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RODIN ULLOA ULLOA

SUPERIOR COURT OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN FRANCISCO

RODIN ULLOA ULLOA, individually, and on behalf of all others similarly situated,

Plaintiff,

vs. REUSEO, LLC, a California limited liability company, JAMES CASTELLO, an individual, and DOES 1 through 50, inclusive,

Defendants.

CASE NO. CGC-25-626049

Assigned for All Purposes to:
Hon. Jeffrey Ross
Dept. 613

MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION FOR FINAL APPROVAL OF CLASS ACTION PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AND REQUEST FOR ATTORNEY'S FEES AND COSTS

Date: December 4, 2026
Time: 11:00 a.m.
Dept.: 613

I. INTRODUCTION

Plaintiff and Class Representative Rodin Ulloa-Ulloa seeks final approval of a non-reversionary class action settlement resolving wage and hour claims on behalf of 172 individuals who worked for Defendants Reuseo, LLC and its principal James Castello (together "Reuseo" or "Defendant") as non-exempt employees in California during the Class Period of June 6, 2021 to February 10, 2026 ("Settlement Class" or "Class Member"). The proposed $131,260 settlement will provide at least $54,429 in cash payments to the Settlement Class, with an average award of about $316. The parties and their counsel finalized the settlement after extensive and difficult arms-length negotiations overseen by an experienced and highly-regarded mediator. The Court conditionally certified the Class and preliminarily approved the settlement on July 10, 2026. Since then, the Court-approved notice form was mailed to the Class Members on September 24, 2026, and they have reacted very favorably to the settlement. As of the date of this Motion, no class members have requested exclusion, and there are no objections.

Class Counsel secured an excellent settlement with Reuseo after extensive investigation, litigation, and settlement negotiation and administration, all without any compensation for services rendered or costs expended. The class notice duly informed the class members that Class Counsel would request attorney's fees not to exceed 1/3 of the Gross Settlement Amount, or $43,753.33, along with reimbursement of no more than $15,000 for actual costs incurred litigating this matter. As of the filing of this motion, *not one Class Member objected* to the proposed fee award. Consistent with the Settlement and notice, Plaintiff now respectfully requests the Court award Class Counsel's fees in the amount of $43,753.33 and costs in the amount of $11,487.64, as described in the Declaration of J. Kirk Donnelly ("Donnelly Decl.") filed herewith. The requested attorney's fees are well within the range of reasonableness, especially considering the complex and risky nature of this litigation, the contingent risk assumed, the one and half year delay in payment and, when subjected to a lodestar crosscheck, result in a fee request that is lower than the base lodestar.

Accordingly, on behalf of himself and the Settlement Class, Plaintiff respectfully

requests the Court grant this motion, give full and final approval to the settlement, grant Class Counsel's request for attorney's fees and costs, and enter judgment accordingly.

II. FACTUAL BACKGROUND AND PROCEDURAL POSTURE

Defendant Reuseo creates tailored waste management plans by increasing recycling and composting and assists its clients with complying with various municipal laws and regulations regarding waste disposal. Reuseo sends work crews to hotels, condominiums, and apartment buildings/complexes in the San Francisco area to sort trash – per Reuseo's website "each bag is ripped open and dug through to make sure every trash item goes in the right bin to guarantee that the recycling, compost and landfill are up to compliance standard. Crews further ensure trash areas are clean and organized." Plaintiff worked for Defendant as an hourly-paid crew member for several months in 2025. At all times he was a full-time employee and frequently worked shifts over 8 hours per day. [Donnelly Decl., ¶ 2.]

Plaintiff alleges a number of wage and hour violations by Defendant. First, he alleges Reuseo failed to pay all wages due, including overtime wages, and he contends Defendant failed to properly record and pay for all hours worked and on occasion failed pay daily overtime wages when employees worked over 8 hours in a shift. Next, Plaintiff alleges Reuseo failed to provide timely and uninterrupted duty-free meal and rest periods. Plaintiff also argues that, in addition to maintaining non-compliant written meal and rest break policies, review of the time and payroll data provided by Defendant suggests significant de facto break violations for late, short, or missed meal breaks. Plaintiff also alleged he and the Class Members were required to use their personal cell phones without any reimbursement. Finally, Plaintiff alleges derivative violations for failing to provide accurate itemized wage statements and failing to timely pay wages upon separation of employment. [Donnelly Decl., ¶ 3.]

Based on these allegations, Plaintiff filed his class action complaint against Reuseo on or about June 6, 2025. Plaintiff also submitted his written notice to the LWDA and to Defendants on July 14, 2025. After service of the complaint, Defendant answered and then submitted a request to deem the matter complex, which the Court approved on November 14, 2025. Plaintiff also filed his First Amended Complaint on March 10, 2026 adding a cause of action for alleged PAGA

violations, and the FAC is the operative pleading for settlement purposes. [Donnelly Decl., ¶ 4.]

Once the matter was at issue and deemed complex, Plaintiff served an initial round of written discovery. The Parties then began meeting and conferring on discovery, potential law and motion, and other case management issues, and ultimately agreed to attempt early mediation. The Parties then engaged in extensive informal discovery to facilitate an exchange of information necessary to engage in a meaningful mediation. The Parties then engaged Michael Young, Esq., a highly respected mediator with extensive wage and hour class action experience and, in February 2026, participated in a mediation with Mr. Young, at which the Parties reached agreement on all major issues. [Donnelly Decl., ¶¶ 5-6.] The Court preliminarily approved the settlement on July 10, 2026.

Class Notices were mailed to class members on September 24, 2026, with a 45-day window (to November 9, 2026) for class members to opt out or object to the proposed settlement. [Declaration of Norma Ayala ("Ayala Decl."), ¶¶ 7, 10.]

III. THE PROPOSED SETTLEMENT TERMS

Under the proposed settlement, Reuseo will pay $131,260.00 into a common fund, the Gross Settlement Amount ("GSA"). Reasonable attorney's fees of up to one-third of the GSA, or $43,753.33, actual litigation costs of up to $15,000 (only $11,487.64 is requested), a reasonable enhancement award to Plaintiff of up to $10,000, settlement administration costs of no more than $6,590, and $5,000 for alleged civil penalties under PAGA,[1] all will be paid from the GSA. The remainder of about $54,429 will be allocated among the Participating Class Members based on their total weeks worked during the Class Period. No portion of the GSA will revert to Defendant. [Donnelly Decl., ¶ 7.]

A. Certification of the Settlement Class

The Court conditionally certified a Settlement Class including all individuals employed by Defendant in California as a non-exempt employee during the Class Period, which runs from June

[1] Consistent with PAGA, $3,250 (65%) of that amount will go the LWDA for the State's share of the civil penalties, and the remaining $1,750 (35%) will be distributed pro rata to the PAGA Aggrieved Employees (defined as all individuals employed by Reuseo as non-exempt employees during the PAGA Period of June 6, 2024 to February 10, 2026).

6, 2021 and February 10, 2026. The Settlement Administrator ultimately mailed Notices to 172 individuals identified as members of the Class. [Ayala Dec., ¶ 7.] Nothing has occurred to warrant reconsideration of certifying the class for settlement purposes.

B. The Benefit Conferred on the Settlement Class

As noted, at least $54,429 from the GSA will be distributed to the Participating Class Members. This is a cash settlement that does not require Participating Class Members to submit a claim form to receive their settlement share. Participating Class Members will receive their settlement checks automatically via First Class U.S. Mail. One-third of each settlement share will be allocated to wages and the remaining two-thirds will be allocated to penalties, unreimbursed expenses, and interest. Reuseo will pay any and all applicable employer-side payroll taxes separately and in addition to the GSA. Subject to the Court's approval, any amounts not claimed (because a Class Member does not cash his or her settlement check) will be forwarded to the California State Controller's Unclaimed Property Fund. [Donnelly Decl., ¶ 8.]

Each Participating Class Member will receive a share of the Net Settlement Sum based on his or her position held and total weeks worked for Reuseo during the Class Period while employed as a non-exempt employee. Thus, each Class Member's Individual Settlement Payment will be calculated using criteria typically used in determining appropriate amounts of alleged unpaid wages, unpaid premium wages for missed meal and rest breaks, and potential statutory penalties under applicable law. These methods are intended to ensure each Class Member receives a portion of the available settlement funds corresponding to the relative value of his or her potential claims. The proposed allocation provides a reasonable way to compensate Class Members based on the amount of time they worked for Defendant, and the number of instances they potentially missed a break, were not provided compensation in lieu of such missed breaks, or lost wages due to Defendant's alleged improper payroll practices. [Donnelly Decl., ¶ 9.]

The average Class Settlement award is estimated to be around $316, and will range from about $9.63 to around $2,140. There are 127 Aggrieved Employees, and their average PAGA award will be about $13.78. PAGA awards will range from $0.91 to $39.96. [Ayala Decl., ¶¶ 16, 18.]

C. Settlement Administration

Apex Class Action, LLC, as the Court-approved Settlement Administrator, mailed the Notice Packet to the Class members after making all reasonable effort to ascertain the best mailing address, including running each address through the National Change of Address database and "skip-tracing" any Notice Packets returned as undeliverable. [Ayala Decl., ¶¶ 3-9.] The Class Notice, previously approved by the Court, duly informed Class Members of the settlement terms, including the estimated relief each Class Member will receive, the amounts to be requested for attorney's fees and the class representative enhancement awards, and the right to opt out of or object to the settlement. [Ayala Decl., ¶ 7, Exh. A.] Apex mailed 172 Notice Packets on September 24, 2026. [Ayala Decl., ¶ 7.] Ultimately, sixteen Notice Packets were deemed undeliverable. [Ayala Decl., ¶ 9.] The 45-day response window for objecting to the settlement will expire on November 9, 2026. [Ayala Decl., ¶ 10.] As of the filing of this motion, Apex has received zero requests for exclusion (for a 100% participation rate), and zero objections to the settlement. No disputes have been submitted regarding the information used to calculate class member settlement shares. [Ayala Decl., ¶¶ 11-13.] Apex will submit a supplemental declaration to update the Court on the class member response prior to the hearing.

D. Release of Claims

All Participating Class Members will be deemed to release Defendant from all Class Claims alleged in the Operative Complaint, or that could have been brought based on the allegations in the Operative Complaint from June 6, 2021 to February 10, 2026, and the PAGA Aggrieved Employees will release all claims under PAGA for the PAGA Period of June 6, 2024 to February 10, 2026. The releases are limited to the claims that were actually pleaded or could have been pleaded based on the alleged facts in the operative complaint. [Donnelly Decl., ¶ 10.]

E. PAGA Claims and Notice to the LWDA

The Parties allocated $5,000 to payment of civil penalties under PAGA for such claims against Reuseo as addressed in more detail below, and which amount Plaintiff submits is fair, reasonable and adequate, and consistent with PAGA's underlying purposes. Moniz v. Adecco

USA, Inc. (2021) 72 Cal.App.5th 56. As required by Labor Code section 2699(s)(2), Plaintiff gave notice of the settlement and final approval hearing to the LWDA via its online portal. [Donnelly Decl., ¶ 11; Exh. 1.]

IV. ARGUMENT

The law favors settlement, particularly in class actions where substantial resources can be conserved by avoiding the time, cost, and rigors of formal litigation. H. Newberg & A. Conte, 4 Newberg on Class Actions (4th ed. 2002), § 11.41; Class Plaintiffs v. City of Seattle (9th Cir. 1992) 955 F.2d 1268, 1276, cert. denied, 506 U.S. 953; Van Bronkhorst v. Safeco Corp. (9th Cir. 1976) 529 F.2d 943,950; Potter v. Pacific Coast Lumber Co. (1951) 37 Cal.2d 592, 602. Nevertheless, to make certain the rights of absent parties are not unjustly compromised, the settlement of a class action requires court approval. Cal. Rule of Court 3.769; Dunk v. Ford Motor Co. (1996) 48 Cal.App.4th 1794, 1801; Wershba v. Apple Computer (2001) 91 Cal.App.4th 224, 245. The purpose of that judicial review is to protect against fraud or collusion, and to ensure fairness to absent class members. Dunk, 48 Cal.App.4th at 1800-01; Newberg, at §§ 11.22, *et seq.* Review is accomplished through a two-step process intended to determine whether, under the totality of circumstances, the settlement is fair, reasonable and adequate. Dunk, 48 Cal.App.4th at 1801; Wershba, 91 Cal.App.4th at 245.

On a motion for final approval, the trial court is charged with determining whether, in light of the total circumstances of the action and the response of the class members to the proposed settlement, the settlement is fair, reasonable, and adequate. Dunk, 48 Cal.App.4th at 1801-02; Wershba, 91 Cal.App.4th at 244-45. The court has broad discretion in making that determination and may consider a number of relevant factors, including: the strength of plaintiff's case; the likelihood of potential recovery; the risk, expense and likely duration of further litigation; the amount offered in settlement; the extent of discovery and stage of the proceedings; the experience and opinion of counsel; and the reaction of class members to the settlement. Id. In light of the strong judicial policy favoring the settlement of class actions, courts generally apply a presumption of fairness to a proposed class action settlement when:

(1) the settlement is reached through arm's-length bargaining; (2) investigation and discovery are sufficient to allow counsel and the court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small. Dunk, 48 Cal.App.4th at 1802; Wershba, 91 Cal.App.4th at 245.

A. The Proposed Settlement Merits Final Approval

The proposed settlement of this action warrants final approval under the standards summarized above. The settlement is fair, reasonable and adequate, and represents a favorable resolution of highly disputed and risky claims. Further, the settlement was overwhelmingly approved by the class members, as there were no objections and no Class Member requested exclusion, for a 100% participation rate.

1. The Settlement Is the Product of Arm's-Length, Informed Negotiations

The settlement is not the result of fraud or collusion. Rather, the proposed settlement was reached following arm's-length negotiations presided over by Michael Young, Esq., a highly respected and well-known mediator with extensive experience mediating wage and hour class actions. [Donnelly Decl., ¶ 6.] Moreover, Plaintiff and his counsel were well-informed about the facts and the law, and counsel J. Kirk Donnelly has years of litigation experience, including litigating wage and hour class actions. Plaintiff's counsel are well-qualified to evaluate the risks and benefits of pursuing further litigation or settling the matter. [Donnelly Decl., ¶¶ 26-29.] Defendant Reuseo likewise was represented by highly-qualified and experienced defense counsel. Both sides advocated vigorously for their clients, and nothing was "left on the table."

2. The Class Reacted Favorably to the Settlement

The settlement was well-received by the class. As of the filing of this motion, no objections have been filed, and zero Class Members requested exclusion out of 172 settlement class members. [Ayala Decl., ¶¶ 11-12.] As many courts recognize, class member reaction to the settlement is one of the most important factors to consider in determining if final approval should be granted. Mandujano v. Basic Vegetable Prods., Inc., 541 F.2d 832, 837 (9th Cir. 1976); see

also In re: American Bank Note Holographics, 127 F.Supp.2d 418, 425 (S.D.N.Y. 2001) ("It is well-settled that the reaction of the class to the settlement is perhaps the most significant factor to be weighed in considering its adequacy") (internal quotation marks omitted).

3. The Settlement Is Fair and Reasonable Considering the Benefits Conferred, the Case Value, and Significant Litigation Risks

Prior to mediation, the Parties engaged in extensive informal discovery to facilitate settlement discussions. As a result, Plaintiff reviewed documents and information regarding Reuseo's payroll practices, pay stubs and time records for a sampling of Class Members, meal and rest break policies, etc., and information from Defendant regarding class size and breakdown of job positions, work weeks, rates of pay, and other information used to formulate a damages model. Plaintiff's Counsel is confident they obtained sufficient information to enable them to understand the law and facts of this case and make an informed decision regarding the proposed settlement and whether it is in the best interests of the Class. [Donnelly Decl., ¶¶ 5, 12.]

Using that data and prior to mediation, Plaintiff ran various calculations and estimated Reuseo's likely maximum exposure on the class claims at approximately $1,250,850,[2] including $61,235 on the unpaid daily overtime claim, $287,795 on the meal break claims, $287,795 on the rest period claim; $65,630 on the expense reimbursement claim, $225,950 on the wage statement claims, and $322,445 on the waiting time penalty claims. [Donnelly Decl., ¶ 13.] Plaintiff and his counsel substantially discounted the value of these claims, however, in light of Defendant's multi-layered defenses on both class certification and on the merits and the multiple and considerable risks posed by proceeding with the litigation.

The unpaid wage claims focus primarily on Reuseo's alleged policy of paying for daily overtime at the employee's base rate of pay rather than at time and a half. While Class Members did receive overtime pay when working over 40 hours per week, per Plaintiff his review of Defendant's time and payroll records suggested numerous instances of unpaid daily overtime where an employee worked less than 40 hours in a week but still had at least one shift with over 8

[2] For mediation, Reuseo estimated about 6,563 work weeks but the Settlement Administrator ultimately determined the final work week count to be 5,652. Plaintiff accordingly now estimates the theoretical exposure at about $1,120,000 rather than $1,250,000. [Donnelly Decl., ¶ 13.]

hours. Wage Order 5-2001, § 3(A). In response, Reuseo argued its payroll policies are fully compliant, that it properly tracked and paid for all hours worked at the appropriate hourly wage. [Donnelly Decl., ¶ 14.]

On the meal and rest break claims, Plaintiff contends Defendant's written policies are not fully compliant, and Plaintiff's review of the time and payroll records provided suggested these deficiencies in the written policies affected employee breaks and resulted in substantial "de facto" violations. For example, Plaintiff argued that review of Defendant's records suggested that in many instances meal breaks were non-compliant and were either untimely, cut short, or not provided at all, and Plaintiff's review of the sample time records suggested about a 47% unique violation rate for meal periods. On the rest break claims, Plaintiff alleged that many times rest breaks were skipped or compromised due to the press of business and the need to complete all work at the assigned work locations by the end of the shift. [Donnelly Decl., ¶ 15.]

In response, Reuseo argued its written meal and rest break policies are fully compliant, that it provided employees with the opportunity to receive all required breaks. Defendant further maintained that, in light of its compliant policies, whether a Class Member missed a meal period, received a late meal period, or missed a rest break would have been aberrational and against company policy. Thus, per Reuseo, these issues are not amenable to class or representative treatment since their resolution would require individualized inquiries as to why a break was missed or non-compliant, and whether the employee acted voluntarily or otherwise such that there would be no liability. [Donnelly Decl., ¶ 16.]

On the expense reimbursement claim, Plaintiff alleges use of personal cellular phones was necessary and consequential to employment duties for downloading a timekeeping app called "Work Force" on their phones for purposes of clocking in/out. Per Plaintiff, Reuseo was obligated to reimburse for such use of personal phones. Cochran v. Schwan's Home Services, Inc. (2014) 228 Cal.App.4th 1137, 1144. In response, Reuseo argued it provided employees with reimbursement for documented, reasonable and necessary expenses including use of cell phones. Beyond that, Reuseo argued that use of personal phones generally was unnecessary for performing the job, and that any such use largely would have been for personal preference or

convenience and not reimbursable as a "necessary" business expense. Lab. Code § 2802. [Donnelly Decl., ¶ 17.]

The claims under Labor Code sections 203 and 226 are derivative of the primary unpaid wage claims and accordingly are subject to the same risks and uncertainties plus additional risks posed by the need to take into account the discretionary nature of such awards and the "good faith" and other defenses available to Defendant. Amaral v. Cintas Corp. No. 2 (2008) 163 Cal.App.4th 1157, 1203-4 (employer did not willfully fail to pay wages under Labor Code § 203 even though class prevailed on underlying claim for failure to pay living wages). Thus, while these claims largely are derivative of the unpaid wage claim, they also are subject to additional defenses. [Donnelly Decl., ¶ 18.]

As far as potential PAGA liability, prior to mediation Plaintiff estimated the allegedly Aggrieved Employees theoretically are entitled to penalties totaling over $1,052,000[3] in civil penalties should Plaintiff prevail on all claims and establish violations of the multiple Labor Code sections as to each and every pay period at issue. [Donnelly Decl., ¶ 19.] As with the Class Claims, Plaintiff discounted the potential PAGA penalties based on Defendant's various defenses on the merits and also accounted for the Court's wide discretion to reduce such penalties, or to decline to award penalties at all. Labor Code § 2699(e)(2); Carrington v. Starbucks Corp. (2018) 30 Cal.App.5th 504 (trial court awarded penalties of $5 per pay period after a bench trial, which decision was upheld on appeal); In re Taco Bell Wage and Hour Actions (E.D. Cal. Apr. 8, 2016) 2016 U.S. Dist. LEXIS 48557 (PAGA penalties denied after trial). Accordingly, the Parties allocated $5,000 to PAGA penalties, and Plaintiffs submit this amount is reasonable under the circumstances and in line with comparable settlements in other wage and hour class and representative actions in California. *E.g.*, Van Kempen v. Matheson Tri-Gas, Inc. (N.D. Cal. Aug. 25, 2017) 2017 U.S. Dist. LEXIS 137182 (granting final approval of $5,000 PAGA penalty from $370,000 settlement, or 1.4 percent of total settlement); Slavkov v. First Water Heater Partners I (N.D. Cal. July 25, 2017) 2017 U.S. Dist. LEXIS 116303 (finding a $7,500 PAGA payment

[3] As with the work weeks and based on the Settlement Administrator's calculations, the PAGA pay periods at issue decreased from the pre-mediation estimate of about 2,265 to a final count of 1,927. Accordingly Plaintiff now estimates the theoretical penalties at about $895,000. [Donnelly Decl., ¶ 19.]

reasonable when measured against the overall settlement of $345,000 and the possible weaknesses in Plaintiffs' case, or 2.2 percent of total settlement). Additionally, the LWDA has been informed of the terms of the PAGA portion of the settlement and will be able to weigh in as necessary. Jennings v. Open Door Mktg. Inc. (N.D. Cal. Oct. 3, 2018) 2018 U.S. Dist. LEXIS 171356, at *27 (approving settlement with PAGA penalties of 0.6% where "[p]laintiffs [have] submitted the settlement agreement to the LWDA, and the LWDA has not objected to the settlement.

The settlement obviates the significant risk that this Court may find any kind of class or representative resolution unachievable or deny certification of all or some of Plaintiff's claims. Furthermore, even if Plaintiff obtained certification of all or some of the claims, continued litigation would be lengthy and expensive as the parties pursued merits discovery, a probable motion to decertify, as well as trial and possible appeals, and would further and substantially delay any recovery by the Class with no assurance of recovering significantly more than the proposed settlement. Additionally, at the mediation Defendant made available financial information demonstrating that, as a new business in a unique and niche industry, it has only very recently begun to turn a modest profit and generally has limited resources to fund a class settlement while simultaneously meeting payroll obligations and other operational needs. Accordingly, even if Plaintiff pursued the matter further there is no guarantee that Defendant would be in a position to fund a larger settlement or judgment, or even mount a defense. While Plaintiff is confident in the merits of these claims, legitimate controversies exist regarding each one. Plaintiff also recognizes proving the amount of wages and penalties due each Class Member would be an expensive, time-consuming, and uncertain proposition. [Donnelly Decl., ¶ 20.]

Plaintiff and his counsel discounted the value of the class claims consistent with the risks discussed above and carefully weighed the likelihood of the class receiving substantially greater benefit if the litigation continued. Plaintiff and counsel concluded – in light of these very real and substantial risks – settlement on the proposed terms and without prolonged and costly litigation was in the best interests of the Class, and the overall $131,260 recovery represents a significant percentage of Defendant's potential exposure, and likewise represents an amount that Defendant

can manage without jeopardizing its ability to keep the doors open and make payroll. Given these risks, a total recovery for the Class of $131,260, which will result in average award of some $316 per Class Member, plus additional amounts under PAGA, is a significant result well within the range of reasonableness considering all potential outcomes, and it will provide direct monetary awards to all Class Members without further delay or risk of Defendant's inability to pay. [Donnelly Decl., ¶ 21.]

Importantly, the mere fact that a settlement does not provide the same recovery as might be achieved at trial is not a proper indicator of whether the settlement is fair, reasonable, and adequate. Wershba, 91 Cal.App.4th at 246, 250 ("Compromise is inherent and necessary in the settlement process…even if the relief afforded by the proposed settlement is substantially narrower than it would be if the suits were to be successfully litigated, this is no bar to a class settlement because the public interest may indeed be served by a voluntary settlement in which each side gives ground in the interest of avoiding litigation"); Lane v. Facebook, Inc. (9th Cir. 2012) 696 F.3d 811, 819 ("[T]he question whether a settlement is fundamentally fair . . . is different from the question whether the settlement is perfect in the estimation of the reviewing court"); 7-Eleven Owners for Fair Franchising v. Southland Corp. (2000) 85 Cal.App.4th 1135, 1150 ("The fact that a proposed settlement may amount to only a fraction of the potential recovery does not, in and of itself, mean that the proposed settlement is grossly inadequate and should be disapproved"); White v. Experian Information Solutions, Inc. (C.D. Cal. 2011) 803 F.Supp.2d 1086, 1098 (rejecting contention settlement was not fair and reasonable even though it represented 99% discount off the maximum value of the claims). Importantly as well, the proposed settlement is non-reversionary and will provide timely benefits to the Class Members without a claims process. White, 803 F.Supp.2d at 1098; c.f., Federal Judicial Center, Managing Class Action Litigation: A Pocket Guide for Judges (3d ed. 2010) at 20, available at http://www.fjc.gov/sites/default/files/2012/ClassGd3.pdf (reversionary provisions and/or cumbersome claims process may indicate lack of fairness). Plaintiff and Plaintiff's Counsel submit the settlement is within the "range of reasonableness," and is fair, reasonable, and adequate for the Class.

V. PLAINTIFF'S ENHANCEMENT AWARD

Under the terms of the settlement, Plaintiff seeks a modest incentive award of $10,000 for his service in bringing these claims on behalf of the Class. Staton v. Boeing (9th Cir. 2003) 327 F.3d 938, 977 (collecting cases awarding class representatives service and incentive payments ranging from $2,000 to $25,000). The request is reasonable given the risks he undertook on behalf of the Class Members. By contacting and retaining counsel to pursue these claims, Plaintiff helped make this settlement possible for the absent Class Members, while shouldering the risk of being liable for Defendant's litigation costs. Plaintiff also exposed himself to unwanted notoriety related to filing a public lawsuit (discoverable even through a simple google search) for the benefit of other employees, placing herself at risk of discrimination by future prospective employers. As set forth in more detail in his declaration submitted with the preliminary approval motion, among taking many other actions assisting in the successful litigation of this case, Plaintiff provided substantial factual information and documents to counsel, attended numerous meetings/phone conferences with counsel to discuss the case, and kept abreast of all significant developments. [Declaration of Rodin Ulloa-Ulloa, ¶¶ 2-9 (filed May 12, 2026); Donnelly Decl., ¶ 22.] Finally, there are no class member objections submitted with respect to the amounts Plaintiff proposes to receive. [Ayala Decl., ¶ 12.] Accordingly, the requested enhancement payments to Plaintiff is appropriate and justified as part of the settlement and is entirely in line with enhancement awards in comparable class action cases in both this Court and others around California. See Request for Judicial Notice, Exhibits 1-5.

VI. SETTLEMENT ADMINISTRATION COSTS

The settlement provides for payment to Apex for its services as the Settlement Administrator. As set forth in the Declaration of Norma Ayala, Apex has performed and will continue to perform its required duties through final distribution of the settlement funds and incurred $6,590 in fees and expenses. [Ayala Decl., ¶ 19.] Accordingly, Plaintiff respectfully requests the Court approve payment of $6,590 to Apex from the GSA. [Donnelly Decl., ¶ 23.]

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VII. ATTORNEY'S FEES AND COSTS

A. The Attorney's Fees Requested Are Fair and Reasonable and Should Be Approved

This Court has discretion over the amount of attorneys' fees awarded and court approval is required for Class Counsel's fees. Cal. Rule of Court 3.769; Levy v. Toyota Motor Sales, U.S.A. (1992) 4 Cal.App.4th 807, 813; Lealao v. Beneficial Cal., Inc. (2000) 82 Cal.App.4th 19. In defining a reasonable fee, the Court should attempt to mimic the marketplace for cases involving significant contingent risk, such as this one. Deposit Guaranty Nat'l Bank, Jackson, Miss. v. Roper (1980) 445 U.S. 326, 338, rehg. den. 446 U.S. 947*;* Lealao*,* 82 Cal.App.4th at 49-50 (court should attempt "to award the fee that informed private bargaining, if it were truly possible, might have reached" in determining a reasonable fee, and a fee award should approximate a "range of fees freely negotiated in comparable litigation"). Here, Class Counsel's request for attorney's fees and costs is reasonable and justified by the work performed, the benefits obtained, and the contingent risk assumed.

As addressed in detail above, at the time the parties reached the tentative settlement success for Plaintiff and the putative class was far from certain. Plaintiff faced a real risk that some or all the claims would not be certified for class treatment, as Defendant had strong arguments that its compensation policies were legal and properly compensated the class members, that the class might not be sufficiently numerous, and that many putative class members previously waived the claims at issue. Even if Plaintiff certified some or all of the claims and ultimately prevailed on the merits, it undoubtedly would have taken several years to realize any recovery while they pursued class certification, trial, and an almost certain appeal. [Donnelly Decl., ¶¶ 13-20.]

Nonetheless, Plaintiff succeeded and expeditiously obtained the relief he set out to obtain, and the settlement provides substantial cash payments to Class Members, with an average award of about $316 and with a maximum award of over $2,140. Importantly as well, the Class Members have been overwhelmingly supportive of the Settlement – as of the filing of this motion, there are no objections to the settlement and no opt outs. [Ayala Decl.,

¶¶ 11-12.]

B. The Requested Fee Award Is Reasonable and Appropriate

The United States Supreme Court has ruled the parties to a class action properly may negotiate not only the settlement of the action itself but also the payment of attorney's fees. Evans v. Jeff D. (1986) 475 U.S. 717, 734-35, 738, fn. 30.) In Hensley v. Eckerhart (1983) 461 U.S. 424, 437, the Supreme Court explained that negotiated, agreed-upon attorney's fee provisions are the ideal towards which the parties should strive: "A request for attorney's fees should not result in a second major litigation. Ideally, of course, litigants will settle the amount of a fee." The United States Supreme Court has reemphasized this policy and further stressed trial courts have "a responsibility to encourage agreement" on fees. Blum v. Stenson (1984) 465 U.S. 886, 902 n.19.

As part of the Settlement, Reuseo agreed not to object to an award of no more than 1/3 of the GSA for attorney's fees, or $43,753.33, and up to $15,000 in reimbursement for litigation costs and expenses (although only is requested). Such a fee is commensurate with what the market would provide for similar services and the Court therefore can most certainly enforce the agreement. As California's Court of Appeal has instructed:

> Given the unique reliance of our legal system on private litigants to enforce substantive provisions of law through class and derivative actions, attorneys providing the essential enforcement services must be provided incentives roughly comparable to those negotiated in the private bargaining that takes place in the legal marketplace, as it will otherwise be economic for defendants to increase injurious behavior.

Lealao, 82 Cal.App.4th at 47.

Here, the parties did not negotiate the inclusion of attorney's fees until after extensive arms-length bargaining regarding relief to the Class was completed. [Donnelly Decl., ¶ 24.] The requested fee and cost award was a product of these arms-length negotiations and fairly reflects the marketplace value of the services rendered by Class Counsel in this case. As a result, the fee agreed to by the parties should be approved.

C. Class Counsel's Fees are Justified When Calculated as a Percentage of the Common Fund

In approving fee applications, courts typically apply either a percentage-of-recovery

method or the lodestar method. Laffitte v. Robert Half Int'l., Inc. (2016) 1 Cal.5th 480, 489; Wershba v. Apple Computer, Inc. (2001) 91 Cal.App.4th 224, 254, disapproved on other grounds, Hernandez v. Restoration Hardware, Inc. (2018) 4 Cal.5th 260. The California Supreme Court recently recognized the advantages and equities of calculating attorney's fees using the percentage-of-the-common-fund method in another wage-and-hour case:

> The recognized advantages of the percentage method-including relative ease of calculation, alignment of incentives between counsel and the class, a better approximation of market conditions in a contingency case, and the encouragement it provides counsel to seek an early settlement and avoid unnecessarily prolonging the litigation convince us the percentage method is a valuable tool that should not be denied our trial courts.

Laffitte, 1 Cal.5th at 503 (citations omitted).

Indeed, both California and federal courts have long recognized an appropriate method for determining the award of attorney's fees is based on a percentage of the total value of benefits afforded to class members by the settlement. Serrano v. Priest (1977) 20 Cal.3d 25, 34; Boeing Co. v. Van Gernert (1980) 444 U.S. 472, 478; Vincent v. Hughes Air West, Inc. (9th Cir. 1977) 557 F.2d 759, 769. Awarding a fee based on a percentage of the common fund recovered operates to "spread litigation costs proportionately among all the beneficiaries so that the active beneficiary does not bear the entire burden alone." Vincent, 557 F.2d at 769.

In determining a reasonable common fund fee award, courts should also consider the fact that fees serve as an economic incentive for lawyers to bring class action litigation to achieve increased access to the judicial system for meritorious claims and to enhance deterrents to wrongdoing. Conte, Attorney Fee Awards (2d ed. 1993) § 104. Without prosecution on a contingent basis and use of the class action mechanism, the courthouse door would effectively be closed to most class members due to the relatively small size of their individual claims in relation to the enormous time and cost associated with class action litigation.

Here, Class Counsel seek a fee award for their successful prosecution and resolution of this action of no more than one-third of the total amount recovered by the Class via the

lawsuit, or $43,753.33. The percentage requested is justified for the reasons set forth further below, and comports with fee awards calculated on a percentage-of-the-benefit basis. Indeed, review of class action settlements shows that courts have historically awarded fees in the range of 20 to 50 percent, depending upon the circumstances of the case. In re Warner Communications Sec. Litig. (S.D.N.Y. 1985) 618 F.Supp. 735, 749-50 (concluding that percentage fees in common fund cases range from 20 to 50 percent); Newberg, Newberg on Class Actions (3d ed.) § 14.03, pp. 13-14 ("Usually 50% of the fund is the upper limit on a reasonable fee award from a common fund in order to assure that the fees do not consume a disproportionate part of the recovery obtained for the class, although somewhat larger percentages are not unprecedented.").

D. A Lodestar Cross-Check Also Supports Class Counsel's Fee Request

To ensure the fairness of an attorney's fee award, courts frequently conduct a lodestar cross check of counsel's fees. "A lodestar cross-check thus provides a mechanism for bringing an objective measure of the work performed into the calculation of a reasonable attorney fee." Laffitte, 1 Cal.5th at 504. Here, Class Counsel spent 59.7 hours of time on this matter, resulting in a modest and very reasonable lodestar of $48,690.00.

As is fully detailed in the Donnelly Declaration, Class Counsel's efforts included: (1) extensive pre-lawsuit investigation of the claims of Plaintiff and the putative class, including legal research, obtaining Plaintiff's employment records, and attempts to locate and contact other Reuseo employees; (2) drafting a PAGA notice letter; (3) drafting the complaint and related documents, and drafting the amended complaint; (4) case management, including communications with defense counsel, meeting and conferring/preparing case management statements, attending the initial CMC, etc.; (5) lengthy discussions with defense counsel regarding settlement/mediation and informal discovery needed for meaningful settlement discussions; (6) engaging in both formal and informal discovery, including propounding written discovery and informal discovery "requests," and reviewing documents and other information produced; (7) drafting a mediation brief and accompanying damages model after review and analysis of Defendant's informal discovery production; (8) attending mediation; (9) negotiating

and drafting the settlement agreement and related documents; (10) drafting the motion for preliminary approval and revisions thereto; (11) administration of the settlement, including communications with the Settlement Administrator and settlement class members; (12) drafting the motion for final approval and motion for attorney's fees; and (13) extensive communications with the Plaintiff regarding case status, case investigation and document review, mediation, and settlement terms. Additionally, Class Counsel will incur additional time following final approval to, inter alia, respond to class member inquiries, work with the Settlement Administrator on the distribution of settlement funds, and on the compliance hearing and amended judgment. [Donnelly Decl., ¶ 25, Exh. 2.]

In pursuing this matter, Class Counsel incurred total attorney's fees of $48,690, the lodestar is based on an eminently reasonable number of hours worked to litigate this matter to a successful conclusion (59.7) attorney and paralegal hours), and the requested attorney hourly rates are reasonable and comport with hourly rates charged by other attorneys with similar experience in this practice area in California. [Donnelly Decl., ¶¶ 25-34; Exh. 3.] On a lodestar basis, the fee request of $43,753.33 is less than the unadorned lodestar and, accordingly, there is no request for a lodestar modifier. Plaintiff respectfully submits this supports the reasonableness of the fees requested on a percentage basis since those fees are actually lower than the market value of the services rendered when valued via traditional hourly billing.

E. <u>The Award is Supported By 1) the Results Achieved; 2) the Risk, 3) the Skill Required, 4) the Contingent Nature of the Fee and 5) Awards in Similar Cases</u>

What has now emerged in most fee award decisions is the recognition that fee determinations in both common fund and statutory fee situations are incapable of mathematical precision because of the intangible factors that must be resolved in the court's discretion based on the circumstances of each particular case. Conte, § 207, p. 44. In determining an appropriate fee in a common fund case, a Court must decide, based on the unique posture of each case, what percentage of the common fund would most reasonably compensate Class Counsel given the nature of the litigation and the performance of counsel. <u>Paul, Johnson, Alston & Hunt v. Graulty</u> (9th Cir. 1989 886 F.2d 268, 272) (the benchmark

percentage fee may be adjusted to account for the circumstances involved in a case).

Courts apply a five-part test in calculating a reasonable percentage fee in common fund cases: (1) the results achieved; (2) the risk of litigation; (3) the skill required and the quality of work; (4) the contingent nature of the fee and the financial burden carried by the plaintiffs; and (5) awards made in similar cases. Laffitte, l Cal.5th at 489.

1. The Results Achieved.

Class Counsel obtained an excellent result in this case for the Class Members. The Settlement provides real monetary benefits to the Class Members, and the Settlement is particularly advantageous to the Class Member because the proceeds will be distributed shortly as opposed to waiting additional years for a similar, or possibly, less favorable result. Considering many individual claims would be very modest and would not be cost-effective to pursue successfully, the Settlement provided them with fair compensation for their claims. Moreover, the absence of any objection to either the Settlement or the attorney's fee request bolsters the excellent results. Indeed, the approval of the Class is overwhelming as indicated by the fact that not only one class member opted out. Additionally, the settlement amounts to a substantial percentage of the maximum value of the amount the Class might have obtained if it had tried the case and recovered on all theories seeking recovery of wages and penalties. "It is well-settled law that a cash settlement amounting to only a fraction of the potential recovery does not per se render the settlement inadequate or unfair." In re Omnivision Techs., Inc., 559 (N.D. Cal. 2008) F.Supp.2d 1036, 1042.

2. Class Counsel Bore Considerable Risk.

At the time of filing the complaint, Class Counsel recognized that they would have to expend a substantial amount of time and advance significant costs to prosecute a statewide class action suit with no guarantee of compensation or reimbursement, in the hope of prevailing against a sophisticated company represented by first-rate attorneys. Despite their belief in the validity of Plaintiff's claims, they also knew they faced substantial risks of class certification and the ability to prove class-wide and individual damages. In light of the highly uncertain nature of this suit, Class Counsel also bore the risk that Defendant

would dig in and attempt to bury their small firm in work. Given the small size of Class Counsel's firm, not receiving any compensation for several years while simultaneously advancing litigation costs posed considerable risk and difficulty. [Donnelly Decl., ¶¶ 35-36.]

3. The Skill Required and the Quality of Work.

Practice in the narrow area of wage and hour litigation requires skill, knowledge and experience. The issues presented in this case required more than just a general appreciation of wage and hour law and class action procedure. This Settlement was possible only because counsel persuaded Reuseo that Plaintiff and the putative class had a realistic chance of prevailing on their claims despite Reuseo's contrary arguments, and that the case would be pursued through class certification and trial if necessary. In successfully navigating these hurdles, Class Counsel displayed appropriate skill while pursuing a risky and difficult case.

4. The Contingent Nature of the Fee and Risk Assumed

There is a substantial difference between the risk assumed by attorneys being paid by the hour and attorneys working on a contingent fee basis. The attorney being paid by the hour can go to the bank with his fee. Powers v. Eichen (9th Cir. 2000) 229 F.3d 1249, 1256. The attorney working on a contingent basis can only log hours while working without pay towards a result that will hopefully entitle him to a market fee considering the risk and other factors of the undertaking. Id. at 1257. Otherwise, the contingent fee attorney receives nothing. Id. In this case, Class Counsel subjected themselves to this risk in this all or nothing contingent fee case wherein the necessity and financial burden of private enforcement makes the requested award appropriate.

Counsel retained on a contingency fee basis, whether in private matters or in class action litigation, is entitled to a premium beyond their standard, hourly, non-contingent fee schedule to compensate for both the contingent risk assumed and the delay in payment. The simple fact is that despite the most vigorous and competent of efforts, success is never guaranteed. McKittrick v. Gardner (4th Cir. 1967) 378 F.2d 872, 875. Indeed, if counsel is not adequately compensated for the risks inherent in difficult class

actions, competent attorneys will be discouraged from prosecuting similar cases. Ketchum v. Moses (2001) 24 Cal.4th 1122, 1132-33; Cazares v. Saenz (1989) 208 Cal.App.3d 279, 287.

Here, the contingent fee practices of Plaintiff's counsel simply do not accommodate the investment of unnecessary time in a case, and the adverse resolution of any one of several difficult issues present in this matter could have doomed the entire effort. As discussed, the attorney's fees in this case were not only contingent but fairly risky, and there was always a palpable chance Plaintiff's counsel would receive nothing for any number of reasons. [Donnelly Decl., ¶¶ 35-36.] Accordingly, the contingent nature of the fee and the financial burdens on Class Counsel and Plaintiff also support the fee requested.

5. Awards in Other Cases

As discussed, the attorney's fees requested by Class Counsel are within the range of fees awarded in comparable cases, and review of class action settlements over the past 10 years shows that the courts have historically awarded fees in the range of 20 to 50 percent, depending upon the circumstances of the case. In re Warner Communications Sec. Litig. (S.D.N.Y. 1985) 618 F.Supp. 735, 749-50 (concluding that percentage fees in common fund cases range from 20 to 50 percent); Newberg, Newberg on Class Actions (3d ed.) § 14.03, pp. 13-14 ("Usually 50% of the fund is the upper limit on a reasonable fee award from a common fund in order to assure that the fees do not consume a disproportionate part of the recovery obtained for the class, although somewhat larger percentages are not unprecedented."). A one-third fee also is in line with awards Plaintiff's counsel has been awarded in other similar matters in San Francisco Superior Court and other nearby courts. Rivera v Reel Produce, Inc., Case No. 24-CGC-620797 (San Francisco County Superior Court) (1/3 fee ($50,000) approved out of $150,000 gross settlement); Castaneda v Artistic Geometry, Inc., Case No. CGC-24-615195 (San Francisco County Superior Court) (1/3 fee ($11,666.66) approved out of $35,000 settlement); Bajo-Islas v. Rossettas Enterprises, Inc., Case No. 25CV04159 (Santa Cruz Superior Court) (1/3 fee $33,333.33) approved out of $100,000 gross settlement); Santiago v McKimmey Electric, Inc., et al. Case No. STK-CV-UOE-2024-0005859 (San Joaquin County

Superior Court) (35% fee ($96,250) approved out of $275,000 gross settlement). Request for Judicial Notice Exhs. 1-5:

Class Counsel's requested fees equal one-third of the gross amount recovered on behalf of the class and are well within the range of reasonableness under either the percentage of the recovery or the lodestar method in light of the contingent risk assumed, the delay in payment, the result achieved, and the overall quality of the representation.

F. Class Counsel's Costs and Expenses are Reasonable

Plaintiff's counsel also requests reimbursement of actual out-of-pocket expenses incurred to prosecute this action. These expenses were incidental and necessary to the effective representation of the employees, and Plaintiffs' counsel is permitted to recover litigation costs and expenses under the common fund doctrine and the Settlement Agreement. Serrano, 20 Cal.3d at 35 (common fund doctrine permits recovery of fees and costs from the fund); Rider v. County of San Diego (1992) 11 Cal.App.4th 1410, 1424 n.6 (costs are recoverable from the common fund "[o]f necessity, and for precisely the same reasons discussed above with respect to the recovery of attorneys' fees by ... [Plaintiffs'] attorneys"). Plaintiffs' counsel also is entitled to recover "those out-of-pocket expenses that would normally be charged to a fee-paying client." Harris v. Marhoefer (9th Cir. 1994) 24 F.3d 16, 19.

Per the Donnelly Declaration, Class Counsel incurred a total of $11,487.64 in expenses in connection with this matter. These expenses include amounts paid for court filing fees, service of process, remote court appearances, postage, and mediation fees, all of which are costs normally billed to and paid by the client. These costs were reasonably incurred in the prosecution of this matter, and should be reimbursed in full. Plaintiff respectfully requests that the Court authorize reimbursement of counsel's costs in the amount of $11,487.64. [Donnelly Decl., ¶¶ 37-38.]

VIII. CONCLUSION

For all the foregoing reasons, Plaintiff Rodin Ulloa-Ulloa respectfully requests that the Court grant this motion and grant final approval of the proposed class action settlement and approve the payment of PAGA penalties to the State. Plaintiff further requests the Court approve

payment of the Settlement Administrator's fees and expenses, approve the requested class representative enhancement payment, approve the award of attorney's fees and costs as requested, and enter judgment in this action. Finally, Plaintiff requests the Court set a final compliance hearing for December 10, 2027, or a later date convenient for the Court.

Dated: November 3, 2026

LAW OFFICES OF J. KIRK DONNELLY, APC

J. Kirk Donnelly

J. Kirk Donnelly
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