of that
21 fund, such ... plaintiffs may be awarded attorneys’ fees out of the fund.” *Serrano III v. Priest*
22 (1977) 20 Cal.3d 25, 34; *Boeing Co. v. Van Gemert* (1980) 444 U.S. 472, 478 (“[A] lawyer who
23 recovers a common fund . . . is entitled to reasonable attorneys’ fees from the fund as a whole”).
24 Notably, when fees are calculated as a percentage of the common fund, they should be calculated
25 based on the amount that was available to be claimed, rather than as a percentage of the actual
26 amount claimed. *See Boeing Co.*, 444 U.S. at 475-6, 480-1 (the SCOTUS held that attorneys for
27 a successful class may recover a fee based on the fund created for the class, even if some class
28 members make no claims against the fund, so that money remains in it that will be returned to

1 the defendant, explaining: “[t]heir [class members’] right to share the harvest of the lawsuit upon
2 proof of their identity, whether or not they exercise it, is a benefit in the fund created by the
3 efforts of the class representatives and their counsel.” *See also Williams v. MGM-Pathe*
4 *Communs. Co.* (9th Cir. 1997) 129 F.3d 1026, 1027 (trial court “abused its discretion by basing
5 the fee on the class members’ claims against the fund rather than on a percentage of the entire
6 fund or on the lodestar”).

7 **2. The High Quality of Work and Excellent Result Obtained Support**
8 **the Award**

9 In addition to the fact that a Class benefit was created with a \$550,000 non-reversionary
10 common fund settlement, the fairness of the requested fee award of 1/3 of the Settlement
11 Amount is supported by the high quality of work performed by Class Counsel and the positive
12 result obtained for the Class. This result occurred because Class Counsel diligently, efficiently,
13 and creatively pursued this case and reached a successful settlement for the benefit of the entire
14 Class. ***In fact, some Class Member will receive \$7,287.24 each, which is an excellent result.***
15 Moreover, the fact that the Settlement was embraced and supported by the Class, as evidenced
16 by a 99.27% participation rate, demonstrates that Class Counsel obtained a favorable result for
17 the Class.

18 **3. Class Members Had Sufficient Notice of the Requested Fees**

19 Rule 3.769 of the California Rules of Court requires that the Class Members be given
20 notice of any agreement regarding an application for attorneys’ fees. Here, the Notice
21 preliminarily approved by the Court and distributed to the Class Members apprised them of the
22 requested attorneys’ fees, which was consistent with the Notice.

23 The Class Notice also advised the Class Members of the procedures for objecting to the
24 proposed settlement and appearing at the settlement hearing, where they could present their
25 objections to any aspect of the Settlement, including the amount of attorneys’ fees to be awarded
26 to class counsel. (*Litwin v. iRenew Bio Energy Solutions, LLC* (2014) 226 Cal.App.4th 877, 883
27 [“[p]rocedural due process requires that affected parties be provided with ‘the right to be heard at
28 a meaningful time and in a meaningful manner’”].) In accordance with the foregoing, it is

1 respectfully submitted that the instant notice complied with Rule 3.769 and, as a result, the Class
2 Members' due process rights were fulfilled.

3 **4. The Contingent Nature of Class Counsel's Representation of**
4 **Plaintiffs and the Class Further Supports the Fee Award at 1/3 of**
5 **the Common Fund**

6 An additional factor militating in favor of the granting of the requested fee award is the
7 fact that this case was both legally and financially risky for Class Counsel. *See Vizcaino v.*
8 *Microsoft Corp* (9th Cir. 2002) 290 F.3d 1043, 1048-49. Class Counsel have been representing
9 the Class in this matter on a strictly contingency basis, and as such, incurred the risk of non-
10 recovery after a substantial investment of time, money, and resources, and have done so since the
11 inception of this case without any payment or compensation. Specifically, there was the prospect
12 of enormous cost inherent in class action litigation; the risk that Defendant could prevail on their
13 argument that the class should not be certified; and the risk that Defendant could prevail on the
14 merits of some or all of the claims.

15 If Plaintiffs had lost this case, Class Counsel would have recovered nothing and would
16 have lost its out-of-pocket costs. This is not an easy burden for Plaintiffs' Counsel, which is a
17 small firm. (Mankin Decl. ¶ 20). Here, the one-third fee award results in a substantial negative
18 multiplier, but nevertheless, the contingent nature of this case supports a fee of one-third of the
19 common fund.

20 **5. A Lodestar Cross-Check Confirms the Reasonableness of the Fee**
21 **Award**

22 Despite recognized limitations of the so-called lodestar method, some California and
23 federal courts acknowledge the utility of a lodestar "cross-check."¹ (*Lealao, supra*, 82
24 Cal.App.4th at 46-47.) Under the "lodestar multiplier" method of cross-checking the
25

26 ¹ In practice, the lodestar method is difficult to apply, time-consuming to administer, inconsistent in result, and
27 capable of manipulation. In addition, the lodestar creates inherent incentive to prolong the litigation until sufficient
28 hours have been expended. Herr, David F., *Manual for Complex Litigation*, § 14.121 (1988); *See also In re*
Activision (N.D. Cal 1989) 723 F.Supp 1373.

reasonableness of attorneys’ fees in class actions, the court ascertains Class Counsel’s total “lodestar” amount by multiplying the number of hours reasonably expended by each attorney or legal staff member by their hourly rates, and then enhances or reduces this lodestar figure by a “multiplier” to account for a range of factors, such as the novelty or difficulty of the case, its contingent nature, and the degree of success achieved. *PLCM Group, Inc. v. Drexler* (2000) 22 Cal.4th 1084, 1095-96; *Press v. Lucky Stores, Inc.* (1983) 34 Cal.3d 311, 322; *Lealao, supra*, 82 Cal.App.4th at 43 [court has discretion to use a multiplier to ensure that the “fee awarded is within the range of fees freely negotiated in the legal marketplace in comparable litigation”].)

The actual aggregated lodestar between the Plaintiffs’ attorneys that worked on this case is approximately \$138,870. This results in a 1.32 multiplier, as summarized in the following table, and in the submitted declaration of Plaintiffs’ counsel:

Attorney/Timekeeper	Role	Yrs Experience	Rate	Hours	Fee
Brian J. Mankin (Partner)	Trial Counsel	23	\$775	66²	\$51,150
Kristina Carlson	Handling Attorney	10	\$600	146.2	\$87,720
Grand Total					\$138,870

(See Mankin Decl., ¶ 25; Carlson Decl. ¶ 5).

Class Counsel’s hourly rates are comparable to those of other attorneys with equal or similar experience, if not somewhat lower (*i.e.*, the Laffey Matrix at www.laffeymatrix.com indicates that the benchmark rates are: \$777/hour for an 8–10-year attorney, \$878/hour for a 11–19-year attorney, and \$1,057/hour for a 20+ year attorney).

Moreover, the Wolters Kluwer 2023 Real Rate Report (“Real Rate Report”) provides directly applicable information in this regard. The Real Rate Report is based on an enormous and statistically significant compilation of data, comprising millions of billing entries from a hundred thousand individual timekeepers who worked at thousands of law firms. The Real Rate Report then compiles and analyzes this data to provide the hourly rates for partners and associates in

² Includes an estimated 30 hours that will be expended in finalizing the motion, attending the hearing, working with the parties and administrator regarding the notice and payment process, and filing any post judgment paperwork.

1 major metropolitan areas. For the southern California area: (a) the rate for partners in Los
2 Angeles is between \$840 and \$1,159 per hour for the middle and upper quartiles, and (b) the
3 rates for associates with seven or more years of experience, the median rate is \$674 per hour, and
4 the upper quartile rate is \$888 per hour. And, perhaps most importantly, the information
5 provided in the Real Rate Report is not based on self-reported numbers, surveys, sampling, or
6 reviews or other publications – instead, the Real Rate Report is based on the actual hours and
7 fees billed by law firms, which makes it “a much better reflection of true market rates than self-
8 reported rates in all practice areas.” *Brown v. CVS Pharmacy, Inc.* (C.D. Cal. Apr. 24, 2017)
9 2017 U.S. Dist. LEXIS 182309, at *21; *PLCM Group*, 22 Cal.4th at 1085 (holding that rates
10 should be premised upon precisely this form of independent, “objective” rate data that reflects
11 “fair market” rates actually billed to clients “in the community for similar work”). (Mankin
12 Decl., ¶ 24.)

13 Class Counsel are also highly experienced in Class/PAGA litigation, including having
14 been named by the LA Times as one “Southern California Leading Lawyers” in the May 2023
15 issue of Consumer Attorneys of Southern California (a recognition given to 17
16 employment/labor law attorneys in 2023), having been selected as “Super Lawyer” in
17 employment litigation over the last 5 consecutive years, having achieved large settlements,
18 having prevailed at trial in PAGA-only actions and Class Action jury trials. (Mankin Decl. ¶¶ 2-
19 6). Indeed, Class Counsel’s rates are typical of the rates charged by defense counsel with similar
20 experience doing similar employment law work in this region.

21 Thus, Plaintiff’s Counsel’s rates reasonable and typical, and the attorneys’ fees requested
22 confirm that the fee request is fair and reasonable under the lodestar multiplier cross-check.

23 **VII. THE REQUESTED COSTS AND SERVICE AWARDS ARE REASONABLE**

24 **A. The Requested Costs Are Reasonable and Merit Approval**

25 The Settlement Agreement authorized litigation expenses up to \$20,000. However,
26 Class Counsel’s actual costs through the final approval hearing are estimated to be \$12,820.63.
27 (Mankin Decl. ¶ 27.) Since Class Counsel’s actual costs were less than the amount allocated,
28 the saving will be placed in the Net Settlement Amount. These costs include mediation fees,

1 filing fees, CourtCall charges, expert fees, court filing fees, and process server fees.

2 **B. The Requested Service Awards are Reasonable and Merit Approval**

3 A named plaintiff is an essential ingredient of any class action and an incentive award
4 is appropriate to induce individuals to step forward and assume the burdens and obligations of
5 representing the Class. Courts regularly approve service payments to compensate named
6 Plaintiffs for their service to the class and the risks they incurred during the course of the
7 litigation. (*See, e.g. Bell v. Farmers Insurance Exchange* (2004) 115 Cal.App.4th 715, 726
8 (upholding “service payments” to named Plaintiff for their efforts in bringing class action);
9 *Rodriguez v. West Publishing* (9th Cir. 2009) 563 F.3d 948, 959 (stating that incentive awards
10 are “intended to compensate class representatives for work done on behalf of the class, to make
11 up for financial or reputational risk undertaken in bringing the action, and, sometimes, to
12 recognize their willingness to act as a private attorney general.”))

13 Under the Settlement, Defendant agreed to pay a Service Award to Plaintiffs in the
14 amount of \$10,000 each in recognition of his contribution as the Class Representatives and the
15 fact that they agreed to a general release of all claims. In addition, Plaintiffs also undertook
16 significant risks, including the risk of being blackballed in the industry and the risk that he
17 could have been liable for Defendant’s costs if they lost. This factor is a significant one for a
18 wage earner, and the potential risk is very real. (*See Whiteway v. FedEx Kinkos Office & Print*
19 *Svcs., Inc.* (N.D. Cal. Dec. 17, 2007) No. C 05-2320 SBA, 2007 WL 4531783, at *3 (“the few
20 courts to consider this ‘class representatives’ dilemma’ have not found it inequitable to assess
21 costs upon the lead or named plaintiff in a class action.”))

22 Plaintiffs also committed a significant number of hours to assist with the
23 litigation/settlement processes of this case. Finally, he entered into a general release of all
24 claims against Defendant, whereas the Class Members only released the claims alleged. The
25 requested Service Payment is reasonable, particularly in light of the substantial benefits
26 Plaintiffs generated for the Class Members, the risks they undertook, and in exchange for
27 executing a general release against Defendant while giving up the right to pursue separate
28 individual claims. (See Plaintiff Pepper Decl. ¶¶ 3-9; Plaintiff Villegas Decl. ¶¶ 3-8)

1 The Notice sent to each Class Member detailed the proposed service award. No Class
2 Member has objected to the proposed payment to Plaintiffs. Thus, Plaintiffs' request for a
3 Service Award is both reasonable and appropriate and should be approved.

4 **VIII. OTHERS MATTERS RE: FINAL APPROVAL**

5 **A. Settlement Administration Costs**

6 The parties agreed that the Administrator, Phoenix Settlement Administrators, would be
7 compensated for services performed. The Administrator's flat fee is \$6,000.00. (Lee Decl., ¶
8 13.)

9 **B. Notice of Final Judgment to the Class**

10 The Proposed Final Approval Order directs the Settlement Administrator to give notice
11 of entry of judgment by including a postcard to the Class Members at the same time the checks
12 are mailed.

13 **C. Uncashed Checks**

14 The Settlement Agreement provides that unclaimed funds will be submitted to the
15 California State Controller's Unclaimed Property Fund in the name of the Class Member or
16 PAGA Member, thereby leaving no "unpaid residue" subject to the requirements of California
17 Code of Civil Procedure Section 384, subd. (b). (S.A. ¶ 75).

18 **D. Final Report**

19 Defendant's payment is due 15 days after the Effective Date, which will occur on the
20 date that the final order is entered since there were no objections. The Administrator then has
21 10 days thereafter process the funds and issue checks to the Class Members, who will then
22 have 180 days to cash their checks. Accordingly, the Parties project that the check cashing
23 deadline will occur on approximately January 5, 2026. Thus, the Parties propose submitting a
24 final report in the form of a declaration from the Administrator approximately February 5,
25 2026, and then holding a disbursement hearing thereafter at the Court's convenience.

26 **E. Submission to the LWDA**

27 As set forth in the Mankin Declaration at ¶ 29, the Settlement Agreement and this
28 motion are concurrently being submitted to the LWDA in accordance with Labor Code §

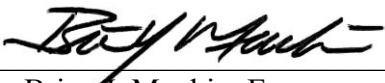
1 2699(1)(2). The LWDA has not commented on the Settlement to date.

2 **IX. CONCLUSION**

3 Plaintiff respectfully submits that the Settlement is fair, adequate, and reasonable, and
4 merits final approval.

5
6 Dated: May 16, 2025

LAUBY, MANKIN & LAUBY LLP

7
8 BY: 
9 Brian J. Mankin, Esq.
10 Attorneys for Plaintiff and the Class
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PROOF OF SERVICE
(Pursuant to CCP §§ 1013(a)(1) and 2015.5)

STATE OF CALIFORNIA)
) ss.
COUNTY OF RIVERSIDE)

I am employed in the County of Riverside, State of California. I am over the age of 18 and not a party to the within action; my business address is 5198 Arlington Avenue, PMB 513, Riverside, CA 92504.

On May 16, 2025, I caused to be served the foregoing document(s) described as follows:

NOTICE OF MOTION AND MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT; DECLARATIONS IN SUPPORT THEREOF; AND [PROPOSED] FINAL ORDER AND JUDGMENT

I declare that I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. It is deposited with the U.S. postal service on that same day in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

☐ **By Mail** I deposited such envelope in the mail at Riverside, California. The envelope was mailed with postage thereon fully prepaid.

☐ **By Facsimile** I sent this document via fax to all parties as listed on attached service list, on

☐ **By Overnight Service** I deposited such envelope in a facility regularly maintained by the United Parcel Service for receipt of items for overnight delivery, with overnight delivery expenses prepaid, addressed to the person to be served.

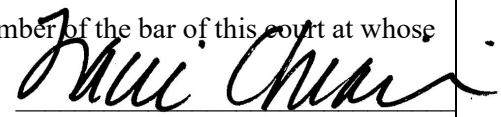
☒ **By Email or Electronic Transmission:** Pursuant to CCP § 1010.6 or an agreement of the parties to accept service by email or electronic transmission, I caused the document(s) to be sent from email address tracie@lmlfirm.com to the persons at the electronic notification address listed in the service list. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was not successful.

☐ **By Certified Mail-Return Receipt Requested** I caused such envelope with postage fully prepaid thereon, to be placed in the United States mail at Riverside, California

☐ **By Personal Service** I caused said document(s) to be personally served by hand on the parties listed on the attached service list.

☒ **State** I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on May 16, 2025, Riverside, California.

☐ **Federal** I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.


Tracie Chiarito, Declarant

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