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9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

10 **FOR THE COUNTY OF SANTA CLARA**

11 ANDRES CEDENO OLIVO, individually, and  
12 on behalf of other members of the general public  
similarly situated,

13 Plaintiffs,

14 vs.

15 KHANNA ENTERPRISES GENERAL  
PARTNER, an unknown business entity;  
16 KHANNA ENTERPRISES IV LIMITED  
PARTNERSHIP, a California limited  
17 partnership; KHANNA ENTERPRISES - II,  
LIMITED PARTNERSHIP, a California limited  
18 partnership; KHANNA ENTERPRISES II,  
INC., a California corporation; KHANNA  
19 ENTERPRISES III, INC., a Delaware  
corporation; KHANNA ENTERPRISES V  
20 LIMITED PARTNERSHIP, a California limited  
partnership; KHANNA ENTERPRISES VI LP,  
21 a Delaware limited partnership; KHANNA  
ENTERPRISES, INC., a California corporation;  
22 KHANNA ENTERPRISES LTD., - III, LP, a  
California limited partnership; KHANNA  
23 ENTERPRISES, LTD., A LIMITED  
PARTNERSHIP, a California limited  
24 partnership; ASHWIN KHANNA, INC., a  
California corporation; RAJESH KHANNA,  
25 INC., a California corporation; RAVI  
KHANNA, INC., a California corporation; and  
26 DOES 1 through 10, inclusive,

27 Defendants.  
28

Case No. 22CV409085

Assigned to the Hon. Theodore C. Zayner

**NOTICE OF MOTION AND MOTION FOR  
COURT APPROVAL OF THE PARTIES'  
PAGA SETTLEMENT; MEMORANDUM OF  
POINTS AND AUTHORITIES IN SUPPORT**

Date: April 9, 2025  
Time: 1:30 p.m.  
Place: Department 19

Complaint Filed: December 27, 2022  
Trial Date: None Set

1 **TO THE HONORABLE COURT, ALL PARTIES, AND THEIR ATTORNEYS OF RECORD:**

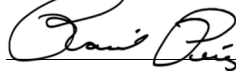
2 **PLEASE TAKE NOTICE** that on April 9, 2025 at 1:30 p.m., or as soon thereafter as counsel  
3 may be heard, in Department 19 of the above-captioned court, located at 161 North First Street San Jose,  
4 California 95113, the Honorable Theodore C. Zayner presiding, Plaintiff Andres Cedeno Olivo will, and  
5 hereby does, move this Court for entry of an order and judgment approving the Parties' PAGA  
6 settlement pursuant to Labor Code section 2699(s)(2).

7 This Motion is based upon: (1) this Notice of Motion and Motion; (2) the Memorandum of  
8 Points and Authorities in Support of Motion for Court approval of the PAGA Settlement; (3) the  
9 Declaration of Raul Perez, which attaches the PAGA Settlement Agreement; (4) the Declaration of  
10 Andres Cedeno Olivo; (5) the records, pleadings, and papers filed in this action; and (6) upon such other  
11 documentary and oral evidence or argument as may be presented to the Court at or prior to the hearing of  
12 this Motion.

13  
14 Dated: March 13, 2025

Respectfully submitted,

15 By:



Raul Perez

Bevin Allen Pike

Daniel Jonathan

Trisha K. Monesi

**CAPSTONE LAW APC**

Attorney for Plaintiff Andres Cedeno Olivo

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Pursuant to the Labor Code Private Attorneys General Act of 2004 (Lab. Code. §§ 2698, *et seq.*,  
4 “PAGA”), Plaintiff Andres Cedeno Olivo (“Plaintiff”) seeks Court approval of the settlement of his  
5 claim for PAGA civil penalties with Defendants Khanna Enterprises II, Limited Partnership, Khanna  
6 Enterprises IV Limited Partnership, Khanna Enterprises VI, LP, and Khanna Enterprises, Ltd.  
7 (“Defendants”) (collectively with Plaintiff, the “Parties”).

8 The PAGA provides that “[t]he superior court shall review and approve any settlement of any  
9 civil action filed pursuant to this part.” Lab. Code § 2699(s)(2). In *Moniz v. Adecco USA, Inc.*, 72 Cal.  
10 App. 5th 56 (2021), the Court of Appeal explained that similar to class action settlements, the trial court  
11 should satisfy itself that the settlement is “fair, adequate, and reasonable” in view of PAGA’s “purposes  
12 and policies.” The statute does not, however, require the two-step process utilized in class actions. *See*  
13 *Salazar v. Sysco Central Cal.*, No. 15-01758-DAD, 2017 WL 1135801, \*2 (E.D. Cal. Feb. 2, 2017)  
14 (rejecting the application of class action settlement rules and procedures for PAGA settlement approval).  
15 Nothing in the PAGA changes the strong judicial preference in support of approving settlements.

16 The principal terms of the PAGA Settlement Agreement<sup>1</sup> are as follows:

- 17 (1) A non-reversionary Gross Settlement Amount of \$550,000, which includes payments to  
18 the LWDA and Aggrieved Employees for their respective shares of the PAGA Penalties  
19 Fund, Plaintiff’s attorneys’ fees and litigation costs, Plaintiff’s Service Award, and  
20 settlement administration costs.
- 21 (2) The creation of a PAGA Penalties Fund of approximately \$338,746.60, which will be  
22 paid to aggrieved employees and the LWDA in full satisfaction of all Settled Claims  
23 (“PAGA Penalties Fund”).
- 24 (a) Seventy-five percent of the PAGA Penalties Fund, or approximately  
25 \$254,059.95, will be paid to the LWDA pursuant to Labor Code section  
26

27 <sup>1</sup> Unless indicated otherwise, all capitalized terms used herein have the same meaning as those  
28 defined by the PAGA Settlement Agreement, which is attached as Exhibit 1 to the Declaration of Raul  
Perez filed in conjunction with this motion.

1 2699(i).<sup>2</sup>

2 (b) Twenty-five percent of the PAGA Penalties Fund, or approximately \$84,686.65,  
3 will be paid to Aggrieved Employees.

4 (c) Aggrieved Employees are all individuals employed by Defendants as non-  
5 exempt employees in California at any time during the period from January 27,  
6 2022 through November 6, 2024 (“Aggrieved Employees”). There are  
7 approximately 850 Aggrieved Employees.

8 (3) A Service Award of \$10,000 to Plaintiff as consideration for his service on behalf of the  
9 State of California and Aggrieved Employees, and for a general release of all claims he  
10 may have against Defendants arising out of his employment.

11 (4) Reasonable attorneys’ fees and costs under Labor Code section 2699(k)(1) for Plaintiff’s  
12 Counsel’s successful prosecution and resolution of this action. Plaintiff requests  
13 \$183,333 in attorneys’ fees and \$11,670.40 in costs for his counsel, Capstone Law APC  
14 (“Plaintiff’s Counsel”).

15 (5) Settlement Administration Costs of approximately \$6,250 to ILYM Group, Inc.  
16 (“ILYM”).

17 The civil penalties secured by the settlement represent a fair compromise of Plaintiff’s PAGA  
18 claim in view of the risks of continued litigation and the hotly contested issues of law and fact relating to  
19 PAGA claims. The Settlement accomplishes PAGA’s objectives by imposing sufficient civil penalties  
20 “to punish and deter” Defendants from committing any of the Labor Code violations alleged, while also  
21 ensuring that the penalties are not “unjust, arbitrary and oppressive, or confiscatory.” Cal. Lab. Code §  
22 2699(e)(2); *Iskanian v. CLS Transp. Los Angeles, LLC*, 59 Cal. 4th 348, 384 (2014).

23 For these reasons, Plaintiff respectfully requests that the Court approve the Settlement and enter  
24 the proposed Order Approving the PAGA Settlement Agreement and the proposed Judgment.

25  
26 <sup>2</sup> The PAGA statute was recently amended on July 1, 2024. Certain citations to the PAGA’s  
27 provisions in this Motion relate to the pre-amendment version of the statute, which applies to this action  
28 based on the pre-amendment filing date of the initial complaint and related administrative exhaustion  
letter.

## II. FACTS AND PROCEDURE

### A. Brief Overview of the Litigation and Settlement Negotiations

Defendants operate multiple hotels across California. Plaintiff worked as a non-exempt, hourly paid dishwasher at Defendants' "Delta Hotels by Marriott Anaheim Garden Grove" hotel in Garden Grove, California from approximately September 2022 to October 2022. (Declaration of Andres Cedeno Olivo ["Olivo Decl."] ¶ 2.)

Plaintiff filed this wage and hour action against Defendants on December 27, 2022. (Declaration of Raul Perez ["Perez Decl."] ¶ 2.) Plaintiff's operative First Amended Complaint seeks PAGA civil penalties for violation of California Labor Code<sup>3</sup> sections: (a) 226.7, 512(a), 516, and 1198 (failure to provide meal periods); (b) 226.7, 516, and 1198 (failure to authorize and permit rest periods); (c) 510 and 1198 (unpaid overtime); (d) 1182.12, 1194, 1197, 1197.1, and 1198 (unpaid minimum wages); (e) 226(a), 1174(d), and 1198 (non-compliant wage statements and failure to maintain accurate payroll records); (f) 204 (failure to timely pay wages during employment); (g) 201 and 202 (failure to timely pay final wages upon termination); (h) 1198 and California Code of Regulations Title 8, Section 11050 Subdivision 13(B) (failure to provide suitable resting facilities); (i) 1198 and California Code of Regulations Title 8, Section 11050 Subdivision 14 (failure to provide suitable seating). (*Id.* at ¶ 3.)

Following the exchange of informal discovery, including the production of Defendants' California labor policies and procedures materials, and a sample of Aggrieved Employees' time and wage records, the Parties participated in a mediation with Marc Feder, Esq., on August 6, 2024. (*Id.* at ¶ 4.) At all times, the Parties' negotiations were adversarial and non-collusive. (*Id.*)

Mr. Feder helped to manage the Parties' expectations and provided a useful, neutral analysis of the issues and risks to both sides. (Perez Decl. ¶ 5.) With Mr. Feder's guidance, the Parties were eventually able to negotiate a complete settlement of Plaintiff's claims. (*Id.*) The terms of the settlement are now set forth in complete and final form in the PAGA Settlement Agreement. (*Id.*, Ex. 1.) The Settlement therefore constitutes a fair, adequate, and reasonable compromise of the claims at issue. (*Id.*)

---

<sup>3</sup> Unless indicated otherwise, further statutory references are to the California Labor Code.

1           **B.       The Parties Negotiated a Fair and Reasonable Settlement of Plaintiff's Claims**

2                   **1.       Terms of the Settlement and Distribution of PAGA Penalties**

3           The Settlement Agreement provides that Defendants will pay a total of \$550,000 to settle this  
4   Action. (Settlement Agreement ¶ 13.) From this amount, payments will be made: (a) to the LWDA and  
5   Aggrieved Employees; (b) to Plaintiff as compensation for his service on behalf of the State, and for a  
6   general release of claims arising out of his employment with Defendants; (c) to Plaintiff's Counsel for  
7   their attorneys' fees and litigation costs; and (d) and to the Settlement Administrator (ILYM) for  
8   settlement administration costs. (*Id.* at ¶¶ 14-18.)

9           The resulting balance will be distributed to the LWDA and Aggrieved Employees: the LWDA  
10   will receive approximately \$254,059.95, and Aggrieved Employees will receive approximately  
11   \$84,686.65. (*Id.*) The Aggrieved Employees encompassed by the proposed Settlement are all individuals  
12   employed by Defendants as non-exempt employees in California at any time during the period from  
13   January 27, 2022 through November 6, 2024. (*Id.* at ¶ 2.) There are approximately 850 Aggrieved  
14   Employees. (*Id.* at ¶ 18.)

15                   **2.       Allocations to the LWDA and Aggrieved Employees**

16           Payments to Aggrieved Employees will be made from the PAGA Penalties Fund. The individual  
17   allocations will be calculated on a pro-rata basis using the number of pay periods worked by each  
18   employee. Defendants will provide the total number of pay periods worked by each Aggrieved  
19   Employee and the total number of pay periods worked by all Aggrieved Employees during the  
20   Settlement Period. (Settlement Agreement ¶ 14.) The Settlement Administrator will calculate each  
21   Aggrieved Employee's payment using the proportional number of pay periods during which the  
22   employee worked. (*Id.*) Thus, the Settlement Administrator will perform the following calculation to  
23   calculate individual payments: Settlement Payment = (25% of PAGA Penalties Fund) × (pay periods  
24   worked by individual Aggrieved Employee during the Settlement Period ÷ total pay periods worked by  
25   all Aggrieved Employees during the Settlement Period). (*Id.*)

26           This is a fair and equitable means of allocating the penalties. Aggrieved Employees who worked  
27   for a longer duration during the Settlement Period will receive proportionally larger payments than those  
28   employees who worked for shorter durations.

1                               **3.       The Settled PAGA Claims**

2               Upon entry of the Order and Judgment, Plaintiff and all Aggrieved Employees will be forever  
3       barred from pursuing against Defendants any and all Settled Claims during the Settlement Period:

4                       Any and all claims for PAGA civil penalties under the California Labor Code,  
5                       Wage Orders, regulations, and/or other provisions of law alleged or could have  
6                       been alleged to have been violated in the Action with respect to Aggrieved  
7                       Employees based on the facts alleged in the Action during the Settlement Period.

8       (Settlement Agreement ¶¶ 9, 23.) Aggrieved Employees, other than Plaintiff, will not be deemed to have  
9       released any individual wage and hour claims by virtue of this Settlement.

10              Additionally, Plaintiff has agreed to a broader general release of all claims of any kind against  
11       Defendants. (*Id.* at ¶ 16.)

12                       **III.     ARGUMENT**

13                       **A.       The PAGA Penalties Secured by the Settlement Are Genuine and Meaningful, and**  
14                       **Fulfill PAGA’s Underlying Purpose To Benefit the Public**

15              Under PAGA, an aggrieved employee may bring a civil action personally and on behalf of other  
16       current or former employees to recover civil penalties for Labor Code violations. *Iskanian*, 59 Cal. 4th at  
17       380. Seventy-five percent of any penalties recovered go to the LWDA, leaving the remaining twenty-  
18       five percent for aggrieved employees. *Id.* PAGA is intended “to augment the limited enforcement  
19       capability of [LWDA] by empowering employees to enforce the Labor Code as representatives of the  
20       Agency.” *Id.* at 383. A judgment in a PAGA action binds all those, including non-party aggrieved  
21       employees, who would be bound by a judgment in an action brought by the government. *Id.* at 381.

22              A superior court must review and approve any PAGA settlement. Cal. Lab. Code § 2699(l)(2).  
23       The court’s review “ensur[es] that any negotiated resolution is fair to those affected.” *Williams v.*  
24       *Superior Court*, 3 Cal. 5th 531, 549 (2017). The Court’s evaluation of the settlement must “determine  
25       whether it is fair, reasonable, and adequate in view of PAGA’s purposes to remediate present labor law  
26       violations, deter future ones, and to maximize enforcement of state labor laws.” *Moniz, Inc.*, 72 Cal. App.  
27       5th at 77.

28              The Court’s evaluation of the settlement should therefore not focus on “restitution”—the average  
recovery per aggrieved employee, as in a class action settlement, but rather take into account PAGA’s

1 statutory purpose in deterring Labor Code violations through the imposition of civil penalties, with  
2 special attention on whether the relief is “genuine and meaningful.” *Salazar*, 2017 WL 1135801 at \*2.

3 **B. Plaintiff’s Counsel Conducted a Thorough Investigation of the Factual and Legal**  
4 **Issues and Were Thus Able to Objectively Assess the Settlement’s Reasonableness**

5 As set forth in greater detail in Plaintiff’s Counsel’s declaration in support of the Motion, based  
6 on their analysis of documents and employee data produced by Defendants, including Defendants’  
7 California labor policies and procedures materials, and a sample of Aggrieved Employees’ time and pay  
8 records, Plaintiff’s Counsel were able to realistically assess the value of Plaintiff’s claims and  
9 intelligently engage defense counsel in settlement discussions that culminated in the proposed settlement  
10 now before the Court. (Perez Decl. ¶¶ 6-10.)

11 By engaging in a thorough investigation and evaluation of Plaintiff’s claims, Plaintiff’s Counsel  
12 can opine that the Settlement, for the consideration and on the terms set forth in the Settlement  
13 Agreement, is fair, reasonable, and adequate, and is in the best interests of the LWDA and Aggrieved  
14 Employees in light of all known facts and circumstances, including the risk of significant delay and  
15 uncertainty associated with litigation, various defenses asserted by Defendants. (*Id.* at ¶ 11.)

16 **C. The Settlement Is Reasonable Given the Risks of Further Litigation**

17 The settlement of Plaintiff’s PAGA claims is fair and reasonable, and aligns closely with the  
18 policies and purposes underlying the PAGA. Defendants consistently maintained that the California  
19 labor policies at issue were at all times fully compliant with the Labor Code, and argued that any  
20 deviations from these policies were isolated incidents rather than systemic issues that would warrant  
21 representative liability under PAGA. (Perez Decl. ¶¶ 12-48.) By reaching this settlement, Plaintiff has  
22 secured a guaranteed recovery for the LWDA and Aggrieved Employees while avoiding the  
23 unpredictability of trial.

24 The Settlement accounts for the strength of Defendants’ affirmative defenses, and provides a  
25 pragmatic resolution that serves the interests of justice and efficiency. (*Id.* at ¶ 48.) Moreover, the total  
26 amount of penalties secured by the Settlement will deter future Labor Code violations. Thus, the  
27 settlement fulfills PAGA’s purpose and policies by enforcing of California’s labor laws while also  
28 avoiding an outcome that would be “unjust, arbitrary and oppressive, or confiscatory.”

**D. The Court Should Award the Requested Attorneys' Fees in the Amount of  
Approximately One-Third of the Gross Settlement Fund**

For the reasons discussed in detail below, an award of attorneys' fees in the amount of approximately one-third of the gross settlement fund is fair and reasonable, and in line with what other California courts, both state and federal, have awarded in settlements of similar litigation.

The PAGA provides that a plaintiff is entitled to recover reasonable attorneys' fees, expenses, and costs. Section 2699(k)(1) of the California Labor Code provides that "[a]ny employee who prevails in any action shall be entitled to an award of reasonable attorney's fees and costs." In a *qui tam* action, reasonable attorneys' fees and costs are typically awarded under the common fund doctrine where, as here, the litigation creates a common fund of money in a specific amount for the benefit of others. PAGA "is a type of *qui tam* action." *See Iskanian*, 59 Cal. 4th at 382. "A *qui tam* action 'is a type of private attorney general lawsuit' [citation], in which 'the *qui tam* plaintiff stands in the shoes of the state or political subdivision [citation].'" *People ex rel. Strathmann v. Acacia Research Corp.*, 210 Cal. App. 4th 487, 501 (2012).

A PAGA action is a *qui tam* action because the statute allows the employee plaintiff, acting as the proxy of the State's labor law enforcement agency, to sue his or her employer for Labor Code violations and recover civil penalties that otherwise would have been assessed and collected by the LWDA. *See Iskanian*, 59 Cal. 4th at 382. Indeed, the majority of the civil penalties recovered in a PAGA action are paid to the State, with a smaller portion paid to the aggrieved employees (e.g., 75% paid to the state; 25% paid to the aggrieved employees). *See* Cal. Lab. Code § 2699(i). Where, as here, a common fund is created in a *qui tam* action by the successful litigation of a plaintiff and her attorneys, the plaintiff's attorneys are entitled to recover their fees from the common fund:

Those benefiting from the recovery of the fund, in this case some depositors and eventually the People of the State of California, must bear their share of the cost of litigation. Fees for taxpayers' attorneys will be deducted from the judgment, and each claimant's share reduced proportionately. To the extent the judgment relies upon section 1021.5 for recovery of attorney fees, it must be modified to confine the award of fees to the common fund theory.

*Bank of America v. Cory*, 164 Cal. App. 3d 66, 91 (1985) (authorizing common fund fees in a *qui tam* taxpayer suit against certain banks).

1 Likewise, through the successful efforts of Plaintiff and his attorneys, a common fund was  
2 created in the amount of \$550,000 for the benefit of the employees and the State of California. Thus,  
3 these beneficiaries must bear their share of the costs and attorneys' fees, to be deducted from the gross  
4 settlement fund under the common fund theory. *Id.* Such fees are deducted as a percentage of the  
5 settlement amount. *See, e.g., Boeing Co. v. Van Gernert*, 444 U.S. 472, 478-482 (1980); *Six (6) Mexican*  
6 *Workers v. Arizona Citrus Growers*, 904 F.2d 1301, 1311 (9th Cir. 1990); *Williams v. MGM-Pathe*  
7 *Communications Co.*, 129 F.3d 1026, 1027 (9th Cir. 1997); *Staton v. Boeing Co.*, 327 F.3d 938, 967 (9th  
8 Cir. 2003).

9 The California Supreme Court recently upheld the use of the common fund theory of recovery  
10 for attorneys' fees in *Laffitte v. Robert Half Int'l Inc.*, 1 Cal. 5th 480, 506 (2016). In *Laffitte*, the  
11 settlement created a common fund of \$19 million. The Court approved the award of attorneys' fees in  
12 the amount of one third of the gross \$19 million settlement (e.g., an award of \$6.33 million) under the  
13 common fund theory. *Id.* By awarding counsel a percentage of the total recovery, rather than fees based  
14 on hours worked, the common fund method encourages attorneys to efficiently litigate to achieve the  
15 best results possible. *See Laffitte*, 1 Cal. 5th at 492-494. Indeed, "the percentage method is generally  
16 favored in common fund cases because it allows courts to award fees from the fund in a manner that  
17 rewards counsel for success and penalizes it for failure. *Id.* at 493 (quoting *In re Rite Aid Corp. Securities*  
18 *Litig.*, 396 F.3d 294, 300 (3d Cir. 2005) (internal quotations omitted).

19 As a California appellate court very recently confirmed, "fee awards in class actions average  
20 around one-third of the recovery' regardless of 'whether the percentage method or the lodestar method is  
21 used." *Amaro v. Anaheim Arena Mgmt., LLC*, 69 Cal. App. 5th 521, 545 (2021) (quoting *Chavez v.*  
22 *Netflix, Inc.*, 162 Cal. App. 4th 43, 66, fn. 11 (2008)).

23 Consistent with that observation, California state and federal courts routinely award attorneys'  
24 fees equaling one-third of the common fund. *See, e.g. Laffitte v. Robert Half Internat. Inc.*, 231 Cal. App.  
25 4th 860, 871 (2016) ("33 1/3 percent of the common fund is consistent with, and in the range of, awards  
26 in other class action lawsuits"); *Chavez*, 162 Cal. App. 4th at 66 n.11 ("Empirical studies show that,  
27 regardless whether the percentage method or the lodestar method is used, fee awards in class actions  
28 average around one-third of the recovery."); Eisenberg & Miller, *Attorney Fees in Class Action*

1 *Settlements: An Empirical Study*, J. of Empirical Legal Studies, Vol. 1, Issue 1, 27-78, March 2004, at 35  
2 (independent studies of class action litigation nationwide conclude that fees representing one-third of the  
3 total recovery is consistent with market rates). Notably, the California Supreme Court in *Laffitte v.*  
4 *Robert Half Internat. Inc.* affirmed a fee award representing one-third of the fund. *Laffitte*, 231 Cal. App.  
5 4th at 506.

6 A fee award in the amount of one-third of the common fund is also reasonable because it best  
7 reflects the market rate for contingency fees. *See Lealao v. Beneficial Cal. Inc.*, 82 Cal. App. 4th 19, 47  
8 (2000) (“attorneys providing the essential enforcement services must be provided incentives roughly  
9 comparable to those negotiated in the private bargaining that takes place in the legal marketplace. . . .”).  
10 Fees representing one-third of the recovery reflect the rate negotiated in “typical contingency fee  
11 agreements [which] provide that class counsel will recover 33% if the case is resolved before trial and  
12 40% if the case is tried.” *Fernandez v. Victoria Secret Stores, LLC*, No. CV 06-04149 MMM SHX,  
13 2008 WL 8150856, at \*16 (C.D. Cal. July 21, 2008) (citing an academic study collecting contingency  
14 fee agreements and finding that a fee award constituting 34% of the fund is reasonable on that basis).  
15 Because the negotiated fee structure mimics the marketplace, it is reasonable and should be approved.

16 A one-third common fund<sup>4</sup> attorneys’ fee award is also consistent with what courts have  
17 awarded in other representative action cases. The following list shows PAGA actions where attorneys’  
18 fees were awarded on a common fund basis:

- 19 • *Cruz v. Wal-Mart Associates, Inc.*, Los Angeles Superior Court, No. 18STCV03128 (May 28,  
20 2021) (approving fee award from PAGA-only settlement of \$5 million against a common fund  
21 of \$15 million);

22 <sup>4</sup> Court have also approved fees in amounts greater than one-third of the common fund. *See*  
23 *Charles v. JPMorgan Chase Bank*, No. CGC-14-538933 (San Francisco County Superior Court June 18,  
24 2019) (awarding plaintiffs \$2.88 million in attorneys’ fees on PAGA penalties totaling \$2.7 million);  
25 *Boseman v. VXi Global Solutions, LLC*, No. BC602442 (Los Angeles County Superior Court Jan. 3,  
26 2019) (awarding plaintiff \$750,000 in attorneys’ fees and costs on general PAGA penalties totaling  
27 \$585,000); *Salas v. Hallmark Aviation Services LP*, No. BC586585 (Los Angeles County Superior  
28 Court February 17, 2017) (awarding plaintiff \$600,000 in attorneys’ fees on PAGA penalties totaling  
\$605,000); *Monroe v. Continental Design Co., Inc.*, No. RG16817667 (Alameda County Superior Court  
June 21, 2017) (awarding plaintiff \$110,000 in fees on PAGA penalties totaling \$90,000); *Ramirez v.*  
*Benito Valley Farms, LLC*, No. 16-CV-04708-LHK, 2017 WL 3670794, at \*6 (N.D. Cal. Aug. 25,  
2017) (awarding attorneys’ fees under the lodestar method with no regard to the proportion of the fees to  
civil penalties).

- 1 • *Jones v. J.C. Penney Corporation*, Los Angeles Superior Court, Case No. BC451823 (April 20,  
2 2017) (approving fee award from PAGA-only settlement of \$1.375 million against a common  
3 fund of \$3.2 million (42%));
- 4 • *Garcia v. Macy's*, San Bernardino County Superior Court, Case No. CIVDS1516007 (Sept. 13,  
5 2017) (33.33% fee awarded on \$12,500,000 settlement of a PAGA only case);
- 6 • *Garcia v. Pep Boys*, Orange County Superior Court, Case No. 30-2014-00720574-CU-OE-CJC  
7 (July 14, 2016) (33.33% fee awarded on a \$1,030,000 settlement of a PAGA only case);
- 8 • *Brewer v. Connell Chevrolet*, Orange County Superior Court, Case No. 30-2016-00852123-CU-  
9 OC-CXC (June 15, 2017) (33.33% fee awarded on a PAGA only case);
- 10 • *Perez v. Staffmark Investment, LLC*, Riverside County Superior Court, Case No. MCC1401137  
11 (May 23, 2016) (33.33% fee awarded on a \$650,000 settlement of a PAGA only case).

12 An award of fees from the gross settlement amount under the common fund doctrine prevents  
13 unjust enrichment of those who benefit from the common fund created through the successful efforts of  
14 plaintiff's counsel and furthers the important goal of attracting competent counsel to handle  
15 representative actions enforcing minimum labor standards. *Laffitte*, 1 Cal. 5th at 503. In affirming the use  
16 of the common fund doctrine in California, the California Supreme Court summarized the benefits of the  
17 percentage method of recovery stating: "The recognized advantages of the percentage method—  
18 including relative ease of calculation, alignment of incentives between counsel and the class, a better  
19 approximation of market conditions in a contingency case, and the encouragement it provides counsel to  
20 seek an early settlement and avoid unnecessarily prolonging the litigation [citations]—convince us the  
21 percentage method is a valuable tool that should not be denied our trial courts." *Id.*

22 For all of these reasons, a common fund fee award in the amount of \$183,333 is fair and  
23 reasonable.

24 **E. A Lodestar Cross-Check Confirms that the Requested Attorneys' Fees Are Fair**  
25 **and Reasonable**

26 The trial court may use an abbreviated lodestar "cross-check" for common fund awards if the  
27 court considers it useful. *Laffitte II*, 1 Cal. 5th at 504-05. However, under *Laffitte II*, this is not meant to  
28 displace the percentage analysis, but rather to act as a backstop. Indeed, the Supreme Court expressly  
instructed that "the lodestar calculation, when used in this manner, does not override the trial court's  
primary determination of the fee as a percentage of the common fund and thus does not impose an  
absolute maximum or minimum on the fee award." *Laffitte II*, 1 Cal. 5th at 505. Critically, the Court in  
*Laffitte II* emphasized that only where the "multiplier calculated by means of a lodestar cross-check is

1 **extraordinarily high or low**” should the court “consider whether the percentage should be adjusted so  
2 as to bring the imputed multiplier within a justifiable range.” *Id.* (emphasis added). Accordingly, when  
3 the cross-check multiplier is within a normal range, the lodestar-cross check does not provide a basis for  
4 a court to reduce the fee award. Furthermore, in conducting a lodestar cross-check, the court is not  
5 “required to closely scrutinize each claimed attorney-hour.” *Laffitte II*, 1 Cal. 5th at 505. An evaluation  
6 may be done by reviewing “counsel declarations summarizing overall time spent.” *Id.*

7 In conducting a lodestar cross-check, the Court first determines a lodestar value for the fees by  
8 multiplying the time reasonably spent by plaintiffs’ counsel on the case by a reasonable hourly rate. *In re*  
9 *Consumer Privacy Cases*, 175 Cal. App. 4th 545, 556-57 (2009). To determine whether the requested  
10 rate is reasonable, courts look to the prevailing rate for similar work in the pertinent geographic region.  
11 *PLCM Group v. Drexler*, 22 Cal. 4th 1084, 1096-97 (2000) (using prevailing hourly rate in community  
12 for comparable legal services even though party used in-house counsel). Here, Plaintiff’s Counsel’s  
13 hourly rates are comparable to, or less than, those charged by other representative action plaintiffs’  
14 counsel and the firms defending PAGA actions, and have been approved by numerous federal and state  
15 courts. (Perez Decl. ¶¶ 58-61, Ex. 3.)

16 Likewise, the total attorney hours expended on this action are reasonable and in line with  
17 comparable cases. In determining the reasonableness of the hours expended, “the court should defer to  
18 the winning lawyer’s professional judgment as to how much time he was required to spend on the case;  
19 after all, he won, and might not have, had he been more of a slacker.” *Kerkeles v. City of San Jose*, 243  
20 Cal. App. 4th 88, 104 (2015) (quoting *Moreno v. City of Sacramento*, 534 F.3d 1106, 1112 (9th Cir.  
21 2008)). Plaintiff’s Counsel billed a total of 224 hours. (Perez Decl. ¶ 58.)

22 Multiplying the total hours billed by Plaintiff’s Counsel to the litigation by their reasonable  
23 hourly rates yields a lodestar of \$149,242.50. (Perez Decl. ¶ 58.) Applying a 1.22 multiplier to that  
24 lodestar yields the requested fees. A 1.22 multiplier is not “extraordinarily high”—to the contrary, the  
25 normal range for a multiplier on a lodestar cross-check “can range from 2 to 4 or even higher.” *Wershba*  
26 *v. Apple Computer, Inc.*, 91 Cal. App. 4th 224, 255 (2001); *see also Vizcaino v. Microsoft Corp.*, 290  
27 F.3d 1043, 1047 (9th Cir. 2002) (multipliers “ranging from one to four are frequently awarded ... when  
28 the lodestar method is applied”; affirming fees where the cross-check multiplier is 3.65).

Courts routinely accept multipliers ranging from 2 to 4 on a lodestar cross-check. *See, e.g., Sutter Health Uninsured Pricing Cases*, 171 Cal. App. 4th 495, 512 (2009) (applying a 2.52 multiplier on a lodestar cross-check); *Chavez*, 162 Cal. App. 4th at 66 (applying a 2.5 multiplier in a consumer class action); *Willner v. Manpower Inc.*, No. 11-CV-02846-JST, 2015 WL 3863625, at \*7 (N.D. Cal. June 22, 2015) (approving a 2.10 multiplier on settlement of California Labor Code violations); *Dyer v. Wells Fargo Bank, N.A.*, 303 F.R.D. 326, 334 (N.D. Cal. 2014) (approving attorneys' fees that resulted in lodestar multiplier of 2.83); *Hopkins v. Stryker Sales Corp.*, No. 11-CV-02786-LHK, 2013 WL 496358, at \*5 (N.D. Cal. Feb. 6, 2013) (approving a multiplier of 2.76 in settlement of Labor Code violations).

Indeed, courts following *Laffitte* have reaffirmed that a multiplier between 2 and 4 to be reasonable and not so "extraordinarily high" as to require greater judicial scrutiny. *See Spann v. J.C. Penney Corp.*, 211 F. Supp. 3d 1244, 1265 (C.D. Cal. Sept. 30, 2016) (finding that a 3.07 multiplier is "well within the range for reasonable multipliers" under *Laffitte II*); *Beaver v. Tarsadia Hotels*, No. 11-CV-01842-GPC-KSC, 2017 WL 4310707, at \*13 (S.D. Cal. Sept. 28, 2017) ("The one-third fee Class Counsel seeks reflects a multiplier of 2.89 on the lodestar which is reasonable for a complex class action case.").

The lodestar cross-check thus confirms that Plaintiff's fee request is fair and reasonable and should be approved.

#### **F. The Requested Recovery In Litigation Expenses Is Reasonable**

Plaintiff's Counsel are entitled to reimbursement of their discretionary litigation costs. Cal. Lab. Code § 2699(k)(1). Out-of-pocket discretionary expenses are compensable if they would normally be billed to a fee-paying client. *See Beasley v. Wells Fargo Bank*, 235 Cal. App. 3d 1407, 1419 (1991), *overruled in part on other grounds in Olson v. Automobile Club of Southern Calif.*, 42 Cal. 4th 1142 (2008). Such discretionary costs may be claimed as part of an attorneys' fees motion when seeking statutory fees under the Labor Code. *See Amaral v. Cintas Corp. No. 2*, 163 Cal. App. 4th 1157, 1218 n.27 (2008) (awarding costs that are necessarily incurred). The following chart reflects the costs incurred by Plaintiff's Counsel:

| Cost & Expense Categories                   | Amount  |
|---------------------------------------------|---------|
| Copying, Printing & Scanning and Facsimiles | \$27.50 |

| <b>Cost &amp; Expense Categories</b>                   | <b>Amount</b>      |
|--------------------------------------------------------|--------------------|
| Court Fees, Courier Fees, Filings & Service of Process | \$2,484.45         |
| Delivery & Messenger (UPS, FedEx, messenger, etc.)     | \$63.62            |
| Mediation Fees                                         | \$9,000.00         |
| Research Services (PACER, Westlaw, etc.)               | \$94.83            |
| <b>Total</b>                                           | <b>\$11,670.40</b> |

(Perez Decl. ¶ 62.) Because these reasonable costs were necessarily incurred during the case’s pendency, these costs are reasonable and should be awarded. *See also* Cal. Civ. Pro. Code § 1033.5(c)(4) (“[i]tems not mentioned in this section and items assessed upon application may be allowed or denied in the court’s discretion.”); *Hsu v. Semiconductor Sys., Inc.*, 126 Cal. App. 4th 1330, 1341 (2005) (“[W]hile it is reasonable to interpret a general contractual cost provision by reference to an established statutory definition of costs, we do not discern any legislative intent to prevent sophisticated parties from freely choosing a broader standard authorizing recovery of reasonable litigation charges and expenses.”).

#### **G. The Court Should Approve the Negotiated Service Award Payment**

Paragraph 16 of the PAGA Settlement Agreement provides that Defendants will pay Plaintiff the sum of \$10,000 for his service on behalf of the LWDA and Aggrieved Employees, and for a general release of all claims arising out of his employment. This release covers not only the settled PAGA claims, but any and all claims arising out of Plaintiff’s employment.

The additional settlement payment is justified in light of the reputational risk that Plaintiff assumed by litigating claims against a former employer. *See Billingham v. Tractor Supply Co.*, 306 F.R.D. 245, 267-68 (N.D. Cal. 2015) (finding “personal detriment” upon testimony that future employers can easily learn that a prospective employee served as a plaintiff through the internet); *see also Guippone v. BH S&B Holdings LLC*, No. 09 Civ. 1029, 2011 U.S. Dist. LEXIS 126026, at \*\*4, 20 (S.D.N.Y. Oct. 28, 2011) (“[T]he fact that a plaintiff has filed a federal lawsuit is searchable on the internet and may become known to prospective employers when evaluating the person . . . Even where there is not a record of actual retaliation, notoriety, or personal difficulties, [representative Plaintiffs] merit recognition for assuming the risk of such for the sake of absent [parties].”).

Employers commonly screen employee candidates to determine whether they have ever filed suit, and employee candidates who might be branded “litigious” are likely to be screened out of the

1 process. In fact, an entire industry has developed for providing employers with background information  
2 on employee candidates. By bringing this action against an employer, Plaintiff has assumed considerable  
3 reputational risk that may impact his ability to find employment in the future. *La Fleur v. Medical*  
4 *Management Intern, Inc.*, No. 13-00398-VAP, 2014 WL 2967475, \*8 (C.D. Cal. June 25, 2014)  
5 (awarding \$15,000 to each named plaintiff in part for attesting to their fear that the lawsuit will harm  
6 their future job prospects in the industry).

7 Second, the separate settlement payment is reasonable because Plaintiff “remained fully  
8 involved and expended considerable time and energy during the course of the litigation.” *See In re Toys*  
9 *‘R’ Us-Del FACTA Litig.*, 295 F.R.D. at 471 (citation omitted). Plaintiff devoted his time and effort  
10 toward assisting his attorneys with the prosecution of the claims, and assisted counsel with finalizing the  
11 settlement.

12 The separate payment is also appropriate because Plaintiff otherwise “will not gain any benefit  
13 beyond that [he] would receive as an ordinary [Aggrieved Employee].” *In re Toys “R” Us FACTA*  
14 *Litig.*, 295 F.R.D. at 472; *Van Vranken*, 901 F. Supp. at 299 (holding that a substantial award is  
15 appropriate where a [representative’s] claim made up “only a fraction of the common fund.”). Here,  
16 absent the separate payment, Plaintiff will recover no more than other Aggrieved Employees, despite  
17 undergoing personal sacrifice in bringing this suit on behalf of the State of California and Aggrieved  
18 Employees.

19 The Service Award is also justified in light of the Civil Code section 1542 waiver and general  
20 release that Plaintiff is required to provide Defendants as a condition of settlement. Under the Civil Code  
21 section 1542 release, Plaintiff will release any and all known and unknown claims he may have against  
22 Defendants arising out of his employment. This general release is considerably broader than the separate,  
23 narrower release required of Aggrieved Employees. *See, e.g., Billingham v. Tractor Supply Co.*, 306  
24 F.R.D. 245, 267-68 (N.D. Cal. 2015) (awarding the plaintiff \$5,000 for the general release along with  
25 \$10,000 enhancement payment for services as a class representative); *La Fleur v. Medical Management*  
26 *Intern, Inc.*, No. 13-00398-VAP, 2014 WL 2967475, \*8 (C.D. Cal. June 25, 2014) (finding that the  
27 \$15,000 enhancement payment is warranted in part because “the named plaintiffs have released all  
28 claims against [defendant], unlike the remainder of the Class”).

1           Lastly, because PAGA is a “type of qui tam action,” it is appropriate for the Plaintiff to receive a  
2 modest additional payment from the settlement as a “bounty” for his special effort in vindicating the  
3 State’s interests by enforcing its labor laws. *See Iskanian*, 59 Cal. 4th at 382 (“A PAGA representative  
4 action is therefore a type of qui tam action.”); *see also People ex rel. Strathmann v. Acacia Research*  
5 *Corp.*, 210 Cal. App. 4th 487, 500 (2012) (“The person who brings the qui tam action, called the  
6 ‘relator,’ stands in the shoes of the People of the State of California, who are deemed to be the real party  
7 in interest . . . The relator in a qui tam action under section 1871.7 does not personally recover damages  
8 but, if successful, receives [a portion] of the recovery as a bounty.”) (internal citations omitted).

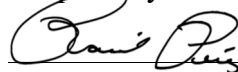
9           Such a payment incentivizes employees to step forward to enforce the Labor Code. *See MMM*  
10 *Holdings, Inc. v. Reich*, 21 Cal. App. 5th 167, 180 (2018) (“The bounty advances the public purpose and  
11 benefit by encouraging private qui tam actions; indeed, this prospect of reward may be the only means of  
12 inducing such private parties to come forward with their information.”) (internal quotations omitted).  
13 This is especially important in this context, as “the lack of government resources to enforce the Labor  
14 Code led to a legislative choice to deputize and incentivize employees uniquely positioned to detect and  
15 prosecute such violations through the PAGA.” *Iskanian*, 59 Cal. 4th at 390. Absent the incentive  
16 payment, fewer employees would be willing to step forward, and PAGA’s primary purpose—  
17 enforcement of the Labor Code—would be substantially undermined.

#### 18   **IV.     CONCLUSION**

19           The Parties have negotiated a fair and reasonable settlement of Plaintiff’s PAGA claims. Having  
20 appropriately presented the materials and information necessary for approval, the Parties request that the  
21 Court approve the PAGA Settlement Agreement.

22  
23   Dated: March 13, 2025

Respectfully submitted,

24   By: 

25   Raul Perez  
26   Bevin Allen Pike  
27   Daniel Jonathan  
28   Trisha K. Monesi  
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Attorneys for Plaintiff Andres Cedeno Olivo

**SUPERIOR COURT OF THE STATE OF CALIFORNIA**

**FOR THE COUNTY OF SANTA CLARA**

ANDRES CEDENO OLIVO, individually, and  
on behalf of other members of the general public  
similarly situated,

Plaintiffs,

vs.

KHANNA ENTERPRISES GENERAL  
PARTNER, an unknown business entity;  
KHANNA ENTERPRISES IV LIMITED  
PARTNERSHIP, a California limited  
partnership; KHANNA ENTERPRISES - II,  
LIMITED PARTNERSHIP, a California limited  
partnership; KHANNA ENTERPRISES II,  
INC., a California corporation; KHANNA  
ENTERPRISES III, INC., a Delaware  
corporation; KHANNA ENTERPRISES V  
LIMITED PARTNERSHIP, a California limited  
partnership; KHANNA ENTERPRISES VI LP,  
a Delaware limited partnership; KHANNA  
ENTERPRISES, INC., a California corporation;  
KHANNA ENTERPRISES LTD., - III, LP, a  
California limited partnership; KHANNA  
ENTERPRISES, LTD., A LIMITED  
PARTNERSHIP, a California limited  
partnership; ASHWIN KHANNA, INC., a  
California corporation; RAJESH KHANNA,  
INC., a California corporation; RAVI  
KHANNA, INC., a California corporation; and  
DOES 1 through 10, inclusive,

Defendants.

Case No. 22CV409085

Assigned to the Hon. Theodore C. Zayner

**DECLARATION OF RAUL PEREZ IN  
SUPPORT OF MOTION FOR COURT  
APPROVAL OF THE PARTIES' PAGA  
SETTLEMENT**

Date: April 9, 2025  
Time: 1:30 p.m.  
Place: Department 19

Complaint Filed: December 27, 2022

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1. I am an attorney licensed to practice before all courts of the State of California. I am a Partner at Capstone Law APC (“Capstone” or “Plaintiff’s Counsel”), counsel for Plaintiff Andres Cedeno Olivo (“Plaintiff”) in the above-captioned action. Unless indicated otherwise, I have personal knowledge of the following facts, and if called as a witness, I could and would testify competently to them. I make this declaration in support of the Motion for Court Approval of the Parties’ PAGA Settlement.

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1           5.       Mr. Feder helped to manage the Parties' expectations and provided a useful, neutral  
2 analysis of the issues and risks to both sides. With Mr. Feder's guidance, the Parties were eventually able  
3 to negotiate a complete settlement of Plaintiff's claims. The terms of the settlement are now set forth in  
4 complete and final form in the PAGA Settlement Agreement, attached as **Exhibit 1**. A copy of the  
5 PAGA Settlement Agreement has been uploaded to the LWDA's website.

6           6.       It is my opinion that the Settlement constitutes a fair, adequate, and reasonable  
7 compromise of the claims at issue. This opinion is informed by my experience litigating and settling  
8 wage and hour actions, and my firm's thorough investigation into the factual and legal issues implicated  
9 by Plaintiff's claims and Defendants' defenses.

10          7.       Prior to filing the action, Plaintiff contacted Plaintiff's Counsel to discuss the factual  
11 bases for pursuing a PAGA action against Defendants for Labor Code violations. Plaintiff was intimately  
12 familiar with Defendants' labor policies and practices, and knowledgeably summarized those policies  
13 and practices to Plaintiff's Counsel. He explained how the policies and practices were instituted, and  
14 provided valuable insight into how they gave rise to the alleged Labor Code violations. Based on this  
15 information, Plaintiff's Counsel determined that there were legally sufficient grounds for pursuing an  
16 action against Defendants.

17          8.       Plaintiff's Counsel prepared a detailed letter to notify the LWDA of Plaintiff's intent to  
18 seek civil penalties and other available relief recoverable under PAGA for Labor Code violations.  
19 Significant research and effort were expended to prepare a PAGA notice that was consistent with the  
20 developing legal requirements so as to withstand any challenge from Defendants regarding the notice's  
21 sufficiency. And in preparation for drafting the complaint, Plaintiff's Counsel conducted their own  
22 preliminary investigation into the factual bases for Plaintiff's claims, which entailed, *inter alia*, a careful  
23 examination of Plaintiff's employment records.

24          9.       In advance of the Parties' mediation, Plaintiff's Counsel received a considerable amount  
25 of documents and data to value Plaintiff's PAGA claims, including employee demographic data, a  
26 sample of Aggrieved Employees' time and pay records, and Defendants' California labor policies and  
27 procedures materials. The document and data exchanges allowed Plaintiff's Counsel to fully assess the  
28 nature and magnitude of the claims being settled, as well as the impediments to recovery, and ultimately

1 enabled Plaintiff's Counsel so as to make an independent assessment of the reasonableness of the  
2 settlement's terms.

3 10. In summary, Plaintiff's Counsel performed a thorough investigation into the claims at  
4 issue, which included: (a) determining Plaintiff's suitability as a private attorney general through  
5 interviews, a background investigation, and analysis of his employment files; (b) evaluating all of  
6 Plaintiff's potential representative claims; (c) researching similar PAGA actions as to the claims brought,  
7 the nature of the positions, and the type of employer; (d) analyzing a sample of Aggrieved Employees'  
8 time and wage records; (e) reviewing Defendants' California labor policies and procedures materials; (f)  
9 researching settlements in similar cases; (g) evaluating Plaintiff's claims and estimating Defendants'  
10 liability for purposes of settlement; (h) drafting the mediation brief; and (i) participating in the mediation.

11 11. By engaging in such a thorough investigation and evaluation of Plaintiff's PAGA  
12 claims, Plaintiff's Counsel can opine that the Settlement, for the consideration and on the terms set forth  
13 in the Settlement Agreement, is fair, reasonable, and adequate, and is in the best interests of LWDA and  
14 Aggrieved Employees in light of all known facts and circumstances, including the risk of significant  
15 delay and uncertainty associated with litigation, and various defenses asserted by Defendants.

#### 16 NATURE OF THE ALLEGED VIOLATIONS AND DEFENDANTS'

#### 17 MAXIMUM ALLEGED EXPOSURE FOR PAGA PENALTIES

18 12. Based on information and evidence produced by Defendants, Plaintiff's Counsel  
19 determined that Aggrieved Employees worked during a total of approximately 22,000 pay periods  
20 during the Settlement Period. Statutory penalties would be calculated according to Labor Code  
21 2699(f)(2): If, at the time of the alleged violation, the person employs one or more employees, the civil  
22 penalty is one hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation  
23 and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent  
24 violation.

25 13. However, a number of courts have found that the "subsequent" penalty under PAGA  
26 applies only after a court or the Labor Commissioner determines that the employer has violated the  
27 Labor Code. *See Gunther v. Alaska Airlines, Inc.*, 72 Cal. App. 5<sup>th</sup> 334, 356 (2021) ("the increased \$200  
28 civil penalty for 'subsequent violation[s]' does not apply unless [Plaintiff] presents evidence that the

1 Labor Commission or a court notified [Defendant] that it was in violation of the Labor Code.”);  
2 *Bernstein v. Virgin Am., Inc.*, 990 F.3d 1157, 1173 (9<sup>th</sup> Cir. 2021) (reversing judgment as to “heightened  
3 civil penalties” because the defendant was not given notice by the Labor Commissioner when the  
4 “subsequent” violations occurred).

5 14. Because Plaintiff’s Counsel did not uncover any evidence that Defendants’ alleged  
6 violations of the California Labor Code were willful or intentional, or that a court or the Labor  
7 Commissioner had previously determined that Defendants were in violation of the Labor Code,  
8 Plaintiff’s Counsel calculated Defendants’ maximum potential exposure by assessing a \$100 penalty for  
9 all pay periods with alleged violations.

10 15. **Off-the-Clock Work Claim**—California law defines “hours worked” as “the time  
11 during which an employee is subject to the control of an employer, and includes all the time the  
12 employee is suffered or permitted to work, whether or not required to do so.” *Morillion v. Royal Packing*  
13 *Co.*, 22 Cal. 4th 575, 578 (2000). Thus, “an employee who is subject to an employer’s control does not  
14 have to be working during that time to be compensated[.]” *Id.* at 582. Requiring employees to work  
15 without compensation violates California’s minimum wage and overtime laws. *See* Cal. Lab. Code §§  
16 510, 1194, 1197, 1197.1 and 1198. An employer is liable for off-the-clock “hours worked” if it “knew or  
17 should have known off-the- clock work was occurring.” *Brinker Rest. Corp. v. Superior Ct.*, 53 Cal. 4th  
18 1004, 1051-52 (2012).

19 16. Plaintiff alleges that Defendants understaffed their hotels to keep their labor costs to a  
20 minimum. This in turn created a working environment where Aggrieved Employees felt pressure to  
21 work off-the-clock—such as before and after their shifts and during their meal periods—to complete the  
22 duties and tasks more suitable for a larger on-duty workforce. Defendants’ maximum potential exposure  
23 for PAGA civil penalties was calculated as follows: 22,000 pay periods × \$100 penalty = \$2,200,000.00.

24 17. **Meal Period Claim**—“An employer shall not employ an employee for a work period of  
25 more than five hours per day without providing the employee with a meal period of not less than 30  
26 minutes[.]” Cal. Lab. Code § 512(a) . Additionally, an employee may not work more than 10 hours  
27 without being provided a second meal period. *Id.* Where an employee does not receive a timely meal  
28 period of at least 30 minutes, the employer is required to pay the employee one additional hour of pay at

1 the employee's regular rate of compensation. Cal. Lab. Code § 226.7(c).

2 18. Due to Defendants' alleged practice of understaffing their California hotels, Aggrieved  
3 Employees were regularly forced to work off-the-clock during their meal periods, or to take them late, to  
4 complete all of their assigned duties. Defendants' maximum potential exposure for PAGA civil penalties  
5 was calculated as follows: 22,000 pay periods × \$100 penalty = \$2,200,000.00.

6 19. **Rest Period Claim**—The applicable IWC Wage Order provides that “[e]very employer  
7 shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the  
8 middle of each work period” and that the “rest period time shall be based on the total hours worked daily  
9 at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof” unless the total  
10 daily work time is less than three and one-half (3½) hours. California Labor Code section 226.7 provides  
11 that no employer shall require an employee to work during any rest period mandated by an applicable  
12 order of the California IWC. To comply with its obligation to provide rest periods under California  
13 Labor Code section 226.7 and the applicable IWC Wage Order, an employer must “relinquish any  
14 control over how employees spend their break time, and relieve their employees of all duties —  
15 including the obligation that an employee remain on call. A rest period, in short, must be a period of  
16 rest.” *Augustus v. ABM Security Services, Inc.*, 2 Cal. 5th 257, 273 (2016).

17 20. Like his meal period claim, Plaintiff alleges that Defendants' rest period policies and  
18 practices—and specifically their practice of understaffing their California hotels—discouraged  
19 Aggrieved Employees from taking lawful rest periods by pressuring them to regularly work during their  
20 rest periods, or to forgo them entirely. Defendants' maximum potential exposure for PAGA civil  
21 penalties was calculated as follows: 22,000 pay periods × \$100 penalty = \$2,200,000.00.

22 21. **Final Pay Claim**—Based on the foregoing allegations, Plaintiff alleges that Defendants  
23 are liable for statutory penalties under Labor Code section 203. Section 203 provides that “the wages of  
24 the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an  
25 action therefor is commenced; but the wages shall not continue for more than 30 days.” Defendants'  
26 maximum potential exposure for PAGA civil penalties was calculated as follows: 475 employee  
27 terminations × \$100 penalty = \$47,500.00.

28 22. **Wage Statement Claim**—Labor Code section 226(a) provides, in pertinent part, that an

1 employer must provide an “accurate itemized” wage statement showing net and gross wages earned.  
2 Cal. Lab. Code § 226(a). “[A]n employee has a statutory right to an accurate pay stub.”<sup>2</sup> Based on the  
3 preceding allegations, Plaintiff alleges that Defendants issued Aggrieved Employees incorrectly itemized  
4 wage statements. Defendants’ maximum potential exposure for PAGA civil penalties was calculated as  
5 follows: 22,000 pay periods × \$100 penalty = \$2,200,000.00.

6       23.     **Suitable Seating Claim**—California Labor Code section 1198 makes it illegal to  
7 employ an employee under conditions of labor that are prohibited by the applicable wage order.  
8 California Labor Code section 1198 requires that “. . . the standard conditions of labor fixed by the  
9 commission shall be the . . . standard conditions of labor for employees. The employment of any  
10 employee . . . under conditions of labor prohibited by the order is unlawful.” California Code of  
11 Regulations, Title 8, section 11050(14)(A) provides that “[a]ll working employees shall be provided with  
12 suitable seats when the nature of the work reasonably permits the use of seats.”

13       24.     Plaintiff alleges that Defendants’ California hotels are generally similar in their layout  
14 and design and there is enough space behind host stands and front desk, registration desk, and concierge  
15 desk areas to allow for the use of a seat or stool by Aggrieved Employees (with reasonable or no  
16 modification to these work areas) during the performance of their work duties. Defendants could have  
17 allegedly provided Aggrieved Employees with a seat or stool at their host stands and the front desks,  
18 registration desks, and concierge desks, but instead denied employees seating and forces other Aggrieved  
19 Employees to stand throughout the day. Defendants’ maximum potential exposure for PAGA civil  
20 penalties was calculated as follows: 22,000 pay periods × \$100 penalty = \$2,200,000.00.

21       25.     **Suitable Resting Facility Claim**—California Code of Regulations, Title 8, section  
22 11050(13)(B) provides that “[s]uitable resting facilities shall be provided in an area separate from the  
23 toilet rooms and shall be available to employees during work hours.” Plaintiff alleges that Defendants  
24 could have provided Aggrieved Employees with a suitable resting facility within all of its restaurants,

25       <sup>2</sup> *Jaimez v. Daihls USA, Inc.*, 181 Cal. App. 4th 1286, 1306 (2010) (“*Jaimez*”); *see also Kisliuk*  
26 *v. ADT Sec. Servs.*, 263 F.R.D. 544, 548 (C.D. Cal. 2008). “The purpose of the wage statement  
27 requirement is to provide transparency as to the calculation of wages. A complying wage statement  
28 accurately reports most of the information necessary for an employee to verify if he or she is being  
properly paid in accordance with the law and that deductions from wages are proper.” DLSE Opinion  
Letter 2006.07.06 at 2.

1 with reasonable or no modification, but instead denied employees suitable areas to rest (e.g., a  
2 breakroom with seats). Defendants' maximum potential exposure for PAGA civil penalties was  
3 calculated as follows: 22,000 pay periods × \$100 penalty = \$2,200,000.00.

4 **FACTORS SUPPORTING A REDUCTION IN TOTAL PENALTIES BASED ON THE ANTICIPATED TRIAL**  
5 **RESULT, WEIGHT OF EVIDENCE, CLARITY OF CONTROLLING LAW, AND DEFENDANT'S DEFENSES**

6 26. After calculating Defendants' maximum exposure under PAGA, Plaintiff then  
7 discounted that exposure for settlement purposes to account for the risks of continued litigation,  
8 including: (a) the strength of Defendants' defenses to the merits; (b) the risk of losing at trial; (c) the risk  
9 that the Court would exercise its discretion under PAGA to significantly reduce the maximum civil  
10 penalties available by statute;<sup>3</sup> (d) the chances of a favorable verdict being reversed on appeal; and (e) the  
11 difficulties attendant to collecting on a judgment ("Discount Factors").

12 27. With respect to defenses, Defendants have vigorously defended against the claims  
13 alleged in this action, denying that they violated any section of the Labor Code or Wage Order. These  
14 defenses are summarized in detail below.

15 28. **Defenses to the Off-the-Clock Claim**—Defendants would have argued at trial that  
16 their labor policies prohibit off-the-clock work, that employees were properly compensated for all time  
17 worked, and any time worked off-the-clock would not be reflected in the time records, making it  
18 practically impossible to determine whether any Aggrieved Employee worked off-the-clock without  
19 engaging in thousands of individualized inquiries. *See Brinker Rest. Corp. v. Superior Ct.*, 53 Cal. 4th  
20 1004, 1051-52 (2012) (holding that in the absence of a uniform, companywide policy, proof of liability is  
21 individual).

22 29. Defendants would also have argued that for Plaintiff to establish that they failed to pay  
23 Aggrieved Employee for all hours worked, Plaintiff would have had to prove that they were aware that  
24 employees were working hours for which they were not compensated. For example, in *Forrester v.*  
25 *Roth's I.G.A. Foodliner, Inc.*, 646 F.2d 413 (9th Cir. 1981), the Ninth Circuit held that "where an

26 <sup>3</sup> See Lab. Code § 2699(e) ("In any action by an aggrieved employee seeking recovery of a civil  
27 penalty available under subdivision (a) or (f), a court may award a lesser amount than the maximum civil  
28 penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do  
otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory.").

1 employer has no knowledge that an employee is engaging in overtime work and that employee fails to  
2 notify the employer or deliberately prevents the employer from acquiring knowledge of the overtime  
3 work, the employer's failure to pay for the overtime hours is not a violation [of overtime requirements]."  
4 *Id.* at 414.

5 30. Taking into account Defendants' defenses and the other Discount Factors, and after  
6 accounting for the risks of continued litigation, Plaintiff estimated that the odds of recovering maximum  
7 PAGA civil penalties for off-the-clock violations at approximately 10%.

8 31. **Defenses to the Meal Period Claim**—Defendants would have argued at trial that they  
9 have no obligation to "guarantee" or "ensure" that meal periods are taken by all employees at all times.  
10 *Brinker*, 53 Cal. 4th at 1040 (employers are "not obligated to police meal breaks and ensure no work  
11 thereafter is performed"). Rather, an employer satisfies (as Defendants would argue) its obligation to  
12 provide meal periods if "it relieves its employees of all duty, relinquishes control over their activities and  
13 permits them a reasonable opportunity to take an uninterrupted 30-minute break, and does not impede or  
14 discourage them from doing so." *Id.* Defendants would have also argued that there is no "basis in the  
15 wage order or statute" for the notion "that an employer must ensure that no work is done – i.e., prohibit  
16 work" during a meal period. *Id.* at 1038; *see also Murphy*, 40 Cal. 4th at 1104 (finding a violation occurs  
17 only if the employee is "forced to forgo his or her meal period").

18 32. Defendants would also have argued at trial that "to assert a meal break claim, the  
19 employee must show that he was **forced to forego** his meal breaks as opposed to merely showing that he  
20 did not take them." *Nguyen v. Baxter Healthcare Corp.*, No. 8:10-CV-01436-CJC, 2011 WL 6018284,  
21 at \*5 (C.D. Cal. Nov. 28, 2011) (emphasis in original); *see also Brinker*, 53 Cal. 4th at 1034; *Dailey v.*  
22 *Sears, Roebuck & Co.*, 214 Cal. App. 4th 974, 1000-02 (2013); *Gonzalez v. Officemax N. Am.*, No. CV  
23 07-04839 JVS MLGX, 2012 WL 5473764, at \*5 (C.D. Cal. Nov. 5, 2012).

24 33. Taking into account Defendants' defenses and the other Discount Factors, and after  
25 accounting for the risks of continued litigation, Plaintiff estimated that the odds of recovering maximum  
26 PAGA civil penalties for meal period violations at approximately 30%.

27 34. **Defenses to the Rest Period Claim**—Defendants would have argued that absent a  
28 shift-by-shift, break-by-break, employee-by-employee inquiry, there was simply no way to know (a)

1 whether a break was taken; and (b) if not, why not. Defendants also would have argued that even if  
2 employees recorded every rest break ever taken, their time records would still be insufficient to prove  
3 liability. For each instance where an employee did not take a 10-minute rest period by the end of the  
4 fourth hour of work, the trier of fact would still have to determine why that particular employee had less  
5 than their full allotment of rest time. To succeed, “[a]n employee must show that the employer prevented  
6 the employee from taking breaks; mere proof of knowledge that the employee was forgoing breaks is  
7 insufficient.” *Reece v. Unitrin Auto & Home Ins. Co.*, No. 5:11-CV-03960 EJD, 2013 WL 245452, at \*5  
8 (N.D. Cal. Jan. 22, 2013) (rejecting claim that the work structure made taking rest breaks impossible,  
9 because plaintiff failed to show that the employer prevented such breaks); *Drenckhahn v. Costco*  
10 *Wholesale Corp.*, No. 2:08-CV-01408-JHN, 2011 WL 3754659, at \*3 (C.D. Cal. Aug. 24, 2011)  
11 (“although employers must provide employees with meal and rest breaks under Cal. Lab. Code § 512(a),  
12 they need not guarantee that employees take breaks”).

13 35. Taking into account Defendants’ defenses and the other Discount Factors, and after  
14 accounting for the risks of continued litigation, Plaintiff estimated that the odds of recovering maximum  
15 PAGA civil penalties for rest period violations at approximately 25%.

16 36. **Defenses to the Final Pay Claim**—While Section 203 penalties are relatively  
17 straightforward to calculate, the analysis becomes more difficult for settlement purposes as derivative  
18 waiting-time penalties are only as strong as the underlying predicate claims, and are subject to good faith  
19 defenses. Specifically, Labor Code section 203 imposes waiting time penalties only for the “willful”  
20 failure to timely pay wages. The California Code of Regulations specifically provides:

21 A willful failure to pay wages within the meaning of Labor Code Section 203  
22 occurs when an employer intentionally fails to pay wages to an employee when  
23 those wages are due. However, a good faith dispute that any wages are due will  
preclude imposition of waiting time penalties under Section 203...

24 A “good faith dispute” that any wages are due occurs when an employer presents  
25 a defense, based in law or fact which, if successful, would preclude any  
26 recover[y] on the part of the employee. The fact that a defense is ultimately  
27 unsuccessful will not preclude a finding that a good faith dispute did exist.  
28 Defenses presented which, under all the circumstances, are unsupported by any  
evidence, are unreasonable, or are presented in bad faith, will preclude a finding  
of a “good faith dispute.”

Cal. Code Regs. tit. 8, § 13520.

1           37.       Subsequent California cases have held that a good faith dispute as to whether wages  
2 were owed (including a good faith belief in a legal defense) precludes an award of waiting time penalties  
3 under Section 203. *Nordstrom Comm’n Cases*, 186 Cal. App. 4th 576, 584 (2010) (“There is no willful  
4 failure to pay wages [under Section 203] if the employer and employee have a good faith dispute as to  
5 whether and when the wages were due”); *see also Armenta v. Osmose, Inc.*, 135 Cal. App. 4th 314, 325  
6 (2005) (“A good faith belief in a legal defense will preclude a finding of willfulness”).

7           38.       And case law interpreting “willful” holds that even unsuccessful good faith defenses will  
8 be sufficient to preclude recovery so long as an employer’s “position is not so untenable as to constitute  
9 bad faith” or is not supported by any evidence. *See Estrada v. Royalty Carpet Mills, Inc.*, 76 Cal. App.  
10 5th 685, 708, 729 (2022) (finding no liability under Section 203 when the company had a good faith  
11 dispute that meal period premiums were owed due to an on-duty meal period policy that restricted  
12 employee freedom during meal periods while paying regular wages, even though the policy was found  
13 to be unlawful); *see also Woods v. Vector Mktg. Corp.*, No. C-14-0264 EMC, 2015 WL 2453202, at \*4  
14 (N.D. Cal. May 22, 2015) (holding that the employer’s defense that the plaintiff was properly classified,  
15 even if ultimately unsuccessful at trial, was insufficient to amount to a “willful” violation of 203 and  
16 granting summary judgment on those claims because the plaintiff could point to no evidence that the  
17 defense was raised in bad faith or was unsupported by the evidence).

18           39.       Taking into account Defendants’ defenses and the other Discount Factors, and after  
19 accounting for the risks of continued litigation, Plaintiff estimated that the odds of recovering maximum  
20 PAGA civil penalties for waiting-time violations at approximately 10%.

21           40.       **Defenses to the Wage Statement Claim**—Like Plaintiff’s waiting time penalty claim,  
22 his wage statement claim imposes penalties only for “knowing and intentional” failures to comply with  
23 the statute’s itemization requirements. In *Naranjo v. Spectrum Sec. Servs., Inc.*, 88 Cal. App. 5th 937  
24 (2023), the California court of appeal found that if a “good faith dispute” exists as to whether wages are  
25 due to an employee, then the employer is not liable for wage statement penalties.

26           41.       Additionally, Labor Code section 226 requires the employee to prove not only that the  
27 violation was “knowing and intentional,” but that the violation resulted in an “injury.” Defendants would  
28 have argued that the “deprivation of [the] information [required by 226(a)],” by itself, is not a cognizable

injury. *Price v. Starbucks Corp.*, 192 Cal. App. 4th 1136, 1142-1143 (2011) (internal citations omitted); *see also Maldonado v. Epsilon Plastics, Inc.*, 22 Cal. App. 5th 1308, 1334 (2018) (“But inaccurate wage statements alone do not justify penalties; the plaintiffs must establish injury flowing from the inaccuracy”). Taking into account Defendants’ defenses and the other Discount Factors, and after accounting for the risks of continued litigation, Plaintiff estimated that the odds of recovering maximum PAGA civil penalties for Labor Code section 226 violations at approximately 10%.

42. **Defenses to the Suitable Resting / Seating Claim**—Defendants insisted that the nature of the Aggrieved Employees’ work does not reasonably permit the use of seats for employees assigned to work at lobby desks or as hosts at restaurants. Defendants would have also argued that there are no “lulls” in hotel operations that would enable associates to sit. Further, Defendants would have argued that employees did have suitable resting areas. Taking into account Defendants’ defenses and the other Discount Factors, and after accounting for the risks of continued litigation, Plaintiff estimated that the odds of recovering maximum PAGA civil penalties for suitable seating and resting violations at approximately 10%, each.

43. **Estimate of Defendants’ Probable Exposure for PAGA Penalties**—Understandably, for purposes of evaluating the settlement’s reasonableness, Plaintiff’s estimate of Defendants’ maximum potential exposure for PAGA civil penalties must be “tempered by factors such as the risk of losing at trial, the expense of litigating the case, and the expected delay in recovery (often measured in years).” *In re Toys R Us-Delaware, Inc.-- Fair & Accurate Credit Transactions Act (FACTA) Litig.*, 295 F.R.D. 438, 453 (C.D. Cal. 2014).

44. Considering the weight of the evidence, the clarity of the applicable law, and the strength of the factual and legal defenses likely to be asserted by the Defendants at trial and the availability of good faith defenses, Plaintiff determined that a more realistic estimate of the total amount of penalties that he would likely recover at trial was \$2.09 million:

| Claim               | Pay Periods | Maximum Penalties | Probability of Recovering Maximum Penalties | Realistic Exposure at Trial |
|---------------------|-------------|-------------------|---------------------------------------------|-----------------------------|
| Off-the-Clock Claim | 22,000      | \$2,200,000.00    | 10%                                         | \$220,000.00                |
| Meal Period Claim   | 22,000      | \$2,200,000.00    | 30%                                         | \$660,000.00                |

| Claim                  | Pay Periods | Maximum Penalties | Probability of Recovering Maximum Penalties | Realistic Exposure at Trial |
|------------------------|-------------|-------------------|---------------------------------------------|-----------------------------|
| Rest Period Claim      | 22,000      | \$2,200,000.00    | 25%                                         | \$550,000.00                |
| Final Pay Claim        | 475         | \$47,500          | 10%                                         | \$4,750.00                  |
| Wage Statement Claim   | 22,000      | \$2,200,000.00    | 10%                                         | \$220,000.00                |
| Suitable Seating Claim | 22,000      | \$2,200,000.00    | 10%                                         | \$220,000.00                |
| Suitable Resting Claim | 22,000      | \$2,200,000.00    | 10%                                         | \$220,000.00                |
| <b>Total</b>           |             |                   |                                             | <b>\$2,094,750.00</b>       |

45. There was an additional risk that the Court would have exercised its discretion to reduce PAGA penalties. The PAGA gives the Court wide latitude to reduce the amount of civil penalties “based on the facts and circumstances of a particular case” when “to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory.” Cal. Lab. Code § 2699(h). In reducing PAGA penalties, courts have considered issues including whether the employees suffered actual injury from the violations, whether the defendant was aware of the violations, and the employer’s willingness to fix the violation. *Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504, 528 (2018) (awarding PAGA penalties of only 0.2% of the maximum); *see also Cotter v. Lyft, Inc.*, 193 F. Supp. 3d 1030, 1037 (N.D. Cal. 2016); *Fleming v. Covidien Inc.*, No. ED CV 10-01487 RGK (OPX), 2011 WL 7563047, at \*4 (C.D. Cal. Aug. 12, 2011).

46. For example, during the penalty phase of trial in *Carrington*, the plaintiff requested PAGA penalties in the amount of approximately \$70 million. The trial court instead awarded only \$150,000—**or 0.21% of the calculated maximum**—and stated that this reduction was warranted because (a) the Court did not believe it was appropriate to impose multiple penalties for each pay period in which a violation occurred, and (b) imposing the maximum penalty would be not be appropriate based on Starbucks’s “good faith attempts” to comply with meal period obligations and because the court found the violations were minimal. *Carrington*, 30 Cal. App. 5th at 517-18. The Court of Appeal affirmed the lower court’s reduced award of a \$150,000 penalty under PAGA. *Id.* at 529.

47. Likewise, in *Covidien*, the Court reduced the potential penalties by over 82%, awarding \$500,000 instead of maximum penalties of \$2.8 million. *Covidien*, 2011 WL 7563047 at \*4; *see also Thurman v. Bayshore Transit Mgmt.*, 203 Cal. App. 4th 1112, 1135-36 (2012) (affirming 30% reduction

1 under specified PAGA claim where the employer produced evidence that it took its obligations  
2 seriously); *Elder v. Schwan Food Co.*, No. B223911, 2011 WL 1797254, at \*5-\*7 (Cal. Ct. App. May  
3 12, 2011) (reversing trial court decision denying any civil penalties where violations had been proven,  
4 remanding for the trial court to exercise discretion to reduce, but not wholly deny, civil penalties); *Li v. A*  
5 *Perfect Day Franchise, Inc.*, No. 5:10-CV-01189-LHK, 2012 WL 2236752, at \*17 (N.D. Cal. June 15,  
6 2012) (denying PAGA penalties for violation of California Labor Code section 226 as redundant with  
7 recovery on a class basis pursuant to California Labor Code section 226, directly); *Aguirre v. Genesis*  
8 *Logistics*, No. SACV 12-00687 JVS (ANx), 2013 WL 10936035 at \*2-\*3 (C.D. Cal. Dec. 30, 2013)  
9 (reducing penalty for past PAGA violations from \$1.8 million to \$500,000, after rejecting numerous  
10 other PAGA claims).

11 48. Considering the issues, defenses, and the risks, a \$550,000 settlement for a limited  
12 release of PAGA penalties—no individual wage and hour claims will be extinguished by the  
13 Settlement—is a fair and just result and furthers PAGA’s objectives, and is not “unjust, arbitrary, and  
14 oppressive.”

#### 15 CAPSTONE LAW APC FIRM PROFILE

16 49. Since its founding in 2012, Capstone has emerged as a major force in aggregate  
17 litigation, making law on cutting-edge issues.

18 50. In February, 2015, Ryan H. Wu and I were honored with the *California Lawyer*  
19 Attorney of the Year (CLAY) award in labor and employment for our work in the landmark case  
20 *Iskanian v. CLS Transportation Los Angeles*, 59 Cal.4th 348 (2014), which preserved the right of  
21 California workers to bring representative actions under the Labor Code Private Attorneys General Act  
22 (“PAGA”) notwithstanding a representative action waiver in an arbitration agreement.

23 51. Recognized as a leading firm in the prosecution of PAGA enforcement actions,  
24 Capstone is responsible for some of the most important decisions in this area. In *Williams v. Superior*  
25 *Court (Marshalls of Calif.)*, 3 Cal.5th 531 (2017), Capstone attorneys achieved a watershed decision  
26 before the California Supreme Court as to the broad scope of discovery in PAGA actions. In *Baumann v.*  
27 *Chase Inv. Servs. Corp.*, 747 F.3d 1117 (9th Cir. 2014), a case of first impression, Capstone successfully  
28 argued that PAGA actions are state enforcement actions not covered by the Class Action Fairness Act.

1           52.       Capstone has made important contributions to consumer protection law. In *McGill v.*  
2       *Citibank N.A.*, 2 Cal. 5th 945 (2017), Capstone represented plaintiffs in a major decision holding that the  
3       right to seek public injunctive relief under the state’s consumer protection laws cannot be waived and  
4       that consumers need not satisfy class certification requirements to enjoin unfair business practices on  
5       behalf of the public. In *Nguyen v. Nissan N.A.*, 726 F.3d 811 (9th Cir. 2019), Capstone attorneys reversed  
6       a denial of class certification, making law that clarified the use of “benefit of the bargain” damages  
7       models in consumer class actions.

8           53.       Capstone served as class counsel in a number of significant wage and hour settlements,  
9       including \$12 million on behalf of a nationwide class of in *Hightower v. JPMorgan Chase Bank*, Case  
10      No. 11-01802 (C.D. Cal.), over \$10 million on behalf of non-exempt hourly workers in *Zamora v.*  
11      *Balboa Life & Casualty LLC*, Case No. BC360026 (L.A. Super. Ct.); and \$9 million on behalf of  
12      pharmacists in *Dittmar v. Costco Wholesale Corp.*, No. 14-1156 (S.D. Cal.). In *Vorise v. 24 Hour*  
13      *Fitness USA, Inc.*, No. C 15-02051 (Contra Costa Super. Ct.), Capstone and co-counsel negotiated an  
14      \$11 million PAGA settlement on behalf of over 36,000 employees for Labor Code violations.

15          54.       Capstone has an established practice in automotive defect class actions and is currently  
16      appointed sole class counsel, following contested class certification, in *Victorino v. FCA US, LLC*, No.  
17      16-1617-GPC, 2019 WL 5268670 (S.D. Cal. Oct. 17, 2019) and *Salas v. Toyota Motor Sales, U.S.A.,*  
18      *Inc.*, No. 15-8629-FMO, 2019 WL 1940619 (C.D. Cal. Mar. 27, 2019).

19          55.       Capstone has settled over 100 high-stakes class and representative actions. Capstone’s  
20      settlements have directly compensated hundreds of thousands of California workers and consumers.  
21      Capstone’s actions have also forced employers to modify their policies for the benefit of employees,  
22      including changing the compensation structure for commissioned employees and changing practices to  
23      ensure that workers will be able to take timely rest and meal breaks. A leader in prosecuting PAGA  
24      enforcement actions, Capstone has secured millions of dollars in civil penalties for the State of  
25      California.

26          56.       The following is a representative sample of Capstone’s settlements:

- 27                  a.       *Navarro v. United Parcel Service, Inc.*, No. BC592098 (LA County  
28                              Superior Court): gross settlement of \$16.5 million on behalf of

1 approximately 180,000 non-exempt employees for wage and hour  
2 violations;

- 3 b. *Hightower et al v. Washington Mutual Bank*, No. 2:11-cv-01802-PSG-  
4 PLA (N.D. Cal.): gross settlement of \$12 million on behalf of  
5 approximately 150,000 personal bankers, tellers, sales associates, and  
6 assistant branch manager trainees for wage and hour violations;
- 7 c. *Vargas v. Ford Motor Co.*, 12-08388-AB (C.D. Cal.): providing cash  
8 payments and unique buyback program for nearly 2 million consumers;
- 9 d. *Moore v. Petsmart, Inc.*, No. 5:12-cv-03577-EJD (N.D. Cal.): gross  
10 settlement of \$10 million on behalf of over 19,000 non-exempt  
11 PetSmart employees for wage and hour violations;
- 12 e. *Dittmar v. Costco Wholesale Corp.*, No. 14-1156 (S.D. Cal.): gross  
13 settlement of \$9 million on behalf of approximately 1,200 pharmacists  
14 for wage and hour violations;
- 15 f. *Perrin v. Nabors Well Services Co.*, No. 56-2007-00288718 (Ventura  
16 Super. Ct.): gross settlement of over \$6.5 million on behalf of oil rig  
17 workers for sleep time and other wage violations;
- 18 g. *Cook v. United Insurance Co.*, No. C 10-00425 (Contra Costa Super.  
19 Ct.): gross settlement of \$5.7 million on behalf of approximately 650  
20 sales representatives;
- 21 h. *Alvarez v. MAC Cosmetics, Inc.*, No. CIVDS1513177 (San Bernardino  
22 Super. Ct.): gross settlement of \$5.5 million for approximately 5,500  
23 non-exempt employees.
- 24 i. *Aceves v. AutoZone, Inc.*, No. 14-2032 (C.D. Cal.): gross settlement of  
25 \$5.4 million in a case alleging FCRA violations;
- 26 j. *Berry v. Urban Outfitters Wholesale, Inc.*, No. 13-02628 (N.D. Cal.):  
27 gross settlement of \$5 million on behalf of over 12,000 nonexempt  
28 employees;

- k. *The Children's Place Retail Stores Wage & Hour Cases*, No. JCCP 4790: gross settlement of \$5 million on behalf of 15,000 non-exempt employees;
- l. *York v. Starbucks Corp.*, Case No. 08-07919 (C.D. Cal.): gross settlement of nearly \$5 million on behalf of over 100,000 non-exempt workers for meal break and wage statement claims;
- m. *Rodriguez v. Swissport USA*, No. BC 441173 (Los Angeles Super. Ct.): gross settlement of nearly \$5 million on behalf of 2,700 non-exempt employees following contested certification;
- n. *Asghari v. Volkswagen Group of North America*, Case No. 13-02529 (C.D. Cal.): Settlement providing complementary repairs of oil consumption defect, reimbursement for repairs, and extended warranty coverage of certain Audi vehicles valued at over \$20 million;
- o. *Klee v. Nissan of North America*, Case No. 12-08238 (C.D. Cal.): Settlement providing complimentary electric vehicle charging cards and extending warranty coverage for the electric battery on the Nissan Leaf valued at over \$10 million.

57. Attached as **Exhibit 2** is a true and correct copy of Capstone's firm resume.

#### ATTORNEYS' FEES AND COSTS

58. I have reviewed a summary of the billing records for this action, which are maintained during the regular course of business and billed contemporaneously. The bill for attorneys' fees is summarized in the chart below:

| Attorney         | Title          | CA Bar Yr. | Rate  | Hours      | Fees                |
|------------------|----------------|------------|-------|------------|---------------------|
| Raul Perez       | Partner        | 1994       | \$950 | 25         | \$23,750.00         |
| Bevin Allen Pike | Partner        | 2002       | \$750 | 28.2       | \$21,150.00         |
| Jamie Greene     | Partner        | 2007       | \$650 | 10.5       | \$6,825.00          |
| Daniel Jonathan  | Senior Counsel | 2009       | \$625 | 82.3       | \$51,437.50         |
| Anthony Castillo | Senior Counsel | 2009       | \$625 | 45.3       | \$28,312.50         |
| Mao Shiokura     | Senior Counsel | 2009       | \$625 | 14.9       | \$9,312.50          |
| Alexander Lima   | Associate      | 2019       | \$475 | 17.8       | \$8,455.00          |
| <b>Total</b>     |                |            |       | <b>224</b> | <b>\$149,242.50</b> |

59. While adjusting our rates to track market increases, Capstone's rates have steadily remained reasonable and competitive, and have been consistently approved by many federal and state courts over the past several years. *See, e.g., Quintero v. JC Resorts LLC*, No. CIVSB2115731 (San Bernardino County Superior Court Dec. 9, 2024) (approving Capstone's rates for Senior Counsel/Partners (\$600-\$950)); *Simmons v. Gary & Becky Vick, Inc.*, No. 23CV000951 (Monterey County Superior Court Nov. 18, 2024) (approving Capstone's rates for Associates (\$425-\$550) and Senior Counsel/Partners (\$625-\$950)); *Bainbridge v. Avanti Install California, LLC*, No. 34-2022-00331897-CU-OE-GDS (Sacramento County Superior Court Nov. 18, 2024) (approving Capstone's rates for Senior Counsel/Partners (\$475-\$950)); *Le v. Independent Options, Inc.*, No. 37-2022-00046457-CU-OE-CTL (San Diego County Superior Court Aug. 30, 2024) (approving Capstone's rates for Associates (\$425-\$475) and Senior Counsel/Partners (\$625-\$950)); *Jones v. LA Live Theatre LLC*, No. BC687908 (Los Angeles County Superior Court Aug. 22, 2024) (approving Capstone's rates for Associates (\$475-\$550) and Senior Counsel/Partners (\$600-\$950)); *Qadree v. ADT LLC*, No. STK-CV-UOE-20203022 (San Joaquin County Superior Court Aug. 20, 2024) (approving Capstone's rates for an Associate (\$500) and Senior Counsel/Partners (\$625-\$950)); *Moreno v. Farooqi Food Management, Inc.*, No. 37-2022-00033791-CU-OE-CTL (San Diego County Superior Court July 31, 2024) (approving Capstone's rates for an Associate (\$475) and Senior Counsel/Partners (\$625-\$950)); *Hussain v. Wilshire HM, LLC*, No. 20STCV37515 (Los Angeles County Superior Court July 2, 2024) (approving Capstone's rates for Associates (both \$475) and Senior Counsel/Partners (\$600-\$950)); *Miller v. Rack Room Shoes, Inc.*, No. BCV-22-101870 (Kern County Superior Court May 23, 2024) (approving Capstone's rates for an Associate (\$425) and Senior Counsel/Partners (\$625-\$950)); *Kelly v. Arizona Pipeline Company*, No. CIVDS1812287 (San Bernardino County Superior Court March 4, 2024) (approving Capstone's rates for Associates (\$475-\$600) and Senior Counsel/Partners (\$625-\$950)); *Madrigal v. Solage Management, Inc.*, No. CIV2100081 (Marin County Superior Court Dec. 5, 2023) (approving Capstone's rates for Associates (\$425-\$475) and Senior Counsel/Partners (\$625-\$950)); *Juarez v. TWM/Fresno, LLC*, No. STK-CV-UOE-2022-0002562 (San Joaquin County Superior Court Nov. 16, 2023) (approving Capstone's rates for Associates (\$475) and Senior Counsel/Partners (\$625-\$950)).

60. Other courts have approved hourly rates in this range for plaintiff's side law firms. *See Marshall v. Northrup Grumman Corp.*, No. 16-cv-06794, 2020 WL 5668935, at \*7 (C.D. Cal. Sept. 18, 2020) (approving attorney rates between \$490 and \$1,060 per hour); *Edwards v. First Am. Corp.*, No. 07-cv-03796, 2016 WL 8999934, at \*5 (C.D. Cal. Oct. 4, 2016) (rates of up to \$990 found reasonable); *Urakhchin v. Allianz Asset Mgmt. of Am., L.P.*, No. 15-cv-01614, 2018 WL 8334858, at \*6 (C.D. Cal. July 30, 2018) (approving billing rates between \$600 and \$825 per hour for attorneys with more than ten years of experience, \$325 to \$575 per hour for attorneys with 10 or fewer years of experience, and \$250 per hours for paralegals and clerks); *Gutierrez v. Wells Fargo Bank, N.A.*, No. 07-cv-05923, 2015 WL 2438274, at \*5 (N.D. Cal. May 21, 2015) (rates ranging \$475-\$975 for partners, \$300-\$490 for associates); *In re Toyota Motor Corp. Unint. Accel. Mktg., Sales Pracs., & Prods. Liab. Litig.*, No. 10-ml-02151, 2013 WL 12327929, at \*33 n.13 (C.D. Cal. July 24, 2013) (rates ranging from \$150-\$950); *Hashemi v. Bosley, Inc.*, No. CV 21-946 PSG (RAOX), 2022 WL 18278431, at \*10 (C.D. Cal. Nov. 21, 2022) (finding that, in Los Angeles, partners litigating class action matters have hourly rates ranging from \$304 to \$965, and associates have hourly rates ranging from \$287 to \$719); *Alvarez v. Sirius XM Radio Inc.*, No. CV 18-8605 JVS(SSX), 2021 WL 1234878, at \*11 (C.D. Cal. Feb. 8, 2021) (finding hourly rates ranging from \$450 for an associate to \$950 for a partner "are reasonable given prevailing rates in the Los Angeles region"); *In re MacBook Keyboard Litig.*, No. 5:18-CV-02813-EJD, 2023 WL 3688452, at \*15 (N.D. Cal. May 25, 2023) (approving rates in a class action of \$875-\$1,195 per hour for partners; \$385-\$850 per hour for associates).

61. Finally, Capstone's rates are in line with the adjusted Laffey Matrix, which is a fee scale that courts often consult in determining the reasonableness of hourly rates. *See Exhibit 3.*

62. As summarized in the table below, counsel has incurred a total of \$11,670.40 in costs and expenses to date.

| Cost & Expense Categories                              | Amount             |
|--------------------------------------------------------|--------------------|
| Copying, Printing & Scanning and Facsimiles            | \$27.50            |
| Court Fees, Courier Fees, Filings & Service of Process | \$2,484.45         |
| Delivery & Messenger (UPS, FedEx, messenger, etc.)     | \$63.62            |
| Mediation Fees                                         | \$9,000.00         |
| Research Services (PACER, Westlaw, etc.)               | \$94.83            |
| <b>Total</b>                                           | <b>\$11,670.40</b> |

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I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 13th day of March, 2025, at Los Angeles, California.

  
\_\_\_\_\_  
Raul Perez

# Exhibit 1

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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF SANTA CLARA

ANDRES CEDENO OLIVO, individually, and  
on behalf of other members of the general public  
similarly situated,

Plaintiff,

vs.

KHANNA ENTERPRISES GENERAL  
PARTNER, an unknown business entity;  
KHANNA ENTERPRISES IV LIMITED  
PARTNERSHIP, a California limited partnership;  
KHANNA ENTERPRISES - II, LIMITED  
PARTNERSHIP, a California limited partnership;  
KHANNA ENTERPRISES II, INC., a California  
corporation; KHANNA ENTERPRISES III,  
INC., a Delaware corporation; KHANNA  
ENTERPRISES V LIMITED PARTNERSHIP, a  
California limited partnership; KHANNA  
ENTERPRISES VI LP, a Delaware limited  
partnership; KHANNA ENTERPRISES, INC., a  
California corporation; KHANNA  
ENTERPRISES LTD., - III, LP, a California  
limited partnership; KHANNA ENTERPRISES,  
LTD., A LIMITED PARTNERSHIP, a California  
limited partnership; ASHWIN KHANNA, INC., a  
California corporation; RAJESH KHANNA,  
INC., a California corporation; RAVI KHANNA,  
INC., a California corporation; and DOES 1  
through 10, inclusive,

Defendants.

Case No. 22CV409085

**PAGA SETTLEMENT AGREEMENT**

## PAGA SETTLEMENT AGREEMENT

Subject to Court approval by the Superior Court of the State of California for the County of Santa Clara (“Court”), Plaintiff Andres Cedeno Olivo (“Plaintiff”) and Defendants Khanna Enterprises II, Limited Partnership, Khanna Enterprises IV Limited Partnership, Khanna Enterprises VI, LP, and Khanna Enterprises, Ltd. (“Defendants”) (collectively with Plaintiff, the “Parties”) hereby agree to the following binding settlement (“Settlement” or “Settlement Agreement”) of Plaintiff’s claims under the Labor Code Private Attorneys General Act of 2004 (“PAGA”).

### DEFINITIONS

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

1. “Action” means *Olivo v. Khanna Enterprises General Partner, et al.* No. 22CV409085 (Santa Clara County Superior Court).
2. “Aggrieved Employees” means all individuals employed by Defendants as non-exempt employees in California at any time during the period from January 27, 2022 through the earlier of: (a) November 6, 2024 or (b) the date of entry of the Order and Judgment.
3. “Court” means the Superior Court for the State of California, County of Santa Clara.
4. “Gross Settlement Amount” means the settlement amount of Five Hundred Fifty Thousand Dollars (\$550,000) to be paid by Defendants in full satisfaction of all Settled Claims arising from the Action.
5. “LWDA” means the California Labor and Workforce Development Agency.
6. “PAGA Penalties Fund” means the Gross Settlement Amount less the Attorneys’ Fees and Costs, Service Award, and Settlement Administrator Costs.
7. “Plaintiff’s Counsel” means Capstone Law APC.
8. “Service Award” means the amount to be paid to Plaintiff as payment for his service on behalf of the LWDA and Aggrieved Employees, and for a general release of all claims arising out of his employment with Defendants.

9. “Settled Claims” means any and all claims for PAGA civil penalties under the California Labor Code, Wage Orders, regulations, and/or other provisions of law alleged or could have been alleged to have been violated in the Action with respect to Aggrieved Employees based on the facts alleged in the Action during the Settlement Period.

10. “Settlement Period” means January 27, 2022 through the earlier of: (a) November 6, 2024 or (b) the date of entry of the Order and Judgment.

#### TERMS

11. Amended Pleadings. Plaintiff shall amend the Operative Complaint and the LWDA letter to conform the pleadings with the scope of the Settled Claims including PAGA allegations for the predicate violation of Failure to Indemnify for Necessary Expenditures pursuant to Labor Code §2802.

12. Dismissal of Non-Settling Defendants. Plaintiff shall dismiss without prejudice from the Complaint all Defendants named in the action who are not parties to this Agreement, including Khanna Enterprises, Ltd.-III, LP, Khanna Enterprises V Limited Partnership, Khanna Enterprises General Partner, Khanna Enterprises II, Inc., Khanna Enterprises III, Inc., Khanna Enterprises, Inc., Ashwin Khanna, Inc., Rajesh Khanna, Inc., and Ravi Khanna, Inc. Plaintiff shall file the requisite dismissal papers with the court upon approval of the PAGA settlement.

13. Gross Settlement Amount. In consideration for Plaintiff’s promises and representations described in this Settlement Agreement, and subject to all of the conditions of the Settlement being met, Defendants will pay Five Hundred Fifty Thousand Dollars (\$550,000) (“Gross Settlement Amount”) to settle the Action. The Gross Settlement Amount includes Plaintiff’s attorneys’ fees, litigation costs and expenses, consideration for Plaintiff’s service on behalf of the LWDA and Aggrieved Employees, Settlement Administration Costs, and payments to Aggrieved Employees and the LWDA for their share of the PAGA Penalties Fund. No portion of the Gross Settlement Amount will be retained by, or revert to, Defendants.

14. PAGA Penalties Fund. The PAGA Penalties Fund will be paid to Aggrieved Employees and the LWDA in full satisfaction of all claims for PAGA civil penalties under the California Labor Code, Wage Orders, regulations, and/or other provisions of law alleged to have been violated in the Action with respect to Aggrieved Employees. Pursuant to PAGA, Seventy-Five Percent (75%) of the

PAGA Penalties Fund will be paid to the LWDA, and the remaining Twenty-Five Percent (25%) will be paid to all Aggrieved Employees according to the following formula:

14(a) Defendants will calculate: (i) the total number of pay periods worked by each Aggrieved Employee during the Settlement Period, and (ii) the total number of pay periods worked by all Aggrieved Employees during the Settlement Period.

14(b) To determine each Aggrieved Employee's payment from the PAGA Penalties Fund, Defendants will use the following formula: Settlement Payment = 25% of PAGA Penalties Fund × [Pay Periods Worked by Individual Aggrieved Employee During the Settlement Period ÷ Total Pay Periods Worked by All Aggrieved Employees during the Settlement Period].

14(c) Defendants estimate that Aggrieved Employees worked during a total of Twenty-Two Thousand (22,000) Pay Periods during the Settlement Period. If the actual number of Pay Periods exceed Twenty-Two Thousand (22,000) by more than ten percent (10%), then the Gross Settlement Amount will be proportionally increased on a pro rata basis above the ten percent (10%) increase (e.g., if the actual number of Pay Periods is 15% higher than the represented number, the Gross Settlement Amount shall be increased by 5%).

15. Attorneys' Fees and Costs. Defendants agree not to oppose or impede any application or motion by Plaintiff's Counsel for Attorneys' Fees and Costs of not more than One Hundred Eighty-Three Thousand Three Hundred Thirty-Three Dollars (\$183,333), plus the reimbursement of all out-of-pocket costs and expenses associated with Plaintiff's Counsel's litigation and settlement of the Action (including expert/consultant fees, investigations costs, etc.), not to exceed Twenty-Five Thousand Dollars (\$25,000), both of which will be paid from the Gross Settlement Amount. Any portion of the Attorneys' Fees and Costs not awarded to Plaintiff's Counsel will be added to the PAGA Penalties Fund.

1           16.     Service Award. For a general release of all claims Plaintiff may have against Defendants  
2 arising out of his employment, and for his service on behalf of the LWDA and Aggrieved Employees,  
3 Defendants agree not to oppose or impede any application or motion by Plaintiff for a service award of  
4 up to Ten Thousand Dollars (\$10,000) ("Service Award"). Upon receipt of the Service Award, Plaintiff  
5 will be deemed to have fully released and discharged Defendants from any and all claims, demands,  
6 obligations, causes of action, rights, or liabilities of any kind which have been or could have been  
7 asserted against Defendants arising out of, or relating to, Plaintiff's employment with Defendants or  
8 termination thereof, including but not limited to claims for wages, restitution, penalties, retaliation,  
9 defamation, discrimination, harassment or wrongful termination of employment. This release specifically  
10 includes any and all claims, demands, obligations and/or causes of action for damages, restitution,  
11 penalties, interest, and attorneys' fees and costs (except provided by the Settlement) relating to or in any  
12 way connected with the matters referred to herein, whether or not known or suspected to exist, and  
13 whether or not specifically or particularly described herein. Specifically, Plaintiff will be deemed to have  
14 waived all rights and benefits afforded by California Civil Code Section 1542, which provides:

15           **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR**  
16           **OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR**  
17           **HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF**  
18           **KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR**  
19           **HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

20           17.     Plaintiff understands and agrees that this Settlement Agreement shall remain in full force  
21 and effect even if the full amount of Service Award sought by Plaintiff is not ultimately awarded by the  
22 Court.

23           18.     Settlement Administration Costs. The Parties will retain ILYM Group, Inc. as the third-  
24 party settlement administrator ("Settlement Administrator"). The Settlement Administrator will be  
25 responsible for establishing a qualified settlement fund ("QSF") and issuing payments and appropriate  
26 tax forms to Aggrieved Employees, the LWDA, Plaintiff, and Plaintiff's Counsel. The Settlement  
27 Administration Costs will be paid from the Gross Settlement Amount. Based on the estimate that there  
28 are approximately 850 Aggrieved Employees, Settlement Administration Costs are estimated at Six

1 Thousand Two Hundred Fifty Dollars (\$6,250).

2 19. Court Approval of the Settlement and Distribution of Settlement Payments. The Parties  
3 will present this Settlement Agreement to the Court and the LWDA. The Parties will request that the  
4 Court issue an order and judgment approving and incorporating by reference the terms and conditions of  
5 the Settlement Agreement (the "Order and Judgment").

6 20. List of Aggrieved Employees. Within thirty (30) calendar days after entry of the Order  
7 and Judgment, Defendants will provide the Settlement Administrator a complete list of all Aggrieved  
8 Employees ("Aggrieved Employee List"). The Aggrieved Employee List will be formatted in Microsoft  
9 Office Excel and will include each Aggrieved Employees full name; most recent mailing address and  
10 telephone number; Social Security number; the respective number of pay periods during which each  
11 Aggrieved Employee worked during the Settlement Period; and any other relevant information needed to  
12 calculate settlement payments.

13 21. Funding of the Settlement. Within thirty (30) calendar days after entry of the Order and  
14 Judgment, Defendants will deposit the Gross Settlement Amount into the QSF to be established by the  
15 Settlement Administrator. Within fourteen (14) calendar days of the funding of the Settlement, the  
16 Settlement Administrator will issue payments to: (a) Aggrieved Employees; (b) the Labor and  
17 Workforce Development Agency; (c) Plaintiff; (d) Plaintiff's Counsel; and (e) itself. The Settlement  
18 Administrator, and not Defendants, will issue the appropriate tax forms for all payments issued under  
19 this Settlement.

20 22. Settlement Payments to Aggrieved Employees. The Settlement Administrator will issue  
21 each Aggrieved Employee one check for his or her share of the PAGA Penalties Fund along with an  
22 explanatory letter, attached as Exhibit A. Prior to mailing, the Settlement Administrator will perform a  
23 search based on the National Change of Address Database for information to update and correct for any  
24 known or identifiable address changes. Any checks returned as non-deliverable on or before the check  
25 cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address  
26 affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt  
27 to determine the correct address using a skip-trace, or other search using the name, address or Social  
28 Security number of the Aggrieved Employee involved, and will then perform a single re-mailing.

1 Checks will remain negotiable for 180 days. Those funds represented by un-cashed checks which remain  
2 outstanding 180 days after the mailing of the Settlement checks by the Settlement Administrator will be  
3 tendered to The Justice Gap Fund maintained by The State Bar of California. All settlement payments to  
4 Aggrieved Employees will be treated as miscellaneous income for which a 1099 will be issued.

5 23. Settled Claims. Upon entry of the Order and Judgment, Plaintiff and all Aggrieved  
6 Employees will be forever barred from pursuing against Defendants any and all Settled Claims during  
7 the Settlement Period. Aggrieved Employees, other than Plaintiff, will not be deemed to have released  
8 any individual wage and hour claims by virtue of this Settlement.

9 24. No Right to Exclusion or Objections by Representative Action Members. Because this  
10 settlement resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a proxy and as a  
11 Private Attorney General of, and for, the State of California and the LWDA, the Parties agree that no  
12 Aggrieved Employee has the right to exclude himself or herself from the Settlement. Aggrieved  
13 Employees will be bound by the terms of the Settlement Agreement, upon its approval by the Court,  
14 regardless of whether he or she cashes any payment received as a result of this Settlement. The Parties  
15 also agree that no Aggrieved Employee has the right to object to the terms of the Settlement Agreement.

16 25. Right to Withdraw. Either Party may withdraw from Settlement if: (a) the Settlement is  
17 construed in such a fashion that Defendants are required to pay more than the Gross Settlement Amount  
18 to resolve the Settled Claims; (b) the Court does not approve the Settlement; (c) the Court does not order  
19 the release of the Settled Claims agreed to by the Parties, or otherwise makes an order inconsistent with  
20 any of the material terms of this Settlement; or (d) Plaintiff or Plaintiff's Counsel breaches the  
21 Settlement.

22 26. No Publicity. The Parties and attorneys will keep the Settlement confidential through the  
23 date on which they seek Court approval of the Settlement. Thereafter, the Parties will agree to make no  
24 comments to the media or otherwise publicize the terms of the Settlement. However, Plaintiff's Counsel  
25 shall be allowed to discuss the Settlement with Aggrieved Employees, file settlement documents and  
26 describe the Settlement as needed to obtain approval of the Settlement, and to cite to the Settlement in  
27 court filings for the determining of Plaintiff's Counsel's adequacy as counsel or for purposes of seeking  
28 approval of comparable wage and hour settlements. In response to any media inquiries, Plaintiff and

Plaintiff's Counsel will state that "the case was resolved with Court approval." Plaintiff and Plaintiff's Counsel will not report the Settlement or its content in any medium or in any publication, will not post or report anything regarding the claims of Plaintiff or Aggrieved Employees on their website, and will not contact any reporters or media regarding the Settlement or the Action. However, Plaintiff's Counsel will be permitted to post or report anything which would not identify Defendants by name or in a manner which would not identify Defendants on their website. Nothing in this provision is intended to prohibit: (a) Plaintiff from discussing this Settlement with his respective spouses, attorneys, or tax advisors; (b) Plaintiff's Counsel from citing the Settlement in this case as evidence supporting their competence as counsel in wage/hour and/or class action matters in public court filings; or (c) Plaintiff's Counsel from communicating with the Plaintiff in this case, discussions.

27. No Credit Toward Benefit Plans. Payments to Aggrieved Employees as referenced herein will not be utilized to calculate any additional benefits under any benefit plans to which any Aggrieved Employee may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Aggrieved Employee may be entitled under any benefit plans.

28. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged.

29. Nullification of Settlement Agreement. In the event that: (i) the Court does not approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their original respective positions.

30. Judgment and Continued Jurisdiction. After entry of the Order and Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement.

1           31.     Entire Agreement. This Settlement Agreement constitutes the entirety of the Parties'  
2 settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding  
3 on the Parties.

4           32.     Amendment or Modification. This Settlement Agreement may be amended or modified  
5 only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all  
6 Parties, and approved by the Court.

7           33.     Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and  
8 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement  
9 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant  
10 to this Settlement Agreement to effectuate its terms and to execute any other documents required to  
11 effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each  
12 other and use their best efforts to affect the implementation of the Settlement. If the Parties are unable to  
13 reach agreement on the form or content of any document needed to implement the Settlement, or on any  
14 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties  
15 may seek the assistance of the Court to resolve such disagreement.

16           34.     Binding on Successors and Assigns. This Settlement Agreement will be binding upon,  
17 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

18           35.     California Law Governs. All terms of this Settlement Agreement will be governed by  
19 and interpreted according to the laws of the State of California.

20           36.     Execution and Counterparts. This Settlement Agreement is subject only to the execution  
21 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All  
22 executed counterparts and each of them, including electronic signatures (e.g., DocuSign), facsimiles, and  
23 scanned copies of the signature pages, will be deemed to be one and the same instrument.

24           37.     Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this  
25 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this  
26 Settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that  
27 they are each represented by competent counsel and that they have had an opportunity to consult with  
28 their counsel regarding the fairness and reasonableness of this Settlement.

38. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however, that Plaintiff may appeal any reduction to the Attorneys' Fees and Costs below the amount they request from the Court, and either party may appeal any court order that materially alters the Settlement's terms.

39. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement valid and enforceable.

40. Captions. The captions and section numbers in this Settlement Agreement are inserted for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the provisions of this Settlement Agreement.

41. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

42. Enforcement Action. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

43. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

44. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full.

45. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good

faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

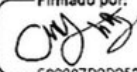
46. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

47. Denial of Liability. The Parties expressly recognize that the making of this agreement does not in any way constitute an admission or concession of wrongdoing on the part of Defendants. Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the pendency of the Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this agreement may be used in any proceeding in the Court that has as its purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments of the Court entered into in connection therewith.

# READ CAREFULLY BEFORE SIGNING

## PLAINTIFF

Dated: 9/24/2024

Firmado por:  
  
566087B2B2524AA

no Olivo

## DEFENDANTS

Dated: 9/24/2024

  
Ashwin Khanna for  
Khanna Enterprises II, Limited Partnership; Khanna  
Enterprises IV Limited Partnership; Khanna  
Enterprises VI, LP; and Khanna Enterprises, Ltd.

# Exhibit A

<<DATE>>

<<FIRST\_NAME>> <<LAST\_NAME>>

<<ADDRESS 1>>

<<ADDRESS 2>>

**Re: Payment From *Olivo v. Khanna Enterprises General Partner, et al.* No. 22CV409085  
(Santa Clara County Superior Court)**

Dear <<FIRST\_NAME>> <<LAST\_NAME>>:

Enclosed you will find a check made payable to you. This is your payment from the settlement of the lawsuit entitled *Olivo v. Khanna Enterprises General Partner, et al.* No. 22CV409085 (Santa Clara County Superior Court) (the “Action”).

The Action was filed against Defendants Khanna Enterprises II, Limited Partnership, Khanna Enterprises IV Limited Partnership, Khanna Enterprises VI, LP, and Khanna Enterprises, Ltd. (“Defendants”) pursuant to the California Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 *et seq.* (called “PAGA”). The Action was brought by a former employee of Defendants on behalf of the State of California and all allegedly “aggrieved employees” of Defendants. You have been identified as one of the employees on whose behalf the case was brought.

The Plaintiff in the Action claimed that Defendants owed civil penalties recoverable under PAGA for alleged violations of the California Labor Code and California Wage Orders. Defendants deny that they violated the Labor Code or California Wage Orders. Moreover, in agreeing to this settlement, Defendants do not admit that they are liable in any way for any penalties.

The Court has not ruled on the merits of the Action, but it has approved the settlement of PAGA civil penalties, of which 75% will be paid to the California Labor and Workforce Development Agency, and the remaining 25% will be paid to aggrieved employees. Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties.

Aggrieved employees, other than Plaintiff, will not be deemed to have released any individual wage and hour claims based on alleged violations of the Labor Code or of a California Wage Order by virtue of the Settlement.

You are not a party to this lawsuit, but you and the government will be bound by the settlement in this matter as to civil penalties. If you have any questions, you can contact the settlement administrator (whose contact information is at the top of this letter).

Very Truly Yours,

[Administrator]

# Exhibit 2

## FIRM PROFILE

Capstone Law APC is one of California's largest plaintiff-only labor and consumer law firms. Since its founding in 2012, Capstone has emerged as a major force in aggregate litigation, making law on cutting-edge issues and obtaining over two hundred million dollars in recovery for employees and consumers:

- In February, 2015, Capstone attorneys Raul Perez and Ryan H. Wu were honored with the *California Lawyer* Attorney of the Year (CLAY) award in labor and employment for their work in the landmark case *Iskanian v. CLS Transportation Los Angeles*, 59 Cal.4th 348 (2014), which preserved the right of California workers to bring representative actions under the Labor Code Private Attorneys General Act ("PAGA") notwithstanding a representative action waiver in an arbitration agreement.
- Recognized as a leading firm in the prosecution of PAGA enforcement actions, Capstone is responsible for some of the most important decisions in this area. In *Williams v. Superior Court (Marshall's of Calif.)*, 3 Cal.5th 531 (2017), Capstone attorneys achieved a watershed decision before the California Supreme Court as to the broad scope of discovery in PAGA actions. In *Baumann v. Chase Inv. Servs. Corp.*, 747 F.3d 1117 (9th Cir. 2014), a case of first impression, Capstone successfully argued that PAGA actions are state enforcement actions not covered by the Class Action Fairness Act.
- Capstone has made important contributions to consumer protection law. In *McGill v. Citibank N.A.*, 2 Cal. 5th 945 (2017), Capstone represented plaintiffs in a major decision holding that the right to seek public injunctive relief under the state's consumer protection laws cannot be waived and that consumers need not satisfy class certification requirements to enjoin unfair business practices on behalf of the public. In *Nguyen v. Nissan N.A.*, 726 F.3d 811 (9th Cir. 2019), Capstone attorneys reversed a denial of class certification, making law that clarified the use of "benefit of the bargain" damages models in consumer class actions.
- Capstone served as class counsel in a number of significant wage and hour settlements, including \$16.5 million on behalf of a California class in *Navarro v. United Parcel Service, Inc.*, BC592098 (Los Angeles Super. Ct.), \$12 million on behalf of a nationwide class of in *Hightower v. JPMorgan Chase Bank*, Case No. 11-01802 (C.D. Cal.), over \$10 million on behalf of non-exempt hourly workers in *Zamora v. Balboa Life & Casualty LLC*, Case No. BC360026 (L.A. Super. Ct.); and \$9 million on behalf of pharmacists in *Dittmar v. Costco Wholesale Corp.*, No. 14-1156 (S.D. Cal.). In *Vorise v. 24 Hour Fitness USA, Inc.*, No. C 15-02051 (Contra Costa Super. Ct.), Capstone and co-counsel negotiated an \$11 million PAGA settlement on behalf of over 36,000 employees for Labor Code violations.
- Capstone has an established practice in automotive defect class actions and is currently appointed sole class counsel, following contested class certification, in *Victorino v. FCA US, LLC*, No. 16-1617-GPC, 2019 WL 5268670 (S.D. Cal. Oct. 17, 2019) and *Salas v. Toyota Motor Sales, U.S.A., Inc.*, No. 15-8629-FMO, 2019 WL 1940619 (C.D. Cal. Mar. 27, 2019).

## SUMMARY OF SIGNIFICANT SETTLEMENTS

Since its founding, Capstone has settled over 100 high-stakes class and representative actions totaling well over \$200 million dollars. Capstone's settlements have directly compensated hundreds of thousands of California workers and consumers. Capstone's actions have also forced employers to modify their policies for the benefit of employees, including changing the compensation structure for commissioned employees and changing practices to ensure that workers will be able to take timely rest and meal breaks. A leader in prosecuting PAGA enforcement actions, Capstone has secured millions of dollars in civil penalties for the State of California.

The following is a representative sample of Capstone's settlements:

- *Navarro et al v. United Parcel Service, Inc.*, No. BC592098 (Los Angeles Super. Ct.): gross settlement of \$16.5 million on behalf of approximately 180,000 non-exempt employees;
- *Hightower et al v. Washington Mutual Bank*, No. 2:11-cv-01802-PSG-PLA (N.D. Cal.): gross settlement of \$12 million on behalf of approximately 150,000 personal bankers, tellers, sales associates, and assistant branch manager trainees for wage and hour violations;
- *Vargas v. Ford Motor Co.*, 12-08388-AB (C.D. Cal.): providing cash payments and unique buyback program for nearly 2 million consumers;
- *Moore v. PetSmart, Inc.*, No. 5:12-cv-03577-EJD (N.D. Cal.): gross settlement of \$10 million on behalf of over 19,000 non-exempt PetSmart employees for wage and hour violations;
- *Dittmar v. Costco Wholesale Corp.*, No. 14-1156 (S.D. Cal.): gross settlement of \$9 million on behalf of approximately 1,200 pharmacists for wage and hour violations;
- *Perrin v. Nabors Well Services Co.*, No. 56-2007-00288718 (Ventura Super. Ct.): gross settlement of over \$6.5 million on behalf of oil rig workers for sleep time and other wage violations;
- *Cook v. United Insurance Co.*, No. C 10-00425 (Contra Costa Super. Ct.): gross settlement of \$5.7 million on behalf of approximately 650 sales representatives;
- *Alvarez v. MAC Cosmetics, Inc.*, No. CIVDS1513177 (San Bernardino Super. Ct.): gross settlement of \$5.5 million for approximately 5,500 non-exempt employees.
- *Aceves v. AutoZone, Inc.*, No. 14-2032 (C.D. Cal.): gross settlement of \$5.4 million in a case alleging FCRA violations;
- *Berry v. Urban Outfitters Wholesale, Inc.*, No. 13-02628 (N.D. Cal.): gross settlement of \$5 million on behalf of over 12,000 nonexempt employees;
- *The Children's Place Retail Stores Wage & Hour Cases*, No. JCCP 4790: gross settlement of \$5 million on behalf of 15,000 nonexempt employees;
- *York v. Starbucks Corp.*, Case No. 08-07919 (C.D. Cal.): gross settlement of nearly \$5 million on behalf of over 100,000 non-exempt workers for meal break and wage statement claims;
- *Rodriguez v. Swissport USA*, No. BC 441173 (Los Angeles Super. Ct.): gross settlement of nearly \$5 million on behalf of 2,700 non-exempt employees following contested certification;
- *Asghari v. Volkswagen Group of North America*, Case No. 13-02529 (C.D. Cal.): Settlement providing complementary repairs of oil consumption defect, reimbursement for repairs, and extended warranty coverage of certain Audi vehicles valued at over \$20 million.

## PROFESSIONAL BIOGRAPHIES

### Partners

**Rebecca Labat.** Rebecca Labat is co-managing partner of Capstone Law APC, supervising the litigation for all of the firm's cases. She also manages the firm's co-counsel relationships and assists the firm's other partners and senior counsel with case management and litigation strategy. Under Ms. Labat's leadership, Capstone has successfully settled over 100 cases, delivering hundreds millions of dollars to California employees and consumers while earning statewide recognition for its cutting-edge work in developing new law.

Ms. Labat's career accomplishments representing consumers and employees in class actions include the certification of a class of approximately 3,200 current and former automobile technicians and shop employees for the miscalculation of the regular rate for purposes of paying premiums for missed meal and rest breaks.

Before her work representing plaintiffs in class and representative actions, Ms. Labat was an attorney with Wilson Elser and represented life, health, and disability insurers in litigation throughout California in both state and federal courts. She graduated from the University of California, Hastings College of the Law in 2002, where she was a member of the Hastings Civil Justice Clinic, served as a mediator in Small Claims Court for the City and County of San Francisco, and received the CALI Award for Excellence in Alternative Dispute Resolution. She received her undergraduate degree from the University of California, Los Angeles. Ms. Labat is a member of the National Employment Lawyers Association (NELA), the Consumer Attorneys Association of Los Angeles (CAALA), and the Beverly Hills Bar Association.

**Raul Perez.** Raul Perez is co-managing partner at Capstone, and has focused exclusively on wage and hour and consumer class litigation since 2011. Mr. Perez is the lead negotiator on numerous large settlements that have resulted in hundreds of millions to low-wage workers across California, including many of the most valuable settlements reached by Capstone.

During his career, Mr. Perez has successfully certified by way of contested motion and/or been appointed Lead Counsel or Interim Lead Counsel in several cases, including: *Lopes v. Kohl's Department Stores, Inc.*, Case No. RG08380189 (Alameda Super. Ct.); *Hightower v. JPMorgan Chase Bank*, Case No. 11-01802 (C.D. Cal.); *Tameifuna v. Sunrise Senior Living Managements, Inc.*, Case No. 13-02171 (C.D. Cal.) (certified class of over 10,000 hourly-paid employees); and *Berry v. Urban Outfitters Wholesale, Inc.*, Case No. 13-02628 (N.D. Cal.) (appointed lead counsel in a class action involving over 10,000 non-exempt employees). As the lead trial attorney in *Iskanian v. CLS Transportation Los Angeles*, 59 Cal. 4<sup>th</sup> 348 (2014), Mr. Perez, along with Mr. Wu, received the 2015 CLAY Award in labor and employment.

Mr. Perez received both his undergraduate degree and his law degree from Harvard University and was admitted to the California Bar in December 1994. Earlier in his career, Mr. Perez handled a variety of complex litigation matters, including wrongful termination and other employment related actions, for corporate clients while employed by some of the more established law firms in the State of California, including Morgan, Lewis & Bockius; Manatt Phelps & Phillips; and Akin Gump Strauss Hauer & Feld. Before Capstone, Mr. Perez was a partner at another large plaintiff's firm, helping to deliver millions of dollars in relief to California workers.

**Melissa Grant.** Melissa Grant is a partner and lead trial attorney at Capstone. Ms. Grant is responsible for litigating many of the firm's most contentious and high-stakes class actions and PAGA cases. The author of

numerous successful motions for class certification, Ms. Grant is the lead or co-lead attorney on numerous certified class actions currently on track for trial, representing over hundreds of thousands of California employees in pursuit of their wage and hour claims. She is also at the forefront in developing the law on the California Labor Code's Private Attorneys General Act (PAGA), including administrative exhaustion, the scope of discovery, manageability, and PAGA trial plans. Recently, Ms. Grant has taken two PAGA cases to trial and worked on several key PAGA appellate decisions, including *Williams v. Superior Court (Marshall's of CA LLC)*, 3 Cal.5th 531 (2017). Ms. Grant also represented the plaintiff in *Davidson v. Seterus, Inc.*, 21 Cal. App. 5th 283 (2018), which, in a case of first impression, found that the Defendant, a mortgage servicer, was a debt collector under California's Rosenthal Fair Debt Collection Practices Act. The case led to enactment of legislation that expressly includes "mortgage debt" within the Rosenthal Act's definition of "consumer credit" and amends the Rosenthal Act to expressly apply to debt collection activities involving residential mortgage loans.

Ms. Grant began her legal career as a law clerk for the Honorable Harry Pregerson, Justice, Ninth Circuit Court of Appeals. Thereafter, she was an associate with Sidley Austin LLP, where she represented Fortune 500 companies in commercial litigation and consumer class actions. Before joining Capstone, Ms. Grant was a Senior Associate with Quinn Emanuel Trial Attorneys, where she was on the trial team that prosecuted *Mattel v. Bratz (I)*, and a staff attorney in the Enforcement Division of the Securities and Exchange Commission, investigating ongoing violations of federal securities regulations and statutes. Ms. Grant graduated summa cum laude and first in her class from Southwestern Law School in 1999, where she served as editor-in-chief of the Law Review. She earned her undergraduate degree from Cornell University's College of Arts & Sciences, where she received the JFK Public Service Award and the Outstanding Senior Award (graduating class of 4,000 students). Ms. Grant has been a panelist and speaker on PAGA actions and wage-and-hour class actions at various annual and biannual California Bar Association, California Law Association, and Bridgeport Continuing Education conferences. Her published articles include: Los Angeles Lawyer: A PAGA Rollercoaster (September 2023), Battling for ERISA Benefits in the Ninth Circuit: Overcoming Abuse of Discretion Review, 28 Sw. U. L. Rev. 93 (1998), and CLE Class Actions Conference (SF) CAFA: Early Decisions on Commencement and Removal of Actions (2006).

Ms. Grant is a member of the Los Angeles County Women Lawyers Association of Los Angeles, the Consumer Attorneys Association of Los Angeles (CAALA), and the Consumer Attorneys of California. She was recently named a 2024 Worker Health & Safety Hero by Worksafe for her work in advancing workplace safety and justice. She also currently serves on the Los Angeles County Bar Association's President's Commission on Women in the Legal Profession, the Subcommittee on Gender Bias and Civility, and the Amicus Subcommittee, and is a member of the Executive Board of Los Angeles Lawyer magazine. Ms. Grant was recognized by the Daily Journal as a Top Employment & Labor Attorney in 2023 and has been selected as one of Southern California's "Super Lawyers" in 2022, 2023, and 2024.

**Ryan H. Wu.** Ryan H. Wu is a partner at Capstone and is primarily responsible for complex motion work and supervising court approval of class action settlements. Mr. Wu handles many of the most challenging legal issues facing Capstone's clients, including the scope and operation of PAGA, contested attorneys' fees motions, responding to objectors, and high-impact appeals. Mr. Wu is responsible for the merits briefing in *McGill v. Citibank, N.A.*, 2 Cal. 5th 945 (2017), where the California Supreme Court unanimously held that consumers' right to pursue public injunctive relief cannot be impeded by a contractual waiver or class certification requirements. He briefed the closely-watched *Williams v. Superior Court (Marshall's of CA LLC)*, 3 Cal.5th 531(2017), an important pro-employee ruling that broadened the scope of discovery in PAGA actions

and resolved a longstanding conflict regarding third-party constitutional privacy rights. He also authored the briefs in *Baumann v. Chase Inv. Servs. Corp.*, 747 F.3d 1117 (9th Cir. 2014), where, on an issue of first impression, the Ninth Circuit sided with Plaintiffs in holding that PAGA actions are state enforcement actions not covered by the CAFA. In February 2015, Mr. Wu, along with Mr. Perez, received the prestigious CLAY award for his successful appellate work, including briefing to the California Supreme Court, in *Iskanian*. Mr. Wu recently achieved an important consumer victory in *Nguyen v. Nissan N.A.*, 932 F.3d 811 (9th Cir. 2019), which clarified the use of “benefit of the bargain” damages models in consumer class actions.

Mr. Wu graduated from the University of Michigan Law School in 2001, where he was an associate editor of the *Michigan Journal of Law Reform* and contributor to the law school newspaper. He received his undergraduate degree in political science with honors from the University of California, Berkeley. He began his career litigating international commercial disputes and commercial actions governed by the Uniform Commercial Code. Mr. Wu is co-author of “*Williams v. Superior Court: Employees’ Perspective*” and “*Iskanian v. CLS Transportation: Employees’ Perspective*,” both published in the *California Labor & Employment Law Review*.

**Robert Drexler.** Robert Drexler is a partner with Capstone Law where he leads one of the firm’s litigation teams prosecuting wage-and-hour class actions. He has more than 25 years of experience representing clients in wage-and-hour and consumer rights class actions and other complex litigation in state and federal courts. Over the course of his career, Mr. Drexler has successfully certified dozens of employee classes for claims such as misclassification, meal and rest breaks, and off-the-clock work, ultimately resulting in multi-million dollar settlements. He has also arbitrated and tried wage-and-hour and complex insurance cases. Mr. Drexler has been selected as one of Southern California’s “Super Lawyers” in 2009 and every year from 2001 through 2024.

Before joining Capstone, Mr. Drexler was head of the Class Action Work Group at Khorrami Boucher, LLP and led the class action team at The Quisenberry Law Firm. Mr. Drexler graduated from Case Western Reserve University School of Law, where he served as Managing Editor of the Case Western Reserve Law Review and authored *Defective Prosthetic Devices: Strict Tort Liability for the Hospital?* 32 CASE W. RES. L. REV. 929 (1982). He received his undergraduate degree in Finance at The Ohio State University where he graduated *cum laude*. Mr. Drexler has been a member of Consumer Attorneys of California (CAOC) and Consumer Attorneys of Los Angeles (CAALA). He has been a featured speaker at class action and employment litigation seminars, and has published articles in CAOC’s Forum Magazine and The Daily Journal.

**Jamie Greene.** Jamie Greene is a partner with Capstone Law, where she leads the firm’s business development and case generation team. Ms. Greene is responsible for evaluating all potential new cases and referrals, developing new claims, and managing the firm’s client and cocounseling relationships. She also supervises the pre-litigation phase for all cases, including investigation, analysis, and client consultation.

Before joining Capstone, Ms. Greene began her legal career at Makarem & Associates representing clients in a wide array of cases ranging from wrongful death, insurance bad faith, employment, personal injury, construction defect, consumer protection, and privacy law. Ms. Greene is a graduate of the University of Southern California Gould School of Law and earned her bachelor’s degree from Scripps College in Claremont, California.

**Bevin Allen Pike.** Bevin Allen Pike is a partner with Capstone Law, where she focuses primarily on wage-and-hour class actions. Ms. Pike has spent her entire legal career representing employees and consumers in

wage-and-hour and consumer rights class actions. Over the course of her career, Ms. Pike has successfully certified dozens of employee and consumer classes for claims such as meal and rest breaks, unpaid overtime, off-the-clock work, and false advertising.

Before joining Capstone, Ms. Pike's experience included class and representative action work on behalf of employees and consumers at some of the leading plaintiffs' firms in California. Ms. Pike graduated from Loyola Law School, Los Angeles, where she was an Editor for the International and Comparative Law Review. She received her undergraduate degree from the University of Southern California. Ms. Pike has been selected as one of Southern California's "Super Lawyers – Rising Stars" every year from 2012 through 2015.

### **Senior Counsel**

**Theresa Carroll.** Theresa Carroll is a senior counsel at Capstone Law. Her practice is devoted to the Appeals & Complex Motions team, working on various settlement and approval projects.

Prior to joining Capstone, Ms. Carroll was an associate with Parker Stanbury, LLP, advising small business owners on various employment matters and worked as an associate attorney for O'Donnell & Mandell litigating employment discrimination and sexual harassment cases. In 1995, she graduated from Southwestern University School of Law where she was on the trial advocacy team and was awarded the prestigious Trial Advocate of the Year award sponsored by the American Board of Trial Advocates (ABOTA) for Southwestern University School of Law. Ms. Carroll received her Bachelor of Science degree in speech with an emphasis in theatre from Iowa State University.

**Liana Carter.** Liana Carter is a senior counsel with Capstone Law APC, specializing in complex motions, writs, and appeals. Her work on recent appeals has included reversing a denial of class certification decision in *Brown v. Cinemark USA, Inc.*, No. 16-15377, 2017 WL 6047613 (9th Cir. Dec. 7, 2017), affirming a denial of a motion to compel arbitration in *Jacoby v. Islands Rests., L.P.*, 2014 Cal. App. Unpub. LEXIS 4366 (2014) and reversal of a dismissal of class claims in *Rivers v. Cedars-Sinai Med. Care Found.*, 2015 Cal. App. Unpub. LEXIS 287 (Jan. 13, 2015). Ms. Carter was responsible for drafting the successful petition for review in *McGill v. Citibank N.A.*, as well as the petition for review and briefing on the merits in *Williams v. Superior Court*, 2017 WL 2980258. Ms. Carter also has extensive prior experience in overseeing settlement negotiations and obtaining court approval of class action settlements.

Ms. Carter was admitted to the California bar in 1999 after graduating from the University of Southern California Gould School of Law, where she was an Articles Editor on the board of the *Southern California Law Review*. She received her undergraduate degree with honors from the University of California, Irvine.

**Anthony Castillo.** Anthony Castillo is a senior counsel with Capstone Law. His practice focuses on analyzing and developing pre-litigation wage-and-hour and consumer claims, including PAGA representative actions and class actions for failure to pay overtime and minimum wages, meal and rest period violations, and claims under the Fair Labor Standards Act and the Investigative Consumer Reporting Agency Act. Prior to joining Capstone, he was an associate at a California bankruptcy practice, where he represented individual and business debtors in liquidations and re-organizations as well as various debt and foreclosure defense-related issues.

Mr. Castillo graduated from Loyola Law School, Los Angeles in 2009, where he volunteered with the Disability Rights Legal Center. He attended Stanford University for his undergraduate degree, majoring in

Political Science and minoring in History. Anthony is admitted to practice law in California and Washington and before the United States District Court for the Central and Southern Districts of California.

**Abigail Gertner.** Abigail Gertner is a senior counsel with Capstone Law. Ms. Gertner pursues automotive defect and other consumer class action litigation, with a focus on defective products. Her efforts have contributed to the successful resolution of numerous cases, including *Weckwerth v. Nissan North America, Inc.*, No. 18-00588 (M.D. Tenn.) (providing a \$407 to \$547 million-dollar benefit to a class of nearly 3 million consumers); *Hickman v. Subaru of America, Inc.*, No. 21-02100 (D.N.J.) (providing reimbursements transmission repairs and warranty extensions to approximately 160,000 consumers); *Rieger v. Volkswagen Group of America, Inc.*, No. 21-10546 (D.N.J.) (providing reimbursements for engine repairs and warranty extensions to over 300,000 consumers); and *Gioffe v. Volkswagen Group of America, Inc.*, No. 22-00193 (D.N.J.) (providing 100% reimbursement for repairs or replacement of gateway control modules damaged by water intrusion).

Prior to joining Capstone Law, Ms. Gertner accumulated over two decades of litigation experience as a class action attorney, working in consumer protection, ERISA, healthcare, securities, and antitrust litigation at several nationally recognized law firms. During her time at Santa Clara University School of Law, she interned at the Santa Clara County District Attorney's Office in the Child and Elder Abuse unit. Prior to that, she graduated from Tulane University with a Bachelor of Science in Psychology and a Bachelor of Arts in Classical Studies.

**Helga Hakimi.** Helga Hakimi is a senior counsel at Capstone Law. Her practice primarily involves employment law class action litigation, namely wage-and-hour class actions and PAGA litigation on behalf of employees for failure to pay overtime and minimum wages, provide meal and rest breaks, and provide compensation for off-the-clock work, and related employer violations under the Fair Labor Standards Act and California Labor Code.

Prior to joining Capstone, Ms. Hakimi was a partner at a civil litigation firm in West Los Angeles, where she handled mainly real estate litigation, business litigation, and defense of some employment law matters; prior to that, she worked as a civil litigation attorney handling complex personal injury litigation. Ms. Hakimi's interest in advocating for employee rights began in law school, where she volunteered for the Workers' Rights Clinic and assisted low-income community members in Northern California's greater Bay Area region with employment-related legal issues. Upon graduating from law school, Ms. Hakimi worked as an associate for a municipal law firm, and thereafter at the local City Attorney's Office, where she advised municipalities and cities in civil matters involving land use, environmental law, development issues, Constitutional law, and First Amendment rights. Ms. Hakimi graduated from Berkeley Law (Boalt Hall School of Law), where she earned her Juris Doctorate and was awarded the Prosser Award in Remedies. Ms. Hakimi received her Bachelor of Arts degree in Political Science with a minor in Education Studies from the University of California, Los Angeles, and graduated summa cum laude and with Departmental Highest Honors.

**Majdi Hijazin.** Majdi Hijazin is a senior counsel at Capstone Law. His practice primarily focuses on representing consumers in complex litigation matters. Currently, Mr. Hijazin prosecutes automotive defect and other consumer class action lawsuits throughout the United States. Prior to joining Capstone, Mr. Hijazin led a national team of six attorneys in bringing claims under the Illinois Biometric Information Privacy Act (BIPA), where he and his team routinely obtained high-value settlements for their clients.

Mr. Hijazin has prosecuted many individual and class action lawsuits under the Fair Credit Reporting Act (FCRA), the Fair Debt Collection Practices Act (FDCPA), the Telephone Consumer Protection Act (TCPA),

and the Illinois Consumer Fraud Act (ICFA). On behalf of aggrieved homeowners, Mr. Hijazin was part of a trial team where his efforts were instrumental in securing two multi-million-dollar jury verdicts. See *Hammer v. Residential Credit Solutions, Inc.*, No. 13 C 6397 (N.D. Ill. Dec. 3, 2015), and *Saccameno v. Ocwen Loan Servicing, LLC*, 372 F. Supp. 3d 609 (N.D. Ill. 2019). Most recently, in late 2023, Mr. Hijazin's work was vital in securing a seven-digit settlement on the third day of trial. Mr. Hijazin graduated from the University of Illinois Chicago School of Law.

**Daniel Jonathan.** Daniel Jonathan is a senior counsel at Capstone Law. His practice primarily involves wage-and-hour class actions and PAGA litigation on behalf of employees for the failure to pay overtime and minimum wages, failure to provide meal and rest breaks, claims under the Fair Labor Standards Act, and other California Labor Code violations.

Prior to joining Capstone, Mr. Jonathan began his career as an associate at Kirkland & Ellis representing Fortune 500 clients in high-stakes litigation in various matters, including class action defense and plaintiff's actions for accounting fraud. Following that, he was a senior counsel at a boutique litigation firm where he successfully first-chaired several trials. Mr. Jonathan graduated from the Northwestern University School of Law. He received his undergraduate degree in Accounting from the University of Southern California, where he graduated cum laude. He has passed the CPA examination and worked as an auditor at Deloitte before attending law school.

**Jonathan Lee.** A senior counsel with Capstone, Jonathan Lee primarily litigates employment class actions. At Capstone, Mr. Lee has worked on several major successful class certification motions, and his work has contributed to multi-million dollar class settlements against various employers, including restaurant chains, retail stores, airport staffing companies, and hospitals. Prior to joining Capstone, Mr. Lee defended employers and insurance companies in workers' compensation actions throughout California.

Mr. Lee graduated in 2009 from Pepperdine University School of Law, where he served as an editor for the *Journal of Business, Entrepreneurship and the Law*; he received his undergraduate degree from UCLA.

**Shealene Mancuso.** Shealene Mancuso is a senior counsel with Capstone, specializing in employment class action litigation. Her practice is devoted to wage-and-hour class actions and Private Attorneys General Act litigation on behalf of employees for the failure to pay overtime and minimum wages, failure to provide meal and rest breaks, failure to provide compensation for off-the-clock work, claims under the Fair Labor Standards Act, and other California Labor Code violations.

Prior to joining Capstone Law, Ms. Mancuso was a Partner at a California maritime law firm, representing employers in federal claims brought by domestic and foreign civilian employees for benefits for injuries sustained while working on U.S. military bases for government contractors. She also has extensive litigation experience representing individuals in federal vaccine injury, personal injury, and family law matters. She served on the Board of Directors of a Philadelphia domestic violence organization and as a pro bono attorney assisting low-income families with custody and grandparent's rights matters. In 2020, she was recognized as a Rising Star by Super Lawyers.

Ms. Mancuso graduated from Temple University, Beasley School of Law in 2014, where she was a Fellow in the Rubin Public Interest Law Honor Society, served as the Volunteer Chair of the Women's Law Caucus, Women's Rights Chair of the National Lawyers Guild, Membership Coordinator of the American Constitution Society, and board member of the School to Prison Pipeline, and volunteered with the Domestic

Violence Assistant Project. She began to develop her litigation skills through the Integrated Trial Advocacy Program at Temple Law, as a certified law clerk with the Ventura County District Attorney's Office, and through internships with non-profit organizations. She received her undergraduate degree from the University of California, Riverside, where she majored in Sociology: Law and Society.

**Robert Myong.** Robert Myong is a senior counsel at Capstone Law. His practice focuses on helping employees recover their unpaid wages, overtime, and penalties in class actions and PAGA representative actions in state and federal court.

Prior to joining Capstone, Mr. Myong managed a team of attorneys that recovered millions of dollars on behalf of employees for their unpaid wages, discrimination, harassment, retaliation, and wrongful termination claims. Robert is a graduate of Whittier Law School and earned his bachelor's degree in economics from the University of Southern California.

**Cody Padgett.** Cody Padgett is a senior counsel with Capstone Law. Mr. Padgett prosecutes automotive defect and other consumer class action lawsuits during all stages of litigation. His work has been integral to achieving contested class certification in several automotive defect cases, including *Falco v. Nissan N. Am. Inc.*, No. 13-00686 (C.D. Cal.) (certifying a class of owners/lessees of Nissan vehicles), *Salas v. Toyota Motor Sales, U.S.A., Inc.*, No. 15-08629 (C.D. Cal.) (certifying a class of owners/lessees of Toyota vehicles), and *Victorino v. FCA US, LLC*, No. 16-01617 (S.D. Cal.) (certifying a class of owners/lessees of Dodge Dart vehicles). Mr. Padgett's efforts have also contributed to major settlements of automotive defect and consumer cases, providing substantial monetary relief to millions of class members, valued in the hundreds of millions of dollars. See, e.g., *Weckwerth v. Nissan North America, Inc.*, No. 18-00588 (M.D. Tenn.) (providing a \$407 to \$547 million-dollar benefit to a class of nearly 3 million consumers).

Prior to joining Capstone Law, Mr. Padgett assisted with the defense of major felony cases at the San Diego County Public Defender's Office. During law school, Mr. Padgett served as a judicial extern to the Honorable C. Leroy Hansen, United States District Court for the District of New Mexico. He graduated from California Western School of Law in the top 10% of his class and received his undergraduate degree from the University of Southern California, where he graduated *cum laude*. Mr. Padgett is admitted to practice in California, before the Ninth Circuit Court of Appeals, and before United States District Court for the Northern, Eastern, Central, and Southern Districts of California.

**Eduardo Santos.** Eduardo Santos is a senior counsel at Capstone Law, and concentrates his practice on managing and obtaining court approval of many of Capstone's wage-and-hour, consumer, and PAGA settlements, from the initial contract drafting phase to motion practice, including contested motion practice on attorneys' fees. Over the course of his career, Mr. Santos has helped to secure court approval of over one hundred high-stakes class and representative action settlements totaling over \$100 million.

Before joining Capstone, Mr. Santos began his career at a prominent plaintiff's firm in Los Angeles specializing in mass torts litigation, with a focus on complex pharmaceutical cases. Most notably, he was involved in the national Vioxx settlement, which secured a total of \$4.85 billion for thousands of individuals with claims of injuries caused by taking Vioxx. Mr. Santos graduated from Loyola Law School, Los Angeles, where he was a recipient of a full-tuition scholarship awarded in recognition of academic excellence. While in law school, Mr. Santos served as an extern for the Honorable Thomas L. Willhite, Jr. of the California Court of Appeal. He graduated magna cum laude from UCLA and was a recipient of the Ralph J. Bunche Scholarship for academic achievement.

**Mao Shiokura.** Mao Shiokura is a senior counsel with Capstone. Her practice focuses on identifying, evaluating, and developing new claims, including PAGA representative actions and class actions for wage-and-hour violations and consumer actions under the Consumers Legal Remedies Act, False Advertising Law, Unfair Competition Law, and other consumer protection statutes. Prior to joining Capstone, Ms. Shiokura was an associate at a California lemon law firm, where she represented consumers in Song-Beverly, Magnuson-Moss, and fraud actions against automobile manufacturers and dealerships.

Ms. Shiokura graduated from Loyola Law School, Los Angeles in 2009, where she served as a staff member of Loyola of Los Angeles Law Review. She earned her undergraduate degree from the University of Southern California, where she was a Presidential Scholar and majored in Business Administration, with an emphasis in Cinema-Television and Finance.

**John Stobart.** John Stobart is a senior counsel with Capstone Law. He focuses on appellate issues in state and federal courts and contributes to the firm's amicus curiae efforts to protect and expand the legal rights of California employees and consumers. Mr. Stobart has significant appellate experience having drafted over two dozen writs, appeals and petitions, and having argued before the Second, Fourth, and Fifth Districts of the California Court of Appeal.

Prior to joining Capstone, Mr. Stobart was a law and motion attorney who defended against civil liability in catastrophic injury and wrongful death cases brought against his clients, which included the railroad, public schools, small businesses, and commercial and residential landowners. He has drafted and argued scores of dispositive motions at the trial court level and had success in upholding judgments and verdicts on appeal. He graduated cum laude from Thomas Jefferson School of Law where he was on the mock trial competition team and earned his undergraduate degree from the Ohio State University.

**Roxanna Tabatabaepour.** Roxanna Tabatabaepour is a senior counsel with Capstone Law. Her practice primarily involves representing employees in class actions and representative actions for various violations of the California Labor Code.

Before joining Capstone, Ms. Tabatabaepour's experience included representing workers in single-plaintiff and class/representative action lawsuits regarding wage-and-hour violations, as well as individual claims for discrimination, retaliation, failure to accommodate, harassment, and wrongful termination, under both California and federal laws. Ms. Tabatabaepour received her undergraduate degrees from the University of California San Diego. She subsequently graduated from the American University, Washington College of Law, where she was a Marshall-Brennan Constitutional Literacy Fellow and taught Constitutional Literacy to teens in marginalized communities.

**Ryan Tish.** Ryan Tish is a senior counsel at Capstone Law. His practice primarily involves wage-and-hour class actions and Private Attorneys General Act ("PAGA") representative actions on behalf of employees for the failure to pay overtime and minimum wages, failure to provide meal and rest breaks, failure to reimburse necessary business expenses, and other claims under the Fair Labor Standards Act and California Labor Code.

Before joining Capstone, Mr. Tish was an associate at a civil litigation firm in Los Angeles, handling a variety of matters, including commercial contracts, real estate, and employment law. Mr. Tish has represented both employers and employees in actions ranging from individual claims of discrimination, harassment, retaliation, and wrongful termination, to class and representative actions for wage-and-hour and privacy law violations.

Mr. Tish is a graduate of the University of Southern California Gould School of Law and earned his bachelor's degree in civil and environmental engineering from the University of California, Los Angeles. Mr. Tish is admitted to practice law in California and before the United States District Court for the Northern, Eastern, Central, and Southern Districts of California.

**Orlando Villalba**. Orlando Villalba is a senior counsel at Capstone Law. His practice primarily involves wage-and-hour class actions and PAGA litigation on behalf of employees for the failure to pay overtime and minimum wages, failure to provide meal and rest breaks, claims under the Fair Labor Standards Act, and other California Labor Code violations.

Mr. Villalba began his career at Kirkland & Ellis where he handled a wide range of business litigation matters, including transnational contract disputes, insurance-related tort claims, developer litigation, and civil rights actions. He also has extensive plaintiff-side experience representing government agencies and note-holders in the pursuit of mortgage and other fraud losses. Mr. Villalba graduated from Stanford Law School, where he served as an articles editor on the Stanford Journal of Law, Business & Finance. After law school, he clerked for the Honorable Warren Matthews of the Alaska Supreme Court. Orlando received his bachelor's degree in International Business from the University of Southern California.

### **Associates**

**Tyler Anderson**. Tyler Anderson is an associate with Capstone Law. His practice focuses on complex motions, writs, and appeals. Before joining Capstone, Mr. Anderson was Co-Director of the Los Angeles Center for Community Law and Action ("LACCLA"), a nonprofit law firm that represents tenant unions and union organizers. While there, Mr. Anderson tried a disparate impact federal Fair Housing Act case that resulted in a jury verdict of over \$1,000,000. He also frequently used California Anti-SLAPP laws to block attempts to silence tenant union organizers. Prior to working at LACCLA, Mr. Anderson clerked for the Honorable Martha Vazquez, a federal district court judge for the District of New Mexico who, at the time, sat on the Executive Committee of the Federal Judiciary. Before that, Mr. Anderson was a litigation associate at the international law firm Jenner & Block LLP. Mr. Anderson graduated from Harvard Law School, where he was the Executive Articles Editor of the Harvard Journal on Legislation as well as President of one of the largest student-run pro bono organizations at Harvard University, Project No One Leaves. He graduated with several "Dean's Scholar" prizes for receiving top grades in his constitutional law courses.

**Sairah Budhwani**. Sairah Budhwani is an associate with Capstone Law. Her practice focuses on evaluating and analyzing pre-litigation wage-and-hour claims, including claims for violations of overtime and minimum wage law, meal and rest period requirements, and off-the-clock work violations. Previously, Ms. Budhwani litigated employment discrimination, harassment, and retaliation claims, and also represented incarcerated individuals contesting the conditions of their confinement. Ms. Budhwani graduated from UCLA School of Law in 2019 and received an undergraduate degree in Urban Studies from University of California, Irvine in 2012. Ms. Budhwani is admitted to practice law in California. She is fluent in Urdu.

**Arianna Eguiluz**. Arianna Eguiluz is an associate with Capstone Law. Her practice focuses on evaluating pre-litigation wage-and-hour claims, including potential violations of overtime and minimum wage law, meal and rest period requirements, and off-the-clock work issues, as well as consumer protection claims. Previously, Ms. Eguiluz gained experience as a law clerk at a mass action tort firm, contributing to the Boy Scouts of America Litigation. Ms. Eguiluz was offered four full-ride scholarships from various accredited law schools across the country and graduated from California Western School of Law in 2024. She earned her

undergraduate degree at University of California, San Diego, where she majored in Political Science and Public Law. Ms. Eguiluz is admitted to practice law in California. She is bilingual in English and Spanish.

**Nate Kiyam.** Nate Kiyam is an associate with Capstone. His practice focuses on prosecuting automotive defect and other consumer class action cases in state and federal court. Prior to joining Capstone Law, Mr. Kiyam was an associate with the Auto Fraud Legal Center representing individuals who have been defrauded by dealers into purchasing a defective vehicle. Previous to that, Mr. Kiyam was an associate with DLA Piper, Allen Matkins, and Buchalter on various corporate and employment matters. Throughout his career, Mr. Kiyam has helped many organizations and individuals on various pro bono matters including winning an administrative trial for a young refugee in his asylum hearing. Mr. Kiyam is admitted to practice law in California and the District of Columbia.

**Ninel Kocharyan.** Ninel Kocharyan is an associate with Capstone. Her practice focuses on evaluating and analyzing pre-litigation wage-and-hour claims, including claims for violation of overtime and minimum wage law, meal and rest period requirements, and off-the-clock work violations. Ms. Kocharyan began her career in entertainment law reviewing, drafting, and negotiating contracts for talent and ensuring FTC compliance. She immigrated to the United States from Russia at the age of 15 with a passion to pursue a career in law. Ms. Kocharyan graduated from Thomas Jefferson School of Law in 2014 and received her undergraduate degree from University of California, Los Angeles where she majored in Political Science. Ms. Kocharyan is admitted to practice law in California.

**Alexander Lima.** Alexander Lima is an associate with Capstone Law. His practice focuses on evaluating pre-litigation wage-and-hour claims, including potential violations of overtime and minimum wage law, meal and rest period requirements, and off-the-clock work issues, as well as consumer protection claims. Previously, Mr. Lima was an associate at a California civil litigation practice representing individuals and entities in real estate disputes. Mr. Lima graduated from Santa Clara University, School of Law in 2018, where he served as an Executive Board Member of the Honors Moot Court and was selected as a regional finalist for the American Bar Association Negotiation Competition. He received his undergraduate degree from the University of California, Riverside in 2014.

**Trisha Monesi.** Trisha Monesi is an associate with Capstone. Her practice focuses on prosecuting consumer class actions in state and federal court. Ms. Monesi graduated from Loyola Law School, Los Angeles in 2014, where she served as an editor of the Loyola of Los Angeles Entertainment Law Review and was a certified law clerk at the Center for Juvenile Law and Policy. She earned her undergraduate degree from Boston University in 2011, where she majored in Political Science and International Relations. She is an active member of the Women Lawyers Association of Los Angeles, and the Los Angeles County and Beverly Hills Bar Associations.

**Alexander Wallin.** Alexander Wallin is an associate at Capstone Law. He is a passionate litigator who has successfully represented employees against corporate injustice. Mr. Wallin has recovered millions of dollars in numerous wage-and-hour class actions, PAGA actions, and individual discrimination lawsuits. He has a particular interest in representing economically disadvantaged employees who cannot afford legal representation on a retainer-fee basis. Mr. Wallin is a member of the Los Angeles County Bar Association's Employment Law Section and stays up-to-date with the rapidly evolving areas of wage-and-hour protections. He graduated from Loyola Law School in 2017 and is admitted to practice law in California, as well as before the United States District Court for Central and Northern Districts of California. He has been selected as a Southern California "Super Lawyers – Rising Star" in 2022 and 2023.

# Exhibit 3

# LAFFEY MATRIX

[History](#)
[Case Law](#)
[See the Matrix](#)
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[Home](#)

|                  |                      |                            | Years Out of Law School * |       |       |       |       |
|------------------|----------------------|----------------------------|---------------------------|-------|-------|-------|-------|
| Year             | Adjustmt<br>Factor** | Paralegal/<br>Law<br>Clerk | 1-3                       | 4-7   | 8-10  | 11-19 | 20 +  |
| 6/01/21- 5/31/22 | 1.006053             | \$208                      | \$381                     | \$468 | \$676 | \$764 | \$919 |
| 6/01/20- 5/31/21 | 1.015894             | \$206                      | \$378                     | \$465 | \$672 | \$759 | \$914 |
| 6/01/19- 5/31/20 | 1.0049               | \$203                      | \$372                     | \$458 | \$661 | \$747 | \$899 |
| 6/01/18- 5/31/19 | 1.0350               | \$202                      | \$371                     | \$455 | \$658 | \$742 | \$894 |
| 6/01/17- 5/31/18 | 1.0463               | \$196                      | \$359                     | \$440 | \$636 | \$717 | \$864 |
| 6/01/16- 5/31/17 | 1.0369               | \$187                      | \$343                     | \$421 | \$608 | \$685 | \$826 |
| 6/01/15- 5/31/16 | 1.0089               | \$180                      | \$331                     | \$406 | \$586 | \$661 | \$796 |
| 6/01/14- 5/31/15 | 1.0235               | \$179                      | \$328                     | \$402 | \$581 | \$655 | \$789 |
| 6/01/13- 5/31/14 | 1.0244               | \$175                      | \$320                     | \$393 | \$567 | \$640 | \$771 |
| 6/01/12- 5/31/13 | 1.0258               | \$170                      | \$312                     | \$383 | \$554 | \$625 | \$753 |
| 6/01/11- 5/31/12 | 1.0352               | \$166                      | \$305                     | \$374 | \$540 | \$609 | \$734 |
| 6/01/10- 5/31/11 | 1.0337               | \$161                      | \$294                     | \$361 | \$522 | \$589 | \$709 |
| 6/01/09- 5/31/10 | 1.0220               | \$155                      | \$285                     | \$349 | \$505 | \$569 | \$686 |
| 6/01/08- 5/31/09 | 1.0399               | \$152                      | \$279                     | \$342 | \$494 | \$557 | \$671 |
| 6/01/07-5/31/08  | 1.0516               | \$146                      | \$268                     | \$329 | \$475 | \$536 | \$645 |
| 6/01/06-5/31/07  | 1.0256               | \$139                      | \$255                     | \$313 | \$452 | \$509 | \$614 |
| 6/1/05-5/31/06   | 1.0427               | \$136                      | \$249                     | \$305 | \$441 | \$497 | \$598 |
| 6/1/04-5/31/05   | 1.0455               | \$130                      | \$239                     | \$293 | \$423 | \$476 | \$574 |
| 6/1/03-6/1/04    | 1.0507               | \$124                      | \$228                     | \$280 | \$405 | \$456 | \$549 |
| 6/1/02-5/31/03   | 1.0727               | \$118                      | \$217                     | \$267 | \$385 | \$434 | \$522 |
| 6/1/01-5/31/02   | 1.0407               | \$110                      | \$203                     | \$249 | \$359 | \$404 | \$487 |
| 6/1/00-5/31/01   | 1.0529               | \$106                      | \$195                     | \$239 | \$345 | \$388 | \$468 |
| 6/1/99-5/31/00   | 1.0491               | \$101                      | \$185                     | \$227 | \$328 | \$369 | \$444 |
| 6/1/98-5/31/99   | 1.0439               | \$96                       | \$176                     | \$216 | \$312 | \$352 | \$424 |
| 6/1/97-5/31/98   | 1.0419               | \$92                       | \$169                     | \$207 | \$299 | \$337 | \$406 |
| 6/1/96-5/31/97   | 1.0396               | \$88                       | \$162                     | \$198 | \$287 | \$323 | \$389 |
| 6/1/95-5/31/96   | 1.032                | \$85                       | \$155                     | \$191 | \$276 | \$311 | \$375 |
| 6/1/94-5/31/95   | 1.0237               | \$82                       | \$151                     | \$185 | \$267 | \$301 | \$363 |

The methodology of calculation and benchmarking for this Updated Laffey Matrix has been approved in a number of cases. See, e.g., *DL v. District of Columbia*, 267 F.Supp.3d 55, 69 (D.D.C. 2017)

\* “Years Out of Law School” is calculated from June 1 of each year, when most law students graduate. “1-3” includes an attorney in his 1st, 2nd and 3rd years of practice, measured from date of graduation (June 1). “4-7” applies to attorneys in their 4th, 5th, 6th and 7th years of practice. An attorney who graduated in May 1996 would be in tier “1-3” from June 1, 1996 until May 31, 1999, would move into tier “4-7” on June 1, 1999, and tier “8-10” on June 1, 2003.

\*\* The Adjustment Factor refers to the nation-wide Legal Services Component of the Consumer Price Index produced by the Bureau of Labor Statistics of the United States Department of Labor.

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8 Attorneys for Plaintiff Andres Cedeno Olivo

9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

10 **FOR THE COUNTY OF SANTA CLARA**

11 ANDRES CEDENO OLIVO, individually, and  
12 on behalf of other members of the general public  
similarly situated,

13 Plaintiffs,

14 vs.

15 KHANNA ENTERPRISES GENERAL  
PARTNER, an unknown business entity;  
16 KHANNA ENTERPRISES IV LIMITED  
PARTNERSHIP, a California limited  
17 partnership; KHANNA ENTERPRISES - II,  
LIMITED PARTNERSHIP, a California limited  
18 partnership; KHANNA ENTERPRISES II,  
INC., a California corporation; KHANNA  
19 ENTERPRISES III, INC., a Delaware  
corporation; KHANNA ENTERPRISES V  
20 LIMITED PARTNERSHIP, a California limited  
partnership; KHANNA ENTERPRISES VI LP,  
21 a Delaware limited partnership; KHANNA  
ENTERPRISES, INC., a California corporation;  
22 KHANNA ENTERPRISES LTD., - III, LP, a  
California limited partnership; KHANNA  
23 ENTERPRISES, LTD., A LIMITED  
PARTNERSHIP, a California limited  
24 partnership; ASHWIN KHANNA, INC., a  
California corporation; RAJESH KHANNA,  
25 INC., a California corporation; RAVI  
KHANNA, INC., a California corporation; and  
26 DOES 1 through 10, inclusive,

27 Defendants.  
28

Case No. 22CV409085

Assigned to the Hon. Theodore C. Zayner

**DECLARATION OF ANDRES CEDENO  
OLIVO IN SUPPORT OF MOTION FOR  
COURT APPROVAL OF THE PAGA  
SETTLEMENT AGREEMENT**

**Date:** April 9, 2025

**Time:** 1:30 p.m.

**Place:** Department 19

Complaint Filed: December 27, 2022

**DECLARATION OF ANDRES CEDENO OLIVO**

I, Andres Cedeno Olivo, hereby declare as follows:

1. I am over eighteen years old and unless the context indicates otherwise, I have personal knowledge of the following facts, and if called as a witness, I could and would testify competently to them. I am the named plaintiff in the above-captioned action. I make this declaration in support of the Motion for Court Approval of the Parties' PAGA Settlement.

2. I was employed by Defendants Khanna Enterprises II, Limited Partnership, Khanna Enterprises IV Limited Partnership, Khanna Enterprises VI, LP, and Khanna Enterprises, Ltd. ("Defendants" or "Khanna Enterprises II, Limited Partnership, Khanna Enterprises IV Limited Partnership, Khanna Enterprises VI, LP, and Khanna Enterprises, Ltd.") as an hourly paid, non-exempt Dishwasher at Defendants' Delta Hotels by Marriott Anaheim Garden Grove hotel in Garden Grove, California from approximately September 2022 to October 2022. I decided to file this lawsuit because I had a number of grievances against Defendants stemming from their labor policies. These grievances are set forth in detail in the operative Complaint and my letter to California Labor and Workforce Development Agency ("LWDA").

3. Prior to filing the action, my attorneys and I had multiple conferences about the factual bases for the claims that I wanted to pursue against Defendants.<sup>1</sup> During those conferences, my attorneys provided me with an overview of how those claims would be litigated and generally educated me about the nature of complex/representative litigation and my role as the representative Plaintiff.

4. After retaining my attorneys, I spent considerable time on the phone discussing the facts of my case with my attorneys. I discussed the facts related to my employment with Defendants, including discussing my job duties and responsibilities, my job position, the hours and days I worked, and how I was compensated.

5. When I agreed to represent the LWDA as a deputized private attorney general, I understood it was my duty to be readily available and to participate actively in this case. I knew that I would be required to review documents, search for documents and produce them to my attorneys,

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<sup>1</sup> Although the preservation of my attorney-client privilege requires that I refrain from revealing the specifics of my communications with my attorneys, I understand that the privilege is not waived by stating generally the matters that I have discussed with my attorneys.

answer written questions, potentially answer oral questions and testify truthfully under oath, and be available to appear in court, if necessary.

6. I understood that I needed to maintain awareness of the status and progress of the lawsuit.

7. My attorneys provided me with a draft of the Complaint for my review and approval. I closely reviewed the Complaint to ensure accuracy and completeness.

8. Following the filing of the Complaint, I collaborated with my attorneys on the prosecution of my claims, and I regularly contacted my attorneys to stay current on the status of the litigation, and to discuss my attorneys' progress in prosecuting the claims.

9. I have worked to the best of my ability to prosecute this action on behalf of the LWDA, always considering the interests of the LWDA just as I would consider my own interests. I believe PAGA actions are an important tool to assure compliance with the Labor Code.

10. Since initiating this lawsuit until now, I have kept aware of the status of the lawsuit and provided my attorneys with information used by them in the litigation. I have spent large amounts of time and effort pursuing my claims and the claims of the other employees from the time I retained my attorneys to the present date.

11. I have carefully reviewed the terms of the proposed settlement. My attorneys explained the specifics of how the settlement would work and I accepted the settlement only after I had spent time evaluating the proposed outcome to assure that it was fair. Based on my attorneys' evaluation and recommendation, and my own review, I believe the settlement is fair and reasonable in light of PAGA's policies and purposes.

12. In summary, over the course of this litigation I have spent a significant amount of time conferring and working with my attorneys on the prosecution of my claims and evaluating the settlement and related documents. I estimate that I have spent between 25 and 35 hours assisting my attorneys in the prosecution of this lawsuit.

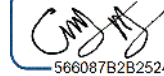
13. Throughout this case, I have not sought individual benefits from the lawsuit. Rather, I maintained this lawsuit because I wanted to hold Defendants accountable for their unlawful conduct. I believe that I have fulfilled my responsibilities, and I will continue to fulfill those responsibilities, to the

best of my ability, until the conclusion of the case.

14. I am committed to this case and will continue to make myself available as needed in the settlement process.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on [Date] 3/10/2025, at [City] Garden Grove, California.

Firmado por:



566087B2B25245A...

Cedeno Olivo – Declarant