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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

JUAN CARLOS BAUTISTA and JAIME CERVANTES, individually, on a representative basis, and on behalf of all others similarly situated; Plaintiffs, vs. SERVICEFIRST RESTORATION, INC., a California Corporation; and DOES 1 through 20, inclusive; Defendants.	Case No.: CIVSB2302978 *[Assigned to the Hon. Joseph T. Ortiz, Dept. S17, for all purposes]* **NOTICE OF MOTION AND MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT; DECLARATIONS IN SUPPORT THEREOF; AND [PROPOSED] FINAL ORDER AND JUDGMENT** Hearing: Date: July 8, 2025 Time: 1:30 p.m. Dept.: S17

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on July 8, 2025, at 1:30 p.m., or as soon thereafter as this matter may be heard by the Honorable Joseph T. Ortiz in Department S17 of the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, CA 92415, Plaintiffs Juan Carlos Bautista, Jaime Cervantes and Misty Bowyer, individually and on behalf of all others similarly situated, will move this Court for an Order granting final approval of the class action settlement between Plaintiffs and Defendant, which was preliminarily approved by the Court. This Motion seeks final approval and entry of judgment of a $500,000 settlement on behalf of 139 Class Members, and is unopposed by Defendant ServiceFirst Restoration, Inc. ("Defendant").

Specifically, Plaintiffs will and hereby do move the Court to grant final approval of the Amended Class Action and PAGA Settlement Agreement and Release of Claims ("Settlement Agreement"), and enter the proposed order and final judgment filed concurrently herewith:

1. Finally certifying the Class, as defined in the Settlement Agreement and the Court's Order Granting Preliminary Approval of the Settlement;

2. Finally appointing Plaintiffs as the Class Representatives for purposes of settlement;

3. Finally appointing Brian Mankin and Peter Carlson as Class Counsel for purposes of settlement;

4. Finding that the Class Notice was properly provided to the Class in accordance with the Court's Order granting Preliminary Approval;

5. Finally approving the settlement as fair, adequate, and reasonable, based upon the terms set forth in the Settlement Agreement;

6. Binding participating Class Members to the terms of the Settlement Agreement, including the Release specified therein; and

7. Retaining jurisdiction to enforce the Settlement Agreement.

This Motion will be based upon this notice; the attached memorandum of points and authorities; the Declarations of the Settlement Administrator (Mayra Gonzalez of Phoenix Settlement Administrators), Class Counsel (Brian Mankin and Peter Carlson) and Plaintiffs (Bautista, Cervantes and Bowyer) filed concurrently herewith; the records and files in this action; and any other further evidence or argument that the Court may receive at or before the hearing.

Dated: June 11, 2025 LAUBY, MANKIN & LAUBY LLP

BY: ______________________
Brian J. Mankin, Esq.
Attorneys for Plaintiffs and the Class

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MEMORANDUM OF POINTS AND AUTHORITIES

I. SUMMARY OF ARGUMENT AND ESSENTIAL POINTS

Pursuant to California Rules of Court, Rule 3.769(d) and (e), Plaintiffs Juan Carlos Bautista, Jaime Cervantes and Misty Bowyer respectfully request that this Court grant final approval of the Amended Class Action and PAGA Settlement Agreement and Release of Claims ("Settlement Agreement"), and enter the proposed order and final judgment in this matter. This Motion is supported and unopposed by Defendant ServiceFirst Restoration, Inc. ("Defendant").

There are several essential reasons why this settlement should be approved, and judgment entered accordingly, as follows:

- After extensive work, the Parties reached a $500,000 settlement with the assistance of an experienced class action mediator that is tailored to a limited release of the claims alleged on behalf of 139 Class Members;
- The Class Members were deemed to participate in the Settlement, and were not required to submit a Claim Form to receive funds;
- There is no reversion to Defendant;
- There have been zero objections and only one opt-out to the Settlement, meaning 99.3% of the Class is currently participating in the Settlement.

In accordance with the analysis and law set forth herein as well the preliminary approval motion, the Settlement should be approved and judgment entered based on the determination that the Settlement is fair, reasonable, adequate, and in the best interests of the Class. (Declaration of Class Counsel, Brian J. Mankin; ¶¶ 13, 33 ("Mankin Decl.").)

II. PERTINENT BACKGROUND AND SETTLEMENT TERMS

ServiceFirst is a restoration contractor that specializes in the cleanup and repair of water, sewage, mold, and fire damaged properties with reconstruction services. Plaintiffs and the Class Members worked as field workers under the classification of Independent Contractors[1] or Hourly Employees[2] for Defendant during the Class Period of May 12, 2019, through January 31, 2024.

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[1] "Independent Contractor" means "the eleven (11) individuals that performed contracting field/service work for Defendant in California and who Defendant classified as independent contractors during the Class Period.

[2] "Hourly Employees" means "all nonexempt employees employed by Defendant in California during the Class Period

The primary claims, which Defendant disputes, included, but are not limited to, allegations that the Class Members did not receive all minimum, regular and overtime wages owed, did not receive accurate itemized wage statements, were not provided compliant meal and rest breaks, were not reimbursed for all business expenses, as well as claims for waiting time penalties and PAGA penalties.

The Settlement includes 138 Participating Class Members (excluding the one opt-out). The following is a breakdown reflecting how the funds are allocated under the Settlement Agreement (Declaration of Administrator, Mayra Gonzalez ("Gonzalez Decl."), ¶ 11):

Gross Settlement Amount	**$ 500,000.00**
Attorneys' Fees (1/3 less $3,000 for Bowyer's Service Award)	$ 163,666.67
Litigation Costs	$ 13,819.01
Administrator Costs	$ 8,000.00
PAGA Penalties	$ 30,000.00
Class Representative Service Awards	$ 23,000.00
Net Settlement Amount	**$ 261,514.32**

In terms of the payments, all Class Members were deemed to participate and did not need to submit a Claim Form to receive payment. (Settlement Agreement or "S.A." ¶ 25). Each Participating Class Member will receive a share of the Net Settlement Amount according to the Settlement Agreement ¶ 52(c), which sets forth the allocation between Independent Contractors and Hourly Employees that was negotiated and agreed upon by the Parties because the Independent Contractors were subjected to several unique claims with higher valuation (*i.e.*, independent contractor misclassification, alleged substantial unreimbursed expenses, among others).

Assuming all of the amounts in the Settlement are approved by the Court, the *average* Individual Class Payment to Independent Contractors is $16,344 and the payment to Hourly Employees ranges as high as $2,671.17 and the average is $518.88. (Gonzalez Decl. ¶ 12-13).

In addition, the 66 Aggrieved Employees will each receive an Individual PAGA Payment based on their share of the $7,500 in PAGA Penalties (25% of the total $30,000 PAGA allocation), calculated pro-rata based on the number of Weeks Worked during the PAGA Period. (S.A. ¶ 52(h)). The Aggrieved Employees collectively worked 2,791 Workweeks, and their average Individual PAGA Payment is $113.64. (Gonzalez Decl. ¶ 14).

Twenty percent (20%) of each Individual Settlement Amount shall constitute wages (for which each Participating Class Member will be issued an IRS Form W-2 for such payment), and the remaining eighty percent (80%) shall constitute interest and penalties (each for which each participating Class Member will be issued an IRS Form 1099). (S.A. ¶ 52(d)). The Settlement Agreement provides that Defendant shall deposit the Settlement Amount within 15 days after the "Effective Date" (S.A. ¶ 73), which will be the date that the Final Order is entered since there were no objections or motions to intervene filed. Additionally, Defendant will separately fund its share of payroll taxes. Within 10 days of receipt, the Settlement Administrator shall issue payments to cover all court-approved payments. (S.A. ¶ 74).

Class Members will have 180 days to cash the settlement check. If a Class Member fails to cash a check by the deadline, the Settlement Administrator shall issue unclaimed funds to the California State Controller in the name of the Class Member. (S.A. ¶ 75).

III. THE NOTICE PROCESS

A. Notice to the Class Members

Pursuant to the Court's Order and the Settlement Agreement, the Parties directed the Settlement Administrator to review and update the Class Members' addresses, mail the Court-approved Notice Packet, and process their responses. The Administrator also posted the relevant documents on its website for the Class Members to access.

After the Court granted preliminary approval and prior to the mailing, the Settlement Administrator performed a National Change of Address search on all Class Members to determine if any had moved. (Gonzalez Decl., ¶ 4). On April 14, 2025, the Class Notice was sent via first-class mail to 139 Class Members in English and Spanish. (Gonzalez Decl., ¶ 5). Ultimately, all Class Notices were determined to be deliverable after using advanced tracking methods to locate all Class Members' updated addresses. (Gonzalez Decl., ¶ 6).

In accordance with California Rules of Court, rules 3.766 (d) and 3.769 (f), the Notice provided Class Members with (1) a brief explanation of the case; (2) an explanation of each Class Member's right to opt out of the settlement class; (3) an explanation of the process (and relevant deadlines) through which a Class Member could opt out of the settlement class; (4) notice about the binding nature of the Judgment for Class Members who do not opt out; (5) an explanation of each Class Member's right to appear through counsel; (6) an explanation of each Class Member's right to appear at the fairness hearing and express views on the settlement, i.e., object or otherwise respond; and (7) an explanation of each Class Member's right to participate in the Settlement and receive payment accordingly. (See **Exhibit A** to the Gonzalez Decl.)

B. There are Zero Objections and One Opt-Out, Resulting In An Impressive 99.3% of the Class Participating in the Settlement

California law makes clear that the percentage of objectors and opt-outs is an important factor in the Court's consideration of a proposed class action settlement. (See *Dunk v. Ford Motor Co. (1186) 48 Cal.App.4th 1794* at 1802.) Indeed, the Ninth Circuit and other federal courts recognize that in the final fairness analysis, the number or percentage of class members who object to the settlement is a significant factor. (See *Mandujano v. Basic Vegetable Prods., Inc*., (9th Cir. 1976) 541 F.2d 672, 677; *In re American Bank Note Holographics, Inc*. (SDNY 2001) 127 F.Supp.2d 418, 425 ["[i]t is well settled that the reaction of the class to the settlement is perhaps the most significant factor to be weighed in considering its adequacy.")

In this case, as noted above, there are zero objections and one opt-out to the Settlement -- meaning that 99.3% of the Class Members elected to participate in the Settlement. (Gonzalez Decl., ¶ 7-9).

V. EVALUATION OF THE SETTLEMENT

It is axiomatic that California law strongly favors and encourages settlements. (See *Stambaugh v. Super. Ct.* (1976) 62 Cal.App.3d 231, 236.) This presumption in favor of settlement applies with particular force in the context of class actions. (See *Ferguson v. Lieff, Cabraser, Heimann & Bernstein* (2003) 30 Cal.4th 1037 ["[p]ublic policy favoring settlement is especially weighty for class actions"]; *Bell v. Am. Title Ins. Co.* (1991) 226 Cal.App.3d 1589, 1607-1608 [affirming the trial court's approval of a class settlement and implicitly endorsing its citation of federal precedent for the notion that there is a "strong public policy in favor of settlement of class actions"]; see also *Franklin v. Kaypro Corp.* (9th Cir. 11869) 884 F.2d 1222, 1229, quoting *Van Bronkhorst v. Safeco Corp*. (9th Cir. 1976) 529 F.2d 943, 950 ["it hardly seems necessary to point out that there is an overriding public interest in settling and quieting litigation. This is particularly true in class action suits"].)

When entertaining a request for final approval of a class action settlement, a court's fundamental consideration is whether the settlement is fair, adequate and reasonable. (See *Dunk*, *supra*, 48 Cal.App.4th at 1801, fn. 7 [noting that state courts look to federal authority concerning the approval of class settlements]; California Rules of Court, rule 3.769(g).)

Fairness is presumed when: (1) the 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; (4) the percentage of objectors and opt outs is small, and (5) the range of reasonableness of the settlement fund to a possible recovery in light of all attendant risks of litigation." (*Dunk*, *supra*, 48 Cal.App.4th at 1802.) All five of these factors are discussed in detail below.

A. **The Settlement Was Reached Through Informed Arms-Length Negotiation**

Courts presume the absence of fraud or collusion in the negotiation of a settlement, unless evidence to the contrary is offered. Thus, there is a presumption here that the negotiations were conducted in good faith. (See, 3 Alba Conte & Newberg, supra, at § 11.51.) The proposed settlement here was the product of arm's-length negotiation before a highly experienced and reputable class action mediator to reach a settlement, which was finally consummated in the months after mediation.

Here, Plaintiffs and Class Counsel have diligently investigated the claims raised in this litigation and, after taking into account the disputed factual and legal issues involved in this action, the risks attending further prosecution, and the benefits to be received pursuant to the compromise and settlement of the action as set forth in the Settlement, concluded that the settlement terms are fair, reasonable, and in the best interest of the Class.

As the Settlement Agreement itself reveals, there is no preferential treatment for any segment of the class, as the Settlement is designed to compensate all Class Members fairly and adequately. And pursuant to California Rules of Court Rule 3.769(b), the parties have disclosed the agreed upon and proposed attorney fee award, which is well within the range of reasonableness for matters of this nature.

B. Plaintiffs' Investigation Was Sufficient

As set forth at the time of preliminary approval, Class Counsel's investigation into the facts and merits of the wage and hour claims alleged included substantial written discovery, analyzing substantial amounts of information, correspondence, documents, policies and procedures, pay data and timekeeping records, and evidence relating to the class size and the commonality of the claims. During this process, Plaintiffs and Class Counsel conducted investigations into the potential claims of the similarly situated employees, as well as researching and investigating Defendant's defenses. Finally, Class Counsel synthesized and analyzed information provided by Defendant as to the total Class Members, the number of current and former employees, the number of employees who worked during various time periods, and prepared comprehensive damages calculations regarding the claims at issue.

C. Class Counsel Are Experienced in Similar Litigation and Endorse the Settlement

Class Counsel are experienced in this type of litigation, and they have represented (and hereby do represent) that this Settlement is fair and reasonable. (Mankin Decl., ¶¶ 13, 33; Carlson Decl., ¶¶ 2-6; see *7-Eleven Owners for Fair Franchising v. Southland Corp.* (2000) 85 Cal.App.4th 1135, 1152 [Final approval of settlement affirmed where counsel were all experienced litigators with class-action experience and had recommended settlement based on the negotiated terms].)

D. Reasonable Estimate of the Nature and Amount of Recovery

Plaintiffs' Motion for Preliminary Approval contained a comprehensive *Kullar* analysis (which sufficiently provided the Court with "basic information about the nature and magnitude of the claims in question and the basis for concluding that the consideration being paid for the release of those claims represents a reasonable compromise." (*Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 133). Of course, a settlement is not judged against what might have been recovered had a plaintiff prevailed at trial, nor does the settlement have to provide 100% of the damages sought to be fair and reasonable. (*Wershba v. Apple Computers, Inc*. (2001) 91 Cal.App.4th 246, 250.) ("Compromise is inherent and necessary in the settlement process … even if the relief afforded by the proposed settlement is substantially narrower than it would be if the suits were to be successfully litigated, this is no bar to a class settlement because the public interest may indeed be served by a voluntary settlement in which each side gives ground in the interest of avoiding litigation.")

In light of the uncertainties of protracted litigation, this negotiated settlement reflects the best practicable recovery for the Class. While the total settlement amount is, of course, a compromise figure, the potential risks and opportunities of both parties were effectively weighed and considered by the parties, resulting in a fair and equitable settlement. Based upon detailed data obtained through discovery and information exchanges, and factoring in claim certification probabilities and liability probabilities, Class Counsel formulated detailed damages models to evaluate the claims in preparation for mediation and in order to reach a realistic and reasonable resolution.

Defendant denies that any damages should be assessed and denies all of the value assessed by Plaintiffs. Notwithstanding these arguments, in light of the uncertainties and expense associated with protracted litigation, the Settlement commits Defendant to pay $500,000 to settle the litigation.

VI. THE REQUESTED ATTORNEYS' FEES ARE FAIR AND REASONABLE

For their efforts in creating a common fund for the benefit of the Class, the Settlement Agreement provided that Class Counsel may seek reasonable fees of $163,666.67 (one-third of the Settlement Amount less $3,000 to fund Bowyer's service award, as she was added later in the case). This amount will be paid from the Settlement Amount, as provided by the Settlement Agreement. These fees are warranted under the law and within the range of fees commonly awarded in similar cases.

As shown herein, the requested percentage of one-third of the settlement fund as payment for attorneys' fees should be granted for several reasons, including one-third is the standard bench mark in California for class action settlements (see e.g., *Chavez v. Netflix, Inc.* (2008) 162

Cal.App.4th 43, 66 n. 11 ("Empirical studies show that, regardless whether the percentage method or the lodestar method is used, fee awards in class actions average around one-third of the recovery"), that the California Supreme Court held that the percentage of the fund method survives in California class action cases (*Laffitte v. Robert Half International, Inc.* (2016) 1 Cal.5th 480, and through the prism of a lodestar cross-check. Accordingly, this request should receive final approval.

A. Plaintiffs Are Entitled to Recover Reasonable Attorney's Fees Under the Labor Code

Plaintiffs and the Class in this action are entitled to recover reasonable attorneys' fees, expenses and costs under section 218.5 of the California Labor Code, which provides that, "[i]n any action brought for the nonpayment of wages ... the Court shall award reasonable attorneys' fees and costs to the prevailing party." In addition, Plaintiffs and the Class are entitled to recover reasonable attorneys' fees pursuant to section 1194.2 of the Labor Code, which provides that, "… any employee receiving less than the legal minimum wage … applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage… including … reasonable attorney's fees, and costs of suit." Plaintiffs are also entitled to fees and costs under section 226(e) of the Labor Code (employee who prevails on claim for itemized wage statement violation "is entitled to an award of costs and reasonable attorneys' fees"); under PAGA (Labor Code § 2699(g), which provides "Any employee who prevails in any action shall be entitled to an award of reasonable attorney's fees and costs, including any filing fee paid"); and, potentially, section 1021.5 of the California Code of Civil Procedure.

B. Class Counsel's Request for Fees Is Reasonable and Properly Calculated as a Percentage of the Common Fund

Under the "common fund" doctrine, the request for attorneys' fees in the amount of 1/3 of the common fund is reasonable and appropriate, because (1) it is within the approved range for percentages awarded as attorneys' fees in similar cases; (2) it is supported by the high quality of Class Counsel's work on this case and the results obtained for the Class; (3) the Class had sufficient notice of the fee request; (4) it is supported by the fact that this case was handled on a contingency basis and was undertaken despite various risks and expenses; and (5) the lodestar cross-check supports the fee request.

1. *The Attorneys' Fees Requested Here Fall Within the Reasonable Range Awarded in Similar Cases Under the Well-established Common Fund Method*

The California Supreme Court has approved trial courts' usage of the common fund method of awarding attorneys' fees in wage and hour class actions, like this one, upholding a fee awarded of 1/3 of the total settlement amount obtained for the class. *See Laffitte,* 1 Cal.5th at 506; *see also,* 4 Newberg on Class Actions, § 14:6 at 552 ("fee awards in class actions average around one-third of the recovery"). Specifically, in *Laffitte*, the Court wrote: "[w]e 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"). *Id.* at 506. The California Supreme Court also noted that trial courts have the discretion to award fees as a percentage of the common fund, with or without the necessity to conduct a lodestar cross-check. *Id.* ("…[Courts] … retain the discretion to forgo a lodestar cross-check and use other means to evaluate the reasonableness of a requested percentage fee.")

The California Supreme Court's *Laffitte* decision was consistent with its prior rulings recognizing that "when a number of persons are entitled in common to a specific fund, and an action brought by … plaintiffs for the benefit of all results in the creation or preservation of that fund, such … plaintiffs may be awarded attorneys' fees out of the fund." *Serrano III v. Priest* (1977) 20 Cal.3d 25, 34; *Boeing Co. v. Van Gemert* (1980) 444 U.S. 472, 478 ("[A] lawyer who recovers a common fund . . . is entitled to reasonable attorneys' fees from the fund as a whole"). Notably, when fees are calculated as a percentage of the common fund, they should be calculated based on the amount that was available to be claimed, rather than as a percentage of the actual amount claimed. *See Id*. at 475-6, 480-1 (the SCOTUS held that attorneys for a successful class may recover a fee based on the fund created for the class, even if some class members make no claims against the fund, so that money remains in it that will be returned to the defendant, explaining: "[t]heir [class members'] right to share the harvest of the lawsuit upon proof of their identity, whether or not they exercise it, is a benefit in the fund created by the efforts of the class representatives and their counsel." *See also Williams v. MGM-Pathe Communs. Co*. (9th Cir. 1997) 129 F.3d 1026, 1027 (trial court "abused its discretion by basing the fee on the class members' claims against the fund rather than on a percentage of the entire fund or on the lodestar").

2. *The High Quality of Work and Excellent Result Obtained Support the Award*

In addition to the fact that a Class benefit was created with a $500,000 non-reversionary common fund settlement, the fairness of the requested fee award of 1/3 of the Settlement Amount is supported by the high quality of work performed by Class Counsel and the positive result obtained for the Class. This great result occurred because Class Counsel diligently, efficiently, and creatively pursued this case and reached a successful settlement for the benefit of the entire Class. Moreover, the fact that the settlement was embraced and supported by the Class, as evidenced by a 99.3% participation rate thus far, demonstrates that Class Counsel obtained a favorable result for the Class.

3. *Class Members Had Sufficient Notice of the Requested Fees*

Rule 3.769 of the California Rules of Court requires that the Class Members be given notice of any agreement regarding an application for attorneys' fees. Here, the Notice preliminarily approved by the Court and distributed to the Class Members apprised them of the requested attorneys' fees, which was consistent with the Notice.

The Class Notice also advised the class members of the procedures for objecting to the proposed settlement and appearing at the settlement hearing, where they could present their objections to any aspect of the settlement, including the amount of attorneys' fees to be awarded to class counsel. (*Litwin v. iRenew Bio Energy Solutions, LLC* (2014) 226 Cal.App.4th 877, 883 ["[p]rocedural due process requires that affected parties be provided with 'the right to be heard at a meaningful time and in a meaningful manner'"].) In accordance with the foregoing, it is respectfully submitted that the instant notice complied with Rule 3.769 and, as a result, the Class Members' due process rights were fulfilled.

4. *The Contingent Nature of Class Counsel's Representation of Plaintiffs and the Class Further Supports the Fee Award at 1/3 of the Common Fund*

An additional factor in favor of the granting of the requested fee award is the fact that this case was both legally and financially risky for Class Counsel. (*See Vizcaino v. Microsoft Corp* (9th Cir. 2002) 290 F.3d 1043, 1048-49.) Class Counsel have been representing the Class in this matter on a strictly contingency basis, and as such, incurred the risk of non-recovery after a substantial investment of time, money, and resources, and have done so since the inception of this case without any payment or compensation. Specifically, there was the prospect of enormous cost inherent in class action litigation, as well as a battle with a well-funded corporation who was represented by an experienced law firm; the risk that Defendant could prevail on their argument that the class should not be certified; and the risk that Defendant could prevail on the merits of some or all of the claims.

The court in *Horsford v. Board of Trustees of California State University*, 132 Cal.App.4th 359 (2005) analyzed this issue and held that, when determining the market-level compensation to award to contingent fee attorneys, the analysis must take into account the large risk inherent in such situations:

> The market value of the services provided by plaintiffs' counsel in a case of this magnitude must take into consideration that any compensation has been deferred for up to four years from the time an hourly fee attorney would begin collecting fees from his or her client; that the demands of the present case substantially precluded other work during that extended period, which makes the ultimate risk of not obtaining fees all the greater (since the attorneys must use savings or incur debt to keep their offices afloat and their families fed during the years-long litigation); and that a failure to fully compensate for the enormous risk in bringing even a wholly meritorious case would effectively immunize large or politically powerful defendants from being held to answer for constitutional deprivations, resulting in harm to the public."

Id. at 399-400.

Indeed, as Plaintiff's Counsel can attest, not all class/PAGA cases are successful. Many cases end with no fees or a greatly reduced fee that is far less than lodestar, often due to no fault of counsel (i.e., bankruptcy, change in the law, consolidation or coordination or preemption, being top filed, etc.). According to Mayer Brown LLP's study entitled, An Empirical Analysis of Class Actions, cited in *Laguna v. Coverall North America, Inc*. (9th Cir. 2014) 753 F.3d 918, found that only one-third of class actions are successful, compared to two-thirds that are defeated and result in no payment to the class members.[3]

To offset these risks and unfavorable results, Courts historically award a multiplier on Class Counsel's lodestar, as discussed further below. Because if the *best* Plaintiff's Counsel could hope for is merely to be paid its customary hourly rate multiplied by the number of hours worked on a case, then Class Counsel would not be compensated for the hardships and serious risks they faced litigating contingency cases and incurring losses on the unfavorable results, and would not be incentivized to take on similar cases in the future. (*Id*.)

The availability of a "lodestar multiplier" allows Class Counsel to be an advocate for employees and take on risky cases where Class Counsel may have to shoulder the risks of litigation in other cases, so that the class members do not have to forego their right to the justice system. A multiplier ensures that class members in the future will have access to competent counsel who are willing to offer contingency fee agreements in risky cases and be available and willing to take on cases to help all Class Members – not just those employed by large corporations.

However, in this case, Class Counsel is seeking a negative multiplier. For all of these reasons, the contingent nature of this case and the availability of a lodestar multiplier supports a fee of one-third of the common fund and granting of fee request.

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[3] www.mayerbrown.com/files/uploads/Documents/PDFs/2013/December/DoClassActionsBenefitClassMembers.pdf

5. *A Lodestar Cross-Check Confirms the Reasonableness of the Fee Award*

Despite recognized limitations of the so-called lodestar method, some California and federal courts acknowledge the utility of a lodestar "cross-check."[4] (*Lealao, supra,* 82 Cal.App.4th at 46-47.) Under the "lodestar multiplier" method of cross-checking the reasonableness of attorneys' fees in class actions, the court ascertains Class counsel's total "lodestar" amount by multiplying the number of hours reasonably expended by each attorney or legal staff member by their hourly rates, and then enhances or reduces this lodestar figure by a "multiplier" to account for a range of factors, such as the novelty or difficulty of the case, its contingent nature, and the degree of success achieved. *PLCM Group, Inc. v. Drexler* (2000) 22 Cal.4th 1084, 1095-96; *Press v. Lucky Stores, Inc*. (1983) 34 Cal.3d 311, 322; *Lealao, supra,* 82 Cal.App.4th at 43 [court has discretion to use a multiplier to ensure that the "fee awarded is within the range of fees freely negotiated in the legal marketplace in comparable litigation"].)

Historically, California courts have approved multipliers of 1.5 to 4. However, in this case, Class Counsel has a ***negative multiplier***, as the actual aggregated lodestar between the Plaintiff's attorneys that worked on this case is approximately $186,575, as summarized in the following table, and in the submitted declaration of Plaintiff's counsel:

Attorney/Timekeeper	Role	Yrs Experience	Rate	Hours	Fee
Brian J. Mankin (Partner – LML)	**Trial Counsel**	**23**	**$950**	**79**[5]	**$75,050**
Peter Carlson (Senior Associate – LML)	**Handling Attorney**	**11**	**$750**	**148.7**	**$111,525**
Grand Total for All Attorneys				**227.7**	**$186,575**

(See Mankin Decl., ¶ 25; Carlson Decl. ¶ 9).

[4] In practice, the lodestar method is difficult to apply, time-consuming to administer, inconsistent in result, and capable of manipulation. In addition, the lodestar creates inherent incentive to prolong the litigation until sufficient hours have been expended. Herr, David F., *Manual for Complex Litigation,* § 14.121 (1988); *See also In re Activision* (N.D. Cal 1989) 723 F.Supp 1373.

[5] Includes an estimated 35 hours that will be expended in finalizing the motion, attending the hearing, working with the parties and administrator regarding the notice and payment process, and filing any post judgment paperwork.

The hourly rates above are comparable to those of other attorneys with equal or similar experience, if not somewhat lower (*i.e.*, the Laffey Matrix at *www.laffeymatrix.com* indicates that the benchmark rates are: $777/hour for an 8–10-year attorney, $878/hour for a 11–19-year attorney, and $1,057/hour for a 20+ year attorney).

Moreover, the Wolters Kluwer 2023 Real Rate Report ("Real Rate Report") provides directly applicable information in this regard. The Real Rate Report is based on an enormous and statistically significant compilation of data, comprising millions of billing entries from a hundred thousand individual timekeepers who worked at thousands of law firms. The Real Rate Report then compiles and analyzes this data to provide the hourly rates for partners and associates in major metropolitan areas. For the southern California area: (a) the rate for partners in Los Angeles is between $840 and $1,159 per hour for the middle and upper quartiles, and (b) the rates for associates with seven or more years of experience, the median rate is $674 per hour, and the upper quartile rate is $888 per hour. And, perhaps most importantly, the information provided in the Real Rate Report is not based on self-reported numbers, surveys, sampling, or reviews or other publications – instead, the Real Rate Report is based on the actual hours and fees billed by law firms, which makes it "a much better reflection of true market rates than self-reported rates in all practice areas." *Brown v. CVS Pharmacy, Inc*. (C.D. Cal. Apr. 24, 2017) 2017 U.S. Dist. LEXIS 182309, at *21; *PLCM Group*, 22 Cal.4th at 1085 (holding that rates should be premised upon precisely this form of independent, "objective" rate data that reflects "fair market" rates actually billed to clients "in the community for similar work"). (Mankin Decl., ¶ 24.)

Class Counsel are also highly experienced in Class/PAGA litigation, including having been named by the LA Times as one "Southern California Leading Lawyers" in the May 2023 issue of Consumer Attorneys of Southern California (a recognition given to 17 employment/labor law attorneys in 2023), having been selected as "Super Lawyer" in employment litigation over the last 5 consecutive years, having achieved large settlements, having prevailed at trial in PAGA-only actions and Class Action jury trials. (Mankin Decl. ¶¶ 2-6). Indeed, Class Counsel's rates are typical of the rates charged by defense counsel with similar experience doing similar employment law work in this region.

Thus, Plaintiff's Counsel's rates reasonable and typical, and the attorneys' fees requested confirm that the fee request is fair and reasonable under the lodestar multiplier cross-check.

VII. THE REQUESTED COSTS AND SERVICE AWARDS ARE REASONABLE

A. The Requested Costs Are Reasonable and Merit Approval

Plaintiff's Counsel requests reimbursement of their actual out-of-pocket expenses incurred to prosecute this action. These expenses were incidental and necessary to the effective representation of the employees. *See Harris v. Marhoefer* (9th Cir. 1994) 24 F.3d 16, 19. Plaintiff's Counsel are permitted to recover their litigation costs and expenses under the common fund doctrine. *See Serrano III*, 20 Cal.3d at 35 (common fund doctrine permits recovery of fees and costs from the fund); *Rider v. County of San Diego* (1992) 11 Cal.App.4th 1410, 1424 n.6 (costs are recoverable from the common fund "[o]f necessity, and for precisely the same reasons discussed above with respect to the recovery of attorneys' fees by . . . [Plaintiffs'] attorneys"). Furthermore, Plaintiff's Counsel are entitled to recover "those out-of-pocket expenses that would normally be charged to a fee-paying client." *Harris*, 24 F.3d at 19.

The Settlement Agreement authorized litigation costs of up to $20,000. (S.A. ¶ 52(f)). Class Counsel's actual costs through the final approval hearing are estimated to be $13,819.01. (Mankin Decl. ¶ 27). These costs include mediation fees, filing fees, and other costs that include Attorney Service charges, expert discovery fees, CourtCall charges, and process service fees. (*Id.*) These costs are reasonable and uncontested, and should be approved, with the savings placed in the Net Settlement Amount and paid to Participating Class Members.

B. The Requested Service Award is Reasonable and Merits Approval

A named plaintiff is an essential ingredient of any class action and an incentive award is appropriate to induce individuals to step forward and assume the burdens and obligations of representing the Class. Courts regularly approve service payments to compensate named Plaintiffs for their service to the class and the risks they incurred during the course of the litigation. (*See, e.g. Bell v. Farmers Insurance Exchange* (2004) 115 Cal.App.4th 715, 726 (upholding "service payments" to named Plaintiff for their efforts in bringing class action);

Rodriguez v. West Publishing (9th Cir. 2009) 563 F.3d 948, 959 (stating that incentive awards 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.").

Under the Settlement, Defendant agreed to pay Service Awards in the amount of $10,000 each to Juan Carlos Bautista and Jaime Cervantes in recognition of their contribution as the Class Representatives, and $3,000 to Misty Bowyer for agreeing to serve as a representative for the Hourly Employees late in the case, and the fact that they agreed to a general release of all claims. In addition, Plaintiffs also undertook significant risks, including the risk of being blackballed in the industry and the risk that they could have been liable for Defendant's costs if they lost. This factor is a significant one for a wage earner, and the potential risk is very real. (*See Whiteway v. FedEx Kinkos Office & Print Svcs., Inc.* (N.D. Cal. Dec. 17, 2007) No. C 05-2320 SBA, 2007 WL 4531783, at *3 ("the few courts to consider this 'class representatives' dilemma' have not found it inequitable to assess costs upon the lead or named plaintiff in a class action.").)

Plaintiffs also committed a significant number of hours to assist with the litigation/settlement processes of this case. Finally, they entered into a general release of all claims against Defendant, whereas the Class Members only released the claims alleged. The requested Service Payment is reasonable, particularly in light of the substantial benefits Plaintiffs generated for the Class Members, the risks they undertook, and in exchange for executing a general release against Defendant while giving up the right to pursue separate individual claims. (See Bautista's Declaration ¶¶ 3-8, Cervantes' Declaration ¶¶ 3-8; Bowyer's Declaration ¶¶ 3-7.)

The Notice sent to each Class Member detailed the proposed service award. No Class Member has objected to the proposed payment to Plaintiffs. Thus, Plaintiffs request that the Court approve the award because it is both reasonable and appropriate.

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VIII. OTHERS MATTERS RE: FINAL APPROVAL

A. Settlement Administration Costs

The parties agreed that the Administrator, Phoenix Settlement Administrators, would be compensated for services performed. The Administrator's flat fee is $8,000.00, which included considerable work performed by the administrator in resolving the data issues and paying for the newspaper ad. (Gonzalez Decl., ¶ 16; Exhibit B thereto.)

B. Notice of Final Judgment to the Class

The Proposed Final Approval Order directs the Settlement Administrator to give notice of entry of judgment by including a postcard to the Class Members at the same time the checks are mailed.

C. Uncashed Checks

The Settlement Agreement provides that unclaimed funds will be submitted to the California State Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b). (S.A. ¶ 75.)

D. Final Report

Defendant's payment is due 15 days after the Effective Date, which will occur the date that the Final Order is entered. The Administrator then has 10 days thereafter process the funds and issue checks to the Class Members, who will then have 180 days to cash their checks. Accordingly, the Parties project that the check cashing deadline will occur on approximately February 20, 2026.

Thus, the Parties propose submitting a final report in the form of a declaration from the Administrator on approximately March 25, 2026, and then holding a disbursement hearing thereafter at the Court's convenience.

E. Submission to the LWDA

As set forth in the Mankin Declaration at ¶ 29, the Settlement Agreement and this motion are concurrently being submitted to the LWDA in accordance with Labor Code § 2699(l)(2). The LWDA has not commented on the Settlement to date.

IX. CONCLUSION

Plaintiffs respectfully submits that the Settlement is fair, adequate, and reasonable, and merits final approval.

Dated: June 11, 2025

LAUBY, MANKIN & LAUBY LLP

BY: ____________________________

Brian J. Mankin, Esq.
Attorneys for Plaintiffs and the Class

PROOF OF SERVICE
(Pursuant to CCP §§ 1013(a)(1) and 2015.5)

STATE OF CALIFORNIA)
) ss.
COUNTY OF RIVERSIDE)

I am employed in the County of Riverside, State of California. I am over the age of 18 and not a party to the within action; my business address is 5198 Arlington Avenue, PMB 513, Riverside, CA 92504.

On June 11, 2025, I caused to be served the foregoing document(s) described as follows:

NOTICE OF MOTION AND MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT; DECLARATIONS IN SUPPORT THEREOF; AND [PROPOSED] FINAL ORDER AND JUDGMENT

I declare that I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. It is deposited with the U.S. postal service on that same day in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

[ ] **By Mail** I deposited such envelope in the mail at Riverside, California. The envelope was mailed with postage thereon fully prepaid.

[ ] **By Facsimile** I sent this document via fax to all parties as listed on attached service list, on

[ ] **By Overnight Service** I deposited such envelope in a facility regularly maintained by the United Parcel Service for receipt of items for overnight delivery, with overnight delivery expenses prepaid, addressed to the person to be served.

[X] **By Email or Electronic Transmission:** Pursuant to CCP § 1010.6 or an agreement of the parties to accept service by email or electronic transmission, I caused the document(s) to be sent from email address tracie@lmlfirm.com to the persons at the electronic notification address listed in the service list. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was not successful.

[ ] **By Certified Mail-Return Receipt Requested** I caused such envelope with postage fully prepaid thereon, to be placed in the United States mail at Riverside, California

[ ] **By Personal Service** I caused said document(s) to be personally served by hand on the parties listed on the attached service list.

[X] **State** I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on June 11, 2025, Riverside, California.

[ ] **Federal** I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Tracie Chiarito

Tracie Chiarito, Declarant

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