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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

LESLIE MORALES, individually, and on behalf of other members of the general public similarly situated, BRIANNA TORRES-CERVANTES, individually, and on behalf of other members of the general public similarly situated, and as aggrieved employees pursuant to the Private Attorneys General Act ("PAGA");

Plaintiffs,

v.

HUGHES-NELSON PAINTING, INC. d/b/a APEX IMAGING SERVICES INC., a California Corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No: 25STCV16345
Hon. Timothy P. Dillon
Dept. 15

PLAINTIFFS' NOTICE OF MOTION AND MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT AND FOR AN ORDER: (1) PRELIMINARILY APPROVING CLASS ACTION SETTLEMENT; (2) DIRECTING DISTRIBUTION OF NOTICE OF SETTLEMENT; AND (3) SETTING A HEARING FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT; AND MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF

DATE: February 10, 2027
TIME: 10:00 a.m.

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE THAT on February 10, 2027, at 10:00 a.m., or as soon after that as the matter can be heard, in Dept. 15 of the above-entitled Court located at 312 North Spring Street, Los Angeles, California, 90012, Plaintiff Leslie Morales and Plaintiff Brianna Torres-Cervantes on behalf of themselves, all others similarly situated, and allegedly aggrieved employees (collectively, "Plaintiffs") will move the Court for an order granting: (1) provisional certification of the Class for settlement purposes only; (2) preliminary approval of the Class Action Settlement; (3) approval of the settlement of Plaintiffs' PAGA claim pursuant to Labor Code section 2699, subdivision (s)(2); (4) approval of the Notice and notice plan; (5) appointment of Harlan Hillier DiGiacco LLP and Lawyers for Employee and Consumer Rights APC as Class Counsel and Plaintiffs Leslie Morales and Brianna Torres-Cervantes as Class Representatives; (6) appointment of Apex Class Action LLC to serve as the Settlement Administrator; and (7) setting a final approval hearing. Without admitting wrongdoing, Hughes-Nelson Painting, Inc. d/b/a Apex Imaging Services Inc. ("Defendant") agrees to pay the putative Class the sum of $300,000.00 (the "Gross Settlement Amount") in exchange for a release subject to Court approval. This amount is inclusive of (1) individual settlement payments to Class Members of the Settlement; (2) Class Representative Service Awards of $5,000.00 each to Plaintiffs Leslie Morales and Brianna Torres-Cervantes; (3) $10,000.00 to resolve Plaintiffs' Private Attorney General Act ("PAGA") claim for penalties, 65% ($6,500.00) of which is payable to the Labor and Workforce Development Agency ("LWDA"), and the remaining 35% ($3,500.00) payable to the allegedly Aggrieved Employees; (4) up to $3,990.00 in Settlement Administrator costs; (5) Class Counsel's fees not to exceed 33.33% of the Gross Settlement Amount; and (6) actual costs incurred by Class Counsel.

This motion is based upon this Notice of Motion, the attached Memorandum of Points and Authorities, the Declarations of Andrew E. Hillier, Leslie Morales, Brianna Torres-Cervantes, Colette N. Mahon, Sean Hartranft, and Hal Hargrave, and the exhibits thereto, the [Proposed] Order Granting Preliminary Approval of Class Action and PAGA Settlement lodged herewith and the proposed Class Notice attached to it as Exhibit 1, the argument of counsel, and upon any other material contained in the Court's file.

Dated: November 18, 2026

HARLAN HILLIER DIGIACCO LLP

BY: _____
Andrew E. Hillier
Attorney for Plaintiffs LESLIE MORALES and BRIANNA TORRES-CERVANTES,
and on behalf of all employees similarly situated

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MEMORANDUM OF POINTS AND AUTHORITIES

Plaintiff Leslie Morales ("Plaintiff Morales") and Plaintiff Brianna Torres-Cervantes ("Plaintiff Torres-Cervantes") (collectively "Plaintiffs") on behalf of themselves, the putative Class, and allegedly aggrieved employees, respectfully submit this briefing in support of Plaintiffs' unopposed Motion for Preliminary Approval of Class Action and PAGA Settlement. Plaintiffs and Defendant Hughes-Nelson Painting, Inc. d/b/a Apex Imaging Services Inc. ("Defendant") have reached a full and final settlement, the terms of which are contained in the Class Action and PAGA Settlement Agreement ("Settlement Agreement") attached as **Exhibit 1** to the Declaration of Andrew E. Hillier served and filed herewith (hereinafter, terms with capital letters have the meaning of those terms as in the Settlement Agreement, the definitions thereof are incorporated herein by reference).

Subject to approval by the Court, Plaintiffs and Defendant (collectively, the "Parties") have agreed to settle this lawsuit for a Gross Settlement Amount of $300,000.00. (Settlement Agreement, ¶ 1.21.)

Plaintiffs also seek to provisionally certify the Class for settlement purposes, defined as all of Defendant's office workers who held the positions of Accounting Associate 1, Accounting Associate 2, Administrative Assistant, Project Coordinator 1, Project Coordinator 2, and functionally similar positions and who were employed by Defendant in its Pomona, California corporate campus from June 5, 2021, through September 1, 2026 (the "Class Period"). (Settlement Agreement, ¶¶ 1.12, 4.1.1; Hargrave Decl., ¶ 4.) Defendant's records reflect approximately 88 Class Members who worked 2,692 Workweeks and 64 allegedly Aggrieved Employees who worked 3,272 PAGA Pay Periods through September 1, 2026. (Hargrave Decl., ¶ 4.)

A. INTRODUCTORY INFORMATION

Defendant is a for profit corporation that operates as a general contracting and project management firm specializing in large-scale, multi-site construction rollouts and remodels. To run its business, Defendant employed office employees, including Plaintiffs, whom it classified as exempt and paid on a salary basis. Plaintiffs allege that Defendant misclassified them as exempt employees, denying them overtime wages earned, meal periods, and rest periods (or associated

premiums). Plaintiffs allege Defendant failed to reimburse them for the use of their personal cell phones for work purposes. Plaintiffs allege that as a result of these practices, Defendant failed to provide complete and accurate wage statements, failed to maintain accurate and complete payroll records, and failed to timely pay wages to its employees during their employment and at the end of their employment. Defendant reclassified its office employees as non-exempt, hourly employees effective November 13, 2025. (Hillier Decl., ¶ 18.)

In connection with that reclassification, Defendant entered into individual settlement and release agreements with certain office employees, each supported by separate consideration paid by Defendant. (Hillier Decl., ¶ 18.) Defendant has advised Class Counsel that the Workweeks covered by those releases were removed from the Class Period Workweek totals it reported (Hillier Decl., ¶ 19, Ex. 11 [Memorandum of Understanding, ¶ 3]), which is why the 2,285 Workweeks reported through November 13, 2025 are lower than the 2,504 PAGA Pay Periods reported for a smaller group of employees over the shorter PAGA Period: a private release may resolve an employee's own wage claims, but it cannot release the State's claim for PAGA civil penalties. (Kim v. Reins *Internat. California, Inc*. (2020) 9 Cal.5th 73, 86–87.) The current figures reflect the same relationship: 2,692 Class Period Workweeks and 3,272 PAGA Pay Periods as of September 1, 2026. (Hargrave Decl., ¶ 4.) Those individual releases resolved a bona fide dispute over wages claimed to be due and were supported by separate consideration; they did not purport to release wages concededly owed. (*Chindarah v. Pick Up Stix, Inc.* (2009) 171 Cal.App.4th 796, 802–803; cf. Lab. Code, § 206.5.) Class Counsel has reviewed the form of release and does not contest its validity. (Hillier Decl., ¶¶ 18, 20.)

On June 5, 2025, Plaintiff Morales commenced this Action by filing a Complaint against Defendant, which she later amended by a First Amended Complaint deemed filed September 29, 2025 by stipulation and order. Defendant answered the Original Complaint and denied the allegations and any and all liability for the causes of action alleged. On May 22, 2026, the Court granted Plaintiffs leave, by stipulation, to file the Second Amended (and Operative) Complaint, which Plaintiffs filed on August 28, 2026 and which added Brianna Torres-Cervantes as a named Plaintiff and Class Representative. (Hillier Decl., ¶ 13, Ex. 7 [May 22, 2026 Order].)

On March 19, 2026, the Parties participated in a mediation with Jonathan D. Andrews, Esq. (Hillier Decl., ¶ 22.) The Parties agreed to settle the matter for a gross sum of $300,000.00, which equals approximately $111 per Class Period Workweek (2,692 Workweeks through September 1, 2026).

After deduction of the Class Representative Service Payments ($10,000.00), the PAGA Payment ($10,000.00), the Administration Expenses Payment (up to $3,990.00), Class Counsel's attorneys' fees (up to $100,000.00), and Class Counsel's litigation costs (up to $16,000.00), the Net Settlement Amount available for distribution to Participating Class Members is $160,010.00. (Settlement Agreement, ¶¶ 1.27, 3.2.2, 3.2.3.) Each Participating Class Member's Individual Class Payment will be calculated by dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period (2,692 as of September 1, 2026), and multiplying the result by that Class Member's own Workweeks. (Id., ¶ 3.2.4.) On this formula, the average Individual Class Payment (assuming full participation by all 88 Class Members) is approximately $1,818.30, or approximately $59.44 per Workweek worked. Those figures reflect Defendant's records through September 1, 2026, the close of the Class Period under Defendant's election described in Section 4 of the Additional Settlement Terms below. (Hargrave Decl., ¶ 4.) Paragraph 4.1 of the Settlement Agreement states Defendant's estimate, as of the March 19, 2026 mediation, of approximately 2,762 Workweeks. The September 1, 2026 total is lower although it covers a longer period. (Settlement Agreement, ¶ 4.1; Hillier Decl., ¶¶ 19, 21, Ex. 11.) Because the Net Settlement Amount is fixed and distributed pro rata, the Workweek total affects only the value of each Workweek, not the amount paid to Participating Class Members. Each Class Member's Workweeks will be stated on the Class Notice and may be challenged (Settlement Agreement, ¶ 7.6), and the final Workweek total and the high and low Individual Class Payments will be reported with the Motion for Final Approval. (Hillier Decl., ¶ 21.)

B. *DUNK*/*KULLAR* ANALYSIS

Court approval is required for the settlement of a class action. (See Cal. Rules of Court, rule 3.769.) In reviewing a proposed class settlement for approval, the Court has broad discretion, and the Court's decision may be reversed only upon a strong showing of clear abuse of discretion.

(*Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 234–235*,* disapproved on another ground in *Hernandez v. Restoration Hardware, Inc.* (2018) 4 Cal.5th 260, 269–274; *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 127–128.)

Plaintiffs now request this Court make a preliminary determination that the proposed settlement set forth in the Settlement Agreement is fair, reasonable, and adequate. (See *Officers for Justice v. Civil Service Comm'n of City & Cnty. of S.F.* (9th Cir. 1982) 688 F.2d 615, 625; *Manual for Complex Litigation* (4th ed. 2004) § 21.61 at 308.) In analyzing whether a settlement is fair and reasonable, courts consider the *Dunk/Kullar* factors: (1) the amount offered in settlement; (2) the risk, expense, complexity, and likely duration of further class action litigation; (3) the extent of discovery completed and the stage of the proceedings; (4) the experience and view of counsel, and (5) the reaction of the Class. (*Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801; *Kullar, supra, 168 Cal.App.4th at p. 133* [court must be provided with information about nature and magnitude of claims in question and basis for concluding that consideration being paid represents reasonable compromise]; *Clark v. Am. Resid. Servs. LLC* (2009) 175 Cal.App.4th 785, 790, 802–803.)

The court's role is limited to making a reasoned judgment that the proposed class settlement agreement is not the product of fraud or overreaching by, or collusion between, the negotiating parties, and that the settlement as a whole is fair, reasonable, and adequate from the perspective of the Class. (*Manual*, § 21.61.) Importantly, "the settlement or fairness hearing is not to be turned into a trial or rehearsal for trial on the merits." (7-Eleven Owners for Fair Franchising v. Southland Corp. (2000) 85 Cal.App.4th 1135, 1145.) Instead, "[d]ue regard should be given to what is otherwise a private consensual agreement between the parties." (*Dunk, supra, 48 Cal.App.4th at p. 1801*.)

1. Investigation and Discovery Conducted

Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk* and *Kullar*. The Parties engaged in extensive informal discovery in preparation for a meaningful mediation. (Hillier Decl., ¶¶ 15–17.) As a result of that informal discovery, Class Counsel obtained and reviewed a twenty percent (20%) sequential, anonymized sample of Class Member payroll records; Defendant's Employee Handbook; exemplar wage statements; and class-

wide data on headcount, Workweeks, pay periods, pay rates, bonuses, and meal and rest premiums. (*Ibid*.) Defendant confirmed that no time records exist because Class Members were paid on a salary basis. (Hillier Decl., ¶ 15.) Before filing, Class Counsel had also reviewed Plaintiff Morales's earnings statements, payroll records, and personnel file, which Defendant produced in response to her records request. (Hillier Decl., ¶ 7.)

2. Settlement Negotiations

Following the filing of Plaintiff Morales's then-operative First Amended Complaint, the Parties agreed to mediate before formal discovery. (Hillier Decl., ¶ 11.) On March 19, 2026, the Parties mediated with Mediator Jonathan D. Andrews, Esq., and with his guidance and direction, reached an agreement in principle regarding the amount of the Settlement. On March 20, 2026, the Parties entered into a Memorandum of Understanding memorializing the settlement. The Parties finalized and executed the Settlement Agreement on June 2, 2026. (Hillier Decl., ¶¶ 22–23.)

3. Risks, Expenses, Complexity, and Duration of Further Litigation if the Settlement is Not Approved

Absent settlement, this case would take years to resolve through trial. (Hillier Decl., ¶ 39.) Voluminous evidence would be needed to prove damages; expert testimony and discovery would be required; and trial would be complex given the size of the Class and number of violations alleged. Neither side would likely prevail on all positions, and the case raises issues that have not been decided by a Court of Appeal, making appeals likely. Absent a settlement, the Class would not receive relief for many years, if ever. In addition, the Parties disagreed as to both the merits of Plaintiffs' claims and the ability to certify them. This settlement provides a relatively early resolution of this dispute, and Class Members will obtain a substantial recovery now without the risks and delays that further litigation would entail. (*Ibid*.)

4. Strengths and Weaknesses of the Claims and the Risks of Litigation

While Plaintiffs and their counsel believe that they would prevail on the core wage claims (minimum wage violations, overtime wage violations, and meal and rest break violations), the claims alleged are not without weaknesses. Accordingly, what could potentially be recovered by the putative class warranted discounting based on the risks involved, including proving all the elements

of each cause of action, satisfying class certification and manageability requirements, overcoming available defenses and counterarguments, the derivative nature of many of the claims, the costs and expenses of further litigation, and the real possibility of no recovery after years of litigation, including the potential for appeal. The following provides an analysis of the strengths, weaknesses, and potential recovery for each of Plaintiffs' claims.

Throughout the case, Defendant argued that the estimates of the value of the claims were overly ambitious and inflated; that there were multiple challenges to certification; that the hours Plaintiffs claimed they worked were inflated, and that Defendant had defenses to claims including the central claims of minimum wage violations, overtime violations, meal and rest break violations, and unreimbursed business expenses. A full examination and analysis of the risk posed by Defendant's arguments is included in Plaintiffs' estimate of the value of each claim, directly below.

5. Estimate of the Value of the Claims

a. Failure to Pay Minimum and Overtime Wages

Plaintiffs asserted causes of action for failure to pay minimum and overtime wages. Plaintiffs allege the putative Class Members did not receive all wages owed to them during their employment. Plaintiffs allege Defendant misclassified Class Members as exempt employees and paid them only a straight salary. As a result of the alleged misclassification, Defendant failed to accurately track the working hours of the Class Members. Plaintiffs allege that Defendant required Class Members to work more than forty hours a week without any compensation for hours worked past eight in a day or 40 in a week. As a result, Plaintiffs allege Class Members worked overtime hours that were not compensated at all.

Defendant denied liability for unpaid minimum and overtime wages, and asserted that the Class Members were properly classified as exempt. In the alternative, if Class Members were non-exempt employees, Defendant argued that the presumption against off-the-clock work when employees are clocked out had not been rebutted, and that liability requires proof Defendant knew or should have known that off-the-clock work occurred. Defendant argued that evidence of working hours varies from employee to employee, making certification of a class difficult and the case unmanageable.

Using the information obtained through its own investigation and from Defendant, Class Counsel created damages/valuation models. (Hillier Decl., ¶ 30.) Defendant does not concede the accuracy of Plaintiffs' damage models or valuations.

Assuming that the putative Class Members consistently received at least eight hours of pay per day and 40 hours per week, any additional time that was worked off-the-clock would have to have been compensated at an overtime rate. Assuming that it could be proven that Defendant failed to pay an average of three hours of unpaid overtime wages every workweek, the potential value of this claim was estimated to be $283,077.00 (2,285 workweeks x 3 hours of overtime wages x hourly rate of $27.53 x overtime rate increase of 1.5).

However, this exposure assumes a certified class and proven claims, despite risks associated with obtaining and maintaining certification, risks to establishing liability, and significant additional costs that would have to be incurred to certify a class and establish liability. Plaintiffs also faced the risk of the Court finding that individualized issues predominate, such that class treatment is not suitable. Considering these risks, Plaintiffs applied a 50% discount to the valuation described above, bringing the value of the claim to $141,539.00. (Hillier Decl., ¶ 31.)

b. Failure to Provide Compliant Meal and Rest Periods or Premiums

Plaintiffs allege that Defendant's company handbook states that only non-exempt employees are entitled to meal and rest breaks. Plaintiffs allege that due to Defendant's misclassification of the Class Members, the Class Members were never provided compliant meal or rest breaks. Plaintiffs allege Defendant engaged in a systematic, company-wide practice and/or policy of failing to pay owed meal and rest period premiums.

Defendant denies the Class Members were misclassified. Further, Defendant denies that it failed to provide compliant meal or rest periods or owed any premiums. Defendant argues that it maintained written policies during the Class Period that complied with California law. Defendant claims it provided Class Members with appropriate breaks. Defendant argues that any deviations from policy or compliance with the law were isolated and not the result of a uniform companywide practice, precluding certification.

/ / /

Assuming that it could be proven that five meal period premiums and five rest period premiums were due for every workweek, the potential value of this claim was estimated to be $629,061.00. (Average hourly wage of $27.53 x 10 missed breaks per workweek x 2,285 workweeks). For the same certification and liability risks described above, Plaintiffs applied a 50% discount, bringing the value of the claim to $314,530.50. (Hillier Decl., ¶ 32.)

c. *Failure to Pay Wages Upon Termination*

As a result of the above violations, Plaintiffs alleged that Defendant intentionally and willfully failed to pay Plaintiffs and the putative Class Members all wages due to them after termination or resignation of employment, within the time period permissible under California law. Based on information and data provided by Defendant, it was estimated that approximately 62 putative Class Members had been terminated during the three-year statute of limitations. Assuming that these individuals were not timely paid all wages due to them upon termination, the potential value of waiting-time penalties claim was estimated to be $409,646.00 collectively (62 individuals multiplied by $6,607.20 per individual [hourly rate of $27.53 x 8 hours worked per day x the maximum 30 days of penalties]), or approximately $6,607.20 per individual. However, this presumes that Plaintiffs would prevail on the underlying Labor Code claims, which is necessary to show that Defendant failed to timely pay wages that were due to the putative Class Members upon termination.

For the same reasons that Defendant opposed the other Labor Code violations, Defendant asserted that no waiting-time penalties should be awarded. Moreover, under Labor Code section 203, employers are only obligated to pay waiting-time penalties if they "willfully" fail to pay wages due and owing at the time of termination or resignation. As Title 8, California Code of Regulations, section 13520 states, a "good faith dispute" that any wages are due will preclude a finding of willfulness, and thus, waiting time penalties.

Accordingly, to assess the likely recovery of waiting-time penalties, Plaintiffs took into account the challenges of prevailing on each of the underlying causes of action, as well as the additional hurdles of prevailing on the claim for waiting-time penalties, including the inherent difficulty in proving the "willful" prong of section 203, and applied a discount of 75%. The resulting

valuation for the waiting time penalty claims is $102,412.00. (Hillier Decl., ¶ 33.)

d. *Failure to Provide Accurate Wage Statements*

As a consequence of Defendant's Labor Code violations, Defendant failed to provide accurate wage statements under Labor Code section 226(a). That section allows employees to recover the greater of all actual damages or fifty dollars for the initial pay period in which a violation occurs and one hundred dollars for each violation in a subsequent pay period, not exceeding an aggregate penalty of $4,000. (See Lab. Code, § 226, subd. (e).) Arguably, actual damages may be sought, under a three-year statute of limitations, or statutory penalties may be sought, under a one-year statute of limitations.

Defendant would have likely successfully contended that the putative Class Members suffered no actual injury from the alleged wage statement violations, and even if they had, the demonstration of those damages would be too individualized to maintain class certification. Accordingly, the putative Class Members' claims would have likely been limited to the one-year statute of limitations. Further, Plaintiffs would have to prove the various Labor Code violations described above to prevail on this claim, and Defendant would have opposed this claim in the same manner as the others.

Based on data provided by Defendant, it was estimated that approximately 61 putative Class Members worked during the one-year statutory limitations period and that these putative Class Members worked a total of 2,504 pay periods. Assuming that an injurious wage statement could be proven for each of these putative Class Members for each of these pay periods, the potential value of this claim, before application of the Labor Code section 226(e) statutory cap, was calculated to be $247,350.00 ([61 (number of putative Class Members) initial violations multiplied by $50 initial violation penalty] plus [(2,504 (number of pay periods) minus 61 (number of putative Class Members) subsequent violations multiplied by $100 subsequent violation penalty]). Because section 226(e) caps recoverable penalties at $4,000 per employee, and the average affected employee's uncapped penalty (approximately $4,055) exceeds that cap, the maximum recoverable exposure for this claim is $244,000.00 (61 employees multiplied by the $4,000 statutory cap). Plaintiffs applied an 80% discount to the capped exposure, resulting in a valuation of $48,800.00. (Hillier Decl., ¶

34.)

e. Failure to Reimburse Business-Related Expenses

Plaintiffs contended that Defendant failed to reimburse Plaintiffs and other putative Class Members for necessary business expenses, including, but not limited to, costs associated with the use of personal cell phones for business purposes. Plaintiffs allege that Defendant required Class Members to answer calls and texts from their personal cell phones without the reimbursement they were entitled to.

Defendant contended that it has a policy and practice of reimbursing employees for necessary business-related expenses. Defendant maintained that the positions held by Class Members did not require them to use their personal cell phones for any business related purpose. Defendant also contended that, with respect to the alleged expenses for which Plaintiffs and other putative Class Members never requested reimbursement from Defendant, Defendant did not know and had no reason to know that the alleged business-related expenses were incurred.

Defendant further contended the reimbursements and related amounts would raise individual issues that could not be certified. For support, Defendant would rely on its assertion that the Labor Code only requires reimbursement of "necessary" expenses—as opposed to any expense that is incurred in the course of performing work—and argued that distinguishing a necessary expense from an unnecessary one would require individualized inquiry. (See Lab. Code, § 2802; *Gattuso v. Harte-Hanks Shoppers, Inc.* (2007) 42 Cal.4th 554, 568.) Furthermore, whether an expense was necessary would depend, in part, on the reasonableness of the employee's choice, and whether an expense was incurred would have to be established by way of extensive individual factual inquiry and/or statistical evidence. (See *Gattuso, supra*, 42 Cal.4th at p. 568.) Such an individualized assessment would include the amount paid by each employee for their personal cell phone and the amount of time they used that cell phone for business purposes.

Plaintiffs estimated that Defendant failed to reimburse an average of $7.50 per workweek, and accordingly, the potential value of this claim would be $17,137.50 (2,285 workweeks multiplied by $7.50). When assessing the value of this claim, Plaintiffs considered Defendant's contentions, and the potential that these contentions may lead to either the failure of class certification or failing

to prove liability, i.e., the possibility of there being no liability whatsoever. Taking this risk into account, Plaintiffs discounted the claim 50%, resulting in a valuation of $8,568.75. (Hillier Decl., ¶ 35.)

f. *Unlawful Business Practices*

Plaintiffs plead this cause of action to augment the others and aid in their prosecution. The Unfair Competition Law, Business and Professions Code section 17200 et seq. ("UCL") prohibits any "unlawful, unfair or fraudulent business practices." A violation of the UCL may be predicated on the violation of any law. Arguably, the UCL extends the statute of limitations on Plaintiffs' other claims, which qualify as unfair business practices, to four years. However, claims brought under the UCL are equitable actions for injunctive or restitutionary relief, and a court may take into consideration equitable defenses when fashioning equitable remedies.

As discussed above, Defendant challenged the likelihood of Plaintiffs' success in establishing that any of the provisions of the Labor Code, on which the UCL claim is predicated, were violated and that such violations were injurious. Throughout this litigation, Defendant also challenged Plaintiffs' standing and adequacy to assert class claims, and contended there were individualized issues that would pose challenges to certification. When assessing the likelihood of prevailing on this cause of action, Class Counsel considered all the above, as well as Defendant's factual contentions and legal arguments, the challenges of prevailing on the other causes of action, costs and expenses associated with further litigation and certification and the risks to recovery, and applied appropriate discounts for settlement purposes. The extra year on the statute of limitations was already included in the above estimations related to the predicate Labor Code claims. Therefore, an additional accounting of damages in this section is unnecessary. (Hillier Decl., ¶ 36.)

g. The PAGA Allocation Is Fair for All Allegedly Aggrieved Employees

A court reviewing a PAGA settlement must independently determine whether it is "fair, reasonable, and adequate in view of PAGA's purposes to remediate present labor law violations, deter future ones, and to maximize enforcement of state labor laws." (*Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, 76–77.) Where, as here, class claims and non-class PAGA claims are resolved in a single settlement, the Court must also satisfy itself that the allocation between them is

fair to the aggrieved employees, who cannot opt out of the PAGA release. (Id. at pp. 77–79.) The allocation described below satisfies that standard: it delivers a present monetary recovery to every aggrieved employee, it is proportionate to the statutory maximum as limited by Labor Code section 2699, subdivisions (f)(2), (g), (h) and (o), and it preserves the deterrent function of the statute by requiring payment of the LWDA's 65% share in full.

The $10,000 allocated to PAGA penalties is fair and adequate. The PAGA allocation represents approximately 3.33% of the Gross Settlement Amount, which is consistent with other court-approved wage and hour settlements. (See, e.g., *Pereltsvaig v. Stanford* (Santa Clara Cnty. Super. Ct., Jan. 4, 2019) Case No. 17-CV-311521 [approving $886,890 wage and hour class action settlement including a $17,000 carve-out for PAGA penalties, representing 2% of the settlement]; *McCoy v. Concorde Career Colleges, Inc.* (Orange Cnty. Super. Ct., July 2, 2019) Case No. 30-2017-00936359-CU-OE-CXC [approving a $2,500,000 wage and hour class action settlement including a PAGA payment in the amount of $50,000, representing 2% of the Gross Settlement Amount].)

Further, Defendant likely would have sought significant restrictions to whatever PAGA penalties the Court would assess. Defendant argued that violations of multiple provisions of the Labor Code do not give rise to cumulative penalties, but that instead, the initial violation penalty should only apply once per pay period, if at all, rather than cumulatively for each separate Labor Code provision that is, arguably, violated during a pay period.

Even if Plaintiffs' claims were successful, some courts have attributed little separate value to PAGA claims, allowing them to be resolved for as little as $0 where the other underlying Labor Code claims are being resolved. (See, e.g., *Nordstrom Commission Cases (2010) 186 Cal.App.4th 576, 588–590* [finding no abuse of discretion by the trial court in approving the allocation of $0 toward PAGA penalties where PAGA claim is resolved as part of an overall resolution of the underlying Labor Code violations]; *Franco v. Ruiz Food Prods., Inc. (E.D. Cal. Nov. 27, 2012)* No. 1:10-cv-02354-SKO, 2012 WL 5941801, at *14 [approving allocation of $10,000, out of the settlement of $2.5 million, toward the settlement of the PAGA claim]; *Garcia v. Gordon Trucking* (E.D. Cal. Oct. 31, 2012) No. 1:10-CV-0324-AWI-SKO, 2012 WL 5364575, at *3 [approving

allocation of $10,000, out of the settlement of $3.7 million, toward the settlement of the PAGA claim]; *Chu v. Wells Fargo Investments*, LLC (N.D. Cal. Feb. 16, 2011) No. C 05-4526 MHP, C 06-7924 MHP, 2011 WL 672645, at *1 [approving the allocation of $10,000, out of the settlement of $6.9 million, toward the settlement of the PAGA claim]; *Jack v. Hartford Ins. Co.* (S.D. Cal. Oct. 13, 2011) No. 3:09-cv-1683-MMA (JMA), 2011 WL 4899942, at *18 [approving the allocation of $3,000, out of a settlement of $1.2 million, toward the settlement of the PAGA claim]; *Schiller v. David's Bridal, Inc.* (E.D. Cal. June 11, 2012) 2012 WL 2117001, at *14 [approving the allocation of $10,000, out of the settlement of $518,245, toward settlement of the PAGA claim].)

Because Plaintiff Morales transmitted her PAGA notice on June 3, 2025, the penalty structure enacted by Assem. Bill No. 2288 (2023–2024 Reg. Sess.) and Sen. Bill No. 92 (2023–2024 Reg. Sess.) governs this action. The default civil penalty is one hundred dollars ($100) for each aggrieved employee per pay period. (Lab. Code, § 2699, subd. (f)(2)(A).) The enhanced two-hundred-dollar rate is available only where, within the five years preceding the alleged violation, the agency or a court issued a finding to the employer that the policy or practice giving rise to the violation was unlawful, or where the court determines that the employer's conduct was malicious, fraudulent, or oppressive. (Id., subd. (f)(2)(B).) That limitation codifies existing law. (See Amaral v. Cintas Corp. No. 2 (2008) 163 Cal.App.4th 1157, 1209 [heightened penalties for subsequent violations require that the employer first have been notified its conduct was unlawful].) Neither predicate is present here.

Defendant paid its office employees on a weekly basis throughout the PAGA Period. (Settlement Agreement, ¶ 3.2.5.1.) Any penalty recovered under PAGA is therefore reduced by one-half. (Lab. Code, § 2699, subd. (o).) The effective rate is fifty dollars ($50) per aggrieved employee per pay period, and the maximum PAGA exposure is $163,600.00 (3,272 PAGA Pay Periods through September 1, 2026, multiplied by $50.00). (Hargrave Decl., ¶ 4.) The $10,000.00 allocated to PAGA penalties represents approximately 6.1 percent of that maximum.

That figure is itself an outer bound. Penalties premised on the alleged wage statement violations are limited to twenty-five dollars ($25) per aggrieved employee per pay period, or twelve dollars and fifty cents ($12.50) after the subdivision (o) reduction, where the employee could

promptly and easily determine the required information from the wage statement alone. (Lab. Code, § 2699, subd. (f)(2)(A)(i).) Defendant's asserted written policies, payroll practices, and supervisor training would support a cap of fifteen percent of the penalties sought if the Court found that Defendant took all reasonable steps to comply before receiving the PAGA Notice, or thirty percent if it did so within sixty days after receiving it. (Id., subds. (g)(1), (h)(1).) And the Court retains discretion to award a lesser amount where the maximum would be unjust, arbitrary and oppressive, or confiscatory. (Id., subd. (e)(2).)

Plaintiffs discounted the $163,600.00 maximum by seventy percent (70%), resulting in a valuation of $49,080.00. That discount reflects the litigation risks specific to the PAGA claim: the risk that the Court would apply one of the percentage caps in Labor Code section 2699, subdivisions (g)(1) and (h)(1), which would reduce the recoverable penalty to between $24,540.00 and $49,080.00; the risk that certification of the underlying misclassification theory would fail, substantially narrowing the group of allegedly Aggrieved Employees; the Court's independent discretion under subdivision (e)(2) to award less than the maximum; and the delay and expense of trying the claim and defending any penalty award on appeal. (Hillier Decl., ¶ 37.)

* * *

The foregoing discussion confirms that the amount of the Settlement is adequate in light of the merits of this matter, Plaintiffs' allegations and causes of action, the evidence at issue with respect to those allegations and causes of action, and legal and factual arguments and circumstances that pose challenges to monetary recovery. Through this settlement, the Class will recover $300,000.00, which represents approximately 45.1 percent of the overall realistic valuation of the claims ($664,930.25). The Class recovers this sum without the risk and expense of further litigation.

6. The Experience and View of Class Counsel

Class Counsel are experienced class action attorneys who have a successful track record in handling wage and hour class actions. Class Counsel has been qualified as class counsel in numerous actions. (Hillier Decl., ¶¶ 4–5.) Class Counsel believes the Settlement is fair, reasonable, and adequate, and in the best interest of the Class. (Hillier Decl., ¶ 41.) The endorsement of the settlement by qualified and well-informed counsel "experienced in similar litigation" is entitled to

significant weight in the final approval process. (See *Dunk, supra, 48 Cal.App.4th at p. 1802*; see also *Wershba, supra, 91 Cal.App.4th at p. 245*.)

C. CLASS CERTIFICATION

The requirements for class certification are met, and the Parties have stipulated to conditional certification of the Class for settlement purposes only. California Code of Civil Procedure section 382 "authorizes class actions when the question is one of a common or general interest, of many persons, or when the parties are numerous, and it is impracticable to bring them all before the court." (*Sav-On Drug Stores, Inc. v. Superior Court* (2004) 34 Cal.4th 319, 326.) The California Supreme Court has identified three certification requirements: (1) "a sufficiently numerous, ascertainable class"; (2) "a well-defined community of interest"; and (3) "that certification will provide substantial benefits to litigants and the courts, i.e., that proceeding as a class is superior to other methods." (*Fireside Bank v. Superior Court* (2007) 40 Cal.4th 1069, 1089 [internal citations omitted].) Class certification for settlement purposes is proper here as the proposed settlement class satisfies each of the requirements under Code of Civil Procedure § 382. Accordingly, the Court should certify the putative settlement class.

1. Numerosity

The Class is sufficiently numerous as Defendant estimates from its records that there are 88 Class Members. (Hillier Decl., ¶¶ 16, 21; Hargrave Decl., ¶ 4; *Rose v. City of Hayward* (1981) 126 Cal.App.3d 926, 934 [class of 42 retirees "quantitatively sufficient for a class action"].)

2. Ascertainability

The Class Members are "ascertainable" from Defendant's records. (See *Noel v. Thrifty Payless, Inc.* (2019) 7 Cal.5th 955, 986 n. 15 [class is ascertainable where they may be readily identified without unreasonable expense or time by reference to official records].) Following Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, and has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. (Settlement Agreement, ¶ 7.4.1.)

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3. Community of Interest

The "community of interest" requirement has three factors: (1) common questions of law or fact that predominate; (2) class representatives with typical claims; and (3) class representatives who can adequately represent the class. (*Fireside Bank, supra, 40 Cal.4th at p. 1089*.)

a. Common Questions of Law and Fact Predominate

The ultimate question of predominance is whether "'the issues which may be jointly tried, when compared with those requiring separate adjudication, are so numerous or substantial that the maintenance of a class action would be advantageous to the judicial process and to the litigants.'" (*Brinker Rest. Corp. v. Super. Ct*. (2012) 53 Cal.4th 1004, 1021 [internal citations omitted].) Whether common questions predominate depends on whether plaintiff's theory of recovery is "'as an analytic matter, likely to prove amenable to class treatment.'" (*Ibid.* [internal citation omitted].) If liability can be determined by common facts, the need to individually prove damages does not prevent certification. (*Id.* at p. 1022.)

Common questions of law and fact predominate here. The predominant common question is whether Defendant lawfully classified the enumerated office positions as exempt. Defendant applied a single classification decision to every Class Member: each was paid a fixed salary, none had working hours recorded, and none received overtime, meal or rest period premiums, or reimbursement for business use of a personal cell phone. Whether that uniform classification satisfied the administrative or executive exemption is susceptible of common proof from Defendant's own job descriptions, handbook, and payroll records, and its resolution drives the outcome of every derivative claim — overtime, minimum wage, meal and rest premiums, wage statements, waiting time penalties, expense reimbursement, and the UCL count alike. Individualized damages calculations do not defeat certification where liability turns on common facts. (*Brinker*, supra, 53 Cal.4th at p. 1022.)

b. *Plaintiffs' Claims Are Typical*

Typicality asks whether the class representatives suffered a similar injury as the class. (*Seastrom v. Neways, Inc. (2007)* 149 Cal.App.4th 1496, 1502.) To satisfy this requirement, the class representatives do not need to have identical interests with the Class Members; they must only

be similarly situated. (*B.W.I. Custom Kitchen v. Owens-Illinois, Inc.* (1987) 191 Cal.App.3d 1341, 1347.) Typicality exists where the class representatives' claims arise from the same event or course of conduct that gives rise to the class claims. (Classen *v. Weller* (1983) 145 Cal.App.3d 27, 47; see also *Jordan v. Los Angeles County* (9th Cir. 1982) 669 F.2d 1311, 1321, vacated on other grounds (1982) 459 U.S. 810.)

Here, Plaintiff Morales was employed by Defendant in California in a position Defendant classified as exempt, but which Plaintiffs allege did not satisfy any exemption, from approximately August 2022 to September 2024. (Morales Decl., ¶ 2.) Plaintiff Torres-Cervantes was employed by Defendant in California in the same manner from approximately June 2023 to January 2025. (Torres-Cervantes Decl., ¶ 2.) Plaintiffs were subject to the same practices, suffered the same injury, and seek the same relief as the Class. (Hillier Decl., ¶ 40.) Further, Plaintiffs' claims arise from the same alleged events and course of conduct that give rise to the other putative Class Members' claims; namely, Defendant's uniform decision to classify the enumerated office positions as exempt and its resulting failure to record hours worked, pay overtime, provide compliant meal and rest periods or premiums, issue accurate wage statements, and reimburse necessary business expenses. Thus, Plaintiffs are typical in that they and the putative Class Members suffered the same alleged wage-and-hour violations.

c. Adequacy

Plaintiffs Morales and Torres-Cervantes can adequately represent the class. Their interests align with that of the putative Class Members, and they have demonstrated their ability to advocate for those interests. Plaintiff Morales initiated this litigation and Plaintiff Torres-Cervantes later joined it; both met with counsel to discuss the facts of the case, provided information and documents to counsel to conduct investigation into the claims alleged, and assisted with the mediation, in which Plaintiff Torres-Cervantes participated and for which Plaintiff Morales was available throughout. Plaintiffs will continue to protect the interests of the Class through final approval.

"Adequacy of representation depends on whether the plaintiff's attorney is qualified to conduct the proposed litigation and the plaintiff's interests are not antagonistic to the interests of the class." (*Caro v. Procter & Gamble Co.* (1993) 18 Cal.App.4th 644, 669 n.21 [internal citation

omitted].) Class Counsel is well-experienced in class action litigation, including claims of wage-and-hour violations of the Labor Code. (Hillier Decl., ¶¶ 3–5.)

Plaintiffs also adequately represent those Class Members who executed individual releases in connection with the November 13, 2025 reclassification. Those individuals remain Class Members, remain allegedly Aggrieved Employees entitled to Individual PAGA Payments, and receive Individual Class Payments calculated under the same uniform pro rata formula applied to every other Participating Class Member. No Class Member is subject to a different allocation methodology, and the differences in individual recoveries reflect only differences in Workweeks worked. Plaintiffs and their counsel are unaware of any conflict between the interests of Class Members who executed releases and those who did not. (Hillier Decl., ¶ 20.)

Class Counsel evaluated the form of release, the consideration paid, and the circumstances of its execution before concluding that a challenge would not serve the Class. Contesting the releases would have delayed resolution for every Class Member and placed the entire Settlement at risk, with no assurance of a better result for the affected individuals, each of whom already received separate consideration and each of whom remains entitled to an Individual PAGA Payment that no private release could reach. (Hillier Decl., ¶ 20.)

4. Superiority

Class treatment is superior to the alternatives. The Class consists of 88 employees whose individual claims average roughly $7,556 ($664,930.25 ÷ 88) — too small to justify individual litigation, and small enough that most Class Members would recover nothing absent aggregation. The claims arise from a single classification decision and will be resolved on common evidence drawn from Defendant's own records, so class treatment conserves both party and judicial resources. Because the Class is being certified for settlement purposes only, the manageability concerns that attend a litigation class do not arise. (*Amchem Products, Inc. v. Windsor* (1997) 521 U.S. 591, 620.)

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D. ADDITIONAL SETTLEMENT TERMS

1. Settlement Administration

The Parties selected Apex Class Action LLC, which the Settlement Agreement identifies as Apex Class Action Administration LLC ("Administrator"), to administer the Settlement. (Settlement Agreement, ¶ 7.1.) The Administrator has substantial experience administering wage-and-hour class action settlements and has agreed to serve as a fiduciary in performing all duties specified in the Agreement. (Settlement Agreement, ¶ 7.1; Administrator Decl., ¶¶ 2, 4.) The Administrator maintains operative procedures for protecting the security of Class Data. (Administrator Decl., ¶ 5.) The Parties and their counsel have no financial or other interest or relationship with the Administrator other than a professional relationship arising from prior settlement administrations. The Administrator's estimated cost, not to exceed $3,990.00, is reasonable in light of the size of the Class (88 members) and the scope of administration services required. (Administrator Decl., ¶ 7, Ex. B; Hillier Decl., ¶ 42.) The proposed Class Notice, attached as Exhibit 1 to the [Proposed] Order, is the form attached to the Agreement as Exhibit A, revised to state the Class and PAGA Period end dates and updated figures, disclose the division of attorneys' fees, identify both firms as Class Counsel, omit the opt-out and objection forms as the Parties agreed, and explain how Workweeks covered by individual releases are treated; none of the revisions changes any Class Member's rights under the Agreement. (Hillier Decl., ¶ 27.) The Settlement Agreement was drafted on the Court's Model Class Action and PAGA Settlement Agreement; a redline showing every change to the model, run against the current edition (LASC CIV 296, Rev. 04/26), is attached to the Hillier Declaration. (Hillier Decl., ¶ 25, Ex. 2.)

2. Scope of Release

The Class Release (Settlement Agreement, ¶ 5.2) is limited to claims that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Operative Complaint that occurred during the Class Period, including claims for unpaid minimum wages, unpaid overtime, meal and rest period violations, wage-statement and recordkeeping violations, untimely payment of wages during employment and upon termination, unreimbursed business expenses, and related unlawful business practices claims. (Id.) The Class Release does not extend to claims for

vested benefits, wrongful termination, claims under the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period. (Id.) The PAGA Release (id., ¶ 5.3) is separately defined and limited to PAGA civil penalties based on the facts alleged in the Operative Complaint and the PAGA Notice that occurred during the PAGA Period. (Id.) Only the named Plaintiffs, in exchange for their Class Representative Service Payments, execute a waiver of rights under Civil Code section 1542; the Class Release does not include a section 1542 waiver as to absent Class Members. (Id., ¶¶ 3.2.1, 5.1.1.)

3. PAGA Notice and Allocation

Plaintiff Morales provided written notice of the alleged Labor Code violations to the LWDA and Defendant on June 3, 2025, pursuant to Labor Code section 2699.3, subdivision (a), and supplemented that notice with an Amended PAGA Notification on May 8, 2026 to add violations of Labor Code section 2802 and clarify the applicable Industrial Welfare Commission Wage Order. (Settlement Agreement, ¶ 1.33; Hillier Decl., ¶¶ 8, 12, Exs. 3–5 [LWDA notices and LWDA case record].) The PAGA Period runs from June 3, 2024 through September 1, 2026. (Settlement Agreement, ¶¶ 1.31, 4.1.1; Hargrave Decl., ¶ 4.) Class Counsel submitted the executed Settlement Agreement to the LWDA on August 27, 2026, and submitted this Motion and its supporting papers to the LWDA on November 18, 2026, before filing it; the LWDA's confirmations of both submissions are attached to the Hillier Declaration as Exhibit 9. (Lab. Code, § 2699, subd. (s)(2); Settlement Agreement, ¶ 6.3.) Allegedly Aggrieved Employees remain bound by the PAGA Release even if they submit a valid Request for Exclusion from the class portion of the Settlement. (Id., ¶ 5.3.)

Plaintiff Morales is an aggrieved employee within the meaning of Labor Code section 2699, subdivision (c)(1). She worked for Defendant as a Project Coordinator from August 2022 through September 2024 and personally suffered each of the violations alleged, including Defendant's failure to reimburse her for the work use of her personal cell phone, within the one-year period preceding her June 3, 2025 PAGA Notice. (Morales Decl., ¶ 2.) The May 8, 2026 Amended PAGA Notification was submitted in the same LWDA matter (LWDA-CM-1102760-25), expressly

supplements the original notice, and rests on the same employment facts; unreimbursed business expenses have been alleged since the original Complaint was filed on June 5, 2025. The LWDA took no action within 65 days of the Amended Notification, a period that expired July 12, 2026, before Plaintiffs filed the Second Amended Complaint on August 28, 2026. (Hillier Decl., ¶¶ 8–14, Exs. 3–8.) The PAGA Release is therefore limited to the violations described in the PAGA Notice as defined in Paragraph 1.33, and is no broader than the claims Plaintiff Morales exhausted and has standing to pursue. (Settlement Agreement, ¶¶ 1.33, 5.3; *Uribe v. Crown Building Maintenance Co.* (2021) 70 Cal.App.5th 986, 1005.) The Settlement assigns no separate PAGA value to section 2802, and PAGA penalties are allocated uniformly per pay period. (Settlement Agreement, ¶ 3.2.5.1.)

4. Escalator Clause

Paragraph 4.1.1 of the Settlement Agreement provides that if PAGA Pay Periods exceed 3,302 (ten percent above the estimate of 3,002 at mediation), the Gross Settlement Amount increases proportionately for each additional PAGA Pay Period, unless Defendant elects, before the Class Notice is mailed, to end the Class Period and PAGA Period on the date PAGA Pay Periods reach 3,302. (Settlement Agreement, ¶ 4.1.1.) As of September 1, 2026, Defendant's records reflect 3,272 PAGA Pay Periods worked by 64 allegedly Aggrieved Employees and 2,692 Workweeks worked by 88 Class Members. (Hargrave Decl., ¶ 4.) Defendant has elected to end both the Class Period and the PAGA Period on September 1, 2026, the last date before PAGA Pay Periods reached 3,302. (Ibid.) Plaintiffs accept that end date: it narrows the period covered by the Class Release and the PAGA Release without reducing the Gross Settlement Amount, and it fixes both periods before this Motion is filed. Because PAGA Pay Periods do not exceed 3,302 within the PAGA Period as so defined, the escalator has not been triggered, and the Gross Settlement Amount remains $300,000.00. The Class Notice and every figure in this Motion reflect those end dates, and Plaintiffs ask the Court to approve the Class Period (June 5, 2021 through September 1, 2026) and the PAGA Period (June 3, 2024 through September 1, 2026) as so defined. The Hargrave Declaration refers to Defendant by its d/b/a, "Apex"; Defendant has no affiliation with the Administrator, Apex Class Action LLC. (Hargrave Decl., ¶¶ 1–2.)

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5. Tax Allocation

Ten percent (10%) of each Individual Class Payment is allocated to wages (reported on IRS Form W-2, subject to standard withholding); the remaining ninety percent (90%) is allocated to penalties and interest (reported on IRS Form 1099). (Settlement Agreement, ¶ 3.2.4.1.) Individual PAGA Payments are reported entirely on IRS Form 1099 as penalties and interest. (Id., ¶ 3.2.5.1.) Defendant will separately pay its share of payroll taxes owed on the wage portion of the Individual Class Payments; this amount is in addition to, and not deducted from, the Gross Settlement Amount. (Id., ¶ 3.1.)

6. Uncashed Checks and Non-Reversion

Settlement checks will remain valid and negotiable for 180 days from the date of mailing. (Settlement Agreement, ¶ 4.3.1.) Any check that remains uncashed after the void date will be cancelled, and the Administrator will transmit the corresponding funds to the California State Controller's Office Unclaimed Property Fund in the name of the individual Class Member or Allegedly Aggrieved Employee, ensuring no unpaid residue and satisfying Code of Civil Procedure section 384, subdivision (b). (Id., ¶ 4.3.3.) No portion of the Gross Settlement Amount will revert to Defendant. (Id., ¶ 3.1.)

7. Class Counsel Attorneys' Fees

The Settlement provides for Class Counsel to apply to the Court for attorneys' fees in an amount not to exceed 33.33% of the Gross Settlement Amount ($100,000.00) and litigation costs and expenses in an amount not to exceed $16,000.00. (Settlement Agreement, ¶ 3.2.2.) Class Counsel will support the request at final approval with a lodestar cross-check. (Hillier Decl., ¶ 43.) The proposed Class Notice provides the Class Members with information about the amount allocated to attorneys' fees and costs and that attorneys' fees and costs will be sought, as provided for by the Settlement.

8. Confidentiality

Paragraph 11.2 of the Settlement Agreement bars the Parties from issuing press releases or otherwise publicizing the Settlement, and bars Class Counsel from reporting it in the media or on counsel's websites. (Settlement Agreement, ¶ 11.2.) The provision does not restrict any

communication the Class needs. It expressly permits disclosure to the Court and the LWDA to obtain approval, and permits the Administrator, Class Counsel, and Plaintiffs to take all steps reasonably necessary to perform their duties. (Id., ¶ 11.2(a)–(b).) Paragraph 11.3 separately preserves Class Counsel's communications with Class Members in accordance with counsel's ethical obligations (id., ¶ 11.3), and nothing in Paragraph 11.2 limits any Class Member's ability to contact Class Counsel, the Administrator, or the Court, to request exclusion, to object, or to appear at the Final Approval Hearing. Nor does the provision keep the Settlement's terms from the Class or the public: the Class Notice describes them, and the Administrator will post the Settlement Agreement, this Motion, the Court's orders, and the Judgment on the settlement website. (Id., ¶ 7.8.1.) The provision was a negotiated term of the resolution (Hillier Decl., ¶ 26), and its only practical effect is to forgo publicity about the Settlement, which confers no benefit on Class Members and is unnecessary to Class Counsel's discharge of their fiduciary duties. Should the Court conclude that any portion of Paragraph 11.2 is inconsistent with those duties, the Parties will conform it as the Court directs. (Settlement Agreement, ¶ 6.4.)

E. DISCLOSURE OF THE FEE-SHARING AGREEMENT AND THE ROLE OF EACH FIRM

California Rules of Court, rule 3.769(b) requires that "[a]ny agreement, express or implied, that has been entered into with respect to the payment of attorney's fees or the submission of an application for the approval of attorney's fees must be set forth in full in any application for approval of the dismissal or settlement of an action that has been certified as a class action." Plaintiffs set forth that agreement below, together with a description of each firm's background and the work each performed, so that the Court has a complete record of the division of any fee it awards.

1. The Terms of the Agreement and Plaintiffs' Written Consent

Harlan Hillier DiGiacco LLP ("HHD") and Lawyers for Employee and Consumer Rights APC ("LFECR") have agreed that any attorneys' fees the Court awards will be divided seventy-five percent (75%) to HHD and twenty-five percent (25%) to LFECR. (Hillier Decl., ¶ 45; Mahon Decl., ¶ 13.) Paragraph 1.6 of the Settlement Agreement identifies the HHD attorneys as Class Counsel, and Paragraph 3.2.2 records HHD's fee-division agreement with LFECR; Plaintiffs ask the Court

to appoint both firms so that the Court's order governs the entire fee and its division. (Paragraph 3.2.2 refers to LFECR as "Lawyers for Employment and Consumer Rights APC"; the firm's name is Lawyers for Employee and Consumer Rights APC.) The agreement allocates only the fee the Court approves. It does not increase the fee sought, does not create any obligation of the Class or of Defendant beyond the Gross Settlement Amount, and does not reduce the Net Settlement Amount available to Participating Class Members by any amount. Whatever the Court awards is divided between the two firms in that ratio; whatever the Court declines to award is retained in the Net Settlement Amount.

Both Plaintiffs received written disclosure of the division and the firms participating in it, and each provided written consent, as required by Rules of Professional Conduct, rule 1.5.1. (Morales Decl., ¶ 18; Torres-Cervantes Decl., ¶ 16; Hillier Decl., ¶ 45.) That consent is a condition of enforceability, not a formality. (*Chambers v. Kay* (2002) 29 Cal.4th 142, 156–159; *Mark v. Spencer* (2008) 166 Cal.App.4th 219, 226–228.) The division is also fully disclosed to the Class in the Class Notice, at Section 3, Paragraph 2.A.

2. Harlan Hillier DiGiacco LLP as Lead Class Counsel

HHD serves as Lead Class Counsel and has borne primary responsibility for the prosecution and resolution of this Action. HHD's practice consists principally of representing employees in individual, representative, and class actions under the Labor Code, and courts have approved HHD as class counsel or co-class counsel in the matters listed in the Hillier Declaration. (Hillier Decl., ¶¶ 3–5.) In this Action, HHD prepared and submitted the PAGA notices; drafted and filed the Complaint and the First and Second Amended Complaints; prepared the informal discovery requests and analyzed the data and records Defendant produced; constructed the claim-by-claim damages and penalty models set forth above; prepared for and attended the March 19, 2026 mediation; negotiated the Memorandum of Understanding and the Settlement Agreement; solicited and evaluated competing settlement administrator bids; and prepared this Motion and the supporting papers. (Hillier Decl., ¶ 46.)

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3. Lawyers for Employee and Consumer Rights APC

LFECR is a law firm dedicated to protecting the rights of employees in the workplace, and handles exclusively employee-side employment matters involving violations of the California Labor Code and the Industrial Welfare Commission Wage Orders, including wage-and-hour class actions and actions under PAGA. (Mahon Decl., ¶¶ 2–3.) LFECR is presently involved in litigation in more than fifty PAGA and class actions, and has been granted class certification in both state and federal courts. (Id., ¶¶ 4–5.)

LFECR performed the foundational work that led to this Action. Specifically, LFECR communicated with, interviewed, and vetted Plaintiff Morales regarding the factual basis of her claims; gathered the relevant factual information; evaluated the nature of the alleged wage-and-hour violations; performed the initial legal and factual analysis concerning the viability of the claims; and conducted preliminary research regarding Defendant, including research concerning Defendant's business operations, its size, and the potential scope of the claims. (Mahon Decl., ¶¶ 6–9.) LFECR also conducted a diligent search and inquiry to determine whether any related actions were pending against Defendant, reviewing publicly available court records and other sources customarily consulted in investigating employment matters, and identified no related pending actions other than those disclosed to the Court. (Id., ¶¶ 10–11.)

4. The Allocation Reflects the Work Performed and Does Not Affect the Class

The 75/25 division corresponds to the work each firm actually performed: HHD carried the litigation, the mediation, the settlement negotiation, and the approval process, while LFECR developed and vetted the claims that made the Action possible. The firms did not duplicate one another's efforts; LFECR's work preceded and enabled HHD's. (Hillier Decl., ¶ 46; Mahon Decl., ¶¶ 6–12.)

F. MISCELLANEOUS

1. English-Only Notice

The Settlement Agreement and Class Notice are drafted in English, and the Agreement does not provide for translation. Notice in English is sufficient to reach every Class Member: employees in each of the enumerated positions read and write in English, and Defendant conducted hiring,

training, and personnel communications for those positions in English. (Hargrave Decl., ¶ 5.) The Administrator will also maintain a bilingual toll-free line for Class Member inquiries. (Administrator Decl., Ex. B.)

2. The Class Representative Service Award Is Reasonable

The Class Representatives should be recognized for their role in bringing this case and creating the settlement fund for Class Members. (*Clark, supra, 175 Cal.App.4th at p. 804*; Cellphone Termination Fee Cases (2010) 186 Cal.App.4th 1380, 1393–1395.) Criteria courts consider in determining whether to make an incentive award include: (1) the risk to the class representative in commencing suit, both financial and otherwise; (2) the notoriety and personal difficulties encountered by the class representative; (3) the amount of time and effort spent by the class representative; (4) the duration of the litigation; and (5) the personal benefit (or lack thereof) enjoyed by the class representative as a result of the litigation. (See *Van Vranken v. Atlantic Richfield Co.* (N.D. Cal. 1995) 901 F.Supp. 294, 299 [approving $50,000 participation award to a single class representative].) Here, Plaintiffs request that a $5,000 Service Award be provided to both Plaintiff Morales and Plaintiff Torres-Cervantes.

a. *The Risks, Notoriety, Personal Difficulties Plaintiffs Assumed by Bringing this Action Weigh in Favor of the Requested Service Award*

Incentive awards are intended to compensate plaintiffs for risks taken, such as "retaliation…, discrimination, trouble finding employment, and significant financial risk." (See *Rodriguez v. West Pub. Corp.* (C.D. Cal., Sept. 10, 2007) 2007 WL 2827379, affd. in part, revd. in part sub nom. *Rodriguez v. West Publ. Corp.* (9th Cir. 2009) 563 F.3d 948.)

First, Plaintiffs assumed the financial risk of being liable for litigation costs if the action was not successful. (Hillier Decl., ¶ 47.) While this may seem relatively insignificant, the litigation costs present a significant financial risk to individual employees like Plaintiffs. In addition, Plaintiffs bore the risk of being blacklisted by other employers as "troublemakers" or facing retaliation for filing this lawsuit. (Morales Decl., ¶ 16; Torres-Cervantes Decl., ¶ 14; see also Asare *v. Change Group N.Y., Inc.* (S.D.N.Y. Nov. 18, 2013) 2013 U.S. Dist. LEXIS 165935, at *39–40 [noting that class representatives "faced the risk that new employers would learn that they were class representatives

in a lawsuit against their former employer and take adverse action against them. Moreover, each time they change jobs, they will risk retaliation"]; *Staton v. Boeing Co.* (9th Cir. 2003) 327 F.3d 938, 977 ["reasonabl[e] fear [of] workplace retaliation" is a factor in assessing the proper amount of the class representative service award].) Despite these significant financial risks and risks to future employment opportunities, Plaintiffs chose to take the action that has now resulted in a significant recovery for the class of workers affected by Defendant's alleged violations.

b. *The Time and Effort Spent by Plaintiffs Weigh in Favor of the Requested Service Award*

The Court should approve the requested service awards because Plaintiffs played a critical role in this case, devoting a considerable amount of time and effort in helping to secure a favorable Settlement on behalf of the Class. (Morales Decl., ¶¶ 8–14; Torres-Cervantes Decl., ¶¶ 5–12.) For example, at the outset of the case, Plaintiff Morales provided the factual background for the class and representative claims and was regularly in contact with counsel. (Morales Decl., ¶¶ 3–7, 9.) Plaintiffs helped counsel identify documents and other evidence supporting the class claims. (Morales Decl., ¶¶ 5, 8–9; Torres-Cervantes Decl., ¶ 5.) Throughout the action, Plaintiffs were in regular contact with counsel and staff to stay abreast of developments and assist with investigation and litigation, and always made themselves available to answer questions or provide assistance. (*Ibid*.) Plaintiffs also helped Class Counsel prepare for the mediation; Plaintiff Torres-Cervantes participated in the mediation, and Plaintiff Morales was available throughout it to assist counsel. (Morales Decl., ¶ 10; Torres-Cervantes Decl., ¶ 6.) Plaintiff Morales estimates that she has spent approximately 40 hours on this Action and Plaintiff Torres-Cervantes approximately 15 hours. (Morales Decl., ¶ 13; Torres-Cervantes Decl., ¶ 11.) The considerable time and energy Plaintiffs spent in securing a successful result weighs in favor of the requested service award.

c. *The Broad Release of Wage and Hour Claims Executed by the Class Representatives Weighs in Favor of the Requested Award*

The service awards are also supported by the fact that Plaintiffs executed a broad and comprehensive release of all known and unknown wage and hour claims against Defendant. (Settlement Agreement, ¶¶ 3.2.1, 5.1.1.) This release, far broader than the release required of Class

Members, merits additional consideration in the form of the requested service award. (See *Davis v. Genex Holdings Inc*. (Santa Clara Super. Ct., July 17, 2014) 2014 WL 7896163, at *2 [service award "reasonable in light of the risks and burdens undertaken by the Plaintiff in this Lawsuit and as consideration for her execution of a general release."].) The full release that Plaintiffs executed also weighs in favor of the requested $5,000 service awards.

d. The Requested Service Award Is Warranted as It Falls Within the Reasonable Range of Service Awards

In addition to the underlying factors noted above that support the requested service awards, the total award represents approximately 3.33% of the total settlement, which is within a reasonable range of service awards. (See, e.g., *Carl v. Modern Custom Fabrication, Inc.* (Fresno Super. Ct., Apr. 25, 2016) 2016 WL 4611477, at *3 [approving $10,000 service award that was 11.7% of the total $85,000 class action settlement]; *Corwin v. HMS Capital, Inc.* (Ventura Super. Ct., June 5, 2012) 2012 WL 8009344 [approving $5,000 service award that was 1.6% of the total $300,000 class action settlement]; *Bignardi v. Flextronics Am. LLC* (Alameda Super. Ct., Oct. 7, 2010) 2010 WL 5068683 [approving $15,000 service award that was 1.1% of the total $1,330,808 wage and hour class action settlement]; *Nwabueze v. AT&T Inc.* (N.D. Cal. Nov. 27, 2013) 2013 U.S. Dist. LEXIS 169270, at *39 [awarding service award which was approximately 5% of the total settlement amount]; *Reyes et al. v. The Whole Cart, LLC et al.* (San Francisco Super. Ct., Sep. 16, 2022) 2022 WL 16510815 [awarding service award which was approximately 1.6% of the total settlement amount].) As such, Plaintiffs' requested service awards of $5,000.00 each are fair and reasonable and should be approved.

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G. CONCLUSION

Plaintiffs respectfully request that the Court grant preliminary approval of the Settlement and all other relief requested by this motion.

Dated: November 18, 2026

HARLAN HILLIER DIGIACCO LLP

BY: _____
Andrew E. Hillier
Attorney for Plaintiffs LESLIE MORALES and BRIANNA TORRES-CERVANTES,
and on behalf of all employees similarly situated