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on behalf of himself and all others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

JOSE ARCEO, on behalf of himself and all others similarly situated, Plaintiff, vs. ARDENT MILLS, LLC, a Colorado limited liability company; and DOES 1 to 10, inclusive, Defendants.	Case No. CIVSB2305763 CLASS ACTION Assigned for All Purposes To: Hon. Christian Towns **PLAINTIFF'S NOTICE OF MOTION AND MOTION FOR FINAL APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT AND REQUEST FOR ATTORNEYS' FEES, COSTS, AND CLASS REPRESENTATIVE SERVICE AWARD; MEMORANDUM OF POINTS AND AUTHORITIES** Final Approval Hearing: Date: November 5, 2025 Time: 8:30 a.m. Department S-26 Complaint: March 3, 3023 FAC: May 16, 2023 SAC: January 28, 2025 Trial: None set

TO THE HONORABLE COURT, ALL INTERESTED PARTIES, AND THEIR RESPECTIVE COUNSEL OF RECORD:

PLEASE TAKE NOTICE THAT on November 5, 2025, at 8:30 a.m., or as soon thereafter as the matter may be heard, located at the San Bernardino Justice Center, 247 West Third Street, San Bernardino, CA 92415, Plaintiff Jose Arceo will move for an Order Granting Final Approval of Class Action and PAGA Settlement Agreement.

The Motion will be made on the grounds that the proposed Settlement is fair, adequate, reasonable, and in the best interest of the Plaintiff and all Class Members.

The Motion will be based on this Notice of Motion, the attached Memorandum of Points and Authorities, the Declaration of Class Counsel, the Declaration of Chris Pikus for Rust Consulting, Inc., and all other papers and records on file in this action, and on such oral and documentary evidence as may be presented at the hearing on this Motion.

Dated: October 14, 2025 **D.LAW, INC.**

By: ______________________________
Enoch J. Kim, Esq.
Marta Manus, Esq.
Attorneys for Plaintiff

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Class Counsel has achieved an excellent result in this litigation, reflected in the Class Action and PAGA Settlement Agreement ("Settlement Agreement"). The response of Class Members shows that the settlement is in the best interests of the class: no Class Member opted out of or objected to the settlement. The average Individual Class Payment is approximately $2,904.39 and the highest Individual Class Payment will be approximately $7,830.95. The settlement of this action is fair, reasonable, and adequate. Accordingly, final approval should be granted.

II. RELEVANT BACKGROUND

On March 3, 2023, Plaintiff Jose Arceo filed his initial class complaint commencing the Action. On the same date, Arceo's counsel sent a letter to the LWDA to exhaust his remedies under PAGA. On May 12, 2023, Arceo filed a First Amended Complaint adding a PAGA claim. (Declaration of Marta Manus ["Manus Decl."], ¶ 2., filed herewith.) On November 13, 2024, Plaintiff filed an Amended PAGA Notice with the Labor & Workforce Development Agency ("LWDA"), adding a claim for unreimbursed business expenses under California Labor Code § 2802. (*Id.*) On January 21, 2025, Plaintiff filed a Second Amended Complaint ("SAC") 66 days after filing the Amended PAGA Notice with the LWDA. The SAC includes all causes of action contained within the First Amended Complaint and adds a cause of action for unreimbursed business expenses under California Labor Code § 2802. The SAC is the operative complaint. (*Id.*)

The parties agreed to participate in mediation and informally exchanged information and documents, including data in the Class Period, Defendant's wage and hour policies and practices, and time and pay records for a sample of approximately 65 Class Members (23% of the total Class of 285). In preparation for mediation, Plaintiff hired an expert to prepare damage calculations and an exposure analysis for the mediation. (Manus Decl., ¶ 3.) On September 10, 2024, the parties mediated this case before well-respected mediator, Steven J. Serratore, Esq. (Manus Decl., ¶ 4.)

After lengthy negotiations during and after the mediation, the parties ultimately settled the case in the total amount of $1,350,000.00 (“Gross Settlement Amount”), on a class wide and PAGA representative basis. The Class Period is defined as December 3, 2018, through November 9, 2024. (Manus Decl., ¶ 5.)

III. THE SETTLEMENT

A. Benefit to the Class

The Class consists of the named Plaintiff and all current and former hourly paid or non-exempt employees who worked for Defendant in California at any time during the Class Period (December 3, 2018, through November 9, 2024) (“Class Members”). There is no claim form requirement, and no residual will revert to Defendant. It is an opt-out class. (Manus Decl., ¶ 6.)

The average Individual Class Payment is approximately $2,904.39 and the highest Individual Class Payment will be approximately $7,830.95. (Manus Decl., ¶ 7, Ex. 3 - Declaration of Chris Pikus of Rust Consulting, Inc. [“Pikus Decl.”], ¶ 19.)

Additional proposed disbursements are as follows:

1)	Class Counsel Fees:	$450,000
2)	Litigation Costs:	$21,143.09[1]
3)	Administrator Costs:	$11,000
4)	Class Representative Service Payment:	$15,000
5)	PAGA Penalties:	$27,000 (LWDA Portion: $20,250).

After the above deductions from the Gross Settlement Amount of $1,350,000, the Net Settlement Amount to be distributed to Participating Class Members is estimated to be $825,856.91. (Manus Decl., ¶ 8.)

B. Preliminary Approval of Settlement and Notice Procedure

On July 1, 2025, the Court granted Preliminary Approval of this settlement, approved the

[1] Class Counsel’s litigation costs to date are $21,058.09. The total litigation costs requested at the time of final approval include an additional estimated $85.00 for filing fees for a total of $21,143.09, which is less than the “not to exceed” amount” per the Parties’ Settlement Agreement. (Manus Decl. ¶ 14.)

Notice of Class Action and related forms, appointed Plaintiff Arceo as the Class Representative, appointed Class Counsel, approved Rust Consulting, Inc. ("Rust") as the Administrator, and set timelines for the settlement administration process, pursuant to the Settlement. (Manus Decl., ¶ 9.)

On or about July 1, 2025, Rust received the Court-approved Notice of Class Action Settlement (the "Class Notice"), from the parties. The Class Notice advised Class Members of their right to submit opt out of the settlement, object to the settlement, dispute the quantity of Workweeks, or do nothing, and the implications of each such action. The Class Notice also advised Class Members of applicable deadlines and other events, including the date of the Final Approval Hearing, and how Class Members could obtain additional information. (Manus Decl., Ex. 3 - Pikus Decl., Ex A.)

On or about July 22, 2025, Defendant's counsel provided Rust with a mailing list containing Class Members' names, last known addresses, Social Security Numbers and applicable employment information ("Class List"). The Class List contained records for 285 individuals identified as Class Members. (Manus Decl., Ex. 3 - Pikus Decl., ¶ 10.)

The mailing addresses contained in the Class List were processed and updated utilizing the National Change of Address Database ("NCOA") maintained by the U.S. Postal Service ("USPS"). The NCOA contains changes of addresses filed with the USPS. If any individual had filed a USPS change of address request, the address listed with the NCOA was utilized in connection with the mailing of the Notices. (Manus Decl., Ex. 3 - Pikus Decl., ¶ 11.)

On August 5, 2025, Rust mailed the Class Notices via First Class U.S. Mail to 285 Class Members. The Class Notice advised Class Members that they could submit an exclusion, objection and/or dispute postmarked by September 4, 2025. (Manus Decl., Ex. 3 - Pikus Decl., ¶ 12.)

Rust performed fifteen (15) address traces on Class Notices returned as undeliverable for the first time as of September 4, 2025. The address trace utilizes the Class Member's name, previous address and Social Security Number for locating a current address. Of the 15 traces performed, fourteen (14) more current addresses were obtained, and Class Notices were promptly re-mailed to those Class Members via First Class mail. Of the 14 traces performed, Rust did not obtain updated addresses for one (1) undeliverable Class Notices. Of the 14 Class Notices mailed to a more current address identified from trace, one (1) Class Notices were returned to Rust as undeliverable a second time. As of this date, two (2) Class Notices remain undeliverable. (Manus Decl., Ex. 3 - Pikus Decl., ¶ 13.)

The deadline for Class Members to submit a Request for Exclusion, object to the settlement, or dispute pay periods and/or workweeks was September 4, 2025. Re-mailed Notices were provided an extended deadline of September 14, 2025. (Manus Decl., Ex. 3 - Pikus Decl., ¶ 15.) As of this date, Rust has received no Request for Exclusions, objections, or disputes regarding employment information from Class Members. (Manus Decl., Ex. 3 – Pikus Decl., ¶ 16.)

IV. FINAL SETTLEMENT APPROVAL IS APPROPRIATE

A class action cannot be dismissed or compromised without court approval and notice of any proposed dismissal or compromise must be given to all class members as directed by the court. (*La Sala v. Am. Sav. & Loan Assn*. (1971) 5 Cal.3d 864, 872; see Code Civ. Proc. § 1781(f).) In deciding whether to grant final approval to a proposed class action settlement under Code of Civil Procedure section 382, a court's overriding concern is whether the proposed settlement is "fair, adequate, and reasonable." (*Dunk v. Ford Motor Company* (1996) 48 Cal.App.4th 1794, 1801.)

A. The Settlement is Entitled to a Presumption of Fairness.

A presumption of fairness exists where: (1) a settlement is reached through arm's length bargaining; (2) investigation and discovery are sufficient to allow counsel and the court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small. (*Dunk v. Ford Motor Company*, *supra*, 48 Cal.App.4th at p. 1802.)

To prevent fraud, collusion, or unfairness to the class, the settlement or dismissal of a class action requires court approval. (*Malibu Outrigger Bd. of Governors v. Superior Court* (1980) 103 Cal.App.3d 573, 578-579.) The purpose of the requirement is the protection of those class members, including the named plaintiff, whose rights may not have been given due regard by the negotiating parties. (*Officers for Justice v. Civil Serv. Com'n of City and County of San Francisco* (1982) 688 F.2d 615, 624.) The trial court has broad powers to determine whether a proposed class action settlement is fair. (*Mallick v. Superior Court* (1979) 89 Cal.App.3d 434.)

At the Final Approval hearing, the Court should consider the relevant factors, such as the strength of the plaintiff's case, the risk, expenses, complexity, and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, and the reaction of the class members to the proposed settlement. (*Officers for Justice*, *supra*, 688 F.2d at p. 624.) "This list is not exhaustive and should be tailored to each case. Due regard should be given to what is otherwise a private consensual agreement between the parties." (*Dunk*, *supra*, 48 Cal.App.4th at p. 1801.)

B. The Settlement Was Reached Through Arm's Length Negotiations

This settlement was reached through arms-length negotiations with an experienced, highly regarded neutral mediator, Steven J. Serratore, Esq. Mr. Serratore is familiar with this type of class action in its substance and procedure. The parties ultimately agreed on the Settlement through the mediator. (Manus Decl., ¶¶ 3-5.)

C. Sufficient Discovery and Investigation Have Been Completed.

The stage of the proceedings and the amount of discovery completed when the settlement was reached are important factors in determining the fairness, reasonableness, and adequacy of a settlement. (*Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 128.)

Here, the Settlement was reached through arm's-length negotiation with an experienced mediator. Before mediation, the parties engaged in informal discovery, and Defendant provided information and records including data related to the claims asserted in this case, Defendant's wage and hour policies and practices, and time and pay records for approximately 23% of the Class. Plaintiff hired Berger Consulting Group ("BCG"), an expert data analysis group to prepare damage calculations and an exposure analysis for the mediation. (Manus Decl., ¶ 3.)

Based on that experience, the information produced by Defendant, and the Berger's calculations, Class Counsel was able to negotiate a sizable recovery for the Class Members.

D. Class Counsel is Experienced and Endorses the Settlement.

Experienced counsel, operating at arm's length, have weighed all of the foregoing factors and endorse the proposed settlement. The view of the attorneys actively conducting the litigation is "entitled to significant weight." (*Fisher Bros. V. Cambridge-Lee Industries, Inc.* (E.D. Pa. 1985) 630 F.Supp.482, 488.) "The recommendations of plaintiffs' counsel should be given a presumption of reasonableness." (*In re Omnivision Techs., Inc.* (N.D. Cal. 2008) 559 F. Supp. 2d 1036, 1043; see *Dunk, supra*, 48 Cal.App.4th at p. 1801.)

Class Counsel has extensive experience in class actions and employment litigation, and specifically in wage and hour class actions. (Manus Decl., ¶¶ 24-36.) Class Counsel is experienced and qualified to evaluate the class claims and viability of the defenses. (*Id.*) The recovery for each Class Member is substantial, given the risks inherent in litigation and the defenses asserted.

Class Counsel remain convinced the Settlement is in the best interest of the Class based on a detailed knowledge of the issues, risks of loss, and the negotiations. Nothing has changed since the Court granted Preliminary Approval of the Settlement to negate the presumption of fairness. The affirmative defenses asserted by Defendant, the uncertainty of achieving certification, the prospect of a potential adverse summary judgment ruling, the difficulties of complex litigation, the lengthy process of establishing specific damages, and the perils of litigation affecting the value of the claims, as well as the risks of loss at trial and the various possible delays and appeals were carefully considered by Class Counsel in arriving at the proposed Settlement. (Manus Decl. ¶ 10.) Thus, this Settlement is fair, adequate, and reasonable and in the best interests of the Class.

V. THE COURT SHOULD APPROVED THE REQUESTED ATTORNEYS' FEES

A. Plaintiff is Entitled to Attorneys' Fees Under California Law.

California law, the court is empowered to award reasonable attorneys' fees and costs when a litigant proceeding in a representative capacity has achieved a "substantial benefit" for a class of persons. (*Serrano v. Priest* (1977) 20 Cal.3d 25, 38 ("*Serrano III*").) There are two methods of calculating attorneys' fees in civil class actions: (1) the lodestar/multiplier method, and (2) the percentage of recovery method. (*Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 254; *see also Vizcaino v. Microsoft Corp.* (9th Cir. 2002) 290 F.3d 21043, 1047 [citing *In re Wash. Pub. Power Supply Sys. Litig.* (9th Cir.1994) 19 F.3d 1291, 1295–96].)

Class Counsel's fee request is justified under either method. Class Counsel obtained an excellent result for the Class after thorough investigation, litigation, mediation, and finally, negotiation of a settlement. Class Counsel has also expended a substantial amount of work in the case. The positive reaction of the Class further demonstrates that Class Counsel's fee request is reasonable in light of the results achieved.

B. Class Counsel Requests an Award of Fees Based on the Common Fund Doctrine.

Class Counsel seek a fee award for the successful prosecution and resolution of this action, calculated as a percentage of the total value of benefits to Class Members by the settlement, which is an appropriate method for determining an award of attorneys' fees. (*Serrano v. Priest* (1977) 20 Cal.3d 25, 34; *Vincent v. Hughes Air West, Inc.* (9th Cir. 1977) 557 F.2d 759, 769.) The purpose of this equitable doctrine is to avoid unjust enrichment of counsel and 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., supra,* 557 F.2d at p. 769.)

The Common Fund Doctrine is predicated on the principle of preventing unjust enrichment. When a litigant's efforts create or preserve a fund from which others derive benefits, the Court may spread litigation costs proportionally among all the beneficiaries to compensate those who created the fund. "Where the lawsuit results in the recovery of a fund or property benefitting others as well as the plaintiff (e.g., a class action), the court has inherent equitable power to order Plaintiff's attorney's fees paid out of the common fund or property." (*Serrano, supra,* 20 Cal.3d at p. 35.)

Such fee spreading assures that all those benefited by the litigation pay their fair share of obtaining the recovery. (*Lealao v. Beneficial Calif., Inc.* (2000) 82 Cal.App.4th 19, 26.) "Percentage fees have traditionally been allowed in such common fund cases." (*Id.* at p. 27.) The

California Supreme Court has long approved of awarding fees as a percentage of the settlement. (*Serrano, supra,* 20 Cal.3d at p. 35.) California courts have been expressly authorized to award attorneys' fees so as "**to ensure that the fee awarded is within the range of fees freely negotiated in the legal marketplace incomparable litigation**." (*Lealao*, *supra*, 82 Cal.App.4th at p. 50, emphasis added.) As *Lealao* explained, in a representative action, courts must consider the amount of attorney fees typically negotiated in comparable litigation: "Given the unique reliance of our legal system on private litigants to enforce substantive provisions of law through class and derivative actions, attorneys providing the essential enforcement services must be provided incentives roughly comparable to those negotiated in the private bargaining that takes place in the legal marketplace, as it will otherwise be economic for defendants to increase injurious behavior. It has therefore been urged (most persistently by Judge Richard Posner) that in defining a 'reasonable fee' in such representative actions the law should 'mimic the market.'" (*Id.* at p. 47.)

In this case, the fees are being paid from the common fund; accordingly, the fee should be awarded to mimic fees freely negotiated in the legal marketplace for comparable common fund cases under *Lealao*. As *Lealao* acknowledged, in cases like this, the percentage-of-the-benefit approach should be considered, because "it better approximates the workings of the marketplace than the lodestar approach." (*Lealao, supra,* 82 Cal.App.4th at p. 49; see also *Apple Computer, Inc. v. Superior Court* (2005) 126 Cal.App.4th 1253, 1270 [observing that "attorney fees awarded under the common fund doctrine are based on a 'percentage-of-the-benefit' analysis"].)

In *Laffitte v. Robert Half International Inc.* (2016) 1 Cal.5th 480, 503, the California Supreme Court affirmed that trial courts may grant attorneys' fees in a common fund case based on a percentage of the recovery. *Lafitte* held 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…—convince us the percentage method is a valuable tool that should not be denied our trial courts." (*Ibid.*)

Thus, California courts have affirmed the continued validity of percentage fee awards in class action cases. Under these principles, a percentage of the common fund fee award is properly based on the total settlement. Class Counsel's application for an award of attorneys' fees in an amount of one-third of the settlement amount created on behalf of the Class is reasonable and fair.

Numerous other courts have recognized the advantages of awarding fees as a percentage of the common fund over the alternative lodestar approach, which usually involves wading through voluminous and often indecipherable time records. (*See*, *e.g.*, *In re Activision Securities Litigation* (N.D. Cal. 1989) 723 F.Supp. 1373, 1375; *see also Lealao, supra,* 82 Cal. App 4th at p. 28 [discussing findings of task force commissioned by the Third Circuit, which concluded that the percentage method is superior].) The Ninth Circuit routinely uses the percentage of the common fund approach to determine the award of attorney's fees. (*See*, *e.g.*, *In re Pacific Enterprises Securities City and County of San Francisco Litigation* (9th Cir. 1994) 47 F.3d 373, 378-79 [approving attorney's fee of 33 1/3%].)

Class Counsel seeks a fee award calculated as a percentage of the Gross Settlement Amount for the successful prosecution and resolution of this action. For Class Counsel, the fees here were wholly contingent in nature, and the case presented far more risk than the usual contingent fee case. There was the prospect of the enormous cost inherent in class action litigation, as well as a long battle with a corporate defendant. Class Counsel risked their time, money, and resources to ensure the successful litigation of this action on behalf of the Class Members. Accordingly, the requested percentage of the common fund is appropriate, and Class Counsel respectfully requests that the Court enter an Order to that effect. (Manus Decl. ¶ 17.)

Moreover, the Class Notice mailed to Class Members stated the amount of fees being requested by Class Counsel. Not a single Class Member objected to an award of fees in the amount requested, as of date. (Manus Decl., ¶ 15.)

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

C. Optional Lodestar Cross-Check Confirms Reasonableness of Fees.

California courts have been expressly authorized to award attorneys' fees so as "to ensure that the fee awarded is within the range of fees freely negotiated in the legal marketplace in comparable litigation." (*Lealao, supra*, 82 Cal.App.4th at p. 50.) Specifically, *Lealao* holds that if the court sets fees under a lodestar, the multiplier should consider what counsel would have earned on the free market. The free market is determined by the percentage of the common fund, not the lodestar amount. (*Ibid*.) Accordingly, whatever method the court uses to set fees, the Court is encouraged to look to what the free market would bear under any circumstances. Even if the Court awards fees under the lodestar method, under *Lealao*, the lodestar fees can be adjusted by a multiplier to reflect the percentage of the fund. (*Id*. at pp. 19, 50.)

Once the Court establishes the lodestar amount, it may enhance the fee award by a multiplier in order to make an appropriate fee award. (*Serrano, supra*, 20 Cal. 3d at p. 48.) The pertinent factors include the difficulty of the questions involved and the skill in presenting them, the contingent nature of the fee award, the extent to which the litigation precluded other employment, and the percentage-of-the-fund the attorney would have received on the fair market. (*Ibid.; Lealao, supra*, 82 Cal.App.4th at p. 49.) However, this list is not exhaustive, and the Court can consider other factors it deems important in setting the multiplier. (*Id.* at p. 40.)

In this case, by the time of the Final Approval hearing, Class Counsel will have worked at least 216.1 hours on this case, with a lodestar of approximately $229,161.00. (Manus Decl., ¶ 17, Ex. 1, Time Records.) Class Counsel requests a fee of $450,000.00, for a multiplier of 1.9. (Manus Decl., ¶ 19.)

Class Multipliers routinely range from 3 to 5, and it is not uncommon that multipliers of between 5 and 10, or higher, are applied. *See, e.g., Wilson v. Bank of Am. Natl. Trust & Savs. Assn.*, No. 643872 (Cal. Sup. Ct., Aug. 16, 1982) (multiplier of 10); *Glendora Comm. Redev. Agency v. Demeter* (1984) 155 Cal.App.3d 456, 465 (affirming multiplier of 12 and expressly rejecting the argument that fee was either exorbitant or unconscionable). In *Ketchum*, the California Supreme Court resoundingly re-affirmed the importance of multipliers in cases where the party seeking fees is not paid on a fee-for-service basis: "The purpose of a fee enhancement, or so-called multiplier, for contingent risk is to bring the financial incentives for attorneys enforcing important constitutional rights . . . into line with incentives they have to undertake claims for which they are paid on a fee-for-services basis." *Ketchum v. Moses* (2001) 24 Cal.4th 1122, 1132. The court recognized that "lawyers generally will not provide legal representation on a contingent basis unless they receive a premium for taking that risk." (*Id*. at p. 1136.) By contrast, the use of enhancements to provide premium compensation for successful contingent cases will counter-balance the risk of loss, ensuring that the rate awarded actually reflects the "market value" of the services. (*Id*. at p.1138 ("The adjustment of the lodestar figure, e.g., to provide a fee enhancement reflecting the risk that the attorney will not receive payment if the suit does not succeed, constitutes earned compensation; unlike a windfall, it is neither expected nor fortuitous."); *Beasley v. Wells Fargo* (1991) 235 Cal.App.3d 1407, 1419 ("The purpose is to compensate for the risk of loss generally in contingency cases as a class.") (italics in original).)

Here, the fee request of $450,000.00 results in a multiplier of 1.9, which further evidences the reasonableness of the request. (Manus Decl., ¶ 19.) The efficiency with which settlement was reached, the excellent results and quality of the settlement, and the contingent risk support the reasonableness of Class Counsel's fee request.

D. Class Counsel's Hourly Rates Are Reasonable.

Counsel requests an hourly rate of $1,260 for Litigation Manager Gregg Lander, $1,045 for attorney Vanessa M. Ruggles, $950 for attorney Marta Manus, $585 for attorney Jean Power,

$795 for attorney Guido Toscano, and $425 for Taylor Keaster. (Manus Decl., ¶¶ 27-41.) The blended rate for the attorney lodestar is approximately $843.

A reasonable hourly rate is the prevailing rate charged by attorneys of similar skill and experience in the relevant community. (*PLCM Group, Inc. v. Drexler* (2000) 22 Cal.4th 1084, 1095.) The moving party meets its burden in this regard by submitting "declarations evidencing the reasonable hourly rate for their services and establishing the number of hours spent working on the case" as "California case law permits fee awards in the absence of detailed time sheets." (*Wershba*, 91 Cal.App.4th at 254-55; *Dunk v. Ford Motor* (1996) 48 Cal.App.4th 1794, 1810; *Nightengale v. Hyundai Motors America* (1994) 31 Cal.App.4th 99, 103.) The hours spent and the reasonable hourly compensation are computed to arrive at a "lodestar" figure which may then be augmented or diminished by the court taking into account various "multiplier" factors. (*See Ramos v. Countrywide Home Loans, Inc.* (2000) 82 Cal.App.4th 615, 622 (citing *Serrano*, 20 Cal.3d at 48-49).)

The Court may consider other factors when determining a reasonable hourly rate, such as the nature of the work performed, the relevant area of expertise, and the attorney's customary billing rates. (*Flannery v. California Highway Patrol* (1998) 61 Cal App.4th 629, 632.) One difficulty in determining the hourly rate of attorneys of similar skill and experience in the relevant community is the scarcity of hourly fee-paying clients in class action litigation. As a practical matter, few if any consumers pay attorneys' fees on an hourly basis for such extensive litigation, thus retainer agreements in such cases are based on a contingency fee relationship. Although there is no customary billing rate, the nature of class action work should be strongly considered by the Court.

The rates requested are in line with those approved in other cases. (*Simers v. Los Angeles Times Communications LLC* (2024) 104 Cal.App.5th 940, 949 [affirming attorney rates from $400-900]; *Snoeck v. ExakTime Innovations, Inc.* (2023) 96 Cal.App.5th 908, 914 (2023) [hourly rates of $750, $600 and $535 were reasonable in FEHA case]; *Espejo v. The Copley Press, Inc.*, 13 Cal. App. 5th 329, 383 (2017) [blended rate of $500 approved in misclassification case]; *Lopez v. Mgmt. & Training Corp.* (S.D. Cal. Apr. 20, 2020) No. 17CV1624 JM(RBM), 2020 WL

1911571, at *8-9 [approving of rates including $500 for an associate with nine years of experience and $725/$875 for attorneys with over thirty years of experience in an overtime class action].) (Manus Decl., ¶ 20.)

The rates are also consistent with surveys relied on by other courts. (*Martinez v. Helzberg's Diamond Shops* (C.D. Cal., Sept. 24, 2021, No. EDCV201085PSGSHKX) 2021 WL 9181893, at *10 ([The Real Rate Report provides that, in Los Angeles, partners litigating employment and labor matters have hourly rates ranging from $470 to $753, and associates have hourly rates ranging from $335 to $570"]; *Gutierrez v. Chopard USA Ltd.* (2022) 82 Cal.App.5th 383, 387 [Unruh Act case affirming award based on Laffey Matrix, available at http://www.laffeymatrix.com/see.html].) (Manus Decl., ¶ 21.)

Finally, senior Class Counsel's requested rates have been approved in other cases. (Manus Decl., ¶¶ 29, 32 [listing recent approved settlements with rates for Mr. Lander and Ms. Ruggles consistent with the rates requested here].)

In sum, Class Counsel are attorneys who command a high rate based on their skill and experience. They have had success in class actions, are held in high regard by the legal community, and practice in a niche area. This case required attorneys with great skills and financial backing. To obtain such an attorney on the free market, a client must pay appropriate compensation. Therefore, Class Counsel's requested rate is fair and reasonable.

E. Class Counsel's Hours Are Reasonable.

"Testimony of an attorney as to the number of hours worked on a particular case is sufficient evidence to support an award of attorney fees, even in the absence of detailed time records." (*Martino v. Denevi* (1986) 182 Cal. App. 3d 553, 559.)

Reasonable hours include, in addition to time spent during litigation, the time spent before the action is filed, including time spent interviewing the clients, investigating the facts and the law, and preparing the initial pleadings. (*New York Gaslight Club, Inc. v. Carey* (1980) 447 U.S. 54, 62.) Further, the fee award should include fees incurred to establish and defend the attorneys' fee claim. (*Serrano v. Unruh* (1982) 32 Cal.3d 621, 639.)

Here, Class Counsel's hours are fair and reasonable. By the time of the Final Approval hearing, Class Counsel will have worked at least 216.1 hours on this case, with a lodestar of approximately $229,161.00. (Manus Decl., ¶ 19, **Ex. 1**, Time Records.) Class Counsel requests that the Court find that these hours were reasonably expended in this litigation.

VI. THE COURT SHOULD APPROVE THE REQUEST FOR REIMBURSEMENT OF COSTS.

The request for reimbursement of costs is fair and reasonable. Class Counsel seeks reimbursement of $21,143.09 in litigation expenses.[2] (Manus Decl., ¶ 14, **Ex. 2**, Itemization of Costs.) The parties' Settlement Agreement provides for reimbursement of costs up to $26,000.00. (*Id.*) Class Counsel's request for reimbursement of reasonably incurred, out-of-pocket litigation costs is less than the agreed upon cap on costs and should therefore be granted.

The parties' Settlement Agreement provides for the Administration Expenses Payment capped at $11,000. (Manus Decl. ¶ 14, **Ex. 3**, Pikus Decl. ¶ 20.) The Administrator's request for fees in the amount of $11,000 should therefore be granted.

These costs are all litigation related. The authority for the Court to award this is the parties' Settlement Agreement and the applicable Labor Code provisions. These requests should be approved.

VII. THE CLASS REPRESENTATIVE SERVICE AWARD IS REASONABLE AND SHOULD BE APPROVED.

A class representative is generally entitled to a fee for service to the Class. (*Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785, 804.) "Since without a named plaintiff there can be no class action, such compensation as may be necessary to induce him to participate in the suit could be thought the equivalent of the lawyers' nonlegal but essential case-specific expenses, such as long-distance phone calls, which are reimbursable." (*Ibid.; see, e.g., Cellphone Termination Fee Cases* (2010) 186 Cal.App.4th 1380, 1393 [approving $10,000 enhancement for each of four named plaintiffs]; *Godfrey v. Oakland Port Services Corp.* (2014) 230 Cal.App.4th 1267, 1272 [affirming $10,000 enhancement for each of two named plaintiffs];

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[2] This includes Class Counsel's costs to date of $21,058.90 and anticipated filing costs of $85.00, for a total of $21,143.09.

Glass v. UBS Financial Services, Inc. (N.D. Cal., Jan. 26, 2007, No. C-06-4068 MMC) 2007 WL 221862, at *17 [awarding $25,000 enhancement to each of four named plaintiffs].)

"Since without a named plaintiff there can be no class action, such compensation as may be necessary to induce him to participate in the suit." (*Clark v. Am. Residential Services LLC* (2009) 175 Cal.App.4th 785, 804.) "[T]he rationale for making enhancement or incentive awards to named plaintiffs is that they should be compensated for the expense or risk they have incurred in conferring a benefit on other members of the class." (*Id.* at 806.) "An incentive award is appropriate 'if it is necessary to induce an individual to participate in the suit."' (*Cellphone Term. Fee Cases* (2010) 186 Cal. App. 4th 1380, 1394, quoting *Clark*, *supra*, 175 Cal. App. 4th at 804.)

"[C]riteria courts may consider in determining whether to make an incentive award include: 1) the risk to the class representative in commencing suit, both financial and otherwise; 2) the notoriety and personal difficulties encountered by the class representative; 3) the amount of time and effort spent by the class representative; 4) the duration of the litigation and; 5) the personal benefit (or lack thereof) enjoyed by the class representative as a result of the litigation. [Citation.]" (*Van Vranken v. Atlantic Richfield Co.* (N.D.Cal.1995) 901 F.Supp. 294, 299; see *Rodriguez v. West Publishing Corp.* (9th Cir. 2009) 563 F.3d 948, 958 [class representative enhancements "are intended to compensate class representatives for work done on behalf of the class, to make up for financial or reputational risk undertaken in bringing the action, and, sometimes, to recognize their willingness to act as a private attorney general"].)

The request for the Class Representative Service Award of $15,000 for Class Representative Jose Arceo is fair and reasonable. (Manus Decl., ¶ 12.) The Class Representative Service Payment is based on his contribution to the Class, risks incurred, stress, execution of a general release, benefit of the Settlement to the Class Members, and all other factors presented to the Court and set forth in his declaration. This Settlement had a great result: 100% of the money will be paid out because there is no reversion to Defendant, and 100% of Class Members who received the Class Notice to date are participating in the settlement. There are no opt-outs to the class portion of the Settlement, to date. (Manus Decl., Ex. 3 - Pikus Decl. ¶ 17.)

Class Representative Arceo has worked hard at every step of this litigation, remaining in contact with Class Counsel's office throughout the litigation and the settlement process. He provided all documents in his possession and answered questions. He identified relevant witnesses and spoke with other employees regarding their experiences working for Defendant. He also reviewed numerous pages of documents, participated in the mediation, and reviewed settlement documents. Mr. Arceo has helped with all aspects of this litigation and has been diligent and acted above and beyond what is expected of a class representative throughout all stages of the litigation, up to and including Preliminary and Final Approval. (See Declaration of Class Representative Jose Arceo filed in support of Plaintiff's Motion for Final Approval of Class Action Settlement, attached as **Exhibit 4** to the Manus Decl., Declaration of Jose Arceo [Arceo Decl.], ¶¶ 3, 9.) As detailed in the Arceo Decl., Plaintiff has spent approximately 50 hours on this case. (Arceo Decl., ¶ 9.)

In addition, the Class Representative faces the threat of stigma and decreased employability. He knew his name would be easily linked to this action through background checks or even an internet search. In fact, a simple Google search of Plaintiff's name and Defendant's name together puts this case at the very top of Google's search results. (**Exhibit A** to Arceo Decl.) Despite knowing this could damage his future employment options, Plaintiff courageously moved forward to achieve justice for the Class Members. (Arceo Decl., ¶ 12.)

There are few individuals who are willing to act as a class representative and provide the work, diligence, and willingness to assume a substantial risk should the defendant prevail in the case. Here, Plaintiff's willingness to assume the financial risk is significant. California law states that the losing party must pay the prevailing party's cost. As such, if Plaintiff had not prevailed in this case, Plaintiff would have been subjected to a cost award in the amount of tens of thousands of dollars. (Arceo Decl., ¶ 10.)

VIII. CONCLUSION

For all the foregoing reasons, Plaintiff respectfully requests that the Court grant final approval of the Class Action and PAGA Settlement.

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Dated: October 14, 2025

D.LAW, INC.

By: ______________________________
Marta Manus, Esq.
Attorneys for Plaintiff