MILLS SADAT DOWLAT LLP
Arash Sadat (SBN 279282)
Camron Dowlatshahi (SBN 308618)
Mir Raza (SBN 358311)
333 South Hope Street, 40th Floor
Los Angeles, CA 90071
Tel.: (213) 628-3856
Email: arash@msdlawyers.com
Email: camron@msdlawyers.com
Email: mir@msdlawyers.com

NICHOLAS & TOMASEVIC, LLP
Craig Nicholas (SBN 178444)
Shaun Markley (SBN 291785)
Jordan Belcastro (SBN 339570)
225 Broadway, 19th Floor
San Diego, California 92101
Tel: (619) 325-0492
Fax: (619) 325-0496
Email: cnicholas@nicholaslaw.org
Email: smarkley@nicholaslaw.org
Email: jbelcastro@nicholaslaw.org

Attorneys for Plaintiffs TAARIQ NASSAR, ISRAEL RIOS, and the Putative Class

**SUPERIOR COURT OF THE STATE OF CALIFORNIA**

**FOR THE COUNTY OF LOS ANGELES**

TAARIQ NASSAR, individually, and on behalf of other members of the general public similarly situated,

Plaintiff,

v.

DOLLY, INC., a Delaware corporation; and DOES 1 through 10, inclusive,

Defendants.

AND ALL RELATED ACTIONS

Case No. 25STCV24123
(Complaint Filed August 15, 2025)
Related and Lead Case No.: 25STCV19205
(Rios Filed July 1, 2025)
Assigned to: Hon. Theresa M. Traber

**PLAINTIFF TAARIQ NASSAR'S AND PLAINTIFF ISRAEL RIOS'S:**

**(1) NOTICE OF MOTION AND MOTION FOR PRELIMINARY APPROVAL OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT AND PROVISIONAL CLASS CERTIFICATION FOR SETTLEMENT PURPOSES ONLY; AND**

**(2) MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT**

[*Declaration of Camron Dowlatshahi, Declaration of Shaun Markley, Declaration of Taariq Nassar, and Declaration of Israel Rios filed concurrently; (Proposed) Order lodged concurrently*]

Date: May 12, 2026
Time: 10:30 AM
Dept: 1

Trial Date: None Set

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

**PLEASE TAKE NOTICE** that on May 12, 2026 at 10:30 a.m., or as soon thereafter as the case may be heard, in Department 1 of the Los Angeles Superior Court of the State of California, Spring Street Courthouse, located at 312 N Spring St, Los Angeles, CA 90012, Plaintiffs Taariq Nassar and Israel Rios ("Named Plaintiffs" or "Plaintiffs"), on behalf of themselves and all others similarly situated and aggrieved, will and hereby do move for Preliminary Approval of the proposed Class Action Settlement and Representative Action Settlement in this case.

This Motion is unopposed and based on the Class Action and PAGA Settlement Agreement and Class Notice ("Settlement Agreement"), which is attached to the concurrently filed Declaration of Camron Dowlatshahi as **Exhibit 1**. Plaintiffs further moves for an Order that:

1. Grants preliminary approval of the Class Action and PAGA Settlement;
2. Certifies a class for settlement purposes only;
3. For purposes of settlement, designates Plaintiffs Taariq Nassar and Israel Rios as the Class Representatives, Camron Dowlatshahi and Arash Sadat of the law firm of Mills Sadat Dowlat LLP and Shaun Markley of the law firm of Nicholas & Tomasevic, LLP as Class Counsel;
4. Appoints CPT Group as the Settlement Administrator;
5. Approves, as to form and content, the Class Notice attached as Exhibit A to the Settlement Agreement submitted in support of this Motion; and

6. Sets a Final Approval and Settlement Fairness Hearing on the first available date after May 12, 2026 to provide time for the notice process and preparation of and proper service of the Motion for Final Approval.

This Motion will be based on this Notice of Motion, the attached Memorandum of Points and Authorities, the concurrently filed declarations of Camron Dowlatshahi, Shaun Markley, Taariq Nassar, and Israel Rios, and exhibits attached thereto, argument of counsel and upon such other material contained in the file and pleadings of these related actions.

Dated: April 8, 2026

MILLS SADAT DOWLAT LLP

By: ______________________________
Camron Dowlatshahi

Attorneys for Plaintiff Taariq Nassar
and the Putative Class

Dated: April 8, 2026

NICHOLAS & TOMASEVIC, LLP

By: ______________________________
Shaun Markley

Attorneys for Plaintiff Israel Rios
and the Putative Class

## MEMORANDUM OF POINTS AND AUTHORITIES

## I. FACTUAL AND PROCEDURAL BACKGROUND

This case arises from the alleged misclassification of a class of delivery drivers and movers who use the platform offered by Dolly, Inc. ("Defendant" or "Dolly") throughout California. Since approximately 2021 and continuing through the present, class members perform delivery and moving services using Defendant's app-based platform, which connects them with retail and residential customers. Although Defendant classifies these workers as independent contractors, Plaintiffs contend that their working conditions and job duties establish that they are employees entitled to the full protections of the California Labor Code and Wage Orders. (Declaration of Camron Dowlatshahi ["Dowlatshahi Decl."], ¶ 2.)

On February 17, 2025, and again on April 23, 2025, Plaintiff Taariq Nassar ("Mr. Nassar" or "Plaintiff Nassar") sent a demand letter to Dolly requesting his personnel file and payroll records in furtherance of putative wage and hour claims, including for unpaid overtime, unpaid meal and rest break premiums, unreimbursed business expenses, and related penalties. (Dowlatshahi Decl., ¶ 3.)

On February 28, 2025, Israel Rios ("Mr. Rios" or "Plaintiff Rios"), through his counsel, submitted to the Labor and Workforce Development Agency ("LWDA") a Private Attorneys General Act ("PAGA") notice pursuant to Labor Code section 2699.3. The notice included allegations against Defendant regarding misclassification of workers as independent contractors, failure to reimburse business expenses, unlawful deductions from wages, failure to pay minimum wage, failure to pay overtime compensation, failure to provide meal and rest breaks, failure to pay premiums, and inaccurate wage statements. Plaintiff Rios received no indication that the LWDA intended to investigate. (See Declaration of Shaun Markley ["Markley Dec."], ¶ 12.)

On July 1, 2025, Mr. Rios filed in Los Angeles Superior Court a Class and Representative Action Complaint, Case No. 25STCV19205 (the "Rios Action"), asserting the following causes of action against Defendant: (1) failure to reimburse business expenses; (2) unlawful deductions from wages; (3) failure to provide accurate wage statements; (4) failure to provide overtime; (5) failure to provide meal periods; (6) failure to provide rest breaks; (7) failure to pay wages when due; (8) unfair business practices; and (9) PAGA.

On August 15, 2025, counsel for Mr. Nassar submitted to the LWDA a PAGA notice pursuant to Labor Code section 2699.3. The notice included allegations against Defendant regarding misclassification of workers as independent contractors, failure to pay minimum wage, failure to pay overtime compensation, failure to provide meal and rest breaks, failure to pay premiums, inaccurate wage statements, and failure to reimburse business expenses. Plaintiff Nassar received no indication that the LWDA intended to investigate. (Dowlatshahi Decl., ¶ 6.)

On August 15, 2025, Mr. Nassar filed in Los Angeles Superior Court a Class and Representative Action Complaint, Case No. 25STCV24123 (the "Nassar Action"), asserting the following causes of action against Defendant: (1) failure to pay minimum wage; (2) failure to pay overtime compensation; (3) failure to provide meal periods; (4) failure to provide rest periods; (5) failure to indemnify necessary business expenses; (6) waiting time penalties; (7) failure to provide accurate wage statements; (8) violation of unfair competition law; and (9) PAGA. The Nassar Action was filed on behalf of Mr. Nassar himself and other aggrieved users of Dolly who used the Dolly platform as independent contractors in California, seeking civil penalties and unpaid wages, where applicable. (*Id.*, ¶ 3.)

Thereafter, counsel for Plaintiff Rios and counsel for Plaintiff Nassar (hereinafter "Class Counsel") and Defense Counsel engaged in informal discovery regarding each Plaintiff's claims. The Rios Action and Nassar Action (collectively, the "Actions") involve parallel class wage and hour and PAGA actions by two users of the Dolly platform. Both Plaintiffs agreed to jointly retain their respective counsel to jointly prosecute this action. On October 15, 2025, Mills Sadat Dowlat LLP and Nicholas & Tomasevic, LLP entered into a joint prosecution and fee-sharing agreement in connection with the Nassar Action and Rios Action. (*Id.*, ¶¶ 8-9.)

On October 21, 2025, the Parties participated in an all-day mediation presided over by Tripper Ortman, a well-regarded mediator, who has mediated many wage and hour class actions. Although the Parties were unable to reach an agreement at the mediation and reached an impasse at that time, they continued to engage in good-faith, arm's-length negotiations with the assistance of the mediator following the mediation session. As a result of those continued efforts, the Parties reached a settlement in principle on November 7, 2025 by jointly accepting a mediator's proposal, and executed a Memorandum of Understanding shortly thereafter. (*Id.*, ¶ 10.)

The Parties have conducted significant investigation of the facts and law during the prosecution of the Nassar Action and Rios Action. Counsel for Plaintiff Nassar and counsel for Plaintiff Rios conducted robust client interviews, reviewed data and information available on their clients' Dolly apps, analyzed the public statements and representations Defendant made on its website, app, and related platforms, and talked to putative class members about their experiences with Dolly. (*Id.*, ¶ 11.) Counsel also investigated the law as applied to the facts discovered regarding the alleged claims of Plaintiffs and potential defenses thereto. This included researching California's carve outs from the normal worker classification laws under the ABC test including Proposition 22's "app based driver" regulations and various carve outs from the ABC test like the referral agency exemption. (*Ibid.*) Counsel also obtained and worked with experts to understand the potential damages claimed by Plaintiffs and the putative class. (*Ibid.*)

Plaintiffs contend that Dolly, an app-based moving and delivery company, masks its scope of operations and control as an employer behind a "gig worker" veneer. Dolly operates a moving and logistics application and promises customers fixed prices and set delivery windows, while shifting costs and risks onto its workforce. In Plaintiffs' view, the putative class is a necessary workforce within Defendant's usual course of business that are, in practice, bound to follow Dolly's control and direction which easily meets California's definition of an employee under the ABC test. *See* Cal. Lab. Code, § 2775. (*Id.*, ¶ 12.)

On the other hand, Defendant denies all of Plaintiffs' allegations and contend that it properly classifies users of the Dolly platform as independent contractors, under all applicable tests.

Prior to mediation, Plaintiffs' counsel obtained, through informal discovery, a data set covering a class period from August 15, 2021 through July 24, 2025. The data included records for 2,383 workers, who performed moving and delivery services in California during this time, for a total of 33,792 workweeks. The production consisted of a class list identifying each worker and a comprehensive list of all California jobs completed during the potential class period. The job list contained the job ID number, job start date, worker IDs assigned to the job, job type (*e.g.*, store pickup, full apartment move, labor-only), origin city and ZIP code, destination city and ZIP code, job duration, and total labor cost. Plaintiff Nassar's expert statistician performed a data and damages analysis that was presented during mediation. (*Id.*, ¶ 13.)

Defendant denied, and continues to deny, each of the allegations asserted in the litigation, has repeatedly asserted and continues to assert defenses to Plaintiffs' claims and contentions, and expressly denied and continues to deny that it engaged in any wrongdoing or has any liability arising out of any of the facts or conduct alleged in the litigation. Nevertheless, the Parties tentatively agreed upon terms to settle the litigation on a class and representative basis after considering the sharply disputed factual and legal issues involved in this litigation, the risks associated with further prosecution, and the substantial benefits to be received pursuant to the compromise and settlement of the Actions.

Class Counsel is aware of a PAGA notice submitted by Hamner Law Offices on behalf of George Jones (LWDA No. LWDA-CM-1034245-24) against Defendant on June 17, 2024. At this time, Class Counsel is not aware of any filed civil action connected to that notice, and no other pending litigation is known to be affected by this settlement.

## II. <u>THE SETTLEMENT</u>

Subject to court approval pursuant to Code of Civil Procedure section 382 and California Rules of Court, rule 3.679, *et seq.*, Plaintiffs and Defendant have agreed to settle the Actions by agreement upon the terms and conditions and for the consideration set forth in the Settlement Agreement, a copy of which is attached to the concurrently filed Declaration of Camron Dowlatshahi ("Dowlatshahi Decl.") as Exhibit 1. A summary of the terms of the settlement is as follows:

- Defendant will stipulate, for the purposes of this settlement only, to certification of a class defined as: persons who are current and former users of Dolly who used the Dolly platform as an independent contractor, including as a Helper, Hand, or Assistant, in California from July 2, 2021 through May 31, 2026 (the "Class Period" and each individual in the class a "Class Member") (Dowlatshahi Decl., Exhibit 1, ¶¶ 1.5, 1.9, 1.12);

- Defendant shall pay a total of $2,000,000.00, which is referred to herein as the Gross Settlement Amount (*id.*, ¶ 1.22, 3.1);
- Defendant shall additionally be responsible for payment of the employer portion of payroll taxes due on the wage portion of each Individual Class Payment, if any (*id.*, ¶¶ 3.1);
- An Individual Class Payment will be calculated by (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 the Participating Class Member's Workweeks (*id.*, ¶ 3.3.1);
- The Administration Expenses, not to exceed $19,000.00, will be paid out of the Gross Settlement Amount (*id.*, ¶ 3.2.3);
- Class Counsel will apply for, and Defendant will not oppose, attorneys' fees of not more than one-third (33.33%) of the Gross Settlement Amount, which fees are currently estimated to be $666,600.00, and Class Counsel Litigation Expenses of not more than $38,000, all of which will be paid out of the Gross Settlement Amount (*id.*, ¶ 3.2.2);
- Class Counsel will apply for, and Defendant will not oppose, an enhancement award of not more than $10,000.00 to each Plaintiff (the "Class Representative Service Payments"), which will be paid out of the Gross Settlement Amount (*id.*, ¶ 3.2.1);
- All Participating Class Members will release Defendant and all other Released Parties from all claims that were alleged in or reasonably could have been alleged based on the facts occurring during the Class Period as stated in the PAGA Notices or the

Operative Complaints. Except as set forth in Exhibit 1 at ¶ 5.3, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside of the Class Period (*id.*, ¶ 5.2);

- 100% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for non-wages, expense reimbursement, interest and penalties. These constitute non-wages and are not subject to wage withholdings and will be reported on IRS Form 1099, if required by law. Participating Class Members assume full responsibility and liability for any taxes owed on their Individual Class Payment, excluding the Employer Payroll Taxes, if any (*id.*, ¶ 3.3.1.1);
- Defendant has agreed to pay $50,000.00 as PAGA Penalties, with sixty-five percent (65%) or $32,500.00 of which will be paid to the LWDA, and thirty-five percent (35%) or $17,500.00 of which will be allocated to the Individual PAGA Payments (*id.*, ¶¶ 3.2.4, 3.2.5)—all of which shall be paid out of the Gross Settlement Amount;
- The PAGA Period means the period from April 27, 2024 through May 31, 2026 (*id.*, ¶ 1.31); and
- Participating Class Members will have 180 days from the date of mailing of the check to cash their check. The face of each check shall prominently state the "void date." The Administrator will cancel all checks not cashed by the void date. (*Id.*, ¶ 4.3.1.) For any check uncashed or cancelled after the void date, the Administrator shall transmit the funds represented by such checks to Legal Aid at Work, a Court-approved nonprofit organization or foundation consistent with California Code of Civil Procedure section 384, subdivision (b) ("Cy Pres Recipient"). (*Id.*, ¶ 4.3.3.)

## III. <u>THE TWO-STEP APPROVAL PROCESS</u>

Any settlement of class litigation must be reviewed and approved by the Court. This is done in two steps: (1) an early (preliminary) review by the trial court; and (2) a final review after notice has been distributed to the class members for their comment or objections. The Manual for Complex Litigation Second states at section 30.44:

> A two-step process is followed when considering class settlements ... 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 representative 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. (*Id.* at§ 10 (1985).)

Thus, the preliminary approval of the trial court is simply a conditional finding that the settlement appears to be within the range of the acceptable settlements. As class action Professor Herbert B. Newberg comments, "The strength of the findings made by a judge at a preliminary hearing or conference concerning a tentative settlement proposal may vary. The court may find that the settlement proposal contains some merit, is within the range of reasonableness required for a settlement offer or is presumptively valid subject only to any objections that may be raised at a final hearing." (4 Conte & Newberg, Newberg on Class Actions ["Newberg on Class Actions"], § 11.26 (4th Ed. 2002).)

The procedures for submission of a proposed settlement for preliminary approval is discussed at section 11.24 through 11.26 of Newberg on Class Actions. Newberg observes at section 11.24:

> When the parties to an action reach a monetary settlement, they will usually prepare and execute a joint stipulation of settlement, which is submitted to the court for preliminary approval. The stipulation should set forth the central terms of the agreement, including but not limited to, the amount of the settlement, form of payment, manner of determining the effective date of settlement, and any recapture clause.

The Settlement Agreement in this case is fair, reasonable, and in the best interest of the class.

## IV. <u>THE SETTLEMENT IS FAIR AND REASONABLE BASED UPON OBJECTIVE EVIDENCE</u>

A proposed settlement is presumed to be fair when the following factors are present: (1) it is reached through arm's-length negotiations; (2) investigation and discovery are sufficient to allow counsel and the court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small. (*Dunk*, 48 Cal.App.4th at p. 1802.)

As set out above, the settlement was reached after an unsuccessful, full day mediation when both parties accepted a mediator's proposal. (Dowlatshahi Decl., ¶ 27.) The settlement was reached after extensive factual and legal investigation and research, a review of pleadings, informal discovery, exchanges of documents and information, statistical analysis of Defendant's worker data, review of Defendant's policies, discussions with Plaintiffs and other witnesses regarding Defendant's wage practices, correspondence and negotiation between counsel, settlement discussions prior to mediation, a full day of mediation, review of evidence and rulings in similar actions litigated elsewhere in the state, and a review of similar cases in the same industry elsewhere in the country. (*Ibid.*) Finally, counsel for both firms involved are highly experienced in employment class actions and independent contractor misclassification cases.. (*Id*., ¶¶ 72-86; Markley Decl. ¶¶ 2-10.) Thus, there is a presumption of fairness here.

In determining whether the settlement is actually within the range of fairness, courts consider additional factors such as the strength of the plaintiff's case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status throughout trial, the amount offered in settlement, and the experience and views of counsel. (*Hanlon v. Chrysler Corp.* (1998) 150 F.3d 1011, 1026, *overruled on other grounds by Wal-Mart v. Dukes* (2011) 564 U.S. 338; *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 128; *Dunk*, 48 Cal.App.4th at p. 1794, 1800-1801; *Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 245.) Furthermore, courts give "proper deference to the private consensual decision of the parties[.]" (*Hanlon*, 150 F.3d at p. 1027.)

These additional *Dunk/Kullar* factors also support that the settlement is fair and reasonable. Plaintiffs obtained a fair percentage of the realistic recovery at issue here (*Kullar,* 168 Cal.App.4th at pp. 116, 133 [courts should "consider enough information about the nature and magnitude of the claims being settled, as well as the impediments to recovery, to make an independent assessment of the reasonableness of the terms to which the parties have agreed."].) Plaintiffs estimate maximum realistic exposure in this case as follows:

- Labor Code, § 2802 (unreimbursed business expenses): $966,437.20. Based on putative class data, Plaintiffs calculated 1,230,832 miles at IRS rate of 72 cents a mile which amounts to $892,353.20. Plaintiffs also assumed $1/day for cell phone and data reimbursement which amounts to $74,084.
  (Dowlatshahi Decl., ¶¶ 37-40.)
- Labor Code, §§ 226.7, 512 (missed meal break): $177,110. From the putative class data, Plaintiffs identified 6,769 shifts over five hours qualifying for a meal break. Plaintiffs assumed a 50% violation rate where no break was available and an average regular rate of pay at $52.33. (*Id.*, ¶¶ 41-42.)
- Labor Code, §§ 226.7, 512 (missed rest break): $396,844. From the putative class data, Plaintiffs identified 15,167 shifts over 3.5 hours qualifying for a rest break. Plaintiffs assumed a 50% violation rate where no break was available and an average regular rate of pay at $52.33. (*Id.*, ¶ 43.)
- Labor Code, § 510 (overtime): $34,406. From the putative class data, Plaintiffs identified only 1,315 overtime hours (over 8 in a day) which is expected given the gig nature of the work. Using the average regular rate of pay of $52.33 and applying the 0.5 x premium for every overtime hour amounts to $34,406. (*Id.*, ¶ 44.)
- Labor Code, § 203 (waiting time penalties): $5,595,123. From the putative class data, Plaintiffs identified 1,188 workers who had not used the platform or performed a job in 2025. Plaintiffs used a shift of 3 hours pay over the maximum of 30 days for each former worker at the average hourly rate of $52.33/hour. (*Id.*, ¶ 45.)
- Labor Code, § 226 (wage statements): $481,800. Using biweekly pay periods results in 4,818 pay periods over the relevant statutory period and a $100/penalty

rate. (*Id.*, ¶ 46.)

- Labor Code, § 2669 (PAGA): $605,400. From the putative class data, Plaintiffs identified 6,054 PAGA eligible pay periods and applied a $100/violation rate assuming no "stacking" of PAGA penalties. (*Id.*, ¶¶ 47-48.)
- Grand Total in maximum realistic exposure: $8,257,120.20. (*Id.*, ¶ 49.)

Plaintiffs thus obtained through settlement roughly 24% of the realistic exposure in this case which is very strong result and better than most class action settlements. It is certainly within normal ranges for a class settlement. *See e.g.*, *Haralson v. U.S. Aviation Servs. Corp.* (N.D. Cal. 2018) 383 F. Supp. 3d 959, 972-74 (citing cases reflecting approval of settlements at 0.2% to 1.1% of the potential verdict value); *Ramirez v. Benito Valley Farms, LLC* (N.D. Cal. Aug. 25, 2017) 2017 WL 3670794, at *5 (approving settlement paying less than 4.5% of maximum); *In re Mego Fin. Corp. Secs. Litig.* (9th Cir.2000) 213 F.3d 454, 459 (holding that class action settlement recovering 16% of potential exposure was fair and reasonable; "[i]t is well-settled law that a cash settlement amounting to only a fraction of the potential recovery does not per se render the settlement inadequate or unfair. Rather, the fairness and the adequacy of the settlement should be assessed relative to risks of pursuing the litigation to judgment"); *Van Ba Ma v. Covidien Holding Inc*. (C.D. Cal. Jan. 31, 2014) No. 8:12-cv-02161, Dkt. No 26 (court granted preliminary approval of wage and hour class settlement which obtained only 9.1% of projected damages, given the risks of continued litigation).

This is especially true when weighed against the risks of proceeding further. A major risk is individual arbitration of both the class and "individual" portion of the PAGA claim. Defendant had several potentially enforceable arbitration provisions in place with the putative class over the class period. (*Id.*, ¶¶ 50-51.) Furthermore, while Plaintiffs believe they would have certified a class, this also carries substantial risk.

On the merits, Plaintiffs would need to prove the threshold issue of misclassification and overcome various defenses to applicable tests of employment over the class period. (*Ibid*.)

Good faith defenses to penalties in these contexts also create risk. For PAGA, wage statements, and waiting time penalties, there is either discretion to issue them or a good faith defense which can attach in independent contractor cases. Markley Dec., ¶ 39.; and *see e.g., Dalton v. Lee Publ'ns, Inc*. (S.D. Cal. Mar. 22, 2011) No. 08cv1072 BTM (NLS), 2011 WL 1045107, at *5-6.

Plaintiffs also recognized the potential expense and complexity posed by proceeding further with this litigation on a class basis. Plaintiffs' claims in these Actions—claims that involve numerous Class Members during the Class Period working with Defendant—would require substantial preparation and discovery and ultimately would involve the deposition and presentation of numerous more witnesses (including Class Members and expert witnesses), as well as the consideration, preparation, and analysis of expert reports. Therefore, further class litigation, if permitted, would have carried with it significant expense incurred by each side (above and beyond the tens of thousands of dollars of expense already incurred).

Again, Plaintiffs and Defendant have very strong, and opposing, positions on liability in this case. Defendant denies any wrongdoing of any kind associated with the claims alleged in the Actions, and further denies that, for any purpose other than that of settling this lawsuit, the allegations in the Actions are appropriate for class treatment. In light of the sharply contested legal and factual issues, the risks of continued litigation, and substantial benefits to Class Members under the settlement, the terms and conditions of this class settlement are fair and reasonable to all sides. Plaintiffs' experienced counsel agree that this settlement at this juncture of the case is a wise decision. (Dowlatshahi Decl., ¶¶ 50-59; Markley Decl., ¶ 11.)

## V. <u>THE COURT SHOULD PRELIMINARILY APPROVE THE PROPOSED ATTORNEYS' FEES AND COSTS AS REASONABLE</u>

At the final approval stage, Class Counsel will seek an attorneys' fees award of not more than one-third (33.33%) of the Gross Settlement Amount, or $666,600.00, and Class Counsel Litigation Expenses of not more than $38,000. Counsel for Plaintiff Nassar, Mills Sadat Dowlat LLP ("MSD"), and counsel for Plaintiff Rios, Nicholas & Tomasevic LLP ("NT"), agree that the Class Counsel Fees Payment approved by the Court shall be allocated as follows: fifty percent (50%) to MSD and fifty percent (50%) to NT. The Class Counsel Litigation Expenses Payment shall be allocated between Plaintiffs' firms based upon the expenses actually incurred by each firm as will be set forth in the declarations by Class Counsel at final approval. (Dowlatshahi Decl., ¶ 60.)

The requested fee falls well within the historical range of attorneys' fee awards under the common fund theory, which is generally from 25 to 50 percent. The requested fee is fair compensation for undertaking complex, risky, expensive, and time-consuming litigation on a contingent fee basis. The California Supreme Court has expressly recognized that the awarding of a percentage of the "common fund" created as a result of the settlement is an appropriate method for the calculation of an attorneys' fees award in a class action. (*Laffitte v. Robert Half Intern. Inc.* (2016) 1 Cal.5th 480, 503-504.) The purpose of the common fund/percentage approach is to "spread litigation costs proportionally among all the beneficiaries so that the active beneficiary does not bear the entire burden alone." (*Vincent v. Hughes Air West, Inc.* (9th Cir. 1977) 557 F.2d 759, 769; *see also Laffitte*, 1 Cal.5th at p. 489.) In *Quinn v. State of California* (1995) 15 Cal.3d 162, the California Supreme Court stated that "one who expends attorneys' fees in winning a suit which creates a fund from which others derive benefits may require those passive beneficiaries to bear a fair share of the litigation costs." (*Id.*, p. 167.) Similarly, in *City and County of San Francisco v. Sweet* (1995) 12 Cal.4th 105, the California Supreme Court recognized that the common fund doctrine has been applied "consistently in California when an action brought by one party creates a fund in which other persons are entitled to share." (*Id.*, p. 110.)

At final approval, Plaintiffs' counsel will also address the "lodestar method," which focuses on the amount of work done, is the alternative method for determining attorney fee awards. (*Lafitte*, 1 Cal.5th at p. 489.)

At this stage, the Court should preliminarily approve the requested attorneys' fees and costs, which are justified by the results achieved, the complexity of the issues, the difficulty of the case, the time expended, and the great risk undertaken by Class Counsel so that notice can go out to the Class.

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## VI. NOTICE OF SETTLEMENT AGREEMENT AND APPOINTMENT OF SETTLEMENT ADMINISTRATOR

A notice of settlement of a class action "must contain an explanation of the proposed settlement and procedures for class members to follow in filing written objections to it and in arranging to appear at the settlement hearing and state any objections to the proposed settlement." Rules of Court, rule 3.769(f). Attached to the Declaration of Camron Dowlatshahi as Exhibit 1 is the Settlement Agreement between the Parties. Attached to the Settlement Agreement as Exhibit A is the proposed Notice of Proposed Settlement of Class Action and Hearing Date for Final Court Approval ("Class Notice") to be distributed to the Class Members. The proposed Class Notice satisfies these requirements.

The Parties respectfully request that this Court approve the above-referenced Class Notice and dissemination of the Class Notice to the Class Members, consistent with the manner and timing as set forth in the Settlement Agreement. The Parties have agreed to use CPT Group, an experienced settlement administrator, to administer the settlement. The Parties have further agreed that the Administration Expenses Payment, not to exceed $19,000.00, will be paid out of the Gross Settlement Amount. It is requested that the Court appoint CPT Group to serve as the Administrator. The Parties and their counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements. (Dowlatshahi Decl., ¶¶ 95-96.)

## VII. THE REQUESTED ENHANCEMENT AWARD TO THE NAMED PLAINTIFFS AND CLASS REPRESENTATIVES IS REASONABLE

Named plaintiffs in class action lawsuits "are eligible for reasonable incentive payments to compensate them for the expense or risk they incur in conferring a benefit on other members of the class. (*Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles* (2010) 186 Cal.App.4th 399.) Plaintiffs in this case undertook obligations like answering extensive questions by Class Counsel, reviewing the Complaints, providing information for and being available by phone during mediation, and risking the public association of their names with a class action. Furthermore, Plaintiffs will be providing Defendant a general release of all claims in exchange for the enhancement award. As Plaintiffs will show at final approval, the $10,000 for each named Plaintiff is appropriate here. At this stage, the Court should approve notice of the enhancement going to the class. (Dowlatshahi Decl., ¶¶ 97-101.)

## VIII. THE PROPOSED CY PRES RECIPIENT IS APPROPRIATE

For any portion of the Net Settlement Sum or PAGA Payment allocated to Participating Class Members and/or Aggrieved Employees that is not claimed by them by cashing their respective settlement checks within 180 days, the remaining amount shall be paid to Legal Aid at Work under the doctrine of *cy pres*. Utilizing a *cy pres* beneficiary is reasonable and appropriate in this case pursuant to California Code of Civil Procedure section 384m subdivision (b), to ensure any unclaimed funds are distributed to the fullest extent possible in a manner that furthers the purposes of this wage and hour class action and PAGA case.

The proposed *cy pres* beneficiary, Legal Aid at Work, is a nonprofit organization that partners with low-wage and marginalized workers in California to help them understand and assert their workplace rights through free legal clinics, individual representation, and policy advocacy. These services promote the same goals as this lawsuit, namely, ensuring that workers are paid properly and treated lawfully. The Parties, Class Counsel, and Defense Counsel have no financial or other relationship or any involvement in the governance or work of the proposed *cy pres* recipient, and the organization qualifies as an appropriate *cy pres* beneficiary under California law. (Dowlatshahi Decl., ¶¶ 104-110.)

## IX. CONDITIONAL CERTIFICATION FOR SETTLEMENT PURPOSES

### A. The Class Should Be Preliminarily Certified

In California, there are two certification prerequisites: (1) the existence of an "ascertainable class" and; (2) "a well-defined community of interest in the questions of law and fact involved affecting the parties to be represented." (*Sotelo v. MediaNews Group, Inc.* (2012) 207 Cal.App.4th 639, 647.) In addition, as set forth above, California courts utilize the procedures prescribed by the Federal Rules of Civil Procedure in class actions filed in California.

(*Schneider v. Vennard* (1986) 183 Cal.App.3d 1340, 1345-46; *Daar v. Yellow Cab Co.* (1967) 67 Cal.2d 695, 695; *Vasquez v. Sup. Ct.* (1971) 4 Cal.3d 800.)

Indeed, to certify a class, the party advocating class treatment must demonstrate: (1) a numerous class; (2) predominant common questions of law or fact; (3) class representatives with claims or defenses typical of the class; and (4) class representatives who can adequately represent the class. (*Williams v. Sup. Ct.* (2013) 221 Cal.App.4th 1353, 1360 (citing *Brinker Restaurant Corp. v. Sup. Ct.* (2012) 53 Cal.4th 1004, 1021.) Each criteria is satisfied here:

**1. Numerosity –** According to the California Supreme Court, a putative class is sufficiently numerous to achieve the numerosity requirement if their joinder is impracticable, and thus, substantial benefits accrue both to litigants and the courts if the action proceeds as a class action. (*Linder v. Thrifty Oil Co.* (2000) 23 Cal.4th 429, 435, 446.) While no set number is required as a matter of law for the maintenance of a class action, the California Supreme Court has upheld a class size as low as ten (10) members. (*See Hendershot v. Ready to Roll Transportation, Inc.* (2014) 228 Cal.App.4th 1213, 1222.) Here, there is an estimated class size of 2,432 easily meeting this element.

**2. Identifiable** – Here, the class is identifiable because its definition is precise and comprised of objective criteria rendering the Class Members discernable. The objective criteria includes the nature of the position held by the Class Member (*i.e.*, independent contractor); the time period during which the Class Member held the position (*i.e.*, from July 2, 2021 through May 31, 2026); the state in which the Class Member worked (*i.e.*, California); and the putative employer of the Class Member (*i.e.*, Defendant). Such objective terms are sufficient for finding a class identifiable. (*See e.g., Wilner v. Sunset Life Ins. Co.* (2000) 78 Cal.App.4th 952, 959-60.) Names and contact information stored in user data of the Dolly Platform will be provided to the Administrator to facilitate settlement. (Dowlatshahi Decl., Ex. 1, ¶ 1.8.)

**3. Commonality –** California law also requires that "questions of law or fact common to the class [be] substantially similar and predominate over the questions affecting the individual members." (*In re Steroid Hormone Product Cases* (2010) 181 Cal.App.4th 145, 153.)

Common issues predominate when they would be "the principal issues in any individual action, both in terms of time to be expended in their proof and of their importance." (*Vasquez v. Sup. Ct.* (1971) 4 Cal.3d 800,810; *see also Hatashi v. First American Home Buyers Protection Corp.* (2014) 223 Cal.App.4th 1454, 1462-1463.) Common questions need only be "sufficiently pervasive to permit adjudication in a class action rather than in a multiplicity of suits." (*Vasquez v. Sup. Ct.* (1971) 4 Cal.3d 800, 810.) Commonality is easily satisfied if there is one issue common to class members. (*Hanlon v. Chrysler Corp.* (9th Cir. 1988) 150 F.3d 1011, 1019.)

Here, common issues include, whether Defendant misclassified its users and whether they violated applicable wage and hour laws by failing to reimburse for expenses, pay overtime, and provide meal and rest breaks, among other things. Because there are numerous common issues, this requirement is satisfied for purposes of settlement.

**4. Typicality –** Typicality requires only that the named plaintiff's interests in the action be significantly similar to those of other class members. (*Williams*, 221 Cal.App.4th at 1360 (citing *Brinker Restaurant Corp. v. Sup. Ct.* (2012) 53 Cal.4th 1004, 1021).) A representative plaintiff's claims are typical if they arise from the same event, practice, or course of conduct that gives rise to the claims of other class members, and if his or her claims are based on the same legal theories. (*Miller v. Woods* (1983) 16 Cal.App.3d 862,874; *accord In re Broadwing, Inc. ERISA Litigation* (S.D. OH. 2006) 252 F.R.D. 369, 377 [citing *In re Am. Med. Sys.* (6th Cir. 1996) 75 F.3d 1069, 1079) quot. Newberg on Class Actions, § 3-13 at 3-76].) Indeed, when the same underlying conduct affects the named plaintiff and the class sought to be represented, the typicality requirement is met irrespective of any varying fact patterns that may underlie individual claims. (*See Daniels v. Centennial Group, Inc.* (1993) 16 Cal.App.4th 467, 473.)

In this case, Plaintiffs' claims are precisely the same as those of the class they seek to represent: like other members of the Class, they were Dolly users who used the Dolly platform as independent contractors during the relevant time period in California, and Plaintiffs contend that Defendant's wage policies were uniformly applied to current and former users of Dolly who used the Dolly platform as independent contractors in California. Accordingly, Plaintiffs' claims are typical of those of the Class Members.

**5. Adequacy of Representation –** To maintain a class action, the representative plaintiff must adequately protect the interests of the class. (*Williams*, 221 Cal.App.4th at 1360.) Adequacy of representation consists of two components. First, there must be no disabling conflicts of interest between the class representatives and the class. Second, the class representative must be represented by counsel who are competent and experienced in the kind of litigation to be undertaken. (*See McGhee v. Bank of Am.* (1976) 60 Cal.App.3d 442, 450; *In re Juniper Networks, Inc. Securities Litigation* (N.D. Cal. 2009) 264 F.R.D. 584, 590.)

Both criteria are met in this instance. No conflicts, disabling or otherwise, exist between Plaintiffs and Class Members because Plaintiffs and Class Members have allegedly been damaged by the same purported conduct (*i.e.*, they were classified as independent contractors, not paid overtime wages due, not paid premium pay, not reimbursed business expenses, etc.), and thus, Plaintiffs have the incentive to fairly represent all Class Members' claims to achieve the maximum possible recovery. (Dowlatshahi Decl., ¶ 120; Markley Decl., ¶ 11.)

Class Counsel are experienced employment litigation attorneys with a successful track record litigating wage-and-hour matters. They currently serve as lead counsel in multiple pending wage-and-hour class and representative actions across California jurisdictions, including several that have already obtained preliminary approval of class and PAGA settlements. After a thorough investigation and settlement discussions, the Parties arrived at terms that they viewed as in the best interest of both the Class Members and the Parties. (Dowlatshahi Decl., ¶ 122; Markley Decl., ¶ 11.)

**6. Superiority of Class Action –** Also relevant to the Court's certification decision is whether a class action is the superior method of adjudication. (*Brinker Restaurant Corp. v. Sup. Ct.* (2012) 53 Cal.4th 1004, 1021.) In that vein, "[t]his state has a public policy which encourages the use of the class action device." (*ABM Industries Overtime Cases* (2017) 19 Cal.App.5th 277, 299 [citing *Sav-On Drug Stores, Inc. v. Sup. Ct.* (2004) 34 Cal.4th 319, 240].)

Indeed, "with respect to the superiority of the class action mechanism . . . courts regularly certify class actions to resolve wage and hour claims." (*Id*., p. 300.) "In this arena the class action mechanism allows claims of many individuals to be resolved at the same time, eliminates the possibility of repetitious litigation and affords small claimants with a method of obtaining redress for claims which otherwise would be too insufficient to warrant individual litigation." (*Ibid*.)

This wage and hour class action is no exception and meets all the criteria to establish that it is a superior vehicle for resolution of the issues it seeks to resolve. The class settlement allows claims of many individuals to be resolved at the same time, eliminates the possibility of repetitious litigation, and affords small claimants with a method of obtaining redress for claims which otherwise may be too insufficient to warrant individual litigation. A class action would eradicate the concern of inconsistent rulings regarding the wage and hour issues brought as part of this class action.

## X. <u>CONCLUSION</u>

The proposed Class and PAGA Settlement is fair, adequate, and reasonable. It will result in substantial payments to Class Members and Aggrieved Employees. It is non-collusive and it was achieved as the result of informed, extensive, and arm's-length negotiations conducted by counsel for respective Parties, who are experienced in wage and hour class action litigation.

For the foregoing reasons, the Parties respectfully request that the Court grant preliminary approval of the proposed settlement as set forth in the attached Settlement Agreement, sign the proposed Order, approve and authorize mailing of the proposed Class Notice submitted herewith, and set a date for the final approval hearing.

Dated: April 8, 2026

MILLS SADAT DOWLAT LLP

By: ______________________
Camron Dowlatshahi

Attorneys for Plaintiff Taariq Nassar
and the Putative Class

Dated: April 8, 2026

NICHOLAS & TOMASEVIC LLP

By: ______________________

Shaun Markley

Attorneys for Plaintiff Israel Rios and the Putative Class