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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

JAYLENE ISABEL CORONADO, and TIONE RANDLE, individually and on behalf of all others similarly situated, Plaintiff, v. COAST 2 COAST COACHING, INC.; and DOES 1 through 20, inclusive, Defendants.	Case No. 24CU012969C **PLAINTIFFS' NOTICE OF MOTION AND MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF** Date: May 1, 2026 Time: 8:30 a.m. Dept.: C-67 Action Filed: September 25, 2024 Trial Date: April 10, 2026

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TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on May 1, 2026, at 8:30 a.m., or as soon thereafter as the matter may be heard, before the Honorable Michael T. Smyth in Department C-67 of the above referenced Court, located at 330 W. Broadway, San Diego, California 92101, Plaintiffs Jaylene Isabel Coronado, Tione Randle, Christina Aguas, Jacinto Carbajal, Lily De Los Santos, Jesus Ponce, Carlos Prieto, Cindy Rocha, Arieta Veikoso, Jacklen Monterrosa, and Lawrence Perlmutter (collectively, "Plaintiffs") will seek an Order: (1) approving the Joint Stipulation of Class Action and PAGA Settlement and Release ("Settlement" or "Settlement Agreement") in this matter; (2) conditionally certifying the following Class for settlement purposes only: "all current and former non-exempt employees of Coast 2 Coast Coaching, Inc., who worked in California at any time from May 3, 2019, through November 1, 2025"; (3) appointing Plaintiffs as Class Representatives, and the law firms of Aegis Law Firm, PC, Fitzpatrick & Swanston, Diversity Law Group, P.C., and Bibiyan Law Group, P.C. as Class Counsel; (4) preliminarily approving the Settlement Agreement and the total Gross Settlement Amount in the amount of Three Million Seven Hundred Fifty Thousand Dollars ($3,750,000.00); (5) finding on a preliminary basis that the Settlement Agreement appears to be within the range of reasonableness of a settlement, including the amount of Plaintiffs' service awards, attorneys' fees and costs, settlement administration costs, and the allocation of payments to Class Members that could ultimately be given final approval by this Court; (6) approving the Notice Packet to be sent to Class Members; (7) appointing Phoenix Settlement Administrators as the Settlement Administrator; and (8) setting the matter for a Final Approval hearing.

This Motion is made pursuant to Rule 3.769 of the California Rules of Court, which provides for court approval of the settlement of a purported class action and allows the Court to preliminarily certify a class for settlement purposes.

The basis for this Motion, filed without any opposition from Defendant Coast 2 Coast Coaching, Inc. ("Defendant"), is that the proposed settlement is fair, adequate, and reasonable and the procedures proposed by the Parties are adequate to ensure the opportunity of Class

Members to participate in, opt-out of, or object to the settlement. This Motion will be based on the attached Memorandum of Points and Authorities, the Settlement Agreement and the proposed Notice Packet, and the supporting Declarations of Julia M. Toscano, B. James Fitzpatrick, Alison L. Baker, Larry W. Lee, Mai Tulyathan, David D. Bibiyan, Plaintiff Jaylene Isabel Coronado, Plaintiff Tione Randle, Plaintiff Christina Aguas, Plaintiff Jacinto Carbajal, Plaintiff Lily De Los Santos, Plaintiff Jesus Ponce, Plaintiff Carlos Prieto, Plaintiff Cindy Rocha, Plaintiff Arieta Veikoso, Plaintiff Jacklen Monterrosa, and Plaintiff Lawrence Perlmutter, and upon the oral arguments of counsel (should there be any) and on the complete records and file herein.

Dated: April 8, 2026

AEGIS LAW FIRM, PC
FITZPATRICK & SWANSTON
DIVERSITY LAW GROUP, P.C.
BIBIYAN LAW GROUP, P.C.

By:______________________________
Julia M. Toscano
B. James Fitzpatrick
Larry W. Lee
David D. Bibiyan
Attorneys for Plaintiffs, the Class, and Aggrieved Employees

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I. INTRODUCTION

This is a wage and hour class and representative Private Attorneys General Act ("PAGA") action seeking statutory and civil penalties under the California Labor Code. Plaintiffs Jaylene Isabel Coronado, Tione Randle, Christina Aguas, Jacinto Carbajal, Lily De Los Santos, Jesus Ponce, Carlos Prieto, Cindy Rocha, Arieta Veikoso, Jacklen Monterrosa, and Lawrence Perlmutter (collectively, "Plaintiffs") allege that Defendant Coast 2 Coast Coaching, Inc. ("Defendant") (together with Plaintiffs, the "Parties") failed to pay all minimum and overtime wages, failed to provide proper off-duty meal and rest periods or pay premiums in lieu thereof, failed to reimburse business expenses, failed to provide accurate itemized wage statements, failed to timely pay all wages and upon separation of employment, and engaged in unfair business practices. Plaintiffs bring class and PAGA claims based on these violations. The Parties have reached a proposed class and PAGA action settlement, the terms of which are reflected in the Parties' Joint Stipulation of Class Action and PAGA Settlement and Release ("Settlement," "Settlement Agreement," or "SA")[1].

Prior to the settlement of this action, the Parties thoroughly investigated the facts relating to the class and PAGA claims alleged in the lawsuit and engaged in a thorough study of legal principles applicable to the claims asserted against Defendant. Through the exchange of formal and informal discovery, Defendant provided necessary data pertaining to the number of putative class members and number of workweeks at issue, a sample of time and pay records of the putative class members, as well as information pertaining to Defendant's payroll policies and practices. Thereafter, the Parties attended a full day of mediation with Hon. Peter H. Kirwan (Ret.), but were unsuccessful. The Parties then engaged in continued negotiations thereafter for several months with the assistance of another mediator, Paul Haines, Esq. As a result, the Parties reached the current settlement of Plaintiffs' class and PAGA claims. The following represents the key terms of the settlement:

- Gross Settlement Amount of $3,750,000.00, which will be paid by Defendant and distributed to the Class on a **non-reversionary** basis

[1] The Settlement Agreement is attached to the Declaration of B. James Fitzpatrick ("Fitzpatrick Decl.") as **Exhibit 2**.

(*See* SA ¶ 12);

- Estimated Class of 13,000 individuals (*Id*. ¶ 29);
- Class Members do **not** need to submit claim forms to participate in the settlement (*Id*. ¶ 42);
- Plaintiffs' Service Awards of up to $10,000.00 each, for a collective total of $110,000.00 (*Id*. ¶¶ 7, 35);
- Class Counsel's attorneys' fees of up to $1,250,000.00 (1/3 of the Gross Settlement Amount) (*Id*. ¶ 2);
- Class Counsel's litigation costs of up to $100,000.00 (*Id*. ¶ 2);
- Settlement Administration Costs of up to $68,500.00 (*Id*. ¶ 29);
- PAGA penalties of $275,000.00, of which 75% or $206,250.00 will go to the LWDA, and 25% or $68,750.00 will be distributed to PAGA Members, defined as "all current and former non-exempt employees of Coast 2 Coast Coaching, Inc., who worked in California at any time from April 11, 2022, through November 1, 2025" (*Id*. ¶¶ 17, 19);
- Net Settlement Amount of approximately $1,946,500.00 (*Id*. ¶¶ 2, 7, 12, 14, 19, 29); and
- Raw average of approximately **$149.73** to each Participating Class Member ($1,946,500.00 ÷ 13,000 Class Members).

The Parties believe that the settlement for the consideration and on the terms set forth in the Settlement Agreement is fair, adequate, and reasonable in light of all known circumstances and the expenses and risks inherent in litigation. Although Plaintiffs and their counsel are confident that they could prevail on class certification, as well as on the merits, they recognize the inherent risks in drawn-out litigation and the specific risks that a class might not be certified, that Plaintiffs could fail to establish liability, and/or that Plaintiffs would be unable to prove damages in the amounts sought. Therefore, the Parties respectfully request that the Court grant this Motion for Preliminary Approval of Class Action Settlement.

II. PROCEDURAL HISTORY

A. *Aguas* Action

On April 11, 2023, Plaintiff Christina Aguas submitted written notice to the California Labor and Workforce Development Agency ("LWDA"), alleging violations by Defendant of Labor Code §§ 201-204, 218.5, 218.6, 223, 225.5, 226, 226.7, 510, 512, 558, 1194, 1197, 1197.1, 1198, 1199, 2800, and 2802, pursuant to the Private Attorneys General Act, Labor Code § 2699 ("PAGA Letter"). Fitzpatrick Decl. ¶ 2.

On May 3, 2023, Plaintiff Aguas filed a class action complaint against Defendant in the Superior Court of the State of California for the County of Monterey (the "*Aguas* Action"). *Id.* ¶ 3. On June 30, 2023, Plaintiff Aguas filed a first amended complaint against Defendant, adding a cause of action for violation of Labor Code § 2698, *et seq*. *Id.* ¶ 4.

Plaintiff Aguas asserted class and PAGA claims for (1) failure to provide meal periods or compensation in lieu thereof; (2) failure to provide rest periods or compensation in lieu thereof; (3) failure to pay hourly and overtime wages; (4) failure to provide accurate itemized wage statements; (5) failure to pay all wages upon termination; (6) violation of Labor Code § 2802; (7) violation of Labor Code § 2698, *et seq.*; and (8) unfair business practices. *Id*. ¶ 5.

On April 12, 2024, the Court in the *Aguas* matter granted Defendant's motion to compel arbitration of Plaintiff Aguas's individual claims, dismissing her class claims and staying the nonindividual representative PAGA claim pending arbitration. Fitzpatrick Decl. ¶ 6. Plaintiff Aguas then initiated arbitration with the American Arbitration Association ("AAA"), and counsel also submitted demands on behalf of six additional claimants: Lily De Los Santos, Jesus Ponce, Carlos Prieto, Cindy Rocha, and Arieta Veikoso. *Id.* ¶ 7. However, on May 31, 2024, Defendant failed to timely pay the employer's share of the arbitration filing fees, and thus AAA closed its file for the arbitration pursuant to Code of Civil Procedure § 1281.97, and the same result followed for each of the six additional claimants. *Id.*

In June 2024, Plaintiff Aguas filed a Motion to Vacate the Stay and Re-Assert Claims pursuant to Code of Civil Procedure §§ 1281.97-99. *Id.* ¶ 8. Prior to the hearing, the Parties reached an agreement permitting Plaintiff Aguas to reassert her class claims in Court and agreeing to participate in a global mediation. *Id.*

The Parties in *Aguas* have conducted some formal discovery, including propounding and responding to written discovery and reviewing Defendant's document production. *Id.* ¶ 9.

B. *Monterrosa* Action

On June 14, 2023, Plaintiff Monterrosa filed a putative class action in San Diego Superior

Court, Case No. 37-2023-00025143-CU-OE-CTL, on behalf of Defendant's non-exempt employees alleging the following causes of action: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to permit rest breaks; (5) failure to reimburse for business expenses; (6) failure to provide accurate itemized wage statements; (7) failure to pay wages timely during employment; (8) failure to pay all wages due upon separation of employment; and (9) unfair business practices for the preceding claims. Declaration of Julia M. Toscano in Support of Plaintiffs' Motion for Preliminary Approval of Class Action Settlement ("Toscano Decl."), ¶ 3. On June 14, 2023, Plaintiff Monterrosa provided written notice to the LWDA and Defendant regarding Defendant's alleged Labor Code violations, as required by Lab. Code § 2699.3(a). *Id*. The LWDA did not respond to this notice, indicating it did not intend to investigate, thus allowing Plaintiff Monterrosa to bring a PAGA claim against Defendant. *Id*. On August 25, 2023, Plaintiff Monterrosa filed a First Amended Complaint adding a PAGA claim. *Id*.

Plaintiff Monterrosa and Defendant proceeded with formal discovery. *Id*. at ¶ 4. Plaintiff Monterrosa served her first set of written discovery, seeking, *inter alia*, her personnel files, Defendant's policy documents, the class members' contact information, and class members' timekeeping and pay records. *Id*. She also prepared and provided verified responses to Defendant's written discovery requests, including 139 Special Interrogatories, 55 Requests for Production of Documents, 23 Requests for Admission, and Form Interrogatories—Employment. *Id*.

C. *Perlmutter* Class Action

On November 16, 2023, Plaintiff Lawrence Philip Perlmutter filed a class action complaint against Defendant in the Superior Court of the State of California for the County of Los Angeles (the "*Perlmutter* Class Action"). Declaration of David D. Bibiyan ("Bibiyan Decl.") ¶ 2. The *Perlmutter* Class Action alleged claims for (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide meal periods; (4) failure to provide rest periods; (5) waiting time penalties; (6) wage statement violations; (7) failure to timely pay wages; (8) failure to indemnify; (9) violation of Labor Code § 227.3; and (10) unfair competition. *Id.* ¶ 2.

D. *Perlmutter* PAGA Action

On June 12, 2024, Plaintiff Lawrence Philip Perlmutter filed a representative action complaint against Defendant in the Superior Court of the State of California for the County of Los Angeles (the "*Perlmutter* PAGA Action"). Bibiyan Decl. ¶ 3. The *Perlmutter* PAGA Action alleged claims for violation of the Private Attorneys General Act, predicated on underlying violations of Labor Code §§ 96, 98.6, 200, 201, 202, 203, 204, 210, 226, 226.3, 227.3, 232, 232.5, 245, 246, 432, 432.3, 432.5, 432.7, 432.8, 1102.5, 1197.5, 1198.5, 1527, 3366, 3457, and 8397.4. *Id.* ¶ 3.

E. *Coronado* Action

On September 25, 2024, Plaintiffs Coronado and Randle filed this putative class action on behalf of Defendant's non-exempt employees alleging the following causes of action: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to permit rest breaks; (5) failure to reimburse for business expenses; (6) failure to provide accurate itemized wage statements; (7) failure to pay wages timely during employment; (8) failure to pay all wages due upon separation of employment; and (9) unfair business practices for the preceding claims. Toscano Decl. ¶ 5. On May 20, 2024, Plaintiff Coronado provided written notice to the LWDA and Defendant regarding Defendant's alleged Labor Code violations, as required by Lab. Code § 2699.3(a). *Id*. On July 18 2024, Plaintiff Randle provided written notice to the LWDA and Defendant regarding Defendant's alleged Labor Code violations, as required by Lab. Code § 2699.3(a). *Id*. The LWDA did not respond to either notice, indicating it did not intend to investigate, thus allowing Plaintiffs Coronado and Randle to bring a PAGA claim against Defendant. *Id*.

F. Mediation

During litigation of the actions against Defendant, the Parties became aware of the related actions and conferred regarding possible global settlement discussions. Fitzpatrick Decl. ¶ 10. The Parties agreed to exchange information informally to evaluate their respective claims and defenses. *Id*. ¶ 11. The Parties subsequently engaged in informal discovery for

Plaintiffs to assess the claims, as well as the maximum exposure of damages and penalties. Defendant provided Plaintiffs' counsel with informal data and information pertaining to the putative class size and number of pay periods, a sample of time and pay records of the employees, and Defendant's wage and hour policies and practices. *Id*.

On February 25, 2025, the Parties engaged in a full-day mediation with the Honorable Peter H. Kirwan (Ret.) to mediate the *Aguas*, *Monterrosa*, *Coronado*, and *Perlmutter* Actions. *Id*. ¶ 13. The Parties were not able to reach a resolution at the conclusion of the mediation, but agreed to continue settlement discussions thereafter. The Parties then engaged a second mediator, Paul Haines, to facilitate settlement discussions. *Id*. ¶ 14. The Parties continued negotiations with the assistance of the mediator for several months. As a result of those negotiations, on or about May 14, 2025, the Parties reached a tentative settlement to settle the class and PAGA claims. *Id*.

After thorough investigation and evaluation of the facts and claims at issue, and continued arm's length negotiations facilitated by the mediators at mediation and in the months following mediation, the Parties reached a global settlement of the Action, the *Aguas* Action, the *Monterrosa* Action, the *Perlmutter* Class Action, and the *Perlmutter* PAGA Action. *Id*. The Parties memorialized the terms of their settlement in the Joint Stipulation of Class Action and PAGA Settlement and Release. Fitzpatrick Decl. ¶ 15; Ex. B.

G. The Operative Complaint

Pursuant to the Parties' agreement and for purposes of settlement, the Parties stipulated to the filing of a First Amended Class Action Complaint ("FAC") in this Action to add Christina Aguas, Jacinto Carbajal, Lily De Los Santos, Jesus Ponce, Carlos Prieto, Cindy Rocha, Arieta Veikoso, Jacklen Monterrosa, and Lawrence Perlmutter as named plaintiffs, and consolidate all claims from those actions into the current Action. Fitzpatrick Decl. ¶ 16. On October 28, 2025, Plaintiffs Jaylene Isabel Coronado and Tione Randle filed the FAC. Defendant's obligation to file an answer to the FAC is currently stayed. The FAC is the operative complaint ("Complaint" or "operative Complaint") for purposes of this settlement. *Id.*

Plaintiffs' class and PAGA claims as pled in the operative Complaint are predicated upon the following allegations. *Id*. ¶ 17. With respect to the failure to pay wages claim, Plaintiffs contend that employees were required to work "off the clock" and were not compensated for said time spent working off the clock. For example, Plaintiffs were required to undergo training and pre-shift activities without compensation. In addition, Plaintiffs allege that Defendant rounded employee time to the employer's benefit, underpaid recorded hours without explanation, and failed to include non-discretionary remuneration into the calculation of the regular rate for payment of overtime wages. As such, employees were not paid all minimum, regular, and/or overtime wages owed. *Id*.

With respect to the meal and rest period claim, Plaintiffs contend that employees did not receive proper meal and rest breaks during their shifts. Thirty minutes of time was automatically deducted from employee timecards regardless of whether a proper meal break had been taken. Defendant failed to pay premiums for missed, late, or interrupted breaks. To date, Plaintiffs have yet to receive payment of all wages owed. *Id*. ¶ 18.

With respect to the business reimbursement claim, Plaintiffs contend that Defendant failed to reimburse employees for costs incurred when using personal cell phones and maintaining their uniforms. *Id*. ¶ 19.

With respect to the wage statement claims, Plaintiffs contend that Defendant issued deficient wage statements, as said wage statements do not correctly identify all applicable rates of pay and the number of hours worked at each rate, total hours worked, and gross and net wages earned as a result of the underpayment and/or nonpayment of wages and meal and rest period premiums. Fitzpatrick Decl. ¶ 20.

As a result of the alleged violations above, Plaintiffs seek damages and penalties under the California Labor Code, the California Business & Professions Code, and the PAGA, as well as attorneys' fees and costs. *Id*. ¶ 21. Defendant has at all times denied Plaintiffs' collective allegations and has asserted factual and legal defenses to the above claims, including that Defendant maintained policies and procedures that comply with California law, that individualized issues predominate, and that trial on a class or representative basis would be unmanageable. *Id*. ¶ 22.

III. DISCUSSION

Any settlement of a class action lawsuit must be reviewed and approved by the Court. This is done in two steps: (1) an early (preliminary) review by the trial court, and (2) a final review after notice has been distributed to the class members for their comment or objections. The *Manual for Complex Litigation, Third* § 30.41 states:

> Approval of class action settlements involves a two-step process. First, counsel submits the proposed terms of settlement and the court makes a preliminary fairness evaluation. If the preliminary evaluation of the proposed settlement does not disclose grounds to doubt its fairness or other obvious deficiencies, such as unduly preferential treatment of class representatives or of segments of the class, or excessive compensation for attorneys, and appears to fall within the range of possible approval, the court should direct that notice…be given to the class members of a formal fairness hearing, at which arguments and evidence may be presented in support of and in opposition to the settlement.

(Fed. Jud. Ctr., 3rd ed. 1995).

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

The procedures for the parties' submission of a proposed settlement for preliminary approval by the court also are discussed in *4 Newberg on Class Actions*:

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

Id. § 11.24.

Here, the Parties have reached such an agreement and have submitted to this Court in connection with this Motion a copy of the Settlement Agreement fully setting forth the agreement reached among the Parties. The Settlement Agreement sets forth all terms of the agreement reached by the Parties, which include, among other things, the method for calculating the Class Members' Individual Settlement Payments.

The parties also may, at the preliminary approval stage, request that the court provisionally approve certification of the class – conditional upon final approval of the settlement. "[P]re-certification settlements are routinely approved if found to be fair and reasonable." *Wershba v. Apple Computer, Inc.*, 91 Cal. App. 4th 224, 240 (2001); *accord Dunk v. Ford Motor Co*., 48 Cal. App. 4th 1794, 1803 (1996) (although the settlement was reached before any "adversary certification," the court was satisfied that it was "fair, adequate and reasonable"); *In re Baldwin-United Corp*., 105 F.R.D. 475, 478 (S.D.N.Y. 1984) ("many courts have employed this practice in the name of judicial efficiency in order to facilitate apparently beneficial settlement proposals"). As further explained by Professor Newberg:

> The strength of the findings made by a judge at a preliminary hearing or conference concerning a tentative settlement proposal…may be set out in conditional orders granting tentative approval to the various items submitted to the court. Three basic rulings are often conditionally entered at this preliminary hearing. These conditional rulings may approve a temporary settlement class, the proposed settlement, and the class counsel's application for fees and expenses.

4 Newberg on Class Actions § 11.26.

In addition to such terms as class identification, settlement amount, and payment procedures, the Settlement Agreement reached among the Parties contains a provision pursuant to which the Parties stipulate to the Court's provisional certification of the Settlement Class for the purposes of this settlement only. SA ¶ 84. Defendant has reserved its right to contest class certification in the event that the settlement is not approved and litigation resumes.

A. Proposed Class Definition

The current settlement is being settled on behalf of "all current and former non-exempt employees of Coast 2 Coast Coaching, Inc., who worked in California at any time from May 3, 2019, through November 1, 2025" (the "Class" or "Class Member(s)"). *See* SA ¶ 5. The Class Period is defined as the period of May 3, 2019, through November 1, 2025. *Id*. ¶ 6. Defendant estimates that there are approximately 13,000 individuals that comprise the Class. *Id.* ¶ 29.

Pursuant to the Settlement Agreement, the Net Settlement Amount will be apportioned among the Class Members on a *pro rata* basis, based on the number of Workweeks worked by each Class Member during the Class Period, as compared to the total number of Workweeks worked by all Class Members during the Class Period. SA ¶¶ 31, 42(a). Based on the data provided to Plaintiffs in advance of the February 25, 2025 mediation, there are approximately 310,543 Workweeks in the Class Period. Because Defendant provided data at the time of mediation and the Parties did not reach a final agreement until several months later, the Settlement Agreement sets 360,000 Workweeks as an estimated ceiling. *Id*. ¶ 52.

B. Settlement Terms and Evaluation

Courts presume the absence of fraud or collusion in the negotiation of settlement unless evidence to the contrary is offered. *Priddy v. Edelman*, 883 F.2d 438, 447 (6th Cir. 1989); *Mars Steel Corp. v. Continental Illinois Nat'l Bank & Trust Co*., 834 F.2d 677, 682 (7th Cir. 1987); *In re Chicken Antitrust Litig*., 560 F. Supp. 957, 962 (N.D. Ga. 1980). Courts do not substitute their judgment for that of the proponents, particularly where, as here, settlement has been reached with the participation of experienced counsel familiar with the litigation. *Nat'l Rural Telecomms. Coop. v. DIRECTV, Inc*., 221 F.R.D. 523, 528 (C.D. Cal. 2004); *Hammon v. Barry*, 752 F. Supp. 1087 (D.D.C. 1990); *Steinberg v. Carey*, 470 F. Supp. 471 (S.D.N.Y. 1979); *In re Armored Car Antitrust Litig*., 472 F. Supp. 1357 (N.D. Ga. 1979); *Sommers v. Abraham Lincoln Federal Sav. & Loan Ass'n*, 79 F.R.D. 571 (E.D. Pa. 1978).

While the recommendations of counsel proposing the settlement are not conclusive, the court can properly take them into account, particularly where, as here, they have been involved in informal discovery and negotiations for some period of time, appear to be competent, have experience with this type of litigation, and have exchanged substantial evidence from the opposing party. *See 4 Newberg on Class Actions*, *supra* § 11.47; *Nat'l Rural Telecomms. Coop*., 221 F.R.D. at p. 528 ("[s]o long as the integrity of the arm's length negotiation process is preserved, however, a strong initial presumption of fairness attaches to the proposed settlement…[citations] and 'great weight' is accorded to the recommendations of counsel, who are most closely acquainted with the facts of the underlying litigation").

Here, both Plaintiffs' and Defendant's counsel have a great deal of experience in wage and hour class action litigation. Plaintiffs' counsel have been approved as class counsel in a number of wage and hour class actions and have extensive litigation experience. Toscano Decl. ¶¶ 17-31; Declaration of B. James Fitzpatrick ("Fitzpatrick Decl.") ¶ 62; Declaration of Alison L. Baker ("Baker Decl.") ¶¶ 8-9; Declaration of Larry W. Lee ("Lee Decl.") ¶ 9; Declaration of Mai Tulyathan ("Tulyathan Decl.") ¶¶ 10-11; Declaration of David D. Bibiyan ("Bibiyan Decl.") ¶¶ 4, 13-15. Each side has apprised the other of their respective factual contentions, legal theories, and defenses, resulting in negotiations taking place between the Parties. Fitzpatrick Decl. ¶ 57.

Prior to the mediation, Plaintiffs engaged in formal and informal discovery. Plaintiffs were provided with data pertaining to putative class members during the relevant class period, as well as a sample of time and payroll records. *Id*. ¶ 11. Specifically, Plaintiffs were provided with 100% of the payroll data and 15% of the timekeeping data. From this data, Plaintiffs were able to investigate the claims asserted and conduct an exposure analysis that informed Plaintiffs' position at the mediation. *Id*. ¶ 12. Plaintiffs utilized an expert to analyze the sample time records and payroll records and perform any extrapolation. *Id.* Based on the data provided by Defendants, Plaintiffs analyzed Defendants' potential exposure as follows:

- Unpaid wages: $1,850,590.00, based on 310,543 total Workweeks and an average hourly rate of $25.00.
- Meal and rest break violations: $26,476,944.00, based on 310,543 total Workweeks. This amount includes: (a) rest break premiums of $19,193,948.00, assuming 1 hour of unpaid premium at $25.00 per hour and 767,758 shifts of at least 3.5 hours (100% violation rate); and (b) meal break premiums of $7,282,996 for 291,320 unique

meal break violations, reflecting an 81.2% violation rate across all shifts of more than 5 hours.

- Unreimbursed business expenses: $3,802,160, assuming $40.00 per month per employee in unreimbursed cell phone and uniform maintenance expenses.
- Wage statement penalties: $8,226,500, based on 11,352 employees during the 1-year Labor Code § 226 statute of limitations period, calculated under Labor Code § 226(e).
- Waiting time penalties: $38,474,870, based on 11,711 former employees during the 3-year Labor Code § 203 statute of limitations period, based on 30 days.

Fitzpatrick Decl. ¶ 37.

While the total theoretical exposure of Plaintiffs' class claims based on the above amount to approximately $78,831,064.00, this analysis does not take into account Defendant's arguments to liability and to class certification as further explained below.

Defendant has raised several legal and factual defenses that present substantial risks to Plaintiffs' prevailing on their theories of liability. For example, Defendant contends that any alleged off-the-clock work was *de minimis* and non-compensable. Defendant argued that Plaintiffs will not be able to certify this claim on behalf of the entire putative class, as the nature of the alleged off-the-clock work is highly individualized. Plaintiffs' off-the-clock theory rests on two primary theories: unpaid training time and unpaid pre-shift review of school activity materials. Defendant would argue that whether a given employee actually attended training, how long it took, and whether they were compensated are individual inquiries. On the time spent reviewing materials, Defendant contends that this varied by each employee, such that Plaintiff will not be able to prove the violations on a class-wide basis with uniform evidence. This risk at class certification justifies applying a 50% discount to the estimated unpaid wages exposure to reflect the practical challenges Plaintiffs face in proving and certifying these claims. The adjusted exposure for unpaid wages is therefore approximately $925,295.00. Fitzpatrick Decl. ¶ 39.

On the meal breaks, Plaintiff's meal period claim rests on Defendant's own practice of automatically deducting exactly 30 minutes from employees' time for meal periods, regardless of whether a compliant meal period of 30 minutes was actually provided. Because of the auto-deduct practice, Plaintiff's expert analyzed an 81.2% violation rate for meal break violations. Under *Donohue v. AMN Services, LLC,* 11 Cal. 5th 58 (2021) noncompliant time records raise a rebuttable presumption of meal period violations that a written policy cannot rebut. Given the strength of the auto-deduct theory, Plaintiffs apply no discount to the meal period component of the exposure. However, on the rest breaks, because Defendant's timekeeping system does not record rest breaks, Defendant contends that whether any individual employee was denied a rest break on any given shift is an individualized inquiry that cannot be proved through common evidence. Defendant further argues that the named Plaintiffs are outliers within the class, as a substantial percentage of the putative class members worked short shifts that would not trigger rest breaks under California law, meaning that Plaintiff's analysis is overstated. These risks justify applying a 80% discount to the rest break component of the exposure, yielding an adjusted combined meal and rest break exposure of approximately $11,121,785.60. Fitzpatrick Decl. ¶ 40.

Additionally, Defendant also argued that Plaintiffs cannot establish that Defendant "willfully" failed to pay wages at separation of employment, and thus Plaintiffs cannot recover waiting time penalties under Section 203. In *Naranjo v. Spectrum Security Services, Inc.*, 88 Cal. App. 5th 937 (2023), the court upheld an employer's good faith defense to the plaintiff's claim for waiting time penalties, pursuant to Labor Code § 203. The employer argued that it had a viable legal defense, which precluded the imposition of waiting time penalties because its acts were not "willful" within the meaning of the statute. *Naranjo* also permitted a good faith defense to rebut the plaintiff's claim for penalties, pursuant to Labor Code § 226. Should Defendant succeed on these arguments, class members would recover $0 for waiting time penalties under Labor Code § 203 and statutory penalties under Labor Code § 226. To account for this litigation risk, Plaintiffs applied a 50% reduction to both waiting time and wage statement penalty exposure, resulting in adjusted figures of $19,237,435.00 for waiting time penalties and $4,113,250.00 for wage statement penalties. Fitzpatrick Decl. ¶ 41.

In addition to the above defense, Plaintiffs' estimated Labor Code § 226(e) penalties would likely end up lower than estimated as not every individual would have incurred violations on every pay period. Defendant also argued that the violation was not "knowing and intentional" and thus would not warrant Labor Section § 226(e) penalties. *See Harris v. Vector Mktg. Corp*., 656 F. Supp. 2d 1128, 1145-46 (N.D. Cal. 2009) (granting summary judgment in favor of employer and finding its conduct was not "knowing and intentional"). Defendant argued that it was entitled to a "good faith" defense on this claim, too. *See, e.g., Naranjo v. Spectrum Security Services, Inc.*, 15 Cal. 5th 1056, 1065 (2024) ("if an employer reasonably and in good faith believed it was providing a complete and accurate wage statement in compliance with the requirements of section 226, then it has not knowingly and intentionally failed to comply with the wage statement law").

With respect to the Labor Code § 2802 claim, Defendant argued that it maintained a compliant reimbursement policy which is reflected in its handbook, and that it did not require employees to use their personal cellular telephones for work purposes. Defendant further contends that any alleged failure to reimburse was the result of individual employees' failure to submit reimbursement requests pursuant to that policy, rather than a uniform practice of non-reimbursement. To account for risks on this claim, Plaintiffs applied a 75% discount, bringing the adjusted exposure to $950,540.00. Fitzpatrick Decl. ¶ 43.

With respect to Plaintiffs' claim under the PAGA, Plaintiffs estimated that Defendants could face civil penalties of at least $37,624,700 (based on 89,821 pay periods at issue during the PAGA Period). *Id.* ¶ 45. Defendant contends that the imposition of multiple penalties for separate violations during the same pay period is not permitted under the PAGA, and that only a single $100 penalty per pay period may be awarded. While Plaintiffs dispute this interpretation, some courts have exercised discretion under Labor Code § 2699(e)(2) to avoid stacking penalties for multiple violations within the same pay period. Plaintiffs' analysis is also based on the initial violation penalty amount, which does not account for the imposition of the increased subsequent violation penalty amount given recent authority indicating this increased penalty is only available where there is a prior citation for a Labor Code violation. *See Bernstein v. Virgin Am., Inc*. (9th Cir. 2021) 3 F.4th 1127, 1144 (holding no heightened penalty because the Labor Commissioner nor any court warned the defendant that it was subject to the Labor Code until the court handling the case at issue). Courts are also hesitant to award the subsequent amount where there has not been a prior violation of the Labor Code. *Amaral v. Cintas Corp. No. 2*, 163 Cal. App. 4th 1157, 1209 (2008); *accord Amalgamated Transit Union Local 1309 v. Laidlaw Transit Service, Inc.* 2009 WL 2448430, at *9 (S.D. Cal. Aug. 10, 2009) ("[u]nder California law, courts have held that employers are not subject to heightened penalties for subsequent violations unless and until a court or commissioner notifies the employer that it is in violation of the Labor Code"). Defendant argued that no such prior violation occurred here, warranting only the initial penalty, if any penalty at all. Moreover, in this case there is no indication that Defendant had received a prior notice or citation from the Labor Commissioner regarding the alleged violations at issue. Based on these factors, Plaintiffs' counsel adopted a conservative approach by applying a 75% discount to the estimated PAGA penalties, resulting in an adjusted exposure of approximately $9,406,175.00. Fitzpatrick Decl. ¶ 47.

Additionally, this analysis does not account for the possibility that the Court would reduce the PAGA penalties. Pursuant to Labor Code § 2699(e)(2), the Court can decline to award PAGA penalties where "if, based on the facts and circumstances of the particular case, to do otherwise, would result in an award that is unjust, arbitrary and oppressive, or confiscatory." Indeed, as shown in the Court of Appeal's decision in *Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504 (2018), while the plaintiff prevailed on his PAGA claim upon trial, the trial court reduced the maximum PAGA penalty amount by 90%, citing the employer's good faith attempt at complying with the law. *Id*. at p. 517. Upon review, the Court of Appeal found such reduction to be proper. *Id*. at p. 539.

Although Plaintiffs believe in the merits of the alleged claims and maintain that there is no reason for reducing PAGA penalties, Plaintiffs are aware that Defendant has raised defenses to the claims and further with respect to the reduction of PAGA penalties and that those defenses could persuade the Court. Thus, even if Plaintiffs were to successfully prove their claims at trial, there is a possibility that the Court may only award a small percentage of

PAGA penalties, as the Court has discretion to do so. The Gross Settlement Amount was premised with this risk in mind, associated with the possibility of the Court significantly reducing PAGA penalties. Fitzpatrick Decl. ¶ 49.

The settlement is the result of extensive arm's length negotiations between the Parties and their counsel and was facilitated by an experienced and neutral mediator. The Parties reached the current settlement after months of negotiations that were facilitated by a mediator. Although Plaintiffs believe that the Class can be certified, Plaintiffs also believe in the fairness of the settlement that is based on factoring in the uncertainty and risks to Plaintiffs involved in not prevailing on one or more of the causes of action or theories alleged in the operative Complaint, the possibility of non-certification, and the potential for appeals. Fitzpatrick Decl. ¶ 50. These risks on class certification are compounded by the California Supreme Court's holding in *Duran v. U.S. Bank Nat'l Ass'n*, 59 Cal. 4th 1 (2014). There, the plaintiffs obtained class certification and subsequently prevailed at trial after eight years of litigation, but the judgment and the certification ruling were reversed by the California Supreme Court after an additional five years of litigation. The case was remanded to superior court where class certification was denied and plaintiffs' subsequent appeal also was denied.

Indeed, numerous courts have held that **gross** settlements approximating between only 8 and 25% of the defendant's potential exposure are fair and reasonable. *See Lesevic v. Spectraforce Techs., Inc.*, 2021 WL 1599310, at *3 (N.D. Cal. Apr. 23, 2021) (noting wage and hour class fund of $600,000 that compensated for 7% of maximum potential recovery was reasonable); *Bellinghausen v. Tractor Supply Co*., No. 13-CV-02377-JSC, 2015 WL 1289342, at p.*6 (N.D. Cal. Mar. 20, 2015) (holding that class action settlement recovering between 8.5% and 25% of the defendant's potential exposure was fair); *Van Ba Ma v. Covidien Holding Inc*., U.S. Dist. Ct. Case No. 8:12-cv-02161 (C.D. Cal. 2014) (granting preliminary approval of wage and hour class settlement which obtained ***only 9.1%*** of projected damages, given the risks of continued litigation); *Villegas v. J.P. Morgan Chase & Co*., No. CV 09-00261 SBA EMC, 2012 WL 5878390, at p.*6 (N.D. Cal. Nov. 21, 2012) (holding that gross class action settlement of approximately 15% of the potential recovery was fair and reasonable); *Greko v. Diesel U.S.A., Inc*., No. 10-cv-02576 NC, 2013 WL 1789602, at *5 (N.D. Cal. Apr. 26, 2013) (24% was reasonable).

Here, based on the above, the ***adjusted*** total amount of class and PAGA penalties amount to approximately **$45,754,480.60**. Fitzpatrick Decl. ¶ 51. The Gross Settlement Amount is $3,750,000.00, which is approximately **8.2%** of the class and PAGA penalties. *Id.* Thus, the settlement was negotiated at arm's length and the settlement percentage-to-recovery further supports that the settlement is fair and reasonable.

Despite the asserted fairness of the settlement terms, as set forth in the Notice of Class Action Settlement ("Notice Packet"), should any Class Member wish to pursue his or her own case for the claims being released herein, each Class Member has the right to submit a Request for Exclusion (*i.e*., opt-out) from the settlement, with the exception of the PAGA claims. *See* Notice Packet. Moreover, as set forth in the Notice Packet, Class Members are advised of their right to object to any of the terms contained in the Settlement Agreement and attend the final approval hearing. *Id*. As provided in the Notice Packet, the final judgment will be posted on the Settlement Administrator's website. *Id.*

1. Amount and Manner of Distribution of the Compensation to be Provided to Class Members Including the Amount, or an Estimate, of What Each Class Member Will Receive

The Settlement Agreement provides for Three Million Seven Hundred Fifty Thousand Dollars ($3,750,000.00) as the Gross Settlement Amount. SA ¶ 12. The Net Settlement Amount [calculated after deduction of attorneys' fees (up to $1,250,000.00), litigation costs (up to $100,000.00), Class Representative Service Awards to Plaintiffs (up to $10,000.00 each, for a collective total of $110,000.00), payment of PAGA penalties ($275,000.00), and settlement administration costs (up to $68,500.00)] is estimated to be approximately $1,946,500.00. SA ¶¶ 2, 7, 12, 14, 19, 29.

Pursuant to the Settlement Agreement, the Net Settlement Amount will be apportioned among the Class Members on a *pro rata* basis, based on the number of Workweeks worked by each Class Member during the Class Period, as compared to the total number of Workweeks worked by all Class Members during the Class Period. SA ¶ 42(a). Based thereon, on a raw average, each Class Member may recover approximately $149.73 ($1,946,500.00 ÷ 13,000 Class Members). Based on the number of Workweeks of 310,543, the per Workweek value is approximately $6.27 ($1,946,500.00 ÷ 310,543 Workweeks). The amount actually paid to each Class Member will increase or decrease depending on the number of Workweeks he or she worked during the Class Period. Fitzpatrick Decl. ¶ 54.

Additionally, as part of the payment of PAGA penalties, 25% of the PAGA Penalties Fund, or $68,750.00, shall be paid to PAGA Members[2] on a *pro rata* basis, based on the number of Workweeks worked by each PAGA Member during the PAGA Period as compared to the total number of Workweeks worked by all PAGA Members during the PAGA Period. SA ¶¶ 19, 42(b).

Finally, the funds from uncashed checks (upon the expiration date of 180 calendar days after issuance) shall be sent to the designated *cy pres* recipient: Legal Aid at Work. SA ¶ 61. Legal Aid at Work is a non-profit legal services organization that provides legal services and policy advocacy for and on behalf of California low-income individuals and/or low-wage earners. Fitzpatrick Decl. ¶ 56.

2. Whether, and Under What Circumstances, Amounts Available for Payment in Settlement Might Not Be Paid to Class Members or Might Revert to the Defendant

None of the settlement funds will revert to Defendant. SA ¶ 40.

3. Scope of the Release of Class Members' Claims

As a condition of participating in this class action settlement, Class Members who do not opt out of the settlement ("Participating Class Members") will provide a limited release of the following claims against the Released Parties. SA ¶¶ 21, 54. Participating Class Members will release the following claims:

> [A]ll claims that have been or reasonably could have been alleged or asserted in the Action, based on the facts and claims alleged in the Action, that accrued during the Class Period, including but not limited to: (a) all claims for unpaid wages; (b) all claims for unpaid

[2] "PAGA Members" are all current and former non-exempt employees of Coast 2 Coast Coaching, Inc., who worked in California at any time from April 11, 2022, through November 1, 2025. SA ¶ 17. The PAGA Period is the period from April 11, 2022, through November 1, 2025. *Id.* ¶ 18. The start date of the PAGA Period is based on the filing date of PAGA Letter filed in the *Aguas* Action, which is the earliest-filed PAGA notice. Fitzpatrick Decl. ¶ 30.

> overtime wages; (c) all claims for meal break violations and failure to pay meal break penalty payments; (d) all claims for rest break violations and failure to pay rest break penalty payments; (e) all claims for the failure to reimburse for necessary business expenses; (f) all claims for the failure to timely pay wages upon separation of employment; (g) all claims for wage statement violations and record-keeping violations; (h) all claims asserted through California Business & Professions Code §§ 17200, *et seq*., and (i) all penalties, liquidated damages, and interest allegedly due to any of the foregoing alleged violations ("Released Class Claims").

See id. ¶ 24.

In addition, regardless of their decision to participate in the class portion of the settlement, PAGA Members will release the following claims:

> [A]ll claims for penalties under the California Private Attorneys General Act, including interest, costs and attorneys' fees related thereto, predicated on the violations that were alleged in the PAGA Notices and the Action, based on the facts and claims alleged in the Action, that accrued during the PAGA Period, including but not limited to: (a) all claims for unpaid wages; (b) all claims for unpaid overtime wages; (c) all claims for meal break violations and failure to pay meal break penalty payments; (d) all claims for rest break violations and failure to pay rest break penalty payments; (e) all claims for the failure to reimburse for necessary business expenses; (f) all claims for the failure to timely pay wages upon separation of employment; and (g) all claims for wage statement violations and record-keeping violations ("Released PAGA Claims").

Id. ¶¶ 25, 55.

Given that the releases above are tailored to only claims pled or could arise out of the facts alleged in the Action and Plaintiffs' respective PAGA letters, that accrued during limited periods of time, the releases are appropriately tailored.

4. Tax Treatment of Settlement Amounts

The Parties have agreed that the settlement payments ("Individual Settlement Payments") to Participating Class Members from the Net Settlement Amount shall be allocated as follows: eighty-five percent (85%) penalties and interest, for which an IRS Form 1099 will issue, and fifteen percent (15%) wages, for which an IRS Form W-2 will issue and from which payroll taxes will be deducted. SA ¶ 63. Defendant will be liable for employer side payroll taxes. *Id*. ¶¶ 12, 33.

The Individual Settlement Payments to PAGA Members from the PAGA Penalties Fund will be deemed one hundred percent (100%) penalties and be accompanied by an IRS Form 1099. *Id*. ¶ 63.

5. Affirmative Obligations to be Undertaken by Class Members or Class Counsel and the Reasons for Any Such Obligations

As stated above, Class Members do not need to do anything should they wish to receive their share of the settlement funds. In other words, because this is not a claims-made settlement, Class Members will not be required to make a submission to participate in the settlement. Thus, this substantially decreases the burden each Class Member must bear in order to receive their Individual Settlement Payment. If a Class Member does not wish to take part in this settlement and be bound by the Released Class Claims, the Class Member must submit a Request for Exclusion. SA ¶¶ 27, 51.

C. Notice to Class Members

Should the Court grant the instant Motion, Defendant will provide the Settlement Administrator with a list containing each Class Member's full name, most recent mailing address and telephone number, Social Security number, dates of employment, respective number of Workweeks worked during the Class Period and PAGA Period (if any), and any other relevant information needed to calculate settlement payments ("Class List"). SA ¶ 4. Defendant shall provide this information within fourteen (14) calendar days of preliminary approval of this settlement. *Id*. ¶ 45. Upon receipt of the information and prior to mailing the Notice Packet, the Settlement Administrator shall perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. *Id*. ¶ 47. Within ten (10) calendar days of receipt of the Class List, the Settlement Administrator shall mail the Notice Packet to all Class Members. *Id*. ¶ 46. Any notices returned to the Settlement Administrator as non-deliverable on or before the opt-out deadline shall be sent promptly via regular first-class U.S. mail to the forwarding address affixed thereto. *Id*. ¶ 47. If no forwarding address is provided, the Settlement Administrator shall promptly attempt to determine the correct address using a skip trace or other search and perform a re-mailing. *Id*.

The Parties have agreed to the language of the Notice Packet. Fitzpatrick Decl. ¶ 36. The Notice Packet will describe the terms of the settlement and advise Class Members of their opportunity to opt out of the settlement, object to the settlement, and/or dispute the number of Workweeks credited to them. SA ¶¶ 48, 49. Class Members will have forty-five (45) calendar days from the initial mailing of the Notice Packet by the Settlement Administrator to opt out of the settlement, object to the settlement, and/or submit a dispute regarding the number of Workweeks. SA ¶ 28. Class Members who receive a re-mailed Notice Packet will have either (a) an additional fifteen (15) calendar days or (b) until the Response Deadline, whichever is later, to respond to the Notice Packet. *Id*. Class Members can submit objections to the settlement in writing to the Settlement Administrator. Notice Packet, p. 6.

For disputes regarding the calculation of number of Workweeks, Class Members may produce evidence to the Settlement Administrator. The Parties will work in good faith to resolve the dispute, and if the Parties are unable to come to a resolution, then the Settlement Administrator shall examine all evidence submitted and make a decision, which will be final. SA ¶ 49. The Notice Packet provides for instructions to Class Members on how to submit a Workweek dispute. Notice Packet, p. 3.

If Class Members need further information about the settlement and/or the lawsuit, Class Counsel's contact information and the Settlement Administrator's contact information are provided in the Notice Packet. *See* Notice Packet. The Class Notice will be provided to Class Members in English and Spanish. Fitzpatrick Decl. ¶ 36.

D. Typicality and Adequacy of Representation

1. Class Representatives' Claims are Typical of the Class

The commonality requirement is met when there are questions of law and fact common to the class. *See Hanlon v. Chrysler Corp*., 150 F.3d 1011, 1019 (1998) ("The existence of shared legal issues with divergent legal factual predicates is sufficient, as is a common core of salient facts couple with disparate legal remedies within the class"). Commonality requires only that some common legal or factual questions exist; the plaintiffs need not show that all issues in the litigation are identical. *See Richmond v. Dart Industries, Inc*., 29 Cal. 3d 462, 473

(1981). Defendant's conduct is central to the commonality inquiry. *See City of San Jose v. Superior Court*, 12 Cal. 3d 447, 460 (1974); *Vasquez v. Superior Court*, 4 Cal. 3d 800, 812-13 (1971). Where the employer's conduct is uniformly directed at a class of employees, as it is here, the class wide impact of the Defendant's policies satisfies the commonality requirement. *See Stephens v. Montgomery Ward & Co*., 193 Cal. App. 3d 411, 421 (1987).

Plaintiffs allege that Defendant, as a matter of its corporate policy, practice, or procedure, violated the Labor Code by failing to pay all minimum and overtime wages owed for all hours worked, failing to provide off-duty meal and rest breaks or pay meal and rest period premiums, failing to timely pay all wages when due and upon separation of employment, failing to reimburse business expenses, failing to provide accurate itemized wage statements, and engaging in unfair business practices. Declaration of Jaylene Isabel Coronado ("Coronado Decl.") ¶¶ 4, 6; Declaration of Tione Randle ("Randle Decl.") ¶¶ 4, 6; Declaration of Christina Aguas ("Aguas Decl.") ¶¶ 3-5; Declaration of Jacinto Carbajal ("Carbajal Decl.") ¶¶ 3-5; Declaration of Lily De Los Santos ("De Los Santos Decl.") ¶¶ 3-5; Declaration of Jesus Ponce ("Ponce Decl.") ¶¶ 3-5; Declaration of Carlos Prieto ("Prieto Decl.") ¶¶ 3-5; Declaration of Cindy Rocha ("Rocha Decl.") ¶¶ 3-5; Declaration of Arieta Veikoso ("Veikoso Decl.") ¶¶ 3-5; Declaration of Jacklen Monterrosa ("Monterrosa Decl.") ¶¶ 4, 6; Declaration of Lawrence Perlmutter ("Perlmutter Decl.") ¶¶ 3-8. As a result, Plaintiffs allege that they are owed unpaid wages and penalties for the above violations.

In other words, Plaintiffs contend that they were subjected to the same policy and practice as other Class Members and that their claims are typical to those of the Settlement Class.

Moreover, Plaintiffs do not have any interests adverse to the Class, nor have any such issues been raised or presented. Coronado Decl. ¶¶ 6-7; Randle Decl. ¶¶ 6-7; Aguas Decl. ¶ 6; Carbajal Decl. ¶ 6; De Los Santos Decl. ¶ 6; Ponce Decl. ¶ 6; Prieto Decl. ¶ 6; Rocha Decl. ¶ 6; Veikoso Decl. ¶ 6; Monterrosa Decl. ¶¶ 6-7; Perlmutter Decl. ¶ 7. Plaintiffs have taken all necessary steps to represent the interests of the Settlement Class, and by providing information and documents to Plaintiffs' counsel. Coronado Decl. ¶ 7; Randle Decl. ¶ 7; Aguas Decl. ¶ 7;

Carbajal Decl. ¶ 7; De Los Santos Decl. ¶ 7; Ponce Decl. ¶ 7; Prieto Decl. ¶ 7; Rocha Decl. ¶ 7; Veikoso Decl. ¶ 7; Monterrosa Decl. ¶ 7; Perlmutter Decl. ¶ 9-14. For such reasons, Plaintiffs have adequately represented the Class Members and will continue to do so.

2. Class Counsel Have Adequately Represented the Class and Have Experience with Wage and Hour Class Action

From the inception of the case, Class Counsel have zealously represented the interests of the Class. Class Counsel have engaged in significant investigation and meet and confer discussions with Defendant's counsel to obtain informal data and documents and to discuss the merits of the claims on behalf of the Class. Fitzpatrick Decl. ¶ 59. The settlement was obtained for the benefit of the Class, as opposed to the individual Class Representatives. Further, Class Counsel have been approved as class counsel on a number of prior cases, have litigated numerous other class action cases, and are competent to represent the Class. Toscano Decl. ¶¶ 17-31; Fitzpatrick Decl. ¶ 62; Baker Decl. ¶¶ 8-9; Lee Decl. ¶ 9; Tulyathan Decl. ¶¶ 8-11; Bibiyan Decl. ¶¶ 13-14.

E. Costs and Fees

1. Attorneys' Fees and Costs

California state and federal courts have recognized that an appropriate method for determining award of attorneys' fees is based on a percentage of the total value of benefits to class members by the settlement. *Wershba v. Apple Computer, Inc.*, 91 Cal. App. 4th 224, 254 (2001); *Serrano v. Priest*, 20 Cal. 3d 25, 34 (1977); *Boeing Co. v. Van Gemert*, 444 U.S. 472, 478 (1980); *Vincent v. Hughes Air West, Inc.*, 557 F.2d 759, 769 (9th Cir. 1997). 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*, 557 F.2d at 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, she may require the passive beneficiaries to compensate those who created the fund. Both California state and federal courts have embraced this doctrine. *Serrano v. Priest*, 20 Cal.

3d at p. 35; *Vincent*, 557 F.2d at p. 769. Similarly, in *City and County of San Francisco v. Sweet*, 12 Cal. 4th 105, 110 (1995), the California Supreme Court recognized that the common fund doctrine has been applied "consistently in California when an action brought by one party creates a fund in which other persons are entitled to share." The reasons for applying the common fund doctrine include:

> Fairness to the successful litigant, who might otherwise receive no benefit because his recovery might be consumed by the expenses; correlative prevention of an unfair advantage to the others who are entitled to share in the fund and who should bear their share of the burden of its recovery; encouragement of the attorney for the successful litigant who will be more willing to undertake and diligently prosecute proper litigation for the protection or recovery of the fund if he is assured that he will be properly and directly compensated should his efforts be successful.

Id.

Indeed, in 2016, the California Supreme Court has also now held that the award of attorneys' fees in common fund wage and hour class action settlements should start with the percentage method. *See Laffitte v. Robert Half Int'l*, 1 Cal. 5th 480, 503 (2016) (2016) ("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 California Supreme Court in *Laffitte* affirmed a fee award representing 33 1/3 percent of the fund. *Laffitte*, 1 Cal. 5th at p. 506. And this was based on a lodestar amount that required a multiplier of 2.13. *Id*. at p. 487. As the Court held, only when the multiplier is "extraordinarily high or low [should] the trial court [] consider whether the percentage method should be adjusted so as to bring the imputed multiplier within a justifiable range." *Id*. at p. 505.

Here, the Parties have agreed to a payment of a maximum one-third of the Gross Settlement Amount (or $1,250,000.00) for payment to Class Counsel as of attorneys' fees. SA ¶ 2. The Parties have agreed to a payment of the foregoing attorneys' fees and, thus, this payment should be presumed to be fair. Fitzpatrick Decl. ¶ 57.

Further, the Parties have agreed to reimbursement of Class Counsel's litigation costs up to $100,000.00. SA ¶ 2. Class Counsel have, at their own risk, expended costs to prosecute the Action, including filing the instant Action and related actions and other pleadings, effecting service of process, retaining an expert, participating in mediation, and paying other litigation-related costs. If Class Counsel's actual costs are less than $100,000.00, the remainder will be allocated to the Net Settlement Amount for distribution to the Class. *Id.* ¶ 2.

Based on the foregoing, the Court should preliminarily approve the attorney's fees and costs as requested by the Parties.

2. Proposed Payment to the Class Representatives

Plaintiffs and Class Representatives Jaylene Isabel Coronado, Tione Randle, Christina Aguas, Jacinto Carbajal, Lily De Los Santos, Jesus Ponce, Carlos Prieto, Cindy Rocha, Arieta Veikoso, Jacklen Monterrosa, and Lawrence Perlmutter each request a modest enhancement of $10,000.00. SA ¶ 7. The Class Representatives met and conferred with Class Counsel on a number of occasions to discuss the case, provided documents and information to Class Counsel, and reviewed the pleadings and the Settlement Agreement. As part of their duties as Class Representatives, Plaintiffs provided invaluable information, evidence, and documents that resulted in this settlement. Coronado Decl. ¶ 7; Randle Decl. ¶ 7; Aguas Decl. ¶ 8; Carbajal Decl. ¶ 8; De Los Santos Decl. ¶ 8; Ponce Decl. ¶ 8; Prieto Decl. ¶ 8; Rocha Decl. ¶ 8; Veikoso Decl. ¶ 8; Monterrosa Decl. ¶ 7; Perlmutter Decl. ¶¶ 9-15.

In addition to the invaluable services that they provided, Plaintiffs also took a significant risk, both professionally and monetarily, in acting as Class Representatives and seeking benefits on behalf of the Class. Because the claims alleged by the Class Representatives involved the payment of costs to the prevailing party, Plaintiffs could have possibly faced paying the costs of Defendant, had they not prevailed in this action.

Plaintiffs devoted substantial time and effort in connection with the litigation of this action. Coronado Decl. ¶ 7; Randle Decl. ¶ 7; Aguas Decl. ¶ 8; Carbajal Decl. ¶ 8; De Los Santos Decl. ¶ 8; Ponce Decl. ¶ 8; Prieto Decl. ¶ 8; Rocha Decl. ¶ 8; Veikoso Decl. ¶ 8;

Monterrosa Decl. ¶ 7; Perlmutter Decl. ¶ 15. For example, Plaintiffs met with their respective attorneys to discuss the facts supporting the theories of liability in this action and apprised their attorneys of their understanding of Defendant's policies and practices. Coronado Decl. ¶ 7; Randle Decl. ¶ 7; Aguas Decl. ¶ 8; Carbajal Decl. ¶ 8; De Los Santos Decl. ¶ 8; Ponce Decl. ¶ 8; Prieto Decl. ¶ 8; Rocha Decl. ¶ 8; Veikoso Decl. ¶ 8; Monterrosa Decl. ¶ 7; Perlmutter Decl. ¶ 9-15. Plaintiffs also provided documents to their respective attorneys to evaluate the claims in the case, including, but not limited to, payroll and employment documents, and wage statements received throughout their employment with Defendant. Coronado Decl. ¶ 7; Randle Decl. ¶ 7; Aguas Decl. ¶ 8; Carbajal Decl. ¶ 8; De Los Santos Decl. ¶ 8; Ponce Decl. ¶ 8; Prieto Decl. ¶ 8; Rocha Decl. ¶ 8; Veikoso Decl. ¶ 8; Monterrosa Decl. ¶ 7; Perlmutter Decl. ¶¶ 9-15. Plaintiffs also conferred with their attorneys regarding the terms of the proposed settlement, reviewed the proposed settlement agreement, and assisted in reviewing, drafting, and revising their declarations in support of the Motion for Preliminary Approval. Coronado Decl. ¶ 7; Randle Decl. ¶ 7; Aguas Decl. ¶ 8; Carbajal Decl. ¶ 8; De Los Santos Decl. ¶ 8; Ponce Decl. ¶ 8; Prieto Decl. ¶ 8; Rocha Decl. ¶ 8; Veikoso Decl. ¶ 8; Monterrosa Decl. ¶ 7; Perlmutter Decl. ¶¶ 9-15. Finally, Plaintiffs agreed to provide a general release of claims and waiver of the protections of Civil Code § 1542, which is something that was not required of Class Members. SA ¶ 56. For these reasons and those articulated in their Motion, the Court should preliminarily approve the enhancement payment.

3. Settlement Administration Costs

The Parties have agreed to an estimated payment of $68,500.00 to the Settlement Administrator, Phoenix Settlement Administrators ("Phoenix"), to send notices and to administer this settlement. SA ¶¶ 29, 30. Phoenix is a well-recognized class action settlement administrator. The Parties believe that the administration fee is reasonable and should be approved.

IV. NOTICE TO THE LWDA

Concurrently with the filing of this motion, Plaintiffs submitted the Settlement Agreement and supporting documents to the LWDA. Fitzpatrick Decl. ¶ 65; Ex. D.

V. CONCLUSION AND ACTION REQUESTED AS PART OF THE MOTION FOR PRELIMINARY APPROVAL

Here, the proposed settlement is fair, adequate, and reasonable. It will result in both substantial monetary benefits to Class Members; it is non-collusive; and it was achieved as the result of informed, extensive, and arm's length negotiations conducted by counsel for the respective parties who are experienced in wage and hour class action litigation.

For the foregoing reasons, Plaintiffs respectfully request that the Court grant preliminary approval of the proposed settlement, sign the proposed Order, approve and authorize mailing of the proposed Notice Packet, and set a date for a final approval hearing.

Dated: April 8, 2026

AEGIS LAW FIRM, PC
FITZPATRICK & SWANSTON
DIVERSITY LAW GROUP, P.C.
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