

1 GRAHAMHOLLIS APC
Vilmarie Cordero (SBN 268860)
2 vcordero@grahamhollis.com
Allison E. Schubert (SBN 339991)
3 aschubert@grahamhollis.com
3555 Fifth Avenue Suite 200
4 San Diego, California, 92103
5 Telephone: 619.692.0800
Facsimile: 619.692.0822
6

7 Attorneys for Plaintiff Javier Muzquiz

8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

9 **COUNTY OF LOS ANGELES**

10 JAVIER MUZQUIZ, as an individual on behalf
of himself and all other similarly situated
11 employees and/or aggrieved employees of
Briles,

12
13 Plaintiff,

14 v.

15 Briles Aerospace, LLC, a California limited
liability company, and DOES 1 THROUGH 50,
16 inclusive,

17 Defendant.
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Case No.: 23STCV15241

[Assigned for All Purposes to Hon. Stuart M. Rice,
Dept. 1]

PAGA REPRESENTATIVE ACTION

**MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
PLAINTIFF'S UNOPPOSED MOTION FOR
APPROVAL OF PAGA SETTLEMENT AND
REQUEST FOR AWARD OF ATTORNEYS'
FEES, COSTS, ENHANCEMENT AWARD,
AND SETTLEMENT ADMINISTRATION
EXPENSES**

Date: June 5, 2025
Time: 10:30 a.m.
Dept: 1
Judge: Hon. Stuart M. Rice

*[Notice of Motion; the Declarations of Vilmarie
Cordero and Javier Muzquiz; and [Proposed]
Order are filed concurrently herewith]*

TABLE OF CONTENTS

I.	INTRODUCTION	5
II.	PROCEDURAL AND FACTUAL BACKGROUND.....	6
A.	Plaintiff’s Allegations	6
B.	Defendant’s Position	7
C.	Case History and Discovery.....	7
III.	SUMMARY OF SETTLEMENT	8
A.	Monetary Terms.....	8
B.	Distribution Procedure	9
C.	PAGA Released Claims	9
IV.	THE PAGA SETTLEMENT SHOULD BE APPROVED.....	10
A.	The Settlement is the Result of Non-Collusive, Arm’s-Length, and Informed Negotiations	11
1.	The Settlement is the Product of Arm’s-Length Negotiations.....	11
2.	The Settlement is the Product of Informed Investigation and Discovery	12
3.	Plaintiff’s Counsel is Highly Experienced in Similar Litigation	12
B.	The Settlement is Fair, Reasonable, and Adequate in Light of the Significant Risks and Expense of Further Litigation	13
C.	The Court’s Ability to Reduce the Maximum Potential Civil Penalties Justifies Approval of the Settlement.	14
D.	The Distribution of the Settlement Is Reasonable	14
E.	Plaintiff Submitted the Settlement Agreement to the LWDA	15
V.	THE REQUESTED ENHANCEMENT AWARD TO PLAINTIFF IS JUSTIFIED.....	15
VI.	THE REQUESTED ATTORNEYS’ FEES AND COSTS ARE FAIR AND REASONABLE	17
A.	Plaintiff’s Counsel’s Fees are Supported Under the Common Fund Theory	17
B.	Plaintiff’s Attorneys’ Fees are Also Recoverable Under The Lodestar Approach.....	18
C.	Plaintiff’s Litigation Costs Were Reasonable and Necessarily Incurred.....	19
VII.	CONCLUSION.....	19

TABLE OF AUTHORITIES

Page(s)

Cases

<i>Bank of America v. Cory</i> , 164 Cal. App. 3d 66 (1985)	17
<i>Bussey v. Affleck</i> , 225 Cal. App. 3d 1162 (1990)	19
<i>Clark v. American Residential Services LLC</i> , 175 Cal. App. 4th 785 (2009)	10, 16
<i>Dunk v. Ford Motor Co.</i> , 48 Cal. App. 4th 1794 (1996)	11, 12
<i>Harris v. Marhoefer</i> , 24 F.3d 16 (9th Cir. 1994)	19
<i>Iskanian v. CLS Transp. Los Angeles, LLC</i> , 59 Cal. 4th 348 (2014)	17
<i>Kim v. Reins Int’l Cal., Inc.</i> , 9 Cal. 5th 73 (2020)	5
<i>Kullar v. Foot Locker Retail, Inc.</i> , 168 Cal. App. 4th 116 (2008)	10, 11, 13
<i>Laffitte v. Robert Half Int’l, Inc.</i> , 1 Cal. 5th 480 (2016)	17
<i>Lealao v. Beneficial Cal., Inc.</i> , 82 Cal. App. 4th 19 (2000)	18
<i>In re Media Vision Tech. Sec. Litig.</i> , 913 F. Supp. 1362 (N.D. Cal. 1996)	19
<i>Moniz v. Adecco USA, Inc.</i> , 72 Cal. App. 5th 56 (2021)	10
<i>Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles</i> , 186 Cal. App. 4th 399 (2010)	11
<i>O’Connor v. Uber Techs, Inc.</i> , 201 F. Supp. 3d 1110 (2016)	10
<i>In re Omnivision Technologies, Inc.</i> , 559 F. Supp. 2d 1036 (N.D. Cal. 2008)	19

1	<i>Serrano v. Priest</i> ,	
2	20 Cal. 3d 25 (1977)	17
3	<i>State v. Levi Strauss & Co.</i> ,	
4	41 Cal. 3d 460 (1986)	11
5	<i>Van Vranken v. Atlantic Richfield Co.</i> ,	
6	901 F. Supp. 294 (N.D. Cal. 1995)	15
7	<i>Wershba v. Apple Computer, Inc.</i> ,	
8	91 Cal. App. 4th 224 (2001)	13
9	Statutes	
10	California Labor Code’s Private Attorneys General Act of 2004 (“PAGA”)	<i>passim</i>
11	California Labor Code section 2699(e)(2)	14
12	California Labor Code section 2699(k)(1)	17
13	California Labor Code section 2699(s)(2)	10, 15
14	California’s Unfair Competition Law (Business and Professions Code §§ 17200 et seq.)	7
15	Other Authorities	
16	William B. Rubenstein, et al., <i>Newberg on Class Actions</i> § 13:45 (5th ed. 2011-2017)	11
17	William B. Rubenstein, et al., <i>Newberg on Class Actions</i> § 13:53 (5th ed. 2011-2017)	12

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiff Javier Muzquiz (“Plaintiff”) seeks approval of the parties’ PAGA Settlement Agreement and Release of PAGA Claims (“Settlement” or “Settlement Agreement”),¹ which provides for Defendant Briles Aerospace, LLC (“Defendant”) to fund a non-reversionary Gross Settlement Amount of \$252,000 on behalf of 69 current and former non-exempt employees of Defendant in the State of California. The Court should approve the Settlement because it is fundamentally fair and reasonable. The Settlement resolves disputed representative wage and hour claims under the California Labor Code’s Private Attorneys General Act of 2004 (“PAGA”).² At all times, the negotiations leading to the Settlement were hard-fought and conducted at arm’s-length between attorneys who are highly experienced in wage and hour litigation, overseen by an experienced mediator.

Under the terms of the Settlement, the Gross Settlement Amount of \$252,000 will be distributed as follows:

- Settlement administration fees in an amount not to exceed \$3,990 to Apex Class Action, LLC;
- Enhancement Award to Plaintiff in the amount of \$5,000;
- Attorneys’ fees to GrahamHollis APC in the amount of \$84,000.00 (one-third of the Gross Settlement Amount);
- Litigation costs to GrahamHollis APC in the amount of \$15,577.96;
- The remainder, the Net Settlement Amount (estimated to be \$143,432.04), will be distributed in accordance with the PAGA statute, with 75 percent (estimated to be

¹ To the extent the terms used in this Motion are defined in the PAGA Settlement Agreement, the defined terms contained herein shall have the same meaning as set forth in the Agreement.

² In addition to the Gross PAGA Settlement Amount, Defendant has agreed to separately settle Plaintiff’s individual, non-PAGA wage and hour claims pursuant to a separate confidential Individual Settlement Agreement (“Individual Settlement”). Settlement Agreement, ¶ 2.7. The individual claims were not at issue in this PAGA action and exist independent and apart from the PAGA claims at issue before the Court. *See Kim v. Reins Int’l Cal., Inc.*, 9 Cal. 5th 73, 80 (2020) (the “[s]ettlement of individual claims does not strip an aggrieved employee of standing, as the state’s authorized representative, to pursue PAGA remedies” nor resolve the PAGA claims).

\$107,574.03) to be paid to the California Labor and Workforce Development Agency (“LWDA”) and 25 percent (estimated to be \$35,858.01) to be paid to the members of the Aggrieved Employees on a pro-rata basis based on the number of pay periods each individual worked during the relevant time period.

As fully set forth below, the Settlement is fair and reasonable and was reached after two years of litigation, and ultimately a full-day mediation with Hon. Carl J. West (Ret.), a highly experienced and well-respected mediator and former Judge of the Los Angeles Superior Court. The terms of the Settlement are fair and reasonable based on the disputed merit of the PAGA claims, the range of possible outcomes in the litigation, the risk, expense, and complexity of further litigation, and the experience and views of counsel. Accordingly, Plaintiff respectfully requests that the Court grant approval of the Settlement.

II. PROCEDURAL AND FACTUAL BACKGROUND

A. Plaintiff’s Allegations

This Settlement involves the claims of approximately 69 current and former non-exempt employees who worked for Defendant Briles Aerospace, LLC in the State of California at any time from April 25, 2022 to May 2, 2025 (“Aggrieved Employees”). Declaration of Vilmarie Cordero (“Cordero Decl.”), ¶ 22, Settlement Agreement, ¶ 3.1.2.

Plaintiff was employed by Defendant as grind operator from May 11, 2020 to June 1, 2023. Cordero Decl., ¶ 7. He was classified as a non-exempt employee and was paid an hourly wage on a bi-weekly basis. *Id.* On December 7, 2022, Plaintiff notified the California Labor and Workforce Development Agency (“LWDA”) and Defendant of his intent to assert the rights granted to him under PAGA. *Id.*, ¶ 8. On May 11, 2023, Plaintiff filed an amended LWDA notice. *Id.*, ¶ 9. On June 29, 2023, Plaintiff filed a class and representative action against Defendant in this Court. *Id.*, ¶ 10.

The complaint alleges that that Defendant violated the Labor Code by: (1) failing to pay all minimum, regular, and/or overtime wages; (2) failing to provide legally compliant meal periods and/or timely pay meal premiums; (3) failing to provide legally compliant rest periods and/or timely pay rest premiums; (4) failing to reimburse for necessary business expenditures; (5) failing to maintain accurate records; (6) failing to furnish accurate, itemized wage statements; (7) failing to timely pay all wages due and owing upon separation of employment and/or the required waiting time penalties; (8) violating

1 California's Unfair Competition Law (Business and Professions Code §§ 17200 et seq.); and (9) civil
2 penalties under the Private Attorneys General Act of 2004. Cordero Decl., ¶ 11.

3 **B. Defendant's Position**

4 Defendant vehemently denies any liability and wrongdoing of any kind associated with the claims
5 alleged in this action. Cordero Decl., ¶ 12; Settlement Agreement, ¶ 2.4. Among other things, Defendant
6 contends that it paid all minimum, regular, and overtime wages owed; provided non-exempt employees
7 with legally compliant meal and rest periods; paid all wages in a timely manner, including at the time of
8 separation of employment; consistently provided accurate itemized wage statements; consistently
9 maintained accurate records; reimbursed all necessary business expenses; and fully complied with the
10 PAGA. Cordero Decl., ¶ 12. Defendant maintains that it did not engage in any Labor Code violations and
11 that Plaintiff will not be able to demonstrate liability under PAGA. *Id.*

12 **C. Case History and Discovery**

13 On November 15, 2023, Defendant filed a motion to compel arbitration of Plaintiff's individual
14 claims, to dismiss his class claims, and to stay the PAGA claims pursuant to an arbitration agreement
15 Plaintiff signed in connection with his employment. Cordero Decl., ¶ 13. Plaintiff filed his opposition to
16 Defendant's motion on December 1, 2023. *Id.* On January 3, 2024, the Court granted Defendant's motion
17 by compelling Plaintiff to arbitrate his individual claims, dismissing Plaintiff's class claims, and staying
18 the representative portion of this action pending resolution of the individual arbitration. *Id.* Shortly
19 thereafter, on January 24, 2024, Plaintiff filed his demand for arbitration with JAMS. *Id.*

20 On March 1, 2024, Plaintiff filed a petition for writ of mandate in the Court of Appeal, Second
21 Appellate District, seeking to overturn the Court's order granting Defendant's motion to compel
22 arbitration and stay the PAGA action. Cordero Decl., ¶ 14. Plaintiff's petition was ultimately denied on
23 May 16, 2024. *Id.*

24 In April of 2024, the parties agreed to mediate Plaintiff's individual wage and hour claims and
25 PAGA claims. Cordero Decl., ¶ 15. Pursuant to the parties' joint request, the Arbitrator continued all
26 discovery-related deadlines until after the mediation. *Id.* In preparation for mediation, the parties engaged
27 in voluminous informal discovery, including: Defendant's written policies and procedures, handbooks,
28 attestation prompts, meal period waivers, and the bell schedule that notified employees when to clock in

1 and out at the start and end of their shifts and when to take their meal and rest breaks; time and payroll
2 records for a 35-percent sample of Aggrieved Employees; data points related to the number of Aggrieved
3 Employees, their dates of employment, and the total number of pay periods in the PAGA Period; and
4 Plaintiff's complete personnel records. *Id.*, ¶¶ 16-18.

5 On March 3, 2025, the parties participated in a full-day mediation before Hon. Carl J. West (Ret.),
6 an experienced and well-respected mediator and former Judge of the Los Angeles Superior Court. Cordero
7 Decl., ¶ 20. During mediation, the parties engaged in good-faith, non-collusive negotiations and discussed
8 the realistic exposure to Defendant and the relative strengths and weaknesses of the claims. *Id.* With the
9 mediator's assistance, the parties reached an agreement to settle Plaintiff's individual claims, as well as
10 the PAGA claims. *Id.*, ¶ 21. Over the course of the following months, the parties drafted and executed the
11 Settlement Agreement. *Id.*

12 **III. SUMMARY OF SETTLEMENT**

13 The Settlement Agreement before the Court provides substantial financial consideration in
14 exchange for releasing the PAGA claims asserted in the Action. The consideration is fair and reasonable
15 in light of the potential liabilities and risks of litigation. *See* Cordero Decl., ¶ 33. The released claims have
16 been narrowly tailored to ensure the settlement is not unduly expansive. The parties' agreed upon
17 procedure for distributing the settlement funds will ensure efficient distribution to the Aggrieved
18 Employees and the state of California.

19 **A. Monetary Terms**

20 The Gross Settlement Amount is \$252,000. Settlement Agreement, ¶ 1.8. Under the terms of the
21 settlement, \$84,000 (or one-third of the Gross Settlement Amount) will be awarded to Plaintiff's Counsel
22 for attorneys' fees, \$15,577.96 will be awarded to Plaintiff's Counsel for litigation costs, \$5,000 will be
23 awarded to Plaintiff as an Enhancement Award, and \$3,990 is allocated to the Administration Expenses
24 Payment. *Id.* Of the remaining \$143,432.04, defined as the Net Settlement Amount, 75 percent
25 (\$107,574.03) will be paid to the LWDA. Settlement Agreement, ¶ 1.20. The remaining 25 percent
26 (\$35,858.01) will be distributed amongst the 69 Aggrieved Employees. *Id.* On average, each Aggrieved
27 Employee will receive approximately \$519.68.

28 Each Individual PAGA Payment will be calculated based on the following formula: Each

Aggrieved Employee will receive a proportionate settlement share based on the number of Pay Periods that each Aggrieved Employee worked during the PAGA Period, to be calculated by multiplying the 25% portion of the Gross Settlement Payment by a fraction, the numerator of which is the Aggrieved Employee's Pay Periods during the PAGA Period, and the denominator of which is the total Pay Periods worked by all Aggrieved Employees during the PAGA Period.

B. Distribution Procedure

The parties have agreed to use Apex Class Action, LLC ("Apex") to administer the distribution of funds from the Settlement. Settlement Agreement, ¶ 1.2. Within 15 calendar days of the Effective Date, Defendant will provide the Settlement Administrator with a list of all Aggrieved Employees, with each listed employee's full name, last known mailing address, Social Security number, and number of Pay Periods. *Id.*, ¶¶ 1.4, 4.4. Within 30 calendar days of the Effective Date, Defendant shall deposit the Gross Settlement Amount with the Settlement Administrator. *Id.*, ¶ 4.5. Within 14 calendar days after Defendant funds the Gross Settlement Amount, the Settlement Administrator will mail settlement checks to the Aggrieved Employees along with the PAGA Explanatory Letter. *Id.*, ¶ 4.7, Ex. A to the Settlement Agreement. Prior to mailing, the Settlement Administrator shall run all the addresses of the Aggrieved Employees through the United States Postal Service National Change of Address database and perform an in-depth skip trace to obtain current address information. *Id.* The Settlement Administrator will skip-trace any returned mail and promptly re-mail to the updated address. *Id.*, ¶ 4.8.2. The Settlement Administrator will issue the appropriate tax forms for all payments issued under this Settlement. *Id.*, ¶ 4.1. The Individual PAGA Payments will be valid for a period of 180 days, after which time any unclaimed funds will be directed to the California Controller in the name of the Aggrieved Employees. *Id.*, ¶¶ 4.7.2, 4.9.

C. PAGA Released Claims

The Settlement provides Plaintiff and the State of California (through Plaintiff as Private Attorneys General) shall release the Released Parties from any and all claims for civil penalties arising from the claims alleged in the PAGA Notices and operative complaint during the PAGA Period, including any claims for civil penalties arising from Defendant's alleged violations of the California Labor Code, *et seq.* for, inter alia, failure to provide compliant meal periods and/or timely pay premiums; failure to provide

rest periods and/or timely pay premiums; failure to timely pay all minimum, regular, and overtime wages; failure to provide accurate itemized wage statements; failure to reimburse for business expenses; failure to pay all wages due during and upon separation of employment; and failure to maintain a safe and healthful place of employment. Settlement Agreement, ¶¶ 1.24, 5.1. “Released Parties” is defined as Defendant and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates. *Id.*, ¶ 1.25.

IV. THE PAGA SETTLEMENT SHOULD BE APPROVED

Pursuant to Labor Code section 2699(s)(2), the settlement of a civil action brought under PAGA must be submitted to the LWDA and must be approved by the trial court. Where a settlement purports to resolve PAGA claims, courts must examine the settlement as a whole and the amount allocated to PAGA, including the amount distributed to the LWDA. *See O’Connor v. Uber Techs, Inc.*, 201 F. Supp. 3d 1110, 1134-35 (2016). To warrant approval, a PAGA settlement must be fair, adequate, and reasonable. *Id.*

To determine whether a settlement is fair, adequate, and reasonable, a court must be provided with “basic information about the nature and magnitude of the claims in question and the basis for concluding that the consideration being paid for the release of those claims represents a reasonable compromise.” *Clark v. American Residential Services LLC*, 175 Cal. App. 4th 785, 799 (2009). In the class action context, the trial court must exercise its discretion through the application of several well-recognized factors when deciding whether the settlement is fair. *Id.* The California Court of Appeal has held that in determining whether a PAGA settlement is fair, a court may refer to the well-developed settlement standards analyzed by courts in the class actions. *See Moniz v. Adecco USA, Inc.*, 72 Cal. App. 5th 56, 77 (2021). The list of factors, which “is not exhaustive and should be tailored to each case,” includes “the strength of plaintiff’s case, the risk, expense, complexity and likely duration of further litigation . . . the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction of the [represented] members to the proposed settlement.” *See Kullar v. Foot Locker Retail, Inc.*, 168 Cal. App. 4th 116, 128 (2008) (quoting *Dunk v. Ford Motor Co.*, 48 Cal. App. 4th 1794, 1801 (1996)). The most important factor the trial court should consider in determining whether to approve a settlement is the strength of the case for plaintiff on the merits, balanced against the amount offered in settlement. *See also*

1 *Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles*, 186 Cal. App. 4th 399, 407-08 (2010); *Kullar*, 168
2 Cal. App. 4th at 130. In sum, the trial court must determine that the settlement was not the product of
3 fraud, overreaching or collusion, and that the settlement is fair, reasonable, and adequate. *Nordstrom*
4 *Com’n Cases*, 186 Cal. App. 4th 576, 581 (2010).

5 **A. The Settlement is the Result of Non-Collusive, Arm’s-Length, and Informed**
6 **Negotiations**

7 California courts recognize that a “presumption of fairness exists where (1) the settlement is
8 reached through arm’s-length bargaining; (2) sufficient investigation allows counsel and the court to act
9 intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small.”
10 *Dunk*, 48 Cal. App. 4th at 1802. Here, the Settlement objectively meets all these requirements, and this
11 Court should undoubtedly give considerable weight to the competency and integrity of the parties’
12 respective counsel, who are experienced in wage and hour class action litigation and reached the settlement
13 through arm’s-length negotiations without self-dealing or other misconduct. *Kullar*, 168 Cal. App. 4th at
14 129.

15 **1. The Settlement is the Product of Arm’s-Length Negotiations**

16 “[W]hat transpires in settlement negotiations is highly relevant to the assessment of a proposed
17 settlement’s fairness.” *State v. Levi Strauss & Co.*, 41 Cal. 3d 460, 482 (1986). Courts presume the absence
18 of fraud or collusion in the negotiation of a settlement unless evidence to the contrary is offered. In short,
19 there is a presumption that the negotiations were conducted in good faith. *See William B. Rubenstein, et*
20 *al.*, *Newberg on Class Actions* § 13:45 (5th ed. 2011-2017). Here, there can be no doubt as to the fairness
21 of the settlement as the parties did not engage in settlement negotiations until they possessed sufficient
22 information and documents to conduct a comprehensive review and analysis of the facts and legal issues
23 raised by the action to make an informed decision. *Cordero Decl.*, ¶¶ 16-19. At all times, the settlement
24 negotiations were conducted with the assistance of mediator Hon. Carl J. West (Ret.), an experienced and
25 well-respected mediator and former Judge of the Los Angeles Superior Court. *Id.*, ¶ 20.

26 In reaching the settlement, Plaintiff’s Counsel took into consideration relevant factors such as the
27 information and documents obtained in formal and informal discovery, Defendant’s projected liability,
28 the expense of continued litigation, the inherent risks in litigating complex representative actions,

1 particularly given the dependent nature of an employee's retained standing to pursue representative claims
2 on the outcome of an individual arbitration, and the potential for appeals. Cordero Decl., ¶¶ 33-35. Based
3 on Plaintiff's Counsel's experience, they are of the belief that the settlement represents a favorable
4 resolution without the further expense and uncertainty of continued litigation, while at the same time
5 maintaining the enforcement purpose behind the PAGA statute. *Id.*, ¶ 36.

6 **2. The Settlement is the Product of Informed Investigation and Discovery**

7 There is a presumption that a proposed settlement is fair and reasonable when there has been
8 sufficient investigation and discovery to permit counsel and the court to act intelligently, and counsel are
9 experienced in similar litigation. *Dunk*, 48 Cal. App. 4th at 1802. Here, the parties conducted a lengthy
10 and thorough investigation into the merits of Plaintiff's claims prior to attending mediation and ultimately
11 settling this case. Cordero Decl., ¶¶ 16-18. Plaintiff's Counsel's investigation included the exchange of
12 extensive informal discovery, in which Defendant produced hundreds of pages of written policies and
13 procedures, time and payroll records, and PAGA data points. *Id.*, ¶¶ 16, 18. Plaintiff's Counsel
14 undoubtedly obtained sufficient information to adequately evaluate the merits of the claims asserted and
15 Defendant's maximum potential liability. *Id.*, ¶ 19. Therefore, this Court can and should presume the
16 fairness of the proposed settlement.

17 **3. Plaintiff's Counsel is Highly Experienced in Similar Litigation**

18 Throughout this litigation, Plaintiff has been represented by well-qualified counsel who have years
19 of experience in wage and hour litigation. Cordero Decl., ¶¶ 42-47, Ex. 5. To date, Plaintiff's Counsel has
20 handled well over 150 class, collective, and representative action cases. *Id.*, ¶ 43. Plaintiff's Counsel relied
21 on their extensive experience while negotiating the settlement. As discussed, the settlement negotiations
22 were conducted with consideration of the strength of the case versus the amount offered in settlement; the
23 risk, expense, complexity, and likely duration of further litigation; the present state of the law as it applies
24 to the claims asserted; and the burdens of proof necessary to establish liability against Defendant. *Id.*,
25 ¶¶ 33-34. Although the recommendations of counsel proposing the settlement are not conclusive, courts
26 can properly consider the recommendations, particularly if counsel have been involved in litigation for
27 some period of time, appear to be competent, have experience with this type of litigation, and significant
28 discovery has been completed. Newberg on Class Actions § 13:53 (5th ed. 2011-2017).

1 The Court should presume the proposed settlement is fair because it was the result of arm's-length
2 negotiations, sufficient investigation and discovery, and the efforts of experienced counsel.

3 **B. The Settlement is Fair, Reasonable, and Adequate in Light of the Significant Risks**
4 **and Expense of Further Litigation**

5 In order to determine whether a representative settlement is fair, adequate and reasonable, courts
6 must be provided with "basic information about the nature and magnitude of the claims in question and
7 the basis for concluding that the consideration being paid for the release of those claims represents a
8 reasonable compromise." *Kullar*, 168 Cal. App. 4th at 133. A settlement is not judged against what might
9 have been recovered had a plaintiff prevailed at trial, nor does the settlement have to provide 100 percent
10 of the damages sought to be fair and reasonable. *See Wershba v. Apple Computer, Inc.*, 91 Cal. App. 4th
11 224, 246, 250 (2001). Here, the settlement results in a substantial benefit to the Aggrieved Employees, the
12 State of California, and the general public because it achieves the enforcement objectives of PAGA while
13 providing compensatory relief to the Aggrieved Employees and the State. Cordero Decl., ¶ 49. In reaching
14 this settlement, Plaintiff's Counsel carefully considered the strength of the case versus the amount offered
15 in settlement and the risk, expense, and complexity of the case. *Id.*, ¶ 33.

16 While Plaintiff believes that his claims are meritorious and would have prevailed had the issues
17 gone to trial, Plaintiff also acknowledges that Defendant possess legitimate defenses to liability,
18 manageability, and the stacking of civil penalties. Cordero Decl., ¶¶ 26-32. Defendant has consistently
19 denied all material allegations in the operative complaint and denied that it violated any laws or is liable
20 for any civil penalties. *Id.*, ¶ 12.

21 Plaintiff also acknowledges that even if he was successful, continued litigation would likely result
22 in additional attorneys' fees and costs, as Defendant would undoubtedly appeal any judgment in Plaintiff's
23 favor. Cordero Decl., ¶ 35. Moreover, continued litigation would result in a substantial delay of any
24 recovery to the Aggrieved Employees and the State of California. *Id.* Given the risks, expenses, and delays
25 associated with further litigation, the Gross Settlement Amount of \$252,000 is an excellent result for the
26 approximately 69 Aggrieved Employees.

27 ///

28 ///

C. The Court's Ability to Reduce the Maximum Potential Civil Penalties Justifies Approval of the Settlement.

Plaintiff's Counsel estimated Defendant's maximum potential liability for civil penalties to be \$1,331,662. Cordero Decl., ¶ 25. This estimate was based on the assumption that Plaintiff would prevail on all claims at trial and recover all penalties sought. *Id.* Moreover, Plaintiff's estimate assumes that the Court would permit stacking, a practice now proscribed by the recent PAGA amendments. *Id.* Thus, Defendant's maximum potential liability of civil penalties is premised on an "everything goes right" scenario. *Id.*

Although the \$252,000 Gross Settlement Amount accounts for approximately 19 percent of Defendant's maximum potential exposure in this case, and thus represents a significant discount on Defendant's potential liability, this reduction represents an extremely reasonable compromise considering the substantial and significant risks Plaintiff faced in this litigation. Cordero Decl., ¶ 34. As explained above, Defendant has legitimate defenses on the merits to Plaintiff's claims. *Id.*, ¶¶ 26-31. These risks are obviated by the proposed settlement, which strikes a balance between providing monetary relief to the State and the members of the Aggrieved Employees, while still penalizing Defendant for the violations alleged. *Id.*, ¶ 34.

Further, even in the event of Plaintiff's success at trial, Defendant would likely argue that any civil penalties awarded should be reduced because they are unjust, arbitrary, oppressive, or confiscatory. As Defendant likely has sufficient defenses limiting Plaintiff's ability to recover at least some of the civil penalties sought, there is a significant likelihood that the Court would exercise its discretion to reduce any recovery under Labor Code section 2699(e)(2). Given this additional risk, the settlement on the terms outlined in the Settlement Agreement justifies approval of the proposed settlement.

D. The Distribution of the Settlement Is Reasonable

The Settlement provides that Defendant will pay a non-reversionary Gross Settlement Amount of \$252,000. Settlement Agreement, ¶ 1.8. The Gross Settlement Amount will fund: (a) payment to the Aggrieved Employees; (b) payment to the LWDA; (c) an award of attorneys' fees to Plaintiff's counsel; (d) an award of litigation costs to Plaintiff's counsel; (e) an Enhancement Award to Plaintiff; and (e) settlement administration costs. *Id.*

The following chart reflects the estimated payments from the Gross Settlement Amount:

Gross Settlement Amount	\$252,000
Enhancement Award	\$5,000
Settlement Administration Costs	\$3,990
Attorneys' Fees	\$84,000
Litigation Costs	\$15,577.96
PAGA Payment	\$143,432.04
• To the LWDA (75% of PAGA Fund)	\$107,574.03
• To PAGA Members (25% of PAGA Fund)	\$35,858.01

It is estimated that the LWDA will receive \$107,574.03 and the Aggrieved Employees will receive \$35,858.01. The \$35,858.01 payment will be allocated to each Aggrieved Employee based on his or her proportionate share of Pay Periods worked during the PAGA Period. Settlement Agreement, ¶ 1.9. The Settlement Administrator is to ensure proper distribution of payments within 44 calendar days of the Court's entry of an order and judgment approving the settlement. *Id.*, ¶¶ 4.5-4.6. All Individual PAGA Payments will be valid for a period of 180 days, after which any unclaimed funds will be directed to the California State Controller to be held in the name of the Aggrieved Employees. *Id.*, ¶¶ 4.7.2, 4.9.

E. Plaintiff Submitted the Settlement Agreement to the LWDA

In 2016, the Labor Code was amended to require the Court to review and approve any settlement of a civil action brought pursuant to PAGA. *See* Labor Code section 2699(s)(2). The amendment also requires that the "proposed settlement [] be submitted to the agency at the same time that it is submitted to the court." *Id.* In accordance with the statute, the Settlement Agreement, Notice of Motion, and Memorandum of Points and Authorities were submitted to the LWDA on May 13, 2025, via the agency's online portal. Cordero Decl., ¶ 5, Ex. 2. Therefore, the LWDA has had the opportunity to review the Settlement and advise the parties or the Court of any objections. To date, the LWDA has not indicated any objection to the Settlement. As such, the Court should approve the Settlement.

V. THE REQUESTED ENHANCEMENT AWARD TO PLAINTIFF IS JUSTIFIED

Courts routinely approve enhancement awards to compensate named plaintiffs for the services they provide and the risks they incur during the course of the class litigation. *See Cellphone Termination Fee Cases*, 186 Cal. App. 4th 1380 (2010) (affirming \$10,000 incentive payment to four named plaintiffs); *Van Vranken v. Atlantic Richfield Co.*, 901 F. Supp. 294 (N.D. Cal. 1995) (awarding \$50,000 Enhancement Award to a representative); Manual for Complex Litigation § 21.62 n.971 (4th ed. 2004)

(noting that service or enhancement awards may be warranted based on the named plaintiff's participation in the litigation and the benefits conferred on the class). While such awards are discretionary, they are "intended to compensate class representatives for work done on behalf of the class, to make up for financial or reputational risk undertaken in bringing the action, and, sometimes, to recognize their willingness to act as a private attorney general." *Cellphone Termination Fee Cases*, 186 Cal. App. 4th at 1393-94. In determining whether an award is appropriate, courts consider several different factors, including: (1) the actions the plaintiff has taken to protect the interest of the class; (2) the degree to which the class has benefited from those actions; and (3) the amount of time and effort the plaintiffs expended in pursuing the litigation. *Clark v. Am. Residential Servs. LLC*, 175 Cal. App. 4th 785, 805 (2009).

Here, the settlement contemplates that Plaintiff will seek an Enhancement Award not to exceed \$5,000. Settlement Agreement, ¶ 1.21. As the named representative, Plaintiff has performed his duties without exception. Cordero Decl., ¶ 38; Declaration of Javier Muzquiz ("Muzquiz Decl."), ¶¶ 16-27. Plaintiff has actively participated in this lawsuit since its inception, including, but not limited to, providing documents related to the claims asserted, communicating with his attorneys by phone and email, assisting his counsel in opposing Defendant's motion to compel arbitration, assisting his counsel in preparing for mediation, and attending mediation. Cordero Decl., ¶ 38; Muzquiz Decl., ¶¶ 16-27. The time and effort Plaintiff put into this litigation allowed Plaintiff's Counsel to negotiate a fair and reasonable settlement on behalf of the Aggrieved Employees. Cordero Decl., ¶ 38. For example, Plaintiff took the time to explain Defendant's policies and practices, which were instrumental to counsel's understanding of the claims and defenses asserted, as well as Defendant's potential liability. Cordero Decl., ¶ 38; Muzquiz Decl., ¶¶ 17, 21.

By bringing and maintaining this lawsuit, Plaintiff assumed the risk of an adverse judgment, award of costs to Defendant, and the risk that his future employment may be negatively impacted by his involvement in this litigation. Cordero Decl., ¶¶ 39-40; Muzquiz Decl., ¶ 15. Plaintiff went above and beyond what was required of him, and in the absence of his participation and efforts, there undoubtedly would have been no recovery. Cordero Decl., ¶ 40. The requested Enhancement Award of \$5,000 is very fair and reasonable in light of the work performed and the risks undertaken by Plaintiff.

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VI. THE REQUESTED ATTORNEYS' FEES AND COSTS ARE FAIR AND REASONABLE

Pursuant to section 2699(k)(1) of the Labor Code, "[a]ny employee who prevails in a PAGA action shall be entitled to an award of reasonable attorney's fees and costs." Accordingly, Plaintiff's Counsel requests that this Court approve an award of attorneys' fees award in the amount of \$84,000, or one-third of the Gross Settlement Amount, as well as the reimbursement of actual litigation costs of \$15,577.96.³ Cordero Decl., ¶ 48. As discussed below, these awards are not only recoverable under the common fund theory and lodestar approach, but also are within the range of awards granted in similar cases.

A. Plaintiff's Counsel's Fees are Supported Under the Common Fund Theory

In a PAGA action, which is a type of *qui tam* action, reasonable attorneys' fees are typically awarded under the common fund theory where, as here, the litigation creates a common fund of a specific amount for the benefit of others. *Iskanian v. CLS Transp. Los Angeles, LLC*, 59 Cal. 4th 348, 382 (2014). When a common fund is created, attorneys who secured the fund are entitled to a percentage of the fund. *See Laffitte v. Robert Half Int'l, Inc.*, 1 Cal. 5th 480, 503 (2016) ("[T]he court may determine the amount of a reasonable fee by choosing an appropriate percentage of the fund created"). The bases of the common fund doctrine are:

Fairness to the successful litigant, who might otherwise receive no benefit because his recovery might be consumed by the expenses; correlative prevention of an unfair advantage to the others who are entitled to share in the fund and who should bear their share of the burden of its recovery; and encouragement of the attorney for the successful litigant, who will be more willing to undertake and diligently prosecute proper litigation for the protection or recovery of the fund if he is assured that he will be promptly and directly compensated should his efforts be successful.

Bank of America v. Cory, 164 Cal. App. 3d 66, 90 (1985); *see also Serrano v. Priest*, 20 Cal. 3d 25, 34 (1977) ("[O]ne who expends attorneys' fees in winning a suit which creates a fund from which other derive benefits, may require those passive beneficiaries to bear a fair share of the litigation costs.").

Here, a common fund was created in the amount of \$84,000 for the benefit of the Aggrieved Employees and the State of California. As such, these beneficiaries must bear their share of the costs and

³ Fees and costs incurred in arbitrating and mediating Plaintiff's individual claims were billed directly to Plaintiff. Cordero Decl., ¶ 48 fn.4. All of the fees and costs Plaintiff seeks to recover in this action were incurred in representing the Aggrieved Employees and the State of California

attorneys' fees, to be deducted from the \$84,000 Gross Settlement Amount under the common fund theory. The parties allocated one-third of the Gross Settlement Amount to Plaintiff's Counsel for their reasonable attorneys' fees. Settlement Agreement, ¶ 3.4. The award sought is justified in light of the amount of work Plaintiff's Counsel performed over the course of more than two and a half years and the substantial risks involved in litigating this type of case. Cordero Decl., ¶¶ 52-62. Indeed, the requested attorneys' fees award of \$84,000, or one-third of the Gross Settlement Amount, constitutes a fair market cost for the benefits conferred by the Settlement because Plaintiff's Counsel's skills in negotiating the Settlement resulted in the substantial benefit for the Aggrieved Employees, the State of California, and the general public.

B. Plaintiff's Attorneys' Fees are Also Recoverable Under The Lodestar Approach

The reasonableness of Plaintiffs' Counsel's requested Attorneys' Fees award is also supported under the lodestar method. *See Lealao v. Beneficial Cal., Inc.*, 82 Cal. App. 4th 19, 26 (2000) ("[F]ees have traditionally been allowed in such common fund cases, although . . . the lodestar methodology may also be utilized in this context."). Under the lodestar approach, the number of hours reasonably expended is multiplied by a reasonable hourly rate. *Id.* Once the Court has established the lodestar, it may be increased or decreased "by applying a positive or negative 'multiplier' to consider a variety of other factors, including the quality of the representation, the novelty and complexity of the issues, the results obtained, and the contingent risk presented." *Id.*

Here, Plaintiff's Counsel has expended over 534 hours litigating this case. This includes time spent investigating and researching the legal issues raised in this litigation; drafting the notices to the LWDA and the complaint; drafting the opposition to Defendant's motion to compel arbitration; drafting a petition for writ of mandate; drafting and responding to correspondence; communicating with Plaintiff and other Aggrieved Employees; reviewing and analyzing documents produced by Defendant; conducting the damages analysis; drafting the detailed mediation brief; preparing for and attending mediation; negotiating the terms of the settlement and finalizing the written agreement; and moving for approval of the settlement. Cordero Decl., ¶ 62. At Plaintiff's Counsel's usual and customary rates, this would result in a total lodestar of more than \$253,870.00. *Id.*, ¶ 57. Thus, Plaintiff's Counsel's request for an award of attorneys' fees in the amount of \$84,000 or approximately 33 percent of the firm's total lodestar, is undoubtedly fair and

reasonable given the nature and complexity of the litigation and the experience level of each timekeeper.
Id., ¶ 60.

C. Plaintiff's Litigation Costs Were Reasonable and Necessarily Incurred

It is appropriate for litigation costs to be paid from the common fund. *In re Media Vision Tech. Sec. Litig.*, 913 F. Supp. 1362, 1366 (N.D. Cal. 1996) ("Reasonable costs and expenses incurred by an attorney who creates or preserves a common fund are reimbursed proportionally by those class members who benefit from the settlement."). Courts permit attorneys to "recover their reasonable expenses that would typically be billed to paying clients in non-contingency matters." *See In re Omnivision Technologies, Inc.*, 559 F. Supp. 2d 1036, 1048 (N.D. Cal. 2008); *see also Harris v. Marhoefer*, 24 F.3d 16, 19 (9th Cir. 1994) ("[Plaintiff] may recover as part of the award of attorney's fees those out-of-pocket expenses that 'would normally be charged to a fee-paying client.'"). Recoverable expenses may include photocopying, document scanning, postage and delivery charges, travel, attorney services fees, and legal research costs. *Bussey v. Affleck*, 225 Cal. App. 3d 1162, 1166 (1990) ("[A]ttorneys' fees and expenses are inseparably intertwined as equally vital components of the costs of litigation . . . expenses such as supplemental secretarial costs, copying, telephone costs and necessary travel, are integrally related to the work of an attorney and the services for which outlays are made may play a significant role in the ultimate success of litigation . . .").

Here, Plaintiff's Counsel seeks reimbursement of \$15,577.96 for costs and expenses incurred in connection with this action from its inception to the present. Cordero Decl., ¶ 65. Plaintiff's Counsel's costs are warranted as they include filing fees, court fees, postage, attorney services fees, and mediation fees. *Id.* The costs incurred are also the same as those that would normally have been billed to a client paying for Plaintiff's counsel's services on a non-contingency basis. *Id.* Plaintiff's Counsel's costs are more than reasonable in light of the work that has been performed in this matter. *Id.*, ¶ 66.

VII. CONCLUSION

Plaintiff respectfully requests that this Court approve the settlement on the terms outlined in the parties' Settlement Agreement. As set forth herein, the Settlement is fair, reasonable, and adequate given the range of possible outcomes of the litigation, the risks and expenses associated with further litigation, the scope of the release, and the experience and views of Plaintiff's Counsel.

Respectfully submitted,

Dated: May 13, 2025

GRAHAMHOLLIS APC

By: 
Vilmarie Cordero
Allison E. Schubert
Attorneys for Plaintiff Javier Muzquiz