

JCL LAW FIRM, APC

Jean-Claude Lapuyade (State Bar #248676)
Sydney Castillo-Johnson (State Bar #343881)
John L. Nitti (State Bar #330752)
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Telephone: (619) 599-8292
jlapuyade@jcl-lawfirm.com
scastillo@jcl-lawfirm.com
jnitti@jcl-lawfirm.com

ZAKAY LAW GROUP, APLC

Shani O. Zakay (State Bar #277924)
Nicole Noursamadi (State Bar #357246)
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Telephone: (619) 255-9047
shani@zakaylaw.com
nicole@zakaylaw.com

Attorneys for Plaintiff STANLEY RENE

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF RIVERSIDE

STANLEY RENE, individually, and on
behalf of other members of the general public
similarly situated,

Plaintiff,

v.

KOCH FILTER CORPORATION, a
Kentucky corporation; and DOES 1 through
100, inclusive,

Defendants.

Case No. CVRI2300700

**MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF MOTION
FOR FINAL APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: January 30, 2025

Time: 8:30 a.m.

Judge: Hon. Harold W. Hopp

Dept.: 1

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	OVERVIEW OF THE LITIGATION	2
III.	THE SETTLEMENT BEFORE THE COURT	4
IV.	GENERAL STANDARDS APPLICABLE TO JUDICIAL REVIEW AND APPROVAL OF CLASS ACTION SETTLEMENTS	5
V.	THE SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE	6
	A. Class Counsel Conducted a Thorough Investigation.	7
	B. The Parties Settled At Mediation.	8
	C. Class Counsel is Experienced in Similar Litigation.	8
	D. The Settlement Class Responded Positively to the Settlement.	8
	E. The Gross Settlement Amount is Fair and Reasonable.	9
	F. The Strength of Plaintiff's Case and Risks of Continued Litigation	11
VI.	THE PENALTIES UNDER THE PRIVATE ATTORNEY GENERAL ACT OF 2004 ARE REASONABLE	15
VII.	CONCLUSION	16

///

TABLE OF AUTHORITIES
CASES

1		
2		
3	<i>7-Eleven Owners for Fair Franchising v. Southland Corp.</i>	
4	(2000) 85 Cal.App.4th 1135, 1150-1151.....	5-6
5	<i>Ali v. U.S.A. Cab Ltd.</i>	
6	(2009) 176 Cal.App.4th 1333, 1341.....	12
7	<i>Barcia v. Contain-A-Way, Inc.</i>	
8	2009 U.S. Dist. LEXIS 17118, *9 (S.D. Cal. 2009).....	14
9	<i>Brinker</i>	
10		12
11	<i>Brown v. Fed Express Corp.</i>	
12	(C.D. Cal. 2008) 249 F.R.D. 580, 587-88.....	12
13	<i>Browning v. Yahoo!, Inc.</i>	
14	2007 U.S. Dist. LEXIS 86266, at *30 (N.D. Cal. 2007).....	13
15	<i>Campbell v. Best Buy Stores, L.P.,</i>	
16	(C.D. Cal. 2013) 2013 WL 5302217 at *11-13.....	12
17	<i>Contreras v. United Food Group, LLC</i>	
18	Case No. BC389253 (L.A. County Super. Ct.).....	11
19	<i>Doty v. Costco Wholesale Corp.</i>	
20	Case No. CV05-3241 FMC-JWJx (C.D. Cal. May 14, 2007).....	11
21	<i>Dunk v. Ford Motor Co.</i>	
22	(1996) 48 Cal.App.4th 1794, 1801.....	6-7
23	<i>Dunleavy v. Nadler (In re Mego Fin. Corp. Sec. Litig.)</i>	
24	(9th Cir. 2000) 213 F.3d 454, 459.....	10
25	<i>Duran v. U.S. Bank National Association</i>	
26	(2014) 59 Cal.4th 1, 31.....	12, 14
27	<i>Fukuchi v. Pizza Hut</i>	
28	Case No. BC302589 (L.A. County Super. Ct.).....	11
	<i>Glass v. UBS Fin. Servs.</i>	
	2007 WL221862.....	11-12
	<i>Gomez v. Amadeus Salon, Inc.</i>	
	Case No. BC392297 (L.A. Super. Ct.).....	11
	<i>Hanlon v. Chrysler Corp.</i>	
	(9th Cir. 1998) 150 F.3d 1011, 1026.....	14
	<i>Hopson v. Hanesbrands Inc.</i>	
	No. CV-08-0844 EDL, 2009 WL 928133, at *1, 9.....	13
	<i>Hopson v. Hanesbrands Inc.</i>	
	2009 U.S. Dist. LEXIS 33900 at * 19-20 (N.D. Cal. 2009).....	13, 15
	<i>Huens v. Tatum</i>	
	(1997) 52 Cal.App.4th 259, 265.....	5
	<i>In re Austrian & German Bank Holocaust Litigation</i>	
	(S.D.N.Y. 2000)80 F.Supp.2d 164, 175.....	9
	<i>In re Newbridge Networks Sec. Litig.</i>	
	(D.D.C. Oct. 23, 1998) 1998 WL 765724, at *2.....	10
	<i>Jack v. Hartford Fire Ins. Co.</i>	
	No. 09cv1683 MMA (JMA), 2011 WL 4899942, at *6 (S.D. Cal. Oct. 13, 2011).....	15
	<i>Kullar v. Foot Locker Retail, Inc.</i>	
	(2008) 168 Cal.App.4th 116, 128-29.....	7, 9

1	<i>Laskey v. Int'l Union</i>	
	(6th Cir. 1981) 638 F.2d 954.....	9
2	<i>Leverage v. Traeger Pellet Grills, LLC</i>	
	(N.D. Cal. June 28, 2017, No. 16-CV-00784) 2017 WL 2797811, at *7.....	10
3	<i>Lim v. Victoria's Secret Stores, Inc.</i>	
	Case No. 04CC00213 (Orange County Super. Ct.).....	11
4	<i>Louie v. Kaiser Foundation Health Plan, Inc.</i>	
	2008 U.S. Dist. LEXIS 78314, *14 (S.D. Cal. 2008).....	14
5	<i>Magadia v. Wal-Mart Associates, Inc.</i>	
	(9 th Cir. 2021) 999 F.3d 668.....	12, 14
6	<i>Malibu Outrigger Bd. Of Governors v. Superior Court</i>	
	(1980) 103 Cal.App.3d 573, 578-579.....	6
7	<i>McKenzie v. Fed. Express Corp.</i>	
	No. CV 10-02420 GAF (PLAx), 2012 WL 12882124, at *5 (C.D. Cal. Jan. 23, 2012).....	15
8	<i>Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles</i>	
	(2010) 186 Cal.App.4th 399, 408.....	7
9	<i>O'Conner v. Uber Technologies, Inc.</i>	
	(9 th Cir. 2018) 904 F.3d 1087, 1133.....	12, 13
10	<i>Officers for Justice v. Civil Serv. Comm'n</i>	
	(9th Cir. 1982) 688 F. 2d 615, 625.....	6
11	<i>Palencia v. 99 Cents Only Stores</i>	
	No. 34-2010-00079619.....	11
12	<i>Rebney v. Wells Fargo Bank</i>	
	(1990) 220 Cal.App.3d 1117, 1138.....	7
13	<i>Ressler v. Federated Department Stores, Inc.</i>	
	Case No. BC335018 (L.A. County Super. Ct.).....	11
14	<i>Sorenson v. PetSmart, Inc.</i>	
	Case No. 2:06-CV-02674-JAM-DAD (ED. Cal.).....	11
15	<i>Stoetzner v. U.S. Steel Corp.</i>	
	(3d. Cir. 1990) 897 F.2d 115, 118-119.....	9
16	<i>Stovall-Gusman v. W.W. Granger, Inc.</i>	
	2015 U.S. Dist. LEXIS 78671, at * 4.....	10
17	<i>Tech-Bilt, Inc. v. Woodward-Clyde & Associates</i>	
	38 Cal.3d 488, 499-500 (1985).....	9
18	<i>Tien v. Tenet Healthcare Corp.</i>	
	(2012) 209 Cal.App.4th 1077, 1088.....	12
19	<i>Viceral v. Mistras Grp., Inc.</i>	
	(N.D. Cal. Oct. 11, 2016, No. 15-CV-02198) 2016 WL 5907869, at *3, 7.....	10
20	<i>Wershba v. Apple Computer</i>	
	(2001) 91 Cal.App.4th 224, 245-46, 250.....	6, 9

///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

RULES, CODES, AND STATUTES

Cal. Bus. & Prof. Code §§ 17200 *et seq.*.....3
Code of Civ. Proc. § 877.6.....9

SECONDARY SOURCES

Newberg & Conte, *Newberg on Class Actions*, (3d ed. 1992)
§11.41, pp. 11-91.....6

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

I. INTRODUCTION

Plaintiff Stanley Rene (hereinafter “Plaintiff”) seeks final approval of the Stipulation of Settlement of Class and PAGA Claims and Release of Claims (“Agreement”)¹, which if approved, would provide valuable monetary relief for 51 Settlement Class Members employed by Koch Filter Corporation (hereinafter “Defendant”) during the Class Period.

In an order dated October 3, 2024, this Court preliminarily approved the Agreement and preliminarily certified the Class. Declaration of Sydney Castillo-Johnson (“SCJ Dec.”), ¶ 4. On November 7, 2024, the Court-approved Class Notice was mailed to all 51 Class Members via U.S. First Class Mail. Declaration of Katherine Rovertoni (“Apex Dec.”), ¶ 7. *The Class greeted news of the Settlement with high approval as, at the time of the filing of this motion, 51 Class Members chose to participate in the Settlement.*² As of the filing of this motion, there are zero opt-outs and zero objections to the Settlement. Apex Dec., ¶¶ 11-12. The high approval by the Settlement Class evidences the clear fairness and reasonableness of the Settlement. SCJ Dec., ¶ 7.

An objective evaluation of the proposed settlement of Two Hundred Ninety-Eight Thousand Dollars and Zero Cents (\$298,000.00) (“Gross Settlement Amount”) confirms that the relief negotiated on behalf of the Settlement Class is fair, reasonable, and valuable. The Settlement is a product of informed, adversarial, and non-collusive negotiations, between experienced counsel, and presided over by Hon. Brian C. Walsh (Ret.), a respected jurist and experienced mediator of wage and hour class actions. After deducting any Court-approved Class Counsel Award, Class Representative Service Award, Settlement Administration Expenses, and the PAGA Payment, the Net Settlement Amount shall be distributed to the Settlement Class Members based on the number of Workweeks they worked while employed by Defendant during the Class Period. SCJ Dec., ¶ 7.

This Settlement provides substantial recovery to Settlement Class Members. Plaintiff estimates that the Settlement, if approved, would result in a Net Settlement Amount of approximately **\$159,176.67**. Apex Dec., ¶ 14. This will result in an average Individual Settlement Payment of

27
28

¹ The Agreement is attached as Ex “1” to the Declaration of Sydney Castillo-Johnson (“SCJ Dec.”) at ¶ 3. All citations to the Agreement incorporate by this reference a citation to the SCJ Dec., ¶ 3. Further, unless indicated otherwise, capitalized terms used herein have the same meaning as those defined by the Agreement.

² Zero (0) Notices were deemed undeliverable. Apex Dec. at ¶ 10.

1 \$3,121.11, a high payment of \$5,688.46, and a low payment of \$60.09. Apex Dec., ¶ 15. Aggrieved
2 Employees will receive an estimated average Aggrieved Employee Payment of \$59.52, a high payment
3 of \$84.64, and a low payment of \$2.45. Apex Dec ¶ 17.

4 The relief offered by the Settlement is immediate and is particularly impressive when viewed
5 against the difficulties encountered by plaintiffs pursuing similar wage-and-hour cases (*see infra*).
6 Indeed, by settling now rather than proceeding to trial, the Settlement Class will not have to wait
7 (possibly years) for relief, nor will they have to bear the risks associated with prolonged and uncertain
8 litigation. SCJ Dec., ¶ 8.

9 As discussed below, the proposed Settlement satisfies all criteria for final settlement approval
10 under California law and falls well within the range of reasonableness. Accordingly, the Class
11 Representative and Class Counsel respectfully request this Court grant final approval of the Agreement
12 and entry of the proposed Final Approval Order and Judgment. SCJ Dec., ¶ 9.

13 II. OVERVIEW OF THE LITIGATION

14 Defendant manufacturers indoor air filtration solutions in Riverside County, where Plaintiff
15 worked. Plaintiff has been employed by Defendant in California since November 2015. Throughout his
16 employment, Plaintiff claims that he was denied legally compliant meal and rest periods, minimum
17 wages and overtime compensation. Throughout his employment, Plaintiff was subject to Defendant's
18 written policies and procedures contained in, among other things, the "Koch Filter Employee
19 Handbook." SCJ Dec., ¶ 10; Declaration of Stanley Rene ("Rene Dec.") ¶ 3.

20 Generally, Plaintiff claims that Defendant failed to provide compliant meal and rest periods,
21 failed to pay for all time worked, failed to reimburse necessary business expenses, failed to furnish
22 accurate, itemized wage statements, and failed to pay all wages when due and at the correct rate of pay.
23 Defendant denies liability for each of Plaintiff's claims. Further, Defendant asserts that it fully complied
24 with all applicable employment laws and raised several other significant defenses to Plaintiff's claims,
25 including but not limited to, asserting that it maintained facially compliant meal and rest period policies,
26 paid its employees for all hours worked, properly reimbursed all necessary business expenses, and
27 issued legally compliant wage statements. SCJ Dec., ¶ 11.

28 On December 5, 2022, Plaintiff served Defendant and the Labor and Workforce Development

1 Agency (“LWDA”) with a Notice of Violations (“PAGA Notice”). Plaintiff’s PAGA Notice set forth
2 the facts and theories supporting Defendant’s alleged violations of various provisions of the California
3 Labor Code and applicable Industrial Welfare Commissions (“IWC”) Wage Order and of his intent to
4 pursue claims under California Labor Code Private Attorneys General Act, Cal. Lab. Code Sections
5 2698 *et seq* (“PAGA”). SCJ Dec., ¶ 12.

6 On February 9, 2023, Plaintiff filed a representative action alleging a single cause of action for
7 violations of PAGA. (“PAGA Action”). The same day, Plaintiff filed a separate class action complaint
8 in the Riverside County Superior Court, Case No. CVRI2300700 (“Action”). The operative complaint
9 is the First Amended Complaint that alleges wage-and-hour claims for: unpaid wages (minimum,
10 regular, overtime, and doubletime); rounding violations; regular rate of pay violations for overtime,
11 meal period premiums, and sick pay; meal period violations; rest period violations; untimely wages
12 during employment and at termination; non-compliant wage statements; failure to keep requisite
13 payroll records; failure to reimburse business expenses; and unfair business practices (Business and
14 Professions code section 17200). SCJ Dec., ¶ 13.

15 In June 2023, Plaintiff commenced written discovery requesting, among other things, the names
16 and contact information for the putative Class Members. After Defendant responded to discovery, the
17 Parties agreed to mediate this action. To prepare for mediation, the Parties agreed to informally
18 exchange additional documents and data points subject to the mediation privilege, including but not
19 limited to, the Class Members’ time data and certain payroll data points. As discussed *infra*, Plaintiff’s
20 counsel retained the forensic consultants at Berger Consulting Group (“BCG”) to analyze Defendant’s
21 time and payroll data. SCJ Dec., ¶ 14.

22 On April 16, 2024, the Parties participated in a full day mediation with Hon. Brian C. Walsh
23 (Ret.), a retired jurist and mediator of wage and hour class and PAGA actions. The mediation concluded
24 with a settlement after both sides agreed to a Mediator’s proposal, which was subsequently
25 memorialized in the form of a Memorandum of Understanding. Thereafter, the Parties drafted and
26 negotiated a long-form settlement agreement, which is the subject of the instant motion. SCJ Dec., ¶
27 15.

28 On June 11, 2024, Plaintiff filed a First Amended Complaint in the Action (“Operative

Complaint”) consolidating the Action and PAGA Action. SCJ Dec., ¶ 16.

On October 3, 2024, this Court granted preliminary approval of the Settlement. SCJ Dec., ¶ 4. On November 7, 2024, the Settlement Administrator mailed Notice Packets to all 51 members of the Class via U.S. First Class Mail. Apex Dec., ¶ 7. The mailing of the Notice Packets triggered a forty-five (45) day Response Deadline for the Settlement Class to submit requests for exclusion or objections to the Settlement. The response from the Settlement Class to the Settlement was outstanding – 100% of the Class Members are participating in the Settlement. Apex Dec., ¶ 13.

III. THE SETTLEMENT BEFORE THE COURT

The Court preliminarily approved a Gross Settlement Amount of Two Hundred Ninety-Eight Thousand Dollars and Zero Cents (\$298,000.00) based on a total of an estimated 7,319 Workweeks worked by the Class during the Class Period. The Gross Settlement Amount shall be used: (1) to satisfy Individual Settlement Payments; (2) to satisfy the Class Representative Service Award; (3) to satisfy the Class Counsel Award; (4) to satisfy the PAGA Payment; and (5) to satisfy the Settlement Administration Expenses incurred in this action. SCJ Dec., ¶ 17.

Defendant will fund the Settlement by transferring the Gross Settlement Amount into a Qualified Settlement Fund within thirty (30) calendar days after the Effective Date. Agreement, ¶ I(O). The Settlement Administrator shall mail the Individual Settlement Payments and Aggrieved Employee Payments to the Settlement Class Members and/or Aggrieved Employee last known mailing address no later than fifteen (15) calendar days after Defendant fund the Gross Settlement Amount. Agreement, ¶ III(L)(7). Using the Class Data, the Settlement Administrator shall add up the total number of Workweeks for all Class Members. The respective Workweeks for each Class Member will be divided by the total Workweeks for all Class Members, resulting in the Payment Ratio for each Class Member. Each Class Member’s Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Class Member’s estimated Individual Settlement Payments. III(L)(1). The average estimated Individual Settlement Payment is \$3,121.11. Apex Dec ¶ 15.

In exchange for valuable consideration, as of the funding of the Gross Settlement Amount, Plaintiff and the Settlement Class Members will release the Released Parties from the Released Class Claims for the Class Period. Agreement at ¶¶ I(DD); III(B). The Plaintiff and the State of California

will release the Released Parties from the Released PAGA Claims for the PAGA Period. Agreement at ¶¶ I(EE); III(C).

Apex Class Action LLC is the Court-approved Settlement Administrator for this action. Settlement Administration Expenses include those expenses of effectuating and administering the Settlement, i.e., the costs incurred to the Settlement Administrator, the costs of giving notice to the Class, the costs of administering and disbursing the Individual Settlement Payments, and the fees of the Settlement Administrator (“Settlement Administration Expenses”) approved for reimbursement by the court. The Settlement Administration Expenses are \$5,000. Apex Dec, ¶ 14. These expenses shall be paid from the Gross Settlement Amount. Agreement, ¶ I(P).

Subject to Court approval, Class Counsel seeks a Class Counsel Award in the amount of \$124,333.33, comprised of attorneys’ fees of \$99,333.33 (one-third of the Gross Settlement Amount) and up to \$25,000 for actually incurred litigation expenses. Class Counsel’s award for attorney’s fees will be divided between Class Counsel as follows: 32.5% to JCL Law Firm, APC, 32.5% to Zakay Law Group, APLC, and 35% for Lawyers for Justice, P.C. Agreement, ¶ I(F). The Agreement also provides for a Class Representative Service Award in the amount of \$5,000 for Plaintiff, in consideration of his time, risk, and efforts as the Class Representative on behalf of the Settlement Class. Agreement, ¶¶ I(K); III(L)(9).

As explained in further detail below, the Settlement is fair, adequate, and reasonable to the class and should be granted final approval. This is evidenced by the high approval of the Settlement by the Settlement Class, the absence of any objections to the Settlement and the average Individual Settlement Payment of **\$3,121.11**. Apex Dec., ¶¶ 11-13, 15, SCJ Dec., ¶ 18.

IV. GENERAL STANDARDS APPLICABLE TO JUDICIAL REVIEW AND APPROVAL OF CLASS ACTION SETTLEMENTS

Settlements of disputed claims are favored by the courts. *Huens v. Tatum* (1997) 52 Cal.App.4th 259, 265. In evaluating settlements, the courts have long recognized that compromise is particularly appropriate since such litigation is difficult and notoriously uncertain. *7-Eleven Owners for Fair Fran. v. Southland Corp.* (2000) 85 Cal.App.4th 1135, 1151 (“voluntary conciliation and settlement are the preferred means of dispute resolution. This is especially true in complex class action litigation”).

1 “[T]o prevent fraud, collusion or unfairness to the class, the settlement or dismissal of a class
2 action requires court approval.” *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801 *citing*
3 *Malibu Outrigger Bd. Of Governors v. Superior Court* (1980) 103 Cal.App.3d 573, 578-579. The court
4 must decide whether the proposed settlement falls within the range of reasonable settlements,
5 considering that settlements are compromises between the parties reflecting subjective, unquantifiable
6 judgments concerning the risks and possible outcomes of litigation. *See also Wershba v. Apple*
7 *Computer* (2001) 91 Cal.App.4th 224, 2246 (The proposed settlement is not to be judged against a
8 hypothetical or speculative measure of what might have been achieved had plaintiffs prevailed at trial.”).
9 In *Wershba*, appellants argued that the settlement was too low given the “clear” liability, however, the
10 Court rejected this argument and held that “the merits of the underlying class claims are not a basis for
11 upsetting the settlement of a class action.” *Wershba, supra*, at 246; *see also 7-Eleven, supra*, at 1150.

12 In these cases, Courts have repeatedly emphasized that there is a strong initial presumption that
13 the compromise is fair and reasonable. *Wershba*, 91 Cal.App.4th at 245. Courts should not substitute
14 their judgment for that of the parties who negotiated the settlement. *Id.* At 246. The presumption of
15 fairness exists where: (1) investigation and discovery are sufficient to allow counsel and the court to act
16 intelligently; (2) the settlement is reached through arm’s-length bargaining; (3) counsel is experienced
17 in similar litigation; and (4) the percentage of objectors is small. *Dunk*, 48 Cal.App.4th at 1801, *citing*
18 *Newberg & Conte, Newberg on Class Actions*, (3d ed. 1992) §11.41, pp. 11-91. Here, all of these factors
19 support a presumption of fairness.

20 The essential evaluation is whether, given the risks of litigation and the range of probable results,
21 the settlement, taken as a whole, is fair, reasonable, and adequate to all concerned. Here, the facts and
22 circumstances compel the conclusion that the proposed settlement satisfies that standard.

23 V. **THE SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE**

24 The court must determine whether the settlement is fair, adequate, and reasonable. *Dunk v. Ford*
25 *Motor Co.* (1996) 48 Cal.App.4th 1794, 1801; *see also Officers for Justice v. Civil Service Com'n* (9th
26 Cir. 1982) 688 F. 2d 615, 625. The purpose of the requirement is "the protection of those class members,
27 including the named plaintiffs, whose rights may not have been given due regard by the negotiating
28 parties." *Dunk, supra*, at 1801.

1 The trial court has broad discretion to determine whether the settlement is fair. *Rebney v. Wells*
2 *Fargo Bank* (1990) 220 Cal.App.3d 1117, 1138. “The well-recognized factors that the trial court should
3 consider in evaluating the reasonableness of a class action settlement agreement include 'the strength of
4 plaintiffs' case, the risk, expense, complexity and likely duration of further litigation, the risk of
5 maintaining class action status through trial, the amount offered in settlement, the extent of discovery
6 completed and the stage of the proceedings, the experience and views of counsel, the presence of a
7 governmental participant, and the reaction of the class members to the proposed settlement.' [Citations.]”
8 *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 128; see also *Munoz v. BCI Coca-Cola*
9 *Bottling Co. of Los Angeles* (2010) 186 Cal.App.4th 399, 408.

10 The list of factors is not exhaustive and should be tailored to each case. *Dunk, supra*, at 1801.
11 Due regard should be given to what is otherwise a private consensual agreement between the parties.
12 *Id.* The inquiry “must be limited to the extent necessary to reach a reasoned judgment that the agreement
13 is not the product of fraud or overreaching by, or collusion between, the negotiating parties, and that the
14 settlement, taken as a whole, is fair, reasonable and adequate to all concerned.” *Id.* “Ultimately, the
15 [trial] court's determination is nothing more than 'an amalgam of delicate balancing, gross
16 approximations and rough justice.' [Citation omitted.]” *Id.*

17 These factors are analyzed seriatim below and all support final approval of the class action
18 settlement before this Court.

19 **A. Class Counsel Conducted a Thorough Investigation.**

20 As detailed in the motion for preliminary approval, Class Counsel thoroughly investigated the
21 proposed Class Members’ claims, applicable law, and potential defenses. Specifically, Class Counsel
22 assessed the value of the class claims using data and documents provided by Defendant through
23 informal discovery. Class Counsel obtained time and payroll records for the Class Members, aggregate
24 meal premiums paid to the Class Members, average hourly rate for the Class Members, and copies of
25 applicable handbooks, policies, and agreements. Class Counsel retained Berger Consulting Group
26 (“BCG”) to analyze Defendant’s time and payroll data to formulate damage models estimating
27 Defendant’s liability exposure. Class Counsel’s investigation, research, experience, and damage
28 models informed and guided the mediated negotiations that resulted in this settlement. Accordingly,

1 Plaintiff's Counsel fully understood the strengths and weaknesses of the class claims before the parties
2 reached a settlement. SCJ Dec., ¶ 19-24.

3 **B. The Parties Settled At Mediation.**

4 On April 16, 2024, the Parties conducted a full day of mediation with Hon. Brian C. Walsh
5 (Ret.), respected jurist and experienced wage and hour mediator. Judge Walsh helped manage the
6 Parties' expectations and provided a useful, neutral analysis of the issues and risks to both sides. The
7 Parties made substantial progress with Judge Walsh's assistance. Namely, the Parties exchanged
8 information regarding their respective claims and defenses, including their respective evaluation of the
9 damages. After more than eight hours of arm's length and adversarial negotiations, the mediation
10 concluded with a settlement after the Parties agreed to a Mediator's proposal. The amount of the service
11 award was not negotiated until after the parties agreed to the Gross Settlement Amount and many other
12 terms. SCJ Dec., ¶ 26.

13 **C. Class Counsel is Experienced in Similar Litigation.**

14 Class Counsel in this matter has extensive class action experience in multiple fields and has
15 represented tens-of-thousands of persons in class actions. Counsel has previously litigated similar wage
16 and hour class actions involving similar claims. Class Counsel has been approved as class counsel in
17 similar wage and hour class actions throughout the State of California. As such, courts throughout
18 California have deemed Class Counsel experienced and knowledgeable in this area of law. Class
19 Counsel has participated in every aspect of the settlement discussions and has concluded the settlement
20 is fair, adequate, and reasonable and in the best interests of the Class. Declaration of Jean-Claude
21 Lapuyade ("JCL Dec.") ¶¶ 4-8; Declaration of Shani Zakay ("Zakay Dec."), ¶¶ 1-3; Declaration of
22 Joanna Ghosh ("LFJ Dec.") ¶ 12-16.

23 **D. The Settlement Class Responded Positively to the Settlement.**

24 The reaction of the Settlement Class unequivocally supports approval of the Settlement.
25 Significantly, after dissemination of the notice to the Settlement Class, which provided each class
26 member with the terms of the Settlement, including the specific estimated Individual Settlement
27 Payments. As of the filing of this motion, none of the 51 members of the Settlement Class opted-out
28 of the Settlement. Moreover, there are zero objections. Stated differently, 100% of the Settlement

1 Class chose to participate in the Settlement. Apex Dec., ¶ 13; SCJ Dec., ¶ 7.

2 The high approval by the Settlement Class strongly supports a finding that the Settlement is fair,
3 reasonable, and adequate. *See In re Austrian & German Bank Holocaust Litigation* (S.D.N.Y. 2000)
4 80 F.Supp.2d 164, 175 ("If only a small number of objections are received, that fact can be viewed as
5 indicative of the adequacy of the settlement."); *Stoetzner v. U.S. Steel Corp.* (3d. Cir. 1990) 897 F.2d
6 115, 118-119 (29 objections out of 281 member class "strongly favors settlement"); *Laskey v. Int'l*
7 *Union* (6th Cir. 1981) 638 F.2d 954 (The fact that 7 out of 109 class members objected to the proposed
8 settlement should be considered when determining fairness of settlement.). Consequently, Class
9 Counsel respectfully requests the Court to follow the high approval of the Settlement Class and grant
10 final approval of the Settlement.

11 **E. The Gross Settlement Amount is Fair and Reasonable.**

12 The Gross Settlement Amount of Two Hundred Ninety-Eight Thousand Dollars and Zero Cents
13 (\$298,000.00) in this case is fair and well within the range of recognized reasonableness. The *Kullar*
14 court acknowledged that "as the court does when it approves a settlement as in good faith under Code
15 of Civil Procedure section 877.6, the court must at least satisfy itself that the class settlement is within
16 the 'ballpark' of reasonableness." *Kullar, supra*, at 129; *See Tech-Bilt, Inc. v. Woodward-Clyde &*
17 *Associates*, 38 Cal.3d 488, 499-500 (1985).)

18 Here, the Settlement is clearly within the "ballpark" of reasonableness because the Settlement
19 provides a sizeable recovery to the Settlement Class and need not necessarily obtain 100 percent of the
20 damages sought to be fair, reasonable, and ultimately, meaningful. *Wershba*, 91 Cal.App.4th at 250.
21 While the Gross Settlement Amount of Two Hundred Ninety-Eight Thousand Dollars and Zero Cents
22 (\$298,000.00) represents a discount on Defendant's potential exposure if Plaintiff established liability
23 on all claims and was awarded the full amount of the estimated damages at trial, this compromise is
24 reasonable because (1) the formidable defenses raised by Defendant presented a risk that could award
25 significantly less in damages than Plaintiff's estimate and (2) any theoretical post-trial recovery may
26 require many more years of litigation, resulting in added fees and costs without any guarantee of
27 recovery for the Class. SCJ Dec., ¶ 26.

28 As detailed at the time of preliminary approval, the Gross Settlement Amount is fair and

1 reasonable considering the nature and magnitude of the claims being settled and the various potential
2 impediments to recovery. Class Counsel developed varied economic damages models measuring
3 Defendant's liability exposure while accounting for the uncertainties of continued litigation. The various
4 models were informed by Class Counsel's investigation, including the analysis of time and payroll data.
5 As detailed in greater depth during the preliminary approval process, Class Counsel projected a range
6 of Defendant's liability exposure for the claims asserted on behalf of the Settlement Class. The Gross
7 Settlement Amount represents between 18.72% and 36.45% of Defendant's *class-wide* liability
8 exposure as estimated by Class Counsel at the time of mediation. SCJ Dec., ¶ 27.

9 In *Stovall-Gusman v. W.W. Granger, Inc.*, 2015 U.S. Dist. LEXIS 78671, at * 4, the District Court
10 for the Northern District of California granted final approval in a wage and hour misclassification action
11 and found that the Gross Settlement Amount representing 10% of the estimated trial award was within
12 the "range of reasonableness." In *Dunleavy v. Nadler (In re Mego Fin. Corp. Sec. Litig.)* (9th Cir. 2000)
13 213 F.3d 454, 459, the Ninth Circuit approved a settlement representing "roughly one-sixth of the
14 potential recovery." Given the amount of the settlement here as compared to potential value of the
15 claims, particularly the strength of Plaintiff's action, the settlement is clearly fair and reasonable.³

16 The calculation methodology used to compensate the Settlement Class for the alleged damages
17 was negotiated at the time of the Settlement. More importantly, the methodology is fair, objective, and
18 impartial. The calculation methodology is based on the number of Workweeks each Settlement Class
19 Member worked for Defendant during the Class Period. The number of Workweeks for the Settlement
20 Class Members is established through Defendant's data and documented compensation records. The
21 Settlement Administrator is responsible for calculating the Individual Settlement Payments by
22 multiplying the Payment Ratio for each Class Member by the Net Settlement Amount. The Settlement
23 Administrator will calculate the payment ratio by dividing the total number of Workweeks for each

24 ³ See also *Viceral v. Mistras Grp., Inc.* (N.D. Cal. Oct. 11, 2016, No. 15-CV-02198) 2016 WL 5907869, at *3, 7 (approving
25 a California wage and hour settlement where the class received 11.6% of the estimated total liability, or approximately \$29
26 per work week); *Leverage v. Traeger Pellet Grills, LLC* (N.D. Cal. June 28, 2017, No. 16-CV-00784) 2017 WL 2797811, at
27 *7 (Approving a California wage and hour settlement where the class received 18% of the estimated total liability); see also
28 *In re Newbridge Networks Sec. Litig.* (D.D.C. Oct. 23, 1998) 1998 WL 765724, at *2 ("Courts have not identified a precise
numerical range within which a settlement must fall in order to be deemed reasonable; but an agreement that secures roughly
six to twelve percent of a potential trial recovery, while preventing further expenditures and delays and eliminating the risk
that no recovery at all will be won, seems to be within the targeted range of reasonableness.").

1 Class Member by the total number of Workweeks for all Class Members. This process establishes an
2 objectively fair and reasonable procedure to compensate the Settlement Class. Agreement, ¶ III(L)(1).

3 The settlement also provides significant relief to the Settlement Class Members. After deductions
4 for the Class Counsel Award, Settlement Administration Expenses, the PAGA Payment, and the Class
5 Representative Service Award, the Net Settlement Amount is currently estimated to be \$159,176.67.
6 Apex Dec., ¶ 14. This will result in an average Individual Settlement Payment of **\$3,121.11**, with a high
7 payment of **\$5,688.46**, and a low payment of **\$60.09**. Apex Dec., ¶ 15. This average net recovery is on
8 par with many wage and hour class action settlements approved by California state and federal courts.
9 *See, e.g., Palencia v. 99 Cents Only Stores*, No. 34-2010-00079619 (Sacramento County Super. Ct.)
10 (average net recovery of approximately \$80); *Fukuchi v. Pizza Hut*, Case No. BC302589 (L.A. County
11 Super. Ct.) (average net recovery of approximately \$120); *Contreras v. United Food Group, LLC*, Case
12 No. BC389253 (L.A. County Super. Ct.) (average net recovery of approximately \$120); *Ressler v.*
13 *Federated Department Stores, Inc.*, Case No. BC335018 (L.A. County Super. Ct.) (average net recovery
14 of approximately \$90); *Doty v. Costco Wholesale Corp.*, Case No. CV05-3241 FMC-JWJx (C.D. Cal.
15 May 14, 2007) (average net recovery of approximately \$65); *Sorenson v. PetSmart, Inc.*, Case No. 2:06-
16 CV-02674-JAM-DAD (ED. Cal.) (average net recovery of approximately \$60); *Lim v. Victoria's Secret*
17 *Stores, Inc.*, Case No. 04CC00213 (Orange County Super. Ct.) (average net recovery of approximately
18 \$35); and *Gomez v. Amadeus Salon, Inc.*, Case No. BC392297 (L.A. Super. Ct.) (average net recovery
19 of approximately \$20). Additionally, Defendant must separately fund its share of any employer side
20 payroll taxes. Agreement, ¶ III(A)(1).

21 Clearly the goal of this litigation to obtain redress for the class has been met by this Settlement.
22 Given the amount of the Settlement, the risks of litigation and the arm's length negotiations between
23 experienced counsel, the settlement is fair and reasonable, and is therefore entitled to final approval.
24 SCJ Dec., ¶ 28.

25 **F. The Strength of Plaintiff's Case and Risks of Continued Litigation**

26 Although Class Counsel believes strongly in Plaintiff's claims, it would be misguided to ignore
27 the asserted defenses. If successful on any one of its defenses, Defendant could defend the action or,
28 at least, drastically undercut Plaintiff's claims. SCJ Dec., ¶ 29. As the federal court in *Glass v. UBS*

1 *Fin. Servs.*, 2007 WL221862 held, where the parties faced uncertainties similar to those in this
2 litigation:

3 ***In light of the above-referenced uncertainty in the law, the risk, expense,***
4 ***complexity, and likely duration of further litigation likewise favors the***
5 ***settlement.*** Regardless of how this Court might have ruled on the merits of
6 the legal issues, the losing party likely would have appealed, and the parties
7 would have faced the expense and uncertainty of litigating an appeal. The
8 expense and possible duration of the litigation should be considered in
9 evaluating the reasonableness of [a] settlement.

10 With respect to the most immediate challenge, i.e., class certification, the risks attendant to the
11 certification of similar wage and hour claims are demonstrated by *Ali v. U.S.A. Cab Ltd.* (2009) 176
12 Cal.App.4th 1333, 1341. There, the Court of Appeal affirmed the Trial Court's denial of class
13 certification because employees' declarations attesting to having taken meal and rest breaks
14 demonstrated that individualized inquiries were required to show harm. *See also Campbell v. Best Buy*
15 *Stores, L.P.*, (C.D. Cal. 2013) 2013 WL 5302217 at *11-13 (following *Brinker* and denying certification
16 of proposed off-the-clock and rest and meal break classes due to lack of uniform policy); *Brown v. Fed*
17 *Express Corp.* (C.D. Cal. 2008) 249 F.R.D. 580, 587-88 (denying certification of driver meal and rest
18 period claims based on the predominance of individual issues). SCJ Dec., ¶ 30.

19 Further, even if a class is certified, liability remains uncertain. The risks attendant to the issue of
20 Defendant's liability in similar wage and hour actions are demonstrated by *Duran v. U.S. Bank National*
21 *Association* (2014) 59 Cal.4th 1, 31. There, the Court reversed a trial verdict in favor plaintiffs in a
22 wage and hour class action. *See also Tien v. Tenet Healthcare Corp.* (2012) 209 Cal.App.4th 1077,
23 1088 ("[T]he reason, if any, that employees might not take their breaks were predominantly
24 individualized questions of fact not susceptible to class treatment. SCJ Dec., ¶ 31.

25 Finally, even if a class is certified and Defendant is found liable for the class claims alleged,
26 post-certification risks remain, including a reversal of a favorable judgment for Plaintiff and
27 decertification of the class. These post-certification risks are demonstrated by *Magadia v. Wal-Mart*
28 *Associates, Inc.* (9th Cir. 2021) 999 F.3d 668. There, the Ninth Circuit vacated reversed and remanded
a \$110 million judgement against an employer for, *inter alia*, inaccurately paying overtime, and
directed the trial court to enter judgement in favor of the employer. *See also O'Conner v. Uber*

1 *Technologies, Inc.* (9th Cir. 2018) 904 F.3d 1087 (decertification of wage and hour misclassification
2 action). SCJ Dec., ¶ 32.

3 Collectively, the examples cited above illustrate the uncertain nature of class litigation.
4 Consequently, the uncertainty of obtaining certification through a contested motion is a significant risk
5 factor favoring settlement. SCJ Dec., ¶ 33.

6 Although Plaintiff is confident about the strength of Plaintiff's claims, Plaintiff nevertheless
7 recognizes that Defendant has factual and legal defenses that, if successful, would potentially defeat or
8 impair the value of the lawsuit. Legally, the fast-changing landscape of wage and hour litigation can
9 drastically affect the value of Plaintiff's claims and, in fact, already has. SCJ Dec., ¶ 34.

10 In a similar wage-and-hour case, the federal district court in *Hopson v. Hanesbrands Inc.*, 2009
11 U.S. Dist. LEXIS 33900 at * 19-20 (N.D. Cal. 2009), granted approval of an overtime class action
12 settlement and explained:

13 **Plaintiffs may have a strong case, but the risks inherent in continued**
14 **litigation are great.** Defendant strongly deny liability for Plaintiffs'
15 principal claim that full-time Service Associates were misclassified as
16 exempt. In addition to the uncertainties raised by Defendant at the
17 preliminary stage regarding Plaintiffs' chance of success in this case,
18 Defendant notes that the question of an employer's duty to provide rest and
meal periods is an open one, signaling even less certainty for
Plaintiffs.....[T]he **Gross Settlement Amount and the Class Members'**
expected net recovery, after fees and other costs are deducted, appear
to be a reasonable compromise, in light of the risks of litigation.

19 *See also Browning v. Yahoo!, Inc.*, 2007 U.S. Dist. LEXIS 86266, at *30 (N.D. Cal. 2007) ("In
20 considering the strength of Plaintiffs' case, legal uncertainties at the time of settlement - particularly
21 those which go to fundamental legal issues - favor approval.").

22 As recognized in a federal decision approving settlement of an overtime wage class action:

23 **The potential complexity and possible duration of trial also weigh in**
24 **favor of granting final approval.** Plaintiffs acknowledge the difficulties
25 of proving damages, recognize the uncertainty of outcome, and believe
26 defendant would appeal in the event of adverse judgment. A post-judgment
27 appeal would require many years to resolve and delay payment to class
28 members. Plaintiffs believe the benefits of a guaranteed recovery today
outweigh an uncertain future result. Accordingly, plaintiffs argue, and the
Court agrees, the actual recovery confers substantial benefits on the class
that outweigh the potential recovery through full adjudication.

1 *Barcia v. Contain-A-Way, Inc.*, 2009 U.S. Dist. LEXIS 17118, *9 (S.D. Cal. 2009); see also *Louie v.*
2 *Kaiser Foundation Health Plan, Inc.*, 2008 U.S. Dist. LEXIS 78314, *14 (S.D. Cal. 2008).

3
4 In sum, while other cases have approved class certification in wage and hour claims, class
5 certification in this action would have been hotly disputed and was by no means a foregone conclusion.
6 Where both sides face significant uncertainty, as here, the attendant risks favor settlement. *Hanlon v.*
7 *Chrysler Corp.* (9th Cir. 1998) 150 F.3d 1011, 1026.)

8 As demonstrated by the decisions in *Magadia, supra*, 999 F.3d 668, *O'Conner v. Uber*
9 *Technologies* (N.D. Cal. 2018) 82 F.Supp.3d 1133 and *Duran v. U.S. Bank National Assn.* (2014) 59
10 Cal.4th 1, the complexities and duration of further litigation cannot be overstated. There is little doubt
11 that if Defendant faced a large adverse judgment, Defendant undoubtedly has the resources to post a
12 bond and appeal. A post-judgment appeal by Defendant would have required many more years to
13 resolve, assuming the judgment was affirmed. If the judgment was not affirmed in total, then the case
14 could have dragged on for years after the appeal. The benefits of a guaranteed recovery today outweigh
15 an uncertain result for three or more years in the future. SCJ Dec., ¶ 35.

16 The Class Representative and Class Counsel recognize the expense and length of a trial against
17 Defendant through possible appeals, which could take another three years. In arriving at their informed
18 belief that the present settlement is fair and adequate, Class Counsel accounted for the uncertain outcome
19 and risk inherent in complex actions such as this one. Class Counsel is also mindful of and recognizes
20 the inherent problems of proof under, and alleged defenses to, the claims asserted in the litigation.
21 Moreover, post-trial motions and appeals would have been inevitable. Costs would have mounted, and
22 recovery would have been delayed if not denied, thereby reducing the benefits of an ultimate victory.
23 Class Representative and Class Counsel believe that the Settlement confers substantial monetary and
24 non-monetary benefits upon the Class. Based upon their evaluation, Class Representative and Class
25 Counsel have determined that the Settlement set forth in the Agreement is in the best interest of the
26 Class, is fair, reasonable, and adequate, and should be granted final approval. SCJ Dec., ¶ 36.

27 ///
28

1 **VI. THE PENALTIES UNDER THE PRIVATE ATTORNEY GENERAL ACT OF 2004 ARE**
2 **REASONABLE**

3 Where settlements “negotiate a good faith amount” for PAGA penalties and “there is no
4 indication that this amount was the result of self-interest at the expense of class members,” such
5 amounts are generally considered reasonable. *Hopson v. Hanesbrands Inc.*, No. CV-08-0844 EDL,
6 2009 WL 928133, at *9 (N.D. Cal. Apr. 3, 2009). Courts routinely approve of amounts for PAGA
7 penalties in the range of zero to two percent of the settlement. *See id.* at *1, 9 (approving a PAGA
8 payment of 0.3%); *Jack v. Hartford Fire Ins. Co.*, No. 09cv1683 MMA (JMA), 2011 WL 4899942, at
9 *6 (S.D. Cal. Oct. 13, 2011) (approving a PAGA payment of 0.25%); *McKenzie v. Fed. Express Corp.*,
10 No. CV 10-02420 GAF (PLAx), 2012 WL 12882124, at *5 (C.D. Cal. Jan. 23, 2012) (acknowledging
11 that courts approve PAGA claim settlements in the range of zero to two percent of the total settlement).

12 Here, Plaintiff and Defendant negotiated a good-faith PAGA Payment in the amount of \$10,000
13 which is approximately 3.3% of the Gross Settlement Amount. As illustrated above, this amount falls
14 well within the range of approved PAGA Settlements. Seventy-five percent (75%) of the PAGA
15 Payment (\$7,500) will be paid to the LWDA (“LWDA Payment”) with the remaining twenty-five
16 percent (25%) of the PAGA Payment (\$2,500.00) to be distributed to the Aggrieved Employees
17 (“Aggrieved Employee Payment”) which is within the range of PAGA penalties approved by courts
18 and should be approved. SCJ Dec., ¶ 37.

19 Class Counsel gave the LWDA notice of this Settlement and proposed allocation by filing a
20 copy of the Settlement, the Motion for Preliminary Approval, and this motion seeking final approval
21 with the LWDA. SCJ Dec., ¶¶ 6-7, 38. By not registering an objection with either Class Counsel or
22 the Court, the LWDA has accepted and approved of the proposed PAGA Payment.

23
24
25
26
27
28 ///

1 **VII. CONCLUSION**

2 Plaintiff respectfully submits that the proposed settlement satisfies the standard of fairness
3 established in California law and should therefore be finally approved as fair, reasonable, and adequate
4 and requests entry of the Final Approval Order and Judgment submitted herewith.

5
6 Dated: January 7, 2025

JCL LAW FIRM, APC

7
8 By: Sydney Castillo-Johnson
9 Sydney Castillo-Johnson, Esq.
Attorneys for Plaintiff