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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SUTTER

ANTHONY MEDINA and MARIO ALEJANDRO ZAVALA, on behalf of themselves and all others similarly situated, Plaintiffs, vs. PAPERBOARD PACKAGING CORPORATION, an Idaho corporation; PAPERBOARD PACKAGING CORP, an entity of unknown form; AMCOR FLEXIBLES NORTH AMERICA, INC., a Missouri corporation; AMCOR, an entity of unknown form; and DOES 1 through 50, inclusive, Defendants.	**CLASS ACTION** Case No. CVCS24-0002240 Assigned for All Purposes To: Honorable Tahmina Morrow **MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT** *[filed concurrently with Plaintiffs' Notice of Motion and Motion; Declarations of Enoch J. Kim, Kane Moon, Anthony Medina, Mario Alejandro Zavala, and Kimberly Sutherland; and [Proposed] Order]* Hearing Information: Date: January 11, 2027 Time: 9:00 a.m. Action filed: September 20, 2024 FAC Filed: January 29, 2026 Trial date: None Set

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiffs Anthony Medina and Mario Alejandro Zavala ("Plaintiffs") seek preliminary approval of a class action and PAGA settlement with Defendants Paperboard Packaging Corporation, Paperboard Packaging Corp, Amcor Flexibles North America, Inc., and Amcor ("Defendants") (Plaintiffs and Defendants are collectively referred to herein as "the Parties") on behalf of themselves and a proposed class of all current and former non-exempt, hourly-paid employees who worked for Defendants in the state of California at any time during the Settlement Class Period (i.e., September 20, 2020 through the later of December 31, 2025 or the date of preliminary approval) ("Class") ; and Aggrieved Employees, defined as all current and former non-exempt, hourly paid employees who worked for Defendants in the State of California at any time during the period of August 17, 2024 through the later of December 31, 2025 or the date of preliminary approval ("PAGA Period".) After participating in mediation, the Parties reached a settlement in the gross amount of $625,000.00 to resolve the instant action.

Pursuant to California Rules of Court 3.769(d) and (e), Plaintiffs respectfully request that this Court grant preliminary approval of the Parties' Class Action and PAGA Settlement Agreement ("Settlement Agreement" or "Settlement"). (See Kim Decl., Exhibit 1). The Settlement was reached after the Parties engaged in informal discovery and investigation, participated in mediation with a skilled mediator, and negotiated at arm's-length through experienced counsel on both sides.

The Settlement satisfies all criteria for preliminary approval. Accordingly, Plaintiffs respectfully request that the Court grant preliminary approval of the Settlement.

II. STATUS OF THE LITIGATION

A. Procedural History

On September 20, 2024, Plaintiff Anthony Medina commenced the Action by filing a putative class action Complaint against Defendants alleging wage and hour violations of the California Labor Code. (Kim Decl., ¶ 4.)

Plaintiff Mario Alejandro Zavala submitted a PAGA notice (LWDA-CM-1119230-25) to

the Labor and Workforce Development Agency ("LWDA") on August 17, 2025. (Kim Decl., ¶ 5.) On January 14, 2026, Plaintiffs filed a First Amended Complaint ("Operative Complaint") adding Plaintiff Mario Alejandro Zavala and additional causes of action and allegations against Defendants. (Kim Decl., ¶ 6.)

B. Investigation

Before filing the lawsuit, Class Counsel conducted a thorough investigation and researched the facts and circumstances underlying the pertinent issues and applicable law. (*Id*. at ¶ 8.) After filing the lawsuit, Class Counsel conducted a thorough investigation of the facts and claims giving rise to the action, including (1) conducting informal discovery and meeting and conferring with defense counsel about same; (2) reviewing and analyzing records and data, as well as employment-related policies; (3) reviewing Plaintiffs' personnel file and other documentation; (4) interviewing Plaintiff regarding potential Class Members; (5) researching the applicable law and potential defenses; (6) constructing damage models based on interpretations of California law and the facts and numbers provided by Defendants, including consulting experts; and (7) reviewing information provided by Defendants in response to informal discovery and in advance of the mediation. (*Id*.)

After analyzing the relevant documents and other gathered data, Class Counsel believed that this case was appropriate for resolution via mediation. (*Id*. at ¶ 9.) Given the high level of risk present for both sides, the Parties elected to mediate Plaintiffs' claims and attempt settlement. (*Id.*)

C. Settlement Efforts

On October 8, 2025, the Parties attended an all-day mediation session with Gail A. Glick, Esq., an experienced mediator in the field of wage and hour class actions. (Kim Decl., ¶ 10.) During mediation, counsel for Plaintiffs and Defendants discussed all aspects of the case, including the risks of continued litigation and the risks to all parties of proceeding with a class certification motion, as well as the merits of the primary claims in this case. (*Id.*) The Parties reached a resolution at mediation. (*Id.*) The Parties continued to work together on a long-form Settlement Agreement following mediation, which resulted in the Settlement Agreement before

the Court for approval. (*Id.*)

From Class Counsel's review of the strengths and weaknesses of the case and the risks and delays posed by further litigation, Class Counsel believes that the Settlement is fair and reasonable. (*Id*. at ¶ 11.) Further, the Settlement Agreement was the product of a non-collusive settlement process in which the Parties were forced to make significant compromises in the interest of reaching a full and complete settlement of the lawsuit. (*Id.*)

III. SETTLEMENT AGREEMENT AND ACCOMPANYING DOCUMENTS

Key Financial Terms: Under the terms of the Settlement Agreement, Defendants have agreed to pay $625,000.00 ("Gross Settlement Amount") on a non-reversionary basis and to pay the employer's portion of any payroll taxes on the wage allocation portion of the individual settlement payments to Class Members. (Kim Decl., Exhibit 1, Settlement Agreement, ¶ 3.1.)

The "Net Settlement Amount" available for distribution to Class Members is the Gross Settlement Amount less the following payments in the amounts approved by the Court:

- Class Counsel's Fees and Litigation Expenses Payment: Up to one-third of the Gross Settlement Amount, or **$208,333.33**, to Class Counsel as attorneys' fees for the litigation and resolution of this Action and actual costs incurred in this Action, currently estimated not to exceed $25,000.00. (Exhibit 1, Settlement Agreement, ¶ 3.2.2);
- Class Representative Service Payments to Named Plaintiffs: Up to **$7,500.00** to each Plaintiff ($15,000.00 total) as a payment for their service as the Class Representatives (Exhibit 1, Settlement Agreement, ¶ 3.2.1.);
- Administration Expense Payment: A not-to-exceed amount of **$9,000.00** to the Administrator for its costs of administration of the Settlement (Exhibit 1, Settlement Agreement, ¶ 3.2.3);
- PAGA Payment: **$62,500.00** for settlement of claims for civil penalties under PAGA, with 35% ($21,875.00) allocated to the Aggrieved Employees ("Individual PAGA Payments") and 65% ($40,625.00) allocated to the LWDA ("LWDA PAGA Payment") (Exhibit 1, Settlement Agreement, ¶ 3.2.4.3)

If the Court approves the above allocations from the Gross Settlement Amount, the Net

Settlement Amount ("NSA") is estimated to be **$305,166.67**. (Kim Decl., at ¶ 13.) The "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period. (Exhibit 1, Settlement Agreement, ¶ 1.23.) Each Participating Class Member's "Individual Class Payment" shall be calculated by the Administrator using the following formula: (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks. (Exhibit 1, Settlement Agreement, ¶ 3.2.4.)

For the approximately 189 Class Members (if no exclusions), the average Gross Individual Settlement Payment, using a straight average, is $1,614.64. (Kim Decl., ¶ 13.)

Class Notice Procedures: Not later than 20 days after the Court grants Preliminary Approval of the Settlement, Defendants will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. (Kim Decl., ¶ 14, Exhibit 1, Settlement Agreement, ¶ 4.2.) Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class USPS mail, the Class Notice in English with a Spanish translation.[1] (Kim Decl., ¶ 14, Exhibit 1, Settlement Agreement, ¶ 7.4.2.) The Class Notice includes a summary of the case and settlement terms and provides Class Members with detailed instructions on how to exclude themselves, object to the settlement, and dispute the number of workweeks and/or pay periods attributed to each Class Member per Defendants' records. (Kim Decl., ¶ 14.)

IV. CERTIFICATION FOR SETTLEMENT PURPOSES ONLY IS APPROPRIATE

Express judicial policy favors maintaining wage and hour actions as class actions. *Prince v. CLS Transp., Inc.* (2004) 118 Cal. App. 4th 1320, 1328; *Richmond v. Dart Industries, Inc.* (1981) 29 Cal. 3d 462. Any doubt as to the appropriateness of class treatment should be resolved in favor of class certification, subject to later modification if necessary. *Richmond*, 29 Cal. 3d at 473-75. The decision to certify a class is a procedural one and should be based on the allegations

[1] Class Members shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Members in the Class Notice. (Exhibit 1, Settlement Agreement ¶ 7.6.)

in the operative complaint, and not in the perceived factual or legal merit of the class claims. *Linder v. Thrifty Oil Co.* (2000) 23 Cal. 4th 429, 439-41.

To certify a settlement class, the Court must find the two primary requirements for maintaining a class action: (1) there must be an ascertainable class, and (2) there must be a well-defined community of interest in the questions of law and fact involving the parties to be represented. *See Vasquez v. Superior Court* (1971) 4 Cal. 3d 800, 805-09; *Daar v. Yellow Cab Company* (1967) 67 Cal. 2d 695, 704. These criteria are met here for the reasons set forth below.

A. There Is a Numerous and Ascertainable Class

Whether a class is ascertainable is determined by examining the class definition, the size of the class, and the means available for identifying class members. *See Vasquez, supra,* 4 Cal. 3d at 821-22; *Reyes v. Board of Supervisors of San Diego County* (1987) 196 Cal. App. 3d 1263, 1271. Class members are "ascertainable" when they may be readily identified without unreasonable expense or time.

Plaintiffs contend, and Defendants do not dispute for settlement purposes only, that the numerosity and ascertainability elements are satisfied here. Class Members are all current and former non-exempt, hourly-paid employees who worked for Defendants in the state of California at any time during the Class Period. Defendants have identified 189 Class Members based on a review of its payroll and personnel records. (Settlement Agreement, ¶ 16.) Therefore, there is a numerous and ascertainable class.

B. There Is a Well-Defined Community of Interest

A community of interest is established by the predominance of common issues of law and fact. *See Vasquez*, 4 Cal. 3d at 811. The requirement of a community of interest:

> [D]oes not depend upon an identical recovery, and the fact that each member of the class must prove his separate claim to a portion of any recovery by the class is only one factor to be considered ... The mere fact that separate transactions are involved does not of itself preclude a finding of the requisite community of interest so long as every member of the alleged class would not be required to litigate numerous and substantial questions to determine his individual right to recover subsequent to the rendering of any class judgment which determined in plaintiffs' favor whatever questions were common to the class.

Id. at 809.

Plaintiffs contend, and Defendants do not dispute for settlement purposes only, that common issues of fact and law predominate as to each of the claims alleged by Plaintiffs, and the Class is united in its proof. (Kim Decl., ¶ 17.) Because Plaintiffs have alleged a single scheme, "the relevant proof [does] not vary among class members" and "clearly presents a common question fundamental to all class members." *See In Re NASDAQ Market-Makers Antitrust Litigation* (SDNY 1997) 172 F.R.D. 119, 123 (citing In Re NASDAQ Market-Makers Antitrust Litigation, (SDNY 1997) 169 F.R.D. 493, 518). California courts show "no hesitancy" in inferring class-wide causation, class-wide injury, and class-wide damages when a common course of action has been shown. *B.W.I. Custom Kitchen*, 191 Cal. App. 3d at 1350. This inference "eliminates the need for each class member to prove individually the consequences of the defendants' actions to him or her." *Id.* at 1351 (quoting *Rosack v. Volvo of America Corp* (1982) 131 Cal. App. 3d 741, 753 [emphasis added]).

This action involves a determination about Defendants' alleged failure to pay all wages owed, including minimum, regular, overtime, double-time and other wages; failure to provide compliant meal periods and/or meal period premium pay; failure to authorize and permit compliant rest breaks and/or rest break premium pay; failure to pay sick pay; failure to pay timely wages upon separation from employment; failure to provide accurate and/or itemized wage statements; and failure to reimburse business expenses. (Kim Decl., ¶ 17.) Plaintiffs contend Defendants' practices affected Class Members in the same way and presents questions that are suitable for common adjudication because all Class Members were subject to the same employment policies and practices. (*Id.*) The outcome of litigation in this matter depends upon questions that are common to Class Members. (*Id.*)

C. The Named Plaintiffs' Claims Are Typical

A class representative's claims are typical when they arise from the same event, practice, or course of conduct that gives rise to the claims of other putative class members, and if their claims rest on the same legal theories. The class representative's claims must be "typical" but not necessarily identical to the claims of other class members. It is sufficient that the representative

is similarly situated so that he or she will have the motive to litigate on behalf of all class members. *Classen v. Weller* (1983) 145 Cal.App.3d 27, 47; *B.W.I. Custom Kitchens v. Owens-Illinois, Inc.* (1987) 191 Cal.App.3d 1341, 1347 ("[I]t has never been the law in California that the class representative must have identical interests with the class members."). Thus, it is not necessary that the class representative should have personally incurred all the damages suffered by each of the other class members. *Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 228.

Plaintiffs contend, and Defendants do not dispute for settlement purposes only, that Plaintiffs' claims are typical of Class Members' claims because they arose from the same factual basis and are based on the same legal theories. (Kim Decl., ¶ 18.) Thus, Plaintiffs' claims are typical of the claims of the putative Class. (*Id.*)

D. Adequacy of Class Counsel and Class Representatives

As detailed below, Class Counsel are experienced in class actions, have represented their clients and the Class zealously, and have no conflicts of interest. (Kim Decl., ¶¶ 19, 70-77.) The Class Representatives' interests are aligned with those of the Class Members, as they have suffered the same injuries as the Class Members and have no conflicts of interest. (*Id.* at ¶ 19.) Therefore, Class Counsel and the Class Representatives are adequate.

E. Predominance and Superiority

Individual issues do not predominate over those common to the class. (Kim Decl., ¶ 20.) As explained above, Plaintiffs allege there are common issues of law and fact given that Plaintiffs and all Class Members were subjected to the same policies and pay practices during the relevant time period. (*Id*.) Plaintiffs and Class Members seek meal and rest premiums, unpaid wages and overtime, reimbursement for business expenses, and penalties for work performed as non-exempt employees for Defendants. (*Id*.) Plaintiffs allege that these issues are suitable for common adjudication because all Class Members were allegedly subject to the same employment policies, and Plaintiffs contend the practices applied uniformly to all Class Members. (*Id*.)

Plaintiffs contend that class resolution is superior to other available methods for the fair

and efficient adjudication of the controversy as there is little interest or incentive for Class Members to individually control the prosecution of separate actions. (*Id.* at ¶ 21.) Although the alleged injury from Defendants' policies and practices are real, the cost of individually litigating each such case against Defendants would easily exceed the value of any relief that could be obtained by any one Class Member individually. (*Id*.) If Class Members are forced to litigate their claims individually, it would potentially result in 189 individual actions against Defendants, each for relatively small amounts. (*Id*.) Hence, an individual suit would prove uneconomical for potential plaintiffs because litigation costs would dwarf a potential recovery. (*Id*.)

V. THE THREE-STEP APPROVAL PROCESS

California Rule of Court 3.769 requires court approval of the settlement of class action lawsuits. Preliminary approval is merely the first of three steps that comprise the approval procedure for settlements of class actions. *See* Manual for Complex Litigation, Second §30.44 (1993); *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801. The second approval step is the dissemination of notice of the settlement to all Class Members. *Id*. The third step is a final settlement approval hearing, at which evidence and argument concerning the fairness, adequacy, and reasonableness of the settlement may be presented and Class Members may be heard. *Id.*

The determination of whether a settlement should be preliminarily approved requires, "basic information about the nature and magnitude of the claims in question and the basis for concluding that the consideration being paid for the release of those claims represents a reasonable compromise." *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 133. However, the record need not contain an explicit statement of the maximum theoretical amount that the class could recover. *See Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles* (2010) 186 Cal. App. 4th 399, 409 ("*Kullar* does not… require any such explicit statement of value; it requires a record which allows "an understanding of the amount that is in controversy and the realistic range of outcomes of the litigation."). "If the proposed settlement appears to be the product of serious, informed, non-collusive negotiations, has no obvious deficiencies, does not improperly grant preferential treatment to class representatives or segments of the class, and falls within the range of possible approval, then the court should direct that notice be given to the

Class Members of a formal fairness hearing, at which evidence may be presented in support of and in opposition to the settlement." Manual for Complex Litigation, Second § 30.44, at 229.

In deciding whether to approve a proposed class action settlement, the Court must find that a proposed settlement is "fair, adequate, and reasonable" and falls within the "range of approval." *Dunk*, 48 Cal.App.4th at 1801-02. The trial court considers all relevant factors, such as "the strength of plaintiffs' case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction of the Class Members to the proposed settlement." *Id.* The Settlement satisfies all of these requirements.

VI. THE SETTLEMENT IS FAIR, ADEQUATE, AND REASONABLE

The Court's decision to preliminarily approve a settlement is granted great deference as an exercise within its broad discretion. *Wershba v. Apple Computer, Inc*. (2001) 91 Cal.App.4th 224, 234-235. As a matter of public policy, courts both encourage the use of the class action device and favor settlement over continued litigation. *See, e.g., Linder v. Thrifty Oil Co.* (2000) 23 Cal. 4th 429, 434 ("Courts have long acknowledged the importance of class actions as a means to prevent a failure of justice in our judicial system."); *Class Plaintiffs v. City of Seattle* (1992) 955 F.2d 1268, 1276 ("[S]trong judicial policy . . . favors settlements, particularly where complex class action litigation is concerned.").

A. The Settlement is the Result of Serious, Informed, Non-Collusive Negotiations.

The Settlement was reached as a result of arm's length negotiations after the completion of pertinent discovery and the exchange of necessary class data. (Kim Decl. ¶ 23.) The negotiations have been, at all times, adversarial and non-collusive in nature. (*Id*.) *See*, 4 Newberg on Class Actions (5th ed.) § 13:45 (due to the preference of settlement over litigation, "a court will presume that a proposed class action settlement is fair when certain factors are present, particularly evidence that the settlement is the product of arms-length negotiation, untainted by collusion."). Although Plaintiffs maintain that their claims are meritorious, Plaintiffs

acknowledge that there were substantial risks and uncertainty in proceeding with litigation. (*Id*.) As discussed below, Defendants presented multiple defenses to Plaintiffs' claims, both on the merits and with respect to class certification. (*Id*.) Thus, success was far from guaranteed through class certification and ultimately trial. (*Id*.) Assistance from a well-respected mediator ensured negotiations between the Parties were non-collusive and well-informed. (*Id*.)

B. Extent of Discovery and Stage of Proceedings.

As stated above, the Parties engaged in substantial informal discovery before the Settlement was reached to allow them to fully evaluate the class claims and Defendants' defenses. (*Id.* at ¶ 24.) This litigation has reached the stage where the Parties have a clear view of their respective strengths and weaknesses in this case. (Id.)

C. The Strength of Plaintiffs' Case and the Risk, Expense, Complexity, and Likely Duration of Any Litigation.

Plaintiffs allege that Defendants failed to pay Class Members at least minimum wages for all hours worked and proper overtime wages for hours worked in excess of eight hours in a day and 40 hours in a week. (Kim Decl., ¶ 26.) Specifically, Plaintiffs allege that Defendants required Class Members to perform work prior to clocking in, including completing COVID screenings and tests. Plaintiffs also allege that Defendants paid bonuses to Class Members but failed to incorporate the bonuses into the regular rate when paying sick pay, premium payments, vacation pay, and overtime. (*Id.*)

Defendants contend that they did not require off the clock work, paid for all reported hours worked, that Class Members were instructed and required to record all hours worked, that any alleged off the clock work was performed without Defendants' knowledge and was de minimis, and that they paid wages at the proper rates. (Kim Decl., at ¶ 27.) Defendants also argued that given their written policies and practices, any unrecorded hours are likely subject to individualized inquiry and unlikely to be certified. (*Id.*) Defendants contend that any bonuses paid were discretionary in nature and not required to be included in the regular rate of pay. (*Id.*)

Plaintiffs allege that Defendants failed to provide Class Members with compliant meal periods as required under the Labor Code. (Kim Decl., ¶ 28.) For example, Plaintiffs allege that

Class Members were unable to take timely and uninterrupted meal periods due to Defendant's job requirements. (*Id.*)

Defendants contend that Class Members were given a reasonable opportunity to take their meal periods and that any deviations were at the voluntary election of Class Members. (Kim Decl., ¶ 29.) Moreover, when compliant meal periods were not provided, Defendants contend that they provided premium pay to Class Members as reflected in their time and pay records. (*Id.*) Defendants further contend that the meal break claim requires individualized inquiries which would preclude class certification. (*Id.*)

Plaintiffs contend that Defendants did not provide Class Members with compliant paid 10-minute rest breaks for every four hours or major fraction thereof. (Kim Decl., ¶ 30.) Specifically, Plaintiffs allege that Defendants required Class Members to work through their rest breaks and prohibited Class Members from leaving the premises during the rest breaks. (*Id*.)

Defendants maintain that they did provide a reasonable opportunity for Class Members to take duty-free rest breaks during their shifts and dispute all allegations that rest breaks were not provided. (Kim Decl., ¶ 31.) Defendants contend that there were no restrictions on where Class Members can go or what they can do during their rest breaks. (*Id*.)

Additionally, Plaintiffs allege that Defendants required Class Members to incur certain expenses for their jobs with Defendants without reimbursement from Defendants. (Kim Decl., ¶ 32.) Defendants contend that they reimbursed any business expenses incurred by employees pursuant to their reimbursement policy and that any expenses incurred by Class Members were not required to be reimbursed under the law. (*Id*.)

As for the wage statement and waiting time penalties claims, Plaintiffs allege that Defendants consistently failed to provide Class Members with accurate and itemized wage statements and all wages due to Class Members upon termination of their employment with Defendants. (Kim Decl., ¶ 33.) Defendants contend that these claims are merely derivative of the underlying claims and that Plaintiffs and Class Members would be unable to first establish liability for the underlying claims for the reasons described above. (*Id*.) Defendants further contended that even if Plaintiff could first establish liability for the underlying claims, Plaintiffs

and Class Members would be unable to establish that Defendants' conduct was willful and knowing as required by the relevant statutes since Defendants acted in good faith to provide accurate wage statements and pay all wages due to Plaintiffs and Class Members. (*Id*.) Thus, Defendants contend that the wage statement and waiting time penalties claims to have little to no value. (*Id*.)

Further, Defendants contend that the PAGA claim is also derivative of the underlying claims and ultimately fails because the underlying claims have no merit. (Kim Decl., ¶ 34.) Defendants also contend that even if Plaintiffs could establish Labor Code violations, the Court has the discretion to award less than the maximum civil penalty amount and would award substantially less civil penalties here because Defendants acted in good faith to comply with the relevant wage and hour laws and any violations were minor and technical in nature. (*Id*.)

As stated above, while Plaintiffs and Class Counsel contend the claims asserted in the Action have merit, they also acknowledge the expense, delay, and risks of continued litigation. (Kim Decl., ¶ 36.) Although the Parties engaged in significant informal discovery in advance of mediation, the Parties still had significant discovery to complete had the matter not settled. (*Id*.) This would have required the expenditure of substantial time and resources by both Parties that would have very likely spanned several years. (*Id*.) Even if Plaintiffs were to certify the classes, the Parties would incur considerably more attorney fees and costs through a possible decertification motion, trial, and possible appeal. (*Id*.) This Settlement avoids those risks. (*Id*.)

D. The Risk of Maintaining Class Action Status Through Trial.

Plaintiffs have not yet filed their motion for class certification, and as such, the extent to which Plaintiffs' proposed classes are certifiable is somewhat speculative. (*Id.* at ¶ 37.) Absent settlement, there is a risk that there would not be a certified class at the time of trial, or if there were, it could consist of a significantly smaller group of employees than the proposed Class, resulting in less overall recovery. (*Id*.)

Finally, in class actions, decertification is always a possibility, and there is always a risk that a trial of this magnitude can become unmanageable. (*Id.* at ¶ 38.) Cases like *Duran v. U.S. Bank Nat. Assn*. (2014) 59 Cal. 4th 1, 34 address the complexity of using statistical samples in

class actions and demonstrate that decertification is a real risk that Class Counsel must consider. (*Id*.) A class trial would have also required expert witnesses, the accrual of extensive litigation costs, and the commitment of extensive further time and financial resources. (*Id*.) Finally, given the complexity and unsettled nature of the issues, it is somewhat likely that any outcome at trial would have resulted in a lengthy and costly appeal. An appeal would result in further delay for the Class Members who have already waited years for resolution in this matter. (*Id*.) This Settlement was the product of compromise accounting for those risks and uncertainty. (*Id*.)

E. The Presence of a Governmental Participant

Class Counsel will be submitting the Settlement Agreement and this Motion to the LWDA concurrently with the filing of this Motion pursuant to Labor Code § 2699(l)(2). (*Id*. at ¶ 33.)

F. The Amount Offered in Settlement is Fair Given the Potential Value of the Claims.

Based on an analysis of Plaintiffs' time and pay records and a sampling of time and pay records for the Class, Plaintiffs estimated the potential realistic exposure for the main claims as follows: **$135,524.62** for unpaid wages claims, including overtime, due to off the clock work; **$271,181.51** for meal period violations; **$135,590.75** for rest period violations; **$50,917.50** for unreimbursed business expenses; **$12,684.73** in waiting time penalties; **$53,850.00** for wage statement penalties; and **$81,660.00** for PAGA penalties. (*Id*. at ¶¶ 42-62) As such, the total estimated realistic exposure Defendants could face is **$741,409.13**. (*Id*. at ¶ 62.)

The Gross Settlement Amount of $625,000.00 represents a recovery for the Class of approximately 84% of the total realistic exposure Plaintiffs estimated that Defendants could face on the primary claims in this case. (*Id*.) Plaintiffs and Class Counsel submit that this is an optimal result in the face of uncertainty and the prospects of protracted and contested litigation through class certification, summary judgment, and trial, and particularly in light of all of the factors described above. (*Id*.)

G. A Balance of Risk Factors and *Kullar* Analysis Support Approval

In deciding whether to approve the settlement, the Court must balance these risk factors

against an "understanding of the amount in controversy and the realistic range of outcomes of the litigation." *Kullar v. Foot Locker Retail, Inc*. (2008) 168 Cal.App.4th 116, 130, 133; *Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles* (2010) 186 Cal.App.4th 399, 408-09. The court "must stop short of the detailed and thorough investigation that it would undertake if it were actually trying the case …." *Munoz*, at 408. Plaintiffs' counsel used the comprehensive data and documents provided to perform an analysis of the potential exposure Defendants faced on Plaintiffs' main class-wide claims, establishing the realistic range of outcomes in this case. As noted above, the Gross Settlement Amount represents a recovery of approximately 56% of the estimated total realistic exposure facing Defendants. (Kim Decl., ¶ 62.)

There was a very real prospect that nothing would be recovered by the Class if litigation continued and class certification were ultimately denied. At the same time, further litigation would require the expenditure of significant time and financial resources. Settlement is a prudent compromise that benefits the Class Members promptly.

H. Experience and Views of Counsel

Experienced counsel, operating at arm's length, have weighed the strengths of the case, examined all the issues and risks of litigation, and endorsed the proposed settlement. Class Counsel are experienced in class actions, have represented their client and the Class zealously, and have no conflicts of interest. (Kim Decl., ¶¶ 70-77; Declaration of Kane Moon In Support of Plaintiffs' Motion for Preliminary Approval ("Moon Decl."), ¶¶ 15-34.) Class Counsel submits the Settlement is fair, adequate, and reasonable in view of the risks and other considerations addressed and is well-suited for final approval upon completion of the administration process. (Kim Decl., ¶¶ 62, 77; Moon Decl., ¶¶ 9-10, 33.)

VII. THE PROPOSED CLASS NOTICE PROVIDES ADEQUATE NOTICE TO THE CLASS MEMBERS.

To be deemed proper, a notice must provide the Class Members with sufficient information to make an informed decision as to whether to accept or object to the settlement. *Mullane v. Central Hanover Bank & Trust Co.* (1950) 339 U.S. 306, 314. The notice must apprise the Class Members of the pendency of the action; reasonably convey information

regarding the settlement and the Class Members' rights, entitlements, and obligations; and affords Class Members the opportunity to present their objections. (*Id.*)

The Class Notice provides all the information a reasonable person would need to make a fully informed decision about the settlement. It will notify all Class Members of the terms of the Settlement, its effect on their rights, their options as Class Members (i.e., participate, object, opt-out, and dispute work weeks), and procedures for exercising those options. (Kim Decl., ¶ 14.)

The standard for determining the adequacy of notice is whether it has "a reasonable chance of reaching a substantial percentage of the class members." *Cartt v. Superior Court* (1975) 50 Cal.App.3d 960, 974. Here, the Class Notice will be sent via first-class mail to each of the 189 Class Members at their addresses from Defendants' records. (Kim Decl., ¶ 14, Exhibit 1, Settlement Agreement ¶ 7.4.2.) Upon the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. (Kim Decl., ¶ 14, Exhibit 1, Settlement Agreement ¶ 7.4.3.) The Class Notice should be approved as the best and most practicable way to ensure the greatest possible number of Class Members will receive notice of the Settlement. (Kim Decl., ¶ 68.)

VIII. THE STIPULATED CLASS COUNSEL ATTORNEYS' FEES AND COSTS AWARDS ARE REASONABLE AND SHOULD BE APPROVED.

Class Counsel respectfully requests, without opposition from Defendants, a Class Counsel Fees Payment of **$208,333.33** (up to one-third of the Gross Settlement Amount) and a reasonable Class Counsel Litigation Expenses Payment of actual costs, which are currently estimated not to exceed $25,000.00, subject to approval by the Court. (Kim Decl. ¶ 12.)

Class Counsel submits it has the requisite experience, knowledge, and resources to serve as Class Counsel and to zealously represent the Class. (Kim Decl., ¶¶ 70-77; Moon Decl., ¶¶ 15-34.) Class Counsel have incurred substantial hours in prosecuting this Action on a contingency basis and will not receive any compensation for their efforts until recovery is obtained for the Class. (Kim Decl. ¶ 63.) In addition, Class Counsel's efforts in reaching the Settlement on behalf of the Class will confer a significant benefit to the Class. (*Id.*) As such, the requested Class Counsel Attorneys' Fees and Class Counsel Costs Award are reasonable.

IX. THE CLASS REPRESENTATIVE SERVICE PAYMENTS ARE FAIR AND REASONABLE

"At the conclusion of a class action, the class representatives are eligible for a special payment in recognition of their service to the class." 5 Newberg on Class Actions (5th ed.) § 17:1. Courts approve incentive awards to plaintiffs when justified and appropriate to compensate plaintiffs for time, effort, and inconvenience. *Van Vranken v. Atl. Richfield Co.* (N.D. Cal. 1995) 901 F. Supp. 294, 297. These payments are intended to recognize the time and efforts that the Class Representatives have spent on behalf of the Class. "Courts routinely approve incentive awards to compensate named plaintiffs for the services they provide and the risks they incurred during the course of the class action litigation." See *lngram v. The Coca-Cola Company* (N.D. Ga. 2001) 200 F.R.D. 685, 694 (quoting *In re Southern Ohio Correctional Facility* (S.D. Ohio 1997) 175 F.R.D. 270, 272). In *Coca-Cola*, the court approved service awards of $300,000 to each named plaintiff in recognition of the services they provided to the class by responding to discovery, participating in the mediation process, and taking the risk of stepping forward on behalf of the class. *lngram v. The Coca-Cola Company* (N.D. Ga. 2001) 200 F.R.D. 685, 694; see also *Van Vranken*, *supra*, 901 F.Supp. at 299 (approving $50,000 participation award to plaintiffs).

Plaintiffs are entitled to a reasonable service payment for their efforts and initiative in bringing and helping to prosecute this action. (Kim Decl., ¶ 64.) Plaintiffs spent significant time better apprising themselves of their rights, deciding whether remedial action should be taken and how it should be taken, searching for attorneys, and communicating with Class Counsel. Plaintiffs were consistently communicative with counsel and were responsive to Class Counsel's requests for information for discovery, documentation, and meetings. (*Id.*)

Plaintiffs secured a benefit for the Class worth $625,000.00. The total amount which Plaintiffs are requesting as service payments constitute only 2.4% of the total settlement amount. In light of the foregoing, Class Counsel believes that the requested service payments to the Class Representatives are fair and reasonable. (Kim Decl., ¶ 67.)

X. THE ACTION REQUESTED AS A PART OF THE MOTION FOR PRELIMINARY APPROVAL

Plaintiffs respectfully request that this Court (1) grant preliminary approval of the Settlement, (2) conditionally certify the Class for settlement purposes only, (3) approve Plaintiffs as the Class Representatives and D.Law, Inc. and Moon Law Group, PC as Class Counsel, and (4) set a date for the Final Approval Hearing.

Dated: November 20, 2026

D.LAW, INC.

By _____
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Bradford Smith, Esq.
Attorneys for Plaintiffs and Class