

Thomas D. Rutledge
Attorney-at-Law
16956 Via de Santa Fe, Suite 1847
Rancho Santa Fe, California 92091
Telephone: (619) 886-7224

Thomas D. Rutledge (SBN 200497)
Attorney-at-Law
16956 Via de Santa Fe, Suite 1847
Rancho Santa Fe, California 92091-4606
Telephone: (619) 886-7224
Email: thomasrutledgelaw@gmail.com

Attorneys for Plaintiffs (Additional Counsel listed next page)

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO-CENTRAL DIVISION

GIOVANNY GUTIERREZ, and JESUS
CAMPOS, individually and as the State
of California's designated proxies under
the Private Attorneys General Act
(PAGA) and on behalf of others,

Plaintiffs,

vs.

BRIGHT EVENT RENTALS LLC, a
California limited liability company; and
DOES 1 through 50 inclusive

Defendant.

Case No.: 37-2023-00032308-CU-OE-
CTL

Judge: Hon. Richard S. Whitney
Dept.: C-68

**JOINT STIPULATION TO
APPROVE PAGA SETTLEMENT;
MEM. OF P&A'S ISO THEREOF;
AND DECLARATION OF THOMAS
D. RUTLEDGE ISO THEREOF**

Hearing Date: NA
Hearing Time: NA

Complaint Filed: July 25, 2023
Trial Date: None

**[Decs. of Thomas D. Rutledge, Jean-
Claude Lapuyade, Giovanni
Gutierrez, Shani O. Zakay, and
[Proposed] Order filed concurrently
herewith]**

Arby Aiwasian (SBN 269827)
aa@calljustice.com
LAWYERS *for* JUSTICE, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Tel: (818) 265-1020
Fax: (818) 265-1021

JCL LAW FIRM, APC
Jean-Claude Lapuyade (State Bar #248676)
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Telephone: (619) 599-8292
Facsimile: (619) 599-8291
jlapuyade@jcl-lawfirm.com

Attorneys for Plaintiffs

Brent M. Douglas, Bar No. 268277
bmdouglas@swlaw.com
Trevor Locko, Bar No. 323313
tlocko@swlaw.com
Snell & Wilmer
12230 El Camino Real, Suite 300
San Diego, California 92130
Telephone: 858.434.5020
Facsimile: 858.434.5006

Attorneys for Defendant

JOINT STIPULATION

PLEASE TAKE NOTICE that Plaintiffs Giovanni Gutierrez and Jesus Campos, on behalf of themselves, similarly aggrieved employees and the State of California as its designated proxies (collectively the “Plaintiffs”), and Defendant Bright Event Rentals LLC (“Defendant”) have jointly signed the Private Attorney General Act Settlement and Release (PAGA Settlement Agreement), a copy of which is attached as **Exhibit 1** to the Declaration of Thomas D. Rutledge filed concurrently herewith and incorporated herein by reference. By and through their respective

1 counsel of record, the Parties stipulate as follows:

2 WHEREAS, Plaintiffs served notice pursuant to the Private Attorneys General
3 Act (PAGA) with the California Labor and Workforce Development Agency
4 (LWDA) of this request for court approval of the PAGA settlement;

5 WHEREAS, Plaintiffs and the Defendant have agreed to settle the case, the
6 terms of which are contained in **Exhibit 1**;

7 WHEREAS, the parties via this Stipulation seek court approval of the PAGA
8 Settlement pursuant to CRC Rules 3.1200, *et seq.* and Labor Code § 2699(s)(2),
9 which provides, “[t]he superior court shall review and approve any [PAGA penalties]
10 sought as part of a proposed settlement agreement”; and

11 WHEREAS, this Stipulation is based upon this Stipulation, the pleadings in
12 support thereof, including but not limited to the Declarations of Thomas D. Rutledge,
13 Jean-Claude Lapuyade, Giovanni Gutierrez, Jesus Campos, the Memorandum of
14 Points and Authorities attached hereto, and the records in the Court’s file in this
15 action.

16 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and
17 between the parties via undersigned counsel that the parties will agree and stipulate to
18 abide by the terms of **Exhibit 1**.

Dated: June 27, 2025	Law Office of Thomas D. Rutledge By: <u>/s/Thomas D. Rutledge</u> Thomas D. Rutledge, Esq. Attorneys for the Plaintiffs
Dated: June 27, 2025	JCL LAW FIRM APC By: <u>/s/ Jean-Claude Lapuyade</u> Jean-Claude Lapuyade, Esq. Attorneys for the Plaintiffs
Dated: June 27, 2025	ZAKAY LAW GROUP APLC By: <u>/s/ Shani O. Zakay</u> Shani O. Zakay, Esq. Attorneys for the Plaintiffs
Dated: June 27, 2025	LAWYERS <i>for</i> JUSTICE, PC By: <u>/s/ Brian J. St. John</u> Brian J. St. John, Esq. Attorneys for the Plaintiffs
Dated: June 27, 2025	Snell & Wilmer By: <u>/s/Brent M. Douglas</u> Brent M. Douglas, Esq. Attorneys for the Defendant

CERTIFICATION OF AUTHORIZATION

Pursuant to law, I hereby certify that the contents of this document are acceptable to Brent M. Douglas, counsel for Defendant, and that the foregoing counsel has authorized the affixation of electronic signatures to this document.

Dated: June 27, 2025

Law Office of Thomas D. Rutledge

By: /s/Thomas D. Rutledge
Thomas D. Rutledge
Attorneys for the Plaintiffs

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION.

Plaintiff Giovanni Gutierrez and Jesus Campos (Representative Plaintiffs), on behalf themselves, Aggrieved Employees, and as the State of California's designated proxies (collectively the "Plaintiffs"), very respectfully request this Honorable Court to approve the PAGA Settlement as set forth in the proposed order filed concurrently with this Joint Stipulation pursuant to Labor Code § 2699(s)(2). The filing of these papers via a Joint Stipulation is pursuant to the Court's instructions. Rutledge Decl., ¶ 3. For the reasons explained below, the PAGA Settlement is fair and reasonable.

II. STANDARD OF REVIEW.

Labor Code § 2699(s)(2), provides, "[t]he superior court shall review and approve any settlement of any civil action filed pursuant to this part. The proposed settlement shall be submitted to the agency at the same time that it is submitted to the court."

Court review of PAGA-only settlements differs markedly from the review process applicable to class action settlements, which requires a procedural two-step approach—preliminary and final approval. *Arias v. Superior Court*, 46 Cal. 4th 969 (2009). In contrast, courts evaluating PAGA settlements focus primarily on whether the agreement is fair, reasonable, and consistent with the PAGA's remedial purpose. *Moniz v. Adecco USA, Inc.*, 72 Cal. App. 5th 56, 75 (2021).

III. SUMMARY OF THE SETTLEMENT.

Without admitting wrongdoing and pursuant to the PAGA Settlement Agreement, Defendant has agreed to pay the Gross Settlement Amount of \$900,000 in exchange for the full and final settlement and release of Plaintiffs' Labor Code claims via the PAGA for all nonexempt employees who worked during the timeframe of May 8, 2022 to the present. From the gross amount, less expenses, about 1286 current and former Aggrieved Employees will receive about \$ 96 apiece and the State will receive \$371,070.

1 **IV. PARTIES TO THE SETTLEMENT AGREEMENT.**

2 **A. The Named Plaintiffs (Gutierrez and Campos).**

3 Defendant employed Plaintiff Giovanni Gutierrez as an Installer from
4 approximately March 18, 2022, until his termination on or about October 7, 2022.
5 Similarly, Plaintiff Jesus Campos was employed by Defendant as an Installer from
6 approximately March 2023 through June 2023. In these roles, Plaintiffs' primary duties
7 consisted of traveling to various sites throughout Southern California to assemble and
8 dismantle equipment for large public and private events, including weddings, bar
9 mitzvahs, graduations, fundraisers, and similar gatherings.

10 **B. The Defendant.**

11 Defendant Bright Event Rentals LLC ("Bright") is headquartered in Los
12 Angeles, California with various locations throughout California. It is in the business
13 of providing a wide range of rental items and services for large special events such as
14 weddings, bar mitzvahs, communions, etc. See <https://www.Bright.com>.

15 **C. The Aggrieved Employees.**

16 The group of Aggrieved Employees is defined as "all current and former hourly
17 paid or non-exempt employees who worked for Defendant within the State of
18 California at any time during the period of May 8, 2022 to April 1, 2025." Rutledge
19 Decl., Ex. 1, p. 3. Defendant employed approximately 1286 Aggrieved employees
20 during the PAGA period.

21 **V. MATERIAL FACTS AND PROCEDURAL HISTORY.**

22 In March 2023, approximately six months after his involuntary termination,
23 Plaintiff Gutierrez retained PAGA Counsel. Thereafter, PAGA Counsel obtained
24 Plaintiff Gutierrez's payroll records and personnel file. Rutledge Decl., ¶¶ 26-27.

25 On May 8, 2023, Plaintiff Gutierrez, through PAGA Counsel, filed a notice with
26 the LWDA to satisfy the statutory exhaustion requirements under the PAGA. That
27 same day, Plaintiff Gutierrez, through counsel, initiated the *Gutierrez* PAGA action,
28 asserting the following claims:

- (1) Failure to Pay State Minimum/Regular Wages via the
PAGA only;
- (2) Failure to Pay State Overtime Wages via the PAGA only;
- (3) Failure to Pay Wages Timely via the PAGA only;
- (4) Meal and Rest Break violations via the PAGA only;
- (5) Failure to Provide Accurate Wage Statements via the
PAGA only;
- (6) Failure to Maintain Records;
- (7) Failure to Reimburse Business Expenses in Violation of
California Labor Code § 2802 via the PAGA; and
- (8) Violations of Various Miscellaneous Provisions of the
Labor Code via the PAGA.

Superior Court of California for the County of San Diego Registry of Actions (ROA)
No. 1 at <https://odyroa.sdcourt.ca.gov>.

The *Gutierrez* PAGA action was originally assigned to the Honorable Katherine
Bacal in Department 69. ROA No. 6. On September 26, 2023, Defendant filed an
answer. ROA No. 9.

On October 16, 2023, Plaintiff Gutierrez filed a demand for arbitration with
Judicial Arbitration and Mediation Services, Inc. (JAMS). The arbitration demand
alleged a number of individual claims under the Labor Code and the Civil Code for
violations of the Investigative Consumer Reporting Agencies Act (ICRAA), Civ. Code
§ 1786, *et seq.* Rutledge Decl., ¶ 33.

On November 6, 2023, Defendant filed a motion to compel arbitration (MTCA)
and to stay the *Gutierrez* PAGA action pending arbitration. ROA Nos. 13-18.

On November 15, 2023, the Court in the *Gutierrez* PAGA action set a status
conference for December 19, 2023 to meet with parties' counsel to ascertain the
parties' intent in relation to the arbitration agreement. ROA No. 19. On December 19,
2023, the parties appeared via counsel before the Court during which they informed the

1 Court that Plaintiff Gutierrez had initiated arbitration proceedings with JAMS. On the
2 record, the parties agreed that Defendants' MTCA was temporarily moot. Rutledge
3 Decl., ¶ 37. Based on this development, the Court continued Defendants' MTCA to
4 June 21, 2024, to allow the arbitration process to proceed. ROA Nos. 32-34.

5 From October 16, 2023, through August 15, 2024, the Parties devoted
6 substantial time to preparing for Plaintiff Gutierrez's private arbitration, which was
7 scheduled for a final hearing on August 14, 2024. During this period, PAGA Counsel
8 was extensively engaged in serving, obtaining, and reviewing discovery; preparing trial
9 briefs for the arbitrator; coordinating witness appearances; and assembling more than a
10 dozen exhibit binders. PAGA Counsel also defended Plaintiff Gutierrez during his
11 deposition in August 2024, and engaged in multiple meet-and-confer efforts and
12 informal settlement discussions in the lead-up to the arbitration hearing. Rutledge
13 Decl., ¶¶ 38-41.

14 On March 15, 2024, Plaintiff Campos filed a PAGA-only action in the Superior
15 Court of California for the County of Los Angeles. The Defendant filed a timely
16 answer. Rutledge Decl., ¶ 42, **Ex. 1**, p. 1.

17 On April 14, 2024, Plaintiff Gutierrez via counsel filed a first amended PAGA
18 complaint with the LWDA. Rutledge Decl., ¶ 43.

19 On April 30, 2024, the *Gutierrez* PAGA action was reassigned to the Hon.
20 Richard S. Whitney in Dept. C-68. All hearings, including Defendants' MTCA, were
21 vacated. ROA No. 35.

22 On May 8, 2024, Plaintiff Gutierrez filed a motion to compel (MTC) further
23 responses to Special Interrogatories (Set One). ROA Nos. 41-44.

24 On June 21, 2024, after the 65-day statutory waiting period expired, Plaintiff
25 Gutierrez, via counsel, filed a first amended complaint (FAC) with the Court. ROA No.
26 48.

27 On July 23 and July 24, 2024, Defendant filed a motion to strike (MTS) and an
28 amended MTS Plaintiffs' FAC. ROA Nos. 50-52.

1 During this time, the Parties were actively preparing for Plaintiff Gutierrez's
2 final arbitration hearing. On August 7, 2024—less than one week before the scheduled
3 hearing—Defendant's lead counsel contacted the undersigned to request a continuance
4 due to an unexpected illness. In good faith, Plaintiff Gutierrez agreed to the
5 continuance subject to conditions. The arbitration hearing was thereafter rescheduled to
6 September 11, 2024. Rutledge Decl., ¶¶ 48-50.

7 On August 19, 2024, Defendant filed an opposition to Plaintiffs' MTC. ROA
8 No. 56. On August 29, 2024, this Court conditionally granted Plaintiffs' MTC and
9 dismissed Plaintiff Gutierrez's FAC. ROA No. 62.

10 In September 2024, the Parties agreed to participate in private mediation,
11 contingent upon the exchange of relevant data concerning the Aggrieved Employees—
12 including the total number of employees, number of pay periods worked, a random
13 sampling of payroll records—as well as production of Defendant's employer policy
14 manuals and implementation of a *Belaire-West* notice process. As a result, the Parties
15 transitioned from active litigation to preparing for mediation. Rutledge Decl., Ex. 1, p.
16 2.

17 While preparing for mediation, the Parties conducted several housekeeping
18 matters. On September 6, 2024, for example, the Parties filed a stipulation to allow
19 Plaintiff Gutierrez to file a FAC. ROA No. 64. On October 17, 2024, Plaintiff
20 Gutierrez filed a FAC. ROA No. 66. On November 6, 2024, Plaintiff Gutierrez
21 dismissed Defendants Paychex Business Solutions LLC and PBS of Central Florida
22 LLC. ROA Nos. 72-73. On November 14, 2024, the Parties, via counsel, filed a
23 stipulation to allow the filing of a Second Amended Complaint (SAC) in the *Gutierrez*
24 PAGA action, the purpose of which was to add Plaintiff Campos to the *Gutierrez*
25 PAGA action and dispense with the *Campos* PAGA action in the County of Los
26 Angeles. ROA Nos. 69-70. On November 19, 2024, the Court granted the Parties
27 stipulation. ROA No. 70.

28 On November 25, 2024, upon receiving the contact information for the

1 Aggrieved Employees, PAGA Counsel promptly began conducting interviews to learn
2 more about their workplace experiences and observations. During this process, several
3 additional individuals formally retained PAGA Counsel, leading to requests for their
4 corresponding employment records from Defendant. Around the same time, PAGA
5 Counsel also received the promised random sampling of payroll records from
6 Defendant and commenced a detailed analysis in preparation for mediation. Rutledge
7 Decl., ¶¶ 57-61.

8 On December 18, 2024, the Parties attended a full day mediation with Tripper
9 Ortman, Esq., an experienced wage-and-hour mediator. While the case did not settle at
10 mediation, the Parties continued to negotiate through the mediator. Weeks later, the
11 Parties accepted the mediator's proposal and globally settled Plaintiffs' representative
12 PAGA and individual claims. Rutledge Decl., ¶¶ 62-65.

13 On February 4, 2025, Plaintiffs via counsel filed a SAC with the Court in the
14 *Gutierrez* PAGA action, which is the operative Complaint. ROA No. 76. On March 10,
15 2025, Defendant filed an amended answer. ROA No. 79.

16 From January through June 2025, the Parties negotiated and finalized the terms
17 of a written Settlement Agreement. On April 29, 2025, Plaintiff Campos voluntarily
18 dismissed his case pending in the Superior Court of California, County of Los Angeles.
19 As of June 13, 2025, all Parties had executed the Settlement Agreement. Rutledge
20 Decl., **Ex. 1**.

21 On June 27, 2025, Plaintiffs filed notice pursuant to the PAGA with the LWDA
22 of this request for court approval of the PAGA settlement. Rutledge Decl., **Ex. 2**.

23 By this Joint Stipulation, the Parties now seek Court approval of their Settlement
24 Agreement.

25 **VI. REASONS FOR SETTLEMENT.**

26 Counsel's declaration filed in support of this Stipulation sets forth in detail the
27 reasons supporting the settlement. The monetary relief secured through the Settlement
28 Agreement represents an excellent result when measured against the risks and

1 potential recovery had the case proceeded to trial. Rutledge Decl., ¶¶ 70-104, **Ex. 3**.

2 In summary, Plaintiffs allege that Defendant committed a broad range of Labor
3 Code violations. However, many of these violations were technical in nature,
4 impacted only a subset of Aggrieved Employees, and occurred over a relatively
5 limited timeframe. The gross settlement amount of \$900,000 provides a substantial
6 benefit to the State—approximately \$371,070—and yields an average recovery of
7 approximately \$96 per Aggrieved Employee, depending on their length of
8 employment. In the opinion of PAGA Counsel, the settlement is fair, adequate, and
9 reasonable, and advances PAGA’s core remedial purpose. Rutledge Decl., ¶¶ 70-104,
10 **Ex. 3**; *see also Moniz, supra*, 72 Cal. App. 5th 56.

11 **VII. PLAN OF ALLOCATION.**

12 **A. The Gross Settlement Amount.**

13 From the Gross Settlement Amount, the Defendant shall make the following
14 distributions:

Gross Settlement Amount:	\$900,000
PAGA’ Counsel Fees (minus):	(\$360,000)
PAGA’ Counsel Costs (minus):	(\$19,640)
Est. Settlement Admin. Costs (minus):	(\$15,000)
Incentive Awards to Named Plaintiffs	(\$10,000)
Net Settlement Amount:	\$495,360
Payment to the LWDA:	\$371,520
Payment to Aggrieved Employees:	\$123,840¹

15 Rutledge Decl., **Ex. 1**, p. 5-7.

16 **B. Administration of the Gross Settlement Amount.**

17 Within 30 days of the Effective Date, Defendant will deliver the settlement
18 funds to the Settlement Administrator, XPAND Legal Consulting, LLC, in
19 accordance with the terms of the PAGA Settlement Agreement. If any settlement
20 check is returned as undeliverable, the Settlement Administrator shall make
21 reasonable efforts to locate the affected Aggrieved Employee and reissue the payment
22

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28 ¹ Please note, this is a legacy PAGA case, meaning it was filed before the PAGA
amendments. As such, this Agreement provides the State with 75% of the NSA, not 65%.

1 accordingly. Rutledge Decl., **Ex. 1**, p. 10.

2 No portion of the Gross Settlement Amount shall revert to Defendant. Any
3 remaining funds from uncashed settlement checks after the 180-day expiration period
4 shall be remitted to the California State Controller's Office as unclaimed property.
5 Rutledge Decl., **Ex. 1**, p. 10.

6 **C. Settlement Payments to Aggrieved Employees.**

7 To ensure a fair distribution of Settlement Payments to Aggrieved Employees,
8 the parties developed a formula to determine each employee's pro rata share of the
9 distributable amount, as permitted under the PAGA, based on the Aggrieved
10 Employee's length of service. The Settlement Agreement provides:

11 Each Aggrieved Employee shall receive a portion of the PAGA Penalties
12 on a pro-rata basis. Defendant will calculate: (i) the total number of pay
13 periods worked by each Aggrieved Employee during the PAGA Period, and
14 (ii) the total number of pay periods worked by all Aggrieved Employees
15 during the PAGA Period. To determine each Aggrieved Employees'
16 payment from the Aggrieved Employees' PAGA Portion, Defendant will
17 use the following formula: Settlement Payment = Aggrieved Employees'
PAGA Portion × [Pay Periods Worked by Individual Aggrieved Employee
during the PAGA Period ÷ Total Pay Periods Worked by All Aggrieved
Employees during the PAGA Period]. Defendant's records shall control this
calculation.

18 Rutledge Decl., **Ex. 1**, p. 9-10.

19 All payments to the Aggrieved Employees shall be characterized as civil
20 penalties, not wages. The Settlement Administrator will report these payments to the
21 appropriate taxing authorities and issue recipients an IRS 1099 Form. Rutledge Decl.,
22 **Ex. 1**, p. 10.

23 **D. PAGA Counsel's Requested Fees/Costs are Reasonable.**

24 An award of reasonable attorneys' fees and costs to a prevailing plaintiff in a
25 PAGA action is authorized by statute. Labor Code § 2699(k)(1); *see also* Code of Civil
26 Procedure § 1021.5. Plaintiffs' request here is unopposed and expressly permitted per
27 the Settlement.

28 Here, PAGA Counsel seeks an award of fees for \$360,000 and costs of

\$19,640. The fees requested by PAGA Counsel are well below PAGA Counsel's lodestar. *Ketchum v. Moses*, 24 Cal. 4th 1122, 49 (2001) (lodestar approach to fees is a reasonable method in assessing the reasonableness of fees); *See also Laffitte v. Robert Half International Inc.*, 1 Cal. 5th 480 (2016).

The requested fees and costs represent fair compensation for undertaking complex, high-risk, and resource-intensive litigation on a purely contingency basis. The request is particularly warranted given that the requested amount is well-supported by controlling case law. *Ketchum*; *Laffitte, supra*. Moreover, the request is substantially below PAGA Counsel's actual lodestar and is reasonable in light of the multiple PAGA and arbitration actions prosecuted, as well as Defendant's vigorous defense throughout much of the litigation. Rutledge Decl., ¶¶ 105-119.

The work performed by PAGA Counsel is well documented in PAGA Counsel's Declarations filed concurrently herewith. Rutledge Decl., **Ex. 4** [Timesheet]. This time is summarized as follows:

Name of Attorney	YEAR OF BAR ADMISSION	RATE	HOURS	LODESTAR
Thomas D. Rutledge, Esq.	1995	\$1,141	354.65	\$404,656
Jean-Claude Lapuyade, Esq., <i>et al.</i>	2007	\$850	90	\$46,133
Shani Zakay, Esq.	2011	\$800	5.6	\$4,480.00
Nicole Noursamadi, Esq.	2024	\$425	18	\$7,650.00
			Subtotal	\$462,919

Rutledge Decl., ¶ 125; Jean-Claude Lapuyade Decl., ¶ 6; Shani O. Zakay Decl., ¶ 5.

PAGA Counsel's fees are consistent with noted sources, such as the 2024-2025 Laffey Matrix. Rutledge Decl., **Ex. 5**. Courts have previously approved (including this Court) Mr. Rutledge's hourly rate. Rutledge Decl., ¶¶ 71-97.

The Settlement Agreement also allows the recovery of costs. PAGA Counsel incurred no less than \$19,640 in actual costs. Rutledge Decl., **Ex. 1** p. 4, **Ex. 6**.

1 Accordingly, based on the foregoing, PAGA Counsel respectfully requests that
2 the Court approve the fee and cost award in the amounts set forth in the Settlement
3 Agreement.

4 **VIII. REASONABLENESS OF THE ENHANCEMENT AWARD REQUEST.**

5 **A. PAGA Enhancement Awards Are Sanctioned by the Courts.**

6 Courts have long recognized that plaintiffs in representative actions have the
7 right to receive a court approved enhancement award.

8 The rationale for making enhancement or incentive awards to named
9 plaintiffs is that they should be compensated for the expense or risk they
10 have incurred in conferring a benefit on other members of the class. An
11 incentive award is appropriate if it is necessary to induce an individual to
12 participate in the suit. Criteria courts may consider in determining whether
13 to make an incentive award include: 1) the risk to the class representative
14 in commencing suit, both financial and otherwise; 2) the notoriety and
15 personal difficulties encountered by the class representative; 3) the amount
16 of time and effort spent by the class representative; 4) the duration of the
17 litigation and; 5) the personal benefit (or lack thereof) enjoyed by the class
18 representative as a result of the litigation. These “incentive awards” to
19 class representatives must not be disproportionate to the amount of time
20 and energy expended in pursuit of the lawsuit.

21 *Cellphone Termination Fee Cases*, 186 Cal. App. 4th 1380, 1394–95 (2010)
22 (quotation marks, brackets, ellipses, and citation omitted).

23 Although the express statutory terms of the PAGA do not address enhancement
24 awards, the California Supreme Court has observed, “The Legislature's sole purpose
25 in enacting PAGA was ‘to augment the limited enforcement capability of the
26 [LWDA] by empowering employees to enforce the Labor Code as representatives of
27 the Agency.’ [citation].” *Adolph v. Uber Technologies, Inc.*, 14 Cal. 5th 1104, 1122
28 (2023). To this end, the Court of Appeal in *Turrieta v. Lyft, Inc.*, affirmed the trial
court’s approval of a PAGA-only settlement that provided, among other things, a
\$14,000 enhancement payment to the named plaintiff. *Id.*, 69 Cal. App. 5th 955, 963
(2021). On appeal for different reasons, the California Supreme Court notably took no
issue with the \$14,000 enhancement payment. *Id.*, 16 Cal. 5th 664 (2024).

1 Many courts allow plaintiffs to receive enhancement awards in PAGA only
2 cases. *See e.g., Smith v. Homeguard, Inc.*, Cal. Super. Oct. 28, 2020, Case No.
3 18CV333804, 2020 WL 6749810, at *2 (“Incentive awards are commonly awarded in
4 the context of class action settlements, which bear many similarities to settlements in
5 PAGA cases.”); *Carillo v. Blusky Restoration Contractors LLC* (Cal. Super. June 29,
6 2022), Case No. CIVSB2105793, 2022 WL 18406637, at *1 (“[m]any if not most
7 PAGA settlements include an ‘incentive award’ paid to the named representative.”);
8 *Galindo v. 20/20 Plumbing and Heating, Inc.*, Cal. Super. Oct. 24, 2021, Case No.
9 CIVSB 2118276, 2021 WL 9880030, at *1 (held incentive awards to PAGA plaintiffs
10 further the enforcement goal of the statute and awarded a \$5,000 incentive award to
11 PAGA representative); *Tallon v. Aluma Systems Concrete Const., LLC*, Cal. Super.
12 Oct. 28, 2022, Case No. CIVDS2012039, 2022 WL 17224382, at *1 (court approval
13 of \$2,500 incentive award to PAGA plaintiff).

14 In short, there is strong judicial support of awarding enhancement awards in
15 PAGA-only cases.

16 **B. Plaintiffs Here Meet the Criteria to be Awarded An Enhancement**
17 **Award.**

18 Plaintiffs present facts that satisfy the criteria articulated in *Cellphone*
19 *Termination Fee Cases*, *supra*, 186 Cal. App. 4th 1380, 1394–95, in support of their
20 request for an enhancement award. In summary, Plaintiffs diligently performed their
21 duties to the Aggrieved Employees, provided detailed information that enabled
22 PAGA Counsel to competently prosecute this case, assumed the risk of personal
23 liability for costs incurred in the event of an unsuccessful outcome. They also
24 accepted—and continue to bear—the potential stigma and reputational harm
25 associated with suing a former employer. Plaintiff Gutierrez had his deposition taken,
26 Plaintiffs remained available by phone throughout the full-day mediation, and spent
27 many hours assisting PAGA Counsel in the prosecution of this action. Gutierrez
28 Decl., ¶¶ 1-15; *see also, Covillo v. Specialty’s Café*, 2014 U.S. Dist. LEXIS 29837, at

1 *29 (N.D. Cal. 2014) (incentive awards are particularly appropriate where a plaintiff
2 undertakes a significant “reputational risk” in bringing an action against an
3 employer).

4 **IX. CONCLUSION.**

5 For the foregoing reasons, the Parties very respectfully request this Court to
6 approve the PAGA Settlement and sign the [Proposed] Order filed herewith.

7 Dated: June 27, 2025

Law Office of Thomas D. Rutledge

8
9 By: /s/Thomas D. Rutledge
10 Thomas D. Rutledge
11 Attorney for the Plaintiffs
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DECLARATION OF THOMAS D. RUTLEDGE

I, THOMAS D. RUTLEDGE, declare and state as follows:

1. I am counsel of record for the named Plaintiffs, indirectly for the Aggrieved Employees, and a quasi-assistant attorney general for the State of California via the PAGA in this matter. As such, I am fully familiar with the facts, pleadings, and history of this matter. The following facts are within my own personal knowledge, and if called as a witness, I could testify competently to the matters stated herein.

2. This declaration is submitted in support of the Parties' Joint Stipulation for Court Approval of Private Attorney General Act Settlement per the terms of the Settlement Agreement attached hereto and marked as **Exhibit 1**.

3. This Court has informed me in previous cases that it prefers the presentation of PAGA settlements to be filed via stipulation or ex parte application with no hearing needed.

My Experience Handling Representative Actions.

4. The Law Office of Thomas D. Rutledge consists of me, several paralegals, and various support staff during all times relevant to this litigation.

5. At all times relevant, I have been the lead attorney of record in the above-entitled action.

6. I am the originating attorney for the first filed case (Gutierrez), co-counsel with PAGA Counsel for Plaintiff Campos, and the person exclusively responsible for prosecuting this case.

7. I have had the privilege of practicing law for almost 30 years.

8. I have served the public my whole adult life.

9. Before practicing law, from about April 1987 to April 1994 at the age of 21, I proudly served in the U.S. Army National Guard in various capacities: first, as a Private First Class in a combat engineer's unit; and in 1990, after receiving my commission from the Commonwealth of Massachusetts's State Officers' Candidate

1 School, as a field artillery officer, mortar platoon leader, and infantry company
2 executive officer in the Commonwealth of Pennsylvania (1992-1994) and
3 Massachusetts (1987-1992) Army National Guard.

4 10. In 1990, I received a B.A. in History and Political Science from the
5 University of Massachusetts, Boston, Massachusetts.

6 11. In 1992, I received a C.S.S. in Management and Administration from
7 Harvard University, Cambridge, Massachusetts.

8 12. In 1995, I received a J. D. from Temple University and became a
9 member of the State Bars of Florida and Massachusetts.

10 13. In 1999, I obtained admission to the California Bar.

11 14. I am a former active member in the San Diego County Bar Association
12 (and several committees therein, such as the Labor and Employment Law Section,
13 Litigation Section, and Family Law Section), a current member of the California
14 Employment Lawyers Association, Consumer Attorneys of San Diego (CASD), and a
15 former member of the National Employment Lawyers Association.

16 15. I am the former Co-Chairman to the San Diego County Bar Association
17 Labor and Employment Law Section.

18 16. I am a former Board of Director for CASD (served 2013-2016).

19 17. I am a former U.S. Navy Judge Advocate General's (JAG) Corps
20 attorney.

21 18. From 1995 to 2002, I served in various capacities on active duty as a
22 prosecutor, defense attorney, and staff judge advocate in the U.S. Navy JAG Corps
23 handling hundreds of criminal and civil litigation matters and personally prepared and
24 filing more than 5000 state and federal tax returns for U.S. servicemen and their
25 families.

26 19. I served a total of 20 years in the U.S. military retiring from the U.S.
27 Naval Reserve in 2008.

28 20. From 2002 to 2004, I was a litigation associate at Christensen, Miller,

1 Fink, Jacobs, Glaser, Weil & Shapiro LLP in Los Angeles, California, a firm of more
2 than 100 lawyers at that time, working on complex litigation.

3 21. From 2004 to 2009, I was a litigation associate for Branton & Wilson,
4 APC, a firm of more than 15 lawyers at the time, working mostly on employment law
5 matters (defense and plaintiff).

6 22. From 2009 to the present, I have focused my practice exclusively on
7 prosecuting employment law claims on behalf of employee-plaintiffs, with a very
8 small amount of my practice devoted to personal injury, landlord-tenant, and family
9 law matters.

10 23. All my employee-plaintiffs' cases, including this case, are accepted on a
11 nothing down contingency fee basis.

12 24. I personally have represented thousands of class members and aggrieved
13 employees in over 50 class and/or representative (Private Attorney General Act)
14 actions prosecuting wage and hour claims, more than 20 of which were certified as
15 class actions. (See, e.g., *Julio, et al. v. Express Tires*, S.D. Superior Court Case No.:
16 37-2010-00097801; *Epton v. ADP TotalSource, et al.*, U.S.D.C. Case No.: 11cv0856-
17 JM; *Tuter, et al. v. King's Seafood Company, LLC, et al.*, San Diego Superior Court
18 Case No.: 37-2011-00084756; *Crosby v. CHMB*, San Diego Superior Court Case No.:
19 37-2011-0087583-CU-OE-CTL; *Diego v. JMS Properties LLC, et al.*, San Diego
20 Superior Court Case No.: 37-2013-00056177-CU-OE-CTL; *Mitchell, et al. v. Phone*
21 *Ware Inc., et al.*, San Diego Superior Court Case No.: 37-2014-00008449-CU-OE-
22 CTL; *Long, et al. v. Stanley Black & Decker, Inc., et al.*, U.S.D.C. Case No.:
23 14CV1246 JLS BGS; *Villagrana v. 7-Eleven*, San Diego Superior Court Case No.:
24 37-2014-00008449-CU-OE-CTL; *Parnell, et al. v. Harte-Hanks Shoppers, Inc., et al.*,
25 Orange Superior Court Case No.: 10-2014-00736236-CU-OE-CXC; *Martz v. T.R.L.*
26 *Systems, Inc.*, San Bernardino Superior Court Case No.: CIVDS1515312; *Rosentein v.*
27 *Pratt and Whitney, et al.*, U.S.D.C. Case No.: 15CV2183 JM/JLB; *Don v. Penn*, San
28 Diego Superior Court Case No.: 37-2016-00025005; *Ramirez v. Coastal Trans. Serv.*,

1 San Diego Superior Court Case No.: 37-2016-00020248; *Velez v. CoWorx Staffing*
2 *Services LLC*, San Bernardino Superior Court Case No.: CIVDS1803229; *Martz v.*
3 *HCI Systems Inc.*, San Bernardino Superior Court Case No.: CIVDS1607545,
4 *Babouchian, et al. v. Soleil Communications Inc., et al.* San Diego Superior Court
5 Case Number: 37-2017-00044756-CU-OE-CTL (Hon. Richard S. Whitney), and
6 many others.)

7 25. I have attended dozens of lectures presented by legal professionals on the
8 topic of prosecuting class action litigation in the last 15 years, tried wage and hour
9 cases in Superior Court, appeared before the Labor Commissioner on scores of wage
10 claims, litigated to hearing dozens of private arbitrations, and represented of hundreds
11 of clients in private mediations before well-known mediators, such as Mark Rudy,
12 Jeff Ross, Mike Dickstein, David Rotman, Robert Kaplan, and Judge Herbert B.
13 Hoffman (Ret.), to name a few.

14 **Material Facts Relevant to Settlement.**

15 26. In 2023, shortly after six months the Defendant involuntarily terminated
16 Plaintiff Gutierrez's employment, Plaintiff Gutierrez retained this office.

17 27. My office sent a letter to the Defendant requesting to obtain access to
18 Plaintiff Gutierrez's payroll records and employee personnel files.

19 28. Upon receipt of the Plaintiffs' records, a wide variety of Labor Code
20 violations were apparent.

21 29. On May 8, 2023, Plaintiff Gutierrez, via my office, sent notice to the
22 LWDA to exhaust their pre-litigation requirements under the PAGA.

23 30. On July 5, 2023, my office on behalf of Plaintiff Gutierrez filed a PAGA
24 action Complaint in the Superior Court for the County of San Diego (Case No. 37-
25 2023-00032308-CU-OE-CTL) and with the LWDA (LWDA Case No. LWDA-CM-
26 953561-23).

27 31. This PAGA action seeks PAGA penalties for the following claims via
28 the PAGA: (1) Failure to Pay State Minimum/Regular Wages via the PAGA only; (2)

1 Failure to Pay State Overtime Wages via the PAGA only; (3) Failure to Pay Wages
2 Timely via the PAGA only; (4) Meal and Rest Break violations via the PAGA only;
3 (5) Failure to Provide Accurate Wage Statements via the PAGA only; (6) Failure to
4 Maintain Records; (7) Failure to Reimburse Business Expenses in Violation of
5 California Labor Code § 2802 via the PAGA; and (8) Violations of Various
6 Miscellaneous Provisions of the Labor Code via the PAGA. (ROA #1.)

7 32. On September 26, 2023, the Defendant filed an answer. ROA No. 9.

8 33. On October 16, 2023, Plaintiff Gutierrez filed a demand for arbitration
9 with Judicial Arbitration and Mediation Services, Inc. (JAMS).

10 34. The arbitration demand alleged multiple individual claims under the
11 Labor Code and the Civil Code for violations of the Investigative Consumer
12 Reporting Agencies Act, Civ. Code § 1786, *et seq.*

13 35. On November 6, 2023, Defendant filed a motion to compel arbitration
14 (MTCA) and to stay the *Gutierrez* PAGA action pending arbitration. ROA Nos. 13-
15 18.

16 36. On November 15, 2023, the Court in the *Gutierrez* PAGA action set a
17 status conference for December 19, 2023 to meet with parties' counsel to ascertain the
18 parties' intent in relation to the arbitration agreement. ROA No. 19.

19 37. Defense counsel and I told the Court that we were in arbitration, and the
20 Court agreed to temporarily stay the case.

21 38. From October 16, 2023 to about August 15, 2024, my office spent an
22 incredible number of hours litigating Plaintiff Gutierrez's individual arbitration matter
23 with JAMS getting it ready for final hearing (trial in arbitration lingo).

24 39. Plaintiff Gutierrez's final arbitration hearing was initially set for August
25 14, 2024.

26 40. For months, my office was consumed with serving, obtaining, and
27 reviewing discovery, preparing trial briefs for the arbitrator, lining witnesses up,
28 preparing more than a dozen exhibit binders.

1 41. Defendant deposed Plaintiff Gutierrez in a proceeding that lasted the
2 entire day, exclusive of the additional time required for preparation.

3 42. On March 15, 2024, Plaintiff Campos filed an action in the Superior
4 Court of California for the County of Los Angeles (Case No.24LBCV00559; LWDA
5 Case No. LWDA-CM-1002939-24).

6 43. On April 14, 2024, my office, on behalf of Plaintiff Gutierrez, filed a
7 first amended PAGA complaint with the LWDA and after the 65-day waiting period
8 expired on June 21, 2024, Plaintiff Gutierrez via counsel filed a first amended
9 complaint.

10 44. On May 8, 2024, Plaintiff Gutierrez filed a motion to compel (MTC)
11 further responses to Special Interrogatories (Set One). ROA Nos. 41-44.

12 45. On June 21, 2024, after the 65-day statutory waiting period expired,
13 Plaintiff Gutierrez, via counsel, filed a first amended complaint (FAC) with the Court.
14 ROA No. 48.

15 46. On July 23 and July 24, 2024, Defendant filed a motion to strike (MTS)
16 and an amended MTS Plaintiffs' FAC. ROA Nos. 50-52.

17 47. On August 19, 2024, Defendant filed an opposition to Plaintiffs' MTC.
18 ROA No. 56.

19 48. On August 7, 2024, less than a week before Plaintiff Gutierrez's
20 arbitration hearing, Defendant's lead counsel, Brent Douglas, contacted the
21 undersigned requesting a continuance of the hearing due to his unexpected illness.

22 49. Plaintiff Gutierrez agreed to the continuance, subject to a number of
23 conditions.

24 50. As a result, Plaintiff Gutierrez's arbitration hearing was rescheduled to
25 September 11, 2024.

26 51. On August 29, 2024, the Court conditionally granted Plaintiffs' MTC in
27 the Gutierrez PAGA action, requiring Plaintiff Gutierrez to dismiss the Labor Code
28 claims asserted in private arbitration to align his position with that of the plaintiff in

1 *Balderas*. ROA Nos. 59, 62.

2 52. The Court also continued the hearing on Plaintiff Gutierrez's MTC to
3 October 25, 2024, to allow time for the dismissal.

4 53. On September 3, 2024, Plaintiff Gutierrez dismissed his Labor Code
5 claims from the private arbitration.

6 54. In September 2024, the Court in the *Campos* PAGA action set trial dates
7 in 2025.

8 55. On September 2024, the parties agreed to attend private mediation
9 subject to the sharing of a random sampling, relevant data, employer policy manuals,
10 and participating in a *Belaire West* notice process.

11 56. On November 14, 2024, the parties via counsel agreed to allow Plaintiff
12 Campos to be added as a named Plaintiff to the Gutierrez PAGA enforcement action.

13 57. The Parties have conducted a significant investigation of the facts and
14 law during the prosecution of this case and engaged in an informal discovery
15 exchange before mediation.

16 58. Part of our investigation includes this office's communications with
17 virtually hundreds of current and former employees whose names we obtained from
18 the Defendant via the *Belaire West* notice process.

19 59. Some of the people we interviewed became clients, and many of the
20 people we interviewed provided us the right to obtain their personnel files.

21 60. In addition to the substantial number of interviews this office conducted
22 with eye witnesses, Defendant provided us with a meaningful random sampling,
23 material information, such as the total number of current and former employees, total
24 number of pay periods, etc., and payroll documents pertaining to the Aggrieved
25 Employees.

26 61. My office spent a significant number of hours reviewing the foregoing
27 data and have investigated the law as applied to the discovered facts regarding the
28 Plaintiffs' alleged claims and potential defenses thereto, and the Plaintiffs' potential

1 damages and penalties they could recover.

2 62. On December 18, 2024, the Parties attended a full day mediation with
3 Tripper Ortman, Esq., a high-priced experienced wage-and hour mediator.

4 63. The case did not settle immediately.

5 64. Instead, the Parties continued to negotiate via the mediator for several
6 weeks during which time my office filed four new individual arbitrations with JAMS
7 for four new clients.

8 65. Weeks later, the mediator made a settlement proposal the parties
9 accepted.

10 66. On February 4, 2025, Plaintiffs via counsel filed a SAC with the Court,
11 which is the operative complaint, adding Plaintiff Campos as a plaintiff.

12 67. On April 29, 2025, Plaintiff Campos dismissed his case in the Superior
13 Court of California for the County of Los Angeles without prejudice.

14 68. From about January 1, 2025 to June 6, 2025, the Parties negotiated and
15 my office personally drafted the Settlement Agreement along with the settlement
16 agreements for five other former employees of the Defendant.

17 69. On June 27, 2025, I filed notice pursuant to the PAGA with the LWDA
18 of this request for court approval of the PAGA settlement, a copy of the screenshot
19 proving this fact is attached hereto as **Exhibit 2**.

20 **Reasons this Settlement is Fair and Reasonable.**

21 70. The Named Plaintiffs and my office concluded that settlement of this
22 Action, as set forth in the Settlement Agreement, is in the best interest of both the
23 Representative Plaintiffs and the Aggrieved Employees.

24 71. This conclusion was reached after careful consideration of the disputed
25 factual and legal issues, the risks and substantial expenses associated with continued
26 litigation, and the meaningful benefits to be provided under the proposed compromise
27 and resolution.

28 72. My office and the Named Plaintiffs fully understand the risks inherent in

1 continued litigation—most notably, the absence of evidence establishing
2 companywide violations, the relatively limited number of Aggrieved Employees
3 impacted by each alleged Labor Code violation, the existence of arbitration
4 agreements signed by every Aggrieved Employee, and the highly technical nature of
5 the claims we would be required to prove.

6 73. We are also mindful of the challenges presented by differing factual
7 scenarios and legal claims among the Aggrieved Employees, as well as the
8 anticipated assertion of affirmative defenses by Defendant that could significantly
9 impact the viability of the case.

10 74. In view of the substantial risk that Defendant could prevail on an
11 anticipated motion for summary judgment, at trial, or both, the recovery obtained
12 through this settlement—including the allocations to the LWDA and Aggrieved
13 Employees for the PAGA claims—is fair, reasonable, and in the public interest.

14 75. In evaluating whether the amount of civil penalties recovered is genuine and
15 meaningful, I considered the Court’s inherent authority to balance the penalties awarded
16 against the nature, extent, and provability of the Labor Code violations.

17 76. A major factor in my decision to discount the theoretical maximum penalties
18 was the strength of Defendant’s anticipated defenses, including its steadfast denial of any
19 wrongdoing, particularly on a companywide basis.

20 77. I anticipated that if the case did not resolve, Defendant would pursue multiple
21 dispositive motions contending that its written policies were lawful, that Plaintiffs’ claims
22 lacked merit, and that meal and rest period claims were not actionable due to its purportedly
23 compliant policies.

24 78. In assessing risk and return, however, I am aware of a number of courts that
25 have found that the “subsequent” penalty under PAGA applies only after a court or the
26 Labor Commissioner determines that the employer has violated the Labor Code. *See*
27 *Gunther v. Alaska Airlines, Inc.*, 72 Cal. App. 5th 334, 356 (2021) (“the increased \$200 civil
28 penalty for ‘subsequent violation[s]’ does not apply unless [Plaintiff] presents evidence that

1 the Labor Commission or a court notified [Defendant] that it was in violation of the Labor
2 Code.”); *Bernstein v. Virgin Am., Inc.*, 990 F.3d 1157, 1173 (9th Cir. 2021) (reversing
3 judgment as to “heightened civil penalties” because the defendant was not given notice by
4 the Labor Commissioner when the “subsequent” violations occurred. *See also Vieyara-*
5 *Flores v. Sika Corp.*, No. EDCV19606JVSKKX, 2019 WL 2436998, at *5 (C.D. Cal. June
6 10, 2019) (“employers are not subject to heightened penalties . . . until a court or
7 commissioner notifies the employer that it is in violation of the Labor Code . . . [Plaintiff]
8 has not offered evidence that the Labor Commission or a court has notified them of PAGA
9 violations [thus] PAGA’s heightened penalty of \$200 for subsequent violations will not be
10 calculated to determine the amount in controversy”); *Chen v. Morgan Stanley Smith Barney,*
11 *LLC*, No. 8:14-CV-01077 ODW (FFMx), 2014 WL 4961182 (C.D. Cal., October 2, 2014)
12 (“Under the Labor Code, if an employer does not have notice that they are committing a
13 violation, they are not subject to the heightened penalties.”); *Trang v. Turbine Engine*
14 *Components Technologies Corp.*, No. CV 12–07658 DDP (RZx), 2012 WL 6618854 (C.D.
15 Cal. Dec. 19, 2012) (“courts have held that employers are not subject to heightened penalties
16 for subsequent violations unless and until a court or commissioner notifies the employer that
17 it is in violation of the Labor Code”), citing *Amaral v. Cintas Corp. No. 2*, 163 Cal. App. 4th
18 1157 (2008).

19 79. My office dedicated substantial time to reviewing the random sampling of
20 records provided by Defendant.

21 80. My office spent substantial time reviewing the random sample provided
22 by Defendant, taking detailed notes, creating and using an Excel spreadsheet to
23 calculate damages, and distinguishing Plaintiffs’ strongest claims from their weakest.

24 81. Based on my review of the available evidence and applicable case law, I
25 estimated Defendant’s realistic maximum exposure to be approximately \$6.4 million.

26 82. This estimate is supported by a summary spreadsheet itemizing PAGA
27 penalties by claim, attached hereto as **Exhibit 3**.

28 83. Plaintiffs’ claim for minimum wage and regular rate violations is

1 predicated on allegations that Defendant maintained a general practice of encouraging
2 off-the-clock work.

3 84. Our investigation confirms that many of these claims could be difficult to
4 prove at trial because not only do Plaintiffs bear the burden of proof to overcome the
5 Defendants' written policies and procedures that undermine this claim, but even if
6 Plaintiffs could establish the existence of any violations, the population impacted
7 would be very limited, and would require individual analysis, a process that most
8 courts would not condone for this type of litigation.

9 85. As to Plaintiffs' unpaid or underpaid overtime claim, the evidence
10 demonstrates that the Defendant implements and enforces a lawful written policy
11 concerning overtime and that, as a practical matter, the Defendant generally complied
12 with overtime laws with the general exception of how they handled bonuses and
13 seven day workweeks, of which we estimate only 10% of the Aggrieved Employees
14 were negatively affected.

15 86. While the Plaintiffs bear the burden of proof to overcome the policies
16 and procedures that undermine this claim, even if Plaintiffs could establish any
17 violations, the population impacted was limited especially when not all employees
18 worked more than eight hours a day and would require individual analysis, a process
19 that most courts do not condone for this type of litigation.

20 87. As to Plaintiffs' meal and rest break claim, the evidence demonstrates
21 that the Defendant in failed to provide lawful uninterrupted meal breaks to its
22 employees about 10% of the time.

23 88. Concerning Plaintiffs' failure to maintain records claim, almost no
24 evidence supports this claim.

25 89. Indeed, the evidence the Defendant provided at mediation shows that the
26 Defendant always had a time record for Aggrieved Employees.

27 90. Accordingly, the above figures are based on a 10% violation rate found
28 in the records the Defendant provided before mediation; thus, all calculations above

1 are discounted by this number in percentage terms of the maximum.

2 91. As to Plaintiffs' wage statement claim, here we found that Defendants'
3 wage statements about 10% of the time were inaccurate in reporting hourly pay rates
4 and otherwise complying with Labor Code § 226.

5 92. In discounting the value of this claim, we knew that some courts may
6 hold that the Defendant did nothing illegal in reporting the wage rates in the manner
7 in which they did.

8 93. In assessing Plaintiffs' wage statement claim, Plaintiffs gave this claim a 10%
9 value; thus, all calculations above are discounted by this number in percentage terms
10 of the maximum.

11 94. As to Plaintiffs' unpaid reimbursement claim, the sampling the
12 Defendant provided and the written policies it employs demonstrates this claim would
13 also have many problems at trial.

14 95. This is because Defendant provided most of its employees with working
15 cell phones.

16 96. Accordingly, we assessed liability at 10% violation rate, which factors in
17 the personal use of cell phones and usage of personal vehicles for work purposes, a
18 trial court would require as an overall discount regardless; thus, all calculations above
19 are discounted by this number in percentage terms of the maximum.

20 97. In determining an appropriate reduction in PAGA penalties, I considered
21 established judicial factors, including whether the employees suffered actual harm from the
22 violations, whether Defendant had knowledge of the violations, and the extent to which
23 Defendant demonstrated a willingness to correct them. *See Carrington v. Starbucks Corp.*, 30
24 Cal. App. 5th 504, 528 (2018) (approving a PAGA award amounting to only 0.2% of the
25 statutory maximum); *see also Cotter v. Lyft, Inc.*, 193 F. Supp. 3d 1030, 1037 (N.D. Cal.
26 2016); *Fleming v. Covidien Inc.*, No. ED CV 10-01487 RGK (OPx), 2011 WL 7563047, at
27 *4 (C.D. Cal. Aug. 12, 2011).

28 98. For example, during the penalty phase of trial in *Carrington*, I am informed the

1 plaintiff requested PAGA penalties in the amount of approximately \$70 million. The trial
2 court instead awarded only \$150,000—**or 0.21% of the maximum**—and stated that this
3 reduction was warranted because imposing the maximum penalty would be “unjust,
4 arbitrary, and oppressive” based on Starbucks’s “good faith attempts” to comply with meal
5 period obligations and because the court found the violations were minimal. *Carrington*, 30
6 Cal. App. 5th at 517. The Court of Appeal affirmed the lower court’s reduced award of a
7 \$150,000 penalty under PAGA. *Id.* at 529.

8 99. Likewise, in *Covidien*, I am informed the Court reduced the potential penalties
9 by over 82%, awarding \$500,000 instead of maximum penalties of \$2.8 million. *Covidien*,
10 2011 WL 7563047 at *4; *see also Thurman v. Bayshore Transit Mgmt.*, 203 Cal. App. 4th
11 1112, 1135-36 (2012) (affirming 30% reduction under specified PAGA claim where the
12 employer produced evidence that it took its obligations seriously); *Elder v. Schwan Food*
13 *Co.*, No. B223911, 2011 WL 1797254, at *5-*7 (Cal. Ct. App. May 12, 2011) (reversing
14 trial court decision denying any civil penalties where violations had been proven, remanding
15 for the trial court to exercise discretion to reduce, but not wholly deny, civil penalties); *Li v.*
16 *A Perfect Day Franchise, Inc.*, No. 5:10-CV-01189-LHK, 2012 WL 2236752, at *17 (N.D.
17 Cal. June 15, 2012) (denying PAGA penalties for violation of California Labor Code section
18 226 as redundant with recovery on a class basis pursuant to California Labor Code section
19 226, directly); *Aguirre v. Genesis Logistics*, No. SACV 12-00687 JVS (ANx), 2013 WL
20 10936035 at *2-*3 (C.D. Cal. Dec. 30, 2013) (reducing penalty for past PAGA violations
21 from \$1.8 million to \$500,000, after rejecting numerous other PAGA claims).

22 100. Considering the issues, defenses, and the risks, a \$900,000 settlement for a
23 limited release of PAGA penalties—no individual wage and hour claims will be
24 extinguished by the Settlement—is a fair and just result and furthers PAGA’s objectives, and
25 is not “unjust, arbitrary, and oppressive” in my humble opinion.

26 101. The Defendant, via counsel, represent that approximately 1286
27 Aggrieved Employees worked a total of approximately 85233 pay periods during the
28 PAGA release period.

1 102. By this Agreement and based on the foregoing representations by the
2 Defendant, I estimate the average payout per employee will be about \$96 per
3 employee (\$123,690/1286), which sum may be more or less depending on how long
4 the Aggrieved Employee worked during the PAGA period—and the State will get
5 about \$371,070 (\$494,760*0.75).

6 103. Payments to Aggrieved Employee shall be characterized as penalties,
7 thus no deductions will be taken from their payments.

8 104. Based on the foregoing, I strongly believe the recovery obtained in this
9 case is not just fair and reasonable, but excellent and I recommend the Court approve
10 the Settlement.

11 **PAGA Counsel's Requested Fees and Costs.**

12 105. My current hourly rate is \$1,141 in employment class and representative
13 action litigation.

14 106. Attorneys' fees rates generally range from approximately \$750 per hour
15 at the low end of the scale to approximately \$1,500 per hour at the high end of the
16 scale for an attorney of my skill experience.

17 107. The regular hourly rate I have charged for my services in this litigation is
18 reasonable and justified based on my knowledge and years of experience.

19 108. I have attached detailed contemporaneous billing records for the time I
20 worked on this case as **Exhibit 4**, which details are incorporated by reference as
21 through set forth herein.

22 109. My fees are consistent with noted sources, such as the 2024-2025 Laffey
23 Matrix, a true and correct copy of which is attached hereto and marked as **Exhibit 5**.

24 110. My hourly rate under the lodestar method using the *Laffey* Matrix
25 demonstrates the reasonableness of the fee request.

26 111. The *Laffey* Matrix originated in *Laffey v. Northwest Airlines*, 572 F.
27 Supp. 354 (D.D.C. 1983), reversed, 746 F.2d 4 (D.C. Cir. 1984), overruled, *Save Our*
28 *Cumberland Mountains v. Hodel*, 857 F.2d 1516, 1525 (D.C. Cir. 1988) (*en banc*).

1 112. Counsel in the *Laffey* case compiled evidence from firms showing the
2 market rates in the District of Columbia for complex federal litigation to show the
3 court prevailing market rates.

4 113. That evidence was analyzed and a matrix of rates for attorneys at various
5 experience levels was created, later becoming known as the *Laffey* Matrix.

6 114. Attorneys in cases where they must establish the prevailing market rates
7 in their jurisdiction for fee award requests, including California, often cite to the
8 *Laffey* Matrix because the *Laffey* Matrix is a useful tool easily accessible to
9 practitioners and is widely regarded by many courts in the U.S. as a source for courts
10 to gauge the prevailing rates for attorneys in the local community.

11 www.en.wikipedia.org/wiki/Laffey_Matrix.

12 115. The *Laffey* Matrix is updated annually by an independent group to stay
13 consistent with inflation or recent trends in the market.

14 116. The current version of the *Laffey* Matrix is located at
15 www.laffeymatrix.com.

16 117. Many California courts consider the *Laffey* Matrix “a widely recognized
17 compilation of attorney and paralegal rates based on various levels of experience.”
18 *Theme Promotions v News American Marketing FSI*, 731 F. Supp. 2d 937, 948 (N.D.
19 Cal. 2010) (using the *Laffey* Matrix to determine reasonable attorneys' fees rates);
20 *Ramirez v. Escondido Unified School District*, 2014 WL 12675859, at *2 (S.D. Cal.,
21 Apr. 17, 2014, No. 11CV1823 DMS (BGS)) (“When used in a given case, the *Laffey*
22 Matrix is adjusted to the federal locality pay differentials for the relevant community
23 for the relevant year.”).

24 118. While a trial court is not “required to follow the *Laffey* Matrix” in setting
25 reasonable hourly rates, neither is it an abuse of discretion to do so. *Syers Properties*
26 *III, Inc. v. Rankin*, 226 Cal. App. 4th 691, 702 (2014); *see also Nemecek & Cole v.*
27 *Horn*, 208 Cal. App. 4th 641, 650-651 (2012).

28 119. Some California courts have adjusted the *Laffey* Matrix upwards based

1 upon the higher costs of living in California. *In Re HPL Technologies, Inc. Securities*
2 *Litigation*, 366 F. Supp. 2d 912, 921 (N. Dist. Cal. 2005); *see also Garnes v.*
3 *Barnhardt*, 2006 U.S. Dist. LEXIS 5938 (N. Dist. Cal. 2006).

4 120. According to the *Laffey* Matrix, the prevailing market rate for an attorney
5 with almost 30-years of experience, such as Mr. Rutledge, is \$1,141 per hour.

6 121. My fees are also supported by precedent. See *Margolin v. Regional*
7 *Planning Comm'n*, 134 Cal. App. 3d 999, 1005 (1982) (previous rates awarded by courts to
8 the attorneys in question are the best evidence of their reasonable rates).

9 122. In San Diego County alone, no fewer than four different courts have
10 awarded my office fees commensurate with the fees requested here adjusted by
11 inflation, including this Honorable Court. *See e.g., Olshansky, et al. v. ATC*
12 *Healthcare Services, LLC*, et al. S.D.S.C. Case No. 37-2018-00065377-CU-OE-CTL
13 (Hon. Gregory W. Pollack) (awarding 1/3 of the settlement=\$914 per hour);
14 *Babouchian, et al. v. Wyndham Vacation Ownership, et al.* SDSC Case Number: 37-
15 2018-00014601-CU-OE-CTL (Hon. Richard Strauss); *Hopper, et al. v. Kimball Tirey*
16 *& St. John, et al.* Case No.: 37-2019-00010409-CU-OE-CTL (Hon. Kenneth J.
17 Medel); *Babouchian, et al. v. Soleil Communications Inc., et al.* San Diego Superior
18 Court Case Number: 37-2017-00044756-CU-OE-CTL (Hon. Richard S. Whitney);
19 *Flores, et al. v. Evolution Hospitality, LLC, et al.* San Diego County Court Case No.:
20 37-2022-00052523-CU-OE-CTL (PAGA Case) (Hon. Richard S. Whitney awarding
21 40% of gross settlement amount for fees).

22 **Summary of Lodestar.**

23 123. The nature of work performed by me and my office is documented in this
24 declaration.

25 124. The time records reflect billing practices on a minimum of one tenth of
26 the hour.
27
28

125. This time is summarized as follows:

Name of Attorney	YEAR OF BAR ADMISSION	RATE	HOURS	LODESTAR
Thomas D. Rutledge	1995	\$1,141	354.65	\$404,656

126. Throughout the case, I made substantial efforts to allocate work efficiently and to avoid unnecessary duplication of work where possible.

127. My lodestar also excludes the time spent by my paralegals and other staff members whose support was instrumental in helping me bring this case to a reasonable conclusion.

128. My co-counsel and I have incurred the following expenses in connection with this litigation:

Expenses	
One Legal	\$221
Service Fees	\$195
Electronic Storage Fees	\$154
Filing Fee to be Paid to the Court for Fee Waiver	\$435
LWDA Filing Fee	\$75
Lexis	\$3,112
Mediator's Fee	\$12,000
Estimated Copy Costs	\$200
Estimated Cert Mail & Postage	\$200
Co-Counsel Costs	\$3,123
Total	\$19,640.00

129. Postage is “estimated” because this office still uses old-school methods such as a scale and stamps when sending mail.

130. True and correct copies of most of the invoices/receipts for these expenses are attached hereto and marked as **Exhibit 6**.

131. The expenses incurred are ordinary and necessary and the Settlement Agreement provides that we may recover actual costs.

Enhancement Award to the Named Plaintiffs.

132. I personally observed the amount of time and work my client, Plaintiff

1 Gutierrez, put into this case.

2 133. Plaintiffs diligently performed their duties to the Aggrieved Employees,
3 provided detailed information that enabled me and my co-counsel to competently
4 prosecute this case, assumed the risk of personal liability for costs incurred in the
5 event of an unsuccessful outcome.

6 134. The named Plaintiffs also accepted— and continue to bear— the
7 potential stigma and reputational harm associated with suing a former employer.

8 135. Plaintiff Gutierrez had his deposition taken, and was with me during his
9 deposition preparation.

10 136. Plaintiffs remained available by phone throughout the full-day
11 mediation.

12 137. I estimate that they collectively devoted no less than approximately 50
13 hours total assisting me and my co-counsel in the prosecution of this action.

14 **Conclusion.**

15 138. For all the foregoing reasons, the Parties very respectfully request this
16 Court to judicially approve the PAGA penalty amounts pursuant to Labor Code §§
17 2699, *et seq.* and sign the [Proposed] Order filed herewith.

18 Except as to those matters made upon information and belief, I declare under
19 penalty of perjury under the laws of the State of California that the foregoing is true
20 and correct.

21 Executed this day of June 27, 2025, in San Diego, California

22
23 /s/Thomas D. Rutledge

24 Declarant
25
26
27
28

Exhibit 1

Exhibit 2

Exhibit 3

Exhibit 4

Exhibit 5

Exhibit 6