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on behalf of himself and all others similarly situated

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO**

Coordination Proceeding Special Title
(Cal. Rules of Ct., Rule 3.550)

PETCO WAGE AND HOUR CASES

Included actions:

*Villescas v. Petco Animal Supplies Stores, Inc.,
et al.*

*Lewis v. Petco Animal Supplies Stores, Inc., et
al.*

*Harrison v. Petco Animal Supplies Stores, Inc.,
et al.*

Case No.: JCCP5347
(Lead Case No. CIVSB2306447)

Assigned for All Purposes to:
Hon. Jeffrey R. Ericson
Dept.: V12

**PLAINTIFFS' UNOPPOSED POINTS AND
AUTHORITIES IN SUPPORT OF THE
MOTION FOR APPROVAL OF PAGA
SETTLEMENT**

Date: December 10, 2026
Time: 8:35 a.m.
Dept.: V12

Complaint Filed (Lead): March 14, 2023
Trial Date: Not Set

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TABLE OF CONTENTS

I. INTRODUCTION.....2

II. STATEMENT OF THE CASE AND THE SETTLEMENT.....2

 A. The Parties.....2

 B. Procedural History.....3

 1. Plaintiff Villescas.....3

 2. Plaintiff Lewis.....3

 3. Plaintiff Harrison.....4

 4. Coordination of the Actions.....4

 C. Plaintiff’s Counsel’s Investigation.....4

 D. Settlement Negotiations.....5

 E. The Proposed Settlement.....5

 1 Gross Settlement Amount.....5

 2 Attorneys’ Fees and Costs.....5

 3 Administration Expenses.....6

 4 Net Settlement Amount / PAGA Penalties.....6

 5 Allocation of PAGA Penalties.....6

 6 Distribution Without Claims Process.....6

 7 Release of PAGA Claims.....6

 8 Scope of Release Limited to PAGA.....6

 9 Uncashed Checks.....7

III. THE PARTIES REQUEST REVIEW AND APPROVAL OF THE SETTLEMENT
OF THE PAGA CLAIM.....7

 A. The PAGA Settlement Amount is Fair and Reasonable.....7

 1. The Settlement is Presumptively Fair.....8

 2. The Relative Strength of the PAGA Claims and the Range of Possible
Outcomes in the Litigation Strongly Favor Approval of the Settlement....9

1	a.	Failure to Pay Wages Due.....	11
2	b.	Meal Period Claim.....	12
3	c.	Rest Period Claim.....	12
4	d.	Failure to Timely Pay Wages.....	13
5	e.	Failure to Provide Accurate Itemized Wage Statements.....	13
6	f.	Failure to Reimburse Expenses.....	13
7	g.	Failure to Provide Suitable Seating.....	14
8	B.	The Benefits Conferred by the Settlement Favor Approval.....	14
9	C.	The Settlement Avoids the Risks and Costs of Continued Litigation.....	16
10	D.	Notice of the Settlement Was Provided to the LWDA.....	16
11	IV.	THE REQUESTED ATTORNEYS' FEES AND COSTS SHOULD BE	
12		APPROVED.....	17
13	A.	Plaintiff's Counsel Is Entitled to Recover Reasonable Fees and Costs As A Matter	
14		of Right.....	17
15	B.	PAGA Settlements are Routinely Approved Under the Same Common Fund	
16		Doctrine Used in Class Actions.....	18
17	C.	The Fee Amount Requested is Reasonable and Routinely Awarded.....	19
18	1.	The Fee Amount Is Reasonable Under the "Percentage of the	
19		Fund" Method.....	20
20	2.	While the Lodestar Method is Not Necessary in Common Fund	
21		Cases, Courts May Perform a Cross-Check to Award Fees.....	21
22	D.	Plaintiff's Counsel's Requests for Costs Is Reasonable.....	22
23	V.	CONCLUSION.....	23
24			
25			
26			
27			
28			

TABLE OF AUTHORITIES

<i>Bihun v. AT&T Information Systems, Inc.</i>	
(1993) 13 Cal.App.4th 976.....	21
<i>Boeing Co. v. Van Gemert</i>	
444 U.S. 472 (1980).....	17,18
<i>Boyd v. Bechtel Corp.,</i>	
485 F.Supp. 610 (N.D. Cal. 1979).....	8
<i>Brinker Rest. Corp. v. Super. Ct.,</i>	
(2012) 53 Cal. 4th 1004.....	12,13
<i>Carrington v. Starbucks Corp.,</i>	
30 Cal. App. 5th 504 (2018).....	16
<i>Chavez v. Netflix, Inc.</i>	
(2008) 162 Cal.App.4th 43.....	19
<i>Clark v. American Residential Services LLC</i>	
175 Cal.App.4th 785 (2009).....	8
<i>D'Amico v. Board of Medical Examiners</i>	
11 Cal.3d 1 (1974).....	17,18
<i>Dunk v. Ford Motor Co.,</i>	
48 Cal. App. 4th 1794 (1996).....	8
<i>Franco v. Ruiz Food Prods.,</i>	
2012 U.S. Dist. LEXIS 169057, 41-42 (E.D. Cal. Nov. 27, 2012).....	15
<i>Garcia v. Gordon Trucking, Inc.,</i>	
2012 U.S. Dist. LEXIS 160052, 21-22 (E.D. Cal. Oct. 29, 2012).....	15
<i>Glendale City Employees' Ass'n v. City of Glendale</i>	
(1975) 15 Cal.3d 328.....	17,18
<i>Gong-Chun v. Aetna Inc.,</i>	
2012 U.S. Dist. LEXIS 96828, 45-46 (E.D. Cal. July 11, 2012).....	15

1	<i>Graham v. DaimlerChrysler Corp.</i>	
2	34 Cal. 4th 553 (2004).....	20
3	<i>In re Consumer Privacy Cases</i>	
4	(2009) 175 Cal.App.4th 545.....	21
5	<i>In re GNC Shareholder Litigation</i>	
6	(W.D. Pa. 1987) 668 F. Supp. 450.....	22
7	<i>In re United Energy Corp. Sec. Litig.</i>	
8	(C.D. Cal. 1989) 1989 WL 7321 1.....	22
9	<i>Ketchum v. Moses,</i>	
10	24 Cal.4th 1122 (2001).....	20
11	<i>Kirkorian v. Borelli,</i>	
12	695 F.Supp. 446 (N.D. Cal. 1988).....	8
13	<i>Knoff v. City & Cty. of San Francisco</i>	
14	1 Cal.App.3d 184 (1969).....	18
15	<i>Laffitte v. Robert Half International, Inc.</i>	
16	(2016) 1 Cal.5th 480.....	19
17	<i>Lealao v. Beneficial California, Inc.</i>	
18	(2000) 82 Cal.App.4th 19.....	19,22
19	<i>Mardirossian & Assocs., Inc. v. Ersoff,</i>	
20	153 Cal. App. 4th 257 (2007).....	8
21	<i>Martin v. AmeriPride Servs.,</i>	
22	2011 U.S. Dist. LEXIS 61796, 23 (S.D. Cal. June 9, 2011).....	21
23	<i>Mills v. Electric Auto-Lite Co.</i>	
24	396 U.S. 375 (1970).....	18
25	<i>Parker v. Los Angeles</i>	
26	44 Cal.App.3d 556 (1974).....	18
27	<i>Plotnik v. Meihaus,</i>	
28	(2012) 208 Cal. App. 4th 1590.....	11

1	<i>Quinn v. State of California</i>	
2	15 Cal.3d 162 (1955).....	17
3	<i>Renda v. Nevarez</i>	
4	(2014) 223 Cal. App. 4th 1231.....	11
5	<i>Rider v. County of San Diego</i>	
6	11 Cal.App.4th 1410 (1992).....	18
7	<i>Satchell v. Fed. Express Corp.,</i>	
8	No.: C03-2659 SI, 2007 U.S. Dist. LEXIS 99066, *17 (N.D. Cal. Apr. 13, 2007).....	9
9	<i>Serrano v. Priest (“Serrano III”)</i>	
10	20 Cal.3d 25 (1974).....	17,18,21
11	<i>Schiller v. David's Bridal, Inc.,</i>	
12	2012 U.S. Dist. LEXIS 80776, 40 (E.D. Cal. June 11, 2012).....	15
13	<i>Vasquez v. Coast Valley Roofing, Inc.,</i>	
14	266 F.R.D. 482, 492 (E.D. Cal. 2010).....	20
15	<i>Wershba v. Apple Computer, Inc.,</i>	
16	91 Cal.App.4th 224, 245 (2001).....	8,22
17		
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19		
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23
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25
26
27
28

Statutes, Rules and Regulations

California Labor Code 201-203.....4

California Labor Code 226(a).....9,13

California Labor Code 226.7.....9

California Labor Code 512.....9

California Labor Code 2699.....7

California Labor Code 2699(i).....15

California Labor Code 2699(e)(2).....10,16

California Labor Code 2699 (g)(1).....18

California Labor Code 2699.3(a).....3,4

PAGA (Cal. Lab. Code §§ 2698 et seq.....passim

California Labor Code 2802.....13

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Through this unopposed Motion for Approval of PAGA Settlement (“Motion”), Plaintiffs Robert Villescás, Michael Lewis, and Alanna Harrison (“Plaintiffs”) seek approval of a settlement of claims for civil penalties under the California Labor Code Private Attorneys General Act of 2004, Labor Code section 2698 et seq. (“PAGA”), asserted against Defendant Petco Animal Supplies Stores, Inc. (“Defendant” or “Petco”).

Pursuant to Labor Code section 2699(1), Plaintiffs respectfully request that the Court review and approve the Parties’ settlement of Plaintiffs’ representative PAGA claims. This settlement resolves only claims for civil penalties under PAGA, as well as the associated attorneys’ fees and costs for those PAGA claims. It is not a class action settlement and does not release any individual claims of Aggrieved Employees for unpaid wages or other direct Labor Code violations.

The terms of the PAGA settlement are set forth in the Parties’ Joint Stipulation of PAGA Settlement (“Settlement Agreement” or “Settlement”), which is submitted concurrently with the Declaration of Lance Dacre in Support of the Unopposed Motion for Approval of PAGA Settlement (“Dacre Decl.”) as Exhibit 1. The Labor and Workforce Development Agency (“LWDA”) was provided notice of the Settlement and this Motion in accordance with Labor Code section 2699(1)(2). A proposed order approving the PAGA settlement is submitted concurrently herewith.

The Settlement provides for a Gross Settlement Amount of \$2,220,000.00, which was reached following a thorough investigation, analysis of Defendant’s payroll and timekeeping data, and arm’s-length negotiations between experienced counsel utilizing an experienced mediator. As set forth more fully below, the Settlement reflects a reasonable and adequate compromise of disputed claims for PAGA civil penalties in light of the risks, uncertainties, and defenses associated with continued litigation. Accordingly, Plaintiffs respectfully request that the Court approve the Settlement.

II. STATEMENT OF THE CASE AND THE SETTLEMENT

A. The Parties

Plaintiffs were employed by Defendant as non-exempt, hourly employees in California.

1 Defendant Petco operates pet supply stores throughout California and employed non-exempt
2 employees during the relevant time period, including Plaintiffs (Dacre Decl. ¶ 2). Per the Settlement
3 Agreement, Aggrieved Employees means all current and former non-exempt employees who were
4 employed by Defendant in the state of California at any time (including employees staffed with
5 Petco by a third-party staffing agency) during the PAGA Period, which runs from January 6, 2022
6 through the date the Court approves the Settlement, or earlier if the escalator threshold is reached
7 and Defendant elects to end the PAGA Period prior to the date of approval. (Settlement Agreement,
8 ¶¶ 3, 19, 47.)

9 **B. The Procedural History**

10 **1. Plaintiff Villescas¹**

11 On January 6, 2023, pursuant to Labor Code section 2699.3(a), Plaintiff Villescas provided
12 written notice to the LWDA and to Defendant, of the Labor Code violations alleged in the Action
13 (Dacre Decl., ¶ 3.). No notice of intent to investigate was received by Plaintiff Villescas from the
14 LWDA. On March 14, 2023, Plaintiff Villescas commenced an Action against Defendant by filing a
15 Complaint in San Bernardino County Superior Court, Case No. CIVSB2306447, alleging various
16 causes of action for wage and hour violations under the California Labor Code (*Id.*)

17 **2. Plaintiff Lewis**

18 On February 13, 2023, pursuant to Labor Code section 2699.3(a), Plaintiff Lewis provided
19 written notice to the LWDA and to Defendant, of the Labor Code violations alleged in the Action
20 (Declaration of Kyle Nordrehaug in Support of Unopposed Motion to Approve PAGA Settlement
21 (“Nordrehaug Decl.”), ¶ 4.). No notice of intent to investigate was received by Plaintiff Lewis from
22 the LWDA. On April 25, 2023, Plaintiff Lewis commenced an Action against Defendant by filing a
23 Complaint in Orange County Superior Court, Case No. 30-2023-01321144-CU-OE-CXC, alleging
24 various causes of action for wage and hour violations under the California Labor Code. On July 5,

25 ¹ April 7, 2026 Plaintiff Villescas passed away, after the Parties had accepted the mediator’s
26 proposal and reached a settlement in the Actions in principle but before finalizing and executing a
27 settlement agreement. Therefore, Plaintiff Villescas is not a signatory to the Settlement Agreement.
28 However, the Parties agree to administer the settlement as if he had survived.

2023, Plaintiff Lewis filed a First Amended Complaint (*Id.*)

3. Plaintiff Harrison

On May 12, 2023, pursuant to Labor Code section 2699.3(a), Plaintiff Harrison provided written notice to the LWDA and to Defendant, of the Labor Code violations alleged in the Action (Declaration of Dawn M. Berry in Support of Plaintiffs’ Unopposed Motion for Approval of PAGA Settlement (“Berry Decl.”), ¶¶ 3-4.). On August 7, 2023, Plaintiff Harrison submitted a second notice to LWDA alleging additional claims. No notice of intent to investigate, for either notice, was received by Plaintiff Harrison from the LWDA. On August 7, 2023, Plaintiff Harrison commenced an Action against Defendant by filing a Complaint in San Diego County Superior Court, Case No. 37-2023-00033460-CU-OE-CTL, alleging various causes of action for wage and hour violations under the California Labor Code. On October 12, 2023, Plaintiff Harrison filed a First Amended Complaint reflecting the claims in her second notice to the LWDA (*Id.*).

4. Coordination of the Actions

On July 31, 2024, Defendant filed a petition for coordination of the following actions: *Villescas v. Petco Animal Supplies Stores, Inc.*, San Bernardino Case No. CIVSB2306447, *Lewis v. Petco Animal Supplies Stores, Inc.*, Orange County Case No. 30-2023-01321144-CUOE-CXC and *Harrison v. Petco Animal Supplies Stores, Inc.*, San Diego County Case No. 37-2023-00033460-CU-OE-CTL. On July 26, 2025, the Court granted Defendant’s Petition for Coordination (Dacre Decl. ¶ 4).

C. Plaintiffs’ Counsel’s Investigation

During the course of the litigation, Plaintiffs’ counsel engaged in informal discovery of Defendant’s alleged Labor Code violations, which specifically targeted evaluating the strength and value of the PAGA claims in preparation for resolution of this Action. (Dacre Decl., ¶ 5.)

Plaintiffs’ counsel obtained and reviewed documents and data including Plaintiffs’ wage and timekeeping records for a substantial sampling of Aggrieved Employees, relevant employment policies, payroll data, and information sufficient to evaluate the estimated number of Aggrieved Employees and PAGA Pay Periods during the PAGA Period (*Id.*).

Based on the information and documents produced by Defendant, Plaintiffs’ counsel was

1 able to evaluate the alleged violations, determine the approximate number of Aggrieved Employees
2 and PAGA Pay Periods, and construct a damages and exposure model for the PAGA claims (Dacre
3 Decl. ¶ 6). Defendant, however, denies the allegations in the Operative Complaints and disputes any
4 failure to comply with the Labor Code or applicable Wage Orders (Dacre Decl., ¶ 7).

5 Based on Plaintiffs' counsel's experience in litigating wage and hour representative actions,
6 the investigation conducted and the data obtained were sufficient to evaluate the strength, risks, and
7 potential value of the PAGA claims for purposes of settlement (Dacre Decl., ¶ 8; Nordrehaug Decl. ¶
8 3, Exh. 1; Berry Decl. ¶ 9, Exh. 2).

9 **D. Settlement Negotiations**

10 On January 9, 2026, the Parties participated in a full day mediation with the reputable
11 employment mediator Tripper Ortman (Berry Decl. ¶ 8; Dacre Decl., ¶ 9). At the conclusion of the
12 mediation, the Parties did not reach a settlement and a mediator's proposal was made. On January
13 16, 2026, the Parties accepted the mediator's proposal. After further negotiations and exchanges
14 regarding the proposed settlement agreement, the Parties agreed to the final terms set forth in the
15 PAGA Settlement Agreement. On August 10, 2026, the Settlement Agreement was executed (*Id.*,
16 Exh. 1.) Plaintiff will submit the Settlement Agreement to the LWDA concurrently with the filing of
17 this Motion, pursuant to Labor Code section 2699(1)(2) (Dacre Decl., ¶ 10).

18 **E. The Proposed Settlement**

19 The Settlement Agreement sets forth the terms of the Settlement reached by the Parties,
20 including the following key points:

21 **1. Gross Settlement Amount.**

22 Defendant agrees to pay a total of Two Million Two Hundred Twenty Thousand Dollars
23 (\$2,220,000.00) as the Gross Settlement Amount ("GSA"), which is the maximum amount
24 Defendant will pay under the Settlement. The GSA is non-reversionary and will be used to fund all
25 payments under the Settlement, including PAGA civil penalties, attorneys' fees and costs, and
26 administration expenses. (Settlement Agreement, ¶¶ 12, 46.)

27 **2. Attorneys' Fees and Costs.**

28 Plaintiffs' counsel will seek attorneys' fees in an amount not to exceed 35% of the Gross

Settlement Amount, currently anticipated to be \$777,000.00, and litigation costs not to exceed \$48,000.00, subject to Court approval. (Settlement Agreement, ¶ 46.a.)

3. Administration Expenses.

The Settlement provides for payment of administration expenses to the Administrator in an amount not to exceed \$29,500.00, subject to Court approval. (Settlement Agreement, ¶ 46.b.)

4. Net Settlement Amount / PAGA Penalties.

After deduction of attorneys' fees, litigation costs, and administration expenses approved by the Court, the remainder of the Gross Settlement Amount constitutes the Net Settlement Amount, which is also the total amount of PAGA civil penalties to be distributed under the Settlement. (Settlement Agreement, ¶ 16.)

5. Allocation of PAGA Penalties.

The Net Settlement Amount will be allocated as follows: seventy-five percent (75%) to the Labor and Workforce Development Agency ("LWDA Payment"), and twenty-five percent (25%) to Aggrieved Employees ("Individual PAGA Payments"), distributed on a pro rata basis based on the number of PAGA Pay Periods worked by each Aggrieved Employee during the PAGA Period. (Settlement Agreement, ¶¶ 4, 15, 46 c and d.)

6. Distribution Without Claims Process.

Individual PAGA Payments will be distributed automatically by the Administrator without requiring Aggrieved Employees to submit claims, based on Defendant's payroll records. (Settlement Agreement, ¶¶ 53.c.)

7. Release of PAGA Claims.

Upon Defendant's full funding of the Gross Settlement Amount, the State of California and all Aggrieved Employees will release all claims for civil penalties under PAGA that were alleged, or could reasonably have been alleged, based on the facts and allegations in the Action and the PAGA Notice, during the PAGA Period. (Settlement Agreement, ¶ 58.)

8. Scope of Release Limited to PAGA.

The Settlement resolves only claims for civil penalties under PAGA and does not release individual claims for wages or other direct Labor Code violations. (Settlement Agreement, ¶¶ 23, 48,

1 53.d.)

2 **9. Uncashed Checks.**

3 Any Individual PAGA Payment checks that remain uncashed after 180 days will be
4 transmitted to the California Controller's Unclaimed Property Fund in the name of the Aggrieved
5 Employee. (Settlement Agreement, ¶ 55.b.)

6 **III. THE PARTIES REQUEST APPROVAL OF THE SETTLEMENT OF THE PAGA**
7 **CLAIM**

8 The claim before this Court is a representative enforcement action brought on behalf of the
9 State of California for civil penalties pursuant to the Private Attorneys General Act of 2004
10 ("PAGA"). The Parties have agreed to resolve the PAGA claims following informal discovery,
11 analysis of payroll and timekeeping data, and arm's-length negotiations, including an all-day
12 mediation (Dacre Decl., ¶¶ 4-9, Exh. 1). Labor Code section 2699(l) provides that the Court shall
13 review and approve any settlement of PAGA claims, and that the proposed settlement must be
14 submitted to the Labor and Workforce Development Agency ("LWDA") at the same time it is
15 submitted to the Court. Plaintiffs have complied with these requirements. Accordingly, the Parties
16 respectfully request that the Court review and approve the Settlement.

17 **A. The PAGA Settlement Amount is Fair and Reasonable**

18 The Settlement complies with Labor Code section 2699 and provides meaningful relief to the
19 State of California and the Aggrieved Employees. Under the Settlement, Defendant will pay a Gross
20 Settlement Amount of \$2,220,000.00, which will be used to fund PAGA civil penalties, attorneys'
21 fees and costs, and administration expenses. (Settlement Agreement, ¶¶ 12, 16, 46.)

22 After deduction of Court-approved attorneys' fees, litigation costs, and administration
23 expenses, the remaining Net Settlement Amount will be allocated as PAGA civil penalties, with
24 seventy-five percent (75%) paid to the LWDA and twenty-five percent (25%) distributed to
25 Aggrieved Employees on a pro rata basis based on the number of PAGA Pay Periods worked.
26 (Settlement Agreement, ¶¶ 4, 15, 46 c and d, 16.)

27 The Settlement resolves only claims for civil penalties under PAGA. It is not a class action
28 settlement and does not release any individual claims for wages or other direct Labor Code

violations. (Settlement Agreement, ¶¶ 23, 48, 53.d.)

As discussed below, the Settlement represents a fair and reasonable compromise of disputed claims in light of the risks, uncertainties, and defenses associated with continued litigation.

1. The Settlement is Presumptively Fair

A settlement agreement that is “the product of extensive and hard-fought adversarial negotiations between the Parties” is entitled to a presumption of fairness. (*Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 245.) Here, the Settlement is presumptively fair because: (1) it is the product of non-collusive, arm’s-length negotiations that were overseen by an independent mediator knowledgeable in complex labor and employment matters; (2) it was negotiated by counsel with significant experience in similar complex labor and employment matters; and (3) it occurred after counsel for the Parties engaged in significant investigation to evaluate the strength and potential value of the PAGA claims, and the risks of litigating these claims through trial. (*Dunk v. Ford Motor Co.* (1996) 48 Cal. App. 4th 1794, 1802; (Dacre Decl., ¶¶4-9, 21-26; Nordrehaug Decl. ¶¶ 3-9; Berry Decl. ¶ 7, 9, Exh. 2).

As discussed herein, after engaging in informal discovery, extensive discussions, and an exchange of information and documents, the Parties participated in a full day mediation to attempt resolution of the Action (Dacre Decl., ¶¶ 5, 6, 9). The mediation ended with a mediator’s proposal. After further consideration of the strengths and weaknesses of the PAGA claims, the Parties accepted the mediator’s proposal, resolving the matters (Dacre Decl., ¶ 9).

Plaintiffs’ counsel have extensive experience in representative and wage-and-hour litigation and used that experience to achieve a favorable result for Plaintiffs, the State of California, and the Aggrieved Employees. (Dacre Decl., ¶¶ 21-26; Nordrehaug Decl. ¶ 3, Exh 1; Berry Decl. ¶ 9, Exh. 2). Plaintiffs respectfully submit that the Court should give considerable weight to the competency, experience, and opinion of counsel and the involvement of a neutral mediator in assuring that the Settlement was the product of hard-fought, arm’s-length negotiations that were entered into without collusion. *Dunk*, 48 Cal. App. 4th at 1802-03; see *Mardirossian & Assocs., Inc. v. Ersoff* (2007) 153 Cal. App. 4th 257, 272; *Kirkorian v. Borelli* (N.D. Cal. 1988) 695 F.Supp. 446, 451; *Boyd v. Bechtel Corp.* (N.D. Cal. 1979) 485 F. Supp. 610, 616-17, 622; see also *Clark v. Am. Residential Servs. LLC*

(2009) 175 Cal. App. 4th 785, 798; *Satchell v. Fed. Express Corp.* (N.D. Cal. Apr. 13, 2007) No.: C03-2659 SI, 2007 U.S. Dist. LEXIS 99066, *17.

2. The Relative Strength of the PAGA Claims and the Range of Possible Outcomes in the Litigation Strongly Favor Approval of the Settlement

The Settlement is reasonable in light of the risks and uncertainties associated with the PAGA claims in this case. The relative strength of the PAGA claims brought by Plaintiffs weighs in favor of the Court finding that the Settlement is fair and reasonable, however, Defendant has maintained numerous defenses to the theories of penalty liability put forward by Plaintiffs that, if successful, had the potential to eliminate any recovery or significantly reduce any penalties ultimately awarded.

This case addresses alleged violations of employee protections embodied in the California Labor Code—namely, that non-exempt employees: (1) were not paid all wages earned, including proper minimum and/or overtime compensation; (2) were not provided compliant meal and rest periods or paid premium wages in lieu thereof, in violation of Labor Code sections 226.7 and 512; (3) were not reimbursed for necessary business expenses; (4) were not given one day of rest in seven days of work; (5) were not provided accurate itemized wage statements, in violation of Labor Code section 226(a); (6) were not timely paid wages due upon separation of employment; (7) failure to pay proper sick pay; and (8) failure to provide proper seating, among other alleged violations (Dacre Decl., ¶ 11; Nordrehaug Decl. ¶¶ 4-5).

The PAGA claims are premised, in part, on allegations that Defendant’s payroll and compensation practices resulted in underpayment of wages, including issues relating to the calculation of the regular rate of pay where bonuses were provided, policies that prevented aggrieved employees from being able to sit down when it would not have interfered with their duties, as well as alleged failures to provide compliant meal and rest periods and to provide accurate wage statements (Dacre Decl., ¶ 12). Plaintiffs also contend that such alleged violations give rise to derivative PAGA penalties. (*Id.*)

Defendant disputes Plaintiffs’ claims and contends that it complied with California law, including paying all wages owed, maintaining lawful compensation practices, providing compliant meal and rest periods, issuing accurate itemized wage statements, timely paying all wages,

1 reimbursing any necessary business expenses, properly calculating the regular rate of pay, providing
2 sufficient seating for employees, and otherwise complying with the Labor Code and Wage Order
3 (Dacre Decl., ¶ 13). Defendant further denies that any Aggrieved Employee, including Plaintiffs, are
4 entitled to PAGA penalties (*Id.*).

5 Moreover, Defendant maintains that even if the Court were to award penalties, the Court
6 could significantly reduce any such penalties based on the discretionary factors contained in Labor
7 Code section 2699(e)(2) (“In an action by an aggrieved employee . . . a court may award a lesser
8 amount than the maximum civil penalty amount specified by this part if, based on the facts and
9 circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary
10 and oppressive, or confiscatory.”). These factors weighed heavily in the analysis of the claims
11 (Dacre Decl., ¶ 14).

12 Based on these factors and defenses, which had the potential to completely eliminate or
13 significantly reduce Plaintiffs’ recovery, the range of realistic “litigation outcomes” on Plaintiffs’
14 PAGA claims was defined by an estimated maximum realistic possible liability of approximately
15 \$10,000,000 (assuming Plaintiffs could prove the alleged violations occurred, which Defendant
16 denies) (Dacre Decl., ¶ 15). The figure also assumes that there is a 100% violation rate during the
17 PAGA period, such that every pay period involved at least one Labor Code violation, despite
18 disputes regarding Defendant’s liability (*Id.*). Plaintiffs’ analysis also considers the application of
19 PAGA is to help enforce workplace rules and safety and encourage employer compliance through
20 financial penalties. In applying PAGA, the Court retains discretion to reduce the penalty to
21 encourage compliance without it being unjust or oppressive (*Id.*). Defendant does not concede that
22 any penalty, in whole or in part, is applicable to any of Plaintiffs’ alleged claims (*Id.*).

23 While Plaintiffs assert multiple theories of recovery, Plaintiffs reasonably believe that the
24 Court could find that “stacking” the potential penalties attendant to each underlying Labor Code
25 violation would not be proper because such penalties are predicated on the same purported
26 underlying conduct. Nor are each of the statutes alleged independently actionable. Thus, the
27 maximum potential exposure for the PAGA claim does not and should not reflect the sum of the
28 potential exposure for each alleged Labor Code violation.

1 Where a party asserts “one primary right, and but one violation of that right, the complaint
2 states but one cause of action, even though two or more theories of recovery are alleged.” *Plotnik v.*
3 *Meihaus* (2012) 208 Cal. App. 4th 1590, 1612. “Double or duplicative recovery for the same items
4 of damage amounts to overcompensation and is therefore prohibited.” *Id.*; *Renda v. Nevarez* (2014)
5 223 Cal. App. 4th 1231, 1236-37. California federal courts have also recognized this prohibition and
6 noted that plaintiffs cannot “pile one penalty on another for a single substantive wrong.” *Smith v.*
7 *Lux Retail N. Am., Inc.* (N.D. Cal. June 13, 2013) 2013 WL 2932243, at *3; *Castillo v. ADT, LLC*
8 (E.D. Cal. Jan. 25, 2017) 2017 WL 363108, at *4.

9 The estimated valuations attributed to the claims for purposes of settlement reflect these
10 risks, defenses, and limitations, and were not aggregated due to the unavailability of stacking (Dacre
11 Decl., ¶ 16).

12 **a. Failure to Pay Wages Due**

13 Plaintiffs’ claim for failure to pay all lawful wages owed is premised on allegations that,
14 during the Class Period, Plaintiffs and Aggrieved Employees were not paid for all hours worked
15 during their work shifts while under the control of Defendants. During the PAGA Period,
16 Defendants implemented policies and practices which resulted in Plaintiffs and aggrieved employees
17 working off the clock and without compensation. Plaintiffs allege that they and aggrieved employees
18 were required to work through meal and rest breaks even though they had clocked out, due to the
19 demands of the workload (Dacre Decl., ¶ 16.a) They were also required to perform pre and post shift
20 work duties while clocked out. Plaintiffs and Aggrieved Employees were not compensated for this
21 work performed “off the clock.” Defendant disputes these allegations and contends that it properly
22 calculated all wages owed and fully compensated all non-exempt employees for all hours worked
23 (*Id.*)

24 Taking into consideration the nature of the allegations and Defendant’s defenses thereto,
25 including disputes regarding whether any violations occurred and the inability to establish the
26 violation with respect to all of the PAGA Members, challenges in establishing uniform policies or
27 practices giving rise to PAGA penalties, as well as the inherent difficulty in proving liability and
28 damages on a representative basis, this claim was valued in the 10% to 15% violation rate and thus

1 between \$1,000,000 and \$1,500,000 in estimated maximum realistic PAGA penalties (*Id.*).

2 **b. Meal Period Claim**

3 The meal period claim is based on allegations that Defendant did not always provide
4 compliant meal periods to Plaintiffs and Aggrieved Employees. Plaintiffs allege that Defendant
5 failed to ensure that compliant meal periods were provided in accordance with California law. As
6 alleged above, Plaintiffs and Aggrieved Employees were required to miss meal breaks due to the
7 time constraints and demands of their work shifts (Dacre Decl., ¶ 16.b). Defendant disputes
8 Plaintiffs' allegations and contends that its meal period policies and practices complied with
9 applicable law, including by providing employees with the opportunity to take compliant meal
10 periods and by paying premium wages when required. Defendant further contends that any alleged
11 violations were not widespread and that individual issues would predominate with respect to any
12 determination of liability (*Id.*).

13 Taking into consideration the nature of the claim, Defendant's defenses, and the legal
14 standards governing meal period compliance, including *Brinker Rest. Corp. v. Superior Court* (2012)
15 53 Cal.4th 1004, ("*Brinker*"), this claim poses risks including challenges in establishing that any
16 alleged violations occurred on a uniform or representative basis, as well as Defendant's contention
17 that it satisfied its legal obligations under California law. Based on these factors this claim was
18 valued in the 5% to 10% violation rate and thus between \$500,000 and \$1,000,000 in estimated
19 maximum realistic PAGA penalties (Dacre Decl., ¶ 16.b).

20 **c. Rest Period Claim**

21 As with the meal period claim, the rest period violation claim is based on allegations that
22 Defendant did not always authorize and permit compliant rest periods to Plaintiffs and Aggrieved
23 Employees. Plaintiffs allege that Defendant failed to ensure that rest periods were provided in
24 accordance with California law (Dacre Decl., ¶ 16.c). Defendant disputes Plaintiffs' allegations and
25 contends that it maintained lawful rest period policies and practices, including authorizing and
26 permitting compliant rest periods. Defendant further asserts that Plaintiffs lack evidence
27 demonstrating that any Aggrieved Employee was denied a compliant rest period, and contends that
28 such claims would require individualized inquiries, particularly given that rest periods are not

1 recorded (*Id.*).

2 Taking into consideration the nature of the claim, Defendant's defenses, and the legal
3 standards governing rest period compliance, including *Brinker* this claim was valued in the range of
4 3% to 7% violation rate and thus between \$300,000 and \$700,000 in estimated maximum PAGA
5 penalties (*Id.*).

6 **d. Failure to Timely Pay Wages**

7 This claim is derivative of the underlying wage and hour claims. Plaintiffs allege that
8 Defendant failed to timely pay all wages due during employment and upon separation (Dacre Decl.,
9 ¶ 16.d). Defendant disputes these allegations and contends that all wages owed—including any
10 minimum wages, overtime wages, and premium wages—were timely paid in accordance with
11 California law (*Id.*). Defendant further maintains that because the underlying wage claims lack merit,
12 any derivative claims for penalties based on alleged untimely payment likewise fail. Taking into
13 consideration the derivative nature of this claim and Defendant's defenses, this claim was valued at a
14 0% to 5% violation rate and thus between an estimated maximum \$0 and \$500,000 in realistic
15 PAGA penalties (*Id.*).

16 **e. Failure to Provide Accurate Itemized Wage Statements**

17 This claim is derivative of the underlying wage claims and is based on allegations that
18 Defendant failed to provide accurate itemized wage statements. Plaintiffs allege that wage
19 statements did not accurately reflect hours worked, applicable rates of pay, and total wages earned
20 (Dacre Decl., ¶ 16.e). Defendant denies these allegations and contends that it provided compliant
21 wage statements in accordance with Labor Code section 226(a). Defendant further asserts that any
22 alleged inaccuracies are dependent on the resolution of the underlying wage claims (*Id.*).

23 Taking into consideration the derivative nature of this claim and Defendant's defenses, this
24 claim was valued at a 0% to 5% violation rate and thus between an estimated maximum \$0 and
25 \$500,000 in realistic PAGA penalties (*Id.*).

26 **f. Failure to Reimburse Expenses**

27 The claim for business expense reimbursement under Labor Code section 2802 is premised
28 on allegations that Defendant failed to reimburse Plaintiffs and Aggrieved Employees for necessary

1 business expenses (Dacre Decl., ¶ 16.f). Specifically, Plaintiffs allege that Defendant failed to
2 adequately reimburse Plaintiffs and Aggrieved Employees for the use of their personal cell phones
3 and vehicles in the performance of their job duties. Plaintiffs allege that Defendant required
4 aggrieved employees to use their personal cell phone to speak with and respond to managers for
5 scheduling purposes and to use their personal vehicles at times for work related purposes. Defendant
6 disputes this claim and contends that employees were not required to incur unreimbursed business
7 expenses, or that any such expenses were properly reimbursed (*Id.*). Defendant further asserts that
8 resolution of this claim would require individualized inquiries into whether any expenses were
9 incurred and whether reimbursement was required. Taking into consideration the individualized
10 nature of this claim and Defendant's defenses, this claim was valued at 1% to 3% violation rate and
11 thus between an estimated maximum of \$100,000 and \$300,000 in realistic PAGA penalties (*Id.*).

12 **g. Failure to Provide Suitable Seating**

13 The claim for failure to provide suitable seating is based on allegations that Defendant did
14 not provide suitable seating, or any seating at all, for Plaintiffs and the aggrieved employees when
15 the nature of the work reasonably permitted sitting. Defendant denies these allegations and asserts
16 that the nature of the work did not permit sitting and if it did, seating was made available. Defendant
17 further asserts that resolution of this claim would require individualized inquiries into whether or not
18 seating was provided at all locations and for all aggrieved employees. Taking into consideration the
19 derivative nature of this claim and Defendant's defenses, this claim was valued at a 1% to 5%
20 violation rate and thus between an estimated maximum \$100,000 and \$500,000 in realistic PAGA
21 penalties (Dacre Decl., ¶ 16.g).

22 The above factors and analysis, including the potential for the PAGA claims to be completely
23 eliminated or significantly reduced, weigh heavily in favor of resolution by way of the compromise
24 set forth in the Settlement. In the view of Plaintiffs' counsel, the benefit conferred by the proposed
25 Settlement is fair, reasonable, and adequate under the circumstances, as it reflects a reasoned
26 compromise which takes into consideration the risks inherent in this case, including the potential for
27 no recovery (Dacre Decl., ¶ 17; Nordrehaug Decl. ¶ 7; Berry Decl. ¶ 10).

28 **B. The Benefits Conferred by the Settlement Favor Approval**

1 The Settlement Agreement provides a monetary benefit of \$2,220,000 that falls well within
2 “the range of an acceptable settlement” under the circumstances. Here, after all deductions are made
3 for administration, attorneys’ fees and costs, approximately \$1,373,142.94 will be paid out, of which
4 \$1,029,857.20 (i.e., 75%) will go to the LWDA, and \$343,285.74 (i.e., 25%) will go to Aggrieved
5 Employees, as required by Labor Code § 2699(i) (Settlement Agreement, ¶¶ 4, 15, 46 c and d).
6 Although these calculations will not be made until after approval, a rough estimation of the average
7 pay per Aggrieved Employee is \$23.58 based on an estimated 14,516 Aggrieved Employees.
8 (Settlement Agreement, ¶ 4.1.)

9 This result is favorable, as settlements of PAGA claims impacting thousands of individuals
10 have been approved as reasonable for amounts far less than the payment in this case. *Franco v. Ruiz*
11 *Food Prods.* (E.D. Cal. Nov. 27, 2012) 2012 U.S. Dist. LEXIS 169057, 41-42 (“Defendant has
12 agreed to pay \$10,000 as civil penalties pursuant to the PAGA ... Of the \$10,000, 75 percent
13 (\$7,500) will be paid to the State of California, and the remainder (\$2,500) will benefit the class . . .
14 the Court finds that the PAGA payment is set at a reasonable amount, and it shall be approved.”);
15 *Garcia v. Gordon Trucking, Inc.* (E.D. Cal. Oct. 29, 2012) 2012 U.S. Dist. LEXIS 160052, 21-22
16 (“GTI agrees to allocate \$10,000 to Plaintiffs’ PAGA claims, and will pay \$7,500 to the LWDA, and
17 \$2,500 to participating Class Members on a pro-rata basis. This comports with settlement approval
18 of PAGA awards in other cases. . . therefore, the Court will approve the allocation of the Settlement
19 to Plaintiffs’ PAGA claim.”); *Schiller v. David’s Bridal, Inc.* (E.D. Cal. June 11, 2012) 2012 U.S.
20 Dist. LEXIS 80776, 40 (“Pursuant to the Settlement Agreement, the Parties have agreed to pay
21 \$7,500 to the California Labor and Workforce Development Agency . . . the Court finds that the
22 PAGA Payment is set at a reasonable amount, and recommends that it be approved.”); *Gong-Chun v.*
23 *Aetna Inc.* (E.D. Cal. July 11, 2012) 2012 U.S. Dist. LEXIS 96828, 45-46 (“Pursuant to the
24 Settlement Agreement, Defendant has agreed to pay \$15,000 to the California Labor and Workforce
25 Development Agency . . . the Court finds that the PAGA payment is set at a reasonable amount, and
26 it shall be approved.”).

27 Thus, notwithstanding the existence of issues having the potential to completely eliminate
28 recovery on the PAGA claim, the Settlement Agreement not only achieves a recovery that exceeds

1 PAGA awards routinely approved by the courts, but it also recovers monies for Aggrieved
2 Employees which they otherwise would not receive.

3 **C. The Settlement Avoids the Risks and Costs of Continued Litigation**

4 Plaintiffs recognize the expense and length of continued proceedings necessary to litigate the
5 matter through trial and any possible appeals and have also considered the uncertainty and risk of the
6 outcome of further litigation, and the difficulties and delays inherent in such litigation based upon
7 the burdens of proof (Dacre Decl., ¶ 18). Plaintiffs are also aware of the burdens of proof necessary
8 to establish liability, both generally and in response to Defendant’s defenses thereto, and the
9 difficulties in establishing Defendant’s liability for, and the right to recover, penalties on behalf of
10 Plaintiffs, the State of California, and the other purported Aggrieved Employees (*Id.*).

11 Additionally, there is a real possibility that Plaintiffs would recover nothing, either
12 individually or on behalf of the State of California or other Aggrieved Employees, after years of
13 costly and labor-intensive litigation. Avoiding these risks and the likelihood of future contentious
14 litigation, which would involve significant costs, favors settlement (Dacre Decl., ¶¶ 14, 18).

15 A crucial factor in evaluating the value of a PAGA-only case is that all PAGA awards are
16 discretionary and can be reduced by the Court. California Labor Code section 2699(e)(2) permits a
17 Court to award a lesser amount than the maximum civil penalty if, based on the facts and
18 circumstances, to do otherwise would result in an award that is “unjust, arbitrary and oppressive or
19 confiscatory.” For example, in *Carrington v. Starbucks Corp.* (2018) 30 Cal. App. 5th 504, the Court
20 of Appeal affirmed a judgment after trial that only provided for a PAGA penalty of \$5 per pay
21 period. Given this precedent, there is a risk at trial that any PAGA penalties awarded could be
22 significantly less than Plaintiffs’ calculation even where Plaintiffs prevailed on the PAGA claim.

23 In other words, were this matter to go to trial, any award granted would be at the discretion of
24 the Court. While Plaintiffs maintain that the PAGA claim has merit, in reaching the Settlement,
25 Plaintiffs and their counsel took into account the strengths and weaknesses of each side’s position
26 and the uncertainty associated with continued litigation, trial, and/or appeals.

27 **D. Notice of the Settlement was Provided to the LWDA**

28 As set forth in the accompanying proof of service, the LWDA was provided notice of this

1 Motion and the Settlement Agreement (Dacre Decl. ¶ 19). The decision of the LWDA to accept the
2 PAGA settlement and not oppose the Motion should be given considerable weight. This is not a
3 situation where the Court needs to be concerned about the rights of absent employees as in a class
4 settlement, as this PAGA-only settlement does not release the individual claims of absent
5 employees, and the LWDA is a government entity that is more than capable of looking out for its
6 own rights.

7 **IV. THE REQUESTED ATTORNEYS' FEES AND COSTS SHOULD BE APPROVED**

8 Pursuant to the terms of the Settlement, Plaintiffs' counsel seeks attorneys' fees of \$777,000
9 and reimbursement of litigation costs in the amount of \$43,907.06, all falling within the bounds
10 authorized by the Settlement Agreement (Settlement Agreement, ¶ 46.a; Dacre Decl. ¶ 30;
11 Nordrehaug Decl. ¶ 14; Berry Decl. ¶ 21). Plaintiffs' counsels' entitlement to an award of attorneys'
12 fees and costs is warranted on multiple independent grounds. Further, the amount of fees requested
13 falls within the range of reasonableness under applicable standards. The amount requested
14 constitutes a "percentage of the fund" deemed reasonable in similar wage and hour settlements of
15 this size and approved by California courts. This is warranted based on the contingency risk
16 Plaintiffs' counsel agreed to incur for the benefit of the State of California and Aggrieved
17 Employees, as well as the results achieved. Based thereon, Plaintiffs respectfully request that the
18 Court enter an order approving the fee and cost amounts requested.

19 **A. Plaintiffs' Counsel is Entitled to Recover Reasonable Fees as a Matter of Right**

20 Plaintiffs' counsel is entitled to recover reasonable attorneys' fees under the "common fund"
21 doctrine. As held by the U.S. Supreme Court, "a lawyer who recovers a common fund for the benefit
22 of persons other than himself or his client is entitled to a reasonable attorney's fee from the fund as a
23 whole." *Boeing Co. v. Van Gemert* (1980) 444 U.S. 472, 478.

24 Courts have long recognized the "common fund" or "common benefit" doctrine, under which
25 attorneys who create a common fund or benefit for a group of persons may be awarded their fees and
26 costs to be paid out of the fund. *Serrano v. Priest* ("Serrano III") (1977) 20 Cal.3d 25, 34, quoting
27 *D'Amico v. Board of Medical Examiners* (1974) 11 Cal.3d 1; *Glendale City Employees' Ass'n v.*
28 *City of Glendale* (1975) 15 Cal.3d 328, 341 fn.19; *Quinn v. State of California* (1995) 15 Cal.3d 162,

1 167; see also *Boeing Co. v. Van Gemert* (1980) 444 U.S. 472, 478; *Mills v. Electric Auto-Lite Co.*
2 (1970) 396 U.S. 375, 391–392.

3 The California Supreme Court has held that, “when a number of persons are entitled in
4 common to a specific fund, and an action brought by a plaintiff for the benefit of all results in the
5 creation or preservation of that fund, such plaintiff may be awarded attorneys’ fees out of the fund.”
6 *Serrano III*, 20 Cal.3d at 34, quoting *D’Amico*, 11 Cal.3d 1; *Mills*, 396 U.S. at 391–392. The
7 percentage-of-the-fund approach appears to be the preferred method of awarding fees in traditional
8 common fund cases, such as this case. Where the settlement amount is a “certain or easily calculable
9 sum of money,” use of the percentage-of-the-fund method is appropriate. *Serrano III*, 20 Cal.3d at
10 35.

11 In *Glendale City Employees’ Association v. City of Glendale* (1975) 15 Cal.3d 328, 341
12 fn.19, the California Supreme Court upheld an attorneys’ fee award based on a percentage of the
13 common benefit obtained:

14 It is not necessary to find this suit a proper class action in order to uphold the
15 portion of the judgment awarding counsel for plaintiffs’ 25 percent of all
16 retroactive salaries and wages received. That award may be sustained under the
17 rule that a litigant who creates a fund in which others enjoy beneficial rights may
18 require those beneficiaries to pay their fair share of the expense of litigation.

19 Numerous appellate courts have similarly found. *E.g.*, *Knoff v. City & Cty. of San Francisco*
20 (1969) 1 Cal.App.3d 184, 203–204; *Rider v. County of San Diego* (1992) 11 Cal.App.4th 1410,
21 1423; *Parker v. Los Angeles* (1974) 44 Cal.App.3d 556, 567–568.

22 **B. PAGA Settlements are Routinely Approved Under the Same Common Fund Doctrine**
23 **Used in Class Actions**

24 Plaintiffs’ counsel is also entitled to recover attorneys’ fees and costs under the PAGA
25 statute. (Labor Code § 2699(g)(1) [“Any employee who prevails in any action shall be entitled to an
26 award of reasonable attorney’s fees and costs.”].) In addition, this action confers a public benefit by
27 enforcing the Labor Code on behalf of the State of California and Aggrieved Employees.

28 Here, Plaintiffs’ counsel expended significant time and resources to investigate and prosecute
this action, including reviewing payroll and timekeeping data, evaluating potential exposure, and

1 participating in mediation that ultimately resulted in a \$2,220,000 settlement. Counsel undertook this
2 matter on a contingent basis and bore the risk of non-recovery, particularly where the LWDA did not
3 elect to pursue the matter after receiving the PAGA notice. Accordingly, the requested attorneys’
4 fees and costs are reasonable and should be approved.

5 **C. The Fee Amount Requested is Reasonable and Routinely Awarded**

6 In addition to the foregoing, Plaintiffs’ counsel requests attorneys’ fees in the amount of
7 \$777,000.00 (or not more than 35% of the \$2,220,000 Gross Settlement Amount). Attorneys’ fees
8 may be calculated in one of two ways: the percentage method (a percentage of the common fund or
9 settlement value); or the lodestar-multiplier method (reasonable hours multiplied by reasonable
10 hourly rates multiplied by an amount more or less than 1.0 to account for factors such as the risks
11 taken and results achieved). *Laffitte v. Robert Half International, Inc.* (2016) 1 Cal.5th 480, 489.

12 The starting point for determining the appropriateness of attorneys’ fees is to assess the
13 amount of time spent by the attorneys working for the class. *Lealao v. Beneficial California, Inc.*
14 (2000) 82 Cal.App.4th 19, 24–25. Under this approach, this Court can assess the reasonableness of
15 the requested fees by comparing it to the amount of work performed. It is not an abuse of discretion
16 to choose one method over another as long as the method chosen is applied consistently using
17 percentage figures that accurately reflect the marketplace. *Chavez v. Netflix, Inc.* (2008) 162
18 Cal.App.4th 43, 65. This approach is not unique to class action cases, but to all “common fund”
19 cases where a single plaintiff, through counsel, obtains a benefit for a larger group. *Laffitte v. Robert*
20 *Half Intern., Inc.* (2016) 1 Cal.5th 480, 505. This “fee spreading” assures that all those who benefit
21 from the litigation pay their fair share of obtaining the recovery. *Lealao*, supra, at 26.

22 Here, Plaintiffs have obtained a benefit through this settlement not only for themselves, but
23 for all Aggrieved Employees and the LWDA. Thus, the common fund doctrine applies to this PAGA
24 settlement as the doctrine ensures Plaintiffs alone do not bear the cost of litigation, but all those who
25 benefit from Plaintiffs’ work pay their fair share. Accordingly, the same analysis for reasonable
26 attorneys’ fees is applicable to both class action and PAGA settlements.

27 Taking into account the contingency risk Plaintiffs’ counsel agreed to incur for the benefit of
28 the State of California (which elected not to take the case after receiving the Notice) and the valuable

1 results achieved, Plaintiffs’ counsel’s requested fee is reasonable under all applicable standards.

2 **1. The Fee Amount Is Reasonable Under the “Percentage of the Fund” Method**

3 The amount of fees requested by Plaintiffs’ counsel—not more than 35% of the Gross
4 Settlement Amount—is reasonable based on standards applicable to the “percentage of the fund”
5 method. “When assessing whether the percentage requested is reasonable, courts look to factors such
6 as: (a) the results achieved; (b) the risk of litigation; (c) the skill required; (d) the quality of work; (e)
7 the contingent nature of the fee and the financial burden; and (f) the awards made in similar cases.”
8 *Vasquez v. Coast Valley Roofing, Inc.* (E.D. Cal. 2010) 266 F.R.D. 482, 492.

9 First, the results achieved are significant, as Defendant has agreed to pay \$2,220,000 under
10 the Settlement Agreement. Second, this represents a favorable recovery given the substantial risk of
11 obtaining any recoverable penalties (Dacre Decl., ¶¶ 7, 13, 14, 18). As explained above, Defendant
12 maintained defenses to Plaintiffs’ PAGA claims that could have resulted in a net-zero recovery at
13 trial. Third, Plaintiffs’ counsel’s experience in complex wage-and-hour and PAGA actions, and the
14 skill and quality of work performed, resulted in the successful resolution of this Action. (Dacre
15 Decl., ¶¶ 21-27; Nordrehaug Decl. ¶ 3, Exh. 1; Berry Decl. ¶ 9, Exh. 2)

16 Fourth, notwithstanding this risk of loss, Plaintiffs’ counsel undertook representation of this
17 PAGA action on a contingency basis. (Dacre Decl., ¶ 20) This required counsel to assume the risk of
18 nonpayment in securing the financial benefit obtained for the State of California and Aggrieved
19 Employees and constitutes a “loan” of legal services—both of which are factors warranting fee
20 enhancement under California Supreme Court authority, which Plaintiffs’ counsel is not seeking:

21 One of the most common fee enhancers . . . is for contingency risk. We reaffirmed
22 the propriety of a contingency risk enhancement in *Ketchum*: “The economic
23 rationale for fee enhancement in contingency cases has been explained as follows:
24 ‘A contingent fee must be higher than a fee for the same legal services paid as they
25 are performed. The contingent fee compensates the lawyer not only for the legal
26 services he renders but for the loan of those services. The implicit interest rate on
27 such a loan is higher because the risk of default (the loss of the case, which cancels
28 the debt of the client to the lawyer) is much higher than that of conventional
loans.’ (Posner, *Economic Analysis of Law* (4th ed. 1992) pp. 534, 567.) ‘A
lawyer who both bears the risk of not being paid and provides legal services is not
receiving the fair market value of his work if he is paid only for the second of
these functions. If he is paid no more, competent counsel will be reluctant to
accept fee award cases.”

Graham v. DaimlerChrysler Corp., (2004) 34 Cal. 4th 553, 579-580.

1 Finally, the percentage requested falls within the typical range, particularly in light of the
2 modest settlement size. See, e.g., *Martin v. AmeriPride Servs.* (S.D. Cal. June 9, 2011) 2011 U.S.
3 Dist. LEXIS 61796, at *23 (“Courts may award attorneys’ fees in the 30–40% range in common
4 fund actions that result in recovery of a common fund under \$10 million.”).

5 Similarly structured PAGA settlements containing allocations for attorneys’ fees from the
6 settlement amount are routinely approved. Attorneys’ fee awards in the amount sought here are well-
7 established by California law and practice. Accordingly, Plaintiffs’ counsel’s attorneys’ fee request
8 is fair and reasonable and consistent with awards approved by California courts.

9 **2. While the Lodestar Method is Not Necessary in Common Fund Cases, Courts May**
10 **Perform a Cross-Check to Award Fees**

11 Although California supports the common fund doctrine, the lodestar method is also used
12 independently or as a cross-check for fee awards. *In re Consumer Privacy Cases* (2009) 175
13 Cal.App.4th 545, 557. The “reasonableness” of the fee award requested is supported by the lodestar
14 methodology, whether the Court treats such methodology as operative or as a cross-check.

15 The lodestar calculation typically proceeds in three steps. First, a trial court must determine a
16 baseline guide or “lodestar” figure based on the time spent and reasonable hourly compensation for
17 each attorney involved in the case. *Serrano v. Priest* (1977) 20 Cal.3d 25, 48. The court then sets a
18 reasonable hourly fee to apply to the time expended, with reference to the prevailing rates in the
19 geographical area in which the action is pending. *Bihun v. AT&T Information Systems, Inc.* (1993)
20 13 Cal.App.4th 976, 997. Finally, a “multiplier” is selected with reference to the following factors:
21 (1) the novelty and difficulty of issues involved; (2) the skill displayed in presenting them; (3) the
22 extent to which the nature of the litigation precluded other employment by the attorneys; and (4) the
23 contingent nature of the fee award owing to the uncertainty of prevailing on the merits and of
24 establishing eligibility for the award. *Serrano*, supra, 20 Cal.3d at 49.

25 Plaintiffs’ counsel’s lodestar calculation supports the requested attorneys’ fees. Plaintiffs’
26 counsels’ combined time expended on this matter is 869.3 hours with a lodestar amount of \$721,829.
27 (Dacre Decl., ¶ 29; Nordrehaug Decl. ¶¶ 10-11; Berry Decl. ¶¶ 15-20). The amount requested herein
28 will fairly compensate Plaintiffs’ counsel for their successful vindication of Aggrieved Employees’

1 rights, taking into account the quality, nature, and extent of counsel's efforts, the results achieved,
2 and the fact that the amount of fees sought is consistent with applicable legal precedent. Plaintiffs'
3 counsel's diligent and efficient prosecution of this matter positioned Plaintiffs to resolve this action
4 successfully, affording redress to all Aggrieved Employees while avoiding the expense and risk
5 attendant to protracted litigation.

6 Courts have defined reasonable multipliers on a lodestar cross-check to "range from 2 to 4 or
7 even higher." *Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 255. Courts have also
8 approved multipliers significantly higher in appropriate cases. See, e.g., *Weiss v. Mercedes-Benz of*
9 *N. Am., Inc.* (D.N.J. 1995) 899 F.Supp. 1297, 1304 (9.3 multiplier), *aff'd*, 66 F.3d 314 (3d Cir.
10 1995).

11 Additionally, by resolving this case prior to trial rather than continuing to litigate issues that
12 remain disputed, counsel obtained favorable results for the Aggrieved Employees at far less expense
13 to the parties and the Court. Accordingly, a positive multiplier on counsel's lodestar is warranted
14 under the circumstances. "Considering that our Supreme Court has placed an extraordinarily high
15 value on settlement, it would seem counsel should be rewarded, not punished, for helping to achieve
16 that goal." *Lealao*, *supra*, 82 Cal.App.4th at 52. In this case a positive multiplier of a little less than
17 1.077 is needed for counsels' lodestar to equal the amount requested.

18 **D. Plaintiffs' Counsel's Request for Costs is Reasonable**

19 The Settlement provides for cost reimbursement to Plaintiffs' counsel of reasonable litigation
20 costs in an amount not to exceed \$48,000. (Settlement Agreement, ¶ 46.a.) In the course of this
21 litigation, Plaintiffs' counsel has incurred and will continue to incur reasonable costs in prosecuting
22 this action through its resolution. Such costs are appropriate for reimbursement in cases of this
23 nature. *In re United Energy Corp. Sec. Litig.* (C.D. Cal. 1989) 1989 WL 73211, at 6; *In re GNC*
24 *Shareholder Litig.* (W.D. Pa. 1987) 668 F. Supp. 450, 452.

25 The costs incurred by Plaintiffs' counsel in this litigation are \$43,907.06 (Dacre Decl. ¶ 30;
26 Nordrehaug Decl. ¶ 14; Berry Decl. ¶ 21) which is not only less than the amount allocated in the
27 Settlement Agreement but it also benefited Plaintiffs, the Aggrieved Employees, and the State of
28 California. In light of the litigation costs that Plaintiffs' counsel was required to incur to prosecute

1 this action, Plaintiffs' counsel's request for reimbursement of costs is reasonable and should be
2 granted.

3 **V. CONCLUSION**

4 As shown herein, the Settlement is fair, adequate, and reasonable, as it represents a reasoned
5 and valuable compromise obtained through arm's-length negotiations. For all the reasons set forth
6 above, Plaintiffs respectfully request that this Court, as set forth in the Proposed Order approving
7 settlement, do the following:

- 8 **1.** Grant approval of the Settlement Agreement pursuant to California Labor Code §
9 2699(l) and enter judgment thereon;
- 10 **2.** Appoint ILYM Group, Inc., as the Administrator and approve its administration
11 expenses not to exceed \$25,950, payable from the Gross Settlement Amount;
- 12 **3.** Approve the award of attorneys' fees in the amount of \$777,000 and reasonable
13 litigation costs of \$43,907.06, payable from the Gross Settlement Amount;
- 14 **4.** Direct disbursement of the Net Settlement Amount to the LWDA and Aggrieved
15 Employees as provided for in the Settlement Agreement; and
- 16 **5.** Dismiss the Action with prejudice.

17
18 Respectfully Submitted,

19
20 DATED: September 22, 2026

JAMES HAWKINS APLC



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