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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN MATEO

COMPLEX CIVIL LITIGATION

DEBORAH HUBBARD, on behalf of herself and all others similarly situated,

Plaintiff,

v.

L&T TECHNOLOGY SERVICES LTD., a Delaware Corporation; ALCON VISION, LLC, a Delaware Corporation; and DOES 1 through 50, inclusive,

Defendants.

Case No: 23-CIV-01416

Assigned for all purposes to the Honorable Judge Michael L. Mau

PLAINTIFF'S NOTICE OF MOTION AND MOTION FOR APPROVAL OF PAGA SETTLEMENT AND CERTIFICATION OF AGGRIEVED EMPLOYEES; MEMORANDUM OF POINTS AND AUTHORITIES

[*Filed concurrently with Declaration of Shaun Setareh, Declaration of Deborah Hubbard in support thereof; Declaration of Michael Bui; and [Proposed] Order*]

Date: November 6, 2026
Time: 2:00 p.m.
Dept.: 20

Action Filed: March 28, 2023
FAC Filed: June 7, 2023
Trial Date: None Set

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on November 6, 2026, at 2:00 p.m., or as soon thereafter as the matter may be heard in Department 20 of the above-entitled Court, before the Honorable Michael L. Mau, located at the Superior Court of California, County of San Mateo, Plaintiff Deborah Hubbard ("Plaintiff") will and hereby does move this Court for an Order approving the Parties' settlement of Plaintiff's representative claims under the California Labor Code Private Attorneys General Act of 2004 ("PAGA"), Labor Code section 2698 et seq.

The Motion is made pursuant to Labor Code section 2699(l)(2) on the grounds that the Parties' proposed settlement is fair, reasonable, adequate, and consistent with the purposes and policies of PAGA. The settlement was reached after arm's-length negotiations between experienced counsel with the assistance of respected mediator Michael Loeb following substantial investigation and exchange of information regarding the claims, defenses, and potential exposure in this action.

This Motion is based upon this Notice of Motion and Motion, the accompanying Memorandum of Points and Authorities, the Declarations of Shaun Setareh, Deborah Hubbard, and Michael Bui, the Parties' Settlement Agreement, all exhibits thereto, all pleadings and papers on file in this action, and upon such oral and documentary evidence as may be presented at the hearing.

DATED: June 26, 2026

SETAREH LAW GROUP

By: */s/ Shaun Setareh*

SHAUN SETAREH
BRADLEY FAGNANI
VICTORIA MAS
VICTORIA MAGALI
Attorneys for Plaintiff
DEBORAH HUBBARD

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Cal. Lab. Code § 2699(l)(2)

Cal. Lab. Code § 2802

I. INTRODUCTION

Plaintiff Deborah Hubbard ("Plaintiff") respectfully moves this Court for approval of the Parties' settlement of representative claims asserted pursuant to the California Labor Code Private Attorneys General Act of 2004 ("PAGA"), Labor Code section 2698 et seq. The proposed settlement resolves disputed representative claims arising from alleged wage and hour violations committed by Defendants L&T Technology Services LTD ("LTTS") and Alcon Vision, LLC ("Alcon") (collectively, "Defendants").[1]

After more than two years of litigation, investigation, informal discovery, and mediation before experienced wage-and-hour mediator Michael Loeb, the Parties reached a non-reversionary gross settlement amount of $437,500.00 to resolve Plaintiff's representative PAGA claims on behalf of the State of California and the aggrieved employees.

The settlement provides meaningful relief in light of the risks, uncertainties, and expense associated with continued litigation. The proposed settlement allocates 75% of the net PAGA penalties to the Labor and Workforce Development Agency ("LWDA") and 25% to aggrieved employees, as required by Labor Code section 2699(i). The settlement was negotiated at arm's length with the assistance of an experienced mediator after the Parties exchanged substantial information regarding payroll data, policies, time records, and exposure analyses.

The claims at issue involve disputed allegations concerning meal periods, rest periods, unpaid wages, off-the-clock work, expense reimbursement, wage statements, and waiting time penalties. Plaintiff contends that Defendants maintained facially deficient policies and practices that resulted in systemic violations of the California Labor Code affecting non-exempt employees working in California. Defendants vigorously deny all allegations and maintain that they complied with California law at all times.

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[1] The Parties executed the PAGA Settlement Agreement ("Settlement Agreement" or "Settlement") in June 2026, which is attached as Exhibit 1 to the Declaration of Shaun Setareh, filed concurrently herewith.

Given the substantial risks to Plaintiff's ability to establish liability and recover penalties at trial—including manageability concerns, individualized issues, defenses regarding compliant policies and practices, challenges to derivative penalties, and the discretionary nature of PAGA penalties, the proposed settlement represents a fair, adequate, and reasonable compromise that furthers PAGA's public enforcement goals.

Accordingly, Plaintiff respectfully requests that the Court approve the Parties' PAGA settlement.

II. FACTUAL AND PROCEDURAL BACKGROUND

A. Plaintiff's Employment and Allegations

Plaintiff Deborah Hubbard worked for LTTS while assigned to Alcon's Belmont, California facility as a Manufacturing Technician from approximately August 2021 through June 2022. (Declaration of Shaun Setareh ("Setareh Decl."), ¶ 6.) Plaintiff alleges that although she and other aggrieved employees were classified as non-exempt employees under California law, Defendants maintained policies and practices that resulted in unpaid wages and missed meal and rest periods. (*Id.* ¶¶ 7-8.)

Plaintiff alleges that Defendants maintained facially deficient meal period policies and practices, including policies that allegedly resulted in automatic meal period deductions, delayed meal periods, interrupted meal periods, and failures to provide premium pay for non-compliant meal periods. (*Id.*) Plaintiff further alleges that Defendants failed to authorize and permit compliant rest periods, failed to pay all wages owed including overtime and minimum wages, failed to reimburse business expenses, failed to furnish accurate wage statements, and failed to timely pay final wages. (*Id.*)

Plaintiff additionally alleged that employees were required to perform off-the-clock work, including work associated with COVID-19 screening procedures and work-related communications outside scheduled hours. (*Id.*) Plaintiff also alleged that employees incurred unreimbursed business expenses related to cell phone use and work supplies. (*Id.*)

Defendants deny each and every allegation asserted in the operative complaint, deny violating the California Labor Code, deny that any employee suffered damages or penalties as alleged, and deny that any recovery is warranted.

B. Procedural History

On March 28, 2023, Plaintiff filed the initial complaint in the Superior Court of California, County of San Mateo, captioned *Hubbard v. L&T Technology Services LTD, et al.*, Case No. 23-CIV-01416. (*Id.* ¶ 8.) The complaint asserted wage-and-hour claims arising under the California Labor Code and California Business and Professions Code. (*Id.*)

On June 7, 2023, Plaintiff filed a First Amended Complaint adding representative claims under PAGA. (*Id.* ¶ 9.) Plaintiff's operative pleading alleged causes of action for: (1) failure to provide meal periods; (2) failure to provide rest periods; (3) failure to pay hourly wages; (4) failure to indemnify business expenses; (5) failure to provide accurate wage statements; (6) failure to timely pay final wages; (7) failure to timely furnish personnel records; (8) failure to timely produce payroll records; (9) unfair competition; and (10) civil penalties under PAGA. (*Id.*)

Before filing suit, Plaintiff submitted a timely PAGA notice to the LWDA and Defendants pursuant to Labor Code section 2699.3. (*Id.* ¶ 7, Ex. 2.)

The Parties thereafter engaged in substantial investigation and informal discovery. Plaintiff reviewed payroll data, time records, policies, employee information, and other records produced by Defendants. (*Id.* ¶¶ 11-12, 20.) The Parties also exchanged information concerning the number of allegedly aggrieved employees, pay periods worked during the PAGA period, and potential exposure. (*Id.* ¶¶ 13, 20.)

The Parties ultimately participated in a full-day mediation before experienced wage-and-hour mediator Michael Loeb on May 1, 2025. (*Id.* ¶ 10.) Prior to mediation, the Parties exchanged extensive information concerning Plaintiff's claims, including payroll data, timekeeping records, policies, employee information, and exposure analyses. (*Id.* ¶ 11.) Plaintiff's counsel prepared a detailed mediation brief addressing the factual allegations, legal theories, estimated exposure, and anticipated defenses. (*Id.*) Defendants likewise prepared a comprehensive mediation submission disputing liability and contesting Plaintiff's damages and penalty calculations. (*Id.*)

During mediation, the Parties engaged in extensive arm's-length negotiations regarding the strengths and weaknesses of the claims and defenses, the risks associated with continued litigation, and the uncertainties surrounding representative proof and recoverable PAGA penalties. (*Id.* ¶ 19.) Although the Parties did not immediately finalize all settlement terms at mediation, negotiations continued thereafter through multiple rounds of discussions and revisions to the long-form settlement agreement. (*Id.*)

The settlement presently before the Court is therefore the product of informed, non-collusive negotiations conducted after substantial investigation, analysis, and mediation before an experienced neutral.

C. Investigation and Discovery Conducted

Prior to settlement, Plaintiff conducted a thorough investigation into the claims and potential defenses in this matter. (*Id.* ¶ 12.) Plaintiff and her counsel reviewed payroll and timekeeping records, policies and procedures, wage statements, employee data, and representative evidence concerning meal periods, rest periods, and alleged wage violations. (*Id.*)

Defendants provided data regarding the number of allegedly aggrieved employees and total pay periods worked during the PAGA period. (*Id.* ¶ 13.) The information exchanged reflected approximately 152 allegedly aggrieved employees associated with LTTS and approximately 32 allegedly aggrieved employees associated with Alcon. (*Id.*) The records further reflected thousands of pay periods worked during the relevant period. (*Id.*)

The Parties also analyzed sample timekeeping data regarding meal period timing, allegedly missed or short meal periods, and potential derivative claims. (*Id.* ¶ 16.) Plaintiff's counsel reviewed data concerning shifts exceeding five hours, shifts exceeding six hours, shifts exceeding ten hours, and shifts exceeding twelve hours, as well as allegedly noncompliant meal periods and premium payments reflected in Defendants' records. (*Id.*) The Parties therefore possessed sufficient information to evaluate the strengths and weaknesses of the claims and defenses and to engage in informed settlement negotiations. (*Id.* ¶ 18.) Plaintiff's counsel prepared a damages and exposure analysis based upon the available records and alleged Labor Code violations. (*Id.* ¶ 14.)

Plaintiff's counsel also evaluated the strengths and weaknesses of Plaintiff's derivative claims for wage statement penalties, waiting time penalties, and reimbursement claims. (*Id.* ¶ 17.) Plaintiff's analysis considered potential defenses concerning individualized issues, employee choice, timekeeping accuracy, and the availability of representative proof. (*Id.*)

The investigation and analysis conducted by Plaintiff and her counsel provided a meaningful basis upon which to evaluate the fairness and adequacy of the proposed settlement. (*Id.* ¶ 18.) Per the terms of the Memorandum of Understanding, Defendants provided an updated estimate of the number of Aggrieved Employees (312) and PAGA Pay Periods (8,423) at the time of execution of the Settlement Agreement. (*Id.* Ex. 3 ¶ 10.)

III. MATERIAL TERMS OF THE SETTLEMENT

A. Gross Settlement Amount

The settlement provides for a non-reversionary Gross Settlement Amount of $437,500.00. The Gross Settlement Amount will fully resolve the Released PAGA Claims arising during the PAGA period. (*Id.* Ex. 1, ¶ 3.2.)

B. Settlement Group

The settlement resolves representative PAGA claims on behalf of all non-exempt employees of LTTS who worked in California during the PAGA period and all non-exempt employees of Alcon who worked at Alcon's Belmont, California facility during the PAGA period. (*Id.* Ex. 1, ¶¶ 1.4.)

C. PAGA Period

The settlement covers the period from March 28, 2022 through the date of Court approval of the settlement. (*Id.* Ex. 1, ¶ 1.19.)

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D. Proposed Allocations

Subject to Court approval, the Gross Settlement Amount will be allocated as follows: Attorneys' Fees for up to one-third of the Gross Settlement Amount (currently estimated at **$145,832.00**), litigation costs for up to $20,000.00 (currently estimated at **$14,477.67**), Settlement Administration Costs estimated not to exceed $20,000.00 (currently estimated at **$3,593.00**), a Service Award to Plaintiff of up to **$5,000.00**; and PAGA Penalties: The remaining amount, with 75% payable to the LWDA and 25% payable to aggrieved employees. (*Id.* ¶¶ 24, 34, 41, 42, 43; *Id.* Ex. 1, ¶¶ 1.15, 3.2; Declaration of Michael Bui ("Bui Decl.") ¶ 9; Bui Decl. Ex. C.)

Any amounts not approved by the Court for fees, costs, administration expenses, or service award shall revert to the net settlement amount for distribution as PAGA penalties. (*Id.* Ex. 1, ¶ 1.15.)

E. Distribution Formula

Individual PAGA payments will be distributed on a pro rata basis based upon the number of pay periods worked by each aggrieved employee during the PAGA period. (*Id.* Ex. 1, ¶ 3.2.4.1.) No claim forms will be required. (*Id.* Ex. 1, ¶ 3.1.)

F. Released Claims

The settlement releases claims for civil penalties under PAGA that were alleged or reasonably could have been alleged based on the facts asserted in the operative complaint and PAGA notice. (*Id.* Ex. 1, ¶ 5.2.)

Plaintiff will additionally execute a broader general release, including a waiver under Civil Code section 1542. (*Id.* Ex. 1, ¶¶ 5.1, 5.1.1)

IV. LEGAL STANDARD FOR APPROVAL OF PAGA SETTLEMENTS

PAGA settlements require court approval pursuant to Labor Code section 2699(l)(2). In evaluating whether a proposed PAGA settlement is fair and adequate, courts examine whether the settlement meaningfully serves PAGA's public-enforcement purposes and whether the proposed compromise is reasonable in light of the claims, defenses, and litigation risks. *Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, 76; *Arias v. Superior Court* (2009) 46 Cal.4th 969,

980. Because a PAGA plaintiff acts as a proxy for the State of California, the Court must independently assess whether the settlement adequately vindicates the State's interest in enforcing the Labor Code. *Kim v. Reins International California, Inc.* (2020) 9 Cal.5th 73, 81. Courts reviewing PAGA settlements evaluate whether the proposed settlement is fair, reasonable, and adequate in light of PAGA's public policy goals.

California courts recognize that PAGA deputizes private litigants to act as proxies for the State of California in enforcing the Labor Code. Because PAGA claims are fundamentally law enforcement actions, courts reviewing PAGA settlements examine whether the settlement adequately serves the public interest and whether the proposed penalties are reasonable in light of the alleged violations and litigation risks.

In evaluating a PAGA settlement, courts consider factors including: (1) the strength of the plaintiff's claims; (2) the risks, expense, complexity, and likely duration of further litigation; (3) the amount offered in settlement; (4) the extent of investigation and discovery completed; (5) the experience and views of counsel; and (6) the arms-length nature of negotiations.

Courts additionally recognize that trial courts possess discretion to reduce PAGA penalties based upon considerations of fairness and proportionality pursuant to Labor Code section 2699(e)(2).

V. THE PROPOSED PAGA SETTLEMENT IS FAIR, ADEQUATE, AND REASONABLE

A. <u>The Settlement Was Reached Through Arm's-Length Negotiations Following Mediation</u>

The settlement was reached following arm's-length negotiations conducted with the assistance of experienced mediator Michael Loeb. (*Id.* ¶¶ 10, 19.) The mediation occurred only after the Parties exchanged substantial information concerning the claims, defenses, payroll data, time records, and potential exposure. (*Id.* ¶¶ 11-15.)

The involvement of an experienced neutral mediator strongly supports approval of the settlement and demonstrates the absence of collusion.

B. Plaintiff Conducted Sufficient Investigation to Evaluate the Claims and Defenses

Prior to settlement, Plaintiff and her counsel conducted a substantial investigation into the claims and defenses at issue. Plaintiff reviewed payroll records, time records, policies, employee data, and exposure analyses sufficient to assess the strengths and weaknesses of the case. (*Id.* ¶¶ 11, 14.)

The Parties also exchanged information regarding allegedly aggrieved employees and pay periods worked during the PAGA period. (*Id.* ¶ 20.) Plaintiff's counsel analyzed this data and evaluated potential exposure under various theories of liability. (*Id.*)

The information exchanged provided an adequate basis for the Parties to negotiate a reasonable settlement. (*Id.* ¶ 18.)

C. The Settlement Represents a Fair Compromise Given the Significant Litigation Risks

Although Plaintiff believes the claims have merit, continued litigation presents substantial risks.

1. Risks Regarding Liability

Plaintiff acknowledges that continued litigation presents substantial risks regarding liability. Although Plaintiff believes the claims have merit, Defendants vigorously dispute all allegations and would assert numerous factual and legal defenses.

With respect to meal period claims, Defendants dispute Plaintiff's allegations concerning allegedly late, short, and interrupted meal periods and contend that employees were provided lawful opportunities to take compliant meal periods. Defendants would likely argue that any noncompliant meal periods resulted from employee choice, scheduling preferences, or isolated circumstances rather than unlawful policies or systemic practices.

Similarly, Defendants dispute Plaintiff's allegations concerning rest periods and would contend that employees were authorized and permitted to take compliant rest breaks. Defendants would likely rely on written policies, timekeeping records, and testimony from supervisors and employees to argue that compliant breaks were available.

Defendants also dispute Plaintiff's off-the-clock theories and would likely argue that employees accurately recorded time worked, that any uncompensated work was unknown or unauthorized, and that Plaintiff cannot establish widespread off-the-clock practices through representative proof.

With respect to reimbursement claims, Defendants would likely contend that any allegedly unreimbursed expenses were de minimis, unauthorized, or not reasonably necessary for employees' job duties.

Defendants further dispute Plaintiff's wage statement and waiting time theories and would likely argue that any alleged violations were derivative, technical, or not knowing and intentional within the meaning of the Labor Code.

Defendants vigorously dispute liability and contend that they maintained lawful policies and practices.

Defendants vigorously dispute liability and contend that they maintained lawful policies and practices. Defendants dispute Plaintiff's reliance on *Donohue v. AMN Services, LLC* (2021) 11 Cal.5th 58 regarding allegedly late, short, and noncompliant meal periods and further contend that employees were provided compliant meal and rest periods consistent with *Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004 and *Augustus v. ABM Security Services, Inc.* (2016) 2 Cal.5th 257. Defendants further contend that employees were provided compliant meal and rest periods and that any non-compliant breaks resulted from employee choice rather than company policy.

Defendants additionally dispute Plaintiff's allegations regarding unpaid wages, off-the-clock work, expense reimbursement, and derivative penalties. Defendants dispute Plaintiff's off-the-clock theories under *Troester v. Starbucks Corp.* (2018) 5 Cal.5th 829 and Plaintiff's reimbursement claims under Labor Code section 2802 and *Cochran v. Schwan's Home Service,* *Inc.* (2014) 228 Cal.App.4th 1137. Defendants would likely argue that many alleged violations are individualized and unsuitable for representative proof.

2. Risks Regarding PAGA Penalties

Even if Plaintiff established one or more underlying Labor Code violations, substantial risks remain concerning the amount of recoverable PAGA penalties. (*Id.* ¶¶ 31-32.)

PAGA penalties are not automatic. Courts possess broad discretion under Labor Code section 2699(e)(2) to reduce penalties where an award would be unjust, arbitrary, oppressive, or confiscatory. Defendants would likely argue that maximum penalties would be disproportionate to any actual harm suffered by employees and inconsistent with PAGA's remedial purposes.

Defendants would also likely argue that many alleged violations overlap or are derivative in nature, thereby warranting substantial reductions in recoverable penalties. Defendants would further contend that they acted in good faith and maintained policies intended to comply with California law.

Additionally, Defendants would challenge Plaintiff's attempts to recover stacked or derivative penalties associated with wage statements, waiting time penalties, and premium pay claims. Defendants would also likely challenge Plaintiff's reliance on representative evidence to establish the frequency and scope of alleged violations.

The risks associated with recovering substantial PAGA penalties therefore weigh strongly in favor of settlement.

Even if Plaintiff established underlying Labor Code violations, recovery of PAGA penalties remains uncertain.

Even if Plaintiff established underlying Labor Code violations, recovery of PAGA penalties remains uncertain.

PAGA penalties are discretionary, and courts possess authority under Labor Code section 2699(e)(2) to substantially reduce penalties where an award would be unjust, arbitrary, oppressive, or confiscatory.

Defendants would likely argue that any penalties should be significantly reduced based on good-faith disputes regarding compliance, the absence of prior adjudicated violations, proportionality concerns, and the allegedly technical nature of certain claims. Defendants would also challenge Plaintiff's attempt to recover derivative penalties and seek reductions based on overlapping or stacked penalties, including derivative theories arising under *Huff v. Securitas Security Services USA, Inc.* (2018) 23 Cal.App.5th 745 and *Naranjo v. Spectrum Security Services, Inc.* (2022) 13 Cal.5th 93.

3. Risks Related to Representative Proof and Manageability

Defendants would further contend that Plaintiff could not establish liability on a representative basis due to individualized issues regarding meal periods, rest periods, off-the-clock work, and reimbursement. (Id.)

Defendants would likely argue that individualized inquiries regarding whether employees voluntarily skipped breaks or accurately recorded time would predominate and undermine Plaintiff's ability to establish widespread violations. (Id.)

4. Risks of Continued Litigation and Delay

Absent settlement, the Parties would incur significant additional expenses associated with discovery, expert analysis, motion practice, trial preparation, trial, and potential appeals. (*Id.*) Further litigation would substantially delay any recovery for the State of California and aggrieved employees. (*Id.*)

D. <u>Plaintiff's Analysis of Potential PAGA Exposure Supports Approval</u>

In evaluating the proposed settlement, Plaintiff's counsel conducted a detailed analysis of Defendants' potential exposure under PAGA. Using payroll and timekeeping information produced by Defendants, Plaintiff's counsel analyzed the number of allegedly aggrieved employees, the total number of pay periods worked during the PAGA Period, and the potential penalties associated with the Labor Code violations alleged in the operative complaint and PAGA notice.

The data produced by Defendants prior to mediation reflected approximately 184 total allegedly aggrieved employees and approximately 5,911 pay periods worked during the PAGA Period. Based upon those figures, Plaintiff estimated a theoretical maximum PAGA penalty exposure of approximately $2,128,850. This estimate included alleged violations relating to unpaid wages, meal periods, rest periods, wage statements, and waiting time penalties.

Specifically, Plaintiff estimated potential PAGA penalties of approximately $886,650 associated with alleged unpaid wage violations, approximately $591,100 associated with alleged meal period violations, approximately $591,100 associated with alleged rest period violations, approximately $46,000 associated with wage statement violations, and approximately $14,000 associated with waiting time penalties.

While these calculations provide a useful framework for evaluating settlement value, Plaintiff recognizes that theoretical maximum exposure rarely reflects a realistic litigation outcome. Rather, such calculations assume that Plaintiff prevails on every disputed issue, establishes every alleged violation, obtains representative proof for each claim, defeats all defenses, and recovers maximum penalties without any judicial reduction. Those assumptions are unlikely to occur in actual litigation. Accordingly, the theoretical exposure calculations serve only as a starting point for evaluating the reasonableness of the settlement and must be considered together with the substantial risks and uncertainties discussed below.

E. The Significant Risk of Judicial Reduction of PAGA Penalties Strongly Supports Approval

Even if Plaintiff were successful in establishing one or more underlying Labor Code violations, substantial uncertainty would remain regarding the amount of recoverable PAGA penalties. Labor Code section 2699(e)(2) expressly authorizes courts to reduce otherwise recoverable PAGA penalties where an award of maximum penalties would be "unjust, arbitrary and oppressive, or confiscatory." Courts routinely exercise this authority when the facts and circumstances demonstrate that the maximum statutory penalties would be disproportionate to the alleged misconduct.

The risk of substantial penalty reductions is particularly significant in this case. Defendants vigorously dispute liability, maintain that they acted in good faith, contend that they maintained lawful policies and practices, and dispute the frequency and nature of the alleged violations. Defendants would also challenge Plaintiff's ability to establish representative liability and recover derivative penalties based on wage statement and waiting time claims.

Moreover, California courts have repeatedly recognized that PAGA penalties need not be awarded at maximum statutory levels. In *Carrington v. Starbucks Corp*. (2018) 30 Cal.App.5th 504, the Court of Appeal affirmed a substantial reduction of PAGA penalties where the trial court concluded that a full statutory penalty award would be excessive in light of the circumstances presented. Likewise, courts have repeatedly exercised their discretion to reduce penalties where the evidence demonstrates good-faith compliance efforts, limited harm, or other equitable considerations.

Here, Defendants would undoubtedly argue that any penalties awarded at trial should be substantially reduced pursuant to Labor Code section 2699(e)(2). Defendants would further argue that maximum penalties would be disproportionate to any actual harm suffered by employees and inconsistent with PAGA's remedial purposes. As a result, Plaintiff faces a substantial risk that any judgment obtained after trial would be significantly less than the theoretical maximum exposure.

The Parties appropriately considered these risks during settlement negotiations. The proposed settlement therefore reflects a realistic assessment of the penalties that could actually be recovered after accounting for the significant likelihood of judicial reduction.

F. The Settlement Amount Is Reasonable in Light of the Risks and Potential Exposure

The proposed Gross Settlement Amount of $437,500 represents a significant recovery when viewed against the risks of continued litigation and the realistic value of the claims. Compared to Plaintiff's estimated theoretical maximum PAGA exposure of approximately $2,128,850, the settlement represents approximately 20.5% of total estimated exposure. Given the substantial disputes regarding liability, representative proof, causation, penalty calculations, and judicial discretion to reduce penalties under Labor Code section 2699(e)(2), this percentage recovery represents an excellent result for the State of California and the aggrieved employees.

Importantly, the settlement provides an immediate and guaranteed recovery, whereas continued litigation would require Plaintiff to prevail on numerous disputed factual and legal issues, survive potential dispositive motions, establish representative liability at trial, and overcome Defendants' arguments for substantial penalty reductions. Even then, any judgment would likely be subject to post-trial motions and appeal.

The settlement also avoids the substantial costs associated with continued litigation, including additional discovery, expert analysis, trial preparation, trial, and appellate proceedings. These costs would reduce the net benefit ultimately available to the State and aggrieved employees and could substantially delay recovery for years.

The settlement was reached only after extensive investigation, review of payroll and timekeeping records, analysis of potential exposure, and arm's-length negotiations conducted with the assistance of experienced mediator Michael Loeb. Plaintiff and her counsel therefore believe the settlement represents a fair, reasonable, and adequate compromise of highly disputed claims and warrants approval by the Court.

The settlement provides for a Gross Settlement Amount of $437,500.00 to resolve disputed representative PAGA claims. Plaintiff's analysis of potential PAGA exposure included claims associated with meal periods, rest periods, unpaid wages, wage statements, expense reimbursement, and waiting time penalties. (*Id.* ¶ 31.) Plaintiff's exposure model estimated substantially higher theoretical exposure if maximum penalties were imposed. (*Id.*)

However, theoretical maximum exposure does not account for the substantial litigation risks facing Plaintiff, including risks regarding liability, manageability, proof, causation, and discretionary reductions of PAGA penalties. (*Id.* ¶ 32.) The settlement therefore represents a fair and meaningful compromise in light of the substantial risks of continued litigation. (*Id.*)

In evaluating the reasonableness of the settlement, Plaintiff's counsel analyzed Defendants' potential exposure under multiple categories of alleged Labor Code violations, including meal period claims, rest period claims, unpaid wages, wage statement violations, reimbursement claims, and waiting time penalties. (*Id.* ¶ 31.) Plaintiff's counsel also considered the extent to which recoverable penalties would likely be reduced pursuant to Labor Code section 2699(e)(2). (*Id.* ¶ 32.)

Plaintiff recognizes that courts routinely reduce PAGA penalties where maximum statutory penalties would be unjust, arbitrary, oppressive, or disproportionate to the alleged violations. (*Id.*) Plaintiff further recognizes that Defendants would vigorously challenge Plaintiff's assumptions regarding violation rates, the propriety of derivative penalties, and the use of representative proof. (*Id.*) The proposed settlement amount therefore reflects the Parties' informed assessment of both the strengths of Plaintiff's claims and the substantial risks and uncertainties associated with continued litigation.

G. <u>The Allocation Between the LWDA and Aggrieved Employees Is Appropriate</u>

Consistent with Labor Code section 2699(i), the settlement allocates 75% of the net PAGA penalties to the LWDA and 25% to aggrieved employees.

This allocation directly advances PAGA's public enforcement purposes while also compensating allegedly aggrieved employees.

H. <u>The Requested Attorneys' Fees and Costs Are Reasonable</u>

Plaintiff will separately seek an award of attorneys' fees not to exceed one-third of the Gross Settlement Amount, **$145,832.00**, and actual litigation costs of **$14,477.67**, which is below the $20,000.00 allocated in the Agreement. (Setareh Decl. ¶ 41; Ex. 1 ¶ 3.2.2; Ex. 4.)

The requested fee is reasonable given the substantial work performed by Plaintiff's counsel, the contingent nature of the representation, the risks assumed, and the result achieved. (Setareh Decl., ¶¶ 5, 36.) Plaintiff's counsel investigated the claims, reviewed payroll and timekeeping records, evaluated legal issues, participated in mediation, negotiated the settlement, and prepared the settlement documents and approval papers. (*Id.* ¶¶ 19, 23, 25.)

Setareh Law Group's actual litigation costs incurred in this matter are $14,477.67. (*Id.* ¶ 41, Ex. 4.)

I. <u>The Requested Administration Costs Are Reasonable</u>

The Parties propose Simpluris as the administrator of this Settlement. (*Id.* Ex. 1 ¶ 1.2, 7.1.) Plaintiffs' counsel obtained bids from no less than three established settlement administrators: ILYM Group, Inc., Simpluris, Inc., and Phoenix. (*Id.* ¶ 43.) Simpluris is an experienced class action and representative action settlement administrator and $3,593 is reasonable for a settlement with this number of aggrieved employees. (*Id.* 43; *Id.* Ex. 1 ¶ 3.2.3; *see* Bui Decl. ¶¶ 2-9; Ex. C.)

J. <u>The Requested Service Award Is Reasonable</u>

Plaintiff will seek a service award of up to $5,000.00 in recognition of her efforts and risks undertaken in prosecuting this representative action. (Declaration of Deborah Hubbard ("Hubbard Decl.") ¶ 6.) Plaintiff assisted counsel, provided information and documents, participated in the litigation and mediation process, and undertook the risks associated with serving as the PAGA representative. (*Id.* ¶¶ 9-11.)

The requested service award is modest and reasonable under the circumstances. (Setareh Decl., ¶ 42.)

VI. THE SETTLEMENT FURTHERS THE PURPOSES OF PAGA

The proposed settlement furthers PAGA's public enforcement goals by securing meaningful penalties on behalf of the State of California while avoiding the uncertainty, expense, and delay associated with continued litigation. PAGA was enacted to augment the State's enforcement capabilities and encourage compliance with California labor laws through representative enforcement actions brought on behalf of the State.

The settlement advances these purposes by providing substantial penalties payable to the LWDA while also compensating allegedly aggrieved employees. (*Id.* ¶ 33.) The settlement additionally promotes judicial economy by avoiding the burdens and uncertainties associated with continued representative litigation involving disputed factual and legal issues. (*Id.* ¶ 32.)

The settlement also reflects the Parties' informed assessment of the litigation risks associated with representative proof, liability, causation, penalty calculations, and trial management issues. (*Id.*) The Parties therefore believe the settlement represents a fair and reasonable compromise that meaningfully serves PAGA's public-enforcement objectives.

The settlement provides prompt and certain recovery while resolving disputed claims through a fair and efficient process.

The settlement additionally reflects the Parties' considered assessment of the strengths and weaknesses of the claims and defenses following substantial investigation and mediation. (*Id.*)

VII. CONCLUSION

For the foregoing reasons, Plaintiff respectfully requests that the Court enter an Order:

1. Approving the Parties' PAGA settlement as fair, reasonable, and adequate;
2. Approving the requested attorneys' fees, litigation costs, administration costs, and service award in amounts determined appropriate by the Court;
3. Approving the allocation of PAGA penalties between the LWDA and aggrieved employees; and
4. Entering judgment consistent with the terms of the settlement.

DATED: June 26, 2026

SETAREH LAW GROUP

By: */s/ Shaun Setareh*
SHAUN SETAREH
BRADLEY FAGNANI
VICTORIA MAS
VICTORIA MAGALI
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DEBORAH HUBBARD