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SUPERIOR COURT OF THE STATE OF CALIFORNIA
TULARE COUNTY

PRINCESSALEXIA CHANNEL WHITE, as an
individual and on behalf of all employees
similarly situated,

Plaintiff,

v.

SGB VENTURES LLC, a Limited Liability
Company; and DOES 1 through 50, inclusive,
Defendants.

Case No.: VCU296946

[Assigned for all purposes to Hon. Gary M.
Johnson, Dept. 7]

**CLASS AND PAGA REPRESENTATIVE
ACTION**

**PLAINTIFF'S NOTICE OF MOTION AND
MOTION FOR FINAL APPROVAL OF
CLASS AND PAGA REPRESENTATIVE
ACTION SETTLEMENT; MEMORANDUM
OF POINTS AND AUTHORITIES IN
SUPPORT THEREOF**

Date: January 13, 2025
Time: 8:30 a.m.
Courtroom: Dept. 7
Judge: Hon. Gary M. Johnson

Action Filed: March 27, 2023
Trial: Not Set

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

2 PLEASE TAKE NOTICE that on January 13, 2025, at 8:30 a.m., or as soon thereafter as the
3 matter may be heard, in Department 7 of the above-captioned Court, located at 221 South Mooney
4 Boulevard, Visalia, CA 9329, Plaintiff PRINCESSALEXIA CHANNEL WHITE (“Plaintiff”) will and
5 hereby does move this Court for an order:

6 1. Granting class certification of the Class, solely for settlement purposes pursuant to
7 Code of Civil Procedure § 382;

8 2. Finally approving the JOINT STIPULATION OF CLASS AND PAGA
9 REPRESENTATIVE ACTION SETTLEMENT (“Settlement” or “Agreement”);

10 3. Appointing counsel for Plaintiff, Tunyan Law, APC, as Class Counsel;

11 4. Appointing Plaintiff as the Class Representative;

12 5. Approving Phoenix Class Action Administration Solutions as the third-party
13 administrator;

14 6. Ruling that Settlement Class Members who did not timely submit requests for
15 exclusion from the settlement as set forth in the Agreement have released their claims against
16 Defendant and the other releasees as set forth in the Agreement;

17 7. Awarding the sums requested in the Motion;

18 8. Entering a Final Judgment; and,

19 9. Without affecting the finality of the final judgment, reserving continuing
20 jurisdiction over the parties for the purposes of implementing, enforcing and/or administering
21 the settlement as set forth in the Agreement or enforcing the terms of the Final Judgment.

22 Good cause exists to grant this Motion because:

23 1. The Class meets all of the requirements for class certification for settlement
24 purposes under Code of Civil Procedure § 382;

25 2. The Settlement Agreement is a fair, adequate, and reasonable compromise of the
26 disputed wage and hour claims asserted by Plaintiff;

27 3. Plaintiff and Class Counsel are adequate to represent the Class;

28 4. The notice procedures and related forms complied with California Rules of Court

3.766(d) and (e), and adequately apprised Class Members of their rights and fully comport with due process.

This Motion is made pursuant to Rule 3.769 and Rule 3.1113(e) of the California Rules of Court, which require approval by the Court of a class action settlement and permit the Court to extend the page limit for memoranda.

This Motion is based on this Notice of Motion and Motion, the attached Memorandum of Points and Authorities, the Declarations of Lilit Tunyan, Plaintiff and the Settlement Administrator in support thereof, all papers and pleadings on file with the Court in this action, all matters judicially noticeable, and on such oral and documentary evidence as may be presented in connection with the hearing on the Motion.

Respectfully submitted,

Dated: December 4, 2024

TUNYAN LAW, APC

By: _____

Lilit Tunyan
Artur Tunyan

Attorneys for Plaintiff PRINCESSALEXIA CHANNEL WHITE

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1 **I. INTRODUCTION**

2 Pursuant to California Rules of Court, Rules 3.769(d) and (e), Plaintiff PRINCESSALEXIA
3 CHANNEL WHITE (“Plaintiff”) respectfully requests that this Court finally approve the proposed class
4 action and PAGA representative action settlement set forth in the JOINT STIPULATION OF CLASS
5 AND PAGA REPRESENTATIVE ACTION SETTLEMENT (“Settlement” or “Agreement”) with
6 Defendant SGB VENTURES LLC (“Defendant”).

7 Defendant operates a bakery in Tulare County in the State of California. Plaintiff was employed
8 by Defendant and alleged various wage and hour violations, which Defendant denies. After formal
9 discovery, the exchange of documents, interview of class members and an arm’s-length mediation
10 session with an experienced mediator Hon. Patrick J. O’Hara (Ret.), Plaintiff and Defendant (collectively
11 referred to herein as the “Parties”) reached a proposed class and PAGA representative action settlement
12 with a gross settlement amount (“GSA”) of **\$130,000.00** in compromise of disputed claims asserted on
13 behalf of the below-defined Class consisting of **91** class members. Plaintiff believes that this settlement
14 is a fair, adequate, and reasonable compromise of the disputed claims for alleged unpaid wage and hour
15 violations and penalties asserted in this case.

16 Plaintiff now submits this Motion for Final Approval of Class and PAGA Representative Action
17 Settlement, along with the Settlement (attached to the Declaration of Lilit Tunyan [“Tunyan Decl.”],
18 **Exhibit 1** thereto).

19 **II. THE NOTICE PROCESS WAS SUCCESSFULLY COMPLETED AFTER**
20 **PRELIMINARY APPROVAL**

21 Plaintiff and Defendant have fulfilled the class notice procedures set forth in the Settlement. The
22 Settlement Administrator, Phoenix Class Action Administration Solutions (“Phoenix”), sent individual
23 Notices to 91 Class Members on July 2, 2024. (Declaration of Jarrod Salinas [“Salinas Decl.”], ¶¶ 3-5.)
24 Zero notices have been returned to Phoenix after mailing. (Salinas Decl., ¶ 6.) All Notices are
25 considered deliverable. (Salinas Decl., ¶ 7.) No Class Members requested to be excluded from the
26 Settlement, and no Class Members objected or disputed Workweeks in writing. (Salinas Decl., ¶¶ 8-10.)

27 **PAYMENTS:** For **91** Settlement Class Members, the average gross payment per Class Member is
28 **\$1,428.57**. The Net Settlement Amount (including both Class and PAGA Settlement payments) is

estimated to be at least **\$54,453.63**, resulting in an average net payment per Class Member of at least **\$598.39** (including PAGA Settlement payments), before any tax withholdings. (Salinas Decl., ¶¶ 15-16.) The highest individual net payment (including class and PAGA Settlement payments) is estimated to be **\$1,923.60** (Salinas Decl., ¶ 16.) For the Court’s convenience, below is a summary of the key provisions of the Settlement.

III. THE MAJOR TERMS OF SETTLEMENT

The provisions of the proposed Settlement include the following:

- Defendant agrees not to oppose certification of a Class for purposes of Settlement only (Settlement, ¶ 19);
- **Settlement Amount:** Defendant will pay a maximum of **\$130,000.00**, referred to as the Gross Settlement Amount (or GSA herein), resulting in an estimated average **gross** payment per Class Member of approximately **\$1,428.57** (Settlement, ¶ 26(c));
- **Class Size:** **91** individuals during the Class Period. (Tunyan Decl., ¶ 16.)
- **PAGA Group Size:** **91** individuals during the PAGA period (Tunyan Decl., ¶ 17);
- **Escalator Clause:** On January 25, 2024, the number of Defendant’s employees during the Class Period was estimated not to exceed 90. The parties stipulate to a 20% escalation of the estimated employees’ number without any increase to the Gross Settlement Amount. If the number of employees during the Class Period exceeds 20% of the estimated number of employees (i.e., exceeds 108), Defendant can either have the Class Period end on the date that the number of employees exceed 108 or increase the Gross Settlement Amount by a pro-rata dollar value equal to the number of employees in excess of 109 employees. For example, if there is a 1% increase over 20% then the Gross Settlement Amount increases by 1% (the “Escalator Clause”). (Settlement, ¶ 26(d).) ***The escalator clause was not triggered.***
- **Kullar/Munoz Analysis:** Plaintiff addresses the claims analysis herein, at Part V.B.3, and in more detail the Declaration of Tunyan, at Paragraph 18;
- **No Reversion:** The Settlement is a ***non-reversionary*** settlement (Settlement, ¶ 26(e));
- **Certification:** Plaintiff addresses certification requisites herein, at Part V.A., and in the Declaration of Tunyan, at Paragraphs 34-40;

- 1 • **No Claim Form:** No claim form is required (Settlement, ¶ 26(f));
- 2 • **Class Release:** The Settlement will release specified wage-and-hour claims for Class
- 3 Members (those Class Members who do not opt out of the Settlement) as defined by the
- 4 First Amended Complaint (Settlement, ¶ 37);
- 5 • **PAGA Release:** The Class Members will release the PAGA Claims set forth in this
- 6 Action, that were identified in the Complaint and Plaintiff's LWDA Notice Letter,
- 7 regardless of whether they opt out of the class portion of the Settlement (Settlement, ¶¶ 11,
- 8 14, 15 and 37(c)(3));
- 9 • **Release Effective Date:** The Release is not active until Defendant tenders all payments
- 10 required under the Settlement to the Settlement Administrator (Settlement, ¶ 37(b));
- 11 • **Net Settlement Amount Available to the Class:** After deducting Class Counsel's
- 12 attorneys' fees and costs, service payment to Plaintiff, administration costs, and the
- 13 payment to the LWDA, the remainder will be available for distribution to Class Members
- 14 who do not opt out, with each Class Member receiving a share based on the number of
- 15 workweeks each Class Member worked for a Defendant within the Class Period. The Net
- 16 Settlement Amount is estimated to be at least **\$54,453.63**, resulting in an average **net**
- 17 payment per Class Member of at least **\$598.39**, before any tax withholdings. (Settlement, ¶
- 18 26(g));
- 19 • **Tax Allocation:** The amounts distributed to Class Members will be characterized as 15%
- 20 alleged unpaid wages, 85% as unpaid penalties and unpaid interest, and PAGA Settlement
- 21 Payments will be allocated as 100% penalties. (Settlement, ¶ 26(k));
- 22 • **Employer's Portion of Payroll Taxes Paid Separately:** Defendant's portion of payroll
- 23 taxes (e.g., FICA, FUTA, etc.) owed on any settlement payments to Class Members that
- 24 constitute wages will be paid separate and apart from the GSM (Settlement, ¶ 26(h));
- 25 • **Settlement Administrator:** The notice portion of the Settlement and distribution of funds
- 26 will be administered by a third-party Administrator, Phoenix Class Action Administration
- 27 Solutions, and the Parties estimated that the costs of administration should not reasonably
- 28 exceed \$7,000.00. Phoenix Class Action Administration Solutions' low bid for settlement

administration services in the amount of **\$7,000.00** was selected as the lowest bid from a competitive bidding process. (Settlement, ¶ 26(p));

- **Class Data for Administration:** The Settlement Administrator will receive the Class List within 15 calendar days of Preliminary Approval, use the NCOA database to update the Class List, and then use skip tracing on returned Notices (Settlement, ¶ 32(a));
- **Notice:** The Notice will issue within 14 days of receipt of the Class List (Settlement, ¶ 32(b)). The Notice describes how to dispute workweeks, submit and objection in writing, in person, or through an attorney, or request exclusion (Settlement, ¶ 26(s)).
- **Notice Language:** Notice will issue in English (Settlement, ¶ 26(t));
- **Objections:** Objections can be submitted in person, through an attorney, or in writing to the Settlement Administrator (Settlement, ¶ 26(x));
- **Exclusion Requests:** The procedure for exclusion requests, mailing a request to the Settlement Administrator, is the same as the procedure for submitting a writing objection (Settlement, ¶¶ 26(w) and 26(x));
- **PAGA Allocation:** From the GSA, **\$10,000.00** will be allocated to settle claims brought pursuant to the California Private Attorneys General Act, Labor Code § 2699 *et seq.* (“PAGA”), and seventy-five percent (75%), or **\$7,500.00**, will be paid to the California Labor & Workforce Development Agency. (Settlement, ¶ 9.)
- **Notice to LWDA:** Notice was provided prior to the filing of this Motion. Evidence is attached to Tunyan Declaration.
- **Enhancement Award to Plaintiff:** Defendant will not oppose the application for Class Representative Service Payment of **\$7,000.00** for Plaintiff, to be paid from the GSA (Settlement, ¶ 26(n));
- **Fees and Costs:** Defendant will not oppose Class Counsel’s application for fees not to exceed 33 1/3% of the GSA (**\$43,333.33**), and actual costs, in an amount not to exceed **\$12,000.00**, to be paid out of the GSA (Settlement, ¶ 26(m)).
- **Check Void Period:** Settlement checks will be valid for 180 days (Settlement, ¶ 34);
- **Uncashed Checks:** Any settlement checks that are mailed to the Class Members and

1 remain uncashed after 180 days of the date of issuance will be cancelled, and the moneys
2 will be directed to the California State Controller’s Office for Unclaimed Property in the
3 name of each Class Member who failed to cash their Settlement Payment (Settlement, ¶¶
4 34-35);

- 5 • **Judgment Notice:** Judgment will be posted on the Settlement Administrator’s website
6 after entry (Settlement, ¶ 30);
- 7 • **Confidentiality Provisions:** The Settlement permits Class Counsel to discuss the
8 Settlement with Class Members (Settlement ¶ 58).

9 (Tunyan Decl., ¶¶ 10-11 and Exhibit 1 thereto.)

10 **IV. FACTUAL AND PROCEDURAL BACKGROUND**

11 **A. Plaintiff’s Claims**

12 On March 27, 2023, Plaintiff filed a putative Class Action alleging the following labelled causes
13 of action: (1) failure to pay all wages (Lab. Code §§ 204, 510, 1194, 1998); (2) failure to provide meal
14 periods (Lab. Code §§ 226.7, 512 and Wage Order); (3) failure to provide rest periods (Lab. Code §§
15 226.7 and Wage Order); (4) failure to maintain and provide accurate itemized wage statements (Lab.
16 Code §§ 226(a) and 1174); (5) failure to indemnify necessary business expenses (Lab. Code § 2802); (6)
17 failure to timely pay all wages, final wages and accrued vacation upon termination (Lab. Code §§ 201,
18 202, 203, 204 and 227.3); (7) Unfair Business Practices in violation of Bus. & Prof. Code § 17200 et seq.
19 In the Complaint, Plaintiff sought to represent all persons that worked for Defendant in California as an
20 hourly-paid, non-exempt employee at any time during the period beginning four years before the filing of
21 the initial complaint and ending when Notice to the Class is sent. (Tunyan Decl., ¶ 3.)

22 Plaintiff satisfied the administrative exhaustion requirement that is a prerequisite to filing a claim
23 for Civil Penalties under the Labor Code Private Attorneys General Act of 2004 [Lab. Code § 2699, et
24 seq.] (“PAGA”). On May 30, 2023, Plaintiff filed his First Amended Complaint adding the eighth case
25 of action for civil penalties under the Labor Code Private Attorneys General Act of 2004 [Lab. Code §
26 2699, et seq.] (“PAGA”). (Tunyan Decl., ¶ 4.)

27 **B. Pre-Mediation Data Production and Analysis**

28 The Parties have conducted formal discovery and investigation of the facts and law. Such

1 discovery and investigation have included, inter alia, interviewing class members, the exchange of data
2 and discoverable information in preparation for the mediation session. (Tunyan Decl., ¶ 5.) The Parties
3 have analyzed payroll and other data pertaining to Plaintiff and the Class during the relevant Class
4 Period, including but not limited to the numbers of former and current members of the Class, average
5 workweeks, and average rate of hourly pay. (*Id.*) In addition, Defendant also provided the Class
6 Members' pay and time records for the entire Class Period and Class Members' list and contact
7 information and documents reflecting their wage and hour policies and practices during the Class Period.
8 (*Id.*)

9 After reviewing documents regarding Defendant's wage and hour policies and practices and
10 other information obtained during the exchange of discovery including Class Members' pay and time
11 records, interviewing Class Members, Class Counsel were able to evaluate the probability of class
12 certification, success on the merits, and the reasonably obtainable maximum monetary exposure for all
13 claims. Class Counsel reviewed these records and prepared a damage analysis prior to mediation. Class
14 Counsel also investigated the applicable law regarding the claims and defenses asserted in the litigation.
15 (Tunyan Decl., at ¶ 6.)

16 C. Settlement

17 On January 25, 2024, the Parties mediated before a mediator Hon. Patrick J. O'Hara (Ret.), who
18 is a highly experienced and well-regarded mediator for wage and hour class action litigation. (Tunyan
19 Decl., ¶ 7.) At the mediation, the Parties discussed at length the burdens and risks of continuing with the
20 litigation as well as the merits of the claims and defenses. (*Id.*) The Parties have been able to reach a
21 settlement at the mediation. The Parties have reached an agreement regarding the substantive terms of a
22 class-wide settlement, pending the Parties' agreement on a long-form class settlement agreement. The
23 Parties then signed a long form settlement agreement ("Agreement"). (*Id.*)

24 Plaintiff and Class Counsel are aware of the burdens of proof necessary to establish liability for
25 the claims asserted in the Action, both generally and in response to Defendant's defenses thereto.
26 (Tunyan Decl., ¶ 8.) Plaintiff and Class Counsel have also taken into account Defendant's agreement to
27 enter into a Settlement that confers substantial relief upon the Class.

28 Based on the foregoing, Plaintiff and Class Counsel have determined that the Settlement set forth

1 in this Agreement is a fair, adequate, and reasonable Settlement and is in the best interests of the Class.
2 (Tunyan Decl., ¶ 9.) Solely for the purpose of settling this case, the parties agree that the requirements
3 for establishing class action certification with respect to this class have been met and are met. (*Id.*) If
4 this Settlement is not approved by the Court for any reason, Defendant reserves its rights to contest class
5 certification. (*Id.*) This Settlement, if approved by the Court, will result in the termination with
6 prejudice of the litigation through the entry of the Judgment and the release of all Released Claims for all
7 Class Members, including all within the class definition who have not elected to exclude themselves
8 from the Class. (*Id.*)

9 **V. CLASS DEFINITION**

10 The Class is defined as follows:

11 All individuals employed by Defendant in California and classified as “non-exempt” at
12 any time during the Class Period (the “Class Period” is August 12, 2022 through May
13 24, 2024). “Settlement Class Members” are those Class Members who do not submit
timely exclusion requests to the Settlement Administrator. (Settlement, ¶¶ 3-4.)

14 The PAGA Employee is defined as follows:

15 All Class Members that worked at any time during the PAGA Period (the “PAGA
16 Period” is August 12, 2022 through May 24, 2024.) All PAGA Employees are
17 “aggrieved employees” as defined pursuant to PAGA. PAGA Employees cannot opt
out of the settlement of the PAGA claim. (Settlement, ¶¶ 10-11.)

18 **VI. DISCUSSION**

19 **A. The Court Should Certify the Class Because It Meets All the Requirements for**
20 **Certification for Settlement Purposes Under CCP § 382**

21 Under Code of Civil Procedure § 382,¹ class certification is warranted so long as there is a
22 numerous and ascertainable class with a well-defined community of interest among its members and that
23 a “class action proceeding is superior to other means for a fair and efficient adjudication of the
24 litigation.” *See, e.g., Sav-on Drug Stores, Inc. v. Superior Court*, 34 Cal.4th 319, 326, 332 (2004). Any
25 doubts as to the appropriateness of class treatment must be resolved in favor of certification, subject to

26
27 ¹ Code Civ. Proc. § 382, which is the statutory basis for the maintenance of class actions under
28 California law, states in relevant part, “[W]hen the question is one of a common or general interest, of
many persons, or when the parties are numerous, and it is impracticable to bring them all before the
court, one or more may sue or defend for the benefit of all.”

1 later modification. *Richmond v. Dart Indus. Inc.*, 29 Cal. 3d 462, 473-475 (1981). For purposes of this
2 Settlement only, Defendant has agreed not to oppose conditional certification of the proposed class
3 action. (Settlement ¶ 19.)

4 “The certification question is ‘essentially a procedural one that does not ask whether an action is
5 legally or factually meritorious.’” *Id.*, at 326, quoting *Linder v. Thrifty Oil Co.*, 23 Cal. 4th 429, 439-440
6 (2000). Indeed, the certification question simply asks whether the theory of recovery advanced by the
7 plaintiff is likely to prove amenable to class treatment. *See, e.g., Jaimez v. Daiohs USA, Inc.*, 181 Cal.
8 App. 4th 1286, 1298 (2010). In ruling on certification, a trial court’s task is to determine “whether ... the
9 issues which may be jointly tried, when compared with those requiring separate adjudication, are so
10 numerous or substantial that the maintenance of a class action would be advantageous to the judicial
11 process and to the litigants.” *Id.* Thus, “[t]he relevant comparison lies between the costs and benefits of
12 adjudicating plaintiffs’ claims in a class action and the costs and benefits of proceeding by numerous
13 separate actions” *See, e.g., id.*

14 “[I]t is also well established that trial courts should use different standards to determine the
15 propriety of a settlement class, as opposed to a litigation class certification. Specifically, a lesser standard
16 of scrutiny is used for settlement cases.” *Global Minerals & Metals Corp. v. Superior Court*, 113 Cal.
17 App. 4th 836, 859 (2003), citing *Dunk v. Ford Motor Co.* 48 Cal. App. 4th 1794, 1807 n. 19 (1996). As
18 the court noted in *Dunk*, although certification requirements are intended “to protect the interests of the
19 non-representative class members,” that concern is “protected by the trial court’s fairness review of the
20 settlement.” *Dunk*, 48 Cal. App. 4th at 1807 n.19.

21 Indeed, numerous courts have certified settlement classes. For example, the court in *In re Drexel*
22 *Burnham Lambert Group, Inc.*, 960 F.2d 285 (2d Cir. 1992), cert. dismissed, 506 U.S. 1088, 122 L. Ed.
23 497, 113 S. Ct 1070 (1993), addressed settlement before a class was certified. After a hearing, the
24 “district court issued an order certifying the class and approving the settlement agreement.” *Id.* at 289;
25 *see also Alaniz v. California Processors, Inc.*, 73 F.R.D. 269, 278 (N.D. Cal. 1976) (“the use of the
26 tentative settlement class procedure was appropriate in this case”), *aff’d*, 572 F.2d 657 (9th Cir.), cert.
27 denied, 439 U.S. 837 (1978). Certification of a settlement class is a regular feature of class action
28 litigation and an approved procedure which ought to be followed in this case. *See Newberg on Class*

1 Actions (3d ed. 1991) § 11.27, pp. 11-40 to 11-56; Manual for Complex Litigation, 2d (1993) § 30.45.

2 In view of these standards, **as discussed more thoroughly as part of the preliminary approval**
3 **motion already granted by the Court**, the Class should be certified for purposes of settlement. Code
4 Civ. Proc. § 382; Rules of Court, Rule 3.769(c).

5 **B. The Court Should Finally Approve the Settlement Because It Is a Fair, Adequate,**
6 **and Reasonable Compromise of Disputed Wage Claims in View of Defendant’s**
7 **Potential Liability Exposure and the Risks of Continued Litigation**

8 California courts favor settlement. *See, e.g., Stambaugh v. Superior Court*, 62 Cal. App. 3d 231,
9 236 (1976). Unlike most settlements, class action settlements involve a court approval process that exists
10 to prevent fraud, collusion, and unfairness to class members. *Malibu Outrigger Bd. of Governors v.*
11 *Superior Court*, 103 Cal.App.3d 573, 578-579 (1980). This approval process consists of preliminary
12 settlement approval, notice being given to class members, and a final fairness and approval hearing being
13 held at which class members may be heard with respect to the settlement. *Id.* For the reasons discussed
14 below, this Court should finally approve the Settlement and enter Judgment.

15 **1. Class Action Settlements Are Subject to Review and Approval.**

16 Any settlement of class litigation must be reviewed and approved by the presiding court. Rules
17 of Court, Rule 3.769(a). Approval occurs in two steps: (1) an early (preliminary) review by the trial
18 court and (2) a subsequent (final) review after notice has been distributed to the class members. The
19 Preliminary Approval Hearing and Final Approval Hearing coincide with these two steps. The present
20 motion seeks *final* approval and the entry of a Judgment.

21 To evaluate a settlement, the trial court must receive “basic information about the nature and
22 magnitude of the claims in question and the basis for concluding that the consideration being paid for the
23 release of those claims represents a reasonable compromise.” *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.
24 App. 4th 116, 133 (2008). However, the record need *not* contain an explicit statement of the maximum
25 theoretical amount that the class could recover:

26 Greenwell misunderstands *Kullar*, apparently interpreting it to require the record in all
27 cases to contain evidence in the form of an explicit statement of the maximum amount
28 the plaintiff class could recover if it prevailed on all its claims—a number which
appears nowhere in the record of this case. But *Kullar* does not, as Greenwell claims,
require any such explicit statement of value; it requires a record which allows “an

1 understanding of the amount that is in controversy and the realistic range of outcomes
2 of the litigation.”

3 *Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles*, 186 Cal. App. 4th 399, 409 (2010).

4 **2. The Parties Reached the Settlement Through Arms’ Length Negotiations**
5 **Between Experienced Counsel with the Assistance of a Highly Qualified**
6 **Mediator After Sufficient Data Was Exchanged to Evaluate Settlement.**

7 A settlement is presumptively fair where it is reached through arms’ length bargaining, based on
8 sufficient discovery and investigation to allow counsel and the court to act intelligently, counsel is
9 experienced in similar litigation, and the percentage of objectors is small.² *Dunk*, 48 Cal.App.4th at 1802;
10 *In re Microsoft I-V Cases*, 135 Cal. App. 4th 706, 723 (2006); *7-Eleven Owners for Fair Franchising v.*
11 *Southland Corp.*, 85 Cal. App. 4th 1135, 1146 (2000). In deciding whether to approve a settlement, a
12 trial court has broad powers to determine whether it is fair under the circumstances of the case. *See, e.g.,*
13 *Mallick v. Superior Court*, 89 Cal. App. 3d 434, 438 (1979). In exercising these powers, the overriding
14 concern is to ensure that a proposed settlement is “fair, adequate, and reasonable.” *Dunk*, at 1801,
15 quoting *Officers for Justice v. Civil Serv. Comm’n of San Francisco*, 688 F.2d 615, 625 (9th Cir. 1982).

16 Relevant factors in making this determination, include, but are not limited to:

17 [T]he complexity and likely duration of further litigation, the risk of maintaining class
18 action status through trial, the amount offered in settlement, the extent of discovery
19 completed and the state of the proceedings, the experience and views of counsel, the
20 presence of a governmental participant, and the reaction of the class members to the
21 proposed settlement.

22 *Id.* These factors require balancing, are non-exhaustive, and, as such, trial courts should tailor the factors
23 considered to each case and give due regard to “what is otherwise a private consensual agreement
24 between the parties.” *Id.*

25 Here, the Settlement resulted from thorough, arms’ length negotiations between experienced
26 counsel with the assistance of highly regarded mediator. (Tunyan Decl., ¶¶ 8-9.) With respect to the
27 claims at issue in this case, Plaintiff obtained data from Defendant and then carefully reviewed that
28 information. Counsel for Plaintiff also examined relevant policies in detail about their work experiences

² Because the fourth prerequisite for the presumption to arise cannot be addressed until the final approval hearing, only the first three prerequisites are relevant at this preliminary stage of the settlement approval process.

1 and Defendant's practices.

2 Based on the totality of that review, Plaintiff estimated the potential exposure and then estimated
3 risk factors to adjust the reasonable expected outcome. The investigation and discovery that Plaintiff's
4 counsel conducted were sufficient to provide them with enough information to intelligently evaluate the
5 estimated exposure in this action for purposes of negotiating the Settlement in view of the risks discussed
6 below and are also sufficient to allow this Court to do the same. *See, e.g., Wershba v. Apple Computer,*
7 *Inc.*, 91 Cal. App. 4th 224, 245 (2001).

8 Finally, there are no objectors as of the completion of the notice process.

9 **3. The Settlement Represents a Fair, Adequate, and Reasonable Compromise**
10 **of Class Members' Claims Based on Defendant's Estimated Liability**
11 **Exposure Given the Risks Continued Litigation Would Entail.**

12 A settlement is not judged against what might have been recovered had a plaintiff prevailed at
13 trial and does not have to provide 100% of damages sought to be fair and reasonable. "In the context of a
14 settlement agreement, the test is not the maximum amount plaintiffs might have obtained at trial on the
15 complaint, but rather whether the settlement is reasonable under all of the circumstances." *Wershba*, 91
16 Cal.App.4th at 250. Accordingly, because settlements involve compromise, even one that provides for
17 substantially narrower relief than would likely be obtained if the suit were successfully litigated can be
18 reasonable given that "the public interest may indeed be served by a voluntary settlement in which each
19 side gives ground in the interest of avoiding litigation." *Id.*, quoting *Air Line Stewards & Stewardesses*
20 *Ass'n, Local 550 v. American Airlines, Inc.*, 455 F.2d 101, 109 (7th Cir. 1972).

21 With respect to the claims asserted on behalf of the Class in this case, there are serious risks that
22 support the reduced compromise amount. These risks include, but are not limited to: (i) the risk that
23 Plaintiff would be unable to establish liability for unpaid straight time or overtime wages, *see Duran v.*
24 *US Bank Nat'l Ass'n*, 59 Cal. 4th 1, 39 & n. 33 (2014) ("*Duran*"), citing *Dilts v. Penske Logistics, LLC*
25 2014 WL 205039 (S.D. Cal. 2014); (ii) the risk that Defendant's meal and rest period policies might not
26 ultimately support class certification or a class-wide liability finding, *see Duran*, 59 Cal. 4th at 14, n. 28
27 (citing Court of Appeal decisions favorable on class certification issue without expressing opinion as to
28 ultimate viability of proposition); (iii) the risk that uncertainties pertaining to the ultimate legality of

Defendant's policies and practices could preclude class-wide awards of statutory penalties under Labor Code §§ 203 and 226(e); (iv) the risk that individual differences between Class Members could be construed as pertaining to liability and not solely to damages, *see Duran*, 59 Cal. 4th at 19; (v) the risk that any civil penalties award under the PAGA could be reduced by the Court in its discretion, *see* Labor Code § 2699(e)(1); (vi) the risk that class treatment could be deemed improper as to one or more claims, except for settlement purposes; and, (vii) the risk that lengthy appellate litigation could ensue. (Tunyan Decl., ¶ 15.) These risks are non-exhaustive.

In light of the uncertainties of protracted litigation, the settlement amount reflects a fair and reasonable recovery for the Class Members. (Tunyan Decl. ¶¶ 12-19.) The settlement amount is, of course, a compromise figure. (Tunyan Decl. ¶ 16.) By necessity it took into account risks related to liability, damages, and the defenses asserted by Defendant. (*Id.*) Moreover, each Class Member will be given the opportunity to opt-out of the Settlement, allowing those who feel they have claims that are greater than the benefits they can receive under this Settlement to pursue their own claims. (*Id.*) For the approximately **91** members of the Class, the average **gross** recovery is at least **\$1,428.57** per class member, and the estimated average **net** recovery for each Class Member is approximately **\$598.39**. (*Id.*) Given that Defendant could challenge certification and liability, this is a significant sum to have achieved in settlement. Moreover, a Class Member who worked a greater number of weeks for Defendant will receive a larger share of the Settlement than a Class Member who worked for a shorter amount of time during the class period. (*Id.*)

After analyzing the claims in this matter, Plaintiff has concluded that the value of this Settlement is fair, adequate, and reasonable. (Tunyan Decl., ¶ 17.) The Gross Settlement Amount of **\$130,000.00** is about 72% of the **\$180,751.70** estimate of *risk-adjusted* recovery (excluding interest) at this stage in the litigation. On that basis, it would be unwise to pass up this settlement opportunity. This assessment is based on a carefully constructed model of the current fair value of the case, using estimated risks, average wage rates, numbers of employees, and the amount of time covered by the class period. (*Id.*) The maximum calculated reasonable exposure is **\$913,099.00**, *including* PAGA penalties. (*Id.*)

- A reasonably estimated exposure for unpaid wages for the off-the clock work was calculated, with the assistance of an expert, to be approximately **\$112,948.00**. However,

with the risk factor discounts for certification and liability proof, the value of that claim is estimated by Plaintiff's counsel to be approximately **\$13,553.76**, assuming certification probability of 40% and merits success at 30%.

- A reasonably estimated exposure for unpaid wages as split shift premiums was calculated, with the assistance of an expert, to be approximately **\$1,634.00**. However, with the risk factor discounts for certification and liability proof, the value of that claim is estimated by Plaintiff's counsel to be approximately **\$915.04**, assuming certification probability of 80% and merits success at 70%.
- A reasonably estimated exposure for rest break violations over the class period was calculated at **\$162,639.00**, but with chances of certification and proof of liability (50% and 40% respectively) for a risk-adjusted exposure of **\$32,527.80**.
- A reasonably estimated exposure for meal break violations over the class period was calculated at **\$106,603.00**, with chances of certification and liability risks (50% and 40% respectively) resulting in a risk-adjusted exposure of **\$21,320.60**.
- Risk-adjusted penalty recoveries for wage statement and Labor Code § 203 penalties with chances of certification and liability risks (50% and 20% respectively) were estimated to be approximately **\$12,225.00** and **\$15,827.00**, respectively, on maximum exposures of **\$122,250.00** and **\$158,275.00**, respectively.
- A reasonably estimated exposure for unreimbursed expenses over the class period was calculated at **\$96,200.00**, with chances of certification and liability risks (80% and 70% respectively) resulting in a risk-adjusted exposure of **\$53,872.00**.
- Performing risk-adjusted valuations for all claims yields a total value in the range of **\$150,241.70**, excluding PAGA.³ (*Id.*)
- PAGA penalties were calculated as having a maximum realistic exposure of

³ In a sense, it is nonsensical to assign specific percentages to future events, but it does provide a specific method for attempting to reduce the concept of "very high risk" or "high risk" to a quantifiable amount. Certification of a claim is typically a binary event. One does not obtain a 20% certification; a claim is either certified or it is not. But the current expected value is best quantified by applying a risk reduction, based on the total experience of counsel.

1 \$152,550.00, but a risk adjusted value of \$30,510.00, after factoring in risks of reduction
2 in penalties pursuant to Court discretion and the high risk of the inability to prove
3 violations for all aggrieved employees.

4 The concurrently filed Declaration of Lilit Tunyan sets forth claim valuation in additional detail.
5 (See, Tunyan Decl., ¶ 17.)

6 This result here is fully supportable as reasonable. First, it is important to recognize the
7 wilfulness finding required for Labor Code §§ 203 and 226 is challenging to establish. (Tunyan Decl., ¶
8 18.) Second, rest break and meal period claims have been challenging to certify for many years, even
9 after *Brinker*. (Tunyan Decl., ¶ 18.) Third, the certification rates in California are lower than
10 conventional wisdom holds. See, H. Scott Leviant, *Second Interim Report on class actions in California*
11 *sheds new light on certification* (February 19, 2010), www.thecomplexlitigator.com, available at
12 [http://www.thecomplexlitigator.com/post-data/2010/2/19/second-interim-report-on-class-actions-in-](http://www.thecomplexlitigator.com/post-data/2010/2/19/second-interim-report-on-class-actions-in-california-sheds-n.html)
13 [california-sheds-n.html](http://www.thecomplexlitigator.com/post-data/2010/2/19/second-interim-report-on-class-actions-in-california-sheds-n.html); see also, *Findings of the Study of California Class Action Litigation, 2000-2006*,
14 available at <http://www.courtinfo.ca.gov/reference/documents/class-action-lit-study.pdf> (finding, at page
15 5, and in Table 9, at page 15, that only 21.4% of all class actions were certified either as part of a
16 settlement **or** as part of a contested certification motion).

17 Here, the estimated certification probabilities are **above** the average rate at which cases were
18 certified in California over the study years, based upon data available through the California Courts
19 websites. (Tunyan Decl., ¶ 18.) In sum, well *under* 20% of all cases filed as proposed class actions are
20 ultimately certified by way of a *contested* motion. (*Id.*) The recovery is roughly 14% of the maximum
21 theoretical recovery (estimated to be approximately \$913,099.00, including PAGA), which falls within
22 the expected outcome under the likelihood of success metric. (*Id.*) It would also be appropriate to
23 evaluate the result by examining only the premium wages at issue (approximately \$383,824.00 damages
24 for unpaid wages and meal and rest break violations, with no risk reduction), excluding penalties and
25 interest. This Settlement achieves the goals of the litigation.

26 **4. The Proposed Method for Allocating Settlement Funds Is Fair, Adequate,**
27 **and Reasonable.**

28 The proposed method of allocating the Settlement Fund to Class Members also is fair and

1 reasonable. As noted, the parties agreed to allocate the Settlement Fund between all Class Members
2 based on time worked by the Class Member during the Class Period, in relation to the total amount of
3 time worked by all participating Class Members collectively during the class period. This proposed
4 method is fair and reasonable because each Class Member's actual potential damages vary based on the
5 number of workweeks he or she actually worked (e.g., Lab. Code § 226.7 provides for an extra hour of
6 pay at the employee's regular rate of pay for each violation, resulting in a higher potential damage when
7 a higher number of incidents occur). A Class Member who worked a greater number of weeks for
8 Defendant will receive a larger payment under the Settlement than a Class Member who worked for a
9 shorter amount of time during the relevant period. (Tunyan Decl., ¶¶ 10, 16.)

10 **5. The Proposed Enhancement Award to Plaintiff Is Fair, Adequate, and**
11 **Reasonable and Warrants Final Approval.**

12 The proposed enhancement payment to Plaintiff is intended to recognize the substantial initiative
13 and significant efforts on behalf of the Class. Courts routinely approve incentive awards to compensate
14 named plaintiffs for the services they provide and the risks they incur during class action litigation, often
15 in much higher amounts than that sought here. *See, e.g., Bell v. Farmers Ins. Exchange*, 115 Cal. App.
16 4th 715, 726 (2004) (upholding "service payments" to named plaintiffs for their efforts in bringing the
17 case); *Van Vranken v. Atlantic Richfield Co.*, 901 F. Supp. 294 (N.D.Cal. 1995) (approving a \$50,000
18 enhancement award). Plaintiff contributed time to the prosecution of this matter, including assistance
19 prior to the mediation with discovery, information and substantial time conferring with counsel over the
20 course of this litigation and before it was filed. (White Decl., ¶¶ 4-22; Tunyan Decl., ¶ 35.) The
21 enhancement also recognizes the considerable risks Plaintiff undertook on behalf of the Class to be
22 personally liable for all costs incurred regardless of the success of the litigation or class certification, as
23 well as the personal risk of facing intrusive discovery and potential disclosure to future employers that
24 Plaintiff sued a former employer, making future employment prospects uncertain and that Plaintiff gives
25 a general release of all claims beyond wage-and-hour claims released by class members in this action.

26 **6. The Proposed Award of Attorneys' Fees and Costs Is Also Fair, Adequate,**
27 **and Reasonable and Merits Final Approval.**

28 *a) Plaintiff's Counsel Should be Awarded Fees Based on a Percentage of*

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The purpose of the common fund 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.*, 557 F.2d 759, 769 (9th Cir. 1977). Thus, 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.” *City and County of San Francisco v. Sweet*, 12 Cal. 4th 105, 110 (1995); see *Quinn v. State of California*, 15 Cal. 3d 162, 167 (1975) (“[O]ne 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.”).

We join the overwhelming majority of federal and state courts in holding that when class action litigation establishes a monetary fund for the benefit of the class members, and the trial court in its equitable powers awards class counsel a fee out of that fund, the court may determine the amount of a reasonable fee by choosing an appropriate percentage of the fund created. The recognized advantages of the percentage method—including relative ease of calculation, alignment of incentives between counsel and the class, a better approximation of market conditions in a contingency case, and the encouragement it provides counsel to seek an early settlement and avoid unnecessarily prolonging the litigation (See pt. I, *ante*; *Lealao*, *supra*, 82 Cal.App.4th at pp. 48–49, 97 Cal.Rptr.2d 797; *Rawlings v. Prudential–Bache Properties, Inc.*, *supra*, 9 F.3d at p. 516)—convince us the percentage method is a valuable tool that should not be denied our trial courts.

⁴ The Supreme Court also corrected the misconception that *Dunk* should be viewed as expressing doubt about the use of the percentage method: “The *Dunk* court, while finding the percentage method inapplicable to the settlement before it due to the lack of a readily valued common fund, did not purport to bar its usage generally in common fund cases.” *Laffitte*, 1 Cal. 5th at 501.

1 upon the percentage of the fund methodology.

2 “Empirical studies show that, regardless whether the percentage method or the lodestar method is
3 used, fee awards in class actions average around one-third of the recovery.” *Chavez v. Netflix, Inc.*, 162
4 Cal. App. 4th 43, 47 n. 11 (2008). This is also consistent with Plaintiff’s counsels’ experience in these
5 types of cases. Here, Plaintiff’s attorneys request attorneys’ fees of up to \$43,333.33 (one-third of the
6 GSA), and costs of \$10,713.04 (below the cap or \$12,000), which includes payment for mediation, filing
7 fees, and other standard expenses. (Tunyan Decl., ¶¶ 30-34.) Given the efforts and risks involved in this
8 case, as well as the results achieved, these amounts are within the range of reasonableness and warrant
9 *final approval*.

10 b) *Class Counsel Is Entitled to Attorneys’ Fees and Costs under the*
11 *California Labor Code and California’s Private Attorney General Statute*

12 Class Counsel is entitled to recover fees under Labor Code § 1194, which provides, in part:

13 [A]ny employee receiving less than the legal minimum wage or the legal overtime
14 compensation applicable to the employee is entitled to recover in a civil action the
15 unpaid balance of the full amount of this minimum wage or overtime compensation,
including interest thereon, reasonable attorney’s fees, and costs of suit.

16 Lab. Code § 1194. As this litigation culminated in a Settlement that provides for a recovery of unpaid
17 wages, including unpaid minimum and overtimes wages, Plaintiff is entitled to recover reasonable
18 attorneys’ fees and costs under the Labor Code.

19 Class Counsel is also entitled to a fee under California’s private attorney general statute, Code of
20 Civil Procedure § 1021.5. “The award of attorney’s fees is proper under section 1021.5 if ‘(1) plaintiffs’
21 action ‘has resulted in the enforcement of an important right affecting the public interest,’ (2) ‘a
22 significant benefit, whether pecuniary or nonpecuniary, has been conferred on the general public or a
23 large class of persons’ and (3) ‘the necessity and financial burden of private enforcement are such as to
24 make the award appropriate.’” *Press v. Lucky Stores*, 34 Cal. 3d 311, 317-318 (1983). The objective of
25 the statute is “to encourage suits enforcing public policies by providing substantial attorneys’ fees to
26 successful litigants in such cases.” *Graham v. DaimlerChrysler Corp.*, 34 Cal. 4th 553, 565 (2004).

27 The Action resulted in the enforcement of an important right affecting the public interest, as
28 Plaintiff sought to enforce Class Members’ rights to recover statutory wages arising from Defendants’

1 failure to pay all wages and failure to provide meal and rest breaks. *See Murphy v. Kenneth Cole*
2 *Productions, Inc.*, 40 Cal. 4th 1094, 1113 (2007) (noting that “health and safety concerns” are what
3 motivated the Industrial Wage Commission to adopt mandatory meal and rest periods).

4 The Action also conferred a significant benefit on a class of persons who worked for Defendant
5 during the Class Period and were, according to allegations, not properly compensated for all hours
6 worked and were not provided meal and rest periods or compensation therefor.

7 Finally, the necessity and financial burden of private enforcement render an award appropriate.
8 Without the incentive of an attorneys’ fee award, Plaintiff could not have afforded to hire counsel to
9 pursue this case, as the cost of litigating this matter far outweighed Plaintiff’s potential recovery. *See*
10 *Ryan v. California Interscholastic Federation*, 94 Cal. App. 4th 1033, 1044 (2001) (“As to the necessity
11 and financial burden of private enforcement, an award is appropriate where the cost of the legal victory
12 transcends the claimants’ personal interest; in other words, where the burden of pursuing the litigation is
13 out of proportion to the plaintiff’s individual stake in the matter.”).

14 c) *A Lodestar Cross Check Confirms that Class Counsel’s Requested*
15 *Attorneys’ Fees Are Reasonable*

16 Plaintiff’s fee application is also reasonable based on Class Counsel’s lodestar. Under the
17 lodestar method, the court considers a compilation of the time spent and a reasonable hourly
18 compensation of each attorney to evaluate the reasonableness of the fee requested. *Ramos v.*
19 *Countrywide Home Loans, Inc.*, 82 Cal. App. 4th 615, 622 (2000). The moving party meets its burden in
20 this regard by submitting “declarations evidencing the reasonable hourly rate for their services and
21 establishing the number of hours spent working on the case” as “California case law permits fee awards
22 in the absence of detailed time sheets.” *Wershba*, 91 Cal. App. 4th at 254-55; *Dunk*, 48 Cal. App. 4th at
23 1810; *Nightengale v. Hyundai Motors America*, 31 Cal. App. 4th 99, 103 (1994). The hours spent and
24 the reasonable hourly compensation are computed to arrive at a “lodestar” figure which may then be
25 augmented or diminished by the court taking into account various “multiplier” factors. *See Ramos*, 82
26 Cal. App. 4th at 622 (citing *Serrano*, 20 Cal. 3d at 48-49).

27 Here, Class Counsel’s billed lodestar exceeds \$82,150.00 which is based on approximately **150.8**
28 *billed* hours (not including final estimated hours) at the attorneys’ customary hourly rates. (Tunyan

Decl., ¶¶ 31-33.) The actual lodestar is estimated to be **\$84,900.00**. (Tunyan Decl., ¶ 33.) Thus, the request for **\$43,333.33** in attorneys' fees represents a **negative** lodestar multiplier of **1.89**, when compared to just the current lodestar of Tunyan Law, APC, and a **negative** lodestar multiplier of **1.96**, when compared to the recorded and estimated future lodestar of counsel when compared to the recorded and estimated future lodestar of counsel, totaling **\$84,900.00** (\$82,150.00 + \$2,750.00).

(1) Class Counsel's Hours Are Reasonable

In determining whether the number of hours expended on the litigation was reasonable, the court must determine that "the time spent was reasonably necessary and that [] counsel made 'a good faith effort to exclude from the fee request hours that are excessive, redundant, or otherwise unnecessary.'" *Jordan v. Multnomah County*, 815 F.2d 1258, 1263 n.8 (9th Cir. 1987). The court "should defer to the winning lawyer's professional judgment as to how much time he was required to spend on the case." *Moreno v. City of Sacramento*, 534 F.3d 1106, 1112 (9th Cir. 2008) (noting that "[l]awyers are not likely to spend unnecessary time on contingency fee cases in the hope of inflating their fees. The payoff is too uncertain, as to both the result and the amount of the fee.>").

Here, Class Counsel expended a prudent amount of time litigating the case to achieve the excellent result on behalf of the class. (Tunyan Decl. ¶ 31.)

(2) Class Counsel's Hourly Rates Are Reasonable

The reasonable hourly rate is that prevailing in the community for similar work. *PLCM Group, Inc. v. Drexler*, 22 Cal. 4th 1084, 1095 (2000). "[I]n assessing a reasonable hourly rate, the trial court is allowed to consider the attorneys' skill as reflected in the quality of work, as well as the attorneys' reputation and status." *MBNA American Bank, N.A. v. Gorman*, 147 Cal. App. 4th 1, 3 (2006). The trial court may also "find hourly rates reasonable based on evidence of other courts approving similar rates." *Parkinson v. Hyundai Motor America*, 796 F.Supp.2d 1160, 1172 (C.D. Cal. 2010).

Class Counsel are experienced litigators who specialize in employment law, with a substantial wage and hour class action practice. (Tunyan Decl. ¶¶ 20-26.) A number of courts have approved Class Counsel's hourly rates which are consistent with my practice area, legal market. (Tunyan Decl. ¶ 26.) Given the skill and experience of Class Counsel, and the excellent result achieved, Class Counsel's hourly rates are reasonable.

1 *d) Class Counsel's Costs Are Reasonable*

2 The Settlement Agreement provides for reimbursement of costs not to exceed \$12,000.00. To
3 date, Tunyan Law, APC has already incurred actual costs in the amount of **\$10,713.04** which include
4 future motion filing and final report filing fees. (Tunyan Decl., ¶ 34.) These costs were reasonably
5 incurred in prosecuting the Action on behalf of the Class Members and should be approved by the Court.
6 Accordingly, Class Counsel respectfully requests the Court approve costs in the amount of **\$10,713.04**.
7 (Tunyan Decl., ¶ 34.)

8 **7. The Proposed Payment to the Administrator Is Fair and Reasonable**

9 In deciding whether to approve a proposed settlement, a trial court must determine if the
10 proposed settlement is fair under the circumstances of the case. *Mallick*, 89 Cal.App.3d at 438. In
11 exercising this power, the overriding concern is to ensure that a proposed settlement is “fair, adequate,
12 and reasonable.” *Dunk*, 48 Cal.App.4th at 1801 (internal quotations omitted). Phoenix Class Action
13 Administration Solutions, which has been selected due to its competitive bid, estimates that
14 administration can be performed for **\$7,000.00**. In counsel's experience, based on similar wage-and-
15 hour actions, an estimated cost of **\$7,000.00** is a fair and reasonable amount for administration fees and
16 should be preliminarily approved. (Tunyan Decl., ¶ 36.)

17 **8. The PAGA Allocation is Reasonable**

18 The ultimate decision as to the amount of penalties is always up to the discretion of the Court.
19 Labor Code § 2699(e)(2) states: “In any action by an aggrieved employee seeking recovery of a civil
20 penalty available under subdivision (a) or (f), a court may award a lesser amount than the maximum civil
21 penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do
22 otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory.”

23 Prior to the issuance of *Moniz v. Adecco USA, Inc.*, 72 Cal. App. 5th 56 (2021), the only sources
24 of persuasive guidance as to how to assess the reasonableness of a PAGA allocation were found in
25 federal court decisions addressing that question. In their view, a PAGA allocation, even if a small
26 portion of the total settlement, could be reasonable if the settlement of the underlying wage and hour
27 claims is robust and serves the deterrent purpose of the PAGA statute. *O'Connor v. Uber Technologies,*
28 *Inc.*, 201 F.Supp.3d 1110, 1135 (N.D. Cal. 2016) (“By providing fair compensation to the class members

1 as employees and substantial monetary relief, a settlement not only vindicates the rights of class
2 members as employees, but may have a deterrent effect upon the defendant employer and other
3 employers, an objective of PAGA.”); *see also Visceral v. Mistras Group*, 2016 WL 5907869 *9 (N.D.
4 Cal. 2016) (“Applying O’Connor’s sliding scale approach, settlement of the PAGA claim may be
5 substantially reduced below its standalone settlement value without sacrificing its statutory purposes
6 because the non PAGA settlement is relatively substantial.”)

7 *Moniz* then provided explicit confirmation that this was an appropriate yardstick by which to
8 measure reasonableness of a PAGA settlement. *Moniz* said:

9 [W]hile PAGA does not require the trial court to act as a fiduciary for aggrieved
10 employees, adoption of a standard of review for settlements that prevents “ ‘ ‘ ‘fraud,
11 collusion or unfairness’ ” (Dunk, *supra*, 48 Cal.App.4th at pp. 1800–1801, 56
12 Cal.Rptr.2d 483), and protects the interests of the public and the LWDA in the
13 enforcement of state labor laws is warranted. Because many of the factors used to
14 evaluate class action settlements bear on a settlement’s fairness—including the strength
15 of the plaintiff’s case, the risk, the stage of the proceeding, the complexity and likely
16 duration of further litigation, and the settlement amount—these factors can be useful in
17 evaluating the fairness of a PAGA settlement.

18 Given PAGA’s purpose to protect the public interest, we also agree with the LWDA
19 and federal district courts that have found it appropriate to review a PAGA settlement to
20 ascertain whether a settlement is fair in view of PAGA’s purposes and policies.
21 (*O’Connor v. Uber Technologies, Inc.* (N.D. Cal. 2016) 201 F.Supp.3d 1110, 1132–
22 1134; *Jordan v. NCI Group, Inc.* (Jan. 5, 2018, No. EDCV 16-1701-JVS) 2018 WL
23 1409590, at *1–*2, 2018 U.S. Dist. Lexis 25297, at *3–*4; *Chamberlain v. Baker*
24 *Hughes, a GE Co., LLC, supra*, 2020 WL 4350207 at *3–*4, 2020 U.S. Dist. Lexis
25 134582 at *10–*11; *see Consumer Advocacy Group, Inc. v. Kintetsu Enterprises of*
26 *America* (2006) 141 Cal.App.4th 46, 59, 61–62, 45 Cal.Rptr.3d 647 [where the
27 Legislature required court approval of private settlements of Proposition 65 actions
28 brought to vindicate the public interest, court must evaluate the resulting consent decree
to determine if it is “just” and “serves the public interest”].) We therefore hold that a
trial court should evaluate a PAGA settlement to determine whether it is fair,
reasonable, and adequate in view of PAGA’s purposes to remediate present labor law
violations, deter future ones, and to maximize enforcement of state labor laws. (*See*
Williams, supra, 3 Cal.5th at p. 546, 220 Cal.Rptr.3d 472, 398 P.3d 69 [PAGA “sought
to remediate present violations and deter future ones”]; *Arias, supra*, 46 Cal.4th at p.
980, 95 Cal.Rptr.3d 588, 209 P.3d 923 [the declared purpose of PAGA was to augment
state enforcement efforts to achieve maximum compliance with labor laws].) The trial
court below used this standard.

Moniz, 72 Cal. App. 5th at 77. *Moniz*, in agreeing with the federal courts that have considered how to
evaluate a PAGA settlement, concluded that the class action factors are appropriately considered, along
with a consideration of whether the settlement furthers “PAGA’s purposes to remediate present labor law
violations, deter future ones, and to maximize enforcement of state labor laws.”

1 As to the first set of elements (the class-type analysis), it is embodied in Plaintiff's discussion of
2 the adequacy of the settlement generally. To assess the fairness, adequacy, and reasonableness of a class
3 action settlement, the court should also consider the expense, complexity and likely duration of further
4 litigation. *Dunk*, 48 Cal. App. 4th at 1801. Here, the expense, complexity and likely duration of future
5 litigation was to some extent an unknown. However, what is certain is that to adequately establish the
6 foundational violations that would support a substantial penalty award, tremendous time and expense
7 would be invested. To adequately establish that aggrieved employees experience the alleged violations,
8 and at what frequency, most of the aggrieved employees would need to be interviewed in a systematic
9 fashion and their testimony cataloged in way sufficiently meaningful to permit the submission of
10 summary evidence at trial, such as via survey. *First*, the burdensome nature of such a process would be
11 expensive and time-consuming. *Second*, the individuals already interviewed confirmed substantial risk
12 that the Court would either substantially reduce any penalty ultimately awarded *or* conclude that the
13 conduct was insufficient to support a penalty award. *Third*, it would be essentially impossible to
14 formulate an objectively reliable means of summarizing testimonial experiences, other than by an
15 extraordinarily detailed survey. And formulating such a survey would have been important, since
16 frequency of violations would need to be established before any penalties could be recovered. At least as
17 to claims such as meal period and rest break violations, the decisions of aggrieved employees are a major
18 factor in assessing liability. Direct testimony would have been required from as many of the 91
19 aggrieved employees as could be obtained, which would be, at best, very difficult.

20 The second element (the PAGA purposes element) is also satisfied here. As held by *Moniz*,
21 PAGA's purposes include (1) remediation of present labor law violations, (2) deterrence of future
22 violations, and (3) maximization of enforcement of state labor laws. Here the allocation of a major
23 portion of settlement funds to class members still advances the goal of labor law violation remediation.
24 Class members benefit from payments intended to offset the harm of alleged violations of wage and hour
25 requirements. The allocation of a major portion of settlement funds to class members also deters future
26 violations, since, from the perspective of an employer, where settlement funds go is less significant than
27 the fact that settlement funds are issuing at all. Finally, allocation of a major portion of settlement funds
28 to class members still advances the goal of enforcement of state labor law. This settlement is, by

1 definition, a response to alleged violations of state labor laws, balanced against the competing factors of
2 uncertainty of proof and other risks.

3 In addition, there is no evidence that a court or a commissioner had informed Defendant that its
4 conduct violated the Labor Code. *Amaral v. Cintas Corp.*, 163 Cal. App. 4th 1157, 1209 (2008); *Willis v.*
5 *Xerox Bus. Servs., LLC*, 2013 WL 6053831, *7-8 (E.D. Cal. 2013) (“Under California law, courts have
6 held that employers are not subject to heightened penalties for subsequent violations until and unless a
7 court or commissioner notified the employer that it is in violation of the Labor Code.”) And in *Cotter*,
8 the court found a significant reduction of the PAGA claim would be appropriate because “[t]his does not
9 appear to be a case where a company has deliberately sought to evade the law.” *Cotter v. Lyft, Inc.*, 176
10 F. Supp. 3d at 941. Here, Defendant can state a strong case that, as the Court concluded in *Cotter*, its
11 efforts to devise compliant operational policies do not indicate an organization that has deliberately
12 sought to evade the law. This is a very significant risk factor.

13 Finally, the PAGA allocation is fair. The LWDA is receiving **\$7,500**. The Class is receiving,
14 net, an estimated **\$54,453.63** for the releases for eight theories of recovery (including the \$2,500 as the
15 aggrieved employees’ share of the PAGA Allocation). An allocation to the LWDA equal to **13.7%** of
16 the Net Settlement Amount is not unfair and satisfies the policies underlying California’s wage and hour
17 laws.

18 **VII. CONCLUSION**

19 For all the foregoing reasons, because the Class meets the requirements for certification, because
20 the Settlement bears all requisite indicia of fairness, reasonableness, and adequacy, and because the
21 proposed notice procedure and forms comport with Rule 3.766 and due process, this Court should grant
22 this Motion for Final Approval.

23 Respectfully submitted,

24 Dated: December 4, 2024

TUNYAN LAW, APC

25
26 By: _____

Lilit Tunyan
Artur Tunyan

27 Attorneys for Plaintiff PRINCESSALEXIA
28 CHANNEL WHITE

1 **PROOF OF SERVICE**

2
3 STATE OF CALIFORNIA)
4) ss
5 COUNTY OF LOS ANGELES)

6 I am employed in the county of Los Angeles, State of California. I am over the age of 18
7 and not a party to the within action; my business address is 535 N. Brand Blvd., Suite 285
8 Glendale, California 91203. On December 4, 2024, I served the foregoing document described as:

9 On the date indicated below, I served the document described as: **PLAINTIFF'S NOTICE OF**
10 **MOTION AND MOTION FOR FINAL APPROVAL OF CLASS AND PAGA**
11 **REPRESENTATIVE ACTION SETTLEMENT; MEMORANDUM OF POINTS AND**
12 **AUTHORITIES IN SUPPORT THEREOF** on the interested parties in this action by sending a true
13 copy thereof to interested parties as follows and as stated on the attached service list:

14 Rissa Stuart
15 rstuart@kschanford.com

16 David Kahn
17 dkahn@kschanford.com

18 Ian Brady
19 ibrady@kschanford.com

20 Maria Cabrera
21 mcabrera@kschanford.com

22 Malarie Moran
23 mmoran@kschanford.com

24 **KAHN, SOARES & CONWAY, LLP**

25 219 N. Douty Street

26 Hanford, CA 93230

27 Telephone: (559) 584-3337

28 Facsimile: (559) 584-3348

Attorneys for Defendant SGB VENTURES LLC

20 [✓] **BY E-MAIL:** I hereby certify that this document was served from Glendale,
21 California, by e-mail delivery on the parties listed herein at their most recent known e-
22 mail address or e-mail of record in this action.

23 [✓] **BY ELECTRONIC SERVICE:** Based on an agreement of the parties to accept electronic
24 service, I caused the documents to be sent to the persons at the electronic service addresses
25 listed above via electronic mail. I did not receive an error message.

26 I declare under penalty of perjury under the laws of the State of California that the
27 above is true and correct. Executed on December 4, 2024 at Glendale, California.

28 _____
Lilit Tunyan

