

1 Byron Goldstein (SBN 289306)
2 byron@goldsteinbrowne.com
3 David Browne (SBN 261345)
4 david@goldsteinbrowne.com
5 Stephanie Baker (SBN 329950)
6 stephanie@goldsteinbrowne.com
7 GOLDSTEIN BROWNE, PC
8 1111 Broadway, Suite 300
9 Oakland, CA 94607
10 Tel: 510-584-9020

11 *Attorneys for Plaintiffs, the Putative Class,*
12 *and on behalf of the State of California*

13 SUPERIOR COURT FOR THE STATE OF CALIFORNIA
14
15 COUNTY OF ALAMEDA
16

17 CAITLIN WETTER and SAMANTHA CHIU,
18 individually, and on behalf of those similarly
19 situated and the State of California,

20 Plaintiffs,

21 v.

22 BONITA HOUSE, INC.,

23 Defendant.

CASE NO. 26CV178460

**MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF CLASS
AND REPRESENTATIVE ACTION
SETTLEMENT**

Date: October 20, 2026

Time: 2:30 p.m.

Dept: 21 - Hon. S. Raj Chatterjee

Complaint Filed: March 25, 2026

Trial Date: None Set

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1 **I. INTRODUCTION**

2 Plaintiffs Caitlin Wetter and Samantha Chiu seek preliminary approval of a non-
3 reversionary \$525,000 class and Private Attorneys General Act (“PAGA”) settlement against
4 Defendant Bonita House, Inc. The proposed settlement is on behalf of approximately 42
5 unlicensed, salaried behavioral health clinicians who staffed Bonita House’s mobile crisis
6 response teams in Alameda County. Plaintiffs allege they were misclassified as exempt from
7 overtime, and, as a result, were not paid overtime, not provided meal and rest periods, and did
8 not receive accurate wage statements, full PTO payouts at discharge, and all wages at discharge.
9 The Settlement Agreement (“SA”) is attached as **Exhibit 1** to the Declaration of Byron
10 Goldstein in Support of Plaintiffs’ Motion for Preliminary Approval (“Goldstein Decl.”).

11 The Settlement was reached after eight months of informed, arm’s-length negotiations that began
12 with Plaintiff Wetter’s PAGA notice in June 2025. The Parties entered into a tolling agreement. Bonita
13 House produced four years of payroll, PTO, and scheduling data for the putative class. The Parties then
14 engaged in extensive negotiations, including detailed written analyses of damages, thorough arguments
15 about the merits, and many rounds of offers and counteroffers. Goldstein Decl. ¶¶ 18–29. It also
16 included financial information related to funding for Bonita House, a nonprofit.

17 The Gross Settlement Amount represents approximately 32% of the estimated maximum
18 exposure (\$1,635,418, calculated using a 0.5x overtime multiplier) and approximately 70% of Plaintiffs’
19 realistic, risk-adjusted valuation of the class claims (approximately \$754,800). *Id.* ¶¶ 43, 45, 54. If
20 approved, the Settlement will yield an estimated average payment of approximately \$7,400 to each of
21 the roughly 42 Class Members, without any Class Member having to submit a claim form. *Id.* ¶ 56.

22 The Settlement provides Class Members with a substantial and certain recovery now, in a case in
23 which Defendant is a nonprofit provider that faced documented cuts to its government funding and has
24 raised non-frivolous defenses to liability, damages, and class certification, and in which continued
25 litigation would take years. Plaintiffs respectfully request that the Court conditionally certify the
26 Settlement Class, appoint Plaintiffs as Class Representatives and Goldstein Browne, PC as Class
27 Counsel, appoint Atticus Administration, LLC as Settlement Administrator, grant preliminary approval
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1 of the Settlement, approve the proposed Settlement Notice, and set a Final Approval Hearing.

2 **II. OVERVIEW OF THE SETTLEMENT**

3 The Settlement resolves all claims that were alleged, or that reasonably could have been alleged
4 based on the facts alleged, in the Complaint and Plaintiffs' PAGA notices. SA ¶¶ 50–51. The key terms
5 are:

6 **Gross Settlement Amount ("GSA").** Bonita House will pay a non-reversionary GSA of
7 \$525,000, plus the employer's share of payroll taxes on the wage portion of the individual payments. SA
8 ¶¶ 19, 43, 99. The GSA will not be reduced by opt-outs; any opt-out's share is redistributed to the
9 Participating Class Members. SA ¶ 45. No portion of the GSA reverts to Defendant. SA ¶ 43.

10 **The Class and Class Period.** The Class consists of all individuals employed by Bonita House as
11 behavioral health clinicians on the Community Assessment and Transport Team (CATT), the Pleasanton
12 Alternative Response for Mental Health (ARMH), the Berkeley Specialized Care Unit (SCU), and/or the
13 Albany Crisis Team, from August 30, 2021 through and including March 31, 2026 (the "Class Period"),
14 for those times that they were paid on a salary basis, were not Licensed Clinical Social Workers,
15 Licensed Marriage and Family Therapists, or Licensed Professional Clinical Counselors, and had not
16 previously released their claims based on alleged Labor Code violations through a settlement agreement.
17 SA ¶¶ 5, 10. Based on Defendant's records, the Class consists of approximately 42 members. SA ¶ 41;
18 Goldstein Decl. ¶ 33. Defendant's records reflect approximately 760 qualifying pay periods, and the
19 GSA will not increase if that figure changes. SA ¶¶ 48–49; Goldstein Decl. ¶ 28.

20 **Attorneys' Fees, Costs, and Service Awards.** Class Counsel will seek attorneys' fees of up to
21 one-third of the GSA (\$175,000) and reimbursement of litigation costs of up to \$5,000, and Plaintiffs
22 will seek Class Representative Service Awards of up to \$7,500 each (\$15,000 total), all subject to Court
23 approval at final approval. SA ¶¶ 44(b), 44(d), 107, 110.

24 **PAGA Allocation.** \$15,000 of the GSA is allocated to PAGA (the "PAGA Fund"). SA ¶¶ 28,
25 44(a), 91. Of this, 65% (\$9,750) will be paid to the Labor and Workforce Development Agency
26 ("LWDA") and 35% (\$5,250) will be distributed pro rata among Aggrieved Employees (Class Members
27 who worked a qualifying shift during a pay period between June 26, 2024 and the date of preliminary
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1 approval (the “PAGA Period”)) based on their PAGA pay periods. SA ¶¶ 2, 29, 91–92. Aggrieved
2 Employees receive their PAGA share even if they opt out of the Class. SA ¶¶ 74, 92.

3 **Settlement Administration.** The Parties selected Atticus Administration, LLC (“Atticus”) as
4 Settlement Administrator, with administration costs not to exceed \$7,000. SA ¶¶ 3, 44(c). Class Counsel
5 solicited competing bids and selected Atticus based on its not-to-exceed price, qualifications, and prior
6 performance. Goldstein Decl. ¶ 70; Declaration of Bryn Bridley (“Atticus Decl.”) ¶¶ 5, 9. Any portion of
7 the administration allocation not used will be added to the Net Settlement Fund. Goldstein Decl. ¶ 70.

8 **Net Settlement Fund and Allocation Formula.** The Net Settlement Fund is the GSA less
9 Court-approved fees, costs, Service Awards, administrative costs, and the PAGA Fund, which is
10 approximately \$308,000 if all requested amounts are approved. SA ¶ 23; Goldstein Decl. ¶ 34. Each
11 Participating Class Member will receive a pro rata share of the Net Settlement Fund based on the “R”
12 (Regular) hours credited to them in Defendant’s payroll records for shifts of at least 3.5 hours worked
13 during the Class Period, divided by the total such hours for all Participating Class Members. SA ¶¶ 46–
14 48. The Parties selected the 3.5 threshold because it captures shifts for which an employer is required to
15 provide nonexempt employees with rest breaks, as well as the longer shifts that generated the meal
16 period and/or overtime claims, while excluding PTO, holiday, birthday, and unpaid-leave time,
17 including but not limited to certain partial days off. SA ¶ 48; Goldstein Decl. ¶¶ 30, 34.

18 The parties agree that a more precise measure of hours worked is not available. First, since Class
19 Members were classified as exempt, they were not required to clock in and out. Although this meant
20 Bonita House’s payroll records did not capture precise amounts of alleged overtime or meal periods,
21 Class Members could be credited with a full shift’s work without having worked a full shift. In addition
22 to late arrivals and early departures (for which there would be no corresponding wage reductions),
23 CATT clinicians were paid for “off duty” shifts. An “off duty” shift was one for which the clinician
24 reported to work but was not required to work, usually because there was no available EMT partner to
25 go on calls with, or in some instances, there was no available rig for transport to calls. Therefore, the
26 parties agree that the “R” (regular) hours credited to each Class Member for shifts of 3.5 hours or longer
27 is the fairest basis for allocating the Net Settlement Fund.

1 **Automatic Participation; No Claim Form.** The Settlement is not claims-made. Each Class
2 Member who does not opt out will automatically receive a check. SA ¶ 43.

3 **Settlement Notice.** Within 15 days of preliminary approval, Defendant will provide Atticus with
4 the Class List, including each Class Member’s contact information, dates of Class membership, credited
5 regular hours, and PAGA pay periods. SA ¶ 54. Within 10 days after receiving the Class List, and after
6 updating addresses through the National Change of Address (“NCOA”) database, Atticus will mail the
7 Court-approved Settlement Notice, in substantially the form attached to the SA as Exhibit A, to each
8 Class Member by first-class mail. SA ¶¶ 58–59. Each Notice will state the Class Member’s dates of
9 membership, credited hours, PAGA pay periods, and estimated Class Member Award and PAGA
10 Award. SA ¶ 58. Returned Notices will be re-mailed after a further NCOA check and, at Atticus’s
11 option, direct telephone contact to obtain a forwarding address. SA ¶ 59. Class Counsel will maintain a
12 settlement website posting the Notice, the Complaint, the SA, the preliminary approval filings, and the
13 Preliminary Approval Order. SA ¶ 61.

14 **Opting Out, Objecting, and Disputes.** Class Members will have 60 days from the mailing of
15 the Notice (or 15 days from any re-mailing, whichever is later) to opt out, object, or dispute the Class
16 membership dates or credited hours stated in their Notice. SA ¶¶ 66, 71, 76, 80. Opt-outs need only
17 submit a signed writing identifying themselves and confirming that they wish to be excluded. SA ¶ 72.
18 Disputes about work-history data are resolved by the Administrator after Defendant investigates its
19 records. SA ¶¶ 80–83.

20 **Tax Treatment.** Each Class Member Award will be allocated 50% to wages (reported on a Form
21 W-2 and subject to employee withholding) and 50% to interest and penalties (reported on a Form 1099).
22 PAGA Awards are treated entirely as penalties. SA ¶ 98. Treating meal and rest period premiums as
23 wages, wages are roughly two-thirds of Plaintiffs’ estimated maximum non-PAGA exposure and
24 penalties, with interest the remainder; the even split allocates somewhat less to wages, reflecting
25 Defendant’s contention that it owes no meal period premiums. Goldstein Decl. ¶ 35; *see Naranjo v.*
26 *Spectrum Security Services, Inc.* (2022) 13 Cal.5th 93, 102. Defendant pays the employer’s share of
27 payroll taxes in addition to the GSA. SA ¶¶ 19, 99.

1 **Uncashed Checks.** Checks will remain valid for 180 days; Atticus will send reminders to Class
2 Members who have not cashed their checks after 45 days. SA ¶ 104. Funds from any check that remains
3 uncashed will be remitted to the California State Controller’s Unclaimed Property Fund in the name of
4 the Class Member. SA ¶ 105. Because the Settlement is non-reversionary and every Participating Class
5 Member is paid automatically without submitting a claim form, there is no unpaid residue of the kind
6 addressed by Code of Civil Procedure section 384, and no portion of the Gross Settlement Amount
7 reverts to Defendant. Funds represented by uncashed checks are instead transmitted to the State
8 Controller in the individual Class Member’s own name under the Unclaimed Property Law, where they
9 remain claimable by that Class Member.

10 **Release.** Participating Class Members release only the wage-and-hour claims that were or
11 reasonably could have been brought based on the facts alleged in the Complaint and the PAGA notices,
12 arising during the Class Period. SA ¶ 50. The PAGA release is likewise limited to civil penalties for the
13 violations alleged in the PAGA notices during the PAGA Period. SA ¶ 51. Absent Class Members do
14 not waive Civil Code section 1542. Only Plaintiff Chiu, in consideration of her Service Award, provides
15 a general release with a section 1542 waiver. SA ¶ 52. Plaintiff Wetter releases claims on the same terms
16 as the Class. SA ¶ 53.

17 **III. OVERVIEW OF THE LITIGATION**

18 **A. Plaintiffs’ Claims and Defendant’s Defenses**

19 Bonita House is a California nonprofit that provides community behavioral health services,
20 including mobile crisis response teams that respond to calls, travel to locations, assess and transport
21 clients, and complete clinical documentation. Goldstein Decl. ¶ 11. The Class Members are the
22 unlicensed, associate-level clinicians who staffed those teams and were paid on a salary basis. *Id.*
23 Plaintiffs allege that Bonita House misclassified the clinicians as exempt and that they regularly worked
24 scheduled 12-hour shifts plus additional time beyond their shifts. Plaintiffs allege that they were not paid
25 overtime under Labor Code section 510, were not provided compliant meal and rest periods or paid
26 premiums under sections 226.7 and 512, did not receive accurate itemized wage statements under
27 section 226, were not paid all accrued PTO on separation under section 227.3, and were not paid all
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1 wages due at separation under sections 201–203. Compl. ¶¶ 1–7; Goldstein Decl. ¶¶ 13–14. After
2 Plaintiff Wetter provided notice of the PAGA claims, Bonita House reclassified the clinicians as non-
3 exempt, effective August 30, 2025. Compl. ¶ 2.

4 Plaintiff Wetter submitted her PAGA notice to the LWDA and Defendant on June 26, 2025
5 (LWDA Case No. 1107984-25); Plaintiff Chiu submitted hers on January 13, 2026 (LWDA Case No.
6 1149740-26). Goldstein Decl. ¶ 12. The Parties tolled the PAGA claims starting in August 2025.
7 Plaintiffs filed the Complaint in this Court on March 25, 2026, asserting eight causes of action: (1)
8 failure to pay overtime; (2) meal period violations; (3) rest period violations; (4) inaccurate wage
9 statements; (5) failure to pay accrued vacation/PTO; (6) waiting time penalties; (7) violation of the
10 Unfair Competition Law, Bus. & Prof. Code, § 17200 et seq.; and (8) civil penalties under PAGA.
11 Goldstein Decl. ¶ 13. Bonita House answered on April 6, 2026, denying all claims. The Court deemed
12 the case complex on April 30, 2026.

13 Bonita House denies liability. It contends that the clinicians were properly classified as exempt
14 under IWC Wage Order No. 4’s “learned or artistic profession” exemption, as: (a) they received a salary
15 equivalent to at least two times the state minimum wage for full-time employment; (b) their work
16 required an advanced type of specialized knowledge, acquired through a prolonged course of specialized
17 intellectual instruction and study; and (c) their work was predominantly intellectual, varied in character,
18 and required them to customarily and regularly exercise discretion and independent judgment. (Cal.
19 Code Regs., tit. 8, § 11040, subds. (1)(A)(3)(b)–(d).) Bonita House further contends that additional pay
20 for additional work and lawful leave deductions did not defeat the salary-basis test, and that
21 individualized questions about actual hours worked and whether meal and rest periods were taken would
22 defeat certification and manageability. Goldstein Decl. ¶¶ 15–16. Bonita House further contends that
23 Plaintiff Wetter lacks PAGA standing for most claims because her last shift preceded her PAGA notice
24 by more than one year; that its good-faith belief in the exemption defeats derivative wage statement and
25 waiting time penalties under *Naranjo v. Spectrum Security Services, Inc.* (2024) 15 Cal.5th 1056; and
26 that its reclassification of the clinicians and revision of its PTO practices entitle it to PAGA’s statutory
27 penalty caps. *Id.* ¶ 17.

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B. Investigation, Data Exchange, and Settlement Negotiations

Following Plaintiff Wetter's PAGA notice, Bonita House's counsel proposed engaging in informal, candid settlement discussions to explore a potential settlement before a complaint was filed. On August 7, 2025, the Parties executed a tolling agreement, effective August 30, 2025, tolling the class and PAGA claims. Goldstein Decl. ¶ 19. (The tolling date is why the Class Period begins August 30, 2021, four years before tolling.) On September 18, 2025, Bonita House produced anonymized payroll data for every not-yet-licensed clinician on the CATT team who worked during the four-year period, including gross pay, regular hours, and PTO, holiday, and other pay codes by pay period. In October 2025, it produced PTO accrual data for the class as well as personnel and payroll records for each Plaintiff. *Id.* ¶¶ 20–21. Class Counsel analyzed the data, posed detailed written questions about its compilation, and met and conferred with defense counsel by telephone on several occasions. *Id.* ¶ 20.

In mid-October 2025, the Parties exchanged estimates of damages by claim: Plaintiffs provided a claim-by-claim analysis of maximum exposure built from Defendant's own payroll data, and Defendant then provided a detailed letter that set forth its factual and legal defenses, and, even assuming liability, which it vigorously contested, its own analyses of potential damages. *Id.* ¶¶ 22–23. Plaintiffs then conducted further analyses and provided these to Defendant on October 30, 2025, together with examples from the payroll data showing pay varying with hours, to which Defendant responded with employee-by-employee explanations in November. *Id.* ¶ 23. The Parties also had numerous discussions about the merits and damages of the claims. In December 2025, Plaintiff made a formal written demand, supported by a statistical analysis of the pay data and a comparison of the Parties' competing models. *Id.* ¶ 24. In January 2026, defense counsel disclosed, and on February 10, 2026, documented that the Alameda County Behavioral Health Department had formally notified Bonita House on December 24, 2025 that, effective July 1, 2026, County funding for the CATT program that employed the Class Members would be reduced from approximately \$3.69 million to \$2.58 million, and funding for two other Bonita House programs eliminated. *Id.* ¶¶ 25, 55.

On February 2, 2026, Defendant responded to Plaintiffs' initial offer with a counteroffer and a proposed memorandum of understanding. *Id.* ¶ 26. The Parties further discussed the merits and

1 competing damages estimates on February 10, and Plaintiffs countered on February 11 with a proposed
2 memorandum of understanding. *Id.* The Parties had further discussions on February 24 and March 2, and
3 Defendant provided a counteroffer. After additional settlement discussions, the Parties agreed on a
4 proposed settlement of \$525,000, plus the employer's share of payroll taxes, on March 4, 2026. *Id.* The
5 Parties then negotiated the remaining key material terms and executed a Memorandum of Understanding
6 on March 23-25, 2026. *Id.* ¶ 27. Using the Los Angeles Superior Court's model long-form class and
7 PAGA settlement agreement as a template, the Parties negotiated the Settlement Agreement and Notice
8 over April and May 2026 and fully executed the Settlement Agreement on May 29, 2026. *Id.*

9 **IV. THE COURT SHOULD CONDITIONALLY CERTIFY THE SETTLEMENT CLASS**

10 When a settlement is reached before certification, the Court may certify a provisional settlement
11 class. Cal. Rules of Court, rule 3.769(d). Certification is a procedural determination based on the
12 allegations of the complaint, not the merits. *Linder v. Thrifty Oil Co.* (2000) 23 Cal.4th 429, 439–441.
13 Because the class is being certified for settlement, the manageability concerns that would attend a
14 litigated class trial are eliminated or mitigated. *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794,
15 1807, fn. 19. (The PAGA claim is a representative action that need not satisfy class certification
16 requirements. *Arias v. Superior Court* (2009) 46 Cal.4th 969, 975.) A class is properly certified where
17 (1) it is ascertainable and sufficiently numerous, (2) there is a well-defined community of interest, and
18 (3) a class action is a superior means of adjudication. *Linder, supra*, 23 Cal.4th at p. 435; *Brinker*
19 *Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1021; Code Civ. Proc., § 382. Defendant
20 has stipulated to certification for settlement purposes only. SA ¶¶ 41–42.

21 **A. The Class Is Ascertainable and Sufficiently Numerous**

22 A class is ascertainable when its members can be identified from objective criteria and records.
23 *Noel v. Thrifty Payless, Inc.* (2019) 7 Cal.5th 955, 980, 986 & fn. 15. Here, the Class is defined by job
24 title, team, pay basis, licensure status, and dates of employment, all of which are reflected in
25 Defendant's records, from which the Class List will be generated. SA ¶¶ 5, 54; Goldstein Decl. ¶ 33.
26 The Class of approximately 42 members is sufficiently numerous that joinder is impracticable.
27 *Hendershot v. Ready to Roll Transportation, Inc.* (2014) 228 Cal.App.4th 1213, 1222, fn. 5; *see Rose v.*
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1 *City of Hayward* (1981) 126 Cal.App.3d 926, 933–934 (class of 42 sufficient for numerosity),
2 *disapproved on another ground in Noel, supra*, 7 Cal.5th at p. 986, fn. 15; *Hebbard v. Colgrove* (1972)
3 28 Cal.App.3d 1017, 1030 (28 members).

4 **B. A Community of Interest Exists Among the Class Members**

5 The community-of-interest requirement has three factors: predominant common questions of law
6 or fact, class representatives with claims typical of the class, and class representatives who can
7 adequately represent the class. *Fireside Bank v. Superior Court* (2007) 40 Cal.4th 1069, 1089.

8 *Common questions predominate.* Predominance asks whether the issues that may be jointly tried
9 are so numerous or substantial, compared to those requiring separate adjudication, that class treatment is
10 advantageous. *Brinker, supra*, 53 Cal.4th at p. 1021. Where liability turns on the employer’s uniform
11 policies, the need for individual damages calculations does not defeat certification. *Id.* at p. 1022; *Sav-*
12 *On Drug Stores, Inc. v. Superior Court* (2004) 34 Cal.4th 319, 334. Here, every Class Member held the
13 same level clinician position on a crisis team, was paid under the same salary-basis compensation
14 structure, and was classified as exempt under the same uniform policy. Goldstein Decl. ¶¶ 11, 14.
15 Whether that classification was lawful is a common question whose answer drives the overtime, meal
16 and rest period, wage statement, and waiting time claims of the entire Class. *Ramirez v. Yosemite Water*
17 *Co.* (1999) 20 Cal.4th 785, 794–795; *Negri v. Koning & Associates* (2013) 216 Cal.App.4th 392, 397–
18 398. So too are the questions of whether Bonita House’s uniform scheduling, dispatch practices, and
19 written policies authorized meal and rest periods, whether its PTO accrual policy accounted for shifts
20 longer than eight hours, and whether its wage statements complied with section 226(a). Bonita House’s
21 contention that individualized questions about hours actually worked may complicate a class trial
22 (Goldstein Decl. ¶ 16) goes to manageability, which is not an obstacle to certification of a settlement
23 class. *Dunk, supra*, 48 Cal.App.4th at p. 1807, fn. 19.

24 *Plaintiffs’ claims are typical.* Typicality asks whether the representatives’ claims arise from the
25 same practice and are based on the same legal theory as the class’s claims. *Seastrom v. Neways, Inc.*
26 (2007) 149 Cal.App.4th 1496, 1502. Plaintiffs were unlicensed, salaried clinicians on Bonita House’s
27 crisis teams who worked 12-hour shifts, were classified as exempt, and allege the same violations, under
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1 the same policies, as every other Class Member. Goldstein Decl. ¶¶ 10, 14; Declaration of Caitlin Wetter
2 (“Wetter Decl.”) ¶ 3; Declaration of Samantha Chiu (“Chiu Decl.”) ¶ 3.

3 *Plaintiffs and their counsel are adequate.* Adequacy requires that the representatives’ interests
4 not be antagonistic to the class and that class counsel be qualified. *McGhee v. Bank of America* (1976)
5 60 Cal.App.3d 442, 450. Plaintiffs have no conflicts with the Class, have actively participated in the
6 investigation and settlement of this case, and understand and have discharged their duties to the Class.
7 Wetter Decl. ¶¶ 4–13; Chiu Decl. ¶¶ 4–13; Goldstein Decl. ¶ 10. Goldstein Browne, PC has substantial
8 experience prosecuting class and representative actions, including wage-and-hour claims, and has been
9 appointed class counsel in numerous actions. Goldstein Decl. ¶¶ 6–9.

10 **C. A Class Action Is Superior**

11 Class treatment is superior where the claims of the class members turn on common evidence and
12 the individual amounts at stake would not justify separate suits. *Bufile v. Dollar Financial Group, Inc.*
13 (2008) 162 Cal.App.4th 1193, 1208, *disapproved on another ground in Noel, supra*, 7 Cal.5th at p. 986,
14 fn. 15. Both are true here. The Class Members’ claims depend on the same payroll records and uniform
15 policies, and while the individual recoveries here are meaningful, the cost of litigating misclassification
16 claims individually against a defendant that disputes the exemption and the hours worked would deter
17 most Class Members from proceeding alone. Goldstein Decl. ¶ 61. A single settlement class resolving
18 all claims at once is the most efficient course.

19 **V. THE COURT SHOULD PRELIMINARILY APPROVE THE SETTLEMENT BECAUSE** 20 **IT IS FAIR, REASONABLE, AND ADEQUATE**

21 **A. The Standard for Preliminary Approval**

22 Approval of a class settlement proceeds in two steps: a preliminary determination of whether the
23 settlement is within the range of possible approval so that notice may be sent, followed by a final
24 fairness hearing after the Class has had an opportunity to respond. Cal. Rules of Court, rule 3.769(c)–
25 (g); *Dunk, supra*, 48 Cal.App.4th at pp. 1800–1801. The Court must determine whether the settlement is
26 fair, reasonable, and adequate, considering the strength of the plaintiffs’ case; the risk, expense,
27 complexity, and likely duration of further litigation; the risk of maintaining class status through trial; the
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amount offered in settlement; the extent of discovery completed and the stage of the proceedings; the experience and views of counsel; and the reaction of the class. *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 128; *Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 244–245, *disapproved on another ground in Hernandez v. Restoration Hardware, Inc.* (2018) 4 Cal.5th 260, 269–270. The Court has broad discretion in making this determination. *Sutter Health Uninsured Pricing Cases* (2009) 171 Cal.App.4th 495, 504–505. A presumption of fairness arises where the settlement was reached through arm’s-length bargaining, investigation and discovery were sufficient to allow counsel and the Court to act intelligently, and counsel are experienced in similar litigation. *Dunk, supra*, 48 Cal.App.4th at p. 1802; *Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles* (2010) 186 Cal.App.4th 399, 408; *Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th 43, 52. The question is “not the maximum amount plaintiffs might have obtained at trial on the complaint, but rather whether the settlement is reasonable under all of the circumstances.” *Wershba, supra*, 91 Cal.App.4th at p. 250. The record must permit the Court to make an independent assessment of the value of the claims being released against the consideration received. *Kullar, supra*, 168 Cal.App.4th at pp. 129–130, 133.

B. The Settlement Is Reasonable Compared to the Risk-Adjusted Value of the Class’s Claims

1. The Gross Settlement Amount Is Reasonable Compared to the Potential Recovery

The most important fairness factor is the comparison between the settlement and the plaintiffs’ likely recovery on the merits, discounted for the risks of litigation. *Kullar, supra*, 168 Cal.App.4th at p. 130. Class Counsel calculated Defendant’s exposure on each claim from Defendant’s own payroll and timekeeping data. Plaintiffs estimated maximum exposure as follows:

Claim	Wages / Penalties	Interest
Overtime	\$470,586.61	\$94,069.38
Meal Periods	\$246,544.93	\$49,229.32
Rest Periods	\$248,925.86	\$49,733.25
Wage Statement Penalties	\$75,300.00	N/A
Waiting Time Penalties	\$219,967.08	N/A
PTO Payout	\$49,357.09	\$5,854.97
Total Non-PAGA Exposure	\$1,509,568.49	
PAGA Penalties	\$125,850.00	
Total Estimated Maximum Exposure	\$1,635,418.49	

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2 Defendant vigorously contested liability and contended that its exposure was substantially lower
3 than Plaintiffs' estimate. Goldstein Decl. ¶ 44. The \$525,000 GSA is approximately 32% of Plaintiffs'
4 estimated maximum exposure and 35% of the maximum for the non-PAGA claims. *Id.* ¶ 45.

5 The GSA is even more favorable when measured against the realistic value of the claims after
6 accounting for the specific risks each claim faced, as *Kullar* requires. Class Counsel's claim-by-claim
7 analysis is set out in detail in the Goldstein Declaration (¶¶ 41–49) and is summarized here.

8 *Overtime (Lab. Code, §§ 510, 1194).* This is the largest claim and turns on whether Bonita House
9 can prove the exemption. Plaintiffs contend Bonita House cannot satisfy the salary-basis test because the
10 clinicians' pay varied with hours worked. *See Negri, supra*, 216 Cal.App.4th at pp. 397–398. Defendant
11 responds that it paid an annual salary in biweekly installments, that extra pay for extra work does not
12 defeat the exemption, and that lawful partial-day leave deductions do not convert salaried employees to
13 hourly ones. *See Conley v. Pacific Gas & Electric Co.* (2005) 131 Cal.App.4th 260, 268–270; *Rhea v.*
14 *General Atomics* (2014) 227 Cal.App.4th 1560, 1569–1575. Defendant also argues that off-duty days,
15 late starts, early departures, and out-of-service periods mean actual hours worked would require
16 individualized proof. Goldstein Decl. ¶ 47. To account for these merits and certification risks, Class
17 Counsel discounted the overtime claim by 50%, yielding a realistic value of approximately \$282,300. *Id.*

18 *Meal and rest periods (Lab. Code, §§ 226.7, 512).* Plaintiffs allege that, having classified the
19 clinicians as exempt, Bonita House never authorized or provided compliant off-duty breaks. *See*
20 *Augustus v. ABM Security Services, Inc.* (2016) 2 Cal.5th 257, 269–273. Defendant contends that the
21 clinicians' paired EMTs worked under a collective bargaining agreement guaranteeing two
22 uninterrupted 30-minute meal periods per shift during which dispatch took the entire team out of service,
23 so that the clinicians received compliant meal periods; that clinicians had substantial flexibility between
24 calls and recovery time after each call; and that whether and when breaks were taken would require
25 individualized inquiry. Goldstein Decl. ¶ 49. Class Counsel discounted the meal and rest period claims
26 by 50%, yielding realistic values of approximately \$147,900 and \$149,300. *Id.*

27 *Wage statement and waiting time penalties (Lab. Code, §§ 226, 203).* These claims are derivative
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1 of the misclassification claim and require proof of a “knowing and intentional” violation and a “willful”
2 failure to pay, respectively. Under *Naranjo, supra*, 15 Cal.5th at pp. 1074–1079, 1086–1087, an
3 employer’s objectively reasonable, good-faith belief that it was complying with the law defeats both
4 penalties, and a good-faith dispute over whether wages are owed defeats waiting time penalties even if
5 the employer’s defense is ultimately unsuccessful, so long as it is not unsupported, unreasonable, or
6 presented in bad faith. *Diaz v. Grill Concepts Services, Inc.* (2018) 23 Cal.App.5th 859, 868; Cal. Code
7 Regs., tit. 8, § 13520, subd. (a). Bonita House alleges a non-frivolous good-faith defense grounded in its
8 exemption position, and further contends that any section 226 penalties should be limited to \$50 per
9 violation. Goldstein Decl. ¶ 51. Class Counsel discounted each claim by approximately 50%, yielding
10 realistic values of approximately \$37,700 and \$110,000. *Id.*

11 *PTO (Lab. Code, § 227.3).* Plaintiffs allege that Bonita House’s PTO accrual did not account for
12 12-hour shifts, resulting in underpayment of accrued PTO at separation. Defendant contends that PTO
13 was drawn down at 12 hours per day against accrual based on a shorter day, so that the clinicians were,
14 if anything, overpaid. Goldstein Decl. ¶ 52. Class Counsel discounted this claim by approximately 50%,
15 yielding a realistic value of approximately \$27,600. *Id.*

16 *Total.* Taking these risk-adjusted values together, the realistic value of the class claims
17 (exclusive of PAGA) is approximately \$754,800. Goldstein Decl. ¶ 54. The \$525,000 GSA is
18 approximately 70% of that figure, a result that compares favorably to settlements routinely approved by
19 California courts. *See, e.g., Wershba, supra*, 91 Cal.App.4th at p. 250 (“the test is not the maximum
20 amount plaintiffs might have obtained at trial on the complaint, but rather whether the settlement is
21 reasonable under all of the circumstances.”); *Kullar, supra*, 168 Cal.App.4th at p. 129.

22 The reasonableness of the GSA is reinforced by Defendant’s financial condition. Alameda
23 County formally notified Bonita House that, beginning July 1, 2026, funding for the very program that
24 employed the Class Members would be cut by approximately 30% and two other programs defunded
25 entirely. Goldstein Decl. ¶¶ 25, 55. That creates a genuine risk that a larger judgment obtained years
26 from now could not be collected, and weighs heavily in favor of a certain, substantial recovery today.
27 *See Kullar, supra*, 168 Cal.App.4th at p. 128 (risk and likely duration of further litigation).
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2 **2. The PAGA Allocation Is Fair, Reasonable, and Adequate**

3 A court reviewing a PAGA settlement must determine that it is fair, reasonable, and adequate in
4 view of PAGA’s purposes to remediate present labor law violations, deter future ones, and maximize
5 enforcement of state labor laws. Lab. Code, § 2699, subd. (s)(2); *Moniz v. Adecco USA, Inc.* (2021) 72
6 Cal.App.5th 56, 77–78. Courts evaluating a PAGA allocation within a class settlement consider the
7 relief obtained for the aggrieved employees on the underlying claims, the strength and risks of the
8 PAGA claim itself, and the court’s own discretion to reduce penalties that are “unjust, arbitrary and
9 oppressive, or confiscatory.” Lab. Code, § 2699, subd. (e)(2); see *O’Connor v. Uber Technologies, Inc.*
10 (N.D.Cal. 2016) 201 F.Supp.3d 1110, 1134.

11 Plaintiffs’ estimated maximum PAGA exposure of \$125,850 is based on 313 pay periods.
12 Goldstein Decl. ¶ 53. The \$15,000 PAGA Fund is approximately 12% of that maximum and 2.86% of
13 the GSA, within the range of 1.60% to 5.00% of the gross settlement approved in class and PAGA
14 settlements in Alameda County Superior Court between August 2025 and September 2026 (Goldstein
15 Decl. ¶ 57 & Ex. 3). This is reasonable in this case for seven independent reasons. *Id.* ¶¶ 58–59. First,
16 Defendant contends that Plaintiff Wetter lacks standing as an “aggrieved employee” for most of the
17 PAGA claims because her last shift preceded her June 26, 2025 notice by more than a year, which, if
18 credited, would eliminate PAGA penalties for the overtime, meal, and rest period violations for much of
19 the PAGA Period. *Id.* ¶ 58. Second, Defendant contends that several of the Labor Code provisions cited
20 in the PAGA notices do not carry PAGA penalties. *Id.* Third, Defendant’s good-faith defense under
21 *Naranjo* would eliminate the wage statement and waiting time components of the PAGA claim. *Id.*
22 Fourth, Defendant contends that its reclassification of the clinicians and revision of its PTO practices
23 after receiving Wetter’s PAGA notice entitle it to the statutory caps on penalties for employers that take
24 reasonable steps to comply, Lab. Code § 2699(g)(1), (h). *Id.* ¶ 59. Fifth, the Court retains discretion to
25 reduce penalties, a real risk where, as here, the Defendant reclassified the aggrieved employees and
26 otherwise sought to address the alleged violations, and the Defendant is a nonprofit facing funding cuts.
27 *Id.* Sixth, the PAGA claim may face the same manageability challenges Defendant has raised to class
28 treatment. *Id.* Seventh, Plaintiffs’ maximum estimate assumes four stacked penalties per pay period and

1 heightened penalties for subsequent wage statement violations; a court may decline to award multiple
2 penalties for a single pay period arising from the same misclassification, and, under the 2024
3 amendments, heightened subsequent-violation penalties are generally unavailable absent a prior finding
4 against the employer. Lab. Code, § 2699, subd. (f)(2)(B); *Amaral v. Cintas Corp. No. 2* (2008) 163
5 Cal.App.4th 1157, 1209; *see Carrington v. Starbucks Corp.* (2018) 30 Cal.App.5th 504, 516–517
6 (affirming judgment where the trial court reduced the per-violation PAGA penalty from \$50 to \$5 as
7 otherwise “unjust, arbitrary, and oppressive”). Goldstein Decl. ¶ 59. The PAGA allocation thus reflects a
8 reasoned compromise of those risks, and the Settlement as a whole serves PAGA’s remedial and
9 deterrent purposes.

10 Class Counsel submitted the Settlement Agreement and this Motion to the LWDA concurrently
11 with this filing, as Labor Code section 2699(s)(2) requires, affording the LWDA the opportunity to
12 comment before the hearing. Goldstein Decl. ¶ 60 & Ex. 4. Proof of that submission is filed herewith.

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14 **3. The Risk, Expense, Complexity, and Likely Duration of Further Litigation**
Support the Settlement

15 Absent settlement, Plaintiffs would face contested class certification, merits discovery and expert
16 analysis of four years of payroll and timekeeping data, a trial on the exemption and on the hours actually
17 worked by each clinician, and the near certainty of an appeal by whichever side lost. Goldstein Decl. ¶
18 61. The Parties’ sharply divergent exposure estimates confirm that damages would be hotly contested
19 even if liability were established. *Id.* ¶ 44. Continued litigation would delay any recovery by years and
20 consume substantial additional fees and costs, all against the backdrop of Defendant’s reduced funding.
21 *Id.* ¶¶ 61–62. The Settlement eliminates those risks and delivers a substantial, certain recovery now. *See*
22 *Wershba, supra*, 91 Cal.App.4th at p. 246.

23 **4. The Settlement Is the Product of Informed, Arm’s-Length Negotiations**

24 The Settlement was negotiated over many months by experienced counsel on both sides, it was
25 adversarial, and occurred after Defendant produced the class-wide payroll and timekeeping data and
26 other documentation on which Plaintiffs’ damages model is based, and after the Parties exchanged
27 detailed, competing damages analyses and statements of defenses. Goldstein Decl. ¶¶ 18–29, 63. The
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1 negotiations were only successful after all this and after successive counterproposals over five months.
2 *Id.* ¶¶ 24, 26. Class Counsel independently analyzed the data and valued each claim. *Id.* ¶¶ 43, 63.
3 Although the Parties did not use a mediator, the record of the exchange (data production, written
4 damages models, written statements on the merits of the claims, a formal demand, and multiple
5 subsequent rounds of counteroffers) demonstrates that counsel and the Court have ample information “to
6 act intelligently” in evaluating the Settlement. *Dunk, supra*, 48 Cal.App.4th at p. 1802; *see Kullar,*
7 *supra*, 168 Cal.App.4th at pp. 128, 132 (formal discovery not required where informal exchange
8 provides an adequate basis to evaluate the settlement).

9 **5. The Views of Experienced Counsel Support the Settlement**

10 Great weight is given to the recommendation of counsel who are experienced in the field and
11 familiar with the case. *Kullar, supra*, 168 Cal.App.4th at p. 128; *Dunk, supra*, 48 Cal.App.4th at p. 1802.
12 Class Counsel have litigated and resolved numerous wage-and-hour class and representative actions,
13 including misclassification cases, and consider the Settlement an excellent result for the Class in light of
14 the risks. Goldstein Decl. ¶¶ 4, 6–10, 74.

15 **C. The Proposed Settlement Notice and Notice Procedure Are Adequate**

16 Due process requires notice reasonably calculated to apprise class members of the settlement and
17 afford them an opportunity to be heard. *Mullane v. Central Hanover Bank & Trust Co.* (1950) 339 U.S.
18 306, 314; *Wershba, supra*, 91 Cal.App.4th at pp. 251–252; Cal. Rules of Court, rules 3.766(d), 3.769(f).
19 The Settlement Notice (SA, Ex. A) is written in plain language and explains the nature of the case and
20 the claims released; the material terms of the Settlement, including the GSA, the requested fees, costs,
21 Service Awards, PAGA allocation, and administration costs; each Class Member’s dates of membership,
22 credited hours, PAGA pay periods, and estimated payments, together with the formula used to calculate
23 them; how to opt out, object, or dispute the data on which the payment is based, and the deadlines for
24 doing so; the binding effect of the Settlement on those who do not opt out, and that the PAGA release
25 binds Aggrieved Employees regardless; the date, time, and place of the Final Approval Hearing; and
26 contact information for Class Counsel, the Administrator, the settlement website, and the Court’s public
27 portal. SA ¶ 58 & Ex. A; Goldstein Decl. ¶ 71. Consistent with this Department’s guidelines, the Notice
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1 summarizes the release in plain language rather than reproducing it verbatim, asks opt-outs only for the
2 information needed to process an exclusion, and does not require a claim form.

3 The notice procedure (first-class mail to NCOA-updated addresses, with a further NCOA check,
4 optional direct telephone contact, and re-mailing of any returned Notice) is a method routinely approved
5 and has “a reasonable chance of reaching a substantial percentage” of the Class. *Cartt v. Superior Court*
6 (1975) 50 Cal.App.3d 960, 974; SA ¶¶ 58–59; Atticus Decl. ¶¶ 6–7. The 60-day response period
7 (extended by 15 days for any re-mailed Notice) affords Class Members ample time to act. SA ¶¶ 66, 71.

8 **D. The Proposed Settlement Administrator Should Be Appointed**

9 Atticus has administered more than 1,250 class, collective, and PAGA settlements and has no
10 financial relationship with the Parties or their counsel. Atticus Decl. ¶¶ 2–4, 12. Class Counsel obtained
11 competing bids from Atticus and ILYM Group; Atticus’s initial estimate was \$8,500 and ILYM’s was
12 \$6,000, and Class Counsel selected Atticus after it agreed to a not-to-exceed price of \$7,000 (with Class
13 Counsel hosting the settlement website) based on Atticus’s firm cap, its qualifications, and its capable
14 performance in a comparable settlement Class Counsel recently handled. Goldstein Decl. ¶ 70; Atticus
15 Decl. ¶ 9. Any portion of the \$7,000 not used will be distributed to the Class. Goldstein Decl. ¶ 70.
16 Plaintiffs will present evidence of the actual administration costs at final approval.

17 **E. The Release Is Appropriately Tailored**

18 The release given by Participating Class Members is limited to the wage-and-hour claims that
19 were or reasonably could have been brought based on the facts alleged in the Complaint and PAGA
20 notices, and only for the Class Period. SA ¶ 50. It expressly excludes claims outside that factual
21 predicate, such as wrongful termination, FEHA, unemployment, disability, and workers’ compensation
22 claims. *Id.* The PAGA release is coextensive with the PAGA notices and PAGA Period. SA ¶ 51.
23 Absent Class Members do not waive Civil Code section 1542; only Plaintiff Chiu, in exchange for her
24 Service Award, provides a general release and section 1542 waiver, which this Department’s guidelines
25 recognize as appropriate for a named plaintiff. SA ¶¶ 52–53. Because the release is limited to claims that
26 were or could have been raised based on the facts pleaded, it is proper. *Villacres v. ABM Industries Inc.*
27 (2010) 189 Cal.App.4th 562, 586–587.
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F. The Requested Service Awards Are Preliminarily Reasonable

In connection with final approval, Plaintiffs will apply for Service Awards of up to \$7,500 each. SA ¶ 110. Service awards are proper to compensate class representatives for the time, effort, and risk they undertook on behalf of the class, and must be supported by evidence of the representative's actual participation. *Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785, 804–807; *Cellphone Termination Fee Cases* (2010) 186 Cal.App.4th 1380, 1393–1395 (approving \$10,000 awards); *Bell v. Farmers Ins. Exchange* (2004) 115 Cal.App.4th 715, 726. Awards of \$7,500 per representative are at the low end of the \$7,500 to \$15,000 range of service awards approved in wage-and-hour class settlements in Alameda County Superior Court between August 2025 and September 2026. Goldstein Decl. ¶ 64 & Ex. 3. Plaintiffs brought the claims forward, submitted PAGA notices in their own names, provided documents and detailed factual information, reviewed and approved the Complaint and the Settlement, remained engaged throughout the negotiations, and accepted the professional risk of being publicly identified as the plaintiffs in a lawsuit against a former employer in a small professional field. Wetter Decl. ¶¶ 4–15; Chiu Decl. ¶¶ 4–14; Goldstein Decl. ¶¶ 64–66. Plaintiff Chiu is also providing a broader general release. SA ¶ 52. Plaintiffs will support the requested awards with evidence at final approval, when the Court will set the amount; at this stage they ask only that the Class be notified.

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G. The Requested Attorneys' Fees and Costs Are Preliminarily Reasonable

In connection with final approval, Class Counsel will move for attorneys' fees of up to one-third of the GSA (\$175,000) and litigation costs of up to \$5,000. SA ¶ 107. The California Supreme Court has endorsed the percentage-of-the-fund method in common fund cases, with a lodestar cross-check as a tool to confirm the reasonableness of the percentage. *Laffitte v. Robert Half Internat. Inc.* (2016) 1 Cal.5th 480, 503–506. One-third of the fund is the benchmark routinely awarded in wage-and-hour class actions in California courts. *See id.* at pp. 487, 506 (affirming one-third award); *Chavez, supra*, 162 Cal.App.4th at p. 66, fn. 11 (“fee awards in class actions average around one-third of the recovery”); *Parker v. City of Los Angeles* (1974) 44 Cal.App.3d 556, 567–568. Class Counsel undertook this matter on a wholly contingent basis, advanced all costs, and achieved a substantial recovery efficiently and early; Class

Counsel's current lodestar is approximately \$91,000, based on approximately 91 attorney and legal assistant hours, so the requested fee represents a multiplier of approximately 1.9 before the work remaining to complete the approval and distribution process. Class Counsel's litigation costs to date total approximately \$2,200. Goldstein Decl. ¶¶ 68–69; *see Wershba, supra*, 91 Cal.App.4th at pp. 254–255 (multipliers for contingent risk). Class Counsel will support the request at final approval with hours by category, hourly rates, and an itemization of costs. Goldstein Decl. ¶ 68.

H. Proposed Schedule

Defendant will deliver the Class List to Atticus within 15 days after preliminary approval (SA ¶ 54); Atticus will mail the Notice within 10 days thereafter (SA ¶ 58); Class Members will have 60 days from mailing to opt out, object, or dispute their data (SA ¶¶ 66, 71, 80); Plaintiffs will file the Motion for Final Approval and the motion for attorneys' fees, costs, and Service Awards at least 16 court days before the Final Approval Hearing; and the Final Approval Hearing will be held approximately 130–150 days after preliminary approval, on a date convenient to the Court. Plaintiffs also ask that the Court vacate the March 1, 2027 class certification deadline in light of the Settlement.

VI. CONCLUSION

For the foregoing reasons, Plaintiffs respectfully request that the Court enter the proposed Order (1) conditionally certifying the Settlement Class for settlement purposes; (2) appointing Plaintiffs Caitlin Wetter and Samantha Chiu as Class Representatives and Goldstein Browne, PC as Class Counsel; (3) appointing Atticus Administration, LLC as Settlement Administrator; (4) granting preliminary approval of the Settlement, including the PAGA allocation, as fair, reasonable, and adequate; (5) approving the form and method of the Settlement Notice and directing that it be distributed; and (6) setting a Final Approval Hearing and the associated schedule.

1 Dated: September 12, 2026

2 GOLDSTEIN BROWNE, PC

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Byron Goldstein

5 Attorneys for Plaintiffs, the Putative Class, and on
6 behalf of the State of California