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Attorneys for Plaintiffs

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN FRANCISCO

ANA GONZALEZ, individually, and on behalf of other aggrieved employees pursuant to the California Private Attorneys General Act,

Plaintiff,

v.

PLANNED COMPANIES, an unknown business entity; PLANNED LIFESTYLE SERVICES, LLC, an unknown business entity; PLANNED LIFESTYLE SERVICES, INC., a New Jersey corporation; PLANNED BUILDING SERVICES, INC., a New Jersey corporation; PLANNED BUILDING SERVICES, LLC, an unknown business entity; and DOES 1 through 100, inclusive,

Defendants.

CLAUDIA PALACIOS, individually, and on behalf of other aggrieved employees pursuant to the California Private Attorneys General Act,

Plaintiff,

v.

PLANNED COMPANIES, an unknown business entity; PLANNED LIFESTYLE SERVICES, LLC, an unknown business entity; PLANNED LIFESTYLE

Case No.: CJC-23-005283

Honorable Jeffrey S. Ross
Department 606

PLAINTIFFS' NOTICE OF MOTION AND MOTION FOR APPROVAL OF PRIVATE ATTORNEYS GENERAL ACT (CAL. LABOR CODE § 2698, *ET SEQ.*) SETTLEMENT AGREEMENT AND AWARD OF ATTORNEYS' FEES AND COSTS, GENERAL RELEASE FEES, AND PAGA SETTLEMENT ADMINISTRATION COSTS; MEMORANDUM OF POINTS AND AUTHORITIES

[Declaration of Plaintiffs' Counsel (Travis J. Maher); Declaration of Plaintiffs (Ana Gonzalez and Claudia Palacios); and [Proposed] Order and Judgment filed concurrently herewith]

Hearing Date:	March 27, 2025
Hearing Time:	10:00 a.m.
Department:	606

SERVICES, INC., a New Jersey corporation; PLANNED BUILDING SERVICES, INC., a New Jersey corporation; PLANNED BUILDING SERVICES, LLC, an unknown business entity; PLANNED SECURITY SERVICES, INC., an unknown business entity; and DOES 1 through 100, inclusive,

Defendants.

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PLEASE TAKE NOTICE that on March 27, 2025 at 10:00 a.m. or as soon thereafter as the matter may be heard before the Honorable Jeffrey S. Ross in Department 606 of the Superior Court of the State of California, for the County of San Francisco, located at 400 McAllister Street, San Francisco, CA 94102, Plaintiff Ana Gonzalez ("Plaintiff Gonzalez") Plaintiff Claudia Palacios ("Plaintiff Palacios") (together, "Plaintiffs") will and hereby do move for entry of the following orders:

1. Granting approval, pursuant to California Labor Code section 2699(l)(2), of the settlement between Plaintiffs and Defendant Planned Building Services, Inc. ("Defendant") of the claims brought pursuant to the Private Attorneys General Act of 2004 ("PAGA"), as set forth in the Private Attorneys General Act Settlement Agreement and Release ("Settlement," "Agreement," or "Settlement Agreement"), attached as "**EXHIBIT 1**" to the Declaration of Travis J. Maher, including and not limited to, the plan of allocation and distribution of the gross settlement sum of $425,000.00 for payment of the LWDA Payment to the California Labor and Workforce Development Agency ("LWDA"), Individual Settlement Shares to the Aggrieved Employees, Attorneys' Fees and Costs to Plaintiffs' Counsel, Settlement Administration Costs to the PAGA Settlement Administrator, and General Release Fees to Plaintiffs;
2. Approving the Net Settlement Amount, estimated to be no less than $237,561.04 which will be distributed to the LWDA and the Aggrieved Employees, pursuant to California Labor Code section 2699(i), of which seventy-five percent (75%) will be paid to the LWDA ("LWDA Payment") and twenty-five percent (25%) will be paid to the Aggrieved Employees ("Employees' Portion");
3. Appointing ILYM Group, Inc. ("ILYM") as the PAGA Settlement Administrator, to handle the administration of the Settlement;
4. Directing Defendant to fund the Gross Settlement Amount, and directing the PAGA Settlement Administrator to distribute the payments in accordance with the

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Agreement;

5. Directing the mailing of Individual Settlement Share checks to the Aggrieved Employees along with the Cover Letter, which is substantially similar in content and form to that attached as "**EXHIBIT A**" to the [Proposed] Order and Judgment Granting Approval of Private Attorneys General Act (Cal. Labor Code § 2698, *Et Seq*.) Settlement Agreement and Award of Attorneys' Fees and Costs, General Release Fee, and Settlement Administration Costs ("[Proposed] Order and Judgement") filed concurrently herewith;
6. Awarding $10,000.00, each, to Plaintiffs Ana Gonzalez and Claudia Palacios as a General Release Fee;
7. Awarding up to $6,950.00 to ILYM Group, Inc. as Settlement Administration Costs; and
8. Awarding to Lawyers *for* Justice, PC ("Plaintiffs' Counsel") the amount of $148,750.00 as compensation for reasonable attorneys' fees and the amount of $11,738.96 for reimbursement of litigation costs and expenses (together, "Attorneys' Fees and Costs"), pursuant to California Labor Code section 2699(g)(1).

Unless otherwise specified, all citations and references to the Private Attorneys General Act of 2004, California Labor Code sections 2698, *et seq.* are to the version of statute prior to the recent amendment effective July 1, 2024; the amended statute does not apply to the above-captioned action and the Settlement pursuant to California Labor Code section 2699(v)(1), as amended, because the above-captioned action was filed prior to June 19, 2024.

The Settlement Agreement and moving and supporting papers for this motion are being concurrently submitted to the California Labor and Workforce Development Agency in conformity with California Labor Code section 2699(l)(2).

This motion is made pursuant to California Labor Code section 2699(l)(2), which provides for review and approval by the Court of the settlement of a civil action filed pursuant to PAGA, and Rule 3.1113(e) of the California Rules of Court, which permits the Court to

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extend the page limit for memoranda.

This motion will be based upon the following Memorandum of Points and Authorities, the Settlement Agreement, the Declarations of Plaintiffs' Counsel (Travis J. Maher) and Plaintiffs Ana Gonzalez and Claudia Palacios in support thereof, as well as the pleadings and other records on file with the Court in this matter, and such evidence and oral argument as may be presented at the hearing on this motion.

Dated: February 28, 2025

LAWYERS *for* JUSTICE, PC

By: Travis J Maher

Travis J. Maher
Attorneys for Plaintiffs

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MEMORANDUM OF POINTS AND AUTHORITIES

I. SUMMARY OF MOTION

Plaintiff Ana Gonzalez ("Plaintiff Gonzalez") Plaintiff Claudia Palacios ("Plaintiff Palacios") (together, "Plaintiffs") seek approval of the Private Attorneys General Act Settlement Agreement and Release ("Settlement," "Agreement," or "Settlement Agreement") entered into between Plaintiff, individually and on behalf of the State of California and other aggrieved employees, and Defendant Planned Building Services, Inc. ("Defendant"), pursuant to California Labor Code section 2699(l)(2).[1] Plaintiffs and Defendant (together, the "Parties") have agreed to resolve the above-captioned actions, brought pursuant to the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* ("PAGA"), for a Gross Settlement Amount of $425,000.00.[2]

The Settlement is fair, adequate, and reasonable, as it represents a reasoned compromise of a disputed claim that has been reached through arm's-length negotiations, in light of the risks, complexity, and expense of further litigation, and the strengths of the PAGA claim. The Settlement meets the requirements for Court approval based upon the relevant fairness factors, the relative strengths of the PAGA claim, the risk, expense, and complexity of further litigation. The Court is respectfully requested to approve the Settlement, award the Attorneys' Fees and Costs, Settlement Administration Costs, and General Release Fees and approve the LWDA Payment.

The Settlement Agreement and moving and supporting papers for this motion are being concurrently submitted to the LWDA and Plaintiffs now move for an order granting approval of the Settlement, in conformity with California Labor Code section 2699(l)(2).[3] In order to efficiently present the Court with adequate information to determine whether to grant approval

[1] The Settlement Agreement of Representative Actions under the California Labor Code Private Attorneys General Act ("Settlement Agreement") is attached as "**EXHIBIT 1**" to the Declaration of Plaintiffs' Counsel, Travis J. Maher ("Maher Decl."), which accompanies this motion.
[2] Settlement Agreement, § III(C). The Gross Settlement Amount is subject to possible increase pursuant to Section III(C) of the Settlement Agreement.
[3] The Court is referred to the concurrently-filed Proof of Service, which confirms submission of the papers to the LWDA.

of the Settlement, Plaintiffs also move for an order permitting the filing of this memorandum, although it exceeds the page limit established by California Rules of Court, Rule 3.1113(d).

II. FACTUAL BACKGROUND AND RELEVANT PROCEDURAL HISTORY

For a discussion of relevant procedural history and facts regarding this case, please see the Declaration of Travis J. Maher, located at paragraphs 7 through 16.

III. SUMMARY OF THE SETTLEMENT TERMS

A. Scope of the Settlement

If the Court grants approval of the Settlement, Plaintiffs and the State of California with respect to Aggrieved Employees[4] will release the Released Parties[5] from the Released Claims[6].

B. Funding and Distribution of the Gross Settlement Amount

Under the terms of the Settlement Agreement, Defendant will pay a Gross Settlement Amount of $425,000.00[7], which is inclusive of the following: (1) Attorneys' Fees and Costs to be paid to Lawyers *for* Justice, PC ("Plaintiffs' Counsel"), (2) General Release Fees to Plaintiffs, (3) Settlement Administration Costs to be paid to the PAGA Settlement Administrator, and (4) Net Settlement Amount to be paid to the California Labor and Workforce Development Agency ("LWDA") and Aggrieved Employees. The Net Settlement Amount will be the Gross Settlement Amount less the Court-approved Attorneys' Fees and Costs, Settlement Administration Costs, and General Release Fees, and is currently estimated to be no less than $ 237,561.04.[8] The Net Settlement Amount will be distributed as follows: 75% of the Net Settlement Amount (or approximately $ 178,170.78) will be distributed to the LWDA ("LWDA Payment") and 25% of the Net Settlement Amount (or approximately $ 59,390.26) ("Employees' Portion") will be distributed to the Aggrieved Employees on a *pro rata* basis, based on their Compensable Pay Periods.[9]

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[4] Settlement Agreement, § I(C). "PAGA Period" is defined as the period from October 4, 2021 through the date of approval of the settlement by the Court. Settlement Agreement, § I(O).

[5] The definition of the "Released Parties" is set forth in the Settlement Agreement, § I(W).

[6] The definition of the "Released Claims" is set forth in the Settlement Agreement, § III(K)(1).

[7] Settlement Agreement, § III(C).

[8] Settlement Agreement, § I(K), Maher Decl., ¶ 20.

[9] Settlement Agreement, § I(I), Maher Decl., ¶ 20.

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No later than twenty-one (21) calendar days after the Settlement Effective Date,[10] Defendant shall provide the PAGA Settlement Administrator with the Aggrieved Employees List, containing the contact information and other information required to calculate payment for each Aggrieved Employee.[11] Subject to Court approval of this Settlement Agreement, within fifteen (15) calendar days after the Settlement Effective Date, Defendant will transmit the Gross Settlement Amount to a qualified settlement account established by the PAGA Settlement Administrator for administration of the Settlement.[12] No later than seven (7) calendar days after the PAGA Settlement Administrator receives the Aggrieved Employees List and Gross Settlement Amount, the PAGA Settlement Administrator shall mail the agreed-upon Cover Letter[13] and Individual Settlement Share[14] checks (together, the "PAGA Settlement Package") to all Aggrieved Employees by first-class United States mail, and the Settlement Administrator will issue a payment to itself for Court-approved services performed in connection with the Settlement on the twenty-eighth (28th) day after the Settlement Effective Date.[15] For each PAGA Settlement Package that is returned undeliverable within during the one hundred eighty (180) calendar day period, the PAGA Settlement Administrator shall promptly attempt to locate an alternate, updated address for the Aggrieved Employee at issue, by using a skip-trace search and shall attempt re-mailing of the PAGA Settlement Package.[16]

The Individual Settlement Share checks issued to Aggrieved Employees shall remain

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[10] The Settlement Effective Date is defined as the later of: (a) the date the Court signs an Order granting approval of this Settlement and Judgment; (b) if any objections or motions to intervene are filed prior to the date the Court signs an Order granting approval of this Settlement, sixty (60) days from the later of the date the Court signs an order granting approval of the Settlement or the date the Court enters final judgment so long as no appeal is filed within that time frame; and (c) to the extent any appeals have been filed, the date on which they have been resolved or exhausted. Settlement Agreement, § I(G).

[11] *Id.*, § III(L)(2).

[12] *Id.*, § III(L)(3).

[13] The Parties have prepared a simple Cover Letter for transmission to the Aggrieved Employees along with their Individual Settlement Share checks, substantially in the form attached as "**EXHIBIT A"** to the [Proposed] Order and Judgment and as "EXHIBIT A" to the Settlement Agreement. The Cover Letter informs the Aggrieved Employees about the Actions and the Settlement.

[14] Each Aggrieved Employee's share of the Employees' Portion ("Individual Settlement Share"), will be calculated by the PAGA Settlement Administrator based on their Compensable Pay Periods. *Id.*, § III(G). The payments to Aggrieved Employees for their Individual Settlement Share are considered 100% penalties to be reported on IRS Form 1099, if required. *Id.*, §§ III(G).

[15] Settlement Agreement, § III(L)(4).

[16] *Id.*, § III(L)(6).

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valid for one hundred eighty (180) calendar days, and thereafter, shall be cancelled.[17] Funds associated with cancelled checks shall be transmitted to the State Controller's Office Unclaimed Property Division in the name of the Aggrieved Employee(s) at issue and in the amount of his or her respective Individual Settlement Share(s).[18]

C. Standards for Approval of PAGA Settlement

The PAGA allows an "aggrieved employee" to bring a civil action on behalf of the State of California to recover civil penalties that normally the LWDA can pursue on behalf of employees against an employer without employees' involvement or approval. Unnamed employees need not be given notice of the PAGA claim, nor do they have the ability to opt-out of the representative PAGA claim.[19] Before bringing a civil action under PAGA, an employee must comply with California Labor Code section 2699.3. *See* Cal. Lab. Code § 2699(a). Plaintiffs have complied.

The settlement of a PAGA action requires court approval. *See* Cal. Lab. Code § 2699(l)(2). However, a PAGA claim asserted on a non-class representative basis and is not a class action but a law enforcement action.[20] A court's review of a PAGA settlement involves consideration of unique factors that render the approval process distinct from, and simpler than the two-step court approval process for a class action settlement. A court reviewing a PAGA settlement need only "ensur[e] that a negotiated resolution is fair to those affected." *Williams v. Superior Court* (2017) 3 Cal.5th 531, 549 (citing Cal. Lab. Code § 2699(l)(2)). Although California Labor Code section 2699(l) does not set forth the criteria on which a PAGA settlement is to be judged, courts have approved settlements of PAGA

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[17] *Ibid*.

[18] Settlement Agreement § III(L)(6).

[19] *Robinson v. Southern Counties Oil Co.* (2020) 53 Cal.App.5th 476 (aggrieved employee cannot opt out of a PAGA settlement); *Williams v. Superior Court* (2017) 3 Cal.5th 531, 546-548 ("[A] PAGA action is a statutory action for penalties brought as a proxy for the State," "whatever personal claims the absent employees might have for relief are not at stake[,]" as such, "there is no need to protect absent employees' due process rights" and they "will be bound by the outcome of any PAGA action[.]"); *Ochoa-Hernandez v. CJADERS Foods, Inc.* (N.D. Cal. Apr. 2, 2010), 2010 WL 1340777, at *5 (Unnamed employees need not be given notice); *Arias v. Superior Court* (2009) 46 Cal.4th 969, 984-86 (Same).

[20] *Casida v. Sears Holdings Corp.* (E.D. Cal. Jan. 26, 2012) 2012 WL 253217, at *3; *Thomas v. Aetna Health of Cal., Inc.* (E.D. Cal. June 2, 2011) 2011 WL 2173715, at *11; *Arias, supra,* 46 Cal.4th at 980-88 (affirming lower court's holding that "plaintiff need not satisfy class action requirements" to assert a PAGA claim); *Pedroza v. PetSmart, Inc.* (C.D. Cal. Jan. 28, 2013) 2013 WL 1490667, at *15; *Amalgamated Transit Union, Local 1756, Afl-Cio v. Superior Court* (2009), 46 Cal.4th 993, 1003; see also *Iskanian v. CLS Transportation Los Angeles, LLC* (2014) 58 Cal.4th 348, 381.

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claims.[21]

In a PAGA case, the court's focus is not the monetary amount which aggrieved employees or the State stand to receive, but instead, whether the total settlement amount achieves the PAGA's objectives. The purpose of the PAGA is "to incentivize private parties to recover civil penalties for the government that otherwise may not have been assessed and collected by overburdened state enforcement agencies." See *Ochoa-Hernandez*, *supra*, 2010 WL 1340777, at *4 (citing *Arias*, *supra*, 46 Cal.4th at 986). Penalties recovered under the PAGA are, in part, to "be distributed to the [LWDA] for enforcement of labor laws . . . and for education of employers and employees about their rights and responsibilities under this code, to be continuously appropriated to supplement and not supplant the funding to the agency for those purposes." See Cal. Lab. Code § 2699(j).

IV. <u>THE SETTLEMENT IS FAIR AND SHOULD BE APPROVED</u>

The Settlement resulted from hard-fought negotiations, fulfills the objectives of the PAGA statute, is fair, adequate, and reasonable, and meets all of the criteria for approval for the reasons discussed below.

A. <u>The Factors Giving Rise to a Presumption of Fairness Exist</u>

The Parties reached the Settlement after conducting extensive, arm's-length settlement negotiations following the involvement of a neutral mediator, Michael J. Loeb, Esq.[22] A settlement that is "the product of extensive and hard-fought adversarial negotiations between the parties" is entitled to a presumption of fairness. *Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 245.

As discussed in the Declaration of Travis J. Maher, the Settlement is presumptively fair because: (1) it is the product of non-collusive, arm's-length negotiations with the assistance of

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[21] See, e.g., *Resendez v. Bridgestone Retail Operations, LLC*, Los Angeles Superior Court, Case No. BC596892 (June 2016), *DCH Auto Wage and Hour Cases*, Los Angeles Superior Court, Case No. JCCP4833 (May 2017); *Garcia v. Gordon Trucking* (E.D. Cal. Oct. 31, 2012) 2012 WL 5364575, at *3; *Schiller v. David's Bridal, Inc.* (E.D. Cal. June 11, 2012) 2012 WL 2117001, at *14; *Chu v. Wells Fargo Invs., LLC* (N.D. Cal. Feb. 16, 2011) 2011 WL 672645, at *1; *Franco v. Ruiz Food Prods.* (E.D. Cal Nov. 27, 2012) 2012 WL 5941801, at *14; *Nordstrom Commissions Case* (2010) 186 Cal.App.4th 576, 589.

[22] Maher Decl., ¶ 14.

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an independent mediator knowledgeable in complex labor and employment matters; (2) it was negotiated by counsel with significant experience in similar complex labor and employment matters; and (3) it occurred after counsel for the Parties engaged in significant investigation to evaluate the strength and potential value of the PAGA claim, and the risks and expenses of litigating this claim through trial.[23]

Based on all of the information available to the Parties, the Parties agree that this matter is well-suited for settlement given the strengths and weaknesses of the PAGA claim and the facts and circumstances of the case.[24] Plaintiffs' Counsel has extensive experience handling representative and class action wage-and-hour litigation and used that experience to achieve a settlement recovery for Plaintiffs, the State of California, and the Aggrieved Employees.[25] Therefore, the Court should give considerable weight to the competency, experience, and opinion of counsel and the involvement of a neutral mediator in assuring that the settlement is a product of arm's length bargaining.[26]

B. <u>The Relative Strength and Weaknesses of the PAGA Claim and the Range of Possible Outcomes Strongly Favor Approval of the Settlement</u>

For a discussion of the relative strengths and weaknesses of the PAGA claim and the range of possible outcomes in the litigation, see the Declaration of Travis J. Maher at paragraphs 26-34.

C. <u>The Settlement Avoids Risky, Complex, and Lengthy Further Litigation</u>

Courts favor the voluntary conciliation and settlement of complex litigation. *Class Plaintiffs v. City of Seattle* (9th Cir. 1992) 955 F.2d 1268, 1276. Generally, "unless the settlement is clearly inadequate, its acceptance and approval are preferable to lengthy and expensive litigation with uncertain results." *Nat'l Rural Telecomms. Coop. v. DIRECTV, Inc.* (C.D. Cal. Jan. 5, 2004) 221 F.R.D. 523, 526 (citation omitted).

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[23] Maher Decl., ¶¶ 21-34.
[24] *Id.*, ¶¶ 26-34.
[25] *Id.*, ¶¶ 2-6.
[26] See *Kirkorian v. Borelli* (N.D. Cal. 1988) 695 F.Supp. 446, 451 (opinion of experienced counsel is entitled to considerable weight); *Boyd v. Bechtel Corp.* (N.D. Cal. 1979) 485 F.Supp. 610, 616-17, 622 (recommendations of plaintiffs' counsel should be given a presumption of reasonableness); see also *Satchell v. Fed. Express Corp.* (N.D. Cal. Apr. 13, 2007) 2007 WL 1114010, at *4 (stating that the "assistance of an experienced mediator in the settlement process confirms that the settlement is non-collusive").

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Prior to reaching the Settlement, the Parties investigated the veracity, strength, and scope of the PAGA claim and allegations and considered a large volume of information, documents and data relevant to Plaintiffs' claims and Defendant's defenses thereto.[27] The Parties thoroughly and sufficiently evaluated the PAGA claim and related allegations, including, and not limited to, calculating the potential monetary recovery under PAGA.[28]

Had the case not settled, the Parties would have conducted extensive additional formal discovery (both in arbitration and in State Court), including propounding additional written discovery requests as well as multiple depositions of party and percipient witnesses all over the State of California, to prepare the case for trial. From the inception of this litigation, Defendant indicated that they would aggressively litigate this case.[29] Even if Defendant failed on their defenses, litigating a complex PAGA action is inherently expensive, and the litigation could continue beyond entry of judgment if either party were to appeal adverse rulings.[30] Additionally, there is a real possibility that Plaintiffs would recover nothing, either for themselves or on behalf of the State of California or other Aggrieved Employees after years of costly and labor-intensive litigation. Avoiding these risks and the likelihood of future contentious litigation, and potential arbitration, which would involve significant costs, favors settlement.

D. <u>The Settlement Is Fair, Adequate, and Reasonable</u>

The Settlement provides significant benefits to the State of California and the Aggrieved Employees and falls well-within the range of acceptable settlements under the circumstances. "[T]he very essence of a settlement is compromise, 'a yielding of absolutes and an abandoning of highest hopes.'" *Officers for Justice v. Civil Service Comm'n* (9th Cir. 1981) 688 F.2d 615, 624. "The proposed settlement is not to be judged against a hypothetical or speculative measure of what might have been achieved by the negotiators." *Id*. at 625.

The Settlement is a compromise of highly disputed claims. Plaintiffs and their counsel recognize the expense and length of continued proceedings necessary to litigate the matter

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[27] Maher Decl., ¶ 22.
[28] *Ibid*.
[29] *Id*., ¶¶ 29-31.
[30] *Id*., ¶ 33.

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through trial and any possible appeals.[31] Plaintiffs and their counsel have also taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation.[32] Plaintiffs and their counsel are also aware of the burdens of proof necessary to establish liability, both generally and in response to Defendant's defenses thereto, and the difficulties in establishing Defendant's liability for, and the right to recover, penalties on behalf of Plaintiffs, the State of California, and other Aggrieved Employees.[33] Plaintiffs and their counsel have also taken into account Defendant' agreement to enter into a settlement that confers significant relief upon the Aggrieved Employees and the State of California.[34]

Considering all of the facts in this case, Plaintiffs and their counsel have determined that the Settlement represents a fair, adequate, and reasonable resolution of the PAGA claims, and that it is in the best interests of the Aggrieved Employees and the State of California.[35]

The result achieved in this case, and the monetary recovery provided by this settlement, are well-within the range of an acceptable settlement under the circumstances, especially when compared to the settlement of PAGA claims in other cases. Here, the value obtained for settlement of the PAGA claims is significant, and it will be distributed in accordance with and in fulfillment of the objectives of the PAGA statute.

E. The Experience and Views of Plaintiffs' Counsel Favor Approval of the Settlement

Plaintiffs' Counsel is highly experienced in complex representative and class action wage-and-hour litigation.[36] In the view of Plaintiffs' Counsel, the benefits conferred by the settlement are eminently fair and reasonable, and in the best interests of the State of California and the Aggrieved Employees in light of the risk, delay, and uncertainty of continued litigation and the substantial monetary benefits provided for by the Settlement.[37] Furthermore, courts

[31] *Id.*, ¶¶ 26-33.
[32] Maher Decl., ¶ 25.
[33] *Id.*, ¶¶ 24-25.
[34] *Id.*, ¶ 33.
[35] *Id.*, ¶¶ 26-34.
[36] *Id.*, ¶¶ 2-6.
[37] *Id.*, ¶¶ 24-25.

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have acknowledged that "the interests of plaintiff, counsel and other potentially aggrieved employees are largely aligned. All stand to gain from proving as convincingly as possible as many Labor Code violations as the evidence will sustain[.]" *Williams, supra*, 548 (citing Cal. Lab. Code § 2699(g)(1)(i)).

V. THE REQUESTED ATTORNEYS' FEES AWARD IS FAIR AND REASONABLE, AND SHOULD BE APPROVED

A. A Fee Award of a Percentage of the Entire Fund Is Appropriate

The Settlement provides for attorneys' fees in an amount of 35% of the Gross Settlement Amount, which is $148,750.00 (assuming the Gross Settlement Amount remains $425,000.00), subject to approval and award by the Court.[38] The requested attorneys' fees award is commensurate with: (1) the risk that Plaintiffs' Counsel took in bringing and litigating the case, (2) the time, effort, and expense dedicated to the case, (3) the skill and determination that Plaintiffs' Counsel has shown, (4) the results that Plaintiffs' Counsel has achieved in the case, (5) the value that Plaintiffs' Counsel has achieved in the case, and (6) the other cases that Plaintiffs' Counsel has turned down in order to devote its time and effort to this case.

Plaintiffs' Counsel is entitled to recover reasonable attorneys' fees and costs as a matter of right under PAGA. *See* Cal. Lab. Code § 2699(g)(1) ("Any employee who prevails in any [PAGA] action shall be entitled to an award of reasonable attorney's fees and costs"). Plaintiffs' Counsel is also entitled to fees and costs under California Code of Civil Procedure section 1021.5, as the instant PAGA action is by definition "for the benefit" of others and secures monetary recovery for a large number of Aggrieved Employees, as well as the State of California.[39] The settlement will also provide significant benefits to the state labor agency, to enhance enforcement of labor laws and education of "employers and employees about their rights and responsibilities under [the California Labor Code]." Cal. Lab. Code § 2699(i).

Courts may calculate and award attorneys' fees as a percentage of a monetary fund that has, by

[38] Settlement Agreement, § III(D).

[39] *See Estrada v. FedEx Ground Package Sys. Inc.* (2007) 154 Cal.App.4th 1 1, 16-17 (recognizing that recovery obtained on behalf of 209 individuals satisfies the "significant benefit," "public interest," and "large class of persons" requirements of Code of Civil Procedure section 1021.5, regardless of Plaintiffs' personal motivation).

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litigation, been preserved or recovered for the benefit of others. *Laffitte v. Robert Half Int'l, Inc.* (2016) 1 Cal.5th 480 at 486, 506. Trial courts "retain the discretion to forgo a lodestar cross-check and use other means to evaluate the reasonableness of a requested percentage fee" and "[t]he percentage of fund method survives in California." *Id.* (internal quotes omitted); see also *Wershba, supra,* 91 Cal.App.4th at 253.

Courts award fees to serve as an economic incentive for lawyers to pursue litigation that will enhance and facilitate access to the judicial system for meritorious claims, deter wrongdoing, and address multiple similar alleged wrongs that would not be economically feasible to pursue individually, such as here. See A. Conte, *Attorney Fee Awards* (2d ed. 1993) 104, at 6.

The percentage method is particularly appropriate where a monetary settlement has been recovered and "the benefit [recovered can be] easily quantified." *In re Bluetooth Headset Prods. Liab. Litig.* (9th Cir. 2011) 654 F.3d 935, 942. Where the amount of a settlement is a "certain easily calculable sum of money," California courts may calculate attorneys' fees as a reasonable percentage of the settlement created. Weil and Brown, California Practice Guide, *Civil Procedure Before Trial*, Chapter 14, section 14:145; *Dunk, supra,* 48 Cal. App. 4th at 1808.

The percentage fee method is preferred in representative actions because "it better approximates the workings of the marketplace than the lodestar approach." *Lealao v. Beneficial California, Inc.*(2000) 82 Cal.App.4th 19 at 49. California law provides that the award for attorneys' fees should be equivalent to fees freely negotiated in the legal marketplace and paid in comparable litigation based on the result achieved and risk incurred. *See Lealao, supra,* 82 Cal.App.4th at 47-50; *Laffitte v. Robert Half Int'l, Inc.* (2016) 1 Cal.5th 480 at 503. In cases where the settlement agreement provides that the defendants will pay the Plaintiffs' attorneys a percentage of the fund created by the settlement, use of that percentage method is appropriate. *Lealao, supra,* 82 Cal.App.4th at 32. Fee awards that are too small will "chill the private enforcement essential to the vindication of many legal rights and obstruct the representative actions that often relieve the courts of the need to separately adjudicate numerous claims." *Id.* at 53. Therefore, fees in representative actions should approximate the probable terms of a

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contingent fee contract negotiated by a sophisticated attorney and client in comparable litigation. *Id* at 48. "The ultimate goal . . . is the award of a 'reasonable' fee to compensate counsel for their efforts, irrespective of the method of calculation." *Consumer Privacy Cases* (2009) 175 Cal.App.4th 545, 557-58 (quoting *Apple Computer, Inc. v. Superior Court* (2005) 126 Cal.App.4th, 1253, 1270).

Plaintiffs' Counsel's application for attorneys' fees in light of the facts and circumstances surrounding the case is well-within the range of reasonableness. Courts have awarded fees as high as 50% of the settlement in complex actions, depending on the circumstances of the case.[40]

Plaintiffs' Counsel has performed significant work in this matter, as discussed in the Declaration of Travis J. Maher, with the very real possibility of an unsuccessful outcome and no fee recovery of any kind.[41] In the present case, Plaintiffs' Counsel has borne all of the risks and costs of litigation and will not receive any compensation until recovery is obtained.[42] Plaintiffs' Counsel is experienced in complex wage-and-hour litigation and used that experience to obtain a significant settlement recovery for Plaintiffs, the Aggrieved Employees and the State of California.[43] Considering the amount of fees requested, work performed, risks incurred, results obtained, and experience of Plaintiffs' Counsel in handling similar matters, Plaintiffs maintain that the requested attorneys' fees are reasonable and should be awarded.

B. The Requested Fee Award Is Reasonable Based on the Factors Considered in Determination of Fee Awards

The factors which courts consider in determining whether fee awards are reasonable, all of which support the fee award requested by Plaintiffs' Counsel, are: the time and labor required; the novelty and difficulty of the questions involved; the skill requisite to perform the legal

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[40] *See In re Ampicillin Antitrust Litig.* (D.D.C. 1981) 526 F.Supp. 494 (awarding attorneys' fees in the amount of 45% of the $7.3 million total settlement amount); *Beech Cinema, Inc. v. Twentieth-Century Fox Film Corp.* (S.D.N.Y. 1979) 480 F.Supp. 1195 (awarding approximately 53% of the settlement as attorneys' fees). California courts routinely approve attorneys' fees awards "average[ing] around one-third of the recovery." *Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th 43, 66 n.11 (lower court found the range of contingency fees in marketplace to be 20%-40% and determined such a percentage fee was appropriate).

[41] Maher Decl., ¶¶ 24-25, 27-30.

[42] *Id.*, ¶ 36.

[43] *Id.*, ¶¶ 2-6.

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services properly; the preclusion of other employment by the attorney due to the acceptance of the case; the customary fee; whether the fee is fixed or contingent; the time limitation imposed by the client or the circumstances; the amount involved and results obtained; the experience, reputation, and ability of the attorney; the undesirability of the case; the nature and length of the professional relationship with the client; and awards in similar cases. *Camden I Condominium Association, Inc. v. Dunkel* (11th Cir. 1991) 946 F.2d 768, 772. Some of the most relevant factors to this Court's fee determination will be addressed below.

It should be highlighted that the percentage award sought is commensurate with the time, effort, and expense dedicated to the case, the contingent nature of Plaintiffs' Counsel's representation and the risks taken in commencing the Action, the skill and determination required, the results that Plaintiffs' Counsel has achieved, and the value of the settlement that Plaintiffs' Counsel has obtained on behalf of Plaintiffs, the Aggrieved Employees, and the State of California. For the reasons discussed herein, an award of attorneys' fees in the amount of 35% of the Gross Settlement Amount is reasonable.

1. Time & Labor

Plaintiffs' Counsel has used its experience and skills in litigating complex wage-and-hour actions to bring this matter to a successful conclusion. Prior to commencing this lawsuit, Plaintiffs' Counsel conducted a significant amount of investigation into the factual and legal issues, Defendant's business, and their operations and employment policies, practices, and procedures.[44] During the litigation of the case, Plaintiffs' Counsel interviewed and obtained information from Plaintiffs and Aggrieved Employees, conducted legal research, reviewed and analyzed a large amount of documents and data, prepared for and participated in mediation and robust settlement discussions, prepared for and participated in arbitration of Plaintiff Gonzalez's individual PAGA claims, evaluated the PAGA claims for both Plaintiffs, and calculated the potential monetary recovery under PAGA.[45] Plaintiffs' Counsel also met and conferred with Defendant's counsel regarding the pleadings, case management, discovery, arbitration,

[44] Maher Decl., ¶¶ 22-23.
[45] *Ibid*.

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mediation, and settlement negotiations, among other issues.[46] Plaintiffs' Counsel performed other work including, *inter alia*, case strategy and analysis; and engaging in extensive settlement negotiations.[47]

Plaintiffs' Counsel dedicated the full extent of staffing and monetary resources necessary to prosecute the case with maximum efficiency and has fully and actively participated in the litigation process.

In light of the value of time expended and the carrying of costs involved in this litigation, the requested attorneys' fees award is fair, adequate, and reasonable.

2. The Skill Required to Perform Legal Services Properly

The skill required to properly litigate this case is evident not only in the results achieved, but in the steps necessary to reach the same. Defendant retained highly-respected counsel to represent their defenses. Plaintiffs' Counsel's effort and skill were used to, among other things, investigate the allegations and gather facts, research the legal issues, analyze data, documents, and information obtained from Defendant, Plaintiffs, and through other sources, evaluate the PAGA claims, and negotiate the settlement. Despite all of the obstacles that had to be overcome, Plaintiffs' Counsel used its extensive experience and skill in the handling of complex wage-and-hour matters to advocate for and obtain a recovery now, with maximum efficiency, as opposed to the possibility of recovery in the future, after significant expense and time.[48]

3. Whether the Fee Is Fixed or Contingent

Plaintiffs' Counsel has provided representation on a contingency basis, has borne all of the risks and costs of litigation, and will not receive any compensation until recovery is obtained.[49] If Plaintiffs' Counsel had not been successful, the time that they have devoted to litigating the case would have been for naught and would not have produced any fee or any reimbursement of costs or expenses. Plaintiffs' Counsel is well-experienced in complex wage-and-hour litigation and used

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[46] *Ibid*.
[47] Maher Decl., ¶¶ 22-23.
[48] *Id*., ¶¶ 34-36.
[49] *Id*., ¶ 36.

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that experience to obtain a great result in this matter.[50] The skill and determination that Plaintiffs' Counsel has shown throughout the prosecution of the case justifies the requested attorneys' fees and costs. Considering the amounts requested, work performed, and risks incurred, the requested fees and costs are reasonable and should be awarded.

4. The Amount Involved and the Results Achieved

The Settlement represents an excellent resolution of this lawsuit, given the uncertainty and risks of further litigation.[51] Had the case not settled, Defendant would have vigorously defended the case, and would have challenged manageability and liability, and also sought a reduction in the amount assessed as civil penalties. Defendant, however, faced risks too, including and not limited to, the risk of trial and the risk of having the Court assess civil penalties. Additionally, preparing for trial would have been extraordinarily expensive for the Parties. At this stage, the settlement is preferred over continued litigation because such resolution saves time and money that would otherwise go to litigation. The risks and expenses of further litigation outweighed any benefit that might have been gained otherwise. The Settlement provides an immediate recovery and avoids an uncertain result in the future and additional risk, expense, and delay (e.g., prolonged expert discovery, trial preparation, and appellate review of those proceedings).

The results achieved, in light of the difficulties inherent in similar cases and the specific difficulties faced in this case, are considerable. Plaintiffs' Counsel's obtained a result that provides for a Gross Settlement Amount of $425,000.00, and it is currently estimated that the Net Settlement Amount available for distribution to the Aggrieved Employees and the State of California is approximately $ 237,561.04.[52]

5. The Reputation and Ability of the Attorneys

Plaintiffs' Counsel is a recognized class action and complex litigation law firm, and its attorneys employed their knowledge, skill, and experience to bring the case to a successful conclusion. Plaintiffs' Counsel has years of wage-and-hour class action and complex litigation experience, has recovered millions of dollars on behalf of thousands of individuals in California,

[50] *Id.*, ¶¶ 2-6.
[51] Maher Decl., ¶¶ 21-34.
[52] Settlement Agreement, § I(K), Maher Decl., ¶ 20.

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and has successfully handled numerous significant wage-and-hour class action and representative action cases.[53]

VI. REIMBURSEMENT OF PLAINTIFFS' COUNSEL LITIGATION COSTS AND EXPENSES SHOULD BE APPROVED

The Settlement provides for reimbursement of litigation costs and expenses of up to $25,000.00. As set forth in the Declaration of Travis J. Maher, Plaintiffs' Counsel has incurred a total of $11,738.96 in litigation costs and expenses.[54] These expenses were reasonable and necessary in the prosecution of this matter and to obtain the Settlement, and is less than the maximum amount allocated under the Settlement Agreement.[55] The cost savings of $ 13,261.04 will be part of the Net Settlement Amount. Accordingly, the Court is requested to award reimbursement of litigation costs and expenses to Plaintiffs' Counsel in the amount of $11,738.96.

VII. THE SETTLEMENT ADMINISTRATION COSTS SHOULD BE APPROVED

As set forth in the Settlement Agreement, the Parties have agreed to retain, subject to approval by the Court, an agreed-upon company to handle the administration of the Settlement. The fees and expenses of the PAGA Settlement Administrator are estimated not to exceed $10,000.00. These costs include, but are not limited to, expenses for preparing, translating, printing, and mailing the Cover Letter and Individual Settlement Shares checks to the Aggrieved Employees (i.e., PAGA Settlement Package); performing skip-trace searches; re-mailing the returned PAGA Settlement Packages to any updated addresses located; and handling inquiries from Aggrieved Employees regarding the Settlement, among other things. Accordingly, the Court should grant approval of the Settlement Administration Costs in the amount of up to $6,950.00 to ILYM Group, Inc., a necessary third-party for handling the settlement process.

VIII. THE GENERAL RELEASE FEES SHOULD BE APPROVED

The Settlement provides for a General Release Fee to be paid to each Plaintiff in the amount of $10,000.00 ($20,000.00 total) for their broader individual waiver and release of

[53] Maher Decl., ¶¶ 2-6.
[54] Maher Decl., ¶ 36.
[55] *Ibid*.

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claims with a California Civil Code Section 1542 waiver (set forth in Section 8 of the Settlement Agreement).[56] It is reasonable and just for Plaintiffs to receive this payment. Plaintiffs contributed considerable time and effort to the litigation of this case in order to enforce the California Labor Code on behalf of the State of California and for the benefit of other Aggrieved Employees. Plaintiffs discussed their employment with their counsel, gathered and produced relevant documents and information, and provided the facts and evidence necessary to attempt to prove the allegations.[57] For example, Plaintiffs propounded discovery requests on Defendant, and Plaintiffs spent time reviewing the documents in response thereto.[58] Plaintiffs were available whenever their counsel needed their input and tried to obtain and provide documents and information that would aid in the litigation of the PAGA claims and pursuit of recovery on behalf of the State of California and Aggrieved Employees.[59]

IX. CONCLUSION

For the reasons discussed above and in the accompanying declarations, the Court is respectfully requested to approve the Settlement, including the plan of allocation and distribution of the Gross Settlement Amount, and permit the filing of a memorandum that exceeds the page limit.

Dated: February 28, 2025

LAWYERS *for* JUSTICE, PC

By: ______________________________

Travis J. Maher
Attorneys for Plaintiffs

[56] Settlement Agreement, §§ III(E). The PAGA statute recognizes that a plaintiff employee may pursue or recover other remedies and relief available to the plaintiff employee under state or federal law through an action under PAGA. See, Cal. Lab. Code § 2699(k)(1) (formerly Cal. Lab. Code § 2699(g)(1). As such, it is appropriate for Plaintiff to receive a payment for his broader individual release of claims.

[57] Maher Decl., ¶ 37; Declaration of Plaintiff Ana Gonzalez ("Gonzalez Decl."), ¶¶ 3-5, Declaration of Plaintiff Claudia Palacios ("Palacios Decl."), ¶¶ 3-5.

[58] *Ibid*.

[59] *Ibid*.

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